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ASX Release

MACQUARIE BANK ANNOUNCES SUPPORT OF MACQUARIE GOODMAN INDUSTRIAL TRUST AND MACQUARIE GOODMAN MANAGEMENT MERGER

MACQUARIE BANK

20 October 2004 - Macquarie Bank Limited (MBL) today announced its support for the merger of Macquarie Goodman Industrial Trust (MGI) and Macquarie Goodman Management Limited (MGM).

MBL has a 39.1 per cent holding in MGM. The Bank will retain its entire stake in MGM, which will equate to 8.8 per cent of the new entity to be known as the Macquarie Goodman Group.

MBL Chief Financial Officer, Greg Ward, said the proposed merger would position the new merged group for continued growth, particularly in Asia, while providing efficient access to capital.

"While the growth outlook for MGM and MGI is strong, the merger will unlock new growth opportunities across the Asia Pacific," Mr Ward said.

MGM has entered a 50:50 joint venture with the Macquarie Bank Group to target expansion in listed property funds management in Asia in the industrial and business space property sector. The joint venture is subject to existing arrangements the parties have in place with their respective offshore associates. The joint venture will leverage the Bank's growing presence in the region.

"We believe the merger and new structure of the Macquarie Goodman Group is appropriate for a fully integrated industrial real estate group," Mr Ward said. "The merged group will remain an external manager of listed and unlisted third party funds.

"MGM is Australia's largest provider of services to industrial property users. It has developed its own operational platform independent of the Macquarie Bank Group's listed property trust management business."

Mr Ward said that although MBL would be retaining its entire stake in MGM, under the requirements of Australian Accounting Standards, MBL would account for its interest in the merger as a deemed disposal of 77.5 per cent of its investment in MGM in exchange for the 8.8 per cent interest in MGI. MBL will bring to account a pre-tax accounting profit of approximately $255 million if shareholders and unitholders approve the transaction in a vote to be taken in late January, 2005. The net accounting profit (after tax and provision for profit share) expected to be recognised is approximately $80 million.

Mr Ward said the profit from this transaction was not envisaged at the time the Bank issued guidance to the market in late September 2004. However, the Bank has regularly disclosed details of its significant listed investments, including MGM.

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