Operational Briefing

Investment Banking Group

14 September 2006

Disclaimer

This material has been prepared for professional investors.

The firm preparing this report has not taken into account any customer's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations herein are not intended to represent recommendations of particular investments to particular customers. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments and, in international transactions, currency risk. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts, by their very nature, are subject to uncertainty and contingencies many of which are outside the control of Macquarie Bank Limited (Macquarie).

Agenda

1. Introduction	Greg Ward
2. Overview	Nicholas Moore
3. Macquarie Securities	Roy Laidlaw
4. Investment Banking - Funds	John Roberts
5. Corporate Finance	Michael Carapiet
6. Financial Products	Michael Price
7. Macquarie Capital	Garry Farrell

Operational Briefing

Investment Banking Group

Nicholas Moore
Group Head

Our structure

MACQUARIE

Group Head
Nicholas Moore

- **Corporate Finance** (1,357) – Michael Carapiet, John Roberts
- **Financial Products** (162) – Michael Price, Oliver Yates
- **Macquarie Capital** (293) – Garry Farrell
- **Macquarie Securities** (676) – Roy Laidlaw
  - **Research** – David Rickards
- **Prudential** (28) – John Hughes

Total 2,516*

* As at 31 July 2006. Includes all permanent staff

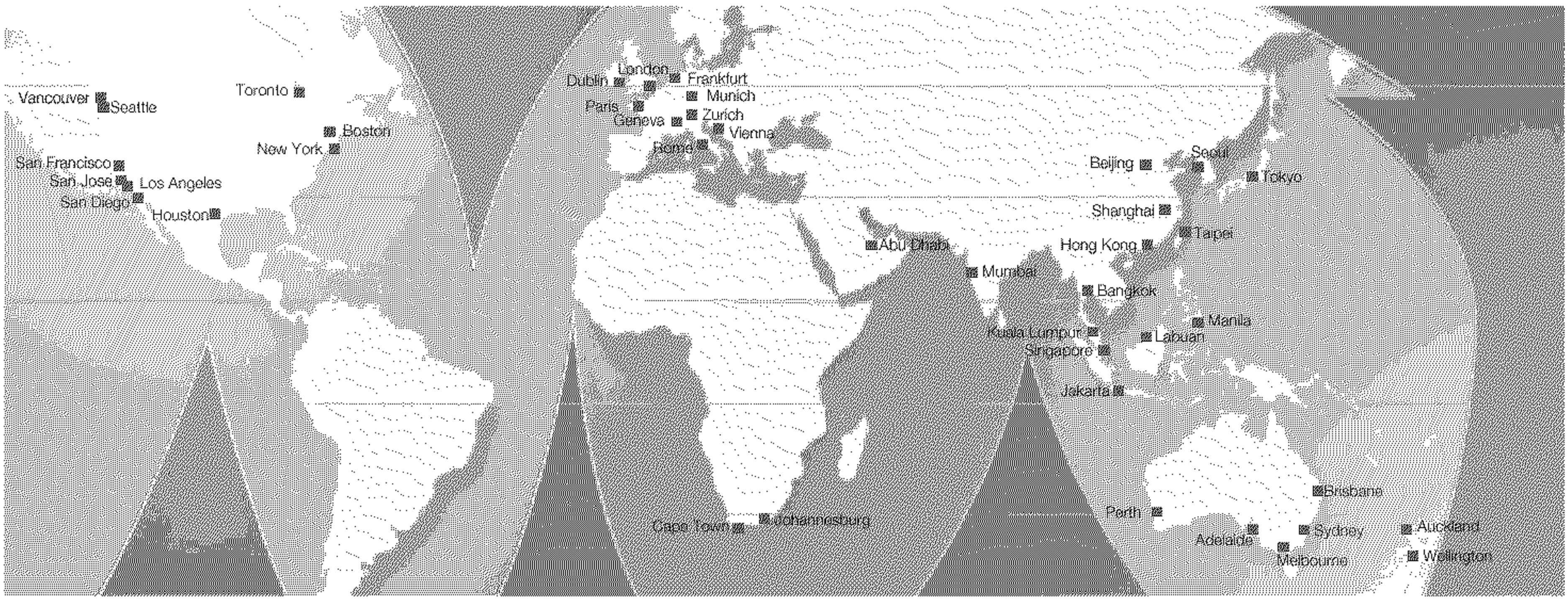
Global activities

- Over 2,516 staff* – up 28% from 1,969 in July 2005
- 42 offices (37 offshore)

North America
281 staff

UK/Europe
369 Staff

Asia
764 staff



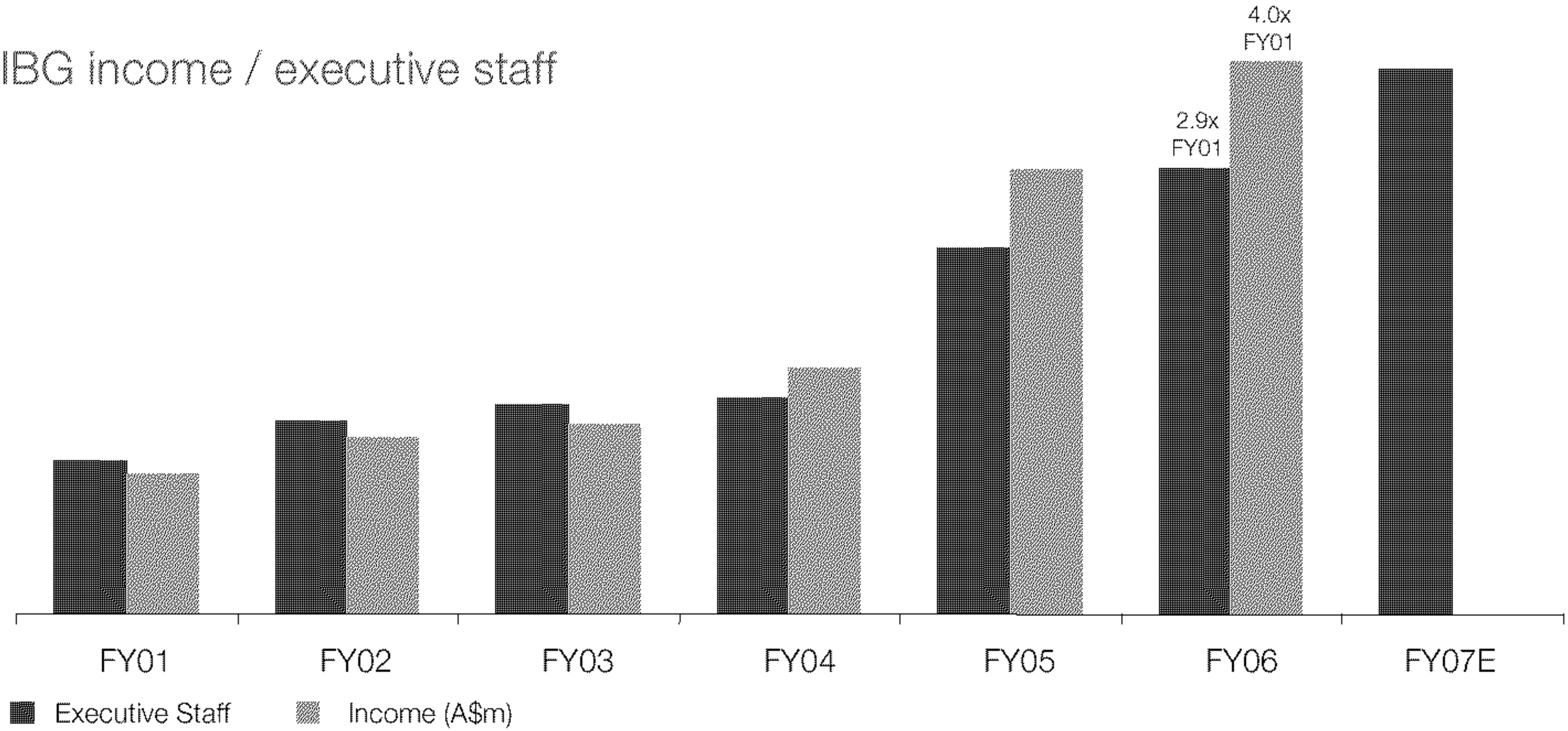
Africa & Middle East
35 staff

Australia/New Zealand
1,067 staff

* As at 31 July 2006. Includes all permanent staff

Five years of growth

IBG income / executive staff



2006 net income 5.0x 2001 net income

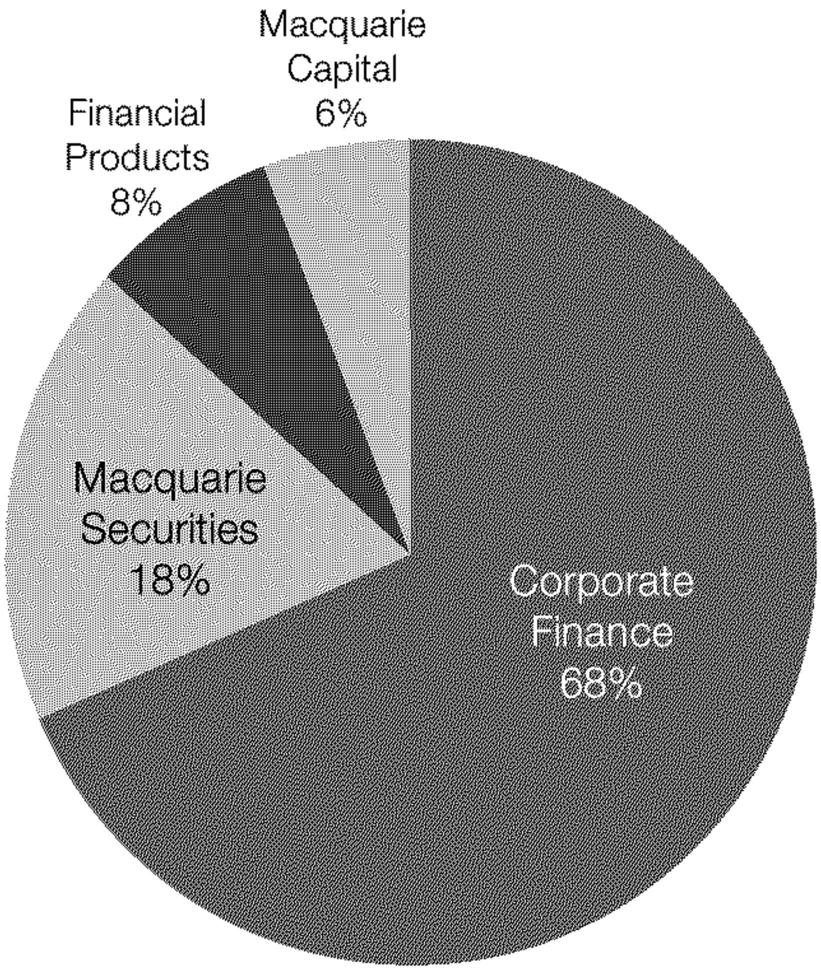
Compound growth in income of 32% over 5 years to 2006

Compound growth in staff of 24% over 5 years to 2006

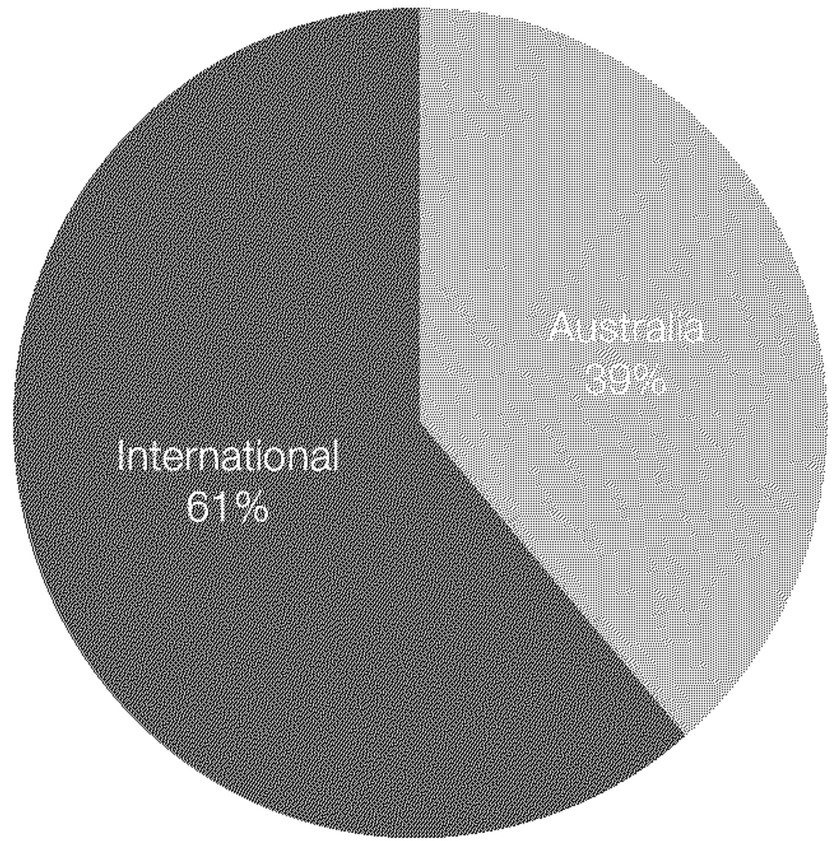
* For Financial Year ended 31 March, management account income and net income (pre-tax and pre-profit share)

Income diversity

IBG net income* by division

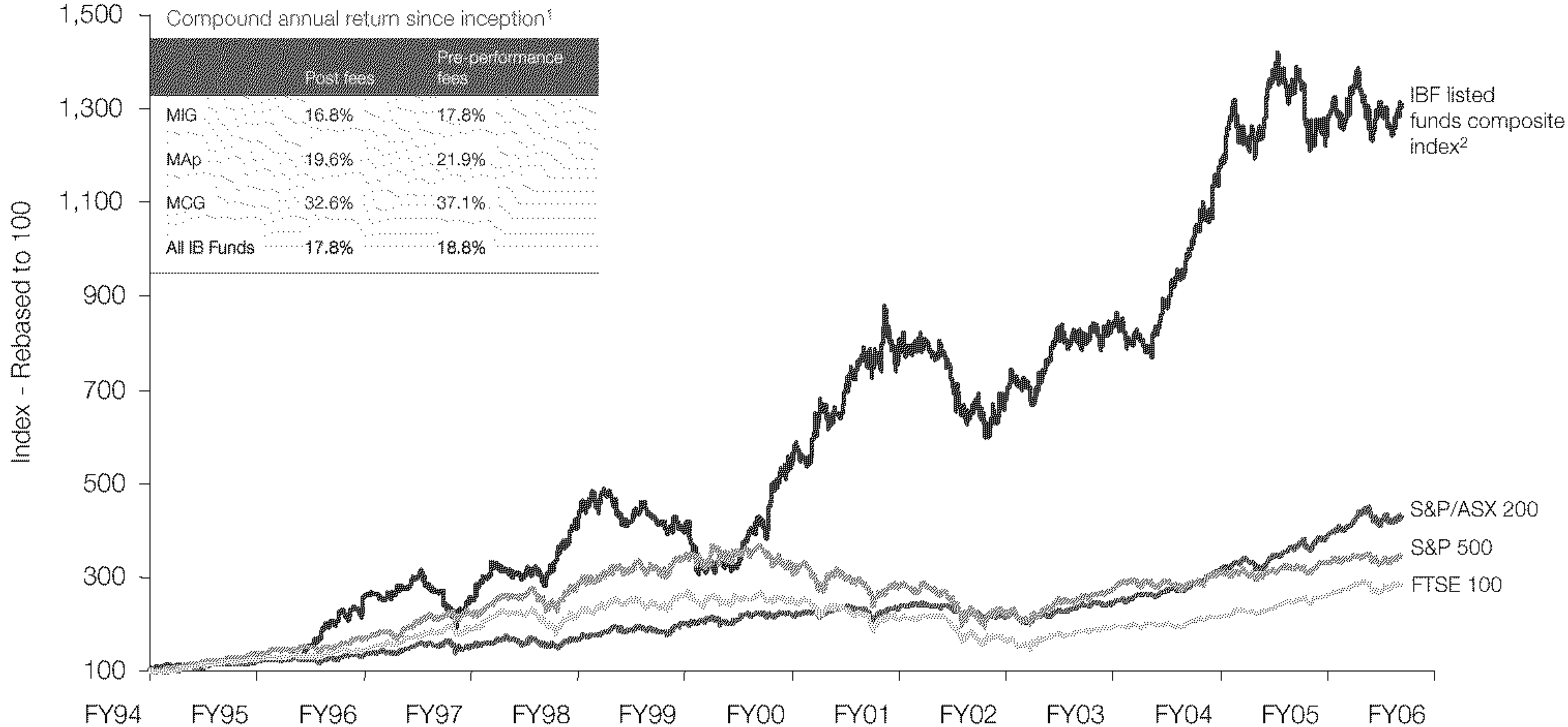


IBG net income* by region



* For Financial Year ended 31 March 2006, management account net income (pre-tax and pre-profit share)

Long term performance of IB Funds



Compound annual return since inception[1]

	Post fees	Pre-performance fees
MIG	16.8%	17.8%
MAp	19.6%	21.9%
MCG	32.6%	37.1%
All IB Funds	17.8%	18.8%

1 Annualised return based on all capital raised, distributions paid and valuations (market capitalisation for listed funds and net asset value for unlisted funds) for IB funds since inception to 31 August 2006 (listed funds as at 31 August 2006, unlisted funds as at 30 June 2006). Calculated in AUD. Cashflows converted at historic rates.

2 Indices are re-based to 100. All indices used are accumulation indices. Source: IRESS, Internal IBF research. IBF listed funds composite index assumes reinvestment of all distributions on the ex-distribution date and no further participation in subsequent capital raisings.

Underlying assets continue to perform well

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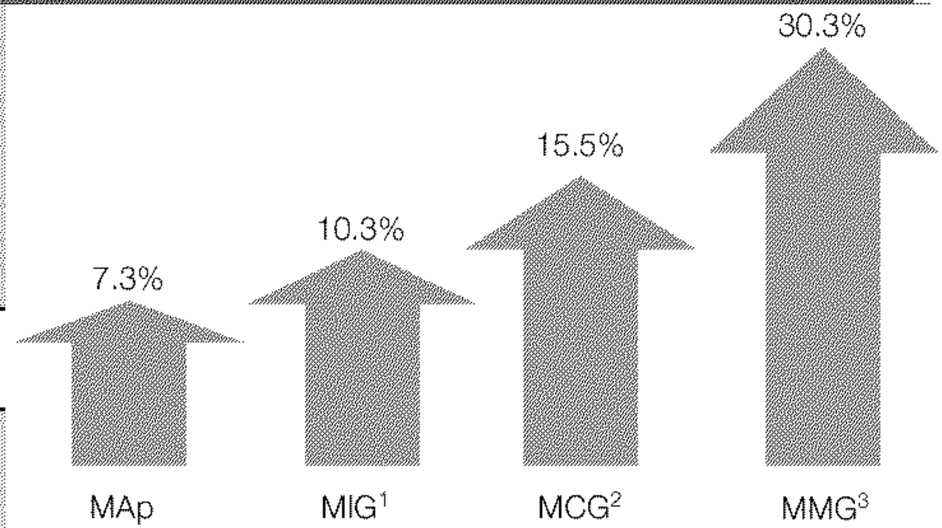
Delivering earnings and distribution growth for investors

Fund	Distribution (cents per security)				
	2003	2004	2005	2006	CAGR
MIG	7.5	7.5	7.5[1]	21.0	41%
MAp	8.0	12.0	20.0	25.0[2]	46%
MCG	15.5	23.0	29.0	39.0	36%

[1] Excludes special distribution of 70 cents as a result of the sale of MIG's 40% interest in Cintra
[2] Includes distribution guidance of 12 cents for the six months ending 31 December 2006

	2006 Prospectus Forecast Distribution	2006 Actual Distribution
MMG	14.0 – 14.3 cps	14.5 cps

Underlying Assets Proforma Growth in Proportionately Consolidated EBITDA*

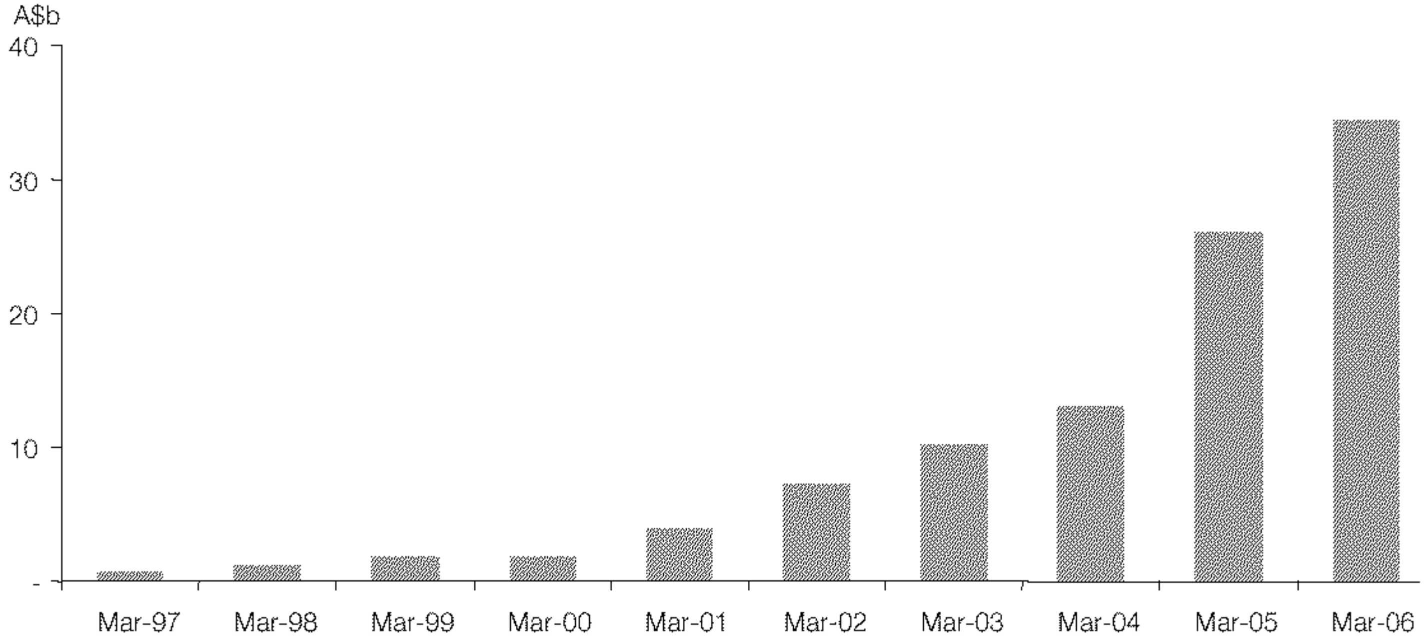


[1] Excludes Indiana Toll Road which was acquired in June 2006
[2] Arqiva EBITDA compared to PDS forecast as full year pcp results not available as Arqiva formerly a division of a larger group
[3] Excludes Taiwan Broadband Communications which was acquired in May 2006

*Calculated for the year ended 30 June 2006 vs pcp (MAp for the six months ended 30 June 2006 vs pcp). Assumes the portfolio held by the relevant fund at 30 June 2006 was held during the pcp. Calculated pre foreign exchange effects. This proportionately consolidated information includes the contribution of individual assets in the proportion of the Fund's equity ownership. Investments disposed of have not been included in the analysis. This information has not been prepared in accordance with Accounting Standards. In particular, control considerations applied in the accounting for investments in the Financial Statements have not been applied.

Growth in equity under management

CAGR of 54% over 9 years to March 2006



New equity raised by IB Funds ($Am)	318	636	116	713	181	2,881	4,088	1,171	9,172	5,618	4,927 YTD

Notes:

1 All historical figures are at 31 March and 30 June of the specified year.

2 Equity under management comprise:
- Listed funds - market capitalisation as at 31 March and 30 June of the specified year plus fully underwritten or committed future capital raisings
- Unlisted funds - measured as committed capital less any called capital which has subsequently been returned to investors
- Invested capital for mandated assets, MBL direct holdings and MBL consortia equity
- Jointly managed funds SAIF, AIIF, DUET, MKIF, GSKF and HCF included at 50% of respective amounts, ZIF included at 49%
- Adjustments have been made where Macquarie-managed funds have invested in other Macquarie-managed funds

3 Exchange rates as at 31 March and 30 June of the specified year.

Leveraging opportunities

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Idea	Brokerage	Advice	Underwriting	Funds	Principal
0%	0.2% - 0.5%	0.6% - 1.5%	1.5% - 4%	10%+	30%+

Infrastructure	MIG, MAP, MAG, MKIF, AIIF, SAIF, MEAP, MEIF, MIIFL, MIC, GIF, GIFII, DUET, MPT, ConnectEast, MIP, MKOF	
TMET	MCIG / MMG	EDSA, RedBee, RP Data, Smart Salary, etc
Resources	Oil & Gas Opportunity	Boart Longyear, KFC
Property	Banking & Property Group	
Financial Institutions	MCAG / MDI	ATMs, Liberty
Industrials	MCAG/MDI	Dyno; Smarte Carte; Icon etc

Our model

A unique complete service provider

Broker | Financial Adviser | Underwriter | Fund & Asset Manager | Principal

Governance Separation

Macquarie Advisory
- Advisory (third party and fund)
- Asset sourcing
- Over 1,000 executives (400+ infrastructure specialists) worldwide with deal origination and execution skills and experience

IB Funds
- Funds focus
- Quality asset acquisitions
- Active asset management
- Investment evaluation
- 480+ staff worldwide
- Equity under management ~$A36b

Investors benefit
- 17.8%* compound annual return

Strong alignment of interests
- Fund shareholdings by Macquarie
- Performance fee incentive
- Corporate Finance Executive Director remuneration arrangements

* Annualised return based on all capital raised, distributions paid and valuations (market capitalisation for listed funds and net asset value for unlisted funds) for IB Funds since inception to 31 August 2006 (listed funds as at 31 August 2006, unlisted funds as at 30 June 2006). Calculated in AUD. Cashflows converted at historic rates.

Risk management

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"Ownership": Risk is everyone's responsibility

– Central Prudential unit within IBG reviews Bank transactions (in addition to centralised Bank-wide risk review)

– Fund management teams and Independent Directors review IB funds' transactions

Origination team
(5-40 execs per team)

- Due diligence
- Business plan
- Financial plan
- Stress testing

Bank deal

IBG Prudential
(26 execs in total)

Independent of origination team
Review:
- Assumptions
- Due diligence
- Legal

Bank-wide independent review

- Risk Management
  - Credit
  - Finance
  - Compliance
  - Operational Risk
- Tax
- Accounting
- Monitor risk limits/policies
- Executive Committee, Macquarie Board

Fund deal

IBF Management
(up to 50 execs per fund)

Review as above plus:
- Tax
- Compliance
- Finance
- Operational risk

Funds' Boards of Directors

Majority independents for listed funds
Strict related party transaction policies:
- Arms length basis
- Only independents make decisions
- Benchmark/review mandated terms

Investing in staff

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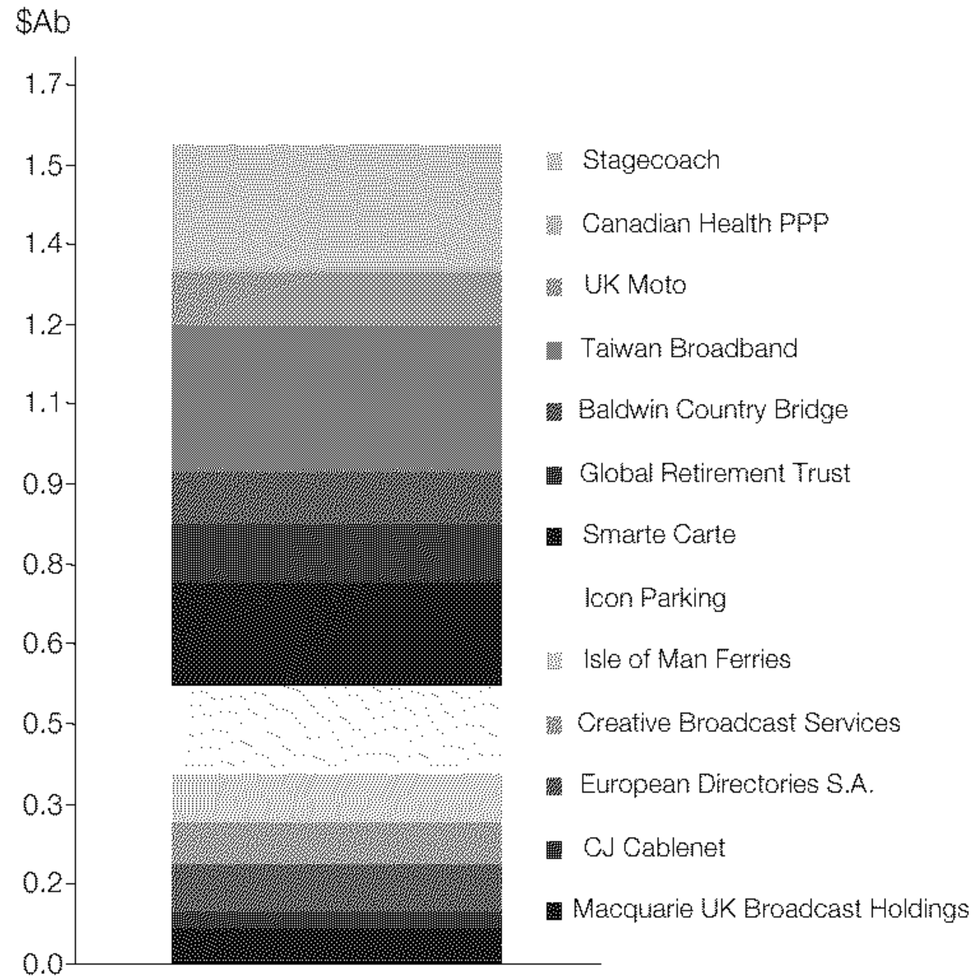
Management commitment

- Continue to hire: expect approximately 140 graduates in 2007
- Staff engagement is critical management task
- IBG Professional Development Programme (grads and lateral induction)
- IBG / AGSM Leadership and Management Programme (senior management)
- Macquarie / INSEAD Master of Finance (Investment Banking) degree
  - World first
  - One of the world's leading business schools
  - Tailored programme:
    - Finance, Accounting, Leadership, Strategy & Management
    - Residencies across four continents

Environment

- Strong beginning to the year
- Local and global equity markets are volatile
- Continuing equity sourcing from unlisted market
- Asset realisations ongoing
  - Approx. $A150m (book value) disposed since March 06 including Dyno Nobel
  - 89% (by book value) of remaining IBG asset positions are subject to contract or in active confidential negotiations with respect to disposal
  - Expect assets will be realised for a value consistent with initial expectations



At 13 September 2006

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Investment Banking Group

Nicholas Moore
Group Head

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Investment Banking Group
Macquarie Securities

Roy Laidlaw
Head, Macquarie Securities

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Business overview

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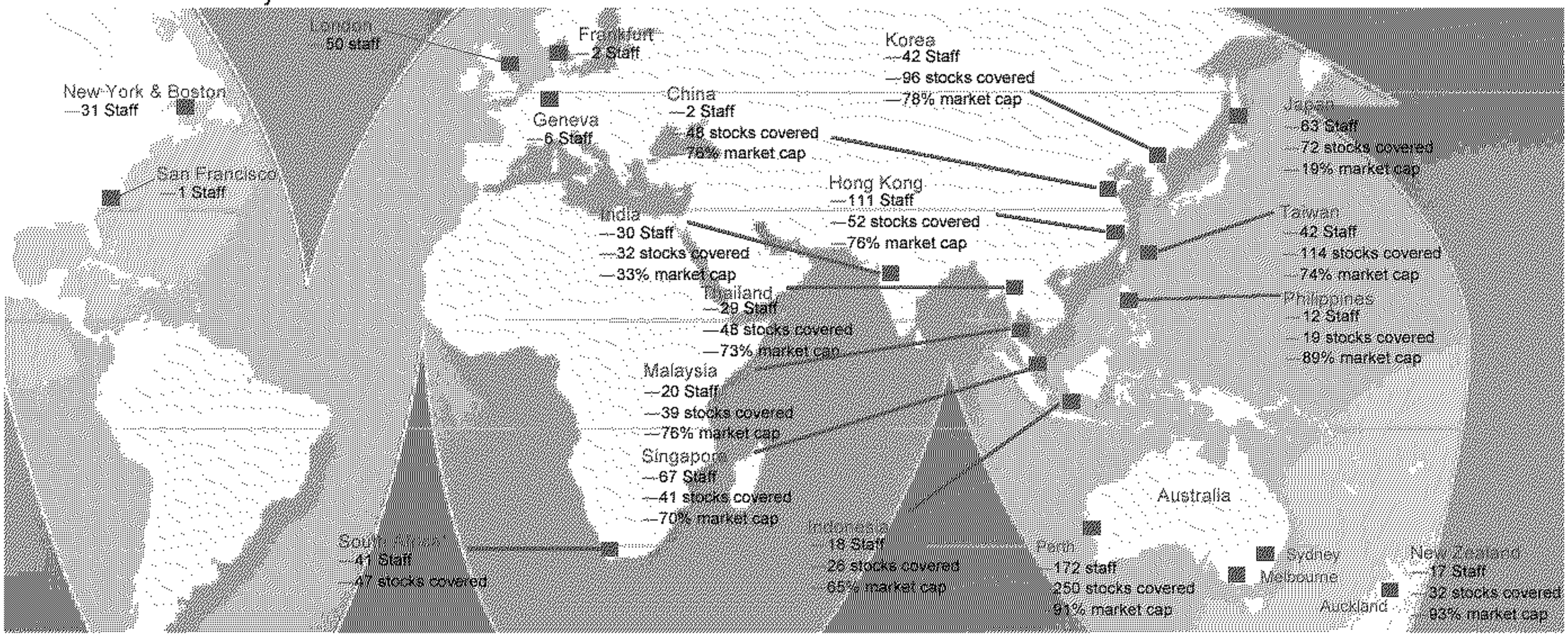
- Macquarie Securities is an Asia Pacific institutional broker. In addition, it has recently acquired a 50% stake in a South African institutional broker, Macquarie First South Securities
- The business has 756** staff, including 201 equity research analysts and 249 sales and sales trading staff
- Macquarie Securities has membership of 18 exchanges, and distribution capabilities into all the world's major financial centres



* New JV Aug 2006

** including Thailand and South Africa JV staff

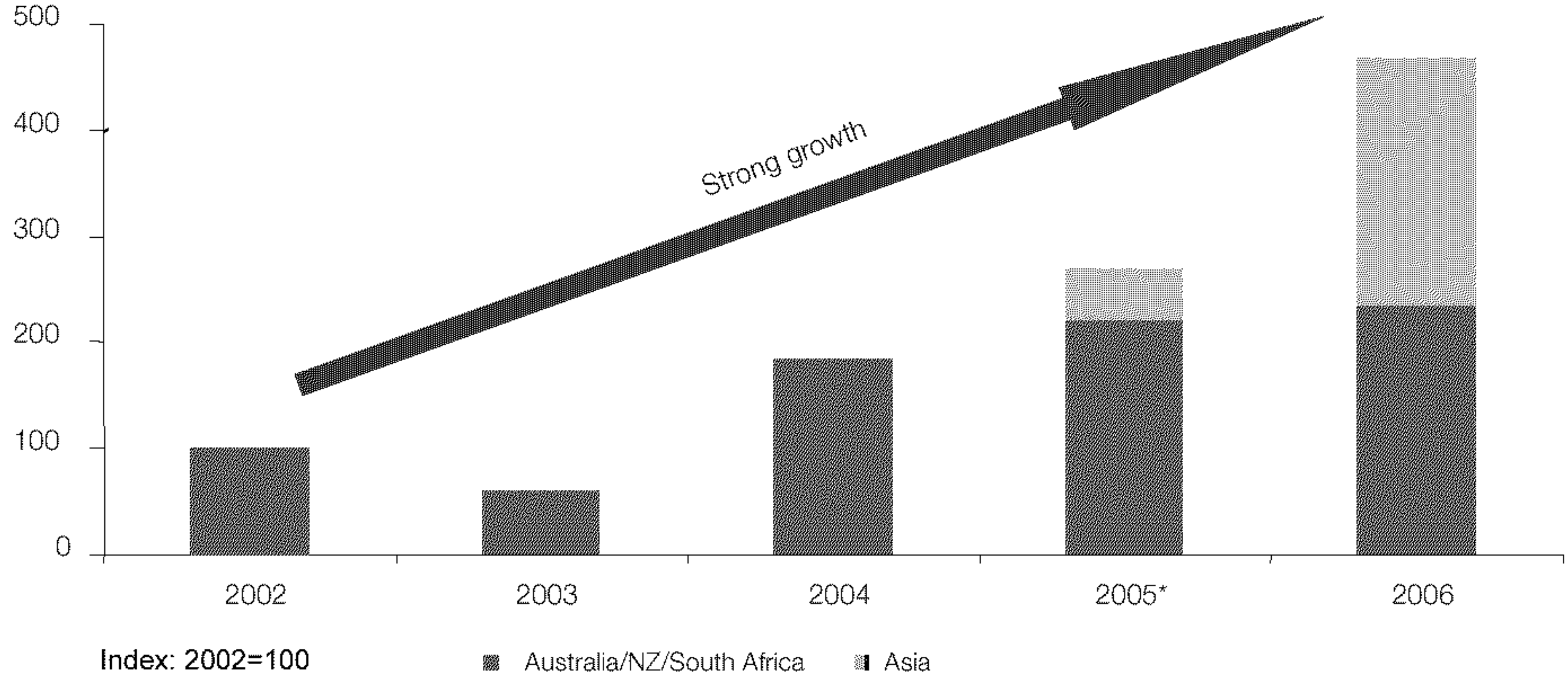
Business overview

- Products offered to institutions include:
  - Research – covering approximately 940 stocks across the region
  - Research Sales
  - Emerging Leaders
  - Quantitative Analysis
  - Listed Property Trusts
  - Alternative Products/Strategies
    - Convertible bonds (CB's), ETO's, OTCs, swaps, p-notes
    - JV's with Equity Markets Group (EMG) and Treasury & Commodities Group (T&C)
    - GDR trading
  - Sales Trading/Execution
  - Facilitation
  - Corporate Broking & Syndication
  - Deal and non-deal roadshows branded as "Macquarie Corporate Connections"
  - IPOs, Placements and Primary Issues
  - Portfolio Risk and Implementation
  - Direct Market Access (DMA) and Execution Services

Business overview

- The four key performance indicators for the business are:
  - Contribution (pre-profit share and tax)
  - Panel reviews
  - Greenwich rankings
  - Market share

Macquarie Securities contribution (pre profit share and tax)

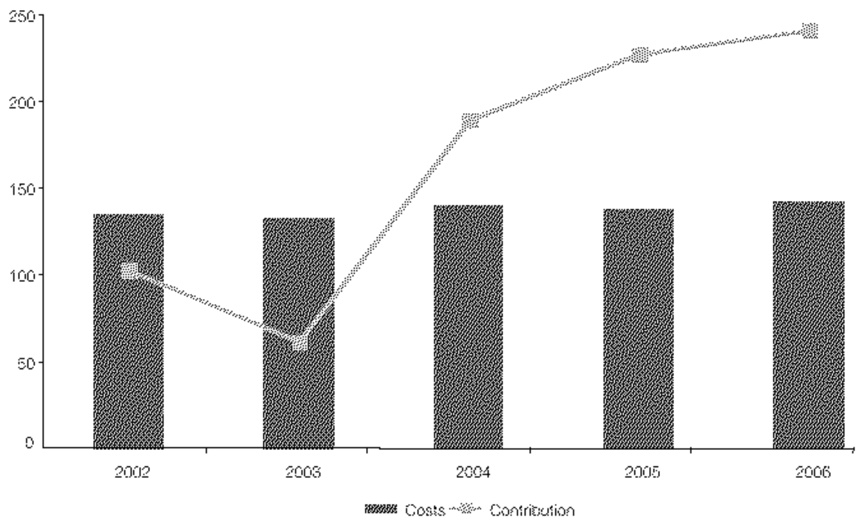


- Strong first quarter
- All markets quiet in July but good increase in August

* Net of Asian integration costs

Australian key metrics

Contribution



Index: 2002 contribution=100

Greenwich/Peter Lee Results

Overall Australian equities

	2004	2005	2006
Australia	1	1	n/a*
Europe	2	1	2
Asia	1	1	1
US	1	1	1

* Available in Nov 06

— 17 top 3 research sector analysts (previously 14 Top 3 research sector analysts)

Market share*

	2004		2005		2006 CY YTD	
1	Macquarie	10.9%	Macquarie	11.5%	Macquarie	11.3%
2	UBS	10.9%	Citigroup	11.1%	Citigroup	10.2%
3	Citigroup	10.2%	UBS	10.9%	UBS	9.7%
4	GSJBW	9.1%	GSJBWere	8.0%	Deutsche	7.8%
5	Merrill Lynch	7.6%	Deutsche	7.2%	Credit Suisse	7.5%

** Institutional and Retail*
Source: IRESS as at 1 August 2006

Panel rankings

— Of 35 priority accounts, Macquarie Securities is ranked in the Top Tier (usually No 1) for 32 accounts

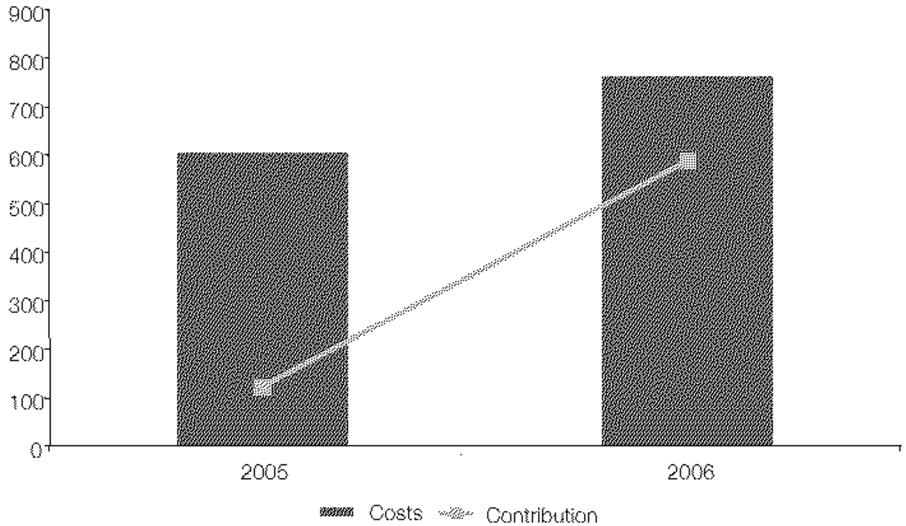
Australian Initiatives

- Derivatives EMG
- Transitions/portfolios
- DMA/algorithmic trading

Asian key metrics

Contribution

Index: 2002 contribution=100



Greenwich/Peter Lee Results

Overall Asian Equities

	2004	2005	2006
Europe	4	8	3
Asia	11	10	n/a*
US	11	10	6

* Available in Nov 06

Market share*

	2005 FY	2006 FY	Jul 06 YTD	
Hong Kong	6.8%	6.40%	3.30%	↓
Singapore	1.40%	2.14%	3.31%	↑
Korea	0.71%	0.73%	1.09%	↑
Japan	0.44%	0.50%	0.61%	↑
Taiwan	0.65%	1.03%	1.00%	↓
Thailand	1.68%	2.37%	2.96%	↑
Malaysia	1.37%	2.00%	1.37%	↓
Philippines	6.57%	5.24%	6.77%	↑
Indonesia	3.21%	3.37%	2.57%	↓

** Institutional and Retail*
Source: Market Exchanges

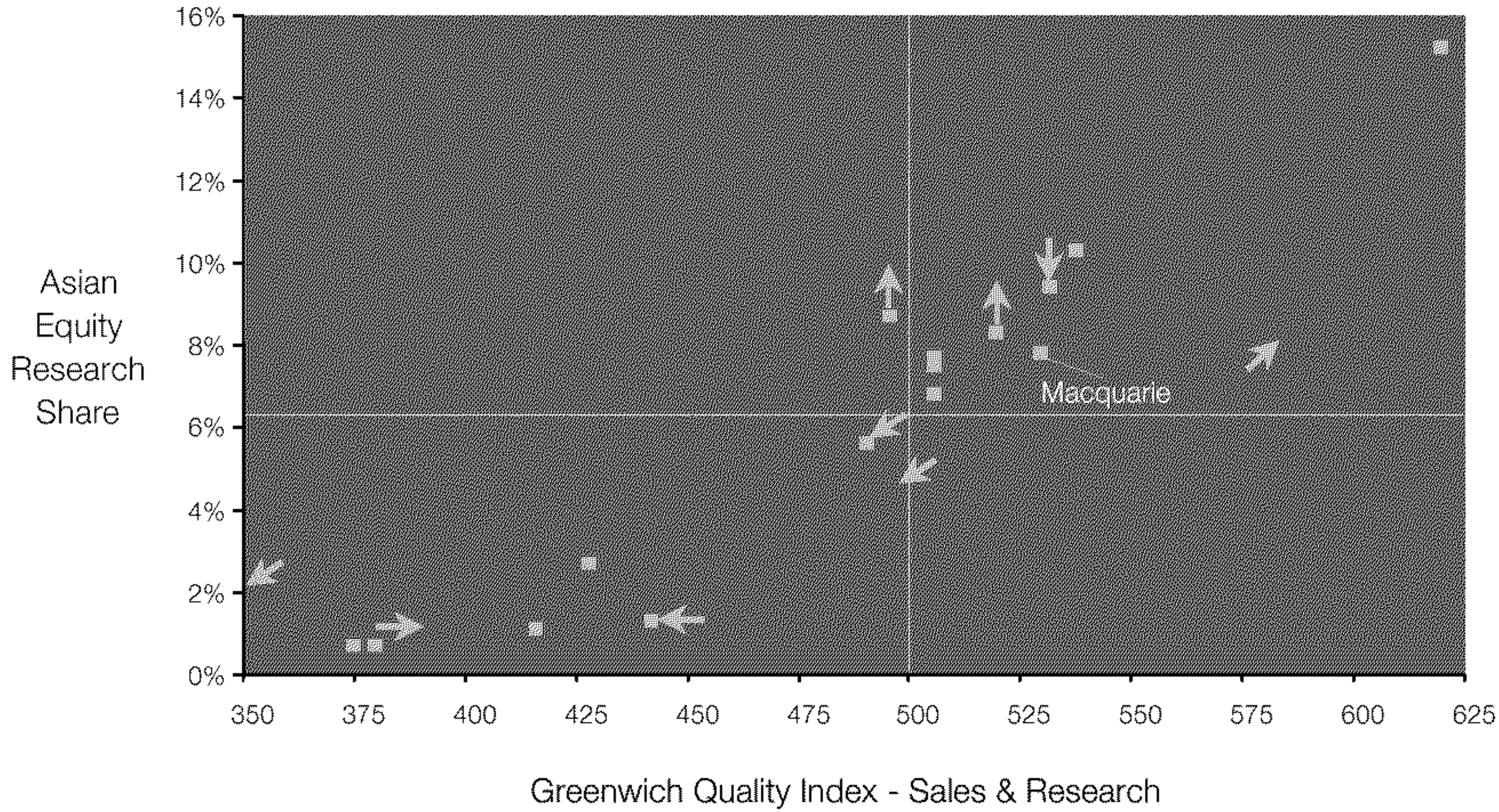
Panel rankings

— Of 29 priority accounts, Macquarie Securities Asia is ranked as follows:

	2004	2006
Tier 1	4	15
Tier 2	7	10
Tier 3	16	4

Greenwich US results – Asian equities

Overall sales & research quality - Asian shares



Greenwich Europe results – Asian equities

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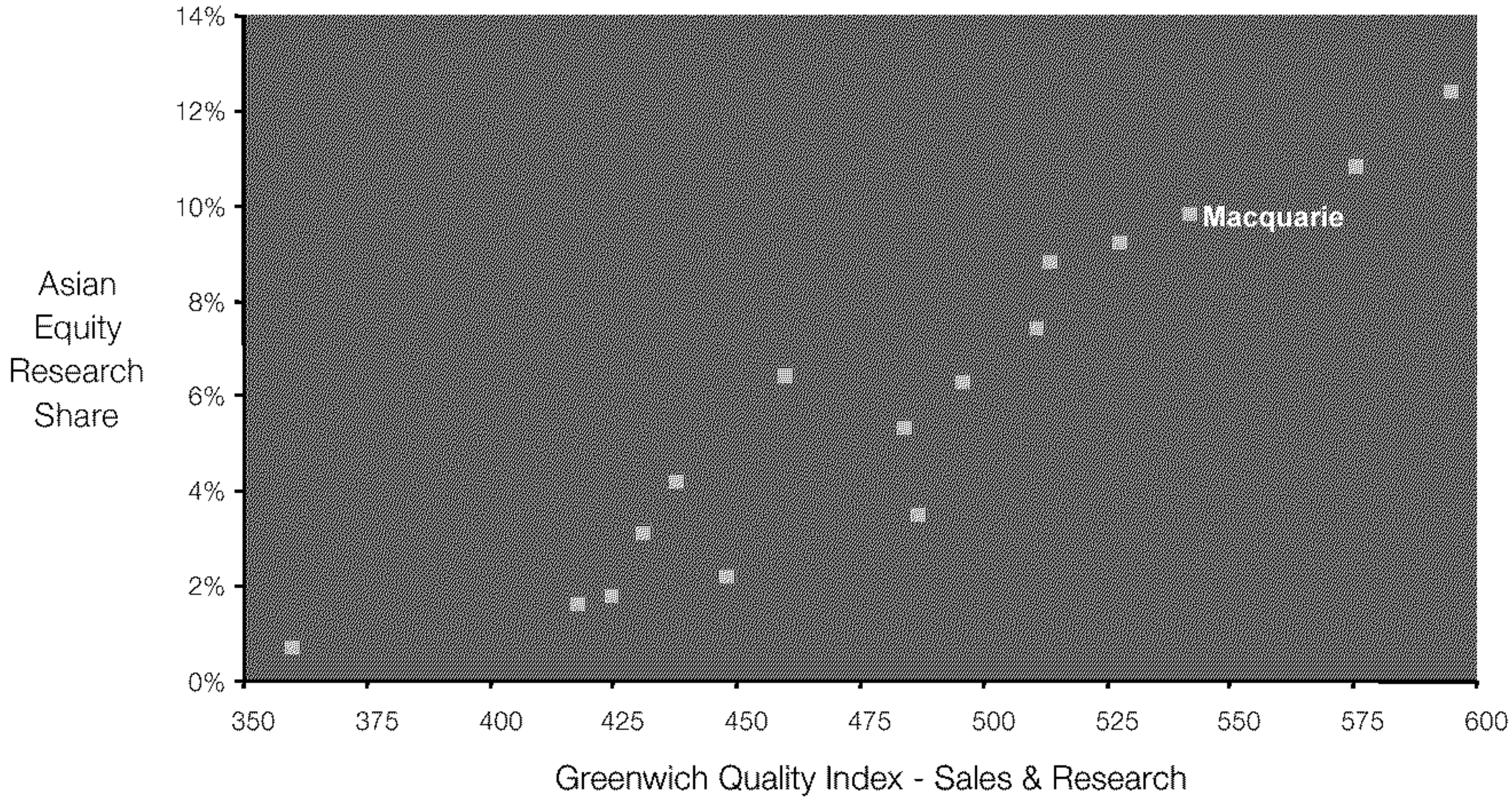
Overall sales & research quality - Asian equities



Asian Initiatives

- India greenfield
- Institutional Products Desk (JV with EMG)
- DMA/algorithmic trading
- New order management system (Fidessa)

Significant upside, subject to market conditions, over the next few years

Initiatives - How are they achieved?

- People
  - Net addition of 179 people since the acquisition
  - Of this 58% are non-director level people
- Culture
  - Significant investment in training, leadership and mentoring programmes at all levels
  - Transfer of existing Macquarie staff
- Monetising our current product offering
- Technology
  - 110 people in global IT team
  - Fidessa, Brains
  - DMA/Algorithmic build-out
  - Building technology platform and scalability of business
- Continue to build the Macquarie brand in the region

South Africa

- Opportunistic
- Build integrated platform in South Africa
- Leveraging Commodities team
- Global Mining Franchise

Other

- Global Quantitative Strategy
- Ongoing review of UK, US and Canadian markets

Summary

- Australian business in excellent condition
- Huge improvement in Asia. So much still to do but upside is very significant
- Opportunistically consider other regions

Operational Briefing

Investment Banking Group
Macquarie Securities

Roy Laidlaw
Head, Macquarie Securities

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Investment Banking – Funds

John Roberts
Joint Head, Corporate Finance & Head, Investment Banking - Funds

Investment Banking Funds (IBF)

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IBF is an active manager of capital and businesses

Proactive Manager of 99 Businesses (Proportionate Enterprise Value $A79b*)	
Sectors	Infrastructure, Industrials, Media, Communications, Private Equity
Geography	Global

Proactive Manager of Capital (27 Funds, 8 Co-investment Consortiums, Equity Under Management $A36b*)	
Sources	Listed and Unlisted Funds, Discretionary Mandates, Entity Specific Consortia, Hybrid Capital
Geography	Global

Staff

>480 staff (incl. support)

>70 Non-exec Directors

* As at 30 June 2006

Provider of essential community services

Airports	+110 million passengers per annum
Toll roads	+2.0 million cars per day
Gas distribution	7 million households
Water	+2 million households
Electricity distribution	700,000 households
Communications	+80 million people are reached by Macquarie managed television, telephone, radio and cable infrastructure assets
Rail	+2.5 million passengers per annum
Ferries	+6.1 million passengers per annum
Aged care/retirement villages	+7,500 beds / +6,800 units
Directories	35 million 'yellow pages' distributed
Buses	300 million passengers per annum
Airport trolleys	32 million trolleys rented per annum
Vehicle inspection	1.4 million vehicles inspected per annum
Employees	+50,000 across the assets

The IBF business today

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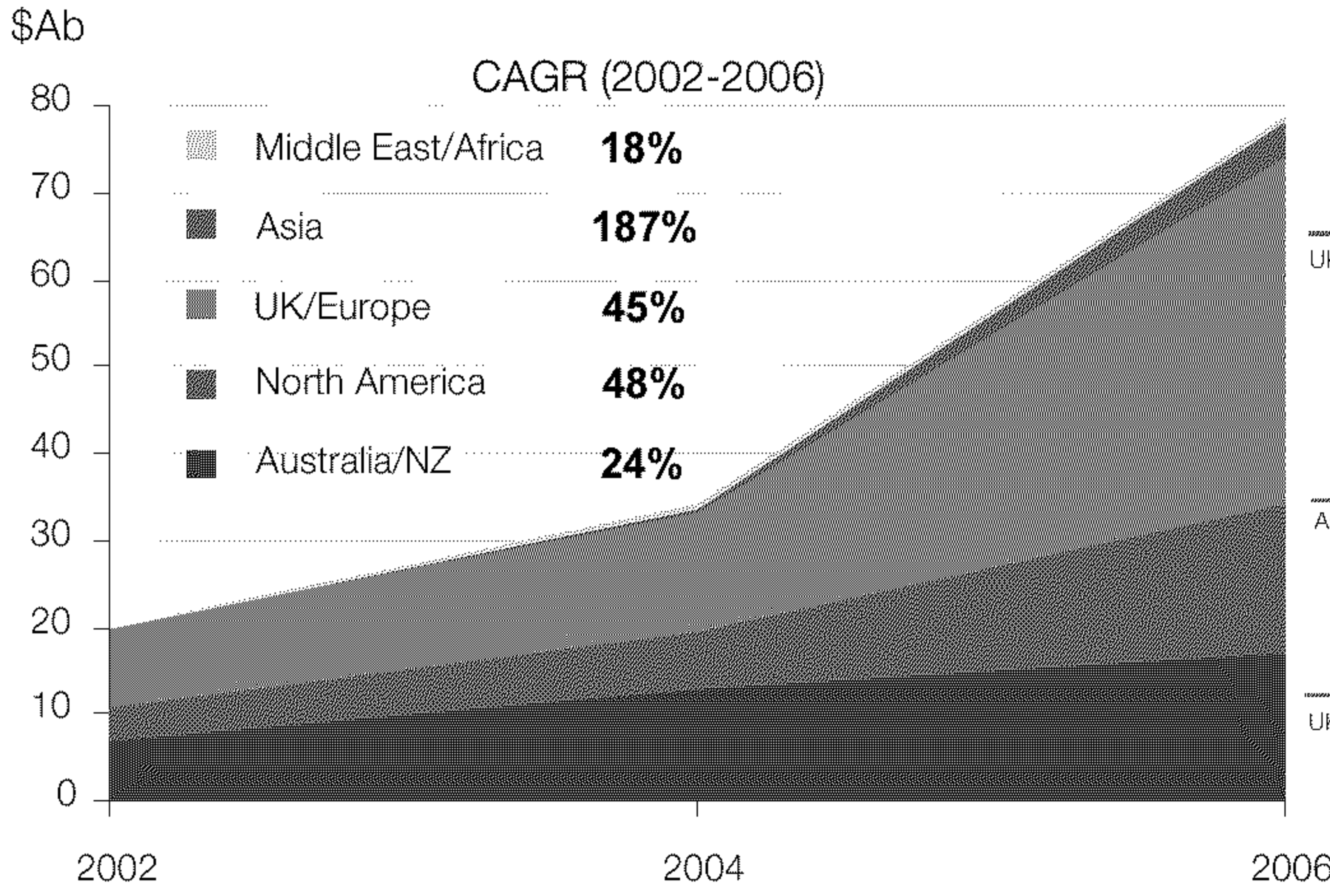
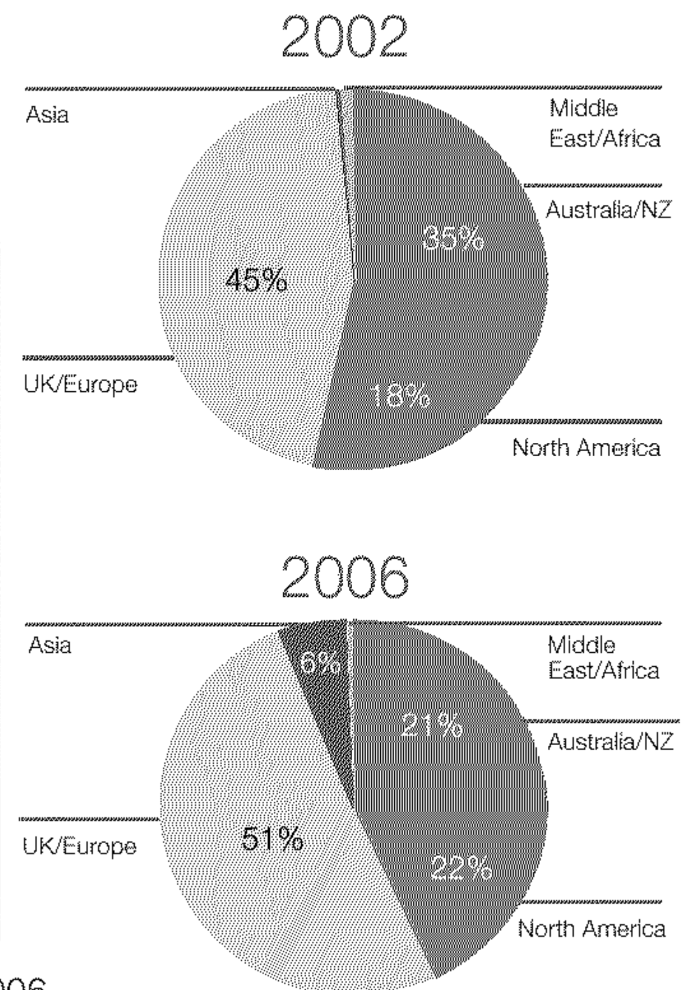
		1996	2004	2006
Funds/vehicles	No.	2	14	27
Assets	No.	4	67	99
EV (proportionate)	$Ab	1.6	34	79
Equity commitments	$Ab	0.6	18	36
Equity raised in the last 12 months	$Ab	n/a	2 (Jul 03 – Jun 04)	7 (Jul 05 – Jun 06)
Offices	No.	1	8	13
Staff	No.	5	210	480+
Return to investors	%	n/a	18.5% pa	17.8% pa*

* Annualised return based on all capital raised, distributions paid and valuations (market capitalisation for listed funds and net asset value for unlisted funds) for IBF funds since inception to 31 August 2006 (listed funds as at 31 August 2006, unlisted funds as at 30 June 2006). Calculated in AUD. Cashflows converted at historic rates.

Significant offshore growth

IBF Managed Assets by Location*

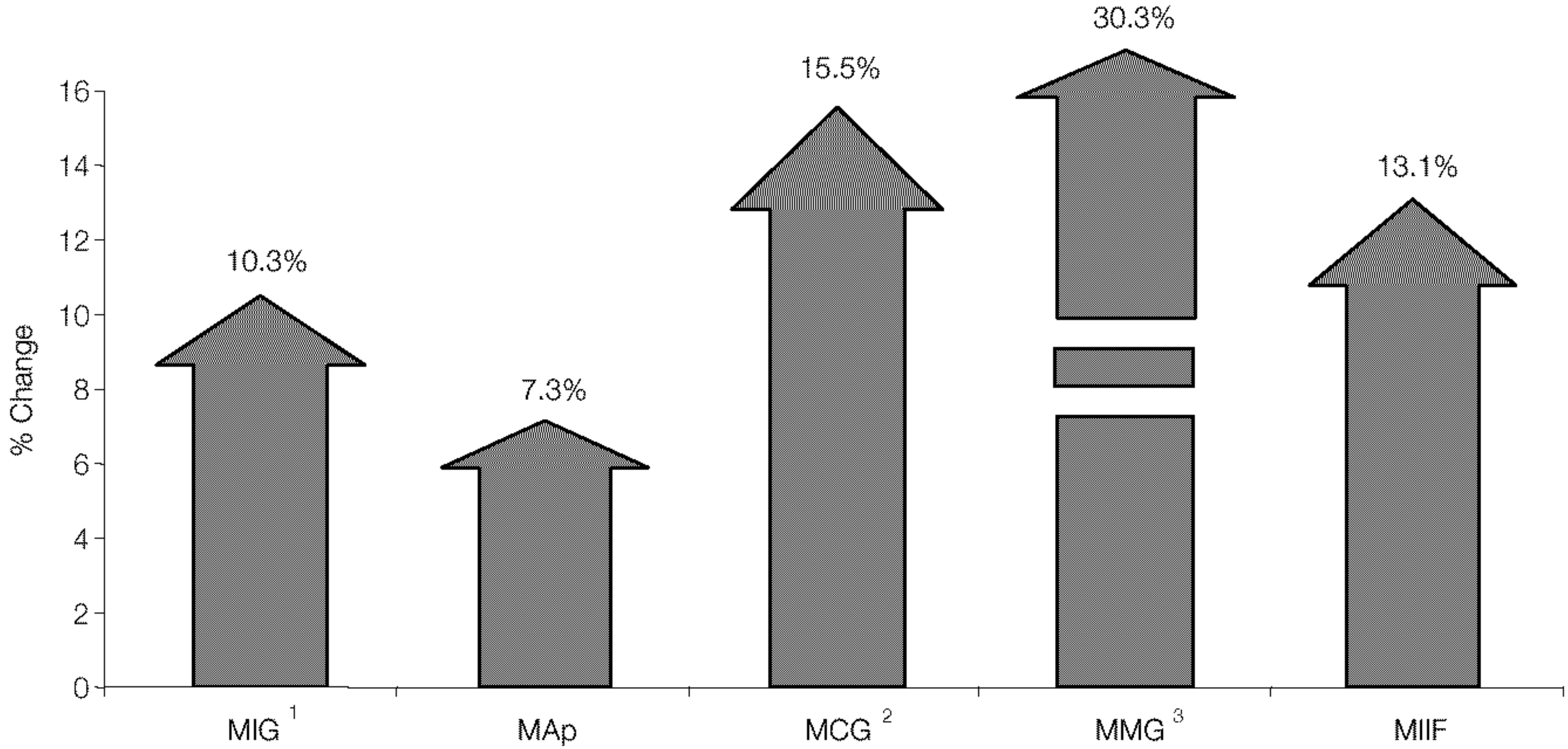




* Calculated as proportionate enterprise value

Assets performing well

Asset proportionate EBITDA compared to pcp*

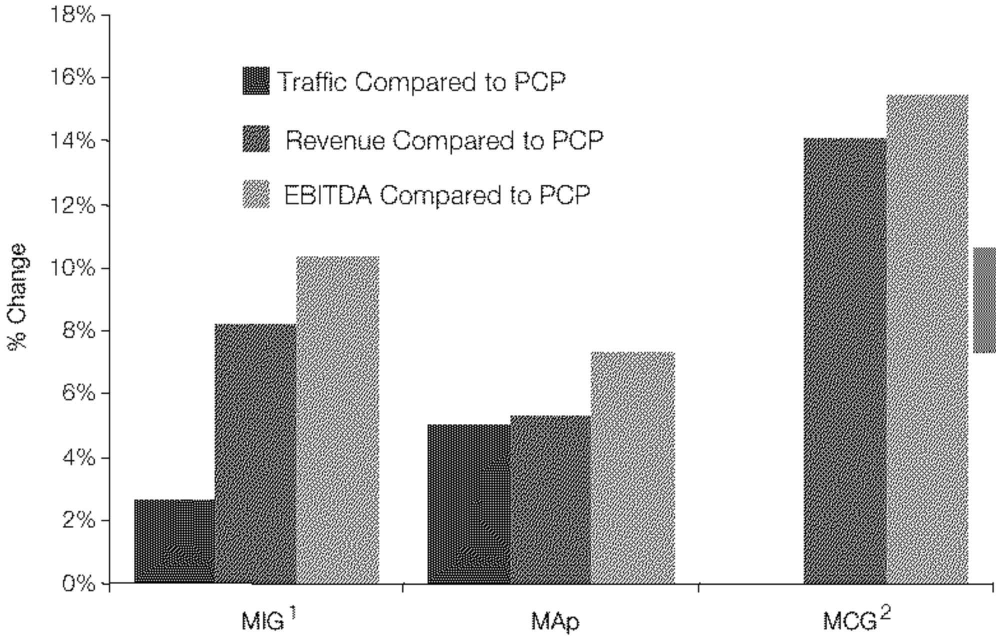


* Calculated for the 12 months ended 30 June 2006 for IBF listed funds (MAp calculated for the six months ended 30 June 2006). Assumes the portfolio held by each fund as at 30 June 2006 was held over the prior corresponding period. Calculated pre-forex effects. Investments in other Macquarie managed funds have been excluded. Certain funds not disclosed due to regulatory restrictions or asset EBITDA for the prior corresponding period not available as businesses acquired were formerly divisions of larger groups.

1 Excludes Indiana Toll Road as acquired in June 2006
2 Arqiva's EBITDA compared to PDS forecast since no full year comparison available as Arqiva formerly a division of a larger group
3 Excludes Taiwan Broadband Communications as acquired in May 2006

Active asset management delivering strong returns to investors

Asset Traffic, Revenue and EBITDA Compared to PCP*



Distribution (cents per security)					
Fund	2003	2004	2005	2006	CAGR
MIG	7.5	7.5	7.5[1]	21	41%
MAp	8	12	20	25[2]	46%
MCG	15.5	23	29	39	36%

* Calculated for the 12 months ended 30 June 2006 for MIG and MCG and for the six months ended 30 June 2006 for MAp on a proportionately consolidated basis. Assumes the portfolio held by each fund as at 30 June 2006 was held over the prior corresponding period. Calculated pre-forex effects.

[1] Excludes Indiana Toll Road as acquired in June 2006

[2] Arqiva's revenue and EBITDA compared to PDS forecast since no full year comparison available as Arqiva formerly a division of a larger group

[1] Excludes special distribution of 70 cents as a result of the sale of MIG's 40% interest in Cintra

[2] Includes distribution guidance of 12 cents for the six months ending 31 December 2006

Fund performance

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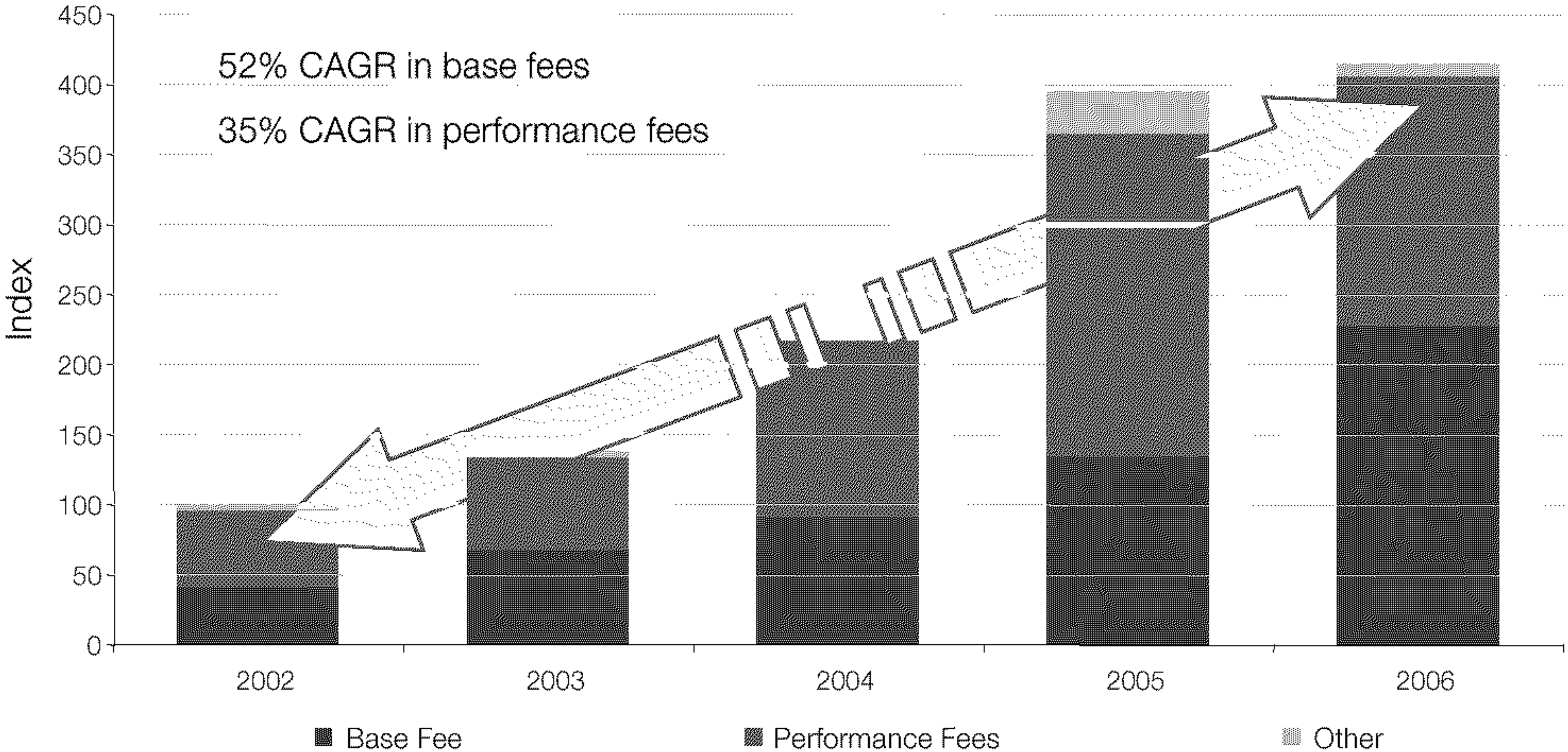
- Recent IBF fund performance flat
- Demand for resources coupled with increasing nominal bond rates has led to sector rotation

Sector relative performance	Movement Dec 05 to Jun 06*	Movement Jun 06 to Aug 06*
10 Year Government Bonds (yield change)	+11%	(2%)
Major IBF Aust Listed Infrastructure Funds* (MIG, MAp, MCG, DUET)	+1%	+3%
Major non-Macquarie Aust Listed Externally Managed Infrastructure Funds* (BBI, SPN, SKICA, BBW)	(3%)	+2%
Major Aust Listed Resource Companies* (BHP, RIO, Woodside)	+23%	(4%)

* Weighted by market capitalisation at 31 December 2005 and 30 June 2006 respectively. Calculated on an accumulation basis.

- Movement through the cycle is potentially seeing rotation back to infrastructure

IBF global revenue (indexed)



Performance fee benchmarks

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Shift away from market linked benchmarks to absolute return benchmarks

	% of IBF managed equity*	
Benchmark type	2004	2006
Market Linked Benchmark	73%	59%
Absolute Return Benchmark	27%	41%
	100%	100%

* Managed equity for IBF funds which have performance fee mechanisms. As at 30 June.

- Future IBF earnings more correlated to asset performance
- Increased alignment of interest with investors
- Reduced volatility for future performance fees

Market management fees

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Base fees

Wholesale Equity Funds	Retail Equity Funds	Australian Listed Property	Listed Infrastructure	Unlisted Infrastructure	Private Equity	Hedge Funds
0.2% – 0.8%	0.7% – 2.8%	0.6% – 1%	Non MBL: 1.5%[1] MBL: 1.1%[2]	Non MBL: 1.5% MBL: 1.5%	1.5% – 2.5%	2.0% +

Performance fees

Listed Funds	Unlisted Funds
20% of outperformance over benchmark (eg market benchmark)	20% of total return (once threshold met)

[1] Weighted average of AIHCA, BBI, SKICA, AIX, BBW, CIF, SPN, HICL, based on market capitalisation as at 5 September 2006

[2] Weighted average of MIG, MAp, MCG, DUET, MIIF, MIC and MKIF, based on market capitalisation as at 5 September 2006

Alignment of interests

Alignment of interest - IBF Funds, Macquarie and Macquarie Executives

Macquarie is a Significant Investor in IBF Funds	Base Management Fees Alignment	Performance Fees Alignment	Macquarie Executive Remuneration Alignment
Total investment in IBF Funds by Macquarie of approximately $A2.0b*	Base management fees are calculated as a percentage of fund market capitalisation	Performance fees only payable where fund performance exceeds a benchmark (stock market indices or 8% pa)	Bonus retention of all CF Executive Directors 100% invested in IBF funds
	Macquarie incentivised to grow the fund security price	Macquarie incentivised for the fund to outperform its benchmark	Remuneration of all CF executives is based in part on performance of the IBF funds
			Advisory staff remuneration directly related to performance of assets provided to the IBF funds
			Asset performance directly impacts remuneration of IBF staff managing the asset

* Investments in listed funds at market value and unlisted funds at committed capital as at 30 June 2006

Exposure to interest rates

Over $A80b of debt across IBF Managed Assets – majority hedged

- Over the short to medium term, cashflows of IBF Funds are relatively insensitive to changes in interest rates due to significant interest rate hedging
- The table below shows the % of debt hedged over the following terms*

0-2 years	2-4 years	4-7 years	>7 years
87%	77%	62%	38%

- Over the long term, indexed cashflows provide a natural hedge to rising interest rates. The table below illustrates the natural hedge for MIG's two largest investments

	407 ETR $Am	M6 Toll $Am
Valuation at 30 June 2006	2,960	2,721
Interest Rates +1%	(67)	(106)
Risk-free Rate +1%	(584)	(441)
Inflation +1%	768	578
Valuation	3,077	2,752
Valuation Uplift	4%	1%

* As at 30 June 2006.

Industry participants

New industry participants provide increased recognition of infrastructure as an asset class

- Infrastructure becoming an integral part of an investment portfolio
- Track record combined with profile of Macquarie and sector is materially assisting with capital raising and deal flow
- More than 70% of IBF managed assets acquired under exclusivity arrangements
- Deal flow remains strong

Sourcing equity from unlisted markets

Superannuation industry globally channelling savings into long duration assets

- Macquarie European Infrastructure Fund (MEIF II, European unlisted infrastructure fund)
  - Target €3 billion ($A5 billion)
- Macquarie Infrastructure Partners (MIP, US unlisted infrastructure fund)*
- Macquarie Korea Opportunities Fund (MKOF, Korean unlisted infrastructure fund)
  - Target of KRW2 trillion ($A2.7 billion)
- ZonesCorp Infrastructure Fund (joint venture unlisted fund in United Arab Emirates)
  - Raised AED1 billion ($A360 million)

* Further details unable to be disclosed due to US regulatory restrictions

Outlook

- ✓ Recognition of infrastructure as an asset class leading to increased capital allocation and dealflow
- ✓ Increased sources of unlisted equity globally
- ✓ IBF track record leading to increasingly strong growth in equity under management
- ✓ Deal flow remains strong
- ✓ Opportunities to continue to diversify across geographies and industry sectors

MACQUARIE

Operational Briefing

Investment Banking – Funds

John Roberts
Joint Head, Corporate Finance & Head, Investment Banking - Funds

MACQUARIE

Operational Briefing

Investment Banking Group
Corporate Finance

Michael Carapiet
Joint Head, Corporate Finance

Corporate Finance

MACQUARIE

MICHAEL CARAPIET / JOHN ROBERTS

Industry groups
- Infrastructure & Utilities – Michael Carapiet
- TMET – Andrew Low
- Resources – John Prendiville
- Financial Institutions – Tim Bishop
- Industrials – Tim Bishop
- Property – Antony Green
- Investment Banking Funds – John Roberts

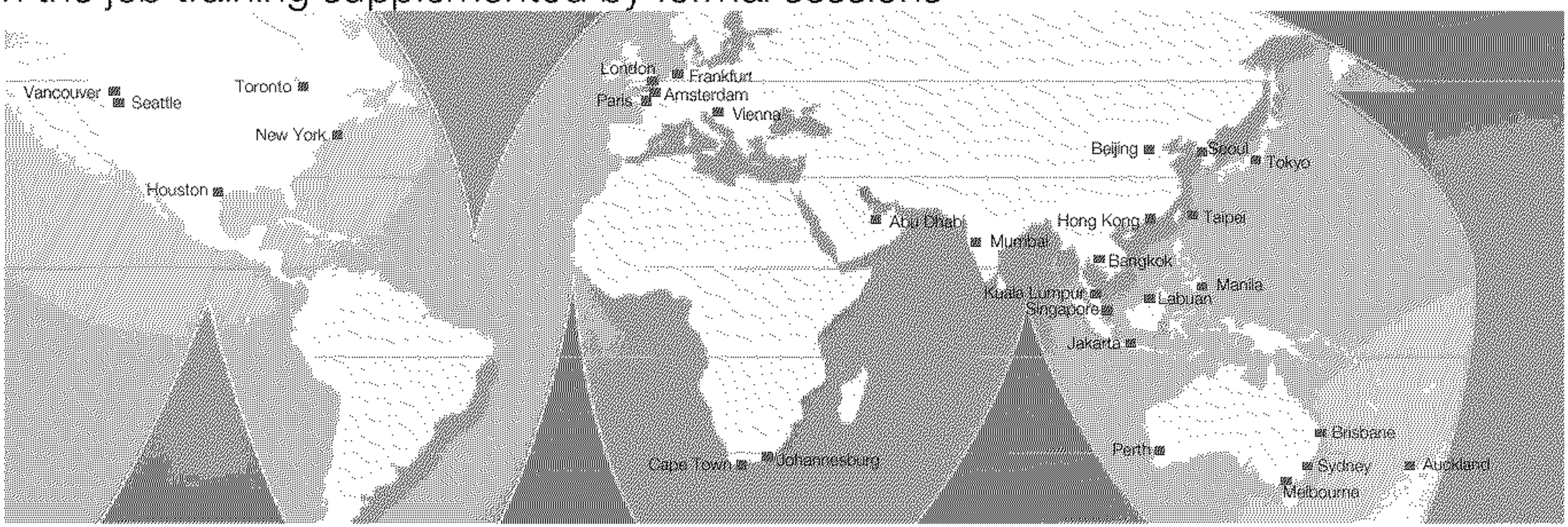
Product groups
- Debt Structuring & Distribution – David Bennett
- Equity Capital Markets – Wayne Kent
- Unlisted Equity Group – Oliver Yates / Mark Ramsey

Regions (Michael Carapiet)
- Australia / NZ – Michael Carapiet
- Europe – Andrew Hunter
- North America – Murray Bleach
- Asia (ex Korea) – Andrew Low
- Korea – John Walker
- Middle East – Haj Naghdy
- South Africa – James Cutts

Regions (John Roberts)
- Australia / NZ – John Roberts
- Europe – Jim Craig
- North America – Shemara Wikramanayake
- Asia / Middle East – Nick van Gelder

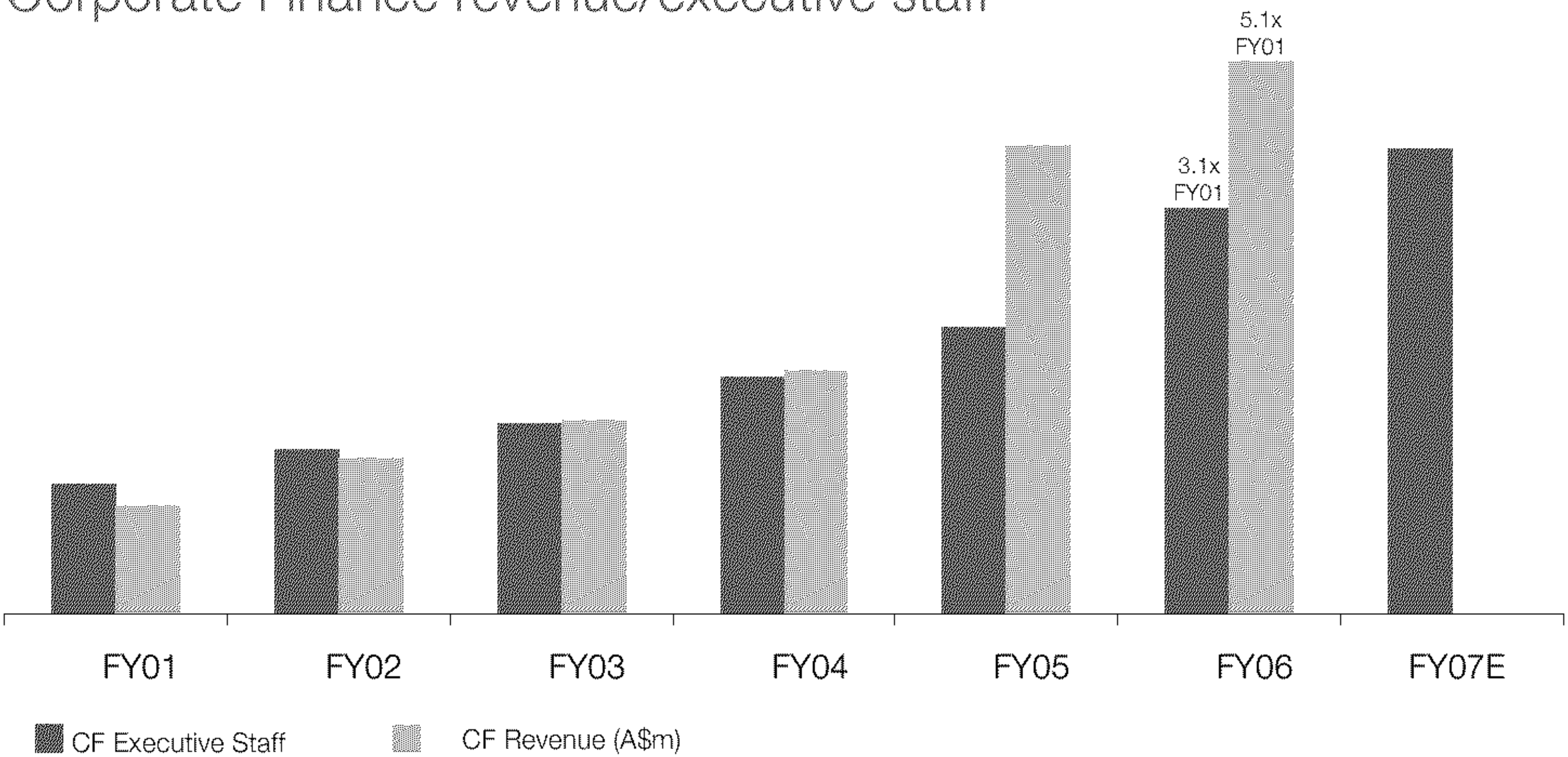
Corporate Finance

- One Group culture – Advisory, ECM, IB Funds
- Over 1,000 executive staff in 30 offices across 23 countries
- Majority of revenues and over 55% of staff based overseas
- Inter group/business/office staff transfers strongly encouraged
- Flat and open management structure – dynamic
- On the job training supplemented by formal sessions



Five years of growth

Corporate Finance revenue/executive staff



Compound growth in revenue of 40% over 5 years to 2006

Compound growth in staff of 26% over 5 years to 2006

For Financial Year ended 31 March

Corporate Finance - simplified

MACQUARIE

5 Regions		6 Industry Groups		5 Products
- Aust/NZ		- Infrastructure & Utilities		- Advisory
- Asia		- Industrials		- Equity
- North America		- TMET		- Debt
- Europe		- Resources		- Principal
- Middle East/Africa		- Financial Institutions		- Funds
		- Property		

Corporate Finance – less simple

5 Regions	⟺	6 Industry Groups	⟺	5 Products

- Aust /NZ
  - Australia (4 offices)
  - NZ
- Asia
  - Japan
  - South Korea
  - China
  - Hong Kong
  - Malaysia (2 offices)
  - Taiwan
  - Thailand
  - Indonesia
  - Singapore
  - India
  - Philippines
- North America
  - USA (3 offices)
  - Canada (2 offices)
- Europe
  - UK
  - France
  - Netherlands
  - Austria
  - Germany
- Middle East/Africa
  - Emirates
  - South Africa (2 offices)

Corporate Finance – less simple

5 Regions	↔	6 Industry Groups	↔	5 Products

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  - Philippines
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  - Canada (2 offices)
- Europe
  - UK
  - France
  - Netherlands
  - Austria
  - Germany
- Middle East/Africa
  - Emirates
  - South Africa (2 offices)

Infrastructure & Utilities

- Energy (Power & Gas)
  - Retail – Distribution
  - Generation – Transmission
- Transport
  - Road – Airports
  - Rail – Sea
- Social
  - Water – Hospitals
  - Waste – Police, Prisons
  - Defence – Schools

Industrials

- Health and aged care – Commercial Services
- Retirement – Private Equity
- F&B – Retail
- Contractors – Basic materials

TMET

- Technology – Gaming
- Telcos – Media

Resources

- Metals – Forestry
- Oil & gas

Financial Institutions

- Banks and financial institutions
- Health insurance - General insurance

Property

- Industrial - Office
- Retail - Multi-sector
- Entertainment (hotels, pubs, leisure precincts)

Corporate Finance – less simple

MACQUARIE

5 Regions ⟷ 6 Industry Groups ⟷ 5 Products

5 Regions

- Aust /NZ
  - Australia (4 offices)
  - NZ
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  - Japan
  - South Korea
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  - Germany
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  - South Africa (2 offices)

6 Industry Groups

Infrastructure & Utilities

- Energy (Power & Gas)
  - Retail – Distribution
  - Generation – Transmission
- Transport
  - Road – Airports
  - Rail – Sea
- Social
  - Water – Hospitals
  - Waste – Police, Prisons
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- Metals – Forestry
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Financial Institutions

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- Health insurance - General insurance

Property

- Industrial - Office
- Retail - Multi-sector
- Entertainment (hotels, pubs, leisure precincts)

5 Products

- Advisory
  - Public
  - Private
  - Acquisition, divestment, restructuring
  - Privatisation
  - Project Finance
- Equity
  - Listed
  - Unlisted
  - Hybrids
- Debt
  - Bank
    - Project finance, leveraged finance, corporate finance
    - Senior
      - Club
      - Syndicate
      - Bridging
    - Subordinated/junior
    - Mezzanine
  - Capital markets
    - Wrapped bond issues
    - Unwrapped bond issues
    - Unrated bond issues
    - Subordinated bond issues
- Principal
- Funds

Corporate Finance - simplified

5 Regions	6 Industry Groups	5 Products
– Aust/NZ	– Infrastructure & Utilities	– Advisory
– Asia	– Industrials	– Equity
– North America	– TMET	– Debt
– Europe	– Resources	– Principal
– Middle East/Africa	– Financial Institutions	– Funds
	– Property	

Major deals

- Completed over 260 deals valued at over $A115 billion (1/4/05 – 31/7/06)
- 60% of expected revenue from offshore

North America
- Western Silver/Glamis Gold
- The Gas Company
- Indiana Toll Road
- Guinor Gold/Crew Gold
- Sea to Sky Highway project
- Okanagan Lake Bridge
- Dulles Greenway toll road
- Int'l-Matex Tank Terminals
- Smarte Carte
- Icon Parking
- Chicago Skyway acqtn & refinance

UK/Europe
- BAA plc
- Autoroutes Paris-Rhin-Rhone
- Select Service Partners & MOTO
- Challenger Infras Fund/Inexus Group
- Copenhagen Airport
- Churchill Hospitals PFI
- Macq Goodman/Arlington Securities
- Stagecoach London buses
- Wightlink refinance
- Birmingham Schools PFI

Asia
- Taiwan Broadband
- CJ Cablenet
- Xingtai
- MKIF IPO
- D4 toll road
- SK Enron
- Taeyoung Wastewater
- KIECO
- MIIFL
- Prime REIT IPO
- Ibukiyama

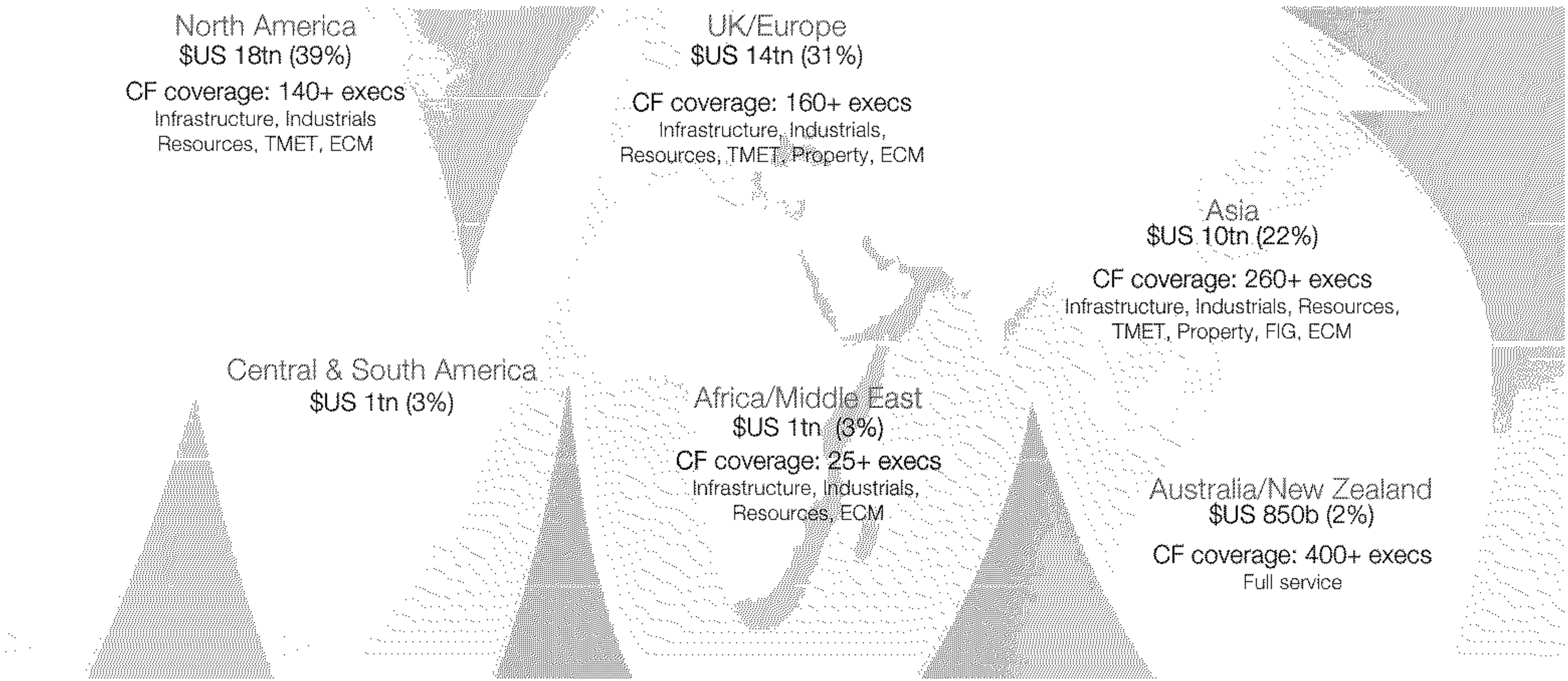
Africa & Middle East
- N4 Extension project
- Airports Corp of South Africa
- Industrial City of Abu Dhabi project

Australia/NZ
- Alinta/AGL*
- Southern Cross Fert/Incitec Pivot
- Transpacific Ind/Waste Mgmt NZ
- Rio Tinto/Hope Downs project
- Royal Women's Hospital PPP
- Coles Myer buyback
- Dyno Nobel IPO
- Goodman Fielder IPO

* Not yet completed

Industry group coverage

- Scope for growth
- Global listed equity markets approximately $US45 trillion



Source: Bloomberg as at 6 Sept 2006

Strengths & achievements

M&A	ECM	Project Finance
– No.1 – HY 2006 for Australian deals completed by value (Thomson)	– No.1 - HY 2006 for equity raised (Thomson)	– No.1 – FY 2005 for Asia Pacific completed mandates (PFI)
– No.1 – FY 2005 for Australian deals completed by value (Thomson)	– No.1 - FY 2005 for equity raised (Thomson)	– No.4 – FY 2005 for Global completed mandates (PFI)
– No.1 - Most innovative M&A ideas (Peter Lee)	– No.1 - Best ECM ideas (Peter Lee)	– No.1 – Australasian Lead Adviser (East & Partners)
– No.1 - Best advice on complex issues (Peter Lee)	– Best Equity House (FinanceAsia)	– No.1 – Australian Lead Arranger (East & Partners)
– No.1 - Best knowledge of client strategy (Peter Lee)	– Hybrid Securities House of the Year (INSTO)	– No.1 – Australian Adviser to Sponsors (East & Partners)

New initiatives

New Staff*	New offices	New JVs	New asset classes
– Total - 300+ – Aust/NZ - 70+ – UK/Europe - 80+ – Nth America - 50+ – Asia - 80+ – Africa/Middle East -20+	– Abu Dhabi – Amsterdam – Bangkok – Mumbai – Paris – Seattle	– ADCB Macquarie Corporate Finance LLC (Abu Dhabi) – Macquarie First South (Proprietary) Limited (South Africa) – Shinsei Bank, Limited (Japan)	– Buses - Stagecoach – Roadside services - Moto – Car parking - Icon – Baggage carts – Smarte Carte – Tank storage - International Matex – Shipping – Steam Packet

* As at 31 July 2006, compared to prior corresponding period

Case Study: Orica / Dyno Nobel

Brokerage	Advice	Underwriting	Funds	Principal
– Ongoing high market share both in Orica and Dyno Nobel	– \$US1.7bn acquisition of Dyno Nobel – \$US685m sale of Dyno Nobel's Latin American, European, African and Asian businesses to Orica – Debt arranging – Equity arranging – Acquisition of ETI Holding Corp	– ~\$A1.0bn rights and hybrid issues for Orica – ~\$A1.9bn IPO of Dyno Nobel	– Macquarie led equity consortium – \$US350m of equity	– \$US71m invested in Dyno consortium – Retaining c.4% of Dyno post IPO

50+ Macquarie executives involved

Outlook

- Focus on international growth (greater name recognition)
- Maintain dominant Australian position
- Near term focus on public to private in major listed markets

Regional snapshot

- Aust/NZ
  - Energy & Utilities
  - Take Australian clients offshore
- Europe
  - Push beyond UK
  - Develop Industrials and TMET businesses
  - Test (selectively) Eastern Europe in areas of strength
- North America
  - Roads privatisations
  - TMET and Industrials opportunities
  - Resources: oil and gas in USA and metals/mining in Canada
- Asia
  - JVs: Thailand and Japan
  - Infrastructure: explore India and China
  - Korea: expand beyond infrastructure
- Middle East/South Africa
  - Middle East: JV with Abu Dhabi Commercial Bank
  - South Africa: focus on infrastructure and First South JV ECM opportunities

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Investment Banking Group
Corporate Finance

Michael Carapiet
Joint Head, Corporate Finance

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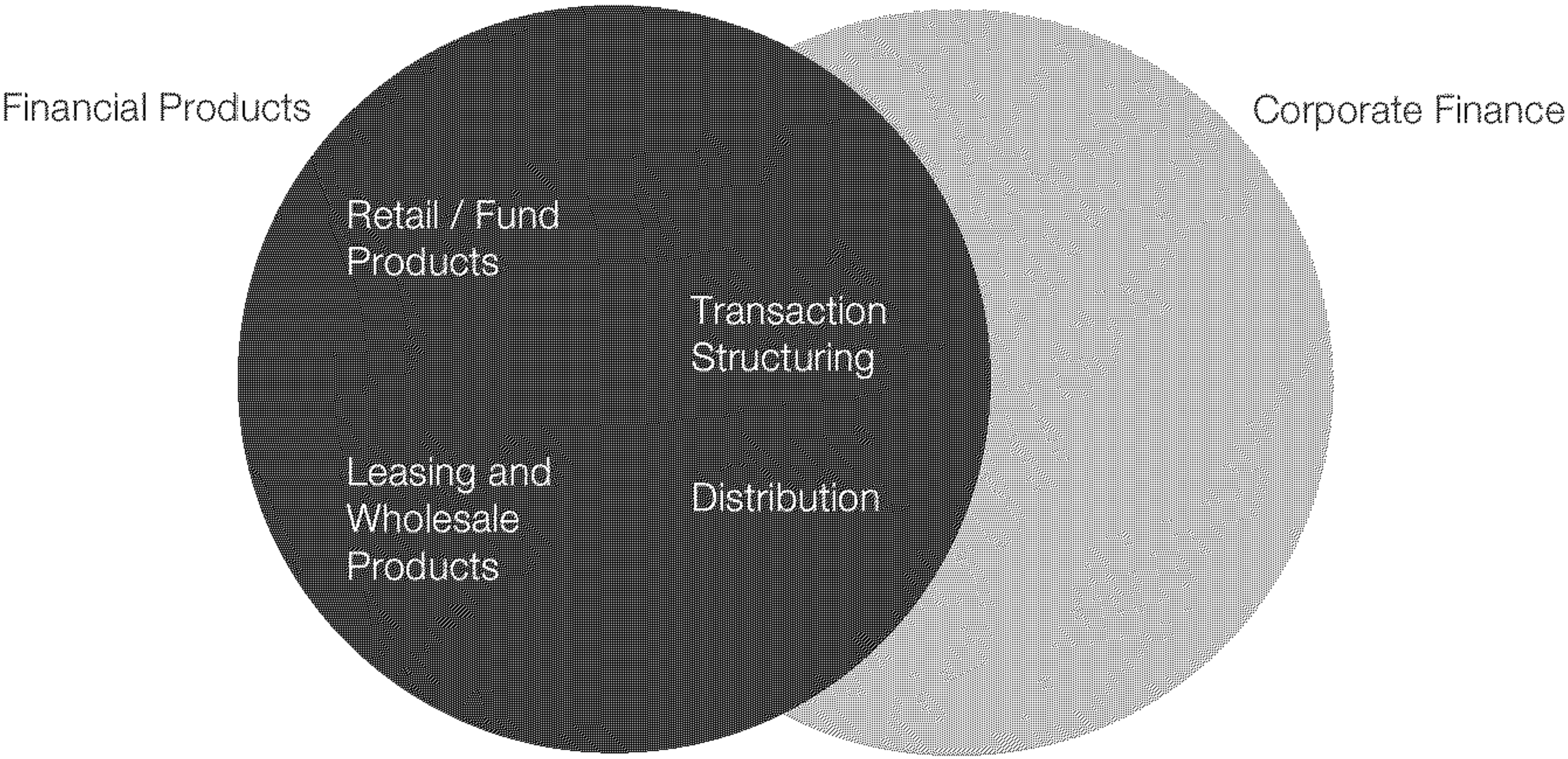
Investment Banking Group
Financial Products

Michael Price
Head, Financial Products

Our business

- Financial Products has stand alone businesses in the leasing/wholesale and retail space and also works with corporate finance in structuring transactions and in co-ordinating the distribution of equity.



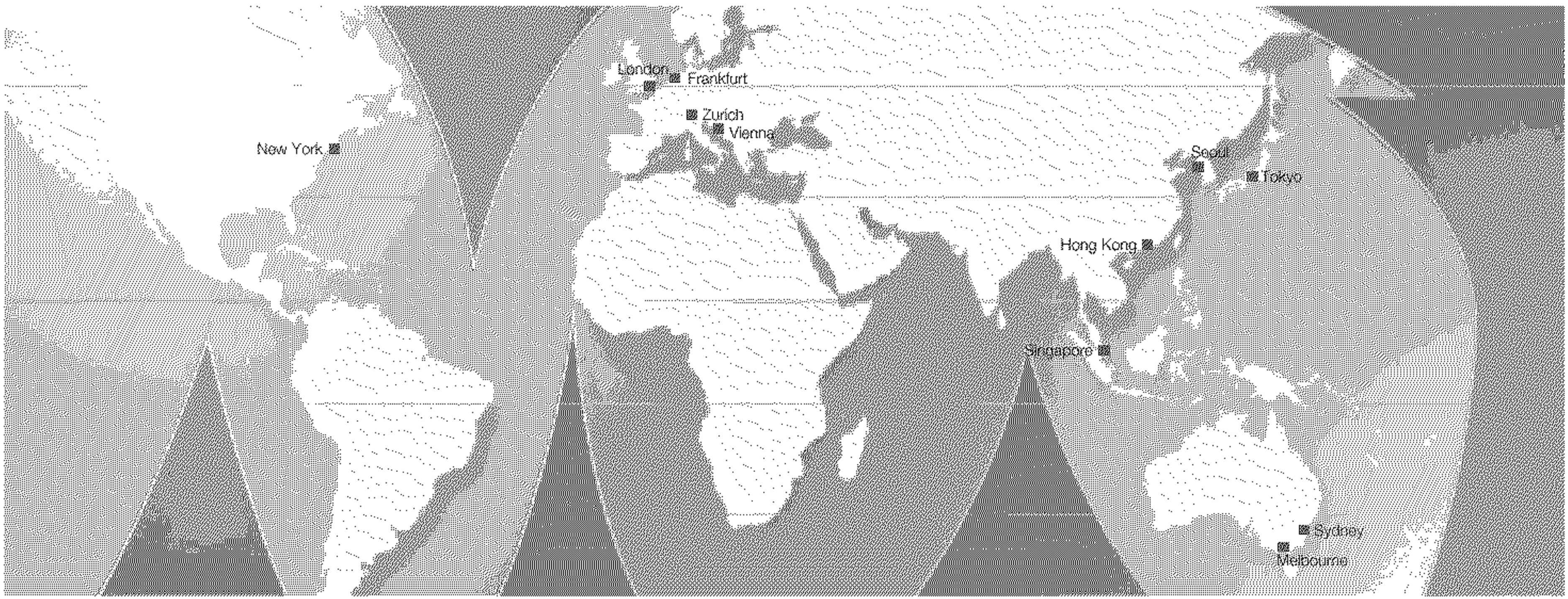
Global activities

162 staff (up 25% from 2005) across 11 of Macquarie's offices

North America
21 staff

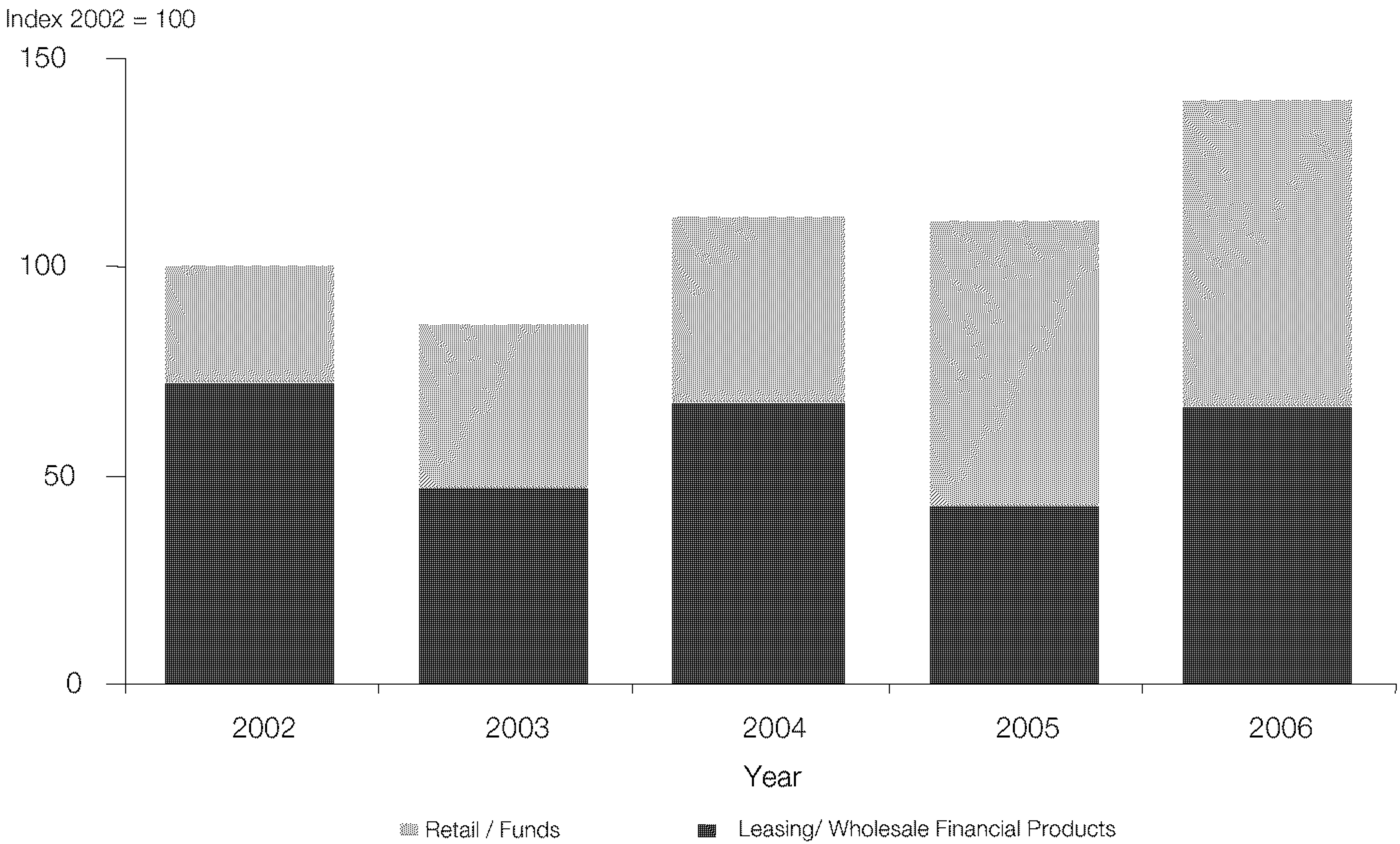
UK/Europe
21 Staff

Asia
14 staff

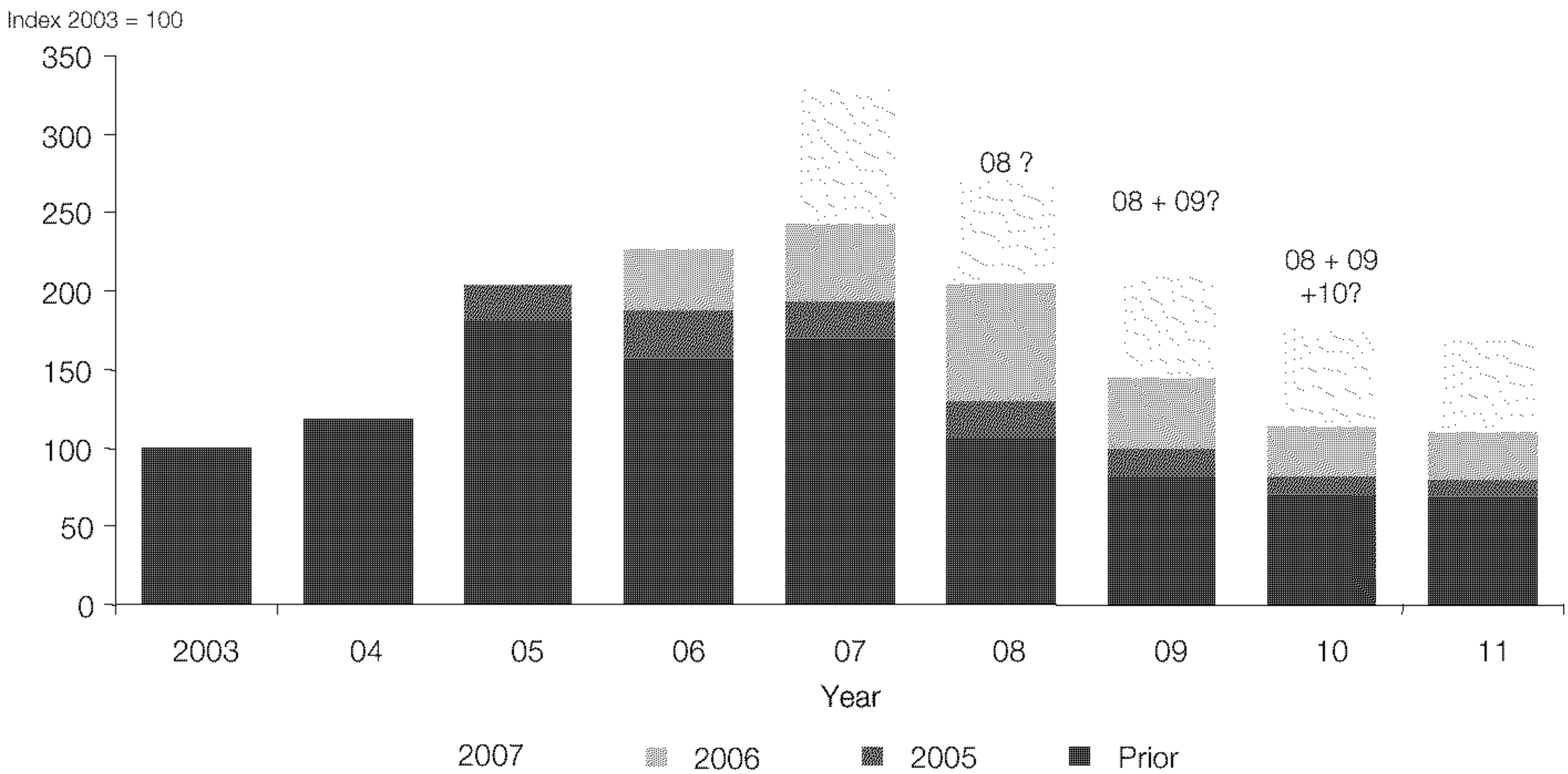


Australia/New Zealand
106 staff

Financial snapshot – revenue history

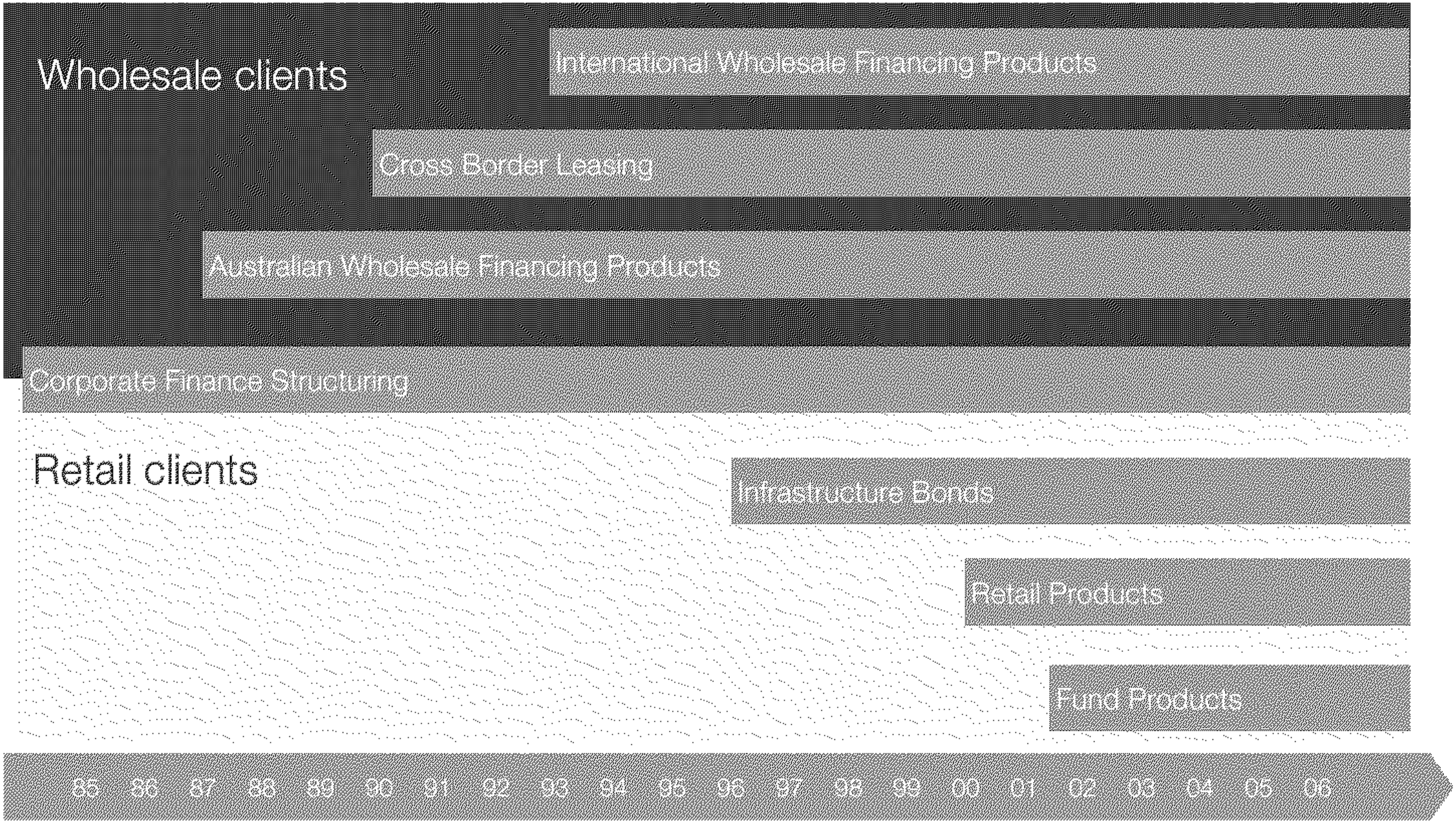


Significant component of "locked-in" transactions



Previously originated deals generated 75% of total 2006 transactions

Evolution of products

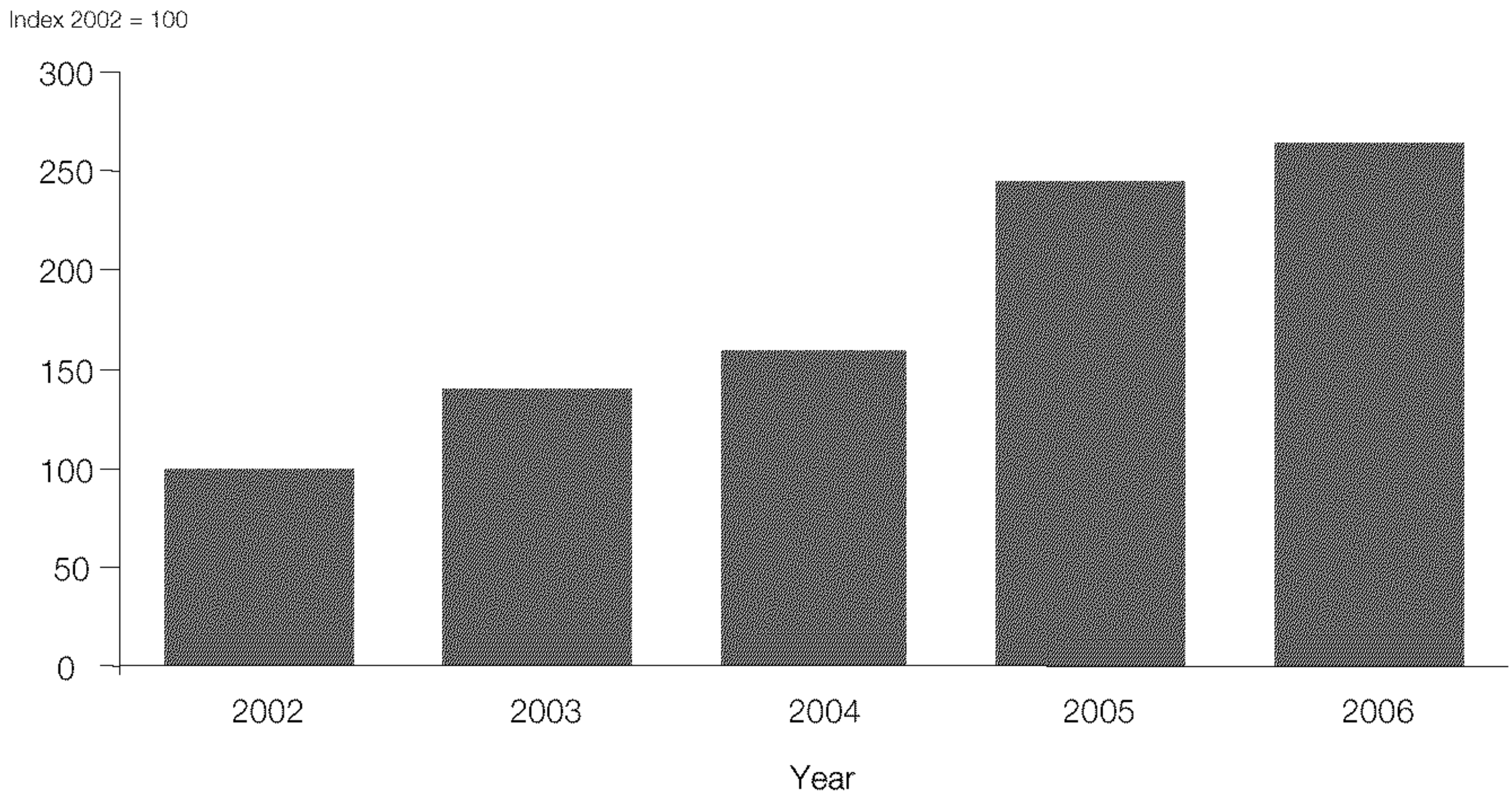


Retail business

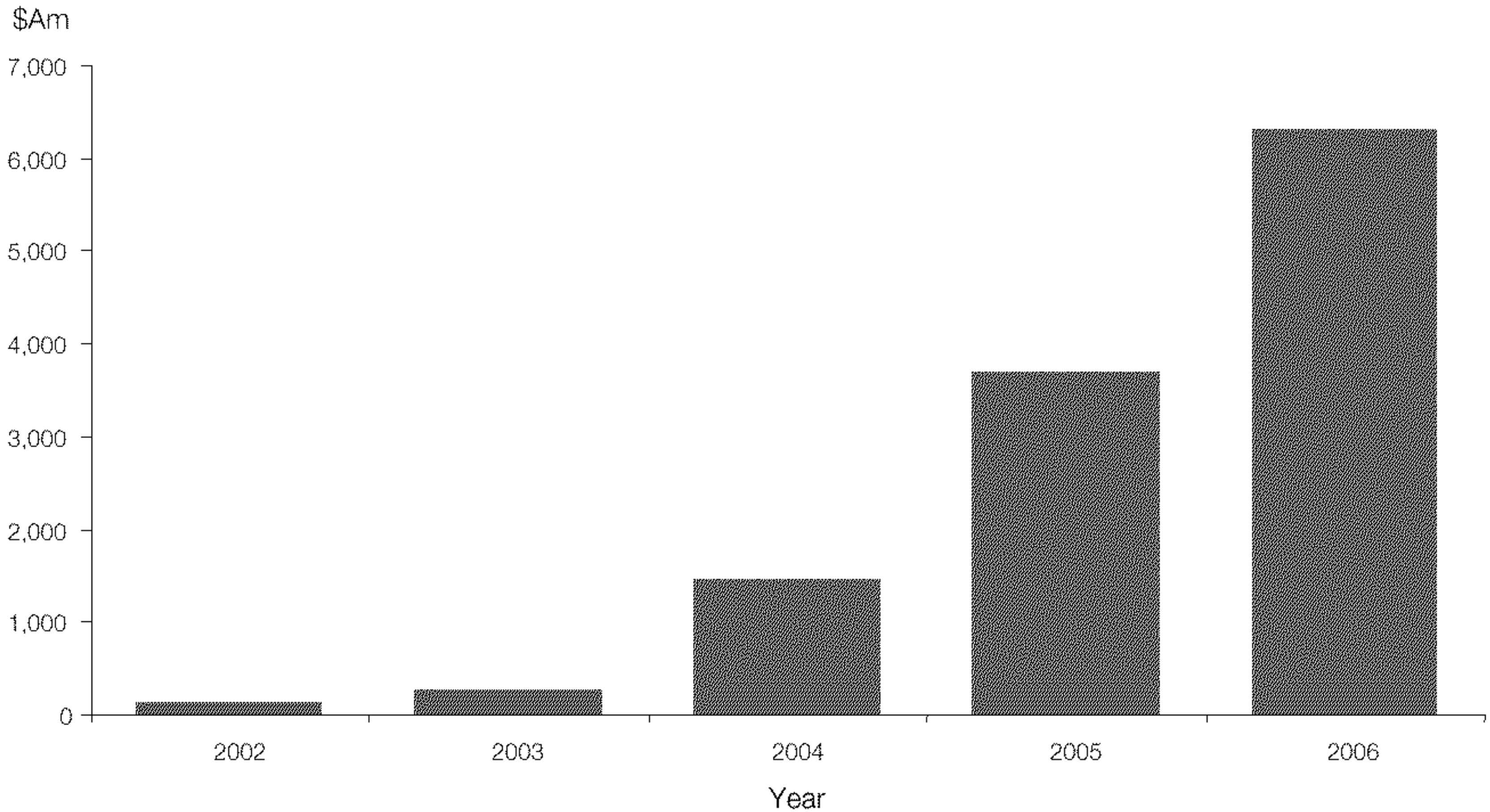
- Financial Products' retail business involves the creation and distribution of products for retail clients, including:
  - Infrastructure Bonds
  - Macquarie Fusion Funds
  - Macquarie Forestry Investment
  - The Macquarie Almonds Investment
  - Macquarie International Infrastructure Securities Fund
  - Macquarie Fortress Notes

Retail business – growth revenues

Retail/Funds



Assets under management



Note: Includes assets managed by associates of Macquarie as at 31 March each year

Case study – Four Corners/Fortress

- Four Corners is a Los Angeles-based loan manager with 25 staff
- Macquarie owns 2/3 of Four Corners
- Originally acquired as a Collateralised Loan Obligation (CLO) manager
- Now has approximately $A4.4b under management
- A number of retail products have been originated from Four Corners managed funds:
  - FCT AMEX-listed closed-end fund
  - FCM NYSE-listed closed-end fund
  - Australian Fortress Fund
  - Australian listed Fortress Notes
  - Fortress New Zealand

Case study – Four Corners/Fortress

Following the "Four Corners Model"

Sourcing assets to create retail products

- Macquarie's listed infrastructure securities team (total $A1.3b)
  - MGU NYSE-listed closed-end fund
  - MFD NYSE-listed closed-end fund
  - Macquarie International Infrastructure Securities Fund
  - Colonial First State Infrastructure Fund (sub-advisor)
  - Proposed Taiwan Infrastructure Securities Fund (sub-advisor)
- Globalis Investments
  - 50/50 Joint venture between Macquarie and Boston-based OneWorld Investments
  - OneWorld has 7 year track record as Emerging Markets manager
- Sass-Macquarie Joint Venture
  - New joint venture with MD Sass
  - Seeking to seed and incubate 15-20 fund managers
  - MD Sass has 30+ years experience as fund manager incubator

Global expansion of retail products

North America

Closed-end infrastructure securities funds x2

Closed-end senior secured loan funds x2

Europe

German closed-end funds x2

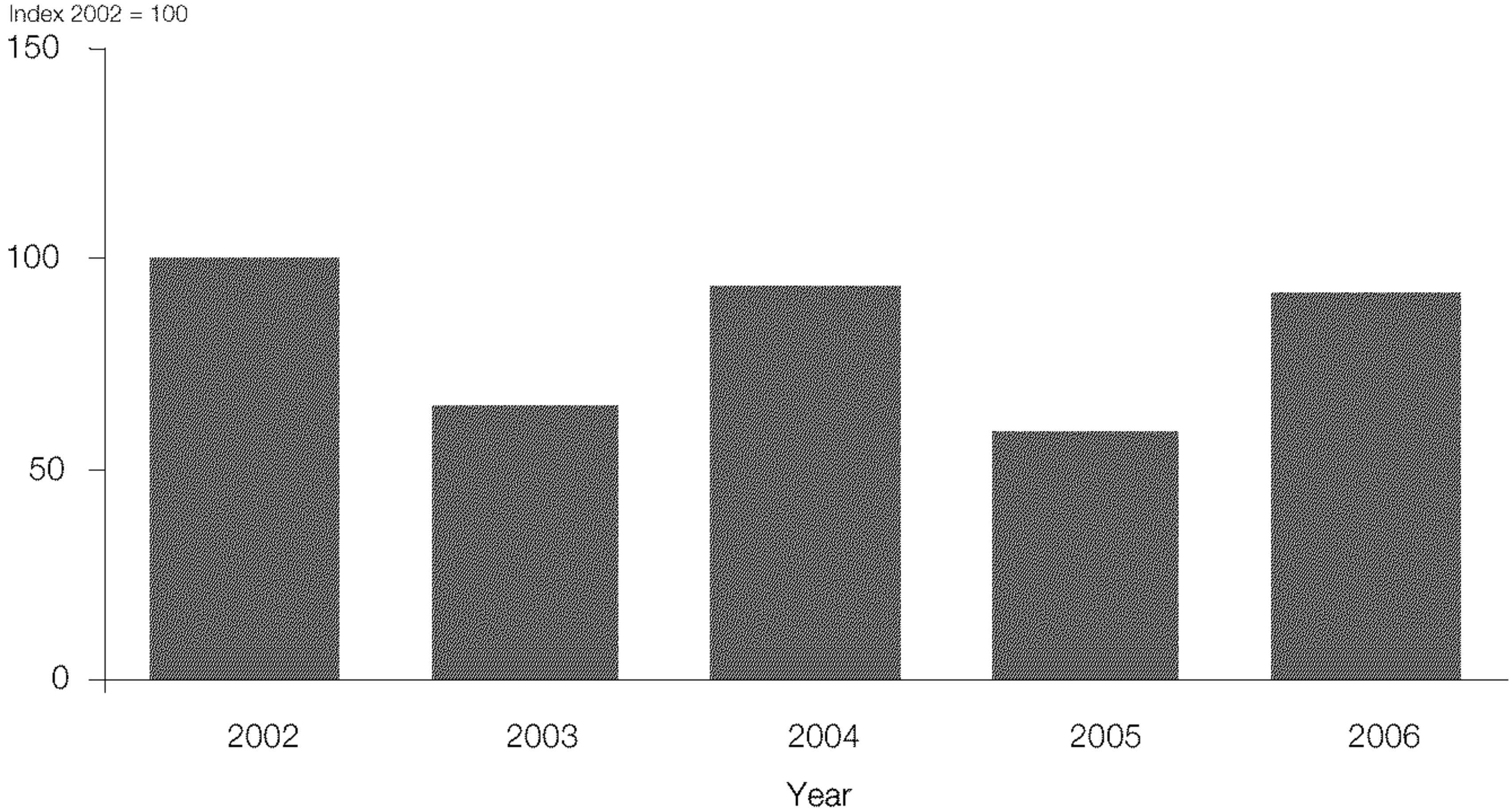
Swiss "Escalator" product x5

Asia

Proposed listed infrastructure securities fund in Taiwan

Wholesale business – revenues

Leasing and Wholesale Financial Products



Note: For the 12 month period to 31 March each year

Wholesale business

Cross-Border Leasing

- Revenues have decreased over past 4-5 years
- US cross-border market closure saw significant loss of revenue
- Opportunities continue in Japanese and UK leasing

International Wholesale Financing Products

- Principally a bank-to-bank product market
- Counterparties are typically US or European banks
- Strict risk management including extensive legal, tax (generally Revenue Authorities signoff), credit and accounting reviews
- Business generates recurring income which are continuing to grow

Operational Briefing

Investment Banking Group
Financial Products

Michael Price
Head, Financial Products

Operational Briefing

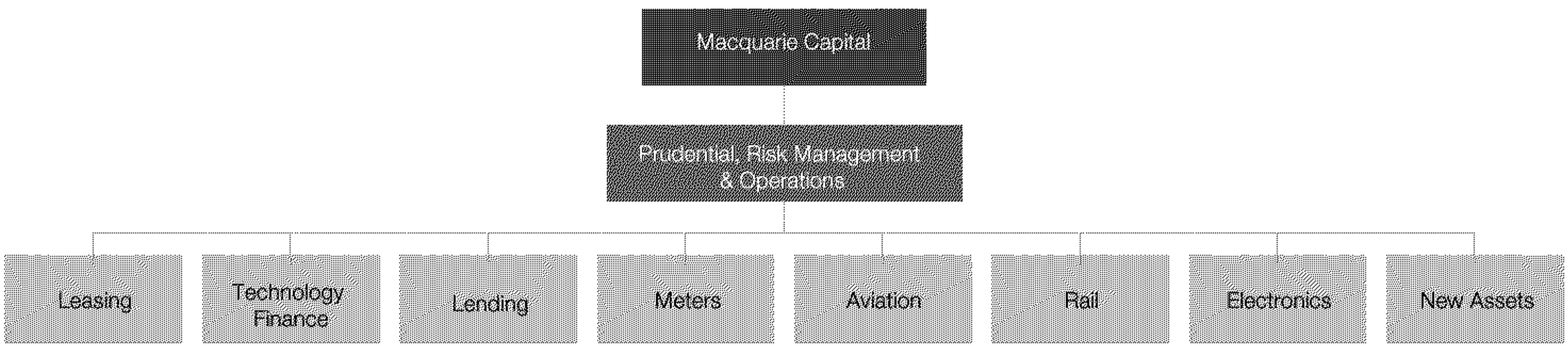
Investment Banking Group
Macquarie Capital

Garry Farrell
Head, Macquarie Capital

Our business and structure

- We use the MBL balance sheet to
  - acquire loans that meet our return requirements in the wholesale market
  - acquire, manage & realise tangible assets
- We use our expertise to deliver value to clients including asset management and risk transfer

Our Structure



Macquarie Capital strategy

- We look for
  - Industries with large capital expenditure
  - Clients seeking a risk transfer product
  - Immaturities/imperfections in the market
  - Changes in accounting frameworks
  - Material barriers to entry
  - A cost advantage (eg superior capital structure, discount on asset, efficient systems & processes)

Strong investment in staff

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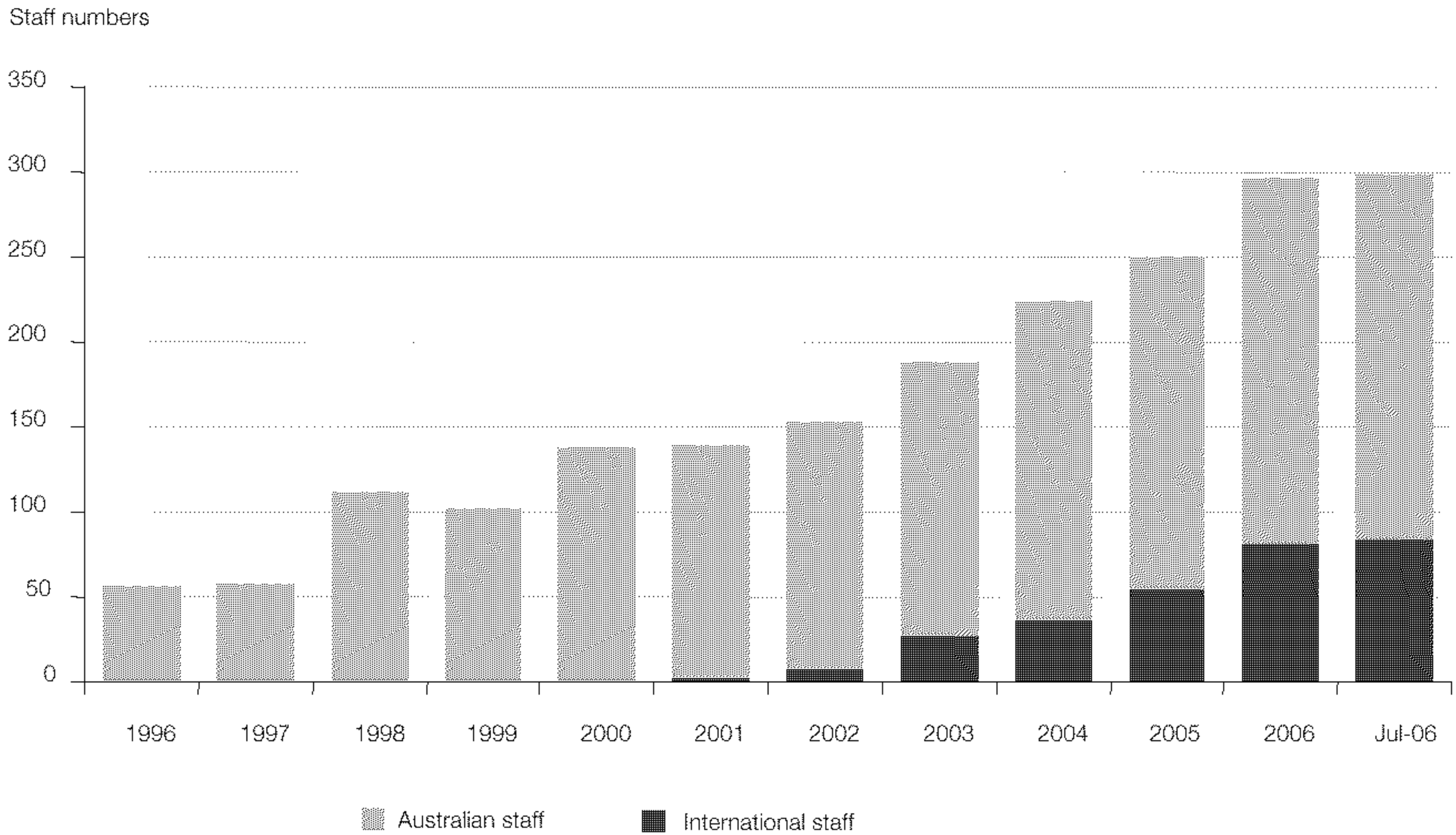
Staff numbers up to 293, with strong growth in international staff

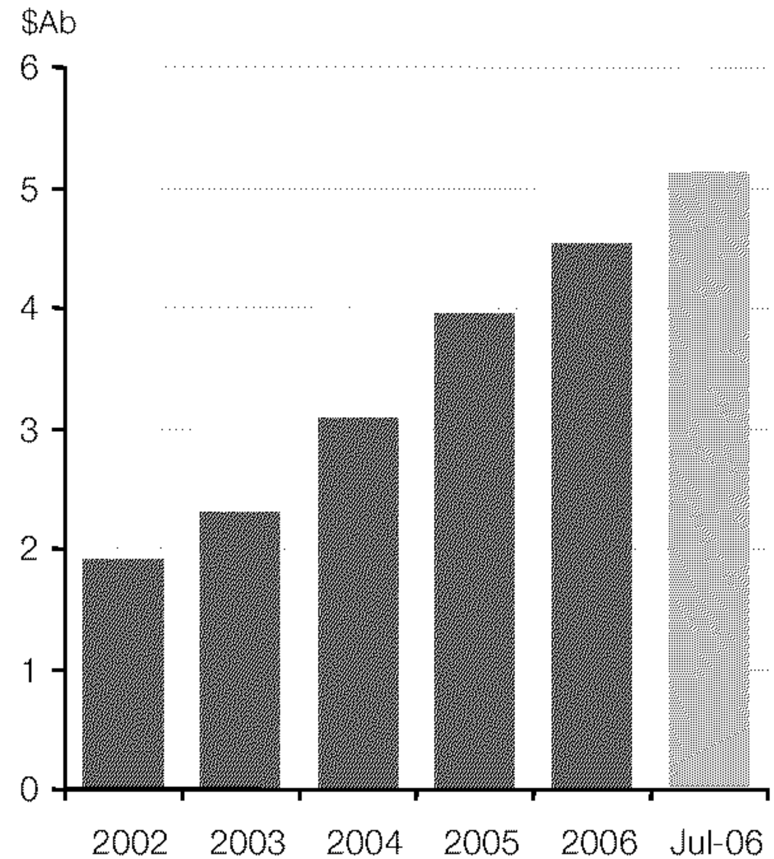


Lending and lease receivables

Strong growth year on year continues

- Electronics continues to track to above initial business plan
- Aviation leasing portfolio has more than doubled since March 2006 from a very low base
- Meters up 22% year to date and new facilities recently established from a very low base
- Technology Finance continues to win market share albeit smaller unit prices make maintaining book size difficult
- Motor Vehicle Leasing origination levels continue to increase, with portfolio up 4% year to date despite falling unit prices

Total receivables



International growth

Australia and New Zealand

- Portfolio continues to grow with significant market share gained

North America

- Lending remains strong
- A number of Rail transactions executed in this region (albeit very small value)

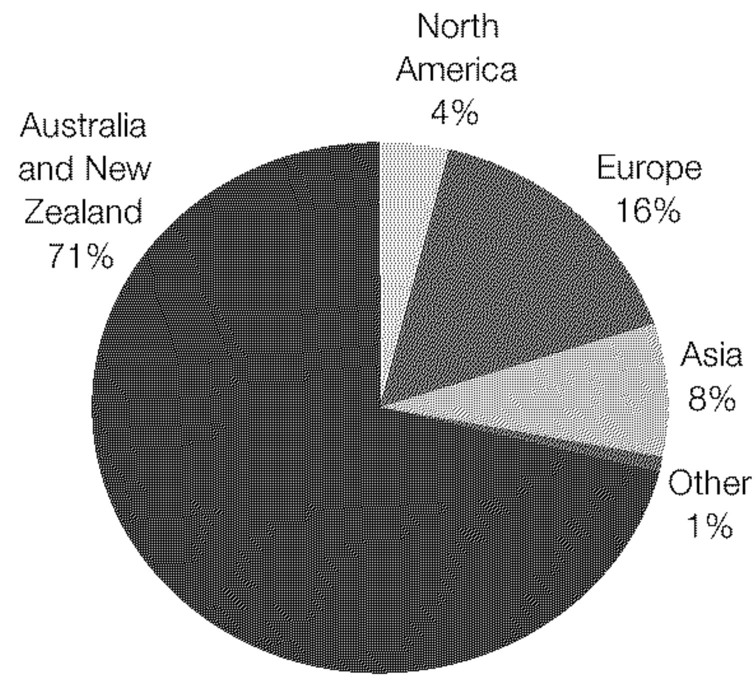
Europe

- Both Meters and Lending businesses are growing strongly, with key relationships established in Technology Finance

Asia

- Growth in the Aviation, Technology and Electronics businesses

Receivables by region



Sydney based risk management and prudential teams involved in all transactions

Growth strategies

- Take existing products and expertise to new markets
- Provide innovative product offerings in existing markets
- Continue to develop relationships with strategic partners
- Expand into adjacent asset classes

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Macquarie Capital

Garry Farrell
Head, Macquarie Capital

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Investment Banking Group

14 September 2006

Glossary

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$A/AUD	Australian dollar
AED	United Arab Emirates Dirham
AIIF	African Infrastructure Investment Fund
AGSM	Australian Graduate School of Management
ASX	Australian Stock Exchange
AUD	Australian dollar
BAA	British Airports Association
CAGR	Compound Annual Growth Rate
CF	Corporate Finance
DUET	Diversified Utility and Energy Trusts
ECM	Equity Capital Markets
EBITDA	Earnings Before Income Tax, Depreciation and Amortisation
ED	Executive Director
EMG	Equity Markets Group
ETO	Exchange Traded Option
EV	Enterprise Value
FIG	Financial Institutions Group
FY	Full Year
GDR	Global Depository Receipt
GSKF	Global Star Korea Fund
HCF	Helmsman Capital Fund
HY	Half Year
IB	Investment Banking

Glossary

IBF	Investment Banking Funds
IBG	Investment Banking Group
IPO	Initial Public Offering
JV	Joint Venture
KRW	Korean Won
M&A	Mergers and Acquisitions
MAG	Macquarie Airports Group
MAP	Macquarie Airports
MBL	Macquarie Bank Limited
MCAG	Macquarie Capital Alliance Group
MCG/MCIG	Macquarie Communications Infrastructure Group
MDI	Macquarie Direct Investments
MEAP	Macquarie Essential Asset s Partnership
MEIF	Macquarie European Infrastructure Fund
MEIF II	Macquarie European Infrastructure Fund II
MFD	Macquarie/First Trust Global Infrastructure/Utilities Dividend & Income Fund
MGIF	Macquarie Global Infrastructure Fund
MGU	Macquarie Global Infrastructure Total Return Fund
MIC	Macquarie Infrastructure Company Trust
MIG	Macquarie Infrastructure Group
MIP	Macquarie Infrastructure Partners
MIIF	Macquarie International Infrastructure Fund

Glossary

MKIF	Macquarie Korea Infrastructure Fund
MKOF	Macquarie Korea Opportunities Fund
MMG	Macquarie Media Group
NZ	New Zealand
OTC	Over the Counter
pa	Per annum
pcp	prior corresponding period
PDS	Product Disclosure Statement
PFI	Private Finance Initiative
PPP	Public Private Partnership
SAIIF	South African Infrastructure Investment Fund
S&P	Standard and Poor's
T&C	Treasury & Commodities Group
TMET	Telecommunications, Media, Entertainment & Technology
UK	United Kingdom
US/USA	United States of America
$US	US Dollar
ZIF	ZonesCorp Infrastructure Fund