
APPLICABLE PRICING SUPPLEMENT

**CALGRO M3 DEVELOPMENTS LIMITED**

(Incorporated in the Republic of South Africa with limited liability under Registration Number 1996/017246/07)

unconditionally and irrevocably guaranteed by

CALGRO M3 HOLDINGS LIMITED

(Incorporated in the Republic of South Africa with limited liability under Registration Number 2005/027663/06)

Issue of ZAR30,000,000 Senior Unsecured Floating Rate Note due 4 June 2018**Under its ZAR600,000,000 Debt Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Programme Memorandum dated 25 August 2008. The Notes described in this Applicable Pricing Supplement are subject to the Terms and Conditions in the Programme Memorandum. This Applicable Pricing Supplement contains the final terms of the Notes and this Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

DESCRIPTION OF THE NOTES

1. Issuer	Calgro M3 Developments Limited
2. Guarantor	Calgro M3 Holdings Limited
3. Status of Notes	Unsecured Senior
4. Series Number	19
5. Tranche Number	1
6. Nominal Amount	ZAR30,000,000
7. Interest/Payment Basis	Floating Rate
8. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
9. Form of Notes	The Notes in this Tranche are unlisted Registered Notes and are issued in uncertificated form
10. Issue Date	3 June 2015
11. Business Centre	Johannesburg
12. Additional Business Centre	N/A
13. Specified Denomination	ZAR1,000,000
14. Issue Price	100%
15. Interest Commencement Date	3 June 2015
16. Maturity Date	4 June 2018
17. Specified Currency	ZAR
18. Applicable Business Day Convention	Following Business Day
19. Final Redemption Amount	100% (one hundred percent) of Nominal Amount

20. Last Day to Register	By 17h00 on 21 February, 24 May, 24 August and 23 November of each year until the Maturity Date
21. Books Closed Period	The Register will be closed from 22 February to 3 March, 25 May to 3 June, 25 August to 3 September and 24 November to 3 December of each year until the Maturity Date
22. Default Rate	N/A
FIXED RATE NOTES	N/A
FLOATING RATE NOTES	
23. (a) Interest Payment Date(s)	4 March, 4 June, 4 September and 4 December of each year until the Maturity Date with the first Interest Payment Date being 4 September 2015
(b) Interest Period(s)	From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on 3 June 2015 and ending the day before the next Interest Payment Date
(c) Interest Rate	Reference Rate plus Margin
(d) Definition of Business Day (if different from that set out in Condition 1)	N/A
(e) Minimum Interest Rate	N/A
(f) Maximum Interest Rate	N/A
(g) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
(h) Manner in which the Interest Rate is to be determined	Screen Rate Determination
(i) Margin	320 basis points to be added to the reference rate
(j) If ISDA Determination	N/A
(k) If Screen Determination	
(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 month ZAR-JIBAR
(b) Interest Rate Determination Date(s)	4 March, 4 June, 4 September and 4 December of each year until the Maturity Date with the first Interest Determination Date being 1 June 2015
(c) Relevant Screen Page and Reference Code	Reuters page 0#SFXMM or any successor page
(l) If Interest Rate to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Interest Rate/ Margin/Fallback provisions	N/A

(m) If different from the Calculation Agent, the agent responsible for calculating amount of principal and interest	N/A
ZERO COUPON NOTES	N/A
PARTLY-PAID NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
OTHER NOTES	N/A
PROVISIONS REGARDING REDEMPTION/MATURITY	
24. Issuer's Optional Redemption:	No
25. Redemption at the Option of the Senior Noteholders. If yes:	Yes
(a) Optional Redemption Date(s)	30 (thirty) days from the date on which the Extraordinary Resolution has been passed
(b) Optional Redemption Amount(s)	100% (one hundred percent) of the Nominal Amount
(c) Minimum period of notice (if different from Condition 12.4 (<i>Redemption at the Option of the Senior Noteholders</i>))	Extraordinary Resolution must be delivered to the Issuer at least 15 days but not more than 30 days prior to the Optional Redemption Date.
If redeemable in part:	
Minimum Redemption Amount(s)	N/A
Higher Redemption Amount(s)	N/A
(d) Other terms applicable	N/A
26. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	Yes
27. Coupon Redemption Calculation	N/A
GENERAL	
28. Exchange	Interest Rate Market of JSE Limited
29. Calculation Agent	Nedbank Limited, acting through its Debt Capital Markets division
30. Paying Agent	Nedbank Investor Services, a division of Nedbank Limited
31. Specified office of the Paying Agent	Lakeview Campus, 16 Constantia Boulevard, Constantia Kloof, Roodeport, 1709, South Africa
32. Transfer Agent	Nedbank Limited, acting through its Debt Capital Markets division
(a) Address	135 Rivonia Road, Sandown, 2196, South Africa
(b) Telephone Number	(011) 535 4027

(c) Telefax Number	0865 280 534
33. Stabilising manager	N/A
34. Provisions relating to Stabilisation	N/A
35. Additional selling restrictions	N/A
36. ISIN	ZAG000127002
37. Stock Code	CGR19U
38. Method of distribution	Private Placement
39. If syndicated, names of Managers	N/A
40. If non-syndicated, name of Dealer	Nedbank Limited, acting through its Debt Capital Markets division
41. Debt Sponsor	Nedbank Limited, acting through its Debt Capital Markets division
42. Credit Rating Agency	N/A
43. Credit Rating assigned to Notes (if any)	N/A
44. Receipts attached?	No
45. Coupons attached?	No
46. Talons attached?	No
47. Stripping of Receipts and/or Coupons prohibited as provided in Condition 16.4	No
48. Governing law (if the laws of South Africa are not applicable)	N/A
49. Other Banking Jurisdiction	N/A
50. Other provisions	See Schedule 1 headed " <i>Additional Terms and Conditions</i> "

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS

51. Paragraph 3(5)(a)
The "*ultimate borrower*" (as defined in the Commercial Paper Regulations) is the Issuer.
52. Paragraph 3(5)(b)
The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.
53. Paragraph 3(5)(c)
The auditor of the Issuer is PricewaterhouseCoopers Inc. (**PricewaterhouseCoopers**).
54. Paragraph 3(5)(d)
As at the date of this issue:
- (i) the Issuer has issued ZAR523, 500,000 Commercial Paper (exclusive of this issue) (as defined in the Commercial Paper Regulations) which amount includes Notes issued under the Previous Programme Memorandum; and
 - (ii) the Issuer estimates that it may issue ZAR76,500,000 of Commercial Paper during the current financial year, ending 28 February 2016

55. Paragraph 3(5)(e)

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 Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.

56. Paragraph 3(5)(f)

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

57. Paragraph 3(5)(g)

The Notes issued will be listed.

58. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

59. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured, however guaranteed by the Guarantor.

60. Paragraph 3(5)(j)

PricewaterhouseCoopers, the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listing requirements of the JSE.

The Issue confirms that the authorised Programme Amount of ZAR600,000,000 has not been exceeded.

SIGNED at JOHANNESBURG this _____ day of _____ 2015.

For and on behalf of

CALGRO M3 DEVELOPMENTS LIMITED

Name:
Capacity: Director
Who warrants her/his authority hereto

Name:
Capacity: Director
Who warrants her/his authority hereto

SCHEDULE 1

ADDITIONAL TERMS AND CONDITIONS

1. Financial Covenants

1.1 **Net Debt to Equity Ratio**

1.1.1 **Net Debt to Equity Ratio Undertaking**

The Issuer shall ensure that for as long as any Note (as defined above) remains Outstanding the Net Debt to Equity Ratio in respect of any Measurement Period shall not exceed 1.5:1.

1.1.2 **Financial Testing**

The Net Debt to Equity Ratio shall be calculated with reference to Net Debt as defined in paragraph 2.1.3.8 below and shall be tested semi-annually as at the last day of each Measurement Period by reference to the audited consolidated annual financial statements or the unaudited interim consolidated financial statements of the Issuer and the Guarantor, as the case may be, delivered pursuant to paragraph 1.3 (*Financial Statements*).

1.1.3 For purposes of this clause 1.1:

Acceptable Bank means:

- (i) a bank or financial institution which has a local currency rating for its long-term unsecured and non-credit enhanced debt obligations of "AA" minus or higher by Standard & Poor's Rating Services or Fitch Ratings Limited or "Aa3.za" or higher by Moody's Investor Services Limited or a comparable rating from an internationally recognised credit rating agency; and
- (ii) any of Absa Bank Limited, Investec Bank Limited, Nedbank Limited, The Standard Bank of South Africa Limited or FirstRand Bank Limited;

1.1.4 **Borrowings** means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption which is due and payable at the time of calculation) of any Indebtedness together with capitalized interest thereon outstanding at such time.

1.1.5 **Cash** means, at any time, cash denominated in Rand in hand or at bank and (in the latter case) credited to an account in the name of any Material Group Company with an Acceptable Bank and to which that Material Group Company alone is beneficially entitled and for so long as:

- (i) that Cash is repayable on demand or within 30 (thirty) days after the relevant date of calculation;
- (ii) repayment of that Cash is not contingent on the prior discharge of any other Indebtedness of the Issuer or of any other person whatsoever or on the satisfaction of any other condition other than notice or demand therefor (but not exceeding the period of demand referred to in (i) above);
- (iii) there is no Encumbrance over that Cash or any Permitted Encumbrance constituted by a netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements; and
- (iv) the Cash is freely and (except as mentioned in (i) above) immediately available to be applied in redemption of the Outstanding Notes.

1.1.6 **Finance Lease** means any lease or hire purchase contract which would, in accordance with Accounting Principles, be treated as a finance or capital lease

1.1.7 **Financial Year** means, at any time, the financial year of the Issuer ending on 28 February in each calendar year;

- 1.1.8 **Measurement Date** means the last day of each Financial Year and the last day of each six calendar month period following the last day of the Financial Year;
- 1.1.9 **Measurement Period** means each period of six calendar months ending on (but including) a Measurement Date;
- 1.1.10 **Net Debt to Equity Ratio** means the ratio of Net Debt to Equity in respect of any Measurement Period;
- 1.1.11 **Net Debt** means at any time, Total Debt after deducting the aggregate amount of Cash and cash equivalent investments held by the Issuer;
- 1.1.12 **Total Debt** means, at any time, the aggregate amount of all obligations of the Calgro M3 Group for or in respect of Borrowings at that time but:
- (i) excluding any such obligations to any other member of the Calgro M3 Group;
 - (ii) excluding obligations of associate companies and joint ventures not consolidated with the audited annual financial of Calgro M3 Group;
 - (iii) excluding trade payables;
 - (iv) including zero coupon notes;
 - (v) including, in the case of Finance Leases only, their capitalised value; and
 - (vi) so that no amount shall be included or excluded more than once.

1.2 **Minimum Liquidity Undertaking**

The Issuer shall ensure that it holds a minimum of R25,000,000 in Cash or it has access to a minimum of R25,000,000 in unutilised facilities at any time while the Notes (as defined above) remain Outstanding (the **Minimum Liquidity Requirement**).

1.3 **Financial Statements**

The Issuer and the Guarantor shall supply to the Noteholder in sufficient copies for all Noteholders:

- 1.3.1 as soon as the same become available, but in any event within 90 (ninety) days after the end of each Financial Year:
- 1.3.2 their audited consolidated annual financial statements for that Financial Year;
- 1.3.3 the audited financial statements of any other Material Group Company for that Financial Year if requested by the Noteholder; and
- 1.3.4 as soon as same become available, but in any event within 120 (one hundred and twenty) days after the first 6 (six) Months of each of its Financial Years, the unaudited consolidated interim financial statements of the Issuer and the Guarantor for the first 6 (six) Month period of that Financial Year.

2. **Breach of Financial Covenants**

- 2.1 If a breach of any Financial Covenant occurs at any time while any Note remains Outstanding, then the Issuer shall promptly upon the Issuer becoming aware of a breach of the relevant Financial Covenant, give notice to the Noteholders in accordance with Condition 20 (*Notices*) specifying the nature of the breach of the Financial Covenant and the circumstances giving rise to it and the procedure for exercising the redemption options contained in paragraph 2.2 below (**Breach of Financial Covenant Notification**).
- 2.2 Such option shall be exercisable by the relevant Noteholders by the delivery of a written notice (a **Breach of Financial Covenant Redemption Notice**) to the Issuer at its registered office within 30 (thirty) days after the receipt by the Noteholders of the Breach of Financial Covenant Notification, unless prior to the delivery by that Noteholder of its Breach of Financial Covenant Redemption Notice the Issuer gives notice to redeem the Notes.
- 2.3 Subject to paragraph 2.2 above, the Issuer shall redeem all Notes held by the relevant Noteholders at its Early Redemption Amount together with accrued interest (if any) within 15 (fifteen) days of having received a Breach of Financial Covenant Redemption Notice from the relevant Noteholders to redeem such Notes.

- 2.4 In the event of any dispute in respect of any calculation relating to any Financial Covenant referred to in paragraph 1.1 or 1.2, as the case may be, such dispute shall be determined by the Issuer's independent auditors, acting as experts and not as arbitrators (taking into account the applicable Terms and Conditions), whose determination will, in the absence of manifest error, be final and binding on the Issuer and such Noteholders. The cost of such independent auditors in resolving such dispute shall be borne by the Issuer.