PRESS RELEASE
27th February, 2018

**European Union EUR 1,000 million 15-year bond issue due April 4th, 2033**

The European Union ("EU"), rated AAA/Aaa/AA/AAA by Fitch, Moody's, S&P and DBRS (all rating outlooks stable), today issued a new EU 1.25% April 2033 bond with a nominal amount of EUR 1 000 million. This was the EU's second transaction of the year, and the second and final tranche to extend the maturity of Ireland's EUR 3,400 million EFSM loan which is due on 4 April 2018.

The transaction was executed by the European Commission (Directorate General for Economic and Financial Affairs – Luxembourg) on behalf of the EU. The bond was priced at 17 basis points through mid-swaps, equivalent to +28.5 basis points over the 4.75% DBR due July 2034 and 6.6 basis points through the 1.25% FRTR due May 2034.

Joint bookrunners were Citi, Credit Agricole CIB, Deutsche Bank and LBBW.

Execution highlights

- Final orderbook in excess of EUR 6,700 million (including EUR 425 million of joint lead manager interest).
- Well diversified and high quality demand with 180 investors participating.

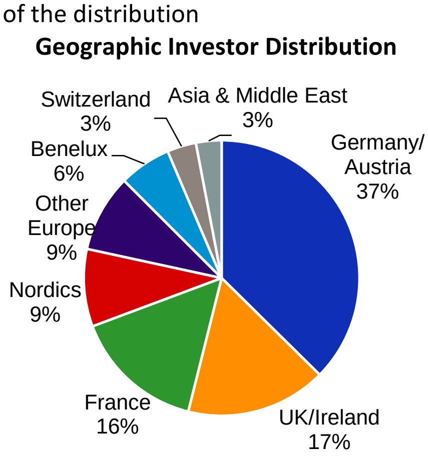
Background information on the European Union

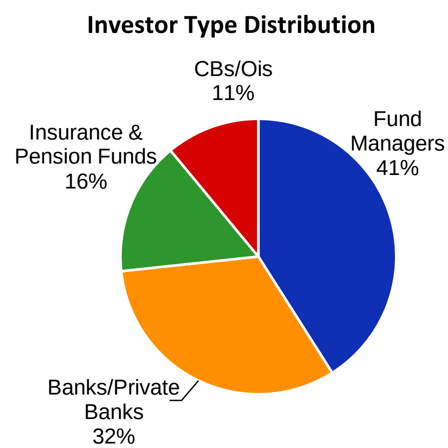
- The EU was established by the Treaty of Rome in 1957 and is 0% risk weighted as an issuer (Basel III). The EU's borrowings are direct and unconditional obligations of the EU, and are ultimately joint and severally guaranteed by the EU Member States. The European Commission is empowered by the EU Treaty to borrow from the international capital markets, on behalf of the European Union.
- The EU borrows exclusively in Euros for on-lending in Euros to sovereign borrowers. The EU currently operates three loan programmes: The European Financial Stabilisation Mechanism ("EFSM"), the Balance of Payments facility ("BoP") and Macro-Financial Assistance ("MFA").
- Under the EFSM, the EU can borrow up to EUR 60 billion to on-lend to, in principle, any Member State and up to EUR 50 billion under the Balance of Payments facility ("BoP"), where support is available only to Member States which have not adopted the Euro. Furthermore, the EU borrows to finance Macro-Financial Assistance ("MFA") loans to support, together with the IMF, non-EU countries.
- The EU funding plan for 2018 is close to EUR 5,000 million and more than 2/3 of this has now been executed.

Pricing and Execution

- The mandate for a new 15-year EUR 1,000 million no-grow benchmark was announced on Monday, 26th February 2018 at 15:30am CET.
- The transaction came off an encouraging start with investor interest pouring in immediately after the mandate announcement, led by accounts out of Germany and France.
- Even without a formal guidance (no "Initial Pricing Thoughts") at announcement, "Indications of Interest" amounted to more than EUR 1,100 million at the end of the day, including EUR 425 million from the joint leads.
- The strong initial interest enabled the official price guidance to be released at MS -15 basis points at 08:55am CET on Tuesday, 27th February 2018 when books were opened.
- Fair value for the transaction was seen at MS -17 basis points, this initial guidance was equivalent to an initial New Issue Premium ("NIP") of 2 basis points.
- Following official books open, orders continued to build rapidly and exceeded EUR 3,900 million by 09:30am CET. On the back of the already large and still dynamically growing order book and limited price sensitivity, the spread was set at MS -17 basis points and the time of book closure was communicated for 10:00am CET, just a good hour after opening.
- The final order book exceeded an impressive EUR 6,700 million (including EUR 425 million of joint-lead manager interest) with involvement from 180 investors.
- The deal was priced at MS -17 basis points shortly after, translating to a re-offer yield of 1.260% and a re-offer price of 99.863%. This represents a pick-up of 28.5 bps over Bund and a pricing of less than 1 basis points through the interpolated French curve.
- The combination of the highly oversubscribed, granular order book and fine pricing in line with fair value reflects the EU's standing as a rare quality issuer with investors. The majority of the demand came from Germany & Austria, UK & Ireland and France with additional interest from the Nordic region, other Europe, the Benelux, Switzerland, Asia and Middle East. The book was dominated by Fund Managers and Bank Treasuries, followed by Insurance/Pension Fund and  Central Bank/OI orders.

Summary of the distribution




citi CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK Deutsche Bank LBBW Landesbank Baden-Württemberg

Summary of terms and conditions

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| Issuer | : | European Union (EU) |
| Issue ratings | : | AAA/Aaa/AA/AAA (Fitch/Moody's/S&P/DBRS)<br>(benefitting from the unconditional support of all EU Member States) |
| Pricing date | : | 27th February 2018 |
| Settlement date | : | 6th March 2018 (T+5) |
| Maturity date | : | 4th April 2033 |
| Size | : | EUR 1,000,000,000.00 |
| Coupon | : | 1.250%; annual ACT/ACT |
| Re-offer spread | : | MS –17 bps (DBR 4.75% 07/34 +28.5 bps) |
| Re-offer price | : | 99.863% |
| Re-offer yield | : | 1.26% |
| ISIN | : | EU000A19XC51 |
| Listing | : | Luxembourg Stock Exchange |
| Denominations | : | EUR 1,000.00 |
| Bookrunners | : | Citi, Credit Agricole CIB, Deutsche Bank, LBBW |