Press Release 6th April 2016

European Union €2.26bn 0.75% benchmark bond due 4th April 2031

The European Union ("EU"), rated AAA/Aaa/AA+/AAA by Fitch, Moody's, S&P and DBRS (st/st/neg/st), today issued a new €2.26 bn 0.75% April 2031 benchmark. On the back of strong market fundamentals post looser ECB monetary policy decisions in March, the EU took advantage of a clear issuance window ahead of expected competing supply to announce a new 15-year benchmark. Pricing was tightened by 1 basis point during the book building process due to a high quality and significantly oversubscribed order book.

The transaction was executed by the European Commission (Directorate General for Economic and Financial Affairs – Luxembourg) on behalf of the EU. Issuance size was limited by the EU´s current funding needs. The main part of the funds (€2.25bn) will be used as a second tranche to refinance Portugal's EFSM loan maturing in June (in total €4.75bn) and the remainder of €10 million to finance a loan disbursement under the EU's Macro-Financial Assistance programme.

The €2.26bn transaction was priced at mid-swaps +2 basis points, equivalent to 47.1 basis points over the 5.5% DBR due 2031.

Joint bookrunners were BNP Paribas, DZ BANK, HSBC, Morgan Stanley and Société Générale.
Co-Lead managers were Commerzbank, Crédit Agricole, LBBW and UniCredit.

Execution highlights

- Following supportive action of the ECB in March and a period of stability in the lead up to April, the EU opted to move ahead with the transaction.

- The transaction was announced to the market on 5th April 2016 at 1.30pm CET as a 15-year benchmark due 4th April 2031.

- After taking IOIs overnight with IPTs at mid-swaps+3 basis points area, the order book was formally opened on 6th April 2016 just before 9:00am CET with official spread guidance in line with IPTs at mid-swaps+3 basis points area. By 10.00am CET, the orderbook had grown in excess of €1.75bn (excluding any joint lead manager interest).

- Given the strong demand from investors and a targeted benchmark size the spread was set at mid-swaps +2 basis points around 10:45am CET with an orderbook over €2.4bn (excluding joint lead manager interest). Final books closed at 11.30am CET with orders in excess of €3.2bn (incl. €385 million of joint lead manager interest. The deal size was set at €2.26bn.

- The transaction priced shortly after 2.45pm CET at mid-swaps +2 basis points, which represented a 4 basis points concession to fair value.

  With 98 investors participating, the transaction saw a high degree of support from Germany/Austria (48.0%), followed by Benelux (15.0%), France (14.5%) and the United Kingdom and Southern Europe (7.0% each). In terms of investor type, Fund Managers and Banks/PBs were the largest group represented (40.0% each) followed by Insurance/Pension (14.5%) and Central Banks/Official Institutions (5.5%).

Background information on the European Union

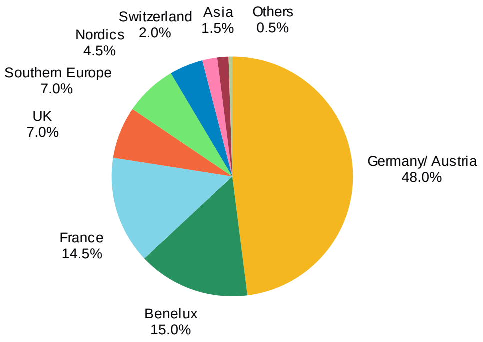
- The EU was established by the Treaty of Rome in 1957 and is 0% risk weighted as an issuer (Basel III). The EU's borrowings are direct and unconditional obligations of the EU, and are ultimately joint and severally guaranteed by its 28 Member States. The European Commission is empowered by the EU Treaty to borrow from the international capital markets, on behalf of the European Union.

- The EU borrows exclusively in Euros for lending on to sovereign borrowers. The EU currently has three loan programmes:

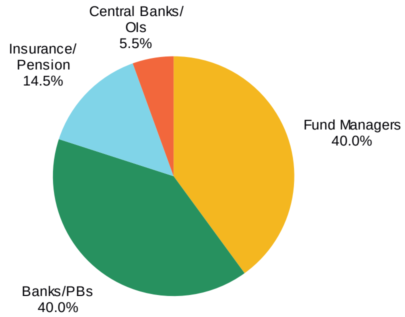
    - Under the EFSM (European Financial Stabilisation Mechanism), the EU can borrow up to €60bn to lend to any Member State (although the main focus has been on lending to Member States of the euro area). ESFM loans of €24.3bn have been disbursed to Portugal, which has successfully completed the assistance programme in June 2014. Based on a Council decision of June 2013, the country has the possibility to request the Commission to extend the maturity of loans already paid out, helping to diversify the maturity profile of the debt. In accordance with the above Council Decision, in January 2016 Portugal formally requested to lengthen the maturity of its EFSM loan of a nominal amount of €4.75bn maturing on 3 June 2016. To this end, the EU had launched on 8 March 2016 a first transaction of an amount of €1bn with a maturity of 20 years and a coupon of 1.125%, followed by today´s issuance.
    - Up to €50bn can be borrowed under the EU's Balance of Payments facility (BoP), which offers support to Member States which have not yet adopted the Euro.
    - The EU also borrows to finance Macro-Financial Assistance (MFA) loans to support, together with IMF, non-EU countries.

Summary of the distribution

Distribution by country



Distribution by type



Summary of terms and conditions

Issuer	:	European Union (EU)
Issue ratings	:	AAA (st) / Aaa (st) / AA+ (neg) / AAA (st) (Fitch/Moody's/S&P/DBRS)
Pricing date	:	6th April 2016
Settlement date	:	13th April 2016 (T+5)
Maturity date	:	4th April 2031
Size	:	€ 2,260,000,000.00
Coupon	:	0.75%; annual ACT/ACT
Re-offer spread	:	MS+2bps (DBR 5.5% 01/31 +47.1bps)
Re-offer price	:	98.294%
Re-offer yield	:	0.872%
ISIN	:	EU000A18Z2D4
Listing	:	Luxembourg Stock exchange
Denominations	:	€ 1,000.00
Bookrunners	:	BNPP, DZ BANK, HSBC (B&D), MS, SG CIB

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