IGCP
Agência de Gestão da Tesouraria
e da Dívida Pública

PRESS RELEASE – 11 February 2014
Republic of Portugal
(Ba3 (stable) / BB (negative) / BB+ (negative))
€3.0 billion OT syndicated reopening due 15 February 2024

<u>Summary Terms</u>

Size:	€3.0 billion
Pricing Date:	11 February 2014
Settlement:	18 February 2014
Maturity:	15 February 2024
Coupon:	5.65%, annual, Act/Act
Reoffer Spread:	mid swaps + 320bps
Reoffer yield:	5.112%
Reoffer price:	104.128%
Listing:	MTS / Euronext Lisbon / BrokerTec and BGC-eSpeed
Denominations:	EUR 0.01
Lead Managers:	BES / BARCLAYS / CITIGROUP/ CREDIT AGRICOLE CIB / RBS / SOCIÉTÉ GÉNÉRALE CIB

The Republic of Portugal priced today a €3.0 billion syndicated tap of the OT 5.65% bonds due 15 February 2024 at a spread of 320bps over mid-swaps to yield 5.112% representing a new issue concession of approximately 15bps. This is Portugal's second syndicated transaction of 2014 and follows the €3.25 billion OT 4.75% June 2019 reopening.

Portuguese spreads have demonstrated strong resilience since the beginning of the year, despite broader market volatility caused by emerging market growth concerns. In particular, Portugal's 10 year has rallied significantly from a yield of 6.1% at the start of the year, to a current yield of below 5%.

After monitoring the market Portugal decided to move ahead with a reopening of the OT 5.65% bonds due 15 February 2024 in a window of positive market sentiment. The mandate was announced to the market at 4.10pm London time on Monday 10 February 2014.

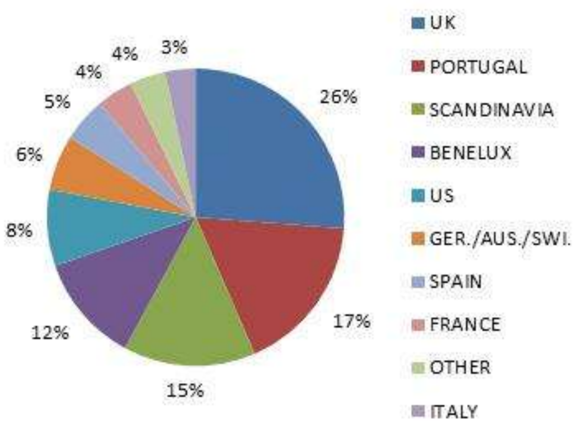
Strong investor feedback was received following the mandate announcement, and the leads released initial price thoughts of 'mid swaps + 325bps area' on Tuesday 11 February at 8am London time. Within 1.5 hours, indications of interest had grown to more than €4.5bln (including €800mln of lead primary dealer interest). Given this strong momentum, leads released official guidance of ‘mid swaps + 320 to 325bps’. Final pricing was subsequently fixed at mid swaps + 320bps and books were closed officially at 10.30am London time.

The final orderbook amounted to €9.8bln (including €975mln of lead primary dealer interest) from 292 accounts. Despite the high quality of the order book, the deal size was fixed at €3bln. The transaction was supported by strong international demand (83% of the total allocation) whilst investor participation was also diversified. Both Scandinavia and Benelux were particularly well represented; their increased participation in this transaction of 15% and 12% respectively demonstrates a growing support from this investor base for Portugal. Likewise in previous transactions, asset managers dominated the order book, representing 58% of the deal.

After this syndication, Portugal has raised €6.25bn of long term funding, achieving an important landmark by starting to prefund for 2015 and building a cash buffer. Portugal expects to reintroduce government bond (OT) auctions in the first half of 2014 to promote market liquidity and the efficient functioning of the primary and secondary market.

Distribution Statistics

Allocation by investors' geography (%)



Allocation by investors' type (%)