08 January 2013

PRESS RELEASE

Republic of Ireland
Ba1(Neg.)/BBB+(Neg.)/BBB+(Stable)

EUR 2.5 billion tap of the benchmark 5.5% issue due 18 October 2017

Today, the Republic of Ireland, rated Ba1/BBB+/BBB+ (Moody's/S&P/Fitch), successfully priced a EUR 2.5 billion increase of its 5.5% benchmark issue due 18 October 2017 via BARCLAYS, DANSKE, DAVY, RBS and SG CIB.

This transaction is the first EUR 2013 Sovereign issuance and represents the Republic of Ireland's first syndicated transaction since January 2010.

The issue pays an annual coupon of 5.5% and has a reoffer price of 109.45% to give a spread of Midswaps plus 250 basis points, equivalent to a yield to redemption of 3.316%. The tap brings the new issue size close to EUR 6.4bn, thus improving the liquidity of Ireland's 5-year outstanding benchmark.

Following the joint recommendations by the syndicate, Ireland decided to announce the mandate on Monday 7th of January during the course of the afternoon. A call took place early on Tuesday morning and on the back of supportive market conditions, the Initial Pricing Thought of mid-swap plus 260 basis points area was released.

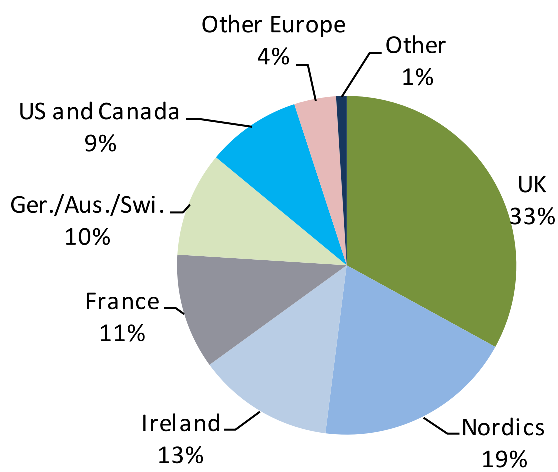
Investors' response to the new transaction was particularly strong. In an active primary market environment, the leads received indication of interest exceeding EUR 5bn within one hour, with a broad range of accounts being involved. On the back of this solid demand, the leads agreed to open the books at 9.45am London time with an official guidance of MS+250/255bp area. The high quality of the book, both in terms of size and investors distribution enabled Ireland to tighten the pricing guidance down to midswap plus 250 basis points while opting for a EUR 2.5bn size. The books closed at 10.45am with total orders over EUR 7bn. Investors demonstrated a low pricing sensitivity as most accounts maintained their orders despite the revised pricing guidance. The EUR 2.5bn tap was priced at midswap plus 250 basis points at 2.40pm London time.

The execution was particularly swift, on the back of investors' robust appetite for Irish government debt as well as the supportive market tone. Indeed, in spite of the sustained primary market supply, cash rich investors looking for diversification have been keen to add to their sovereign holdings.

Over 200 different accounts participated in the transaction, which was mostly placed overseas (87%). The strong participation from international accounts is a testament to the renewed confidence that international investors have towards the Republic of Ireland. The sound policies implemented by the Irish government combined to the very clear and frequent communication between the NTMA and the international investor community have been key factors for the successful return of Ireland to the Debt Capital Markets.

The success of this transaction marks another important step in Ireland's continued re-engagement with the markets as it prepares to exit the EU – IMF programme at end 2013.

Distribution by investor location was as follows: UK 33%, Nordics 19%, Ireland 13%, France 11%, Germany/Austria/Switzerland 10%, US and Canada 9%, Other Europe 4% and Other 1%.



Distribution by investor type was: Fund Managers 56%, Banks 24%, Pension Funds 10%, Insurance 7%, Central Banks and Official Institutions 1%, Hedge Funds 1% and Other 1%.