



AIB - exercise of call option in relation to the remaining principal amount outstanding

20th June 2011

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Allied Irish Banks, p.l.c.

exercise of call option in relation to the remaining principal amount outstanding of its

£350,000,000 Subordinated Callable Fixed/Floating Rate Notes due 2030 (ISIN: XS0180778507)

(the “**2030 Sterling Notes**”)

U.S.\$400,000,000 Dated Callable Step-Up Subordinated Notes due 2015 (ISIN: XS0197993875)

(the “**2015 Dollar Notes**”)

€400,000,000 Subordinated Callable Step-Up Floating Rate Notes due 2015 (ISIN: XS0208845924)

(the “**2015 Euro Notes**”)

£700,000,000 Callable Dated Subordinated Fixed to Floating Rate Notes due July 2023 (ISIN: XS0368068937)

(the “**2023 Sterling Notes**”)

€868,518,000 12.5 per cent. Subordinated Notes due 25 June 2019 (ISIN: XS0435953186)

(the “**2019 Euro Notes**”)

€419,070,000 10.75 per cent. Subordinated Notes due 2017 (ISIN: XS0498532117)

(the “**2017 Euro Notes**”)

U.S.\$177,096,000 10.75 per cent. Subordinated Notes due 2017 (ISIN: XS0498530178)

(the “**2017 Dollar Notes**”)

£1,096,645,000 11.50 per cent. Subordinated Notes due 2022 (ISIN: XS0498531069)
(the “**2022 Sterling Notes**”)

€200,000,000 Perpetual Subordinated Callable Step-Up Notes (ISIN: XS0100325983)

(the “**Perpetual Euro Notes**”)

£400,000,000 Perpetual Callable Step-Up Subordinated Notes (ISIN: XS0227409629)

(the “**Perpetual Sterling Notes**” and, together with the 2030 Sterling Notes, the 2015 Dollar Notes, the 2015 Euro Notes, the 2023 Sterling Notes, the 2019 Euro Notes, the 2017 Euro Notes, the 2017 Dollar Notes, the 2022 Sterling Notes and the Perpetual Euro Notes, the “**Notes**”)

and

AIB G.P. No. 1 LIMITED

**EXERCISE OF CALL OPTION IN RELATION TO THE REMAINING PRINCIPAL AMOUNT OUTSTANDING
OF**

AIB UK 1 LP €1,000,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative

Perpetual Preferred Securities having the benefit of a subordinated guarantee

of Allied Irish Banks, p.l.c. (ISIN: XS0208105055)

(the “**AIB UK 1 PPS**”)

AIB UK 2 LP €500,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative

Perpetual Preferred Securities having the benefit of a subordinated guarantee

of Allied Irish Banks, p.l.c. (ISIN: XS0257734037)

(the “**AIB UK 2 PPS**”)

AIB UK 3 LP £350,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative

Perpetual Preferred Securities having the benefit of a subordinated guarantee

of Allied Irish Banks, p.l.c. (ISIN: XS0257571066)

(the “**AIB UK 3 PPS**” and, together with the AIB UK 1 PPS and the AIB UK 2 PPS, the “**PPS**”)

Allied Irish Banks, p.l.c. (the “**Bank**”) gives notice that on 22 June 2011 it will redeem the outstanding principal amount of each series of Notes listed below at the relevant redemption price per nominal amount of Notes specified below pursuant to the Terms and Conditions of each such series (as amended by the Extraordinary Resolution passed at a meeting of the relevant holders of the Notes held on 16 June 2011 details of which were set out in the Bank’s announcement of 16 June 2011).

Description of the Notes

**Common code/ISIN Redemption price per
nominal amount**

£350,000,000 Subordinated Callable Fixed/Floating Rate Notes due 2030	018077850/ XS0180778507	£0.01 per £1,000
U.S.\$400,000,000 Dated Callable Step-Up Subordinated Notes due 2015	019799387/ XS0197993875	U.S.\$0.01 per U.S.\$1,000
€868,518,000 12.5 per cent. Subordinated Notes due 25 June 2019	043595318/ XS0435953186	€0.01 per €1,000
U.S.\$177,096,000 10.75 per cent. Subordinated Notes due 2017	049853017/ XS0498530178	U.S.\$0.01 per U.S.\$1,000
£1,096,645,000 11.50 per cent. Subordinated Notes due 2022	049853106/ XS0498531069	£0.01 per £1,000
€200,000,000 Perpetual Subordinated Callable Step-Up Notes	010032598/ XS0100325983	€0.01 per €1,000
£400,000,000 Perpetual Callable Step-Up Subordinated Notes	022740962/ XS0227409629	£0.01 per £1,000

AIB G.P. No 1 Limited (“**AIB GP**”) gives notice that on 22 June 2011 the outstanding principal amount of each series of PPS listed below will be purchased at the relevant redemption price per nominal amount of PPS specified below pursuant to the Terms and Conditions of each such series (as amended by the Extraordinary Resolution passed at a meeting of the relevant holders of the PPS held on 16 June 2011 details of which were set out in AIB GP’s announcement of 16 June 2011).

Description of the PPS	Common code/ISIN	Redemption price per nominal amount
AIB UK 1 LP €1,000,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities	020810505/ XS0208105055	€0.01 per €1,000
AIB UK 2 LP €500,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities	025773403/ XS0257734037	€0.01 per €1,000
AIB UK 3 LP £350,000,000 Fixed Rate/Floating Rate Guaranteed Non-voting Non-cumulative Perpetual Preferred Securities	025757106/ XS0257571066	£0.01 per £1,000

The Principal Paying Agent for the Notes and the PPS is:

Citibank, N.A.

Canada Square

Canary Wharf

London E14 5LB

This notice does not constitute an offer to sell or buy or the solicitation of an offer to sell or buy the Notes or PPS.