



**AIB announcement re existing Bankcentre property  
26th April 2006**

Allied Irish Banks, p.l.c. ("AIB") [NYSE: AIB] today announces that it has entered into certain transactions in relation to its Existing Bankcentre property (excluding the New Bankcentre Development) at Ballsbridge, Dublin 4.

The property has been sold in two lots, to Hibernian Life and Pensions Limited and to Sean Dunne. These purchasers were selected following an open market tender process.

The total sum to be paid for the purchase of the properties is €377.7 million in cash.

The Existing Bankcentre comprises of eight adjoining office blocks. The front four Blocks and adjoining land are to be bought by Sean Dunne and will be leased back to the AIB Group on a 20-year lease, with a break clause exercisable by either party after four years and eleven months. The remaining property to be bought by Hibernian Life and Pensions Limited, will be leased to the AIB Group for a period of 20 years. The initial annual rent payable on both lots by the tenant will be €11.6 million per annum and will be subject to adjustment in subsequent five year rent reviews. It is anticipated that the cost will be more than offset by savings and by the benefits derived from the use of the capital.

The capital benefit (i.e. the profit after taxation) to AIB generated from these transactions is in the region of €230 million. AIB will reinvest the capital from the transactions in its core banking business and the transactions are expected to complete during the second quarter of 2006.

**-ENDS-**

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