



**REPUBLIC OF TURKEY
PRIME MINISTRY
UNDERSECRETARIAT OF TREASURY**

February 17, 2006

PRESS RELEASE

- As part of the 2006 external borrowing programme, the second bond of the year was priced today.
- The bond has 10 years to maturity with a nominal amount of €750 million.
- It has a coupon rate of 5.0% and priced at 99.615 corresponding to a yield of 5.05%. It has a spread of 157 bp over Bunds and 140 bp over mid-swaps.
- Its redemption date is March 1, 2016.

Some of the important features of the transaction are as follows:

- With the issuance of this bond, a significant cost improvement has been achieved in the Euro market. The lowest coupon rate and the lowest yield among our Euro denominated bonds with the same maturity (10 years) has been attained.
- The bond attracted an orderbook of approximately €1,1 billion from 125 accounts in 27 countries.
- 27% of the bonds has been sold to Germany, 26% to Turkey, 12% to Italy, 10% to Switzerland and 25% to other European countries, USA and Middle East.
- So far in 2006, approximately \$2,4 billion of funds have been raised and more than 40% of 2006 external borrowing programme has been completed via the bond issuances whose details are given below.

Global / Eurobond Issuances in 2006

Date of Issuance	Currency	Amount (million)	Maturity	Coupon (%)	Price (%)	Yield to Investor (%)	Yield to Investor (Spread-bp)
17.01.2006	USD	1.500	17.03.2036	6,875	96,890	7,125	UST + 258,3 bp
01.03.2006	EUR	750	01.03.2016	5,000	99,615	5,050	Bund + 157 bp