



## The Republic of Bulgaria issues EUR 950 million 4.25% bond due 09 July 2017

2 July 2012

### PRESS RELEASE

<b><i>Issuer:</i></b>	The Republic of Bulgaria
<b><i>Ratings:</i></b>	BBB, Stable (S&P) / Baa2, Stable (Moody's)
<b><i>Joint Bookrunners:</i></b>	BNP Paribas, HSBC, Raiffeisen Bank International
<b><i>Notional Amount:</i></b>	EUR 950,000,000
<b><i>Maturity Date:</i></b>	09 July 2017
<b><i>Coupon:</i></b>	4.25%, Annual
<b><i>Reoffer Spread vs. Midswaps:</i></b>	+320bps
<b><i>Re-offer Price:</i></b>	99.182%
<b><i>Re-offer Yield:</i></b>	4.436%

- **The Republic of Bulgaria makes an impressive return into the debt capital markets after a decade of absence**
- **Bulgaria's new EUR 950mn "no-grow" 5-year Eurobond issue was oversubscribed in just over 30 minutes from hitting the screens**
- **More than 360 investors participated in the transaction**
- **The final orderbook stood at over EUR 6bn after three hours of active book-build**

On 02 July 2012, the Republic of Bulgaria (the Republic) successfully issued a new 5-year benchmark Eurobond via BNP Paribas, HSBC and Raiffeisen Bank International as Joint Bookrunners. More than 360 investors participated in the new issue of the Republic, and the final orderbook exceeded EUR 6bn.

Following an extensive pan-European road show at the end of June and the EU summit meeting on the strengthening of the European Economic and Monetary Union during the same week, the bookrunners decided to use the positive market sentiment to launch the new bond issue of the Republic of Bulgaria. The deal was announced at 8:30 a.m. UK time with initial price guidance of 350bps over the 5-year midswap rate. The books grew rapidly and were closed in late morning hours, as a result of the extremely strong investor interest, which amounted to over EUR 6bn of orders. The solid oversubscription allowed the Joint Bookrunners to tighten the initial price guidance by 30bps and close the books within only three hours at the tighter end of the revised price guidance (MS+320/330bps).

The issuer managed to print the targeted EUR 950mn amount, securing an attractive coupon for this bond.

The investor base for this issue was extremely granular and very well diversified both geographically and by investor type. The final allocations by region were as follows: UK 25%, Germany 17%, Austria 13%, Asia 9%, US offshore 9%, Switzerland 7%, France 5%, Italy 5%, Others 10%.

By investor type the bond composition consisted of: Fund Managers 43%, Banks 19%, Insurance & Pension Funds 14%, Hedge Funds 12%, Central Banks 6%, Others 6%.

The strong investor response and robust participation in this transaction demonstrates Bulgaria's unique credit strengths, as evidenced by its solid macroeconomic performance and remarkable progress achieved in terms of fiscal consolidation and financial stability. With this bond issuance Bulgaria made an impressive return into the international capital markets, after it had last appeared in 2002. The successful placement of a EUR-denominated benchmark size bond in this particularly volatile market environment in Western Europe has emphasized the strong credit story and high market appeal of the Republic of Bulgaria.

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