



PRESS RELEASE – 29 April 2015
Republic of Portugal
(Ba1 (stable) / BB (positive) / BB+ (positive))
€2 billion syndicated OT reopening due 15 October 2025
€500 million syndicated OT reopening due 15 February 2045

Final Bond Terms for the October 2025 reopening

Size	EUR 2 billion
Lead Managers	BARCLAYS/CITI/HSBC/NOVO BANCO/RBS/SOCGEN
Pricing Date	29 April 2015
Settlement Date	07 May 2015
Maturity Date	15 October 2025
Coupon	2.875%
Re-offer Spread	Mid-swaps +155bp
Re-offer Price	106.408%
Re-offer Yield	2.182% p.a.
Listing	MTS, BrokerTec, BGC-eSpeed, Euronext Lisbon
Denominations	EUR 0.01
ISIN	PTOTEKOE0011

Final Bond Terms for the February 2045 reopening

Size	EUR 500 million
Lead Managers	BARCLAYS/CITI/HSBC/NOVO BANCO/RBS/SOCGEN
Pricing Date	29 April 2015
Settlement Date	07 May 2015
Maturity Date	15 February 2045
Coupon	4.1%
Re-offer Spread	Mid-swaps +215bp
Re-offer Price	118.530%
Re-offer Yield	3.133% p.a.
Listing	MTS, BrokerTec, BGC-eSpeed, Euronext Lisbon
Denominations	EUR 0.01
ISIN	PTOTEBOE0020

Commentary

The Republic of Portugal today priced a EUR2.5 billion syndicated dual tranche tap of the PGB 2.875% October 2025 and PGB 4.1% February 2045 government bonds. This is Portugal's second syndicated transaction of 2015, following the original dual tranche syndicated issuance of these bonds in January.

Following a period of relative stability in peripheral government bond yields, the IGCP opted to move ahead with a syndicated reopening of the PGB 2.875% October 2025 and PGB 4.1% February 2045. The mandate was announced to the market at 2:50pm London time on Tuesday 28 April 2015. No initial price thoughts were released to the market on day one in order to allow the secondary market to react to the mandate announcement.

The following day at 8:15am London time, Initial Price Thoughts ("IPTs") of mid-swaps+160bps area on the October 2025 and mid-swaps+215bps on the February 2045 were released, representing around 15bps of new issue concession on each tranche. Within 2 hours, Indications of Interest across both tranches had exceeded EUR3.2 billion; including EUR555 million of joint lead manager interest, and books were opened officially with spread guidance in line with IPTs. Investor interest continued to grow, and by 12:30pm London time, total books were in excess of EUR6 billion, including EUR655 million of joint lead manager interest. At this point, spread guidance on the October 2025 was revised to mid-swaps+155 to 160bps whilst the spread on the February 2045 was fixed at mid-swaps+215bps. Books closed to all investors at 1pm London time. The spread on the October 2025 was subsequently fixed at the tight end of the range at mid-swaps+155bps.

The reopening of the October 2025 PGB was sized at EUR2 billion, from a final orderbook of EUR4.7 billion, including EUR475 million of joint lead manager interest, and over 120 accounts participating. The reopening of the February 2045 was sized at EUR500 million, from a final orderbook of EUR1.4 billion, including EUR180 million of joint lead manager interest, and 66 accounts participating.

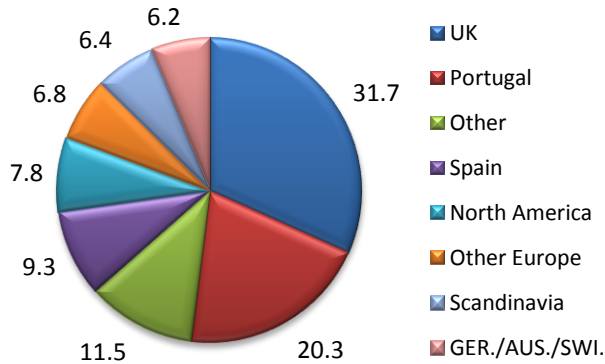
The transaction priced at approximately 5.05pm London time. The October 2025 priced at mid-swaps+155bps, equivalent to a yield of 2.182%. The February 2045 priced at mid-swaps+215bps, equivalent to a yield of 3.133%. Portugal's issuance of EUR2.5 billion in long dated funding was particularly impressive given the unexpected market volatility across all markets on the day of pricing, which saw an 11bps sell-off in 10 year Bunds and a 14bps sell-off in 30 year Bunds. At the time of pricing, the new issue concession on the October 2025 tranche had diminished to around just 7bps.

With this syndication, Portugal has raised EUR11.4 billion of long term funding in 2015, out of an estimated total of EUR 18 billion (completion ratio of 63%).

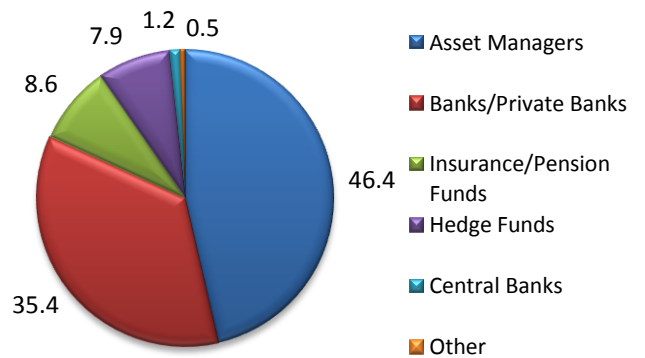
Distribution Statistics

October 2025 reopening

Allocation by investors' geography (%)

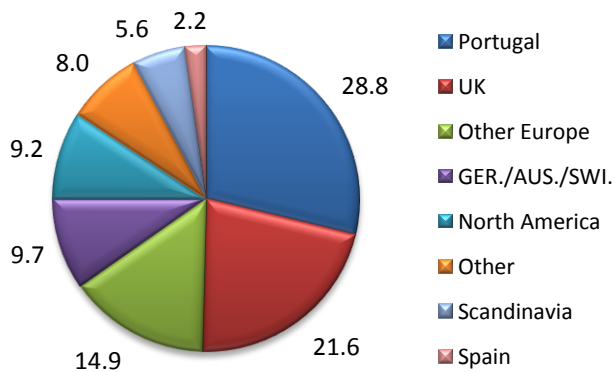


Allocation by investors' type (%)



February 2045 reopening

Allocation by investors' geography (%)



Allocation by investors' type (%)

