Group Results for Financial Year Ended 28 February 2013



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Agenda



1. Calgro M3 Business Model
2. Financial Review
3. Significant Achievements
4. Group Prospects

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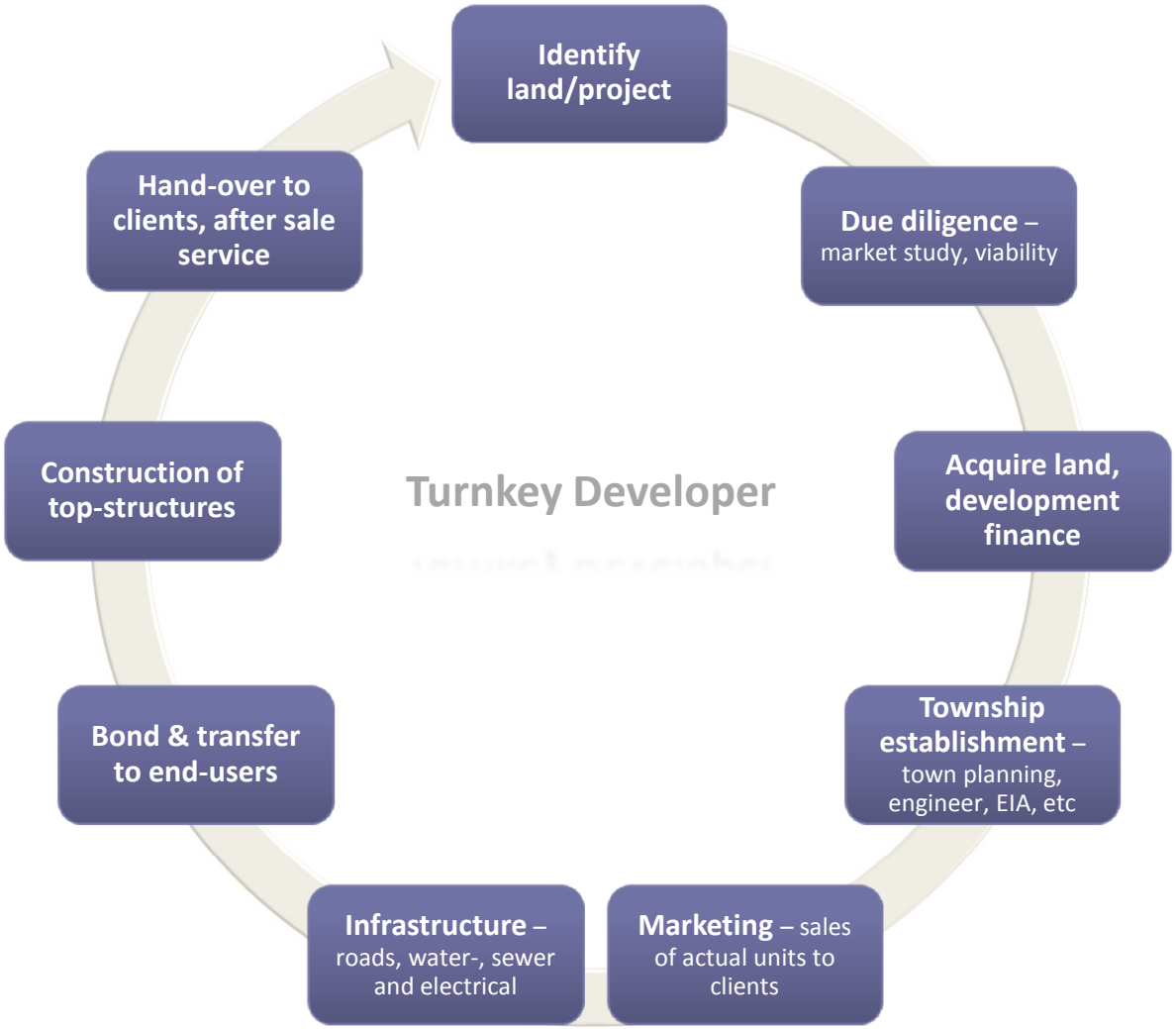
Calgro M3 Business Model

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Business Model



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Business Model

- The company's business model will remain mainly unchanged:
  - Integrated or low income development projects: Minimum of 80% exposure;
  - Mid-to-High income developments/market segment: Maximum of 20% exposure;
  - Principle of landowner developer to be retained with Land Availability Agreements where available on our terms;
  - Shareholding retained in projects maximized while taking into account associated risks;
- The company view its marketing capacity as key to the effective implementation of projects and marketing drives the process as no construction is undertaken without sales in place; and
- Construction of the majority of units to be done in-house in order to control quality and after-sale service.



Business Model

- The company's business model remained unchanged:
  - Principle of landowner developer retained with LAA (Land Availability) where available on our terms;
  - Maxim shareholding will be retained in projects while taking associated risks into account;
  - Marketing responsibility to be divided into:
    - Marketing of free standing affordable / GAP units;
    - Marketing of sectional title affordable / GAP units;
    - Marketing of retirement project; and
- Construction of majority of units done in-house in order to control quality.
- New and recent strategic ventures by the group:
  - Ventured into the Western Cape province;
  - Exposure in Retirement Village market to be escalated to new level if existing projects prove to be successful;
  - Provision of Student Accommodation to be incorporated in product offering; and
  - Stake in Residential Investment Portfolio investigated - (non-controlling and non-managed).



National Footprint

North West

Boitekong – 3,451 units

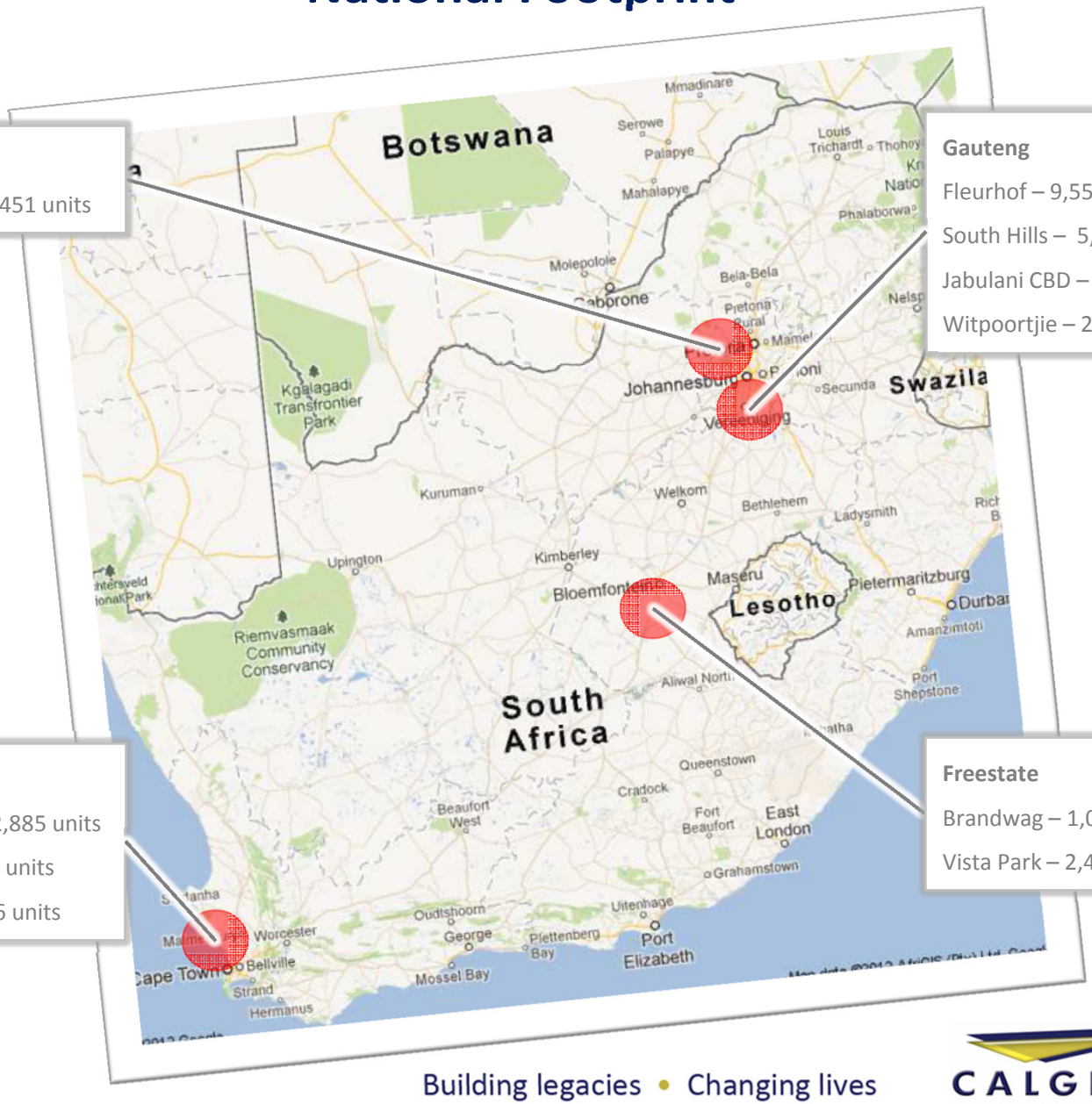
Gauteng

Fleurhof – 9,558 units

South Hills – 5,161 units

Jabulani CBD – 3,881 units

Witpoortjie – 2,023 units



Western Cape

Scottsdene – 2,885 units

Belhar – 3,614 units

Maitland – 136 units

Freestate

Brandwag – 1,051 units

Vista Park – 2,400 units

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Calgro M3 Project: Fleurhof



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Calgro M3 Project: Jabulani CBD



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Typical Units – Integrated Development



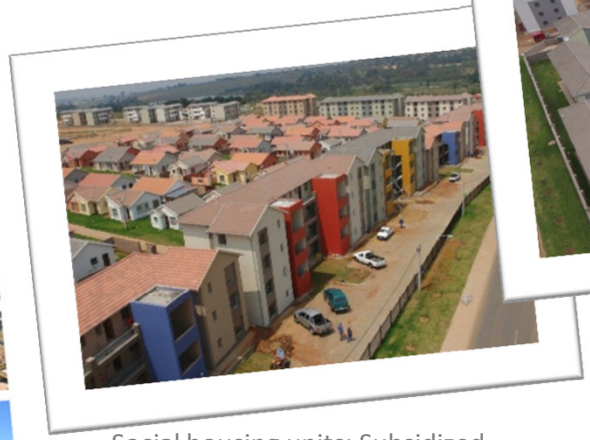
RDP units: Fully subsidized (give-away) – freestanding & semi-detached



RDP units: Fully subsidized (give-away) – multi-storey walk-up's



CRU units: Subsidized rental – Government/City owned



Social housing units: Subsidized rental – Privately owned (Private SHI's)



GAP /FLISP units: Bonded market - sectional title ownership



Affordable housing units –Bonded market – full title ownership

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Financial Review of the 12 months ended February 2013

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Financial Summary

	F2013 vs. F2012	F2013 – February Audited	F2012 – February Audited
Revenue	+ 55 %	798 394	514 913
Operating profit	+ 107 %	89 373	43 219
Gross Profit	3.09 %	18.53 %	15.44 %
Headline Earnings – Rand	+ 40 %	91 304	65 380
Fully diluted Headline earnings – Rand	+ 40 %	91 304	65 380
EPS – Cents	+ 40 %	71.84	51.44
Fully diluted HEPS – Cents	+ 40 %	71.84	51.44
Net asset value per share – Cents	+ 39 %	257.56	185.08
Cash to Current liabilities		43.62%	30.47%
Return on net assets		44.45%	45.60 %
Return on avg Shareholders funds		32.41%	31.81 %

Management and the Board realize and appreciate the need and appropriateness of Dividends, however it will always remain management's first focus to create and retain shareholders asset value. It is management's view that sufficient working capital is not yet available to secure the rollout of the large pipeline



Statement of Financial Performance

	F2013 – February Audited	F2012 – February Audited
Revenue from continuing operations	798 394	514 913
Operating profit & margin % Incl. fair value adjustments – No Fair value adjustments in current year	89 374 11.19%	43 219 8.39%
Profit before interest & taxation	118 780	77 545
Finance (cost)/income – net	(1 540)	391
Profit before taxation	117 240	77 936
Effective tax rate % - Lower % profit from JV's	22.12%	16.11 %



Statement of Financial Position - Extract

	F2013 – February Audited	F2012 – February Audited
Non Current assets	153 254	116 100
Intangible assets	32 808	32 921
Investments in JV's	74 350	44 944
Loans to JV's	22 200	15 725
Current assets	655 866	479 783
Inventories	264 578	249 305
Construction Contracts	139 251	85 459
Trade and other receivables	45 339	15 827
Cash and Cash equivalents	198 343	103 691
Total Assets	809 120	595 883



Statement of Financial Position - Extract

	F2013 – February Audited	F2012 – February Audited
Equity	327 358	236 054
Non-current Liabilities	27 079	19 560
Deferred tax	26 863	19 315
Current Liabilities	454 693	340 269
Borrowings	299 900	225 111
Trade and other payables	153 156	113 541
Total Assets	809 120	595 883



Statement of Cash Flow

	F2013 – February Audited	F2012 - February Audited
Operating Cash	98 119	48 253
Working capital changes	(48 633)	21 576
Cash generated / (utilised) from operations	49 486	69 829
Finance (costs)/income – (net)	(20 347)	(18 919)
Tax paid	(16 554)	(11 634)
Net cash generated / (utilised) from operating activities	12 585	39 276
PPE and Intangible assets – (net)	(2 935)	(752)
Loans to and from Joint Ventures – net)	11 203	(15 491)
Cash effects of investing and financing activities	73 798	69 745
Movement in cash	94 651	92 778
Cash and cash equivalents on hand – end of period	198 343	103 691



Cash Flow Working Capital Reconciliation

	F2013 - February Audited	F2012 – February Audited
Operating Cash	49 486	69 829
Working capital changes	(6 633)	21 576
Trade and other payables	38 118	67 020
Trade and other receivables	(27 003)	(3 728)
Contracts in progress	(53 163)	(44 175)
Inventories	(6 585)	2 459
Total Change	(48 633)	21 576
- Long term inventory investment		
- La Vie Nouvelle	13 000	
- Scottsdene	29 000	



Key Financial Ratio's

	F2013 - February Audited	F2012 – February Audited
Group Equity	327 358	236 054
Interest bearing debt	300 616	226 818
Cash and cash equivalents	198 343	103 691
Net interest bearing debt	102 273	123 127
Net gearing – net debt to equity ratio %	31.24%	52.16 %
Interest Cover	4.85	3.18
Average cost of Debt	10.34%	11.2%



Company Structure

Calgro M3 Holdings Limited
2005/027663/06

- **Calgro M3 Developments (Pty) Ltd**
  1996/017246/07
  - CM3 Randpark Ridge Ext 120 (Pty) Ltd
    2005/018284/07
  - MS5 Projects (Pty) Ltd
    2004/014691/07
  - MS5 Pennyville (Pty) Ltd
    2005/024397/07
  - PZR Pennyville Zamimphilo Relocation (Pty) Ltd
    2005/027240/07
  - PZR Fleurhof (Pty) Ltd
    2007/0355790/7
- **Calgro M3 Land (Pty) Ltd**
  2005/027072/07
  - Hightrade-Invest 60 (Pty) Ltd
    2005/027489/07
  - Tres Jolie Ext 24 (Pty) Ltd
    2007/019498/07
  - Business Venture Investments No 1244 (Pty) Ltd
    2007/025990/07
  - Ridgewood Estate (Pty) Ltd
    2007/018365/07
  - Business Venture Investments No 1221 (Pty) Ltd
    2007/023449/07
  - CM3 Witkoppen Ext 131 (Pty) Ltd
    2005/017717/07
  - Clidet No 1014 (Pty) Ltd(Pty) Ltd
    2009/021563/07
    (ASSOCIATE) - SUMMERSET
  - Fleurhof Ext 2 (Pty) Ltd
    2005/027248/07
    (ASSOCIATE)
  - Aquarella Investments 265 (Pty) Ltd
    2005/035305/07
    (ASSOCIATE) – JABULANI
  - Sabre Homes Projects (Pty) Ltd
    2002/004007/07
    (ASSOCIATE) - JUKSKEI VIEW
- **Calgro M3 Project Management (Pty) Ltd**
  2007/030313/07
  - CTE Consulting (Pty) Ltd
    2007/030310/07

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Change in Borrowings

Increases:			
	Bond Exchange	126 000 000	Jibar linked
	RMB Limited	1 485 330	Prime linked
		127 485 330	
Decreases:			
	Bond Exchange	(40 000 000)	Jibar linked
	Nedbank Limited	(12 221 371)	Prime + 1%
	NHFC	(485 687)	
		(52 707 058)	
Net change		74 778 272	
Total debt raised		74 778 272	





Significant Achievements

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Significant Achievements

- Awarding of the Boikatong project in the North-West province in line with the strategic thrust to obtain a footprint in the province thereby gaining from the Mining Charter coming effective 2014;
- Awarding of the Vista Park project in the Freestate, increasing the group's footprint in the province;
- Creating in excess 5,000 job opportunities in line with government's drive for job creation;
- Reporting zero fatalities and zero serious injuries in the work place;
- Construction of the 1st top-structures commenced in the Western Cape;
- Hand-over of the 1st fully subsidised units in the Fleurhof project;
- Completion of the 1st phase of the Jabulani Hostels re-development project;
- Receiving environmental approval to proceed with the South Hills project;
- Transferring the 1st sectional title units and handing over to end-users and body corporates in the Jabulani CBD project;
- Installing infrastructure on the La Vie Nouvelle Retirement Estate project to enable the group to launch a marketing campaign in the new financial year; and
- Nearing completion of the Jukskei View project by selling out all units.





Group Prospects

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Group Prospects – Low Income

Project	Total no of units in project	No of units under construction / completed	RDP/BNG Housing	Social Housing	GAP, FLISP & Rental Housing	Affordable Housing	Total estimated project revenue
Fleurhof (Jhb)	9558	2453	2822	1459	3405	1872	R 2 963 000 000
Jabulani CBD (Soweto)	3881	1206	0	1260	2621	0	R 1 123 000 000
Scottsdene – Cape Town	2885	901	549	1351	724	0	R 774 312 000
Mabopane – Tswane	202	95	0	0	202	0	R 70 700 000
Brandwag – Bloemfontein	897	897	0	897	0	0	R 224 250 000
Witpoortjie Ext 52&57	2023	0	344	0	0	1679	R 750 364 000
Belhar - Cape Town	3614	0	0	1254	2360	0	R 1 044 315 000
South Hills – Jhb	5161	0	1750	915	915	1581	R 1 336 000 000
Boitekong Ext 16 – Rustenburg	3451	0	600	1780	800	271	R 746 000 000
Vista Park Ext 3 – Bloemfontein	5320	0	1596	1500	1045	1179	R 1 649 211 132
Maitland – Cape Town	136	0	0	0	136	0	R 63 600 000
Clayville Ext 50 – Midrand	3300	0	0	0	0	3300	R 828 000 000
Total	40428	5552	7661	10416	12208	10143	R11 572 773 132



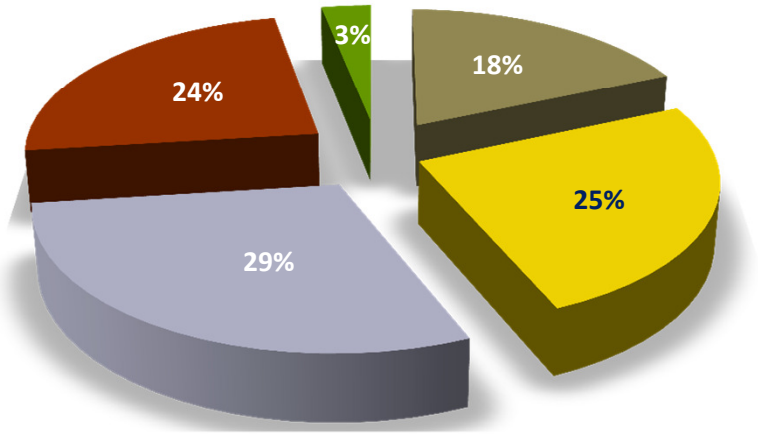
Group Prospects – Mid-to-High Income

Project name	Township	Status of project	Type of project	No of units	Revenue
La Vie Nouvelle	Broadacres Ext 36, Fourways	Town planning completed. Marketing to commence	Retirement and Lifestyle Estate	394	R499,000,000
32-On-Pine	Witkoppen Ext 142, Fourways	Town planning completed.	Full title cluster	65	R107,000,000
Oakwood	Honeydew Manor Ext 57, Honeydew	Town planning completed.	Full title cluster	48	R64,800,000
Ridgewood	Honeydew Manor Ext 57, Honeydew	Town planning completed.	Full title cluster	48	R64,800,000
Parkview Estate	Honeydew Manor Ext 40, Honeydew	Town planning completed.	Full title cluster	45	R44,325,000
Westwood	Honeydew Manor Ext 45, Honeydew	Town planning completed.	Full title cluster	38	R43,700,000
32-On-Peter	Tresjolie Ext 24, Honeydew	Town planning in process	Student accommodation	180	R76,500,000
Summerset Place	Summerset Ext 19, Midrand	Town planning completed.	Sectional title	280	R173,600,000
Needwood	Chartwell. Fourways	Town planning in process	Student accommodation	200	85,200,000
				1,298	R1,158,925,000



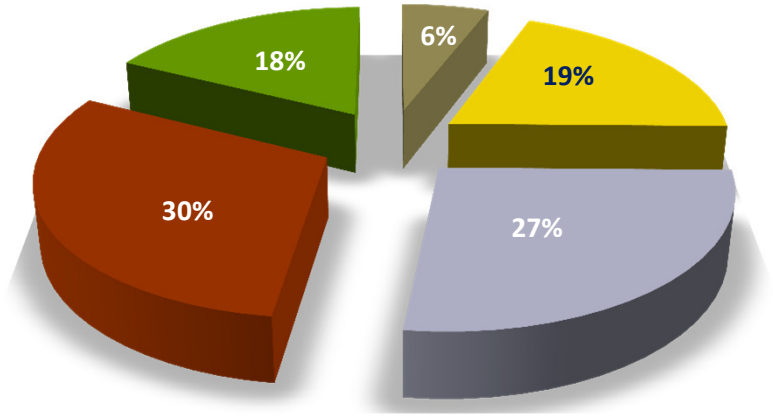
Group Prospects by Segment

By number of units



- RDP/BNG Housing
- Social Housing
- GAP, FLISP & Rental Housing
- Affordable Housing
- Mid-to-High

By revenue



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Challenges, Risk and the Way Forward

Remaining Risks

- Uncontrollable growth – This risk will remain coming back, as the group growth to full force;
- Reputational damage due to sub standard work – This risk is managed due to our “hands-on” approach and site management structure, but things do go wrong very quickly if not properly managed and controlled;
- General control breach (Management is very aware of the fact that as the group is growing exponentially, controls that worked for the smaller business, is not sufficient any more and controls in all aspects of the business are and need to be closely monitored and updated;
- Management capacity (a newly formed MANCO implemented 2012);
- Construction control (Johannesburg, Cape Town and Bloemfontein contracts managers were promoted as Head of Construction for the different provinces and new “in-training” managers have also started on the existing construction sites, to ensure construction management going forward is controlled.





Questions?

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