Republic of Ireland
€5bn 3.9% 10-year benchmark, due March 2023

PRESS RELEASE – 13 March 2013

The Republic of Ireland, acting through the National Treasury Management Agency (NTMA), with ratings of Ba1 (negative outlook) by Moody's, BBB+ (stable outlook) by S&P and BBB+ (stable outlook) by Fitch, today launched its second syndicated transaction of 2013 and the first syndicated new bond since January 2010. The new €5bn 10yr benchmark bond (due 20 March 2023) has a 3.90% coupon and was priced at a spread of 240bps over mid swaps for a yield of 4.15%. Barclays, Danske, Davy, Goldman Sachs International Bank, HSBC and Nomura were mandated as joint bookrunners on the transaction.

<u>Context</u>

- At the beginning of the year, the NTMA announced plans to raise approximately €10bn of funds from capital markets in 2013 as part of the process of re-engagement with markets and, including today's transaction has now raised €7.5bn of term debt, illustrating the positive reception that Ireland's return to capital markets has received

<u>Highlights of the Issue</u>

- This €5bn 10-year bond follows a €2.5bn syndicated tap of Ireland's existing 5-year bond in January this year and reinforces the fact that Ireland enjoys sound support from a growing and indeed returning investor base

- The mandate was announced late in the London afternoon on Tuesday, 12th March with the intention of opening books in the near-term, subject to market conditions. The pre-announcement allowed the issuer to signal its intentions to the market and allowed investors some time to consider the transaction before price guidance was released

- Markets opened with a light risk-on tone on Wednesday, providing a stable backdrop to launch the transaction. The transaction was launched with initial price thoughts of MS+250bps area and books opened at 8.30am London

- Following the rapid influx of orders after the initial open, with orders totalling over €6bn after only one hour of bookbuilding, price guidance was released at MS+245bps area

- Momentum continued to build as the book reached the €12bn mark by 11am London time. Price guidance was subsequently revised downwards again and the spread was set at MS+240bps

- Books closed shortly after at 11.15am, just shy of €13bn, enabling the issuer to price a larger than envisaged issue of €5bn without offering a concession to the secondary levels. The success of the transaction is highlighted by the depth of demand for Irish paper in this tenor that resulted in the issuer being able to avoid a new issue premium

- Close to 400 investors participated in the transaction, with the largest share of demand coming from abroad, in particular pan-European real money accounts

Distribution

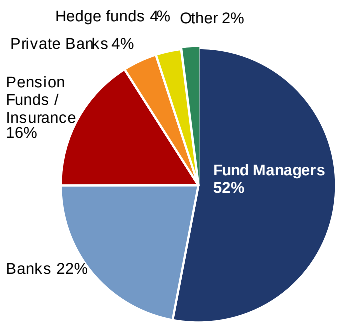
- In terms of distribution, the issue saw 18% participation by Irish investors together with strong international participation, with particular interest from UK accounts which amounted to 25% of the orderbook. The transaction achieved granular distribution across Europe and also attracted interest from accounts in the Americas.

- **Statistics:** UK 25%, Ireland 18%, Germany and Austria 15%, Nordic Region 12%, France 11%, North America 9%, Europe Other 3%, Benelux 3%, Switzerland 3%, Asia and Middle East 1%

- In terms of investor type, Fund Managers made up more than half of the orderbook, illustrating concrete support for the issuer from the real money community. The orderbook was well supported by further demand from Insurance, Pension funds, and Bank treasuries.

- **Statistics:** Fund managers 52%, Banks 22%, Pension Funds and Insurance 16%, Private Banks 4%, Hedge Funds 4% Other 2%

Type



Geography