

DUAL-TRANCHE EUROBOND TRANSACTION:

US\$ 700 MILLION 6.65 PERCENT NOTES DUE 2024

AND

US\$ 300 MILLION 7.00 PERCENT NOTES DUE 2031

On April 22nd, 2016 the Lebanese Republic issued a US\$ 1 Billion dual-tranche Eurobond, under the Republic's Global Medium Term Note Program, noting that the program's ceiling was increased earlier during the year to USD 28 billion from USD 25 billion, in line with the Ministry's debt strategy, and pursuant to the Council of Minister's decision number 8, dated February 2, 2016

The new issuance represented the Republic's first tap of international capital markets in 2016, and the second transaction following a private Eurobond placement made to the Central Bank in January 2016¹ for a total value of US\$ 431,664,000, and which was conducted to refinance the remaining amount of the US\$ 750 million 8.50% notes due January 19, 2016

The new notes issued in April carried a weighted average yield of 6.755 percent and an average time to maturity of 10.10 years. The first series consisted of a US\$ 700 million 6.65% coupon Eurobond due April 2024 (Series 78) issued at par. The second series was a US\$ 300 million 7.00% coupon Eurobond due April 2031 (Series 79) issued at par. Together, the issued tranches were oversubscribed by 128 percent.

International orders accounted for 9 percent of subscriptions on both tranches. Of the transaction's total proceeds, US\$ 600 million were used to repay Lebanon's US\$ 600 million 4.500% Eurobond due April 22, 2016, while the remaining amount will be used to finance the US\$ 400 million 11.625% Eurobond due May 11, 2016.

The transaction was jointly managed by Deutsche Bank, BLOM Bank and Byblos Bank.

¹ For details on the Eurobond private placement with the Central Bank, kindly refer to the Ministry of Finance website, <http://www.finance.gov.lb/en-US/finance/PublicDebt/Pages/DebtTransactions.aspx> under "Re-opening of 6.25% USD note due Nov 2024 and 6.65% USD note due Nov 2028, issued 19 January 2016".



Terms and conditions of the issuance

Series	78	79
Issue size (in USD)	700,000,000 \$	300,000,000 \$
Issue date	April 22, 2016	April 22, 2016
Maturity	April 22, 2024	April 22, 2031
Coupon rate	6.65%	7.00%
Coupon payment	Semi-annual	Semi-annual
Principal payment	Bullet payment at maturity	Bullet payment at maturity
Issue price	100.00%	100.00%
Re-offer yield	6.65%	7.00%
ISIN code	XS1396347566	XS1396347723
Lead managers	Deutsche Bank, BLOM Bank S.A.L and Byblos Bank S.A.L.	

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