

---

## APPLICABLE PRICING SUPPLEMENT

---



### RAND WATER

*(Established under Transvaal Ordinance No 32 of 1903, as consolidated in the Rand Water Board Statutes (Private) Act, 1950, and now deemed to be established in terms of Section 84 of the Water Services Act, 1997)*

#### **Issue of ZAR468,027,977 9.97% Senior Unsecured Fixed Rate Notes due 21 April 2021 Under its ZAR5,000,000,000 Domestic Medium Term Note Programme**

This Applicable Pricing Supplement must be read in conjunction with the Programme Memorandum, dated 9 December 2010, prepared by Rand Water in connection with the Rand Water ZAR5,000,000,000 Domestic Medium Term Note Programme, as amended and/or supplemented from time to time (the “**Programme Memorandum**”).

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed “*Terms and Conditions of the Notes*”.

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. 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.

#### **PARTIES**

1.	Issuer	Rand Water
2.	Dealer(s)	N/A
3.	Managers	Nedbank Capital, a division of Nedbank Limited and Quartile Capital (Proprietary) Limited
4.	Paying Agent	Nedbank Investor Services, a division of Nedbank Limited
	Specified Address	2 <sup>nd</sup> Floor, Forum IV, Braampark, 33 Hoofd Street, Braamfontein, 2000
5.	Calculation Agent	Nedbank Capital, a division of Nedbank Limited
	Specified Address	135 Rivonia Road, Sandown, Sandton, 2196
6.	Transfer Agent	Nedbank Capital, a division of Nedbank Limited
	Specified Address	135 Rivonia Road, Sandown, Sandton, 2196
7.	Debt Sponsor	Nedbank Capital, a division of Nedbank Limited
	Specified Address	135 Rivonia Road, Sandown, Sandton, 2196

#### **PROVISIONS RELATING TO THE NOTES**

8.	Status of Notes	Senior Unsecured
9.	Form of Notes	Listed Registered Notes
10.	Series Number	1
11.	Tranche Number	1
12.	Aggregate Nominal Amount:	
	(a) Series	ZAR468,027,977

(b)	Tranche	ZAR468,027,977
13.	Interest	Interest-bearing
14.	Interest Payment Basis	Fixed Rate
15.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
16.	Form of Notes	Registered Notes
17.	Issue Date	21 April 2011
18.	Nominal Amount per Note	ZAR1,000,000
19.	Specified Denomination	ZAR1,000,000
20.	Specified Currency	ZAR
21.	Issue Price	100%
22.	Interest Commencement Date	21 April 2011
23.	Maturity Date	21 April 2021
24.	Applicable Business Day Convention	Modified Following Business Day
25.	Final Redemption Amount	100% of the Nominal Issue Amount
26.	Last Day to Register	by 17h00 on 10 October and 10 April of each year
27.	Books Closed Period(s)	The Register will be closed from 11 October to 20 October and from 11 April to 20 April in each year until the Maturity Date
28.	Default Rate	N/A
<b>FIXED RATE NOTES</b>		
29.	(a) Fixed Rate of Interest	9.97 percent per annum semi-annually in arrear
	(b) Fixed Interest Payment Date(s)	21 October and 21 April in each year up to and including the Maturity Date
	(c) Fixed Coupon Amount(s)	N/A
	(d) Initial Broken Amount	N/A
	(e) Final Broken Amount	N/A
	(f) Determination Date	N/A
	(g) Day Count Fraction	Actual/365
	(h) Any other terms relating to the particular method of calculating interest	N/A
<b>PARTLY PAID NOTES</b>		N/A
<b>INSTALMENT NOTES</b>		N/A
<b>MIXED RATE NOTES</b>		N/A
<b>INDEX-LINKED NOTES</b>		N/A
<b>DUAL CURRENCY NOTES</b>		N/A
<b>EXCHANGEABLE NOTES</b>		N/A
<b>OTHER NOTES</b>		N/A

## PROVISIONS REGARDING REDEMPTION/MATURITY

30.	Redemption at the Option of the Issuer:	No
31.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	Yes
	If no:	
	(a) Amount payable; or	N/A
	(b) Method of calculation of amount payable	N/A
32.	Redemption in the event of a Change of Control	Yes, see Condition 10.4 ( <i>Redemption in the event of a Change of Control</i> )

## GENERAL

33.	Financial Exchange	JSE (Interest Rate Market)
34.	Additional selling restrictions	N/A
35.	ISIN No.	ZAG000085523
36.	Stock Code	RW21
37.	Stabilising manager	N/A
38.	Provisions relating to stabilisation	N/A
39.	The notice period required for exchanging uncertificated Notes for Certificates	10 days
40.	Method of distribution	Auction
41.	Credit Rating assigned to the Issuer	
	(a) Fitch	Long Term AA+ (zaf) Short term F1+ (zaf)
	(b) Standard & Poors	Local Currency A Foreign Currency BBB
42.	Governing law (if the laws of South Africa are not applicable)	N/A
43.	Use of proceeds	N/A
44.	Other provisions	N/A

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

45. Paragraph 3(5)(a)  
The “ultimate borrower” (as defined in the Commercial Paper Regulations) is the Issuer.
46. 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.
47. Paragraph 3(5)(c)  
The auditor of the Issuer is SAB&T Chartered Accountants Incorporated.
48. Paragraph 3(5)(d)  
As at the date of this issue:

- (i) the Issuer has issued ZAR633,000,000 Commercial Paper (as defined in the Commercial Paper Regulations) (which amount includes Notes issued under the Previous Programme Memorandum); and
  - (ii) the Issuer estimates that it will not issue further Commercial Paper during the current financial year, ending 30 June 2011.
49. Paragraph 3(5)(e)  
All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme Memorandum and the Applicable Pricing Supplement.
50. 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.
51. Paragraph 3(5)(g)  
The Notes issued will be listed.
52. Paragraph 3(5)(h)  
The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.
53. Paragraph 3(5)(i)  
The obligations of the Issuer in respect of the Notes are unsecured.
54. Paragraph 3(5)(j)  
SAB&T Chartered Accountants Incorporated, the auditors of the Issuer, have confirmed that, based on their procedures to be performed, nothing has come to their attention which indicates that this issue of Notes by the Issuer does not comply in all respects with the provisions of the Commercial Paper Regulations.


**Responsibility:**

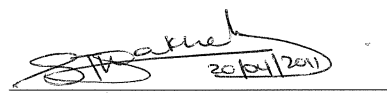
The Issuer accepts responsibility for the information contained in this Applicable Pricing Supplement. Application will not be made to list this issue of Notes. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this Applicable Pricing Supplement is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This Applicable Pricing Supplement contains all information required by law and the debt listing requirements of the JSE.

**SIGNED** at Glenvista on this 20<sup>th</sup> April 2011

For and on behalf of

**RAND WATER**

  
Name: D.K.P. Sechemane  
Capacity: CE  
Who warrants his/her authority hereto

  
Name: S.M. Nyembe  
Capacity: CFO  
Who warrants his/her authority hereto