



## **Allied Irish Banks, p.l.c. New Bankcentre Development**

**29th July 2005**

Allied Irish Banks, p.l.c. ("AIB") [NYSE: AIB] today announces that it has completed certain transactions in relation to part of its Bankcentre site (the site) at Ballsbridge, Dublin 4.

The site has been sold to the Serpentine Consortium, a syndicate of private individuals and companies assembled by AIB Private Banking and Goodbody Stockbrokers. The Serpentine Consortium was selected following an open market competitive bidding process.

Separately the Serpentine Consortium has engaged Blogram Limited, a subsidiary of AIB, to develop the site.

The total sum to be paid by the Serpentine Consortium for the purchase and subsequent development of the site is €367.75 million in cash. The book value of the site is €1.2 million.

The development will extend to a total area of 324,766 square feet. Upon completion, it is intended that the development will be let to a company in the AIB Group for a period of up to 31 years under a lease with a break clause, exercisable by the tenant after 23 years. The initial annual rent payable by the tenant will be €16.117 million per annum and will be subject to adjustment in subsequent five year rent reviews. It is anticipated that this cost will be more than offset by savings on rent and other costs elsewhere.

The capital benefit (i.e. the profit after taxation) to AIB generated from the transactions is in the region of €160 million. This benefit will be derived over 3 years, beginning in 2005. AIB will reinvest the proceeds of the transactions in its core banking business.

**-ENDS-**

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