

## DISCLAIMER

The Hungarian language version of this public offering shall be the exclusively legally binding and controlling in each and every respect (i.e. for the purpose of the placement, for the rights and obligations arising from the Premium Euro Hungarian Government Bonds, etc.). The following English translation is not an official translation and serves information purposes only.

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The non-binding English translation is as follows:

## **PUBLIC OFFERING**

### **on the issuance of the Premium Euro Hungarian Government Bonds**

#### *General Information*

Pursuant to Government Decree no. 285/2001 (XII. 26.) on Bonds and in accordance with the annual Central State Budget Act the Hungarian State (hereinafter: the "Issuer") shall issue floating-rate government bonds called Premium Euro Hungarian Government Bonds, linked to the changes in the final Harmonised Index of Consumer Prices published by the European Commission (Eurostat) for the Participating Member States (as defined in the respective Offering Circular)..

The Issuer, by issuing the Premium Euro Hungarian Government Bonds, undertakes to pay to the current owner or bondholder of the given bond the face value indicated on the bond together with the due interest calculated according to the terms of interest payment effective as of purchase.

No statute of limitation shall be applicable to claims against the Issuer regarding the face value and interest of the Premium Euro Hungarian Government Bonds.

The amounts collected from the issuance of the Premium Euro Hungarian Government Bonds are intended to serve the partial financing of the central budget deficit and the renewal of the debt of the central subsystem of the government budget. The debt incorporated in the Premium Euro Hungarian Government Bonds is part of the government debt.

#### *1. Data of the securities to be issued*

<b>Name:</b>	Premium Euro Hungarian Government Bond
<b>Series:</b>	2016/Y
<b>ISIN-code:</b>	HU0000402698
<b>Issue date:</b>	21 May 2013
<b>Maturity:</b>	25 October 2016
<b>Face value:</b>	EUR 1, that is One euro
<b>Type of the Security:</b>	registered securities
<b>Method of Production:</b>	dematerialised securities

## *2. The Conditions of Issuance*

**The issuance of the Premium Euro Hungarian Government Bonds is performed through tap issue.**

**Type of issuance:** Public

**The start time and expected closing time of the sale:** 16 May 2013 - 23 May 2014

**The amount announced for issuance:** EUR 500,000,000.00, that is five hundred million euros

**Issue price:** on the issue date the issue price equals the face value, whereas afterwards the aggregate amount of the face value and the accrued interest

## *3. Interest, interest payments and redemption*

**Type of the interest:** The Premium Euro Hungarian Government Bonds bear floating rate interest.

**Interest rate:** The interest to be paid shall equal the aggregate amount of the interest base and the interest rate premium.

With the exception of the first interest period, the interest base for the interest period starting on 25 April shall equal the percentage change of the last final "Harmonised Index of Consumer Prices - all items" officially published by the European Commission (Eurostat) for the Participating Member States prior to the given date of interest determination, regarding the period between the second month preceding the date of interest determination (February) and the same month of the preceding year (February), whereas the interest base in case of the interest period starting on 25 October shall equal the percentage change of the last final "Harmonised Index of Consumer Prices - all items" officially published by the European Commission (Eurostat) for the Participating Member States prior to the given date of interest determination, regarding the period between the second month preceding the date of interest determination (August) and the same month of the preceding year (August), with the provision that if this value is negative, the interest base shall equal 0%, i.e. zero percent.

In case of the first interest period (i.e. the period between 21 May 2013 [including this day] and 25 October 2013 [excluding this day]) the interest base shall equal the percentage change of the final

“Harmonised Index of Consumer Prices - all items” officially published by the European Commission (Eurostat) for the Participating Member States regarding the period between March 2013 and March 2012, and such rate is 1.7% p.a., that is one point seven percent per annum.

The interest rate premium is 2.25% p.a., that is two point twenty five percent per annum.

In case of the first interest period the interest rate shall be 3.95% p.a. (i.e. three point ninety five percent per annum). Accordingly, the time proportional interest rate payable for the first interest period shall be 1.69%, that is one point sixty nine percent.

The interest to be paid shall be equal to the time proportional part of the annual nominal interest determined for the given interest period (rounded off to 0.01% according to the general rules of rounding), which is to be defined on the basis of the calendar days actually lapsed between the interest payment dates and on the basis of a year of 365 days, whereas in case of a leap year 29 February is also to be considered.

**Date when the interest is determined:**

The interest rate for the forthcoming interest period shall be determined twice every year, on the second working day preceding the starting date of the forthcoming interest period.

The starting dates of the interest period during the tenor shall be 25 April and 25 October.

**The interest payment dates and the rate and amount of the interest to be paid:**

The interest payable for the interest periods shall be equal to the time proportional part of the sum of the annual interest base determined for the given interest period plus the interest rate premium.

Interest shall be paid on the following days:

25 October 2013 – the time proportional part of the 3.95% p.a. (i.e. three point ninety five percent per annum), that is 1.69%, that is one point sixty nine percent.

25 April 2014

25 October 2014

25 April 2015

25 October 2015

25 April 2016

25 October 2016

**Interest calculation algorithm:**

Actual/actual

**Redemption:**

The repayment of the face value is due in one lump sum at maturity.

**Announcements:**

The announcements related to the Premium Euro Hungarian Government Bond shall be published by the Issuer on the websites of ÁKK ([www.akk.hu](http://www.akk.hu), [www.allampapir.hu](http://www.allampapir.hu)), and also on the website operated by the Hungarian Financial Supervisory Authority to serve as an information storage system ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

#### ***4. Purchasers of the Premium Euro Hungarian Government Bonds***

The Premium Euro Hungarian Government Bonds can be purchased and transferred by natural persons, legal entities and organisations without legal personality. Non-residents may acquire and transfer Premium Euro Hungarian Government Bonds in accordance with the effective foreign exchange laws.

#### ***Further information***

The general terms and conditions of the issuance and trading are specified in the document titled “OFFERING CIRCULAR FOR THE PUBLIC ISSUANCE OF PREMIUM EURO HUNGARIAN GOVERNMENT BONDS, SERIES: 2016/Y” available at the points of distribution, on the websites of GDMA Pte Ltd. ([www.akk.hu](http://www.akk.hu) and [www.allampapir.hu](http://www.allampapir.hu)), and also on the website operated by the Hungarian Financial Supervisory Authority ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

Budapest, 14 May 2013

Government Debt Management Agency Private Company Limited by Shares