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ASX RELEASE



MACQUARIE DDR TRUST

**MDT ANNOUNCES PROPOSED RECAPITALISATION AND
INTRODUCTION OF NEW CORNERSTONE INVESTOR**

Macquarie DDR Trust (ASX:MDT) ("**MDT**" or "**the Trust**") today announced it has entered into agreements with a new cornerstone investor, EPN GP, LLC ("**EPN**") to recapitalise and stabilise the Trust's balance sheet ("**Proposed Recapitalisation**").

The key components of the Proposed Recapitalisation are:

- A\$9.5 million private placement ("**Placement**") to EPN;
- pro rata entitlement offer ("**Entitlement Offer**") to raise approximately A\$200 million (subject to the finalisation of underwriting arrangements and receipt of standstill agreements from lenders and derivative counterparties); and
- to facilitate the Proposed Recapitalisation, Macquarie Group Limited ("**Macquarie**") has agree to sell to EPN its 2.6% principal unitholding in the Trust and, following the completion of the Entitlement Offer, its 50% interest in Macquarie DDR Management LLC ("**US Manager**"), the owner of the Responsible Entity of the Trust.

It is intended that the proceeds of the Proposed Recapitalisation will be used to fully repay the Trust's unsecured loan facilities and derivative contracts and to facilitate the part-repayment and extension of the Revolver loan facility.

The Trust's lead independent director, Mr David Spruell, said "This is a significant transaction which will enable the Trust to recapitalise and stabilise its balance sheet in the near term. We welcome the involvement of EPN, whose interests will be closely aligned with our current unitholders."

"Upon completion of the Proposed Recapitalisation, the Trust's capital structure will be significantly enhanced. These initiatives will provide the Trust and its unitholders further time to benefit from any recovery in US market conditions," said Mr Spruell.

None of the entities referred to in this document is an authorised deposit-taking institution for the purposes of the Banking Act (Commonwealth of Australia) 1959, and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("MBL"). MBL provides a limited AUD5.4 million guarantee to the Australian Securities and Investments Commission in respect of Corporations Act obligations of Macquarie DDR Management Limited as a responsible entity of managed investment schemes. MBL does not otherwise guarantee or provide assurance in respect of these entities, the performance of funds managed by Macquarie DDR Management Limited or the repayment of capital.

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Private Placement

MDT has issued to EPN 141.48 million new units at a price of A\$0.067 per unit, reflecting a premium of 4.7% to the last closing price of \$0.064 on 25 March 2010. The Placement represents 15% of the Trust's units previously on issue and raises A\$9.5 million of new capital for the Trust. The units issued in the Placement will rank equally with existing MDT units.

Entitlement Offer

In addition to the Placement, the Trust proposes to conduct a pro rata Entitlement Offer to raise approximately A\$200 million. EPN will participate in and sub-underwrite the Entitlement Offer. Other substantial unitholders in the Trust will be also offered the opportunity to participate in the sub-underwriting of the Entitlement Offer.

Launching the Entitlement Offer is conditional on the Trust finalising and entering into definitive underwriting agreements with underwriters and receiving acceptable standstill agreements from the Trust's lenders and derivative counterparties. Negotiations in respect of these matters are currently underway.

Subject to these conditions being satisfied and successful completion of the Entitlement Offer, net proceeds from the Proposed Recapitalisation will be used to reduce the Trust's gearing and stabilise its balance sheet. This will provide the Trust with a simplified and more sustainable capital structure.

Unitholders will receive a product disclosure statement ("**PDS**") for the Entitlement Offer following lodgement with ASIC and the ASX.

Management Arrangements

To facilitate the Proposed Recapitalisation, Macquarie has agreed to sell to EPN its 2.6% principal unitholding in the Trust and, following the completion of the Entitlement Offer, its 50% interest in the US Manager, the owner of the Responsible Entity of the Trust. DDR will remain as a 50% co-owner of the US Manager and continue as property manager for the Trust's assets.

Upon completion of EPN's acquisition of Macquarie's 50% interest in the US Manager, the composition of the board of the Responsible Entity will change such that EPN will appoint at least half of the board members and Macquarie will have no representatives.

Following the Placement and acquisition of Macquarie's interest in MDT, EPN's holding in the Trust will be approximately 15.3%. EPN's holding may be increased as a result of the Proposed Recapitalisation.

An overview of EPN is provided in the Appendix.

Trading in the Trust's units

Trading in the Trust's units will remain suspended until the conditions for the Proposed Recapitalisation are satisfied to allow a PDS for the Entitlement Offer to be lodged with ASIC and the ASX.

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For more information on recent announcements of Macquarie DDR Trust go to www.macquarie.com.au/mdt

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Appendix:

About EPN

EPN GP, LLP ("**EPN**") is a real estate investment venture jointly formed by Elbit Plaza USA ("**Elbit Plaza**") and Eastgate Property LLC ("**Eastgate**"). EPN intends to take advantage of real estate opportunities in the United States, primarily in the retail sector, through direct acquisitions and joint ventures with leading real estate operators and owners of relevant assets or portfolios.

Elbit Plaza is a joint venture between Elbit Imaging Ltd. ("**Elbit**") and Plaza Centers N.V. ("**Plaza**"). Elbit is a global diversified conglomerate dual listed on the Tel Aviv Stock Exchange and NASDAQ Global Select Market (EMITF), which is active in several principal fields including shopping and entertainment centers. Plaza is a leading emerging markets developer of shopping and entertainment centres, which maintains dual listing on the Main Board of the London Stock exchange (PLAZ) and on the Warsaw stock exchange (PLZ). For more information on Elbit and Plaza visit www.elbitimaging.com and www.plazacenters.com.

Eastgate is an affiliate of NCH Capital Inc., an established U.S. based international fund manager with assets under management of over US\$3 billion, of which approximately \$800 million are dedicated to real estate.

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