APPLICABLE PRICING SUPPLEMENT

**ZAR10,000,000,000**
**DEBT INSTRUMENT PROGRAMME**

MACQUARIE SECURITIES SOUTH AFRICA LIMITED *(incorporated with limited liability under registration number 2006/023546/06 in the Republic of South Africa)*

**Unconditionally and irrevocably guaranteed by**

**MACQUARIE GROUP LIMITED**
*((ABN 94 122 169 279), a corporation constituted with limited liability under the laws of the Commonwealth of Australia)*

MACQUARIE

## Issue of ZAR 100,000,000 Unsecured Floating Rate Notes due 9 April 2015

This document constitutes the Applicable Pricing Supplement relating to the issue of the Tranche of Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the amended and updated Programme Memorandum dated 17 May 2012 (as further amended and/or supplemented from time to time) (the **Programme Memorandum**) prepared by Macquarie Securities South Africa Limited (the **Issuer**) in connection with the Macquarie Securities South Africa Limited ZAR 10,000,000,000 Debt Instrument Programme (the **Programme**).

The Programme Memorandum was updated and approved by the JSE Limited (the **JSE**) on 16 May 2012.

To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" (the **Terms and Conditions**). References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

### A. DESCRIPTION OF THE NOTES

| | | |
|---|---|---|
| 1. | Issuer | Macquarie Securities South Africa Limited |
| 2. | Guarantor | Macquarie Group Limited |
| 3. | Tranche number | 1 |
| 4. | Series number | 96 |
| 5. | Status of the Notes | The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 7) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among themselves and (save for certain debts required to be preferred by law that is both mandatory and of general application) at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, as described in Condition 5. |
| 6. | Security | Unsecured |
| 7. | Form of the Notes | Registered Notes<br>The Notes in this Tranche are issued in registered uncertificated form and will be held in the CSD |
| 8. | Type of Notes | Floating Rate Notes |
| 9. | Issue Date/First Settlement Date | 9 October 2014 |
| 10. | Issue Price | 100% |
| 11. | Interest Basis | Floating Rate |
| 12. | Redemption/Payment Basis | 100% of the Aggregate Nominal Amount |
| 13. | Change of Interest or Redemption/ Payment Basis | N/A |
| 14. | Aggregate Nominal Amount | ZAR 100,000,000 |
| 15. | Specified Currency | ZAR |
| 16. | Specified Denomination (Nominal Amount per Note) | ZAR 1,000,000 |

| | | |
|---|---|---|
| 17. | Minimum Specified Denomination of each Note | ZAR 1,000,000 |
| 18. | Business Day Convention | Following Business Day Convention |
| **B.** | **PROGRAMME AMOUNT** | |
| 1. | Programme Amount as at the Issue Date | ZAR 10,000,000,000 |
| 2. | Aggregate Outstanding Nominal Amount of all of the Notes issued under the Programme (including all Notes in issue under the Programme pursuant to the Previous Programme Memorandum) as at the Issue Date | ZAR 5,305,000,000, including the aggregate Nominal Amount of Notes issued on the Issue Date specified in Item A(9) above |
| **C.** | **FLOATING RATE NOTES** | |
| 1. | Interest Commencement Date | 9 October 2014 |
| 2. | Interest Payment Date(s) | 9 January and 9 April 2015 |
| 3. | First Interest Payment Date | 9 January 2015 |
| 4. | Interest Periods | The first Interest Period shall commence on (and include) the Interest Commencement Date and end on (but exclude) the first Interest Payment Date. Thereafter, each successive Interest Period shall commence on (and include) the immediately preceding Interest Payment Date and end on (but exclude) the immediately following Interest Payment Date; provided that the final Interest Period shall end on (but exclude) the Final Redemption Date. |
| 5. | Manner in which the Rate(s) of Interest is/are to be determined | Screen Rate Determination |
| 6. | ***If ISDA Determination applicable:*** | N/A |
| 7. | ***If Screen Rate Determination applicable:*** | |
| (a) | Reference Rate | JIBAR (being, subject to Condition 8.3.3, the average mid-market yield rate per annum for 3-month deposits in Rand which appears on the Relevant Screen Page as the "*SFX 3M YIELD*" at or about the Relevant Time on the Interest Determination Date, determined by the Calculation Agent in accordance with Condition 8.3.3 |
| (b) | Interest Determination Date | The first day of each Interest Period; provided that the Interest Determination Date for the first Interest Period shall be 6 October 2014 |
| 8. | Relevant Screen Page | Reuters Screen SAFEY page |
| 9. | Margin | 0.37 % per annum |
| 10. | Relevant time | 10h00 (South African time) |
| 11. | ***If Other Determination applicable:*** | N/A |
| 12. | Minimum Rate of Interest | N/A |
| 13. | Maximum Rate of Interest | N/A |
| 14. | Day Count Fraction | Actual/365 |
| 15. | Default Rate | N/A |
| 16. | Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest for Floating Rate Notes | N/A |
| **D.** | **REDEMPTION** | |
| 1. | ***Redemption at maturity:*** | |
| (a) | Maturity Date | 9 April 2015 |
| (b) | Final Redemption Amount | The aggregate Outstanding Nominal Amount of this Tranche. |

| | | |
|---|---|---|
| 2. | *Put Option:* | N/A |
| 3. | *Call Option:* | N/A |
| 4. | ***Optional early redemption following a Tax Event and/or a Change in Law*** | Applicable *(Note: see Condition 10.4)* |
| (a) | Early Redemption Date | The Interest Payment Date stipulated as the date for redemption of this Tranche in the notice of redemption given by the Issuer in terms of Condition 10.4. |
| (b) | Early Redemption Amount | The aggregate Outstanding Nominal Amount of this Tranche. |
| 5. | ***Other terms:*** | N/A |
| **E.** | **AGENTS AND SPECIFIED OFFICES** | |
| 1. | Calculation Agent | The Issuer |
| 2. | Specified Office of the Calculation Agent | Level 6, The District, 41 - 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa |
| 3. | Paying Agent | The Issuer |
| 4. | Specified Office of the Paying Agent | Level 6, The District, 41 - 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa |
| 5. | Transfer Agent | The Issuer |
| 6. | Specified Office of the Transfer Agent | Level 6, The District, 41 - 45 Sir Lowry Road, Woodstock Cape Town, 7925, South Africa |
| **F.** | **REGISTER CLOSED** | |
| 1. | Last Day to Register | Up until 17h00 (South African time) on the 29 December 2014 and 29 March 2015 (whether such day is a Business Day or not) |
| 2. | Books Closed Period | The Register will be closed during the ten days preceding each Interest Payment Date and the Final Redemption Date from 17h00 (South African time) on the relevant Last Day to Register until 17h00 (South African time) on the day preceding the Interest Payment Date and the Final Redemption Date, being the period during which the Register is closed for purposes of giving effect to transfers, redemptions or payments in respect of this Tranche of Notes |
| 3. | Books Closed Dates | 30 December 2014 and 30 March 2015 |
| **G.** | **GENERAL** | |
| 1. | Exchange Control Approval | N/A |
| 2. | Additional selling restrictions | N/A |
| 3. | International Securities Numbering (ISIN) | ZAG000120379 |
| 4. | Stock Code Number | MAQ060 |
| 5. | Financial Exchange | JSE Limited (Interest Rate Market) |
| 6. | Method of Distribution | Auction |
| 7. | Name of Dealer | The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division |
| 8. | Stabilisation Manager | N/A |
| 9. | Governing law | Subject to Condition 7.2.2, the Notes and the applicable Terms and Conditions are governed by, and shall be construed in accordance with, the laws of South Africa<br><br>The Guarantee is governed by, and shall be construed in accordance with, the laws of New South Wales, Australia |
| 10. | Business Centre | Johannesburg |
| 11. | Additional Business Centre | N/A |
| 12. | Rating assigned to the Programme | The Programme was assigned a Rating of BBB/A-2 (Global Scale) and zaAA+/zaA-1 (SA National Scale) from Standard & Poor's on 30 September 2014 |
| 13. | Rating assigned to this Tranche of Notes as at the Issue Date | zaAA+/zaA-1 |

| | | |
|---|---|---|
| 14. | Rating Agency for this Tranche of Notes | Standard & Poor's |
| 15. | Commercial Paper Regulations | The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out in Annexure "A" to this Applicable Pricing Supplement |
| 16. | Other provisions | N/A |

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, each Supplement to the Programme Memorandum published by the Issuer from time to time and this Applicable Pricing Supplement.

The Issuer certifies that, to the best of its knowledge and belief, there are no facts the omission of which would make the Programme Memorandum or any statement contained in the Programme Memorandum false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the Programme Memorandum contains or incorporates by reference all information required by the JSE Debt Listings Requirements and all other Applicable Laws.

Application is hereby made to list this Tranche of Notes on the Interest Rate Market of the JSE, as from 9 October 2014, pursuant to the Macquarie Securities South Africa Limited ZAR10,000,000,000 Debt Instrument Programme.

**For: MACQUARIE SECURITIES SOUTH AFRICA LIMITED**

By: ____________________
*duly authorised*

Date: 6 OCTOBER 2014

By: ____________________
*duly authorised*

Date: 7/10/14

# ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT
# COMMERCIAL PAPER REGULATIONS

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations is set out below (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. **Issuer and Ultimate Borrower** *(paragraph 3(5)(a) of the Commercial Paper Regulations)*

   The Issuer of the Tranche of Notes described in the Applicable Pricing Supplement (the **relevant Tranche**) is Macquarie Securities South Africa Limited (incorporated with limited liability under registration number 2006/023546/06 in South Africa).

   The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.

2. **Going concern** (*paragraph 3(5)(b) of the Commercial Paper Regulations*)

   The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

3. **Auditor** (*paragraph 3(5)(c) of the Commercial Paper Regulations*)

   The auditors of the Issuer as at the Issue Date are PricewaterhouseCoopers Incorporated. PricewaterhouseCoopers Incorporated has acted as the auditors of the Issuer's latest audited financial statements.

4. **Total amount of Commercial Paper** (*paragraph 3(5)(d) of the Commercial Paper Regulations*)

   a) The Issuer has, prior to the Issue Date, issued *commercial paper*" (as defined in the Commercial Regulations) of which an aggregate amount of ZAR 4,964,000,000 remains outstanding (excluding this issuance).

   b) As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will issue "*commercial paper*" (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR 5,036,000,000 during the Issuer's current financial year (excluding the relevant Tranche).

5. **Other information** *(paragraph 3(5)(e) of the Commercial Paper Regulations)*

   All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the relevant Tranche is contained in the Programme Memorandum and the Applicable Pricing Supplement.

6. **Material adverse change** (*paragraph 3(5)(f) of the Commercial Paper Regulations*)

   Save as disclosed in the Programme Memorandum, there has been no material adverse change in the Issuer's financial position since the date of the Issuer's last audited financial statements.

7. **Listing** (*paragraph 3(5)(g) of the Commercial Paper Regulations*)

   The relevant Tranche will be listed on the Interest Rate Market of the JSE.

8. **Use of proceeds** (*paragraph 3(5)(h) of the Commercial Paper Regulations*)

   The proceeds of the issue of the relevant Tranche will be used by the Issuer for its general corporate purposes.

9. **Security** (*paragraph 3(5)(i) of the Commercial Paper Regulations*)

   The obligations of the Issuer in respect of the relevant Tranche are unsecured (in that the Noteholders have no real rights of security in respect of such obligations). However, Macquarie Group Limited has, in terms of and subject to the Guarantee, irrevocably and unconditionally guaranteed to the Noteholders the due and punctual payment by the Issuer of all amounts owing by the Issuer in respect of the Notes.

10. **Auditors confirmation** (*paragraph 3(5)(j) of the Commercial Paper Regulations*)

    The Issuer's auditors as at the Issue Date have confirmed in writing that nothing has come to their attention which causes them to believe that the issue of the relevant Tranche under the Programme, pursuant to the Programme Memorandum (as read with the Applicable Pricing Supplement) will not comply in all material respects with the provisions of the Commercial Paper Regulations.

11. **Audited financial statements** *(paragraphs 3(5)(j)(i) and (j)(ii) of the Commercial Paper Regulations)*

    Where, in relation to the issue of the relevant Tranche, the Programme Memorandum and/or the Applicable Pricing Supplement is distributed and/or made available for inspection in South Africa, a copy of the Issuer's latest audited annual financial statements will at all times separately accompany (either by electronic delivery or by physical delivery) the Programme Memorandum and/or Applicable Pricing Supplement, as required by the Commercial Paper Regulations.