



PRESS RELEASE

TERMS AND CONDITIONS

**BUY-BACK/OFFER OF GOVERNMENT INFLATION LINKED BONDS**

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The National Treasury will buy-back the Inflation Linked Bond R198 (3.80%:2008) and offer the R210 (2.60%:2028) and R202 (3.45%:2033) through the South African Reserve Bank (SARB).

**The Terms and Conditions are as follows:**

1. **Methodology:** An **All-In-Pricing** method will be applicable; however, bids will be submitted in terms of yield.
2. **Participation:** The buy-back/offer is on a voluntary basis and all BESA members are eligible to participate.
3. The auction will be conducted on a **multiple yield basis**, where successful bidders will be allotted at their respective bidding yields.
4. The auction will be on a cash neutral basis.
5. Participants are required to submit nominal amounts with a minimum of R10 million and multiples of R5 million there after.
6. Settlement will be on a T+3 basis.

7. **Buy-back Bond**

|                         |   |                      |
|-------------------------|---|----------------------|
| a. Bond                 | : | R198 (3.80%:2008)    |
| b. Amount               | : | R3 billion (minimum) |
| c. Auction Date         | : | 24 January 2008      |
| d. Settlement           | : | 29 January 2008      |
| e. Bidding allowed from | : | 11h00                |
| f. Auction closing time | : | 12h00*               |

8. **Offering Bonds**

|                    |   |   |
|--------------------|---|---|
| a. Bonds           | : | R210 (2.60%: 2028) and 202 (3.45%:2033) |
| b. Amounts         | : | Allocation subject to buy-back amount   |
| c. Auction Date    | : | 24 January 2008                         |
| d. Settlement Date | : | 29 January 2008                         |

- e. Bidding allowed from : 11h00
- f. Auction closing time : 12h15 \*

*\*The auction closing times are kept different for the buy-back and offer auctions for systems operational purpose.*

- 9. The SARB will publish the results of the auctions by 12h30.
- 10. The National Treasury reserves the right to buy-back or offer nothing or less than the announced amounts.
- 11. **Odd-lot amounts:** The National Treasury will round upwards any odd amounts to the nearest R1 000, 000. 00 (one million rand).
  - a. An option is available to participants to top-up any odd amounts up to the nearest R1 000, 000. 00 from National Treasury.
  - b. The topped up amount(s) will be sold to the successful bidders at the allotted yield of the auction.
  - c. This option will be available up to 12h00 the next business day following the auction.

**For further information:**

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