

Notes to the financial statements

for the financial year ended 31 March 2011

continued

Note 45

Acquisitions and disposals of subsidiaries and businesses

Significant entities and businesses acquired or consolidated due to acquisition of control:

– Sal. Oppenheim

On 7 April 2010, a subsidiary of the Company acquired the equity derivatives, cash equity sales and research businesses of Sal. Oppenheim jr. & Cie.

– Macquarie AirFinance

On 1 November 2010, a subsidiary of the Company acquired an additional 62.5 per cent interest to bring its interest to 100 per cent in Macquarie AirFinance Limited, an aircraft lessor.

Other entities or businesses acquired or consolidated due to acquisition of control during the financial year are as follows:

CMC Railroad Inc., Innovest Kapitalanlage AG, Latitude FX Limited, Liberty Green Renewables Indiana LLC, Outplan Pty Ltd, Presidio Partners LLC, Rismark Limited and Shinhan Macquarie Financial Advisory Co. Limited.

Aggregate details of the above entities and businesses acquired or consolidated due to acquisition of control are as follows:

	2011 \$m	2010 \$m
Fair value of net assets acquired		
Cash, other financial assets and other assets	4,833	1,191
Goodwill and other intangible assets	91	738
Property, plant and equipment	2,370	16
Assets of disposal groups classified as held for sale	5	48
Payables, provisions, borrowings and other liabilities	(6,857)	(1,021)
Liabilities of disposal groups classified as held for sale	(4)	(43)
Non-controlling interests	(4)	(2)
Total fair value of net assets acquired¹	434	927
Consideration		
Cash consideration ²	231	748
Deferred consideration	–	125
Extinguishment of loan asset	–	56
Fair value of previously held interest	126	–
Total consideration	357	929
Net cash flow		
Cash consideration ²	(231)	(748)
Less:		
Cash and cash equivalents acquired	1,609	439
Net cash inflow/(outflow)	1,378	(309)

¹ In connection with the acquisition of Sal. Oppenheim, the business was acquired at a \$59 million discount to fair value, which included amounts received to cover expenses related to integrating the business. The actual incurred expenses have been offset against the amount received within note 2 – Profit for the financial year.

² Prior year comparatives include costs directly attributable to the acquisitions.

Included in the current year results for the Consolidated Entity is profit of \$39 million and revenue of \$106 million from Macquarie AirFinance Limited since the date of acquisition. If this acquisition had taken place on 1 April 2010, the impact on the current year results for the Consolidated Entity would have been profit of \$90 million and revenue of \$272 million. The operating results of the other acquisitions did not have a material impact on the results of the Consolidated Entity.

There are no significant differences between the fair value of net assets acquired and their carrying amounts, other than goodwill and other intangible assets as noted above. The goodwill acquired during the financial year has arisen due to the value of the entities of businesses acquired over their individual asset values, the employees acquired as part of the business and synergies the Consolidated Entity expects to realise from the acquisitions.

The 31 March 2010 comparatives relate principally to Blackmont Capital, Delaware Investments, Fox-Pitt Kelton Group and Tristone Capital Global Inc., being the significant entities or businesses acquired or consolidated due to acquisition of control.