

APPENDIX 4D

Half Year Report for the half-year ended 31 December 2011

Name of Entity: Macquarie CPS Trust

Results for announcement to the market

	Half-year ended 31 December 2011 \$'000	Half-year ended 31 December 2010 \$'000
Revenues from ordinary activities	33,559	33,559
Increase in revenue from ordinary activities (%)	-	-
Profit from ordinary activities after tax attributable to members	-	-
Profit for the period attributable to members	-	-

It is not proposed to pay distributions for the half-year.

Refer to the attached Income Statement, Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows for further detail.

Details of Distributions

Date paid	Amount per security \$	Total amount \$'000
31 December 2010	5.5931	33,559
30 June 2011	5.5019	33,011
3 January 2012	5.5931	33,559

Details of Distribution Reinvestment Plan

There was no Distribution Reinvestment Plan in effect during the period.

Statement of Undistributed Income

There was no undistributed income during the period

Net Tangible Assets

	Half-year ended 31 December 2011	Half-year ended 31 December 2010
Net tangible asset backing per ordinary unit*	-	-
Net tangible asset backing per convertible preference security	\$100	\$100

* Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., all liabilities, preference shares, outside equity interest etc).

Control gained or lost over entities during the period

N/A

Details of Associates and Joint Venture entities

N/A

Accounting standards used by foreign entities

N/A

Audit

This report is based on accounts to which one of the following applies:

<input type="checkbox"/>	The accounts have been audited. (refer attached financial statements)	<input checked="" type="checkbox"/>	The accounts have been subject to review. (refer attached financial statements)
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have not yet been audited or reviewed.

Please see attached financial report.

MACQUARIE CPS TRUST

A.R.S.N. 129 962 358

Interim Directors' Report and Financial Report
Half-Year Ended 31 December 2011



MACQUARIE

The Trust's registered office is:
C/- Company Secretarial
Mezzanine Level
No. 1 Martin Place
SYDNEY NSW 2000

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SYDNEY**

This interim financial report has been prepared in accordance with Australian Accounting Standards and does not include all the notes of the type normally included in an annual financial report.

This interim financial report should be read in conjunction with the annual report of Macquarie CPS Trust for the year ended 30 June 2011 which was also prepared in accordance with Australian Accounting Standards.

2012 INTERIM DIRECTORS' REPORT AND FINANCIAL REPORT TABLE OF CONTENTS

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Macquarie CPS Trust

Directors' Report

for the half-year ended 31 December 2011

In respect of the interim period from 1 July 2011 to 31 December 2011, Macquarie Capital Loans Management Limited (the Responsible Entity), in its capacity as Responsible Entity of the Macquarie CPS Trust (the Trust), submit herewith the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended 31 December 2011 and the statement of financial position as at 31 December 2011 (the Financial Report), made in accordance with a resolution of the Directors.

Directors

The following persons have held office as Directors of the Responsible Entity during the period, until the date of this report, unless otherwise stated:

Patrick Upfold (appointed 21 December 2011)
David Dennis (appointed 21 December 2011)
Daniel Matthew Walmsley (resigned 21 December 2011)
David Simon Luboff (resigned 21 December 2011)
John Stuart Roberts (resigned 21 December 2011)
Matthew Gummer

Principal activities

The principal activity of the Trust during the half-year ended 31 December 2011 was as the issuer of convertible preference securities.

The Trust has issued \$600 million non-cumulative, unsecured, mandatorily convertible preference securities. The proceeds of the issue have been used by the Trust to purchase preference shares in Macquarie CPS LLC. Macquarie CPS LLC has, in turn, invested the proceeds of subscription in subordinated notes issued by Macquarie (UK) Group Services Limited, which are guaranteed by Macquarie Group Limited on a subordinated basis.

Result

The profit attributable to unit holders, under Australian Accounting Standards, for the half-year ended 31 December 2011 was \$nil (30 June 2011: \$nil; 31 December 2010: \$nil)

Distributions

Date paid	Amount per security	Amount paid
	\$	\$
31 December 2010	5.5931	33,559,000
30 June 2011	5.5019	33,011,000
3 January 2012	5.5931	33,559,000

Distributions paid or provided on Macquarie Convertible Preference Securities ("CPS") during the half-year were \$33,559,000 (June 2011: \$33,011,000, December 2010: \$33,559,000). The CPS are treated as a financial liability of the Trust and distributions to the CPS holders are recognised as interest expense upon the Trust determining that distributions are payable.

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Macquarie CPS Trust

Directors' Report

for the half-year ended 31 December 2011 (continued)

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Trust that occurred during the financial period under review not otherwise disclosed in this report.

Events after the Reporting Period

It is noted that Macquarie Group Limited share price is above \$27.10 as at the date of this report and, if it is above \$27.10 at 30 June 2013, the Mandatory Conversion Conditions would be satisfied and conversion of the CPS will occur on that date. At the date of this report, the Directors are not aware of any other matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in the financial period subsequent to 31 December 2011 not otherwise disclosed in this report.

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001(Cth)*, is set out on page 5.

Rounding of amounts

In accordance with Australian Securities and Investments Commission Class Order 98/100 (as amended), amounts in the Directors' Report and the half-year financial report have been rounded off to the nearest thousand dollars unless otherwise indicated.

This report is made in accordance with a resolution of the Directors.



Director

Sydney
22 February 2012

The Financial Report was authorised for issue by the Directors on 22 February 2012.
The Trust has the power to amend and reissue the financial report.



Auditor's Independence Declaration

As lead auditor for the review of Macquarie CPS Trust for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Macquarie CPS Trust.

A handwritten signature in black ink, appearing to read 'CJ Heath', written in a cursive style.

CJ Heath
Partner

Sydney
February 2012

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Macquarie CPS Trust

Financial Report

Income statement

for the half-year ended 31 December 2011

	Notes	Half-year to 31 Dec 2011 \$'000	Half-year to 30 June 2011 \$'000	Half-year to 31 Dec 2010 \$'000
Interest and similar income	3	33,559	33,011	33,559
Interest expense and similar charges	3	(33,559)	(33,011)	(33,559)
Net interest income		-	-	-
Operating profit before income tax		-	-	-
Income tax expense		-	-	-
Profit after income tax		-	-	-
Profit attributable to unit holders of Macquarie CPS Trust		-	-	-

The above income statement should be read in conjunction with the accompanying notes.

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Macquarie CPS Trust

Statement of comprehensive income for the half-year ended 31 December 2011

	Notes	Half-year to 31 Dec 2011 \$'000	Half-year to 30 June 2011 \$'000	Half-year to 31 Dec 2010 \$'000
Profit after income tax for the period	3	-	-	-
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	-	-
Total comprehensive income for the period is attributable to:				
Unit holders of Macquarie CPS Trust		-	-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

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Macquarie CPS Trust

Statement of financial position as at 31 December 2011

	Notes	As at 31 Dec 2011 \$'000	As at 30 June 2011 \$'000	As at 31 Dec 2010 \$'000
Assets				
Investment securities available for sale	4	600,000	600,000	600,000
Total assets		600,000	600,000	600,000
Liabilities				
Loan capital	5	600,000	600,000	600,000
Total liabilities excluding net assets attributable to unit holders		600,000	600,000	600,000
Net assets attributable to unit holders		-	-	-

The above statement of financial position should be read in conjunction with the accompanying notes.

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Macquarie CPS Trust

Statement of changes in equity for the half-year ended 31 December 2011

	Total equity \$'000
Balance as at 1 July 2010	-
Total comprehensive income for the period	-
Balance as at 31 December 2010	-
Total comprehensive income for the period	-
Balance as at 30 June 2011	-
Total comprehensive income for the period	-
Balance as at 31 December 2011	-

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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Macquarie CPS Trust

Statement of cash flows

for the half-year ended 31 December 2011

	Half-year to 31 Dec 2011 \$'000	Half-year to 30 June 2011 \$'000	Half-year to 31 Dec 2010 \$'000
Cash flows from operating activities			
Net cash flows from/ (used in) operating activities	-	-	-
Cash flows from investing activities			
Net cash flows from/ (used in) investing activities	-	-	-
Cash flow from financing activities			
Net cash flows from/ (used in) financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	-	-	-
Cash and cash equivalents at the end of the period	-	-	-

The above statement of cash flow should be read in conjunction with the accompanying notes.

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Macquarie CPS Trust

Notes to the financial statements for the half-year ended 31 December 2011

Note 1. Trust information

The Trust is established and domiciled in Australia. The address of the Trust's registered office is c/- Company Secretarial, Mezzanine Level, No.1 Martin Place, Sydney NSW 2000.

Note 2. Basis of preparation

This general purpose financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth)*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2011.

The Trust is of a kind referred to in Australian Securities and Investments Commission Class Order 98/100 (as amended), relating to the rounding of amounts in the financial report for a financial year or half-year. Amounts in the Directors' Report and half-year Financial Report have been rounded in accordance with that Class Order to the nearest thousand dollars unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the annual financial report of the Trust for the year ended 30 June 2011.

Accounting Standards effective in the current period

AASB 2010-4 makes amendments to various disclosure requirements relating to AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements and AASB 134 Interim Financial Reporting.

The application of these amendments in the current period has had an immaterial impact

Note 3. Profit for the period

	Half-year to 31 Dec 2011 \$'000	Half-year to 30 June 2011 \$'000	Half-year to 31 Dec 2010 \$'000
Net interest income			
Interest and similar income received/receivable			
Other related entities	33,559	33,011	33,559
Interest expense and similar charges paid/payable			
Other entities	(33,559)	(33,011)	(33,559)
Net interest income	-	-	-

The Trust has no employees.

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Macquarie CPS Trust

Notes to the financial statements

for the half-year ended 31 December 2011(continued)

Note 4. Investment securities available for sale (non-current)

	As at 31 Dec 2011 \$'000	As at 30 June 2011 \$'000	As at 31 Dec 2010 \$'000
Debt securities	600,000	600,000	600,000
Total investment securities available for sale	600,000	600,000	600,000

On 8 July 2008, the Trust acquired \$600 million of preferred limited liability company interests (LPS) from a related entity, Macquarie CPS LLC. The preference shares are redeemable by the issuer, subject to written approval from the Australian Prudential Regulation Authority (APRA). Distributions on LPS are preferred, non-cumulative and based on a fixed rate until 30 June 2013 and on a floating rate thereafter. The fixed rate has been determined at 11.095 per cent per annum. Distributions are scheduled to be paid semi-annually until 30 June 2013, and quarterly thereafter, and are at the issuer's discretion. There was no change in the value of the investment securities during the period.

Note 5. Loan capital (non-current)

	As at 31 Dec 2011 \$'000	As at 30 June 2011 \$'000	As at 31 Dec 2010 \$'000
Convertible Preference Securities (6 million securities at issue price of \$100 each)	600,000	600,000	600,000
Total loan capital	600,000	600,000	600,000

The CPS were listed on the Australian Securities Exchange (ASX) on 8 July 2008. The CPS are non-cumulative, unsecured, mandatorily convertible, preference units in the Trust. The CPS are mandatorily convertible into a variable number of Macquarie Group Limited shares. Distributions on CPS are preferred, non-cumulative and based on a fixed rate until 30 June 2013 (the initial mandatory conversion date) and on a floating rate thereafter. It is noted that the Macquarie Group Limited share price is below \$27.10 at 31 December 2011. If this share price is below \$27.10 at 30 June 2013, the Mandatory Conversion Conditions would not be satisfied and conversion of the CPS will not occur on that date.

The fixed rate has been determined at 11.095 per cent per annum. Distributions are scheduled to be paid semi-annually until, and including, the initial mandatory conversion date, and quarterly thereafter, in arrears, and subject to payment tests as outlined in the CPS Terms in the Product Disclosure Statement, and are at the Trust's discretion. Costs related to the issuance of the CPS have been borne by the ultimate chief entity, Macquarie Group Limited under the terms of the Implementation Deed. Funds from the issuance were applied on behalf of the Trust to Macquarie (UK) Group Services Limited, resulting in nil cash movement to the Trust.

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Notes to the financial statements

for the half-year ended 31 December 2011 (continued)

Note 6. Net assets attributable to unit holders

Net assets attributable to unit holders is represented by:	Number of units	December 2011 \$	Number of units	June 2011 \$	Number of units	December 2010 \$
Opening balance of units on issue	2	200	2	200	2	200
Closing balance	2	200	2	200	2	200

Note 7. Contingent liabilities and assets

The Trust has no commitments or contingent assets/liabilities which are individually material or a category of commitments or contingent assets or liabilities which are material.

Note 8. Audit and other services provided by PricewaterhouseCoopers

The cost of auditor's remuneration for auditing services of \$4,000 (June 2011: \$12,257, December 2010: \$4,000) has been borne by Macquarie Group Services Australia Pty Limited, a wholly-owned subsidiary within the Macquarie Group. The auditor received no other benefits.

Note 9. Events after the Reporting Period

There were no material events subsequent to 31 December 2011 that have not been reflected in the financial statements.

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Macquarie CPS Trust

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 13 are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - (i) complying with Australian Accounting Standards and any further requirements in the *Corporations Regulations 2001 (Cth)*; and
 - (ii) giving a true and fair view of the Macquarie CPS Trust's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Macquarie CPS Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Director

Sydney
22 February 2012



Independent auditor's review report to the members of Macquarie CPS Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Macquarie CPS Trust, which comprises the statement of financial position as at 31 December 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Macquarie CPS Trust.

Directors' responsibility for the half-year financial report

The directors of the Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Macquarie CPS Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Macquarie CPS Trust is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

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A handwritten signature in black ink, appearing to read 'CJ Heath', written over the printed name.

CJ Heath
Partner

Sydney
February 2012

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