

MINISTRY OF FINANCE

MEDIA RELEASE

1 OCTOBER 1999

THE REPUBLIC OF SOUTH AFRICA LAUNCHES A EURO500 MILLION 5 YEAR BOND ISSUE

Following extensive marketing by the Department of Finance and Joint Lead Managers, Deutsche Bank and Warburg Dillon Read, the Republic of South Africa has today launched a Euro 300 million (R1.9 billion) bond under its EMTN programme. The bond has a maturity of 5 years. The coupon has been set at 7.00% and the issue price is 99.46%. This represents a spread of 250 basis points over the 5 year (6.75%) German Government Bund due July 15, 2004.

With this Euro transaction, which was done under the EMTN programme, the Republic of South Africa has once more reaffirmed its credentials as a top tier borrower even in difficult market conditions. The spread represents fair value to RSA's outstanding secondary issues and is significantly lower than the levels we achieved earlier this year.

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Issued by the Ministry of Finance