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CORPORATE & INVESTMENT BANKING



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IGCP  
Instituto de Gestão da Tesouraria  
e do Crédito Público, I.P.

**PRESS RELEASE – 7 February 2011**

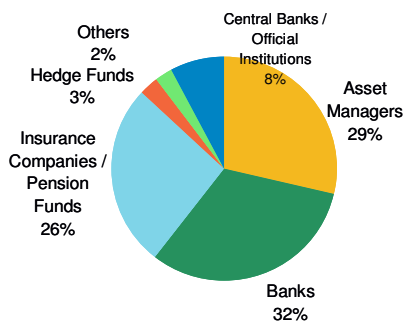
## **Republic of Portugal (A1 / A- / A+)**

### **EUR 3.5 bn OT Syndication due 15 February 2016**

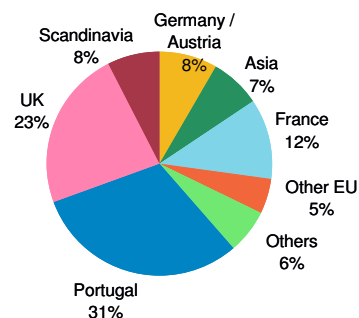
- The Republic of Portugal today successfully returned to the EUR syndicated benchmark market with a €3.5 bn 5-year OT offering. This is Portugal's first OT syndication since February 2010
- Transaction was upsized and priced in line with guidance following a single-day execution, a testament to Portugal's ongoing access to the international capital markets at beneficial terms
- Portugal's total borrowing programme for 2011 is likely to be around EUR 20 bn (gross bonds, net other instruments), approximately 20% lower than the 2010 borrowing programme, and of which 30% has been completed including this transaction
- Significant and consistent tightening across Portugal's EUR government bond curve, a constructive tone in the EUR market, and minimal competing supply gave Portugal an attractive window for issuance
- The mandate was announced at 09:00 Lisbon/London time on Monday 7 February 2011. Books were formally opened at around 10:15 Lisbon/London time, after significant Indications of Interest (IOIs) were received from investors. Orders exceeded €3.5 within an hour of announcement and were over €5bn within 2 hours, with a strong presence from both domestic and international accounts
- Books closed at 1:30 pm Lisbon/London, with more than €7 bn in orders via 160 investors, underlining the breadth of support for this important transaction
- Guidance was initially announced at mid-swaps +360 bps, which represented a 15-20 bp new issue concession versus the corresponding secondary market. Spread sensitivity was minimal, with all orders good at the re-offer, enabling Portugal to price the transaction in line with the original guidance
- Transaction priced at 5:00 pm Lisbon/London time, at Mid-Swaps +360 bps or 402.3 over the corresponding Bund. Final coupon was 6.4%. Liquidity will be further enhanced via subsequent auctions over the next 12 months. Market making obligations on MTS Portugal, BrokerTec, and eSpeed will apply

## DISTRIBUTION STATISTICS

### Distribution by Investor Type



### Distribution by Geography



## FINAL TERMS AND CONDITIONS

Issuer	The Republic of Portugal
Issuer Ratings	A1 (Moody's) /A- (S&P) / A+ (Fitch) (neg/neg/neg)
Issue Amount	EUR 3.5 bn
Trade Date	7 February 2011
Settlement Date	14 February 2011
Maturity Date	15 February 2016
Benchmark	OBL 2.000% due February 26, 2016
Spread to Benchmark	+402.3 bps
Coupon	6.4% annual, ACT/ACT
First Coupon Date	15 February 2012
Reoffer Spread	Mid Swaps +360 bps
Yield	6.457% annual
Issue Price	99.762%
Joint Lead Managers	Barclays, BNP Paribas, Caixa BI, Deutsche Bank, HSBC, Morgan Stanley

For further information please contact:

- Alberto Soares, President, IGCP
- info@igcp.pt / +351 21 7923318