

## 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)



### Issue of ZAR 800,000,000 Unsecured Floating Rate Notes due 28 February 2017

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 amended on 25 June 2012 and further amended and supplemented pursuant to supplements dated 14 December 2012, 14 February 2013 and 28 March 2013 (and 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 ZAR10,000,000,000 Debt Instrument Programme (the **Programme**).

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	56
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 <i>pari passu</i> 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 <i>pari passu</i> 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 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	12 December 2013
10.	Issue Price	100% of the Aggregate Nominal Amount
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	ZAR800,000,000
15.	Specified Currency	ZAR

16.	Specified Denomination (Nominal Amount per Note)	ZAR1,000,000
17.	Minimum Specified Denomination of each Note	ZAR1,000,000
18.	Business Day Convention	Modified Following Business Day Convention
19.	Use of Proceeds	The funds derived from the issue of this Tranche will be used by the Issuer to partially or fully settle any debt incurred by the Issuer to directly acquire equity shares in an operating company.

#### B. PROGRAMME AMOUNT

1.	Programme Amount as at the Issue Date	ZAR10,000,000,000
2.	Aggregate Outstanding Nominal Amount of all of the Notes and C Preference Shares issued under the Programme as at the Issue Date	ZAR 4,013,000,000, excluding the aggregate Nominal Amount of this Tranche and any other Tranche(s) of Notes issued on the Issue Date specified in Item A(9) above

#### C. FLOATING RATE NOTES

1.	Interest Commencement Date	Issue Date
2.	Interest Payment Date(s)	28 February and 31 August (the last business day of February and August) of each year until, and including, the Maturity Date
3.	First Interest Payment Date	28 February 2014
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 Maturity Date or the Early Redemption Date (as the case may be). For the avoidance of doubt, the Interest Amount payable by the Issuer on each Interest Payment Date will be determined by the Calculation Agent with reference to each Interest Period occurring between such Interest Payment Date and the preceding Interest Payment Date.
5.	Manner in which the Rate(s) of Interest is/are to be determined	Screen Rate Determination
6.	<b>If ISDA Determination applicable:</b>	N/A
7.	<b>If Screen Rate Determination applicable:</b>	Applicable
(a)	Reference Rate	6-month JIBAR, being the mid-market rate for deposits denominated in ZAR for a period of six months that appears on the Relevant Screen Page as at the Relevant Time, on the relevant Interest Determination Date, provided that if such rate does not appear on the Relevant Screen Page on the relevant Interest Determination Date, the rate will be determined as if the parties had, in respect of that period, specified JIBAR-Reference Banks as the applicable rate.  For purposes of this Item 7(a):  "JIBAR-Reference Banks" means the mid-market deposit rate denominated in ZAR for a period of three months quoted by the Reference Banks at approximately 1 hour after the Relevant Time, on the date on which the period commences, on the basis that the Calculation Agent will request the principal Johannesburg office of each Reference Bank to provide a quotation as at the relevant date and the rate will be the arithmetic mean of the rates quoted, unless only one quotation is provided, in which event the rate will be that rate; and  "Reference Banks" means three or more major banks in the Johannesburg inter-bank market selected by the Calculation Agent;
(b)	Interest Determination Date	28 February and 31 August (the last business day of February and August) of each year, provided, however, that the Reference Rate for the First

		Interest Period shall be determined on the First Interest Determination Date
(c)	First Interest Determination Date	Issue Date
8.	Relevant Screen Page	Reuters Screen SAFEY page under caption "Yield" or any successor page
9.	Margin	0.02% (2 basis points), which shall be subtracted from the Reference Rate for purposes of determining the Floating Interest Rate
10.	Relevant time	10h00 (South African time)
11.	<b><i>If Other Determination applicable:</i></b>	N/A
12.	Minimum Rate of Interest	N/A
13.	Maximum Rate of Interest	N/A
14.	Day Count Fraction	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	No compounding shall apply in respect of any Interest Period and/or Interest Amount.
<b>D. REDEMPTION</b>		
1.	<b><i>Redemption at maturity:</i></b>	
(a)	Maturity Date	28 February 2017
(b)	Final Redemption Amount	The aggregate Outstanding Nominal Amount of this Tranche.
2.	<b><i>Put Option:</i></b>	Applicable
(a)	<b><i>Redemption in whole:</i></b>	
a)	Optional Redemption Date (Noteholder)	Any Business Day as specified in the Put Option Notice
(b)	<b><i>Redemption in part:</i></b>	
b)	Optional Redemption Date/s (Noteholder)	Any Business Day as specified in the Put Option Notice
c)	Percentage of the aggregate Outstanding Nominal Amount to be redeemed	The percentage specified in the Put Option Notice
(c)	Optional Redemption Amount (Put)	The aggregate Outstanding Nominal Amount (or the relevant portion thereof (see Item (b) above)) of the relevant Notes <u>less</u> Break Costs (if any).
(d)	Put Option Notice	In order to exercise the Put Option in respect of the whole of any portion of the relevant Notes, the relevant Noteholder shall send the duly completed and signed Put Option Notice to the Issuer (with a copy of the Put Option Notice to the Paying Agent, the Calculation Agent and the Transfer Agent) specifying the Optional Redemption Date, which date may be the same day as the date of such Put Option Notice.
(e)	<b><i>Pro forma Put Option Notice attached</i></b>	No
3.	<b><i>Call Option:</i></b>	N/A
4.	<b><i>Optional early redemption following a Tax Event and/or a Change in Law</i></b>	Applicable
(a)	Early Redemption Date	The date for redemption of this Tranche as specified in the notice of redemption given by the Issuer in terms of Condition 10.4 provided that (i) such notice may be given to Noteholders on less than 30 days notice (but not less than 2 (two) Business Days notice) and (ii) the provisions of Condition 10.4 (read with this Item D.4) shall apply <i>mutatis mutandis</i> to the occurrence of a Hedging Disruption Event.
(b)	Early Redemption Amount	The aggregate Outstanding Nominal Amount of this Tranche less Break Costs.
5.	<b><i>Other terms:</i></b>	For purposes of this Item D: "Break Costs" shall mean the amount, determined by the Calculation Agent,

as being equal to the direct losses or costs (including stamp, transfer, redemption or similar taxes or duties) that have been or will be incurred by the Issuer (or any affiliate of the Issuer and/or Guarantor or any member of the Macquarie Group) as a result of the breaking, terminating, transferring and/or unwinding of any transaction by the Issuer (or any affiliate of the Issuer and/or Guarantor or any member of the Macquarie Group) in any securities, positions or contracts in securities, options, futures, derivatives or foreign exchange, stock loan transactions or other instruments or arrangements in connection with the Notes;

**"Hedging Disruption Event"** means, in respect of any Note, the occurrence of an event or circumstances in terms of which a Hedging Party is unable, after using commercially reasonable efforts for a reasonable period (i) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of a Hedging Transaction; or (ii) to realise, recover, or remit in whole or in part, the proceeds of a Hedging Transaction, provided that the Hedging Party has determined, in good faith, that one or more of the above events or circumstances has occurred and has, if requested to do so in writing, provided prima facie evidence of such occurrence to the affected Noteholder(s);

**"Hedging Transaction"** means a transaction in connection with the purchase, sale, entry into or maintenance of one or more investments by the Issuer in any securities, positions or contracts in securities, options, futures, derivatives or foreign exchange, stock loan transactions or other instruments or arrangements (howsoever described), by which a Hedging Party directly or indirectly hedges, funds, maintains, or otherwise ensures, the performance of any obligations or the generation of any return contemplated in or connected to the Notes; and

**"Hedging Party"** means the Issuer and any member and/or affiliate of the Macquarie Group.

#### **E. AGENTS AND SPECIFIED OFFICES**

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|----|---|--|
| 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**

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|----|----------------------|--|
| 1. | Last Day to Register | Up until 17h00 (South African time) on 17 February and 20 August each year preceding each Interest Payment Date and the Maturity Date.   |
| 2. | Books Closed Period  | The Register will be closed during the ten days preceding each Interest Payment Date and the Maturity 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 Maturity 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 Date    | 18 February and 21 August each year preceding each Interest Payment Date and the Maturity Date.  |

#### **G. GENERAL**

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|----|---|------------------------------------|
| 1. | Exchange Control Approval                 | N/A                                |
| 2. | Additional selling restrictions           | N/A                                |
| 3. | International Securities Numbering (ISIN) | ZAG000111444                       |
| 4. | Stock Code Number                         | MAQ0A1                             |
| 5. | Financial Exchange                        | JSE Limited (Interest Rate Market) |


6.	Method of Distribution	Private Placement
7.	Names of Dealers	The Issuer
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  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 1 December 2011. On 19 October 2012 Standard & Poor's announced an upgrade of the Programme's SA National Scale Rating to zaAA/zaA-1.
13.	Rating assigned to this Tranche of Notes as at the Issue Date	None
14.	Rating Agency for this Tranche of Notes	N/A
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 Tranche 1 of Series 56 of the Notes on the Interest Rate Market of the JSE, as from 12 December 2013, 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 Dec 2013

By:   
duly authorised

Date: 9/12/13

**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 2006/023546/07 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 Paper Regulations) of which an aggregate amount of ZAR 4,013,000,000 remains outstanding as at the Issue Date.

b) As at the 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 5,987,000,000 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 funds derived from the issue of the relevant Tranche will be used by the Issuer to partially or fully settle any debt incurred by the Issuer to directly acquire equity shares in an operating company.

**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.