

MACQUARIE

Macquarie Agribusiness





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Agribusiness sector

- Recent events in the agribusiness MIS sector have raised some concern around the viability of agribusiness MIS going forward
- We believe Macquarie Agribusiness and the Macquarie projects are distinct from others in the sector and have a bright future
- Our aim is to provide you with the information to address any questions you/your clients may have



Why Macquarie Agribusiness is different

- **STABILITY**

- Macquarie is not just an Agribusiness MIS provider. Macquarie is a large diversified financial organisation that has been structuring and managing investments for nearly 30 years

- **What it means for you and your clients**

- As agribusiness is a long term investment the long term viability of the provider is key

- We provide stability which is not wholly or significantly dependant on continuing MIS sales



Why Macquarie Agribusiness is different?

- **EXPERTISE**

- The Macquarie Forestry and Macquarie Almond projects are developed using the same disciplines that we have developed in our other funds management businesses and are subject to the same rigorous due diligence and risk management processes

- **What it means for you and your clients**

- Projects are developed within a rigorous risk management framework and are subject to significant internal due diligence prior to a project being taken to market
- Our project assumptions are subject to the same due diligence and risk management framework
- We have the systems and processes to properly manage your clients investments. Operations are continually monitored for performance and risk management



Why Macquarie Agribusiness is different

- **COMMITMENT**

- Despite the current difficult market conditions, Macquarie has been acquiring agricultural assets and growing its business in the agricultural sector – testament to our belief in the fundamentals of the asset class

- **What it means for you and your clients**

- Macquarie's continued commitment to the sector provides comfort for existing investors and those considering an investment in the current year
 - Macquarie is continuing to build its expertise which will benefit all existing projects
 - Increased scale allows Macquarie to lower the cost of operations which benefits investors



Why Macquarie Agribusiness is different

- **DIVERSIFICATION**

- Of the \$243bn of FUM with the Macquarie Group approximately \$1bn is in agriculture and of that over \$200m in Agribusiness MIS

- **What it means for you and your clients**

- We are not reliant on MIS projects and we would be able to continue to operate profitably if MIS was no longer able to be sold in the market



Why Macquarie Agribusiness is different

- OUR MODEL

- We do not rely on continued MIS sales to fund our projects

- We do not depend on continued access to external debt to fund our projects

- What does it mean for you and your clients

- We can continue to undertake our obligations to our investors regardless of the future of MIS projects in Australia



Why Macquarie Agribusiness is different

■ INVESTMENT STRUCTURE

— We were the first provider to investors with the opportunity to invest in the land as well as the trees for the Macquarie Forestry Investment. Our structure is not dependent on a sale and leaseback arrangement.

■ What does it mean for you and your clients

— access to an additional potential source of return at maturity

— exposure to the relative stability of an investment in land



Why Macquarie Agribusiness is different

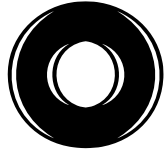
■ INVESTMENT PRODUCT

- We only provide investment opportunities in established agricultural commodities where the economic fundamentals pass our rigorous due diligence processes
 - For example we have researched a number of different timber and horticultural products but have only offered projects that pass our investment criteria (e.g. almonds and eucalyptus). Other projects did not pass our tests.
 - Offtake or supply arrangements are put in place for all of our investments before the project is started
- ## ■ What does it mean for you and your clients
- an investment in an established commodity where the economics are well understood
 - comfort that there is a buyer in place for the product at the inception of the project



Summary

- Strategic investment
- Offers currently open:
 - Macquarie Forestry Investment 2009
 - Macquarie Almond Investment 2009
- Commitment to agriculture



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Appendix





Commitment to Agriculture

- Macquarie's investment based approach has provided us with a sound agricultural business platform with the following exciting initiatives currently in place
 - The Macquarie Pastoral Fund has currently \$750m funds under management or committed
 - We are currently proposing to establish a retail fund in the German market for investment into Australia
 - We are exploring other areas of agricultural funds management both inside and outside Australia
 - We have been acquiring agricultural assets and increasing our investment into the asset class

Macquarie Pastoral Management Limited, ABN 26 122 169 368, AFSL 307086 ("MPML") is the offeror and responsible entity of the Macquarie Pastoral Fund ARSN 123 245 483 ("MPF"). Paraway Pastoral Company Limited ABN 14 122 572 641 is the operating entity of the MPF. An Information Memorandum is available from MPML. Anyone who wants to acquire interests in the MPF will need to complete an application form that is in or accompanies the Information Memorandum.



Macquarie Agricultural Funds Management

- Agriculture within Macquarie includes the following
 - Funds Management
 - 150 Staff working 3 million ha of land
 - \$1bn Funds under Management or committed
 - Funds managed for wholesale and retail clients.
 - Risk Management
 - 70 Staff
 - Covering South and North America, Asia and Europe
 - Financial Advisory
 - \$10bn of deals in Asia Pacific in the period since 2000



Macquarie Forestry Investment 2009

- Complete forestry investment that includes land
- Sale of timber locked in through a long term off take agreement
- Quality projects managed by a team of industry experts
- Product ruling 2009/14 received

The Product Ruling 2009/14 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 of the Macquarie Forestry Investment 2009 or the soundness or otherwise of the Macquarie Forestry Investment 2009 as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Macquarie Forestry Investment 2009. The Product Ruling is only binding on the Commissioner if the Macquarie Forestry Investment 2009 is implemented in the specific manner provided in the Product Ruling and the circumstances of investors are as described in the Product Ruling. You can view a copy of the Product Ruling by visiting the ATO website <http://law.ato.gov.au/atolaw/findrul.htm> and typing in the Product Ruling number 2009/14.



Macquarie Almond Investment 2009

- Invest in a partly established orchard – potential to receive income earlier
- Sale of almonds locked in through a long term supply agreement
- Quality projects managed by a team of industry experts
- Product ruling 2009/9 received

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