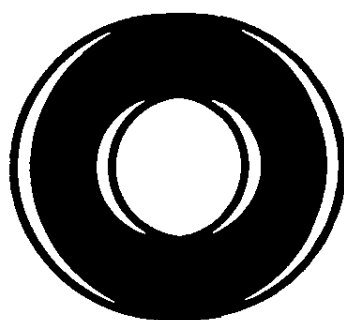


Company Registration Number: 6309919

MACQUARIE HOLDINGS (UK) NO. 1 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD FROM 11 JULY 2007 TO
31 MARCH 2008**



MACQUARIE



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 11 JULY 2007 TO 31 MARCH 2008**

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Macquarie Holdings (UK) No. 1 Limited

GENERAL INFORMATION**Directors**

W Leamon	(appointed on incorporation 11 July 2007)
P Plewman	(appointed on incorporation 11 July 2007)
R Tallentire	(appointed on incorporation 11 July 2007)

Secretary

J Greenfield	(appointed on incorporation 11 July 2007)
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Registered Office

Level 25
CityPoint
1 Ropemaker Street
London EC2Y 9HD

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hay's Lane
London SE1 2RD

Company number	6309919
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Macquarie Holdings (UK) No. 1 Limited

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for Macquarie Holdings (UK) No 1 Limited ("the Company") for the period 11 July 2007 to 31 March 2008

PRINCIPAL ACTIVITIES

The Company was incorporated on 11 July, 2007. Its principal activity is to act as a holding company for Macquarie Bank International Limited.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On 13 November 2007, the ultimate parent of Macquarie Holdings (UK) No 1 Limited changed to Macquarie Group Limited after the Macquarie Group restructured into a non-operating holding company structure. This restructure resulted in Macquarie Group Limited being established as the ultimate parent of the Macquarie Group.

The Company does not envisage any changes in activities for the foreseeable future, except those outlined in post balance sheet date events.

POST BALANCE SHEET DATE EVENTS

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 Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to 31 March 2008 not otherwise disclosed in this report.

RESULTS AND DIVIDENDS

The Company generates earnings through the receipt of dividends from its subsidiary, Macquarie Bank International Limited, which began operations on 4 February 2008. As at 31 March 2008, no dividends have been received.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Macquarie Group and are not managed separately. Accordingly, the principal risks and uncertainties of Macquarie Group Limited, which include those of the Company, are discussed in its financial statements and can be obtained from the address given in Note 8.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business and the information provided elsewhere in this report, the Directors are of the opinion that the production of the KPIs in the Directors' Report is not necessary for an understanding of the development, performance or position of the business. The KPIs of the Company are monitored at the Macquarie Group level.

FINANCIAL RISK MANAGEMENT

The Company is not directly exposed to any significant financial risks other than the carrying value of its investment in Macquarie Bank International Limited. This includes any effects of changes in derivative market prices, credit risk, liquidity risk and interest rate risk. The Company however, is subject to the Macquarie Group's Risk Management programme that seeks to limit the adverse effects on the financial performance of the Company. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Macquarie Holdings (UK) No. 1 Limited

DIRECTORS' REPORT (CONTINUED)**DIRECTORS**

The Directors of the Company holding office during the period were as follows

W Leamon	(appointed on incorporation 11 July 2007)
P Plewman	(appointed on incorporation 11 July 2007)
R Tallentire	(appointed on incorporation 11 July 2007)

ANNUAL GENERAL MEETING

The Company has dispensed with the obligation to hold an Annual General Meeting, as permitted under Section 366A of the Companies Act 1985

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

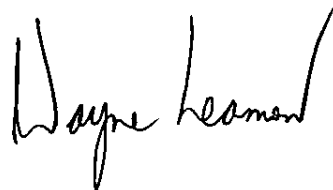
So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Pursuant to Section 386 of the Companies Act 1985, an elective resolution was passed resolving that the Company dispense with the requirement to appoint auditors annually.

By order of the board



Director
3 June 2008

Macquarie Holdings (UK) No. 1 Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MACQUARIE HOLDINGS (UK) NO 1 LIMITED

We have audited the financial statements of Macquarie Holdings (UK) No 1 Limited for the period from 11 July 2008 to 31 March 2008 which comprises the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
5 June 2008

Macquarie Holdings (UK) No. 1 Limited

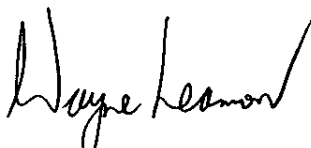
BALANCE SHEET AS AT 31 MARCH 2008

	Notes	2008 £
FIXED ASSETS		
Investments	5	<u>200,000,000</u>
NET CURRENT ASSETS		<u>200,000,000</u>
NET ASSETS		<u><u>200,000,000</u></u>
CAPITAL AND RESERVES		
Ordinary share capital	6	<u>200,000,000</u>
SHAREHOLDERS' FUNDS		<u><u>200,000,000</u></u>

The notes on pages 8 to 11 form part of these financial statements

During the above financial period, the company has not traded and accordingly no profit and loss account has been prepared

The financial statements on pages 7 to 11 were approved by the board of Directors on 3 June 2008 and were signed on its behalf by


Director

Macquarie Holdings (UK) No. 1 Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 11 JULY 2007 TO 31 MARCH 2008

1 ACCOUNTING POLICIES

The financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with Schedule 4 to the Companies Act 1985, as modified by the revaluation of financial derivative instruments to market value and available for sale financial assets as disclosed below, and with applicable accounting standards

The financial statements contain information about Macquarie Holdings (UK) No 1 Limited as an individual company and do not contain consolidated financial information as a parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its ultimate parent Macquarie Group Limited, a company incorporated in Australia.

On 13 November 2007, the ultimate parent of Macquarie Holdings (UK) No 1 Limited changed to Macquarie Group Limited after the Macquarie Group restructured into a non-operating holding company structure. The restructure resulted in Macquarie Group Limited being established as the ultimate parent of the Macquarie Group.

The particular policies adopted are described below as follows:

a) INVESTMENTS

Investments in subsidiaries are recorded at cost less provision for impairment. Where the Directors are of the opinion that there has been a permanent diminution in the value of investments, the carrying amount of such investments is written down to recoverable amount. The impairment of fixed asset investment is recognised as an expense in the Profit and Loss Account.

b) IMPAIRMENT OF INVESTMENTS

The Company assesses at each balance sheet date whether there is objective evidence that the investment is impaired. An investment is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the investment that can be reliably estimated.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Audit fees for the Company have been incurred and will subsequently be paid by Macquarie Bank Limited (London Branch).

During the period, the Company did not have any employees.

Macquarie Holdings (UK) No. 1 Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 11 JULY 2007 TO 31 MARCH 2008 (CONTINUED)
3 TAX ON PROFIT ON ORDINARY ACTIVITIES
Analysis of tax charge/(credit) for the period

	2008 £
Current tax	
UK corporation tax at 30%	-
Adjustments to tax in respect of prior years	-
Total current tax	-
Deferred tax	
Deferred tax adjustments	-
Total deferred tax	-
Tax on profit on ordinary activities	-

Factors affecting tax charge for the period

	2008 £
Profit on ordinary activities before taxation	-
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30%	-
Effects of	
Income not subject to corporation tax	-
	-

4 DIRECTORS' REMUNERATION

During 2008 the Directors were employed by, and received all emoluments from, other Macquarie Group undertakings. There is no allocation of their emoluments to the company as it would be impractical to do so, accordingly, no separate remuneration has been disclosed.

Macquarie Holdings (UK) No. 1 Limited
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 11 JULY 2007 TO 31 MARCH 2008 (CONTINUED)
5 FIXED ASSET INVESTMENTS

	2008 £
COST	
At 11 July	-
Additions	200,000,000
Disposals	-
Foreign currency translation	-
At 31 March	<u>200,000,000</u>

Fixed asset investments comprise

	Nature of business	Country of Incorporation	% ownership	2008 £
Macquarie Bank International Limited	Licensed UK Bank	United Kingdom	100	200,000,000
				<u>200,000,000</u>

6 SHARE CAPITAL

	2008 £
AUTHORISED	
400,000,000 ordinary shares of £1 each	400,000,000
	<u>400,000,000</u>
ALLOTTED, CALLED UP AND FULLY PAID	
200,000,000 ordinary shares of £1 each	200,000,000
	<u>200,000,000</u>

7 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2008 £
Opening shareholders' funds	-
Issue of ordinary share capital	200,000,000
Movements in other reserve	-
Retained profit for the period	-
Closing shareholders' funds	<u>200,000,000</u>

8 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party of Macquarie Holdings (UK) No 1 Limited, which is the parent undertaking of the largest group to prepare consolidated financial statements, is Macquarie Group Limited, a company incorporated in Australia. Copies of group financial statements for Macquarie Group Limited can be obtained from the Company Secretary, Level 7, No 1 Martin Place, Sydney, New South Wales, 2000, Australia.

Macquarie Holdings (UK) No. 1 Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 11 JULY 2007 TO 31 MARCH 2008 (CONTINUED)**9 RELATED PARTY TRANSACTIONS**

As 100% of the voting rights of the Company are controlled within the group headed by Macquarie Group Limited, incorporated in Australia, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Macquarie Group. The consolidated financial statements of Macquarie Group Limited, within which the Company is included, can be obtained from the address given in Note 8.

10 CASH FLOW STATEMENT

The Company was a wholly owned subsidiary within the Macquarie Group Limited group throughout the period and is included in the consolidated financial statements of Macquarie Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the FRS 1 (revised 1996).

11 POST BALANCE SHEET DATE EVENTS

No material events have occurred between period end and signing date.