

## TERM SHEET

### 2011 GOVERNMENT BONDS ISSUE

Issuer:	Republic of Mozambique
Modality:	Private Placement of Bonds.
Amount:	2,618.617 million Meticais.
Maturity:	5 years.
Representation:	26,186,170 dematerialised bonds, issued to the bearer, with placement and trading according to the Law.
Face Value:	100 Meticais per bond.
Price of Subscription and Issuance:	100 Meticais per bond.
Subscription:	Bonds shall be subscribed by the general public through financial institutions authorised to perform the activity of security intermediation.
Subscription Period:	28 <sup>th</sup> November to 6 <sup>th</sup> December 2011.
Issuance and Financial Settlement Date:	7 <sup>th</sup> December 2011.
Interest Rate:	<p>The interest rate, which remunerates these bonds, results from adding a margin to an indexing factor (reference rate), rounded up to the 1/16 of percentage point equal or immediately above.</p> <p>The interest rate shall be determined until 8:30 am of the second working day prior to the beginning date of the new period of interest calculation.</p> <p>The interest rate shall be calculated by the end of each five semesters, and payment of intercalary interest shall be due by the end of each semester.</p>

The indexing will be determined by the weighted average, maturity and the amounts of the last six issues of Treasury Bills (T-Bills) with maturities above 60 days.

In case there are no issues of such securities for the periods considered within the last 28 calendar days prior to the date of calculation of the indexer, than another security which, by nature, comes to replace the securities considered, shall be considered as indexer.

The percentage margin to be added to the “FPC – Facilidade Permanente de Cedência” rate deducted by the weighted average, the maturity, and the amounts of the last six issues of Treasury Bills, for periods above 60 days, is 0.5% (zero point five).

Interest calculation: Interest will be calculated daily on a 360 day basis, corresponding to a year with twelve months, 30-days per month (i.e. under the 30/360 convention).

Interest Rate of the 1<sup>st</sup> coupon: The interest rate for the 1<sup>st</sup> coupon, with duration of 5 semesters, shall be set at 17% (seventeen percent).

Payment of Interest: Interest will be paid subsequently to each semester at the interest rate in force for the respective coupon, on 7<sup>th</sup> June and 7<sup>th</sup> December each year, and the first payment will take place on 7<sup>th</sup> June 2012 and the last one on 7<sup>th</sup> December 2016.

In case the expected date is not a working day (defined as a day in which Banks are open and operating in Maputo), the interest payment date will be postponed to the immediately following working day.

Repayment Date: By the end of the issue period, 7<sup>th</sup> December 2016, in case no early repayment takes place by will of the Issuer. If such date is not a working day (defined as a day in which Banks are open and operating in Maputo), the Repayment Date will be postponed to the immediately following working day.

Anticipated reimbursement initiated by the issuer (Call Option): The bonds can be partially or fully reimbursed by request of the issuer, by means of reduction of the nominal issue amount, from and including the 5<sup>th</sup> semester, on the semester interest payment dates, with a minimum notice of 15 days.

Anticipated reimbursement initiated by the investors (Put Option): Investors may request the early payment of the amounts held, by the end of each five semesters and with a minimum notice of 30 days.

Guarantees	Government Bonds enjoy the known privileges and guarantees of public debt securities. All the amounts required to meet public debt obligations shall be recorded in the State Budget.
Listing:	The bonds will be listed in the Mozambique Stock Exchange ( <i>Bolsa de Valores de Moçambique</i> ).
Underwriting:	This issue may be underwritten by Financial Institutions authorised to intermediate Securities or by such other institutions as the National Directorate of Treasury may invite for that purpose.
Tax Regime:	As per the tax regime in force, and with the exception of the entities exempt of taxation and the entities exempt of withholding tax, income from securities listed in the Mozambique Stock Exchange is subject to a tax of 10% to be paid as IRPS (corporate tax) or IRPC (income tax).
Payment and Calculation Agent:	National Directorate of Treasury.
Organisation and Leadership:	National Directorate of Treasury.