
APPLICABLE PRICING SUPPLEMENT



DENEL SOC LTD

(Incorporated in the Republic of South Africa with limited liability under registration number 1992/001337/30)

TAP Issue of ZAR400,000,000 Senior Unsecured Floating Rate Notes due 10 June 2018 Issued under its ZAR3,000,000,000 Domestic Medium Term Note Programme

This Applicable Pricing Supplement must be read in conjunction with the amended and restated Programme Memorandum, dated 18 September 2012, prepared by Denel SOC Ltd in connection with the Denel SOC Ltd ZAR3,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the **Programme Memorandum**).

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

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. 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.

PARTIES

1.	Issuer	Denel SOC Ltd
2.	Dealer	Nedbank Limited, acting through its Corporate and Investment Banking division;
3.	Debt Sponsor	Nedbank Limited, acting through its Corporate and Investment Banking division
4.	Paying Agent	FirstRand Bank Limited, acting through its Rand Merchant Bank Division
	Specified Address	1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
5.	Calculation Agent	FirstRand Bank Limited, acting through its Rand Merchant Bank Division
	Specified Address	1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
6.	Transfer Agent	FirstRand Bank Limited, acting through its Rand Merchant Bank Division
	Specified Address	1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa

PROVISIONS RELATING TO THE NOTES

7.	Status of Notes	Senior Unsecured
8.	Series Number	40
9.	Tranche Number	2
10.	Aggregate Nominal Amount:	
	(a) Series	ZAR490,000,000
	(b) Tranche	ZAR400,000,000
11.	Interest	Interest-bearing
12.	Interest / Payment Basis	Floating Rate
13.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
14.	Form of Notes	The Registered Notes in this Tranche are issued in uncertificated form and held by the CSD
15.	Issue Date	6 November 2015
16.	Nominal Amount	ZAR1,000,000
17.	Specified Denomination	ZAR1,000,000
18.	Specified Currency	ZAR
19.	Issue Price	100 percent
20.	Interest Commencement Date	6 November 2015
21.	Maturity Date	10 June 2018
22.	Applicable Business Day Convention	Modified Following Business Day
23.	Final Redemption Amount	100 percent of Nominal Amount
24.	Last Day to Register	by 17:00 on 30 August, 29 November, 27 February and 30 May, of each year until the Maturity Date
25.	Books Closed Period(s)	The Register will be closed from 31 August to 9 September, 30 November to 9 December, 28 February to 9 March and 31 May to 9 June of each year until the Maturity Date
26.	Default Rate	N/A

FIXED RATE NOTES

FLOATING RATE NOTES

27.	(a) Interest Payment Date(s)	10 September, 10 December, 10 March and 10 June of each year until the Maturity Date
28.	(b) Interest Periods	From and including the applicable Interest Payment Date and ending on but excluding the following Interest Payment Date, the first Interest Period commencing on 6 November 2015 and ending the day before the next Interest Payment Date
	(c) Definitions of Business Day (if different from that set out	N/A

	in Condition 1 (<i>Interpretation</i>))	
	(d) Minimum Interest Rate	N/A
	(e) Maximum Interest Rate	N/A
	(f) Day Count Fraction	Actual/365
	(g) Any other terms relating to the particular method of calculating interest	N/A
29.	Manner in which the Interest Rate is to be determined	Screen Rate Determination
30.	Margin	280 basis points to be added to the reference rate
31.	If ISDA Determination	N/A
	(a) Floating Rate	N/A
	(b) Floating Rate Option	N/A
	(c) Designated Maturity	N/A
	(d) Reset Date(s)	N/A
32.	If Screen Rate Determination	
	(a) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	3 month ZAR-JIBAR
	(b) Interest Determination Date(s)	10 September, 10 December, 10 March and 10 June of each year until the Maturity Date with the first Interest Determination Date being 6 November 2015
	(c) Relevant Screen Page and Reference Code	Reuters page 0#SFXmm: or successor page
33.	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
34.	Calculation Agent responsible for calculating amount of principal and interest	N/A
	ZERO COUPON NOTES	N/A
	PROVISIONS REGARDING REDEMPTION/MATURITY	
35.	Redemption at the Option of the Issuer:	No
36.	Redemption at the Option of the Senior Noteholders:	No
37.	Redemption in the event of a Change of Control at the election of Noteholders pursuant to Condition 10.5 (<i>Redemption in the event of a Change of Control</i>) or any other terms applicable to a Change of Control	Yes

38. Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required). Yes

GENERAL

39. Financial Exchange N/A
40. Additional selling restrictions N/A
41. ISIN No. ZAG000117888
42. Stock Code DEN40U
43. Stabilising manager N/A
44. Provisions relating to stabilisation N/A
45. Method of distribution Private Placement
46. Credit Rating assigned to the Issuer Long Term: AAA(zaf)/Stable
Short Term: F1+(zaf)
47. Applicable Rating Agency by Fitch Southern Africa Proprietary Limited dated 15 January 2015, to be reviewed annually

Pursuant to the Financial Services Board's press release dated 4 September 2015, a subsequent Credit Rating will be obtained from another Rating Agency in due course, details of which will be made available on SENS.
48. Governing law (if the laws of South Africa are not applicable) N/A
49. Other provisions N/A

DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS IN RELATION TO THIS ISSUE OF NOTES

50. Paragraph 3(5)(a)
The "ultimate borrower" (as defined in the Commercial Paper Regulations) is the Issuer.
51. 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.
52. Paragraph 3(5)(c)
The auditor of the Issuer is SizweNtsalubaGobodo Incorporated.
53. Paragraph 3(5)(d)
As at the date of this issue:
- (i) the Issuer has issued ZAR2,140,000,000 (exclusive of this issue) Commercial Paper (as defined in the Commercial Paper Regulations); and
 - (ii) the Issuer estimates that it may issue ZAR400,000,000 of Commercial Paper during the current financial year, ending 31 March 2016.
54. 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 Notes is contained in the

Programme Memorandum and this Applicable Pricing Supplement.

55. 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.

56. Paragraph 3(5)(g)

The Notes issued will be unlisted.

57. 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.

58. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are unsecured and have not been guaranteed by the Government of the Republic of South Africa.

59. Paragraph 3(5)(j)

SizweNtsalubaGobodo Incorporated, the statutory auditors of the Issuer, have confirmed that this issue of Notes issued under the Programme will comply in all respects with the relevant provisions of the Commercial Paper Regulations.

Responsibility:

The Issuer accepts full responsibility for the information contained in this Applicable Pricing Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listings requirements of the JSE.

The authorised programme amount of ZAR3,000,000,000 has not been exceeded

SIGNED at Sandton on this ____ day of November 2015

Name:
Capacity:
Who warrants his authority hereto

Name:
Capacity:
Who warrants his authority hereto