

**DUAL-TRANCHE EUROBOND TRANSACTION:
US\$ 650 MILLION 6.00 PERCENT NOTES DUE 2019 AND
US\$350 MILLION RE-OPENING OF 6.100 PERCENT NOTES DUE 2022**

On May 20, 2011, the Lebanese Republic issued a US\$ 1 billion dual-tranche offering with international orders accounting for 28 percent of subscriptions on the aggregate amount. The transaction was more than two times oversubscribed and reflected domestic demand and quality demand from international investors.

The first series consisted of a US\$ 650 million 6.00 percent coupon Eurobond due May 2019 (Series 58) with international orders subscribing to 28 percent of the issue. The second series was a US\$ 350 million re-opening of the 6.10 percent coupon Eurobond due October 2022 (Series 57, Tranche 3) with international orders accounting for 29 percent of subscriptions. The lead managers for the transaction were Byblos Bank SAL, Fransa Invest Bank SAL, and HSBC Bank PLC.

The proceeds of the issue were utilized for refinancing operations. The transaction is the first USD market transaction executed by the Lebanese Republic in 2011 to refinance maturing debt, following the “Debt Replacement Agreement” on 18 January 2011, between the Ministry of Finance (MOF) and Banque du Liban of a US\$ 265 million re-opening of 6.10 percent Notes due October 2022.¹

Terms and Conditions of the Issuance

Series (tranche)	58	57 (3)
Issue size (in USD)	650,000,000	350,000,000
Issue date	May 20, 2011	May 20, 2011
Maturity	May 20, 2019	October 4, 2022
Coupon rate	6.000%	6.100%
Coupon payment	Semi-annual	Semi-annual
Principal payment	Bullet payment at maturity	Bullet payment at maturity
Issue Price	100.00%	97.016% (plus .136% accrued interest)
Re-offer Yield	6.000%	6.475%
ISIN code	XS0629509943	XS0559237796
Benchmark Bond on 17 May, 2011*	2.625% due April 2018 ('CT7')	3.125% due May 2021 ('CT10')
Benchmark Yield on 17 May, 2011*	2.475%	3.130%
Re-offer Spread vs. Benchmark	CT7 + 352.5 bps	CT10 + 334.5 bps
Lead Managers	Byblos Bank SAL, Fransa Invest Bank SAL, and HSBC Bank PLC	

*Pricing date.

¹ Kindly refer to Brief Note titled "US\$ 265 Million Re-Opening of 6.10 Percent Notes Due 2022 in Debt Replacement Agreement with BDL", posted on www.finance.gov.lb



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