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ASX/Media Release

MACQUARIE GROUP LIMITED LAUNCHES \$A500 MILLION MACQUARIE GROUP CAPITAL NOTES 4 OFFER

Sydney, 25 February 2019 – Macquarie Group Limited (ASX: MQG; ADR: MQBKY) (“MGL”) today announced its intention to raise \$A500 million with the ability to raise more or less, through the offer of Macquarie Group Capital Notes 4 (“MCN4”). MCN4 are expected to be quoted on the Australian Securities Exchange (“ASX”) under the code MQGPD (“Offer”).

MCN4 are fully paid, subordinated, non-cumulative, unsecured, mandatorily convertible and perpetual notes issued by MGL at an Issue Price of \$A100 per MCN4. Distributions are scheduled to be paid quarterly in arrears, subject to the Payment Conditions.

MCN4 will qualify as Eligible Capital for Australian Prudential Regulation Authority purposes.

The Offer is consistent with Macquarie’s strategy to actively manage its capital mix and maintain diverse sources of funding.

The Offer is made under a Prospectus which was lodged with the Australian Securities and Investments Commission (“ASIC”) and ASX today.

The Prospectus is available at www.MCN4Offer.com.au, by calling the MCN4 Offer Information Line as per the details below or by emailing MCN4Offer@boardroomlimited.com.au. A replacement Prospectus containing the Margin is expected to be made available on 5 March 2019 (“Replacement Prospectus”) when the Offer opens.

Macquarie Capital (Australia) Limited has been appointed as Sole Arranger and a Joint Lead Manager. ANZ Securities Limited, Citigroup Global Markets Australia Pty Ltd, Commonwealth Bank of Australia, Evans Dixon Corporate Advisory Pty Limited, J.P. Morgan Securities Australia Limited, Morgans Financial Limited, National Australia Bank Limited and Westpac Institutional Bank and have also been appointed as Joint Lead Managers.

More information about the Offer

The Offer is expected to open on 5 March 2019 and consists of:

- an Institutional Offer to Institutional Investors;

- a Broker Firm Offer – made to Australian resident retail and high net worth clients of Syndicate Brokers, or New Zealand resident high net worth clients of Syndicate Brokers who are invited to apply under the Broker Firm Offer; and
- a Securityholder Offer – made to holders of Ordinary Shares (ASX: MQG), Macquarie Bank Capital Notes (ASX: MBLPA), Macquarie Group Capital Notes 2 (ASX: MQGPB), Macquarie Group Capital Notes 3 (ASX: MQGPC) or Macquarie Income Securities (ASX: MBLHB) as at 7.00pm (AEDT) on 22 February 2019, who are resident in Australia (and not otherwise prevented from receiving the Offer of MCN4 under the securities laws of another jurisdiction, as determined by MGL).

Anyone who wants to invest in MCN4 will need to contact their Syndicate Broker (to apply under the Broker Firm Offer) or complete an Application Form (to apply under the Securityholder Offer) that will be available online at www.MCN4Offer.com.au or by calling the MCN4 Offer Information Line, as per the details below, when the Offer opens.

The Closing Date is expected to be 5.00pm (AEDT) on 22 March 2019.

Further information

MCN4 are complex and not suitable for all investors. Potential investors should read the Replacement Prospectus in its entirety before deciding whether to apply to invest in MCN4. If any part of the Replacement Prospectus is unclear, we recommend seeking guidance from a financial adviser or other professional adviser.

If you have any questions about MCN4 or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also email the Registrar at MCN4Offer@boardroomlimited.com.au or call the MCN4 Offer Information Line on 1300 005 027 (within Australia) or on +61 2 8023 5474 (outside Australia) (Monday to Friday 8.30am - 5.30pm, AEDT) during the Offer Period. Applicants under the Broker Firm Offer may also call their Syndicate Broker.

Indicative timetable

Key dates for the Offer	Date
Record date for determining Eligible Securityholders	7.00pm Friday, 22 February 2019
Lodgement of the Prospectus with ASIC	Monday, 25 February 2019
Bookbuild period commences	Monday, 25 February 2019
Announcement of the Margin	Friday, 1 March 2019
Lodgement of the Replacement Prospectus with ASIC	Tuesday, 5 March 2019
Opening Date	Tuesday, 5 March 2019
Closing Date for the Offer	5.00pm Friday, 22 March 2019
Issue Date	Wednesday, 27 March 2019
MCN4 commence trading on ASX on a deferred settlement basis	Thursday, 28 March 2019
Holding Statements despatched by	Monday, 1 April 2019
MCN4 commence trading on ASX on a normal settlement basis	Tuesday, 2 April 2019

Key dates for MCN4

First Distribution Payment Date	11 June 2019 ¹
Scheduled Optional Exchange Dates	10 September 2026, 10 March 2027 and 10 September 2027
Scheduled Mandatory Exchange Date	10 September 2029

Dates may change

These dates are indicative only and may change without notice.

MGL, with the prior consent of the Joint Lead Managers may vary the timetable, including by extending any Closing Date, closing the Offer early without notice or accepting late Applications (whether generally or in particular cases) or withdrawing the Offer at any time before MCN4 are issued, in its discretion. You are strongly encouraged to apply online as soon as possible after the Opening Date to ensure that your Application and Application Payment are received by the Closing Date for the Securityholder Offer.

If you wish to submit your Application via a paper Application Form you must submit your Application Payment by cheque(s) and/or money order(s) so that it is received by the Registrar by the Closing Date for the Securityholder Offer. If you are returning your payment by post you should ensure sufficient time for delivery by postal service or else your Application may not be accepted. Online Application and payment using BPAY® is preferred to ensure the efficient and timely processing of Applications.

Definitions

Unless otherwise defined, capitalised words used in this announcement have the meanings given to them in the Prospectus.

¹ Due to the Business Day convention, the first Distribution Payment Date is deferred from 10 June 2019 to 11 June 2019.

Disclaimer

The information provided in this announcement and the Prospectus is not personal investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read the Replacement Prospectus in full before deciding to invest in MCN4 and consider the risks that could affect the performance of MCN4.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer of any securities (including the MCN4) for sale or issue. No action has been taken to register or qualify MCN4 or the Offer or to otherwise permit a public offering of MCN4 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the MCN4 nor the Ordinary Shares have been or will be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or the securities laws of any state or other jurisdiction of the United States, and they may not be offered, sold or resold in the United States except pursuant to an exemption from the registration requirements of the US Securities Act and applicable US State Securities laws.

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