

9 August 2018

ASX Limited
 ASX Market Announcements Office
 Exchange Centre
 20 Bridge Street
 SYDNEY NSW 2000

Magellan Financial Group Limited
Full year results for the period ended 30 June 2018

- **Profit after tax before MGG offer costs and non-cash amortisation up 37% to \$268.9 million**
- **Total dividends up 57% to 134.5 cents per share**
- **New dividend policy increases ongoing payout ratio by 20% to 90-95%**
- **\$35 billion of value creation for our clients and shareholders since 2006**

Magellan Financial Group Limited ('Magellan') today announced after-tax profit (excluding the one-off net offer costs of the Magellan Global Trust and non-cash amortisation) increased by 37% to \$268.9 million for the 12 months to 30 June 2018.

The board has revised the dividend policy to increase the payout ratio to 90-95% of the funds management business net profit after tax from the prior payout of 75-80%. This represents approximately a 20% increase in the dividend payout ratio moving forward. The change in dividend policy follows a board review of the ongoing capital requirements of the Group and reflects Magellan's very strong balance sheet and sustainable cash flows which are sufficient to support the business and its numerous organic growth opportunities.

The total dividends for the 2018 financial year of 134.5 cents per share represent a 57% increase over the total dividends for the prior year. The Final Dividend and Performance Fee Dividend which total 90.0 cents per share (fully franked) will be payable to shareholders on 27 August 2018 in accordance with our policy to pay dividends promptly.

Results summary	FY2018	FY2017	Change
Average funds under management (\$ billions)	59.0	45.7	29%
Profit after tax (\$ millions)	211.8	196.2	8%
Profit after tax before MGG offer costs and amortisation (\$ millions)	268.9	196.2	37%
Diluted earnings per share (cents per share)	122.0	114.1	7%
Diluted earnings per share before MGG offer costs and amortisation (cents per share)	154.9	114.1	36%
Total Dividends (cents per share) (fully franked)	134.5	85.6	57%

Hamish Douglass, Magellan's CEO and Chief Investment Officer, said: "The 2018 financial year has been an extremely busy and productive year for Magellan. During the year, we completed the \$1.57 billion initial public offering of the Magellan Global Trust, the largest closed end fund raising in Australian history, and made two strategic acquisitions: Frontier Partners in the United States and Airlie Funds Management, a leading Australian funds management business."

"Magellan's profit after tax before the one-off net offer costs of MGG and non-cash amortisation grew 37% to \$268.9 million."

"I am extremely proud that, since Magellan was founded in 2006, \$35 billion of value has been created for our clients and shareholders who have entrusted Magellan to manage money on their behalf."

"Given Magellan's strong balance sheet and financial strength we are pleased to be in a position to increase Magellan's dividend payout ratio to 90-95% of funds management profits. This represents a 20% increase in the ongoing cash dividend payout. This is consistent with our ongoing focus on shareholder value."

About Magellan

Magellan Financial Group is a specialist funds management business established in 2006 and based in Sydney, Australia. Magellan's core operating subsidiary, Magellan Asset Management Limited, manages approximately \$70 billion of funds under management at 31 July 2018 across its global equities, global listed infrastructure and Australian equities strategies for retail, high net worth and institutional investors and employs over 120 staff globally. Magellan is listed on the Australian Securities Exchange (ASX Code: MFG) and has a market capitalisation of approximately \$4.2 billion. Further information can be obtained from www.magellangroup.com.au.

For further information, please contact:

Magellan Financial Group Limited:

Sarah Thorne
Investor Relations
+61 2 9235 4844

Geoffrey Stirton
Company Secretary
+61 2 9235 4828

Lucy Briggs
Media Relations
+61 2 9235 4824