

Press Release



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Trésorerie de l'État

The Grand Duchy of Luxembourg successfully launches a 15 years € 750,000,000 bond issue.

Luxembourg, 12 March, 2013 – The Grand Duchy of Luxembourg successfully returned to the primary EUR government bond market on Tuesday March 12th, 2013, with a EUR 750 million institutional benchmark transaction, maturing on 19 March 2028 and paying a coupon of 2.25%.

With this transaction the Grand Duchy of Luxembourg extends its yield curve while locking in another record low coupon.

Joint bookrunners on this transaction were BCEE, BGL BNP PARIBAS, BIL and SOCIETE GENERALE.

The new 15 year will be the first government bond to be issued through LuxCSD. LuxCSD is the new Securities Settlement System in Luxembourg and is approved by the European Central Bank for use in Eurosystem credit operations. It provides the Luxembourg financial community with central bank money settlement services in Euro with access to many counterparties. LuxCSD is jointly owned by Banque centrale du Luxembourg (BCL) and Clearstream International S.A. (50:50) and committed in May 2012 to join TARGET2-Securities.

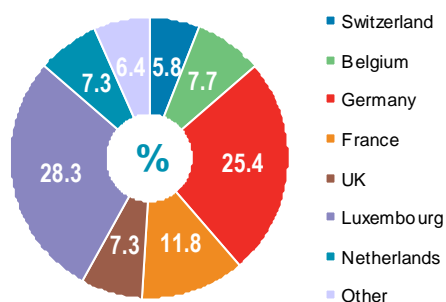
Pricing and execution

- After closely monitoring the market reaction to the downgrade by Fitch of Italy on Friday 8 March, the syndicate banks assessed investor sentiment as constructive and recommended that the Grand Duchy of Luxembourg go ahead with the transaction. The mandate for a new 15 year EUR benchmark bond was announced on Monday, 11 March 2013 2pm CET.
- At the start of the next day, and after rapidly assessing market conditions, books officially opened at 10:45 CET with a price guidance set at "Mid Swaps + 8bps area".
- Books steadily grew during the next hours and when final spread was set at "Mid Swaps + 8bps", total demand grew above EUR 800m and this despite some intraday volatility in the EUR government bond market. In light of the contemplated issue amount of EUR 750m the books were closed at 2.30pm CET.
- The pricing level of this longer-dated transaction is a further testimony that fixed income investors value the intrinsic quality and stability an issuer such as the Grand Duchy of Luxembourg offers – enabling it to price its longest EUR government bond ever at a spread of only 29.8bp over Germany.

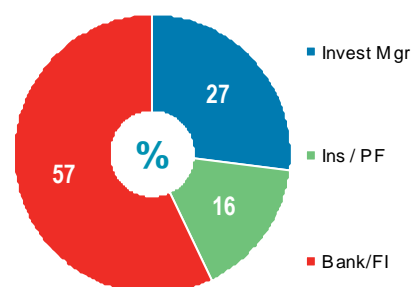
Distribution

- In total, 73 investors participated in the transaction, highlighting the granularity of the investor demand.
- Investor demand was spread over 8 countries with a very strong support from Luxembourg domestic accounts who picked up 28% of the transaction, followed by Germany with 25%, France and Belgium respectively took up 11% and 8%.
- With regards to investor typology, the transaction was mainly driven by Banks (57%). Asset Managers accounted for 27% and Insurers/pension funds 16%.

Geographic Distribution



Investor Distribution



FINAL TERMS AND CONDITIONS

Issuer	Grand Duchy of Luxembourg
Security	Government Bond
Expected Issue Ratings	Aaa (negative) and AAA (stable) resp. by Moody's and S&P
Notional Amount	EUR 750,000,000
Launch Date	12 March 2013
Settlement Date	19 March 2013
Maturity Date	19 March 2028
Coupon	2.25% annual, Act/Act ICMA
Reoffer Price	99.560%
Reoffer Yield	2.285%
Issue Spread vs Germany	29.8 bps over Bund 5.625% January 2028
Issue Spread vs mid-swap 6m	8 bps
Bookrunners	BCEE, BGL BNP PARIBAS, BIL and SOCIETE GENERALE
Listing	Luxembourg
Clearing	LuxCSD
ISIN	LU0905090048