



AIB Capital Markets Closes €400m Polish Property Investment Fund

9th September 2003

Dublin, September 9th 2003: AIB Capital Markets (AIBCM), today announced the closing of a €400m Polish Property Investment Fund (the Polonia Property Fund L.P.) through its wholly owned subsidiary in Warsaw, AIB PPM Sp. z o.o. The fund target is commercial property in Poland, however, up to 20% of the fund can be invested in Hungary and Czech Republic.

This fund coupled with the €407m CDO fund announced last week, demonstrates AIB Capital Markets' significant placing power at a European level and consolidates AIB's position as leading player in the European investment market.

The targeting of the Polish market is an important element in AIB Capital Markets' fund strategy. It already manages over €700m of real estate on behalf of investors and the Polish fund will seek to generate an attractive return to investors through a mixed portfolio of offices, retail and warehousing investment properties. Poland is undergoing a considerable valuation convergence opportunity as it moves towards EU membership and the property market is already offering attractive returns.

The Polonia Property Fund L.P., contains €100m equity, some 60% of which has been provided by Irish investors and the balance by significant European investors. AIB Capital Markets has committed €10m to the Fund.

The European Bank for Reconstruction and Development (EBRD) and IMMOEAST, a subsidiary of Austria's largest publicly traded real estate stock company IMMOFINANZE, are strategic investors in the Fund. There is also significant support from the Bank's customers through AIB Private Banking and AIB Corporate Banking.

Pat Cunneen, General Manager of AIB Investment Banking and Chief Executive of the Polish Property Investment Fund, explains that the new fund is a strategic development in AIB's asset management business in Central Europe:

"AIB Capital Markets has considerable expertise in property asset management. In addition AIB's shareholding in the Polish banking market gives AIB access and extensive experience in one of Central Europe's largest and fastest growing economies"

This is the second Polish investment fund marketed and sponsored by AIB Capital Markets. In 2001, Nova Polonia, a Polish Private Equity Fund for international investors raised €70m for investment in unquoted Polish companies.

For further information contact:

P. K. Cunneen

General Manager

AIB Investment Banking

AIB International Centre

IFSC

Dublin 1

Ireland

Tel: +353-1-874 0222

Email patrick.k.cunneen@aib.ie or pcunneen@aib.pl

Paul Keary

Financial Dynamics

10 Merrion Square

Dublin 2

Tel: +353-1-663 3600

Email paulk@fdireland.ie