



**7.82% 2-YEAR FIXED RATE TREASURY BOND ISSUE 267
AUCTION 01 TO BE HELD ON MARCH 11, 2009**

An opportunity to invest in the United Republic of Tanzania 2-year fixed rate Treasury bonds.
The Bank of Tanzania as a fiscal agent for the United Republic of Tanzania invites bids for the above bond. Terms and conditions are as follows:-

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| 1. Issuer | United Republic of Tanzania |
| 2. Amount | TZS 22.5 billion |
| 3. Procedure for bidding | Tender forms should be submitted and placed in boxes located at the reception area of the Head Office, 10 Mirambo Street Dar es Salaam or in the Bank's Branches in Mwanza, Arusha, Mbeya and Zanzibar before 11.00 a.m on auction date |
| 4. Auction date | March 11, 2009 |
| 5. Settlement date | March 12, 2009 (T+1) |
| 6. Form of issuance | Book entry system |
| 7. Auction results | Auction results shall be made available at the Bank's Head Office and Branches' Notice Boards located at the Reception area and on the Bank's Website immediately after the auction. |
| 8. Price per TZS 100 | To be quoted at premium, par or discount to four (4) decimal places. |
| 9. Minimum bid size | TZS 1,000,000 when bidding through Primary Dealers and TZS 5,000,000 for direct bidders in multiples of TZS 100,000. |
| 10. Interest payment date | First interest date: 10 th September Second interest date: 12 th March |
| 11. Coupon | Fixed at 7.82% p.a. |
| 12. Day count convention | Actual/365 |
| 13. Tax | Interest income is subject to 10% withholding tax |
| 14. Currency | Tanzania Shillings (TZS) |
| 15. Redemption date | 12 March 2011 |
| 16. Listing | The bonds will be listed on the Dar es Salaam Stock Exchange |
| 17. Trading | Secondary trading in multiples of TZS 100,000 to commence on Tuesday March 17 2009. |
| 18. Defaulters | Successful bidders who will fail to honour their obligations on time will be disqualified from participating in the subsequent auctions for a minimum period of one (1) month |
| 19. Other related information | The Bank continues to sell its portfolio of Treasury bonds in the secondary market. The sale is done on the first come first serve basis. Details of these bonds can be obtained at the dealing Desk of the Bank of Tanzania. |

The Bank of Tanzania reserves the right to accept or reject any or all applications

For further details please contact Domestic Markets Department, Bank of Tanzania, 10 Mirambo Street, P.O. Box 2939, Dar es Salaam (Tel: 2233481-90, 2233473-4; Fax: 2234049) and www.bot-tz.org