



PRESS RELEASE – 2 July 2014
Republic of Portugal
Ba2 (pos watch) / BB (stable) / BB+ (pos out)
USD 4.5bn RegS/144a 10-year Benchmark due Oct-24

Summary Terms

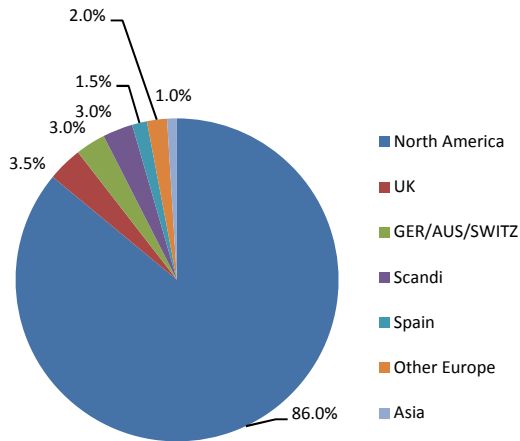
Size:	\$ 4.5 billion
Pricing Date:	2 July 2014
Settlement:	10 July 2014 (T+5)
Maturity:	15 October 2024
Coupon:	5.125%, Semi-Annual, 30/360
Reoffer Spread:	CT10 +260bp
Reoffer yield:	5.225%
Reoffer price:	99.221%
Listing:	Luxembourg
Denominations:	\$1,000
Lead Managers:	Barclays, Danske, HSBC and SG CIB

- The Republic of Portugal successfully priced today \$4.5 billion of a new USD benchmark due October 2024. The transaction priced at 260bp over the 10-year US Treasury, equating to a reoffer yield of 5.225% and a spread of approximately 250bp over mid-swaps
- This is the Republic's first USD transaction since 2010 and its first syndication since successfully exiting its 3-year Troika Programme on 17th May, displaying Portugal's full access to international capital markets
- The mandate was announced at around 07.15pm Lisbon time on Tuesday 1st July with the intention of opening books the day after, subject to market conditions. The Republic began taking Indications of Interest (IOIs) with Initial Pricing Thoughts of 270bp area over the 10-year benchmark US Treasury
- Books were formally opened at 08:05am Lisbon time, with revised price guidance of CT10 +265bp area after collecting IOIs in excess of \$2 billion overnight, showing a strong response from international accounts
- The final order book exceeded \$10 billion via approximately 310 accounts, showing the broad interest for this landmark transaction. The new issue enjoyed particularly strong take-up from international real money investors, demonstrating widespread structural demand for Portugal in the capital markets
- Due to overwhelming investor demand, and on the back of such a large and high quality order book, the issue was upsized to \$4.5 billion making the transaction the largest USD benchmark ever from a sovereign in 10-years. In addition, the transaction is Portugal's largest USD issue to date, as well as the largest USD sovereign benchmark since Germany's \$5 billion issue back in 2005, highlighting the depth of investor appetite for Portugal

- The quality and size of the order book enabled Portugal to set final terms as \$4.5 billion at CT10 +260bp, 10bp inside Initial Pricing Thoughts
- Transaction priced at approximately 06:00pm Lisbon time, at CT10 +260bp equating to 250bp over mid-swaps and a re-offer yield of 5.225%

DISTRIBUTION STATISTICS

Allocation by Geography



Allocation by Investor Type

