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## APPLICABLE PRICING SUPPLEMENT

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CITY OF CAPE TOWN | ISIRENO SASEKAPA | STAD KAAPSTAD

### CITY OF CAPE TOWN

#### **Issue of R2,000,000,000 11.16% Senior Unsecured Fixed Rate Notes Due 15 March 2025 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 supplemented by the Supplement to the Programme Memorandum dated 11 June 2009 (collectively the “**Programme Memorandum**”). 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	3
4	Series Number	3
5	Tranche Number	1
6	Aggregate Principal Amount of this Tranche	R2,000,000,000
7	Interest/Payment Basis	Fixed Rate
8	Aggregate Interest payable in respect of Tranche until Maturity, as calculated at Issue Date	11.16 percent
9	Form of Notes	Registered Notes
10	Automatic/Optional Conversion from one Interest/Payment Basis to another	N/A

11	Issue Date(s)	15 March 2010
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	15 September and 15 March each year
18	Interest Commencement Date	15 March 2010
19	Final Redemption Date	15 March 2025
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	11.16 percent per annum nacs
23	Interest Payment Date(s)	15 September and 15 March 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 15 March to but excluding 15 September and (ii) from and including 15 September to but excluding 15 March, of each year up to and excluding the Final Redemption 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	N/A

	different to Condition 10.3)	
(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)	ZAG000075995
33	Stock Code	CCT03
34	Financial Exchange	The Bond Market of the JSE Limited (known as BESA prior to its merger with the JSE Limited on 1 July 2009)
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	National scale rating of Aa2.za, assigned to the Issuer and the Programme

Issue Date (if any)	
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 5 March to but excluding the next Interest Payment Date and the period from and including 5 September to but excluding the next Interest Payment Date of each calendar year, each being 10 (ten) days prior to each Interest Payment Date and the Final 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	R2,200,000,000 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 R2,200,000,000 of Notes, exclusive of this issue of Notes; and
- (b) to the best of the Issuer's knowledge and belief, the Issuer estimates that it will not issue additional Notes during the current financial year, ending 30 June 2010.

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 15 March 2010, pursuant to the City of Cape Town Domestic Medium Term Note Programme.

**SIGNED** at CAPE TOWN this 12th day of March 2010

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