

\$400 million 11.625% Eurobond due 2016

April 20, 2001

On April 19, 2001, The Lebanese Republic launched, via sole book runner Credit Suisse First Boston Limited (“CSFB”), a \$400 million 15-year Eurobond transaction. This successful issue achieved a strategic yield curve extension for the Republic, and represents the longest-dated benchmark for the Republic in the international capital markets to date. The marketing of the transaction focused on the US and European investor bases, and represented an important investor diversification for the Lebanese Republic, marking the first time that local banks have not participated in a Lebanese sovereign Eurobond issue. The success of the issue further corroborates the positive economic and political momentum of the current government, and the healthy reception of the new initiatives and policies.

This transaction caps a highly successful run of the Republic’s financing in 2001. This issue is the third Eurobond this year, the first issued being a USD 200 million re-opening of the December 2004 Eurobond, and the second a USD 1.15 billion 5-year Eurobond (maturity 2006). Total Eurobond issuance this year amounts to USD 1,750 million of which USD 500 million will be used to replace the maturing Eurobond on April 23, 2001 initially issued in 1998, rendering a net issuance equivalent to USD 1,250 million.

Summary of terms and conditions

Issuer:	Republic of Lebanon
Bookrunners:	Credit Suisse First Boston Limited (“CSFB”)
Issue Amount:	USD 400 million
Maturity:	3 May 2016
Benchmark yield:	5.150%
Pricing benchmark:	UST 5.00% due 02/2011
Re-offer yield:	11.625%
Re-offer price:	100%
Re-offer spread:	+647 bps
Coupon:	11.625%
Listing:	Luxembourg

Recent Emerging Market Spread Performance

US\$-denominated Eurobonds	Spread over UST on April 19, 2001
Lebanon 2009	547 bps
Brazil 2009	790 bps
Brazil 2020	811 bps
Argentina 2010	930 bps
Argentina 2017	850 bps
Turkey 2010	1040 bps
Turkey 2030	950 bps