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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 ZAR1,800,000,000 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 supplement, dated 4 June 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	ZAR1,800,000,000
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	5 June 2008
9	Business Centre	Johannesburg
10	Additional Business Centre	N/A
11	Specified Denomination	ZAR1,000,000

12	Issue Price	100 percent of Principal Amount
13	Interest Commencement Date	5 June 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

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	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	N/A
35	If non-syndicated, name of the Dealer	Investec Bank Limited

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 26 May and 26 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	<p>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:</p> <p>(a) Issuer and ultimate borrower (<i>paragraph 3(5)(a)</i>)</p> <p>The Issuer of this Tranche of Notes is City of Johannesburg Metropolitan Municipality.</p> <p>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.</p> <p>(b) Going concern (<i>paragraph 3(5)(b)</i>)</p> <p>The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments,</p>

thereby reflecting the adequacy of the liquidity and solvency of the Issuer.

(c) **Auditor** (*paragraph 3(5)(c)*)

The auditor of the Issuer as at the Issue Date is the office of the Auditor General.

(d) **Total amount of Commercial Paper** (*paragraph 3(5)(d)*)

The Issuer has, prior to the Issue Date, issued commercial paper (as defined in the Commercial Paper Regulations) in an aggregate amount of ZAR4,056,865,000.

As at Issue Date, to the best of the Issuer's knowledge and belief, the Issuer estimates that it will not issue commercial paper (as defined in the Commercial Paper Regulations) during the Issuer's current financial year ending 30 June 2008.

(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



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

provisions of the Commercial Paper Regulations.

(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

(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

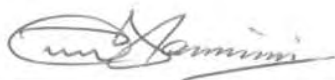
Legal opinion from the Issuer's legal counsel

Council resolution dated 29 May 2008

Information 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 5 June 2008, pursuant to the City of Johannesburg Metropolitan Municipality ZAR6,000,000,000 Domestic Medium Term Note Programme.

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY
(Issuer)



By: _____
Date: 4th June 2008.



By: _____
Date: 4/06/2008