



MACQUARIE



# Macquarie Group Environmental Finance

*Gas Star – San Antonio*

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## The Macquarie Group is a diversified international provider of banking, financial, advisory and investment services.

- The Macquarie Group is a non-operating holding company with banking and non-banking subsidiaries and has operations in all major financial centres.
- Macquarie is listed on the Australian Securities Exchange under the ticker ASX:MQG with a market capitalization of ~ \$A14.9 billion.
- The Group currently has total assets of ~ \$A232 billion\* under management.
- Macquarie has more than 60 offices in 25 countries with over 13,500 employees and approximately 57% of its total operating income is derived from the international markets outside Australia.

Entities	Short-term ratings (S&P/Moody's/ Fitch)	Long-term ratings (S&P/Moody's/ Fitch)
<b>Macquarie Group Limited</b>	A2/P1/F1	A-/A2/A
<b>Macquarie Bank Limited</b>	A1/P1/F1	A/A1/A+



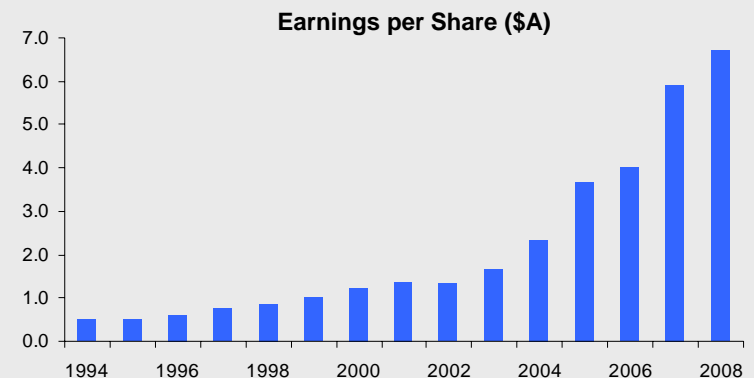
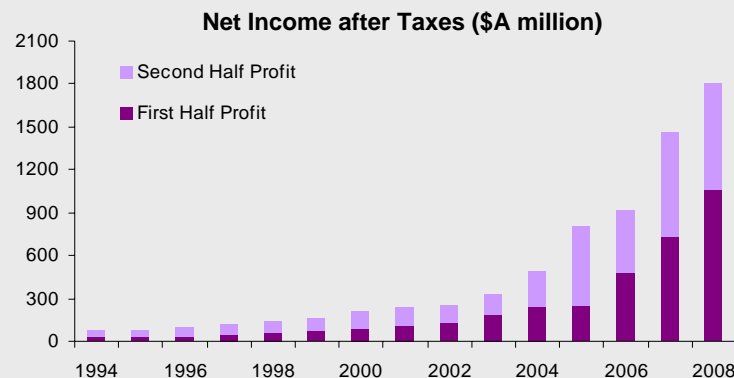
# Recent Financial Performance

**Macquarie reported its 16th consecutive year of record profit this year despite the increasingly challenging market conditions.**

- Increase in total operating income by 15 per cent to \$A8,248 million from \$A7,181 million.
- Consolidated profit after-tax attributable to ordinary equity holders increased 23 per cent to \$A1,803 million from \$A1,463 million.
- International income increased by 14 per cent to \$A4,293 million—accounting for almost 57 per cent of total operating income.
- Total assets under management increased 18 per cent to \$A232 billion.
- Earnings per share increased 13 per cent to \$A6.71 from \$A5.92.

## Macquarie's Continuous Profit Growth

(As of Mar 31, 2008)



## EUROPE

**UK**  
 Airwave  
 Arqiva/NGW  
 Bristol Airport  
 East London Bus Group  
 M6 Toll  
 MEIF Renewables\*\*  
 Moto (motorway services)  
 National Car Parks  
 Red Bee Media  
 Thames Water  
 Wales & West Utilities  
 Wightlink Ferries

**Isle of Man**  
 Steam Packet (ferry services)

**Belgium**  
 Brussels Airport

**Spain**  
 Itevelesa (vehicle inspection)

**France**  
 Autoroutes Paris-Rhin-Rhône  
 Trois Sources & Lomont windfarms

**Germany**  
 GWE\* (heat and power)  
 TanQuid (tank storage business)  
 Techem (utilities allocation)  
 Warnow Tunnel

**Denmark**  
 Copenhagen Airport

**Portugal**  
 Tagus Crossings

**The Netherlands**  
 European Directories\*\*  
 NRE\* (gas/electricity distribution)  
 Obragas Net (gas distribution)

**Poland**  
 Deep Sea Container Terminal

**Sweden**  
 Arlanda Express

## NORTH AMERICA

**Canada**  
 407 ETR  
 A-25  
 AltaLink  
 Cardinal Power  
 Chapais (biomass facility)  
 Edmonton Ring Road  
 Erie Shores Wind Farm  
 Fraser Surrey Docks  
 Halterm Limited (Port)  
 Hydro Power Business  
 Leisureworld  
 New World Gaming  
 Sea To Sky  
 Whitecourt (biomass facility)

**USA**  
 AIR-serv (tyre inflation)  
 American Consolidated Media  
 Aquarion Water  
 Atlantic Aviation (fixed base operations)  
 District Energy (heating/cooling)  
 Dulles Greenway  
 Duquesne Light  
 FastTrack Parking  
 Global Tower Partners  
 Hanjin Container Terminals\*\*  
 Icon Parking

Indiana Toll Road  
 International-Matex Tank Terminals  
 Longview  
 Penn Terminals\*  
 Puget Energy\*  
 Skyway  
 Smarte Carte  
 South Bay Expressway  
 The Gas Company  
 Waste Industries\*

## ASIA

**South Korea**  
 Baekyang Tunnel  
 Busan New Port Container Terminal  
 C&M (cable TV)  
 Cheonan Nonsan Expressway  
 Daegu East Circular Road  
 Incheon Expressway  
 Incheon Grand Bridge  
 Kwangju 2nd Beltway, Section 1  
 Kwangju 2nd Beltway, Section 3-1  
 Machang Bridge  
 SK E&S (gas distribution)  
 Seosuwon-Osan-Pyungtaek Expressway  
 Seoul Chuncheon Expressway  
 Seoul Subway #9  
 Soojungsan Tunnel  
 West Sea Power/West Sea Water  
 Woomyunsan Tunnel  
 Yongin Seoul Expressway

**Japan**  
 Ibukiyama Driveway  
 Japan Airport Terminal  
 Toyo Tires Turnpike

**China/Taiwan**  
 Changshu Xinghua Port  
 Hua Nan Expressway  
 InfraVest Wind Power  
 Taiwan Broadband Communications



## AFRICA AND MIDDLE EAST

**South Africa**  
 Bakwena Platinum Corridor  
 N3 Toll  
 N4 Maputo Toll  
 Neotel  
 Kelvin Power

**Tanzania**  
 Kilimanjaro Airport

**United Arab Emirates**  
 Al Ain Industrial City  
 ICAD Effluent Treatment Plant  
 Industrial City of Abu Dhabi (Phase 2)  
 Industrial City of Abu Dhabi (Phase 3)

## AUSTRALIA AND NEW ZEALAND

**Australia**  
 AlintaGas Networks  
 Broadcast Australia  
 Dampier-Bunbury (gas distribution)  
 EastLink  
 Hobart Airport  
 Macquarie Southern Cross  
 Multinet  
 Retirement Villages Group NSW  
 Retirement Villages Group Victoria

Regis Group  
 Sydney Airport  
 Transtoll  
 United Energy Distribution  
 Westlink M7  
 Zig Inge

**New Zealand**  
 Metlifecare  
 PrivateLifeCare  
 Retirement Care NZ

As at 31 March 2008 - the assets listed are managed on behalf of investors with various direct % stakes held in each

\* Subject to financing and customary closing arrangements

\*\* MEIF Renewables also located in France and Sweden, European Directories also located in Austria, Czech Republic, Denmark, Finland, France, Slovakia and Sweden. Hanjin Container Terminals also located in Japan, Korea and Taiwan



## Ability to target GHG mitigation opportunities within our own portfolio:



### Airports

+78 million passengers per annum



### Roads

+2.3 million cars per day



### Rail

+2.7 million passengers per annum



### Ferries

+6.1 million passengers per annum



### Buses

+290 million passengers per annum



### Sea Ports

+4.2 million standard container units handled per annum



### Car Parks

+390,000 car spaces



### Broadcast Communications

+90 million people through television, telephone and radio infrastructure & newspaper services



### Gas<sup>1</sup>

+17.1 million households



### Water<sup>1</sup>

+7.3 million households



### Electricity

+3.1 million households



### Aged Care/Retirement Villages

+11,700 beds +8,100 units



### Directories

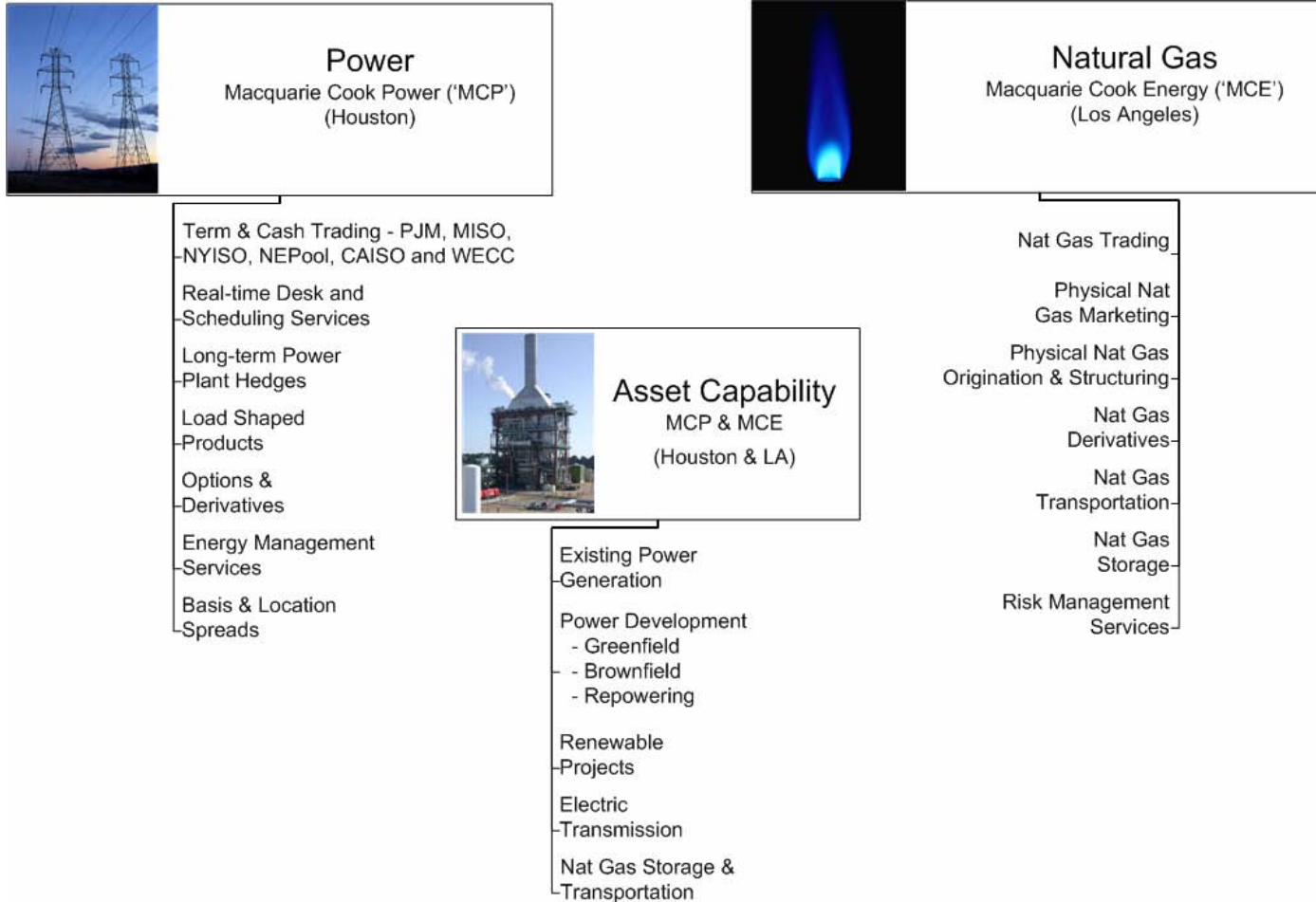
+35 million 'yellow pages' distributed



### Employees

+77,000 across the businesses

1. Includes sub-metering services  
As at 31 March 2008





# Environmental Financial Products (EFP)



**Macquarie's Environmental Financial Products (EFP) team is part of the Treasury & Commodities Group and is responsible for emissions-related transactions.**

- A team of specialists in all aspects of emissions trading, including derivatives, legal, financial modelling and capital raising.
- Where our team does not have direct experience (e.g. engineering), our approach is to utilise specialist local developers who have in-depth relationships in the local market and have a track record of successfully delivering projects.
- Combined with our team's international experience, we support specialists in each field can work together to successfully implement projects.



# Carbon Finance: Capturing the Opportunity and Weathering the Financial Storm

- Carbon finance can make marginal activities possible
  - Demand is for “pre-compliance” rather than voluntary
- Do your homework – incorrect information can be costly
- Know your counter-party – commitments are long-term
- Limit transaction costs – All parties should provide value
- Focus on your core business - carbon finance can provide marginal business
- Avoid speculation – the carbon market is volatile





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