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ASX/Media Release

MACQUARIE GROUP LIMITED LAUNCHES \$A400 MILLION MACQUARIE GROUP CAPITAL NOTES 2 OFFER

Sydney, 23 November 2015 – Macquarie Group Limited (ASX: MQG; ADR: MQBKY) (MGL) today announced its intention to raise \$A400 million, with the ability to raise more or less, through the offer of Macquarie Group Capital Notes 2 (MCN2). MCN2 are expected to be quoted on the Australian Securities Exchange (ASX) under the code MQGPB. MCN2 are fully paid, unsecured, subordinated, non-cumulative, perpetual and convertible notes issued by MGL at an Issue Price of \$A100 per MCN2. Distributions are scheduled to be paid semi-annually in arrears, subject to certain Payment Conditions.

Patrick Upfold, Macquarie CFO said, “At the half year results announcement on 30 October 2015, Macquarie noted our intention to redeem the Preferred Membership Interests \$US400m hybrid in December 2015. The MCN2 is intended to replace the Preferred Membership Interests.

Macquarie continues to have a strong balance sheet with well diversified funding sources and minimal reliance on short term wholesale funding markets. We have a strong capital base and the Offer is consistent with Macquarie’s strategy to manage its capital mix and maintain a diverse source of funding.”

MCN2 will qualify as Eligible Capital for Australian Prudential Regulation Authority purposes.

The Offer is made under a Prospectus which was lodged with the Australian Securities and Investments Commission (ASIC) and ASX today. The Offer is available only to investors resident in Australia and to certain institutional investors.

The Prospectus is available at www.MacquarieCN2Offer.com.au, or by calling the MCN2 Offer Information Line, as per the details below. A replacement Prospectus containing the Margin is expected to be made available on 1 December 2015 (Replacement Prospectus) when the Offer opens.

Macquarie Capital (Australia) Limited has been appointed as Sole Arranger and a Joint Lead Manager. ANZ Securities Limited, Commonwealth Bank of Australia, Evans and Partners Pty Limited, J.P. Morgan Australia Limited, Morgans Financial Limited, National Australia Bank Limited and Westpac Institutional Bank have also been appointed as Joint Lead Managers (collectively JLMs).

More information about the Offer

The Offer is expected to open on 1 December 2015 and consists of:

- a Broker Firm Offer – to retail and high net worth clients of Syndicate Brokers, who are resident in Australia;
- a Securityholder Offer – to eligible holders of Macquarie Group Limited Ordinary Shares (ASX: MQG; ADR: MQBKY), Macquarie Group Capital Notes (ASX: MQGPA), Macquarie Bank Capital Notes (ASX:MBLPA) or Macquarie Income Securities (ASX: MBLHB), who are resident in Australia;
- a General Offer – to members of the general public who are resident in Australia; and
- an Institutional Offer to Institutional Investors who received a firm allocation from the JLMs.

Anyone who wants to invest in MCN2 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 or General Offer) that will be available online at www.MacquarieCN2Offer.com.au or by calling the MCN2 Offer Information Line, as per the details below, when the MCN2 Offer opens.

The closing date for the Securityholder Offer and the General Offer is expected to be 5.00pm (Sydney time) on 15 December 2015. The Closing Date for the Broker Firm Offer is expected to be 5.00pm (Sydney time) on 17 December 2015.

Further information

MCN2 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 MCN2. If any part of the Replacement Prospectus is unclear, we recommend seeking guidance from a financial advisor or other professional adviser.

If you have any questions about MCN2 you can call the MCN2 Offer Information Line on 1300 306 413 (within Australia) or on +61 1300 306 413 (International). The line is open from Monday to Friday 8.30am to 5.30pm (Sydney time), 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 (Sydney time) Friday, 20 November 2015
Lodgement of the Prospectus with ASIC	Monday, 23 November 2015
Bookbuild	Friday, 27 November 2015
Announcement of the Margin	Friday, 27 November 2015
Lodgement of the Replacement Prospectus with ASIC	Tuesday, 1 December 2015
Opening Date	Tuesday, 1 December 2015
Closing Date for the Securityholder Offer and General Offer	5.00pm (Sydney time) Tuesday, 15 December 2015
Closing Date for the Broker Firm Offer	5.00pm (Sydney time) Thursday, 17 December 2015
Issue Date	Friday, 18 December 2015
MCN2 commence trading on ASX on a deferred settlement basis	Monday, 21 December 2015
Holding Statements despatched by	Tuesday, 22 December 2015
MCN2 commence trading on ASX on a normal settlement basis	Wednesday, 23 December 2015
Key dates for MCN2	
First Distribution Payment Date	Thursday, 17 March 2016 (subject to Payment Conditions)
First Scheduled Optional Exchange Date	Wednesday, 17 March 2021
Scheduled Mandatory Exchange Date	Monday, 18 March 2024

Dates may change

These dates are indicative only and may change without notice.

MGL, in consultation with the JLMs, 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 MCN2 are issued, in its discretion. As such, you are encouraged to apply as soon as possible after the Opening Date.

Definitions

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

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 MCN2 and consider the risks that could affect the performance of MCN2.

This announcement does not constitute an offer of any securities (including the MCN2) for sale or issue. No action has been taken to register or qualify MCN2 or the Offer or to otherwise permit a public offering of MCN2 outside Australia. In particular, this announcement does not constitute an offer of securities for sale in the United States. Neither the MCN2 nor the MGL Ordinary Shares have been or will be registered under the U.S. Securities Act of 1933, as amended (the 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 or to, or for the benefit of, any “U.S. person” (as defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act.

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