

Macquarie is the longest standing provider of trading and risk management services to agricultural producers, consumers and market participants. It pioneered the over-the-counter market in agricultural derivatives in the early 1980s and has **actively traded in global agricultural commodity markets for more than 20 years**. Its expertise covers the full spectrum of agricultural commodity classes. In funds management, Macquarie manages a portfolio of **more than 3 million hectares of pastoral assets** through the Macquarie Pastoral Fund which has over \$A700 million in assets under management.

Macquarie also has one of the longest track records globally in metals markets, where it has operated for more than 30 years. Macquarie provides 24-hour trading and price-making for base and precious metals and is a principal provider of liquidity globally. Its **Metals and Mining research team was ranked No. 1 by European and US Investors** in the 2010 Greenwich Survey of Australian equities.

A natural extension of Macquarie's commodities expertise was the development of its **energy** presence. Macquarie has actively traded in energy markets for more than a decade, with capabilities in products such as crude oil and refined products, natural gas, power, LNG and natural gas liquids.

It has built a physical trading business through organic growth and strategic acquisitions. The Cook Inlet Energy Supply acquisition in 2005 enabled Macquarie's first physical natural gas trade in the US while the 2009 acquisition of Constellation Energy's downstream natural gas trading operations significantly boosted Macquarie's presence in this market. Macquarie is now the **No. 4 physical gas marketer in North America** and the highest-ranked non-producer.

Macquarie's physical energy trading expertise encompasses natural gas, liquefied natural gas, power, oil, coal and ethanol. A US physical oil business was established in 2010, with a Houston-based Latin American origination team added in January 2011. Physical oil trading and marketing teams also operate from Singapore, Calgary and London.

Macquarie's energy advisory presence was enhanced by the acquisitions of Orion Financial Services in 2007 and Tristone Capital in 2009. It has been involved in notable transactions including, in Australia, as financial adviser to Origin Energy Limited on the acquisition of the Integral Energy and Country Energy retail businesses from the NSW state-owned energy network businesses and their binding GenTrader arrangements with Eraring Energy. In Canada, Macquarie was financial advisor to Legacy on the \$C583 million acquisition of CanEra as well as co-lead manager and co-bookrunner for the \$C271 million financing and exclusive financial advisor to Result Energy Inc. on its \$C480 million sale to PetroBakken Energy Ltd. Macquarie ranked No. 1 for oil and gas ECM in Canada in the first quarter of the 2011 calendar year with a market share of 15 per cent (Bloomberg). It raised almost \$US370 million over seven transactions.

A participant in the **developing environmental markets since 1996**, Macquarie also provides financial solutions to help corporate and government customers manage their environmental obligations. A top three carbon emissions trader globally (by volume and value), Macquarie was awarded **Best Trader by its international peers in the 2011 Carbon Markets Awards** sponsored by Thomson Reuters/Point Carbon.

In addition to its areas of global expertise, Macquarie has developed leading businesses in other sectors. Macquarie substantially increased its **financial institutions** sector (FIG) expertise with the acquisition of Fox-Pitt Kelton Cochran Caronia Waller, a FIG specialist, in 2009. Since that time Macquarie has been involved in a number of significant FIG transactions. Apart from the Agricultural Bank of China, it was joint bookrunner and underwriter for the \$US1.2 billion Indonesia rights issue by PT Bank Negara, the **largest finance industry ECM deal in South-East Asia** in 2010 and in Australia, it was adviser to AXA Asia Pacific Holdings on the \$A13.3 billion acquisition of its business by AXA SA and AMP, the **largest financial services transaction in Australian corporate history**.

Macquarie has been involved in significant **telecommunications, media, entertainment and technology** sector transactions globally. During the year, it was financial adviser to a consortium of Macquarie-managed funds on the acquisition of Ceske Radiokomunikace, a radio tower business in the Czech Republic. This transaction was **one of the largest telecommunications transactions in Central and Eastern Europe** in calendar 2010.

Macquarie has been a long-standing **real estate** asset manager and financial advisor, **pioneering the development of the listed REIT market in Australia**. Macquarie manages a number of real estate funds including the recent addition of a second Macquarie Chinese real estate fund which raised \$US1 billion to invest in retail shopping centres in China. Macquarie also has an associate in MGPA which is an independently managed private equity real estate investment advisory company. MGPA is focused on real estate investment in Europe and Asia and currently manages \$US10 billion of assets throughout these regions. Macquarie's real estate advisory team was senior co-manager on the \$US2.28 billion common equity follow-on offering for General Growth Properties during the year, the largest REIT follow-on in history.

In the **industrials** sector, Macquarie has long played a leading role in some of Australia's largest transactions. Recent roles include lead financial adviser, lead debt arranger and debt lender to The Carlyle Group and TPG Capital on the \$A2.8 billion acquisition of Australian private healthcare provider Healthscope Limited. Macquarie was also adviser to Billfinger Berger on the sale process of its Australian subsidiary, Valemus Limited (formerly Billfinger Berger Australia) to Lend Lease Group for \$A1.2 billion.

Macquarie has taken the **debt expertise** it has developed in the Australian market and expanded its presence to Asia, the US and Europe, and is continuing to build its debt capital markets activities globally. In the last three years, the business has undertaken **over 145 debt-related deals with deal value in excess of \$A105 billion**, and has established over 300 direct relationships with financial institutions from debt raising activities. During the year, Macquarie participated in its first high yield bond offering in Asia, for Powerlong Real Estate Holdings Limited, and was involved with 15 DCM transactions in the US.

In the US Macquarie also specialises in high yield bonds, leveraged loans, distressed credit, special situations, project financings and trade claims. Since inception in 2009, Macquarie has traded in over \$US15 billion of bonds and leveraged loans across 120 issuers. An Asian markets credit trading speciality was added in 2010, along with credit trading teams in London and Sydney.

Macquarie is a leading provider of specialist **lending and leasing services**, with **over \$A17 billion of loans and assets under finance** globally. It has significant expertise in aviation, IT&T, rail, manufacturing, energy, motor vehicles and corporate debt and is one of the largest providers of motor vehicle finance in Australia.

Macquarie's **retail financial service offerings** in Australia and Canada continue to grow with over 1.04 million clients globally, including intermediaries, advised and direct. It maintains a **No. 1 position for Australian full-service retail stockbroking** based on market share and trading volumes (IRESS). In Canada, Macquarie was named **No.1 National Independent Canadian advisory firm** and ranked third of all investment advisory firms (Investment Executive Brokerage Report Card 2011). Macquarie has retail deposits of almost \$A27 billion and has almost \$A23 billion of funds under administration in the Macquarie Wrap. Macquarie Wrap has ranked in the top four platforms in Australia, in terms of inflows, for the past five years (Morningstar). Macquarie is able to provide its retail and high net worth clients with unique opportunities to invest in the markets and sectors where it has global specialist expertise, including the Asia-Pacific region and resources, agriculture and commodities, energy and infrastructure sectors.