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### **BUY-BACK AUCTION ANNOUNCEMENT (25 – 26/07/2001)**

Due to the problems that are being encountered by the market participants and the inconsistencies of pricing the 'ex-homeland bonds', the National Treasury has resolved to fix the price of ex-homeland bonds as follows:

- 'Ex-homeland bonds' maturing in 2003 will be priced at **50 bps** above the interpolated yield of the R175 and the R150;
- The rest of the 'ex-homeland bonds' who are maturing in 2004/5/6 will be priced at **60 bps** above the R150.

Please note that the National Treasury has tried to price these bonds using different pricing methods, but due to price inconsistencies, has thought it prudent to fix the price. These inconsistencies are causing a number of players to be reluctant to participate in this auction. To ensure a successful auction, the National Treasury has decided to follow the fixing route.

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