

Macquarie Bank Limited
ABN 46 008 583 542

Macquarie Finance Limited
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15 October 2004



Dear Securityholder

Macquarie Income Securities - Change in Non-Resident Withholding Tax

Our records indicate that you are a non-resident of Australia for tax purposes. If this is not the case, you should contact the share registry, Computershare Investor Services, as soon as possible to adjust their records. Details of the share registry are included below for your convenience.

In your Macquarie Income Securities ("MIS") Quarterly Distribution Advice enclosed with this letter, there has been a change in the relevant withholding tax applied to the distribution.

In compliance with a recent announcement of proposed retrospective changes to Australian income tax law, **dividend** withholding tax will be withheld from all MIS payments to non-residents from 15 October 2004 onwards. In general, this will mean that withholding tax will be higher than the **interest** withholding tax which has been withheld from MIS payments to non-residents to date.

Dividend withholding tax will be withheld at 30% unless the rate is reduced to 15% under a Double Tax Agreement between Australia and the MIS holder's country of tax residence. A schedule of countries with Double Tax Agreements with Australia is available at the Australian Taxation Office's website at www.ato.gov.au. You should refer to your financial adviser for advice regarding your personal situation.

If you have any questions concerning the above, please contact our Investor Relations team on (02) 8232 5006.

Yours faithfully



Dennis Leong
Company Secretary

Computershare Investor Services
Phone: 61 3 9415 4000
Fax: 61 2 8234 5050

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Macquarie Finance Limited is not an authorised deposit-taking institution for the purposes of the Banking Act (Cth) 1959, and Macquarie Finance Limited's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542. Macquarie Bank Limited does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Finance Limited.