



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## PRESS RELEASE

### SWITCH AUCTION ANNOUNCEMENT

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The National Treasury announces a switch auction of the R196 (10.00%:2009) bond and the details are as followings:

Auction Date	:	12 May 2008
Settlement date	:	15 May 2008
Starting Time	:	10h00
Closing Time	:	10h30
Auction Result	:	by 11h30
Source Bond	:	R196 (10.00%: 2009)
Switch Amount	:	Dependant on market appetite

**The following bonds will be considered destination bonds to switch into.**

- R207 (7.25%: 2020);
- R209 (6.25%: 2036), and
- R205 (10.30%: 2012)

**The indicative yield of the R196 (10.00%: 2009) will be published at 09h30.**

Issued by

**National Treasury**

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PRESS RELEASE

**TERMS AND CONDITIONS OF THE R196 (10.00% : 2009) SWITCH AUCTION**

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1. The National Treasury will, subject to market appetite, switch the R196 fixed interest bond with a coupon of 10.00%, maturing on 28 February 2009.

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

2. **Methodology:** The switch auction will be on a cash neutral basis and an **All-In-Pricing** method is applicable. However, bids will be submitted in terms of yield for the vanilla bonds and a price for the floating rate note.
3. **Participation:** Although the switch auction is on a voluntary basis, only primary dealers are eligible to participate.
4. The National Treasury will determine the amount to be switched and reserves the right to switch nothing.
5. The **source bond** for this auction is the R196 (10.00% : 2009) and the **destination bonds** are as follows:

5.1 R207 (7.25% : 2020)

5.2 R209 (6.25% : 2036)

5.3 R205 (10.30% : 2012)

*Note: The coupon of this floating rate note is applicable for the quarter, 1 April to 30 June 2008.*

6. Participants have the option to switch from the source bond into any of the destination bonds mentioned above.

7. The switch auction will be conducted on a multiple yield/price basis (American style).
8. Participants should submit their bids for the destination bonds at competitive yields.
9. Participants should submit their offers to switch a nominal amount of source bonds, at the released indicative yield, into the destination bonds.
10. Offers to switch out of the source bond (R196) should be for a minimum nominal amount of R10 million and thereafter in multiples of R5 million.
11. Settlement will be on a T+3 basis.
12. Dates and times of the switch auction:
  - 12.1 Auction date : 12 May 2008
  - 12.2 Settlement date : 15 May 2008
  - 12.3 Auction start : 10h00
  - 12.4 Auction close : 10h30
  - 12.5 Results : 11h30
13. An indicative yield for the source bond will be published at 09h30 on the day of the auction on Reuters, Bloomberg and the SARB's website.
14. Handling of odd-lots:
  - 14.1 A facility is available to successful participants to top-up any odd-lots of the destination bonds allotted to the nearest R1,0 million.
  - 14.2 The top-up amounts will be sold to the participants at their respective allotted yields/prices.
  - 14.3 This facility will be available until 12h00 on the following business day and the SARB dealing desk can be contacted in this regard.
  - 14.4 Odd-lots will settle on a T+2 basis.

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