Macquarie Group Limited

Presentation to Investors and Analysts

May 2012

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Unless otherwise specified all information is for the year ended 31 March 12.

Certain financial information in this presentation is prepared on a different basis to the Macquarie Group Limited Financial Report, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this presentation does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.

This report provides further detail in relation to key elements of Macquarie Group Limited's financial performance and financial position. It also provides an analysis of the funding profile of the Group because maintaining the structural integrity of the Group's balance sheet requires active management of both asset and liability portfolios. Active management of the funded balance sheet enables the Group to strengthen its liquidity and funding position.

Any additional financial information in this presentation which is not included in the Macquarie Group Limited Financial Report was not subject to independent audit or review by PricewaterhouseCoopers.

Overview of Result

Nicholas Moore
Managing Director and Chief Executive Officer

Macquarie Group Limited
14th Annual Macquarie Australia Conference – Sheraton on the Park, Sydney
3 May 2012 – Presentation to Investors and Analysts

About Macquarie
Building for the medium term

Macquarie Funds
- Top 50 global asset manager with $A324b[1] of assets under management
- Provides clients with access to a diverse range of capabilities and products, including infrastructure and real asset management, securities investment management and structured access to funds, equity-based products and alternative assets

Corporate and Asset Finance
- Provider of specialist finance and asset management solutions, with $A20.6b[1] of loans and assets under finance
- Expertise in corporate debt and asset finance including aircraft, motor vehicles, technology, healthcare, manufacturing, industrial, energy, rail and mining equipment
- One of the largest providers of motor vehicle finance in Australia

Banking and Financial Services
- No.1 full-service Australian retail stockbroker in terms of volume and market share
- Leading provider of retail advisory services and products
- Full-service retail broking, deposit-taking and services to intermediaries in Australia
- Specialist Relationship Banking provider to Small to Medium Enterprises (SME)

Macquarie Securities
- Global institutional securities house with strong Asia-Pacific foundations covering sales, research, ECM, execution and derivatives activities
- Full-service cash equities in Australia, Asia, South Africa and Canada with specialised offerings in US and Europe. Specialised derivatives offerings in key locations globally
- Key specialities: infrastructure and utilities, TMET, resources (mining and energy), industrials and financial institutions

Macquarie Capital
- Global corporate finance capability, including M&A, capital markets and principal investments
- Key specialities in six industry groups: Infrastructure, Utilities and Renewables; Resources (mining and energy); Real Estate; Telecommunications, Media, Entertainment and Technology (TMET); Industrials; Financial Institutions

Fixed Income, Currencies and Commodities
- Global fixed income, currencies and commodities provider of finance, risk solutions and market access to producers/consumers and financial institutions/investors
- Growing presence in physical commodities (natural gas, LNG, power, oil, coal, base metals, iron ore, sugar and freight)
- Predominant in US and Australia, niche offering in Canada and Latin America, growing presence in Asia and EMEA
- Specialities: commodities, Asian and emerging markets, high yield and distressed debt

1. At 31 Mar 12.

MACQUARIE

2H12 result

- Net profit of $A425m, up 39% on 1H12 and down 23% on pcp
- Operating income $A3.7b, up 15% on 1H12 and down 8% on pcp
- As foreshadowed:
  - Macquarie's annuity-style businesses have delivered a combined net profit contribution in line with pcp, albeit down 21% on 1H12 primarily due to impact of the timing of performance fees
  - FICC saw significantly improved conditions delivering a 2H12 result strongly up on 1H12 and up 31% on pcp
  - Macquarie Securities (MSG) and Macquarie Capital were impacted by subdued activity levels across ECM and M&A. MSG was further impacted by low client volumes and the costs of exiting certain derivatives businesses
  - 2H12 included the receipt of $A295m from Sydney Airport[1] which was recorded as income
- Operating expenses $A3.1b, up 9% on 1H12 and down 3% on pcp, due to the costs of exiting certain derivatives businesses, redundancies and increased profit share for market facing businesses
- Increase in the half year effective tax rate to 29.8% from 26.0% at 1H12 and 26.3% in pcp
- EPS $A1.24, up 43% on 1H12 and down 24% on pcp
- Return on equity 7.8%, up from 5.7% in 1H12 and down from 10.2% in pcp
- 2H12 dividend of $A0.75 (unfranked), up on 1H12 dividend of $A0.65 (unfranked) and down on 2H11 dividend of $A1.00 (unfranked)

1. Formerly MAp Group.

FY12 result

- Net profit of $A730m, down $A226m (or 24%) on FY11
- Operating income $A7.0b, down $A702m (or 9%) on FY11
  - Capital market facing businesses down $A747m (or 20%) on FY11
- As foreshadowed;
  - Macquarie Funds, Corporate and Asset Finance and Banking and Financial Services have delivered a combined net profit contribution for FY12 up $A287m (or 22%) on FY11
  - Despite a difficult 1H12, a significant improvement in FICC saw it deliver a FY12 net profit contribution of $A539m down only $A36m (or 6%) on FY11
  - Macquarie Securities delivered a loss of $A194m for FY12 reflecting difficult market conditions and the costs of exiting certain derivative businesses
  - Macquarie Capital has delivered a FY12 net profit contribution of $A85m down $A129m (or 60%) on FY11 due to low levels of client activity across M&A and ECM
- Operating expenses $A5.9b, down $A480m (or 8%) on FY11
  - Employment expenses[1] $A3.6b, down $A330m (or 8%) on FY11
- Increase in the full year effective tax rate to 28.2% from 22.8% in FY11
- EPS $A2.10, down 26% on FY11
- Return on equity 6.8%, down from 8.8% for FY11
- Full year dividend of $A1.40 (unfranked), down on FY11 dividend of $A1.86 (unfranked)

1. Includes on-costs, staff procurement and staff training.

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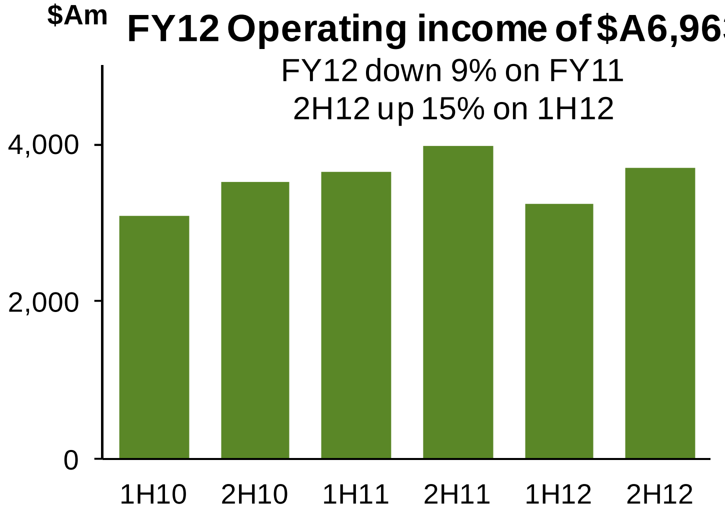
FY12 result

	2H12 $Am	1H12 $Am	Mar 12 $Am	Mar 11 $Am
Net operating income	3,720	3,243	6,963	7,665
Total operating expenses	(3,086)	(2,828)	(5,914)	(6,394)
Operating profit before income tax	**634**	**415**	**1,049**	**1,271**
Tax expense	(180)	(107)	(287)	(282)
Profit attributable to non-controlling interests	(29)	(3)	(32)	(33)
Profit attributable to MGL shareholders	**425**	**305**	**730**	**956**

Financial performance

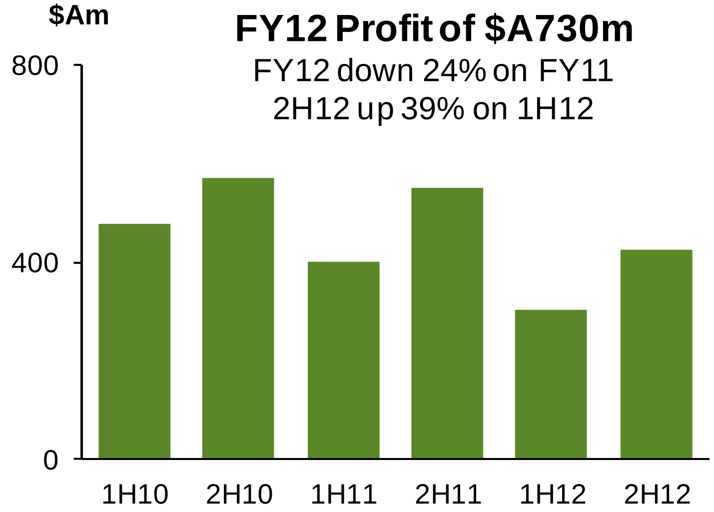
FY12 Operating income of $A6,963m

FY12 down 9% on FY11
2H12 up 15% on 1H12



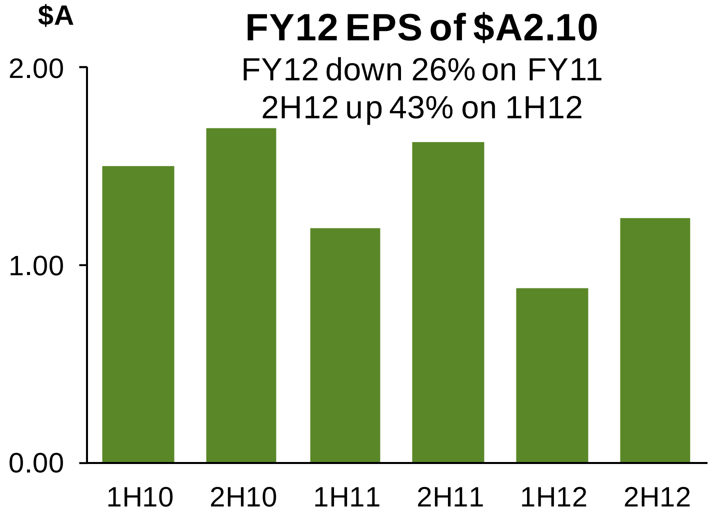
FY12 Profit of $A730m

FY12 down 24% on FY11
2H12 up 39% on 1H12



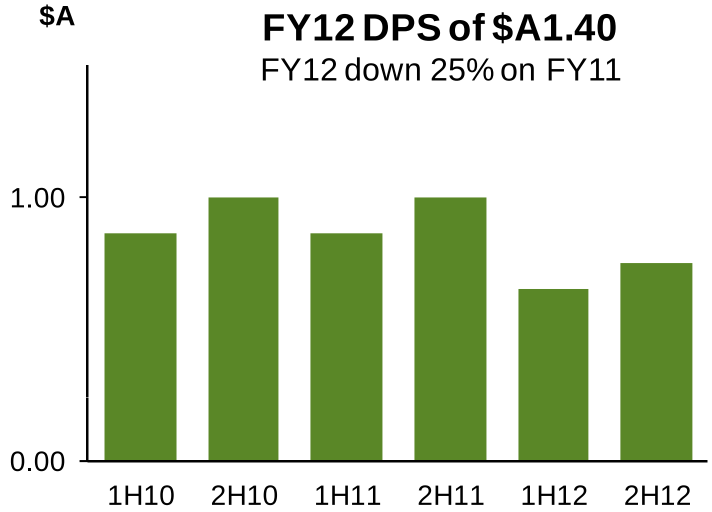
FY12 EPS of $A2.10

FY12 down 26% on FY11
2H12 up 43% on 1H12



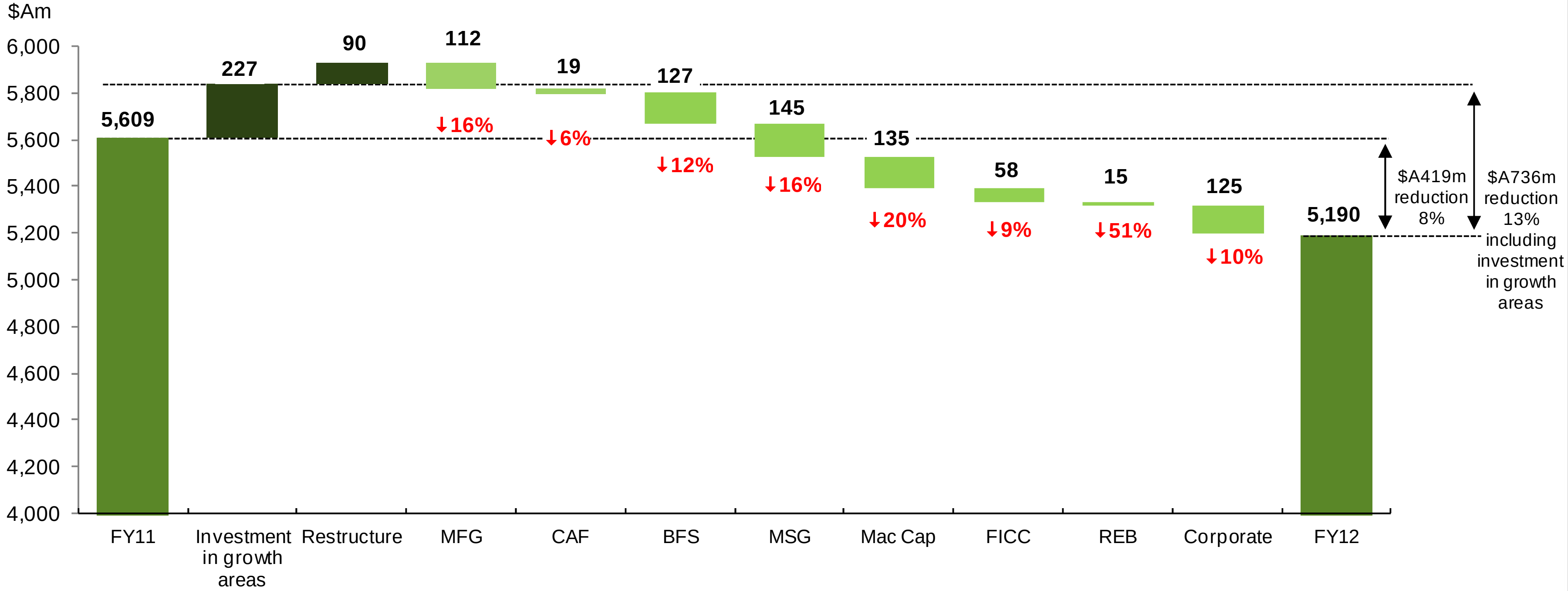
FY12 DPS of $A1.40

FY12 down 25% on FY11



Cost Performance

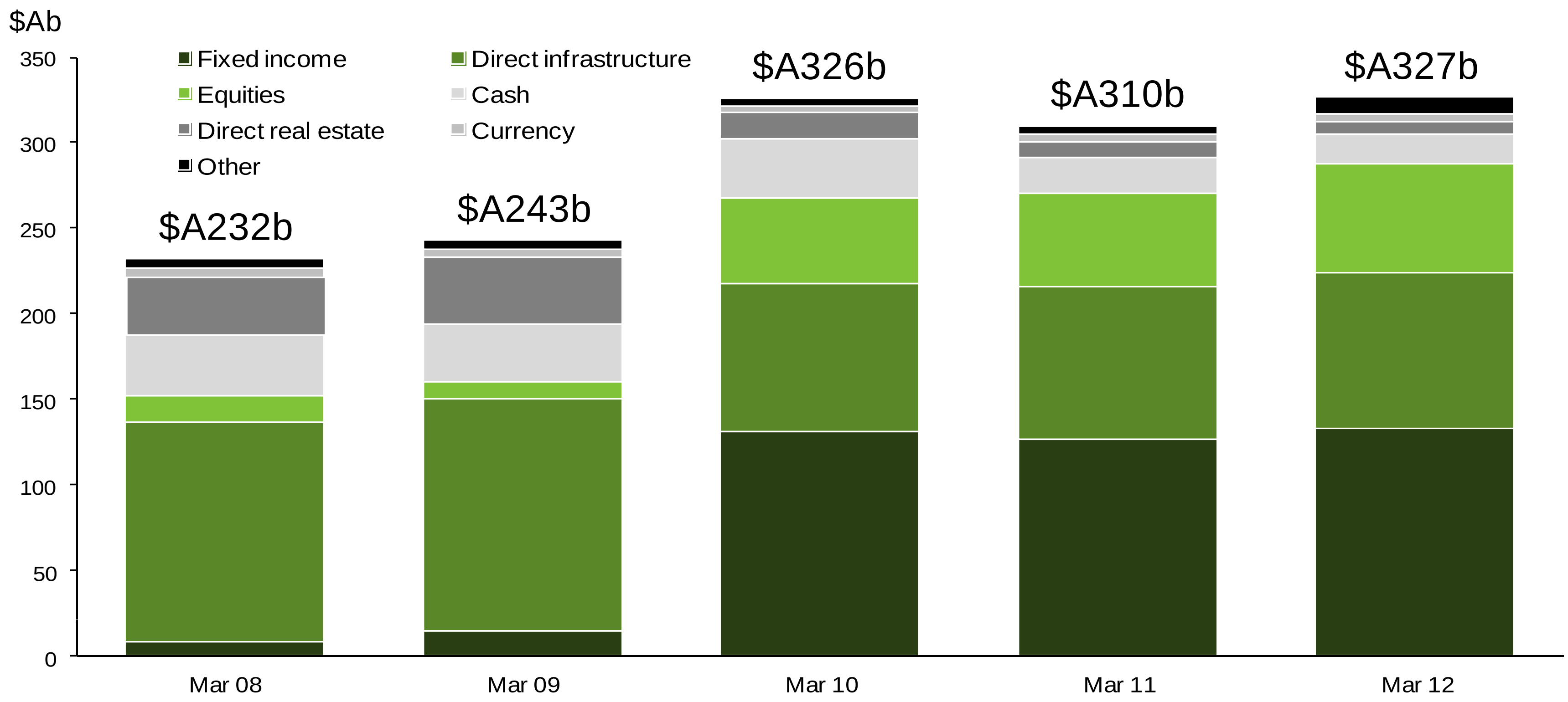
- As foreshadowed, FY12 operating costs (excl. brokerage and commissions expense) $A5.2b; down $A0.4b on FY11
  - Achieved across the group through centralising support functions, and reducing front office costs including the reduction of business scope in some cases
  - Savings will enable investment in growth areas which include key markets, new products, processes & technologies
  - As foreshadowed, Macquarie Securities and Macquarie Capital expect to reduce FY11 run rate costs by 20-25% by end FY13



Percentage reduction for each of the Operating Segments is based off the FY11 cost base. Restructuring includes incremental business rationalisation and restructuring costs.

Assets under management of $A327b

- Increase in AUM resulting from:
  - Net inflows, investments in infrastructure and real assets and valuation changes
  - Partially offset by asset disposals and FX movements of the Euro against AUD

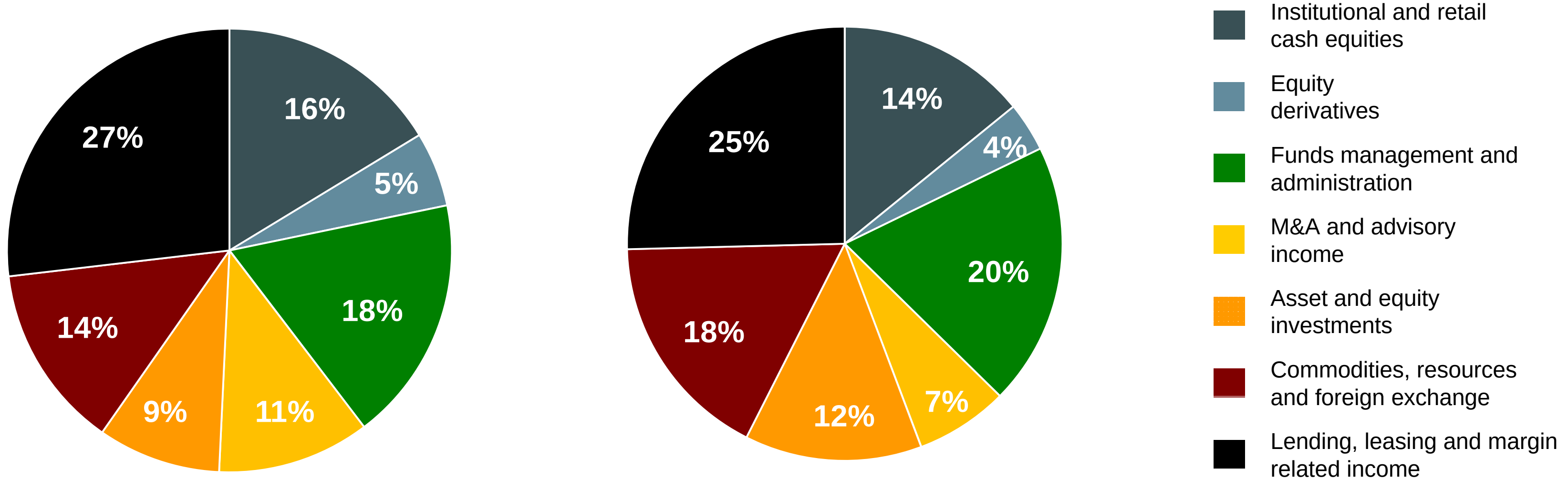


Diversified income
Operating income by source

Operating income before writedowns, impairments, equity accounted gains/(losses) and one-off items[1]

12 months to 31 March 11
$A7.6b

12 months to 31 March 12
$A7.3b



1. FY12: No adjustment for one-off items. FY11: One-off items related to gains from listed fund initiatives (Sydney Airport fair value adjustment of investment ($A95m) and sale of MPT management rights ($A14m)).

Diversified by region

International income[1] 60% of total

Total staff 14,202; International staff 53% of total

EUROPE, MIDDLE EAST & AFRICA[2]

Income: $A1,229m (18% of total)
Staff: 1,370

ASIA

Income: $A743m (11% of total)
Staff: 2,795

AMERICAS

Income: $A2,044m (31% of total)
Staff: 3,419

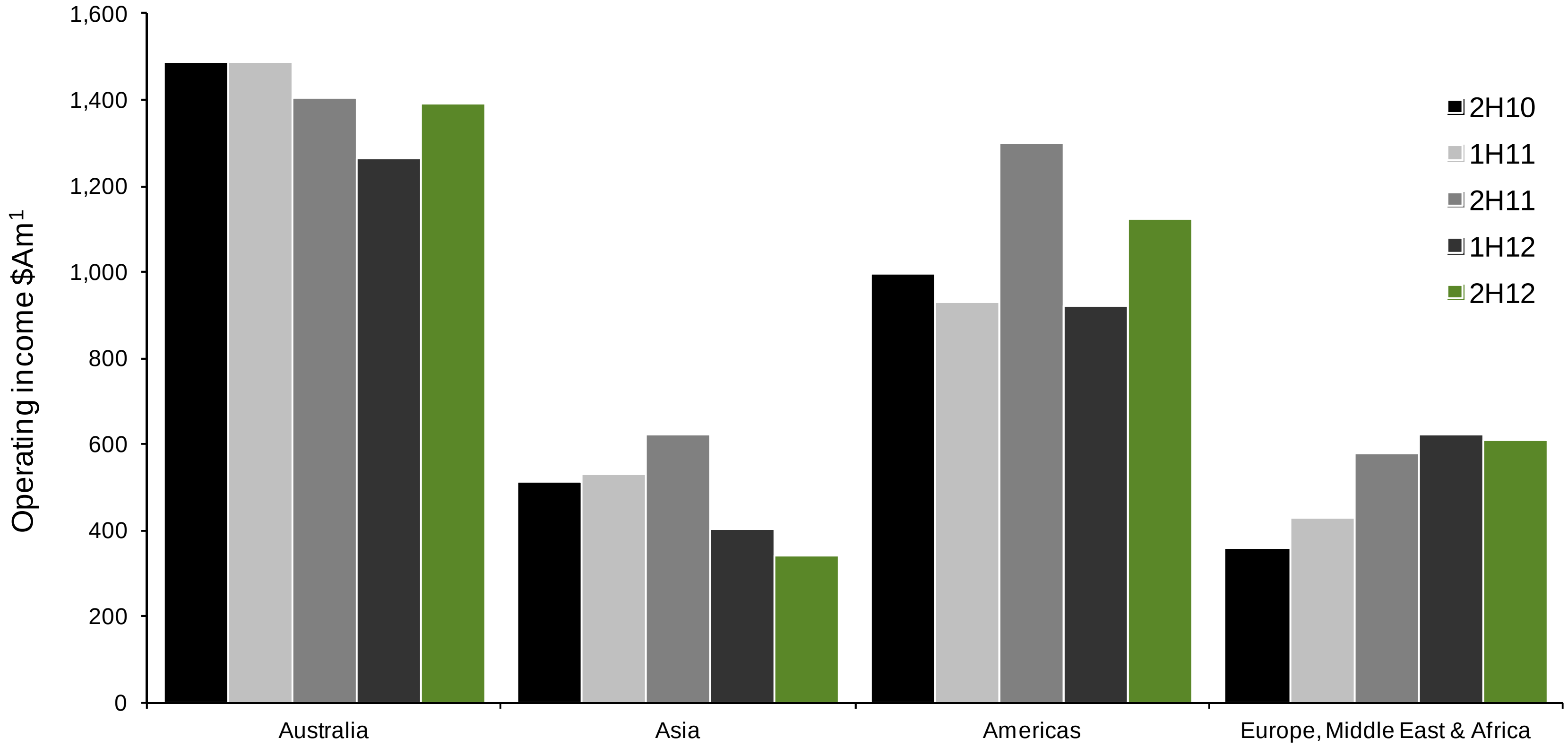
AUSTRALIA[3]

Income: $A2,654m (40% of total)
Staff: 6,618

1. Operating income for year to 31 Mar 12. Operating income in each region excludes earnings from the Corporate segment of $A293m. 2. Excludes staff in Macquarie First South joint venture and staff seconded to Macquarie Renaissance joint venture (Moscow). 3. Includes New Zealand.

Diversified income
Operating income by region

- 60% of operating income in FY12 generated offshore
  - FX translation estimated to have a negative impact of approx. 5% due to the strengthening of AUD by an average of approx. 10% against major currencies



1. Operating income excludes earnings from the Corporate segment of $A293m.

Macquarie Funds

Operating income of $A1,366m, up 6% on prior year
Net profit contribution of $A655m, up 36% on prior year

AUM of $A324b up 6% on prior year

Macquarie Infrastructure and Real Assets

Activity

- Ranked as the largest manager of infrastructure assets globally[1] and ranked first in the Infrastructure Investor magazine listing of the largest infrastructure investors globally[2]
- Raised over $A2.2b in new equity commitments and completed $A17.8b in asset and fund level re-financings
- Focused on strategically investing capital across the globe, with over $A1.3b of equity invested
- Macquarie Essential Assets Partnership (MEAP) divested its final two assets, successfully concluding the term of the fund and realising a fund internal rate of return of 17.8 per cent[3]
- Performance fees of $A100m earned predominantly as a result of MEAP, Macquarie Atlas Roads and Thames Water outperforming their respective benchmarks

Macquarie Investment Management

Activity

- $A6.4b of net inflows across a range of products and regions
- Awarded ten Lipper Fund Awards in 2012 across the US, Europe and Asia[4]
- Delaware Investments was ranked first in the "Barron's Fund Families Report" for 2011
- Strong performance across a range of asset classes relative to industry benchmarks, with top quartile performance over three years for:
  - 15 Delaware Investments funds in their respective Lipper categories in the US
  - Macquarie High Conviction Fund, Macquarie Australian Small Companies Fund and Macquarie Core Australian Fixed Interest Fund in Australia
- MFG's flagship Australian fixed income retail strategies, Macquarie Diversified Fixed Interest and Macquarie Income Opportunities, each reached $A1.0b in AUM
- Continued to build out its global distribution platform, with senior hires in Australia, the US, Asia and Europe
- Launched several new funds including an international bond mutual fund, a short term currency alpha fund and an absolute return asset allocation fund

Macquarie Specialised Investment Solutions

Activity

- Raised over $A300m for Australian retail specialised products
- Launched a range of new retail products including:
  - Macquarie Step
  - A series of European income opportunity funds
- Significant fee and margin income associated with the provision of financing facilities to external funds and their investors
  - Strong demand in 1H12 in Europe and US for short term financing facilities

1. Towers Watson Global Alternatives Survey, Jun 11. For pension assets under management. 2. Jun 11. 3. Net of fees and including fund level retained cash as at 20 Sep 11. 4. Including Best Mixed Asset Small Company for Delaware Investments and Best Overall Small Company for Macquarie Investment Management Austria.

Corporate and Asset Finance

Operating income of $A1,077m, up 23% on prior year
Net profit contribution of $A698m, up 22% on prior year

Asset and loan portfolio of $A20.6b up 5% on prior year

Corporate Lending

- Funded loan portfolio of $A8.0b in line with prior year
- Continued deleveraging across the financial system created opportunities to add to the portfolio via the secondary market
- Completed selective new financings during the year
- Funded, originated or acquired $A2.3b of corporate debt in FY12
- Loan portfolio continues to be refinanced by borrowers and recycled into new opportunities
- Continued activity in commercial real estate lending, completing several opportunistic acquisitions and client financing transactions

Asset Finance

- Motor vehicle leasing portfolio of $A6.2b, up 3% on 1H12 and up 5% on prior year. Total contracts in excess of 230,000
- Extending finance through the customer value chain – from manufacturer to end user:
  - Motor vehicle manufacturers and dealers in Australia
  - Technology distributors globally
- Expanded white label programs in Australia, Asia, Europe and US through manufacturers and vendors

- Aircraft leasing portfolio of $A3.4b, down 8% on 1H12 and down 7% on prior year
- Continue to see trading opportunities in the aircraft sector
- Sale of leased aircraft engine assets largely complete
- Acquired portfolio of North American rail freight cars, bringing Macquarie Rail assets to a total of approx. $US0.5b
- Continued growth of metering portfolio in the UK with acquisition of OnStream (Utility Metering Services) in Oct 11
  - Acquisition brings total portfolio to 5.7 million gas and electric meters in the UK
  - Integration of OnStream is progressing in line with expectations, with completion of integration expected by Apr 12

Funding activity

- Strong securitisation activity continues with $A2.6b of motor vehicle leases and loans secured during FY12
- Continued to access global securitisation markets
  - Approx. $A13.5b of external funding since programme's inception in 2007

Comparatives have been restated for the transfer of Macquarie AirFinance (MAF) from Macquarie Capital during 1H12.

Banking and Financial Services

Operating income of $A1,413m, down 6% on prior year
Net profit contribution of $A265m, down 4% on prior year

Global client numbers 1.14 million, up 6% on prior year

Private Wealth/Direct

Activity

- Macquarie Private Wealth (MPW) remains No.1 ranked full-service retail stockbroker in Australia in terms of volume and market share[1]
- MPW ASX retail turnover down 19% on prior year and down 2% on prior period
- Macquarie completed the transition of MPW Asia to Julius Baer (a Swiss Private Banking company) as part of a strategic collaboration agreement
- Australian/NZ private wealth and direct client numbers at 321,000 down 11% on prior year due to system rationalisation and closure of dormant accounts
- Canadian client numbers at 142,371, up 13% on prior year and total assets under management/administration $C12.2b, up 25% on prior year
- Three Macquarie Online Trading Platforms consolidated into one – Macquarie Prime – for a more holistic offering
- Macquarie Private Bank awarded Outstanding Institution ($10-$30m+)[2]

Intermediary

Activity

- Intermediary client numbers at 697,263 up 16% on prior year
- Macquarie Wrap commenced white label administration services for Perpetual Limited's $A8.7b platform business with transition on target for completion
- Macquarie Wrap ranked top Australian platform in the prestigious Wealth Insights 2011 Platforms Service Level Report[3]
- Macquarie Wrap funds under administration at $A22.0b down 3% on prior year
- Macquarie Life Active awarded the Canstar CANNEX Innovation Excellence Award for Financial Services and a five star rating in Beaton Benchmarks - Life Insurance Intermediaries Study for the 4th consecutive year
- Australian mortgage portfolio $A10.8b down 7% on prior year, with mortgage origination expected to result in net monthly portfolio growth in FY13
- Mortgages awarded five star CANNEX ratings for seven of its premium products

Deposits

- Total retail deposits of $A29.0b up 9% on prior year
- CMA balance of $A16.1b up 11% on prior year

Relationship Banking

Activity

- Average deposit volumes up 9% on prior year
- DEFT transactions up 27% by volume and up 24% by value on prior year
- Total clients up 10% on prior year
  - New SME businesses up 44% on prior year

Investment Funds

- Macquarie Pastoral Fund ends acquisition phase with purchase of Cutbush Property in northern NSW
- Macquarie Professional Series named Money Management Fund Manager of the Year 2011 for Independent Franchise Partners' Global Equities Fund and Winton Capital Management Alternative Investments fund[4]
- Total funds under management, advice or administration $A117.9b up 4% on prior period and down 2% on prior year

1. IRESS: consideration traded and volume 31 Mar 12. 2. Australian Private Banking Awards 2010-2011. 3. Wealth Insights 2011 Platforms Service Level Report. 4. Money Management Fund Manager of the Year Awards 2011.

Macquarie Securities

Operating income of $A893m, down 33% on prior year
Net loss of $A194m down from a profit of $A184m in prior year

	Market Conditions	Australia	Asia	North America	EMEA
		Activity	Activity	Activity	Activity
Cash	▪ Significantly lower client volumes in cash equities, particularly in the third quarter – Australian market average daily turnover volumes down 8% on prior year – Average daily turnover volumes down across key Asian markets with HK down 9%, Japan down 18%, Singapore down 14%, and Taiwan down 19% on prior year – STOXX 600 turnover down 9% on prior year[1] ▪ Weak investor confidence primarily due to European sovereign debt concerns	▪ Market share of 8.6% down from 9.3% prior year[2] ▪ No.2 overall research and sales strength for Australian institutional investors[3], No.3 for Asian institutional investors[3] and No.1 for US/European institutional investors into Australian equities[4] ▪ Over 290 stocks under coverage	▪ Market share increased in Thailand and Singapore on prior year[2] ▪ No.10 overall research and sales strength for Asian institutional investors[7], No.4 for European institutional investors[8] and No.9 for US institutional investors into Asian equities[8] ▪ Over 890 stocks under coverage	▪ US secondary market cash commissions down 11% on prior year ▪ Canadian market share of 1.4% down from 2.0% in prior year[2] ▪ Over 710 stocks under coverage	▪ European market share slightly up on prior year ▪ European secondary market cash commissions down 10% on prior year ▪ South African market share of 2.8% down from 3.9% in prior year[2] ▪ Over 350 stocks under coverage
ECM	▪ Challenging macroeconomic environment, volatile markets and weak investor sentiment led to significantly lower levels of primary issuance activity ▪ Lower activity levels make comparisons against pcp and prior period difficult ▪ Global ECM markets, particularly in Asia, were extremely subdued in 2H12, well down on pcp and prior period ▪ Total market capital raised down across all regions: – Australia $A25b down 34% on prior year – Asia $US191b down 45% on prior year – US $US206b down 45% on prior year – Canada $C41b down 41% on prior year – Europe €124b down 17% on prior year	▪ Market share of 28.0% up from 16.8% in prior year[5] ▪ No.2 for Australian equity & equity related issuance, up from No.7 in prior year[6] ▪ Increased hybrid issuance with over $4.5b raised (including listed debt)	▪ Market share of 1.3%, down from 5.7% in prior year[5]	▪ US market share of 4.4% up from 0.5% in prior year[5] ▪ Canadian market share of 1.8% down from 3.5% in prior year[5]	▪ European market share of 0.1%, down from 0.4% prior year[5]
Derivatives	▪ Reduced institutional and retail client demand for derivatives products, particularly in Europe with volatile and thin markets ▪ Significant period of market volatility creating challenging trading conditions for hedging issued products	▪ Restructure of activities reflecting reduced retail client demand ▪ No.3 market share for FY12 in listed warrants unchanged on prior period[2] ▪ Market share of 22% down from 31% in prior year due to cessation of the issuance of new Instalments and Self Funding Instalment Warrants[2] ▪ Launched MINIs capturing 18% market share[2]	▪ No.1 market share in listed warrants in Singapore[2] and Korea[9], unchanged on prior year. No.5 in HK, down from No.3 in prior year[2] ▪ No.1 ranked broker by market share in Indian GDRs[10] ▪ Exited Asian exotics business	▪ Exited institutional derivatives business	▪ Ceased issuance of retail structured products in Europe, and considering closing Structured Products and Exotics in Germany

1. STOXX Europe 600 (Price) Index. 2. Local exchanges. 3. Peter Lee Associates Survey of Asian/Australian Institutional Investors – Australian Equities. 4. Greenwich Survey of US Institutional Investors – Australian Equities and Greenwich Survey of European Institutional Investors – Australian Equities. 5. Dealogic. 6. Thompson Reuters 2011 Full Year League Tables. 7. Greenwich Survey of Asian Institutional Investors – Asian Equities. 8. Greenwich Survey of US Institutional Investors – Asian Equities and Greenwich Survey of European Institutional Investors – Asian Equities. 9. Market share by NOIP 'Net over intrinsic premium'. 10. Bloomberg (using rank function for 2011 traded volumes excluding trading firms).

Macquarie Capital

Operating income of $A659m, down 28% on prior year
Net profit contribution of $A85m, down 60% on prior year

435 transactions valued at $A97b[1] during the year (547 transactions valued at $A159b in prior year)
Advisory fee income down 21% on prior year, ECM fee income down 54% on prior year, DCM fee income up 42% on prior year

Market Conditions	Australia and NZ	Asia	EMEA	Americas
▪ Market activity affected by continuing reduced market confidence, low volumes of ECM activity, particularly in HK and Australia, and ongoing concerns regarding the European debt crisis ▪ Global ECM activity down 28% on prior year, 2H12 down 55% on pcp and down 35% on prior period[2] ▪ Global DCM activity up 6% on prior year, 2H12 down 6% on pcp and down 3% on prior period[2] ▪ Global M&A activity up 8% on prior year, 2H12 down 22% on pcp and down 31% on prior period[2]	**Activity** ▪ 90 deals valued at $A53b, down 44% on prior year[1] ▪ 64 deals valued at $A39b in 2H12, down 17%[3] on pcp and up 194%[3] on prior period **Awards / Rankings** ▪ No.1 in Australian announced and completed M&A deals[4] No.2 in ANZ Equity, Equity-Linked and Preferred deals[5] ▪ Best Domestic Equity House (Australia)[6]; M&A Deal of the Year (AMP/AXA)[7]; PPP Deal of the Year (Royal Adelaide Hospital)[8]; Equity Deal of the Year (Origin Energy PAITREO)[9] **Notable deals** ▪ Adviser to Telstra Corporation on its $A11b tri-partite cooperation agreement with the Commonwealth Government and National Broadband Network Company (NBN Co) ▪ Adviser to Rio Tinto on its $A4.0b acquisition of the ASX listed coking coal developer Riversdale Mining ▪ Other deals include: Rio/Mitsubishi (M&A); CITIC Australia (M&A); Transpacific (DCM/ECM); ConnectEast (M&A); Catalpa Resources (M&A); Perth Airport (DCM)	**Activity** ▪ 50 deals valued at $A11b, down 49% on prior year[1] ▪ 34 deals valued at $A9b in 2H12, down 6%[3] on pcp and up 413%[3] on prior period **Awards / Rankings** ▪ FIG Capital Raising of the Year (ABC IPO)[10]; Equities Deal of the Year (Sino Ocean Land)[10]; Best Philippines Deal (Casop)[11]; Best Singapore Deal (Beijing Enterprise Water)[12] **Notable deals** ▪ Adviser to SK Telecom, the leading telecommunication service provider in South Korea, on its acquisition of a 21% controlling interest, in Hynix Semiconductor for $US3.0b ▪ Adviser to a consortium led by Daewoo Engineering & Construction Co., Ltd. for its KRW 1.7 tr ($US1.5b) greenfield financing of the Guri~Pocheon Expressway Project ▪ Other deals include: Oji Paper (M&A); United Energy Group (M&A); First Commercial Joint Stock Bank (M&A); Harum Energy (ECM); Huaneng Renewables (ECM); Petrovis Resources (ECM)	**Activity** ▪ 37 deals valued at $A8b, down 52% on prior year[1] ▪ 28 deals valued at $A5b in 2H12, down 42%[3] on pcp and up 96%[3] on prior period **Awards / Rankings** ▪ Middle East Infrastructure Deal of the Year (Muharraq STP)[8] **Notable deals** ▪ Adviser to HgCapital on the disposal of SLV Group, one of the fastest growing providers of innovative lighting products and systems in Europe, to Cinven; one of the largest private equity transactions in Germany in 2011 ▪ Other deals include: Muharraq Wastewater Treatment Plant and Sewage Conveyance (PPP); Blue Transmission (M&A); Quinn Group (M&A); Thames Water (DCM); Global Via Infraestructuras (M&A, ECM); Infracapital Partners LP (M&A); APG Algemene Pensioen Groep N.V. and Goodman Group led consortium (M&A); RAK Petroleum (M&A); Gold One International (M&A)	**Activity** ▪ 258 deals valued at $A25b, down 8% on prior year[1] ▪ 182 deals valued at $A18b in 2H12, up 31%[3] on pcp and up 150%[3] on prior period **Awards / Rankings** ▪ Infrastructure & Project Financing Deal of the Year (Denver FasTracks)[10]; M&A Deal of the Year (Cumulus)[13]; Americas Deal of the Year (Puerto Rico Toll Roads)[8] **Notable deals** ▪ Adviser on the $US1b financing of the Mareña Renovables project, one of the largest wind farm financings in the world to date. The 396MW wind farm, to be built in the State of Oaxaca in the southwest of Mexico, will be the largest wind farm in Latin America ▪ Other deals include: Cumulus Media (M&A, DCM); Puerto Rico PPP Authority and Puerto Rico Highways and Transportation Authority (Advisory, Project Finance); International Lease Finance Corporation (DCM); B2Gold (M&A); Encompass Digital Media (M&A, DCM)

1. Total includes cross-border transactions. 2. Based on deal value, Macquarie regions and Macquarie financial year period. 3. Movement by deal value. 4 Dealogic CY11, by volume. 5. Bloomberg CY11 by value. 6. Asiamoney Awards. 7. CFO Awards. 8. PFI Awards. 9. Insto Awards. 10. FT Banker Awards. 11. FinanceAsia Awards. 12. Alpha Southeast Asia Magazine Awards. 13. Deal Magazine Awards.

Fixed Income, Currencies and Commodities

Operating income of $A1,364m, down 4% on prior year
Net profit contribution of $A539m, down 6% on prior year

Commodity Markets (Physical & Financial) 69% of operating income			Financial Markets (Primary & Secondary) 25% of operating income			6% of operating income
Metals & Energy Capital	**Metals & Agriculture Sales and Trading[1]**	**Energy Markets**	**Fixed Income & Currencies**	**Credit Trading**	**Asian Markets**	**Futures**
Activity ▪ Improved sentiment in resource equity markets resulting in asset realisations – Sale of Net Profits Interest in a substantial North American oil asset – Initiated and realised a number of material principal investments during the year. Larger realisations include Discovery Metals and Beadell Resources ▪ Currently holds146 equity investments with total market value of $A586m ▪ Increased client term hedging activity on the back of reduced volatility ▪ Currently have committed financing facilities of $A1.9b across 61 counterparties	**Activity** ▪ Lack of trending markets and high correlation to macro influences led to limited trading opportunities ▪ Customer flow solid but down on prior year. For most clients hedging has been difficult and risk taking constrained, resulting in reduced volumes during the period ▪ Physical metals business growing well	**Activity** ▪ Overall customer activity continuing to grow ▪ Stronger client flows in US gas and power and the European utilities business during Northern Hemisphere winter resulting in increased trading opportunities ▪ Maintained ranking as No.4 US physical gas marketer in North America[2] ▪ IPO of Energy Assets Limited on the London Stock Exchange	**Activity** ▪ Some signs of improvement in client activity ▪ Marginally improved liquidity ▪ High Australian dollar continues to adversely impact level of term hedging activity ▪ Growing and increasingly diversified client base in FX and rates, including an increasing presence in Japan ▪ Expansion of securitisation expertise into Europe, including acting as Sole Arranger and Joint Lead Manager for Paragon Mortgages securitisation of UK Buy-To-Let loans	**Activity** ▪ Markets mostly stronger in 2H12 than earlier in the year as the threat of a US default and European financial contagion receded ▪ Improved volumes as confidence returned to the market ▪ New issue debt markets were more active during 2H12 than 1H12 ▪ US investment grade credit spreads tightened by 46.3% over prior period[3] ▪ US high yield bond prices up 7.7% on prior period[4]	**Activity** ▪ Continued challenging global market conditions impacting market share traction ▪ Stronger FX volumes due to slightly improved volatility conditions ▪ Rates and credit markets continue to be challenging	**Activity** ▪ Volatile client volumes in line with fluctuating market confidence ▪ New client accounts following MF Global bankruptcy as clients increased focus on the credit worthiness of their clearing broker ▪ Addition of a listed derivatives sales team in Montreal

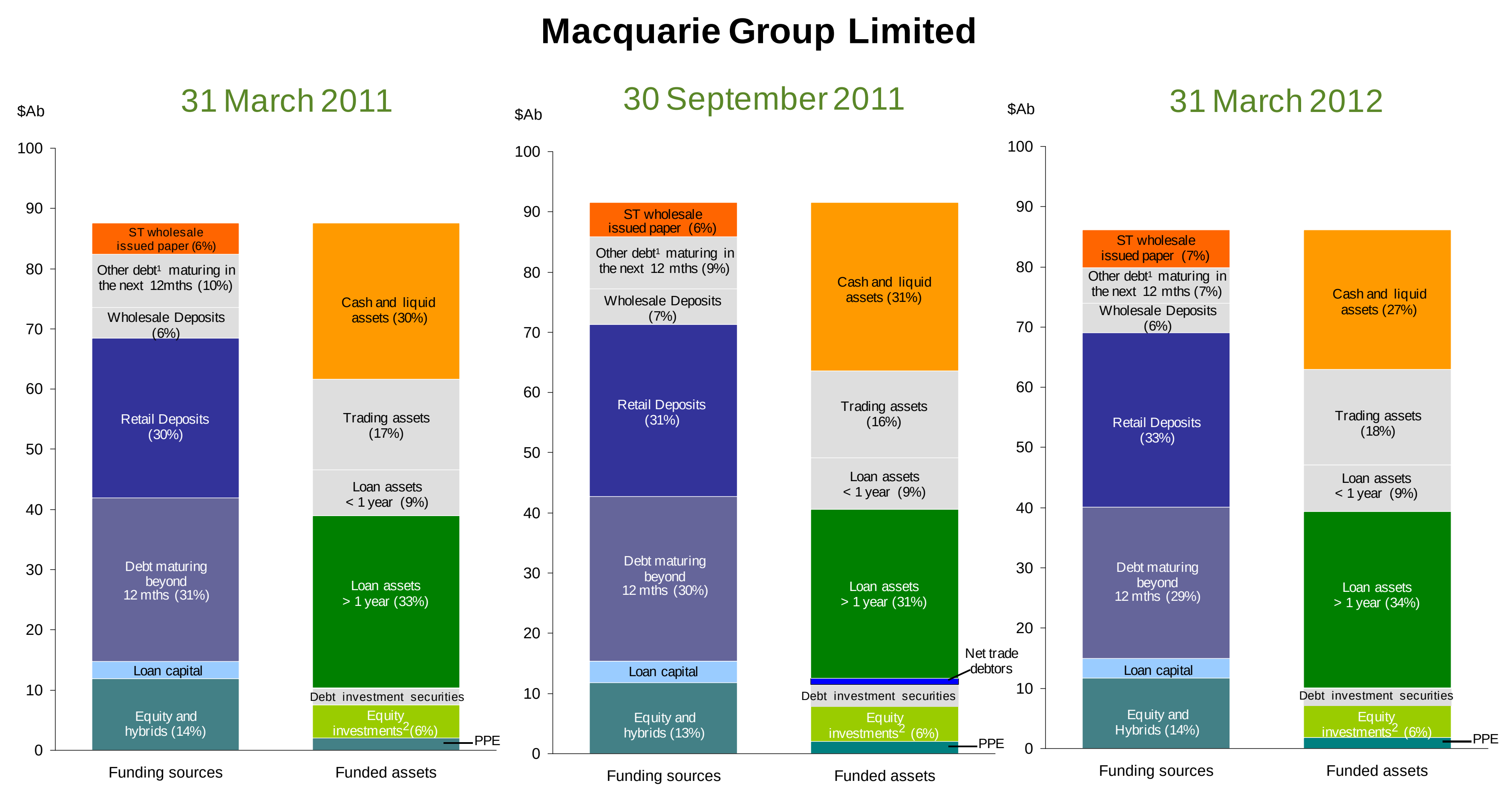
1. Merger of sales and trading activities in metals and agricultural commodities into one Division during 2H12. 2. Platts (Dec 11). 3. Bloomberg CDX IG Index (30 Sep 11 to 31 Mar 12). 4. Bloomberg CDX HY Index (30 Sep 11 to 31 Mar 12).

Strong funding and balance sheet position

- Diverse and stable funding base, minimal reliance on short term wholesale funding markets
- Total deposits[1] increased to $A33.9b at Mar 12 from $A31.6b at Mar 11
  - Represents 39% of the Group's total funding sources
  - Group loan assets represent 85% of total deposits[2]
  - Retail deposits increased to $A29.0b at Mar 12 from $A26.6b at Mar 11, primarily driven by an increase in the CMA
- $A8.2b of new term funding raised since Mar 11[3], including
  - MGL's $A2.4b refinance of Senior Credit Facility
  - MBL's $US700m inaugural non-government guaranteed senior unsecured debt issuance
  - MBL's $US250m Exchangeable Capital Securities (ECS) issuance

1. These balances represent total deposits per the funded balance sheet, which differs from total deposits per the statutory balance sheet ($37.2b at 31 Mar 12). The funded balance sheet excludes any deposits which do not represent a funding source for the Group. 2. Loan assets exclude Canadian mortgages which are funded via a government sponsored securitisation program. 3. Includes $A0.2b term secured finance in Apr 12.

Funded balance sheet remains strong

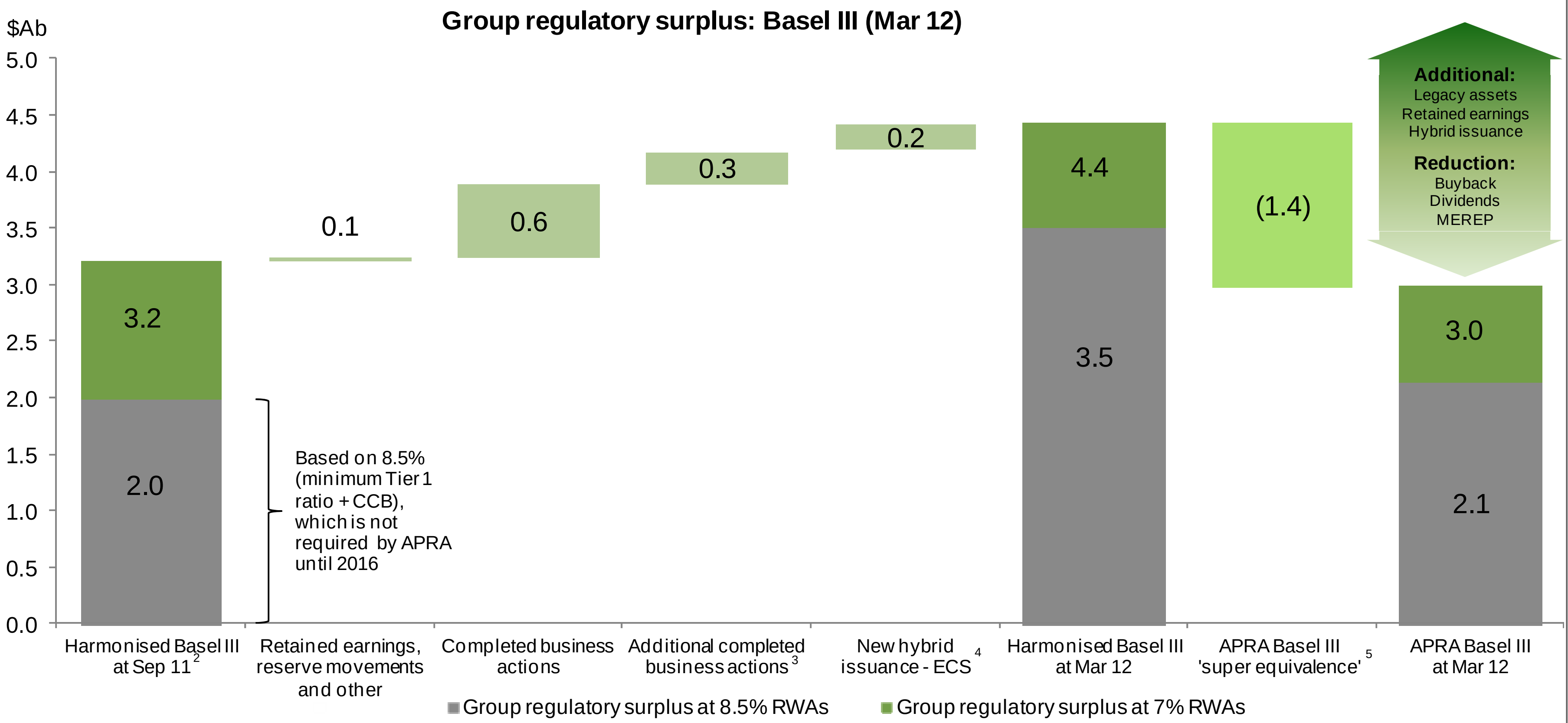


Note: These charts represent Macquarie Group Limited's funded balance sheets at the respective dates noted above. For details regarding reconciliation of the funded balance sheet to the Group's statutory balance sheet, refer to slide 53

1. Includes Structured Notes, Secured Funding, Bonds, Other Bank Loans maturing within the next 12 months and Net Trade Creditors. 2. This represents the Group's co-investment in Macquarie managed funds and equity investments.

Basel III surplus increased as a result of business actions and MIS eligibility

- Harmonised Basel III Group surplus of $A3.5b at Mar 12[1]



1. Calculated at 8.5% RWAs which includes the 2.5% capital conservation buffer (CCB) not required to be met by APRA until 2016 and by BIS until 2019. 2. 'Harmonised' Basel III estimates assume full alignment with BIS in areas where APRA differs from the BIS. 3. Capital initiatives completed in addition to those shown in the Feb 12 Operational Briefing. 4. Issuance of $US250m hybrid, Exchangeable Capital Securities (ECS), as per MGL update provided on 22 Mar 12. 5. APRA Basel III 'super-equivalence' includes full CET1 deductions of equity investments ($A0.9b); deconsolidated subsidiaries ($A0.3b); and DTAs and other impacts ($A0.2b).

Capital Management Strategy

- On 28 Oct 11, we noted we were likely to satisfy our Basel III capital requirements including the capital conservation buffer of 2.5%. Given our shares were trading at a material discount to NTA and book value, we stated that we would apply some of the capital generated beyond this for an on-market buyback of up to 10% of MGL ordinary shares
- The board has resolved:
  - To purchase shares on-market to satisfy the MEREP requirements of approx. $A275m. The buying period for the MEREP will commence on 7 May and is expected to be completed by mid June[1] (buying for the MEREP will be suspended during the DRP pricing period)
  - That shares for the 2H12 DRP are to be acquired on-market
  - To buy back up to $A500m of MGL ordinary shares, once acquisition of the DRP and MEREP shares has been completed, subject to market conditions and the Macquarie share price
- All these share acquisitions have received the appropriate regulatory approval
- Once the above capital management actions have been completed, and subject to market conditions and the Macquarie share price, it remains Macquarie's intention, subject to regulatory approval, to continue the buyback for a total of up to 10%[2] of MGL ordinary shares

1. Actual buying may be completed sooner or later. 2. Inclusive of the initial buyback.

Dividends

- FY12 dividend set at $A1.40, ~66% payout ratio, down on FY11 dividend of $A1.86
  - 2H12 dividend $A0.75 up on 1H12 dividend of $A0.65
  - Dividend remains unfranked
- Dividend policy remains 50 – 60% annual payout ratio
- Dividend Reinvestment Plan shares for the 2H12 dividend to be sourced on-market

Outlook

Nicholas Moore

Managing Director and Chief Executive Officer

Macquarie Group Limited

14th Annual Macquarie Australia Conference – Sheraton on the Park, Sydney

3 May 2012 – Presentation to Investors and Analysts

Short term outlook

- Summarised below are the outlook statements for each operating group, the FY13 results will vary with market conditions, particularly the capital markets facing businesses which continue to experience volatility

	Net profit contribution			
Operating Group	**FY07- FY12 historical range**	**FY07-FY12 average**	**FY12**	**FY13 outlook**
Macquarie Funds	$A0.3b – $A1.1b	$A0.7b	$A0.7b	Broadly in line with FY12, subject to performance fees
Corporate and Asset Finance	$A0.1b – $A0.7b[1]	$A0.3b	$A0.7b	Broadly in line with FY12
Banking and Financial Services	$A0.1b – $A0.3b[2]	$A0.2b	$A0.3b	Up on FY12
Macquarie Securities	$A(0.2)b – $A1.2b	$A0.5b	$A(0.2)b	Up on FY12
Macquarie Capital	$A(0.1)b – $A1.6b	$A0.5b	$A0.1b	Up on FY12
FICC	$A0.5b – $A0.8b	$A0.6b	$A0.5b	Up on FY12
Corporate	– Compensation ratio to be consistent with historical levels – Continued higher cost of funding reflecting market conditions and high liquidity levels			No change

1. Range excludes FY09 provisions for loan losses of $A135m related to Real Estate Structured Finance loans as this is a restructured business. 2. Range excludes FY09 loss on sale of Italian mortgages of $A248m as this is a discontinued business.

Short term outlook

- While market volatility makes forecasting difficult, it is currently expected that the result for the Group for FY13 will be an improvement on FY12 provided market conditions for FY13 are not worse than those experienced over the past 12 months
- The FY13 result also remains subject to a range of other challenges including:
  - the cost of our continued conservative approach to funding and capital;
  - regulation, including the potential for regulatory changes;
  - increased competition in some markets; and
  - the overall cost of funding.

Medium term

Macquarie remains well positioned to deliver superior performance in the medium term

- Deep expertise in major markets
- Build on our strength in diversity and continue to adapt our portfolio mix to changing market conditions
  - Annuity-style income is provided by three significant businesses which are delivering superior returns following years of investment and recent acquisitions
    - Macquarie Funds, Corporate and Asset Finance and Banking and Financial Services
  - Three capital markets facing businesses:
    - Macquarie Securities and Macquarie Capital are well positioned to benefit from improvements in market conditions with strong platforms and franchise positions
    - FICC well placed to benefit from more normalised conditions
- Ongoing benefits of continued cost initiatives
- Strong and conservative balance sheet
  - Well matched funding profile with minimal reliance on short term wholesale funding
  - Surplus funding and capital available to support growth
- Proven risk management framework and culture

Approximate business Basel III ROE

Group	APRA Basel III Capital @ 8.5% ($Ab)	Approx. FY12 Return on Ordinary Equity[1]		
Annuity-style businesses (excluding legacy)			**Approx. 6-Year Average Return on Ordinary Equity[1]**	
Macquarie Funds Group	1.6			
Corporate and Asset Finance	2.2	22%	20%[2]	
Banking and Financial Services	0.7			
Capital market businesses (excluding legacy)			**6-Year average profit pre tax and profit share ($Ab)**	**Approx. 6-Year Average Return on Ordinary Equity[1]**
Macquarie Securities	0.6	-	0.5	30%
Macquarie Capital	1.4		0.6	20%
FICC	2.7	10%	0.6	15%
Corporate and Other				
Legacy Assets[3]	1.0			
Corporate	0.5			
Total regulatory capital requirement @ 8.5%	10.7			
Comprising: Ordinary Equity	*9.0*			
Hybrid	*1.7*			
Add: Surplus Ordinary Equity	2.1			
Total APRA Basel III capital supply	**12.8**			

1. NPAT used in the calculation of approx. ROE is based on Operating Group's net profit contribution adjusted for indicative allocations of profit share, tax and other corporate expenses. Accounting equity is attributed to businesses based on regulatory capital requirements. 2. CAF excluded from 6-year average as not meaningful given the significant increase in scale of CAF's platform over the 6-year period. 3. Includes the $A0.8b of legacy assets and businesses identified on Slide 90 of the Feb 12 Operational Briefing, plus $A0.2b of capital relating to businesses in run-off and other.

Medium term

MFG	▪ Annuity-style business that is diversified across regions, products, asset classes and investor types ▪ Well positioned for organic growth with several strongly performing products and an efficient operating platform ▪ Any improvement in market confidence should lead to increased allocations to higher margin products
CAF	▪ Pursuing growth in the loan and lease portfolio ▪ Continue to seek opportunities for further asset realisations ▪ Funding from asset securitisation throughout the cycle
BFS	▪ Increased savings through compulsory superannuation supports both direct and indirect business ▪ Any improvement in investor confidence should lead to higher activity in higher return assets such as equities ▪ Increased adviser numbers should deliver increased profitability for MPW Australia and Canada ▪ Ongoing expansion of intermediary portfolios including Wrap and Australian Mortgages
MSG	▪ Highly leveraged to any improvement in market conditions and return of investor confidence ▪ MSG well positioned for recovery in Asian retail derivatives, cash equities and ECM ▪ Monetise existing strong research position ▪ Increased profitability through operational efficiencies
MacCap	▪ MacCap can expect to benefit from any improvement in M&A and ECM market activity ▪ MacCap should also benefit from activities undertaken to improve efficiency and align the business footprint to current opportunities and market conditions in each region
FICC	▪ Opportunities to grow commodities business, both organically and through acquisition ▪ Development of institutional coverage for specialised credit, rates and foreign exchange products ▪ Increase in asset realisations as metals and resource equity market prices improve ▪ Growing the client base across all regions

Macquarie Group Limited