



For Immediate Release

13th October 2010

**Proposed Disposal of the M&T Shareholding
Completion of Public Offering of Contingent Mandatorily Exchangeable Notes**

DUBLIN, Ireland (13 October 2010) – Allied Irish Banks, p.l.c. (“AIB”) [NYSE:AIB] has completed a public offering in the United States of contingent mandatorily exchangeable notes (“Notes”) exchangeable (subject to AIB shareholder approval and certain other conditions) for the shares of common stock of M&T Bank Corporation (“M&T”) (“M&T Shares”) currently owned by AIB. AIB sold 26,700,000 Notes at US\$77.50 per Note.

Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. acted as underwriters and joint bookrunning managers for the Notes offering.

For further information, please contact:

Alan Kelly
General Manager, Corporate Services
AIB Group
Dublin
Tel: +353-1-6412162
email: alan.j.kelly@aib.ie

Catherine Burke
Head of Corporate Relations and Communications
AIB Group
Dublin
Tel: +353-1-6413894
email: catherine.e.burke@aib.ie

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This announcement contains "forward-looking statements", within the meaning of Section 27A of the U.S. Securities Act of 1933 (as amended) and Section 21E of the U.S. Securities Exchange

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The forward-looking statements speak only as of the date of this announcement. Except as required by the Financial Regulator, the Irish Stock Exchange, the FSA, the London Stock Exchange plc or applicable law, AIB does not have any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, further events or otherwise. AIB expressly disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained in this announcement or incorporated by reference to reflect any change in AIB's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.