

MACQUARIE GROUP LIMITED
APPENDIX 4D HALF-YEAR REPORT
HALF-YEAR ENDED 30 SEPTEMBER 2009



MACQUARIE

Macquarie Group Limited

Appendix 4D Half-Year Report

for the half-year ended 30 September 2009

1. Details of the reporting period and the previous corresponding period

Current period: 1 April 2009 to 30 September 2009

Prior corresponding period: 1 April 2008 to 30 September 2008

2. Results for announcement to the market

	Half-year ended 30 September 2009	Half-year ended 30 September 2008	Change %
Key information	\$m	\$m	
2.1 Net operating income	3,105	2,970	5%
2.2 Profit from ordinary activities after income tax	496	648	-23%
2.3 Profit attributable to ordinary equity holders of Macquarie Group Limited	479	604	-21%

	Amount per Security	Franked amount per security
2.4 Dividends – Ordinary shares		
Interim dividend (resolved, not yet provided at 30 September 2009) ¹	86 cents	0%
Final dividend	n/a	n/a

¹ The entire dividend is Conduit Foreign Income.

2.5 Record date for determining entitlements to the dividends

The record date for the interim dividend is 13 November 2009.

2.6 Commentary

Review of Operations

Consolidated net profit after income tax attributable to ordinary equity holders for the half-year ended 30 September 2009 was \$479 million, a 21 percent decrease from \$604 million in the prior corresponding period and a 79 percent increase from \$267 million in the prior period. The result includes significant write-downs, impairment provisions, and equity accounted losses, negative fair value adjustments on fixed rate issued debt, and large gains from the financing of a further acquisition of Macquarie Income Preferred Securities and the internalisation of the management of Macquarie Airports.

Assets under management at 30 September 2009 were \$216 billion, a 11 percent decrease since March 2009 and a 10 percent decrease on the prior corresponding period.

In May 2009 Macquarie undertook a \$540 million capital raising via an institutional private placement, and in June 2009 completed a \$669 million share purchase plan. As a result of these capital initiatives and combined with a decrease in profit attributable to ordinary equity holders, return on equity for the six months to 30 September 2009 was 9.6 percent, down from 13.9 percent for the prior corresponding period.

Operating Income

Total operating income for the half-year to 30 September 2009 was \$3,105 million, a 5 percent increase on the prior corresponding period and 21 percent up on the prior period. The main drivers of this change were stronger performances from Fixed Income, Currencies and Commodities and the Cash equities business in Macquarie Securities, combined with an overall reduction in the level of impairments, write downs and equity accounted losses.

Operating Expenses

Total operating expenses for the half-year were \$2,573 million, an increase of 15 percent from \$2,243 million in the prior corresponding period largely driven by increased employment costs, which also resulted in an increase to the compensation ratio from 40.1 percent in the prior corresponding period to 45.2 percent for the six months to 30 September 2009.

The effective tax rate for the half-year ended 30 September 2009 was 7.0%, up from 1.7% for the year ended 31 March 2009.

Events subsequent to balance date

There were no material events subsequent to 30 September 2009 that have not been reflected in the financial statements.

Refer to the September 2009 Interim Result Announcement for more details.

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3 Net tangible assets per ordinary share

Security	Half-year ended 30 September 2009 \$m	Half-year ended 30 September 2008 \$m
Ordinary shares	26.11	27.24

Net tangible assets includes intangibles (net of associated deferred tax assets and deferred liabilities) within assets and disposal groups held for sale.

Excluding intangible assets within held for sale businesses the net tangible assets per ordinary security for the half-year ended 30 September 2009 was \$26.08 (2008: \$26.98).

4 Control gained or lost over entities in the financial year, and those having material effect

Name of entities where control was gained in the financial year	Date control gained
Tristone Capital Global Inc.	31 August 2009

The above entities did not contribute materially to the consolidated entity's profit from ordinary activities.

Name of entities where control was lost in the financial year	Date control lost
Macquarie Communications Infrastructure Management Limited	22 July 2009

The above entities did not contribute materially to the consolidated entity's profit from ordinary activities during the period they were controlled.

5 Dividend details

Ordinary share capital	Half-year ended 30 September 2009 \$m	Half-year ended 30 September 2008 \$m
2009 final dividend paid:		
40 (2008: 200) cents per share	122	552

There is no provision for the interim dividend in respect of the half-year ended 30 September 2009 as a result of AASB 137: Provisions, Contingent Liabilities and Contingent Assets. A provision for dividend is recognised at the time the dividends are declared, determined or publicly recommended.

The final dividend paid during the half-year ended 30 September 2009 was 60 percent franked at the 30 percent corporate tax rate (2008: 100 percent franked at the 30 percent corporate tax rate). The entire unfranked portion of the dividend was Conduit Foreign Income.

Since the end of the period, the Directors have resolved to pay an interim dividend for the half-year ended 30 September 2009 of \$0.86 per the number of fully paid ordinary Macquarie Group Limited shares on issue on 13 November 2009. The dividend will be 100 percent unfranked and payable on 16 December 2009. The entire dividend is Conduit Foreign Income.

Macquarie Income Securities

Distributions paid during the half-year ended 30 September 2009 (net of distributions previously provided) were \$6 million (2008: \$11 million). Distributions provided at 30 September 2009 are \$4 million (2008: \$8 million) which were paid on 15 October 2009.

Macquarie Income Preferred Securities

Distributions paid during the half-year ended 30 September 2009 (net of distributions previously provided) were \$4 million (2008: \$1 million). Distributions provided at 30 September 2009 are \$2 million (2008: \$22 million) which were paid on 15 October 2009.

The Macquarie Income Preferred Securities and Macquarie Income Securities represent the minority interests of a subsidiary. Accordingly, the distributions paid/provided in respect of these are recorded as a movement in minority interests.

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6 Dividend or distribution reinvestment plan details

The Company's Dividend Reinvestment Plan (DRP) remains activated. The DRP is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares, without transaction costs, at a 2.5 percent discount to the prevailing market value. A shareholder can elect to participate in or terminate their involvement in the DRP at any time. Election notices for participation in the DRP in relation to the interim dividend to be paid on 16 December 2009 must be received by the registry by 5:00 pm on the record date (13 November 2009) to be effective for that dividend.

7 Investments in associates and joint ventures

Name	Ownership interest (%)
Material interests in associates and joint ventures are as follows:	
<i>Classified as associates and joint ventures using the equity method:</i>	
Brisconnections Unit Trusts	43%
Diversified CMBS Investments Inc.	57%
European Directories SA	14%
Macquarie AirFinance Ltd	38%
MAp Airports	21%
Macquarie CountryWide Trust	12%
Macquarie Energy Holdings LLC	49%
Macquarie European Infrastructure Fund LP	5%
Macquarie Goodman Japan Limited	50%
Macquarie Infrastructure Group	15%
Macquarie Media Group	26%
Macquarie Office Trust	14%
MAIP International Holdings Ltd	25%
MEO Holdings Limited	59%
MGPA Limited	56%
Redford Australian Investment Trust	29%
<i>Classified as associates held for sale:</i>	
US Senior Living Trust	50%

As disclosed in the financial report the Group has recognised an impairment charge of \$359 million on its investment in associates and joint ventures. Except for the impairment charge the above entities did not contribute materially to the reporting entity's profit from ordinary activities.

8 Foreign entities, applicable accounting standards used

Not applicable.

9 Statement if Financial Report is subject to review dispute or disqualification

The Financial Report has been subject to review, and is not subject to dispute or disqualifications.