

No.1 Martin Place  
Sydney NSW 2000  
GPO Box 4294  
Sydney NSW 1164

Telephone (61 2) 8232 3333  
Facsimile (61 2) 8232 7780  
Telex 122246  
Internet <http://www.macquarie.com.au>  
DX 10287 SSE  
SWIFT MACQUAU2S

Treasury 8232 3600 Facsimile 8232 4227  
Foreign Exchange 8232 3666 Facsimile 8232 3019  
Metals and Mining 8232 3444 Facsimile 8232 3590  
Futures 9231 1028 Telex 72263  
Debt Markets 8232 3815 Facsimile 8232 4414

**ASX/Media Release**

Thursday July 25, 2002

## **Macquarie Bank says first quarter profit well up on prior corresponding quarter**

Macquarie Bank Managing Director and Chief Executive Officer Allan Moss today said the Bank's first quarter profit, for the three months ended June 30, 2002 was well up on the corresponding quarter in 2001.

Speaking at the Bank's 2002 Annual General Meeting at the Westin Hotel in Sydney, Mr Moss said the first quarter's profit was "a very good result". He said the Bank had seen good increases in first quarter earnings from its Investment Banking Group, Treasury and Commodities Group and Banking and Property Group. He said as planned, Macquarie was progressing well on controlling expenses.

Speaking specifically on the Bank's operating groups for the first quarter, Mr Moss noted:

**Investment Banking Group** exceeded the result for the prior corresponding period.

Corporate and Structured Finance has had a solid start to the year, ahead of last year, and has a promising deal flow in prospect. For the six months to 30 June, the Bank was placed first in the Thomson league tables for value of Australian merger and acquisition transactions.

Macquarie was also a close second in the equivalent equity capital markets table on total capital raised and ranked first for Initial Public Offerings completed to June 2002.

Structured Finance has commenced the year well. Cross-Border Leasing is meeting expectations with several large transactions successfully completed in the first quarter including US leases for Qantas and Deutsche Telecom.

Macquarie Capital continues to show good growth and to develop quality annuity income streams, particularly in Macquarie IT and Macquarie Leasing. Macquarie Equities also continues to perform well and is ahead of its result in the first quarter last year. Deal flow, in a difficult market, remains strong.

**Treasury and Commodities Group's** first quarter result was a record for the Group and significantly ahead of last year. Foreign Exchange had a notably good quarter with particularly good performances from the derivative sales and trading desks.

Metals and Mining recorded a strong quarter, mainly attributable to the performance of the bullion business. Debt Markets and Treasury also achieved first quarter results significantly ahead of the prior corresponding period.

**Banking and Property Group** recorded a strong result, well ahead of last year's first quarter. The Group's result was buoyed by the excellent performance of the Property Divisions, mainly due to the listing of the Macquarie ProLogis Trust. Banking and Mortgages both recorded significant increases on the first quarter last year with increased deposits and volumes, respectively.

**The Funds Management Group** has started the year with funds under management up \$3.7 billion (15 per cent) on the prior corresponding period but profits are down slightly, due to the larger performance fees booked in this period last year.

**Equity Markets Group** has been profitable but the first quarter result was lower than achieved in the prior corresponding period. Australia, Hong Kong and South Africa all recorded profits in excess of those achieved in the first quarter of last year. Restructuring of the European operations was completed during the period.

Despite difficult market conditions in the first quarter, **Financial Services Group's** result was ahead of the previous corresponding period. The WRAP business had the highest net cash inflows into wrap platforms for the March 2002 quarter and assets under administration reached \$5 billion at 30 June. The technology programme is now nearing completion and continues to be delivered on schedule and on budget.

**Direct Investments** did not realise any assets during the quarter but its underlying investments are doing well. In particular, the approximately 90 per cent owned, coal seam gas producer, CH4, won the tender to supply gas to the new Townsville power station.

## **OUTLOOK**

“Investment of the capital raised in September 2001 will increasingly contribute to growth,” Mr Moss said.

“We are confident about the continued growth in specialist funds with increasing numbers of international investors. Equity Markets Group continues to be leveraged to market conditions.”

“We anticipate continued strong growth in business from our largest client set, investors and intermediaries. We will also benefit from cost initiatives implemented during the year. Subject to reasonable market conditions, we expect continued growth in revenue and profit.”

### **For further information, please contact:**

David Clarke, Executive Chairman, Macquarie Bank Limited (02) 8232 3413

Allan Moss, Chief Executive Officer, Macquarie Bank Limited (02) 8232 3483

Lisa Jamieson, Public Relations, Macquarie Bank Limited (02) 8232 6026

0416 237 332