IGCP
Agência de Gestão da Tesouraria e da Dívida Pública

PRESS RELEASE – 3 September 2014
Republic of Portugal
(Ba1 (stable) / BB (stable) / BB+ (positive))
EUR 3.5 bn OT Syndicated Benchmark due 15 February 2030

Summary Terms

Size:	€ 3.5 billion
Pricing Date:	3 September 2014
Settlement:	10 September 2014
Maturity:	15 February 2030
Coupon:	3.875%, annual, Act/Act
Reoffer Spread:	Mid Swaps + 235 basis points
Reoffer yield:	3.923%
Reoffer price:	99.470%
Listing:	MTS, BrokerTec, BGC-eSpeed, Euronext Lisbon
Denominations:	€0.01
Lead Managers:	CAIXABI/CACIB/DANSKE/DB/MS/NOMURA

- The Republic of Portugal successfully priced today a €3.5 billion syndicated benchmark due 15 February 2030. The deal was priced at a coupon of 3.875% and a spread of 235 basis points over mid-swaps for a yield of 3.923%

- This is Portugal's first 15-year syndicated transaction since 2008 and its first EUR-denominated syndication since exiting the official IMF/EU programme in May 2014

- 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 1:00pm Lisbon time on Tuesday 2 of September with the intention of opening books the day after, subject to market conditions. The Republic began taking Indications of Interest from 3:00pm Lisbon time the same day, communicating Initial Pricing Thoughts (IPT) of mid swaps +low 240 basis points area

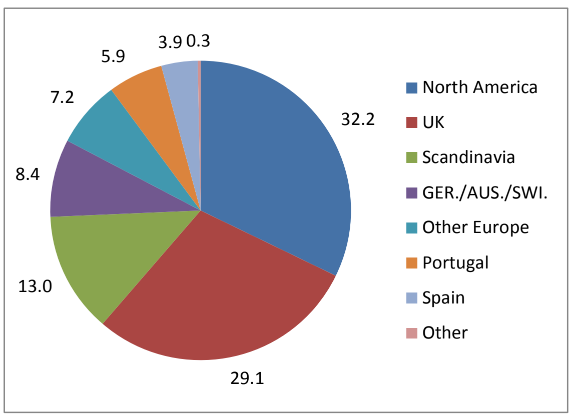
- Books were formally opened at around 8:30am Lisbon time on Wednesday 3 September, with price guidance of mid swaps +low 240s basis points area. Indications of Interest (IOIs) at that stage exceeded €3 billion, with a high quality and diversified investor base. By 9:30am Lisbon, the orderbook had grown to over €6 billion, allowing Portugal to revise price guidance to a range of mid swaps +235 to +240 basis points. Guidance was further revised and set at mid swaps +235 basis points at 9:55am Lisbon, on the back of an order book in excess of €8 billion. Books went subject at 10:05am Lisbon time

- The final order book was close to €9 billion via over 270 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 new issue at mid swaps +235 basis points, well inside the Initial Pricing Thoughts of mid swaps +low 240 basis points. This represents approximately a 5 basis point new issue concession versus the corresponding secondary market fair value at the time of announcement
- It also allowed Portugal to comfortably size the transaction at €3.5 billion, thereby meeting its 2014 funding target and pre-funding some 2015 needs
- As a result, the size of the order book drove a high quality allocation in terms of investor type and geographic diversity
- The transaction priced at approximately 3:30pm Lisbon time, at mid-swaps +235 basis points or 246.1 basis points over the corresponding German Benchmark (DBR 6.25% due January 2030)
- Market making obligations on MTS Portugal, BrokerTec, and eSpeed will apply

DISTRIBUTION STATISTICS

Allocation by Geography



Allocation by Investor Type