MACQUARIE

Macquarie Group Limited

General Meeting

12 December 2013

FORWARD thinking

Disclaimer

The material in this presentation has been prepared by Macquarie Group Limited ABN 94 122 169 279 (Macquarie) and is general background information about Macquarie's activities current as at the date of this presentation. This information is given in summary form and does not purport to be complete. Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities or other financial products or instruments and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. All securities and financial product or instrument transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk.

This presentation may contain forward looking statements including statements regarding our intent, belief or current expectations with respect to Macquarie's businesses and operations, market conditions, results of operation and financial condition, capital adequacy, specific provisions and risk management practices. Readers are cautioned not to place undue reliance on these forward looking statements. Macquarie does not undertake any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events. While due care has been used in the preparation of forecast information, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside Macquarie's control. Past performance is not a reliable indication of future performance.

Any additional financial information in this presentation which is not included in the Macquarie Group Limited Financial Report was not subject to independent audit or review by PricewaterhouseCoopers.

MACQUARIE

General Meeting

Kevin McCann AM
Chairman

Macquarie Group Limited
12 December 2013

Agenda

MACQUARIE

01. Overview of transaction

02. Formal Business

MACQUARIE

01 Overview of transaction

Proposed distribution of SYD securities to Macquarie shareholders

- Subject to shareholder approval, Macquarie proposes to distribute to its shareholders one stapled security in ASX listed Sydney Airport (SYD) for each Macquarie ordinary share held. This amounts to approx. 340m SYD securities
- If approved, the distribution will be apportioned between a capital return and a special dividend (40% franked), based on a split of 69% and 31%, respectively
- Following the distribution, Macquarie proposes a share consolidation on a 0.9438 for one basis to adjust for the capital reduction
- Macquarie also proposes to amend its Constitution to facilitate the distribution and provide greater flexibility for distributions in the future
- A sale facility will be established for small and ineligible shareholders
- If approved, the distribution of SYD securities to eligible shareholders will occur on 13 Jan 2014

Implications for Macquarie

If the proposed distribution of SYD securities to Macquarie shareholders is approved, the impact on Macquarie would be:

- A gain on distribution recognised in the income statement on the distribution date based on SYD's closing share price on the trading day prior to distribution (expected to be 10 Jan 14).
- AVS equity investments on the balance sheet would be reduced by the market value of the SYD securities distributed to shareholders

Illustrative financial impact	Using SYD share price at 30 Oct 13 as per Notice of Meeting	Using SYD share price at 10 Dec 13
SYD share price	$A4.17	$A3.84
Gain on distribution	$A377m	$A265m
AVS equity investment carrying value	$A1.4b	$A1.3b

- APRA Basel III regulatory capital surplus is expected to reduce by approx. $A250m after taking into account the release of capital currently held against the investment, profit on distribution and certain other capital initiatives (all of which have been completed)
  - Expected reduction in capital surplus is consistent with the outstanding balance of the ordinary share buyback previously announced
  - If the proposal is implemented, the outstanding buyback will be cancelled

Board recommendation

- The Board recommends that you vote in favour of the proposal for the following reasons:
- An in specie distribution is an equitable way to distribute the value in SYD to Macquarie shareholders
  - Eligible shareholders can directly participate in the ownership of SYD and decide whether to maintain an ongoing investment based on their individual circumstances
- The distribution is expected to increase Macquarie’s return on shareholders’ equity
- Macquarie will continue to maintain a strong balance sheet position and a level of shareholders’ equity for prudent and efficient capital management

02
Formal Business

Item 1:
Approval of Constitution Amendment Resolution

- To consider and, if thought fit, pass the following as a special resolution:
  - *That the Constitution of Macquarie Group Limited is amended by substituting articles 15.6 and 15.7 in the Schedule to the Explanatory Memorandum dated 1 November 2013 for the existing articles 15.6 and 15.7 of the Constitution, such amendment to take immediate effect.*

Item 2:
Approval of Capital Return Resolution

- To consider and, if thought fit, pass the following as an ordinary resolution:
  - *That subject to and conditional upon the passing of the Constitution Amendment Resolution, for the purposes of Part 2J.1 of the Corporations Act 2001 (Cth), and for all other purposes, approval is given for the share capital of Macquarie to be reduced by an amount per Macquarie Share equal to 69 per cent of the Closing Price, payment of such reduction of capital and the Special Dividend as resolved by the Board to be satisfied by:*
    - a) *Macquarie transferring on the Distribution Date to each registered holder of Macquarie Shares on the Record Date or to the Nominee on their behalf (as described in the Explanatory Memorandum), one SYD Security for every one Macquarie Share held by that holder as at the Record Date; and*
    - b) *in the case of each Eligible Sale Facility Shareholder who elects to participate in the Sale Facility and each Ineligible Shareholder, Macquarie transferring to the Sale Agent, the SYD Securities that the Macquarie Shareholder is entitled to pursuant to paragraph (a) for sale pursuant to the Sale Facility.*

Item 3:
Approval of Consolidation Resolution

- To consider and, if thought fit, pass the following as an ordinary resolution:
  - *That subject to and conditional upon the passing of the Constitution Amendment Resolution and the Capital Return Resolution, with effect immediately after the Record Date, the share capital of Macquarie will be consolidated through the conversion of every one Macquarie Share into 0.9438 Macquarie Shares and that any resulting fractions of a share be rounded up to the next whole number of shares on a per registered shareholder basis (and provided that where the Voting Directors form the opinion that shareholdings have been split or aggregated to obtain the benefit of rounding, by disregarding transfers of shares or aggregating parcels of shares for the purpose of rounding).*

Macquarie Group Limited

General Meeting

12 December 2013