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## APPLICABLE PRICING SUPPLEMENT

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### CITY OF CAPE TOWN

#### **Issue of R1,200,000,000 11.615% Senior Unsecured Fixed Rate Notes Due 12 June 2024 under its R7,000,000,000 Domestic Medium Term Note Programme**

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein.

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum issued by City of Cape Town dated 30 May 2008, as amended. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the Terms and Conditions. References in this Applicable Pricing Supplement to the Terms and Conditions are to the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*". References to any Condition in this Applicable Pricing Supplement are to that Condition of the Terms and Conditions.

#### **DESCRIPTION OF THE NOTES**

1	Issuer	City of Cape Town
2	Status of Notes	Unsecured Senior Listed
3	Issue number	2
4	Series Number	2
5	Tranche Number	1
6	Aggregate Principal Amount of this Tranche	R1,200,000,000
7	Interest/Payment Basis	Fixed Rate
8	Aggregate Interest payable in respect of Tranche until Maturity, as calculated at Issue Date	11.615 percent
9	Form of Notes	Registered Notes
10	Automatic/Optional Conversion from one Interest/Payment Basis to another	N/A
11	Issue Date(s)	12 June 2009
12	Business Centre	Cape Town

13	Additional Business Centre	N/A
14	Specified Denomination	R1,000,000
15	Issue Price(s)	100 percent
16	Applicable Business Day Convention, if different to that specified in the Terms and Conditions	Following Business Day
17	Interest Payment Dates	12 June and 12 December each year
18	Interest Commencement Date	12 June 2009
19	Final Redemption Date	12 June 2024
20	Specified Currency	Rand
21	Set out the relevant description of any additional/other Terms and Conditions relating to the Notes	N/A

#### **FIXED RATE NOTES**

22	Fixed Interest Rate	11.615 percent per annum nacs
23	Interest Payment Date(s)	12 June and 12 December each calendar year, or if such day is not a Business Day, the next succeeding Business Day
24	Interest Period(s)	(i) From and including 12 June to but excluding 12 December and (ii) from and including 12 December to but excluding 12 June, of each year up to and excluding the Maturity Date
25	Initial Broken Amount	N/A
26	Final Broken Amount	N/A
27	Any other items relating to the particular method of calculating interest	N/A

#### **PROVISIONS REGARDING REDEMPTION/MATURITY**

28	Redemption at the option of the Issuer: if yes:	No
	(a) Optional Redemption Date(s)	N/A
	(b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
	(c) Minimum period of notice (if different to Condition 10.3)	N/A
	(d) If redeemable in part:	
	Minimum Redemption Amount(s)	N/A

	Higher Redemption Amount(s)	N/A
(e)	Other terms applicable on Redemption	N/A
29	Redemption at the option of the Noteholders: if yes	No
(a)	Optional Redemption Date(s)	N/A
(b)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
(c)	Minimum period of notice (if different to Condition 10.4)	N/A
(d)	If redeemable in part:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
(e)	Other terms applicable on Redemption	N/A
(f)	Attach <i>pro forma</i> put notice(s)	N/A
30	Early Redemption Amount(s) payable on redemption for Taxation reasons or on Event of Default: if yes	No
	Amount payable	N/A
<b>GENERAL</b>		
31	Additional selling restrictions	N/A
32	International Securities Numbering (ISIN)	ZAG000068719
33	Stock Code	CCT02
34	Financial Exchange	Bond Exchange of South Africa Limited
35	Dealer(s)	The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division)
36	Method of distribution	Bookbuild
37	Rating assigned to this Tranche of Notes, the Issuer or the Programme as at the Issue Date (if any)	National scale rating of Aa2.za, assigned to the Issuer and the Programme
38	Rating Agency	Moody's Investors Service South Africa (Proprietary) Limited
39	Governing Law	South Africa
40	Last Day to Register	by 17h00 on the Business Day preceding the Books Closed Period

41	Books Closed Period	The period from and including 2 <sup>nd</sup> June to but excluding the next Interest Payment Date and the period from and including 2 <sup>nd</sup> December to but excluding the next Interest Payment Date of each calendar year, each being 10 (ten) days prior to each Interest Payment Date and Redemption Date
42	Calculation Agent	Absa Capital, a division of Absa Bank Limited
43	Specified Office of the Calculation Agent	15 Alice Lane, Sandton, 2196
44	Transfer Agent	Absa Capital, a division of Absa Bank Limited
45	Specified Office of the Transfer Agent	15 Alice Lane, Sandton, 2196 Tel: (011) 895-6000 Telefax: (011) 895-7500
46	Paying Agent	Absa Capital, a division of Absa Bank Limited
47	Specified Office of the Paying Agent	15 Alice Lane, Sandton, 2196
48	Stabilisation Manager, if any	N/A
49	Programme Limit	R7,000,000,000
50	Aggregate Outstanding Principal Amount of Notes in issue on the Issue Date of this Tranche	R1,000,000,000 excluding this Tranche of Notes and any other Tranche(s) of Notes to be issued on the Issue Date

#### **DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

At the date of this Applicable Pricing Supplement:

**51 Paragraph 3(5)(a)**

The ultimate borrower is the Issuer.

**52 Paragraph 3(5)(b)**

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes

**53 Paragraph 3(5)(c)**

The auditor of the Issuer is the Auditor-General.

**54 Paragraph 3(5)(d)**

As at the date of this issue:

- (a) the Issuer has issued R1,000,000,000 of Notes, exclusive of this issue of Notes; and
- (b) to the best of the Issuer's knowledge and belief, the Issuer estimates to issue an additional R1,200,000,000 of Notes during the current financial year, ending 30 June 2009.

**55 Paragraph 3(5)(e)**

Prospective investors in the Notes are to consider this Applicable Pricing Supplement, the Programme Memorandum and the documentation incorporated therein by reference in order to ascertain the nature of the financial and commercial risks of an investment in the Notes. In

addition, prospective investors in the Notes are to consider the latest audited financial statements of the Issuer which are incorporated into the Programme Memorandum by reference and which may be requested from the Issuer.

56 **Paragraph 3(5)(f)**

There has been no material adverse change in the Issuer's financial position since the date of its last audited financial statements.

57 **Paragraph 3(5)(g)**

The Notes issued will be listed.

58 **Paragraph 3(5)(h)**

The funds to be raised through the issue of the Notes are to be used by the Issuer for financing the Issuer's approved External Finance Fund (EFF) funded capital expenditure.

59 **Paragraph 3(5)(i)**

The Notes are unsecured.

60 **Paragraph 3(5)(j)**

The Auditor-General, the auditor of the Issuer, has confirmed that this issue of Notes issued under the Programme complies in all respects with the Commercial Paper Regulations.

**Responsibility**

The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement. Application is hereby made to list this Tranche of the Notes, as from 12 June 2009, pursuant to the City of Cape Town Domestic Medium Term Note Programme.

**SIGNED** at CAPE TOWN this 11<sup>th</sup> day of June 2009

For and on behalf of  
**CITY OF CAPE TOWN**



Name: Mr A Ebrahim  
Capacity: City Manager  
Who warrants his authority hereto



Name: Mr M Richardson  
Capacity: Chief Financial Officer  
Who warrants his authority hereto