

Comparison of performance measures and executive remuneration measures: FY2010 – 2011

		2011	2010	Increase/ (Decrease) %
Performance measures				
NPAT	\$Am	956	1,050	(9)
Basic EPS	cents per share	282.5	320.2	(12)
Executive remuneration measures				
Total Compensation Expense ¹	\$Am	3,612	2,848	27
Average Staff headcount		15,325	13,136	17
Remuneration – Comparable Executive KMP ²	\$Am	43.0	42.5	1
Remuneration excluding earnings on restricted profit share – Comparable Executive KMP	\$Am	37.9	40.5	(6)

¹ Total Employment expenses, which also include other employment expenses such as on-costs, training and staff procurement were \$A3,890m for FY2011 and \$A3,101m for FY2010, an increase of 25 per cent over the year.

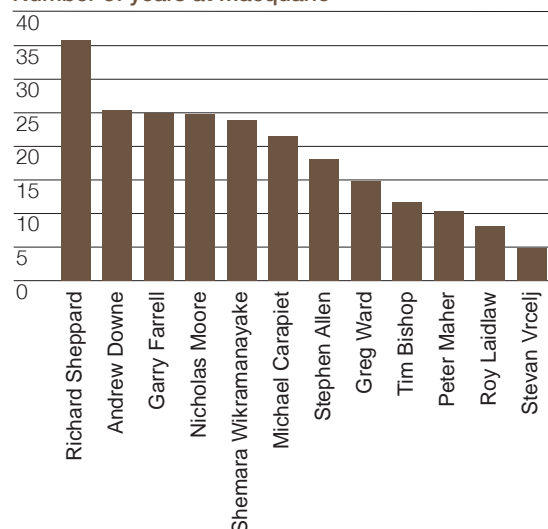
² Represents remuneration for Executive KMP who were on the Executive Committee for the full year in both FY2010 and FY2011.

1.2.2 Staff retention is increasingly challenging

A key goal of Macquarie's remuneration arrangements is to attract, motivate and retain high quality people and ensure they are focused on generating shareholder value by remunerating them commensurate with their performance and Macquarie's overall performance. The Board's view is that currently, Macquarie is attracting and retaining the people it needs to meet its business goals. However, there is growing pressure on staff retention, particularly in some businesses, in response to an even more competitive market than last year. Overall voluntary Director level turnover has increased from 10 per cent in FY2010, to approximately 11 per cent in FY2011, which is still considered a good result in the current competitive market. However, turnover in parts of the Group are much higher than levels seen in the past. This is a challenge that the Board is addressing and is discussed further in section 2.2.

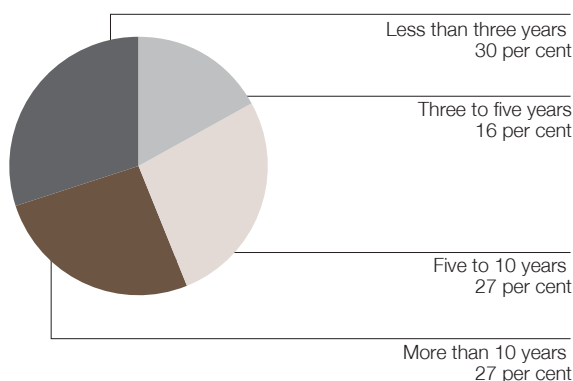
Macquarie continues to have a highly experienced senior management team. The average tenure of Macquarie's Executive Committee is over 18 years.

Tenure of Executive Committee members Number of years at Macquarie



This depth of experience continues outside of the Executive Committee. As at 31 March 2011, 27 per cent of Director level staff have at least 10 years' experience with Macquarie, and a further 27 per cent have between five and 10 years' experience³ with Macquarie:

Directors' tenure as at 31 March 2011



³ Directors in the above chart include all Director-level staff, being Associate Directors, Division Directors and Executive Directors. This measure includes accumulated service at acquired companies, for example ING's Asian Equities business.