



Macquarie Securities Group

Roy Laidlaw, Group Head

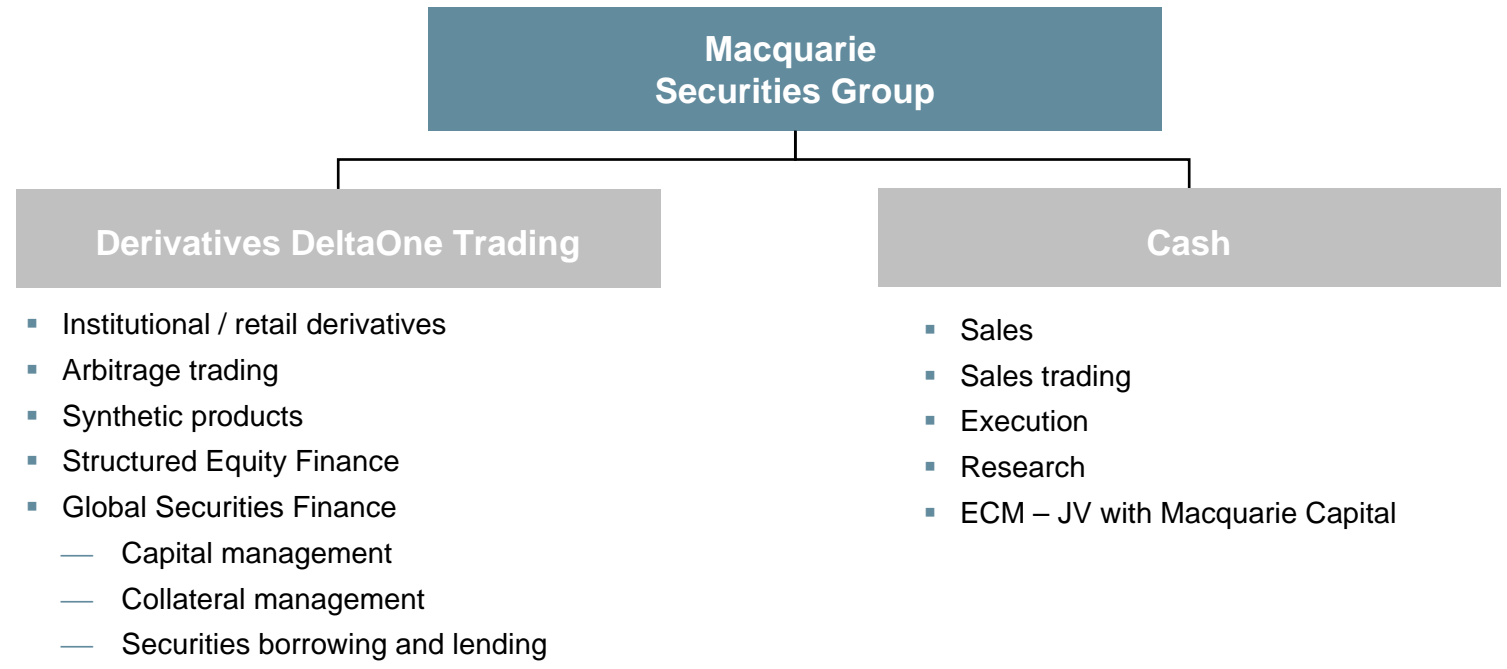
Macquarie Group Limited

Operational Briefing - 9 Feb 2010

Presentation to Investors and Analysts



Macquarie Securities Group – today



MSG Management Committee			
Roy Laidlaw	Group Head	Peter Alderson	Head of Trading Risk Management
Stevan Vrcelj	Head of Cash	Kieran Moffatt	Head of Asia Derivatives DeltaOne Trading
Greg Mackay	Head of Derivatives DeltaOne Trading	Paul O'Brien	Head of Global Securities Finance
John O'Connell	Global Co-Head of Research	Peter Grimshaw	Head of Prudential
David Rickards	Global Co-Head of Research	Ian Shiels	Chief Operating Officer



Macquarie Securities Group – today

Over 1,600 staff¹

- Top tier, highly profitable, integrated, global institutional securities company
- Full service in Asia Pacific and South Africa and specialised in the rest of the world

EMEA

281 staff



ASIA PACIFIC

654 staff



AMERICAS

368 staff



AUSTRALIA

326 staff

1. Staff numbers at 31 Dec 09

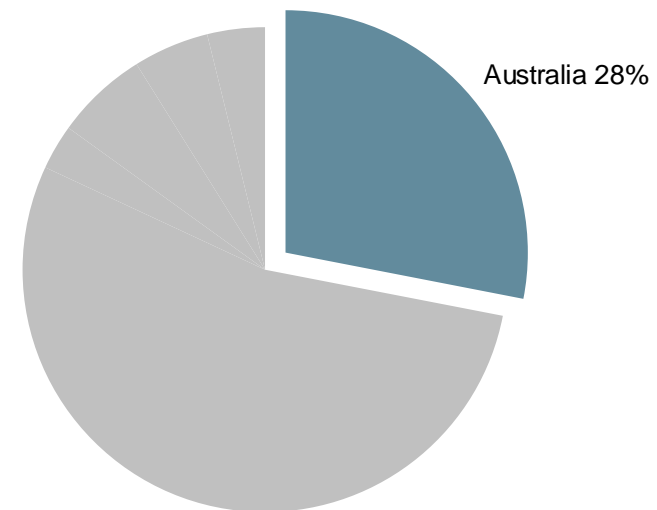


Australia / New Zealand

Long term organic build to be top rated full service broker

- 338 staff¹
- Australia
 - No. 1 ranked broker, 3Q10 market share 10.9%²
 - No. 1 listed warrants, 3Q10 market share 52.5%³
 - No. 1 overall research and sales
US/Europe/Asia/Australia investors⁴
- New Zealand
 - No. 3 ranked broker, 3Q10 market share 21%⁵
- Electronic execution (EE) capability, portfolio trading (PT), direct market access (DMA), algorithms, transitions
- **Moderate medium term growth potential:**
 - Improved market conditions but offset by reduced ECM flows from record 2009 volumes
 - The return of retail investors to derivatives
 - Expansion of arbitrage trading capability
 - Build out of institutional derivatives

FY10 Expected Contribution



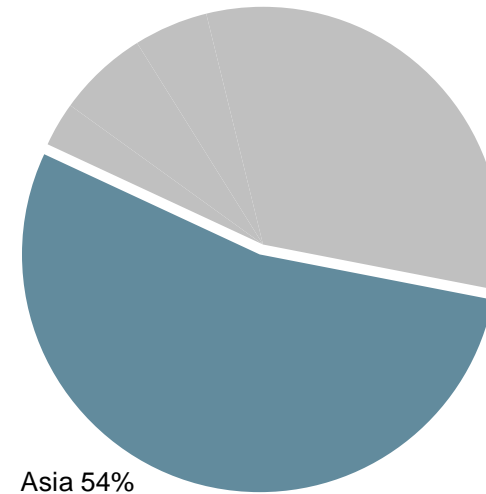
1. As at 31 Dec 09. 2. IRESS - Institutional and retail market share 3. ASX 4. Peter Lee survey of Australian Equity Investors – Australian Shares 2009 : Peter Lee survey of Asian Most Wanted Equity Investors – Australian Shares 2009 : Greenwich survey of US/Europe Equity Investors – Australian Shares 2009



Opportunistic acquisition, good integration and build to full service broker

- 642 staff¹
- 1997 organic build of warrants business in HK
- 2004 acquired ING's Asian cash equities business (428 people)
- 2005 commenced Indian business (29 people, 5% foreign market share)
- EE capability, PT, DMA, algorithms, transitions
- **Good medium term growth potential:**
 - Continued good market conditions
 - Continued improvement in panel rankings & market share
 - Build out of synthetic product platform
 - Expand global Equity Market Arbitrage (EMA) capability
 - Establish structured products business in India
 - Build out of institutional derivatives platform

FY10 Expected Contribution

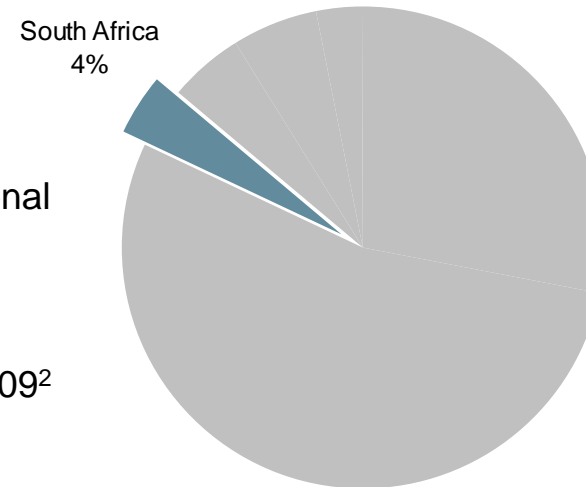




Successful acquisition, integration and build out to full service broker

- 48 staff¹
- 2006 acquired 50% of First South Securities (40 people)
- 2007 organic build of Derivatives DeltaOne trading
- 30% secondary market commissions from international investors
- Growth in market share
- No. 1 Financial Mail research rating South Africa 2009²
- Leading issuer of SAFEX listed exotic options to institutions
- **Good medium term growth potential:-**
 - Improved market conditions and market share
 - Increase in ECM flows off a low base
 - Increase in international commissions
 - Prime build out

FY10 Expected Contribution

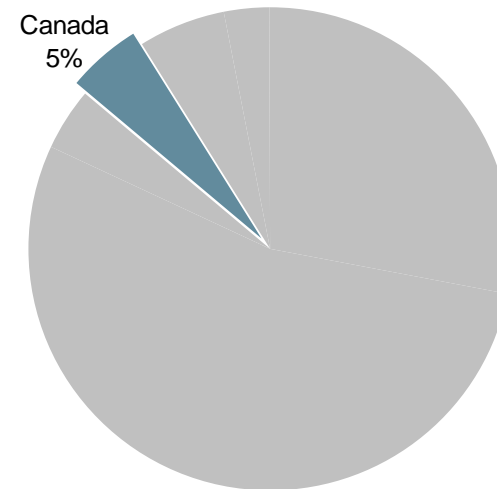




Successful acquisition and build out

- 106 staff¹
- Orion Securities acquisition, 1 Dec 07
- Build out of research product (REITS, infrastructure, financials)
- Growth in market share
- Tristone acquisition to build out energy coverage
- Stock coverage – 75% by market cap² (Macquarie + growth + Tristone). Approx 22% when Orion Securities acquired
- **Good medium term growth potential:-**
 - Monetise investment in research product
 - Build-out of Derivatives and DeltaOne platform

FY10 Expected Contribution

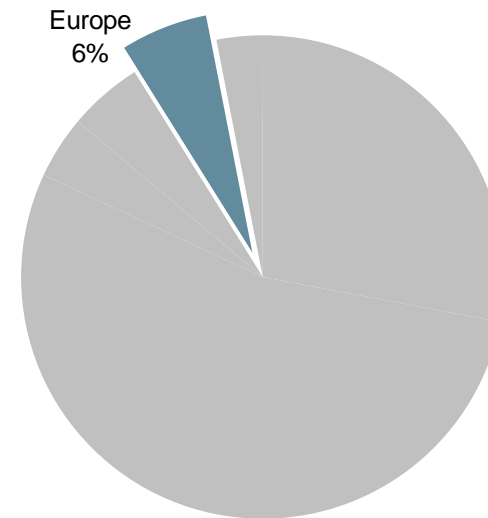




Europe is a key component of global broker aspirations

- 233 staff¹
- 2006 started structured equity finance business
- 2008 commenced Cash greenfield built around 5 key sectors (property, infrastructure, resources & commodities, energy, quant)
- Tristone acquisition, 1 Sep 09
- FPK acquisition, 30 Nov 09
- ECM
 - Rio Tinto bookrunner role
 - Co-lead in Lloyds Bank rights issue
- Sal. Oppenheim – Equity Derivatives and Trading
- Sal. Oppenheim – Cash
- Stock coverage – 75% by market cap² (Macquarie + growth + Tristone + FPK + Sal. Oppenheim)
- **Significant medium term growth potential:-**
 - Monetise investment in research product
 - Increased ECM flow

FY10 Expected Contribution



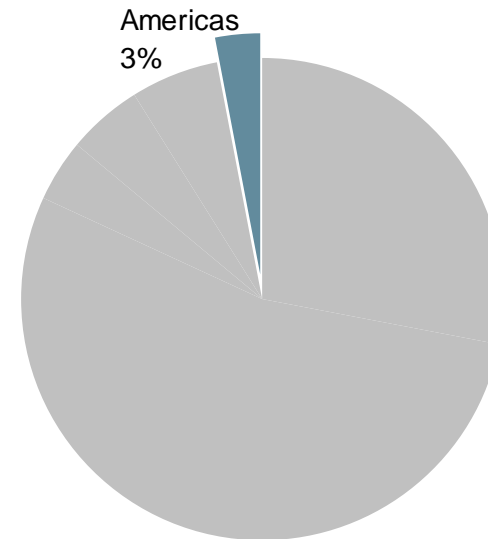


Americas (ex Canada)

US is a key component of global broker aspirations

- 262 staff¹
- 2004 derivatives trading commenced
- 2008 commenced Cash greenfield built around 5 key sectors (property, infrastructure, resources & commodities, energy, quant)
- Tristone acquisition, 1 Sep 09
- FPK acquisition, 30 Nov 09
- Stock coverage – 50% by market cap² (Macquarie + growth + Tristone + FPK)
- ECM
 - First lead bookrunner role in the US
- **Significant medium term growth potential:-**
 - Monetise investment in research product
 - Increased ECM flow

FY10 Expected Contribution

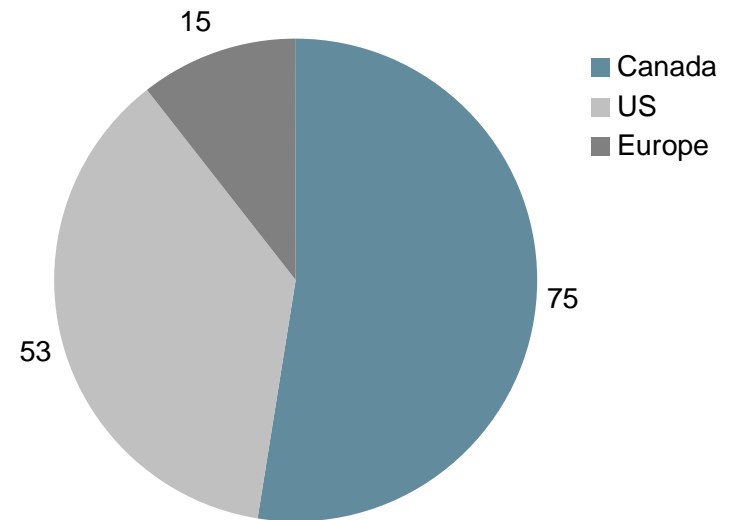




Tristone acquisition

- Completed acquisition of Tristone on 1 Sep 09
- Independent energy advisory firm providing sales, trading and research services
- 49 MSG people¹
- Locations: Canada, US and Europe
- Added 129 stocks (net) to research coverage
- Continue the expansion of the Canadian, US and European cash businesses

Tristone Research Stock Coverage – 143 stocks



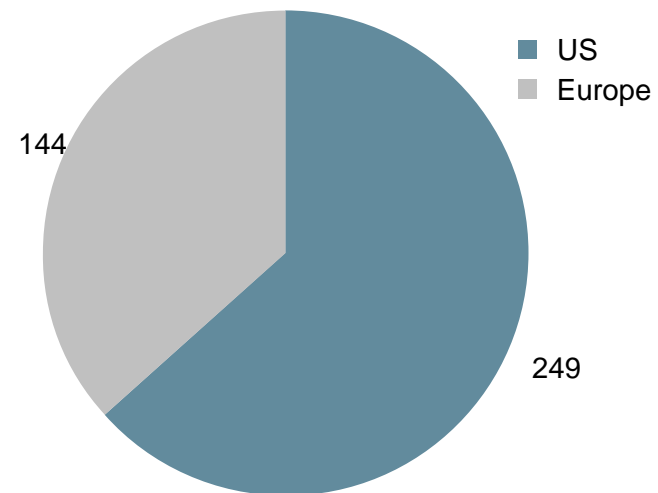
¹ As at acquisition excludes support staff



Fox-Pitt Kelton Cochran Caronia Waller (FPK) acquisition

- Completed FPK acquisition effective 30 Nov 09
- FIG focused firm with a leading FIG sales and trading platform researching approximately 400 stocks globally
- 141 MSG people¹
- Locations: US, Europe and Asia
- Added 372 stocks (net) to research coverage
- Significant increase in secondary market commissions in our growing US and European securities platforms
- Provides a highly regarded ECM capability in the US and Europe

FPK Research Stock Coverage – 393 stocks²



¹ As at acquisition excludes support staff. ² FIG – 378 stocks covered at acquisition, 15 others



Sal. Oppenheim – Equity Derivatives and Trading

- 23 Dec 09 reached agreement to acquire the equity derivatives and trading business of the German private bank Sal. Oppenheim
- Sal. Oppenheim
 - One of Europe's oldest banking groups (200+ year history)
 - Excess of 6,000 products on issue valued at approximately €850m
 - Sold through private banks and retail brokers in Germany, Switzerland, Austria and Italy
- 90 experienced staff based in Germany and Switzerland
 - 39 front office
 - 51 support
- Similar business to MSG's Asian derivatives platform
- Foothold into one of the largest derivative markets in the world



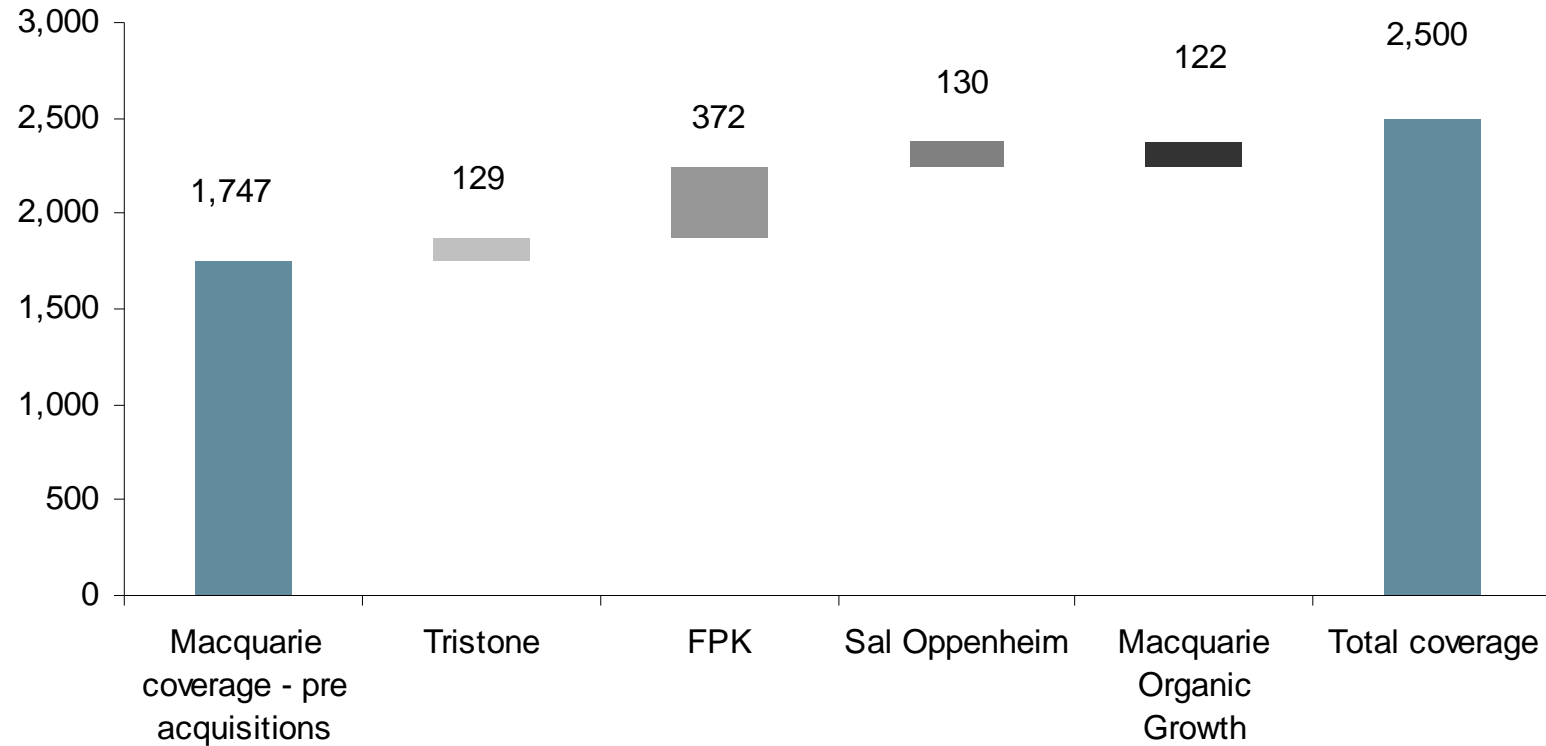
Sal. Oppenheim – Cash

- Original proposal: To acquire the equity derivatives and trading business and cash equities business
- Accepted for the equity derivatives and trading business but not for cash equities business
- Recently requested to submit a new price for the cash equities business which has been accepted
- 61 staff
- Offices in Frankfurt, Munich, Zurich, Paris and New York
- Will add 130 stocks (net) to research coverage
- Excludes Corporate Finance



Global research coverage

Stock Coverage - Global

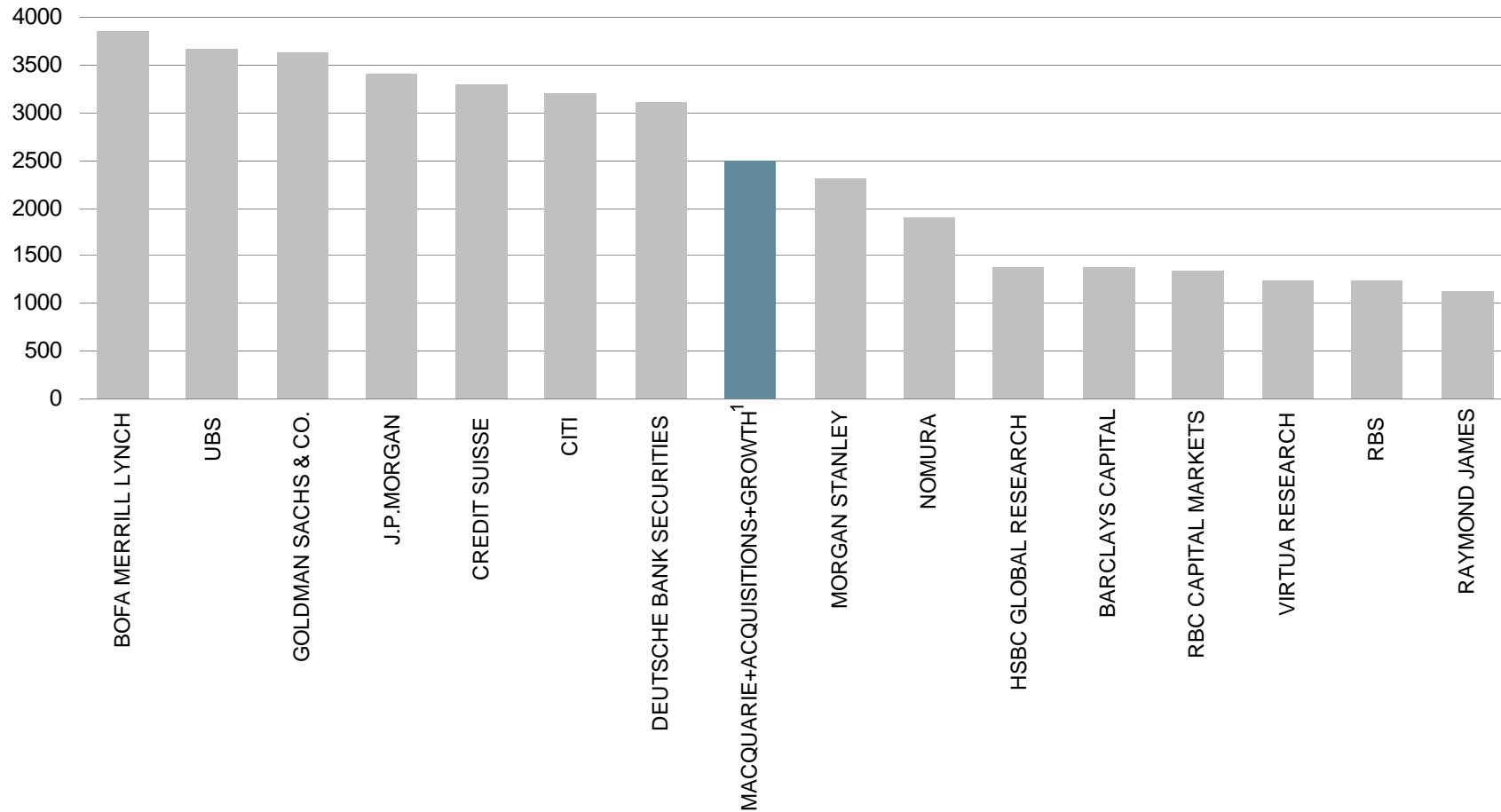


Acquisitions and organic growth will take MSG coverage to around 2,500 stocks



Global research coverage

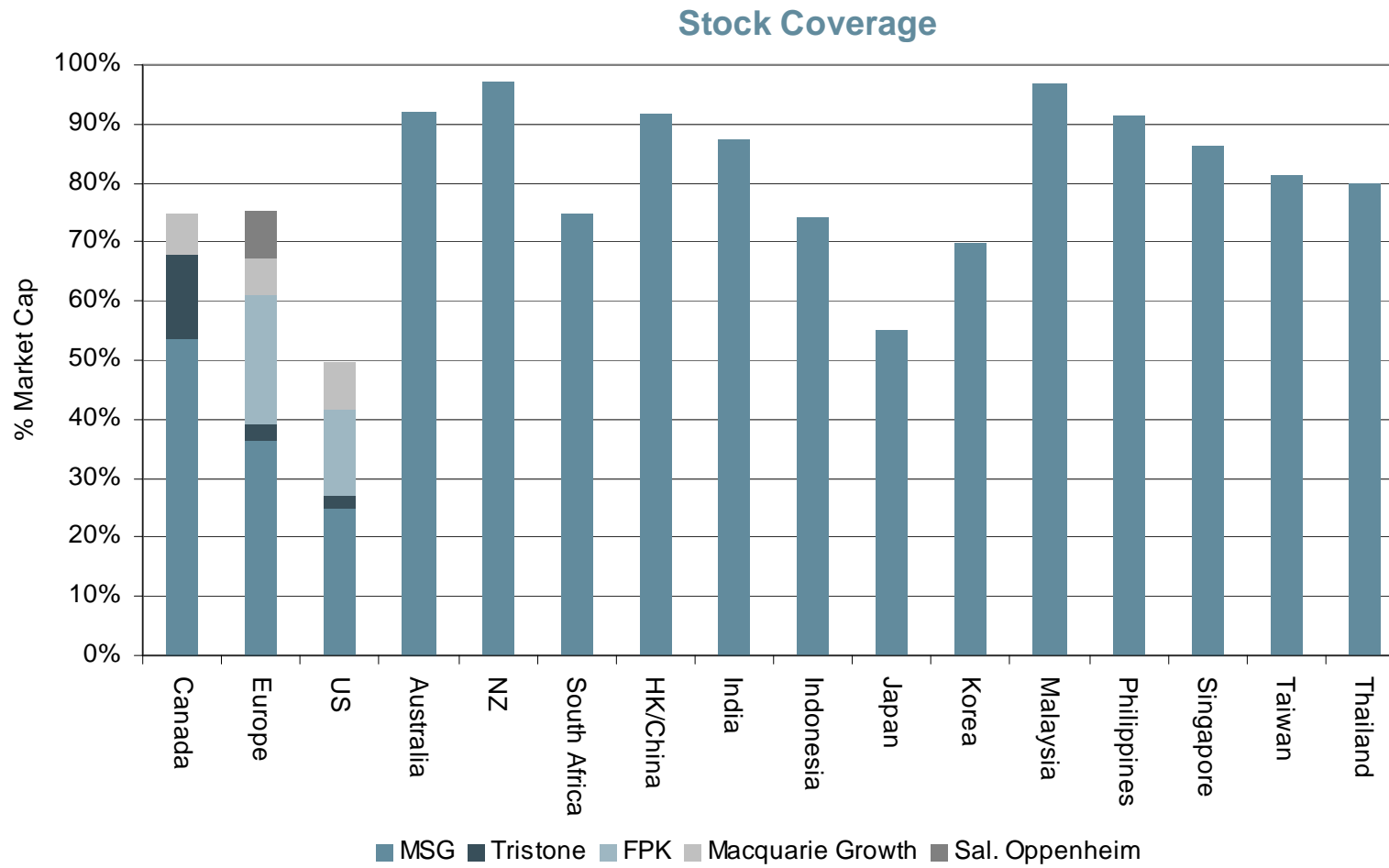
Global Coverage Counts



Source: IBES research coverage as at 31 Dec 09. 1. Macquarie coverage includes forecast FY10 growth and acquisitions



Global research coverage



Source: Macquarie Research. Coverage as at 31 Dec 09 (excl Canada/Europe/US which is as at 31 Aug 09)



Research specialist

- Global specialist
- Sector specialists – 42% MSCI World Index¹
 - Energy
 - Property
 - Infrastructure
 - Quant
 - Resources & Commodities
 - FIG (Including FPK)
- Geographic specialists
 - Australia
 - Asia

Macquarie (USA)
Equities Research

Incorporating **FTK**, the Global FIG Specialist



US Inv Banks and Brokers Weekly Investment Banking Monitor

Summary for the week ending J... from the prior week, although adju... ECM activity was largely flatfish, w... rebound from a seasonally soft De...

- **ADVISORY:** M&A activity softer holiday-shortened period. M&A
- **EQUITY UNDERWRITING:** US softened, but adjusting for the h... the prior week, both in terms of priced ECM activity strengthened
- **DEBT UNDERWRITING:** Debt Grade, High-Yield, and Prefere soft Dec.

Implications of these increment:

- **BULGE-BRACKET STOCKS:** positive for the bulge names as by flatfish M&A and ECM trends;
- **INDEPENDENT ADVISORY ST** independent advisory firms, as week, after accounting for the h...
- **MIDDLE-MKT/BOUTIQUE STC** middle-market/boutique firms, a were about flat with the prior we

Bigger picture: Data from recent experiencing a nascent recovery fr... underwriting, which has seen a slc signs of recovering thus far in Jan, underwriting has remained relative seasonally, suggesting no major r... investment banking activity is li... to put too much weight on week... the other hand, the stocks of Inv changes in activity, thus we beli...

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25 January 2010

Please refer to the important disclosures and analyst certification on its website www.macquarie.com.au/research/disclosures.

Macquarie (USA)
Equities Research

The Global Oil & Gas Specialist



Macquarie Oil and Gas 360 Asia Pacific Edition – 2 February 2010

Oil & Gas Atlas, Asian oil and petrochemicals, AOE AU, CVX US, The "In Situ" ation Report: Vol. 1, BKE CN, FDP CN, CGE CN, PFC LN, SQZ LN

Commodities

Commodity	Current	Chg % Chg
Crude Oil (2 month US\$/bbl)	27.50	+0.27 +0.9%
WTI (US\$/bbl)	27.44	+0.18 +0.7%
WTI-2009 OIL (US\$/bbl)	21.54	-
Brent (US\$/bbl)	27.11	+1.66 +6.5%
Dubai (US\$/bbl)	27.32	+1.87 +7.3%
Texas (US\$/bbl)	7.57	(0.26) -3.4%

Natural Gas

Natural Gas	Current	Chg % Chg
NYMEX (1st US\$/mmBtu)	\$5.43	-
12 month US\$/mmBtu	\$5.87	-
US Index US\$/mmBtu	\$5.29	+0.49 +9.4%
ASX - 1st US\$/mmBtu	\$5.18	+0.28 +5.6%
ASX - 12 month US\$/mmBtu	\$5.29	+0.14 +2.7%
UK - 1st US\$/mmBtu	\$5.99	(0.30) -4.7%
UK - 12 month US\$/mmBtu	\$7.00	(0.10) -1.4%
UK - 1st US\$/mmBtu	\$36.70	(66.20) -44.4%

Energy Market Indices

Index	Current	Chg % Chg
North America	2,989	+2 +0.1%
North America	2,989	+2 +0.1%
S&P 500	2,989	+2 +0.1%
S&P 500 Energy	1,562	+18 +1.2%
S&P 500 Energy	2,734	+18 +0.7%

Previous Day's Most Active

Region / Index	Price	Up/Down	Vol
United States			
NYSE US	\$66.18	+0.2%	37.7
NASDAQ US	\$16.34	+0.2%	13.9
NYS US	\$55.55		13.8
Canada			
TSX CN	\$34.94	+0.2%	7.7
TSXV CN	\$1.26	+0.1%	2.2
TSE CN	\$18.20	+0.2%	5.0
Europe			
FTSE UK	\$94.80	+0.1%	32.5
IBEX SP	\$29.28	+0.1%	18.7
IFLN NO	133.80	+0.1%	18.1
Asia Pacific			
ASX AU	175.00	+0.1%	131.7
SEK HK	6.78	+0.1%	125.1
SGX HK	1.17	+0.1%	154.9

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2 February 2010

Please refer to the list of contributing analysts and their investment dealer affiliations on page 4 of this report, as well as analyst certification and important disclosures, which can also be found on our website www.macquarie.com.au/research/disclosures

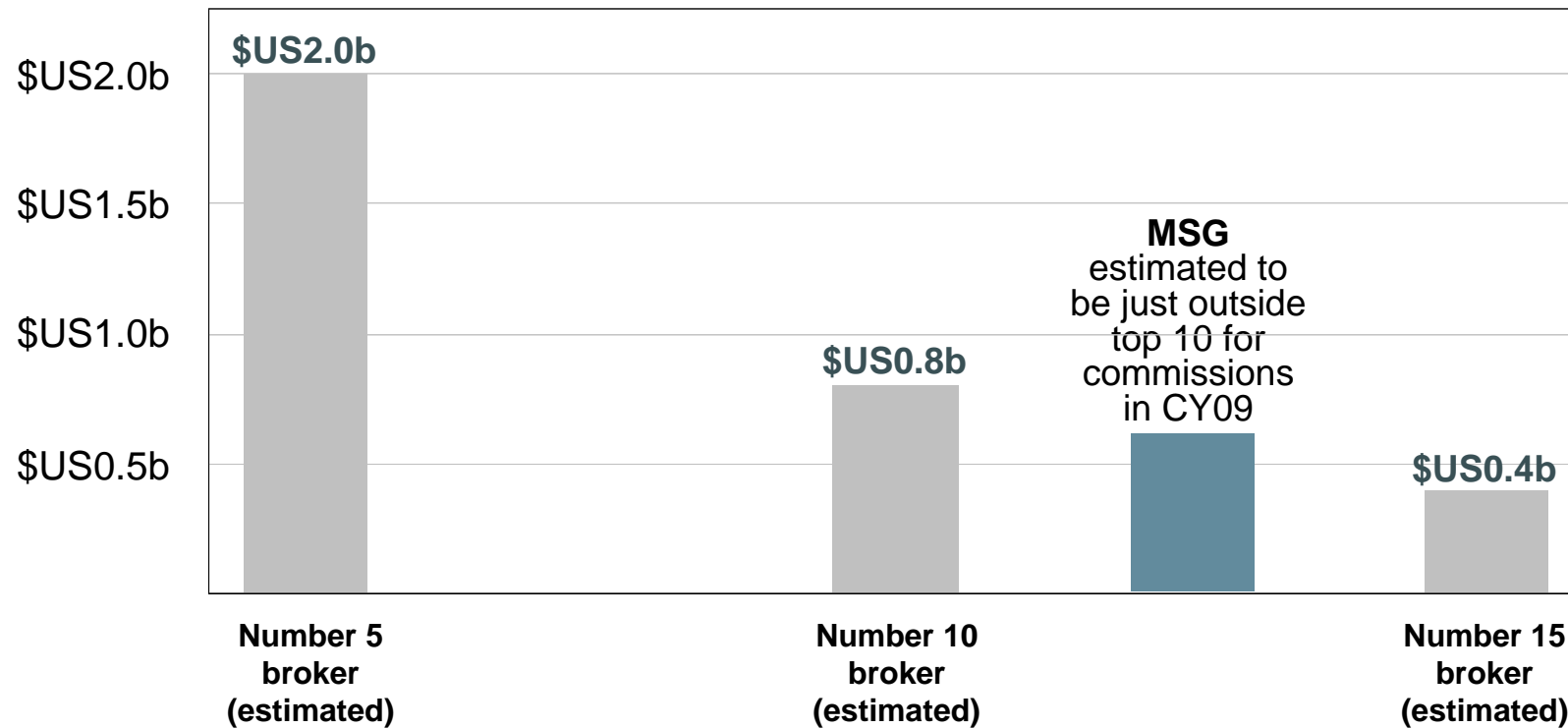


Macquarie Securities Group – Opportunity

Global Commission Pool

2009 \$US25b (annualised Jan-Sep 09 number) (estimated)

Broker Commissions (annualised Jan-Sep 09 number) (estimated)





What next?

- Integration
- Potential for a few more acquisitions arising from the GFC
- Backfill product range into each region where appropriate
 - Institutional derivatives
 - DeltaOne Trading
 - Warrants / structured products
- Client recognition in execution services – monetise investment spend in electronic execution, programme trading, facilitation, transitions, portfolio swap system etc
- Increasing commitment to trading opportunities over the longer term such as arbitrage and facilitation



Summary

- Vision is morphing so that on a medium term view we are seen increasingly as a global broker with strong Asia Pacific foundations
- Improved market conditions should provide good growth opportunities for the Cash Division
- Outlook for Derivatives DeltaOne Trading is for product volumes to increase, albeit off a low base, and for trading conditions to continue to improve gradually
- Overall see good growth opportunities in the medium to long term



MACQUARIE



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