

CAF made two significant acquisitions during the year:

- On 14 April 2010, it agreed to acquire an aircraft operating lease portfolio from International Lease Finance Corporation (ILFC) for \$US1.6 billion. The portfolio comprised 44 modern aircraft on lease to 35 airlines in 26 countries, bringing Macquarie's aircraft portfolio to more than 170. The acquisition builds on Macquarie's existing aircraft leasing business and substantial experience in asset leasing and diversifies the client base of its aircraft fleet
- On 30 April 2010, CAF acquired the GMAC auto finance portfolio worth approximately \$A1 billion. This consolidated CAF's position as one of the largest providers of car finance in Australia, financing or managing more than 240,000 contracts. Macquarie has more than 13 years' experience developing financial solutions for the motor vehicle leasing sector. The acquisition enhances this expertise and extends it to a broader market. The GMAC acquisition, along with the \$A1 billion Ford Credit Australia portfolio acquired in October 2009, expanded CAF's presence in the consumer finance sector in Australia. These portfolios continued to perform solidly during the year.

CAF continued its corporate lending activities in Australia, the US and Europe, using its specialist expertise to offer bridging and term lending facilities to large corporate clients. It extended its IT&T leasing capacity into Malaysia, Hong Kong, Singapore and India. Within the Meters business, there was continued growth of CAF's smart metering portfolio in the UK.

The group continued to access global securitisation markets and facilitated a significant amount of securitisation during the year. CAF issued \$A1.2 billion of motor vehicle leases and loan securitisations, including two issuances in the US. IT&T completed its first capital markets securitisation of equipment lease receivables in the US. A total of \$US0.3 billion of securities were issued, further diversifying funding sources for the group at attractive pricing levels.

Outlook

Subject to market conditions, CAF currently expects its result for the year ending 31 March 2012 to be up on the prior year. It anticipates growth in its lease and loan portfolio. The group will continue to seek opportunities for growth organically and through acquisition.

About Corporate and Asset Finance Group

Macquarie Aviation Finance

Provides operating leases and other financial products across multiple aviation asset types. Post-balance date, effective 1 April 2011, Macquarie AirFinance, formerly part of Macquarie Capital, was consolidated within CAF to capitalise on synergies between the businesses.

Macquarie Equipment Leasing Fund

A Macquarie-managed equipment leasing program that became effective in the US in June 2009. It offers eligible US retail investors exposure to a diversified portfolio of equipment and equipment leases.

Macquarie Equipment Finance

Provides specialist IT leasing, equipment finance and services solutions for a wide range of technology-based equipment. It offers a complete technology lifecycle solution and provides these services to government entities, educational institutions and corporations, in addition to providing vendor finance to equipment manufacturers, resellers and service providers.

Macquarie Leasing

A leading provider of finance leases to small to medium enterprises, corporate, government and retail clients in Australia. Its products include finance leases, novated lease agreements and commercial hire purchases for motor vehicles and other income producing plant and equipment.

Macquarie Lending

Provides bridging, term lending and asset-backed finance to mid to large corporate clients and also invests in select debt assets trading in secondary debt markets. The Lending team has offices in Sydney, London, Chicago and New York.

Macquarie Manufacturing

A leasing and trading business of manufacturing, testing and assembly equipment, including integrated circuit equipment. It offers lease finance, trading and asset management services to clients in Europe, Asia and the US.

Macquarie Meters

Owns an extensive gas and electricity metering portfolio for major UK energy providers. The portfolio comprises traditional electronic meters and newer 'Smart' electronic meters.

Macquarie Rail

Offers a wide variety of operating lease structures, portfolio sale and leaseback and portfolio acquisition services for freight railcars and related services, supporting the rail equipment needs of shippers and railroads across North America.