



## **AIB - Exchange of Outstanding Securities by Exchange Offers**

24th January 2011

### **AIB – Exchange of Outstanding Securities by Exchange Offers**

Allied Irish Banks, p.l.c. ("AIB") [NYSE: AIB] today announces that it has accepted offers to exchange eleven series of Euro, Sterling and US Dollar denominated lower tier 2 securities, with a nominal value of c. €3.9bn. The value of the securities tendered in the exchange is c. €2bn. The securities will be exchanged for 30% of their face value in line with the previously announced exchange price.

The core tier one accretion for AIB Group arising from the exchange offers is expected to be circa €1.4bn.

**-ENDS-**

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Allied Irish Banks, p.l.c. - 24 January 2011

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**ALLIED IRISH BANKS, P.L.C. ANNOUNCES THE RESULTS OF ITS OFFERS TO PURCHASE FOR  
CASH**

any and all of its outstanding

£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**")

£500,000,000 Subordinated Callable Fixed/Floating Rate Notes due 2025  
(ISIN: XS0214107053)

(the "**2025 Sterling Notes**")

€500,000,000 Callable Subordinated Step-Up Floating Rate Notes due 2017  
(ISIN: XS0232498393)

(the "**2017 Euro Floating Rate Notes**")

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

(the "**2023 Sterling Notes**")

£368,253,000 12.5 per cent. Subordinated Notes due 25 June 2019  
(ISIN: XS0435957682)

(the "**2019 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" and, together with the 2030 Sterling Notes, the 2015 Dollar Notes, the 2015 Euro Notes, the 2025 Sterling Notes, the 2017 Euro Floating Rate Notes, the 2023 Sterling Notes, the 2019 Sterling Notes, the 2019 Euro Notes, the 2017 Euro Notes and the 2017 Dollar Notes, the "Notes" and each a "Series" and the holders of such being the "Holders")

On 13 January 2011, Allied Irish Banks, p.l.c. (the "Bank") announced that it was inviting all holders of the Notes (subject to the restrictions set out in the Tender Offer Memorandum (as defined below)) to tender any and all of their Notes for purchase by the Bank for cash (the "Offer") on the terms and subject to the conditions set out in the Tender Offer Memorandum dated 13 January 2011 (the "Tender Offer Memorandum").

This announcement is made in accordance with the Tender Offer Memorandum.

The Bank hereby announces the results of the Offer as follows:

Description of the Notes	Common code/ISIN	Outstanding nominal amount prior to settlement of the Offer	Aggregate nominal amount of Notes accepted for purchase
£350,000,000 Subordinated Callable Fixed/Floating Rate Notes due 2030	018077850/ XS0180778507	£26,689,000	£26,544,000
U.S.\$400,000,000 Dated Callable Step-Up Subordinated Notes due 2015	019799387/ XS0197993875	U.S.\$178,626,000	U.S.\$139,310,000
€400,000,000 Subordinated Callable Step-Up Floating Rate Notes due 2015	020884592/ XS0208845924	€187,829,000	€139,295,000
£500,000,000 Subordinated Callable Fixed/Floating Rate Notes due 2025	021410705/ XS0214107053	£18,987,000	£17,726,000
€500,000,000 Callable Subordinated Step-Up Floating Rate Notes due 2017	023249839/ XS0232498393	€167,528,000	€92,313,000
£700,000,000 Callable Dated Subordinated Fixed to Floating Rate Notes due July 2023	036806893/ XS0368068937	£151,411,000	£116,054,000
£368,253,000 12.5 per cent. Subordinated Notes due 25 June 2019	043595768/ XS0435957682	£368,253,000	£152,290,000
€868,518,000 12.5 per cent. Subordinated Notes due 25 June 2019	043595318/ XS0435953186	€868,518,000	€218,227,000
€419,070,000 10.75 per cent. Subordinated Notes due 2017	049853211/ XS0498532117	€419,070,000	€201,150,000
U.S.\$177,096,000 10.75 per cent. Subordinated Notes due 2017	049853017/ XS0498530178	U.S.\$177,096,000	U.S.\$68,991,000
£1,096,645,000 11.50 per cent. Subordinated Notes due 2022	049853106/ XS0498531069	£1,096,645,000	£701,301,000

The Bank hereby announces that it has accepted for purchase all Notes validly tendered pursuant to the Offer. The applicable Purchase Price, together with Accrued Interest, will be paid to Holders whose Notes have been accepted for purchase by the Bank. Settlement of the Offer is expected to occur on 27 January 2011.

Capitalised terms used and not otherwise defined in this announcement have the meaning given in the Tender Offer Memorandum.

## **GENERAL**

Holders are advised to read carefully the Tender Offer Memorandum for full details of, and information on, the Tender Offer. Requests for information in relation to the Offer should be directed to the Dealer Managers:

**THE DEALER MANAGERS**  
**J.P. Morgan Securities Ltd.**  
125 London Wall  
London EC2Y 5AJ

For information by telephone: +44 (0) 20 7777 1333  
Attention: Sebastien Bamsey – Liability Management  
Email: [sebastien.m.bamsey@jpmorgan.com](mailto:sebastien.m.bamsey@jpmorgan.com)

For information by telephone: +44 (0) 20 7779 2468  
Attention: Ryan O'Grady – FIG Syndicate  
Email: [ryan.ogrady@jpmorgan.com](mailto:ryan.ogrady@jpmorgan.com)

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA

For information by telephone: +44 (0) 20 7677 5040  
Attention: Liability Management  
Email: [liabilitymanagementeuropa@morganstanley.com](mailto:liabilitymanagementeuropa@morganstanley.com)

Requests for information, documents or materials relating to the Offer should be directed to the Tender Agent:

**THE TENDER AGENT**  
**Lucid Issuer Services Limited**  
Leroy House  
436 Essex Road  
London N1 3QP

For information by telephone: +44 (0) 20 7704 0880

Attention: Sunjeeve Patel / David Shilson  
Email: aib@lucid-is.com

**This announcement must be read in conjunction with the Tender Offer Memorandum.**

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