BRAZIL LAUNCHES A 7-Y BOND IN THE EURO MARKET

The Brazilian National Treasury issued, as of March 27th, a new 7-y bond in the EURO market, mounting EUR 1.0 bn maturing in April 1st, 2021.

The security's price reached 99.464% of its face value, resulting in a yield of 2.961% p.y.. Investors' will receive annual coupons every April 1st from Jan-15 until the maturity date. The operation was managed by JP Morgan, Santander and BB Securities and presented a 165 bps spread over the 7-year mid-swap.

This tap reinforces the sovereign position as an important issuer while confirms the perspectives of the investors' community in the latest road show performed by the Brazilian government in late February. In this occasion, Treasury officials met investors from Frankfurt, Munich, Amsterdam, Paris and London aiming at broadening the investor's base and gathering with investment banks, insurances companies, fund managers and other institutional investors. The objective was to discuss debt management and the credit profile.

Finally, the issuance is aligned with the 2014 Annual Borrowing Plan and serves as a reference for private companies to access an alternative market, which could potentially shrink their financing costs. In fact, liquid and well priced bonds act as price parameters for private placements, allowing companies better financial conditions and also to obtain long-term funds at lower costs.

EURO 2021 Issuance Characteristics

Issuance Date	03/27/2014
Reference	7 years
Maturity	04/01/2021
Coupon	2.875% p.y.
Price	99.464% of face value
Yield	2.961% p.y.
Spread	165 bps *over 7- y mid-swap*
Principal	Single installment, at maturity
Coupon	Annual
Total issuance amount	**€1 bn**

Source: Brazilian National Treasury[1]

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[1] DMO's Front Office (Codip), which is encharged to conduct debt operations.