

APPLICABLE PRICING SUPPLEMENT (KSB008)



KAGISO SIZANANI CAPITAL LIMITED (RF)
*(Incorporated with limited liability under Registration Number 2003/028948/07
in the Republic of South Africa)*

ZAR 2 000 000 000

Domestic Note and Redeemable Preference Share Programme

**Unconditionally and irrevocably guaranteed or in respect of which
a put option has been conferred by**



KAGISO TISO HOLDINGS PROPRIETARY LIMITED (RF)
(Incorporated with limited liability under Registration Number 2011/000848/07 in the Republic of South Africa)

**Issue of ZAR600 000 000 Floating Rate Notes
under the Programme**

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

This Applicable Pricing Supplement must be read in conjunction with the amended and updated Programme Memorandum dated 17 August 2012 (as further amended and/or supplemented from time to time) ("**Programme Memorandum**") prepared by Kagiso Sizanani Capital Limited (RF) ("**Issuer**") in connection with the Kagiso Sizanani Capital Limited (RF) ZAR2 000 000 000 Domestic Note and Redeemable Preference Share Programme ("**Programme**").

The Programme Memorandum was approved by the JSE on 14 August 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.

References in this Applicable Pricing Supplement to the "**Terms and Conditions**" are to Section 7 of the Programme Memorandum headed "*Terms and Conditions of the Instruments*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions. Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions.

1. GENERAL DESCRIPTION OF THE INSTRUMENTS

- | | |
|---|---|
| a) Issuer | Kagiso Sizanani Capital Limited (RF) |
| b) Guarantor | Kagiso Tiso Holdings Proprietary Limited (RF) |
| a. Tranche Number | 1 |
| b. Series Number | 8 |
| c) Aggregate Principal Amount of Tranche as at the Issue Date | ZAR600 000 000 |
| d) Form of Instruments | The Instruments in this Tranche are issued in registered uncertificated form and will be held in the CSD. |
| e) Type of Instruments | Notes |

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f)	Issue Date	1 November 2012
g)	Issue Price	ZAR600 000 000
h)	Principal Amount per Instrument as at the Issue Date	ZAR1 000 000
i)	Specified Currency	ZAR
j)	Business centre	Johannesburg
k)	Additional business centre	Not Applicable
l)	Business Day Convention applicable	Yes
m)	If Business Day Convention applicable, specify	Following Business Day Convention
n)	Calculation Agent	Absa Capital, a division of Absa Bank Limited
o)	Specified Office of the Calculation Agent	15 Alice Lane, Sandton, 2196, Republic of South Africa
p)	Paying Agent	The Standard Bank of South Africa Limited
q)	Specified Office of the Paying Agent	1st Floor Reception 1, No 5 Simmonds Street, Standard Bank Centre, Johannesburg, 2001, Republic of South Africa
r)	Transfer Secretary	Computershare Investor Services Proprietary Limited
s)	Specified Office of the Transfer Secretary	Ground Floor, 70 Marshall Street, Johannesburg, 2001, Republic of South Africa
t)	Representative	GMG Trust Company (SA) Proprietary Limited
u)	Specified Office of the Representative	3rd Floor, 200 on Main, Cnr Main and Bowwood Roads, Claremont, 7708, Republic of South Africa

2. DESCRIPTION OF THE NOTES

a)	Status of Notes	Senior Notes (Condition 5.1)
b)	Type of Notes/Interest basis	Floating Rate Notes
c)	Security	Unsecured
d)	Automatic/optional conversion from one interest /payment basis to another	Not Applicable
e)	Maturity Date	1 November 2017

3. FLOATING RATE NOTES

a)	Interest Rate	The Notes in this Tranche will bear interest at the floating Rate of Interest per annum (nominal annual compounded quarterly) equal to the sum of the Reference Rate (see paragraph (m) below) plus the Margin (see paragraph (k) below) (determined by the Calculation Agent in accordance with Condition 9.2.4) for the period from and including the Interest Commencement Date to but excluding the Applicable Maturity Date.
b)	Interest Commencement Date	1 November 2012
c)	Interest Payment Date(s)	Quarterly in arrears on 1 February, 1 May, 1 August and 1 November of each year until the Applicable Maturity Date.
d)	First Interest Payment Date	1 February 2013
e)	Interest Period(s)	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 Applicable Maturity Date.
- f) Minimum Interest Rate Not Applicable
- g) Maximum Interest Rate Not Applicable
- h) Day Count Fraction Actual/365
- i) Other terms relating to the method of calculating interest (eg Day Count Fraction if different from that set out in Condition 1/rounding up provision if different from that set out in Condition 10.1) Not Applicable
- j) Manner in which the Interest Rate is to be determined Screen Rate Determination (see paragraph (m) below)
- k) Margin 3.30%
- l) **If ISDA Determination:** Not Applicable
- a. Floating Rate Option Not Applicable
- b. Designated Maturity Not Applicable
- c. Reset Date(s) Not Applicable
- m) **If Screen Rate Determination:**
- a. Reference Rate ZAR-JIBAR-SAFEX Rate (being, subject to Condition 9.2.4, 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 9.2.4.
- b. Interest Determination Date(s) The first day of each Interest Period; provided that the first Interest Determination Date shall be 29 October 2012.
If any such date is not a Business Day, the Interest Determination Date will be first following day that is a Business Day.
- c. Relevant Screen Page and Reference Code Reuters Screen SAFEX MNY MKT page
- d. Relevant Time 11h00 (South African time)
- n) **If Other Determination:** Not Applicable
- o) Determining Interest Rate/Margin/fall back provisions Not Applicable

4. PROVISIONS REGARDING REDEMPTION AT MATURITY

- a) Final Redemption Amount payable on redemption at maturity pursuant to Condition 14.1:
- a. definition of Final Redemption Amount applicable Yes
- b. if definition of Final Redemption Amount not applicable, specify method of calculation of amount payable on redemption pursuant to Condition 14.1 Not Applicable

5. PROVISIONS REGARDING EARLY REDEMPTION AND LATE PAYMENT

- a) Early Redemption Amount payable on early redemption pursuant to Condition 14.2:

- a. Definition of Early Redemption Amount applicable Yes
- b. If definition of Early Redemption not applicable, specify method of calculation of amount payable on early redemption pursuant to Condition 14.2 : Not Applicable
- b) Late Redemption Amount payable on late redemption pursuant to Condition 11:
- a. Definition of Late Redemption Amount applicable: Yes
- b. If definition of Late Redemption Amount not applicable, specify method of calculation of amount payable on late redemption pursuant to Condition 11 Not Applicable

6. PROVISIONS REGARDING EVENT OF DEFAULT

- a) Following an Event of Default and the Enforcement of the Guarantee in respect of this Tranche:
- a. Calculation of Guarantee Amount in accordance with Condition 18.5.1 applicable Yes
- b. If calculation of Guarantee Amount in accordance with Condition 18.5.1 not applicable, specify method of calculation of Guarantee Amount Not Applicable

7. REGISTER CLOSED

- a) Last Day to Register Up until 17h00 (South African time) on the sixth day (whether such is a Business Day or not) preceding each Interest Payment Date, being the last date on which the Transfer Secretary will accept Transfer Forms and record in the Register the transfer of Notes represented by Individual Certificates.
- b) Register Closed Period The Register will, in relation to this Tranche of Notes, be closed during the five days preceding each Interest Payment Date from 17h00 (South African time) on the Last Day to Register.
- c) Register Closed Dates 26 January, 25 April, 26 July and 26 October of each year until the Applicable Maturity Date.

8. GENERAL

- a) Additional selling restrictions Not Applicable
- b) International Securities Numbering (ISIN) ZAG000100926
- c) Stock Code Number KSB008
- d) Financial exchange, if applicable The Interest Rate Market of the JSE Limited
- e) If syndicated, names of Dealer/s The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division
- f) Method of distribution Dutch Auction, as set out in the Term Sheet, dated 8 October 2012, prepared by The Standard Bank of South Africa Limited, acting through

	its Corporate and Investment Banking division, sent to potential investors for purposes of placing the Notes in this Tranche.
g) Stabilisation Manager (if applicable)	Not Applicable
h) Credit rating (if any) assigned to this Tranche of Instruments as at the Issue Date	Not Applicable
i) Applicable Rating Agency (if any)	Not Applicable
j) Credit rating assigned to the Guarantor as at the Issue Date (if different from that set out in the Programme Memorandum)	As at the Issue Date, the Guarantor has a domestic long term credit rating of Baa2.za and a domestic short term credit rating of P-2.za with a stable outlook from Moody's Investors Service Inc, which was assigned on 17 January 2012 as stated in the credit opinion dated 19 January 2012.
k) Applicable Rating Agency (Guarantor)	Moody's Investors Service Inc
l) Governing law (if the laws of South Africa are not applicable)	Not Applicable
m) Programme Amount as at the Issue Date	ZAR2 000 000 000
n) Aggregate Outstanding Principal Amount of all of the Instruments issued under the Programme as at the Issue Date	ZAR340 000 000, excluding the aggregate Principal Amount of this Tranche and any other Tranche(s) of Instruments issued on the Issue Date specified in Item 1(f) above.
o) Exchange Control Approval (if any)	Not Applicable
p) Use of Proceeds	The net proceeds from the issue of this Tranche will be distributed to and applied by the Guarantor for the funding of the business operation of the Kagiso Tiso Group being, specifically, the refinancing of existing ZAR300 000 000 preference share funding and the financing of acquisitions worth ZAR300 000 000.
q) Commercial Paper Regulations	See Annexure "A" to this Applicable Pricing Supplement

Responsibility:

The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and the annual financial reports and any amendments to the annual financial reports or any supplement from time to time, except as otherwise stated herein.

Each of the Issuer and the Guarantor certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum contains all information required by Applicable Law and the JSE Debt Listings Requirements.

Application is hereby made to list Tranche 1 of Series 8 of the Instruments on the Interest Rate Market of the JSE, as from 1 November 2012, pursuant to the Kagiso Sizanani Capital Limited (RF) ZAR2 000 000 000 Domestic Note and Redeemable Preference Share Programme.

For: KAGISO SIZANANI CAPITAL LIMITED (RF) (as Issuer)

By: _____

duly authorised *f Gillian*

By: _____

duly authorised *J-HINSON*


Date: _____

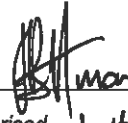
30 October 2012

Date: _____

30 October 2012

For: KAGISO TISO HOLDINGS PROPRIETARY LIMITED (RF) (as Guarantor)

By: 
_____ *F Cellier*
duly authorised

By: 
_____ *J Hanson*
duly authorised

Date: 30 October 2012

Date: 30 October 2012

**ANNEXURE "A" TO THE APPLICABLE PRICING SUPPLEMENT
DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

The information required to be disclosed in terms of paragraph 3(5) of the Commercial Paper Regulations in respect of the Tranche of Instruments described in the Applicable Pricing Supplement (the "relevant Tranche") is set out in this Annexure "A" (except where such information is disclosed in the Programme Memorandum and/or the Applicable Pricing Supplement):

1. Paragraph 3(5)(a)

The Issuer of the relevant Tranche is Kagiso Sizanani Capital Limited (RF). The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Guarantor.

2. Paragraph 3(5)(b)

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. Paragraph 3(5)(c)

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. Paragraph 3(5)(d)

As at the Issue Date:

- a) the Issuer has issued ZAR340 000 000 of "commercial paper" (as defined in the Commercial Paper Regulations); and
- b) the Issuer estimates that it may issue ZAR100 000 000 of "commercial paper" (as defined in the Commercial Paper Regulations) during the Issuer's current financial year (excluding the relevant Tranche).

5. 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 relevant Tranche is contained in the Programme Memorandum and the Applicable Pricing Supplement.

6. Paragraph 3(5)(f)

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

7. Paragraph 3(5)(g)

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

8. Paragraph 3(5)(h)

The net proceeds from the issue of the relevant Tranche will be distributed to and applied by the Guarantor for the funding of the business operation of the Kagiso Tiso Group being, specifically, the refinancing of existing ZAR300 000 000 preference share funding and the financing of acquisitions worth ZAR300 000 000.

9. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the relevant Tranche are unsecured.

10. Paragraph 3(5)(j)

The statutory auditors of the Issuer as at the Issue Date have confirmed that nothing has come to their attention to cause 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) does not comply in all respects with the relevant provisions 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 the Applicable Pricing Supplement, as required by the Commercial Paper Regulations.

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