



Press Release – 13 January 2015
Republic of Portugal
(Ba1 (stable) / BB (stable) / BB+ (positive))
EUR 3.5 bn Syndicated OT due 15 October 2025
EUR 2 bn Syndicated OT due 15 February 2045

Final Bond Terms for the 10 year tranche

Size	EUR 3,500,000,000
Lead Managers	BBVA/CAIXABI/CITI/CREDIT AGRICOLE CIB/DANSKE BANK/MORGAN STANLEY/ NOMURA
Pricing Date	13 January 2015
Settlement Date	20 January 2015
Maturity Date	15 October 2025
Coupon	2.875%
Re-offer Spread	Mid-swaps +212bp
Re-offer Price	99.598%
Re-offer Yield	2.920% p.a.
Listing	MTS, BrokerTec, BGC-eSpeed, Euronext Lisbon
Denominations	EUR 0.01
ISIN	PTOTEKOE0011

Final Bond Terms for the 30 year tranche

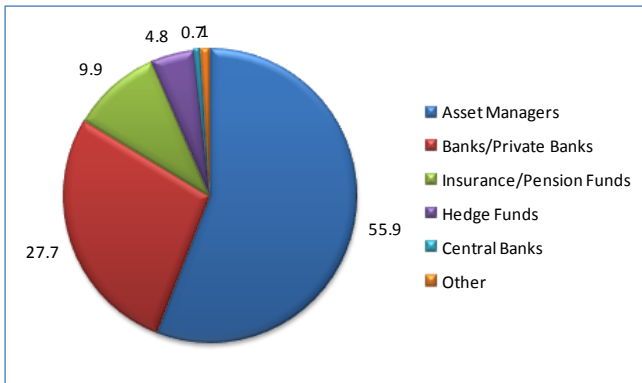
Size	EUR 2,000,000,000
Lead Managers	BBVA/CAIXABI/CITI/CREDIT AGRICOLE CIB/DANSKE BANK/MORGAN STANLEY/ NOMURA
Pricing Date	13 January 2015
Settlement Date	20 January 2015
Maturity Date	15 February 2045
Coupon	4.1%
Re-offer Spread	Mid-swaps +282bp
Re-offer Price	99.466%
Re-offer Yield	4.131% p.a.
Listing	MTS, BrokerTec, BGC-eSpeed, Euronext Lisbon
Denominations	EUR 0.01
ISIN	PTOTEBOE0020

Commentary

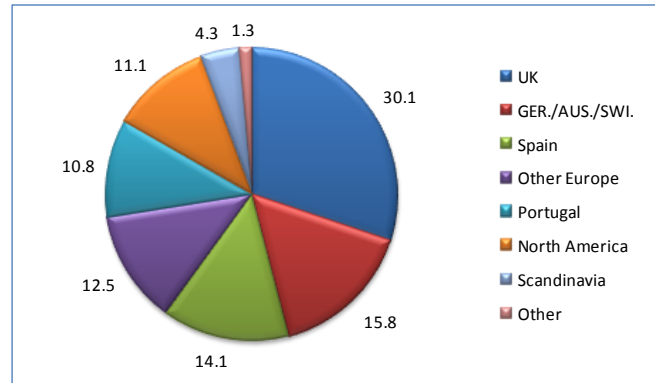
- The Republic of Portugal opened its funding programme in 2015 at the start of the second week with a dual tranche syndicated transaction consisting of a 10 year and a 30 year Portuguese Government Bond (PGB). Last time Portugal issued in the 30 year segment was in 2006 with a 31 year transaction.
- The coupon of the 10 year tranche at 2.875% represents the lowest-ever paid by Portugal in that maturity.
- Portugal saw a good window to enter the market with little competing supply, benefiting from a constructive tone and investor demand.
- The mandate was announced Monday at 11 a.m. Lisbon time. Even without initial price thoughts (IPT's), the deal attracted interest with investors. At 3 p.m., IPT's were released at "mid-swaps+mid/high 210s" for the 10 year and "mid-swaps+mid/high 280s" for the 30 year. Books grew steadily in the afternoon.
- On Tuesday morning, the bookbuilding progressed well with indications of interest (IOI's) above EUR 4.5bn and growing. On the back of good investor feedback and market tone, the Joint Lead Managers (JLM's) were able to open books with a guidance slightly tighter at "mid-swaps+mid 210s" for the 10 year and "mid-swaps+mid 280s" for the 30 year tranche shortly before 9 a.m. The price guidance was tightened again before the closing of the books.
- At 11.30 a.m., books were closed at the tight end of guidance. Final size was set to EUR 3.5bn in the 10 year and EUR 2bn in the 30 year tranche. Total books were EUR 14bn of which EUR 8bn in the 10 year and EUR 6bn in the 30 year tranche with JLM orders of EUR 1.03bn and EUR 695m, respectively. Over 590 accounts were in the books, of which 290 in the 10 year and 300 in the 30 year tranche.
- The size of the order book resulted in a high quality allocation in terms of investor type and geographic diversity, namely pension funds and insurance companies and Central Europe investors.
- The transaction priced at approximately 5:00 p.m. Lisbon time. The 10 year tranche was printed at mid-swaps+212 basis points or 244.2 basis points over the corresponding German Benchmark (DBR 1.00% due August 2024), while the 30 year tranche was priced at mid-swaps+282 basis points or 291.2 basis points over the corresponding German Benchmark (DBR 2.5% due August 2046).

Investor Distribution for the 10 year tranche

By Investor Type

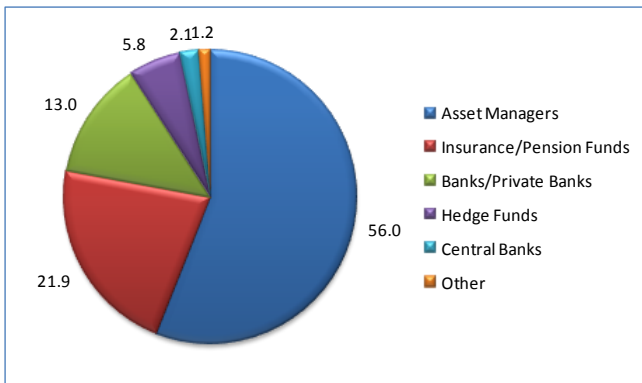


By Investor Country



Investor Distribution for the 30 year tranche

By Investor Type



By Investor Country

