11 May 2015

Calgro M3 Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2005/027663/06)
Share code: CGR ISIN: ZAE000109203
("Calgro M3" or "the Company" or "the Group")

Highlights

Profit after tax up 37.9% to R145.7 million
Headline earnings per share up 31.9% to 109.69 cents
Pipeline has been maintained in excess of R19 billion

AUDITED RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2015

Condensed Consolidated Statement of Comprehensive Income

R'000	Audited Year Ended 28 Feb 2015	Audited Year Ended 28 Feb 2014
Revenue	**932 205**	784 943
Cost of sales	**(757 334)**	(671 954)
Gross profit	**174 871**	112 989
Other income	**8 521**	1 793
Other expenses	**(691)**	(3 553)
Administrative expenses	**(98 900)**	(58 378)
Operating profit	**83 801**	52 851
Share of profit of joint ventures and associates – Net of tax	**86 827**	66 161
Net finance (cost)/income	**(2 479)**	(3 797)
Profit before tax	**168 149**	115 215
Taxation	**(22 520)**	(9 519)
Profit after taxation	**145 629**	105 695
Profit after taxation and other comprehensive income attributable to:		
- Owners of the parent	**145 716**	105 695
- Non-controlling interests	**(87)**	-
	145 629	105 695

Profit after taxation attributable to:

Equity holders of the company	**145 716**	105 695
Earnings per share - cents	**114.65**	83.16
Headline earnings per share - cents	**109.69**	83.16
Fully diluted earnings per share - cents	**114.65**	83.16
Fully diluted headline earnings per share - cents	**109.69**	83.16

Earnings Reconciliation

R'000	Audited Year Ended 28 Feb 2015	Audited Year Ended 28 February 2014
Determination of headline and diluted earnings		
Attributable profit	**145 716**	105 695
(Loss)Profit on disposal of property	**(83)**	-
Gain on deemed disposal of interest in Joint venture	**(6 222)**	-
Headline and diluted headline earnings	**139 411**	105 695
Determination of earnings and diluted earnings		
Attributable profit	**145 716**	105 695
Earnings and diluted earnings	**145 716**	105 695
Number of ordinary shares ('000)	**127 100**	127 100
Weighted average shares ('000)	**127 100**	127 100
Fully diluted weighted average shares ('000)	**127 100**	127 100

Condensed Consolidated Statement of Financial Position

R'000	Audited Year Ended 28 Feb 2015	Audited Year Ended 28 Feb 2014
Assets		
Non-Current Assets		
Property, plant and equipment	**1 754**	2 612
Deferred income tax asset	**13 825**	18 639
Intangible assets	**40 971**	32 986
Investment in joint ventures and associates	**229 568**	142 740
Investment property	**5 743**	5 743
	291 861	202 720
Current Assets		
Inventories	**498 089**	385 826
Construction contracts and work in progress	**212 364**	183 889
Trade and other receivables	**171 100**	220 045
Other current assets	**26 486**	42 164
Cash and cash equivalents	**130 565**	62 893
	1 038 604	894 817
Total Assets	**1 330 465**	1 097 537

Equity and Liabilities		
Equity		
Stated capital	**96 022**	96 022

Retained income	**482 747**	337 031
	578 769	433 503
Non-controlling interests	**(87)**	-
Total Equity	**578 682**	433 053
Non-Current Liabilities		
Deferred income tax liability	**37 952**	37 128
	37 952	37 128
Current Liabilities		
Borrowings	**492 132**	470 929
Other current liabilities	**221 699**	156 427
	713 831	627 356
Total Liabilities	**751 783**	664 484
Total Equity and Liabilities	**1 330 465**	1 097 537
Net asset value per share - cents	**455.30**	340.72
Net tangible asset value per share - cents	**423.06**	314.77

Condensed Consolidated Statement of Cash Flows

R'000	Audited Year Ended 28 Feb 2015	Audited Year Ended 28 February 2014
Net cash from operating activities	**79 177**	(291 953)
Net cash from/(utilised in) investing activities	**(25 576)**	(16 091)
Net cash from financing activities	**14 072**	172 593
Net increase in cash and cash equivalents	**67 673**	(135 450)
Cash and cash equivalents the beginning of the year	**62 893**	198 343
Cash and cash equivalents the end of the year	**130 565**	62 893

Condensed Consolidated Statement of Changes in Equity

R'000	Stated capital	Retained income	Total	Non-controlling interests	Total equity
Balance at 1 March 2013	96 022	231 336	327 358	-	327 358
Profit for the period	-	105 695	105 695	-	105 695
Total comprehensive income for year ended 28 February 2014	-	105 695	105 695	-	105 695
Balance at 1 March 2014	**96 022**	**337 031**	**433 053**	**-**	**433 053**
Profit for the period	**-**	**145 716**	**145 716**	**(87)**	**145 629**
Total comprehensive income for year ended 28 February 2015	**-**	**145 716**	**145 716**	**(87)**	**145 629**
Balance at 28 February 2015	**96 022**	**482 747**	**578 769**	**(87)**	**578 682**

Condensed Segment Report for the Group

R'000	Construction	Sale of Land	Professional	Total

February 2015	and Infrastructure Development	and Development	Services	
Segment revenue	**732 248**	**180 834**	**19 123**	**932 205**
Inter-segment revenue	**-**	**-**	**-**	**-**
Revenue from external customers	**732 248**	**180 834**	**19 123**	**932 205**
Operating profit	**41 689**	**27 315**	**17 031**	**86 035**
Finance costs	**(365)**	**(11 863)**	**-**	**(12 229)**
Adjusted profit before tax	**41 324**	**15 452**	**17 031**	**73 806**
February 2014				
Segment revenue	762 951	7 440	14 552	**784 943**
Inter-segment revenue	-	-	-	**-**
Revenue from external customers	762 951	7 440	14 552	**784 943**
Operating profit	43 347	(1 469)	13 271	**55 149**
Finance costs	(13 470)	20	-	**(13 449)**
Adjusted profit before tax	29 877	(1 449)	13 271	**41 669**

February 2015	Construction and Infrastructure Development	Sale of Land and Development	Professional Services	Total
Assets:	**234 761**	**498 089**	**18 308**	**751 158**
Goodwill	**36 550**	**-**	**4 155**	**40 705**
Inventories	**-**	**498 089**	**-**	**498 089**
Work in progress	**-**	**-**	**14 153**	**14 153**
Construction contracts	**198 211**	**-**	**-**	**198 211**
Liabilities:				
Borrowings	**(137 730)**	**(354 402)**	**-**	**(492 132)**
February 2014				
Assets:	229 613	364 215	8 557	**602 385**
Goodwill	28 515	-	4 155	**32 670**
Inventories	21 611	364 215	-	**385 826**
Work in progress	-	-	4 402	**4 402**
Construction contracts	179 487	-	-	**179 487**
Liabilities:				
Borrowings	(131 796)	(339 133)	-	**(470 929)**

A reconciliation of adjusted profit / (loss) before tax is provided as follows:

R'000	Audited Year Ended 28 February 2015	Audited Year Ended 28 February 2014
Adjusted profit before tax for reportable segments	**73 806**	41 699
Group overhead cost	**(2 234)**	(2 298)
Share of profit of joint ventures and associates	**86 827**	66 161
Profit before tax, finance income and finance cost	**158 399**	105 563
Finance income	**9 774**	9 652
Profit before tax	**168 149**	115 215

Reportable segment assets are reconciled to total assets as follows:

R'000	Audited Year Ended 28 February 2015	Audited Year Ended 28 February 2014
Segment assets for reportable segments	**751 159**	602 384
Unallocated:		
Deferred tax	**13 825**	18 639
Investment property	**5 743**	5 743
Property, plant and equipment	**1 754**	2 612
Intangible assets excluding goodwill	**266**	316
Investment in joint ventures and associates	**229 568**	142 740
Loans to joint ventures	**16 793**	35 818
Loans and receivables	**5 757**	5 757
Current tax receivable	**3 936**	589
Trade and other receivables	**171 100**	220 045
Cash and cash equivalents	**130 565**	62 893
Total asset per the consolidated statement of financial position	**1 330 465**	1 097 537

Reportable segment liabilities are reconciled to total liabilities as follows:

R'000	Audited Year Ended 28 February 2015	Audited Year Ended 28 February 2014
Segment liabilities for reportable segments	**492 132**	470 929
Unallocated:		
Deferred tax	**37 952**	37 128
Current tax	**62**	154
Finance lease obligations	**-**	215
Trade and other payables	**221 638**	156 057
Total liabilities per the consolidated statement of financial position	**751 783**	664 484

Related Party Transactions

R'000	Audited Year Ended 28 February 2015	Audited Year Ended 28 February 2014
Compensation paid to key employees and personnel	**33 922**	23 923
Finance income from related parties	**6 506**	7 833
Contract revenue received from joint ventures	**501 106**	473 299
Services fees received from joint ventures	**9 349**	13 810

COMMENTARY

INTRODUCTION

Calgro M3 was able to sustain its impressive growth curve for the fifth consecutive year, yet again delivering a solid set of financial results.

2015 was highlighted by a strengthened pipeline, investment in new ventures that will result in diversification, and increased focus on sustainable construction practices. The business model, which is defined by its turnkey approach to property development and the diversification of risk through the development of products that target a broad spectrum of the residential market, has ensured the delivery of a good set of results for the 2015 financial year. Its strong pipeline of secured projects has positioned the Group as a strategic partner to Government.

The expected decrease in the Group's exposure to infrastructure development after the 2014 elections did not materialise and an increase in urgency from Government towards the provision of low to medium cost housing related infrastructure is expected to continue to the 2016 local elections. Momentum was maintained in the installation of infrastructure while, simultaneously, the Group benefited from an increased focus on the construction of top structures. The introduction of external contractors to grow the Group's construction capacity to deliver on its projects has proven successful. With nine projects currently running consecutively and with the potential of a further two projects commencing during the 2015/2016 financial year, the Group's risk profile has been significantly diversified. With an ever increasing barrier to enter into the integrated market segment, the Group has benefited from the introduction, by the National Department of Human Settlements (in partnership with provinces), of new initiatives such as the Mega and Catalytic Projects Programmes.

The Group is especially excited to report on a new business venture it started in 2015 that focuses on the development of private memorial parks. The memorial parks project, founded on the principle of utilizing Calgro M3 owned land parcels not suitable for residential development, is currently in the pilot phase of development and will de-risk the Group in terms of its dependence on power utilities for the provision of power. The project will also assist Government in the delivery of and the meeting of the growing demand for safer and better maintained alternatives to the cemeteries currently available in the market.

The Group's most significant achievements/events during the year:

- The Group has been fatality-free on all construction sites again;
- Fleurhof was awarded three 2014 Govan Mbeki Awards, being for Best FLISP Project of the Year, the Best Informal Settlement Upgrade of the Year and the Best Integrated Project of the Year;
- Calgro M3 received a merit award in "The benchmark for integrated reporting 2014", from the Chartered Secretaries South Africa and the JSE Ltd for the second year running;
- The acquisition of a 50% interest in the R4.9 billion Tanganani Ext 14 project in Diepsloot from Esor;
- The first units handed over to home owners in the La Vie Nouvelle retirement and lifestyle project;

- Breaking ground on three projects namely South Hills in Johannesburg, the Jabulani CBD hostel redevelopment project in Soweto and the Belhar Project in Cape Town;
- Resolving electrical supply issues and thereby not repeating construction losses on the Jabulani project; and
- Improving the Groups B-BBEE rating to a level 3 contributor.

FINANCIAL AND OPERATIONAL PERFORMANCE

As a result of continued growth, the Group's statement of financial position strengthened for the fifth consecutive year with net gearing ratios stabilizing, cash balances increasing and a consistent current ratio.

Operating profit and earnings increased compared to the previous period. Solid operating performances by the Fleurhof, Sagewood and Scottsdene projects boosted the Group's combined revenue to R1,7 billion. Towards the end of the financial year, the Belhar, South Hills and Jabulani Hostels projects also started contributing towards revenue and will contribute towards growth for the 2016 financial year.

The gross profit margin increased as a result of the Group's exposure on construction of top structures leading up to the 2016 local elections. Other income grew as a result of the "deemed gain on disposal of interest in joint ventures" of R6.22 million, when the Group acquired the remaining 24% of the Summerset project, which is now wholly-owned by the Group.

Overheads are inflated by an unexpected share appreciation rights scheme (SAR) expense in the amount of R45,2 million, which was brought about by a steep upward curve in the share price in December 2014.

Although the land portfolio is carried in the financial statements at a value of R550 million, the total external valuations of the Group's land portfolio, excluding joint venture partner interests, is maintained in excess of R1.4 billion.

The fast-tracking of existing projects, coupled with intensified capital spend on new projects to the value of R174.4 million (predominantly funded by cash generated from operations), has had the anticipated effect on cash flow, but will ensure accelerated growth in the next financial year. The majority of projects under construction are currently running cash positive.

Although capital is applied to sustain growth, the Group was successful in sweating its assets and generating cash flow to support growth initiatives. This was demonstrated by cash on hand growing by R67.67 million while borrowings increased by only R21.20 million.

The Group continues its approach of supporting future growth through the preservation of cash, to fund operational activities, and maintaining the quality of the secured pipeline. Value creation was maximised by actively managing developments and operations through the generation of cash profits, tight cost controls and the provision of affordable homes and lifestyles to our clients.

The ability to adapt to changing market conditions remains a key focus element of the business, enabling the Group to utilise cash where returns can be maximised. A return on equity of 33.73% was achieved, being above the target ratio of 30%.

MEMORIAL PARKS VENTURE

The Group's strategy for the development of Memorial Parks Venture is to develop the requisite skills and capacity to pursue potential memorial park development opportunities on Calgro M3 owned land (property not suitable for residential development) as well as private or state owned land. This model is viewed as a complementary business to Calgro M3's existing business model and will not detract from or distract

Calgro M3 from the Company's core business of property development. This new venture also offers a further risk diversification opportunity.

SUSTAINABILITY

The Group continued to intensify its focus on sustainable business practices, embedding it into every facet of its business through formal policies and the development of sustainable construction best practices. Its goal to deliver sustainable human settlements was taken to the next level in the affordable housing segment by embracing the green building concept. Rainwater harvesting and gas reticulation (for heating and cooking), along with the development of energy-efficient approaches will drive long-term benefits for homeowners, supporting sustainable living and sustainable communities, while also lowering the carbon footprint of the Group.

OCCUPATIONAL HEALTH AND SAFETY

Despite growth in activity and the number of employees, the Group can again report that it is fatality-free. Although no serious injuries occurred in the work place, any injuries sustained are viewed in a serious light and the Group continues to strive for a zero harm target in the workplace.

PROSPECTS

The secured pipeline remains strong and continues to grow steadily. Capacity created during the year under review will enable the Group to convert its pipeline into construction projects and build sustainability beyond the previously indicated period of five to six years.

Investment in low to medium cost housing related infrastructure remains a key focus at all levels of Government to address economic development, decisive spatial transformation and the acceleration of social transformation. New initiatives, such as the Mega and Catalytic Projects Programmes envisaged by Government will set the stage for the provision of sustainable human settlements to be implemented on a scale previously not experienced in this country. Within the stringent guidelines created to manage steady growth of the Group, Calgro M3 is well positioned to support these efforts and continue to deliver value for all its stakeholders.

Statements contained in this announcement, regarding the prospects of the group, have not been reviewed or audited by the group's external auditors

BOARD OF DIRECTORS

The Group was able to retain the services of all Executive and Non-executive Directors of the Board. The Board has resolved to appoint a new non-executive director and new executive directors to the Board. An announcement detailing these appointments and further changes to the Board will be published on SENS simultaneously with this announcement.

ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

The Integrated Annual Report and notice of annual general meeting will be posted to shareholders on or about 25 May 2015.

The Integrated Annual Report will be available on the Company's website (www.calgrom3.com) on or about 11 May 2015.

APPRECIATION

We would like to thank every Calgro M3 employee whose continuous commitment and dedication is contributing to the success of Calgro M3. We would also like to thank our stakeholders, financial and development partners, suppliers and Government for their continued support.

Notes

1. Basis of preparation

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act applicable to summarised financial statements. The Listings Requirements require summarised consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summarised consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The consolidated financial statements have been prepared by Mr WA Joubert CA (SA) under supervision of Mr WJ Lategan CA (SA) and were approved by the board on 08 May 2015.

2. Independent audit

The summarised consolidated financial statements are extracted from audited information, but are not itself audited. The consolidated annual financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The audited consolidated annual financial statements and the auditor's report thereon are available for inspection at the Company's registered office. The directors take full responsibility for the preparation of the summarised consolidated financial statements and the financial information has been correctly extracted from the underlying annual financial statements.

3. Dividends

The Board of Directors has, due to the fact that Calgro M3 is in a steep growth phase, the challenging economic climate and tough trading conditions, resolved not to declare a dividend for this reporting period, thereby retaining the available cash to fund growth in the Group.

BP Malherbe (Chief Executive Officer)	WJ Lategan (Financial Director)
Johannesburg	11 May 2015

Directors:
PF Radebe (Chairperson)*#, BP Malherbe (Chief Executive Officer), WJ Lategan (Financial Director), FJ Steyn, DN Steyn, JB Gibbon*#, H Ntene*#, R Patmore*#,ME Gama*#.
(*Non-executive)
(# Independent)

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Sponsor: Grindrod Bank Limited
Auditors: PricewaterhouseCoopers Inc.
Website: www.calgrom3.com