

**EXHIBIT NO. ___(CJL-9)
DOCKET NO. UE-072375
2007 MERGER PROCEEDING
WITNESS: CHRISTOPHER J. LESLIE**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Joint Application of
PUGET HOLDINGS LLC
And
PUGET SOUND ENERGY, INC.
For an Order Authorizing Proposed Transaction**

Docket No. U-072375

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
CHRISTOPHER J. LESLIE
ON BEHALF OF PUGET HOLDINGS LLC**

JULY 2, 2008



Macquarie Group Limited

Result Announcement for
year ended 31 March 2008

Presentation to Investors and Analysts

20 May 2008



Allan Moss, Managing Director & Chief Executive Officer
Nicholas Moore, Managing Director and Chief Executive Officer designate
Greg Ward, Chief Financial Officer



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 Group Limited (Macquarie).



AGENDA

1. Introduction – Richard Sheppard
2. Highlights of result – Allan Moss
3. Result analysis – Greg Ward
4. Operational review and Outlook – Nicholas Moore
5. Appendix I – Funding analysis
6. Appendix II – Key facts on specialist funds
7. Appendix III – Specialist funds case study
8. Glossary

Unless otherwise specified all information is for the year ended 31 March 2008 and increases are on the prior corresponding year.



2. HIGHLIGHTS OF RESULT

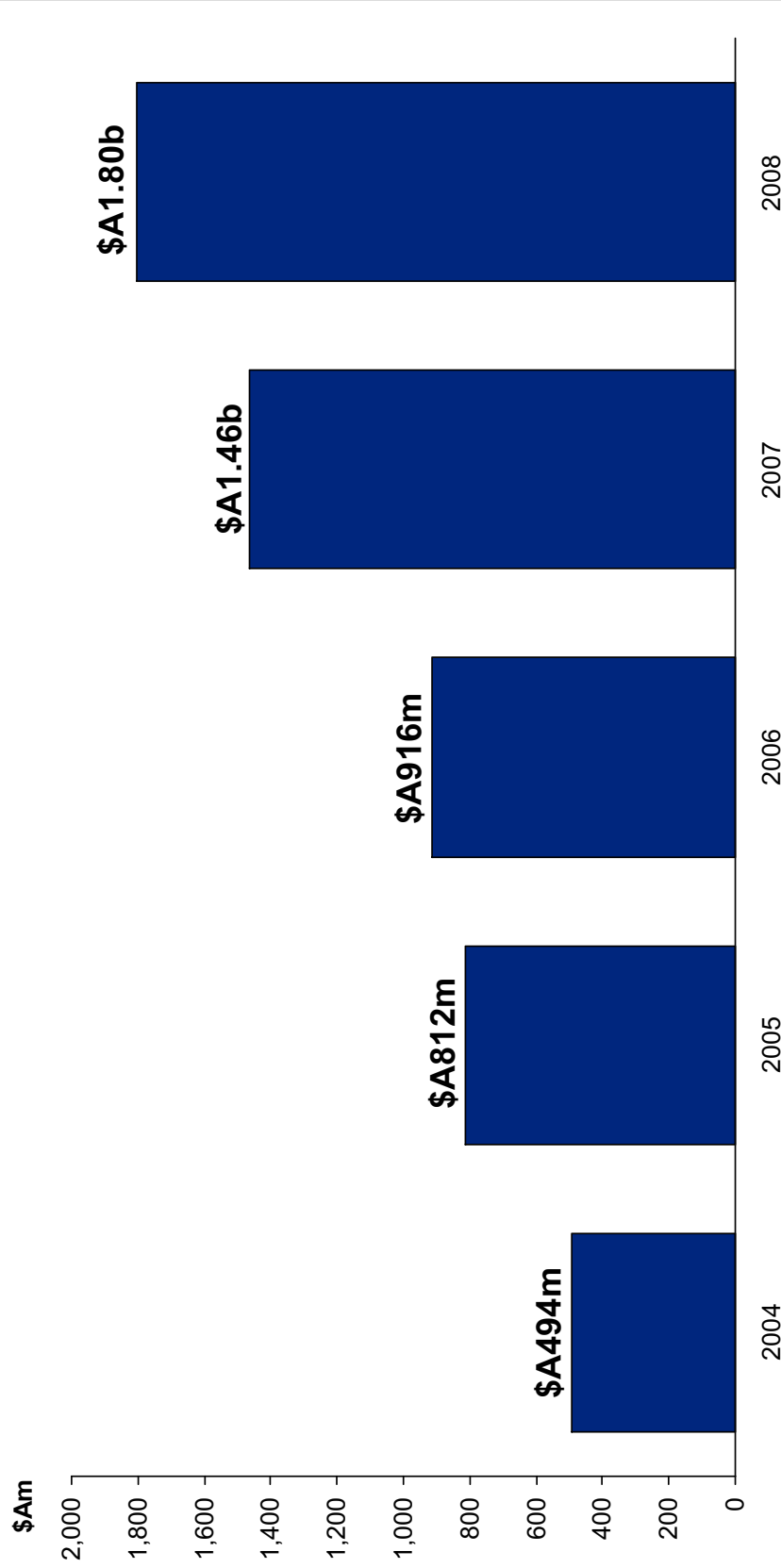
Allan Moss – Managing Director
and Chief Executive Officer

Macquarie Group Limited

Result Announcement for year ended 31 March 2008
20 May 2008 – Presentation to Investors and Analysts



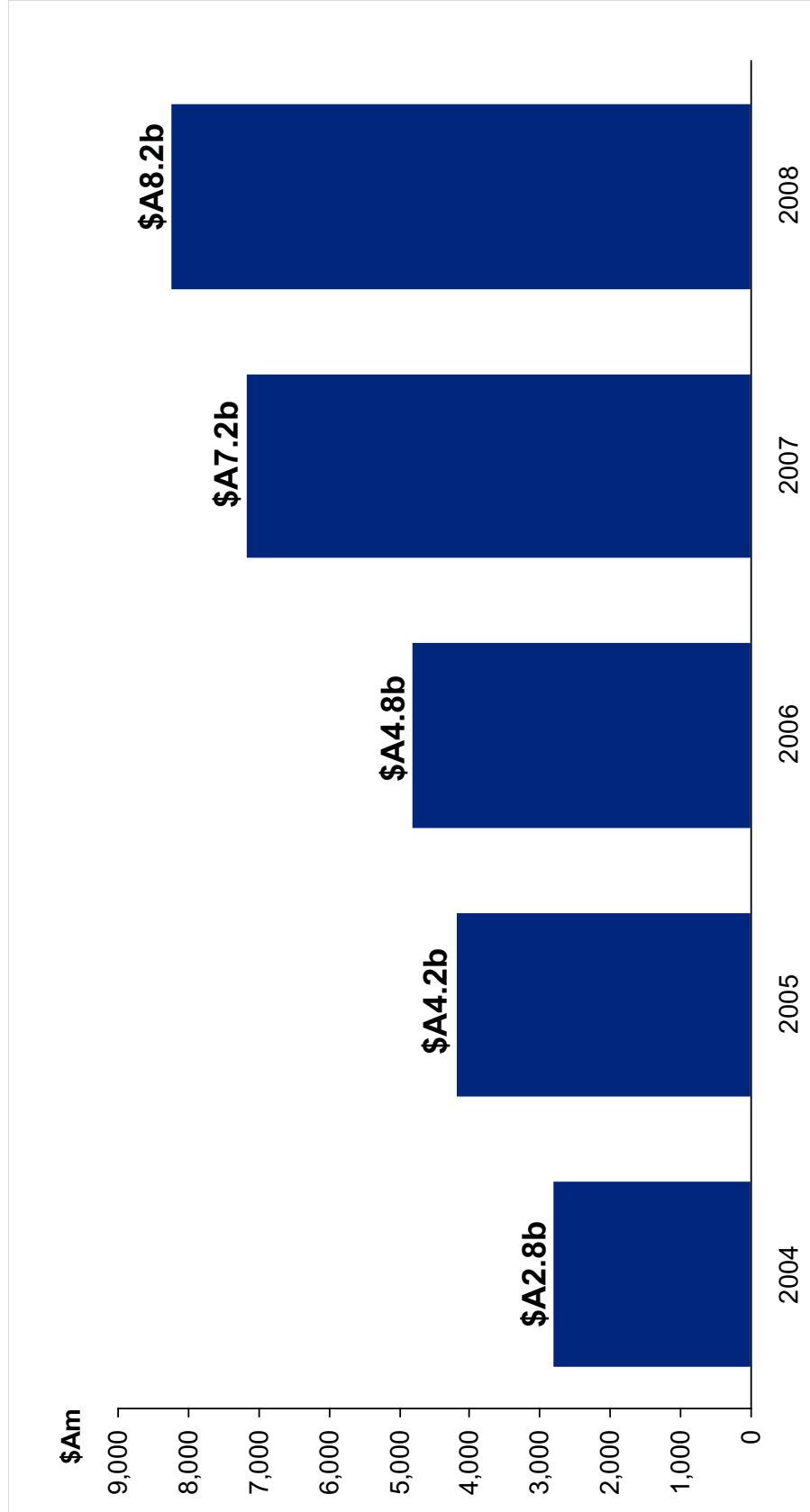
Profit of \$A1.8 billion
Consistent with guidance: 23% increase on prior year



Throughout this report, periods prior to the 2005 financial year are reported under previous AGAAP, unless otherwise stated.

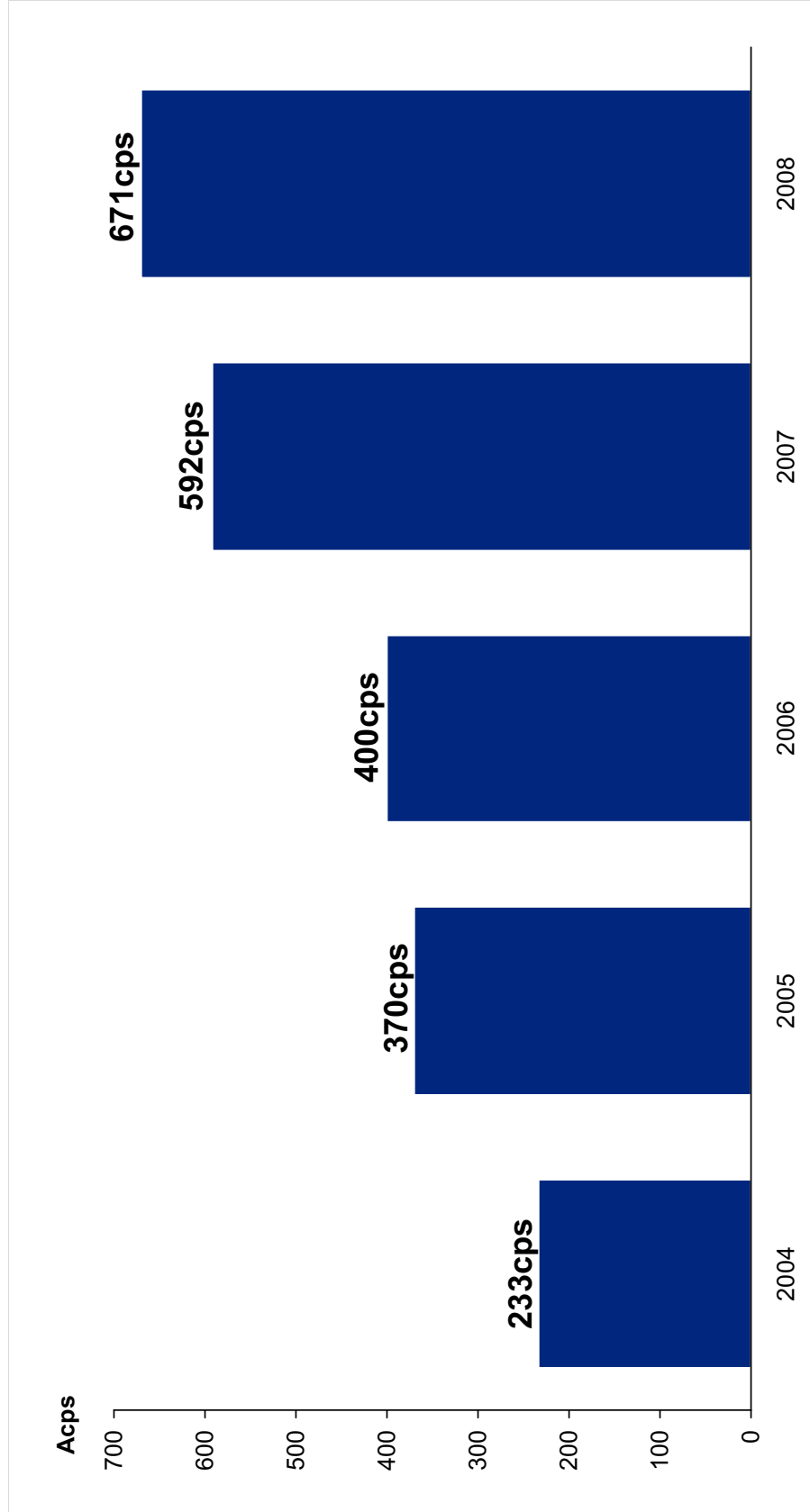


Operating Income of \$A8.2 billion
15% increase on prior year





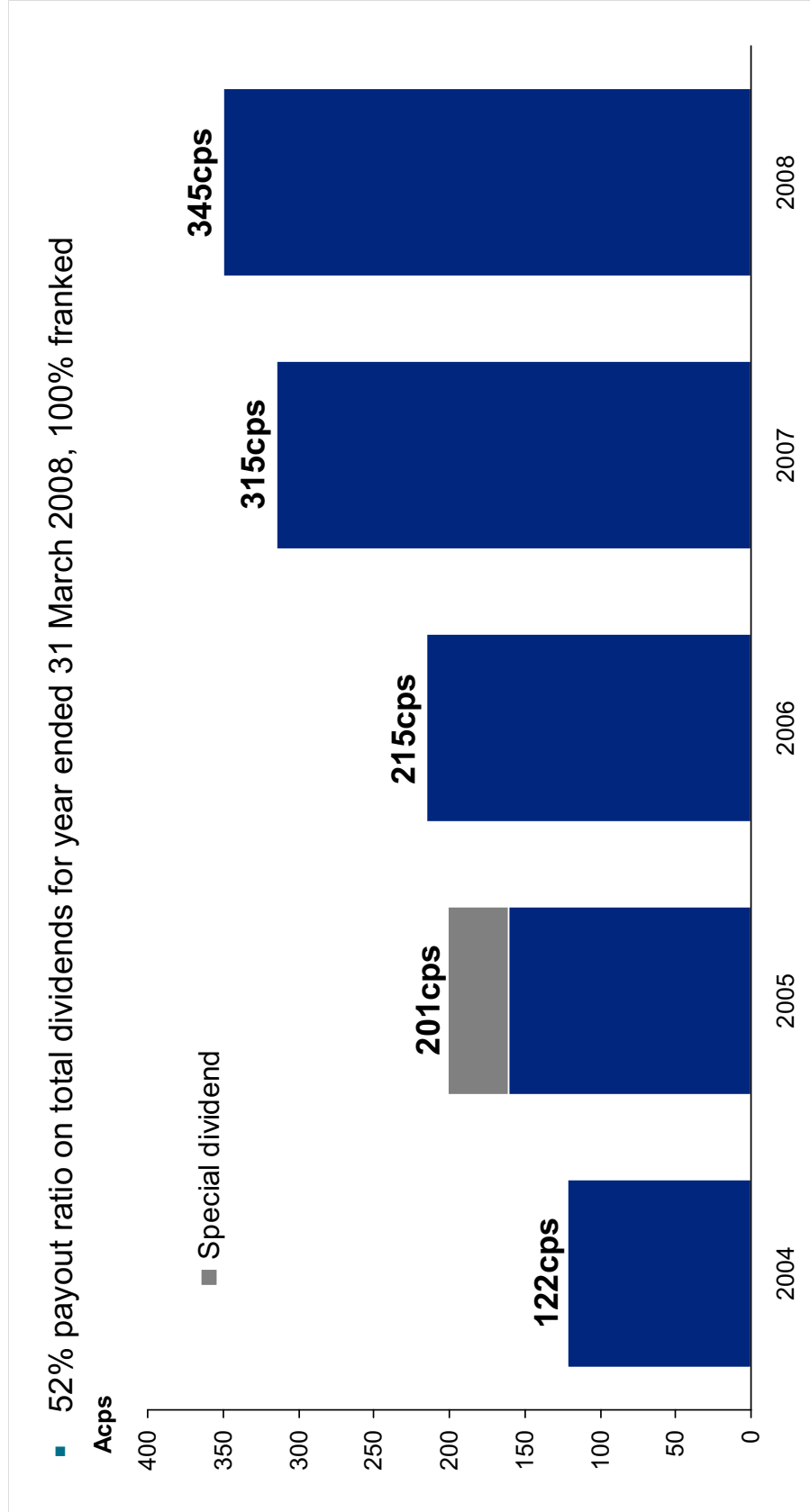
Earnings per share of \$A6.71
13% increase on prior year



Basic EPS.

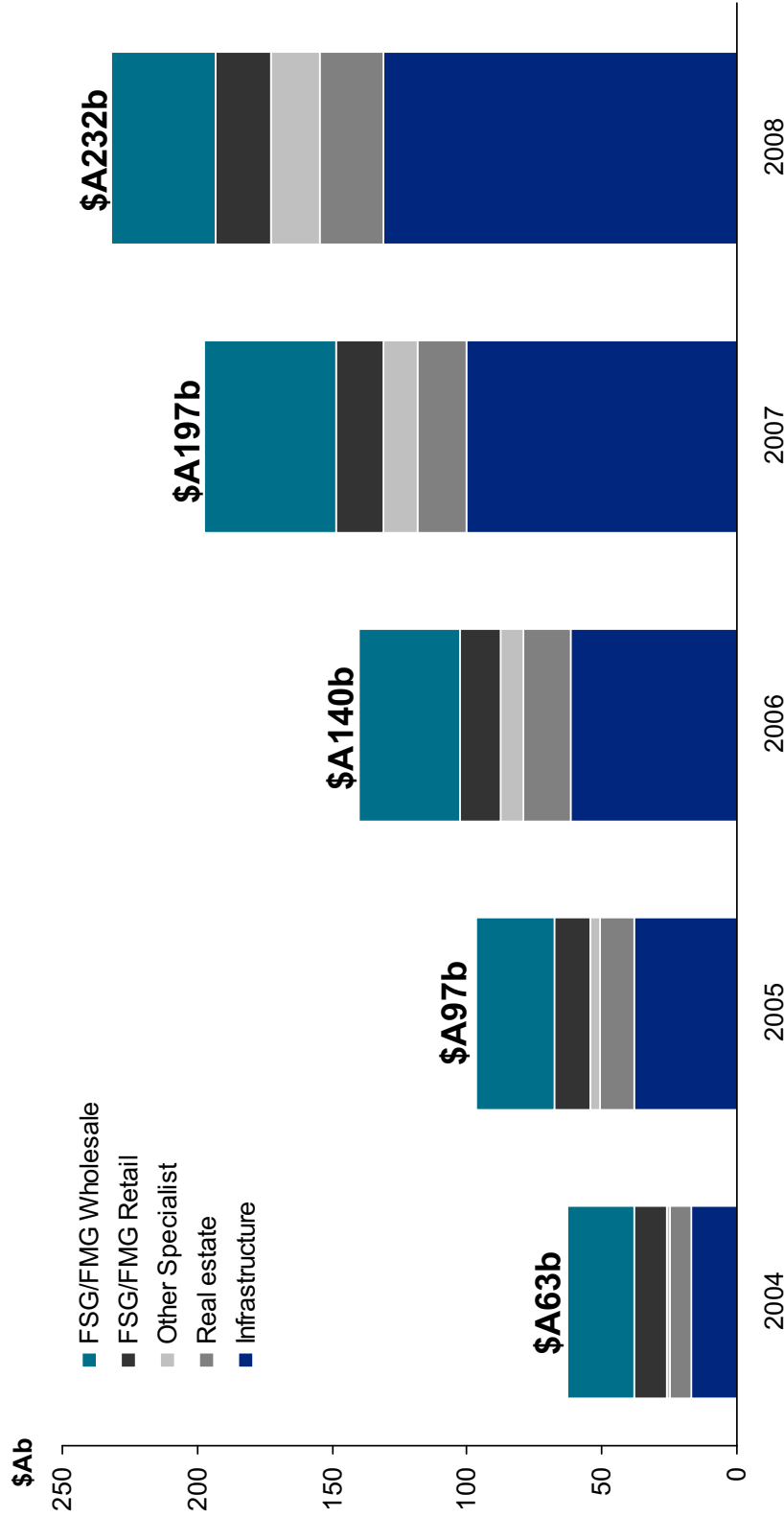


Dividend per share of \$A3.45
10% increase on prior year





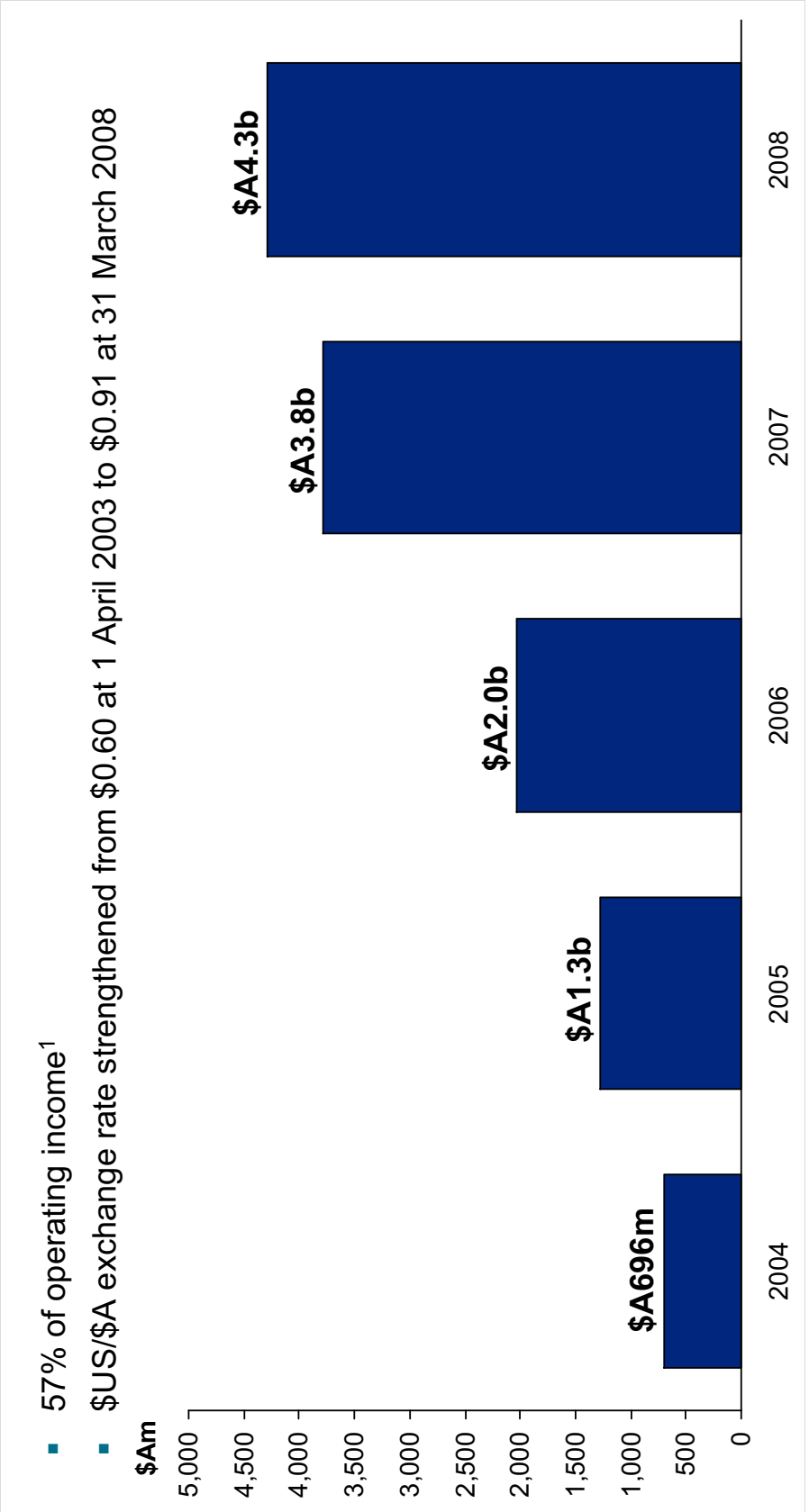
Assets under management of \$A232 billion 18% increase on prior year



Note: Sale of Macquarie-IMM Investment Management and Macquarie ProLogis Management during year to 31 March 2008 reduced AUM by over \$A6b



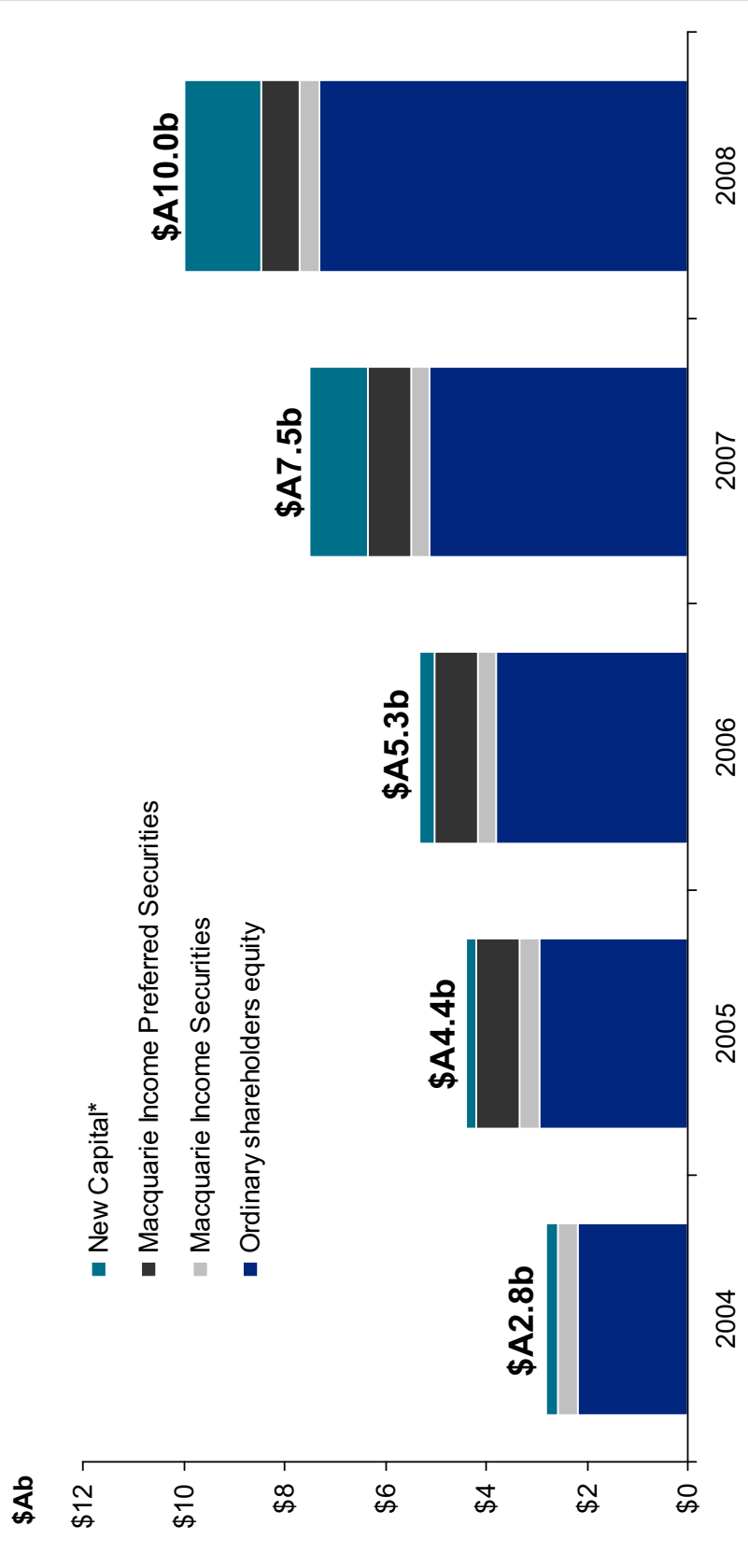
International income of \$A4.3 billion
 14% increase on prior year, Asia-Pacific up 71%



1. Excludes earnings on capital



Consistently grown capital ahead of business requirements to allow for future growth



Excludes other minority interests. * New capital refers to the relevant year only and includes capital placements, share purchase plan, DRP and options exercises



Very well positioned

- Macquarie remains
 - Very profitable
 - Well capitalised
 - Well funded
- No unusual trading exposures
- No unusual concerns with credit quality
- Reflects Macquarie's strong commitment to risk management
- Despite market conditions, global business platform has never been stronger



Macquarie Group Limited
Result Announcement for year ended 31 March 2008
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Key drivers of year



- Strong performance from equities related businesses in Asia, Australia and Europe, especially in 1H08
- Substantial investment banking deal flow – value of transactions \$A200b
- Record volumes in foreign exchange and commodity related businesses
- Record performance fees
- Assets under management up 18% on prior year to \$A232b
- Expanded capital base
- Asset realisations down
- Write-down of \$A293m on holdings in listed real estate investments – impact on NPAT approximately \$A90m
- Continued investment in staff (total now approximately 13,000, 40% international) and new businesses
- No significant trading or credit write-downs



Comments on the second half (6 months to 31 March 2008)

- In November 2007 we said:
 - “Expect 2H08 result to be at least in line with 2H07 result of \$A733m, but down on very strong first half because:
 - Equity market conditions may not be as favourable
 - 1H08 benefited from asset sales which we do not expect to be repeated due to lower level of Held For Sale assets
 - Seasonal factors in some businesses”
- During 2H08:
 - Market conditions were tougher than in 1H08, particularly debt markets but also equity markets
 - Asia-Pacific held up well, however Europe and especially the US impacted by credit market deterioration
 - Income from asset sales was significantly lower than strong 1H08
 - Write-downs of holdings in listed real estate investments
 - Increased funding costs led to wind back of mortgages business
 - NOHC restructure completed



Segment analysis

Net profit contribution by operating group

- Early adoption of new segment accounting standard: AASB8
- Segments presented in line with reporting to management: net profit by operating group¹

	2008 \$Am	2007 \$Am	Contribution (%)	Movement	Key drivers
Macquarie Capital	2,915	2,573	63%	13%	Strong growth in brokerage income in Asia; M&A deal flow strong; record performance fees; staff up 37%
Equity Markets	732	417	16%	76%	Benefited from strong equity market conditions, particularly in Asia in 1H08
Treasury & Commodities	645	635	14%	2%	Very good operating conditions for foreign exchange, energy and commodities markets; debt markets impacted by credit market disruption; oil & gas realisation in 2007
Financial Services	187	141	4%	33%	Increased brokerage income; growth in CMT
Banking & Securitisation	51	143	1%	(64%)	Mortgages impacted by increased funding costs; sale of childcare investment in 2007
Funds Management	177	59	4%	200%	Sale of investment in Macquarie-IMM
Real Estate	(81)	507	(2%)	(116%)	Write down on holdings in listed real estate investments; sale of investments in Goodman Group and UK office park assets in 2007
Total net profit	4,626	4,475		3%	
Corporate ²	(2,823)	(3,012)		(6%)	Increased capital resulted in higher earnings on capital, profit share expense broadly in line with prior year
Net profit after tax	1,803	1,463		23%	

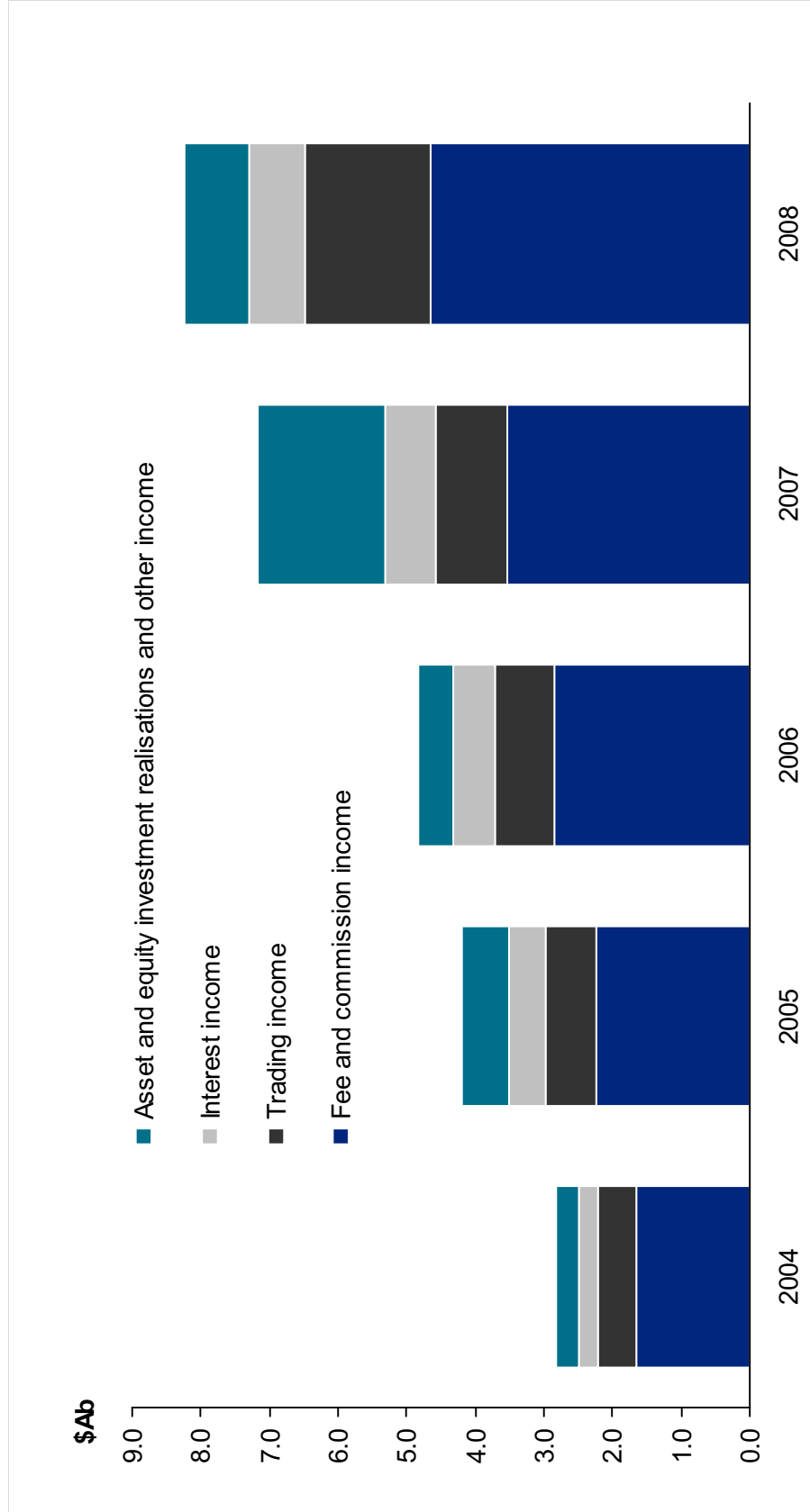
1. The net profit of an operating group includes income from external customers and transactions with other operating groups, direct operating costs (e.g. salaries & wages, occupancy costs and other direct operating costs), internal management charges, and excludes certain corporate costs not recharged to operating businesses. The amounts are before income tax.

2. Includes Group Treasury, Head Office and central support functions. Costs within Corporate include unallocated Head Office costs, employment related costs, earnings on capital, derivative volatility, income tax expense and amounts attributable to minority interests.



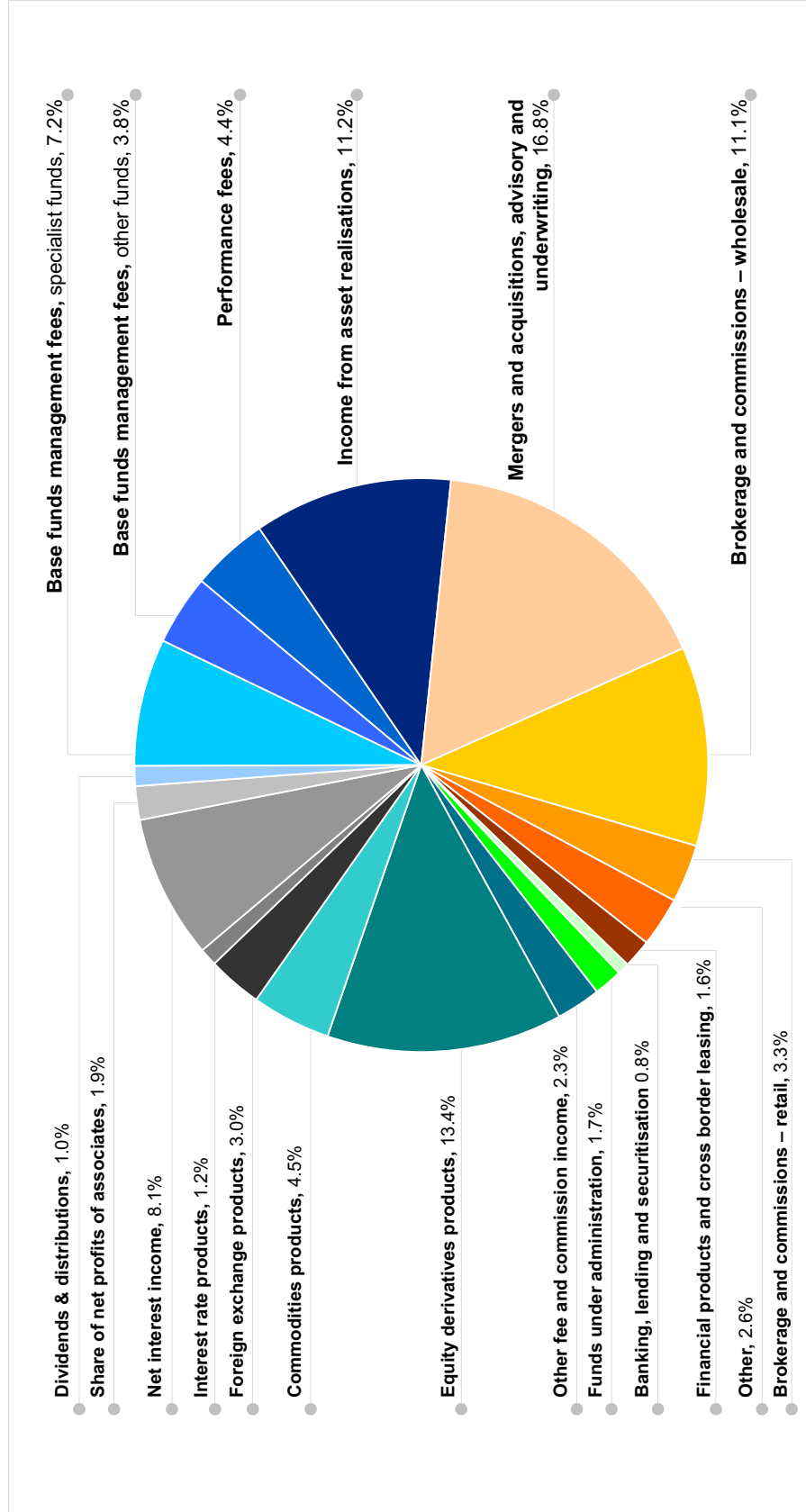
Operating income

15% increase on prior year to \$A8.2b



Diversity of operating income*

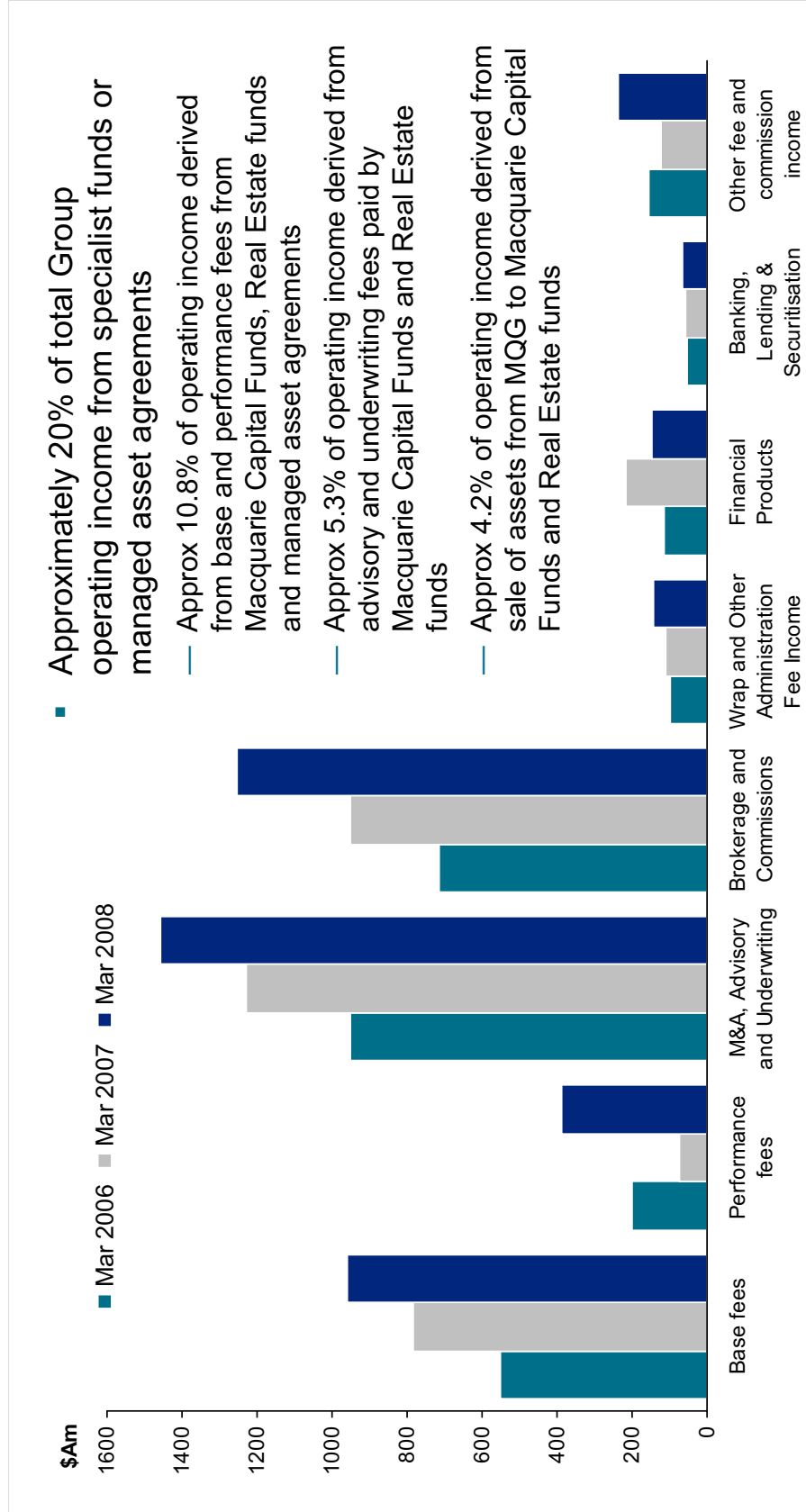


* Operating income for the year ended 31 March 2008. Excludes net impairment charges.



Fee and commission income

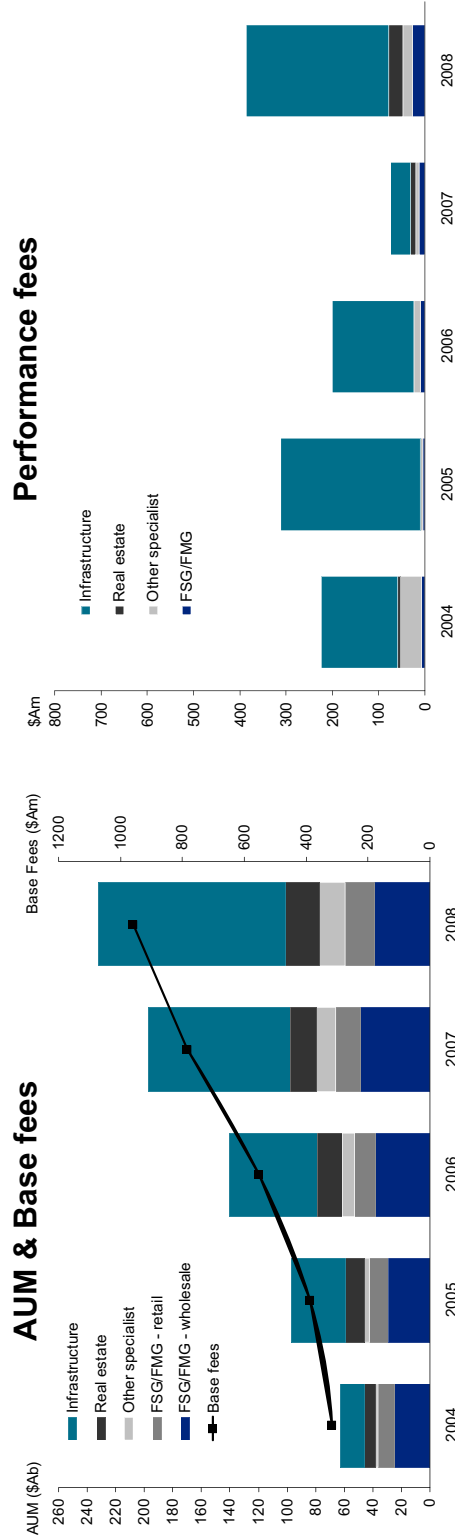
31% increase on prior year to \$A4.6b





Funds management income

AUM up 18% on prior year to \$A232b
Base Fees up 22% on prior year to \$A958m

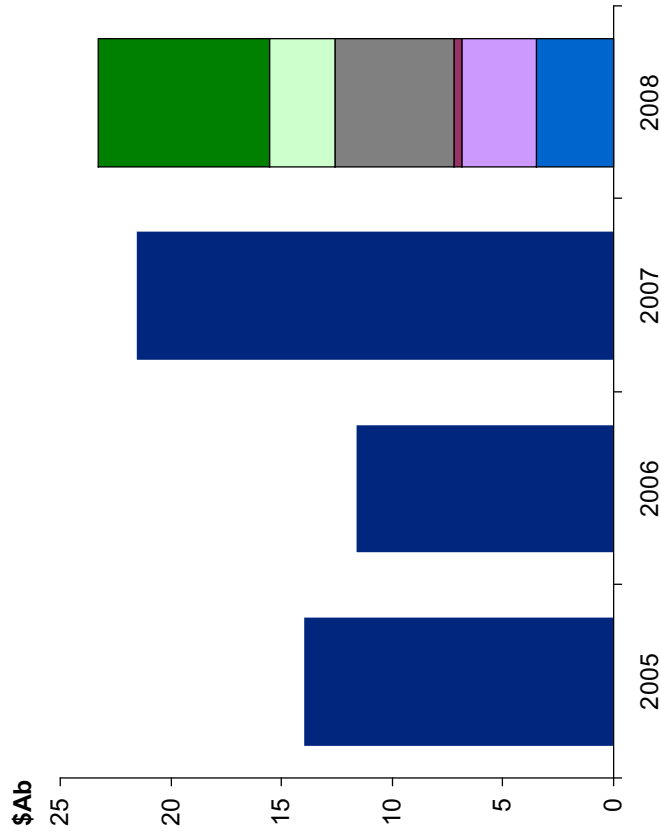


- Significant performance fees from MAG, MIC, DUET, MDIF
- New funds include MEIF III, MIP II, Retirement Villages Group, MGOP, ADCB-Macquarie Infrastructure Fund, Macquarie NPS REIT
- Growth offset by:
 - Macquarie-IMM sale (\$A5.4b of AUM) and MPR acquisition by ProLogis (\$A1.1b of AUM)
 - Lower FSG/FMG AUM due to decline in equity indices
 - Strengthening AUD reducing value of AUM denominated in foreign currencies
- Strong demand for unlisted international funds continues, significant capital raised from investors during the year



Record specialist fund raisings

- \$A22.4b raised over the 12 months to 31 March 2008
- 75% from international investors and 85% into unlisted funds or syndicates



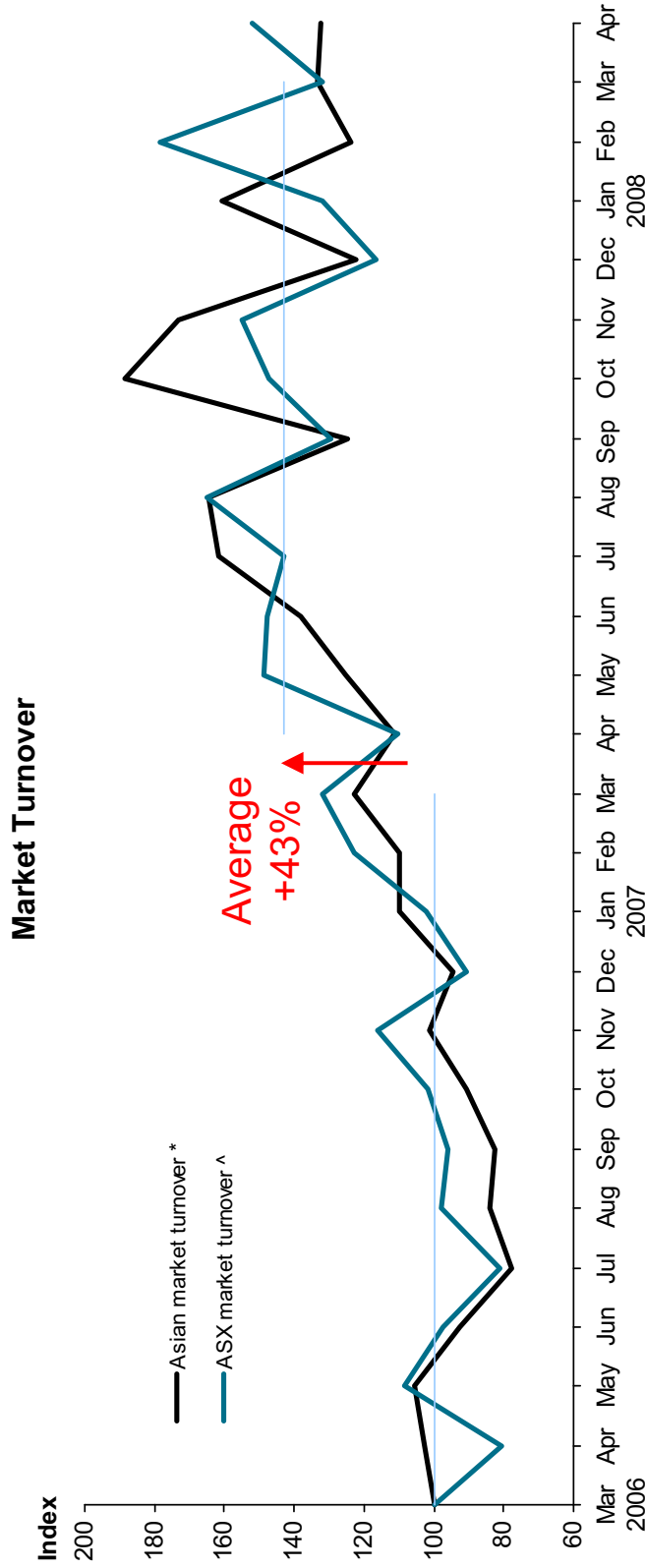
Fund	Raising (\$Ab)
Unlisted infrastructure	7.74
Listed Infrastructure	2.95
Unlisted Real Estate	5.39
Listed Real Estate	0.34
EMG Funds	2.50
Other	3.46
FY08 TOTAL	\$A22.4b

Funds raised by Macquarie and joint venture fund manager partners from 1 April 2007 to 31 Mar 2008, including equity raised via DRP. Includes committed, uncalled capital.



High equity broking volatility and volumes

- Globally there has been an increase in volumes traded
 - Average volumes in markets in which we operate significantly up on prior year
- 2H08 characterised by increased volatility



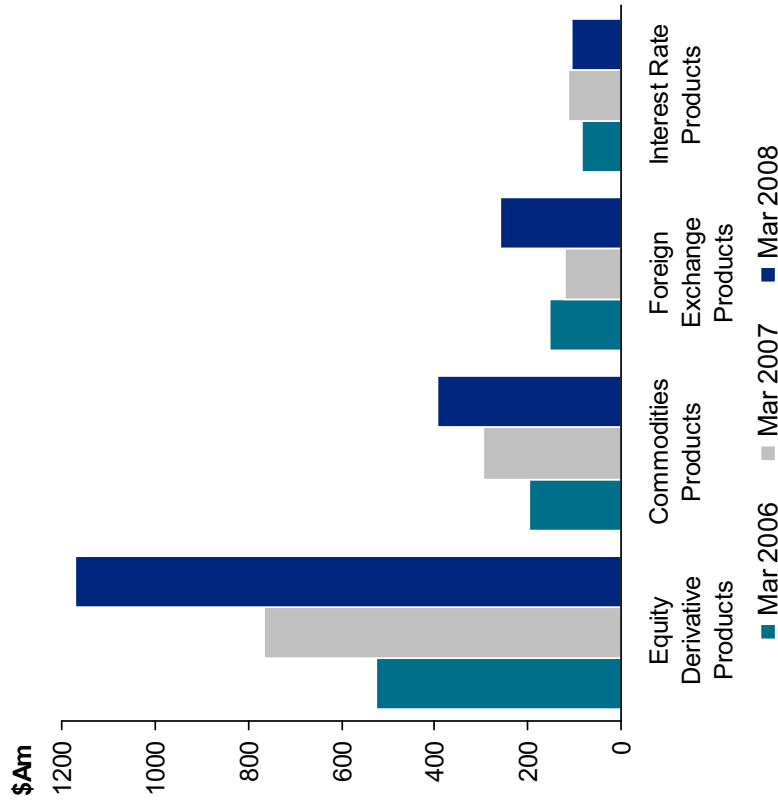
* Index in USD. Represents the total market turnover for the following locations: Hong Kong, Korea, Taiwan, Japan, Thailand, Singapore, Malaysia, Philippines, Indonesia and India.
Source: Market exchanges. ^ Index in AUD. Source: IRESS.



Net trading income

49% increase on prior year to \$A1.9b

	Mar 08 \$Am	Mar 07 \$Am
Net Trading Income (as reported)	1,835	1,047
Revaluation of derivatives instruments ¹	(28)	61
Accounting for swaps ²	116	184
Adjusted Net Trading Income	1,923	1,292
		+49%



- Highly favourable equities market conditions in 1H, especially in Asia
- Increased demand and strong market conditions benefiting commodities and FX products
- Debt markets activity substantially down on strong 1H

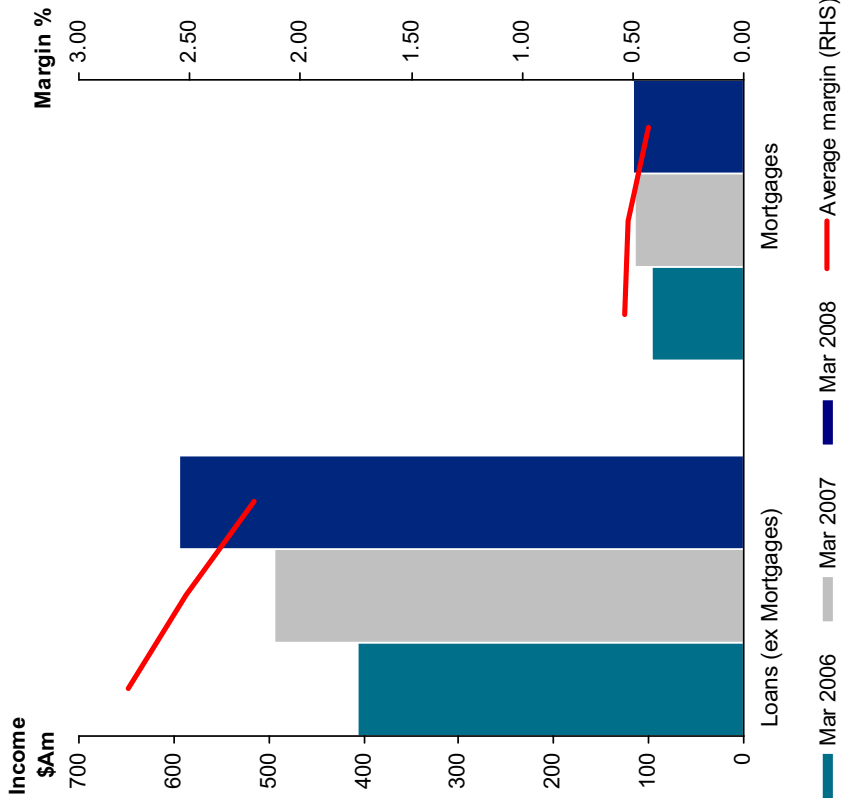
1. Represents the net income or expense from the revaluation of derivatives that are economically hedging an exposure but do not qualify as a hedge for reporting purposes. The main impact relates to derivatives used to hedge the MIPS instrument. This item is reported separately in this presentation so as not to distort the trading income derived from other products.

2. The cash flows on swaps that are used to hedge interest rate risk are classified as trading income for the purposes of statutory reporting. For the purpose of this presentation, the net impact of these swaps is removed from trading income and adjusted against net interest income to show the true net margin earned on interest-bearing balances.

Net interest income 29% increase on prior year to \$A701m



	Mar 08 \$Am	Mar 07 \$Am
Net Interest Income (as reported)	817	728
Accounting for swaps*	(116)	(184)
Adjusted Net Interest Income*	701	544
		+29%



- Average loan volumes (ex-Mortgages) up 37% since March 2007
 - 2H average volumes up only 4% over 1H
- Mortgage origination in Aust substantially reduced; ceased in US
- Declining margins primarily due to increased funding costs

* The cash flows on swaps that are used to hedge interest rate risk are classified as trading income for the purposes of statutory reporting. For the purpose of this presentation, the net impact of these swaps is removed from trading income and adjusted against net interest income to show the true net margin earned on interest bearing balances.



Income from asset & equity investment realisations and other transactions

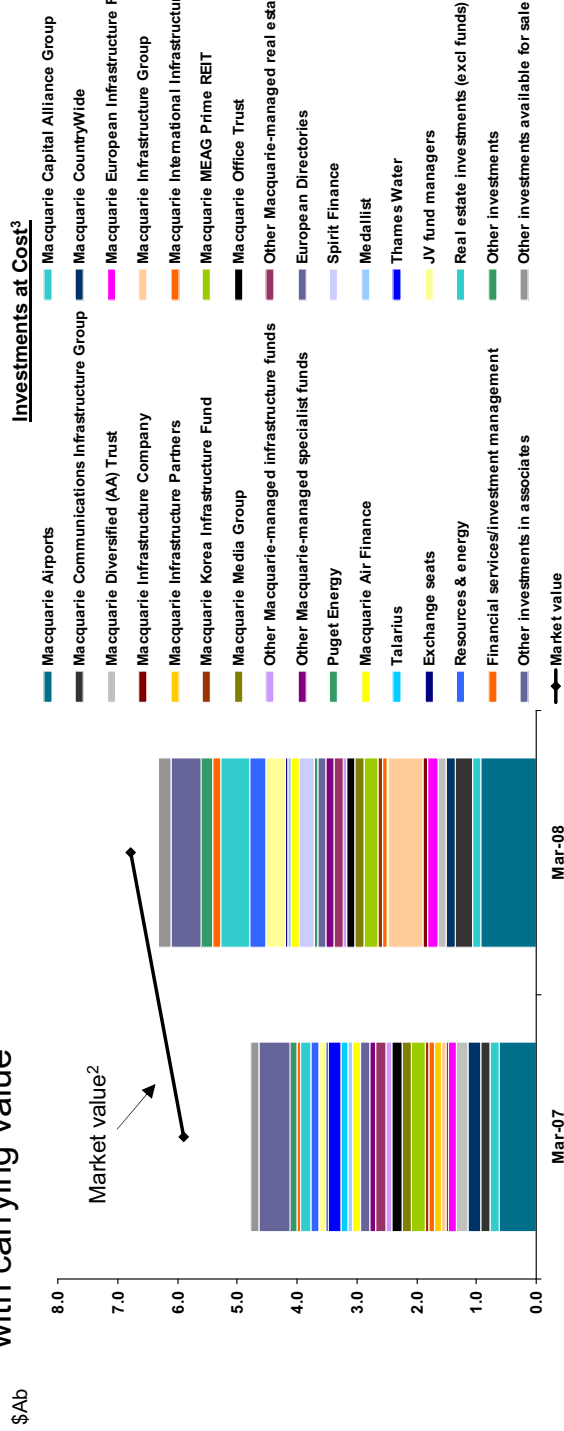
	Mar 08 \$Am	Mar 07 \$Am	Mar 06 \$Am
Asset & equity investment realisations			
Profit on disposal of assets and equity investments	1,040	1,098	306
Gains on Goodman Group	-	302	-
Other			
Dividends, distributions and equity accounting income	247	326	214
Net income from businesses held for sale	(28)	41	(18)
Write down of holdings in listed real estate investments	(293)	-	-
Other	(15)	99	20
Total	951	1,866	522

- Contribution from asset realisations strongest in 1H08 (1H: \$A714m; 2H \$A326m)
- Equity accounted income reduced
 - Lower operating results of associates
 - Realisation of investments in associates including Macquarie ProLogis Management and Goodman Group
- Write-down of holdings in listed real estate investments of \$A293m



Equity investments¹ of \$A6.3b Alignment of interests with investors

- Substantial investments held in Macquarie-managed funds and listed fund managers: \$A3.6b at 31 Mar 2008
 - Listed funds and listed fund managers: \$A3.0b – net unrealised gains of approx \$A281m²
 - Unlisted funds: \$A0.6b – no material concerns with carrying value
- Other investments: \$A2.7b – net unrealised gains of approx \$A197m², no material concerns with carrying value



1. Equity investments reported here include those investments that are not currently classified as Held for Sale. It includes investments in Macquarie-managed funds and other investments held for strategic reasons. Some investments will become classified as Held for Sale when it is highly probable that the asset will be sold in the subsequent 12 months.
 2. Based on market value at 16 May 2008 for Macquarie managed funds and listed fund managers. Market value calculated as carrying value for unlisted investments, and market value of listed investments.
 3. Cost represents the cost to Macquarie plus equity accounted profits/losses of associates. It excludes the fair value adjustments for investments classified as Available for Sale.



Positions in listed specialist funds and listed fund managers

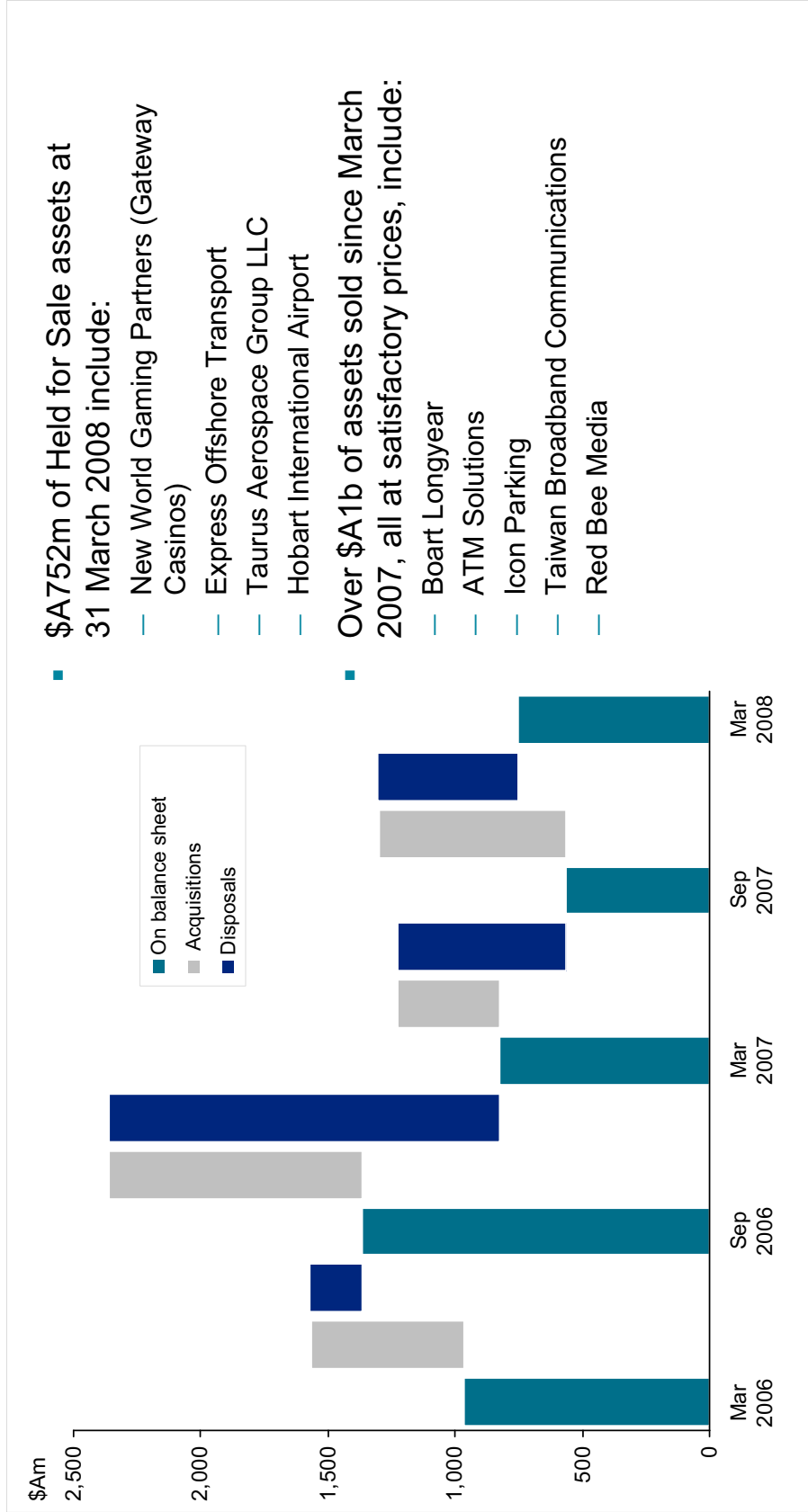
	Book value @ 31 March 2008	Market value @ 16 May 2008	Unrealised gain/(loss) @ 16 May 2008
	\$Am		
Macquarie Airports (MAp)	930	930	176
Macquarie Capital Alliance Group (MCQ)	141	141	(46)
Macquarie Communications Infrastructure Group (MCG)	279	279	81
Macquarie Infrastructure Company (NYSE listed)	82	103	21
Macquarie Infrastructure Group (MIG)	581	618	37
Macquarie International Infrastructure Fund (SGX listed)	82	73	(9)
Macquarie Korea Infrastructure Fund (KRX listed)	62	78	16
Macquarie Media Group	155	166	11
Total Infrastructure	2,312	2,599	287
Macquarie CountryWide (MCW)	270	157	26
Macquarie Office Trust (MOF)	225	126	24
Macquarie Leisure Trust (MLE)	23	23	3
Macquarie DDR Trust (MDT)	16	7	2
Macquarie Central Office CR-REIT (KRX listed)	27	27	4
Macquarie MEAG Prime REIT (SGX listed)	239	239	(16)
J-REP Co Ltd (TSE listed real estate funds manager)	175	103	(49)
Total Real Estate	975	682	(6)
Total	3,287	2,994	281

Except for the investment in J-REP, the write-downs of investments brought the book value into line with the market value at 31 March 2008. The investment in J-REP was written down to the value of net tangible assets at 31 March 2008.

Excludes investments held under the DPS arrangements.



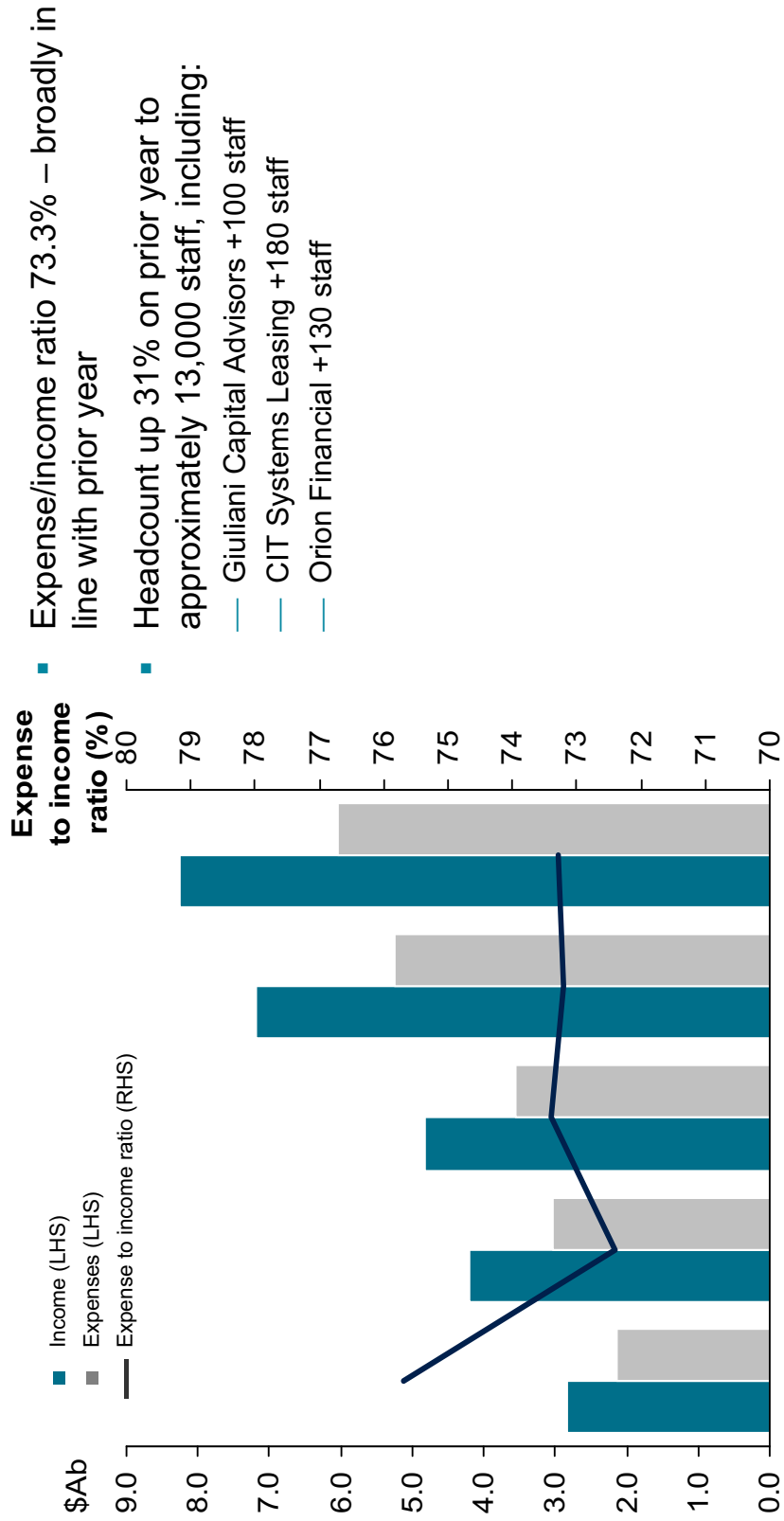
Held for Sale Assets and Investments¹ Over \$A1b sold since March 2007



¹ Held for Sale (HFS) assets and investments are those with carrying value that will be recovered principally through a sale transaction rather than continuing use. The policy of management is to classify these assets as HFS when it is highly probable that the asset will be sold in the 12 months subsequent to being classified as such.

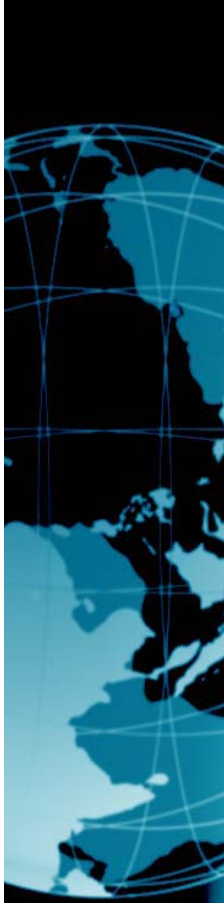


Operating expenses and headcount





Taxation



	Mar 08 %	Mar 07 %
Corporate tax rate	30.0	30.0
Rate differential on offshore income	(14.3)	(10.6)
Non-deductible distribution paid/provided on MIS	0.5	0.5
Non-deductible options expense	1.7	1.4
Other	(2.9)	(0.8)
Effective tax rate	15.0	20.5

- Increase in offshore activities, especially in Asia-Pacific region
- Offshore capital gains (eg. Macquarie-IMM)

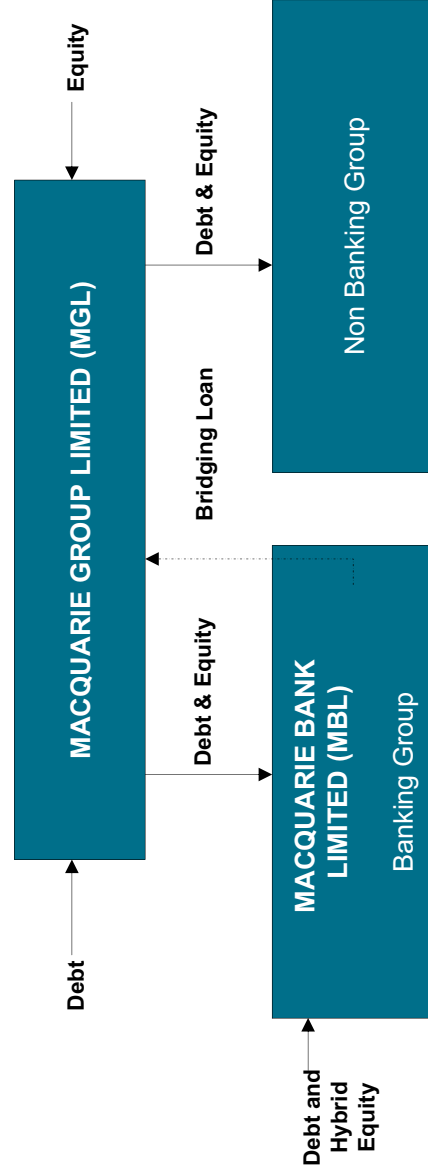


Funding and liquidity

- Well funded
- Liquid assets of \$A18.3b for the Group, increased to a level which is approximately 3 times the level at 31 March 2007
- Since August 2007, significant term funding of \$A17b has been raised and deposits have increased 30% to \$A13.2b from \$A10.2b
- Access to public bond markets has been challenging since August 2007
- Some signs of improvement, however, if not sustained over medium term, and other existing avenues of term funding mentioned above become unavailable, may need to consider a reduction in term assets



- MGL and MBL are the Group’s two primary external funding vehicles which have separate and distinct funding, capital and liquidity management arrangements
- MGL provides funding predominantly to the Non-Banking Group
- MBL provides funding to the Banking Group as well as a transitional bridging loan to MGL as part of the Group’s restructure
- The bridging loan is an unsecured amortising two-year committed facility. At 31 March 2008, \$A8.8b was outstanding



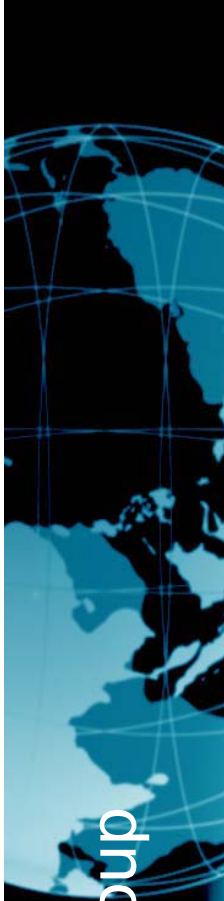


Group funding requirements

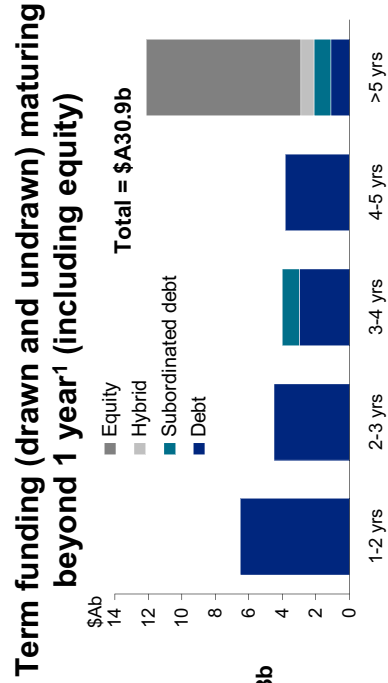
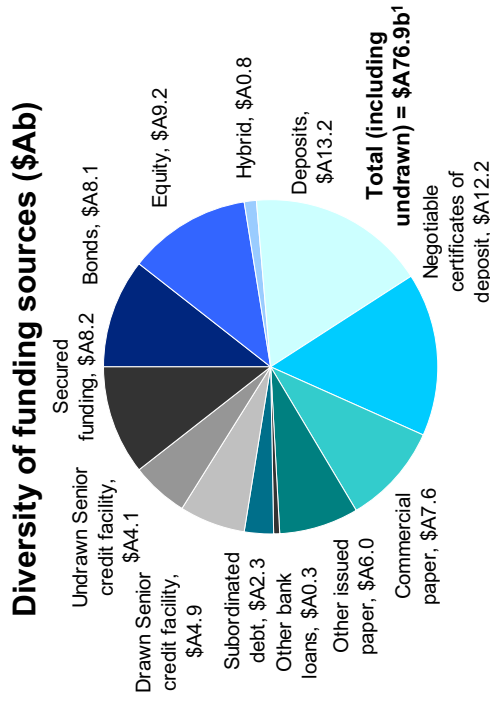
	Mar 08 \$Ab
Total assets per Statutory Balance Sheet	167.2
Less accounting gross-ups and non-recourse funded assets:	
Self funded trading assets	(28.9)
Securitized assets and non-recourse warehouses	(25.2)
Derivative revaluation gross-ups	(18.6)
Life investment contracts and other segregated assets	(8.3)
Broker settlement balances	(5.8)
Other	(7.6)
Total funding requirement	72.8
Banking Group	53.9
Non Banking Group	18.9
Total funding requirement	72.8



Funding for the Group



Balance sheet composition		\$Ab
Funding sources		
Issued paper (NCDs, commercial paper and other issued paper)		25.8
Secured funding		8.2
Other bank loans		0.3
Bonds		8.1
Senior credit facility		9.0
Deposits		13.2
Subordinated debt		2.3
Hybrid		0.8
Equity		9.2
Undrawn Senior credit facility		(4.1)
Total funding sources		72.8
Assets		
Cash and liquid assets		20.8
Net trading assets		11.3
Loan assets – less than one year		13.4
Assets held for sale		0.8
Other investment securities		2.6
Loan assets – greater than one year		17.6
Investment in Macquarie managed funds and equity investments		6.3
Total funded assets		72.8



¹ Includes undrawn component of the Senior credit facility of A\$4.1 billion. Refer to Appendix 1 for separate funding analysis of the Banking and Non Banking Groups.



Recent funding experience



Funding source	Category	Initiative	Current approx. increased spread compared to pre-Aug 2007 levels (bps)
Deposits	Deposits	<ul style="list-style-type: none"> Up \$A3.0b (30%) since Aug 2007 to \$A13.2b at Mar 2008 	0-20
Issued paper	Domestic Negotiable Certificates of Deposit (NCD)	<ul style="list-style-type: none"> Short term issues up \$A2.4b (32%) since Aug 2007 to \$A10.0b at Mar 2008 	0-15
Issued paper	Offshore Commercial Paper	<ul style="list-style-type: none"> ECP down \$A3.9b (42%) since Aug 2007 to \$A5.3b at Mar 2008 USCP down \$A1.6b (46%) since Aug 2007 to \$A1.9b at Mar 2008 	0-30 0-30
Secured finance	Asset refinancing including mortgages and margin loans	<ul style="list-style-type: none"> Approx \$A10.9b in asset secured or non recourse financing since Aug 2007 through securitisations, bond issues, repurchase agreements, increased warehouses 	20-100 (weighted average approx. 30 bps)
Senior credit facility	Senior credit facility	<ul style="list-style-type: none"> \$A9.0b facility; weighted average overall credit spread of 50 bps Successful early extension of most of the \$A1.6b Standby Facility - \$A1b extended to May 2009 - \$A225m converted to a 3 year term facility with a credit margin of 140 bps 	10-20 - 100-110
Issued paper and bonds	Capital markets issuance and long-term NCD	<ul style="list-style-type: none"> \$A4.6b raised with maturities 12 months or longer since Aug 2007 mainly in private placements No public bond issues 	0-100

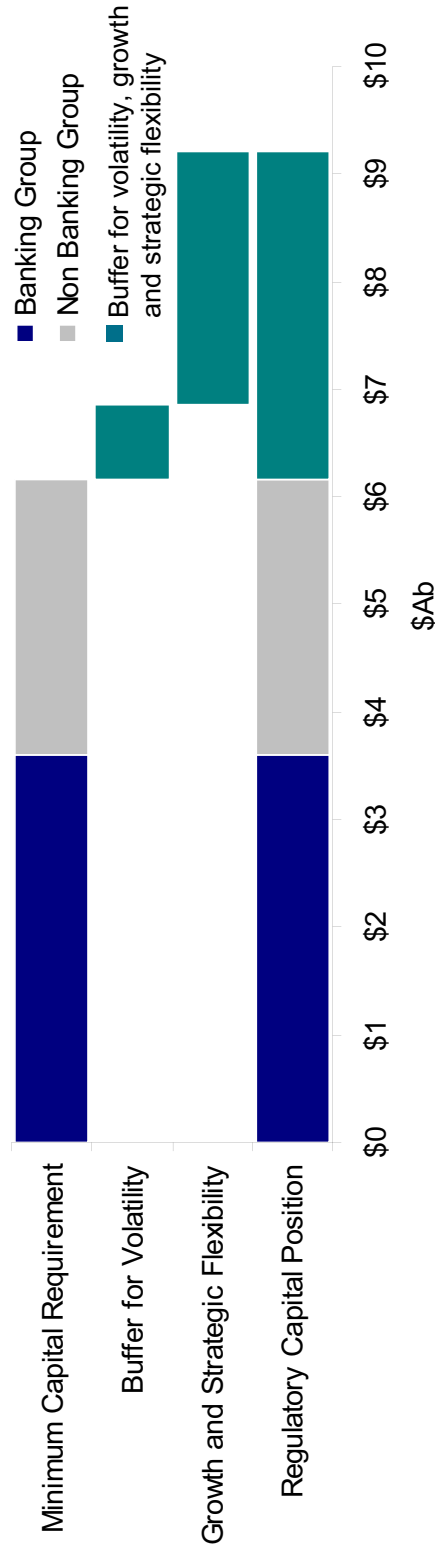


Funding programmes

- Both MGL and MBL have debt programmes in place to access the key capital markets in Australia, Europe, Asia and the US as opportunities arise
 - MGL Debt Instrument Programme (Australia, Europe & Asia)
 - MGL Rule 144A/Medium Term Note Programme (US)
 - MBL Debt Instrument Programme (Australia, Europe & Asia)
 - MBL Rule 144A/Medium Term Note Programme (US)
 - MBL Commercial Paper Programme (Europe & US)



Macquarie Group Limited – Regulatory Capital Position (31 March 2008)



- MBL accredited by APRA for advanced approaches under Basel II for credit risk (Foundation Internal Ratings Based) and operational risk (Advanced Measurement Approach)
- At 31 March 2008, buffer of approximately \$A3b of capital in excess of Group’s minimum capital requirements

A large, stylized globe in shades of blue and black serves as the background for the central section. The globe is shown from a perspective that highlights the Americas and parts of Europe and Africa. Overlaid on the globe is the text "4. OPERATIONAL REVIEW AND OUTLOOK" in large, white, sans-serif capital letters. Below the title, the name "Nicholas Moore – Managing Director and Chief Executive Officer designate" is written in a smaller, white, sans-serif font.

**4. OPERATIONAL
REVIEW
AND OUTLOOK**

Nicholas Moore – Managing Director
and Chief Executive Officer designate

Macquarie Group Limited
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Strong broad-based growth

- Group growth driven by:
 - Previous business investment
 - Diversification by product and geography
 - Continued strong demand for Macquarie products
- Good contribution from most operating groups.
Exceptions:
 - Real Estate Group contribution impacted by write-down on holdings in listed real estate investments
 - Mortgages business operating result affected by effective closure of mortgage securitisation markets
- No material trading provisions or material credit write-downs
- Continuing to grow staff and focus on longer term prospects



MACQUARIE

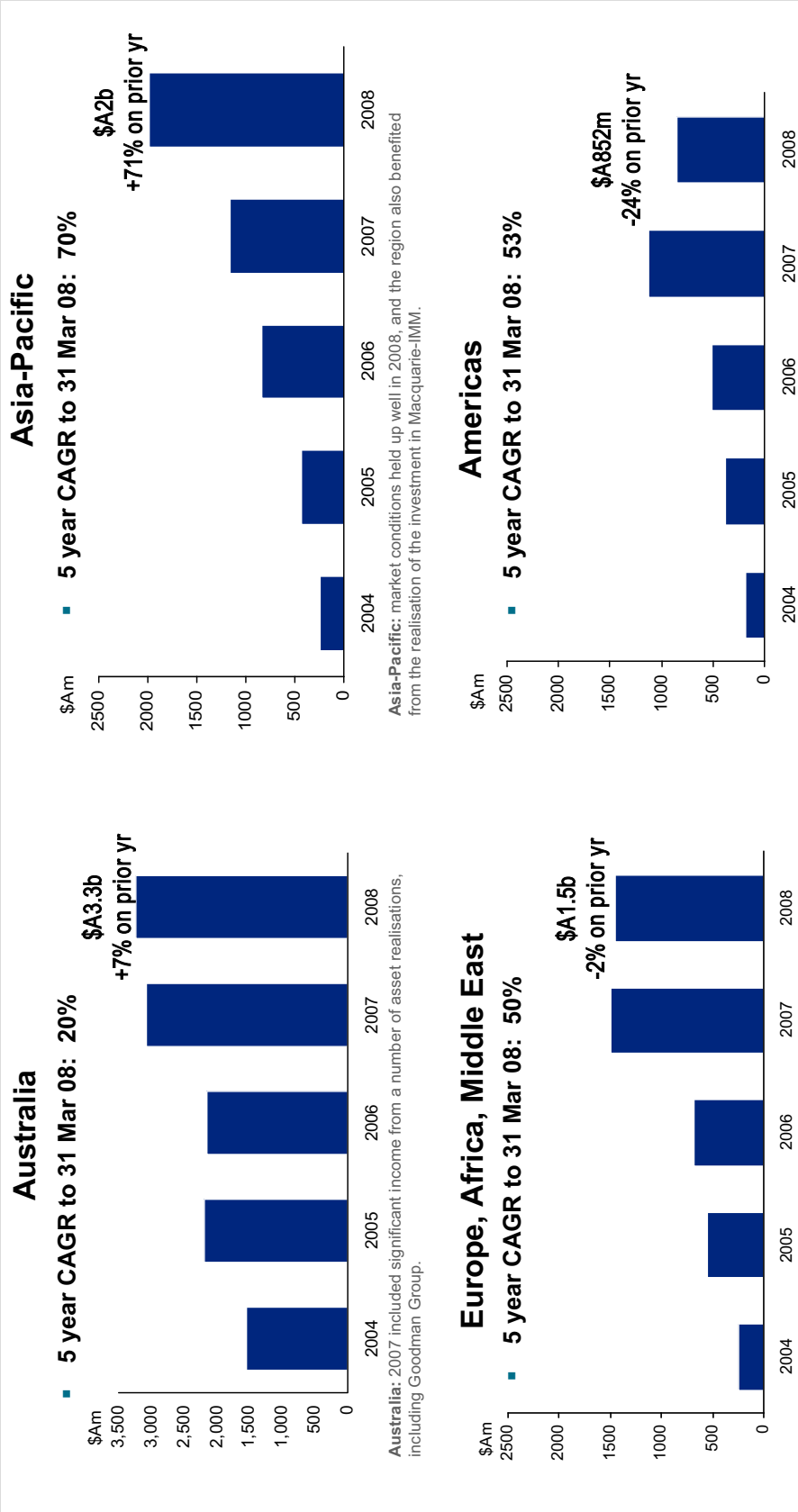
No unusual trading exposures Our robust risk management has proven effective in this environment

- Main business focus is making returns by providing services to clients rather than by principal trading
- No problem trading exposures
- No material problem credit exposures
- No exposure to Structured Investment Vehicles (SIVs)
- No subprime lending
- Longstanding policy of granting very few standbys and warehouses
- No problems with debt underwritings
- Only modest holdings of highly rated debt instruments partially backed by US subprime mortgages
- No underwriting of leveraged loans
- Very little underwriting of corporate loans
- Modest credit exposures to the hedge fund industry
- No material exposures not already known to investors
- Well funded, with liquid assets of over A\$18b

Geographically diverse sources of income



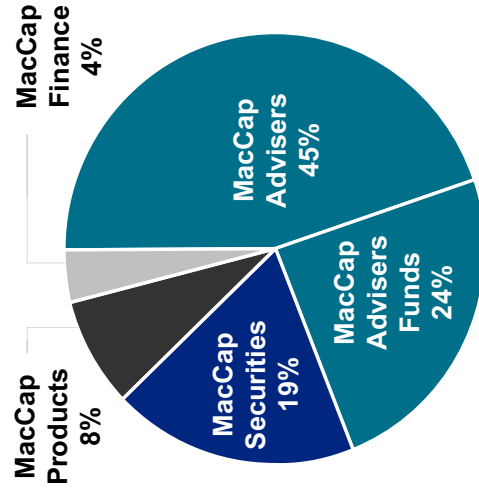
Note: Income in each region excludes earnings on capital and other corporate items



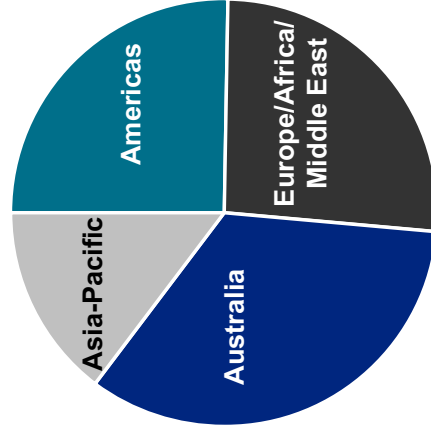


- Good result despite mixed market conditions
- All divisions up on last year
- Strong contribution from Asia Pacific
- International operations contributed 67% of net income
- Continued to invest in staff with more than 4,000 staff in 52 locations across 25 countries

Income by division



Income by region



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



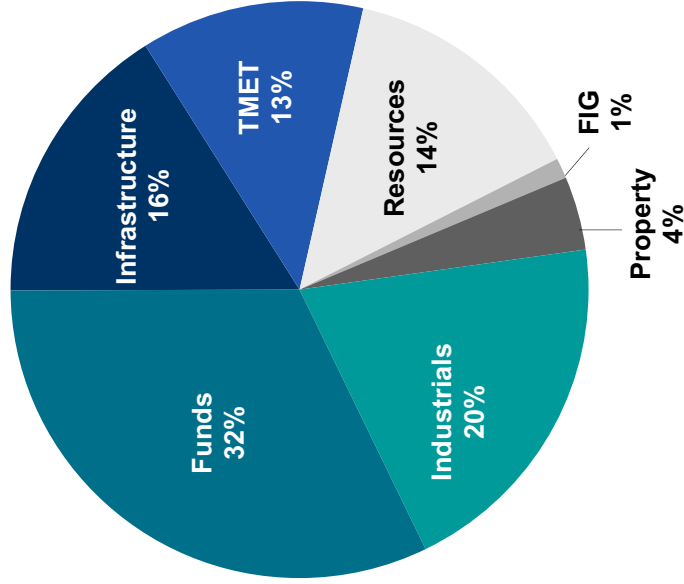
Macquarie Capital

63% of Macquarie profit¹, 13% up on prior year

■ Macquarie Capital Advisers – 44% of Macquarie profit¹

- Advised on over 300 transactions worth around \$A200b, approximately 25% above record FY07 volumes
- Diverse income base across geographies and industries
 - International offices contributed 65% of income
 - In FY08 the Industrials industry advisory group contributed relatively more than Infrastructure advisory

Income by industry group



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Macquarie Capital

63% of Macquarie profit¹, 13% up on prior year

■ Macquarie Capital Advisers (cont...)

- Managed funds have generated a compound annual return of 16%² for investors since inception
- \$A11b in new capital raisings by funds and consortia during FY08³
- Assets under management up 28% to \$A140b since 31 March 2007
 - New assets acquired across a range of sectors, including: energy, waste, airports, airport services, tollroads, ports, communications infrastructure, utilities, media
- Six new funds established during FY08
 - ADCB Macquarie Infrastructure Fund (*Middle East*)
 - Asia Resources Fund
 - Macquarie European Infrastructure Fund III
 - Macquarie Global Opportunities Partners (*private equity*)
 - Macquarie Infrastructure Partners II (*North America*)
 - Retirement Villages Group (*Australia & New Zealand*)
- Post balance date
 - JV agreement with Renaissance Capital to develop infrastructure advisory and fund management opportunities in Russia and other CIS countries
 - MOU with State Bank of India in relation to establishment and management of Indian Infrastructure Fund with International Finance Corporation
 - Establishment of Macquarie Special Situations Fund

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax

² Annualised return based on all capital raised, distributions paid and valuations (market capitalisation for listed funds and net asset value for unlisted funds and managed assets) for Macquarie Capital Funds since inception to 31 March 2008 (listed funds as at 31 March 2008, unlisted funds and managed assets as at 31 December 2007). Calculated on an AUD basis, with cashflows converted at fixed exchange rates (based on the date of listing for listed funds, first close date for unlisted funds, and financial close date for managed assets).

³ Includes 100% of capital raised by jointly managed funds



Macquarie Capital

63% of Macquarie profit¹, 13% up on prior year

- **Macquarie Capital Securities (institutional cash equities) – 12% of Macquarie profit¹**
 - Excellent overall result: 36% up on prior year, driven by increased volumes
 - Asia: 48% up on prior year - now contributes 61% to total Mac Cap Securities income
 - Australia: 7% up on prior year, continued growth in secondary market revenues
 - Successful establishment of local equities businesses in the United States and Europe
 - Continued strong commissions income derived by South African business
 - Successful establishment of Alternative Strategies Division (internal Joint Venture with Equity Markets Group) – very strong volume growth
 - Orion Securities acquisition – record secondary market revenues and very strong ECM revenues also achieved

- **Macquarie Capital Products – 5% of Macquarie profit¹**
 - Underlying result up 17% on prior year
 - Increased issuance of retail products in Australia
 - Launched new closed-end funds in Germany, Switzerland and Austria
 - Total assets under management increased 3% to \$A9.1b from \$A8.9b at 31 March 2007 (includes assets managed by associates)

1. Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Macquarie Capital

63% of Macquarie profit¹, 13% up on prior year

- **Macquarie Capital Finance – 2% of Macquarie profit¹**
 - Result up 3% on pcp
 - Total assets have increased 34% to \$A7.3b from \$A5.4b at 31 March 2007 (net funded assets of \$A3.7b)
 - Acquired CIT Systems Leasing
 - Approximately \$US750m of leased assets

Current operating environment

- Challenging market for global investment banks
- Lower ECM volumes globally although reasonable volumes in Asian markets
- M&A activity has fallen globally although strong outward investment from Asia and continued M&A activity in Australia and global resources
- Debt markets turmoil continues to limit financing for large deals; although finance still available for quality assets

Outlook

- Expect growth in the medium term, however short-term market conditions may be challenging
- Reasonable advisory and principal transaction pipeline
- Significant new fund raising pipeline

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax

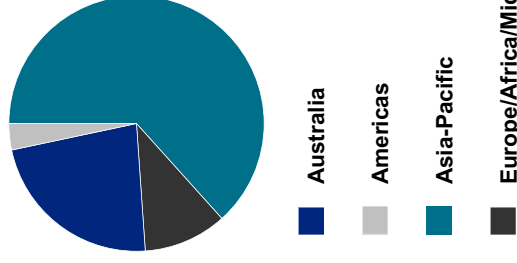


Equity Markets Group

16% of Macquarie profit¹, 76% up on prior year

- 2H08 well down on 1H08 due to reduced transaction volumes resulting from the flow through of credit market disruption to equity markets and some seasonal factors
- **Equity Products Division**
 - Asia – very substantially up on prior year due to highly favourable market conditions in first half.
 - Australia – down on prior year due to more difficult trading conditions and increased investment in operational infrastructure
 - US/Europe/ Latin America/ Africa – down on prior year
- **Fund Products Division**
 - Very substantially up on prior year
 - Funds under management – up 163% to \$A3.2b
 - Funds under risk management² up 7% \$A3.1b
- **Global Equity Finance Division** - Slightly up on prior year on increased structured product volumes
- **Alternative Strategies Division** - JV with Macquarie Capital Securities to offer equity derivatives, market access and financing to hedge fund clients. Excellent first year contribution.

Income by region



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax
² Funds of external managers over which MQ provides hedging or risk management services



Equity Markets Group

16% of Macquarie profit¹, 76% up on prior year

Current operating environment:

- Market conditions are generally more challenging than the highly favourable conditions in 1H08
- Volumes are down for listed products in Australia and Asia

Outlook:

- Expect market conditions in global equity markets to be more challenging during the 2009 financial year

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax

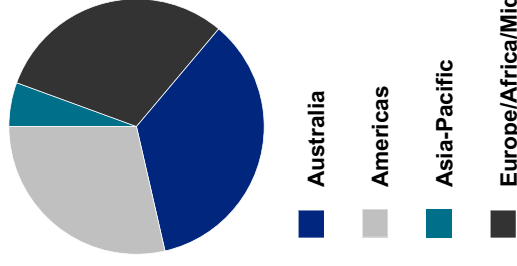


Treasury & Commodities Group

14% of Macquarie profit¹, slightly up on prior year

- Metals & Energy Capital, Agriculture & Investor Products and Foreign Exchange the leading contributors:
 - **Metals & Energy Capital** – well down on strong prior year which included oil and gas realisation. Continued growth in oil and gas financing business and strong trading and project finance results
 - **Agricultural Commodities & Investor Products** – very substantially up on prior year benefiting from increased demand and strong market conditions. Commodity derivatives alliance formed with Nomura in Japan, in conjunction with Energy Markets Division
 - **Foreign Exchange** – substantially up on prior year benefiting from increased market volatility
- Satisfactory results across other divisions
 - **Futures** – well up on prior year with continued growth both domestically and internationally
 - **Debt Markets** – profitable but down on prior year, reasonable result in difficult market conditions. Only modest holdings of highly rated debt instruments
 - **Energy Markets** – very substantially up on prior year, continued expansion of the US power business
 - **Treasury** – now part of Group-wide Services

Income by region



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Treasury & Commodities Group

14% of Macquarie profit¹, slightly up on prior year

Current operating environment:

- Benefiting from increased volatility across most markets
- Satisfactory volumes across the business, particularly strong volumes in commodities and foreign exchange

Outlook:

- Expect strong activity levels to continue across the business
- Deal pipeline remains strong
- Will continue selective global expansion
- Debt capital markets continue to be challenging

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax

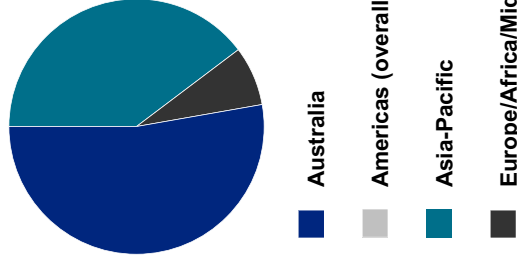


Real Estate Group

(2)% of Macquarie profit¹, overall loss for year

- Net loss of \$A81m for the year due to \$A293m write-down on holdings in listed real estate investments
- Significant contribution from sale of Macquarie ProLogis Trust, disposal of Japanese residential portfolio, Korean office assets and Port Geographe (Western Australia) canal development
- Assets under Management (incl assoc) increased 37% to \$A32.3b from \$A23.6b at 31 March 2007
 - New assets in Singapore, Japan, Germany and Poland
- Continued focus on unlisted equity raisings:
 - over \$A5b raised this year, majority by MGPA
 - Establishment of Korean REIT with Korean National Pension Service
- Continued profitable contribution from lending activities in Australia, US and UK

Income by region



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax.



Real Estate Group

(2)% of Macquarie profit¹, overall loss for year

Current operating environment:

- Sharp decline in almost all global listed real estate markets - many REITs priced well below reported NAVs
- Asset price reductions likely in most markets
- Investors waiting for evidence of financial and real estate market stabilisation

Outlook:

- Anticipate a return to profitability in FY09
- Underlying assets in listed REITs performing satisfactorily, strategies being implemented to reduce gearing
- Substantial equity in unlisted funds available for investment

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



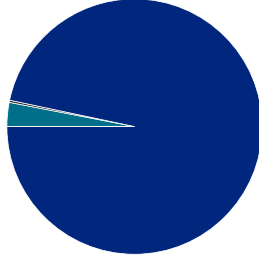
Financial Services Group

4% of Macquarie profit¹, 33% up on prior year



- Retail broking income significantly up on prior year despite lower volumes in 2H08
- Total assets under Advice/Administration/Management up 15% to \$A80.9b from \$A70.5b at 31 March 2007
 - CMT up 25% to \$A17.6b; Wrap slightly down to \$A22.5b due to negative market movements; Superannuation portfolio up 20% to \$A24.5b
- Banking and Financial Services Group - merger of Financial Services Group and Banking & Securitisation Group, will provide better client service and facilitate growth
- International business expansion:
 - Signed JV agreement with Indian wealth manager Religare
 - Launched Asian private wealth business based in Singapore
- Macquarie Global Investments Division established to develop and source products for retail and wholesale investors globally
- Strategic acquisition of interests in retail foreign exchange provider, para-planning service, financial planning business and retail broker (Tolhurst)
- Ranked No 1 for service in Wealth Insights/ASSIRT Service Level Awards

Income by region



- Australia
- Americas
- Asia-Pacific
- Europe/Africa/Middle East

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Financial Services Group

4% of Macquarie profit¹, 33% up on prior year

Current operating environment:

- Retail broking volumes have declined from very high levels reached during 2007
- Challenging markets, investors expected to remain cautious about equities in the short-term
- Increased demand for cash and fixed income products
- Increased compliance costs due to Anti-Money Laundering Legislation

Outlook:

- Expect retail broking volumes to remain volatile and a reduction in new issue activity
- Expect continued strong demand for cash, fixed income and wrap products
- Continued strong superannuation inflows expected, although lower than 2007
- Merged Banking and Financial Services Group will provide enhancement to product range and services and achieve cost economies

¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Banking and Securitisation Group

1% of Macquarie profit¹, substantially down on prior year

- Substantially down due to negative contribution from mortgages business
- Increased contributions from Relationship Banking and Investment Lending
- Mortgage origination in Australia substantially reduced and ceased in US. Canada continues to be supported by government-backed securitisation program
- Credit quality remains high across all mortgage books, default rates low and no exposure to subprime loans

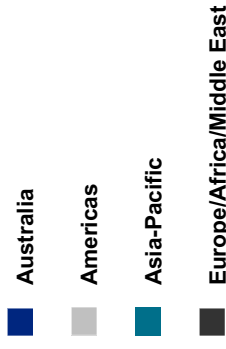
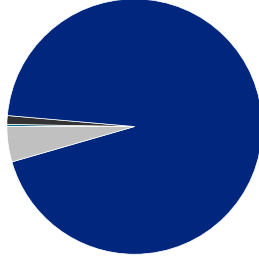
Current operating environment:

- Increased cost of funding associated with global credit conditions
- Mortgage securitisation markets effectively closed, except Canada
- Reduced demand for investment lending products

Outlook:

- Expect Relationship Banking to continue to perform well with strong growth in term deposits
- Australian mortgages book expected to decline with significantly reduced new business

Income by region



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Funds Management Group

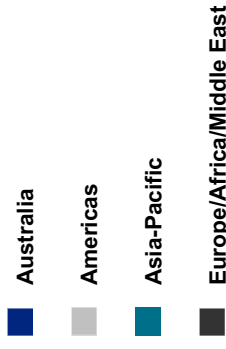
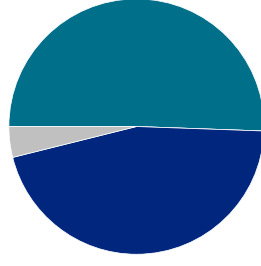
4% of Macquarie profit¹, very substantially up on prior year

- Very substantially up on prior year due to:
 - Sale of Macquarie-IMM Investment Management joint venture in Korea (slightly down on prior year excluding IMM sale)
 - Good performance fees from equities funds – top quartile rankings
- Assets under management down 9% to \$A57.4b from \$A63.4b at 31 March 2007, mostly due to the sale of Macquarie-IMM and significant redemptions from global property and currency mandates
- Awarded Morningstar Fund Manager of the Year for both fixed interest and domestic equities small caps (Australia) for second consecutive year

Current operating environment / Outlook:

- Market conditions remain challenging due to investor concerns around issues in credit markets
- Some signs that institutional investors are returning to the market, especially in fixed income and equity funds
- Will continue to investigate opportunities for small-scale acquisitions

Income by region



¹ Percentage contribution based on management accounts before unallocated corporate costs, profit share and income tax



Global market conditions

- **Credit markets**
 - Investor sentiment continues to improve albeit with caution
 - More normal access to short term funding markets returning
 - International credit market activity increasing but still well below historical levels and limited securitisation market activity
 - Funding costs remain at significantly higher levels than pre-August 2007

- **Equity markets**
 - Cash equity volumes have dropped off from very high levels of mid 2007 but remain reasonable
 - Lower equity derivative volumes in Australia and Asia as a result of general market uncertainty and reduced demand for equities



Global market conditions

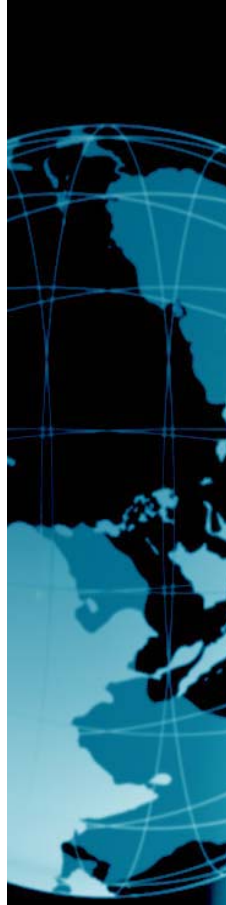
- **Investment banking**
 - Challenging market for global investment banks
 - Lower ECM volumes globally although reasonable volumes in Asian markets
 - M&A activity has fallen globally although strong outward investment from Asia and continued M&A activity in Australia and global resources
 - Debt markets turmoil continues to limit financing for large deals; although finance still available for quality assets

- **Global real estate**
 - Sharp decline in almost all global listed real estate markets. Some recovery in REIT prices since mid-March but many still priced well below reported NAVs
 - Physical real estate market uncertainty largely related to credit and financial markets uncertainty, generally low levels of new construction
 - Asset price reductions likely in most markets, particularly secondary assets, but low transaction volumes recently
 - Investors waiting for evidence of financial and real estate market stabilisation



Outlook

MACQUARIE



- Market conditions make short-term forecasting more difficult than usual
- The current state of financial markets means that it will be challenging to repeat last year's record performance, but this may be achievable
- However, over the medium term we continue to be well placed due to:
 - Effective risk management
 - Good businesses, committed quality staff
 - Strength, diversification and global reach of our businesses
 - Benefits of ongoing organic growth initiatives
 - Continued strong global investor demand for quality assets
 - Strong capital base
 - No problem trading exposures and no material problem credit exposures
- Opportunities for acquisitions in current environment due to our strong capital position
- No change to longstanding Group strategy

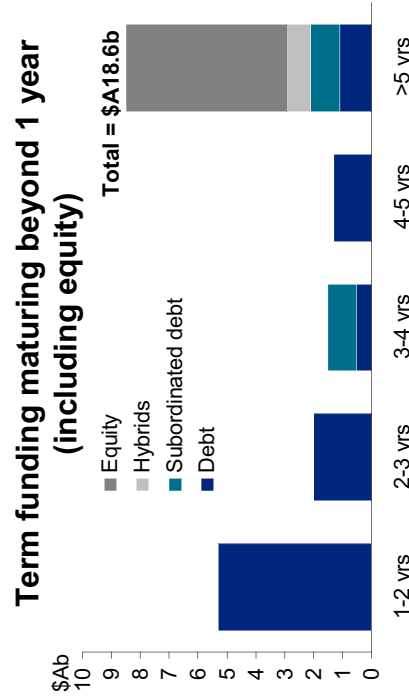
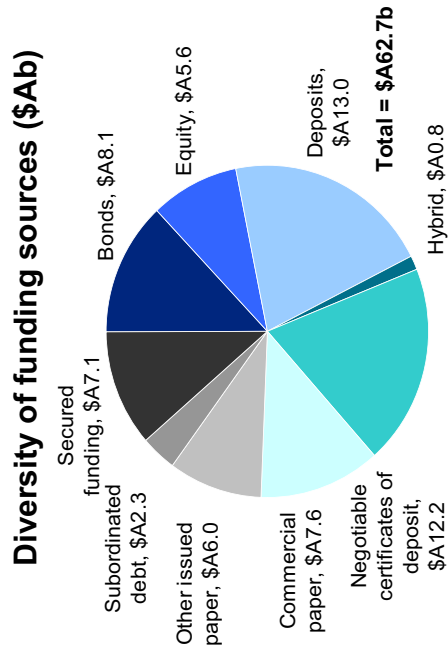


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Funding for the Banking Group

Balance sheet composition	\$Ab
Funding sources	
Issued paper (NCDs, commercial paper and other issued paper)	25.8
Secured funding	7.1
Bonds	8.1
Deposits	13.0
Subordinated debt	2.3
Hybrid	0.8
Equity	5.6
Total funding sources¹	62.7
Assets	
Cash and liquid assets	18.7
Net trading assets	10.5
Loan assets – less than one year	12.4
Other investment securities	1.9
Loan assets – greater than one year	13.8
MBL Bridging loan to MGL	8.8
Non Banking Group deposit with MBL	(5.8)
Investment in Macquarie managed funds and equity investments	2.4
Total funded assets	62.7



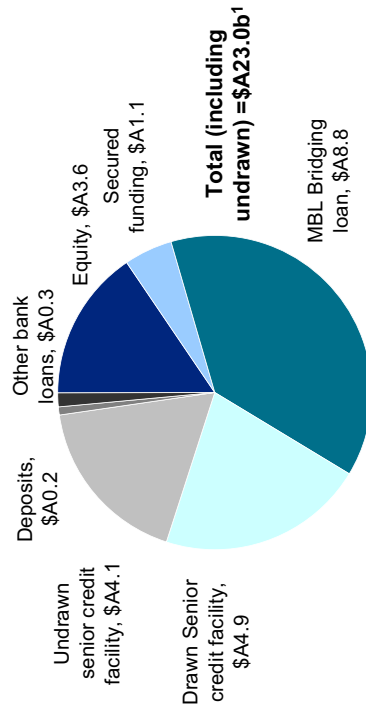
¹ Includes funding required for the \$A8.8 billion Bridging loan from MBL to the Non-Banking Group.



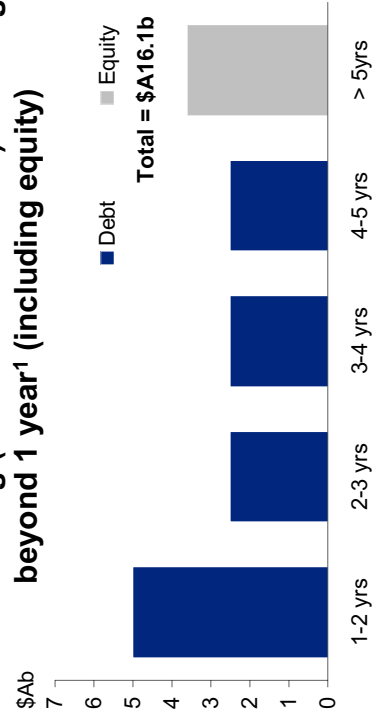
Funding for the Non-Banking Group

Balance sheet composition		\$Ab
Funding sources		
Secured funding		1.1
Other bank loans		0.3
Deposits		0.2
MBL Bridging loan to MGL		8.8
Senior credit facility		9.0
Equity		3.6
Undrawn Senior credit facility		(4.1)
Total funding sources		18.9
Assets		
Cash and liquid assets		2.1
Non Banking Group deposit with MBL		5.8
Net trading assets		0.7
Loan assets – less than one year		1.0
Assets held for sale		0.8
Other investment securities		0.8
Loan assets – greater than one year		3.8
Investment in Macquarie managed funds and equity investments		3.9
Total funded assets		18.9

Diversity of funding sources (\$Ab)



Term funding (drawn and undrawn) maturing beyond 1 year¹ (including equity)



¹ Includes undrawn component of the Senior credit facility of A\$4.1 billion.



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Specialist funds – key facts

- **Track record**
 - Macquarie Capital Funds have generated a compound annual return of 16%¹ for investors since inception
 - Macquarie's listed Real Estate Investment Trusts (REITs) have generated a compound annual return of over 10²% for investors since inception
- **Investment discipline**
 - Many more investments reviewed and rejected than acquired
- **Income³ from specialist funds**
 - Approximately 20% of total Group operating income from specialist funds or managed asset agreements
 - Approx 10.8% of operating income derived from base and performance fees from Macquarie Capital Funds, Real Estate funds and managed asset agreements
 - Approx 5.3% of operating income derived from advisory and underwriting fees paid by Macquarie Capital Funds and Real Estate funds
 - Approx 4.2% of operating income derived from sale of assets from MQG to Macquarie Capital Funds and Real Estate funds
- **Sale of assets**
 - Majority of funds: general policy to be long-term owners of assets
 - Asset prices on material sales to third parties have in all cases equalled or exceeded directors' valuations

¹ Annualised return based on all capital raised, distributions paid and valuations (market capitalisation for listed funds and net asset value for unlisted funds and managed assets) for Macquarie Capital Funds since inception to 31 March 2008 (listed funds as at 31 March 2008, unlisted funds and managed assets as at 31 December 2007). Calculated on an AUD basis, with cashflows converted at fixed exchange rates (based on the date of listing for listed funds, first close date for unlisted funds, and financial close date for managed assets).

² Annualised return based on all capital raised, distributions paid and valuations (market capitalisation) since inception to 31 March 2008. Calculated on an AUD basis, with cashflows converted at fixed exchange rates (based on the date of listing).

³ Year ended 31 March 2008



Specialist funds – key facts

- **Gearing**
 - Macquarie Capital Funds:
 - Predominantly essential or privileged assets with highly predictable, long term revenue streams
 - Appropriately geared: 56%¹ average gearing across assets managed by funds
 - Macquarie funds often invest alongside independent third party investors in infrastructure assets
 - Asset debt provided by international syndicates of leading lenders after extensive due diligence
 - Real Estate Funds:
 - Assets have quality underlying fundamentals, are highly leased, with long weighted average lease terms
 - Approximately 50%² average gearing across assets managed by funds
 - Listed REIT management focus is on asset enhancement, non-core asset disposals and capital management
- **Debt maturity profile**
 - Asset and fund debt is non-recourse to Macquarie
 - Macquarie Capital Funds:
 - Less than 2%³ of the debt of Macquarie Capital Funds' managed assets requires refinancing in the next 12 months
 - Real Estate Funds:
 - Less than 10%³ of the debt of Macquarie listed REITs' managed assets requires refinancing/amortisation in the next 12 months

1. Macquarie Capital Funds average gearing = Proportionate Debt / (Proportionate Debt + Proportionate Equity), where: Proportionate Debt (or Equity) is the proportion of net debt (or equity) in the assets based on the percentage ownership of the Funds' managed investment in that asset; Proportionate Equity is based on the valuation as at 31 December 2007, or cost if acquired subsequently.

2. Macquarie Real Estate Funds average gearing = Debt to Total Assets

3. At 31 March 2008



Specialist funds – key facts

- **Robust governance framework**
 - Each listed vehicle has its own Board with a majority of directors independent of Macquarie
 - Each listed vehicle has its own Managing Director and/or Chief Executive Officer
 - Staff dedicated to each fund serving interests of fund securityholders and Boards of funds
 - Strict 'Chinese Walls' separation between the specialist funds management businesses and other parts of Macquarie
 - Related party transactions are undertaken on arms length terms
 - Fees are subject to third party expert review or are benchmarked to market
 - Only independent directors, or in the case of some unlisted funds, investor representatives, make decisions about related party transactions
- **Alignment of interests between manager and fund**
 - Significant Macquarie and staff investment in funds
 - Macquarie Capital Funds: Total Macquarie and staff investment in the funds over \$3.7b
 - Real Estate Funds: Total Macquarie and staff investment in the funds approximately \$800m
 - Performance fee only payable where fund performance exceeds a benchmark (stock market indices or agreed rate of return)

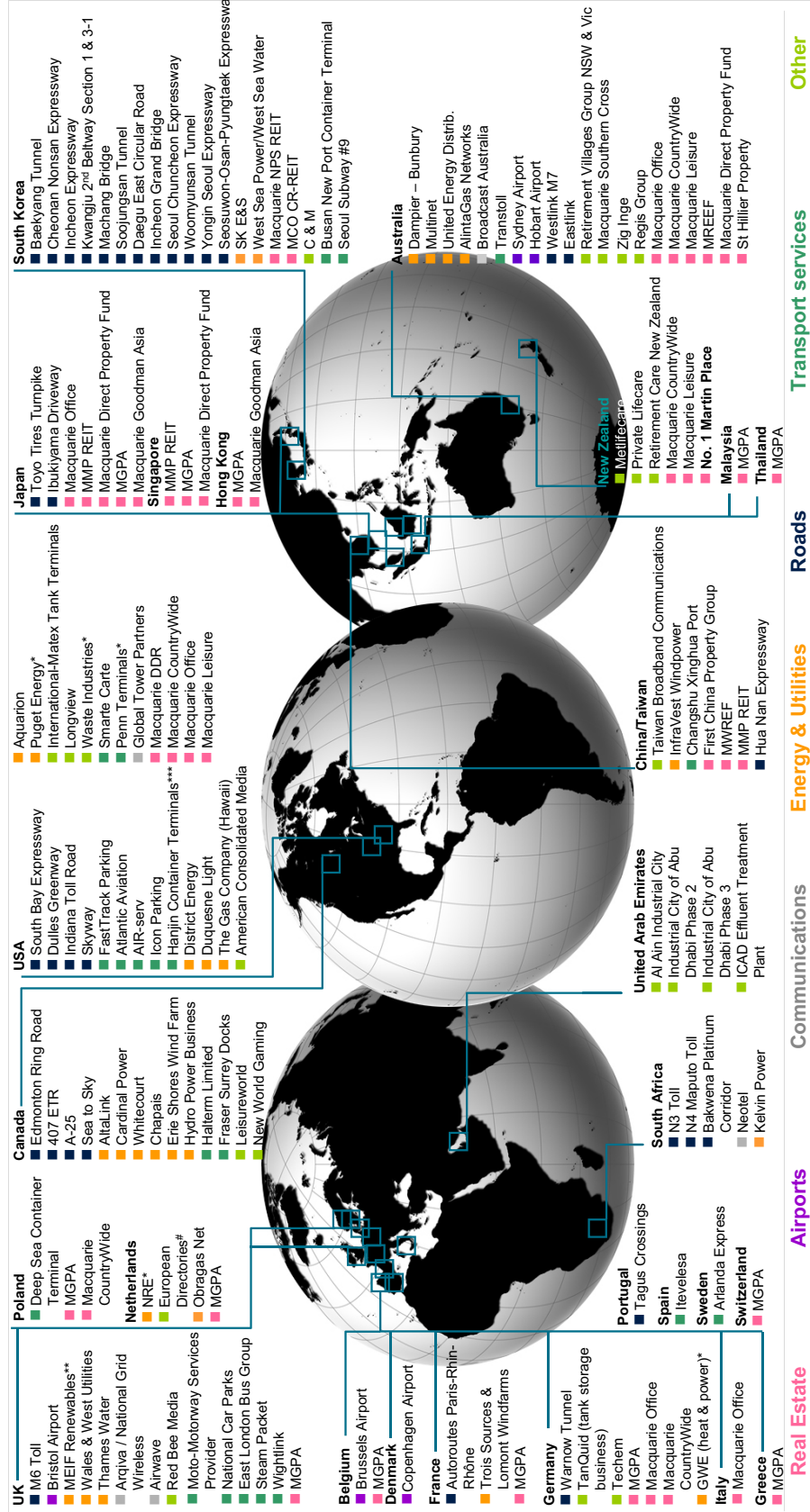


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Managing important assets across the globe

Strong investor support: \$A70b raised over past 4 years

Macquarie Capital Funds: over 110 assets; Real Estate Funds: over 700 assets



As at 31 March 2008. In some cases, Macquarie or a Macquarie-managed fund has partial interest in an asset. **MEIF Renewables also located in France and Sweden
***Hanjin container terminals also located in Korea, Taiwan and Japan. #European Directories also located in Sweden, Finland, Austria, Czech Republic, Slovakia, Denmark & France.

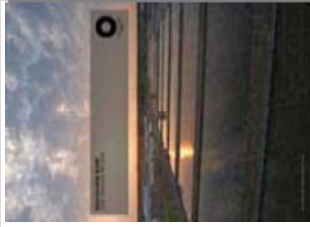


Macquarie's operational expertise adding value

- Acquired December 2006 by a consortium led by Macquarie's unlisted European infrastructure funds

	2006 ¹	2008 ²	Improvement since acquisition
Improved Supply			
Capital expenditure (£ million p.a.)	554	> 990	↑ 78%
Security of Supply (index - out of 100)	22	> 80	↑ 263%
Reduced Leakage			
Leakage (megalitres per day)	862	< 755	↓ (12%)
Sewage works failing environmental standards (no.)	18	nil ³	↓ (100%)
Mains bursts (no. per 1000 km)	479	< 370	↓ (22%)
Sewer collapses (no.)	898	< 535	↓ (40%)

- For the six months ended 30 September 2007⁴:
 - Pre-tax profits increased by 49.8% on the prior corresponding period
 - On track to meet full year leakage targets for the second year since acquisition



1. Source: 2006 (Annual) Regulatory Review. Figures relate to year ended 31 Dec 2005 or 31 Mar 2006 depending on measure. 2. Source: 2008 Draft (Annual) Regulatory Review. Figures relate to year ended 31 Dec 2007 or 31 Mar 2008 depending on measure. 3. Subject to Environmental Authority Confirmation. 4. Financial results for year ended 31 Mar 2008 due for release in week commencing 26 May 2008.



Delivering for communities
Turning Thames Water around

Thames Water hits leaks target

● THAMES WATER has hit its target for reducing leaks for the first time in seven years. The water supplier to most of London has a target of 810 million litres lost a day, and is now losing about 700 million. In the year to April it spent £238.9 million replacing pipes.

"I am glad that the company has met its leakage target and feel that this is representative of the positive changes achieved under the new management."

*Ken Livingstone, former Mayor of London,
in answer to a question in the London Assembly,
July 2007.*



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\$C	Canadian dollar
\$US/USD	US Dollar
1H	First half
1H07	Half year ended 30 September 2006
1H08	Half year ended 30 September 2007
2H	Second half
2H07	Half year ended 31 March 2007
2H08	Half year ended 31 March 2008
ADCB	Abu Dhabi Commercial Bank
AGAAP	Australian Generally Accepted Accounting Principles
AMA	Advanced Measurement Approach
APRA	Australian Prudential Regulatory Authority
ASX	Australian Stock Exchange
AUD/\$A	Australian dollar
AUM	Assets Under Management
bps	basis points
CAGR	Compound Annual Growth Rate
CMT	Cash Management Trust
cps	cents per share
DRP	Dividend reinvestment plan
DUET/DUE	Diversified Utility and Energy Trusts



Glossary

ECM	Equity Capital Markets
ECP	European Commercial Paper
EMG	Equity Markets Group
EPS	Earnings Per Share
FIG	Financial Institutions Group
FIRB	Foreign Investment Review Board
FMG	Funds Management Group
FSG	Financial Services Group
FX	Foreign Exchange
FY	Full Year
HFS	Held for sale
JV	Joint Venture
KRX	Korea Exchange
LHS	Left hand side
M&A	Mergers and Acquisitions
MacCap	Macquarie Capital
MAG	Macquarie Airports Group
MAP/MAp	Macquarie Airports
MBL	Macquarie Bank Limited
MCG	Macquarie Communications Infrastructure Group

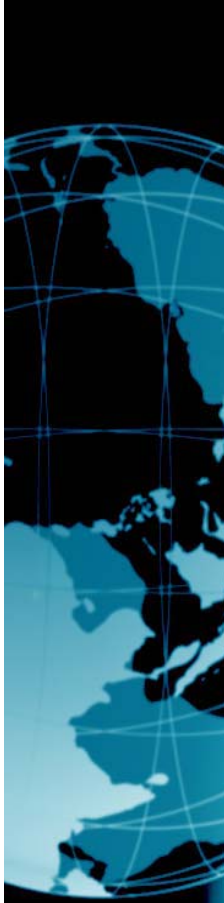


Glossary

MCW	Macquarie CountryWide Trust
MCQ	Macquarie Capital Alliance Group
MDIF	Macquarie Diversified Infrastructure Fund
MDT	Macquarie DDR Trust
MEIF	Macquarie European Infrastructure Fund
MGL	Macquarie Group Limited
MIC	Macquarie Infrastructure Company Trust
MIG	Macquarie Infrastructure Group
MIP	Macquarie Infrastructure Partners
MIPS	Macquarie Income Preferred Securities
MLE	Macquarie Leisure Trust Group
MMPR	Macquarie MEAG Prime REIT
MOF	Macquarie Office Trust
MOU	Memorandum of Understanding
MPR	Macquarie ProLogis Trust
MPT	Macquarie Power Income Fund
MQG	Macquarie Group Limited (ASX listed)
NAV	Net Asset Value
NCD	Negotiable Certificates of Deposits
NOHC	Non Operating Holding Company
NYSE	New York Stock Exchange



Glossary



p.a.	per annum
pcp	prior corresponding period
REIT	Real Estate Investment Trust
RHS	Right hand side
SGX	Singapore Exchange
SIV	Structured Investment Vehicle
TMET	Telecommunications, media, entertainment and technology
TSE	Tokyo Stock Exchange
UK	United Kingdom
US	United States of America
USCP	United States Corporate Paper