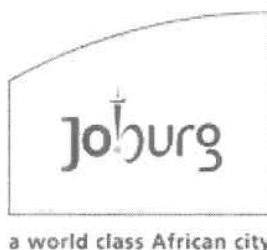

APPLICABLE PRICING SUPPLEMENT



CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

(a Municipality as described in Section 2 of the Local Government: Municipal Systems Act, 2000 duly established in terms of Notice 6766, promulgated in the Provincial Gazette Extraordinary of 1 October 2000 in terms of Section 12(1) read with Section 14(2) of the Local Government: Municipal Structures Act, 1998, as amended)

Issue of ZAR 468,000,000 12,205% Senior Unsecured Fixed Rate Notes Due 5 June 2023 under its ZAR6,000,000,000 Domestic Medium Term Note Programme

This document constitutes the Applicable Pricing Supplement relating to the issue of the Notes described herein. References in this Applicable Pricing Supplement to (a) the “*Programme Memorandum*” are to the programme memorandum, dated 28 June 2007, as amended by the supplements, dated 4 June 2008 and 5 December 2008, to the programme memorandum, as further updated and amended from time to time and (b) the “*Terms and Conditions*” are to the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”. Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meaning ascribed to them in the Terms and Conditions. This Applicable Pricing Supplement must be read in conjunction with 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.

DESCRIPTION OF THE NOTES

1	Issuer	City of Johannesburg Metropolitan Municipality
2	Status of Notes	Listed Senior Unsecured
3	(a) Tranche Number	1
	(b) Series Number	5
4	Aggregate Principal Amount	ZAR 468,000,000
5	Interest/Payment Basis	Fixed Rate
6	Form of Notes	Registered Notes
7	Automatic/Optional Conversion from one Interest/Payment basis to another	N/A
8	Issue Date	9 December 2008
9	Business Centre	Johannesburg
10	Additional Business Centre	N/A

11	Specified Denomination	ZAR1,000,000
12	Issue Price	112,40143 percent
13	Interest Commencement Date	5 December 2008
14	Maturity Date	5 June 2023
15	Currency	ZAR
16	Applicable Business Day Convention	Following Business Day
17	Calculation Agent	City of Johannesburg Metropolitan Municipality
18	Paying Agent	City of Johannesburg Metropolitan Municipality
19	Specified office of the Paying Agent and Calculation Agent	14 th Floor Jorissen Place, 66 Jorissen Street, Braamfontein, Johannesburg, 2001
20	Transfer Agent	Computershare Investor Services (Proprietary) Limited
21	Final Redemption Amount	100 percent of the Principal Amount

PARTLY PAID NOTES

N/A

INSTALMENT NOTES

N/A

FIXED RATE NOTES

22	Fixed Interest Rate(s)	12,205 percent per annum payable semi-annually in arrear
23	Interest Payment Date(s)	5 June and 5 December in each year for the period from and including the Issue Date to but excluding the Maturity Date
24	Initial Broken Amount	N/A
25	Final Broken Amount	N/A
26	Any other terms relating to the particular method of calculating interest	The first Interest Payment Date shall be 5 June 2009. The first interest portion is a " <i>broken coupon</i> " with Interest Commencement Date being 5 December 2008

FLOATING RATE NOTES

N/A

MIXED RATE NOTES

N/A

ZERO COUPON NOTES

N/A

INDEXED NOTES

N/A

EXCHANGEABLE NOTES

N/A

OTHER NOTES

N/A

**PROVISIONS REGARDING
REDEMPTION/MATURITY**

- | | | |
|----|--|-------------------------------------|
| 27 | Redemption at the option of the Issuer: | No |
| 28 | Redemption at the option of the Noteholders holding Senior Notes: | No |
| 29 | Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default | 100 percent of the Principal Amount |

GENERAL

- | | | |
|----|---|---|
| 30 | Additional selling restrictions | N/A |
| 31 | International Securities Numbering (ISIN) | ZAG000054339 |
| 32 | Stock Code | COJ05 |
| 33 | Exchange | Bond Exchange of South Africa Limited |
| 34 | If syndicated, names of manager | First Rand Bank Limited (acting through its Rand Merchant Bank division) and Infrastructure Finance Corporation Limited (trading as INCA) |
| 35 | If non-syndicated, name of the Dealer | N/A |
| 36 | Receipts attached? If yes, number of Receipts attached | No |
| 37 | Coupons attached? If yes, number of Coupons attached | No |
| 38 | Talons attached? If yes, number of Talons attached | No |
| 39 | Credit Rating assigned to Notes (if any) | N/A |
| 40 | Stripping of Receipts and/or Coupons prohibited as provided in Condition 16.5 | No |
| 41 | Governing law (if the laws of South Africa are not applicable) | N/A |
| 42 | Other Banking Jurisdiction | N/A |
| 43 | Last Day to Register | by 17h00 on 24 May and 23 November of each year |
| 44 | Books Closed Period | The Register will be closed during the 10 days preceding each applicable Payment Day from 17h00 (South African time) on the Last Day to Register until 17h00 (South African time) on the day preceding the applicable Payment Date. |

45	Stabilisation Manager (if any)	N/A
46	Other provisions	N/A
47	Commercial Paper Regulations	The information required to be disclosed in terms of paragraph 3(5) of the commercial paper regulations of 14 December 1994 issued pursuant to paragraph (cc) of the definition of “<i>the business of a bank</i>” in the Banks Act, 1990 set out in Government Notice 2172 and published in Government Gazette 16167 of 14 December 1994 (the “Commercial Paper Regulations”) is set out below: (a) Issuer and ultimate borrower (<i>paragraph 3(5)(a)</i>) The Issuer of this Tranche of Notes is City of Johannesburg Metropolitan Municipality. The “<i>ultimate borrower</i>” (as defined in paragraph 1 of the Commercial Paper Regulations) of the net proceeds from the issue of this Tranche of Notes will be the Issuer. (b) Going concern (<i>paragraph 3(5)(b)</i>) The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments, thereby reflecting the adequacy of the liquidity and solvency of the Issuer. (c) Auditor (<i>paragraph 3(5)(c)</i>) The auditor of the Issuer as at the Issue Date is the office of the Auditor General. (d) Total amount of Commercial Paper (<i>paragraph 3(5)(d)</i>) The Issuer has, prior to the Issue Date, issued commercial paper (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR 3,856,865,000. As at Issue Date, to the best of the Issuer’s knowledge and belief, the Issuer estimates that it will issue ZAR 775,135,000 commercial paper (as defined in the Commercial Paper

Regulations) during the Issuer's current financial year ending 30 June 2009.

(e) **Material adverse change** (*paragraph 3(5)(f)*)

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

(f) **Listing** (*paragraph 3(5)(g)*)

This Tranche of Notes will be listed on The Bond Exchange of South Africa Limited.

(g) **Use of proceeds** (*paragraph 3(5)(h)*)

The proceeds of the issue of this Tranche of Notes will be applied by the Issuer in accordance with the provisions of the Local Government: Municipal Finance Management Act, 2003.

(h) **Security** (*paragraph 3(5)(i)*)

The obligations of the Issuer in respect of this Tranche of Notes are unsecured.

(i) **Auditor's confirmation** (*paragraph 3(5)(j)*)

The office of the Auditor General, the statutory auditor of the Issuer, has confirmed that its review did not reveal anything which causes it to believe that the issue of this Tranche of Notes does not comply in all respects with the provisions of the Commercial Paper Regulations.

48 Municipal Regulations on Debt Disclosure dated 15 June 2007, published under section 168 of Local Government: Municipal Finance Management Act, 2003

(a) **Aggregate Amount of Interest Repayment** (*paragraph 10 (1)(e)*):

Aggregate amount of interest payable in respect of the Notes over the repayment period, as calculated at the Issue Date: ZAR 868,231,300.

(b) **Employers Employing greatest number of persons** (*paragraph 13(a)*):

To the best of the knowledge of the Issuer based on information disclosed

to the Issuer, the 10 employers employing the greatest number of persons within the area of the municipality (in no particular order):

Anglo American Plc

The Bidvest Group Limited

AngloGold Ashanti Limited

SABMiller Plc

Gold Fields Limited

ABSA Bank Limited

Harmony Gold Mining Company Limited

Anglo Platinum Limited

Old Mutual Life Assurance Company (South Africa) Limited

The Standard Bank of South Africa

(c) **Major Contributors to the Municipal Rate Base** (*paragraph 13(b)*):

To the best of the knowledge of the Issuer based on the volume of services provided to individual account holders, the 10 major contributors to the municipal rate base (in no particular order):

Liberty Group Limited

Leeuwkop Prison

AECI Limited

University of Witwatersrand – Johannesburg

Campus Share Block Pty Limited

Nedbank Group Limited

SA Mutual Life Assurance Company

Country Club of Johannesburg

St Stithians College

Hyprop Investments Limited

(d) Additional documents incorporated by reference:

Issuer's Integrated Development Plan

for the 2008/2009 financial year

Legal opinion from the Issuer's legal counsel

Council resolution dated 4 December 2008.

Disclosure Statement in relation to the Long-Term Debt the Issuer intends to incur

Application is hereby made to list this Tranche of Notes, on and as from 9 December 2008, pursuant to the City of Johannesburg Metropolitan Municipality ZAR6,000,000,000 Domestic Medium Term Note Programme.

SIGNED at JOHANNESBURG this 5th day of December 2008

For and on behalf of

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY



Name: MAVELA DLAMINI
Capacity: CITY MANAGER
Who warrants his authority hereto



Name: MOITSE M.M.
Capacity: EXEC DIR FINANCE
Who warrants his authority hereto



Name: WILLIAM MATHAMELA
Capacity: SENIOR OFFICIAL
Who warrants his authority hereto