

**DUAL-TRANCHE EUROBOND TRANSACTION:  
US\$ 500 MILLION 4.750 PERCENT NOTES DUE 2016 AND  
US\$ 700 MILLION RE-OPENING OF 6.100 PERCENT NOTES DUE 2022**

On August 2<sup>nd</sup>, 2011, the Lebanese Republic issued a \$ 1.2 billion dual-tranche offering. The transaction was nearly four times oversubscribed and reflected strong and quality demand from both local and international investors. The transaction enabled the Republic to take advantage of the current favorable interest rate structure as it had a weighted average yield of 5.60 percent and an average time to maturity of 8.70 years on the aggregate issues. International orders accounted for 21 percent of the total issued amount.

The first series consisted of a US\$ 500 million 4.75 percent coupon Eurobond due November 2016 (Series 59). Its yield of 4.75 percent was the lowest ever paid by the Republic on an issuance in foreign currencies since 1994. The second series was a US\$ 700 million re-opening of the 6.10 percent coupon Eurobond due October 2022 (Series 57, Tranche 4) with a yield of 6.20 percent. International orders accounted for 21 percent of subscriptions in each of the two tranches.

The proceeds of the issue were utilized for refinancing and prefunding operations. The transaction is the second USD market transaction executed by the Lebanese Republic in 2011 to refinance maturing debt, following the \$ 1 billion dual tranche offering that was conducted on May 20<sup>th</sup>, 2011. On January 18<sup>th</sup> 2011, the Ministry of Finance also conducted a “Debt Replacement Agreement” with Banque du Liban consisting of a \$ 265 million re-opening of 6.10 percent Notes due October 2022.<sup>1</sup>

The transaction was jointly managed by BLOM Banks S.A.L and Citi.

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<sup>1</sup> For details on previous transactions, kindly refer to summary notes posted on [www.finance.gov.lb](http://www.finance.gov.lb).



REPUBLIC OF LEBANON  
MINISTRY OF FINANCE

## Terms and Conditions of the Issuance

Series (tranche)	59	57 (4)
Issue size (in USD)	500,000,000	700,000,000
Issue date	August 2 <sup>nd</sup> , 2011	August 2 <sup>nd</sup> , 2011
Maturity	November 2 <sup>nd</sup> , 2016	October 4 <sup>th</sup> , 2022
Coupon rate	4.750%	6.100%
Coupon payment	Semi-annual	Semi-annual
Principal payment	Bullet payment at maturity	Bullet payment at maturity
Issue Price	99.980%	99.195% (plus 80 days accrued interest)
Re-offer Yield	4.750%	6.200%
ISIN code	XS0655338555	XS0559237796
Benchmark Bond on July 28 <sup>th</sup> , 2011*	UST 1.500% due June 2016	UST 3.125% due May 2021
Benchmark Yield on July 28 <sup>th</sup> , 2011*	1.480%	2.941%
Re-offer Spread vs. Benchmark	+327 bps	325.9 bps
Lead Managers	BLOM Bank S.A.L and Citi	

\*Pricing date.



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