



## MEDIA RELEASE

### Macquarie Bank takes stake in Virgin Money

**8 November 2005** – Virgin Group and Macquarie Bank today announced a joint venture that will accelerate Virgin Money Australia's plans to become a large-scale provider of retail financial services.

Macquarie Bank has taken a 10 per cent equity interest in Virgin Money Australia and will also provide funding to develop and market new financial products. Macquarie Bank will also have representation on the Virgin Money Australia Board. The Bank has the opportunity to increase its interest in Virgin Money Australia should the initial investment prove successful.

Rohan Gamble, CEO of Virgin Money Australia, said, "We are thrilled to announce Macquarie Bank's investment in our business and vision. Macquarie Bank's product manufacturing and back office capabilities are an excellent strategic fit with Virgin Money's expertise in product development, marketing and customer care."

"This partnership gives us the opportunity to quickly create a broad-based financial services brand with a fresh approach to product development and marketing and a focus on direct distribution."

Macquarie Bank Deputy Managing Director, Richard Sheppard said, "The investment in Virgin Money Australia is part of the Bank's strategy of building strong business alliances with key third-party financial organisations. This partnership will build on the existing superannuation relationship and capabilities of both parties and will provide customers with a range of first class retail products and services."

Virgin Money Australia has now developed relationships with two of Australia's top financial institutions, Macquarie Bank and Westpac.

Virgin Super invests in funds managed by Macquarie Funds Management<sup>1</sup>. Virgin Super halved the average fees charged by the major retail super funds when it launched in June this year<sup>2</sup>.

Westpac is the issuer of the Virgin Credit Card, which launched in May 2003 and this month reached a major milestone with total card balances hitting \$1 billion. Over 600,000 Virgin Credit Cards have now been issued in Australia.

"Virgin Money is working with Westpac to expand our relationship and strengthen our product offering. Despite an increasingly crowded market, the Virgin Credit Card continues to be tremendously successful, and Westpac is playing an important role in that success", Mr Gamble said.

---

<sup>1</sup> Macquarie Funds Management refers to Macquarie Investment Management Limited ABN 66 002 867 003 AFSL 237 492 (MIML) a member of the Macquarie Group.

<sup>2</sup> Based on average fees of 2.27% p.a. for retail funds excluding industry funds. Rice Walker Actuaries, June 2004. Features and performance may vary across funds and should be considered when assessing funds.

Virgin Money will continue its business model of selecting leading partners for future products, such as mortgages, personal loans, transaction accounts and general insurance.

- ENDS -

**Further information or interviews:**

Kirsty Lamont, Virgin Money  
(02) 8249 8028 / 0400 411 148  
kirsty.lamont@virginmoney.com.au

or

Matthew Russell, Macquarie Bank  
(02) 8232 4102/ 0410 699 532  
matthew.russell@macquarie.com

**About Virgin Money:**

Virgin Money launched in Australia in May 2003, shaking up the credit card sector by offering low interest rates, no annual fees, up to 55 interest free days and instant rewards. Over 600,000 Virgin Credit Cards are now on issue in Australia. Virgin Money followed up this success with the launch of Virgin Super in June 2005, and now plans to become a broad-based provider of retail financial services in Australia. There's no funny stuff, just money stuff. <http://virginmoney.com.au>

**About Macquarie:**

Macquarie Bank is a diversified international provider of financial and investment banking services, headquartered in Sydney, Australia.

In Australia, Macquarie is a full service investment bank providing financial market trading and advisory products and services. In the Asia-Pacific region, Macquarie provides a broad range of investment banking services, whilst in America, Europe, Africa and the Middle East, the Bank focuses on selected business areas where its expertise provides particular value to clients.

Macquarie Bank organises its activities into six principal operating groups specialising in defined product or market sectors. Technical expertise, strong risk management and an enterprising approach underlie their activities in all areas.

Macquarie has reported successive years of record profits and growth since 1992, and now employs over 6800 people in 23 countries. Macquarie's approach is characterised by a commitment to the chosen markets in which it operates and a clear focus on achieving outstanding results.