

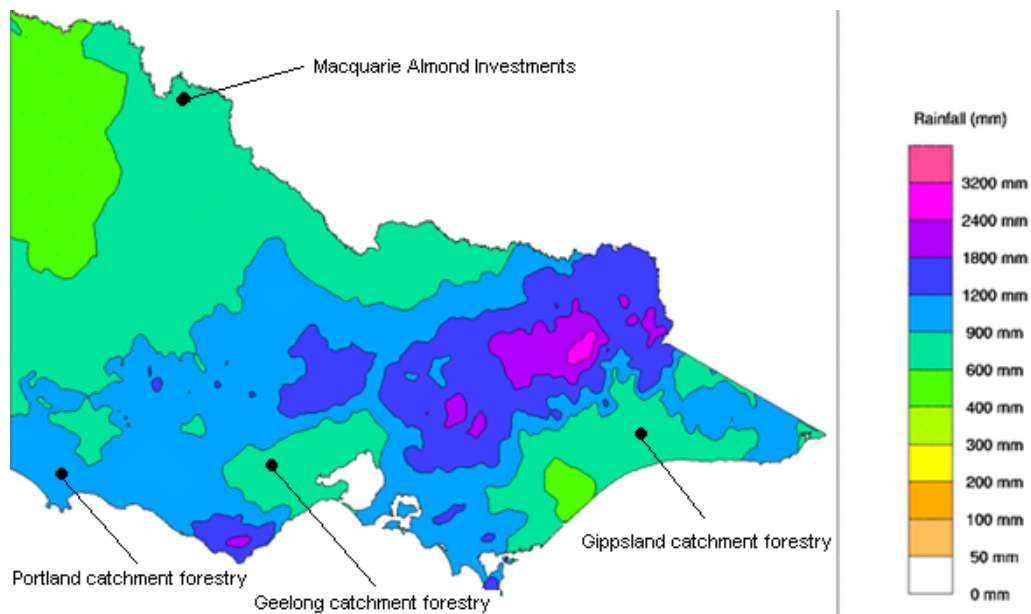


## Flood and rainfall update February 2011

Tropical Cyclone Anthony and Tropical Cyclone Yasi have caused intense rainfall across northern and eastern Victoria recently. Mid January rainfall was the most severe with deposits of between 150mm and 350mm in 72 hours across the Riverland and Sunraysia regions.

### Victorian annual rainfall totals (mm)

January 2011

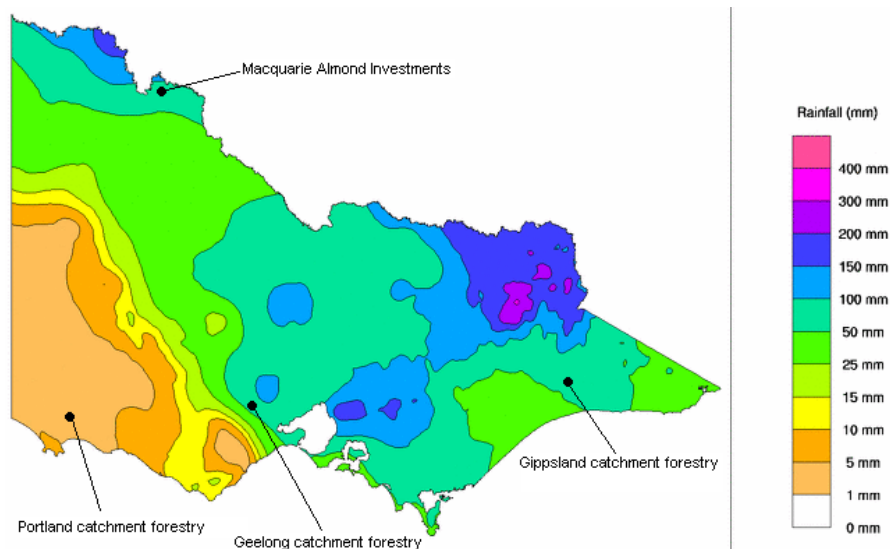


Source: National Climate Centre, Australian Bureau of Meteorology, Macquarie.

The Macquarie Almond Orchard (Robinvale, Victoria) recorded a 260mm rainfall event in January (equivalent to one year's average rainfall in just three days) and a 53mm event between Friday 4 and Saturday 5 February 2011 (double the long term average for the month).

## Weekly rainfall totals for Victoria (mm)

Week ending 7 February 2011



Source: National Climate Centre, Australian Bureau of Meteorology, Macquarie.

### Macquarie Almond Investment impact

As a result of the rainfall, the Macquarie Almond Orchard projects (Robinvale, Victoria) have been affected by pockets of water pooling in lower lying terrain.

Orchard management currently have 14 pumps in operation to ensure excess water is pumped out from these areas. We anticipate only minor tree loss from rotting of the tree root, and we continue to monitor the tree impact closely with our tree scientist's on-hand to ensure all potential risks are removed or managed appropriately.

While the additional moisture may slightly delay the almond maturing process, it does not pose a threat to the existing crop health. The crop is still expected to be merchantable at time of harvest (March 2011).

### Macquarie Almond Orchard Insurance

Insurance in place over the Macquarie Almond Orchard covers the replacement cost of trees in the event of fire or crop damage from frost or hail. Insurance does not cover the replanting of flood affected trees or replacement of income due to crop damage or degradation.

If Macquarie Alternative Assets Management Ltd (MAAML), as Manager of the Orchard, consider it is necessary to replant any trees, we will notify investors accordingly.

### Macquarie Forestry Investment impact

Plantation inspections in the Portland, Geelong and Gippsland catchments are complete and we are pleased to report there has been no adverse impact to the Macquarie Forestry Investments.

There are minor land management issues resulting from damaged fences and erosion of tracks, however these issues will be rectified over the coming months.

The Macquarie Forestry Investment identifies land capable of receiving in excess of 650mm annual rainfall. The soil profile of plantation estates is very wet with no limitations to tree growth and most estates are looking very healthy with much new growth.

### **More information**

Our thoughts are with those families affected by the flooding across Australia. Support for victims continues to be extended through donations and fund raising from staff and the Macquarie Group Foundation.

We will continue to provide you with information of the impact (if any) of these irregular rainfall events on your clients Macquarie Almond or Forestry Investment.

For more information on the impacts of the recent high rainfall event on your clients' Macquarie Forestry or Almond Investment, please contact your local Business Development Manager, or Macquarie Agricultural Funds Management on 1800 080 033 or email [agribusiness@macquarie.com.au](mailto:agribusiness@macquarie.com.au).