



National Treasury Management Agency

Ireland successfully launches new €6 billion 4% Bond

In its first bond issue of 2009, Ireland today launched a new benchmark bond, the 4% Treasury Bond which will mature in January 2014. The new bond was launched through a syndicate of banks led by Barclays Capital, BNP Paribas, Davy, HSBC and ING. The amount sold was €6 billion and is the largest syndicated bond transaction by any borrower in the very pressurised and competitive market at the beginning of the year. Strong demand of €7.3 billion from more than 140 investors across Europe enabled the NTMA to issue double the €3 billion originally intended.

Ireland has the top grade AAA credit rating from each of the four major credit rating agencies, Standard & Poor's, Moody's, Fitch Ratings, and Rating & Investment Information Inc. Ireland also has a low debt to GDP ratio of 41%. The underlying net position is much stronger; when account is taken of the assets of the National Pensions Reserve Fund and Exchequer cash balances, the debt to GDP ratio is about 20%.

The National Treasury Management Agency (NTMA) manages Ireland's national debt. The Chief Executive of the NTMA, Dr. Michael Somers, stated today that the successful launch of this very large new bond highlights the confidence investors have in the Irish Government bond market. Dr. Somers also stated that the issue of this bond was a very positive beginning to Ireland's borrowing programme of some €20 billion for 2009.

National Treasury Management Agency
8 January 2009

www.ntma.ie

Press Release



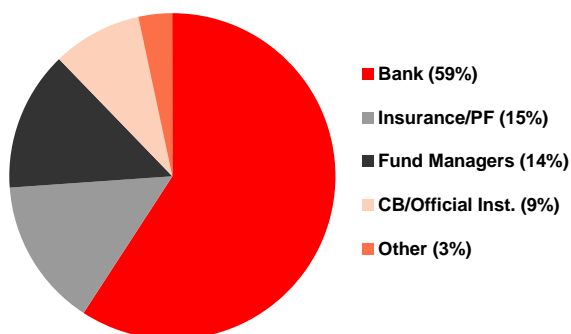
National Treasury Management Agency

€6 billion Irish Government 4% Bond due 15 January 2014

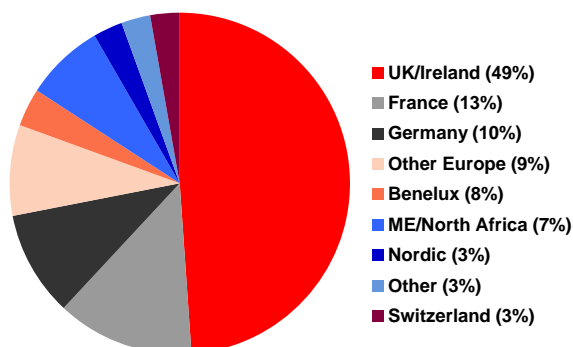
Thursday 08 January 2009

- Ireland today successfully launched and priced a new syndicated € 6bn 5-year benchmark transaction with a maturity of 15 January 2014.
 - Barclays Capital, BNP Paribas, Davy Capital Markets, HSBC and ING acted as joint-lead managers
- The transaction was initially announced on the afternoon of Monday 5th January in order to highlight Ireland’s intention to issue in what looked like developing into a congested week for issuance in the Euro market. Discrete conversations were subsequently held with several key target accounts over the course of the next day in order to determine investor appetite and a pricing range.
- Orderbooks opened at 12pm London time on Wednesday 7th with guidance of “Midswaps + 90 area”, which represented a 10bps premium over the secondary bid level of Ireland’s outstanding 5% April 2013 bonds.
- Initial momentum on the transaction was very strong – the order book grew quickly, driven by real money accounts from across Europe, reaching over € 6bn by the end of the day on Wednesday. It was decided to leave the orderbook open overnight to allow investors additional time to come into the book.
- This strategy proved to be successful, as the orderbook continued to grow and eventually closed at 10am on the morning of Thursday 8th with over € 7.3bn of orders from over 140 accounts.
- The size and quality of the orderbook enabled Ireland to print a € 6bn transaction in-line with the initial guidance of Midswaps + 90bps.
- Bank treasuries (59%), Insurance companies & pension funds (15%), fund managers (14%) and central banks & official institutions (9%) were the main components of the orderbook. In terms of geography, the UK & Ireland took 49% of allocations, with strong support also coming from France (13%), Germany (10%) and Benelux (8%).

Distribution by Geography



Distribution by Investor



Joint Lead Manager Comments

Barclays Capital

"Ireland achieved the largest orderbook from a European Sovereign issuer for some time, and as a result were able to price a Eur 6bn transaction - one of the largest European Sovereign issues ever printed. Despite the volatility in the underlying government markets, investors saw clear value in the transaction, with over 140 participating. This transaction builds up the liquid Irish Government bond curve, providing a 5 year reference point for the issuer going forward", said Sean Taor, Managing Director, Head of Rates Syndicate at Barclays Capital.

BNP Paribas

"This represents Ireland's first transaction of the year and, given its overall funding needs for 2009, puts Ireland in good stead for the remaining of the year. The broad investor following was particularly pleasing, with strong demand coming from across Europe and North Africa" commented Alexandra Basirov, Head of Sovereign, Supranationals and Agencies at BNP Paribas

Davy

"Over 140 investors participated in the book, resulting in a strong oversubscription for the transaction. The resultant deal is one of the largest and most diversified in recent months. The transaction was distributed across a large geographic area and a wide diversity of investors. The distribution highlights the international appeal of the Irish name," commented Anthony Childs, Director, Debt & Specialist Finance.

HSBC

"Yet again the Republic of Ireland executed a successful benchmark in the capital market. After holding discrete conversations with several key accounts, the agreed pricing enabled the orderbook to grow to over Eur 7.3bn. The strong and well diversified investor demand helped support a Eur 6bn transaction, in-line with Ireland's objectives of creating a new liquid reference benchmark", said Ulrik Ross, Managing Director, European Head of Public Sector.

ING

"Despite a significant SSA pipeline, the NTMA received strong attention from the investor community. Furthermore, despite weaker economical data and decreasing swap spreads, the swift bookbuilding proved that both tenor and spread were hitting the sweet spot of investor appetite. Printing a Eur 6bn transaction is clearly a huge success amid continued volatility in the markets," said David Lodewyckx, Senior Syndicate Manager at ING.