



HELLENIC REPUBLIC
MINISTRY OF FINANCE

Press Release

For Immediate Release

February 21, 2012

Athens, Greece: The Hellenic Republic today announced the key terms of a voluntary transaction in furtherance of the 26 October 2011 Euro Summit Statement, known as the Private Sector Involvement, and in the context of its economic reform programme that has been agreed with the European Union and the International Monetary Fund. The transaction is expected to include private sector holders of approximately EUR206 billion aggregate outstanding face amount of Greek bonds (excluding treasury bills).

The transaction is expected to involve a consent solicitation and an invitation to private sector holders of certain Greek bonds to exchange their holdings of existing Greek bonds for new bonds to be issued by the Hellenic Republic having a face amount equal to 31.5% of the face amount of the debt exchanged and notes of the European Financial Stability Facility maturing within 24 months having a face amount equal to 15% of the face amount of the debt exchanged, each to be delivered by the Hellenic Republic at settlement. Each participating holder will also receive detachable GDP-linked securities of the Hellenic Republic with a notional amount equal to the face amount of the new bonds of the Hellenic Republic issued to that participating holder. The full terms of the transaction will be set out in the relevant invitation memoranda which are expected to be made available in the coming week.

The Greek government will shortly submit to the Greek parliament a draft bill which, if passed, will introduce a collective action clause into eligible Greek law governed bonds of the Hellenic Republic as determined by the Council of Ministers of the Hellenic Republic. If passed, this law will be available to be used in the implementation of the PSI transaction if necessary to achieve participation at the levels anticipated by the 26 October 2011 Euro Summit Statement.

“A successful PSI transaction is required to bring Greece’s debt-to-GDP ratio on a downward path reaching 120.5% by 2020,” said Mr. Evangelos Venizelos, Greece’s Deputy Prime Minister and Minister of Finance. “It is also a condition for the continued disbursements by the official sector, which are essential for the implementation by Greece of its economic reform programme. We have been consulting with our private sector creditors to design a transaction that is consistent with the Euro Summit Statement of 26 October 2011 and that will both enjoy broad support from investors and further the country’s goal of achieving a sustainable debt profile.”

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No offer or invitation to acquire or exchange any securities is being made pursuant to this announcement in any jurisdiction. Nothing in this announcement constitutes an invitation to participate in the transaction referred to in this announcement which will only be made through the relevant invitation memoranda once published by the Hellenic Republic. The terms and conditions of the transaction referred to in this announcement will be as set out in the relevant invitation memoranda. The transaction referred to herein will only be made available to those holders who are eligible to participate pursuant to the relevant invitation memoranda.

This press release does not constitute an offer of securities for sale in the United States, Australia, Canada or Japan or elsewhere by the Hellenic Republic or any other sovereign or any other entity. Any securities that are ultimately offered pursuant to the liability management transaction referred to herein will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold in the United States or to U.S. persons absent registration or an exemption from the registration requirements of the Securities Act. Any offer of securities pursuant to the liability management transaction will be made by means of an invitation memorandum that will be prepared by the Hellenic Republic for distribution to persons eligible to participate in such invitation.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required by the Hellenic Republic to inform themselves about and to observe any such restrictions. This announcement does not constitute an offer to buy or a solicitation of an offer to sell securities (including the Greek bonds), and tenders of securities (including the Greek bonds) pursuant to this announcement will not be accepted by or on behalf of the Hellenic Republic.

Summary Terms of the New Bonds to be issued by the Republic

<u>Co-Financing Agreement</u>	Holders of the New Bonds will be entitled to the benefit of, and will be bound by, a Co-Financing Agreement among, <i>inter alios</i> , the Republic, the New Bond Trustee and the European Financial Stability Facility (the “ EFSF ”) linking the New Bonds to the Republic’s loan from the EFSF of up to EUR30 billion in a variety of ways including the appointment of a common paying agent, the inclusion of a turnover covenant and the payment of principal and interest on the New Bonds and the EFSF loan on the same dates and on a <i>pro rata</i> basis.
<u>Final maturity</u>	2042
<u>Amortization</u>	Commencing on the 11 th anniversary of the issue date.
<u>Coupon</u>	2.0% per annum to payment date in 2015 3.0% per annum to payment date in 2020 4.3% per annum thereafter
<u>Accrued Interest</u>	Any accrued and unpaid interest (including additional amounts, if any) on the existing Greek bonds will be paid with 6-month securities issued by the EFSF.
<u>Negative Pledge</u>	Yes
<u>Collective Action Clause</u>	The New Bonds shall contain an aggregated collective action clause based on the latest draft collective action clause published by the EU Economic and Financial Committee’s Sub-Committee on EU Sovereign Debt Markets.
<u>Form</u>	Registered in the Book Entry System of the Bank of Greece.
<u>Listing</u>	Application will be made to list the New Bonds on the Athens Stock Exchange.
<u>Clearing</u>	All New Bonds will clear through the Bank of Greece (BOGs) clearing system.
<u>Taxation</u>	The Republic will gross up any payments that become subject to withholding for a tax imposed by the Republic, subject to

exceptions.

GDP-linked
Securities

Each participating holder will also receive detachable GDP-linked Securities of the Republic with a notional amount equal to the face amount of the New Bonds of the Republic issued to that participating holder. The GDP-linked Securities will provide for annual payments beginning in 2015 of an amount of up to 1% of their notional amount in the event the Republic's nominal GDP exceeds a defined threshold and the Republic has positive GDP growth in real terms in excess of specified targets.

Governing Law

English law