

## Press Release



LE GOUVERNEMENT  
DU GRAND-DUCHÉ DE LUXEMBOURG  
Trésorerie de l'État

### **The Grand Duchy of Luxembourg successfully reopens the primary markets**

**Luxembourg, 12 May, 2010** – The Grand Duchy of Luxembourg successfully returned to the market for EUR debt on Tuesday May 11<sup>th</sup>, 2010, with a EUR 2 billion institutional benchmark transaction, maturing on 18 May 2020 and paying a coupon of 3.375%.

Joint bookrunners on this transaction were BCEE, BNP Paribas and Dexia Capital Markets, with BGL BNP Paribas acting as joint-lead manager (no books).

#### **Investor response**

- The mandated banks, sensing a turn in sentiment in the credit markets, gauged investor sentiment for such a transaction and scouted likely timing and guidance at the open. Given the supportive environment, it was decided to go ahead on this very day.
- Investor response was very brisk as soon as the mandate announcement hit the screens at 11 AM CET, confirming the right choice of product to reopen a market, which while more balanced than in previous weeks, remains rather risk-wary, given ongoing uncertainties.
- After rapidly assessing market conditions, books were officially opened at 13:00 CET with a price guidance set at "Mid Swaps +20 area".
- Over EUR 1.5 bn in orders were garnered by 14:30, breaching the EUR 2bn mark at 15:00 CET.
- Books closed at 15:30 with a final orderbook size of EUR 2.75bn and next to 120 high quality accounts involved, allowing thus to set final terms for a EUR 2bn issue at MS +18 bps, inside the initial guidance, while giving care for potential after-market performance.
- The final spread and transaction size testify to the huge popularity of Luxembourg's signature, a rare credit that finally triggered renewed investor appetite for best-rated transactions and thus reopened the EUR market.

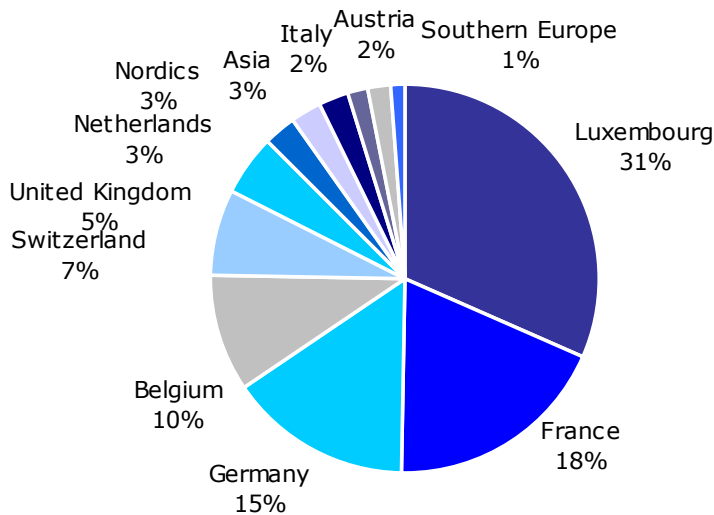
#### **Distribution**

- In total, 115 investors participated in the transaction.
- Investor demand was spread over 15 countries with a very strong support from Luxembourg domestic accounts picking up 32% of the transaction, followed by France with 19%, Germany with 15% and Belgium with 10%. The remaining bonds

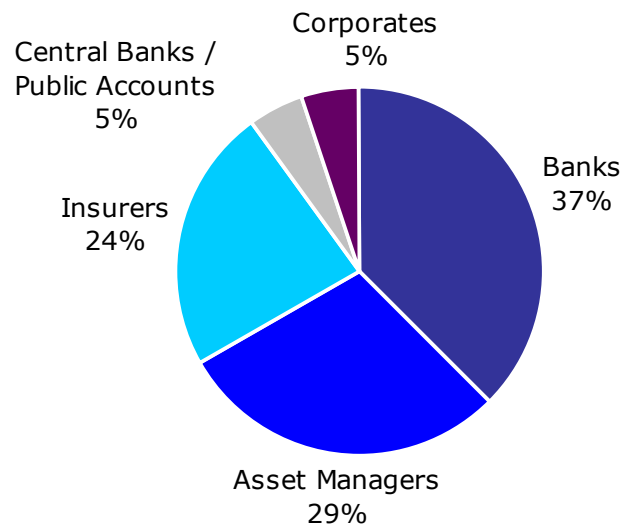
were eagerly taken Swiss (7%), UK (5%), Dutch, Nordic and Asian accounts (3% each) with the rest of Europe good for the remaining 5%.

- With regards to investor typology, the transaction was very well balanced among Banks (37%), Asset Managers (29%), Insurers (24%), as well as some non-eurozone central banks and corporates (5% each).

### Geographic Distribution



### Investor Distribution



### FINAL TERMS AND CONDITIONS

Issuer	Grand Duchy of Luxembourg
Security	Government Bond
Issue Ratings	AAA (S&P)/ AAA (Fitch)
Notional Amount	EUR 2,000,000,000
Launch Date	11 May 2010
Settlement Date	18 May 2010
Maturity Date	18 May 2020
Coupon	3.375% annual, Act/Act ICMA
Reoffer Price	99.875%
Reoffer Yield	3.390%
Issue Spread vs	51.6 bps over Bund 3.250% January 2020
Issue Spread vs 6m IRS	18 bps
Bookrunners	BCEE, BNP PARIBAS, DEXIA CAPITAL MARKETS
Joint-lead (no books)	BGL BNP Paribas
Listing	Luxembourg
ISIN	XS0506445963