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REPUTEX AND MACQUARIE SIGN MOU TO DEVELOP AUSTRALIA'S FIRST CARBON INTEGRATED LISTED EQUITIES FUND

Sydney, Australia. RepuTex ratings and research firm and Macquarie Bank Limited's Investment Banking Group (Macquarie) today announced they have signed a Memorandum of Understanding with the aim of developing Australia's first carbon integrated listed equities fund.

The proposed fund will utilise RepuTex's systematic research methodology, which prices the impact of carbon risk on a company's bottom line. RepuTex assesses and maintains carbon ratings on each S&P/ASX 300 Index company, identifying stocks it considers best able to adapt and compete in a carbon-constrained environment.

The companies it considers best positioned for growth are selected for inclusion in RepuTex's Climate Change Growth Index (CCGI), which Macquarie proposes to exclusively licence and use as the key driver for stock selection in the proposed fund. Macquarie would then optimise the fund portfolio by using a range of qualitative and quantitative factors.

The CCGI currently consists of 47 Australian companies. RepuTex reports that a portfolio of these companies, weighted according to RepuTex's methodology, would have outperformed the S&P/ASX 300 Index by 14.04 per cent over the last three years ending 31 August 2007 (total return), and 6.86 per cent year to date.

Macquarie Executive Director Anthony Abraham said, the establishment of a carbon integrated listed equities fund is well timed to succeed in a rapidly changing market where climate change is no longer purely an environmental issue, but is also becoming a significant investment opportunity.

"RepuTex's analysis shows that climate change and the carbon agenda have had an impact on company earnings globally and that this is likely to become more significant in Australia as the proposed Emissions Trading Scheme (ETS) is phased in. Furthermore, many of Australia's largest companies have significant offshore operations that are already being impacted by the pricing of carbon emissions through schemes such as the European ETS," said Mr Abraham.

RepuTex's research confirms that the Australian companies included in the CCGI are more advanced at converting risks into opportunities than others and are reaping the rewards for their leadership in this area.

RepuTex Head of Research, Hugh Grossman said, climate change and carbon risk is a positive story for astute investors, however until today, there had been no methodology to price this risk.

“With climate change fast becoming a significant investment issue in Australia, the proposed fund would offer investors for the first time, access to a product which integrates more accurate assessments of company value and growth potential within a new carbon constrained economy,” said Mr Grossman.

RepuTex’s carbon methodology identifies companies positioned for growth based on their management capacity to leverage exposure to carbon market forces such as physical, regulatory and technological risks.

Mr Grossman said current market methodologies take a one dimensional approach to carbon risk by assessing only direct manufacturing exposures. This approach leads to an oversight of significant risk in transactions, as well as missed opportunities.

“The RepuTex model takes a three dimensional approach, quantifying carbon intensity beyond merely production and supply chain phases, instead encompassing the complete life cycle of products and services,” he said.

The proposed Macquarie/RepuTex offering signals a new paradigm for Australian investors, and aims to set a new benchmark for integrating and pricing carbon risk into investment products and financial analysis.

Mr Abraham said Macquarie was very excited to be working with RepuTex with the aim of developing Australia’s first carbon integrated listed equities fund. “We believe investors would benefit from the rigour of the RepuTex research methodology and are confident the proposed fund will prove to be a compelling investment opportunity. This is supported by our initial market soundings with institutional investors, which so far have been very promising,” he said.

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About RepuTex

www.reputex.com.au

RepuTex is Australasia's leading investment research and ratings agency specialising in emerging risks such as carbon, corporate governance and geo-political risk for the investment and corporate sectors.

Established in 1999, RepuTex has offices in Melbourne, Shanghai and Hong Kong and has ratings in the market for over 2,000 companies globally, including the S&P ASX 300 in Australia.

Globally RepuTex covers China A class and Hong Kong H class stocks, along with MSCI Developed World Index companies.

By pricing emerging risk, RepuTex Research provides a systematic process to quantify company performance. Analysis works as an adjunct to traditional financial research, providing a "fundamental [+]" stock selection process.

The RepuTex Group is chaired by Mr Graeme Lee former Managing Director of Standard & Poor's Australia.

About Macquarie Bank Limited

www.macquarie.com.au/

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

Macquarie Bank evolved from Hill Samuel Australia Limited, which was established in 1969 as a subsidiary of the UK merchant bank, Hill Samuel & Co. In 1985, a banking licence was acquired and operations began under the name Macquarie Bank. In 1996, Macquarie Bank's fully paid ordinary shares were quoted on the Australian Stock Exchange.

In Australia, Macquarie is a full-service investment bank providing financial market trading and advisory products and services. In the Asia-Pacific region, the Bank provides a broad range of investment banking services and in the Americas, Europe, Africa and the Middle East, it focuses on particular business areas in which its expertise delivers value to clients. Macquarie has reported successive years of record profits and growth since 1992, and now employs over 10,000 people in 24 countries.

Past Performance is not a reliable indicator of future performance.

Any investment opportunity referred to in this press release will only be offered under an offer document which investors should obtain and consider prior to deciding whether to acquire or continue to hold an investment. This information does not consider an investor's objectives, financial situation or needs.

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