

Notice

**NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.**

20 November 2012

**DEXIA CREDIT LOCAL**  
(the Company)

**ANNOUNCES THE LAUNCH OF A TENDER OFFER  
AND INVITES THE HOLDERS OF**

**the outstanding**

€500,000,000 Floating Rate Ordinary Subordinated Callable Notes due 2017  
issued on 9 July 2007 (ISIN: XS0307581883) (the **2017 Notes**)

**and the outstanding**

€300,000,000 Fixed to Floating Rate Ordinary Subordinated Callable Notes due 2019  
issued on 12 February 2007 (ISIN: XS0284386306) (the **2019 Notes** and together with the 2017 Notes, the  
**Notes**, each a **Series**)

**TO TENDER THEIR NOTES FOR PURCHASE FOR CASH UP TO A MAXIMUM AGGREGATE  
PRINCIPAL AMOUNT OF €400,000,000 SUBJECT TO THE DISCRETION OF THE COMPANY  
TO INCREASE OR DECREASE SUCH AMOUNT**

Notes	ISIN	Listing	Outstanding nominal amount	Denomination	Purchase Price
2017 Notes	XS0307581883	Luxembourg	€500,000,000	€50,000	65%
2019 Notes	XS0284386306	Luxembourg	€300,000,000	€50,000	65%

*This Notice must be read in conjunction with the tender offer memorandum dated 20 November 2012 (the Tender Offer Memorandum) which has been prepared by Dexia Crédit Local (the Company) in relation to the Tender Offer. Capitalised terms used in this Notice and not otherwise defined herein shall have the meanings ascribed to them in the Tender Offer Memorandum.*

*This Notice and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Tender Offer. If you are in any doubt as to the contents of this Notice or the Tender Offer Memorandum or the action you should take, it is recommended that you seek your own financial and legal advice, including as to any tax consequences, from your stockbroker, bank manager, solicitor, tax advisor, accountant or other appropriately authorised independent financial adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if they wish to participate in the Tender Offer. The distribution of this Notice in certain jurisdictions (in particular the United States, the United Kingdom, France, the Republic of Italy and Belgium) is restricted by law (see the section "Offer Restrictions" below). Persons into whose possession this document comes are required by each*

*of the Company, the Joint Dealer Managers and the Tender and Information Agent to inform themselves about, and to observe, any such restrictions.*

## **RATIONALE OF THE TENDER OFFER**

The purpose of the Tender Offer is to strengthen the Company's core tier 1 capital. The Company will continue to explore ways to strengthen its core tier 1 capital and may adopt additional measures to improve its capital base.

The invitation by the Company to tender its Notes for cash will provide liquidity to the market with respect to the Notes.

The Company does not currently envisage that it will exercise the call options to redeem the 2017 Notes or the 2019 Notes. It is very unlikely, given the commitments taken or to be taken towards the Belgian, French and Luxembourg States and in the context of the European Commission's authorisation of State aid granted to Dexia, that such call options may be exercised in the future. Notwithstanding this, any decisions to exercise call options (as and when exercisable under the terms and conditions of the Notes) in respect of the Notes that are not purchased by the Company pursuant to the Tender Offer will be taken having regard to the economic impact of exercising (or not exercising) such call option, the prevailing market conditions and subject to the approval of the relevant regulatory authorities, including possibly, the European Commission.

## **TERMS OF THE TENDER OFFER**

### **Introduction**

On the terms and subject to the conditions contained in the Tender Offer Memorandum, the Company is inviting the Qualifying Holders (subject to the offer restrictions contained in the Tender Offer Memorandum) to tender their Notes for purchase by the Company at the Purchase Price plus Accrued Interest, as the case may be.

Subject to the right of the Company to extend, withdraw, terminate, or amend the terms and conditions of the Tender Offer, as described in the Tender Offer Memorandum, the Company will purchase for cash an amount of Notes validly tendered by Qualifying Holders up to a maximum aggregate principal amount of Notes of €400,000,000, subject to the Company's discretion to increase or decrease such maximum aggregate principal amount.

Notes purchased by the Company pursuant to the Tender Offer will be cancelled and will not be re-issued or re-sold. Notes which have not been validly submitted and accepted for purchase pursuant to the Tender Offer will remain outstanding.

The Notes are listed on the Luxembourg Stock Exchange (the **LSE**).

### **Tender Offer Period**

The Tender Offer will commence on 20 November 2012 and will end at 16:00 hours Central European Time (**CET**) on 27 November 2012 (the **Expiration Time**) unless extended or shortened by the Company, in which case an announcement to that effect will be made by the Tender and Information Agent or the Joint Dealer Managers on behalf of the Company, by way of announcements on the relevant Notifying News Service(s), through the Relevant Clearing Systems, and by a notice posted on the LSE website ([www.bourse.lu](http://www.bourse.lu)). Noteholders are invited to tender their

Notes during the period from 20 November 2012 up to the Expiration Time, subject to earlier deadlines set by the Relevant Clearing Systems.

### **Accrued Interest**

The Company will pay accrued and unpaid interest from and including the immediately preceding interest payment date for the Notes to but excluding the Settlement Date in respect of all 2017 Notes and 2019 Notes validly submitted for tender and accepted for purchase by the Company pursuant to the Tender Offer.

### **Tender Consideration**

The consideration payable to each Noteholder in respect of Notes of each Series validly submitted for tender and accepted for purchase by the Company will be an amount in cash equal to the Purchase Price (expressed as a percentage) for such Series multiplied by the aggregate principal amount of the Notes so submitted for tender by such Noteholder and accepted for purchase by the Company plus the Accrued Interest Amount in respect of such Notes (rounded to the nearest €0.01, with €0.005 being rounded upwards).

### **Pro-Rating of Offers to Sell**

In the event that the aggregate principal amount of Notes validly tendered under the Tender Offer is greater than the Maximum Tender Amount, a *pro rata* reduction may be applied to such Offers to Sell in order to ensure that the aggregate principal amount of Notes accepted for purchase by the Company pursuant to the terms of the Tender Offer does not exceed the Maximum Tender Amount.

### **Results Announcement Date**

As soon as practicable on 28 November 2012, the Company will announce, the Maximum Tender Amount, the final aggregate principal amount of Notes accepted for purchase pursuant to the Tender Offer, the final aggregate principal amount of 2017 Notes accepted for purchase pursuant to the Tender Offer, the final aggregate principal amount of 2019 Notes accepted for purchase pursuant to the Tender Offer, the Tender Pro-Rating Factor(s) (if applicable) and the Accrued Interest for each Series. The results will be notified by way of announcements on the relevant Notifying News Service(s), through the Relevant Clearing Systems, and by a notice posted on the LSE website ([www.bourse.lu](http://www.bourse.lu)).

### **Settlement**

The Settlement Date for the Tender Offer is expected to be 30 November 2012. All sales pursuant to the Tender Offer will settle through the normal procedures of Euroclear and Clearstream, Luxembourg. On the Settlement Date, the Company shall pay or procure the payment of, to each Noteholder which has validly submitted an Offer to Sell by the Expiration Time, an amount in cash equal to the relevant Tender Consideration in respect of each principal amount of Notes so tendered and delivered by such Noteholder and accepted for purchase by the Company.

### **Procedure for Submitting Offers to Sell**

Any Noteholder wishing to participate in the Tender Offer must submit, or arrange to have submitted on its behalf, an Offer to Sell which shall be received by the Tender and Information Agent by the Expiration Time and, if applicable, before the deadlines set by the relevant Clearing System (unless the Tender Offer is terminated earlier or withdrawn), all as more fully described in the section "*Procedure for Submitting Offers to Sell*" of the Tender Offer Memorandum.

## Extension, Withdrawal, Termination and Amendment

Subject to applicable law, the Company reserves the right to extend, shorten, withdraw, terminate or amend the terms and conditions of the Tender Offer in any way at any time after the announcement of the Tender Offer, including with respect to any Offers to Sell submitted as of the time of any such extension, withdrawal, termination or amendment.

If the Company terminates the Tender Offer, any Notes offered for sale will not be purchased.

Any extension, withdrawal, termination or amendment of the terms and conditions of the Tender Offer as described above will be followed as promptly as practicable by appropriate announcements on the relevant Notifying News Service(s), through the Relevant Clearing Systems and on the LSE website ([www.bourse.lu](http://www.bourse.lu)), and will be subject to the provisions set out in the section "*Extension, Termination, Withdrawal and Amendment*" in the Tender Offer Memorandum.

## Key Dates

Please note the following important dates and times relating to the Tender Offer. Each is indicative only and is subject to change as a result of any extension, withdrawal, termination or amendment as set out in this Notice and in the Tender Offer Memorandum:

### Events

### Times and Dates

#### Commencement of the Tender Offer

on 20 November 2012

Notice announcing the Tender Offer distributed via the Relevant Clearing Systems.

Notice of the Tender Offer published on the LSE website ([www.bourse.lu](http://www.bourse.lu)), and on a Notifying News Service.

Tender Offer Memorandum made available to Qualifying Holders (upon request).

Beginning of Tender Offer Period.

#### Expiration Time

16:00 hours CET on  
27 November 2012

Deadline for receipt by the Tender and Information Agent of Electronic Instructions.

End of Tender Offer Period.

#### Announcement of the results of the Tender Offer

at or around 10:00 hours CET on  
28 November 2012

Details of:

- (i) the Maximum Tender Amount;
- (ii) the final aggregate principal amount of Notes accepted for purchase pursuant to the Tender Offer;
- (iii) the final aggregate principal amount of 2017 Notes accepted for purchase pursuant to the Tender Offer;
- (iv) the final aggregate principal amount of 2019 Notes accepted for purchase pursuant to the Tender Offer;

(v) the Tender Pro-Rating Factor(s) (if applicable); and

(vi) the Accrued Interest for each Series,

distributed via the Relevant Clearing Systems and published by way of announcement on a Notifying News Service, and on the LSE website ([www.bourse.lu](http://www.bourse.lu)).

#### **Settlement Date**

30 November 2012

Settlement of the Tender Offer.

Payment of Tender Consideration in respect of Notes accepted for purchase.

*Qualifying Holders are advised to check with the bank, securities broker or other intermediary through which they hold their Notes whether such intermediary would require receiving instructions to participate in, or withdraw their instructions to participate in, the Tender Offer prior to the deadlines set out above. **The deadlines set by each Clearing System for the submission of Electronic Instructions to the Tender and Information Agent may also be earlier than the relevant deadlines above, in which case Qualifying Holders should follow those earlier deadlines.***

*Significant delays may be experienced where notices are delivered through the Relevant Clearing Systems and Qualifying Holders are urged to contact the Joint Dealer Managers or the Tender and Information Agent at the telephone numbers specified on the back cover of this Tender Offer Memorandum for the relevant announcements during the Tender Offer Period. All announcements will be made available upon release at the offices of the Tender and Information Agent.*

#### **Further Information**

Neither this Notice nor the Tender Offer Memorandum constitute a recommendation by the Company, the Joint Dealer Managers, the Tender and Information Agent or any of their respective directors or employees to Noteholders to tender Notes. None of the Company, the Joint Dealer Managers, the Tender and Information Agent or any of their respective directors or employees has authorised any third party to make any such recommendation. Noteholders should thoroughly examine the information contained in the Tender Offer Memorandum, consult their personal legal, tax and investment advisers and make an independent decision whether to tender any Note held by them to the Company on the basis of the Tender Offer.

For more information regarding the terms and conditions of the Tender Offer, in particular the determination of the Tender Consideration, please refer to the Tender Offer Memorandum.

Questions and requests for documents or assistance in connection with the Tender Offer may be directed to the Joint Dealer Managers or the Tender and Information Agent and questions and requests for assistance in connection with the delivery of Offers to Sell may be directed to the Tender and Information Agent. The contact details for each of the Joint Dealer Managers and the Tender and Information Agent are provided below.

## **Contact Information**

The Joint Dealer Managers of the Tender Offer are:

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

Attention: Liability Management Group

Tel: +44 207 677 5040

Email: [liabilitymanagementeuropa@morganstanley.com](mailto:liabilitymanagementeuropa@morganstanley.com)

**Société Générale**

(Coordinator)

17, Cours Valmy  
92987 Paris La Défense  
France

Attention: Liability Management

Tel: +33 1 58 98 45 81

Email: [liability.management@sgcib.com](mailto:liability.management@sgcib.com)

The Tender and Information Agent of the Tender Offer is:

**LUCID ISSUER SERVICES LIMITED**

436 Essex Road  
London N1 3QP  
United Kingdom

Attention: Thomas Choquet / Yves Theis

Tel: +44 20 7704 0880

Email: [dexia@lucid-is.com](mailto:dexia@lucid-is.com)

The Company:

**DEXIA CREDIT LOCAL**

Tour Dexia  
La Défense 2  
1, Passerelle des Reflets  
92913 La Défense Cedex  
France

Copies of the Tender Offer Memorandum are available upon request addressed to the Joint Dealer Managers or the Tender and Information Agent.

Prior to making a decision as to whether to participate in the Tender Offer, Noteholders should carefully consider all of the information in the Tender Offer Memorandum.

## OFFER RESTRICTIONS

*This Notice does not constitute an invitation to participate in the Tender Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The distribution of this Notice in certain jurisdictions may be restricted by law. Persons into whose possession this Notice comes are required by each of the Company, the Joint Dealer Managers and the Tender and Information Agent to inform themselves about, and to observe, any such restrictions.*

### **United States**

*The Tender Offer is not being made and will not be made directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of the United States. The Notes may not be tendered in the Tender Offer by any such use, means, instrumentality or facility from or within the United States, by persons located or resident in the United States within the meaning of Rule 800(h) under the U.S. Securities Act of 1933, as amended (the Securities Act). Accordingly, copies of the Tender Offer Memorandum, this Notice and any documents or materials related to this Tender Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including without limitation, by custodians, nominees or trustees) in or into the United States or to any such person. Any purported offer to sell in response to the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid, and offers to sell made by a person located or resident in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will not be accepted.*

*For the purposes of the above paragraph, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.*

### **United Kingdom**

*This Notice, the Tender Offer Memorandum and any other offer material relating to the Tender Offer are each a communication falling within section 21(1) of the UK Financial Services and Markets Act 2000 having the benefit of an exemption to the applicable restrictions regarding financial promotion pursuant to Articles 19 and 43 of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the **Order**). This Notice, the Tender Offer Memorandum, and any such other offer material are, therefore, only made to, or directed at, persons falling within those articles of the Order and any other persons to whom this Notice, the Tender Offer Memorandum and such other offer material can otherwise be lawfully communicated (together being referred to as **relevant persons** in this paragraph), and must not be acted on or relied upon by persons other than relevant persons. Any investment activity referred to in this Notice or the Tender Offer Memorandum or such other offer material are available only to relevant persons and will be engaged in only with relevant persons.*

### **France**

*The Tender Offer is not being made, directly or indirectly, to the public in the Republic of France. This Notice, the Tender Offer Memorandum and any other offering material relating to the Tender Offer may not be distributed to the public in the Republic of France and only qualified investors (investisseurs qualifiés) with the exception of individuals, all as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the French Code monétaire et financier, are eligible to participate in the Tender Offer. Neither this Notice, nor the Tender Offer Memorandum, nor any other such offering material has been submitted for clearance to the Autorité des marchés financiers.*

### **Republic of Italy**

*None of the Tender Offer, this Notice, the Tender Offer Memorandum or any other documents or materials relating to the Tender Offer have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (CONSOB), pursuant to applicable Italian laws and regulations.*

*The Tender Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial***

**Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **Issuers' Regulation**).

Qualifying Holders located in the Republic of Italy can tender Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes, the Tender Offer, this Notice or the Tender Offer Memorandum.

### **Belgium**

Neither this Notice, nor the Tender Offer Memorandum, nor any other documents or materials relating to the Tender Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten) (**FSMA**) and, accordingly, the Tender Offer may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids (as amended or replaced from time to time). Accordingly, the Tender Offer may not be advertised and the Tender Offer will not be extended, and neither this Notice, nor the Tender Offer Memorandum, nor any other documents or materials relating to the Tender Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended or replaced from time to time) (the **Belgian Public Offer Law**), acting for their own account. Insofar as Belgium is concerned, this Notice and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Tender Offer. Accordingly, the information contained in this Notice or the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

### **European Economic Area**

In any European Economic Area (**EEA**) Member State that has implemented Directive 2003/71/EC as amended (together with any applicable implementing measures in any Member State, the **Prospectus Directive**), this Notice or the Tender Offer Memorandum is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

This Notice and the Tender Offer Memorandum have been prepared on the basis that the Tender Offer in any Member State of the EEA, which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to produce a prospectus.

Each person in a Relevant Member State who receives any communication in respect of the Tender Offer contemplated in this Notice or the Tender Offer Memorandum will be deemed to have represented, warranted and agreed to and with each Joint Dealer Manager and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

### **General**

This Notice and the Tender Offer Memorandum do not constitute an offer to buy or the solicitation of an offer to sell Notes, and tenders of Notes for purchase pursuant to the Tender Offer will not be accepted from Noteholders in any circumstances in which such offer or solicitation is unlawful.

In addition to the representations referred to above in respect of the United States, each holder of Notes participating in the Tender Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "General Conditions Relating to Acceptance of the Tender Offer" in the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Tender Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Company, the Joint Dealer Managers and the Tender and Information Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Tender

*Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender shall not be accepted.*

*The Joint Dealer Managers and the Tender and Information Agent (or their directors, employees or affiliates) make no representations or recommendations whatsoever regarding this Notice, the Tender Offer Memorandum or the Tender Offer. The Tender and Information Agent is the agent of the Company and owes no duty to any Noteholder.*

*None of the Company, the Joint Dealer Managers or the Tender and Information Agent makes any recommendation as to whether or not Noteholders should participate in the Tender Offer.*

***Prior to making a decision as to whether to participate in the Tender Offer, Noteholders should carefully consider all of the information in this Notice and the Tender Offer Memorandum, and in particular, the following:***

*Notes purchased by the Company pursuant to the Tender Offer will be promptly thereafter cancelled and will not be re-issued or re-sold. Notes which have not been submitted for tender or have not been successfully submitted for tender and purchased pursuant to the Tender Offer will remain outstanding after the Settlement Date. Depending on the number of Notes tendered and sold to the Company on the basis and terms of this Tender Offer, the trading market for Notes which remain outstanding following completion of the Tender Offer may be significantly more limited. Such outstanding Notes may command a lower price than a comparable issue of securities with greater market liquidity. Even if a market for the Notes remains in existence, there may be a negative impact on the price of the remaining Notes resulting from current interest levels, the market for similar securities, the performance of the Company as a whole and other factors. A reduced market value may also make the trading price of the remaining Notes more volatile. As a result, the market price for the Notes that remain outstanding after the completion of the Tender Offer may be adversely affected by the Tender Offer. In addition, the Company may decide to purchase Notes pursuant to further tender offers or otherwise after the completion of the Tender Offer which may have an additional impact on the liquidity, value and volatility of the Notes remaining outstanding after such operations.*