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## APPLICABLE PRICING SUPPLEMENT

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### 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<br>Senior<br>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<br>Tel: (011) 895-6000<br>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