

**TRIPLE-TRANCHE US\$ 2 BILLION EUROBOND TRANSACTION:
US\$ 500 MILLION 4.10 PERCENT NOTES DUE 2015,
US\$700 MILLION 5.15 PERCENT NOTES DUE 2018, AND
US\$ 800 MILLION 6.25 PERCENT NOTES DUE 2025
IN DEBT REPLACEMENT AGREEMENT WITH BDL**

On 12 June 2012 the Republic of Lebanon issued a three-tranched US\$ 2 billion transaction in through a “Debt Replacement Agreement” between the Ministry of Finance (MoF) and Banque du Liban (BdL). BdL redeemed to MoF Treasury bonds in Lebanese Pounds from its existing portfolio for an equivalent LL amount of USD 2 billion of Eurobonds.

The three series consisted of a US\$ 500 million 4.10 percent coupon Eurobond due June 2015 (Series 64), a US\$ 700 million 5.15 percent coupon Eurobond due June 2018 (Series 65) and a US\$ 800 million 6.25 percent coupon Eurobond due June 2025 (Series 66). The weighted average cost of the Eurobonds issued was 5.33 percent with an average time to maturity of 8.05 years. This compares with a 6.24 percent weighted average cost of the redeemed Treasury bond portfolio that mainly consisted of 3 and 5 year Treasury bonds with an average time to maturity of 3.71 years.

The Eurobonds were issued pursuant Law Number 212 dated 30 March 2012 and specifically to Article 2 of the law which authorizes up to USD 3 billion of Eurobond issuances for the refinancing of foreign currency debt (principal and interest) (including refinancing of domestic currency denominated debt in FX).

Terms and Conditions of the Issuance

Series	64	65	66
Issue size (in USD)	500,000,000	700,000,000	800,000,000
Issue date	12 June 2012	12 June 2012	12 June 2012
Maturity	12 June 2015	12 June 2018	12 June 2025
Coupon rate	4.10%	5.15%	6.25%
Coupon payment	Semi-annual	Semi-annual	Semi-annual
Principal payment	Bullet payment at maturity	Bullet payment at maturity	Bullet payment at maturity
Issue Price	100.00%	100.00%	100.00%
Re-offer Yield	4.10%	5.15%	6.25%
ISIN code	XS0793155754	XS0793155838	XS0793155911
Lead manager	Republic of Lebanon		

Source: BDL, MOF.



REPUBLIC OF LEBANON
MINISTRY OF FINANCE



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