National Treasury Management Agency

Ireland launches 3-Year €4 billion 3.9% Bond

The National Treasury Management Agency (NTMA) today successfully launched a new €4 billion Irish Government bond which will mature on 5 March 2012. The new bond was launched through a syndicate of banks led by Calyon, Davy, HSBC, ING and RBS. The bond carries an annual coupon of 3.9% and was issued at a small discount to its par value to give an annual yield to redemption of 4.01%.

The total demand from investors amounted to €5.2 billion but the NTMA, in view of its very comfortable cash position, decided to satisfy only €4 billion of the demand so as to avail of the lowest yields possible from investors paying the highest price for the bond. The bond attracted strong demand from domestic investors who subscribed 55% of the total, as well as investors from euro area countries (20%), the UK (13%) and the Middle East (9%). As would be expected with a relatively short maturity bond, banks accounted for 72% of the amount invested. Pension funds contributed 11%, fund managers 10% and Central Banks 7%.

The NTMA stated that they were very pleased to have secured at this very early stage in the year, through this bond issue and the €6 billion bond issued in January, 40 per cent of the total expected funding requirement of €25 billion for 2009.

National Treasury Management Agency
Wednesday, 25 February 2009

www.ntma.ie

Press Release

National Treasury Management Agency

€ 4 billion Irish Government 3.9% Bond due 5 March 2012

Wednesday 25 February 2009

Ireland today successfully launched and priced a new syndicated €4bn 3-year benchmark transaction with a maturity of 5 March 2012.

- Calyon, Davy Capital Markets, HSBC, ING and RBS acted as joint-lead managers

Summary terms

Issue Size	€4bn
Pricing date	Feb 25th 2009
Settlement Date:	March 4th 2009
Maturity:	March 5th 2012
Coupon:	3.9%
Re-offer Spread to Mid Swaps	170 bps
Reoffer Yield:	4.01%
Listing:	Dublin

Background

- Bund-Irish spreads have been volatile over the past months on the back of general Eurozone spreads movements which was partly due to the ratings actions on Eurozone sovereigns, new issuance and overall risk appetite. Irish governments bonds are AAA-rated by the top three rating agencies. Fitch recently reaffirmed Ireland at AAA but Ireland is on negative outlook at both S&P and Moody's.

- On the back of an improvement of sentiment in Eurozone spreads during the last few days and following the success of the 10yr Portugal benchmark, the NTMA decided to go ahead with the launch of a new 3yr benchmark with the aim of a quick execution.

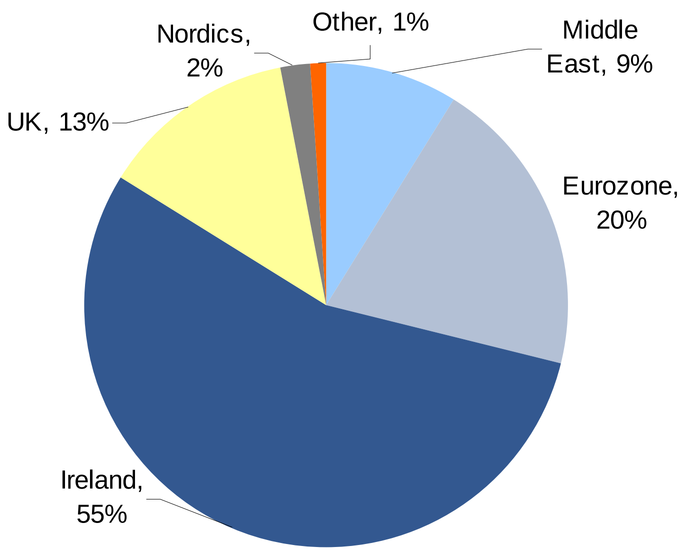
Execution

- The mandate was announced on Tuesday Feb 24th and orderbooks opened at 8.30pm London time on Wednesday Feb 25th with guidance of Midswaps + 170/180 bps.
- From the beginning of the process, the transaction attracted strong interest, driven by real money accounts from across Europe, reaching over € 4bn at the end of the morning. It was decided to close the book early afternoon with more than €5bn of orders from over 75 accounts.

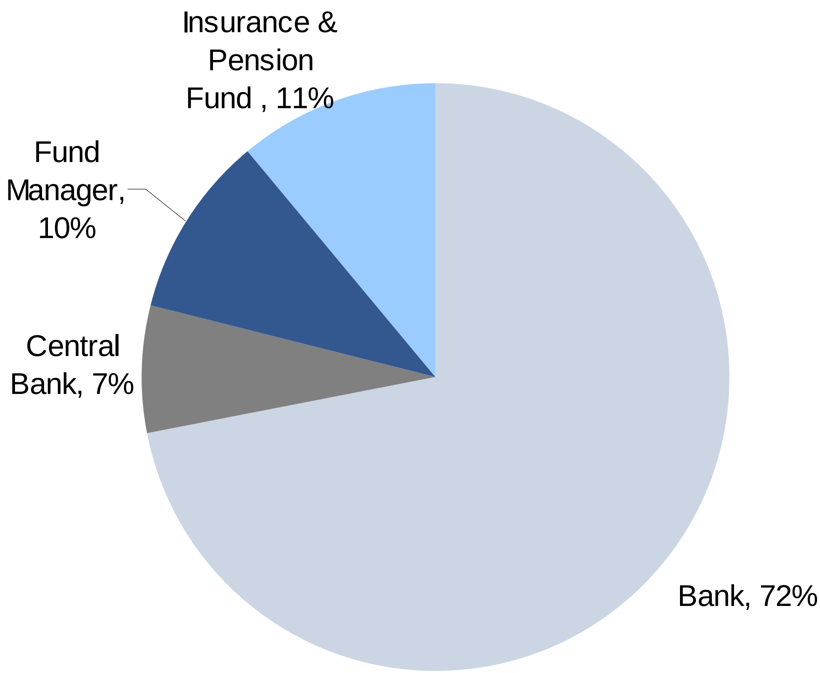
- The size and quality of the orderbook enabled Ireland to print a €4bn transaction at the tight end of the initial guidance of Midswaps + 170/180bps.

- The transaction benefited from a strong domestic bid (Ireland with 55%) followed by Eurozone countries (20%) the UK (13%) and the Middle East (9%). In terms of investors type, Banks (72%) dominated the book followed by Pension funds (11%), Fund managers (10%) and Central Banks (7%).

Distribution by Geography



Distribution by Investor



Joint Lead Manager Comments

"The Republic of Ireland returned successfully today to the Euro markets with a benchmark Euro 4 billion issue, representing the Republic's second deal for the year. The new 3 year was oversubscribed in a few hours, with demand in excess of Euro 5 billion from a diverse high quality group of accounts across Europe and the Middle East, enabling the Republic of Ireland to price €4bn at the tight end of the guidance"….