

Directors' Report

for the financial year ended 31 March 2014

continued

The net profit contributions for the financial year ending 31 March 2015 from Macquarie Capital, Macquarie Securities and Banking and Financial Services are all expected to be up on the financial year ended 31 March 2014, while Macquarie Funds (subject to performance fees), Corporate and Asset Finance and Fixed Income, Currencies and Commodities are expected to be broadly in line with the financial year ended 31 March 2014.

The tax rate for the financial year ending 31 March 2015 is currently expected to be broadly in line with the financial year ended 31 March 2014.

Accordingly, the Group's result for the financial year ending 31 March 2015 is currently expected to be broadly in line with the financial year ended 31 March 2014, with the potential for a better result if market conditions continue to improve.

The Group's short term outlook remains subject to a range of challenges including: market conditions; the impact of foreign exchange; the cost of its continued conservative approach to funding and capital; and potential regulatory changes and tax uncertainties.

Macquarie remains well positioned to deliver superior performance in the medium term due to: its deep expertise in major markets; strength in diversity and ability to adapt its portfolio mix to changing market conditions; the ongoing benefits of continued cost initiatives; a strong and conservative balance sheet; and a proven risk management framework and culture.

Macquarie's financial risk management framework is outlined in Note 38 to the financial statements contained within the 2014 Financial Report.

Events subsequent to balance date

At the date of this report, the Directors are not aware of any matter or circumstance which has arisen that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in the financial years subsequent to 31 March 2014 not otherwise disclosed in this report.