



# State of the Netherlands

## Principal Strips due 15 January 2023 (P/O) re-opening

Issued under the authorization to contract loans borne by the State of the Netherlands, given by the Comptabiliteitswet 2001. (Government Accounts Act 2001).

**Issuance** tap issue commencing 13 June 2006, until further notice

**Payment** 16 June 2006

Issue	the issue of the principal is subject to the obligation to reconstitute the P/O together with the 7 1/2 % DSL 1993 due 15 January 2023 or the full line of Interest Strips (I/O) into the 3 3/4 % DSL 2006 due 15 January 2023
Initial maturity	16 years and 297 days commencing 24 March 2006
Remaining maturity	16 years and 213 days commencing 16 June 2006
Redemption	on 15 January 2023 the principal will be redeemable at par; early redemption either in whole or in part is not permitted
Issue price and quantity	the initial proposal will be announced via MTS Amsterdam by 10.00 a.m. on 13 June 2006 and may be revised at any time
Announcement	the total accepted amount will be announced after the close of the tap issue

## DEFINITIONS

	The terms used in the conditions have the meanings stated below:
<b>P/O (Principal Only):</b>	Principal Strip due 15 January 2023 issued by the State of the Netherlands;
<b>I/O (Interest Only):</b>	Interest Strip due 15 January 2007, 2008 .. 2023
<b>DSTA:</b>	Dutch State Treasury Agency, part of the Ministry of Finance;
<b>MTS:</b>	MTS Amsterdam N.V.;
<b>Necigef:</b>	<i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> (Dutch Central Securities Giro Institute);
<b>Euroclear:</b>	Euroclear Bank N.V.;
<b>Clearstream:</b>	Clearstream Banking;
<b>Target:</b>	Trans-European Automated Real-time Gross settlement Express Transfer;
<b>Interpay:</b>	<i>Interpay Nederland B.V.</i> (Interpay Netherlands);
<b>Admitted party:</b>	Primary Dealer;
<b>Primary Dealer:</b>	Institution appointed as such by agreement with the State of the Netherlands;
<b>Affiliated institution:</b>	Institution affiliated to Necigef;
<b>Proposal:</b>	The offer to buy or sell a traded security via the MTS system with specification of the quantity and the price quoted;
<b>Application:</b>	Participation in a proposal;
<b>Tick:</b>	1 tick represents 0,01% of the par value of the traded security;
<b>Time:</b>	Time is Central European Time;
<b>STRIPS:</b>	(Separate Trading of Registered Interest and Principal Securities) a registered claim against the State of the Netherlands pertaining only to a nominal amount which shall be paid at a certain time.

## GENERAL CONDITIONS

### 1. Manifestation

The debt issued is embodied in the form of a registered right in the name of the affiliated institutions of Necigef and their accountholders. All or part of the debt issued can be made available by means of a registered right in a nominal amount of whole euros.

### 2. Redemption

On 15 January 2023, the principal will be redeemable at par. Repayment of the principal is made to Necigef in favour of the affiliated institutions and their accountholders. Other rightful claimants are paid directly by the DSTA. By virtue of this payment the State of the Netherlands discharges its liability vis-à-vis the rightful claimants. Early redemption either in whole or in part is not permitted.

### 3. Due dates for redemption

If the Target and Interpay systems are not in operation on a due date for payment of the principal as referred to in article 2, the principal will become payable on the next day on which the Target and Interpay systems are in operation.

### 4. Limitation

The right to payment of interest or the principal of the bond will lapse five years after the beginning of the day following the date on which these amounts first become payable.

### 5. Applicable law and jurisdiction

The loan is subject to Netherlands law. Disputes may be brought exclusively before the competent court in the Netherlands.

### 6. Costs

Where these conditions do not expressly state that they will be borne by the State of the Netherlands, costs will not be chargeable to the State of the Netherlands.

### 7. Conditions

In case of dispute as to the interpretation of these conditions, the Dutch text will be binding. Copies of these conditions are available free of charge from admitted parties.

## ISSUE CONDITIONS

### 1. Participation

The principal will be sold exclusively through admitted parties who are obligated to reconstitute the P/O together with the 7 1/2 % DSL 1993 due 15 January 2023 or with the full line of Interest Strips (I/O 2007, 2008,..2023) into the 3 3/4 % DSL 2006 due 15 January 2023 on 16 June 2006.

### 2. Tap issue

The initial issue price will be announced at 10.00 a.m. on 13 June 2006. The issue price may be revised at any time. Commencing 13 June 2006 between 10.00 a.m. and 5.00 p.m. until further notice, on Target business days, admitted parties may submit their applications in MTS. Acceptance will be in nominal amounts and at the prevailing issue price. The minimum amount accepted per trade is euro 1 million with increments of euro 1 million. Trades less than euro 1 million nominal will be cancelled. Trades more than euro 1 million which are not multiples of euro 1 million will be rounded downwards to the nearest multiple of euro 1 million. After the closing of the tap issue, the total accepted nominal amount will be announced in the *Staatscourant* (Official Gazette of the Netherlands).

### 3. Reservation

The State of the Netherlands reserves the right to cancel the issue at any time up to 10.00 a.m. on 13 June 2006.

Furthermore the right is reserved, without giving reasons, to cancel proposals in whole or in part and to suspend or terminate the tap issue at any time. In addition the right is reserved to unilaterally cancel trades that are not in line with these issue conditions or inconsistent with the market level at the time of execution. To be inconsistent with the market level, the application price must have differed by a minimum number of ticks from the last application executed on MTS within the previous 5 minutes, depending on the maturity of the security, as set out in the table below.

Maturity	Number of ticks
0 to 3,5 years	20
3,5 to 6,5 years	30
6,5 to 13,5 years	40
13,5 years and more	60

To identify the market level in the absence of applications executed within the previous 5 minutes, the second-best proposal present at the time of execution will be considered, taking account of the appropriate side of the market. In case of a unilateral cancellation the DSTA shall notify the counterpart and MTS, via telephone, e-mail or fax without delay, and in any event not later than 15 minutes before the end of opening hours of MTS.

### 4. Settlement

Settlement takes place internal in Euroclear on issue account 25003 or in Clearstream through the electronic bridge.

### 5. Payment

The amount payable will be equal to the product of the issue price and the awarded nominal amount. This amount which shall be paid on 16 June 2006 on a "trade for trade" basis must be credited to the DSTA's issue account number 25003 with Euroclear.

In the event of late payment of the amount due the right is reserved to recover any loss suffered by the State of the Netherlands from the admitted party concerned.

Amsterdam, 7 June 2006

The minister of Finance,  
On his behalf  
The agent of the Ministry of Finance

Erik Wilders