Overview

Investor Information

Net profit up 39 per cent on prior corresponding period, up 2 per cent on prior half

- Net profit of $A501 million
- Operating income of $A3.7 billion
- International income 66 per cent of total
- Earnings per share of $A1.50
- Dividend rate of $A1.00 per share, 40 per cent franked
- Annualised return on equity of 8.7 per cent
- Assets under management of $A385 billion

Strong funding and balance sheet position

- Diverse and stable funding base
- Minimal reliance on short-term wholesale funding markets
- Strong and conservative balance sheet
- $A38 billion of total deposits
- $A7.9 billion of new term funding raised since 31 March 2013

ACN 122 169 279.

The Macquarie name and Holey Dollar device are registered trade marks of Macquarie Group Limited to reflect the occurrence of unanticipated events.

This update contains forward looking statements including statements regarding Macquarie’s intent, belief or current expectations with respect to its businesses and operations, market conditions, results of operations and financial condition, capital reserves, specific provisions and the management challenges faced, forecasts on assumptions and the probability of realising these forecasts or the impact of these forecasts on the Group’s and its business performance. To the extent that any forward looking statements are expressed in terms of ‘can’, ‘will’, ‘expected’, ‘should’, ‘likely’, ‘intend’, ‘opinion’, ‘potential’ or similar expressions, these statements are forward looking statements.

Macquarie does not undertake any obligation to publicly update any forward looking statement to reflect events or circumstances after a forward looking statement is made.

The Macquarie name and Holey Dollar device are registered trade marks of Macquarie Group Limited ACN 122 169 279.

Subject to certain closing conditions, including regulatory approval.

Change on

31 March 2013

2013

2012

30 September

2013

2012

$A1.00 Up from $A0.75

$A2.00 Down from $A2.25

8.7% Up from 6.0%

38.0% Up from 35.0%

39% 2%

13% 11%

10% 9%

10% 9%

53% 40%

MACQUARIE GROUP LIMITED

Chairman and Managing Director's report

Result overview

Macquarie Group (Macquarie) recorded a consolidated net profit of $A501 million for the six months to 30 September 2013, an increase of 39 per cent on the prior corresponding period and two per cent on the prior half.

Macquarie’s asset management businesses – Macquarie Funds Group (MFG), Corporate and Asset Finance (CAF) and Energy Capital (MEC) – contributed to performance, with the combined results up a total of two per cent compared to the prior half and prior corresponding period.

A summary of Macquarie Group's 2014 annual general meeting (AGM) will be mailed to shareholders. The key features of the result are outlined in the table below.

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

Indicative 2014 shareholder calendar

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full year result and final ordinary dividend announcement</td>
<td>27 May</td>
</tr>
<tr>
<td>Record date for final ordinary dividend</td>
<td>16 May</td>
</tr>
<tr>
<td>Payment date for final ordinary dividend</td>
<td>2 July</td>
</tr>
<tr>
<td>2014 Annual General Meeting</td>
<td>24 July</td>
</tr>
<tr>
<td>Half year result and interim dividend announcement</td>
<td>31 October</td>
</tr>
<tr>
<td>Record date for interim ordinary dividend</td>
<td>13 November</td>
</tr>
<tr>
<td>Payment date of interim dividend</td>
<td>15 December</td>
</tr>
</tbody>
</table>

* Dates are subject to change

Website

Further information on Macquarie Group, and to access the Investor Relations mobile site visit

macquarie.com.au/investorrelations

Stock exchange listing

Macquarie Group Limited is listed on the Australian Securities Exchange (ASX) and its ordinary shares trading using the code MQG. Macquarie Group Capital Notes are quoted on the ASX and trades under the code MQGN.

Dividend details

Macquarie Group generally pays a dividend on its fully paid ordinary shares every year following the interim and final result announcements. The current proposed dividend for the 2014 dividends are as per the shareholder calendar below.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

2014 Annual General Meeting (AGM)

Macquarie Group’s 2014 AGM is currently expected to be held on 24 July 2014, but is subject to confirmation. Details of the business of the meeting will be forwarded to shareholders separately.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

Overview

The key features of the result are outlined in the table below.

<table>
<thead>
<tr>
<th>30 September 2013</th>
<th>Change on</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>$A501m</td>
</tr>
<tr>
<td>Operating income</td>
<td>$A3.7 billion</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>38.0%</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>$A1.00</td>
</tr>
<tr>
<td>Return on equity</td>
<td>8.7%</td>
</tr>
<tr>
<td>Assets under management</td>
<td>$A385 billion</td>
</tr>
</tbody>
</table>

Subject to certain closing conditions, including regulatory approval.

Operating group performance

Macquarie Funds Group (MFG) contributed $A230 million to Macquarie’s profit from operating groups for the six months to 30 September 2013, an increase of 39 per cent on the prior corresponding period.

MFG generates strong performance fees and management fees as performance results for the periods are reported, which are directly related to the performance of funds and other managed assets.

Prior corresponding period refers to the six months to 30 September 2012.

Prior half refers to the six months to 30 March 2013.

This update contains forward looking statements including statements regarding Macquarie’s intent, belief or current expectations with respect to its businesses and operations, market conditions, results of operations and financial condition, capital reserves, specific provisions and the management challenges faced, forecasts on assumptions and the probability of realising these forecasts or the impact of these forecasts on the Group’s and its business performance.

Further information on Macquarie Group, and to access the Investor Relations mobile site visit

macquarie.com.au/investorrelations

The material presented in this update has been prepared by Macquarie and is current at the date of this update. It is general management information and should not be treated as advice or recommendations, nor is it a solicitation of any specific product or service, financial, tax, legal or any other advice. Readers are advised to contact their own professional advisors to obtain advice on their own particular circumstances.

Prior corresponding period refers to the six months to 30 September 2012.

Prior half refers to the six months to 30 March 2013.

Prior half refers to the six months to 30 March 2012.

Prior half refers to the six months to 30 March 2012.

Prior half refers to the six months to 30 March 2012.
### Corporate and Asset Finance Group

Macquarie’s Corporate and Asset Finance Group operating for the first half year to 30 September 2013, an increase of 18 per cent on the corresponding period. Macquarie’s corporate and asset finance business volume increased 15 per cent to $A46.4 billion in the half year, driven by ongoing growth in the Group’s corporate vehicle leasing business and the impact of foreign exchange movements. During the half year, CAF completed the acquisition of Star Mortgages, a provider of mortgage facilities to vehicle dealers and finance companies, and the acquisition of a further 15 per cent of Woodside Power’s equity. CAF’s revenue for the half year to 30 September 2013 increased 18 per cent to $A1.8 billion from $A1.6 billion in the prior corresponding period.

### Banking and Financial Services Group

Macquarie’s Banking and Financial Services Group operating for the first half year to 30 September 2013, a decrease of 10 per cent on the prior corresponding period. BFS maintained its No. 1 position for full-service retail banking and private wealth management in Australia, and its leading position in providing utility connections, and the acquisition of a portfolio from a major West Australian Retailer. BFS’s revenue for the half year to 30 September 2013 increased 7 per cent to $A396 million from $A368 million in the prior corresponding period.

### Fixed Income, Currencies and Commodities

Macquarie’s Fixed Income, Currencies and Commodities Group operating for the half year to 30 September 2013, a decrease of seven per cent on the prior corresponding period. These were mixed market conditions across the platforms. Commodity achievements were driven by increased activity in the agricultural and base metals markets, dampened by a significant fall in trading volumes in the energy markets. Fixed Income achieved strong performance in the Global Oil energy businesses. However, ongoing weak conditions in the agricultural and base metals markets dampened both client trading and volatility. Funding volumes increased 33 per cent to $A31.0 billion at 31 March 2013, representing 35 per cent to $A33.1 billion at 30 September 2013 from $A24.6 billion at 30 September 2012.

### Macquarie’s Leasing

Macquarie’s leasing and lending business achieved strong results for the half year. Macquarie’s leasing and lending business volume increased 10 per cent to $A24.6 billion during the half year.

### Results for the half year

<table>
<thead>
<tr>
<th>Financial Period</th>
<th>Revenue ($A million)</th>
<th>Net Profit ($A million)</th>
<th>Earnings per Share (EPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2010</td>
<td>3,200</td>
<td>545</td>
<td>0.74</td>
</tr>
<tr>
<td>30 September 2010</td>
<td>3,200</td>
<td>545</td>
<td>0.74</td>
</tr>
</tbody>
</table>

### Risk management

Macquarie’s robust risk management framework is a key factor in delivering superior returns to shareholders. The Group has always sought to clearly identify and understand the consequences of adverse market outcomes in determining whether such risks can be tolerated. This approach has remained largely consistent for more than 30 years and has seen the Group well through a range of market cycles.

### Sustainability

Macquarie’s approach to sustainability is embedded across all operating groups and divisions. Business heads are responsible for identifying risks within their business and managing these risks in line with an internal Risk Management Framework. The Group seeks to support women to achieve rewarding careers through the Macquarie Women’s Leadership Program. Details of Macquarie’s ESG approach are included in the Sustainability Report to be included in the 2013 annual report.

### Dividend

The Board resolved to pay an interim dividend of $A1.20 per share, fully franked, up from $A1.10 per share (40 cent per cent) in the prior corresponding period. The Board’s decision to pay a higher dividend was underpinned by its strong balance sheet, and a proven risk management framework and culture.

### Outlook

Dividends

To meet its Dividend Stability Plan commitments, Macquarie continues to expect an improved cash dividend per share for the year to 31 March 2014. This short term outlook excludes the impact of the proposed distribution of Sydney Airport securities to shareholders. The result for the second half will be stronger than the first half.

Subject to shareholder approval, Macquarie proposes to distribute to its shareholders one stapled security in the form of 117 Macquarie Group Limited (MGL) ordinary shares for every 100 Macquarie Trust Preference B shares to be merged with the stapled security consisting of one MGL ordinary share and one MGL Convertible Preference Security which were redeemed on 1 July 2013. The MCNs were issued by Macquarie and the Non-Executive Directors of the Group.

### Other information

Macquarie’s Board and management seek the consent of shareholders in order to increase the capital of the Group to the extent that the Board and management consider necessary to fund the Group’s ongoing growth plans. The timing of any capital increase will be determined by the GSC and the Board. The Directors of Macquarie believe that it is a good time to distribute $A396 million in cash to shareholders, as the Group has a strong balance sheet and can continue to participate in the ownership of Sydney Airport.

A shareholder meeting to approve the distribution, including a change to Macquarie’s Constitution to facilitate the proposed capital increase and provide greater flexibility for payments of distributions in the future, is scheduled for 12 December 2013. If approved, the Group intends to pay a special dividend to shareholders in early 2014.

### Calculation of Sydney Airport securities to shareholders

Subject to shareholder approval, Macquarie proposes to distribute to its shareholders one stapled security in the form of 117 Macquarie Group Limited (MGL) ordinary shares for every 100 Macquarie Trust Preference B shares to be merged with the stapled security consisting of one MGL ordinary share and one MGL Convertible Preference Security which were redeemed on 1 July 2013. The MCNs were issued by Macquarie and the Non-Executive Directors of the Group.

### Other information

Macquarie’s Board and management seek the consent of shareholders in order to increase the capital of the Group to the extent that the Board and management consider necessary to fund the Group’s ongoing growth plans. The timing of any capital increase will be determined by the GSC and the Board. The Directors of Macquarie believe that it is a good time to distribute $A396 million in cash to shareholders, as the Group has a strong balance sheet and can continue to participate in the ownership of Sydney Airport.

A shareholder meeting to approve the distribution, including a change to Macquarie’s Constitution to facilitate the proposed capital increase and provide greater flexibility for payments of distributions in the future, is scheduled for 12 December 2013. If approved, the Group intends to pay a special dividend to shareholders in early 2014.

### Calculation of Sydney Airport securities to shareholders

Subject to shareholder approval, Macquarie proposes to distribute to its shareholders one stapled security in the form of 117 Macquarie Group Limited (MGL) ordinary shares for every 100 Macquarie Trust Preference B shares to be merged with the stapled security consisting of one MGL ordinary share and one MGL Convertible Preference Security which were redeemed on 1 July 2013. The MCNs were issued by Macquarie and the Non-Executive Directors of the Group.

### Other information

Macquarie’s Board and management seek the consent of shareholders in order to increase the capital of the Group to the extent that the Board and management consider necessary to fund the Group’s ongoing growth plans. The timing of any capital increase will be determined by the GSC and the Board. The Directors of Macquarie believe that it is a good time to distribute $A396 million in cash to shareholders, as the Group has a strong balance sheet and can continue to participate in the ownership of Sydney Airport.

A shareholder meeting to approve the distribution, including a change to Macquarie’s Constitution to facilitate the proposed capital increase and provide greater flexibility for payments of distributions in the future, is scheduled for 12 December 2013. If approved, the Group intends to pay a special dividend to shareholders in early 2014.

### Calculation of Sydney Airport securities to shareholders

Subject to shareholder approval, Macquarie proposes to distribute to its shareholders one stapled security in the form of 117 Macquarie Group Limited (MGL) ordinary shares for every 100 Macquarie Trust Preference B shares to be merged with the stapled security consisting of one MGL ordinary share and one MGL Convertible Preference Security which were redeemed on 1 July 2013. The MCNs were issued by Macquarie and the Non-Executive Directors of the Group.

### Other information

Macquarie’s Board and management seek the consent of shareholders in order to increase the capital of the Group to the extent that the Board and management consider necessary to fund the Group’s ongoing growth plans. The timing of any capital increase will be determined by the GSC and the Board. The Directors of Macquarie believe that it is a good time to distribute $A396 million in cash to shareholders, as the Group has a strong balance sheet and can continue to participate in the ownership of Sydney Airport.

A shareholder meeting to approve the distribution, including a change to Macquarie’s Constitution to facilitate the proposed capital increase and provide greater flexibility for payments of distributions in the future, is scheduled for 12 December 2013. If approved, the Group intends to pay a special dividend to shareholders in early 2014.

### Calculation of Sydney Airport securities to shareholders

Subject to shareholder approval, Macquarie proposes to distribute to its shareholders one stapled security in the form of 117 Macquarie Group Limited (MGL) ordinary shares for every 100 Macquarie Trust Preference B shares to be merged with the stapled security consisting of one MGL ordinary share and one MGL Convertible Preference Security which were redeemed on 1 July 2013. The MCNs were issued by Macquarie and the Non-Executive Directors of the Group.

### Other information

Macquarie’s Board and management seek the consent of shareholders in order to increase the capital of the Group to the extent that the Board and management consider necessary to fund the Group’s ongoing growth plans. The timing of any capital increase will be determined by the GSC and the Board. The Directors of Macquarie believe that it is a good time to distribute $A396 million in cash to shareholders, as the Group has a strong balance sheet and can continue to participate in the ownership of Sydney Airport.
Corporate and Asset Finance Group (CAG) contributed A$1.0 billion to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 18 per cent on the corresponding period. Macquarie’s strong market position in the Australian corporate and asset finance market, and its continued focus on operating cost management, allowed for a stable operating margin in the level of net interest income that were lower than the prior period.

Macquarie’s strong position in the syndicated lending market and its focus on the global market has resulted in increases in the size of transactions the Group participates in. The continued improvement in the Group’s profit margins, while the level of origination and issuance costs has increased, continue to contribute to a strong profit contribution from this segment.

Capital

Macquarie has a long-standing policy of maintaining a level of capital which supports its business and has consistently grown its capital base ahead of business requirements. APTT’s Global Capital at 30 September 2013 was A$3.7 billion, with a Group capital surplus of A$1.1 billion.

During the half year, Macquarie complied with the on-market purchase of shares to satisfy the Macquarie Employee Share Ownership Plan ( cellspacing="0" width="100%"><table border="0" cellpadding="0" cellspacing="0" width="100%"><thead><tr><th>Year ended 31 March</th><th>Year ended 30 September</th></tr><tr><td>FY10</td><td>FY11</td><td>FY12</td><td>1H 14</td><td>FY13</td></tr><tr><td>2010</td><td>2011</td><td>2012</td><td>2013</td><td>2013</td></tr><tr><td>1,000</td><td>2,000</td><td>3,000</td><td>4,000</td><td>5,000</td></tr></table></body></html>
Corporate and Asset Finance Group (CAF) contributed $A101 million to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 20 per cent over the prior corresponding period. BFS maintained its No. 1 position for full-service retail stockbroking in Australia and grew retail deposits by seven per cent over this period to $A14.6 billion which represents 40 per cent over the prior corresponding period.

The Australian Securities and Investments Commission (ASIC) has approved the ASX listing of Macquarie’s new stapled security comprised of a Macquarie Share (MQS) and Macquarie’s Convertible Preference Securities which were redeemed on 30 September 2013. The stapled security will be listed on the ASX on 18 October 2013.

With top-line performances among Australian and Asia-Pacific peers, BFS maintains its position as the leading provider of utility connections, and the acquisition of a portfolio of contracts was completed in July 2013.

Wrap platform funds under administration grew 41 per cent over this period to $A121 billion which represents 26 per cent over this period to $A71 million in the prior corresponding period. Improved volumes increased in all key regions. The credit environment in Asia-Pacific has been tight over the quarter and new business volumes remain strong.

Corporate and Asset Finance Group (CAF) contributed $A101 million to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 20 per cent on the prior corresponding period.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie Capital’s continued support for the energy and resources sectors, as well as continued funding to its Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie’s ESG priorities have been shaped by their experience working with top tier rankings among Australian and Asia-Pacific peers, BFS maintains its position as the leading provider of utility connections, and the acquisition of a portfolio of contracts was completed in July 2013.

Wrap platform funds under administration grew 41 per cent over this period to $A121 billion which represents 26 per cent over this period to $A71 million in the prior corresponding period. Improved volumes increased in all key regions. The credit environment in Asia-Pacific has been tight over the quarter and new business volumes remain strong.

Corporate and Asset Finance Group (CAF) contributed $A101 million to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 20 per cent on the prior corresponding period.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie’s ESG priorities have been shaped by their experience working with top tier rankings among Australian and Asia-Pacific peers, BFS maintains its position as the leading provider of utility connections, and the acquisition of a portfolio of contracts was completed in July 2013.

Wrap platform funds under administration grew 41 per cent over this period to $A121 billion which represents 26 per cent over this period to $A71 million in the prior corresponding period. Improved volumes increased in all key regions. The credit environment in Asia-Pacific has been tight over the quarter and new business volumes remain strong.

Corporate and Asset Finance Group (CAF) contributed $A101 million to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 20 per cent on the prior corresponding period.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie’s ESG priorities have been shaped by their experience working with top tier rankings among Australian and Asia-Pacific peers, BFS maintains its position as the leading provider of utility connections, and the acquisition of a portfolio of contracts was completed in July 2013.

Wrap platform funds under administration grew 41 per cent over this period to $A121 billion which represents 26 per cent over this period to $A71 million in the prior corresponding period. Improved volumes increased in all key regions. The credit environment in Asia-Pacific has been tight over the quarter and new business volumes remain strong.

Corporate and Asset Finance Group (CAF) contributed $A101 million to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 20 per cent on the prior corresponding period.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie’s ESG priorities have been shaped by their experience working with top tier rankings among Australian and Asia-Pacific peers, BFS maintains its position as the leading provider of utility connections, and the acquisition of a portfolio of contracts was completed in July 2013.

Wrap platform funds under administration grew 41 per cent over this period to $A121 billion which represents 26 per cent over this period to $A71 million in the prior corresponding period. Improved volumes increased in all key regions. The credit environment in Asia-Pacific has been tight over the quarter and new business volumes remain strong.

Corporate and Asset Finance Group (CAF) contributed $A101 million to Macquarie’s profit from operating groups for the half year to 30 September 2013, an increase of 20 per cent on the prior corresponding period.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie Capital advised on 204 transactions valued at $A6.2 billion during the half, and increased BFS’ No. 1 position in the ASX-listed market.

Macquarie’s ESG priorities have been shaped by their experience working with top tier rankings among Australian and Asia-Pacific peers, BFS maintains its position as the leading provider of utility connections, and the acquisition of a portfolio of contracts was completed in July 2013.
The Macquarie name and Holey Dollar device are registered trade marks of Macquarie Group Limited to reflect the occurrence of unanticipated events. No representation is made or will be made that any forward-looking statements will be achieved or will reflect events or circumstances after the date hereof. Macquarie disclaims any responsibility to update or to revise these forward-looking statements to reflect events or circumstances after the date hereof. This update contains forward looking statements including statements regarding Macquarie’s intent, belief or current expectations with respect to its businesses and operations, market conditions, results of operations, financial condition, capital positions and other similar matters. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The reader is referred to the Important Information section of this update for a discussion of these risks and uncertainties. The material in this update has been prepared by Macquarie and is current at the date of this update. This update was prepared in accordance with Australian Accounting Standards. In addition, reference should be made to the Macquarie Annual Financial Report of Macquarie Group Limited ABN 94 122 169 279 (Macquarie) for the financial year ended 31 March 2013, which was prepared in accordance with Australian Accounting Standards. In addition, reference should be made to any public announcements made by Macquarie during the fiscal reporting period and in accordance with the continuous disclosure requirements of the Corporations Act 2001. The information in this update has been prepared by Macquarie and is current at the date of the update. It is general financial information about Macquarie’s businesses, services and investments, and is not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate.

Net profit up 39 per cent on prior corresponding period, up 2 per cent on prior half

Net profit of $A401 million for the six months to 30 September 2013, up 39 per cent on the prior corresponding period and two per cent on the prior half.

Macquarie’s equity market-facing businesses – Macquarie Specialised Investment Solutions, Macquarie Funds Group (MFG), Corporate and Asset Finance (CAF), and Financial Markets Group (MFG), Corporate and Asset Finance (CAF) and Fixed Income, Commodities and Capital Markets (FICMC) – continued to perform well, with the combined results up 22 per cent on both the prior corresponding period and prior half.

Overview

Strong funding and balance sheet position

Diverse and stable funding base

Minimal reliance on short-term wholesale funding markets

Solid and conservative balance sheet

$A38 billion of total deposits

$A7.9 billion of new term funding raised since 31 March 2013

APRA Basel III Capital surplus of $A31 billion

Indicative 2014 shareholder calendar

This update should be read in conjunction with the Annual Financial Report of Macquarie Group Limited ABN 94 122 169 279 (Macquarie) for the financial year ended 31 March 2013, which was prepared in accordance with Australian Accounting Standards. In addition, reference should be made to any public announcements made by Macquarie during the fiscal reporting period and in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The information in this update has been prepared by Macquarie and is current at the date of the update. It is general financial information about Macquarie’s businesses, services and investments, and is not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This material should be considered with professional advice when deciding if an investment is appropriate.

Overview

Strength funding and balance sheet position

Diverse and stable funding base

Minimal reliance on short-term wholesale funding markets

Solid and conservative balance sheet

$A38 billion of total deposits

$A7.9 billion of new term funding raised since 31 March 2013

APRA Basel III Capital surplus of $A31 billion

Dividends

Stock exchange listing

Macquarie Group Limited is listed on the Australian Securities Exchange (ASX) and its ordinary shares trade under the code MQG. Macquarie Group Capital Fibles are quoted on the ASX and trades under the code MQFG.

Dividend details

Macquarie Group generally pays a dividend on its fully paid ordinary shares twice a year following the interim and final result announcements. The current proposed relating to the 2014 dividends are as per the shareholder calendar below.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

2014 Annual General Meeting (AGM)

Macquarie Group’s 2014 AGM is currently expected to be held on 24 July 2014 but is subject to confirmation. Details of the business of the meeting will be forwarded to shareholders separately.

Earnings per share $A1.50 42% 3%

Operating income $A3.7 billion 20% 2%

Operating expenses $A2.9 billion 13% 6%

Operating income net of impairment charges for the half-year to 30 September 2013 was impacted by further impairments in the Metals & Energy division, which was impacted by a reduction in the market price of copper. The $A7.1 billion pre-result impairment charge for the half included $A6.2 billion related to copper and $A0.9 billion for unallocated corporate costs.

Earnings per share $A1.50 42% 3%

Operating income $A3.7 billion 20% 2%

Operating expenses $A2.9 billion 13% 6%

Stock exchange listing

Macquarie Group Limited is listed on the Australian Securities Exchange (ASX) and its ordinary shares trade under the code MQG. Macquarie Group Capital Fibles are quoted on the ASX and trades under the code MQFG.

Dividend details

Macquarie Group generally pays a dividend on its fully paid ordinary shares twice a year following the interim and final result announcements. The current proposed relating to the 2014 dividends are as per the shareholder calendar below.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

2014 Annual General Meeting (AGM)

Macquarie Group’s 2014 AGM is currently expected to be held on 24 July 2014 but is subject to confirmation. Details of the business of the meeting will be forwarded to shareholders separately.

Earnings per share $A1.50 42% 3%

Operating income $A3.7 billion 20% 2%

Operating expenses $A2.9 billion 13% 6%

Operating income net of impairment charges for the half-year to 30 September 2013 was impacted by further impairments in the Metals & Energy division, which was impacted by a reduction in the market price of copper. The $A7.1 billion pre-result impairment charge for the half included $A6.2 billion related to copper and $A0.9 billion for unallocated corporate costs.

Earnings per share $A1.50 42% 3%

Operating income $A3.7 billion 20% 2%

Operating expenses $A2.9 billion 13% 6%

Stock exchange listing

Macquarie Group Limited is listed on the Australian Securities Exchange (ASX) and its ordinary shares trade under the code MQG. Macquarie Group Capital Fibles are quoted on the ASX and trades under the code MQFG.

Dividend details

Macquarie Group generally pays a dividend on its fully paid ordinary shares twice a year following the interim and final result announcements. The current proposed relating to the 2014 dividends are as per the shareholder calendar below.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

2014 Annual General Meeting (AGM)

Macquarie Group’s 2014 AGM is currently expected to be held on 24 July 2014 but is subject to confirmation. Details of the business of the meeting will be forwarded to shareholders separately.

Earnings per share $A1.50 42% 3%

Operating income $A3.7 billion 20% 2%

Operating expenses $A2.9 billion 13% 6%

Operating income net of impairment charges for the half-year to 30 September 2013 was impacted by further impairments in the Metals & Energy division, which was impacted by a reduction in the market price of copper. The $A7.1 billion pre-result impairment charge for the half included $A6.2 billion related to copper and $A0.9 billion for unallocated corporate costs.

Earnings per share $A1.50 42% 3%

Operating income $A3.7 billion 20% 2%

Operating expenses $A2.9 billion 13% 6%
Overview

Macquarie Group Limited (ASX: MQG) (Macquarie) recorded a consolidated net profit of $A501 million for the six months to 30 September 2013, an increase of 39 per cent on the prior corresponding period and two per cent on the prior half.

This update contains forward looking statements including statements regarding Macquarie’s intent, belief or current expectations with respect to its businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management.

Net profit up 39 per cent on prior corresponding period, up 2 per cent on prior half

- Net profit of $A501 million
- Operating income of $A3.7 billion
- International income 66 per cent of total
- Earnings per share of $A1.50
- Dividend Reinvestment Plan (DRP) is suspended for the half because any DRP activity relating to Macquarie’s dividend is expected to be minimal due to the reduction of available cash from the partial disposal of MFG in April 2013.
- Interim dividend of $A1.00 per share, 40 per cent franked
- Earnings per share of $A1.50
- International income

Table: 2013 Interim Update Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Period</th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
<th>Change on prior half</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit</td>
<td>$A501m</td>
<td>372m</td>
<td>501m</td>
<td>Up from 576m</td>
<td>Down from 9.0%</td>
</tr>
<tr>
<td>Operating income</td>
<td>$A3.7b</td>
<td>3.1b</td>
<td>3.7b</td>
<td>Up from 3.5b</td>
<td>Up from 6.6%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$A2.9b</td>
<td>2.6b</td>
<td>2.9b</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Operating income net of impairment charges</td>
<td>$A0.75b</td>
<td>0.5b</td>
<td>0.75b</td>
<td>50%</td>
<td>Up from 6.6%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>8.7%</td>
<td>3.8%</td>
<td>4.9%</td>
<td>Up from 2.5%</td>
<td></td>
</tr>
<tr>
<td>Earnings per share</td>
<td>$A1.50</td>
<td>1.25</td>
<td>1.50</td>
<td>Up from 1.25</td>
<td></td>
</tr>
</tbody>
</table>

Strong funding and balance sheet position

- Dividends
- Strong funding and balance sheet position on prior half
- Net profit up 39 per cent on prior corresponding period, up 2 per cent on prior half.
- Earnings per share of $A1.50
- International income

Websites

www.macquarie.com.au
www.macquarie.com.au

Investor Information

Stock exchange listing

Macquarie Group Limited is listed on the Australian Securities Exchange (ASX) and its ordinary shares trading under the code MQG. Macquarie Group Capital Fruits are quoted on the ADX and traded under the code MQCFP.

Dividend details

Macquarie Group generally pays a dividend on its fully paid ordinary shares twice a year following the interim and final result announcements. The current proposed relative dates for the 2014 dividends are as per the shareholder calendar below.

Dividend Reinvestment Plan (DRP)

The DRP allows shareholders to apply their dividends to acquire Macquarie shares rather than receiving dividends in cash.

2014 Annual General Meeting (AGM)

Macquarie Group’s 2014 AGM is currently expected to be held on 24 July 2014 but is subject to confirmation. Details of the business of the meeting will be forwarded to shareholders separately.

Enquiries

Investor Relations

Melbourne Victoria 3001 Australia

Enquiries (within Australia) 1300 554 096
Enquiries (international) +61 3 8300 3690
Email: ir@macquarie.com
Website: macquarie.com.au/investorrelations

Indicative 2014 shareholder calendar

Date* Event
2 May Full year result and final ordinary dividend announcement
16 May Record date for final ordinary dividend
2 July Payment date for final ordinary dividend
24 July 2014 Annual General Meeting
31 October Half year result and interim ordinary dividend announcement
14 November Record date for interim ordinary dividend
11 December Payment date of interim ordinary dividend

* Dates are subject to change.