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5 February 2002

Company Announcements Office
Australian Stock Exchange Limited

ASX Announcement: Macquarie Bank Limited

**MBL EXPECTS FULL YEAR RESULT SLIGHTLY
AHEAD OF LAST YEAR**

Macquarie Bank today indicated that, while it is still too early to be definitive, its result for the full year to 31 March 2002 is likely to be slightly ahead of that of the prior corresponding period.

The Bank's Chief Executive Officer, Allan Moss, said today "late last year we indicated that the six month period to 31 March 2002 would be influenced by a number of swing factors, including the success rate of investment banking transactions and conditions in international equity markets."

Mr Moss said that overall the Bank's businesses continued to perform well.

"The Investment Banking, Banking and Property, Funds Management and Financial Services Groups are well positioned to provide an increased contribution for the current year, despite slower corporate advisory and cross-border leasing activity in the Investment Banking Group," he said.

However, he noted that market conditions have continued to be difficult for the Equity Markets Group and in some areas of the Treasury and Commodities Group.

Mr Moss said that despite the recommencement of warrants trading in Hong Kong in January 2002, adverse market conditions in Hong Kong and Europe are likely to result in the Equity Markets Group posting only a small profit for the year. Treasury and Commodities has performed well in a challenging environment but is likely to contribute slightly lower earnings this year.

"While there are still two months before the Bank's year end, our preliminary estimate is that Macquarie will record a full-year result a little ahead of last year. If we can achieve that, it would be another record result for the Bank in what has been the most difficult year in a decade for the investment banking sector."

“We remain positive about the Bank’s medium-term performance and about a recovery in earnings from Equity Markets businesses. Our specialist funds activities are progressing well and we are confident in our ability to use the \$500 million we raised in September 2001 to support the Bank’s broad strategic development,” said Mr Moss.

Initiatives announced to date during the current half year to March 2002 include:

- Macquarie Infrastructure Group – successful completion of acquisition of a 40per cent interest in Cintra
- Macquarie Airports Group – first closing and acquisition of a 24.125 per cent stake in Birmingham International Airport
- Four Corners Capital Management – establishment of collateralised debt obligation specialist funds management business
- Shanghai residential property development and funds management business – establishment of joint venture with Schrodgers Asian Properties LP
- ProLogis alliance – established with Macquarie Property and Macquarie Goodman Management Limited

“The Bank is working on a significant number of prospective transactions in the specialised funds sector, which will result in new initiatives during calendar 2002,” said Mr Moss.

The Bank will announce its full year result on 16 May 2002.

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