The Republic of Bulgaria issues EUR 1,493 million 2.95% bond due 3 September 2024

27 June 2014

PRESS RELEASE

Issuer:	The Republic of Bulgaria
Ratings:	Baa2 (Moody's) / BBB- (S&P) / BBB- (Fitch)
Joint Bookrunners:	Citi, HSBC and JP Morgan
Notional Amount:	EUR 1,493,000,000
Maturity Date:	3 September 2024
Coupon:	2.95%, Annual, starting 3 September 2015
Reoffer Spread vs. Midswaps:	+160bps
Re-offer Price:	99.085%
Re-offer Yield:	3.055%

• The Republic of Bulgaria has made another impressive foray into the public international debt capital markets following a highly successful return in July 2012

• Bulgaria's new EUR1,493m 10-year Eurobond was oversubscribed in less than 30 minutes from the start of formal book-building

• The final orderbook stood at EUR 3.7bn from 250 investors

• The strong investor response and robust participation in the issue demonstrates Bulgaria's unique credit strengths, as evidenced by its solid macroeconomic performance and remarkable consistency in terms of fiscal discipline and financial stability.

On 26 June 2014, the Republic of Bulgaria (the "Republic" or "Bulgaria") successfully priced a new 10-year benchmark Eurobond. More than 250 investors participated in the new issue and the final orderbook stood at EUR 3.7bn to be issued on 3 July 2014.

Following an extensive European roadshow, the bookrunners decided to use the positive market sentiment to accelerate the launch of Bulgaria's new bond issue by announcing long 10-year (September 2024) maturity. Having collected strong indications of interest in excess of EUR1.3bn the day before, bookbuilding formally commenced at 8 a.m. UK time with initial price thoughts of 170bps over the interpolated long 10-year midswap rate. The orderbook grew rapidly reaching over EUR4.0bn as a result of the extremely strong investor interest, allowing the Republic to tighten guidance by 10bps down to MS+160 area and launch the issue at this level. As a result of these efforts Bulgaria managed to print the full targeted EUR1,493m amount, securing the lowest ever coupon for its Eurobonds. Citigroup, HSBC and J.P. Morgan acted as Joint Lead Managers and Bookrunners on the transaction.

Bulgaria attracted an extremely granular investor base into the issue, very well diversified both geographically and by investor type. The final allocations by region were as follows: UK 37%, Germany & Austria 18%, Bulgaria 15%, CEE 5%, Offshore US 4%, Benelux 4%, France 4%, Asia 3%, Switzerland 2%, Rest of Europe & others 8%. By investor type the bond composition consisted of: Fund Managers 61%, Banks & Private Banks 17%, Insurance & Pension Funds 15% and Central Banks & Sovereign Wealth Funds 7%.

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