

5 March 2007

The Manager
Company Notices Section
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

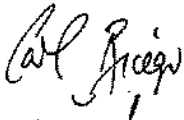
**MACQUARIE GOODMAN GROUP – APPENDIX 3B / PROSPECTUS & PDS -
OFFER OF ESAP SECURITIES**

Attached is an Appendix 3B and PDS & Prospectus dated 5 March 2007 in relation to the offer of 16,863,000 Securities to employees in Australia under the Employee Securities Acquisition Plan approved by MGM shareholders on 25 January 2005. The offer includes an offer of 2,000,000 Securities to Mr Gregory Goodman, conditional on Securityholder approval at the next available meeting of Securityholders.

An offer of 27,097,500 options over Securities is being made on similar commercial terms to overseas employees as separately announced.

Please contact the undersigned in relation to any queries.

Yours faithfully



Carl Bicego
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Macquarie Goodman Group

ACN

Macquarie Goodman Management Limited ACN 000 123 071
Macquarie Goodman Industrial Trust ARSN 091 213 839

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary stapled securities |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to 16,863,000 of which 2,000,000 is conditional on Securityholder approval |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary stapled securities offered under the Employee Security Acquisition Plan. The ESAP securities are in three equal tranches and are restricted subject to the satisfaction of an average 12% per annum Return on Equity test over approximately 3,4 or 5 years as well as continued employment. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The securities will rank equally with the existing ordinary securities of Macquarie Goodman Group (MGQ).				
5 Issue price or consideration	\$7.23 per stapled security				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	16,863,000 ordinary MGQ stapled securities to be issued under the Employee Securities Acquisition Plan approved on 25 January 2005 for the purpose of employee remuneration.				
7 Dates of entering +securities into uncertificated holdings or despatch of certificates	Expected to be on or about 6 April 2007				
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th><th>+Class</th></tr> </thead> <tbody> <tr> <td>Up to 1,687,323,867 (including 2,000,000 stapled securities subject to securityholder approval)</td><td>Ordinary Stapled Securities</td></tr> </tbody> </table>	Number	+Class	Up to 1,687,323,867 (including 2,000,000 stapled securities subject to securityholder approval)	Ordinary Stapled Securities
Number	+Class				
Up to 1,687,323,867 (including 2,000,000 stapled securities subject to securityholder approval)	Ordinary Stapled Securities				
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th>Number</th><th>+Class</th></tr> </thead> <tbody> <tr> <td>35,276,114 (excluding 27,097,500 offered today and subject to acceptance)</td><td>Options</td></tr> </tbody> </table>	Number	+Class	35,276,114 (excluding 27,097,500 offered today and subject to acceptance)	Options
Number	+Class				
35,276,114 (excluding 27,097,500 offered today and subject to acceptance)	Options				
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Refer to section 4 above				

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Not applicable
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	Not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1

+ See chapter 19 for defined terms.

- (b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the *securities are *equity securities, the names of the 20-largest holders of the additional *securities, and the number and percentage of additional *securities held by those holders
- 36 ☐ If the *securities are *equity securities, a distribution schedule of the additional *securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 ☐ A copy of any trust deed for the additional *securities

Entities that have ticked box 34(b)

- 38 Number of securities for which *quotation is sought
- 39 Class of *securities for which quotation is sought
- 40 Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)

--

- 42 Number and *class of all *securities quoted on ASX (including the securities in clause 38)

Number	*Class

Quotation agreement

- 1 *Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.

- 2 We warrant the following to ASX.

- The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those *securities should not be granted *quotation.
- An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the *securities to be quoted, it has been provided at the time that we request that the *securities be quoted.
- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.

+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:
(Company Secretary)

Date: 5 March 2007

Print name: Carl Bicego

== == == == ==

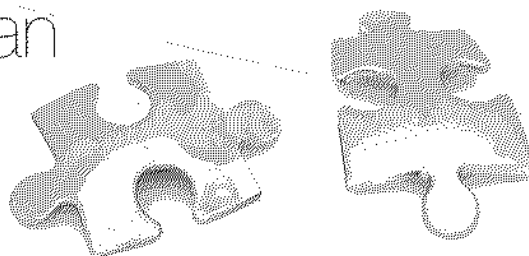
+ See chapter 19 for defined terms.

MACQUARIE GOODMAN GROUP

PROSPECTUS AND PRODUCT DISCLOSURE STATEMENT
MARCH 2007



Employee Securities Acquisition Plan and Executive Option Plan



Issuers:

Macquarie Goodman Management Limited (ABN 69 000 123 071)

Macquarie Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621)

as the responsible entity of Macquarie Goodman Industrial Trust (ARSN 091 213 839)

This is an important document and requires your immediate attention. You should read it in its entirety. If you are in doubt as to what you should do, you should consult your broker or financial or other professional adviser.

Applicants should read this Prospectus and Product Disclosure Statement in its entirety before deciding to participate in the Employee Offer.

Important notices

(a) Offer Document

This Prospectus and Product Disclosure Statement (the **Offer Document**) is dated 5 March 2007.

A copy of this Offer Document was lodged with ASIC on 5 March 2007. Neither ASIC nor ASX take any responsibility for the contents of this Offer Document.

No securities will be allotted or issued on the basis of this Offer Document later than 13 months after the date of this Offer Document. Where necessary during that period a supplementary prospectus and product disclosure statement may be issued.

The distribution of this Offer Document is limited to Australia. Securities and Options offered by this Offer Document are not offered in any other place. This Offer Document does not constitute an offer of securities for sale in the United States. Securities may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933 or an exemption from registration is available.

The Employee Offer constituted by this Offer Document in electronic form is available only to persons receiving this Offer Document in electronic form in Australia. If you receive this Offer Document electronically, a paper copy may be obtained free of charge by contacting the Manager Global Long Term Incentives on (02) 9230 7400.

(b) Eligibility

The Employee Offer is only open to those persons who have been invited to apply by the Board as set out in the personalised Application Form accompanying this Offer Document (**Participants**). Securities and Options to which this Offer Document relates will only be issued on receipt of a duly completed Application Form attached to or accompanying this Offer Document. If you require a new copy of your personalised Application Form, contact the Manager Global Long Term Incentives on (02) 9230 7400.

(c) No Investment Advice

This Offer Document contains general advice only. This Offer Document has been prepared without taking account of your objectives, financial situations or needs. In determining whether you will accept the Employee Offer you should consider seeking professional financial advice from an independent person who is licensed by ASIC to give you financial advice.

No person is authorised to give any information or to make any representation in connection with the Employee Offer which is not contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied upon as having been authorised by the Macquarie Goodman Group (**MGQ**) in connection with the Employee Offer.

(d) Defined terms

Capitalised terms used in this Offer Document are defined in section 10 of this Offer Document.

(e) Privacy

MGQ may collect personal information about Participants. Such information may include the name, contact details and security holdings of Participants for the purposes of managing the Plans and the interest of those holders in the Plans. Personal information of the type described above may be disclosed to the Security Registrar, Plan Manager, print and mail service providers, authorised securities brokers and MGQ. Participants have certain rights to access personal information that has been collected. Participants should contact the Security Registrar in the first instance if they wish to access their personal information.

The Corporations Act requires collection of the information requested in the Application Form. MGQ may not be able to process the Application Form if Participants do not provide the required information.

Further information about MGQ's privacy practices can be obtained from its website or by calling the Compliance Officer on (02) 9230 7400.

Table of Contents

Important notices	IFC
How to apply	2
1. Overview of the Employee Offer	3
2. General description of the Securities Plan	8
3. General description of the Option Plan	12
4. Taxation	15
5. Risk factors	18
6. Description of Macquarie Goodman	22
7. Rights attaching to Securities	23
8. Fees and other costs	27
9. Additional information	29
10. Glossary	32
Directory	36

How to apply

Participants wishing to participate in the Employee Offer must:

- (a) complete and sign the personalised Application Form accompanying this Offer Document; and
- (b) deliver their completed Application Form to the attention of the Manager Global Long Term Incentives, either by mail or courier to Level 10, 60 Castlereagh Street, Sydney NSW 2000 or by MGQ's internal mail or by delivery in person, so as to be received no later than 5.00pm Sydney time on or prior to the closing date specified in the Application Form.

Late applications may not be accepted.

1. Overview of the Employee Offer

This Offer Document sets out the terms and conditions of the Employee Offer under the Macquarie Goodman Employee Securities Acquisition Plan (the **Securities Plan**) and the Executive Option Plan (the **Option Plan**). It is to be read subject to the formal Rules which govern the Securities Plan and the Option Plan (the **Plans**), which are summarised in the following pages. **Please carefully read this Offer Document before proceeding to apply for Securities or Options.**

The Employee Offer is only open to those persons who have been invited by the Board to apply, as set out in the personalised Application Form attached to or accompanying this Offer Document.

1.1 Purpose of the Employee Offer

The object of the Plans is to assist in the recruitment, reward, retention and motivation of employees of the Macquarie Goodman Group (**MGQ**). The Plans are governed by the Rules, which are summarised in the following sections. A full copy of the Rules is available by accessing the Staff Intranet or by contacting the Manager Global Long Term Incentives.

Under this Offer Document MGQ proposes to issue Securities pursuant to the Securities Plan and may issue Options pursuant to the Option Plan.

1.2 Securities Plan Employee Offer

The Board may in its discretion invite Employees to participate in the Securities Plan. Employees may voluntarily accept the offer to acquire the number of Securities which is set out in the enclosed personalised Application Form. The acquisition price for the Securities will be set out in the personalised Application Form and unless otherwise stated is equal to the weighted average price per Security for sales on the ASX (excluding any special crossings) for the period of 10 ASX Trading Days immediately prior to the date of the relevant offer. It will also be announced to the ASX on or about the date of such offer.

By accepting the offer in the Application Form, Employees will also apply for a loan from MGQ to fund the acquisition price of the Securities (**Plan Securities**). Unless waived, the loan must be repaid by the Loan Repayment Date as specified in the personalised Application Form. This loan is a limited recourse loan to the value of the Securities.

Except where the Board determines otherwise, such as in the circumstances set out in section 2.9, all Cash Distributions on the Plan Securities will be applied first to the repayment of interest on the loan and then to repayment of the principal amount outstanding.

Plan Securities will be subject to transfer restrictions under the Securities Plan prior to satisfaction of restrictions (refer to section 1.3) and while any loan is outstanding and will be subject to a Holding Lock. All Employees are also subject to the Securities Trading Policy (refer to section 1.7).

This Offer Document is to be read subject to the Securities Plan Rules which govern the Securities Plan. Refer to section 2 for a general description of the Securities Plan.

1.3 Securities Plan conditions

Any Restriction Period or Restriction Condition set out in the personalised Application Form will apply to Securities acquired under the Securities Plan. The Board currently applies the following restrictions which must be satisfied before Securities (which are offered in three tranches) become unrestricted and vest:

- (a) a Restriction Period of approximately three, four or five years after the offer date during which the Securities Plan Participant must remain an Employee for the relevant period of approximately three, four or five years (except in the relevant circumstances described in sections 2.11 and 2.12); and
- (b) a Restriction Condition (that is "performance hurdle") that for the period ending immediately prior to the Restriction Period, MGQ must achieve an average Return on Equity of greater than 12% per annum over that relevant period.

1. Overview of the Employee Offer (cont)

For example, in respect of the Employee Offer to be made on or about the date of this Offer Document, the following vesting dates will apply:

Tranche	Proportion of Securities	Restriction Condition	Restriction Period	Loan Repayment Date*
Tranche 1	33.33%	12% ROE p.a. between 1 January 07 and 31 December 2009	1 January 2010 (First Vesting Date)	31 December 2012
Tranche 2	33.33%	12% ROE p.a. between 1 January 07 and 31 December 2010	1 January 2011 (Second Vesting Date)	31 December 2012
Tranche 3	33.33%	12% ROE p.a. between 1 January 07 and 31 December 2011	1 January 2012 (Last Vesting Date)	31 December 2012

* Subject to the terms applying to the loan.

If the Restriction Condition in relation to Return on Equity is not achieved for Tranche 1 on its First Vesting Date (i.e. 1 January 2010) that tranche will not vest at that time. However, if the Return on Equity performance hurdle is achieved on the Second Vesting Date (i.e. 1 January 2011) and the Securities Plan Participant remains an Employee at that time, the Securities in both Tranche 1 and Tranche 2 will vest at that time.

If the Return on Equity performance hurdle is also not achieved on the Second Vesting Date (i.e. 1 January 2011) then Tranche 2 will also not vest at that time. If the Return on Equity performance hurdle is achieved on the Last Vesting Date (i.e. 1 January 2012) and the Securities Plan Participant remains an Employee at that time, the Securities in Tranche 1, Tranche 2 and Tranche 3 will all vest at that time.

Any Securities that have not previously vested or do not vest when the Restriction Condition for Tranche 3 is first able to be determined will not vest.

The Return on Equity for a vesting date will be determined based on the statutory accounts lodged with ASIC and the ASX after the relevant vesting date and covering the relevant prior period.

A Securities Plan Participant may not sell or transfer Securities acquired under the Securities Plan unless and until each Restriction Condition and Restriction Period is satisfied (subject to the Securities Plan Rules) and the loan has been repaid. Prior to that time the Securities will be subject to a Holding Lock.

See further section 2.7.

1.4 Option Plan Employee Offer

The Federal Government announced in its 2006/2007 Federal Budget measures to broaden the application of the employee share scheme provisions contained in the Tax Act to include stapled securities. At the time of this Offer Document, the Federal Government has not enacted those proposed measures.

For Australian resident Employees, MGQ will continue to offer Securities under the Securities Plan (instead of Options under the Option Plan) until the legislation contemplated above is enacted. Once that legislation is enacted, MGQ may offer Options under the Option Plan in future offers to Australian resident Employees, including pursuant to this Offer Document.

The Board may in its discretion offer Eligible Employees the opportunity to participate in the Option Plan to acquire that number of Options which is set out in a personalised Application Form. No consideration is payable for the grant of the Options. Exercise of any Options is conditional upon satisfaction of the Performance Hurdles established by the Board and compliance with the Securities Trading Policy (refer to section 1.7), at which time the Optionholder must pay the specified Exercise Price in order to be issued a Security. The Exercise Price for the Options will be set out in the personalised Application Form and unless otherwise stated is equal to the weighted average price per Security for sales on the ASX (excluding any special crossings) for the period of 10 ASX Trading Days immediately prior to the date of the relevant offer. It will also be announced to the ASX on or about the date of such offer.

This Offer Document is to be read subject to the Option Plan Rules which govern the Option Plan. Refer to section 3 for a general description of the Option Plan.

1.5 Option Plan conditions

Any restrictions set out in the personalised Application Form will apply to Options acquired under the Option Plan. The Board currently applies the following exercise restrictions which must be satisfied before the Options (which are granted in three tranches) vest and become exercisable:

- (a) that the Option Plan Participant remains an Employee on the First Exercise Date in respect of each tranche (being a date approximately three, four or five years after the offer date) (as further described in sections 3.10 and 3.11); and
- (b) a Performance Hurdle that for the period up to the relevant First Exercise Date, MGQ must achieve an average Return on Equity of greater than 12% per annum.

For example, in respect of the Foreign Offer to be made on or about the date of this Offer Document, the following will apply:

Tranche	Proportion of Options	Performance Hurdle	First Exercise Date	Last Exercise Date
Tranche 1	33.33%	12% ROE p.a. between 1 January 07 and 31 December 2009	1 January 2010	31 December 2012
Tranche 2	33.33%	12% ROE p.a. between 1 January 07 and 31 December 2010	1 January 2011	31 December 2012
Tranche 3	33.33%	12% ROE p.a. between 1 January 07 and 31 December 2011	1 January 2012	31 December 2012

If the Performance Hurdle is not achieved for Tranche 1 on its First Exercise Date (i.e. 1 January 2010) that tranche will not vest at that time. However, if the Performance Hurdle is achieved on the First Exercise Date for Tranche 2 (i.e. 1 January 2011) and the Option Plan Participant remains an Employee at that time, the Options in both Tranche 1 and Tranche 2 will vest at that time.

If the Performance Hurdle is also not achieved on the First Exercise Date for Tranche 2 (i.e. 1 January 2011) then Tranche 1 and Tranche 2 will also not vest at that time. If the Performance Hurdle is achieved on the First Exercise Date for Tranche 3 (i.e. 1 January 2012) and the Option Plan Participant remains an Employee at that time, the Options in Tranche 1, Tranche 2 and Tranche 3 will all vest at that time.

Any Options that have not already vested or do not vest when the Performance Hurdle for Tranche 3 is first able to be determined will lapse. The Performance Hurdle for a tranche will be determined based on the statutory accounts lodged with ASIC and the ASX after the relevant Exercise Date and covering the relevant prior period.

See further sections 3.7(a) and 3.10.

1.6 Termination of employment

A summary of the consequences under the Securities Plan and the Option Plan where an Employee ceases to be employed by MGQ is set out below. To the extent of any inconsistency, the Securities Plan Rules or the Option Plan Rules (as the case may be) prevail.

1. Overview of the Employee Offer (cont)

Termination event	Securities Plan consequence	Option Plan consequence
Dismissal for cause	Securities are forfeited and transferred to the Plan Manager and the loan becomes immediately due and repayable. The Securities Plan Participant directs that payment for the Securities by the Plan Manager is paid to MGQ in full discharge of the loan. See further sections 2.10 and 2.13.	Options lapse on the day the Board notifies the Optionholder that the Optionholder has committed a fraud or other serious act of misconduct. See further sections 3.10 and 3.13.
Resignation (i.e. voluntary) prior to vesting	Securities are forfeited and transferred to the Plan Manager and the loan becomes immediately due and repayable. The Securities Plan Participant directs that payment for the Securities by the Plan Manager is paid to MGQ in full discharge of the loan. See further sections 2.10 and 2.13.	Options lapse on the day one month after the Optionholder ceases to be an Employee (and vesting will not occur). See further sections 3.10 and 3.12.
Resignation (i.e. voluntary) after vesting	The loan must be repaid by the date one month after the Resignation. If the loan is not repaid by that date, MGQ will authorise the Plan Manager to sell the Securities. The proceeds of sale will be applied first to repay amounts outstanding under the loan. The balance of the sale proceeds (if any) will be paid to the former Employee. See further sections 2.10 and 2.12.	Options lapse on the day one month after the Optionholder ceases to be an Employee. See further sections 3.10 and 3.12.
Special Circumstance (includes Retirement, Redundancy, death and Permanent Disablement)	The loan must be repaid by the date six months after a Special Circumstance occurs. If the loan is not repaid by that date, MGQ will authorise the Plan Manager to sell the Securities. The proceeds of sale will be applied first to repay amounts outstanding under the loan. The balance of the sale proceeds (if any) will be paid to the former Employee. See further sections 2.10 and 2.12.	Options become exercisable for a period of six months after the date on which the Special Circumstance occurs. The Options lapse on the day six months after the occurrence of a Special Circumstance. See further sections 3.10 and 3.11.

1.7 Securities Trading Policy

The Securities Trading Policy of MGQ applies to Employees in addition to the insider trading provisions of the Corporations Act which prohibit a person in possession of inside information from trading, or procuring or encouraging another person to trade, in Securities or Options.

In all cases, an Employee must obtain the approval of the Company Secretary or Group Chief Executive Officer prior to the exercise of Options or trading of Securities. An Employee must exercise Options or trade Securities within one of the following periods:

- (a) from the day after the annual results of MGQ are announced to the ASX and ending on 30 November;
- (b) from the day after the half year results of MGQ are announced to the ASX and ending on 31 May; and
- (c) in the case of an exercise of Options acquired under the Option Plan only, during the month immediately preceding the Last Exercise Date,

AND within 15 ASX Trading Days after the Company Secretary or Group Chief Executive Officer has given approval.

Employees must also not trade during any other non-trading periods imposed at the discretion of the Board and which are notified to Employees on the Staff Intranet.

A full copy of the Securities Trading Policy is available on the Staff Intranet.

After reading the Securities Trading Policy, an Employee may call the Company Secretary with any questions about procedures applicable to the trading of Securities or the exercise of Options.

1.8 Fees

There are no ongoing fees payable under the Employee Offer. For participants in the Securities Plan, interest will be payable under the loan, as described in section 2.5. Refer to section 8 for the description of fees and other costs required by the Corporations Act.

1.9 ASX quotation

Securities acquired under the Employee Offer will be quoted on the ASX but will be subject to a Holding Lock preventing dealing in the Securities until any applicable Restriction Period or Restriction Condition has lapsed and the loan has been repaid.

Application for quotation of Securities offered under the Securities Plan will be made within seven days of the date of the Offer Document.

Application for quotation of Securities issued on exercise of Options will be made in accordance with the ASX Listing Rules. For the avoidance of doubt, there will be no application for admission of the Options to quotation on the official list of the ASX.

1.10 Enquiries

After reading this Offer Document, a Participant may call the Manager Global Long Term Incentives, the Group General Manager People & Services or the Company Secretary with any questions about the procedures relating to the Securities Plan or the Option Plan.

If there are any other queries, Participants should seek professional advice from their financial adviser.

1.11 Where to send your completed Application Form

To apply for Securities or Options under the Employee Offer, your completed Application Form should be forwarded, for the attention of the Manager Global Long Term Incentives, either by mail or courier to Level 10, 60 Castlereagh Street, Sydney NSW 2000 or by MGQ's internal mail or by delivery in person, so as to be received no later than 5.00pm Sydney time on or prior to the closing date specified in the Application Form.

1.12 No cooling-off

There is no cooling-off period for Participants as MGQ is listed on the ASX. This means that once you have submitted your Application Form, you agree that you will be not able to withdraw your application other than as permitted by the Corporations Act.

2. General description of the Securities Plan

A summary of the rules of the Securities Plan and the manner in which the Securities Plan is administered is set out below. To the extent of any inconsistency, the Securities Plan Rules prevail.

2.1 Eligibility

Employees are invited to participate in the Securities Plan at the discretion of the Board. If you have received a copy of this Offer Document with an attached personalised Application Form in your name for the acquisition of Securities, you have been invited to participate in the Securities Plan.

2.2 Entitlement

The number of Securities offered to an Employee under the Securities Plan is at the discretion of the Board. Under this Offer Document, Employees are being offered the number of Securities set out in the personalised Application Form.

2.3 Participation

Participation is voluntary. If the Employee elects to participate in the Employee Offer, the Employee will receive the number of Securities indicated in the personalised Application Form.

2.4 Price for Securities offered

Under this Offer Document, and in accordance with the Securities Plan Rules, the price payable for Securities is the market price and is set out in the personalised Application Form. The market price is the weighted average price per Security for sales on the ASX (excluding any special crossings) for the period of 10 ASX Trading Days immediately prior to the date of the offer. The acquisition price must be paid in full prior to the issue of the Securities.

2.5 Employee loan

Under the Securities Plan Rules, the Board may require an Employee to apply for a loan to fund the subscription or acquisition of Securities under the Securities Plan.

In the case of the Employee Offer, the Board requires that Employees, who accept and complete the personalised Application Form, apply for a loan to facilitate the acquisition of Securities under the Securities Plan. The proceeds of any loan will be provided to the Plan Manager to purchase or subscribe for Securities.

Employees are being offered the loan set out in the personalised Application Form.

The interest rate on the loan is fixed by the Board at its discretion. The Board has determined that in the case of the Employee Offer, the loan will bear interest at MGQ's A\$ weighted average cost of debt as at the end of the prior month. Interest on the loan is calculated monthly and accrued interest is added to the loan at the end of each quarter. The interest rate applying during March 2007 is 5.9882%. At any time, the current weighted average cost of debt for MGQ is available by contacting the Manager Global Long Term Incentives.

This loan is limited recourse. At any time, the amount of the loan that is repayable is limited to the then market price on the ASX of the Securities acquired under the Securities Plan. If the market price on the ASX of the Securities is less than the balance of the loan at the time that the loan is required to be repaid, the Securities Plan Participant is not required to fund any shortfall.

2.6 Ownership of Securities

Securities acquired under the Securities Plan will be registered by the Security Registrar in the name of the Relevant Employee. The Securities Plan Participant has full voting rights and rights to Cash Distributions (see further section 2.9) in relation to all Securities acquired under the Securities Plan.

Securities acquired by a Securities Plan Participant are subject to a Holding Lock while any loan is outstanding or any other restriction (described in section 2.7 below) remains current. The balance of the loan and any interest must be repaid before the Securities Plan Participant is entitled to sell, transfer, assign or encumber any Securities.

2.7 Restriction Period and Restriction Conditions

Under the Securities Plan Rules, the Board may offer participation on the basis that the sale or transfer of Securities is restricted, and require that the Securities Plan Participant holds the Securities for a period of time after the date of acquisition (a **Restriction Period**) or that certain conditions are satisfied before the Securities Plan Participant may sell or transfer the Securities (a **Restriction Condition**).

In line with past offers under the Securities Plan Rules, offers under this Offer Document are made in three tranches with varying Restriction Periods of approximately three, four or five years after the offer date, with one-third of the Securities becoming unrestricted at the end of each relevant period, subject to:

- (a) MGQ achieving an average Return on Equity of greater than 12% per annum over the relevant period of approximately three, four or five years; and
- (b) the Securities Plan Participant remaining an Employee for the relevant period of approximately three, four or five years (except in the circumstances described in sections 2.11 and 2.13).

If the Restriction Condition described in paragraph (a) above is not satisfied at the end of the relevant three or four year period, the corresponding one-third or two-thirds of the Securities acquired under the Securities Plan are not forfeited but remain subject to the Restriction Condition (and Restriction Period), unless and until MGQ achieves an average Return on Equity of greater than 12% per annum over the period of approximately four or five years from the date of offer (and the Securities Plan Participant remains an Employee).

Any applicable Restriction Period or Restriction Condition in respect of the Employee Offer is set out in the personalised Application Form.

2.8 Transfer of Securities

Neither the legal or beneficial interest in Securities acquired under the Securities Plan may be transferred if:

- (a) the loan has not been fully repaid; or
- (b) a Restriction Period or Restriction Condition (refer to section 2.7 above) has not lapsed or been satisfied.

If neither of paragraphs (a) or (b) applies and the Securities Plan Participant is, and continues to be, an Employee, Securities may only be transferred where to do so would not breach insider trading laws or the Securities Trading Policy and the Board has not imposed any additional limitations upon trading by Employees at that time. Refer to section 1.7 for a general description of the Securities Trading Policy.

If only paragraph (a) applies, and any relevant Restriction Period or Restriction Condition has lapsed, been satisfied or waived (including in the circumstances described in section 2.14), a Securities Plan Participant may, if the Board approves:

- (a) repay the loan and deal with the Securities at their discretion; or
- (b) instruct the Plan Manager to sell a specified number of Securities. The proceeds received by the Plan Manager are to be applied first in repayment of amounts outstanding under the loan and second to any brokerage fees incurred. The outstanding balance (if any) is to be paid to the Securities Plan Participant.

2.9 Loan repayment and cash Distributions

The loan is to be repaid by the date specified in the personalised Application Form. Prior to that date, all Cash Distributions paid on Securities acquired under the Securities Plan will be applied firstly towards the repayment of interest on the loan and thereafter in repaying the principal amount outstanding under the loan, unless the Board directs that a Cash Distribution be paid directly to the Securities Plan Participant. If there are insufficient Cash Distributions paid on the Securities to cover the accrued interest, the Securities Plan Participant will not be required to pay the difference but that amount will be added to the principal outstanding under the loan.

The Board has a policy that each Securities Plan Participant remains cash neutral in relation to their investment. However, a Participant may cease to be cash neutral if a tax liability arises. A tax liability may arise where there is a difference between the assessable income recognised on the aggregate Cash Distribution net of any deduction that may be claimed in relation to the payment of interest on the loan. Refer to section 4 for a general description of the tax consequences of the Employee Offer under the Securities Plan.

Once the loan and all accrued interest has been fully repaid, all Cash Distributions will be received directly by the Securities Plan Participant.

The Board may, in its sole discretion, waive the right to repayment of all or part of any unpaid loan amount, including in the event of death or Permanent Disablement of the Securities Plan Participant.

2. General description of the Securities Plan (cont)

2.10 Accelerated loan repayment

The loan becomes immediately due and repayable on the earliest to occur of:

- (a) the due date for repayment of the loan specified in the personalised Application Form (generally six years after the date of acquisition of Securities);
- (b) the Securities Plan Participant ceasing to be an Employee of MGQ (see further section 2.11 below);
- (c) the Securities Plan Participant becoming an insolvent under administration; or
- (d) the transfer of the Securities while amounts are outstanding under the loan (notwithstanding the restrictions on transfer described in section 2.8).

Where the Securities are disposed of by a Securities Plan Participant, the Board may elect to require immediate repayment of the loan or give notice to the Securities Plan Participant of revised terms acceptable to it.

2.11 Termination of employment

If a Securities Plan Participant ceases to be employed by MGQ, any loan outstanding at that time is immediately repayable. See further section 2.10 above.

If the Securities Plan Participant ceases to be employed by MGQ in the circumstances described in section 2.12(b) or 2.12(c), the Plan Manager may be authorised by the Board to dispose of the Securities held under the Securities Plan. See further section 2.12 below.

If the Securities Plan Participant ceases to be employed by MGQ in the circumstances described in section 2.13(a) or 2.13(b), the Securities Plan Participant must (unless the Board determines otherwise) forfeit the Securities held under the Securities Plan. See further section 2.13 below.

2.12 Power of sale

The Board may authorise the Plan Manager to dispose of some or all of the Securities held by a Securities Plan Participant if the loan is not repaid:

- (a) by the date specified in the personalised Application Form;
- (b) by the date which is one month after the day on which a Plan Participant tendered their Resignation (provided that any Restriction Period or Restriction Condition is fulfilled at that date, otherwise forfeiture may apply as described in section 2.13); or
- (c) by the date which is six months after the occurrence of a Special Circumstance (including Retirement and Redundancy).

The Plan Manager may also be authorised to dispose of Securities at the time of the death, Permanent Disablement or insolvency of the Securities Plan Participant.

The proceeds received by the Plan Manager are to be applied first in repayment of amounts outstanding under the loan and second to any brokerage fees incurred. Except where the relevant Securities have been forfeited (as described in section 2.13), the outstanding balance (if any) is to be paid to the Securities Plan Participant or, in the case of the death or Permanent Disablement of the Securities Plan Participant, to their legal personal representative.

2.13 Forfeiture

A Securities Plan Participant must forfeit to the Plan Manager any Securities acquired under the Securities Plan (unless the Board determines otherwise) if:

- (a) in the opinion of the Board, the Securities Plan Participant was dismissed from MGQ with cause or committed an act of fraud, defalcation or gross misconduct in relation to the affairs of MGQ; or
- (b) the Securities Plan Participant ceases to be employed within MGQ (other than due to the occurrence of a Special Circumstance) before the expiration of any relevant Restriction Period or the satisfaction of any Restriction Condition applying to any Securities acquired under the Securities Plan.

If a Security acquired under the Securities Plan is forfeited, then:

- (a) the Security is transferred to the Plan Manager at a price equal to the higher of the Securities Plan Participant's capital gains tax cost base for that Security and \$0.01; and
- (b) the Securities Plan Participant directs the Plan Manager to pay the purchase price to MGQ which MGQ accepts in full and final discharge of any principal or interest outstanding under the loan in respect of that Security.

By completing the Application Form accompanying this Offer Document, you will expressly and irrevocably appoint the Plan Manager as your attorney to sell the Securities you acquire under the Securities Plan in the circumstances described above.

2.14 Takeover, scheme of arrangement

If a third party acquires the Securities pursuant to a takeover offer, compulsory acquisition or scheme of arrangement under the Corporations Act, any amounts outstanding under a loan become immediately repayable.

Where the following events occur, the Board shall give written notice of such an event to each Securities Plan Participant and deem any Restriction Period to have lapsed and any Restriction Condition to have been satisfied, as summarised below.

Change of control

If circumstances occur or are likely to occur which the Board determines will result in significant changes to the structure or control of MGQ, or to any person with a controlling interest in MGQ, which may adversely affect the rights or value of benefits to Securities Plan Participants.

Takeover

If offers are made to acquire all the Securities in MGQ (or that part in which the offeror does not already have a relevant interest) by any person who has control of MGQ or by any person who after the announcement of the offer, acquires control of MGQ.

Scheme of arrangement

If a scheme of arrangement under the Corporations Act is proposed between MGQ and Securityholders.

Voluntary winding up

If a resolution for a voluntary winding up of MGQ is passed by Securityholders (other than for the purpose of a reconstruction or amalgamation).

2.15 Bonus issues and Rights

- (a) A Securities Plan Participant is entitled to any Securities issued as part of a bonus issue which accrue to Plan Securities (**Bonus Securities**), subject to the restrictions (if applicable) set out in sections 2.9 to 2.13 above.
- (b) The Securities Plan Participant irrevocably undertakes to pay the proceeds of any sale of Rights derived in respect of Plan Securities or Bonus Securities to MGQ. MGQ agrees to apply those proceeds in reduction of the loan.

2.16 Distribution reinvestment plan

A Securities Plan Participant may not participate, in respect of Securities held under the Securities Plan, in any distribution reinvestment plan offered by MGQ to holders of Securities.

2.17 Change of Securities Plan Rules

MGM, with the consent of MGF, may amend all or any part of the Securities Plan Rules only if to do so would not reduce the rights or increase the obligations of a Securities Plan Participant in respect of Securities acquired under the Securities Plan prior to the date of that amendment, except where the amendment is necessary to ensure compliance with certain legislation or the Listing Rules, to correct an error or mistake or for tax reasons.

2.18 Termination of the Securities Plan

MGM, with the consent of MGF, may suspend or terminate the Securities Plan. Suspension or termination will not prejudice the existing rights of Securities Plan Participants.

3. General description of the Option Plan

A summary of the rules of the Option Plan and the manner in which the Option Plan is administered is set out below. To the extent of any inconsistency, the Option Plan Rules prevail.

3.1 Eligibility

Eligible Employees are invited to participate in the Option Plan at the discretion of the Board. If you have received a copy of this Offer Document with an attached personalised Application Form in your name for the acquisition of Options, you have been invited to participate in the Option Plan.

3.2 Entitlement

The number of Options offered to an Eligible Employee under the Option Plan is at the discretion of the Board. Under this Offer Document, Eligible Employees are being offered the number of Options set out in the personalised Application Form.

3.3 Participation

Participation is voluntary. The Eligible Employee may elect to participate in the Employee Offer and may accept the number of Options offered in whole or in part in multiples of 100. If the Employee Offer is accepted in part then the Eligible Employee may not subsequently accept the Employee Offer in respect of any remaining Options.

The Eligible Employee will receive that number of Options indicated on the completed Application Form.

3.4 Grant of Options

No consideration is payable on the grant of Options. However, on exercise of the Options, the Exercise Price is payable to MGM (see section 3.6 below).

MGM will issue a certificate to the Eligible Employee (disclosing the number of Securities for which the Eligible Employee is entitled to subscribe or acquire) as evidence of the grant of the Options (the **Certificate**).

Any liabilities associated with holding Options are the responsibility of the Optionholder, including the payment of any Exercise Price, tax and duties.

3.5 Exercise of Options

The Exercise Period runs from the First Exercise Date to the Last Exercise Date, as specified on the Application Form.

The Options may be exercised at any time during the Exercise Period by paying the Exercise Price, subject to satisfaction of Performance Hurdles (see section 3.7(a)), compliance with MGM's corporate governance policies (including the Securities Trading Policy) (see section 3.7) and any other relevant conditions imposed by the Board from time to time.

The Exercise Price for the Options means the weighted average price per Security sold on the ASX for the five ASX Trading Days immediately prior to the relevant date or such other price, period or date that the Board considers appropriate.

For the purposes of this Offer Document, the Board considers it appropriate for the Exercise Price for the Options to be the weighted average price per Security for sales on the ASX (excluding any special crossings) for the period of 10 ASX Trading Days immediately prior to the date of the relevant offer. The Exercise Price must be paid in full prior to the issue of the Securities.

3.6 Procedure for exercising Options

The Optionholder must deliver a signed Notice of Exercise to MGM, together with the Certificate and full payment of the Exercise Price by bank cheque.

An Optionholder may elect to exercise all Options then held, or may exercise Options in part in multiples of 100.

Not more than 28 days after the exercise of an Option becomes effective, MGM and MGI must allow and issue the Securities the subject of the Option. Application for quotation of Securities issued on exercise of Options will be made in accordance with the ASX Listing Rules.

3.7 Conditions on exercise of Options

(a) Performance Hurdles

Options are subject to exercise conditions, known as Performance Hurdles, which must (subject to any reduction or waiver of such conditions in whole or in part by the Board) be met before an Option may be exercised.

The Board has determined that Options acquired under the Option Plan become exercisable equally at the end of the relevant period of approximately three, four and five years after the date on which the Options were granted, conditional on:

- (i) MGQ achieving an average Return on Equity of greater than 12% per annum over the relevant period of approximately three, four or five years; and
- (ii) the Optionholder remaining an Employee for the relevant period of approximately three, four or five years (as further described in section 3.10).

If the Performance Hurdle described in paragraph (i) above is not satisfied at the end of the relevant three or four year period, the corresponding one-third or two-thirds of the Options acquired under the Option Plan will become exercisable at a later exercise date if MGQ achieves an average Return on Equity of greater than 12% per annum over the period of approximately four or five years from the date on which the Options were granted.

The applicable Performance Hurdles in respect of each offer of Options is set out in each Eligible Employee's personalised Application Form.

(b) Securities Trading Policy

Exercise of Options are also subject to MGQ's corporate governance policies, including its Securities Trading Policy. Refer to section 1.7 for a general description of the Securities Trading Policy.

3.8 Ranking

On the exercise of Options by the Optionholder, the Securities will rank equally with all other Securities then on issue.

3.9 Transfer restrictions

Each Option is personal to the Optionholder and is not transferable, transmissible, assignable or chargeable except in the situations described immediately below. The Options will not be quoted on the ASX.

An Eligible Employee may agree with the Board to transfer the Options to a nominee, who will act as the beneficial owner of the Options allocated to the Eligible Employee.

If an Eligible Employee dies, then, for the purposes of exercising their Options (see sections 3.5 and 3.6 above), the Board may in its absolute discretion allow the Options to be transferred to the legal personal representative of the Eligible Employee to the extent necessary to allow such exercise to occur.

3.10 Lapse of Options

Options will lapse on the earlier of:

- (a) the Last Exercise Date;
- (b) the day six months after the occurrence of a Special Circumstance (including Retirement, Redundancy or Permanent Disablement) (see further section 3.11);
- (c) the day one month after the day on which the Optionholder ceases to be an Employee (other than due to the occurrence of a Special Circumstance) (see further section 3.12);
- (d) the Board notifying the Optionholder that it is satisfied (in its absolute discretion) that the Optionholder has committed a fraud or other serious act of misconduct (see further section 3.13); and
- (e) the day on which an Optionholder defaults in any material respect under the Option Plan Rules.

3.11 Early exercise of Options in Special Circumstances

Under the Option Plan Rules, if a Special Circumstance (including Retirement, Redundancy or Permanent Disablement) occurs prior to the Exercise Period for the relevant Options, those Options will become exercisable for a period of six months after the date on which the Special Circumstance occurred. Options will lapse six months after the occurrence of a Special Circumstance.

3.12 Termination of employment

If the Optionholder ceases to be employed by MGQ for reasons other than the occurrence of a Special Circumstance then the Optionholder will have one month after the termination of employment in which to exercise those Options which are exercisable as at the date of termination (that is, those Options in respect of which the Exercise Period has commenced, the Performance Hurdles have been met and all other conditions to exercise have been satisfied). After

3. General description of the Option Plan (cont)

one month those Options will lapse. Options which are not exercisable at the date of termination of the Optionholder's employment will lapse immediately on such termination.

3.13 Fraud and misconduct

If the Board, in its discretion, determines that the Optionholder has committed a fraud or other serious act of misconduct, it may give notice to the Optionholder that all Options, whether exercisable or not, will lapse immediately at that date.

3.14 Distributions and voting rights

Options carry no dividend or voting rights. The Option Plan Rules also state that the Option Plan does not give an Eligible Employee any additional rights to compensation or damages as a result of the termination of their employment or appointment.

3.15 Rights issue or bonus issue

Optionholders will not be able to participate in new issues by MGQ pursuant to a rights issue or a bonus issue without first exercising the Options. However, if there is a rights issue or bonus issue, the number of Securities which may be acquired by the exercise of Options or the Exercise Price of Options will be adjusted in accordance with the Listing Rules.

3.16 Takeover, scheme of arrangement or voluntary winding up

Where the following events occur, the Board shall give notice of such events to each Optionholder and permit the exercise of Options in accordance with the Option Plan Rules, as summarised below.

Change of control

If circumstances occur or are likely to occur which the Board determines will result in significant changes to the structure or control of MGQ, or to any person with a controlling interest in MGQ, which may adversely affect the rights or value of benefits to Optionholders, the Board will give written notice to each Optionholder and permit any Options (which have not previously lapsed) to be exercised, provided that no Option shall be capable of exercise later than the Last Exercise Date.

Takeover

If:

- offers are made to acquire all the Securities in MGQ and after the announcement of the offer the offeror acquires control of MGQ; or
- offers are made to acquire all the Securities in MGQ by any person who has control of MGQ,

then the Optionholder may exercise their Options during the period of six months following the date on which such offers are made or, if the offers were conditional, the later date on which the offers become unconditional, provided that no Option shall be capable of exercise later than the Last Exercise Date.

Scheme of arrangement

If a scheme of arrangement under the Corporations Act is proposed between MGQ and Securityholders, MGQ will seek to arrange that as a condition of the proposed scheme, the Options will be transferred or cancelled in exchange for an issue of securities and/or units and/or options in the acquiring company, on such terms as are agreed between MGQ and the acquiring company. If agreement is not reached, the Options will become immediately exercisable, conditional on the scheme of arrangement becoming effective, provided that no Option will be capable of exercise later than the Last Exercise Date.

Voluntary winding up

If a resolution for a voluntary winding up of MGQ is passed by Securityholders (other than for the purpose of a reconstruction or amalgamation) the Optionholder may exercise his or her Options within 12 months of the date of the resolution on such terms and conditions as MGQ considers to be appropriate, provided that no Option shall be capable of exercise later than the Last Exercise Date.

3.17 Administration and amendment of the Option Plan

Subject to the Listing Rules and other regulatory requirements, the Board may by resolution, resolve to revoke, vary or add to the Option Plan Rules in its absolute discretion.

The Board may delegate such functions and powers as it may consider appropriate, for the efficient administration of the Option Plan, to a committee made up of persons capable of performing those functions and exercising those powers. The committee presently performing this function is the Remuneration Committee.

4. Taxation

Greenwoods & Freehills

2 March 2007

Direct phone +61 2 9225 5979
Direct fax +61 2 9221 6516
Email James.Pettigrew@gf.com.au
Matter no 57516
Doc no Greenwoodsl003748237

The Directors
Macquarie Goodman Management Limited
Level 10
60 Castlereagh Street
SYDNEY NSW 2000

Dear Directors

Employee Securities Acquisition Plan

You have requested us to provide a summary of the key Australian taxation issues for Securities Plan Participants investing in Stapled Securities for inclusion in a Prospectus and Product Disclosure Statement ("**PDS**") to be provided to employees.

This summary assumes that Securities Plan Participants are Australian resident individuals who hold their Stapled Securities on capital account rather than on revenue account or as trading stock.

This summary is of a general nature only and should not be relied upon as tax advice. Securities Plan Participants should be aware that the actual tax implications of investing in the securities may differ depending on their individual circumstances. Securities Plan Participants should seek professional advice on the tax implications of their investment in the Stapled Securities having regard to their own particular circumstances.

Unless indicated otherwise, capitalised terms are references to defined terms in the PDS.

1 Taxation of Stapled Securities

1.1 Holding of Stapled Securities

Each of the components of a stapled security is treated separately for tax purposes. Securities Plan Participants will receive dividends from MGM and distributions from MGI.

(a) *Taxation of distributions from MGI*

Securities Plan Participants should include in their assessable income, for each year of income, the portion of the net taxable income of MGI for that year of income to which they become presently entitled.

4. Taxation (cont)

Distributions from MGI may include capital gains (some of which may be subject to discount capital gains treatment), imputation credits or foreign tax credits. Securities Plan Participants may benefit from discount capital gains, imputation credits and foreign tax credits, depending on their personal circumstances.

In addition, distributions may also include non-assessable amounts. If all or part of a distribution by MGI is not subject to tax in the hands of the Securities Plan Participant, other than a distribution of the discounted element of a capital gain, the Securities Plan Participant's capital gains tax (CGT) cost base in the Units will be reduced for CGT purposes by the amount of the non-assessable component. If the Securities Plan Participant's CGT cost base in the MGI Units is reduced to zero, the Securities Plan Participant will make a capital gain in respect of any excess non-assessable amounts received from MGI. Depending on the Securities Plan Participant's personal circumstances, certain Securities Plan Participants may qualify for discount capital gains treatment on this deemed capital gain.

(b) Taxation of dividends from MGM

Securities Plan Participants will be assessed on any dividends received from MGM in the year of income in which the dividend is paid (even where the dividends are re-invested). Where the dividends are wholly or partly franked, the Securities Plan Participant's assessable income may include an additional amount which reflects the amount of the franking credit (i.e., the tax paid on the profits from which the dividends have been paid). Where a franking credit is included in the Securities Plan Participant's assessable income, the Securities Plan Participant should then be allowed a tax offset equal to the amount of the franking credit.

If the total amount of franking credits to which a Securities Plan Participant would be entitled from all dividends (including in respect of MGM shares) exceeds \$5000, the entitlement to a tax offset is subject to a general requirement that the shares are held at risk. Securities Plan Participants with franking credits in excess of \$5000 will need to calculate their net position in relation to the MGM shares, taking into account the limited recourse loan and any other positions (e.g. call option) entered into by the Securities Plan Participant (ignoring any restriction on transfer of the Stapled Securities).

1.2 Disposal of Stapled Securities

We understand that Securities Plan Participants will generally not be able to sell Stapled Securities acquired under the Securities Plan until the vesting conditions are satisfied and the loan provided to purchase the Stapled Securities is fully repaid.

Once the Stapled Securities have vested and a Securities Plan Participant disposes of Stapled Securities, the CGT issues related to the disposal of the MGI Units and MGM Shares should be determined separately. That is, the disposal of a Stapled Security will involve two CGT events, and the calculation of the capital gain or loss must be performed separately for each CGT event. On the disposal of a Stapled Security, the capital proceeds will need to be apportioned between the two CGT events on the basis of what is reasonably attributable to each CGT event.

Securities Plan Participants may make a capital gain or incur a capital loss on the disposal of Securities, whether by way of sale or upon redemption, buy-back or cancellation. The amount of any capital gain or loss will be calculated as the difference between the capital proceeds and the CGT cost base of the MGI Units

and MGM shares respectively. The cost base of a CGT asset generally includes the expenditure incurred to acquire the CGT asset such as the issue price or purchase price, and any incidental costs of acquisition and disposal.

Depending upon the circumstances under which Securities Plan Participants acquire the Stapled Securities, an apportionment may also need to be performed to determine the cost base of each CGT asset. Again, the basis of apportioning the expenditure incurred to acquire the Stapled Security between the two CGT assets will be by reference to what is reasonably attributable to each CGT asset.

If the MGI Unit or MGM Share (as the case maybe) has been held by a Securities Plan Participant who is an individual for at least 12 months prior to disposal, then the amount of any capital gain may be reduced by the 50% CGT discount for the purposes of calculating the amount of the net capital gain for inclusion in assessable income. The capital gain is offset by any available capital losses before applying the discount.

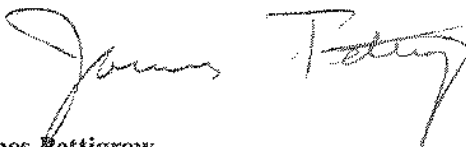
2 Interest on the loan

Securities Plan Participants should be able to claim a tax deduction for interest paid on the loan each year under current law. However, under proposed legislation currently before Parliament, a portion of interest under certain capital protected loans is denied deductibility. Although the stated intention is to exclude employee security ownership plans ("ESOPs") involving limited recourse loans from the proposed legislation, the drafting of the ESOP exclusion is currently deficient. Accordingly, if the legislation is enacted as currently drafted, employees face the prospect of part of their interest being denied deductibility (although it would give rise to a capital loss on repayment of the loan). This anomalous application of the capital protected borrowings legislation to ESOPs like that operated by MGQ has been pointed out to Treasury officials who have agreed that it is not consistent with the intended operation of the new rules. It is understood that Treasury are considering an amendment to the rules to implement the intended ESOP exclusion, although it is not currently clear whether the Government will accept an amendment or when the amendment may be introduced into Parliament. It would be anticipated that if introduced, the corrected ESOP exclusion would apply from the date of commencement of the capital protected borrowing rules. In this event, employees would not ultimately be exposed to any loss of deductibility in respect of interest on the loan.

◆ ◆ ◆

Yours sincerely
GREENWOODS & FREEHILLS PTY LIMITED

per:



James Pettigrew
Director

5. Risk factors

5.1 Risks specific to holding Options

No amount is payable for the grant of the Options. The value of the Options will fluctuate with the value of the Securities, which are quoted on the ASX. Options need not be exercised so that a loss may be avoided by not exercising if the market price of the Securities is below the Exercise Price. Once Options are exercised, the holder of the resultant Securities is exposed to the normal risks of owning Securities, as described in section 5.2 below.

The Securities Trading Policy contains restrictions on the way in which Employees may exercise Options. In particular, it requires that Employees obtain approval from either the Group Chief Executive Officer or Company Secretary prior to exercising Options and that any exercise takes place within specified trading periods as set out in the Securities Trading Policy. Refer to section 1.7 for a general description of the Securities Trading Policy.

5.2 Risks specific to holding Securities

(a) Price volatility

The price of Securities moves up and down with market sentiment as well as with MGQ's performance (see section 5.3 below), investors' perceptions and the Australian sharemarket generally. The price at which Securities trade on the ASX may be higher or lower than historical prices. If investors decide to sell their Securities, the amount which may be received on the sale may be higher or lower than their present market price.

(b) Dividends and distributions

It is possible that, if there are losses or if profits fall, holders of Securities may not receive dividends or distributions (or that such dividends or distributions may be reduced) and that:

- (i) the loan and interest on the loan (if applicable) may not be repaid as quickly as expected; or
- (ii) the value of their Securities may fall.

(c) Loan repayments

All Cash Distributions paid on Securities acquired under the Securities Plan are generally to be applied first towards the repayment of interest on the loan (see section 2.9 above) and thereafter in repaying any principal. Securities Plan Participants are not liable for amounts on the loan other than to the extent Cash Distributions are paid on the Securities. It is possible, however, that Cash Distributions may not be sufficient in every period to cover the costs of interest repayments under the loan or that the value of the Securities may fall below the amount outstanding under the loan. The loan is limited in recourse to the value of the Plan Securities held by the Participant.

(d) Taxation

Dividends and distributions may also have tax consequences for the holders of Securities acquired under the Securities Plan or on the exercise of Options. Section 4 contains a summary of certain Australian tax issues relevant to holdings of Securities including risks to the deductibility of interest.

(e) Restrictions on sale

The Securities Trading Policy (refer to section 1.7) contains restrictions on the way in which Employees may acquire and dispose of Securities. In particular, it requires that Employees obtain approval from either the Group Chief Executive Officer or Company Secretary prior to acquiring or disposing of Securities. It also requires that any such acquisition or disposal occur within specified trading periods as set out in the Securities Trading Policy. If the required approval is not obtained or the proposed trade is not within a specified trading period, the Employee will not be able to trade the Securities.

5.3 Risks specific to MGQ's future performance

There are a number of factors which may have an impact on the future performance of MGQ. There are a number of risks associated with investing in both property and stock market listed securities. The future level of income distributions, value of assets and market value of securities may be influenced by any of these risk factors.

MGQ is exposed to general business risks as well as to risks specific to property markets.

5.4 General business risks

(a) Capital markets

MGQ has exposure to capital markets risks for assets held as stock market listed securities. MGQ's operating results will be affected by changes to international stock markets, general economic conditions, changes to compilation of indices, changes in government policies and regulatory policies applicable to those countries in which MGQ holds stock market listed securities, currently including New Zealand and Singapore.

(b) Regulatory issues and changes in law

MGQ is subject to the usual business risk that there may be changes in laws that reduce income or increase costs. Depending on the nature of the changes, these effects would be limited to the value of returns generated from particular property investment or development and construction projects or business units operating in specific jurisdictions. For example, there could be changes in tenancy laws which limit the recovery of property outgoings and changes or increase in real estate taxes which cannot be recovered as outgoings from customers or changes in environmental laws that require capital expenditure.

(c) Management rights

Management rights that MGQ may possess in respect of wholesale property funds management businesses may contain various review points and investor redemption provisions. Each of the funds that MGQ manages also has provisions concerning the replacement of the manager in certain circumstances. Underperformance or an acquisition of these property funds gives rise to the risk that the investment manager mandates can be cancelled or otherwise changed, which may impact on the financial performance of MGQ.

(d) Exchange rate fluctuations and complexity of international operating environment

MGQ has international operations and assets held outside Australia. Adverse movements in exchange rates, to the extent that they are not hedged or forecast, will impact on MGQ's operating results. MGQ will be affected by other risks associated with its international operations, including general economic conditions in the countries in which it operates and any changes to the political, legal and regulatory environment (including the basis of taxation) applicable to those countries.

(e) Interest rates

Adverse fluctuations in interest rates, to the extent that they are not hedged or forecast, will impact on the earnings available for distribution to Securityholders. It is anticipated that the majority of debt will be hedged through the use of fixed interest rate loans or interest rate swaps to mitigate the risk. Whilst a significant portion of the borrowings will be hedged there is still a degree of interest rate exposure.

Adverse movements in interest rates may also impact MGQ's earnings before interest and asset values due to any impact on property markets in which MGQ operates.

(f) Taxation

Changes in tax law, or changes in the way tax law is expected to be interpreted in the various jurisdictions in which MGQ operates, may impact the expected forecast tax liabilities of MGQ. Under current income tax legislation, MGI is generally not liable to Australian income tax, including capital gains tax, provided Unitholders are presently entitled to all the taxable income of MGI. Should the actions or activities of MGF cause MGI to fall within the operative provisions of Division 6B or 6C of the *Income Tax Assessment Act 1936* (Cth), MGI may be taxed on its net income at a rate which is currently equivalent to the corporate income tax rate of 30%.

(g) Litigation and disputes

Legal and other disputes (including industrial disputes) may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of MGQ's assets. Where disputes arise and the likely outcome can be ascertained, MGQ will provide relevant information on those outcomes.

5. Risk factors (cont)

(h) Competition

MGQ faces competition from other property groups and other organisations in the countries in which it operates. MGQ also operates with the threat of new competition entering the market. Competition may lead to an oversupply through overdevelopment, or to prices for existing properties or services being inflated via competing bids by purchasers. The existence of such competition may have a material adverse impact on MGQ's ability to secure customers for its properties at satisfactory rental rates and on a timely basis or to develop properties at an appropriate cost.

(i) Insurance

MGQ carries material damage, business interruption and liability insurance covering its portfolio with policy specifications and insured limits customarily carried for similar properties in all countries where MGQ operates. There are, however, types of losses (such as from floods and earthquakes) that are generally not insured at replacement cost or that are insured subject to larger deductibles. MGQ will carry insurance in respect of terrorism and will continue to seek appropriate coverage (subject to standard exclusions for nuclear, chemical or biological incidents) having regard to the nature of MGQ's portfolio and operations. The scope of renewal of insurance, including in respect of acts of terrorism, will be dependent on a number of factors such as the continued availability of coverage, the nature of risks to be covered, the extent of the proposed coverage and costs involved.

(j) Funding

In order to provide for future growth, MGQ relies on both equity and debt funding along with refinancing of existing debt facilities. An inability to obtain the necessary funding for MGQ or a material increase in the cost of the funding through an increase in interest rates may have an adverse impact on MGQ's performance and financial position.

(k) Political factors

The value of the MGQ business may be affected by the political or sovereign position of any country or region in which MGQ operates. Major disturbances, such as wars, riots, strikes and blockades and acts of terrorism, have the potential to adversely affect the value of MGQ.

(l) Employees

MGQ is reliant on retaining and attracting quality senior executives and other employees.

5.5 Property market risks

The past strong performance of MGQ's assets does not guarantee their future performance. Any deterioration of the property markets in which MGQ invests could adversely affect the value of MGQ's properties. MGQ will be subject to the prevailing property market conditions in the countries and sectors where MGQ operates. Adverse changes in market sentiment or market conditions may impact MGQ's ability to acquire, manage or develop assets, as well as the value of MGQ's assets. These impacts could lead to a reduction in earnings or the carrying value of assets.

(a) Changes in value and income of properties

Returns from investment in property assets largely depend on the rental generated from the property and the expenses incurred in the operation, including the management and maintenance of the property as well as the changes in the market value of the property.

Rental income and/or the market value of properties may be adversely affected by a number of factors, including:

- (i) the overall conditions in the national and local economy, such as changes to growth in gross domestic product, employment, inflation and interest rates;
- (ii) local real estate conditions, such as changes in the demand and supply for industrial assets or space;
- (iii) the perception of prospective customers regarding attractiveness and convenience of assets;
- (iv) the convenience and quality of properties;
- (v) unforeseen capital expenditure;
- (vi) supply of new properties and other investment assets; and
- (vii) investors demand/liquidity in investments.

(b) Leasing terms and customer defaults

The performance of MGQ depends on its ability to continue to lease existing office and industrial space on economically favourable terms. In addition, the ability to lease new asset space in line with expected terms will impact on the financial performance of MGQ.

(c) Bankruptcy or closure of major customers

The bankruptcy or closure of a major customer may have a material adverse effect on an asset's income, which may result in a negative impact on the financial performance of MGQ.

(d) Liquidity of property investments

The nature of investments in property assets may make it difficult to alter the balance of income sources in MGQ in the short term in response to changes in economic or other conditions.

(e) Acquisition of properties

A key element of MGQ's future strategy will involve the acquisition of assets to add to the property portfolio. Whilst it is MGQ's policy to conduct a thorough due diligence process in relation to any such acquisition, risks remain that are inherent in such acquisitions. These risks could include unexpected problems or other latent liabilities such as the existence of asbestos or other hazardous materials or environmental liabilities. There are also risks associated with integration of businesses, including financial and operational issues as well as employee related issues.

(f) Development

MGQ is involved in the development of industrial properties. Development risks include industrial disputes, inclement weather, supply shortages or construction difficulty. There is also the risk that sufficient customers will not be obtained for the development space. MGQ's cost of development investment properties could be adversely affected if these risks were to eventuate.

(g) Development pipeline

A key factor underlying MGQ's future growth prospects is its ability to deliver its current development pipeline. There is a risk that some of these proposed developments will not proceed or the costs incurred may exceed those that are budgeted, or that customers are not found for the developments within contemplated timeframes.

6. Description of Macquarie Goodman

6.1 Effect of the Employee Offer on MGQ

As at the date of this Offer Document, MGQ expects to issue approximately 16,863,000 Securities (see further sections 1.2) pursuant to the Employee Offer made in Australia under this Offer Document. This includes 2,000,000 Securities to be offered to Mr Gregory Goodman, subject to Securityholder approval. In addition, MGQ currently expects to issue approximately 27,097,500 Options to certain Employees who are located outside of Australia pursuant to separate offers to be made to them in those jurisdictions (the **Foreign Offer**). The issued capital of MGQ as at 2 March 2007 and the pro-forma issued capital after the Employee Offer and the Foreign Offer on the basis specified above are as follows:

Issued capital	As at 2 March 2007	Following the Employee Offer and Foreign Offer
Number of Securities	1,670,460,867	1,687,323,867*
Number of Options	35,276,114	62,373,614

* Subject to Securityholder approval of the offer to Mr Gregory Goodman.

Further invitations to acquire Securities or Options may also be made during the 13 months following the date of this Offer Document.

6.2 Financial information

MGQ's consolidated financial statements for the half year to 31 December 2006 and comment on performance and outlook are contained in MGQ's interim financial report for the half year to 31 December 2006 which is available on MGQ's website at www.macquariegoodman.com.

6.3 Trading Securities on the ASX

Information in respect of the prices and volumes at which Securities have traded is available from the ASX website: www.asx.com.au.

6.4 Distribution policy

MGQ currently does not have a formal distribution policy.

In the quarters ended 30 September 2006 and 31 December 2006, the Cash Distributions made by MGQ to holders of Securities were \$0.07875 per Security in respect of each quarter.

Information about distributions made by MGQ is available on the MGQ website at http://www.macquariegoodman.com.au/au/mg/investor_centre/mgq_distributions.htm.

7. Rights attaching to Securities

7.1 How does Stapling work?

MGQ was created by the merger of MGI and MGM. This was achieved by Stapling Units to Shares so they trade as a single Security. MGI and MGM will continue to exist as separate legal entities and Units and Shares will remain as separate legal assets. Holders of Securities will hold both Units and Shares.

However, the Stapling of Units and Shares means, among other things, that Units and Shares now trade as one Security on the ASX and are not able to be traded or dealt with separately. For example:

- (a) a transfer of Units can only occur if it is accompanied by a transfer of the same number of Shares (and vice versa); and
- (b) any issue, repurchase or redemption by MGI of Units can only occur if matched by a corresponding issue, repurchase or redemption of the same number of Shares by MGM (and vice versa).

Other features of the Stapling of Units and Shares are:

- (a) MGI and MGM operate essentially as a co-ordinated economic group;
- (b) MGI and MGM have identical investors with an identical proportionate interest in each entity;
- (c) the MGI Constitution and MGM Constitution (together with the Stapling Deed) ensure that the affairs of each entity are operated in a co-ordinated manner. For example, general meetings of MGI and MGM will be held concurrently or consecutively; and
- (d) Securityholders will receive combined reports on MGQ and are entitled to receive one distribution and dividend cheque when a distribution or dividend is paid.

7.2 Rights and obligations of Securityholders

The rights and obligations attached to the Securities are governed by:

- (a) the MGM Constitution;
- (b) the MGI Constitution;
- (c) the Corporations Act; and
- (d) the Listing Rules.

The MGM Constitution will apply to the Share component of the Security and the MGI Constitution will apply to the Unit component of the Security. An overview of the MGM Constitution and MGI Constitution are set out in sections 7.3 and 7.4 respectively below.

7.3 Summary of MGM Constitution

The MGM Constitution contains the internal rules of MGM. It deals with matters such as the rights, duties and powers of Shareholders and the Directors of MGM. The Corporations Act, exemptions and declarations given by ASIC and the Listing Rules (subject to waivers) are also relevant to the rights and obligations of Securityholders.

A complete copy of the MGM Constitution is available on request. The main provisions of the MGM Constitution are summarised below.

(a) Share capital

The Directors of MGM may issue or dispose of Shares, or grant options over unissued Shares, to any person on any terms and conditions.

(b) Stapling

Each Share is Stapled to one Unit to form one Security. Unless and until un-Stapling occurs, the Directors of MGM must not by act or omission cause a Share to cease being part of the Security.

Subject to the Corporations Act, the Listing Rules and approval by a special resolution of Shareholders and of Unitholders (and, where appropriate, by holders of any additional Attached Securities), the Directors of MGM may determine that Stapling ceases to apply.

7. Rights attaching to Securities (cont)

(c) Transfer of Shares

Shares may be transferred as provided by the operating rules of a prescribed CS facility (as defined in the Corporations Act) if applicable or by any other method of transfer which is required or permitted by the Corporations Act and the ASX.

The MGM Directors will only register a transfer of a Share if the relevant securities to which that Share is stapled are also to be transferred simultaneously.

(d) General meetings of MGM

Notice of a general meeting of MGM must be given in accordance with the Corporations Act. The Directors of MGM must convene a meeting when required by the Corporations Act and may convene a meeting whenever they think fit. While Stapling applies, they may convene a combined meeting of Unitholders and Shareholders and determine the rules of conduct for such meetings.

(e) Voting

Subject to any rights or restrictions of any Shares or class of shares, each Shareholder is entitled to receive notice of, attend and vote at a general meeting of MGM. On a show of hands, each Shareholder present in person and each other person present as a proxy, attorney or a representative of a Shareholder has one vote. On a poll, each Shareholder present in person and each other person present as a proxy, attorney or a representative of a Shareholder has one vote for each fully paid Share.

(f) Dividends

The Directors of MGM may determine, subject to the Corporations Act, that a dividend is payable, fix the amount and the time for payment, and authorise the payment or crediting by MGM to, or at the direction of, each member entitled to that dividend. Interest is not payable on a dividend.

(g) Application of Listing Rules

While MGM is admitted to the official list of the ASX, the Listing Rules prevail to the extent that there is an inconsistency between the provisions of the MGM Constitution and the Listing Rules.

(h) Powers and duties of directors

The Directors of MGM will be entitled, to the extent permitted by law, while Stapling applies, to have regard to the interests of Unitholders and may act in the best interests of MGQ as a whole, rather than only in the interests of MGM.

7.4 Summary of MGI Constitution

The main rules governing the rights and obligations of Unitholders are set out in the MGI Constitution. The Corporations Act, exemptions and declarations by ASIC, the Listing Rules and the general law of trusts are also relevant to the rights and obligations of Unitholders. In particular, meetings of Unitholders (including applicable voting rights), amendments to the MGI Constitution and removal of the responsible entity are primarily regulated by the Corporations Act.

A complete copy of the MGI Constitution is available on request. The following information summarises the main provisions of the MGI Constitution which govern the rights and obligations of Unitholders and the powers of MGF (as the responsible entity and trustee for MGI).

(a) Units

The beneficial interest in MGI is divided into Units and no Unit confers an interest in a particular asset of MGI. The MGI Constitution allows the issue of partly paid Units and options over Units.

(b) Stapling

Subject to the MGI Constitution, the Corporations Act and the Listing Rules, the Stapling of the Units to Shares (and other securities) is permitted, with the intention that they be traded as a single security. Stapling of the Units and the Shares has occurred, as described in section 7.1.

Following approval by a special resolution of Unitholders (and the members of the other Stapled Entities), MGF may determine a date on which the Stapling provisions of the MGI Constitution will cease to apply. Stapling also ceases to apply if any of the Stapled Entities are terminated or wound up, or if Stapling becomes unlawful or prohibited by the Listing Rules. MGF may subsequently determine that the Stapling provisions should recommence.

(c) Limited liability of Unitholders

No Unitholder will be personally liable for an obligation of, or liability incurred by, MGF (subject to the MGI Constitution and the law). However, MGF may deduct from any amount payable to a Unitholder (or received from a Unitholder) any amount of tax (or an estimate of it) which MGF believes it should deduct.

(d) Transfer of Units

Transfers of Units may be effected in any manner permitted by the CHESS System. MGF may only refuse to register a transfer of Units where permitted to do so by law, the Listing Rules or the ASTC Settlement Rules.

Whilst Stapling applies, MGF must not register any transfer of Units unless it is a single transfer of Securities.

Where permitted to do so by the Corporations Act, the Listing Rules or the ASTC Settlement Rules, MGF may request a Holding Lock to prevent a transfer of Units from being registered.

(e) Withdrawals

A Unitholder's right to make a withdrawal request is suspended while the Units are officially quoted on the ASX. However, while Units are officially quoted on the ASX, MGF may, subject to the Corporations Act and the Listing Rules, purchase Securities on the ASX and may cause those Securities to be cancelled.

(f) Meetings of MGI

A Unitholder's right to requisition, attend and vote at a MGI meeting is primarily governed by the Corporations Act. On a show of hands, each Unitholder has one vote. On a poll, each Unitholder has one vote for each dollar of the value of the total interests they have in MGI.

(g) MGF's duties

MGF may have regard to the interests of Unitholders and holders of the Attached Securities in the Stapled Entities as a whole.

(h) Power to issue Units

The MGI Constitution allows for the issue of both Units and options over Units at issue prices determined in accordance with the MGI Constitution.

(i) Income and distribution

Unitholders on the register at the end of each financial year are presently entitled to MGI's distributable income for the year, in proportion to their unitholding. MGF must pay distributions to Unitholders within 90 days of the last day of each distribution period. MGF may determine the distribution periods (currently the distribution periods are the quarters ending on 31 March, 30 June, 30 September and 31 December).

(j) MGF's remuneration

MGF's entitlement to receive fees will be suspended while Stapling applies.

(k) MGF's indemnity and reimbursement for costs

MGF is entitled to be reimbursed from MGI for all expenses reasonably and properly incurred in connection with MGI or in performing its obligations under the MGI Constitution. Although MGF will not be entitled to fees while Stapling applies, MGF will be entitled to recover from MGI fees charged to it by MGM and its related bodies corporate for providing services to MGI. These will include funds management services, property services and development management services under arm's length contracts benchmarked to market from time to time.

MGF has a full right of indemnity from the assets of MGI unless in respect of a relevant matter it has acted negligently, fraudulently or in breach of trust.

7. Rights attaching to Securities (cont)

(l) MGF's limitation of liability

Subject to the Corporations Act, MGF is not liable for any loss or damage to any person (including any Unitholder) arising out of any matter unless, in respect of that matter, it acted both:

- (i) otherwise than in accordance with the MGI Constitution; and
- (ii) without a belief held in good faith that it was acting in accordance with the MGI Constitution.

In any case, to the extent permitted by law, MGF's liability in relation to MGI is limited to the assets from which MGF is entitled to be, and is in fact, indemnified.

Subject to the Corporations Act, MGF is not liable for any loss or damage where it relied in good faith on the services of, or information or advice from, or purporting to be from, any person appointed by it.

MGF is entitled to be indemnified by the holder of a Unit or option to the extent it incurs any liability for tax as a result of the holder's action or inaction.

(m) Retirement and removal of MGF

MGF as responsible entity for MGI may retire or can be replaced in accordance with the Corporations Act.

(n) Power to amend MGI Constitution

Subject to the Corporations Act, MGF may amend the MGI Constitution by deed.

8. Fees and other costs

Consumer advisory warning

The information in the following box is required by the Corporations Act and is standardised over all product issues. It does not provide information which relates to specific fees and costs in relation to the Units and therefore does not reflect the fees and costs you will be charged. Please refer to the information immediately following the box for information specifically on the Units and the Employee Offer.

DID YOU KNOW?

Small differences in both investment performance and fees and costs have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of an investment in a fund, rather than 1%, could reduce that investment's final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable.

Ask the Responsible Entity or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities & Investments Commission (ASIC)** website (www.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

8.1 Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from MGI's assets as a whole.

You should read all of the information about fees and costs because it is important to understand the impact on your investment.

Type of Fee or Cost	Amount ¹	How and When Paid
Fees when your money moves in or out of MGI		
Establishment fee The fee to open an investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to an investment	Nil	Not applicable
Withdrawal fee The fee on each amount taken out of an investment	Nil	Not applicable
Termination fee The fee to close an investment	Nil	Not applicable
MANAGEMENT COSTS		
The fees and costs for managing your investment	Nil ¹	Not applicable
SERVICE FEES		

8. Fees and other costs (cont)

Investment switching fee	Nil	Not applicable
The fee charged for changing investment options		

8.2 Example of annual fees and costs

This table gives an example of how the fees and costs for MGI can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE		BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR
Contributions Fees	Nil	Not applicable
PLUS		
Management Fees	Nil	And for every \$50,000 you have invested you will be charged NIL each year
EQUALS		
Cost of funds	Nil	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of NIL

8.3 Additional explanation of fees and costs

MGF is not entitled to charge a management fee for acting as responsible entity for MGI while Stapling applies. Refer to section 7.4(k) for a description of remuneration payable to MGF under the MGI Constitution.

8.4 Other fees

Under the Employee Offer, the principal outstanding under the loan and accrued interest may become repayable in the circumstances described in section 2 above. While this is not a fee payable by MGI and is not reflected in the management costs for MGI, it can have an effect on the value of Units.

MGF is entitled to recover certain incidental fees (such as funds and property management fees) from MGI. However, as MGQ is comprised of both MGM (including its subsidiary MGF) and MGI, those charges remain within MGQ.

¹ Refer to additional explanation in section 8.3.

9. Additional information

9.1 Nature of this Offer Document and availability of information

This Offer Document is intended to be read in conjunction with the publicly available information that is widely available in relation to MGQ. Participants and their advisers should therefore also have regard to that publicly available information in relation to MGQ before making a decision whether or not to accept the Employee Offer under this Offer Document.

The following MGQ documents are available for inspection during normal business hours at the principal office of MGM at Level 10, 60 Castlereagh Street, Sydney NSW 2000, care of the Company Secretary:

- (a) the Constitutions;
- (b) the Rules of the Macquarie Goodman Employee Securities Acquisition Plan and Executive Option Plan; and
- (c) the Securities Trading Policy.

9.2 Continuous disclosure

(a) Additional information available from the ASX and ASIC

Each of MGI and MGM is a "disclosing entity" under the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require MGI and MGM to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, MGI and MGM each have an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Securities.

MGI and MGM are also required to prepare and lodge with ASIC half-yearly and yearly financial statements accompanied by a directors' statement and report and an audit report. Copies of documents lodged with ASIC in relation to MGI and MGM can be obtained from, or inspected at, an ASIC office.

Copies of the documents filed with the ASX may be obtained from the ASX's website at www.asx.com.au.

Information relating to the Securities and any offer under this Offer Document that is not materially adverse from the point of view of an investor may change from time to time. This information may be updated and made available on MGQ's website at www.macquariegoodman.com. A paper copy of any updated information is available free on request by contacting the Company Secretary on (02) 9230 7400.

(b) Information available from MGQ

MGQ will make copies of the following documents available for inspection at the registered office of MGQ (see the corporate directory) (between 9.00am and 5.00pm (Sydney time) on Business Days):

- (i) the annual financial reports for the year ended 30 June 2006 for MGM and MGI lodged with ASIC on 21 August 2006 and 22 August 2006 respectively, being the annual financial reports most recently lodged before the date of this Offer Document;
- (ii) the interim financial report for the half year to 31 December 2006 lodged with ASIC on 19 February 2007; and
- (iii) any other document lodged by MGI, MGM or MGQ with ASIC or the ASX under the continuous disclosure reporting requirements in the period after the lodgement of the most recent annual financial report and before the date of this Offer Document.

A copy of the above documents may be requested to be provided free of charge by contacting the Company Secretary on (02) 9230 7400.

9.3 Application for official quotation

Application for admission of the Securities to quotation on the official list of the ASX will be made within seven days of the date of this Offer Document.

Application for quotation of Securities issued on exercise of Options will be made in accordance with the ASX Listing Rules. For the avoidance of doubt, there will be no application for admission of the Options to quotation on the official list of the ASX.

9. Additional information (cont)

9.4 Interest of Directors

As at the date of this Offer Document, the Directors have the following interests in Securities, either directly or indirectly.

Director	Total Securities held
David Clarke	206,901
David Tepplitzky	5,636
Greg Goodman*	147,487,637
Ian Ferrier	4,713
Patrick Goodman*	147,487,637
John Harkness	5,367
Anne Keating	45,180
James Sloman	2,785
James Hodgkinson	158,817

* Mr Gregory Goodman and Mr Patrick Goodman together have an interest in the Securities through Goodman Holdings Pty Limited and its wholly-owned subsidiaries. Included within this aggregate are 12,024,666 Securities held by Mr Gregory Goodman and 2,112,795 Securities held by Mr Craig Goodman. These figures also include 4,622,657 Securities held by Mr Gregory Goodman and 1,316,830 Securities held by Mr Craig Goodman under the Securities Plan. Under the Employee Offer, a further 2,000,000 Securities are to be offered to Mr Gregory Goodman (subject to Securityholder approval) and 500,000 Securities are to be offered to Mr Craig Goodman.

As at the date of this Offer Document, no Director has an interest in any Options.

Other than as set out in this section or elsewhere in the Offer Document, no Director has, or at any time in the two years before the date of this Offer Document has had, any interests in :

- (a) the formation or promotion of MGQ;
- (b) property acquired or proposed to be acquired by MGQ in connection with their formation or promotion of the Employee Offer; or
- (c) the Employee Offer.

9.5 Interests of advisers

Allens Arthur Robinson has acted as legal adviser in respect of the Employee Offer. MGQ has paid or agreed to pay approximately \$75,000 (including GST) for its services in relation to this Offer Document. Further amounts may be paid to Allens Arthur Robinson in accordance with its normal time based charges.

Greenwoods & Freehills has acted as taxation adviser in respect of the Employee Offer. MGQ has paid or agreed to pay approximately \$45,000 (including GST) for its services in relation to this Offer Document. Further amounts may be paid to Greenwoods & Freehills in accordance with its normal time based charges.

Other than as set out in this section or elsewhere in the Offer Document, no person named in this Offer Document as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Document has, or in the last two years before the date of this Offer Document has had, any interests in :

- (a) the formation or promotion of MGQ;
- (b) property acquired or proposed to be acquired by MGQ in connection with their formation or promotion of the Employee Offer; or
- (c) the Employee Offer.

9.6 Consents

The following persons have given and have not, before the date of this Offer Document, withdrawn their consent to:

- (a) be named in this Offer Document in the form and context in which they are named;
- (b) the inclusion of their respective reports or statements noted next to their names and the references to those reports in the form and context in which they are included in this Offer Document; and
- (c) the inclusion of other statements in this Offer Document which are based on or referable to statements or to statements made in those reports, or which are based on or referable to other statements made by those persons, in the form and context in which they are included:

Name of person	Named as	Reports/statements
Greenwoods & Freehills	Taxation adviser	Taxation opinion letter set out in section 4

Each of the above persons:

- (a) does not make, or purport to make, any statement in this Offer Document other than those statements referred to above and as consented to by that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Offer Document other than as described in this section with the person's consent.

Additionally, the following persons have given and have not, before the date of this Offer Document, withdrawn their consent to be named in this Offer Document in the form and content in which they are named:

Name of person	Named as
Allens Arthur Robinson	Legal adviser
Computershare Investor Services Pty Limited	Security Registrar

9.7 Fees and expenses of the Employee Offer

The issue costs of the Employee Offer include legal, taxation and other costs. If the Employee Offer proceeds, these costs will total approximately \$130,000 (including GST). These fees are apportioned between MGI and MGM on a reasonable basis.

9.8 Consent of Directors

Each of the Directors of Macquarie Goodman Funds Management Limited and Macquarie Goodman Management Limited have consented to the lodgement of this Offer Document with ASIC.

Signed for Macquarie Goodman Funds Management Limited, as responsible entity for Macquarie Goodman Industrial Trust, and for Macquarie Goodman Management Limited by:



David Clarke AO
Chairman

10. Glossary

Application Form	means the pre-printed personalised application form in respect of Securities or Options the subject of the Employee Offer accompanying this Offer Document and includes any acceptance form attached to or accompanying the personalised application form
ASIC	means the Australian Securities & Investments Commission
ASTC	means ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532)
ASTC Settlement Rules	means the ASTC Settlement Rules and any other rules of ASTC which apply while the Units are securities which are approved by CHESS, each as amended from time to time
ASX	means ASX Limited (ABN 98 008 624 691) or the financial market which it operates, as the case requires
ASX Trading Day	means a trading day for the purposes of the Listing Rules
Attached Securities	means a security such as a Share which is Stapled to a Unit or vice versa
Board	means the board of directors of each of MGM and MGF (as applicable)
Bonus Securities	means Securities issued as part of a bonus issue which accrue to Plan Securities
Business Day	means a business day for the purposes of the Listing Rules
Cash Distributions	means distributions or dividends declared or paid with respect to Securities payable in cash
Certificate	means the certificate issued to an Eligible Employee (disclosing the number of Securities for which the Eligible Employee is entitled to subscribe or acquire) as evidence of the grant of Options, and the date of the grant of Options
CHESS	means the Clearing House Electronic Subregister System
Constitutions	means the MGM Constitution and the MGI Constitution, as the case may be
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
Director	means a Director of MGM and MGF (as applicable)
Eligible Employee	means an Employee who has been invited to participate in the Option Plan by the Board
Employee	means a person whom the Board determines to be in the full-time or part-time employment of MGQ or a Related Body Corporate or a person entitled to participate in accordance with the Rules
Employee Offer	means the offer to Employees of Securities or Options pursuant to this Offer Document, as the case may be
Exercise Period	means, in respect of an Option, the period commencing on the First Exercise Date and ending on the Last Exercise Date
Exercise Price	means the exercise price of an Option as specified on the Application Form
First Exercise Date	means the first date on which an Option can be exercised as specified on the Application Form
Foreign Offer	means the offer of Options under the Option Plan to Employees outside Australia on or about the date of this Offer Document
Holding Lock	means a facility operated by the Plan Manager that prevents a Securities Plan Participant from assigning, transferring, selling, encumbering or otherwise dealing with Plan Securities

Last Exercise Date	means the last date on which an Option can be exercised (and the date on which an Option lapses) as specified on the Application Form
Listing Rules	means the listing rules of the ASX
MGF	means Macquarie Goodman Funds Management Limited (ABN 48 067 796 641; AFSL Number 223621), as responsible entity of MGI
MGI	means Macquarie Goodman Industrial Trust (ARSN 091 213 839) and, where the context requires, MGF as responsible entity of MGI
MGI Constitution	means the constitution of MGI as amended
MGM	means Macquarie Goodman Management Limited (ABN 69 000 123 071)
MGM Constitution	means the constitution of MGM as amended
MGQ	means MGM, MGI and controlled entities
Notice of Exercise	means the form which must be submitted when the Optionholder intends to exercise their Options
Offer Document	this document which is a prospectus and product disclosure statement for the purposes of the Corporations Act dated 5 March 2007
Official Quotation	means the granting of Official Quotation by the ASX to securities issued by MGM and MGI, securities having been admitted to the Official List of the ASX
Option	means an option over unissued Securities granted under the Option Plan
Option Plan	means the MGQ executive option plan approved by the Board in 2005 (as amended)
Option Plan Rules	means the rules of the Option Plan
Optionholder	means a registered holder of Options, being an Eligible Employee or a nominee of an Eligible Employee, to whom Options have been granted which have not lapsed
Participant	means an Employee who has been invited to participate in the Securities Plan or the Option Plan (as applicable)
Performance Hurdles	means an exercise condition applicable to an Option acquired under the Option Plan
Permanent Disablement	means: (a) in relation to an Optionholder, the disablement of the Eligible Employee the effect of which is in the opinion of the Board likely to be permanent and will stop that Eligible Employee continuing his or her employment with MGM or its Related Bodies Corporate; or (b) in relation to a Securities Plan Participant, that the Securities Plan Participant has, in the opinion of the Board, after having regard to such medical and other evidence as the Board may consider appropriate, become incapacitated to such extent as to render the Securities Plan Participant unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience
Plan Manager	means the entity appointed by MGQ to act as the plan manager under the Rules from time to time
Plan Securities	means any Securities acquired by a Securities Plan Participant pursuant to the Securities Plan and includes any subdivisions, consolidations or other reconstructions of those Securities

10. Glossary (cont)

Redundancy	means either: (a) the termination of employment of an Employee with the Company or a Related Body Corporate by reason of a restructure, reorganisation or rescaling of the Company or a Related Body Corporate whereby: (i) the Company or its Related Body Corporate no longer requires the Employee to perform the duties previously performed; or (ii) the role previously performed by the Employee is no longer required, and there is no suitable alternative role for the Employee within the Company or its Related Body Corporate; or (b) the Related Body Corporate that employs the Eligible Employee ceasing to be a Related Body Corporate of MGQ, and in either event the Board in its absolute discretion determining that such an event qualifies as a Redundancy for the purposes of the Rules
Related Body Corporate	means a company which is a Related Body Corporate of MGQ or MGM, within the meaning of section 50 of the Corporations Act
Relevant Employee	means, in respect of an Option: (a) if the Optionholder is an Eligible Employee, the Eligible Employee; and (b) if the Optionholder is a nominee of an Eligible Employee, the Eligible Employee to whom the Employee Offer was made as a result of which the Optionholder was granted the Option
Resignation	means the voluntary termination by an Employee of their employment with the Company or with a Related Body Corporate but excluding Retirement
Restriction Condition	means a condition determined by the Board which must be satisfied before a Securities Plan Participant may sell or transfer a Security acquired under the Securities Plan
Restriction Period	means such period as the Board determines from time to time, such period to commence after the time of acquisition by a Securities Plan Participant of Securities under the Securities Plan
Retirement	means the termination of an Employee's employment with MGQ or with a Related Body Corporate at the normal retirement age, or earlier (provided that the Employee is at least 55 years of age), but excluding dismissal or Resignation
Return on Equity	means the net profit after tax for MGQ over the calendar period to 31 December divided by the weighted average cost of capital for MGQ over that period as determined by the Board in its absolute discretion
Rights	means any rights to acquire Securities issued or to be issued
Rules	means the Securities Plan Rules and the Option Plan Rules
Securities Plan	means the MGQ Employee Securities Acquisition Plan approved by the Board in 2005 (as amended)
Securities Plan Participant	means an Employee who is participating or has been invited to participate in the Securities Plan
Securities Plan Rules	means the rules of the Securities Plan
Securities Trading Policy	means the MGQ Securities Trading Policy dated 23 June 2006

Security	means one Share and one Unit which are Stapled together under the terms of the Constitutions and the Stapling Deed
Security Registrar	means Computershare Investor Services Pty Limited (ABN 28 078 279 277)
Securityholder	means a person who is registered as the holder of a Security in the combined MGM and MGI register of members
Share	means a fully-paid ordinary share in MGM
Shareholder	means a person who is registered as the holder of a Share in the MGM register of members
Special Circumstance	means Retirement, Redundancy, death or Permanent Disablement of the Employee or subject to the Listing Rules such other circumstance as determined by the Board in its absolute discretion and notified to affected Employees. It does not include the termination of the Employee's employment by dismissal or Resignation
Staff Intranet	means MGQ's staff intranet
Stapled Entity	means, in the case of MGI, MGM and any other company, trust or management investment scheme whose securities are Stapled to the Units and, in the case of MGM, MGI and any other company, trust or management investment scheme whose securities are Stapled to the Shares
Stapling	means the linking of securities such that one cannot be transferred or otherwise dealt with without the other and which are jointly quoted by the ASX as a Stapled Security and Stapled has a corresponding meaning
Stapling Deed	means the deed dated 25 January 2005 between MGM and MGF which sets out various matters in respect of the relationship between MGM and MGF whilst Units are Stapled to Shares
Tax Act	means the <i>Income Tax Assessment Act 1936</i> (Cth) or the <i>Income Tax Assessment Act 1997</i> (Cth)
Unit	means a fully-paid ordinary unit in MGI
Unitholder	means a person who is registered as the holder of a Unit in the MGI register of members

Directory

Macquarie Goodman Group

Macquarie Goodman Management Limited
ABN 69 000 123 071

Macquarie Goodman Industrial Trust
ARSN 091 213 839

Responsible entity

Macquarie Goodman Funds Management Limited
ABN 48 067 796 641; AFSL Number 223621

Registered office

Level 10
60 Castlereagh Street
Sydney NSW 2000

Directors

David Clarke (Chairman)
David Teplitzky (Deputy Chairman)
Gregory Goodman (Chief Executive Officer)
Ian Ferrier (Independent Director)
Patrick Goodman (Non-Executive Director)
John Harkness (Independent Director)
Anne Keating (Independent Director)
Jim Sloman (Independent Director)
James Hodgkinson (Non-Executive Director)

Security Registrar

Computershare Investor Services Pty Limited
Level 5
115 Grenfell Street
Adelaide SA 5000
or
GPO Box 1903
Adelaide SA 5001

Company Secretary

Carl Bicego

Legal Adviser

Allens Arthur Robinson
Level 28, Deutsche Bank Place
Corner of Hunter and Phillip Streets
Sydney NSW 2000

Macquarie Goodman

MACQUARIE GOODMAN GROUP PROSPECTUS AND PRODUCT DISCLOSURE STATEMENT
www.macquariegoodman.com