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This announcement is not an offer of securities in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. Dexia Municipal Agency does not intend to register any portion of the planned Offer or any offer of New Obligations Foncières in the United States or to conduct a public offering of securities in the United States, or any other country. See "Offer Restrictions" below.

Terms used but not defined herein shall have the meaning given to them in the Offer Memorandum.



Dexia Municipal Agency
Obligations Foncières Exchange Offer

Paris – 8 September 2010

Dexia Municipal Agency ("Dexia MA") has today announced a voluntary *Obligations Foncières* exchange offer (the "Offer"). Under the terms of the Offer, Qualifying Holders of certain short-dated *Obligations Foncières* issued by Dexia MA are invited to exchange holdings into their choice of new *Obligations Foncières* maturing in 5, 8 or 10 years, respectively January 2016¹, September 2018 and September 2020 (the "New *Obligations Foncières*"), subject to the terms and conditions of the Offer.

The purpose of the Offer is to increase the duration of Dexia MA's liabilities and take advantage of attractive market conditions. The transaction is also intended to improve secondary market liquidity in Dexia MA's *Obligations Foncières*, and to provide existing holders an opportunity to extend duration in Dexia MA's *Obligations Foncières* and invest in benchmark, on-the-run securities.

Summary of the target Existing *Obligations Foncières*

Existing <i>Obligations Foncières</i>	ISIN Code	Outstanding Nominal Amount	Offer Spread	Order of Priority
€2,150,000,000 4.25 per cent. <i>Obligations Foncières</i> due November 2010	FR0010547349	€2,150,000,000	-71 bps	1
€2,500,000,000 4 per cent. <i>Obligations Foncières</i> due January 2011	FR0010039032	€2,500,000,000	-57 bps	2
€1,500,000,000 4.75 per cent. <i>Obligations Foncières</i> due June 2011	FR0010626960	€1,500,000,000	-35 bps	3
€1,620,000,000 5.5 per cent. <i>Obligations Foncières</i> due October 2012	FR0000489296	€1,620,000,000	+8 bps	4
€2,750,000,000 4.25 per cent. <i>Obligations Foncières</i> due February 2013	FR0000472417	€2,750,000,000	+20 bps	5
€2,000,000,000 4.125 per cent. <i>Obligations Foncières</i> due June 2013	FR0010581520	€2,000,000,000	+28 bps	6
€1,930,000,000 3.875 per cent. <i>Obligations Foncières</i> due March 2014	FR0010369306	€1,930,000,000	+28 bps	7

Dexia MA is offering to exchange Existing *Obligations Foncières* at a yield equivalent to the interpolated EURIBOR or mid-swap rate for each series of *Obligations Foncières* plus the applicable Offer Spread. The spread of each series of New *Obligations Foncières* will be announced on Monday 13 September (please see expected Offer Timeline below).

¹ Corresponding to a long 5-year maturity.

Please refer to the Offer Memorandum dated 8 September 2010 (the “Offer Memorandum”), which includes the Base Prospectus, for full details of the Offer and its terms and conditions. Electronic copies of the Offer Memorandum may be obtained upon request by Qualifying Holders of the Existing *Obligations Foncières* from the Information Agent (see below). Capitalised terms in this announcement shall have the same meaning as defined in the Offer Memorandum.

Dexia MA is proposing to accept offers to exchange Existing *Obligations Foncières* validly submitted up to a maximum aggregate nominal amount representing an aggregate nominal amount of New *Obligations Foncières* of €3,000,000,000 for each series of New *Obligations Foncières*. Amounts validly submitted to exchange in excess of €3,000,000,000 of each series of New *Obligations Foncières* will be subject to pro rata reduction as described in detail in the Offer Memorandum. Dexia MA may also choose to issue additional New *Obligations Foncières* for cash, concurrently with the Offer, subject to the maximum new issue amount of €3,000,000,000 per series of New *Obligations Foncières*.

If pro rata reduction is applied, it will be applied in order of maturity, with short-dated Existing *Obligations Foncières* being given priority of acceptance (see Order of Priority above). Qualifying Holders can indicate an optional second choice of New *Obligations Foncières* series, should they prefer to have any pro rata reduction in their submissions to the Offer re-allocated to such second-choice series, rather than being rejected.

In order to participate in the Offer, Qualifying Holders must deliver a nominal amount of Existing *Obligations Foncières* of a single series of not less than €50,000. Amounts pro-rated to less than €50,000 will be rejected.

If, after taking into account the Qualifying Holders’ first choice and second choice (if any) of offer to exchange and the potential additional New *Obligations Foncières*, the aggregate nominal amount of one or more of the series of New *Obligations Foncières* is less than €500,000,000, Dexia MA reserves the right to cancel such series.

Expected Offer Timeline

Events	Dates and Times
	<i>All times are Paris time</i>
Launch of the Offer	8 September 2010
Offer announced and notice of the Offer submitted to the Clearing Systems and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on a Notifying News Service. Offer Memorandum made available to Qualifying Holders (upon request)	
Announcement of the New <i>Obligations Foncières</i> Spread	13 September 2010
Announcement of the New <i>Obligations Foncières</i> Spread submitted to the Clearing Systems and published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on a Notifying News Service.	
Revocation Deadline	12.00 noon on 15 September 2010
Electronic Instruction Notices and Paper Instruction Notices are irrevocable from and including the Revocation Deadline.	
Expiration Deadline	4.00 p.m. on 15 September 2010
Deadline for receipt by Exchange Agent of all Paper Instruction Notices and Electronic Instruction Notices and simultaneous transfer of Existing <i>Obligations Foncières</i> . Qualifying Holders should note that Electronic Instruction Notices must be submitted in accordance with the deadlines of the relevant Clearing System to have such Electronic Instruction Notice reflected in a Paper Instruction Notice (as applicable).	
Announcement of indicative Pro-ration Factors, if applicable	Morning of 16 September 2010
In the event that the Maximum Acceptance Amount of the relevant new series of <i>Obligations Foncières</i> is exceeded, announcement of the indicative Pro-ration Factors applicable.	
Pricing Date and Pricing Time	At or around 3.00 p.m. on 16 September 2010
Provided the Issuer has not elected to withdraw or terminate the Offer prior to the Pricing Time, determination of the Interpolated Mid-Swap Rates, the Interpolated Euribor Rates, the Exchange Offer Prices, the Exchange Ratios, the New <i>Obligations Foncières</i> Prices, the New	

Obligations Foncières Coupons and the Accrued Interest.

Announcement of the results of the Offer**As soon as practicable after
the Pricing Time**

Announcement of (i) the Interpolated Euribor Rates and the Interpolated Mid-Swap Rates; (ii) the Exchange Offer Prices, the New *Obligations Foncières* Spreads, the New *Obligations Foncières* Yield, the New *Obligations Foncières* Prices, the New *Obligations Foncières* Coupons and the Accrued Interest; (iii) the final aggregate nominal amount of Existing *Obligations Foncières* accepted for exchange; (iv) the Exchange Ratios, (v) the final Pro-rata Factors (if any); and (vi) the final aggregate nominal amount of New *Obligations Foncières*. Announcement to be submitted to the Clearing Systems and published by way of announcement on a Notifying News Service and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Settlement of the Offer**Expected to take place on
24 September 2010**

Delivery of the New *Obligations Foncières* Consideration and payment of the Accrued Interest and the Cash Rounding Amount in exchange for Existing *Obligations Foncières* validly submitted for exchange and accepted by the Issuer.

Participating in the Exchange Offer

Direct Participants in *Euroclear France* must submit by fax, either on their behalf or on behalf of their clients, a Paper Instruction Notice to the Exchange Agent and simultaneously transfer the Existing *Obligations Foncières* (held on their behalf or on behalf of their clients) on a free non-matching basis to Euroclear France account no. 30 account types (*natures de compte*) 051 (for delivery against 5 year New *Obligations Foncières*), 052 (for delivery against 8 year New *Obligations Foncières*) and 057 (for delivery against 10 year New *Obligations Foncières*) of the Exchange Agent. Please contact the Exchange Agent or refer to the Offer Memorandum for more information on how to participate.

Direct Participants in *Clearstream, Luxembourg* or *Euroclear*, either on their behalf or on behalf of their clients, must submit electronic instructions via the European clearing systems in the normal way. Please contact the Information Agent or refer to the Offer Memorandum for more information on how to participate.

Joint Dealer Managers:**Credit Suisse (Global Coordinator)**

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DISCLAIMER

The Joint Dealer Managers do not take responsibility for the contents of this announcement and none of Dexia, Dexia MA, the Joint Dealer Managers, the Exchange Agent or the Information Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding the Offer or any recommendation as to whether Qualifying Holders should offer Existing *Obligations Foncières* for exchange pursuant to the Offer. This announcement must be read in conjunction with the Offer Memorandum. No invitation to exchange any Existing *Obligations Foncières* is being made pursuant to this announcement. Any such invitation is only being made in the Offer Memorandum and any offers to exchange should be made solely on the basis of information contained in the Offer Memorandum. This announcement and the Offer Memorandum contain important information, which should be

read carefully before any decision is made with respect to the Offer. If any Holder is in any doubt as to the action it should take, it is recommended to seek its own advice, including as to any tax consequences, from its stockbroker, bank manager, legal advisor, accountant or other independent adviser.

OFFER RESTRICTIONS

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

No action has been or will be taken in any jurisdiction in relation to the Offer that would permit a public offering of securities in any such jurisdiction.

United States

The Offer is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality of interstate commerce or of any facilities of a national securities exchange of, the United States or to U.S. persons. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. Accordingly, copies of this announcement, the Offer Memorandum (as defined herein) and any other documents or materials relating to the 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 U.S. person and the Existing *Obligations Foncières* cannot be offered for exchange pursuant to the Exchange Offer by any such use, means, instrumentality or facility or from within the United States. Any purported offers to exchange Existing *Obligations Foncières* pursuant to the Exchange Offer resulting, directly or indirectly, from a violation of these restrictions will be invalid, and offers to exchange made by a U.S. person, a resident of the United States or from within the United States or from any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or any U.S. person will not be accepted.

Neither this announcement nor the Offer Memorandum is an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The New *Obligations Foncières* have not been, and will not be, registered under the Securities Act, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to or for the account or benefit of U.S. persons. The purpose of this announcement and the Offer Memorandum is limited to the Offer and this announcement and the Offer Memorandum may not be sent or given to any person other than a non-U.S. person in an offshore transaction in accordance with Regulation S under the Securities Act.

Each Qualifying Holder of Existing *Obligations Foncières* participating in this Offer will represent to the Issuer, the Joint Dealer Managers, the Exchange Agent and the Information Agent that it is not located in the United States and is not a U.S. person and is not giving an order to participate in the Offer from within the United States or on behalf of a U.S. person.

Italy

The Offer is not extended to any person (natural or legal) resident in the Republic of Italy. The Offer is not being made, directly or indirectly, in the Republic of Italy. The Offer, this announcement and the Offer Memorandum have not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (CONSOB) pursuant to applicable Italian laws and regulations. Accordingly, this announcement, the Offer Memorandum (or any part thereof), or any other documents or materials relating to the Offer may not be distributed or made available in the Republic of Italy.

Belgium

The Offer is not being made, directly or indirectly, to the public in the Kingdom of Belgium. Neither the Offer nor this announcement nor the Offer Memorandum nor any other documents or materials relating to the Offer have been notified to the Belgian Banking, Finance and Insurance Commission (*Commission bancaire, financière et des assurances*) pursuant to Article 32 of the Belgian Law of 16 June 2006 on the offerings of securities and admission of securities to trading on regulated markets (the "Law on Public Offerings") and Article 19 of the Law of 1 April 2007 on public acquisition offers (the "Law on Public Acquisition Offers") nor has this announcement, the Offer Memorandum or any other information circular, brochure or similar document relating to the Offer been, nor will it be, approved by the Belgian Banking, Finance and Insurance Commission pursuant to Article 23 of the Law on Public Offerings and Article 18 of the Law on Public Acquisition Offers. Accordingly, the Offer may not be advertised and none of this announcement, the Offer Memorandum and any other information circular, brochure or similar document relating to the Offer may be distributed, directly or indirectly, in the Kingdom of Belgium other than to qualified investors as referred to in Article 10 of the Law on Public Offerings and Article 6, paragraph 3 of the Law on Public Acquisition Offers, acting for their own account. Insofar as the Kingdom of Belgium is concerned, this announcement and the Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement and the Offer Memorandum may not be used for any other purpose or disclosed to any other person in the Kingdom of Belgium.

France

The Offer is not being made, directly or indirectly, to the public in the Republic of France. Neither this announcement, the Offer Memorandum nor any other documents or offering materials relating to the Offer have been or shall be distributed to the public in the Republic of France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or (ii) qualified investors (*investisseurs qualifiés*), as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier* are eligible to participate in the Offer. Neither this announcement nor the Offer Memorandum has been or will be submitted for clearance to or approved by the *Autorité des marchés financiers* ("AMF").

United Kingdom

The communication of this announcement and the Offer Memorandum and any other documents or materials relating to the Offer is not being made by, and this announcement and the Offer Memorandum and such documents and/or materials have not been

approved by, an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (“FSMA”). Accordingly, this announcement and the Offer Memorandum and such documents and/or materials are not being distributed to, and must not be passed on to, persons in the United Kingdom save in circumstances where section 21(1) of the FSMA does not apply. The communication of this announcement and the Offer Memorandum and such documents and/or materials is only being made to those persons in the United Kingdom who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (ii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”); or (iii) persons falling within Article 43 of the Order.

Insofar as the communication in this announcement, the Offer Memorandum and such documents and/or materials is made to or directed at relevant persons, any investment or investment activity to which it relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document, the Offer Memorandum or any of their contents.

European Economic Area

In any other EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the “Prospectus Directive”), each of the Offer Memorandum and this announcement is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

Each of the Offer Memorandum and this announcement have been prepared on the basis that any offer of New *Obligations Foncières* in any Member State of the European Economic Area (“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 an Offer Memorandum for offers of New *Obligations Foncières*. Accordingly any person making or intending to make any offer within the EEA of New *Obligations Foncières* which are the subject of the offer contemplated in the Offer Memorandum and this announcement may only do so in circumstances in which no obligation arises for the Issuer or the Joint Dealer Managers to produce an Offer Memorandum pursuant to Article 3 of the Prospectus Directive or supplement an Offer Memorandum pursuant to and in accordance with Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Joint Dealer Managers have authorised, nor do they authorise, the making of any offer (i) of any New *Obligations Foncières* in circumstances in which an obligation arises for the Issuer or the Joint Dealer Managers to publish or supplement an Offer Memorandum for such offer; or (ii) of New *Obligations Foncières* through any financial intermediary, other than offers made by the Joint Dealer Managers which constitute the offering of the New *Obligations Foncières* contemplated in the Offer Memorandum and this announcement .

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any New *Obligations Foncières* under the offer contemplated in the Offer Memorandum and this announcement will be deemed to have represented, warranted and agreed to and with each Joint Dealer Manager and the Issuer that:

- (a) 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; and
- (b) in the case of any New *Obligations Foncières* acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, (i) the New *Obligations Foncières* acquired by it in the offers have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Joint Dealer Managers has been given to the offer or resale; or (ii) where the New *Obligations Foncières* have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New *Obligations Foncières* to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an “offer” in relation to any New *Obligations Foncières* in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any New *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe for the New *Obligations Foncières*, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

General

The Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing *Obligations Foncières* and/or New *Obligations Foncières* in any jurisdiction in which such offer or solicitation would be unlawful or would not be in compliance with the laws or regulations of such jurisdiction. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of the Joint Dealer Managers by one or more such registered brokers or dealers licensed under the laws of such jurisdiction.