



National Treasury Management Agency

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### **Ireland successfully launches new 15 year government bond**

The National Treasury Management Agency (NTMA) announces that Ireland has successfully issued a new 15-year €7 billion benchmark bond today. The bond was issued through a syndicate group of six of Ireland's Primary Dealer banks.

The new bond, the 5.4% Treasury Bond which matures on 13 March 2025 was sold at an issue price of €99.297 per €100 nominal, for an annual yield of 5.472%.

This is the first 15-year borrowing by Ireland in recent years. Investors in the major European financial centres subscribed heavily to today's bond issue. German and UK investors each took up 23% of the bond, French investors took up 17% and investors in the Netherlands, which has a very significant pension funds industry, took up 8%. Irish investors accounted for 8½% of the total. Stable long term investors, such as pension funds, insurance companies and fund managers accounted for almost 60% of the total take up.

The NTMA has already raised €24.5 billion in the bond markets this year and expects to raise a further €2 billion in bond auctions to be held later this month and in November. Funding of €1.3 billion has also been raised in the small savings or retail debt market. Thus, outside today's deal, the NTMA has in effect secured some €28 billion of long term funding. Accordingly, the bulk of today's €7 billion borrowing represents prefunding of next year's borrowing requirement and puts Ireland in a very strong position going into the markets in 2010.

Ireland had cash balances in excess of €20 billion in the Exchequer Account at the beginning of the year, in addition to the €16 billion assets of the National Pensions Reserve Fund. The Exchequer cash balances currently stand at €23 billion (not counting the money to be received from today's deal) funded by means of short-term borrowings under Ireland's new Treasury Bill programme which was launched in March and the new US Commercial Paper programme which was launched in July, as well as borrowings under its Euro Commercial Paper programme.

National Treasury Management Agency  
Tuesday, 6 October 2009

[www.ntma.ie](http://www.ntma.ie)

## Press Release



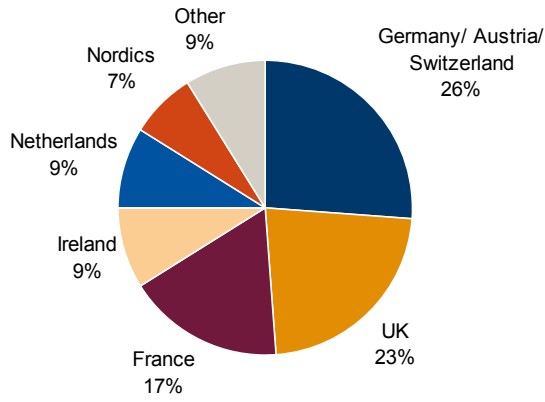
### National Treasury Management Agency

#### **€ 7 billion Irish Government 5.4% Bond due 13 March 2025**

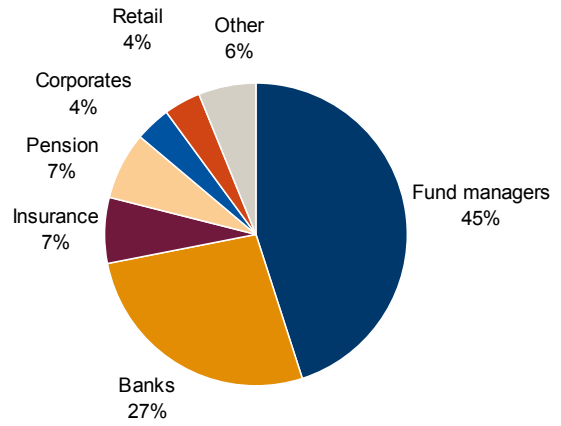
Tuesday 6<sup>th</sup> October 2009

- Ireland today successfully launched and priced a new syndicated €7bn 15-year benchmark transaction with a maturity of 13 March 2025. This is the first time Ireland has issued in this maturity for some years and it opens opportunities for further funding in this section of the yield curve.
- Barclays Capital, Davy, Deutsche Bank, HSBC, ING and RBS acted as joint-lead managers.
- Following the “Yes” vote in the referendum on the Lisbon Treaty held in Ireland on 2<sup>nd</sup> October, the NTMA was quick to look at opportunities to pre fund for 2010.
- Ireland announced its intention to issue a 15-year benchmark due 13-Mar-25 on Monday 5<sup>th</sup> October at 9am. Discrete conversations were subsequently held with several key target accounts over the course of the day in order to determine investor appetite and a pricing range.
- The indications of interest were extremely good, and it was then decided to open books as soon as Tuesday morning.
- Orderbooks opened at 8am London time on Tuesday 6th with guidance of mid-swaps + 165/170bp area. Ireland’s most relevant benchmark, the Oct-19, was trading at mid-swaps +145bp on the bid side of the market at the time of books opening.
- Initial momentum for the transaction was very strong. The orderbook reached over €10bn after an hour of bookbuilding and pricing was fixed at mid-swaps +165bp at 9.10 am. The orderbook closed at 9.30 am.
- The size and quality of the orderbook enabled Ireland to price a €7bn transaction at mid-swaps +165bp at 4.10pm. Mid-swaps +165bp equated to a new issue premium of 3 to 5bp back from the Irish curve.
- The €7bn size is the largest achieved by Ireland this year and equal to its largest ever transaction. The book, which was about double the amount issued, is the largest achieved by any Eurozone government issuer for a new syndicated benchmark in 2009.
- There were close to 300 separate orders in the transaction. The transaction received a tremendous response from international investors (over 90% of allocations) and real money accounts bought over 70% of the transaction.
- Prior to this deal, the NTMA had already raised €24.5 billion in the bond markets this year and expects to raise a further €2 billion through bond auctions to be held later this month and in November. Thus, outside today’s deal, the NTMA has in effect secured €28 billion of long term funding (including €1.3 billion from domestic retail savings.) Accordingly, the bulk of today’s €7 billion borrowing represents prefunding of next year’s borrowing requirement and puts Ireland in a very strong position going into the markets in 2010.

Distribution by Geography



Distribution by Investor type



## Euro 7 billion Republic of Ireland 5.40% due March 2025

### Final Bond Terms and Conditions

<b>Issuer:</b>	Ireland acting through the National Treasury Management Agency
<b>Ratings:</b>	Aa1/AA/AA+ (Negative/Negative/Negative)
<b>Status:</b>	Senior, unsubordinated
<b>Principal Amount:</b>	Euro 7 Billion
<b>Pricing Date:</b>	6 October 2009
<b>Settlement Date:</b>	13 October 2009
<b>Maturity Date:</b>	13 March 2025
<b>Coupon:</b>	5.400% (Annual; payable each 13 March). Following Business Day Convention. Short first coupon on 13 March 2010
<b>Benchmark:</b>	OAT 4.25% October 2023
<b>Benchmark Reference Price:</b>	103.91%
<b>Benchmark Reference Yield pa:</b>	3.883%
<b>Reoffer Spread to Benchmark:</b>	+158.9bps
<b>Reoffer Yield pa:</b>	5.472%
<b>Reoffer Price:</b>	99.297%
<b>Net proceeds:</b>	Euro 6,950,790,000
<b>Redemption:</b>	100.00%
<b>Day Count Convention:</b>	Actual/Actual ICMA
<b>Listing:</b>	Irish Stock Exchange
<b>Governing Law:</b>	Irish
<b>Denominations:</b>	Registered Form in multiples of 1 Euro cent
<b>Expenses:</b>	The Joint Leads will pay their own legal expenses
<b>ISIN Number:</b>	IE00B4TVOD44
<b>Bookrunners:</b>	Barclays Capital, Davy, Deutsche Bank, HSBC, ING, RBS
<b>Co-leads:</b>	BNP Paribas, Calyon, Citi, JP Morgan, Societe Generale

# OFFERING CIRCULAR



National Treasury Management Agency

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## IRELAND

5.40% Treasury Bond 2025

See Conditions on page 2 and 3

**ISIN Code: IE00B4TV0D44**

**Settlement:**

The first settlement date for this bond will be Tuesday 13 October 2009 (T + 5).

The bond will be distributed across all relevant settlement systems from the account of Ireland, acting through the National Treasury Management Agency, in Euroclear and will be available in the over-night processing cycles for value Tuesday 13 October 2009

**National Treasury Management Agency**

**Tuesday 06 October 2009**

## OFFERING CIRCULAR

### CONDITIONS ATTACHED TO THE 5.40% TREASURY BOND 2025

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**Issuer:** Ireland acting through the National Treasury Management Agency. The principal and interest of the above bond, which is issued under the National Treasury Management Agency Act, 1990 and other statutes, will be charged on the Central Fund.

**Currency:** euro

**Purpose of Issue:** The proceeds of the issue will be used for general financing purposes of the Exchequer.

**Trustee Status:** The bond is an authorised investment under the Trustee (Authorised Investments) Act 1958 as amended by section 80 of the Central Bank Act 1997 of Ireland.

**Taxation:** Interest on the bond will be paid gross without deduction of income tax or any other deductions or withholdings.

In general, where the holder of the bond is an Irish resident taxpayer, the interest element payable on the bond is assessable to income tax, whereas any gains arising on disposal or redemption of the bond are exempt from capital gains tax. However, where the bondholder resident in Ireland is dealing in Government bonds as part of a trade, he/she is assessable to income tax or corporation tax, as the case may be, in respect of the interest element and also the gains arising on disposal or on redemption of the bond.

Section 43 of the Taxes Consolidation Act 1997 of Ireland provides that the bond and the interest payable thereon is exempt from all Irish taxation so long as it is shown that the bond is in the beneficial ownership of a person not ordinarily resident in Ireland. However, where the bond is held by or for an Irish branch or agency of a foreign financial concern, interest and gains on such bond will be chargeable to Irish tax.

In Ireland, individual purchasers should note that, where the bond is comprised in a gift or inheritance, the gift or inheritance to that extent will be exempt from capital acquisitions tax provided that the conditions for exemption set out in section 81 of the Capital Acquisitions Tax Consolidation Act 2003 of Ireland are met.

In addition, the execution of instruments for the issue and the transfer of the bond will be free of Irish stamp duty provided the conditions for exemption set out in section 85(2) and section 113 of the Stamp Duties Consolidation Act 1999 of Ireland, are met.

**EU Directive on the Taxation of Savings Income:** Under the terms of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, each EU Member State is required to provide to the tax authorities of other Member States details of payments of interest income (as defined) paid by paying agents within its jurisdiction to individuals resident in the other Member States. The Savings Tax scheme also extends to certain dependent and associated territories of Member States. In addition, the EU has entered into agreements on savings income with certain third countries, namely, Andorra, Liechtenstein, Monaco,

## OFFERING CIRCULAR

San Marino and Switzerland. For a transition period, Austria, Belgium and Luxembourg, some of the dependent or associated territories as well as the third countries are allowed to apply a withholding tax instead of providing such information. These provisions apply in respect of relevant interest payments to individuals who are beneficial owners of this bond or to certain other entities as referred to in Article 4(2) of the Directive.

**Interest:** The interest commencement date is Tuesday 13 October 2009, which is also the first settlement date. Interest on the bond will be paid annually on 13 March at a rate of 5.40% save for the first interest payment date which will be 13 March 2010 at a rate of 2.2340 %.

Interest payable will be calculated in accordance with the “actual/actual ICMA” day count convention with no adjustment to the interest calculations where 13 March is not a business day for payments.

The interest payable on each interest payment date will be based on the balance in the account (s) on the register maintained by the Central Bank and Financial Services Authority of Ireland, as at close of business on the business day preceding the interest payment date.

**Principal:** The principal of the bond will be repaid at par on 13 March 2025.

**Business Day:** A day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

**Business Day Convention:** The Following Business Day Convention shall apply to all payments due under this bond.

**Account:** It is a condition of this bond that registered holder(s) shall nominate an account in a credit institution linked to TARGET2, the payment system of the European System of Central Banks, into which all interest/redemption payments will be made. Details of the account to which such payments are to be made must be provided to the Central Bank and Financial Services Authority of Ireland (as Registrar) on the appropriate form, which is available from the Registrar, by the Registrar’s close of business in Dublin on the day of registration of the holding. Holders must notify the Registrar of any change in account details through completion and lodgment of a further copy of the form.

**Settlement, Registration and Transfer:** The official settlement system for Irish Government Bonds is Euroclear. The register of holders of this bond issue will be kept at the Central Bank and Financial Services Authority of Ireland. Ownership will be evidenced by entry of the name of the holder of the bond on the register. Transfer of ownership will be evidenced by book entry in any sums which are multiples of one cent.

**Stock Exchange Listing:** The bond will be listed on the Irish Stock Exchange.

**Governing Law and Jurisdiction:** Ireland.