

The Macquarie Forestry Investment 2011

The Macquarie Forestry Investment 2011 provides you with a unique opportunity for long term growth and portfolio diversification in a potentially tax efficient manner. Through the Macquarie Forestry Investment 2011 you can access Australian plantation forestry with the opportunity to invest in the growing of trees (through the Tree Project), as well as the unique opportunity to invest in the underlying forestry land (through the Land Trust).

You also gain the peace of mind, stability and expertise that comes from having your investment managed by one of Australia's leading agribusiness providers – Macquarie Agricultural Funds Management (MAFM).

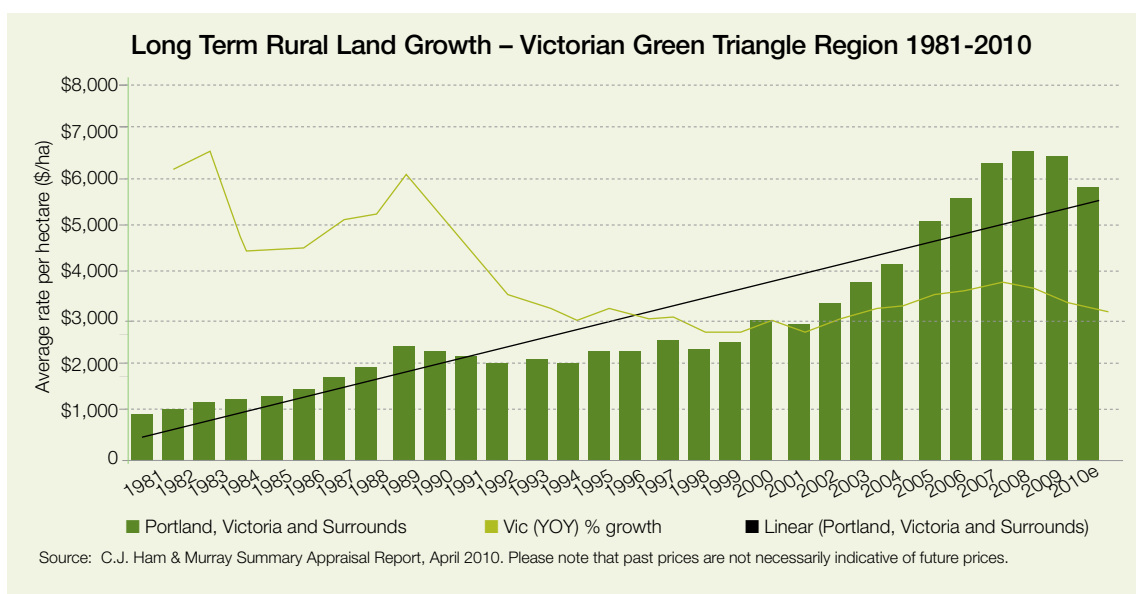
Key investment benefits

- **Investment and asset manager you can trust** – the MAFM team combines significant global farming expertise with the diligence, commitment and rigour of a leading global financial institution
- **ATO Product Ruling 2011/2 received for the Tree Project¹** – a potential tax deduction for 100 per cent of the Application Fee for eligible investors
- **Diversification** – due to a historically low or negative correlation to traditional asset classes, agricultural investments provide you with a unique diversification strategy
- **Investor protection features** – security over separate deposit accounts, held with Macquarie Bank Ltd. for the benefit of investors
- **100 per cent finance available** – you have the option to borrow up to 100 per cent of the application amounts, subject to approval
- **Experience** – Macquarie has operated forestry investments for retail investors since 2003, and has established and managed more than 20,000 hectares of forestry plantations during that time.

Managing investment risk

The Macquarie Forestry Investment 2011 gives you the ability to invest not only in the trees but also the land on which they grow. This helps to reduce your investment risk and maximise your returns.

ATO Product Ruling 2011/2 received for the Tree Project¹



Payable	The Tree Project	The Land Trust
Minimum investment	\$9,400 plus GST for one hectare of trees You may then invest in increments of ¼ hectares	\$1,900 for Units providing interest in one hectare of land You may then invest in increments of ¼ hectares
Investment term	Approximately 11½ year term	Approximately 11½ year term
Potential returns	Returns derived from the sale of: <ul style="list-style-type: none"> – Woodchips produced at harvest – Harvest residue (or biomass) such as leaves, tops, limbs and undersized trees 	Annual rental income (after deducting amounts required to meet Land Trust's obligations) and capital growth returns derived following the sale of land at maturity
Fees and expenses	No ongoing payments (unless you elect to insure your trees)	No ongoing fees payable
Tax treatment	Potential tax deduction for 100% of the Application Fee for eligible investors ¹ Please refer to Product Ruling 2011/2 and Section 8 'Tax Treatment' of the Product Disclosure Statement (PDS) for more information	Investors will be required to include in their assessable income their share of the Land Trust's net income each income year (taking into account any annual lease rentals received by the Land Trust) ² Any net gain from the sale of the Land should be a capital gain for the Land Trust. Investors who are individuals or trusts may be entitled to discount capital gains treatment on any discount capital gains of the Land Trust ³ Please refer to Section 8 'Tax Treatment' of the PDS for more information

100 per cent finance available

Through Macquarie Bank Ltd., you have the option to borrow up to 100 per cent of the application amounts (subject to approval) for the Macquarie Forestry Investment 2011.⁴ Please note that interest rates in the table below are indicative.

Loan Term	Repayment Type	Indicative Interest Rate	Repayment	Establishment Fee
1 year	Principal only	0.00%	12 equal monthly instalments	1.00% of the loan amount
5 years	Principal and Interest	10.99%pa	Monthly instalments	Nil
7 years	Principal and Interest	12.99%pa	Monthly instalments	Nil

Investor protection features

The Macquarie Forestry Investment 2011 includes investor protection measures to manage some of your investment risk. The features include the following security deposit accounts, held with Macquarie Bank Ltd. for the benefit of investors⁵:

- 2011 Forestry Accounts to provide funds for Tree Project expenses⁶
- Land Rental Security Account to provide funds to pay annual rental payments in years two to Maturity.

Risks

As with any investment there are risks to be considered. As this is a long term agricultural investment, many variables may affect the performance of the investment. The range of risks include general investment risks, risks specific to the land and trees including agriculture and environmental risks as well as risks associated with the price of trees at maturity. Investors should read Section 6 'Investment Risks' of the PDS.

To learn more please contact your financial adviser.

1. The Product Ruling PR 2011/2 issued by the Australian Taxation Office (ATO) in relation to investments in the Macquarie Eucalypt Project 2011 (Tree Project) prior to 30 June 2011 is only a ruling on the application of taxation law and is in no way expressly or impliedly a guarantee or endorsement of the commercial viability, soundness or otherwise of the Tree Project as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Tree Project. The Product Ruling is only binding on the Commissioner of Taxation if the investments are implemented in the specific manner providing the Product Ruling. Investors should refer to the Product Ruling for more information and seek their own tax advice on the application of the Product Ruling to their own specific circumstances. A copy of the Product Ruling can be downloaded from the ATO website by going to law.ato.gov.au/ato/law/findrul.htm and typing in the Product Ruling Number 2011/2.
2. In return for the right to use the land, Macquarie Alternative Assets Management Limited (MAAML) will pay the Land Trust annual rental payments which may give rise to a receipt of taxable income for Land Trust investors. We recommend you seek advice from your taxation adviser.
3. Provided the conditions for discount capital gains treatment are satisfied. This will depend on each investor's specific circumstances.
4. Insurance is required if you take a loan out with Macquarie with a term of more than one year or if you wish to rely on that part of the Product Ruling 2011/2 in relation to the Tree Project that confirms you are carrying on a business of primary production.
5. Includes amount deposited into the accounts, together with any interest earned.
6. Estimated to meet tree planting and establishment expenses as well as annual forestry maintenance and management expenses, but not any amounts relating to rent or outgoings in respect of Land (other than council rates).

DISCLAIMER

This information has been prepared by Macquarie Alternative Assets Management Limited ABN 30 103 237 181, AFSL 225758, (MAAML) and Macquarie Financial Products Management Limited ABN 38 095 135 694 AFSL 237847 (MFPML) and is current as at 21 March 2011. An invitation to apply for interests in the Macquarie Eucalypt Project 2011 and units in the Macquarie Timber Land Trust 2011 (together the Macquarie Forestry Investment 2011) is made by MAAML and MFPML in the Product Disclosure Statement dated 21 March 2011 (PDS). The PDS is available on macquarie.com.au/agribusiness or by phoning 1800 617 900. In deciding whether to acquire or continue to hold an investment in the Macquarie Forestry Investment 2011, investors should obtain the PDS and consider its contents.

The loans are offered by Macquarie Bank Limited ABN 46 008 583 542 and are subject to approvals.

This information is general information and does not take account of any investors' objectives, financial situation or needs. Before acting on this general information, investors should therefore consider the appropriateness of the information having regard to their situation. We recommend investors obtain financial, legal and taxation advice before making any financial investment decision.

MAAML, MFPML and the Macquarie Group do not give, nor do they purport to give, any taxation advice. The taxation discussion in this document is based on laws, anticipated legislation and Commonwealth announcements at the time of writing. Those laws and the level of taxation may change. The application of taxation laws to each investor depends on that investor's individual circumstances. Accordingly, investors should seek independent professional advice on taxation implications before making any investment decisions.

MAAML, MFPML or their associates, officers or employees may have interests in the financial products referred to in this information by acting in various roles including as investment adviser, broker, or lender. MAAML, MFPML or their associates may receive fees, brokerage or commissions for acting in these capacities. In addition, MAAML, MFPML or their associates, officers or employees may buy or sell the financial products as principal or agent. Investors may contact MAAML or MFPML on 1800 617 900.

Investments in the Macquarie Forestry Investment 2011 are not deposits with, or other liabilities of, Macquarie Bank Limited ABN 46 008 583 542 or of any Macquarie Group company, and are subject to investment risk, including possible delays in repayment and loss of income or principal invested. None of Macquarie Bank Limited, MAAML, MFPML or other member companies of the Macquarie Group of companies guarantees any particular rate of return, the performance of, or the repayment of capital from the Macquarie Forestry Investment 2011.

Macquarie Group means Macquarie Group Limited ABN 94 122 169 279 and its related bodies corporate.