



**THE KINGDOM OF BELGIUM**

**EURO 4,000,000,000**

**4.00 % OLOs due 28 March 2022**

**Issue price: 97.315 %**

**CALYON CORPORATE AND INVESTMENT BANK**

**CITIGROUP GLOBAL MARKETS LIMITED**

**FORTIS BANK**

**GOLDMAN SACHS INTERNATIONAL**

**ABN AMRO**

**BARCLAYS CAPITAL**

**CREDIT SUISSE**

**DEUTSCHE BANK**

**DEXIA CAPITAL MARKETS**

**HSBC FRANCE**

**ING FINANCIAL MARKETS**

**JPMORGAN**

**KBC BANK**

**NOMURA INTERNATIONAL**

**SG CIB**

**UBS INVESTMENT BANK**

**SELLING GROUP**

**BANCA IMI**

**DRESDNER KLEINWORT WASSERSTEIN**

**LEHMAN BROTHERS**

**MORGAN STANLEY**

**NORDEA**

A handwritten signature in blue ink, appearing to read 'G. M. M. M.', is located in the bottom right corner of the page.

The Kingdom of Belgium (the “**Kingdom**”) confirms that the statements contained in this Information Memorandum are in every material respect true and accurate and not misleading, that this Information Memorandum does not contain any untrue statement of any material fact and is not misleading in any material respect, that this Information Memorandum does not omit to state any material fact necessary to make the statements herein, in the context in which they are made, not misleading and that all reasonable inquiries have been made with all due diligence to ascertain the facts and to verify the accuracy of all such statements. The Kingdom accepts responsibility accordingly.

The euro 4,000,000,000 4.00 % OLOs due 28 March 2022 (the “**OLO 48s**”) will be issued on the terms of this Information Memorandum. The OLO 48s are the first tranche of the forty-eighth line of OLOs issued by the Kingdom. The term “OLOs” refers to the Kingdom’s *obligations linéaires – lineaire obligations*.

The delivery of this Information Memorandum at any time does not imply the information herein is correct as of any time subsequent to the date of this Information Memorandum. This Information Memorandum does not constitute and may not be used for the purposes of an offer of or an invitation by or on behalf of the Kingdom or the Managers (as defined under “Subscription and Sale”) to subscribe for or purchase any of the OLO 48s.

The distribution of this Information Memorandum and the offering or sale of the OLO 48s in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Kingdom to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on offering and sale of the OLO 48s and on distribution of this Information Memorandum, see “Subscription and Sale”.

The OLO 48s have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the OLO 48s are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”). Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the OLO 48s may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The OLO 48s are not transferable except in accordance with the restrictions described under “Subscription and Sale – Selling Restrictions”.

In this Information Memorandum all references to “euro” are to the single currency which was (i) introduced on 1 January 1999 in those Member States of the European Community, established by the Treaty of Rome on 25 March 1957 (as amended by the Single European Act 1986 and the Treaty of Maastricht of 1 February 1992 on European Union as further amended), which are participating in European economic and monetary union, (ii) and which was adopted by 12 Member States from 1 January 2001 (Council Decisions 1998/317/EC of 3 May 1998 and 2000/427/EC of 19 June 2000 in accordance with Articles 121(4) and 122(2) of the Treaty establishing the European Community). The 12 Member States are Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland and Greece.

In this Information Memorandum all references to royal decrees, ministerial decrees, income tax codes and laws are to such royal decrees, ministerial decrees, income tax codes and laws, as amended from time to time.

Application has been made for the listing of the OLO 48s on Euronext Brussels.

**IN CONNECTION WITH THIS ISSUE, CALYON CORPORATE AND INVESTMENT BANK, CITIGROUP GLOBAL MARKETS LIMITED, FORTIS BANK AND GOLDMAN SACHS INTERNATIONAL (WITH GOLDMAN SACHS INTERNATIONAL ACTING AS COORDINATING STABILISATION MANAGER AND CENTRAL POINT OF INQUIRY) (TOGETHER THE “STABILISATION MANAGERS”) OR ANY PERSON ACTING FOR THEM MAY OVER-ALLOT (PROVIDED THAT THE AGGREGATE PRINCIPAL AMOUNT OF THE OLO 48s ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OFFERED) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE OLO 48s AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO OBLIGATION ON ANY OF THE STABILISATION MANAGERS (OR ANY PERSON**

**ACTING FOR THEM) TO UNDERTAKE STABILISATION ACTION AND THERE IS NO ASSURANCE THAT ANY OF THEM WILL DO SO. ANY STABILISATION ACTION MAY BEGIN AT ANY TIME AFTER THE ADEQUATE PUBLIC DISCLOSURE OF THIS INFORMATION MEMORANDUM AND, IF BEGUN, MAY BE ENDED AT ANY TIME BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE DATE OF ISSUE OF THE OLO 48s AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE OLO 48s. ANY SUCH STABILISATION ACTION SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.**

**THE OLO 48s OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY.**

**FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

**TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

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## TERMS OF THE EURO 4,000,000,000 4.00 % OLOs DUE 28 March 2022 (the “OLO 48s”)

### Status

The OLO 48s constitute direct, unconditional and general obligations of the Kingdom, ranking *pari passu* with all present and future unsecured indebtedness of the Kingdom.

### Form

The OLO 48s will be issued in the amount of euro 4,000,000,000 on 24 May 2006 in book entry (i.e. dematerialised) form. Alternatively, it is expected that purchasers of the OLO 48s will be able to register their interest in the ledger of the public debt of the Kingdom (i.e. in registered (*inscription nominative / inschrijving op naam*) form). No certificates representing the OLO 48s will be issued.

Additional OLO 48s may be issued in one or several additional tranches at such time and in such amount as the Kingdom may, from time to time, decide. It is anticipated that the OLO 48s will be reopened through auctions, when appropriate.

### Redemption and Interest Payments

The OLO 48s will be redeemed at par on 28 March 2022. All payments in respect of the OLO 48s will be made by the National Bank of Belgium (“NBB”) as paying agent for the Kingdom. In the event that the maturity date or any interest payment date specified in relation to the OLO 48s is not a day on which the TARGET system is operating (a “**Business Day**”), payment will be made on the succeeding Business Day without any interest or other sum being payable in respect of the delay in payment. “**TARGET system**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

The OLO 48s will bear interest from 24 May 2006 (the “**Issue Date**”) at the rate of 4.00 per cent per annum payable in arrear on 28 March of each year (each an “**Interest Payment Date**”) up to and including 28 March 2022. The first interest payment will be made on 28 March 2007 in respect of the period from, and including, 24 May 2006 to, but excluding, 28 March 2007 (the “**First Interest Period**”).

The day-count basis on which interest will be calculated will be actual / actual as set out in Article 2 of the Ministerial Decree of 12 December 2000.

### Listing and Quotation

Application has been made to list the OLO 48s on Euronext Brussels. It is anticipated that the OLO 48s will also be traded on the Regulated Off-Exchange Market (*Marché secondaire hors bourse des obligations linéaires, des titres scindés et des certificats de trésorerie / Secundaire buiten-beurs markt van de lineaire obligaties, de gesplitste effecten en de schatkistcertificaten*). It is anticipated that the Committee of the Securities Regulation Fund (*Fonds des Rentes / Rentenfonds*), in its capacity as the market operator of the Regulated Off-Exchange Market, will publish daily reference quotations for the OLO 48s.

### Purchase

The Kingdom, acting through the Treasury, has the right under Belgian law to purchase or otherwise acquire in the secondary market OLO 48s and, at the option of the Kingdom, such OLO 48s may be held to maturity by the Kingdom or cancelled without notice or resold.

### Withholding Tax

The OLO 48s will not include any gross-up provisions.

### Strippability

It is anticipated that the OLO 48s will be strippable from a date to be notified by the Kingdom. Stripped OLO 48s must be in an amount of euro 2,000 or a multiple of euro 2,000.

## **Paying Agent**

NBB will fulfil the role of paying agent in relation to the OLO 48s.

## **Governing Law**

The OLO 48s are governed by and construed in accordance with the laws of the Kingdom. In accordance with the Royal Decree dated 16 October 1997, the Brussels courts have exclusive jurisdiction in relation to issues relating to the issuance of the OLO 48s.

## **Clearing Codes of the OLO 48s**

Common Code: 025550412  
ISIN: BE0000308172  
SVM / SRW: 308 17.

## **BACKGROUND INFORMATION ON OLOs**

### **The OLO Market**

#### **General**

OLOs are tradeable instruments which represent indebtedness of the Kingdom issued in successive tranches. OLOs of different tranches which have identical characteristics (i.e. maturity, rate of interest and interest payment dates) form a single series (each a “line”). Each line of OLOs is identified by a specific International Securities Identification Number (“ISIN”).

OLOs are issued pursuant to the law of 2 January 1991 on the Public Debt Securities Market and Instruments of Monetary Policy, Royal Decrees dated 23 January 1991 and 16 October 1997 (the “**Royal Decree**”), a decree of the Minister of Finance of the Kingdom dated 12 December 2000 (the “**Ministerial Decree**”) and, for each particular issue of OLOs, a decree of the Minister of Finance of the Kingdom relating to such issue. OLOs have been auctioned in the Belgian market since May 1989.

OLOs may be issued in maturities in excess of one year subject to compliance with all applicable legal and regulatory requirements.

In total, 47 lines of OLOs have been issued prior to the date of this Information Memorandum. As at the end of April 2006, there were 21 outstanding lines of OLOs with an aggregate outstanding amount of approximately euro 218.97 billion. The average size of OLO lines with a fixed rate coupon is euro 10.427 billion and the average weighted remaining maturity of OLOs with a fixed rate coupon is about 6.899 years. OLOs are the primary means of issuing debt for the Kingdom, and represented about 77.45 % of the Kingdom’s total outstanding debt as at the end of April 2006.

#### **Liquidity**

Primary dealers are required to post prices on Bloomberg, Reuters and / or Telerate pages, and to participate as market maker in MTS Belgium (the “inter-dealer broker” platform for the Belgian Government Securities market). The monthly turnover in OLOs during the last year was on average euro 43 billion (excluding repos).

#### **Strip market**

In 1992, a strip market was introduced. In total, 18 lines of OLOs are now strippable, with 3 coupon dates.

#### **Denomination of OLOs**

All OLOs currently in issue are denominated in euro, following the redenomination into euro of OLOs denominated in Belgian francs, French francs and Deutsche marks on 2 January 1999.

OLOs do not have any formal minimum amount. For OLOs issued through auction, bids or subscriptions, pursuant to the Ministerial Decree, there may be requirements as to minimum amounts and multiples of a given amount.

### **Primary and Recognised Dealers**

Secondary market liquidity in the OLO domestic market is provided by sixteen primary dealers (“**Primary Dealers**”) and by five recognised dealers (“**Recognised Dealers**”).

Only Primary and Recognised Dealers may submit competitive bids at auctions. Only Primary Dealers and, under certain conditions, the NBB, the *Fonds monétaire / Mutfonds*, the *Caisse des Dépôts et Consignations / Deposito- en Consignatiekas* and the *Fonds des Rentes / Rentenfonds* may submit non-competitive bids. In the event the Kingdom issues OLO tranches for subscription by investors as defined in Article 1§1 of the Royal Decree dated 16 October 1997, such OLOs will also be subscribed for through non-competitive bids by a panel of “placing institutions”.

### **Issue Procedures**

OLOs may be issued under a number of defined procedures. The most important of these are competitive auctions, non-competitive bids, exchange offers and underwritten issues.

## **CLEARING AND SETTLEMENT**

### **Issue and Settlement**

The OLO 48s will be cleared and settled in the clearing system operated by the National Bank of Belgium (the “**NBB System**”), Euroclear Bank, NV/SA as operator of the Euroclear System (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Settlement will take place on a “delivery versus payment” basis in accordance with the current NBB System, Euroclear and Clearstream, Luxembourg procedures. Customarily OLOs are settled on a T+3 basis but may have a shorter or longer settlement period depending on the conventions of the market into which they are offered.

The OLO 48s will be created in the account of the Kingdom with the NBB System on 24 May 2006. An amount thereof, as previously notified to the Kingdom by Fortis Bank nv-sa on behalf of the Managers (as defined under “Subscription and Sale”) (the “**NBB OLO 48s**”) will be transferred on the same day from the Kingdom’s account with the NBB System to the account of Fortis Bank nv-sa with the NBB System on a “delivery versus payment” basis (i.e. against payment by Fortis Bank nv-sa of the subscription funds into the account of the Kingdom with the NBB System). The remaining OLO 48s (the “**International OLO 48s**”) will be transferred on the same day, free of payment, to Euroclear’s account with the NBB System. On the basis of this transfer, Euroclear will credit the International OLO 48s to the account held by the Kingdom with Euroclear. The International OLO 48s will be transferred from the Kingdom’s account at Euroclear to the account held by Fortis Bank nv-sa with Euroclear in accordance with the current Euroclear procedures, on a “delivery versus payment” basis (i.e. against payment by Fortis Bank nv-sa in Euroclear and / or Clearstream, Luxembourg of the subscription funds into the account of the Kingdom at Euroclear).

### **Book-Entry**

The OLO 48s will be held in book-entry form in the securities accounts of the NBB System. Access to the NBB System is available through those of its participants whose membership extends to securities such as the OLO 48s (“**Participants**”). Direct Participants include Euroclear and Clearstream, Luxembourg.

### **Transfer of Interests in the OLO 48s**

Transfers between Participants will be effected in accordance with the rules and operating procedures of the NBB System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the direct or indirect Participants through whom they have elected to hold their OLO 48s, including Euroclear and Clearstream, Luxembourg.

The Kingdom will not have any responsibility for the performance by the NBB System or its Participants of their obligations under their respective rules and operating procedures.

### BELGIAN TAXATION ON THE OLO 48s

Taxation of the OLO 48s will be governed by the Belgian tax regime specified by the law of 6 August 1993 concerning transactions in certain bonds (*Loi du 6 août 1993 relative aux opérations sur certaines valeurs / Wet van 6 augustus betreffende de transacties met bepaalde effecten*) and the Royal Decree of 26 May 1994 on the deduction of withholding tax (*Arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier conformément au chapitre Ier de la loi du 6 août 1993 relative aux opérations sur certaines valeurs mobilières / Koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing overeenkomstig hoofdstuk I van de wet van 6 augustus 1993 betreffende de transacties met bepaalde effecten*), each as amended, known as the “X / N regime”.

It will also be governed by the law of 17 May 2004 transposing Council Directive 2003/48/EC on taxation of savings income in the form of interest payments into Belgian law and modifying the Belgian Income Tax Code of 1992 with respect to withholding tax, together with its implementing decrees and in particular the Royal Decree of 26 March 2005, each as amended.

#### Withholding Tax

All payments by or on behalf of the Kingdom of principal and interest on the OLO 48s will be made without deduction of Belgian withholding tax for the OLO 48s held by certain eligible investors (the “**Eligible Investors**”) in an exempt securities account (an “**Exempt Account**”) with the NBB System or with a Participant. Otherwise, withholding tax will be applicable to the OLO 48s at the rate of 15 per cent on the gross amount of interest (calculated before deduction of the “Residence State Levy” (as defined below), if any).

Eligible Investors are those entities referred to in Article 4 of the Royal Decree of 26 May 1994 which include, among others, (i) all investors who are not residents of the Kingdom for Belgian tax purposes (provided in the case of non-resident collective investment schemes which are not separate legal entities that their units have not been and are not sold publicly in the Kingdom and provided in the case of non-resident investors who are individuals or non-profit organisations that they are not holding the OLO 48s through a Belgian establishment (*établissement belge / Belgische inrichting*) within the meaning of Article 229 of the Belgian income tax code 1992 (the “**Tax Code**”) (*Code des Impôts sur les revenus 1992 / Wetboek van de Inkomstenbelastingen 1992*) and do not conduct professional activities in the Kingdom as defined in Article 228, paragraph 2, subparagraph 4 of the Tax Code (“**Belgian Professional Activities**”)) and (ii) all Belgian resident corporate investors validly formed as separate legal entities, including Belgian SICAVs / BEVEKs.

Eligible Investors do not include, among others, Belgian resident investors who are individuals or certain non-profit making organisations.

Upon opening of an Exempt Account with the NBB System or with a Participant, an Eligible Investor is required to provide a statement of its eligible status in a form approved by the Minister of Finance. There are no ongoing declaration requirements for Eligible Investors (except in case of any change in the information contained in the aforesaid statement). However, Participants are required to make annual declarations to the NBB System as to the eligible status of each investor for whom they hold the OLO 48s in an Exempt Account.

However, such documentary requirements do not apply to the OLO 48s held by Eligible Investors in a securities account with Euroclear, Clearstream, Luxembourg or any intermediary which is a participant in Euroclear or Clearstream, Luxembourg and is not established in the Kingdom. Euroclear and Clearstream, Luxembourg hold Exempt Accounts in NBB and payments of principal and interest on the OLO 48s to holders of such accounts will, therefore, be paid without deduction of Belgian withholding tax.

Stripped OLO 48s (principal and coupon strips) may be held only by Eligible Investors in an Exempt Account but the law of 5 December 2004 amending the law of 6 August 1993 concerning transactions in certain bonds (*Loi du 6 août 1993 relative aux opérations sur certaines valeurs / Wet van 6 augustus 1993 betreffende de transacties met bepaalde effecten*) permits the holding of principal strips of OLO lines issued after 1 January 2004 by others than Eligible Investors if the relevant OLO line is so designated by the King.

## **Capital Gains and Income tax**

Investors who are not residents of the Kingdom for Belgian tax purposes and are not holding the OLO 48s through a Belgian establishment and do not conduct Belgian Professional Activities will not incur or become liable for any Belgian tax on income or capital gains or other like taxes by reason only of the acquisition, ownership or disposal of the OLO 48s provided that they hold their OLO 48s in an Exempt Account.

## **Transfer Tax**

The acquisition or disposal of the OLO 48s is not subject to any Belgian stamp, value added or other transfer tax.

### **EU SAVINGS DIRECTIVE – RESIDENCE STATE LEVY**

On 3 June 2003 the Council of the European Union adopted Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The Directive was amended by Council Decision of 19 July 2004 (2004/587/EC), and entered into effect on 1 July 2005.

Under this Directive the competent authority of each EU Member State is required to systematically report to the competent authority of another Member State details of payments of interest (or other similar income) paid by a qualifying paying agent within its jurisdiction to an individual resident in such other Member State. During a transitional period, however, Belgium, Luxembourg and Austria are exempted from such reporting obligation and are instead authorised to apply a specific withholding tax on such interest payments, except where the individual resident in the other Member State requests an exemption in accordance with the procedure to be provided for in this respect by Austria, Belgium and Luxembourg in line with the procedures described in the Directive. The relevant withholding tax is set at a rate of 15 % during the first three years of the transitional period, 20% for the subsequent three years and 35 % thereafter. The relevant Member States shall retain 25 % of the tax so withheld and transfer 75 % of the revenue to the Member State of residence of the beneficial owner of the interest.

The transitional period shall end at the end of the first full fiscal year following the later of (a) the date of entry into force of an agreement between the European Community, following a unanimous decision of the Council, and the last of the Swiss Confederation, the Principality of Liechtenstein, the Republic of San Marino, the Principality of Monaco and the Principality of Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments, as defined in the Directive, made by paying agents established within their respective territories to beneficial owners resident in the territory to which the Directive applies, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate defined for the corresponding periods in relation to Austria, Belgium and Luxembourg and (b) the date on which the Council agrees by unanimity that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments, as defined in the Directive, made by paying agents established within its territory to beneficial owners resident in the territory to which the Directive applies.

At the end of the transitional period (or earlier if they so elect), Belgium, Luxembourg and Austria shall be required to apply the reporting obligations and they shall cease to apply the specific withholding tax and the revenue sharing.

The Directive was transposed into Belgian law with effect as of 1 July 2005, by the law of 17 May 2004 and its implementing Royal Decree of 26 March 2005, each as amended. Pursuant thereto, a specific withholding tax called “Residence State Levy” (*Prélèvement pour l’Etat de résidence / Woonstaatheffing*) will be levied during the aforesaid transitional period, at the rates specified above, on any payment of interest under the OLO 48s made by a paying agent established in Belgium to an individual (beneficial owner of such interest) resident in another EU Member State or in certain Third States, except if such individual provides a certificate to the paying agent drawn up in his name by the competent authority of his Member State of residence for tax purposes setting out the information required by article 13, paragraph 2 of the Directive.



Such Residence State Levy, if any, will be applied irrespective of any withholding tax otherwise due with respect to interest payments under the OLO 48s, and will be calculated on the gross amount of interest before deduction of such withholding tax, if any.

## U.S. TAXATION ON THE OLO 48s

Prospective U.S. purchasers of OLO 48s are advised to consult with their tax advisors as to the U.S. income tax implications of acquiring, owning and disposing of the OLO 48s.

## SUBSCRIPTION AND SALE

**CALYON** (“**CALYON Corporate and Investment Bank**”), **Citigroup Global Markets Limited** (“**Citigroup Global Markets Limited**”), **Fortis Bank nv-sa** (“**Fortis Bank**”) and **Goldman Sachs International** (“**Goldman Sachs International**”) (together, the “**Lead Managers**”) and **ABN AMRO Bank N.V.** (“**ABN AMRO**”), **Barclays Bank PLC** (“**Barclays Capital**”), **Credit Suisse Securities (Europe) Limited** (“**Credit Suisse**”), **Deutsche Bank AG, London Branch** (“**Deutsche Bank**”), **Dexia Banque Internationale à Luxembourg, société anonyme, acting under the name of Dexia Capital Markets** (“**Dexia Capital Markets**”), **HSBC France** (“**HSBC France**”), **ING Belgium SA/NV** (“**ING Financial Markets**”), **J.P. Morgan Securities Ltd.** (“**JPMorgan**”), **KBC Bank NV** (“**KBC Bank**”), **Nomura International plc** (“**Nomura International**”), **Société Générale** (“**SG CIB**”) and **UBS Limited** (“**UBS Investment Bank**”) (together with the Lead Managers, the “**Managers**”) have, pursuant to a Subscription Agreement dated 23 May 2006, jointly and severally agreed with the Kingdom, subject to the satisfaction of certain conditions, to subscribe the OLO 48s at 97.315 % of their principal amount. The Kingdom has agreed to pay to the Managers a total commission of 0.175 % of the principal amount of such OLOs allocated to the Managers. In addition, the Kingdom has agreed to reimburse the Lead Managers for certain of their expenses in connection with the issue of the OLO 48s. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Kingdom.

The Lead Managers, pursuant to a Selling Group Agreement dated 23 May 2006, have invited Banca d'Intermediazione Mobiliare IMI S.P.A., Dresdner Bank Aktiengesellschaft, Lehman Brothers International (Europe) , Morgan Stanley & Co. International Limited and Nordea Bank Denmark A/S (the “**Selling Group Members**”) to purchase an amount of OLO 48s at 97.315 % of their principal amount. The Kingdom has agreed to pay the Selling Group Members a total commission of 0.175 % of the principal amount of the OLO 48s allocated to the Selling Group Members.

### **Selling restrictions**

#### **General**

No action has been taken or will be taken in any jurisdiction by the Managers or the Kingdom (other than with respect to the listing of the OLO 48s on Euronext Brussels and the Regulated Off-Exchange Market) that would permit a public offering of the OLO 48s, or possession or distribution of this Information Memorandum or any other offering or publicity material relating to the OLO 48s, in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers the OLO 48s or has in its possession or distributes this Information Memorandum or any such other material, in all cases at its own expense. The Kingdom will have no responsibility for obtaining any consent, approval or permission required by a Manager for the acquisition, offer, sale or delivery by it of the OLO 48s under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. In addition, no other Manager will have any responsibility for, and each Manager has agreed that it will obtain any consent, approval or permission required by such Manager for the acquisition, offer, sale or delivery by it of the OLO 48s under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the OLO 48s other than as contained in this Information Memorandum or any amendment or supplement to it.

## **United States**

The OLO 48s have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the OLO 48s are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”). As used herein, the term “**United States**” has the meaning given to it in Regulation S.

In addition, until 40 days after the commencement of the offering of the OLO 48s, an offer or sale of OLO 48s within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each purchaser of OLO 48s offered and sold in the United States pursuant to Rule 144A will, by its purchase of such OLO 48s, be deemed to have represented and agreed as follows:–

1. It is (a) a qualified institutional buyer as defined in Rule 144A under the Securities Act (a “**QIB**”); (b) aware that the sale to it is being made in reliance on Rule 144A; and (c) acquiring such OLO 48s for its own account or for the account of a qualified institutional buyer.
2. It understands that the OLO 48s are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act and the OLO 48s have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except (a) to a person whom it and any person acting on its behalf reasonably believe is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A; (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or (c) in accordance with Rule 144 under the Securities Act (if available), in each case in accordance with any applicable securities laws of any state of the United States.
3. The Kingdom, the Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any OLO 48s for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
4. Each person re-offering or re-selling such OLO 48s in reliance on Rule 144A will be required to notify purchasers of the transfer restrictions set out herein.

**Prospective purchasers are hereby notified that sellers of the OLO 48s may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

## **United Kingdom**

Each Manager has represented and agreed that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the OLO 48s in, from or otherwise involving the United Kingdom.

**Issuer**

**Kingdom of Belgium**

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**Paying Agent**

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*in respect of Belgian law*

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