

APPLICABLE PRICING SUPPLEMENT



Adcorp Holdings Limited

(the "Issuer")

(Incorporated with limited liability in South Africa under registration number 1974/001804/06)

Issue of R[•]Unsecured Fixed Rate Notes with Stock Code ADCP08

Under its R2 000 000 000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described in this Applicable Pricing Supplement.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by the Issuer dated 6 March 2013, as may be amended or supplemented from time to time. 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.

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

The Issuer 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, in relation to any Tranche of Notes listed on the Interest Rate Market of the JSE, the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the information contained in the Programme Memorandum, the Applicable Pricing Supplements and the annual financial report and any amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

The JSE assumes no responsibility or liability of whatsoever nature for the contents of the Programme Memorandum or this Applicable Pricing Supplement or the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time), and the JSE makes no representation as to the accuracy or completeness of the Programme Memorandum or this Applicable Pricing Supplement, the annual financial statements or any other information incorporated by reference into the Programme Memorandum (as amended or restated from time to time). The JSE expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this Programme Memorandum or this Applicable Pricing Supplement or the annual

financial report or any other information incorporated by reference into this Programme Memorandum (as amended or restated from time to time).

DESCRIPTION OF THE NOTES

1.	Issuer	Adcorp Holdings Limited
2.	Status of the Notes	Senior Notes
3.	Security	Unsecured.
4.	Listed/Unlisted	Listed
5.	Series number	12
6.	Tranche number	1
7.	Aggregate Principal Amount of this Tranche	R [•]
8.	Interest/Payment Basis	Fixed Rate
9.	Issue Date and first settlement date	4 June 2014
10.	Minimum Denomination per Note	R1 000 000
11.	Specified Denomination (Principal Amount per Note)	R1 000 000
12.	Issue Price(s)	100% of the Principal Amount of each Note
13.	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	Following Business Day
14.	Interest Commencement Date(s)	4 June 2014
15.	Step-Up Date	N/A
16.	Final Redemption Date	27 November 2014
17.	Specified Currency	ZAR
18.	Additional Business Centre	N/A
19.	Maturity Amount	100% of the Principal Amount of each Note

- | | | |
|-----|--|--|
| 20. | Negative Pledge | Condition 11 is applicable |
| | | |
| 21. | Set out the relevant description of any additional/amended Terms and Conditions relating to the Notes (including additional covenants, if any) | See Appendix "B" for additional/amended Terms and Conditions relating to the Notes |

FIXED RATE NOTES

- | | | |
|-----|---|--|
| 22. | Fixed Interest Rate | [•]% |
| 23. | Interest Payment Date(s) | 27 November 2014 |
| 24. | Interest Period(s) | From (and including) 4 June 2014 to (but excluding) 27 November 2014 |
| 25. | Initial Broken Amount | N/A |
| 26. | Final Broken Amount | N/A |
| 27. | Step-Up Rate | N/A |
| 28. | Any other items relating to the particular method of calculating interest | N/A |

FLOATING RATE NOTES

- | | | |
|-----|--|-----|
| 29. | Interest Payment Date(s) | N/A |
| 30. | Interest Period(s) | N/A |
| 31. | Manner in which the Interest Rate is to be determined | N/A |
| 32. | Margin/Spread for the Interest Rate | N/A |
| 33. | Margin/Spread for the Step-Up Rate | N/A |
| 34. | If Screen Determination | N/A |
| | | |
| (a) | Reference Rate (including relevant period by reference to which the Interest Rate is | N/A |

to be calculated)

(b) Rate Determination Date(s) N/A

(c) Relevant Screen page and Reference Code N/A

35. If Interest Rate to be calculated otherwise than by reference to Screen Rate Determination, insert basis for determining Interest Rate/Margin/Fall back provisions N/A

36. Any other terms relating to the particular method of calculating interest N/A

ZERO COUPON NOTES N/A

37. (a) Implied Yield N/A

(b) Reference Price N/A

(c) Equivalent Discount Rate N/A

(d) Spread to Reference Rate N/A

(e) Maturity Date N/A

(f) Day Count N/A

(g) Any other formula or basis for determining amount payable N/A

INDEXED NOTES

38. (a) Type of Indexed Notes N/A

(b) Index/Formula by reference to which Interest Amount/Final Redemption Amount is to be determined N/A

(c) Manner in which the Interest Amount/Final Redemption Amount is to be determined N/A

(d) Interest Period N/A

- | | | |
|-----|---|-----|
| (e) | Interest Payment Date(s) | N/A |
| (f) | If different from the Calculation Agent, agent responsible for calculating amount of principal and interest | N/A |
| (g) | Provisions where calculation by reference to Index and/or Formula is impossible or impracticable | N/A |

OTHER NOTES

- | | | |
|-----|--|-----|
| 39. | If the Notes are not Fixed Rate Notes or Floating Rate Notes, or if the Notes are a combination of the above and some other Note, set out the relevant description of any additional Terms and Conditions relating to such Notes | N/A |
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PROVISIONS REGARDING REDEMPTION/ MATURITY

- | | | |
|-----|--|-----|
| 40. | Redemption at the option of the Issuer in terms of Condition 8.4: if yes: | No |
| (a) | Optional Redemption Date(s) | N/A |
| (b) | Optional Redemption Amount(s) and method, if any, of calculation of such amount(s) | N/A |
| (c) | Minimum period of notice | N/A |
| (d) | If redeemable in part: | |
| | Minimum Redemption Amount(s) | N/A |
| | Higher Redemption Amount(s) | N/A |
| (e) | Other terms applicable on Redemption | N/A |

41. Redemption at the option of the holders of the Senior Notes (Put Option) in terms of Condition 8.5: if yes No
- (a) Optional Redemption Date(s) (Put) N/A
- (b) Optional Redemption Amount(s) (Put) N/A
and method, if any, of calculation of such amount(s)
- (c) Minimum period of notice N/A
- (d) If redeemable in part: N/A
- Minimum Redemption Amount(s) N/A
- Higher Redemption Amount(s) N/A
- (e) Other terms applicable on Redemption N/A
42. Redemption at the option of the holders of the Notes upon the occurrence of a Put Event in terms of Condition 8.6:
- (a) Delisting of the Notes of this Tranche/the ordinary shares of the Issuer from the JSE Yes
- (b) Change of Control Yes
- (c) Issuer disposing of all or the greater part of its undertaking or assets Yes
43. Early Redemption Amount(s) payable on redemption for Taxation reasons in terms of Condition 8.3 or Optional Redemption following a Put Event in terms of Condition 8.6 or early redemption following an Event of Default in terms of Condition 12 : if yes Yes
- Early Redemption Amount and method, if any, of calculation of such amount As per Condition 8.7

GENERAL

44.	Additional selling restrictions	N/A
45.	International Securities Numbering (ISIN)	[•]
46.	Stock Code	ADCP08
47.	Financial Exchange	Interest Rate Market of the JSE
48.	Dealer(s)	RMB
49.	If syndicated, names of Lead Manager(s)	N/A
50.	Method of distribution	Dutch Auction (sealed bid with no feedback)
51.	Rating assigned to the Issuer (if any), date of such rating and date for review of such rating	A3(ZA), assigned as at November 2013, which may be reviewed from time to time
52.	Rating Agency, if any	GCR Credit Rating Co Proprietary Limited
53.	Governing Law	South Africa
54.	Last Day to Register	by 17h00 on the Business Day preceding the Books Closed Period, being 21 November 2014
55.	Books Closed Period	From 22 November 2014 to 26 November 2014
56.	Calculation Agent	Absa CIB
57.	Specified Office of the Calculation Agent	15 Alice Lane, Sandton, 2196
58.	Transfer Agent	Absa CIB
59.	Specified Office of the Transfer Agent	15 Alice Lane, Sandton, 2196
60.	Debt Sponsor	RMB
61.	Issuer's Settlement Agent	Absa Investor Services, a division of Absa Bank Limited
62.	Specified Office of the Issuer's Settlement Agent	15 Alice Lane, Sandton, 2196
63.	Stabilisation Manager, if any	N/A
64.	Programme Amount	R2 000 000 000
65.	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this	R575 000 000.00, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on

Tranche	the Issue Date
66. Aggregate Outstanding Principal Amount of Notes in issue in respect of the Series on the Issue Date of this Tranche	R0, excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued in respect of the Series on the Issue Date
67. Aggregate Outstanding Principal Amount of Group 1 Notes in issue on the Issue Date of this Tranche	R500 000 000.00, excluding this Tranche of Notes and any other Tranche(s) of Group 1 Notes to be issued on the Issue Date
68. Additional Events of Default	Any requirements set out in Condition 25 (Covenants) contained in Appendix "B" are not satisfied
69. Trustee	N/A
70. Specified Office of the Trustee	N/A
71. Other provisions	N/A

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3 (5) OF THE COMMERCIAL PAPER REGULATIONS – SEE APPENDIX "A"

ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THE NOTES – SEE APPENDIX "B"

Application is hereby made to list this Tranche of the Notes, as from 4 June 2014, pursuant to the Adcorp Holdings Limited Domestic Medium Term Note Programme. The Programme was registered with the JSE on 6 March 2013.

ADCORP HOLDINGS LIMITED

By: _____

Director, duly authorised

Date:

By: _____

Director, duly authorised

Date:

APPENDIX "A"

Disclosure Requirements in terms of paragraph 3(5) of the Commercial Paper Regulations

At the date of this Applicable Pricing Supplement:

Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

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.

Paragraph 3(5)(c)

The auditor of the Issuer is Deloitte & Touche.

Paragraph 3(5)(d)

As at the date of this issue:

- (a) the Issuer has issued commercial paper currently outstanding, of R575 000 000, (excluding this issuance); and
- (b) it is anticipated that the Issuer will issue additional Notes with an estimated nominal value of R100 000 000 during the remainder of its current financial year ended 28 February 2015, in addition to the Notes forming part of this issue of Notes.

Paragraph 3(5)(e)

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

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.

Paragraph 3(5)(g)

The Notes issued will be listed, as stated in the Applicable Pricing Supplement.

Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer to refinance existing debt.

Paragraph 3(5)(i)

The Notes are unsecured.

Paragraph 3(5)(j)

Deloitte & Touche, the auditors of the Issuer, have confirmed that nothing has come to their attention to cause them to believe that this issue of Notes issued under the Programme will not comply in all material respects with the relevant provisions of the Commercial Paper Regulations (Government Notice 2172 in Government Gazette No, 16167 of 14 December 1994) published under Paragraph (cc) of the definition of the “business of a bank” in terms of Section 1 of the Banks Act, 1990).

ADCORP HOLDINGS LIMITED

By: _____

Director, duly authorised

Date:

By: _____

Director, duly authorised

Date:

APPENDIX "B"

ADDITIONAL/AMENDED TERMS AND CONDITIONS RELATING TO THE NOTES OF THE SERIES

COVENANTS

The Terms and Conditions set out in the Programme Memorandum are amended in relation to the Notes of this Tranche by the insertion of the following additional Condition 25 (**Covenants**):

72. Condition 25 Covenants

72.1.1 The Issuer must ensure that:

72.1.2 **EBITDA Interest Cover Ratio**

the ratio of Consolidated EBITDA to Consolidated Net Finance Charges shall not be less than 4 times,

Where:

Consolidated EBITDA means the consolidated net earnings of the South African Group before income tax as per the income statement; before interest received and interest paid, plus depreciation, amortisation and all share based payments under IFRS 2 and before deducting or adding any extraordinary costs or income; and

Consolidated Net Finance Charges means consolidated net interest and preference dividends of the South African Group as per the income statement during the relevant Measurement Period.

72.2 The Issuer must deliver a compliance certificate to the Calculation Agent and the Rating Agency in respect of the covenants:

72.2.1 within 30 days of the last day of each month other than August and February;

72.2.2 within 60 days of the last day of August; and

72.2.3 within 90 days of the last day of February;

together with a certificate from the Calculation Agent, in which the Calculation Agent confirms the accuracy of the calculations in the compliance certificate.

72.3 A compliance certificate must be signed by 2 duly authorised directors of the Issuer.

72.4 The covenants shall be tested on:

72.4.1 the last day of each month; and

72.4.2 the last day of the month preceding the date of issue of any further Group 1 Notes;

as the case may be (each a "**Measurement Date**"), in relation to each 12 month period (a "**Measurement Period**") ending on that Measurement Date, by reference to (i) the audited consolidated financial statements of the Issuer where the Measurement Date is the last day of February, (ii) the unaudited consolidated reviewed financial statements of the Issuer where the Measurement Date is the last day of February, and (iii) the consolidated management accounts of the Issuer where the Measurement Date is the last day of any other month.

- 72.5 All the terms defined in respect of the financial covenants are to be determined on a consolidated basis and (except as expressly included or excluded in the relevant definition) in accordance with IFRS.
- 72.6 Where an amount in any financial statements is not denominated in Rand, it shall be converted into Rand at the rates specified in those financial statements.

ADDITIONAL DEFINITIONS IN RESPECT OF THE NOTES

1. Terms and expressions set out below will have the meanings set out below in the Terms and Conditions of the Notes of the Tranche referred to in this Applicable Pricing Supplement:
 - 1.1 **Covenants** means the covenants referred to in Condition 25;
 - 1.2 **IFRS** means International Financial Reporting Standards and the interpretation of those standards as adopted by the International Accounting Standards Board;
 - 1.3 **South African Group** means the Issuer and its Subsidiaries incorporated in South Africa;
 - 1.4 **Subsidiary** means a subsidiary within the meaning of the Companies Act;