BANK OF MAURITIUS

Website: http://bom.intnet.mu

PROSPECTUS
INFLATION–INDEXED GOVERNMENT OF MAURITIUS BONDS

Pursuant to section 5 of the Public Debt Management Act 2008 and section 57 of the Bank of Mauritius Act 2004, the Bank of Mauritius is pleased to announce the issue on Friday 9 December 2011 of Fifteen-Year Inflation-Indexed Government of Mauritius Bonds (Bonds) for an amount of **Rs1,000** million through an auction to be held on Wednesday 7 December 2011. The bonds will be issued at the **weighted accepted** bid margin and all successful bidders will receive the same **weighted accepted** bid margin.

2. The Fifteen-Year Inflation-Indexed Government of Mauritius Bonds will bear interest annually at the **weighted accepted** bid margin plus the 12-month average inflation rate published by the Central Statistics Office as at end-July, every year. Interest on these Bonds will be paid annually on 9 December of each year, during the currency of the bonds, to the bank account of the registered bondholder(s) or any other person authorised by the bondholder(s). An example of the calculation of interest payment on the Bonds is given in paragraph 10.

3. The Bank will receive bids for this auction on the same day, i.e Wednesday 7 December 2011 on a bid margin basis quoted to two decimal places and in multiples of Rs100,000, on tender forms which are obtainable at its seat or on its website. Bidders may submit, for their own account, up to a maximum of five bids, one for each bid yield, which, however, should not exceed the tender amount in the aggregate. Bidders may also submit bids for the account of each of their customers on the same conditions. Banks may submit their bids through the Reuters Dealing System. **All Tender Forms must bear the official stamp of the institution submitting the bid.**

4. Applications from individuals and non-financial institutions should be made through banks or licensed stockbrokers offering these services. Individuals may submit applications in their own names or jointly with another individual. Minors must, however, be represented by a legal guardian. Individuals must produce their National Identity Cards and a Utility Bill, e.g CWA, CEB, telephone bills etc, as proof of address. In case of minors, the original of their birth certificates should be produced.

5. The completed Tender Form for this auction should be placed in a sealed envelope marked "Tender for Fifteen-Year Inflation-Indexed Government of Mauritius Bonds" and should be deposited in the tender box at the Banking Hall of the Bank of Mauritius Tower, Sir William Newton Street, Port Louis, **before 10.00 a.m. on Wednesday 7 December 2011**. The results of the auction will be announced on the same day and successful tenderers will be required to collect their letter of acceptance from the Bank and effect payment of the cost price of the Bonds through the Mauritius Automated Clearing and Settlement System (MACSS) at latest **by 11.00 a.m. on Friday 9 December 2011.** Maturity proceeds and interests accruing on the Bonds will also be paid by the Bank through the MACSS.

6. The Bonds will be issued at **par** to successful applicants dated **9 December 2011**. The bonds will mature and be redeemed also at **par** by the Bank of Mauritius on **9 December 2026**.

7. The Bonds will be recorded by the Bank in book-entry form and registers of holdings and transfers will be kept at the Bank of Mauritius. These Bonds will be transferable in multiples of Rs100,000 to persons who would qualify as eligible purchasers in terms of Sections 3 and 4 above.

8. Interest receivable on investment in the Inflation-Indexed Bonds will be subject to the prevailing Income Tax Regulations.

9. The Bank of Mauritius reserves the right to accept or reject any bid either in full or in part, without assigning any reason in respect thereof.

10. The following formula will be used for the calculation of the annual interest payment to holders of the Bonds:

Interest rate = {y (1+e) +e} x 100 where y is the **weighted accepted** bid margin and e is the 12-month average inflation rate. For example, if the **weighted accepted** bid margin is 2% and the 12-month average inflation rate is 4% for a given year, interest rate to the beneficiary for that year will be equal to 6.08 % per annum, i.e. {2% (1+ 4%) + 4%} x 100.

30 November 2011