



**\*\* NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS), CANADA, JAPAN OR AUSTRALIA \*\***

This press release is not a prospectus or an offering circular but an announcement. Investors should not subscribe for any transferable securities referred to in this announcement except on the basis of information in any prospectus or offering circular to be published by The Republic of Albania, acting through the Ministry of Finance in connection with any issue.

### **Republic of Albania issues successful inaugural EUR 300 million 5 year international bond**

Albania's debut bond in the international capital markets has been a success.

On 28<sup>th</sup> October 2010, the Republic of Albania successfully launched and priced a EUR 300 million 5-year Eurobond issue, achieving a coupon of 7.50%. The Republic is rated B1 (stable outlook) by Moody's and B+ (stable outlook) by S&P.

"This debut transaction is an important step in the execution of our funding strategy for 2010 and years to come. We are very pleased with the outcome of this transaction," said Minister Ridvan Bode, Minister of Finance, Republic of Albania.

"Such strong pricing for a B+ credit clearly demonstrates the strength of the Albanian economy, and the policy reforms undertaken by the Government of Albania,"

The mandate was announced on Monday, October 25<sup>th</sup>, and following initial dialogue with international investors, an initial yield guidance of 7.50% area for a 5 year transaction was communicated to the market.

The order book grew steadily, driven by real money demand from fund managers, banks and insurance companies. The order book was over-subscribed when it closed Wednesday afternoon, October 27<sup>th</sup>, with final pricing taking place the following morning with a coupon in line with the initial yield guidance of 7.50%. This was equivalent to a +587.3 bps spread over the reference German Bund (OBL 1.75% due Oct-2015).

The transaction represents the lowest coupon 5-year benchmark Euro-denominated benchmark issue by a Central and Eastern European debut sovereign issuer in 2010 year to date, thus positioning the country amongst the premier sovereign borrowers from the region.

Minister Bode emphasised, "The large number of international investors which participated helped us achieve our twin goals of diversifying our funding sources and enhancing Albania's profile in the international capital markets."

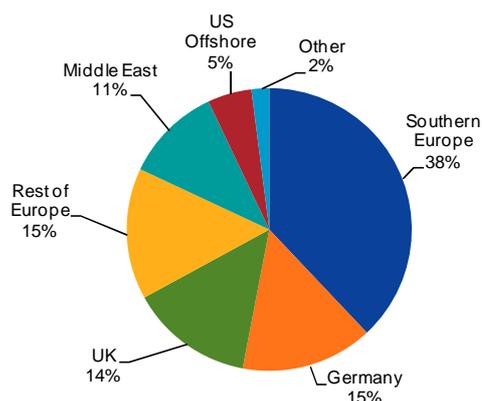
"The historically low all-in financing cost we have achieved is a testimony to our country's strong credit fundamentals. We are pleased the international investor community has recognised our achievements."

Having conducted a strong European investor roadshow earlier in the year, the Republic was able to attract a diversified and high quality investor base to this transaction. The final order book comprised 80 investors from over 25 countries, further highlighting the success of the transaction. Investors from Germany (15%), United Kingdom (14 %), Southern Europe (38%), the Rest of Europe (15 %) and the Middle East (11 %) dominated the final distribution. US off-shore investors and other international investors were allocated 7% of the issue. By investor type, allocations were: fund managers (45 %), banks (40 %), retail (10%) and insurance (5%).

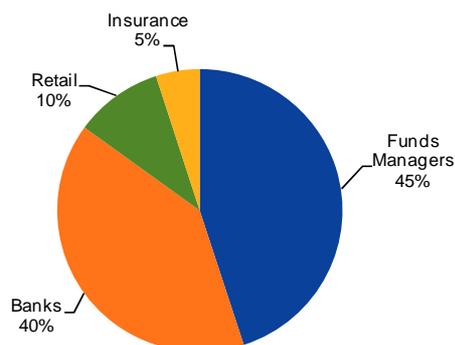
Deutsche Bank and J.P. Morgan acted as Joint Lead Managers and Bookrunners on this transaction. Alpha Bank A.E., Banca IMI S.P.A., Banka Kombetare Tregtare SH.A were named as co-lead managers.

### Distribution Statistics

#### By Geography:



#### By Investor Type:



#### DISCLAIMER:

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. Similar ratings on different types of notes do not necessarily mean the same thing. The significance of each rating should be analysed independently from any other rating.

This communication is not for distribution, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia) or to U.S. Persons (as defined in Regulation S under the Securities Act of 1933, "Regulation S" and the "Securities Act", respectively), or in Australia, Canada or Japan. This communication is not an offer for sale of any securities in the United States or to U.S. Persons. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Republic of Albania, acting through the Ministry of Finance has not registered and does not intend to register any portion of any offering of securities in the United States or to conduct a public offering of any securities in the United States.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.