



PRESS RELEASE - 9 January 2014 Republic of Portugal (Ba3 (stable) / BB (neg watch) / BB+ (neg out)) EUR 3.25 bn OT Syndicated Tap due 14 June 2019

Summary Terms

Size: € 3.25 billion 9th January 2014 Pricing Date: 16th January 2014 14th June 2019 Settlement: Maturity:

4.750%, annual, Act/Act Coupon: Reoffer Spread: Mid Swaps + 330bps

Reoffer yield: 4.657% Reoffer price: 100.410%

MTS, BrokerTec, BGC-eSpeed, Euronext Lisbon Listing:

Denominations:

Lead Managers: BARCLAYS, CAIXABI, GSI, HSBC, MS, SG CIB

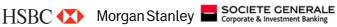
- The Republic of Portugal successfully priced today a €3.25 billion syndicated tap of the OT 4.75% bonds due 14 June 2019 at a spread of 330bp over mid-swaps for a yield of 4.657%. This is Portugal's first syndicated transaction of 2014 and follows from a very successful debt exchange on December 3rd 2013
- Significant and consistent tightening across Portugal's EUR government bond curve, positive investor feedback, a constructive tone in the EUR market, and minimal competing supply gave Portugal an attractive window for issuance
- The mandate was announced at around 03.15pm Lisbon time on Wednesday 8th of January with the intention of opening books the day after, subject to market conditions. The Republic began taking Indications of Interest at 08:00 Lisbon time on Thursday 9th January 2013, communicating Initial Pricing Thoughts (IPT) of mid swaps +340 basis points area
- Books were formally opened at around 09:15am Lisbon time, with revised price guidance of mid swaps +335 basis points area. Indications of Interest (IOIs) at that stage exceeded €5 billion, with a strong presence from both domestic and international accounts. The orderbook went subject at 10:45 Lisbon time, with total orders in excess of €11 billion
- The final order book exceeded €11.2 billion via approximately 280 accounts, underlining the breadth of support for this important transaction. The transaction enjoyed particularly strong take-up from international real money investors, demonstrating widespread demand for Portugal in the capital markets
- The quality and size of the order book enabled Portugal to fix the spread of the tap at mid swaps +330 basis points, 10 basis points tighter from Initial Pricing Thoughts. This represents











- approximately a 5 basis point new issue concession versus the corresponding secondary market at the time of announcement
- As a result, the final allocation has a strong presence of buy and hold investors and increased geographical diversification when compared with previous deals
- Transaction priced at approximately 4:00 pm Lisbon time, at mid-swaps +330 basis points or 375 basis points over the corresponding German Benchmark (DBR 3.750% due January 2019)
- Market making obligations on MTS Portugal, BrokerTec, and eSpeed will apply

DISTRIBUTION STATISTICS

Allocation by Geography

■ UK 4.5% 4.4% ■ PORTUGAL 4.7% ■ SCANDINAVIA 5.1% 38.3% ■ GER./AUS./SWI. 7.4% FRANCE **■**US 7.4% ■ ITALY 7.5% **■ SPAIN** 11.8% 8.9% OTHER EUROPE **■** OTHER

Allocation by Investor Type

