
PRICING SUPPLEMENT

Phaello

Finance Company (Pty) Ltd
Member of the Steinhoff Group of Companies

PHAELLO FINANCE COMPANY (PROPRIETARY) LIMITED

(Incorporated in the Republic of South Africa with limited liability under Registration Number 1965/001780/07)

Issue of Guaranteed ZAR200,000,000 Senior Secured Floating Rate Notes due 6 April 2015

Under its ZAR5,000,000,000 Domestic Medium Term Note Programme
Long-term Credit Rating of "A-(zaf)" assigned by Fitch Southern Africa
(Proprietary) Limited to the Issuer

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 19 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	Phaello Finance Company (Proprietary) Limited
2.	SPV Guarantor	Phaello Finance Company Guarantor (Proprietary) Limited
3.	Status of Notes	Secured Senior
4.	Series Number	1
5.	Tranche Number	3
6.	Aggregate Nominal Amount	ZAR200,000,000
7.	Interest	Interest bearing
8.	Interest/Payment Basis	Floating Rate
9.	Automatic Conversion from one Interest Basis to another	N/A
10.	Form of Notes	Registered Notes
11.	Issue Date	20 January 2010
12.	Business Centre	Johannesburg
13.	Additional Business Centre	N/A
14.	Nominal Amount per Note	ZAR1,000,000
15.	Specified Denomination	ZAR1,000,000

16. Issue Price	100 percent of the Nominal Amount
17. Interest Commencement Date	20 January 2010
18. Maturity Date	6 April 2015
19. Specified Currency	ZAR
20. Applicable Business Day Convention	Modified Following Business Day
21. Final Redemption Amount	ZAR200,000,000
22. Last Date to Register	by 17h00 on 25 September, 26 December, 26 March and 25 June of each year
23. Books Closed Period(s)	The Register will be closed from 26 September to 6 October, 27 December to 6 January, 27 March to 6 April and 26 June to 6 July, (all dates inclusive) in each year until the Maturity Date

24. Default Rate

N/A

FIXED RATE NOTES

N/A

FLOATING RATE NOTES

25. (a) Floating Interest Payment Date(s)	6 July, 6 October and 6 January and 6 April, the first Floating Interest Payment Date being on 6 April 2010
(b) Interest Period(s)	Each period from, and including, one Interest Payment Date to, but excluding, the next Interest Payment Date commencing on 20 January 2010
(c) Definition of Business Day (if different from that set out in Condition 1 (<i>Interpretation</i>))	N/A
(d) Minimum Rate of Interest	N/A
(e) Maximum Rate of Interest	N/A
(f) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	N/A
26. Manner in which the Rate of Interest is to be determined	Screen Rate Determination
27. Margin	300 basis points to be added to the relevant Reference Rate
28. If ISDA Determination	
(a) Floating Rate	N/A
(b) Floating Rate Option	N/A
(c) Designated Maturity	N/A
(d) Reset Date(s)	N/A

(e) ISDA Definitions to apply	N/A
29. If Screen Determination	
(a) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	In respect of the first Interest Period commencing on and including 20 January 2010 up to but excluding 6 April 2010, the interpolated JIBAR rate and for each Interest Period thereafter, 3 Month ZAR-JIBAR
(b) Interest Rate Determination Date(s)	6 January, 6 April, 6 July, and 6 October
(c) Relevant Screen Page and Reference Code	Reuters page SAFETY SFX3MYLD or any successor page
30. If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/Fallback provisions	N/A
31. Calculation Agent, responsible for calculating amount of principal and interest	Absa Capital, a division of Absa Bank Limited
ZERO COUPON NOTES	N/A
INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
EXCHANGEABLE NOTES	N/A
EXTENDABLE NOTES	N/A
OTHER NOTES	N/A
DETAILS OF DESCRIPTION OF ASSETS OF THE SERIES	
32. Relevant description of Qualifying Assets	<p><u>General</u></p> <p>The Issuer, a serialised structure, will acquire Movable Assets under Series 1. A Tranche of Notes may, together with a further Tranche or Tranches, form a Series of Notes. Each Series of Notes shall be secured by reference to the Series Collateral identified in the Applicable Pricing Supplement in relation to such Series. Various Tranches of Notes may be secured in relation to the same Series Collateral.</p> <p>Series 1</p> <p>Movable Assets shall consist of Initial Movable Assets and the Additional Movable Assets, from time to time, leased by the Lessor to the Lessee</p>

in terms of the Master Lease Agreement dated 27 June 2008 entered into between the Issuer (as Lessor) and Unitrans Services (Proprietary) Limited (as Lessee)

**DETAILS OF CERTAIN
TRANSACTION DOCUMENTS AND
SERIES COLLATERAL**

33. Master Lease Agreement

The Master Lease Agreement, dated 27 June 2008, entered into between the Issuer and Unitrans Services (Proprietary) Limited

34. Steinhoff Guarantee

The Steinhoff Guarantee, dated 27 June 2008, entered into by Steinhoff International Holdings Limited in favour of the Issuer as amended and restated by the Amended and Restated Steinhoff Guarantee dated 4 December 2008

35. Administration Agreement

The Administration Agreement, dated 27 June 2008, entered into between Unitrans Services (Proprietary) Limited and the Issuer as amended and restated by the Amended and Restated Administration Agreement dated 4 December 2008

36. SPV Guarantee

The SPV Guarantee in respect of Series 1, dated 27 June 2008, entered into between Phaello Finance Company Guarantor (Proprietary) Limited in favour of the Transaction Creditors and the Addendum to the SPV Guarantee in respect of Series 1 dated 19 August 2008 as amended and restated by the Amended and Restated SPV Guarantee in respect of Series 1 dated 28 November 2008 by Phaello Finance Company Guarantor (Proprietary) Limited in favour of the Transaction Creditors

37. Counter Indemnity Agreement

The Counter Indemnity Agreement in respect of Series 1, dated 27 June 2008, entered into between the Issuer and Phaello Finance Company Guarantor (Proprietary) Limited as amended and restated by the Amended and Restated Agreement dated 4 December 2008 entered into between the Issuer and Phaello Finance Company Guarantor (Proprietary) Limited

38. Security Documents over Series Collateral

(a) General Notarial Bond:

Yes

If yes:

The Issuer has registered a General Notarial Bond over its Movable Assets in favour of the SPV Guarantor for the benefit of the Transaction

	Creditors.
(b) Mortgage Bond:	No
If yes:	N/A
(d) Cession in Security	The Cession in Security in respect of Series 1, dated 27 June 2008, entered into between the Issuer and Phaello Finance Company Guarantor (Proprietary) Limited as amended and restated by the Amended and Restated Cession in Security dated 4 December 2008 entered into between the Issuer and Phaello Finance Company Guarantor (Proprietary) Limited
(c) Other	N/A
39. Nominated Collection Account	Account Bank: Absa Corporate and Business Bank Account Name: Phaello Finance Company (Proprietary) Limited Account Number: 4071931824

PROVISIONS REGARDING REDEMPTION/MATURITY

40. Issuer's Optional Redemption: 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 (if different from Condition 15.3 (<i>Redemption at the Option of the Issuer</i>))	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
41. Redemption at the Option of the Senior Noteholders: if yes:	
(a) Optional Redemption Date(s)	In the case of a Rating Downgrade Event and subject to Item 41(c) below, within 10 (ten) Business Days after having received a written notice from the Noteholders to redeem such

- (b) Optional Redemption Amount(s)
- (c) Minimum period of notice (if different from Condition 15.4 *(Change of Control of the Issuer)*)

Notes.

100% of the Principal Amount, together with accrued interest, if any.

Promptly upon the Issuer becoming aware that a Rating Downgrade Event has occurred, the Issuer shall give notice, in writing, to the Noteholders in accordance with Condition 24 specifying the nature of the Rating Downgrade Event and the circumstances giving rise to it and the procedure for exercising the option contained in this item 41.

If at any time while any Note remains outstanding, upon the occurrence of a Rating Downgrade, the Issuer shall, and only if the Noteholders have issued a notice in writing and delivered it to the Issuer and the Transfer Agent, redeem all Notes held by the Noteholders at its early redemption amount together with accrued interest (if any) within 10 (ten) days of having received such notice from the Noteholders to redeem such Note.

- (d) If redeemable in part:
Minimum Redemption Amount(s)
Higher Redemption Amount(s)
- (e) Other terms applicable on Redemption

N/A

N/A

For the purposes of this item 41:

- (a) **"Rating Agency"** means Fitch Southern Africa (Proprietary) Limited and its successor or any other rating agency of equivalent national standing specified from time to time by the Issuer;
- (b) a **"Rating Downgrade"** shall, in relation to the Issuer that is rated by a Rating Agency, deemed to have occurred if the rating previously assigned to such Issuer is (i) withdrawn, or (ii) if the national scale rating assigned to the Issuer is lowered by one or more full rating notches below *"BBB.(zaf)"* by the Rating Agency or any equivalent rating provided by another rating agency); and
- (c) a **"Rating Downgrade Event"** shall occur if, in relation to any rating solicited by the Issuer and assigned to the Issuer, a Rating Downgrade in relation to the Issuer occurs.

- (f) Attach *pro forma* put notice(s) N/A
42. Early Redemption Amount(s) Yes
payable on redemption for taxation
reasons or on Event of Default (if
required). If no:
- (a) Amount payable; or N/A
- (b) Method of calculation of N/A
amount payable
43. Coupon Redemption Calculation (if N/A
applicable, provide formula)

GENERAL

44. Exchange JSE
45. Calculation Agent Absa Capital, a division of Absa Bank Limited
46. Paying Agent Absa Capital, a division of Absa Bank Limited
47. Specified office of the Paying Agent 15 Alice Lane, Sandton, 2196, South Africa
48. Transfer Agent Absa Capital, a division of Absa Bank Limited
49. Provisions relating to stabilisation N/A
50. Stabilising Manager N/A
51. Additional selling restrictions N/A
52. ISIN ZAG000074022
53. Stock Code PCF03
54. If syndicated, names of Managers N/A
55. If non-syndicated, name of Dealer Absa Capital, a division of Absa Bank Limited
56. Receipts attached? No
57. Coupons attached? No
58. Talons attached? No
59. Stripping of Receipts and/or Coupons prohibited as provided in Condition 19.4 (*Prohibition on stripping*) No
60. Governing law (if the laws of South Africa are not applicable) N/A
61. Other Banking Jurisdiction N/A
62. Use of proceeds To repay amounts drawn down by the Issuer under the revolving credit facility provided to it by Absa Capital, a division of Absa Bank Limited
63. Other provisions N/A

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE

COMMERCIAL PAPER REGULATIONS

64. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

65. 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.

66. Paragraph 3(5)(c)

The auditor of the Issuer is Deloitte & Touche.

67. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has issued ZAR300,000,000 (exclusive of this issue) of commercial paper; and
- (ii) to the best of the Issuer's knowledge and belief, the Issuer estimates to issue ZAR700,000,000 of commercial paper during the current financial year, ending 30 June 2010.

68. Paragraph 3(5)(e)

As at the date of this issue, the Issuer has disclosed all information reasonably necessary to enable the investor to ascertain the nature of the financial and commercial risk of his investment.

69. 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.

70. Paragraph 3(5)(g)

The Notes issued will be unlisted.

71. 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, which include the repayment of amounts drawn down by the Issuer under the revolving credit facility provided to it by Absa Capital, a division of Absa Bank Limited.

72. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are secured, however indirectly guaranteed, jointly and severally, by the SPV Guarantor.

73. Paragraph 3(5)(j)

Absa Capital has waived the requirement that Deloitte & Touche, the statutory auditors of the Issuer, confirm 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

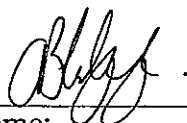
Supplement.

Application will not be made to list this issue of Notes.

SIGNED at _____ this ____ 18th ____ day of January 2010.

For and on behalf of

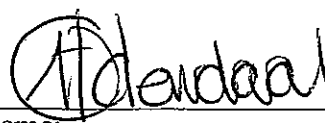
PHAELLO FINANCE COMPANY (PROPRIETARY) LIMITED



Name: _____

Capacity: Director

Who warrants his authority hereto



Name: _____

Capacity: Director

Who warrants his authority hereto