

ALLIED IRISH BANKS PLC
Form 6-K
October 06, 2010
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the date of 05 October, 2010

ALLIED IRISH BANKS, public limited company

Bankcentre, Ballsbridge, Dublin 4, Republic of Ireland

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F..X... Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No ..X...

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-

For Immediate Release

5th October 2010

AIB Announces Proposed Disposal of the M&T Shareholding

DUBLIN, Ireland (5 October 2010) - Allied Irish Banks, p.l.c. ("AIB") [NYSE:AIB] announces that it has commenced the disposal process for its 22.4 per cent shareholding in M&T Bank Corporation ("M&T") ("M&T Shareholding").

The disposal is subject to AIB shareholder approval, and is taking the form of a public offering in the United States of 26,700,000 contingent mandatorily exchangeable notes ("Notes") exchangeable for the shares of common stock of M&T currently owned by AIB ("M&T Shares"). The Notes constitute AIB debt instruments and investors will be issued one Note for each underlying M&T Share. The Notes will be governed by New York law and listed on the New York Stock Exchange.

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

Additional Information

AIB has filed a registration statement (including a prospectus) with the U.S. Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the preliminary prospectus supplement dated October 5, 2010, the accompanying prospectus dated June 2, 2008 and the other documents we have filed with the SEC for more complete information about AIB and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, AIB, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting Morgan Stanley, 180 Varick Street #2F, New York, New York 10014, Attention: Prospectus Department (email: prospectus@morganstanley.com), telephone 1-866-718-1649 or Citi, Brooklyn Army Terminal, 140 58th Street, Brooklyn, New York 11220, Attention: Prospectus Department, (800) 831-9146 (email: batprospectusdept@citi.com).

A further announcement will be made on pricing of the Notes.

This press release does not constitute an offer to purchase or a solicitation of an offer to sell securities, nor shall there be any sales of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities law of such jurisdiction. The distribution of this press release in jurisdictions other than the United States may be restricted by law and therefore persons into whose possession this press release comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

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The contents of this announcement should not be construed as legal, business, financial, tax, investment or other professional advice.

Morgan Stanley & Co. Limited and AIB Corporate Finance Limited ("AIB Corporate Finance") are acting as joint financial advisers to AIB in relation to AIB's disposal of its M&T shares. In addition, Morgan Stanley & Co. Limited and Morgan Stanley & Co. International plc are acting as sponsor and corporate broker, respectively, in connection with the disposal.

Morgan Stanley & Co. Limited and Morgan Stanley & Co. International plc (together, "Morgan Stanley") are acting in the aforementioned capacities for AIB and no one else in connection with the disposal and will not regard any other person (whether or not a recipient of this announcement) as Morgan Stanley's client in relation to the disposal and will not be responsible to anyone other than AIB for providing the protections afforded to clients of Morgan Stanley or for providing advice in relation to the disposal or any other matter referred to in this announcement.

Citigroup Global Markets Inc. is acting exclusively for AIB and no one else in connection with the disposal and will not regard any other person (whether or not a recipient of this announcement) as its client in relation to the disposal and will not be responsible to anyone other than AIB for providing the protections afforded to clients of Citigroup Global Markets Inc. or for providing advice in relation to the disposal or any other matter referred to in this announcement.

AIB Corporate Finance is acting exclusively for AIB and no one else in connection with the disposal and will not regard any other person (whether or not a recipient of this announcement) as its client in relation to the disposal and will not be responsible to anyone other than AIB for providing the protections afforded to clients of AIB Corporate Finance or for providing advice in relation to the disposal or any other matter referred to in this announcement.

Apart from the responsibilities and liabilities, if any, which may be imposed on Morgan Stanley or AIB Corporate Finance by the Listing Rules, neither Morgan Stanley nor AIB Corporate Finance accepts any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by AIB, or on AIB's behalf, or by Morgan Stanley or AIB Corporate Finance, or on Morgan Stanley's or AIB Corporate Finance's behalf, in connection with AIB, the M&T Shareholding, M&T or the disposal, and nothing in this announcement is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of Morgan Stanley and AIB Corporate Finance accordingly disclaims to the fullest extent permitted by law and under the Listing Rules all and any responsibility and liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this document and any such statement.

None of the Minister for Finance, the Department of Finance, the Irish Government, the National Treasury Management Agency, the National Pensions Reserve Fund Commission or any person controlled by or controlling any such person, or any entity or agency of or related to the Irish State, or any director, officer, official, employee or adviser of any such person (each such person, a "Relevant Person") accepts any responsibility whatsoever or makes any representation or warranty, express or implied, for the contents of this announcement, including its accuracy, completeness or verification or for any other statement made or purported to be made by AIB, or on AIB's behalf, or by Morgan Stanley or AIB Corporate Finance, or on Morgan Stanley's or AIB Corporate Finance's behalf, or by any Relevant Person or on any Relevant Person's behalf in connection with AIB, the M&T Shareholding, M&T or the disposal, and nothing in this announcement is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each Relevant Person accordingly disclaims to the fullest extent permitted by law and under the Listing Rules all and any responsibility and liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of this document and any such statement.

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 Act of 1934 (as amended) regarding the

belief or current expectations of AIB, AIB's Directors and other members of its senior management about AIB's business, and the transaction described in this announcement. Generally, words such as "may", "could", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "seek", "continue" or similar expressions identify forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of AIB and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements.

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.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

ALLIED IRISH BANKS, p.l.c.
(Registrant)

Date 05 October, 2010

By: _____
Bernard Byrne
Chief Financial Officer
Allied Irish Banks, p.l.c.