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ASX/Media Release

MACQUARIE GROUP LIMITED INITIAL ALLOCATION OF \$A650 MILLION MACQUARIE GROUP CAPITAL NOTES 3 AT A MARGIN OF 4.00%

Sydney, 9 May 2018 – Macquarie Group Limited (ASX: MQG; ADR: MQBKY) (“MGL”) today announced the initial allocation of \$A650 million of Macquarie Group Capital Notes 3 (“MCN3”) to Syndicate Brokers and Institutional Investors under the Institutional Offer and the Broker Firm Offer, pursuant to its offer of MCN3 (“Offer”), which was announced to the Australian Securities Exchange (“ASX”) on Monday, 7 May 2018.

As previously advised, the Offer consists of:

- an Institutional Offer to Institutional Investors;
- a Broker Firm Offer – made to retail and high net worth clients of Syndicate Brokers, who are resident in Australia, or high net worth clients of Syndicate Brokers who are resident in New Zealand, and who are invited to apply under the Broker Firm Offer;
- a Reinvestment Offer – made to Eligible MCN Holders to apply to reinvest the redemption proceeds of all or some of their MCN in MCN3; and
- a Securityholder Offer – made to holders of Ordinary Shares (ASX: MQG; ADR: MQBKY), Macquarie Group Capital Notes (ASX: MQGPA), Macquarie Bank Capital Notes (ASX: MBLPA), Macquarie Group Capital Notes 2 (ASX: MQGPB), or Macquarie Income Securities (ASX: MBLHB) as at 7.00pm (Sydney time) on Friday, 4 May 2018, who are resident in Australia (and not otherwise prevented from receiving the Offer under the securities laws of another jurisdiction, as determined by MGL).

While MGL has initially allocated \$A650 million in firm commitments to Syndicate Brokers and Institutional Investors under the Institutional Offer and the Broker Firm Offer, the Bookbuild in respect of the Broker Firm Offer will remain open for indicative demand by Eligible MCN Holders that are clients of Syndicate Brokers until 12.00pm on Thursday, 10 May 2018.

The Margin has been set at 4.00% per annum, which was at the bottom of the expected Margin range of 4.00% to 4.20% per annum.

The final size of the Offer will depend upon the volume of Applications received and accepted under the Broker Firm Offer, Reinvestment Offer and Securityholder Offer, which are due to open on Tuesday, 15 May 2018. MGL reserves the right to scale-back Applications if there is excess demand, however Reinvestment Applicants will be given a priority allocation over Securityholder Applicants (refer to the Replacement Prospectus for further details).

Full details of the Offer and the terms and conditions of MCN3, including the Margin and Offer size will be set out in the Replacement Prospectus which is scheduled to be lodged with the Australian Securities and Investment Commission ("ASIC") by MGL on Tuesday, 15 May 2018, subject to the expiry of the exposure period with ASIC.

Further information

MCN3 are complex investments and not suitable for all investors. Potential investors should read the Replacement Prospectus in its entirety before deciding whether to apply to invest in MCN3. If any part of the Replacement Prospectus is unclear, we recommend investors seek guidance from a financial adviser or other professional adviser.

If you have any questions about MCN3 or the Offer, you should seek advice from your financial adviser or other professional adviser. You can also call the MCN3 Offer Information Line on 1300 420 406 (within Australia) or on +61 1300 420 406 (International) (Monday to Friday, 8.30am - 5.30pm, Sydney time). Applicants under the Broker Firm Offer may also call their Syndicate Broker.

Definitions

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

Disclaimer

The information provided in this announcement and the Replacement 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 MCN3 and consider the risks that could affect the performance of MCN3.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer of any securities (including the MCN3) for sale or issue. No action has been taken to register or qualify MCN3 or the Offer or to otherwise permit a public offering of MCN3 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the MCN3 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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