



NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

ISSUANCE OF ZERO COUPON BONDS TO THE VALUE OF R7 BILLION TO THE SARB BY THE NATIONAL TREASURY

EMBARGO - IMMEDIATELY (6th SEPTEMBER 2002)

The National Treasury will issue the South African Reserve Bank with zero coupon bonds to the value of R7 billion on Monday 09 September 2002. These zero coupon bonds are issued as part payment towards the losses on the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) which, in terms of the SARB Act No 90 of 1989, is being managed by the SARB on behalf of the National Treasury.

The zero coupon bonds will all be converted in tranches to fixed income bonds during the 2002/03 fiscal year. This dramatic reduction of the forward losses has been made possible by higher than expected collection of revenue by the South African Revenue Services. It will therefore have a very small impact, if at all, on the National Treasury's funding strategy and debt service costs for 2002/03.

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