

## FITCH RATES ICELAND'S USD1BN EUROBOND DUE 2022 'BBB-'

Fitch Ratings-London-04 May 2012: Fitch Ratings has assigned the Republic of Iceland's USD1bn Eurobond, with a coupon of 5.875%, due May 2022, a 'BBB-' rating. The rating is in line with Iceland's Long-term foreign currency Issuer Default Rating (IDR), which has a Stable Outlook.

Fitch upgraded Iceland's Long-term and Short-term foreign currency IDRs to 'BBB-' and 'F3' respectively from 'BB+' and 'B' on 17 February 2012, while affirming the Long-term Local currency IDR at 'BBB+'. Both Long-term ratings have Stable Outlooks.

The restoration of Iceland's Long-term foreign currency rating to investment grade reflected the progress that has been made in restoring macroeconomic stability, pushing ahead with structural reform and rebuilding sovereign creditworthiness since the 2008 banking and currency crisis.

Fitch notes that this latest bond issue follows a similar five-year issue in 2011 and underlines Iceland's successful return to international capital markets following the financial sector induced crisis of 2008-09.

### Contact:

Primary Analyst  
Paul Rawkins  
Senior Director  
+44 (0) 20 3530 1046  
Fitch Ratings Limited  
30 North Colonnade  
London, E14 5GN

Secondary Analyst  
Douglas Renwick  
Senior Director  
+44 (0) 20 3530 1045

Committee Chairperson  
Ed Parker  
Managing Director  
+ 44 (0) 20 3530 1176

Media Relations: Peter Fitzpatrick, London, Tel: +44 20 3530 1103, Email: peter.fitzpatrick@fitchratings.com.

Additional information is available at [www.fitchratings.com](http://www.fitchratings.com). The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria, "Sovereign Rating Methodology", dated 13 August 2011 are available on [www.fitchratings.com](http://www.fitchratings.com).

### Applicable Criteria and Related Research:

Sovereign Rating Methodology  
[http://www.fitchratings.com/creditdesk/reports/report\\_frame.cfm?rpt\\_id=648978](http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=648978)

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