

The Macquarie Forestry investment 2010: a different investment landscape

It is the right time of year to consider investments which will introduce diversification benefits into your portfolio. Diversification is the key to wealth preservation, a primary concern for many investors in the new economic climate. Sow the seeds for investment growth with the Macquarie Forestry Investment 2010.

Key investment benefits

- **Investment and asset manager you can trust**
– The Macquarie Agricultural Funds Management ("MAFM") team combines significant global farming expertise with the diligence, commitment and rigour of a leading global financial institution.
- **ATO Product Ruling 2010/9 received¹** – a potential 100% tax deduction for your investment in the Tree Project.
- **Diversification** – due to a historically low or negative correlation to traditional asset classes, agricultural investments provide another portfolio diversification strategy.
- **Experience** – Macquarie has operated forestry investments for retail investors annually since 2003 and has established and managed more than 18,300 hectares of forestry plantations during that time.

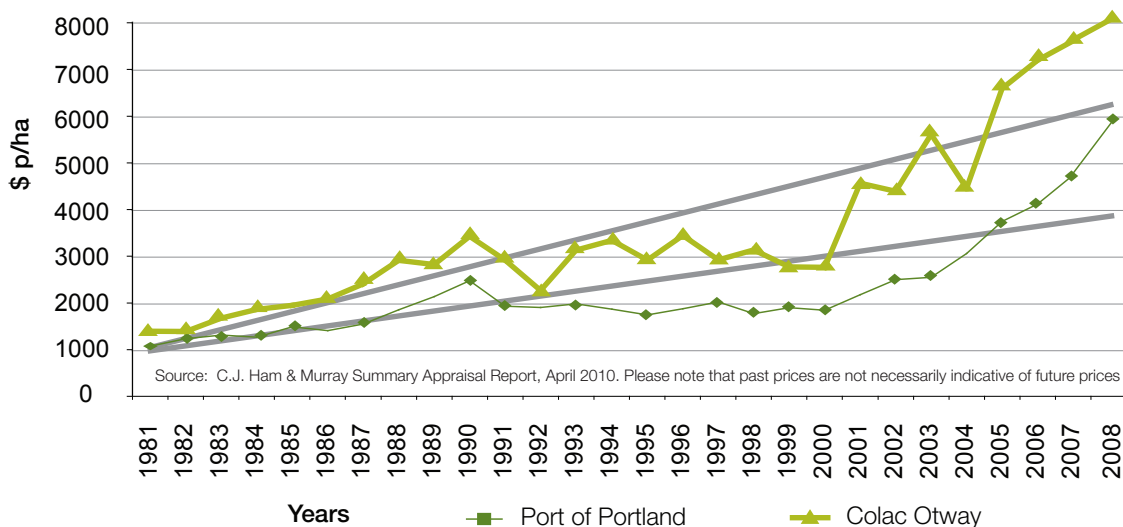
Independent research

The Macquarie Forestry Investment 2010 received an overall rating of 4.25 stars from AAG. This is the highest rating awarded by AAG for a forestry project in the market this year.

Managing investment risk

The Macquarie Forestry Investment 2010 gives you the ability to invest not only in the trees but also the land on which they grow. By allowing investment in the land, investment risk is reduced and investors can maximise their returns.

Summary of land sales in the Portland - Colac Otway Regions



ATO Product
Ruling 2010/9
received¹

The Macquarie Forestry Investment 2010

Investor protection features

The Macquarie Forestry Investment 2010 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 Investors*:

- For the Tree Project: 2010 Forestry Accounts to provide funds for Tree Project expenses**
- For the Land Trust: a Rental Security Account to provide funds to pay annual rental payments in years 2 to Maturity

Payable	The Tree Project	The Land Trust
Minimum investment	\$9,280 plus GST for one hectare of trees. You may then invest in increments of ¼ hectares	\$1,500 for Units providing interest in one hectare of land. You may then invest in increments of ¼ hectares
Investment term	Approximately 11 ½ year term	Approximately 11 ½ 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, treetops and limbs	Annual distributions from Land Trust rental income*** 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 of 100% of investment for eligible investors ¹	Any capital gains on the land may be taxed at concessional CGT rates ² Investors will be required to pay tax on the Land Trust income earned from any annual lease payments received ³

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. As well as general investment risks, risks specific to the land and trees include 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.

100% finance available

Through Macquarie Bank Ltd, investors have the option to borrow up to 100% of the application amounts (subject to approval) for the Macquarie Forestry Investment 2010⁴. Interest rates are indicative.

Loan Term	Repayment Type	Indicative Interest Rate	Repayment	Establishment Fee
1 year	Principal only	0%	12 equal monthly instalments	1.00% of the loan amount
5 years	Principal and Interest	10.40% p.a.	Monthly instalments	Nil
7 years	Principal and Interest	10.90% p.a.	Monthly instalments	Nil

For further information please go to macquarie.com.au/agribusiness

Applications close on 30 June 2010

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* Includes amount deposited into the accounts, together with any interest earned.

** 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).

*** After deducting any amounts required to meet the Land Trust's loan obligations

1. The Product Ruling PR 2010/9 issued by the Australian Taxation Office ("ATO") in relation to investments in the Macquarie Eucalypt Project 2010 ("Tree Project") prior to 30 June 2010 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 ATO does not sanction or guarantee the Tree Project. Any Product Ruling is only binding on the Commissioner of Taxation if the investments are implemented in the specific manner providing the Product Ruling. MAAML, MFPML and the Macquarie Group do not give nor do they purport to give any taxation advice. Any taxation discussion in this document is based on current laws, anticipated legislation and Commonwealth announcements at the time of writing. The application of taxation laws to each investor depends on that investor's individual circumstances. Accordingly investors should seek professional advice on taxation implications before making any investment decisions.

2. Provided the conditions for the CGT concession are satisfied. This will depend on each investor's specific circumstances. We recommend you seek advice from your taxation adviser as this does not constitute advice.

3. In return for the right to use the land, 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.

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 2010/9 in relation to the Tree Project that confirms you are carrying on a business of primary production.

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 10 May 2010. An invitation to apply for interests in the Macquarie Eucalypt Project 2010 and units in the Macquarie Timber Land Trust 2010 (together the Macquarie Forestry Investment 2010) is made by MAAML and MFPML in the Product Disclosure Statement dated 30 April 2010 (PDS). The PDS is available on www.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 2010, 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 investor's 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.

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Investments in the Macquarie Forestry Investment 2010 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 2010.

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