



Press Release
Government Bond Switch Auction Programme for 2011/12

The National Treasury will conduct the switch auction programme to manage the refinancing risk of the government debt portfolio.

The switch programme for 2011/12 is scheduled to start in June 2011 until November 2011. The source bonds will be:

- The floating rate note, R205 maturing on 31 March 2012; and
- The inflation linked bond, R189 maturing on 31 March 2013.

The switch auction calendar and the terms and conditions of the switch auction programme are indicated below:

- There are 11 scheduled auctions for the calendar year as indicated in the calendar.

Switch Auction Calendar

| REPUBLIC OF SOUTH AFRICA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|-------------|----|----|----|----|----|----|----------------|----|----|----|----|----|----|--------------|----|----|----|----|----|----|---------------|--|--|--|--|--|--|
| SWITCH AUCTION CALENDAR | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JUNE 2011 | | | | | | | JULY 2011 | | | | | | | AUGUST 2011 | | | | | | | SEPTEMBER 2011 | | | | | | | OCTOBER 2011 | | | | | | | NOVEMBER 2011 | | | | | | |
| S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | S | M | T | W | T | F | S | | | | | | | |
| | | | 1 | 2 | 3 | 4 | | | | | | 1 | 2 | | 1 | 2 | 3 | 4 | 5 | 6 | | | 1 | 2 | 3 | 4 | 5 | | | 1 | 2 | 3 | 4 | 5 | | | | | | | |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | | | | | |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | | | | | | | |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | | | | | | | |
| 26 | 27 | 28 | 29 | 30 | | | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 28 | 29 | 30 | 31 | | | | 25 | 26 | 27 | 28 | 29 | 30 | | 27 | 28 | 29 | 30 | | | | | | | | | | |
| | | | | | | | 31 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Terms and Conditions of the Switch Auction Programme

THE Switch Auctions

- The switch auctions will be on a cash neutral basis and an All-In-Price pricing method is applicable.
- Bids should be submitted on a yield/price basis.
- The auctions will be conducted on a multiple yield / price basis (American style where each bid is allocated to the amount), thus submitted bids should be competitive.
- The bids submitted will be applicable to the destination bonds.

Frequency

- The switch auctions will be conducted on the dates indicated on the published calendar.

Announcements

- The announcements will be made seven (7) days before the auction day.
- Auction announcements will include the following:
 - Source bond(s);
 - Destination bond(s); and
 - Amount to be switched

Auction day

- The applicable times on the day of the auctions are as follows:
 - Indicative yield/price : 09h30
 - Auction start : 10h00
 - Auction close : 10h30
 - Results published : 11h30

Settlement

- Settlement will be on a T+3 basis

Indicative yield / price of the source bond(s)

- An indicative yield / price of the source bond(s) will be published at **09h30** on the day of the auction on Reuters, Bloomberg and the South African Reserve Bank (SARB) website.

PARTICIPATION

- Participation in the switch auctions is voluntary through any of the current Primary Dealers in RSA government bonds. Only Primary Dealers are eligible to submit the bids during these auctions.
- Participants should submit their offers to switch a nominal amount of the source bond(s), at the indicative yield /price, into the destination bond(s).
- Offers to switch out of the source bond(s) should be for a minimum nominal amount of R10 million.

HANDLING OF ODD-LOTS

- A facility is available to successful participants to top-up any odd-lots of the destination bonds allotted upward to the nearest R1 million.
- The top-up amount will be sold to the participants at their respective allotted yield/price.
- This facility will be available until 12h00 on the following business day and the SARB dealing desk (+27 12 313 4952) may be contacted in this regard.
- Odd-lots will settle on T+2 basis.

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2 June 2011**