

4<sup>th</sup> November 2008

## PRESS POINTS



National Treasury Management Agency

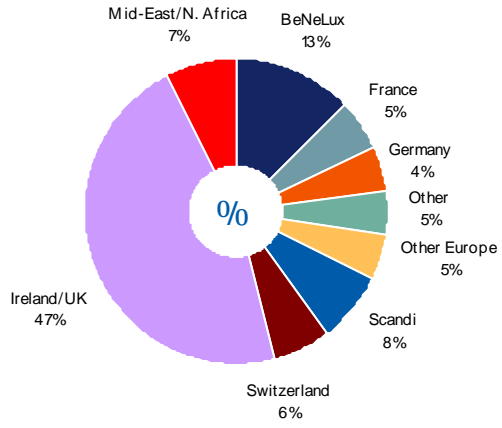
**Republic of Ireland**  
(Aaa/AAA/AAA)*Ireland reopens the sovereign market post-Lehman failure*

### EUR 4bn Benchmark 4.000% Issue due 11 November 2011

- The Republic of Ireland, rated Aaa/AAA/AAA (Moody's/S&P/Fitch), has today successfully priced a EUR 4bn benchmark issue due November 2011 through lead managers BNP PARIBAS, CITI, DAVY, DEUTSCHE BANK and HSBC. The issue pays an annual coupon of 4.000% and has a reoffer price of 99.922% to give a spread of 122 bps over the OBL 3.500% due October 2011
- This represents the Republic's 2<sup>nd</sup> Euro benchmark of 2008 following a successful 11-year issue in April
- On the 24<sup>th</sup> October, the Republic announced it had a forecasted gross debt issuance requirement of EUR 18.4bn in 2009, which would be met by a combination of both new syndications and auctions, with the objective to further develop a continuous and liquid yield curve for Irish Government bonds out to 15 years
- In light of overall expected supply in the EGB market, coupled with expected bank guaranteed debt, Ireland took the initiative to come to the markets ahead of this wave of issuance to benefit from a first mover advantage
- After mandating its lead-managers, the decision was made on the morning of Monday, 3<sup>rd</sup> November 2008 to open books on a new 3-year Euro benchmark with a price guidance of **midswaps plus 20/25 bps**. Recent turbulence in the global capital markets has caused extreme pressure in valuations for AAA issuers and in turn, the reoffer spread reflected this. Pricing also took into consideration the scarcity of Irish EGBs in the 2-5 year sector on the back of limited past funding needs skewed towards issuance in the 10-year sector, coupled with the extreme steepness of 2-5 year asset swap curves. Overall, the pricing of midswaps plus 20/25bps offered value versus EGBs
- The 3-year tenor was chosen to leverage off the real money appetite in the front end of the curve and to fill the obvious hole on Ireland's curve
- The orderbook progressed rapidly throughout the first day with early momentum coming from European investors. By the end of day one, books were already in excess of EUR 3bn
- Orderbooks were left open overnight to allow investors to crystallise their interest and by the time the spread had been fixed at midswaps plus 25bps at 9.00 London time on the Tuesday, books had grown to over EUR 4.5bn with further participation coming out of the Middle East
- The transaction was finally priced at the spread guidance of **midswaps plus 25 bps** around 14.00 London time with a total orderbook size approaching EUR 5bn. Execution of this transaction took place in only 36 hours in very challenging markets and represents the largest sovereign deal since May 2008. The successful outcome of the trade highlights Ireland's strong fundamentals, low gross debt outstandings and attractive spread pickup versus other AAA rated sovereign EGBs
- Nearly 100 accounts participated in the transaction

**IRISH 2011 distribution...**

...by region



... by investor type

