

PRESS RELEASE – 14th January 2016

Republic of Portugal (Ba1 Stable / BB+ Stable / BB+ Positive) EUR 4 billion OT 2.875% 21 July 2026

Summary Terms

Format:	RegS Cat1, 144a eligible and contain CAC
Size:	EUR 4 billion
Pricing Date:	14 th January 2016
Settlement:	21 st January 2016
Maturity:	21 st July 2026
Coupon:	2.875%, Annual ACT/ACT, Short first coupon
Re-offer Spread:	Mid Swaps + 205bp
Re-offer Yield:	2.973%
Re-offer Price:	99.138%
Listing:	MTS, BrokerTec, BGC Brokers and Euronext Lisbon
Denominations:	EUR 0.01
Lead Managers:	Barclays, CaixaBI, Goldman Sachs International, HSBC, Morgan Stanley and Société Générale CIB

Transaction Highlights

- On Thursday 14th of January 2016 the Republic of Portugal rated Moody's Ba1 (Stable), Standard and Poor's BB+ (Stable), Fitch Ratings BB+ (Positive), priced a EUR 4 billion 2.875% 10-year Government Bond (OT), due 21st of July 2026, at MS +205bp. The joint-bookrunners managing the transaction were Barclays, CaixaBI, Goldman Sachs International, HSBC, Morgan Stanley and Société Générale CIB.
- This is the Republic of Portugal's first syndicated transaction of the year after having announced on the 7th of January a gross issuance amount of EUR 18 billion to EUR 20 billion of OT to be raised through both auctions and syndications.
- The transaction was priced at the lower end of the price guidance capitalizing on a very strong investor demand.

- This new OT EUR 10-year benchmark perfectly fits the existing PGB yield curve and provides a new reference point in the 2026 maturity.

Execution Summary

- Taking advantage of a strong reopening of the EUR primary market in 2016 as well as a period of market stability in the EUR sovereign bonds space, the IGCP decided to go ahead with a new OT EUR 10-year benchmark maturing 21st of July 2026. The official market announcement was made on Wednesday January 13th at 16:40 CET.
- On the back of the strong feedback received after the announcement, the IGCP and the Joint Lead Managers (JLM) decided to release IPTs of Mid Swaps +205bp/+210bp on Thursday January 14th at 9:15 CET. Less than 2 hours after the release of IPTs, investors' indications of interest reached over EUR 7 billion. As such, the orderbook was officially open at 10:30 CET with a price guidance of Mid Swaps +205bp/+210bp.
- With investors' orders north of EUR 11 billion, the final spread was finally set at MS+205bp. The orderbook was finally closed at 13:15 CET with orders over EUR 12 billion (including EUR 1.8 billion of JLM interest) and with more than 300 accounts involved.
- The size was set at EUR 4 billion and the new OT 10-year benchmark was finally priced at 16:50 CET with a coupon of 2.875% and a re-offer yield of 2.973%.
- The transaction benefited from the participation of a granular array of institutional investors. The geographical distribution was diversified with large participation from investors based in the UK, Europe, North America and Scandinavia. By investor type, most of the demand came from Fund Managers, Banks/Private Banks and Insurance/Pension Funds.

Final Distribution

