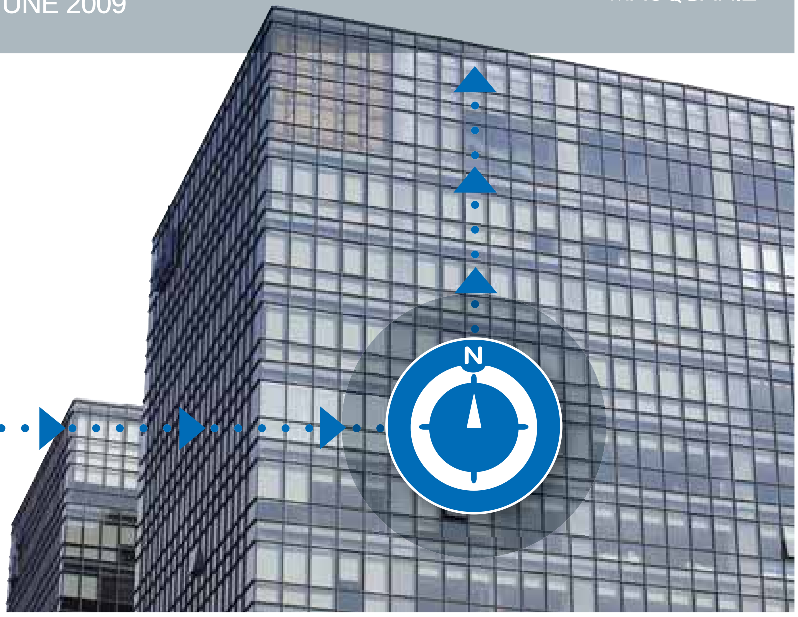
Macquarie's
Real Estate Funds
news
JUNE 2009

MACQUARIE



Active capital management

The global economy has remained unsettled over the past six months, with challenging capital market conditions continuing to affect all sectors, including the Australian Real Estate Investment Trust (REIT) sector.

We have been working hard to improve the unit prices of all the REITs which are being impacted by slower world economic growth and investor concerns about debt refinancing and gearing levels. Our aim is to reduce the gap between the unit prices and the value of the REITs' underlying net tangible assets.

We are beginning to see signs that investor confidence is slowly returning to the sector, with some recovery in unit prices from lows in March 2009. Our REIT portfolios have recognised quality income producing assets, with solid occupancy and attractive ongoing lease terms.

The REITs continue to focus on enhancing the performance of their underlying property portfolios and are working on a number of initiatives aimed at strengthening balance sheets and restoring investor confidence. These include:

- Macquarie Office implementing a range of capital management initiatives including a capital raising, cash flow retention strategies and $423 million worth of asset sales since December 2008. These initiatives have enabled significant debt repayment, a reduction in gearing and enhanced liquidity;
- Macquarie DDR completing eight asset sales this year and progressing a number of initiatives as part of the Strategic Review with the specific objective of enhancing the balance sheet of the Trust;
- Macquarie CountryWide selling $623 million of assets this financial year with the aim of reducing overall leverage and with a longer term strategy to reweight the portfolio towards the Australian and New Zealand markets;
- Macquarie Leisure finalising documentation to extend a $50 million debt facility to September 2010 and completing the sale and leaseback of two AMF centres with a further $18.2 million of asset sales under contract; and
- Macquarie Direct Property Fund redeeming its investment in the Goodman European Logistics Fund and the majority of its investment in Goodman Australia Industrial Fund, and completing $52.5 million of real estate asset sales since January 2009.

Since the downturn, we have improved the capital position of the REITs by:

- selling over $1.5 billion of real estate;
- repaying over $1.0 billion of debt; and
- refinancing over $2.5 billion of debt.

Looking ahead, we will continue to focus our efforts on providing unitholders with long-term returns. We are also committed to keeping you informed on the Trusts' activities and the state of the markets.

On that note, I would like to take this opportunity to invite you to attend our Investor Forum which will be held in Sydney, Brisbane and Melbourne - please see page 7 for further details.

This year's Investor Forum will include presentations from the CEOs of Macquarie DDR, Macquarie CountryWide and Macquarie Office who will provide you with an update on what we believe the future holds for the listed REITs.

We look forward to seeing you at the Investor Forum in June.

Simon Jones
Head of Real Estate Funds


Simon Jones

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Cheektowaga Properties, Buffalo, New York, US.

02 Macquarie DDR

Luke Petherbridge | Chief Executive Officer

Trust summary

	As at 31 March 2009
ASX code	MDT
Sector	US community shopping centres
Number of properties	75
Leased rate	82.4%
Weighted average term to lease expiry[1]	5.4 years
Unit price as at 01 June 2009	$0.145

[1] Core shopping centre portfolio.

Half year financial summary

	Half year ended 31 December 2008
Net property income	$90.7m
Core earnings	$41.8m
Core earnings per unit	4.46 cents
Total assets (look through)	$2,810.8m
Total borrowings (look through)	$1,685.3m
Trust gearing (debt to total assets)	60%
Interest cover ratio	2.4 times
Net tangible assets per unit[1]	$0.92

[1] Includes deferred tax liabilities.

Invest where you shop

www.macquarie.com.au/mdt

At 31 March 2009, the Trust's total portfolio consisted of 43 core shopping centres (13.2 million sqft) and 32 ex-Mervyns sites (2.4 million sqft) covering a combined 15.6 million sqft and combined had a leased rate of 82.4% (compared with 91.2% at 31 December 2008). During the quarter, both Mervyns and Circuit City vacated the portfolio representing 96% of the decline in the total portfolio leased rate.

Core shopping centre portfolio update

The Trust's core shopping centre portfolio, which excludes the ex-Mervyns properties, comprises 13.2 million sqft and was 90.7% leased at 31 March 2009, compared to 92.8% at 31 December 2008.

Leasing activity completed during the period covered 130,802 sqft, or 1.0% of the core shopping centre portfolio. The weighted average rental increase on new leases and renewals was 8.0% and the weighted average lease term remained relatively stable at 5.4 years. The Trust remains focused on working with tenants and leasing vacant space to national retailers who offer value products and convenience for their customers.

Ex-Mervyns portfolio update

Following the bankruptcy of Mervyns, we have continued to seek new tenants for the 32 sites but leasing conditions remain challenging.

The ex-Mervyns portfolio comprises 2.4 million sqft and was 6.2% leased as at 31 March 2009. Leasing transactions completed during the quarter included a new lease to national retailer Hobby Lobby for 76,006 sqft or 3.1% of the ex-Mervyns portfolio. The Trust continues to have discussions with various national retailers and others who may have an interest in leasing or potentially acquiring some of the remaining locations.

Capital management initiatives

Strengthening the balance sheet remains a key focus for management and during the past six months the Trust completed a number of asset sales, including the sale of five 'big box' assets formerly leased to Mervyns and the sale of a further three assets for a combined value of US$20.3 million (US$17.4 million Trust share) to three different private purchasers.

These three assets formed part of a portfolio of properties that secured a US$148 million (Trust share) debt facility that matured on 1 June 2009. Proceeds from the sales will be used to reduce the facility to US$130.6 million (Trust share).

Strategic review

The Trust continues to face significant challenges arising from dislocated real estate and finance markets which are having adverse implications on the Trust's refinancing and debt positions. The Trust is progressing various initiatives as part of the ongoing Strategic Review including marketing assets for sale, refinancing and renegotiating debt facilities and consideration of other capital management initiatives.

The Trust is in advanced negotiations for a six-month extension for the balance of its non-recourse debt facility that matured on 1 June 2009. This debt facility is secured by 15 assets which were valued at US$294.0 million as at December 2008. A further two assets within this portfolio are under contract for sale, and proceeds will be used to reduce the debt facility.

The Trust continues to work with Developers Diversified Realty Corporation (DDR) towards redeeming DDR's minority interest in the majority of the Trust's assets through an ownership reorganisation as announced on 19 March 2009. The redemption terms, to be agreed, will most likely involve the transfer of certain property and associated debt liabilities to DDR and may be subject to lender and/or unitholder approvals.

Distributions

In order to preserve operating capital, distributions to investors are currently on hold whilst the Strategic Review continues.

Outlook

Continued economic uncertainty in the US will impact the Trust's operational performance in the short to medium-term. The Trust remains committed to driving the underlying performance of its quality retail centres through maintaining occupancy levels whilst investigating strategic alternatives to reduce gearing, mitigate refinancing risk and enhance the balance sheet of the Trust.

03

Macquarie Office

Alllianz Centre, Sydney, New South Wales.

Portfolio delivers solid underlying performance

Macquarie Office has continued its focus on maximising property incomes and occupancy across the portfolio, with approximately 25,000 sqm of leases executed to 30 April 2009.

Notable transactions include the renewal of the anchor tenant at Pasadena for approximately 60,000 sqft at an increased rent and lease renewals over 57% of 1100 Hay Street, Perth. Additionally, at Stadium Gateway in the US, Konica Minolta signed a new lease for 23,224 sqft.

Despite difficult market conditions, the Trust's high quality portfolio has continued to deliver solid underlying performance during the quarter, with a stable rental income stream, strong occupancy levels of 91% and a healthy lease expiry profile of 4.8 years.

During the period, rent reviews were conducted over 210,316 sqm, delivering an average 4% increase over prior rents.

Our asset management team will continue to focus on retaining and attracting high quality customers to the portfolio in order to maximise property income and occupancy.

Delaware debt refinance

The Trust recently announced the successful completion of debt financing for US$59 million for 1 & 3 Christina Center in Delaware.

Over the past six months, the Trust has repaid $660 million of debt through a combination of capital management initiatives and asset sales. Importantly, following the expected refinance of the CMBS Series 1 program in September 2009 from the syndicate facility the Trust has only asset level debt maturing between now and the end of financial year 2011.

Asset disposals strengthen balance sheet

Asset sales remain part of an ongoing strategy to strengthen the Trust's balance sheet, reduce gearing and improve liquidity. Over the past six months, $423 million of asset sales have been completed - a considerable achievement given the difficult investment climate.

In April 2009, the Trust announced the sale of 45 Francis Street in Northbridge, WA for $95 million. The sale delivered a profit above historical cost of approximately $31.6 million and a 12.8% annualised return over the 15 years since acquisition. The property was sold at a $3 million discount to book value and is due to settle shortly.

The sale of the Northbridge property was the third significant sale transaction for the Trust this financial year, with the Trust also disposing of Wachovia Financial Center, Miami in December 2008 and Naylor House, Adelaide in February 2009. The combined sales are anticipated to reduce the Trust's balance sheet gearing[1] from 35.6% to 33.9%.

[1] Adjusted for the Wachovia Financial Center, Miami final receipt.

Outlook

Real estate markets remain challenging and in the current environment, tenant retention remains a key priority for the Trust. As anticipated there has been a noticeable improvement in tenants looking to remain in their premises, and refreshingly, over 20% of leasing activity has been to new or expanding customers this calendar year.

The Trust aims to continue to make selective asset sales across the portfolio, with the proceeds used to reduce debt and increase liquidity.

With high quality assets, a diversified rental income stream, strong occupancy levels and a healthy lease expiry profile, we believe the portfolio is relatively well positioned to perform through the current economic cycle.

Adrian Taylor | Chief Executive Officer

Trust summary

	As at 30 April 2009
ASX code	MOF
Sector	Office
Number of properties	40
Occupancy[1]	91%
Weighted average term to lease maturity	4.8 years
Unit price as at 01 June 2009	$0.21

[1] Includes leases under letter of intent.

Half year financial summary

	Half year ended 31 December 2008
Net property income	$194.4m
Core earnings	$90.9m
Core earnings per unit	4.45 cents
Total assets (balance sheet)[1]	$5,521m
Total liabilities (balance sheet)[1]	$2,631m
Trust gearing (balance sheet)[2]	35.6%
Interest cover ratio	2.2 times
Net tangible assets per unit[3]	$0.63

[1] Adjusted to reflect impact of equity raised in January 2009 (net of accrued costs) and syndicate debt facility repayment.

[2] Adjusted to reflect impact of equity raised in January 2009 (net of accrued costs) and syndicate debt facility repayment and adjusted for the Wachovia Financial Center, Miami final receipt.

[3] Includes deferred tax liabilities.

Invest where you work

www.macquarie.com.au/mof

WhiteWater World, Gold Coast, Queensland.

04 Macquarie Leisure

Greg Shaw | Chief Executive Officer

Group summary

	As at 31 March 2009
ASX code	MLE
Sector	Leisure
Number of properties	99
Security price as at 01 June 2009	$1.47

Half year financial summary

	Half year ended 31 December 2008
Core earnings	$28.2m
Core earnings per stapled security	12.04 cents
Total assets	$843.3m
Total borrowings	$285.8m
Gearing ratio (net debt to tangible assets)	38.9%
Net tangible assets per stapled security	$1.42
Retained distributable earnings[1]	$32.0m

[1] Retained distributable earnings are calculated after payment of distribution.

Invest where you play

www.macquarie.com.au/mle

Macquarie Leisure maintains solid results

The Group's strategy to focus on leisure attractions with low price points and mass market appeal has ensured that the business has delivered solid results despite tougher market conditions.

For the nine months to 31 March 2009, Macquarie Leisure achieved strong operating results across all divisions. Dreamworld and Main Event have experienced an improvement in earnings trends on those reported for the half year to 31 December 2008, while d'Albora, Bowling and Goodlife have maintained strong revenue and earnings growth.

Divisional highlights

Dreamworld continued to deliver solid results for the Group. With a 4.7% fall in revenues and a 4.8% decline in earnings for the nine months to 31 March 2009, the result is pleasing given that the March 2009 quarter excludes the Easter trading period which fell during March in 2008.

WhiteWater World total revenues declined by 3.4% compared to the prior corresponding period. This result has been delivered without the benefit of Easter trading and after significant wet weather in South East Queensland.

d'Albora Marinas achieved a 2.2% increase in total revenue over the prior corresponding period, and earnings increased 6.1%.

The Bowling business continued to exceed expectations with total revenues up 6.1% on the prior corresponding period and earnings growing by 22.4%. On a constant centre basis revenues increased 1.1% while earnings increased 5.5%. AMF has also secured a new flagship site at Rooty Hill RSL which is expected to open early 2010.

Main Event recorded a decline in total revenues of 5.6% on the prior corresponding period. The portfolio has been impacted by challenging US economic conditions, although has recorded some improvements since the half year results.

The Goodlife Health Clubs results reflect portfolio expansion initiatives. Total revenue increased to $51.83 million for the nine month period to 31 March 2009 against $20.88 million recorded in the prior corresponding period. Earnings before property costs equated to $18.91 million against $7.75 million recorded in the prior year from 25 September 2007 to 31 March 2008.

Capital management

Since mid-February, Macquarie Leisure has achieved significant progress on the capital management initiatives outlined at the time of announcing the Group's half year results.

Sale and leaseback transactions have been completed on two AMF centres, generating proceeds of $6.4 million which was in line with book value. A further $8.95 million of unconditional sale contracts and $9.2 million in conditional sale contracts have been finalised with settlements scheduled from May to August 2009. Advanced negotiations are also underway on the sale of additional properties with a value in excess of $15 million.

The Group has also extended to September 2010 $50 million of the $100 million debt facility which had been due to mature in September 2009. This will take the total Australian debt facilities to $250 million. Terms have also been agreed for a new US$10 million debt facility to support the Main Event business, with this expected to be finalised shortly. The Group remains on track to reduce Australian debt to below $230 million by September 2009.

Outlook

A strong operational performance has demonstrated the resilience of Macquarie Leisure's earnings as broader economic conditions have deteriorated. Emphasis is being placed upon aggressive marketing campaigns to ensure that new facilities maximise revenue and earnings contributions for the remainder of the year.

Continued innovation in operational procedures and a focus on creation of new revenue streams is expected to deliver strong operational efficiencies across all Group divisions.

05 Macquarie CountryWide

Orange Central, Orange, New South Wales.

$628 million of asset disposals completed this financial year

Macquarie CountryWide has continued to implement its strategy of reducing overall gearing and strengthening its balance sheet through the sale of assets.

A total of 16 Australian assets have been sold this financial year for a gross sale price of $238.4 million, representing a 12% premium over the original cost base and a 4% discount to the last reported book value.

The Trust also completed the sale of 19 properties as part of the US portfolio sale to Inland Real Estate Acquisitions for a total of US$264.1 million (A$380.8 million) and a single asset sale in the US for US$5.9 million (A$8.5 million).

Successful completion of these asset disposals demonstrates the strong underlying value of the portfolio.

The Trust will continue to selectively sell assets with the dual aim of reducing its offshore market exposure and headline gearing levels - allowing the Trust to reweight the portfolio towards the Australian and New Zealand markets.

Global portfolio performance remains resilient

Macquarie CountryWide's portfolio of properties has demonstrated resilient underlying performance despite slowing retail conditions. As at 31 March 2009 global portfolio occupancy is 95.7%, down from 96.3% at 31 December 2008.

During the quarter to 31 March 2009, more than 150 leasing transactions (both new leases and renewals) were undertaken, achieving average rental growth of 1.9%.

The Australian and New Zealand portfolios, which have a higher proportion of base rent secured by supermarket anchor retailers, continued to perform strongly, achieving same property net operating income growth (NOI) of 3.1% for the nine months to 31 March 2009.

Despite challenging US market conditions same store property NOI growth in the US portfolio remained positive at 0.7% and rental growth remained positive at 1.5%.

	Occupancy %	Same store NOI%	Rental growth%[1]
Aus/NZ	98.9	3.1	1.2
US	94.3	0.7	1.5
Europe	99.4	2.3	20.3
Total	95.7	1.4	1.9

[1] On comparable specialty units.

The solid underlying income performance of the portfolio is testament to the Trust's strategy of investing in quality grocery anchored real estate in above average demographic locations. The predominantly non-discretionary nature of the retail offering in the portfolio has provided some insulation from material income and valuation declines despite softening economic conditions.

Distributions

Given deteriorating capital and debt market conditions, together with the outlook for general consumer confidence and how that is expected to translate into the retail sector, the Trust has revised its distribution guidance in order to preserve capital on the balance sheet. The $68 million cash retained as a result of these measures will be used to retire debt and assist with future refinancing transactions.

A distribution of four cents per unit was delivered for the half year ended 31 December 2008. On a static portfolio basis and barring any unforeseen events we expect to distribute a total of eight cents per unit for the financial year ending 30 June 2009.

Outlook

We expect the global operating environment to remain challenging in 2009. Management's core focus is on reweighting the Trust's portfolio to Australia and New Zealand, sustaining the performance of the portfolio and strengthening the Trust's balance sheet.

Steven Sewell | Chief Executive Officer

Trust summary

	As at 31 March 2009
ASX code	MCW
Sector	Retail
Number of properties	239
Occupancy	95.7%
Same store net operating income growth	1.4%
Unit price as at 01 June 2009	$0.465

Half year summary

	Half year ended 31 December 2008
Core earnings	$90.7m
Core earnings per unit	6.59 cpu
Total assets (look through)	$5,647.4m
Total debt (look through)	$3,321.3m
Trust gearing (debt to total assets)	58.8%
Interest cover ratio	2.3 times
Net tangible assets per unit	$1.48

Invest where you shop

www.macquarie.com.au/mcw

No. 1 Martin Place, Sydney, New South Wales.

06 Macquarie Direct Property

Richard Stacker | Chief Executive Officer

MDPF[1]

	As at 31 March 2009
Number of properties	15
Assets under management	$925m
Occupancy	90%
Unit price	$0.90

MMPT

	As at 31 December 2008
Valuation of No.1 Martin Place (100%)	$485m
Net tangible assets per unit	$1.08

MPIF

	As at 31 March 2009
Assets under management	$10m
Unit price	$0.077

[1] MDPF applications and withdrawals are currently on hold.

Find out more

For more information about any of the Macquarie Direct Property funds, speak to your adviser or call us on 1300 652 790

visit our website:
www.macquarie.com.au/directproperty

or email us at:
macquariedirectproperty@macquarie.com

Macquarie Direct Property Fund

MDPF continues to take the necessary steps to position the Fund's assets and financing for ongoing challenging market conditions.

Update on capital management initiatives

With a conservative focus on reducing debt levels to achieve a target medium term gearing level of 45%, a proactive approach is being taken in relation to asset sales. The current economic climate has meant it has been difficult to sell direct or indirect property, as potential investors await evidence of valuations or anticipate further falls. Since October 2008:

- MDPF has redeemed its investment in the Goodman European Logistics Fund;
- The redemption and sale of the majority of MDPF's investment in Goodman Australia Industrial Fund;
- 461 Bourke Street in Melbourne has been sold for $34 million and 81 St Georges Terrace in Perth has been sold for $18.5 million (MDPF's 50% share);
- 303 Collins Street in Melbourne is under contract for sale;
- 165 Walker Street in North Sydney has an option to purchase granted to a potential purchaser until August 2009; and
- 72 Anson Road in Singapore is under contract for sale.

At 456 Lonsdale Street in Melbourne the contract for sale was cancelled by mutual agreement of the parties. The property continues to be marketed to other interested parties. The remainder of the portfolio continues to be actively managed, with ongoing leasing campaigns to attract and retain tenants. The overall portfolio was 90% occupied with a 4.6 year weighted average lease expiry as at 31 March 2009.

Fund continues to be on hold

MDPF continues to be constrained in providing liquidity due to financial market volatility, the need to reduce gearing, refinancing risks and the current state of property markets. The intention is to work towards providing limited liquidity for investors when these conditions stabilise. However, this is not expected to occur before 2010.

Macquarie Martin Place Trust

In 2002, MMPT offered investors the opportunity to share a 50% interest in the office tower and car park at Sydney's No.1 Martin Place (the Property), an iconic building located in the heart of Sydney. Since its inception, MMPT has delivered regular tax effective income to investors, derived from high profile tenants Macquarie Group Limited and the Australian Securities and Investments Commission.

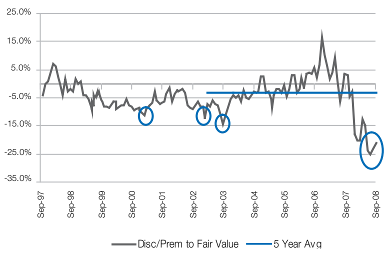
Marketing of No.1 Martin Place for sale

As detailed to unitholders previously, the Trust's 50% interest in the Property is currently being marketed for sale to local and international parties. The results of this campaign and firm offers from qualified parties will be advised to unitholders at the completion of the sales campaign. In the event no such offers are received, the Trust will look to refinance current debt and continue for a further period of time.

The Property currently remains 100% occupied with net property income in line with lease terms in place and the annual budget set.

Macquarie Property Income Fund

MPIF is an unlisted, open ended trust that combines investor's equity with borrowing to invest in listed Australian real estate investment trusts (A-REITs). Market volatility in the listed A-REIT sector has negatively impacted MPIF's performance over the past 18 months and the fund's own gearing has magnified negative returns. Many market commentators continue to believe that the listed A-REIT sector is undervalued. For example, as at 31 March 2009, UBS believed it was undervalued by approximately -17.3% as can be seen in the below chart.



If the listed A-REIT sector outperforms, then MPIF should magnify any upswing due to its gearing.

07

What's next for real estate?

2009 Investor Forum

Brisbane
24 June 2009
12:30pm - 2:00pm
Sofitel Brisbane Central
249 Turbot St, Brisbane

Melbourne
25 June 2009
12:30pm - 2:00pm
Sofitel Melbourne on Collins
25 Collins St, Melbourne

Sydney
26 June 2009
12:30pm - 2:00pm
The Westin Sydney
No. 1 Martin Pl, Sydney

Join us at the 2009 Investor Forum to hear about the activities and strategies for the Macquarie-managed listed Real Estate Investment Trusts (REITs). You will be provided with a valuable update on how the listed REITs are navigating the current economic landscape and insight into the important issues impacting the real estate sector.

Keynote speakers include:

- Simon Jones, Head of Real Estate Funds, Macquarie Capital Funds
- Rod Cornish, Head of Real Estate Research, Macquarie Capital Advisers
- Adrian Taylor, CEO, Macquarie Office Trust
- Steven Sewell, CEO, Macquarie CountryWide Trust
- Luke Petherbridge, CEO, Macquarie DDR Trust

Submit a topic for discussion

If you have a topic you would like us to address at the forum please provide details when you register.

The CEOs will be available for one-on-one questions at the conclusion of the forum.

How to book your seat

You can book your place online at www.macquarie.com.au/investorforum,
email your details to reits@macquarie.com or telephone 1800 181 879.

As numbers are limited; please RSVP by Friday, 19 June 2009.
A light lunch will be provided at the conclusion of the forum.

If you are unable to attend
A webcast will be available from Monday, 29 June at www.macquarie.com.au/investorforum

Contact details

To find out more about Macquarie-managed REITs, please talk to your adviser or contact us:

Email reits@macquarie.com

Web www.macquarie.com.au/reits

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Fax	02 8232 4713 (within Australia)	
	+612 8232 4713 (outside Australia)	

Compulsory direct credit for listed REITs

After 31 December 2009, the listed REITs will no longer pay distributions by cheque unless overseas unitholders do not have an Australian or New Zealand bank account. Benefits of direct credit include:

- no delay in waiting for your cheque in the mail as distributions are paid directly into your nominated Australian or New Zealand bank account; and
- direct credit is a more secure and a safer method of receiving distribution payments.

If you currently receive your distributions via cheque, you will receive a direct credit form with your next distribution. Alternatively, you may update your details on the Registrar's website www.linkmarketservices.com.au

If you have any queries regarding your listed REIT holding, please contact Link Market Services Limited on 1300 303 063 or macquarie@linkmarketservices.com.au