

€3 billion 5.65% OT due 15 February 2024

FINAL PRESS POINTS

7th May 2013

Summary Terms

Size:	€ 3 billion
Pricing Date:	7 th May 2013
Settlement:	14 th May 2013
Maturity:	15 th February 2024
Coupon:	5.65%, annual, Act/Act (short first coupon)
Reoffer Spread:	mid swaps + 400bps
Reoffer yield:	5.669%
Reoffer price:	99.877%
Listing:	Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	CAIXABI, CITI, CA-CIB, GSI, HSBC, SG CIB

- The IGCP has today raised € 3 billion through the sale of a new Republic of Portugal benchmark government bond maturing on the 15th February 2024.
- Priced at the tight end of guidance, representing only 13bps concession to the secondary Portuguese government bond curve.
- The issuance attracted massive interest from the international investor community, with an order book in excess of € 10 billion and 369 investors participating in the deal.
- This transaction clearly demonstrates Portugal's access to capital markets funding and reflects a great vote of confidence in Portugal by the International bond market.

Execution summary

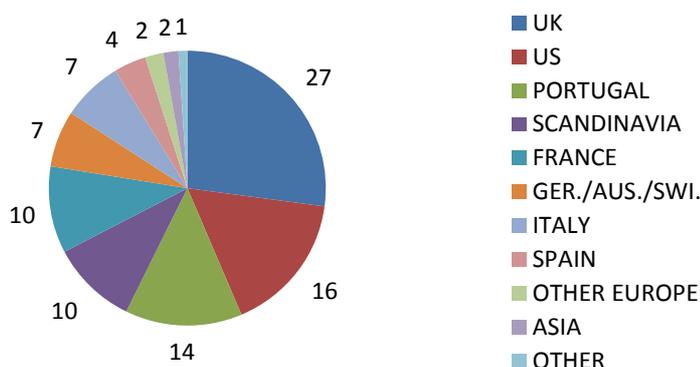
- The ongoing performance of peripheral yields to recent tightens allowed the Republic of Portugal to consider a new 10 year OT benchmark.
- The transaction was announced to the market during the afternoon of Monday 6th May 2013. Market reception to the transaction announcement was strong, with the OT October 2023 actually quoted tighter at the market open the following morning.
- Initial Price Thoughts of mid swaps + 405bps area were released to the market at 8:20am London time, representing an 18bps new issue concession to fair value.
- Indications of interest totaled more than €4 billion by the time books opened at 9:20am London time. Given the impressive response to the IOI stage, official price guidance was released at mid swaps + 400 to 405bps.
- The positive momentum continued throughout the London morning allowing the lead managers to fix the final spread at mid swaps + 400bps by 10:10am.
- Books closed at 10:45am London time for European and Asian investors with more than €9 billion of orders in the book, whilst US books went subject at 1:30pm London time.
- Deal size was set at €3 billion, smaller than the market had anticipated which saw the underlying OT curve rally notably as accounts looked to buy existing OT bonds.
- Books closed in excess of €10 billion with 369 investors in the book.

Distribution

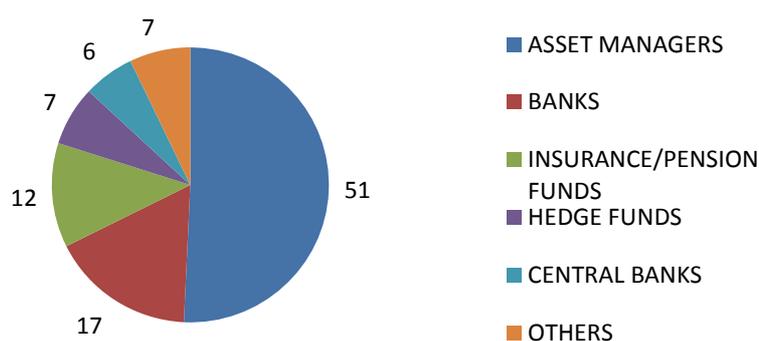
- There was huge demand for the transaction internationally, with 86% of the deal placed with non-domestic investors. The US continues to be supportive - subscribing up to 16% of the deal - and French and Scandinavian investors presented a strong participation – each with 10% of the total size.
- Asset managers investors were 51% of the transaction. Insurance & Pension fund combined took 12% of the transaction, whilst banks took 17%.
- The order book gathered interest from 369 accounts.

Distribution Statistics

Allocation by investors' geography (%)



Allocation by investors' type (%)



Background

- This is the Republic of Portugal's first new OT line in over two years. In February 2011 IGCP issued €3.5 billion of a new 5 year. Earlier this year Portugal issued a €2.5 billion tap of the OT 2017.
- With the launch of this new 10 year, Portugal has created another long dated reference on the OT curve.
- This is the longest dated issuance from any programme country and demonstrates the Republic's growing market access.
- This transaction represents pre-funding for 2014.
- This new 10 year OT serves to lengthen the average maturity of Portugal's debt, whilst also managing their debt redemption profile in the long end of the curve.