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27 October 2003

Caitlin Chau
 ASX Derivatives
 Level 6, 20 Bridge Street
 Sydney NSW 2000



Dear Caitlin

For announcement to the market:

Macquarie Capital Plus Warrants – ANZ Rights Issue

Macquarie Bank Limited ("Macquarie") is the issuer of sixteen series of Capital Plus Warrants (ASX codes: CPXXMQ; CPXXMR; CPXXMS; CPXXMT; CPXXMU; CPXXMV; CPXXMW; CPXXMX; CPXXMY; CPXXMZ; CPXXMA; CPXXMB; CLPXMA; CLPXMB; CLPXMC; CLPXMD). Shares in Australia and New Zealand banking Group Limited ("ANZ") are included in the Underlying Parcel of all 16 series referred to above.

On 24 October 2003 ANZ announced the details of its 2 for 11 pro rata renounceable rights issue at a subscription price of \$13 per new ordinary ANZ share. The ex date for the rights issue is 29 October 2003 and the record date is 31 October 2003.

Capital Plus Adjustments

Pursuant to the Terms of Issue, the Warrants will be adjusted as follows:

- (a) the Completion Price is unchanged;
- (b) the Series Portfolio includes the additional number of ANZ Shares given by the following formula:

$$C = \frac{B \times N \times R}{D \times X}$$

where:

- C = the number of additional ANZ Shares in the Series Portfolio after the rights issue;
- B = the number of ANZ Shares in the Series Portfolio immediately before the rights issue;
- N = the Issue Numerator of the rights issue;
- D = the Issue Denominator of the rights issue;
- R = the value of a right to acquire one of the securities the subject of the rights issue;

- (a) where the rights trade on ASX on the ex-rights date in respect of the rights issue as published by ASX, determined from the weighted average price at which those rights trade on that day excluding late, special and overseas trades;
- (b) in any other case, determined by the Issuer with the consent of ASX having reference to the weighted average prices at which Shares trade on ASX "ex" the rights and "cum" the rights on the ex-rights date in respect of the rights issue as published by ASX (or, where the Shares do not trade "cum" the rights on that day, having reference also to the weighted average price of those "cum" rights Shares on the Business Day preceding the ex-rights date);
- X = the weighted average price at which the ex-rights Shares trade on the ex-rights date in respect of the rights issue as published by ASX, excluding late, special and overseas trades and option exercises;

Suspension of Trading

Trading in Capital Plus Warrants will be suspended on Wednesday 29 October 2003 while the above adjustment is determined. Further notification to the market will be made following the adjustment and the Capital Plus Warrants will recommence trading on Thursday 30 October 2003 on a ex-rights basis.

If you have any questions regarding this matter please contact your Stockbroker or Financial Adviser or call Macquarie on 1800 80 30 10.

Yours Sincerely



Chris Horne
Associate Director
Macquarie Bank Limited