

Press Release



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

The Grand Duchy of Luxembourg successfully launches a 10 year € 1,000,000,000 bond issue.

Luxembourg, 12 March, 2012 – The Grand Duchy of Luxembourg successfully returned to the Euro Debt capital markets on Monday March 12th, 2012, with a EUR 1 billion institutional benchmark transaction, maturing on 21 March 2022 and paying a coupon of 2.25%.

Joint bookrunners on this transaction were BCEE, BGL BNP PARIBAS, BIL and SOCIÉTÉ GÉNÉRALE.

Investor response

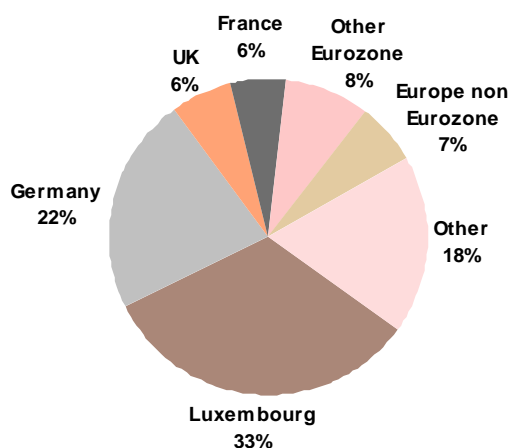
- The mandated banks gauged investor sentiment for such a transaction and scouted likely timing and guidance at the open. Given the supportive market environment, it was decided to go ahead on this very day.
- Investor response was very brisk as soon as the mandate announcement hit the screens on Thursday March 8, 2012.
- After rapidly assessing market conditions, books were officially opened at 10:10 CET with an initial price thoughts of “Mid Swaps + 8 to 10bps”.
- The official price guidance was set a Mid Swaps +7bps area at 11:00 CET following the strong investor response.
- Books closed at 12:30 CET with a final orderbook size of EUR 2.6bn and 113 high quality accounts involved, allowing thus to set final terms for a EUR 1bn issue at MS + 6 bps, below the initial guidance, while giving care for potential after-market performance.
- The final spread and transaction size testify of the popularity of Luxembourg’s signature. The two previous transactions’ high performance undeniably helped to build a strong momentum enabling the Grand Duchy to successfully launch its third bond issue in an historically low absolute yield environment.

Distribution

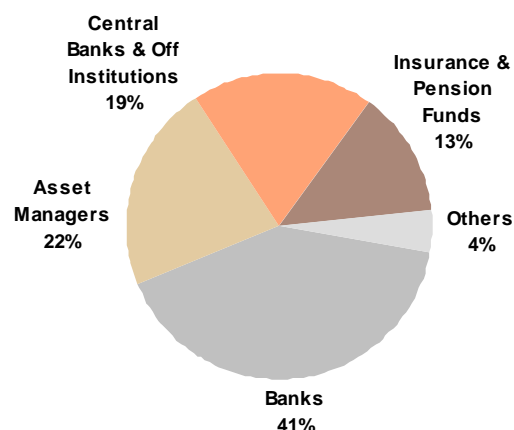
- In total, 113 investors participated in the transaction coming from 18 jurisdictions – illustrating the granular placement and broad appeal of this rare issuer.
- Investor distribution was well diversified with a very strong support from Luxembourg domestic accounts accounting for 33% of the transaction, followed by Germany with 22%, UK and France with 6% each. In addition a strong demand came from outside the Eurozone, representing 25% of allocations.

With regards to investor typology, the transaction was mainly driven by Banks (mainly ALM) (41%), asset managers (22%) together with a notable strong demand from the public sector (non-Eurozone central banks and official institutions which together represented 19%) as well as from the insurance companies and pension funds (13 %).

Geographic Distribution



Investor Distribution



FINAL TERMS AND CONDITIONS

Issuer	Grand Duchy of Luxembourg
Security	Government Bond
Expected Issue Ratings	AAA (S&P) neg/ Aaa (Moody's)
Notional Amount	EUR 1,000,000,000
Launch Date	12 March 2012
Settlement Date	21 March 2012
Maturity Date	21 March 2022
Coupon	2.25% annual, Act/Act ICMA
Reoffer Price	99.628%
Reoffer Yield	2.292%
Issue Spread vs. Germany	53.8 bps over Bund 2.00 % January 2022
Issue Spread vs. Netherlands	1.4 bps over NL 2.25 % July 2022
Issue Spread vs. Mid swap reference rate 6M	6 bps
Bookrunners	BCEE, BGL BNP PARIBAS, BIL and SGCIB
Listing	Luxembourg
ISIN	XS0757376610