



MACQUARIE



Macquarie Capital

Michael Carapiet, Group Head

Macquarie Group Limited

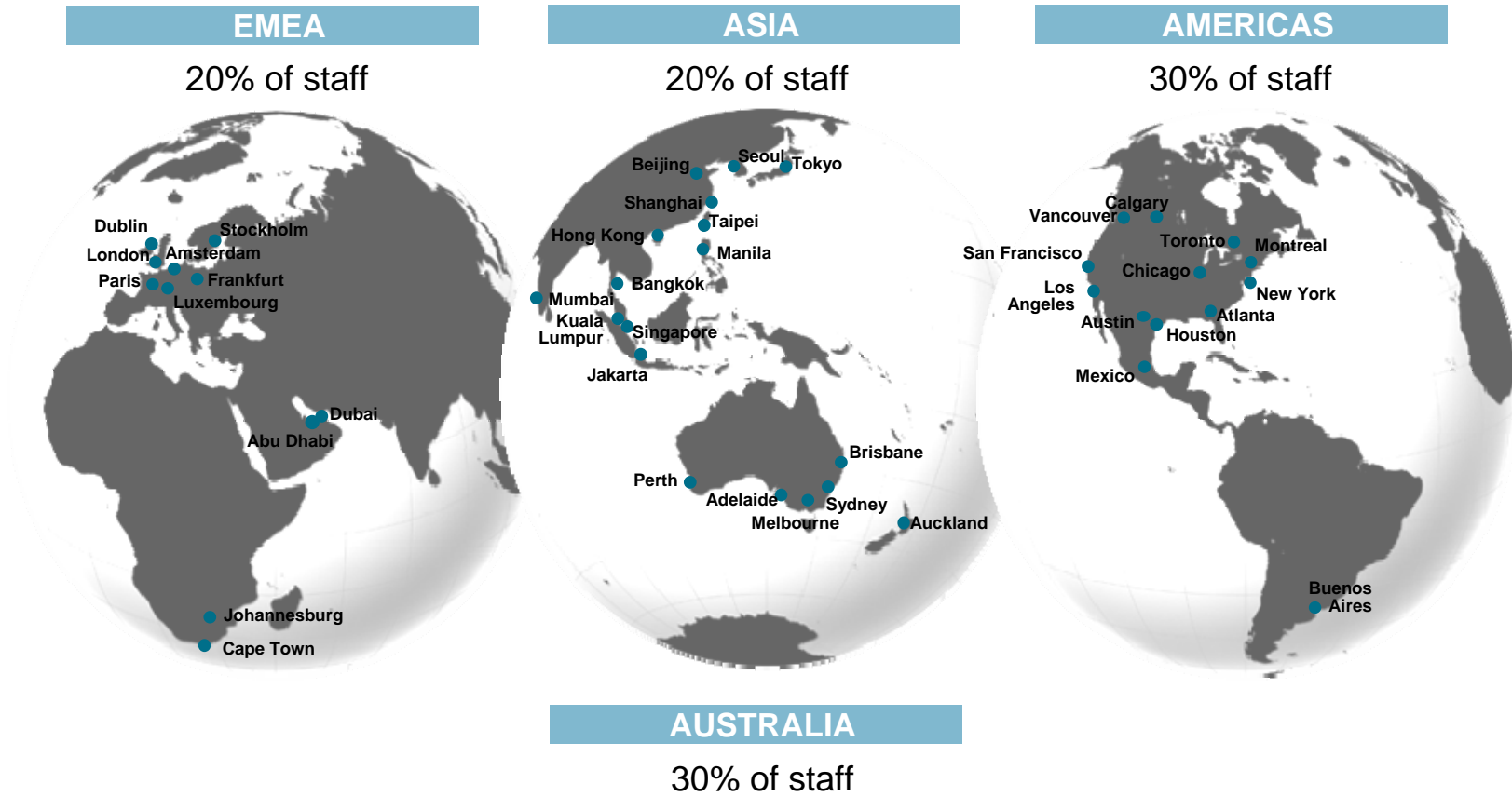
Operational Briefing - 9 Feb 2010

Presentation to Investors and Analysts



Global presence

- 2,300+ staff¹ across the globe

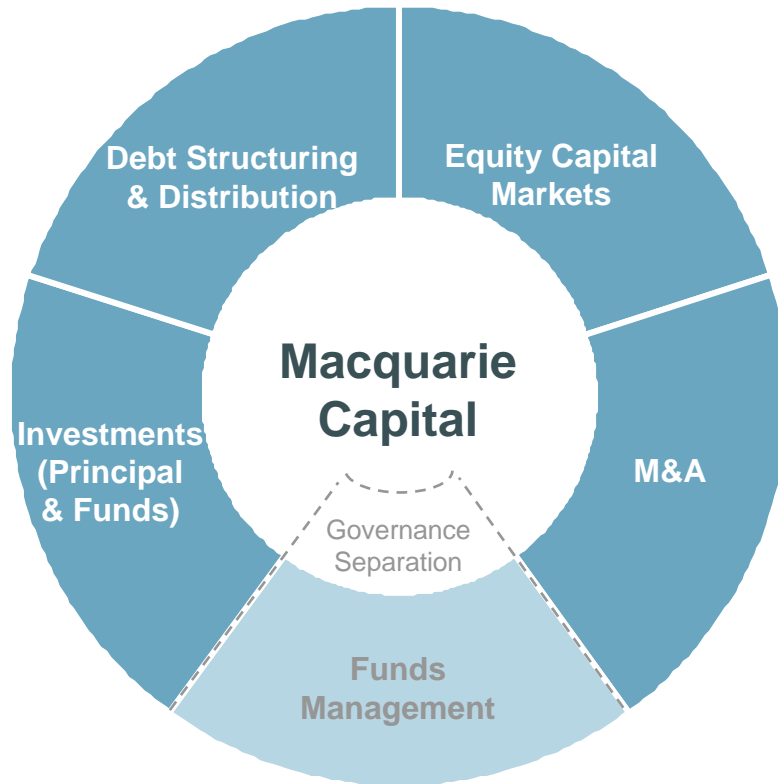


1. As at 31 Dec 09, includes all permanent staff. No material change in permanent staff numbers from 30 Sep 09



Our business

Macquarie Capital overview



6 core sectors

Financial Institutions

Industrials

Infrastructure & Utilities

Real Estate

Resources

Telecommunications,
Media, Entertainment &
Technology

\$A79b

of advisory transactions FY10 YTD
Total Deals: 272

\$A23b

debt raised FY10 YTD¹
Total Deals: 34

\$A35b

equity raised FY10 YTD²
Total Deals 110

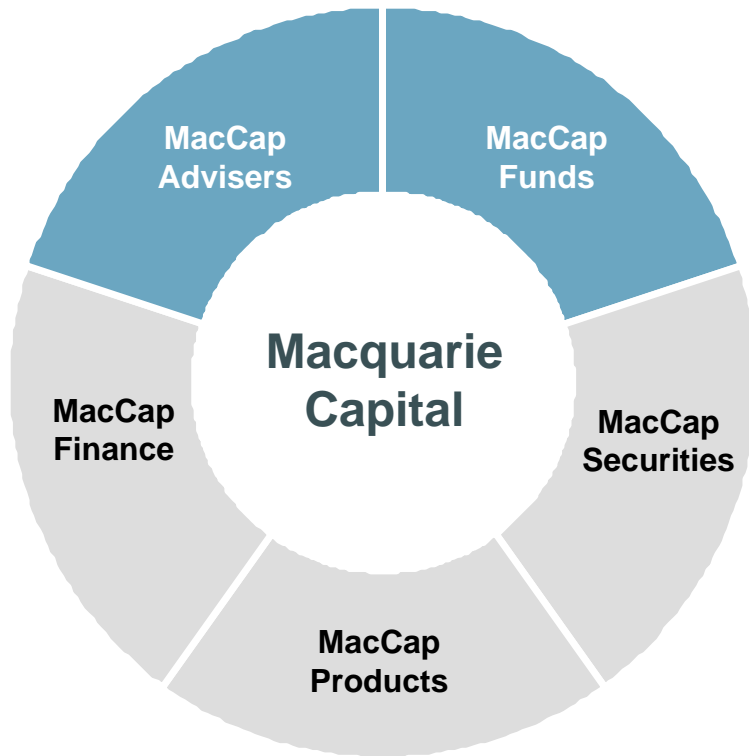
1. Debt raised by Macquarie Capital for third-party clients, not including Macquarie Capital Funds 2. Only refers to transactions where Macquarie Capital was sole or joint lead manager, excluding equity raised by Macquarie Capital Funds



Changes to our business

Since 2007 our business has undergone significant change

2007



2007

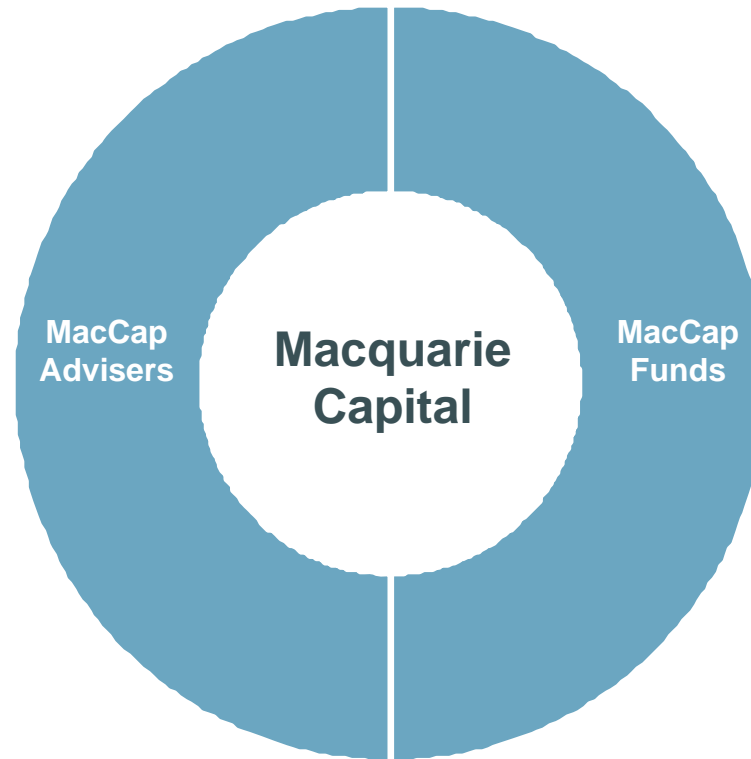




Changes to our business

Since 2007 our business has undergone significant change

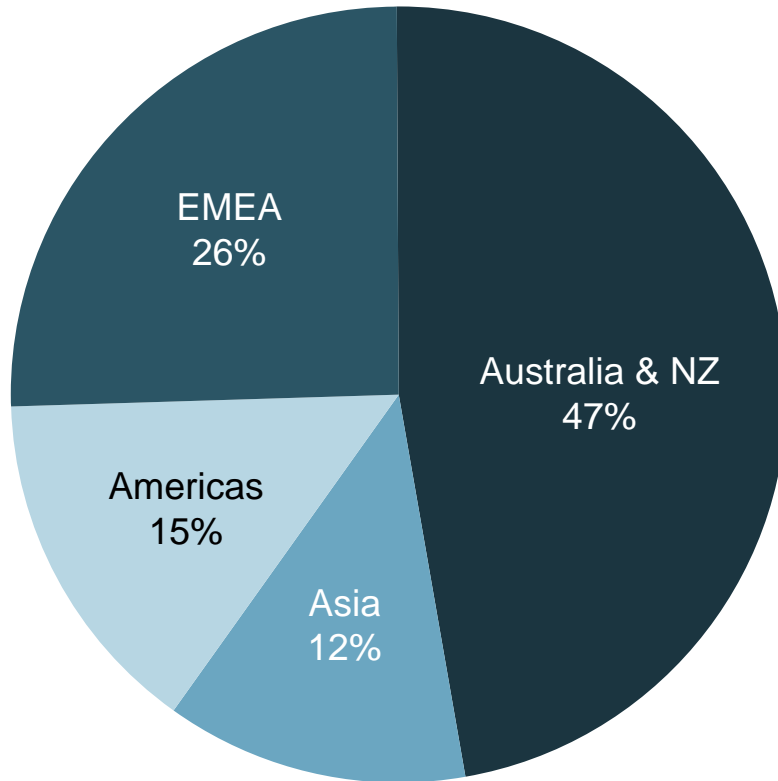
Today



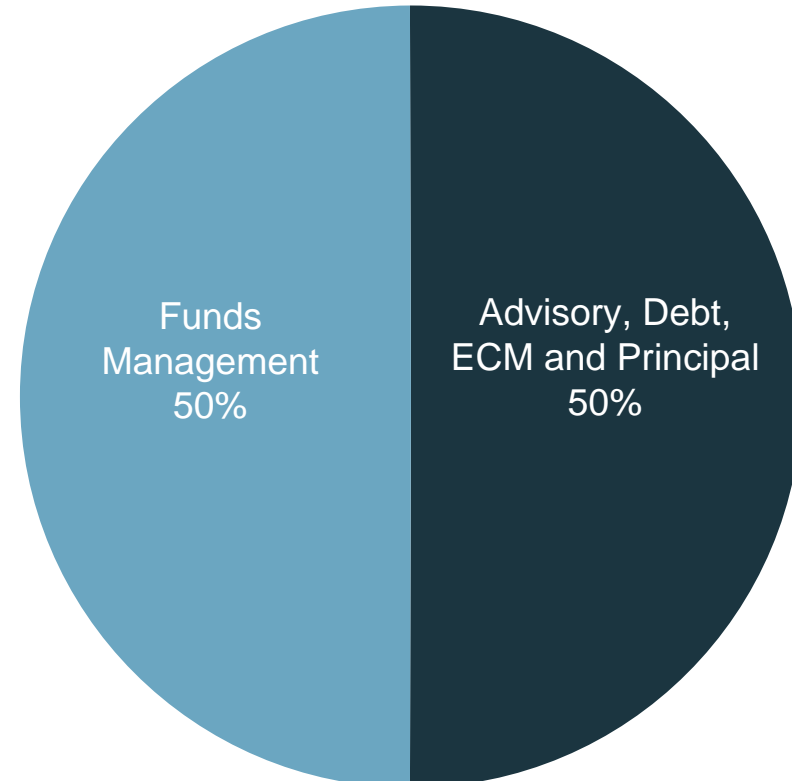


Income diversity

Estimated FY10 Revenue by Geography¹



Estimated FY10 Revenue Type¹



1. Estimate for Financial Year ending 31 Mar 10



Market changes = opportunity

- Worst global recession since World War II
- Fundamental changes to competitive landscape – particularly in North America, the UK and Europe
- Government involvement in global financial markets as a result of market turmoil
- Changes to regulatory environment
- Opportunities available for Macquarie Capital



How are we adapting?

Advisory – strong push globally in past 12-18 months

ORGANIC GROWTH

- 80+ new director-level hires since 1 Jan 09
- Expanding our sector knowledge and relationships

ACQUISITIONS

- Fox-Pitt Kelton Cochran Caronia Waller (FPK) – transformation of global financial institutions advisory, ECM and underwriting capabilities in North America & Europe
- Tristone – expansion of energy advisory and underwriting capabilities in the Americas

PRODUCTS

- Establishment of Debt Capital Markets team in North America together with FICC
- UK M&A ECM expansion
- US M&A ECM expansion

LOCATIONS

- Buenos Aires
- Mexico City
- Moscow



How are we adapting?

Funds - strategy announced Mar 09

- Maximise unitholder value by closing the gap between listed security prices and underlying valuations

LISTED FUND INITIATIVES



- Macquarie Infrastructure Group restructure into two separately listed entities
- Macquarie Media Group capital raising, internalisation and corporatisation¹
- Macquarie Airports internalisation
- Macquarie Leisure Trust Group internalisation
- Macquarie Communications Infrastructure Group take private

NEW FUNDS

- Macquarie Mexican Infrastructure Fund
- Macquarie Renaissance Infrastructure Fund (Russia)
- Macquarie SBI Infrastructure Fund (India)
- JV with China Everbright Limited to establish two funds investing in infrastructure across Greater China
- Initiative to develop a renewable energy fund

1. Capital raising complete. Internalisation and corporatisation have been approved by security holders



Measuring our performance

Advisory

Region / Metric	M&A League Table Ranking ¹	ECM League Table Ranking ²	No. & Value of Deals Advised FY10YTD
Global	13 th	n/a	272 deals / \$A79b 233 deals / \$A171b pcp ³
Australia & NZ	1 st (by deal number)	2 nd	78 deals / \$A43b vs 75 deals / \$A100b pcp ³
Asia Pacific ⁴	3 rd	6 th	138 deals / \$A54b vs 123 deals / \$A113b pcp ³
Americas	USA: 13 th (by deal number) Canada: 9 th	Canada: 10 th	119 deals / \$A21b vs 81 deals / \$A13b pcp ³
EMEA	12 th	n/a	15 deals / \$A4b vs 29 deals / \$A45b pcp ³

Principal Investments

Deal Type	Transaction
Acquisitions / Debt Participation	<ul style="list-style-type: none"> ▪ Victorian Desalination Plant (equity) ▪ Bucyrus (senior term loan) ▪ DuPont Fabros (high yield notes issue)
Divestments	<ul style="list-style-type: none"> ▪ Microstar ▪ Moto ▪ Victorian Desalination Plant⁵ ▪ Powerlong

1. Source: Thomson Reuters, CY09 results by value of deals announced except where stated otherwise 2. Source: Thomson Reuters, CY09 results, by transaction value 3. Pcp 31 Dec 08, global YTD value includes four transactions worth \$A107b (Rio Tinto defence, 2 Origin Energy transactions & BAA Refinancing) 4. Ranking excludes Japan 5. Macquarie Capital sold its 8.3% underwritten interest in AquaSure in Oct 09. This represented 100% of MacCap's interest in the project at that time



Measuring our performance

Funds

- Macquarie specialised managed funds represents 12%¹ of Macquarie Group's operating income
- 80% of Macquarie Capital Funds EUM is unlisted (20% listed)

Activity	Measure
Initiatives	<ul style="list-style-type: none"> ▪ Raised \$A2.2b² of equity FY10 YTD ▪ Regional expansion: India, Russia & Mexico ▪ Considering opportunities to acquire fund management platforms
Listed Fund performance	<ul style="list-style-type: none"> ▪ Annualised total return³ under Macquarie management <ul style="list-style-type: none"> — MAp 12.6% pa⁴ outperforming the S&P ASX200 Industrials Accumulation Index by 5.6% pa — MIG 11.9% pa⁴ outperforming the S&P ASX200 Industrials Accumulation Index by 2.5% pa
Asset Management	<ul style="list-style-type: none"> ▪ ~110 businesses and 330+ properties across 25 countries ▪ Assets Under Management \$A118b⁵ ▪ Equity Under Management \$A46b⁵ <ul style="list-style-type: none"> — Unlisted EUM \$A37b⁵ (CAGR of 57% since 31 Mar 04) ▪ 1 year weighted average EBITDA growth of 7% across 10 largest infrastructure businesses⁶ ▪ Refinanced \$A8.4b of debt FY10 YTD

1. As at 1H10 2. Includes \$A1.7b of unlisted equity and \$A0.5b of listed equity 3. Annualised total return assumes reinvestment of all distributions on the ex-distribution date and no participation in subsequent capital raisings.

4. Calculated up to the date security holders approved internalisation (MAp)/restructure (MIG) 5. As at 31 Dec 09 6. Based on proportionate Enterprise Value as at 31 Dec 09. EBITDA growth calculated as at 31 Dec 09 for the majority of assets, 30 Sep 09 for APRR (listed company has not made results public) and 30 Nov 09 for Puget Energy. Figures based on management accounts and/or audited financial statements where available



New fund initiatives

Macquarie Mexican Infrastructure Fund (MMIF)

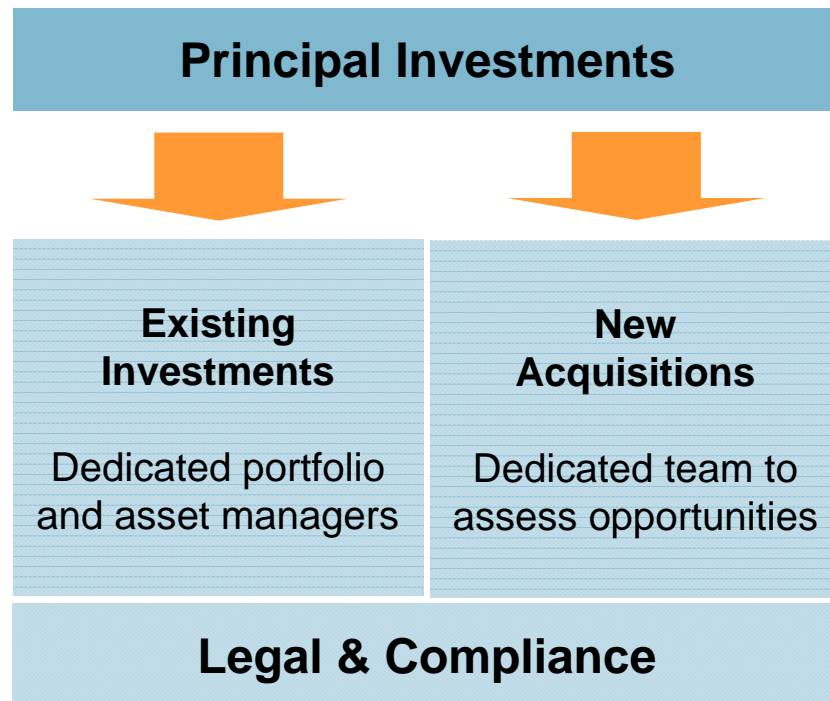
- **Investment Mandate**
 - Infrastructure assets located in Mexico in which the fund would have significant influence over management, operations and strategic direction
- **Fund Term: 10 years**
- **Parallel vehicles: Unlisted and listed (Mexican Stock Exchange)**
- **Investor commitments to date: Ps5.2b (~\$A455m)**
- **Investors**
 - FONADIN – Mexican agency for infrastructure development: Ps1.04b (~\$A91m)
 - Seven leading Mexican pension funds ~Ps\$3.4b (~\$A298m)
 - Macquarie: Ps\$750m (~\$A66m)
- **Fee Structure**
 - Base fees: 1.5% pa of commitments/invested contributions
 - Performance fees: 20% of fund returns subject to achieving a hurdle return of 8% pa



Risk management

“Ownership”: Risk is everyone’s responsibility

- Principal Investments team within Macquarie Capital assesses potential principal transactions (in addition to review by a centralised Risk Management function)



Our approach to principal investing

Use balance sheet to:

- Support our clients
- Facilitate deals
- Undertake platform acquisitions

Separation of origination and asset management functions:

- Origination through advisory platform
- Specialised team to review transactions within Macquarie Capital
- Team of dedicated portfolio and asset managers focussed on enhancing operational performance of our assets and leading sell-down process



Outlook

Macquarie Capital Advisers

- FY10 expected to be higher than FY09
- Increased corporate activity points to signs of a potential economic recovery in the US
- Growth in European activities expected over the medium term
- Expect reasonable activity in Asian, Canadian and Australian markets during FY11
- Building a track record in new markets key to our growth
- Leverage and develop collaboration with Macquarie Securities Group (FPK, Tristone), FICC and other Macquarie groups as appropriate
- Specialist funds strategy – focus on unlisted fund raisings and continue expansion into new geographies and sectors



Summary

- **Diverse income streams**
 - Predominantly fee for service
 - Diversity across geography and advisory industry group
 - Predictable and recurring funds management income
- **Improving capability and product offerings in existing markets through acquisitions and organic growth**
- **Maintaining strong rankings in Australia with Asian, European and North American rankings illustrating our continued push into those markets**
- **Listed fund initiatives**
 - MCG, MLE, MAp, MMG and MIG internalisations / restructures / privatisations to maximise unitholder value
- **Unlisted fund initiatives**
 - Expanding our current fund platform
 - Continued expansion into new geographies
 - Development of a renewables fund



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