

SAGESS

EUR 700m 1.75% October 2019 Benchmark



On Monday 15th October 2012, HSBC acted as Joint Bookrunner and Swap Counterparty on an outstanding EUR700m Benchmark for the French agency SAGESS

Following a very successful 5-year and 12-year dual tranche issued by SAGESS in January, this new benchmark transaction is a milestone for SAGESS which never attracted such a diverse and granular demand

A very strong marketing effort - including a Deal-related roadshow - lead the transaction to immediately gain momentum and close with books in excess of EUR1.9bn after less than two hours of bookbuilding

This outstanding landmark transaction reinforces SAGESS's position within the international capital markets, and confirms HSBC's leadership in the French agencies market

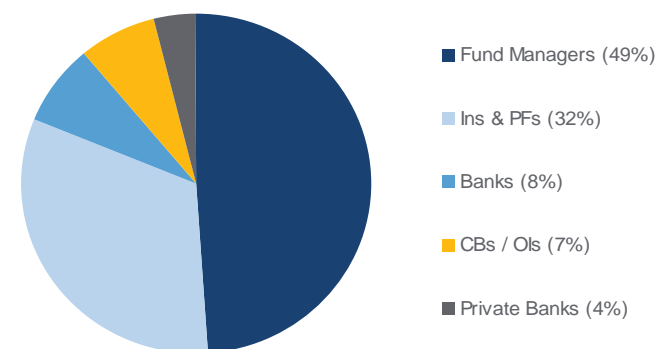
Terms and Conditions

Issuer	SAGESS
Size	EUR 700m
Ratings	AA+ (S&P) negative outlook
Pricing date	October 15th, 2012
Maturity	October 22nd, 2019
Coupon	1.75%
Format	Senior unsecured
Re-offer price	99.544 %
Re-offer yield	1.82 %
Re-offer spread	MS + 50 bps / OAT + 34.4 bps
Listing	Luxembourg
HSBC role	Joint Bookrunner

Execution Highlights

- SAGESS (*Société Anonyme de Gestion des Stocks de Sécurité*) was created in 1988 on the initiative of oil operators and under the aegis of public authorities to maintain and manage strategic oil reserves. Thanks to its diversified financing and responsive financial policy, SAGESS is recognized for its high financial stability.
- On October 15th - following a successful roadshow in the United Kingdom, Denmark, the Netherlands and France - SAGESS decided to announce its new EUR 7-year Benchmark and open the books as early as Monday morning at 9:30 (CET) with IPT set at MS + mid 50s.
- Investors' response to the announcement was very positive and the transaction immediately gained momentum, thus enabling to quickly revise the price guidance at MS + 53 area. The deal was largely oversubscribed after less than one hour of bookbuilding and, on closing at 11:25 (CET), books were in excess of EUR1.9bn totaling 134 orders. The high quality orderbook enabled SAGESS to price a EUR700m trade - the maximum of the issuer - at MS+50 (the tight end of the guidance) offering a coupon of 1.75% and a yield of 1.82%.
- This highly successful transaction is a milestone for SAGESS since it is the first time it attracts such a granular and diverse demand with up to 134 high quality accounts involved in the transaction. By geography, demand came primarily from France (45%) followed by Germany & Austria (18.5%), Benelux (12%), other Europe (9.5%), UK & Ireland (6.5%), Switzerland (5%) and Asia & MENA (3.5%). By type, the demand came from Fund Managers (49%), Insurance & Pension Funds (32%), banks (8%), Central Banks and Official Institutions' (7%) and Private Banks (4%).

Distribution by Investor Type



Distribution by Geography

