

MINISTRY OF FINANCE

MEDIA RELEASE 21 DECEMBER 1999

SOUTH AFRICA WINS THE IFR EMERGING MARKETS BOND OF THE YEAR AWARD FOR EUROPE, MIDDLE EAST AND AFRICA

South Africa has once again won the prestigious IFR (*International Financing Review*, a global capital markets publication) Bond of the Year award, for the 7-year 6.75% E500m due April 2006. The IFR awards have become a benchmark for outstanding performance in the finance industry. South Africa launched its debut Euro transaction in April 1999 on its return to the markets after the emerging market crisis. With joint leads JP Morgan and CSFB, the Republic issued a 7-year 6.75% E500m at a spread of 328 basis points over the 7-year (6.25%) German Government Bund due April 2006. With a number of European issuers positioning themselves in the new Euro currency sector, South Africa managed to access the market at the right time and at very favourable terms.

Aside from opportunities available to borrowers in this currency sector, well thought out tactics were evident from the South African side in terms of identifying an attractive maturity sector that attracted investor appetite, as there had been a lot of five and 10-year supply from other emerging market names. This enabled the deal to be priced below the tighter end of the initial spread indications.

This is the third time in five years that a South African bond was given a bond deal of the year award. In 1995, South Africa won the Euromoney Bond Deal of the year award, with the debut 5-year 5.00% JPY30 billion Samurai bond, due June 2000. In 1997 the Republic launched a 20-year 8.5% \$500m Yankee bond, due 2017. This bond was also voted IFR Yankee Bond of the Year for 1997.

We are delighted and grateful to have been honoured by internationally recognised publications, since our return to the international capital markets. This award is a strong vote of confidence in the dynamic liability management team of the Department of Finance. We have fully met our strategic objectives for the year and are ready to start the new millennium as one of the top tier borrowers in international capital markets.

For further information please contact:

Department of Finance
Lesetja Kganyago
Mmakgoshi Phetla

Tel: 27 12 323 1703
Tel: 27 12 323 1703

JP Morgan
Jonathan Brown

Tel: 44 171 325 3433

CSFB
Chris Marrow

Tel: 44 171 888 1696

IFR
Jeremy Adams

Tel: 44 171 369 7000

Issued by:

Ministry of Finance