



ASX/ Media Release

MACQUARIE GROUP TO ACQUIRE DELAWARE INVESTMENTS

- **Leading US diversified asset management firm with over \$US125 billion in assets under management**
- **Acquisition provides Macquarie with a highly regarded team of investment management professionals, attractive product suite and broader access to the world's largest capital market**
- **Acquisition is consistent with Macquarie's strategy to develop a global asset management capability**
- **Management team has a demonstrated track record of fiduciary excellence and strong performance through the addition of new teams and products**
- **Delaware's and Macquarie's investment capabilities and processes to remain in place**
- **Macquarie to support Delaware with additional funding, new products and access to Macquarie's global distribution network to support further growth**
- **Delaware to continue its existing management of Lincoln Financial's general account insurance assets under a long-term contract**

NEW YORK, AUGUST 19, 2009 — Macquarie Group ("Macquarie") (ASX: MQG) today announced that it has entered into an agreement to acquire Delaware Investments ("Delaware"), a leading US-based diversified asset management firm, from Lincoln Financial Group ("Lincoln Financial") (NYSE: LNC) for \$US428 (\$A516) million, subject to certain closing adjustments.

Upon completion of the transaction, the combined assets under management (AUM) of Macquarie and Delaware are expected to be over \$US300 (\$A361) billion.

The acquisition is consistent with Macquarie's strategy to develop a global asset management capability through building a highly regarded team of investment

professionals, offering an attractive suite of investment products and gaining broader access to the world's largest capital market.

Delaware is a well-respected, US-based diversified asset management firm with over \$US125 (\$A150) billion in AUM (as of June 30, 2009). Delaware provides investment services to retail and institutional investors through a broad range of managed accounts, separate accounts, mutual funds, retirement accounts, sub-advised funds, and other investment products. Founded in 1929, Delaware is one of the oldest asset management firms in the United States. Headquartered in Philadelphia and with additional investment teams in San Francisco and Boston, Delaware employs approximately 580 people. *(See accompanying factsheet for further information)*

Delaware will remain headquartered in Philadelphia with its team of investment management professionals continuing to serve their clients under the same investment processes. Delaware clients will be offered opportunities to invest in new products with access to Macquarie's investment strategies, notably in real assets, global fixed income and alternatives. Macquarie clients across its global network will be offered investment solutions involving Delaware's investment strategies, in structures designed specifically for them. Macquarie will also provide additional funding to support Delaware's growth through continued investment in operations, distribution and commitment to expanding its multi-boutique approach.

Shemara Wikramanayake, Global Head of Macquarie Funds Group, said: "Macquarie has a long and successful history in asset management. Since 1980 our asset management activities have grown both organically and through the addition of specialist asset management teams. From that strong base and given current opportunities in the market, we feel now is an ideal time to expand our reach and offering as an asset manager."

"We have a high regard for the Delaware team and are delighted to have them join us. Delaware will form a key element of Macquarie Funds Group's offering to our clients globally and will significantly enhance our existing North American asset management activities," said Ms Wikramanayake.

Ms Wikramanayake said that given the distinct nature of Delaware and Macquarie's asset management businesses, it will be business as usual for Macquarie's existing clients.

"The acquisition of Delaware is a demonstration to our clients of the ongoing commitment we have to developing a global asset management capability with significant scale, product depth, research and investment capacity," added Ms Wikramanayake.

Macquarie Funds Group (MFG), the asset management arm of Macquarie Group, is a full service global fund manager with over 25 years experience and offers a range of investments for both retail and institutional investors across a variety of asset classes including fixed income, cash, currencies, equities, commodities, emerging markets, listed infrastructure and listed real estate as well as private equity and hedge fund of funds. MFG employs over 600 staff across 19 locations globally with AUM of approximately \$US67 (\$A80) billion* as of July 31, 2009. *(See accompanying factsheet for further information)*

Delaware President, Patrick Coyne, and his management team will continue to run Delaware. Mr Coyne will report to Ben Bruck, an Executive Director of Macquarie Funds Group and head of Macquarie's Affiliated Managers Division, who will relocate to Philadelphia.

Patrick Coyne, President of Delaware Investments, said: "We are very excited about the opportunities this transaction presents. Like Delaware, Macquarie is firmly committed to both the institutional and retail asset management business."

Mr Coyne said that importantly, Delaware clients will see consistency and continuity in the way their investments are managed.

"Macquarie is the perfect partner for us. They are strong supporters of Delaware's investment teams and their processes, our management team and our multi-boutique structure. Macquarie's desire to invest in and grow our product and distribution capabilities will be well received by our clients and our people."

* Includes the Macquarie Cash Management Trust, which is a product of Macquarie's Banking and Financial Services Group that is managed by MFG, and the AUM of affiliates

Ben Bruck, Executive Director, Macquarie Funds Group, said: “Delaware’s US-based expertise substantially complements Macquarie’s global asset management activities. Macquarie plans to offer its clients Delaware’s investment strategies through its global network. We will also explore opportunities to offer Macquarie’s global strategies and products to US clients through Delaware, most notably in real assets, global fixed income and alternatives.”

Mr Bruck said that one of the key things that attracts Macquarie to Delaware is its record of attracting, supporting and developing new teams and capabilities.

“Delaware’s approach is closely aligned with Macquarie’s – one that is committed to growing assets under management by supporting best-in-class investment professionals and adding new investment teams to deliver superior results for investors. We have also been particularly impressed with Delaware’s long-standing record of fiduciary excellence and true-to-label commitment to its clients,” added Mr Bruck.

Transaction Terms and Timing

As part of the transaction, Delaware will continue managing Lincoln Financial general account insurance assets under a long-term contract on financial terms similar to current arrangements as well as provide additional sub-advisory services.

Macquarie expects to pay Lincoln Financial approximately \$US428 (\$A516) million in cash to acquire the business and assets of Delaware, subject to a purchase price adjustment at closing based on any change in net assets.

The transaction will be funded by Macquarie Bank Limited (MBL). MBL’s Tier 1 capital ratio is anticipated to decrease by approximately 1.2% as a result of the transaction. The transaction is expected to close around the end of 2009 and is subject to regulatory approvals and other customary closing conditions.

Macquarie Capital (USA) Inc. served as financial advisor and Weil, Gotshal & Manges LLP provided legal counsel to Macquarie Group in relation to the transaction.

About Macquarie Funds Group

Macquarie Funds Group is a full service fund manager with over 25 years experience. It offers a diverse range of products including managed funds across a wide range of asset classes, funds-based structured products, hedge funds and fund of funds.

Macquarie Funds Group has a global reach with a team of over 600 staff across 19 global locations. As at July 31, 2009, Macquarie Funds Group had approximately \$US67 (\$A80) billion in funds under management.

About Macquarie

Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services. Macquarie's main business focus is making returns by providing a diversified range of services to clients. Macquarie acts globally on behalf of institutional, corporate and retail clients and counterparties.

Macquarie Group Limited is listed in Australia (ASX: MQG) and is regulated by APRA, the Australian banking regulator, as the owner of Macquarie Bank Limited, an authorized deposit taker. Macquarie's approach to risk management is long-standing. Strong risk management practices are embedded in business unit management with central oversight of credit, market, funding, compliance and operational risk. These, together with committed, quality staff are key drivers of Macquarie's success.

Founded in 1969, Macquarie operates in more than 70 office locations in 26 countries. Macquarie employs approximately 12,500 people and has assets under management of over \$US190 billion (\$A229 billion) (as of July 31, 2009).

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