

NATIONAL TREASURY

**MEDIA RELEASE
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SOUTH AFRICA WINS THE IFR'S BOND OF THE YEAR AWARD

The Republic of South Africa has once again won the prestigious IFR (*International Financing Review*, a global capital markets publication) Samurai Bond of the Year award for 2001. The IFR awards have become a benchmark for outstanding performance in the execution of bond transactions. With joint lead managers Daiwa Securities SBMC Europe and Nomura International, South Africa issued a 6-year 2% ¥60bn at a spread of 141 basis points over yen Libor and 147 basis points over the Japanese Government Bond, in July this year.

Size was originally targeted at ¥30bn, but a series of very successful investor meetings in Japan resulted in demand approaching 3 times this amount and in consequence the deal was doubled in size, to ¥60bn to accommodate investors who were committed to South Africa. Despite the aggressive pricing, the deal was sold to a wide range of investors. The joint lead managers reported that approximately 40% of orders came from retail accounts and 60% from institutional accounts in Japan, the rest from Asia and Europe. The 6-year maturity was chosen to fit South Africa's debt maturity profile and to achieve optimum funding levels in Japan by appealing to both retail and institutional accounts.

This is the fourth time that South Africa receives an award for perfect execution of its transactions. In 1999, South Africa won the IFR Emerging Markets Bond of the Year award for Europe, Middle East and Africa for the 7-year 6.75% Euro 500m due April 2006.

We are delighted and grateful to have been honoured by IFR, an internationally recognised publication for this deal, which we believe is testimony to perfect preparation, execution and market reception by both the team at the National Treasury and our lead managers. The coupon achieved is the lowest by any emerging market sovereign issuer in the six-year tenor. This award is a strong vote of confidence in the liability management strategies of the South African government.

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