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10 December 2003

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

MACQUARIE BANK

Dear Caitlin

For announcement to the market:

Macquarie Warrants – AMPWML; AMPWMM; AMPWMN; AMPWMT; AMPWMU; AMPWMV – AMP Demerger of HHG

Macquarie Bank Limited ("Macquarie") is the issuer of three series of Call Warrants (ASX codes: AMPWML; AMPWMM; AMPWMN) and three series of Put warrants (ASX codes: AMPWMT; AMPWMU; AMPWMV) over shares in AMP Limited ("AMP").

On 16 October 2003 AMP announced the details of its proposed demerger whereby each holding of one AMP share will be replaced by a holding of one HHG PLC CDI ("HHG") and one AMP share. The demerger received shareholder approval on Tuesday 9 December 2003 but is still subject to court approval. Subject to court approval being obtained, the ex date for the trading of AMP shares is 18 December 2003 with HHG CDIs commencing trading on 23 December 2003.

Warrant Adjustments

Pursuant to clause 4.2 of the Terms of Issue, the Warrants will be adjusted as follows:

(a) the Exercise Price is unchanged;

(b) the Underlying Parcel includes the additional number of AMP Shares given by the following formula:

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

where:

C = the number of additional AMP Shares in the Underlying Parcel after the HHG demerger;

B = the number of AMP Shares constituting an Underlying Parcel immediately before the HHG demerger;

R = the value of one HHG CDI as determined by the Issuer with reference to the weighted average prices at which AMP Shares trade on ASX "ex" the HHG demerger and "cum" the HHG demerger on the ex-HHG demerger date as published by ASX;

X = the weighted average price at which the ex-HHG demerger AMP Shares trade on the ex-HHG demerger date as published by ASX, excluding late, special and overseas trades and option exercises;

Suspension of Trading

Trading in Macquarie AMP Call & Put Warrants will be suspended on Thursday 18 December 2003 while the above adjustment is determined. Further notification to the market will be made following the adjustment and the AMP Call & Put Warrants will recommence trading on Friday 19 December 2003 on an ex-demerger basis.

Warrant holders are reminded that the last day to exercise AMP Call Warrants and receive AMP-cum-HHG entitlement shares is Monday 15 December 2003.

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