



Update since the Interim Result Announcement

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Macquarie Group Limited

Operational Briefing

5 February 2013 – Presentation to Investors and Analysts



About Macquarie

Building for the medium term

Macquarie Funds	<ul style="list-style-type: none"> ▪ Top 50 global asset manager with \$A334b¹ 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 fund and equity based solutions
Corporate and Asset Finance	<ul style="list-style-type: none"> ▪ Provider of specialist finance and asset management solutions, with \$A21.8b¹ of loans and assets under finance ▪ Global capability in corporate and real estate credit, participating in both primary and secondary markets ▪ Expertise in 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ 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, NGLs, 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. As at 31 Dec 12.



3Q13 Overview

- Since our 1H13 result announcement, market conditions have shown some signs of improvement, however client activity remains subdued for capital markets facing businesses
- Macquarie's annuity-style businesses (Macquarie Funds, Banking and Financial Services and Corporate and Asset Finance) continue to perform well with combined Dec 12 qtr net profit contribution¹ up on pcp (Dec 11 qtr) and the prior period (Sep 12 qtr)
- Whilst Macquarie's capital markets facing businesses (FICC, Macquarie Securities Group and Macquarie Capital) continued to face subdued market conditions, combined Dec 12 qtr net profit contribution¹ was up strongly on both weak pcp and prior period
 - Macquarie Securities: Cash equities business remains marginally profitable and legacy expenses continuing to decline
 - Macquarie Capital: Overall deal activity was up on both weak pcp and prior period, although ECM levels remain low, particularly in Asia and Australia
 - FICC: Continued good performance from Energy Markets and Credit Trading, however Metals & Energy Capital and Metals & Agriculture Sales and Trading continue to be impacted by market conditions
- Benefits from operating efficiencies continue with Dec 12 qtr operating expenses down approx. 10% on pcp

1. Net Profit Contribution is operating income less operating expenses and is reported before profit share and income tax.



Overview

Annuity-style businesses

Operating Group	Market positions	Developments since 1H13
Macquarie Funds	<ul style="list-style-type: none"> – Top 50 global asset manager, Australia's largest global asset manager – Ranked first in Infrastructure Investor magazine's list of top infrastructure investors¹ globally and received the "Best Infrastructure" and "Best Real Estate" Fund Manager House Awards for 2012 by AsianInvestor² – Awarded ten Lipper Fund Awards in 2012 across the US, Europe and Asia³ – Professional Planner / Zenith Investment Partners awarded the Macquarie Diversified Fixed Interest Fund best global and diversified fixed interest fund⁴ – Macquarie Professional Series was recognised in the Professional Planner / Zenith Fund Awards 2012 as Product Distributor of the Year^{4,5} 	<ul style="list-style-type: none"> – AUM relatively flat – Macquarie Mexican REIT successfully completed its global offering – Macquarie European Alpha Fund was awarded its first mandate – Awarded a \$US500m mandate to establish and manage an infrastructure debt portfolio for the leading global reinsurance and insurance provider, Swiss Re⁶
Corporate and Asset Finance	<ul style="list-style-type: none"> – Leading market participant in bespoke primary lending across US, Europe and Australia; niche acquirer of secondary loans on an opportunistic basis – One of the largest providers of motor vehicle finance in Australia – Largest deregulated traditional and smart meter provider in the UK with 6.3m meters – One of North America's largest independent lessors of technology equipment 	<ul style="list-style-type: none"> – Continuation of portfolio additions in corporate and real estate lending across all geographies – Acquired European rail leasing platform, expanding business into the European marketplace – Extended Motor vehicle business into the UK, entering the UK Independent Contract Hire market – Continued strong securitisation activity, \$A1.1b of motor vehicle and equipment leases and loans secured during 3Q13
Banking and Financial Services	<ul style="list-style-type: none"> – Ranked No.1 National Independent Canadian Advisory Firm for the second consecutive year and ranked No.2 of all investment advisory firms in Canada⁷ – Macquarie Life awarded five star status for fifth consecutive year by Beaton Research⁸ – Macquarie Private Wealth (MPW) remains No.1 ranked full-service retail stockbroker in Australia in terms of volume and market share⁹ 	<ul style="list-style-type: none"> – Australian mortgage portfolio \$A11.1b up 5% on 3Q12 - origination expected to continue to grow significantly in CY13 – Acquired 8.3% of Yellow Brick Road Holdings Limited (YBR) and signed financial product distribution agreement with YBR – Agreement to acquire Pacific Premium Funding (subject to ACCC approval) making Macquarie Premium Funding second largest in Australia

1. Based on the amount of infrastructure direct investment capital formed in the last five years. 2. AsianInvestor 2012 Investment Performance Awards for institutional funds management. 3. Including Best Mixed Asset Small Company for Delaware Investments and Best Overall Small Company for Macquarie Investment Management Austria. 4. In Oct 12, Professional Planner / Zenith awarded the Macquarie Diversified Fixed Interest Fund best global and diversified fixed interest fund at the Professional Planner / Zenith Fund Awards 2012. The Professional Planner/Zenith Fund Awards are determined using proprietary methodologies. Fund Awards and ratings are solely statements of opinion and do not represent recommendations to purchase, hold, or sell any securities or make any other investment decisions. Ratings are subject to change. 5. Macquarie Professional Series was migrated from BFS to Macquarie Investment Management as further consolidation of the funds businesses within Macquarie. 6. Macquarie Group press release dated 28 Nov12, available at www.macquarie.co.uk. 7. Investment Executive Brokerage Report Card 2012 (Canada). 8. Beaton Research rankings Dec 12. 9. IRESS: consideration traded and volume 31 Dec 12.



Overview

Capital market facing businesses

Operating Group	Market positions	Developments since 1H13
Macquarie Securities	<ul style="list-style-type: none"> No.2 overall research and sales strength for Australian institutional investors¹, No.1 for Asian institutional investors¹ and No.1 for US/European institutional investors into Australian equities² No.1 market share in listed single stock equity warrants in Singapore³ and Korea⁴, No.3 in Hong Kong⁴ Received various awards in Singapore, Thailand, Philippines, Hong Kong and across Asia for quality of product offered 	<ul style="list-style-type: none"> Awarded \$US200m of China QFII quota⁵ Issued first Derivative Warrants on the Stock Exchange of Thailand in Oct 12 Cost reductions from restructuring and other projects now reflected in reduced monthly expense run rates Legacy expenses continued to decline
Macquarie Capital	<ul style="list-style-type: none"> No.1 for Global Real Estate placements – \$US4.1b capital raised in 2012⁶ No.1 in Australia for announced and completed M&A deals⁷ No.2 in Australia for completed M&A deals⁸ Real Estate Deal of the Year (Charter Hall Office REIT privatisation)⁹ Best Asian Domestic M&A Deal (SK Telecom)¹⁰ 	<ul style="list-style-type: none"> ANZ – Adviser, sole lead manager and arranger on AMP Capital’s shopping centre transaction and associated equity raising (\$A2.6b) Asia – Adviser to China Gas on the successful defence of an unsolicited pre-conditional offer (\$US2.2b) US – Bookrunner on the Macquarie Mexican REIT IPO (144A/Reg. S portion) (\$US1b) Canada – Adviser, co-lead underwriter and co-manager on Renegade Petroleum’s asset acquisition and associated prospectus offering and private placement (\$C590m) EMEA – Adviser on the sale of Wales & West Utilities (£645m)
FICC	<ul style="list-style-type: none"> Maintained ranking as No. 4 US physical gas marketer in North America¹¹ Commodity Business Awards winner, ‘Excellence in Agriculture & Softs’ – third consecutive year 	<ul style="list-style-type: none"> MGL’s first US Municipal pre-paid natural gas bond transaction of \$US1.5b to provide TexGas III with a 20-year supply of natural gas Arranged and acted as Joint Lead Manager for the Paragon Group of Companies PLC in its £200m securitisation for Paragon Mortgages Expansion of Canadian Futures platform to include clearing services MBL and Macquarie Energy LLC provisionally registered as swap dealers with the CFTC in the US

1. Peter Lee Associates Survey of Asian/Australian Institutional Investors – Australian Equities. 2. Greenwich Survey of US Institutional Investors – Australian Equities and Greenwich Survey of European Institutional Investors – Australian Equities. Market Share by Turnover. 3. Local exchanges. 4. Market Share by Net Over Intrinsic Premium. 5. Qualified Foreign Institutional Investor. 6. Preqin, Jan 12; PERE (excludes capital raised for own funds and affiliates). 7. Thomson Financial, CY12 (by volume). 8. Dealogic, CY12 (by value). 9. M&A Advisor. 10. FinanceAsia 11. Platts Q3 2012



FY13 outlook

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

Operating Group	Net profit contribution				
	FY07- FY12 historical range	FY07-FY12 average	FY12	FY13 outlook as updated in Oct 12	Update to FY13 outlook
Macquarie Funds	\$A0.3b – \$A1.1b	\$A0.7b	\$A0.7b	Up on FY12	No change
Corporate and Asset Finance	\$A0.1b – \$A0.7b ¹	\$A0.3b	\$A0.7b	Broadly in line with FY12	No change
Banking and Financial Services	\$A0.1b – \$A0.3b ²	\$A0.2b	\$A0.3b	Up on FY12	No change
Macquarie Securities	\$A(0.2)b – \$A1.2b	\$A0.5b	\$A(0.2)b	Up on FY12 but unlikely to be profitable if current markets persist	No change
Macquarie Capital	\$A(0.1)b – \$A1.6b	\$A0.6b	\$A0.1b	Up on FY12	No change
FICC	\$A0.5b – \$A0.8b	\$A0.6b	\$A0.5b	Up on FY12	Broadly in line
Corporate	<ul style="list-style-type: none"> – Compensation ratio to be consistent with historical levels – Continued higher cost of funding reflecting market conditions and high liquidity levels 			No change	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.



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FY13 outlook

- Subject to market conditions, FY13 net profit contribution from operating groups expected to be materially up on FY12
- FY13 contribution from Corporate expected to be down on FY12 due to the net impact of a number of items including the receipt of \$A295m from Sydney Airport in FY12
- Tax rate is expected to increase from 28% in FY12 to over 30% for FY13 due to the ongoing strength of US businesses and weakness in Asian capital markets facing businesses
- Whilst market conditions remain uncertain, we currently expect Macquarie's result for FY13 to be up approx. 10% on FY12 with the probability of a stronger result should improved market conditions persist
- The FY13 result remains subject to market conditions, completion rate of transactions and impairment testing as well as a range of other factors including
 - the cost of our continued conservative approach to funding and capital
 - regulation, including the potential for regulatory changes
 - increased competition in some markets
 - the overall cost of funding



13,549¹ staff in over 28 countries

EUROPE, MIDDLE EAST & AFRICA²

Staff: 1,184



ASIA

Staff: 2,945



AMERICAS

Staff: 3,267



AUSTRALIA³

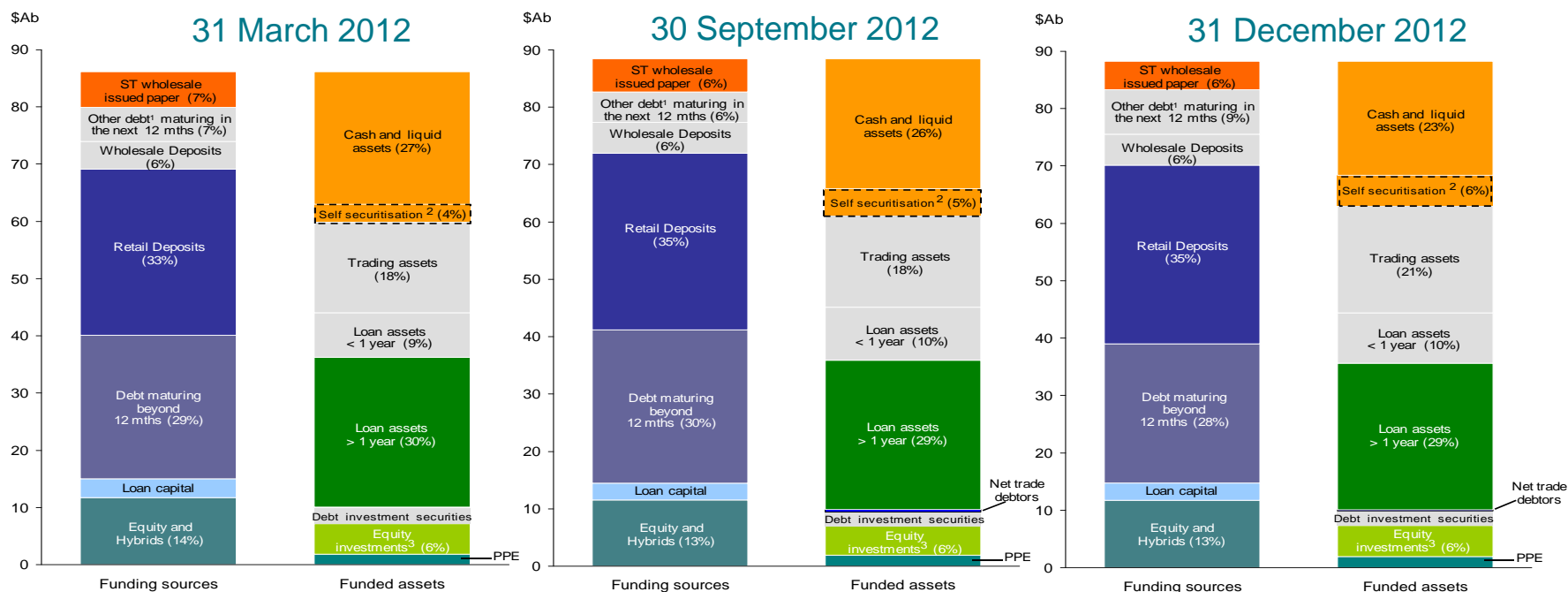
Staff: 6,153

1. Staff numbers as at 31 Dec 12. 2. Excludes staff in Macquarie First South joint venture and staff seconded to Macquarie Renaissance joint venture (Moscow). 3. Includes New Zealand.



Funded balance sheet remains strong

Macquarie Group Limited



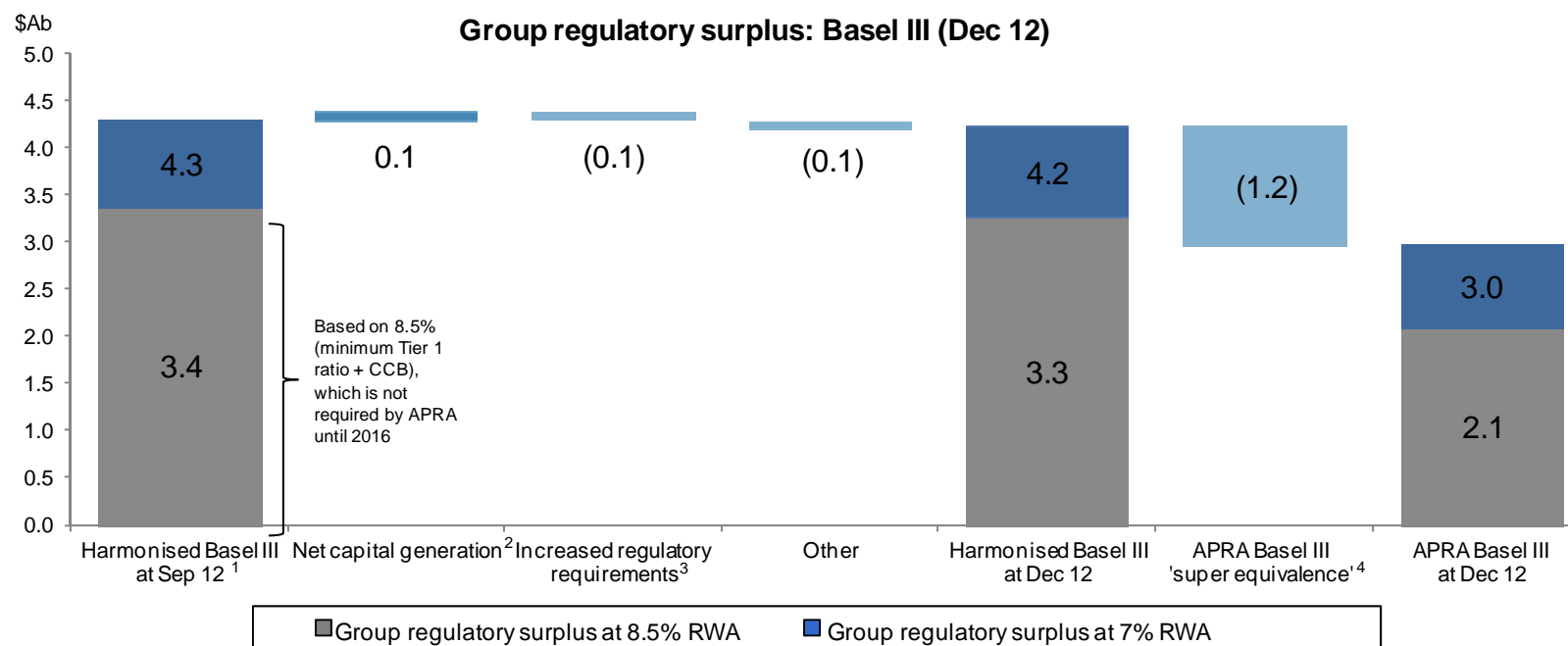
These charts represent Macquarie Group Limited's funded balance sheets at the respective dates noted above.

1. Includes Structured Notes, Secured Funding, Bonds, Other Bank Loans maturing within the next 12 months and Net Trade Creditors. 2. Previously shown within Loan assets > 1 year. 3. This represents the Group's co-investment in Macquarie managed funds and equity investments.



Stable Basel III capital surplus

- Harmonised Basel III Banking Group capital ratios at Dec 12 Common Equity Tier 1: 11.3%; Tier 1: 12.3%



1. 'Harmonised' Basel III estimates assume alignment with BIS in areas where APRA differs from the BIS. 2. Includes 3Q12 P&L net of 1H13 dividend and movement in reserves. 3. Relating to Operational Risk. 4. APRA Basel III 'super-equivalence' includes full CET1 deductions of equity investments (\$A0.7b); deconsolidated subsidiaries (\$A0.3b); and DTA's and other impacts (\$A0.2b).



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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 niche expertise and 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

Operating Group	APRA Basel III Capital @ 8.5% (\$Ab)	Approx. 1H13 Return on Ordinary Equity ¹	Approx. 6-Year Average Return on Ordinary Equity ¹	
Annuity-style businesses (excluding legacy)				
Macquarie Funds Group	1.6	22%	20% ²	
Corporate and Asset Finance	2.1			
Banking and Financial Services	0.9			
Capital markets facing businesses (excluding legacy)			6-Year Average profit pre tax and profit share (\$Ab)	Approx. 6-Year Average Return on Ordinary Equity ¹
Macquarie Securities	0.5	-	0.5	30%
Macquarie Capital	1.4	-	0.6	20%
FICC	2.6	9%	0.6	15%
Corporate and Other				
Legacy Assets	0.9			
Corporate	0.5			
Total regulatory capital requirement @ 8.5%				
<i>Comprising: Ordinary Equity</i>				
<i>Hybrid</i>				
Add: Surplus Ordinary Equity	2.1			
Total APRA Basel III capital supply	12.6			

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. 6-year average covers FY07 to FY12, inclusively.
 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.

As at 30 Sep 12.



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 platform
- 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