

20 November 2013

COMPANY ANNOUNCEMENT

Dali Capital PLC

(a public company with limited liability incorporated under the laws of the Republic of Ireland)

Series 12 €100,000,000 Secured Limited Recourse Variable Redemption CMS Linked Notes due 2026 (the "**Notes**") (ISIN: XS0223633289) issued by Dali Capital PLC (the "**Issuer**")

Notice of amendment to the terms and conditions (the "**Conditions**") of the Notes

NOTICE IS HEREBY GIVEN that, with the consent of the holders of 100 per cent. in principal amount of the Notes and with effect from 20 November 2013, the following amendments were made to the Conditions of the Notes pursuant to an amended and restated Supplemental Trust Deed dated 20 November 2013 entered into between Dali Capital PLC, The Bank of New York Mellon, Capita International Financial Services (Ireland) Limited and Barclays Bank PLC:

(a) an amendment to the Interest Basis from Fixed Rate/Floating Rate to Fixed Rate/Zero Coupon and corresponding amendments to the Fixed Rate Note Provisions, Floating Rate Note Provisions and Zero Coupon Note Provisions,

(b) an amendment to the description of the governing law of the Securities and the removal of reference to Securities delivered pursuant to the CSA,

(c) an amendment to the Final Redemption Amount calculation,

(d) an amendment allowing satisfaction of the Early Redemption Amount by physical delivery of Securities,

(d) an amendment to the notification procedure in relation to the Redemption Adjustment Amount,

(e) an amendment to the Mandatory Redemption condition, removing certain trigger events and allowing for the Notes to be redeemed upon the occurrence of a Credit Event, and

(f) an amendment allowing for the physical delivery of Securities in certain circumstances.

An amended and restated form of the Prospectus is attached to this notice for convenience only (and such document does not constitute a Prospectus for the purposes of Article 5.1 of Directive 2003/71/EC (the "**Prospectus Directive**"). A copy of the amended and restated Supplemental Trust Deed is available free of charge at the offices of the Issuer and the Paying Agent in Ireland. Capitalised terms used but not defined herein have the meaning given to them in the terms and conditions of the Notes.

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DALI CAPITAL PLC

(Incorporated with limited liability in the Republic of Ireland)

Series No: 12

**€100,000,000 Secured Limited Recourse Variable
Redemption CMS Linked Notes due 2026 (the “Notes”)
Issue Price: 100 per cent.**

The date of this Prospectus is 20 November 2013. This document amends and restates the Prospectus dated 4 August 2005 and prepared in connection with the Notes described herein.

This document has been prepared for convenience only and will not be filed with or approved by the Central Bank of Ireland in its capacity as competent authority in Ireland (the “**Competent Authority**”) in relation to prospectuses for securities for the purposes of the Prospectus Directive 2003/71/EC (the “**Prospectus Directive**”) and consequently this document will not constitute a prospectus for the purposes of Article 5.1 of the Prospectus Directive.

**Dealer
BARCLAYS BANK PLC**

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The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof. The Issuer does not intend to provide post issuance information regarding the Notes and the performance of the Securities.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase any Notes.

The Dealer has not separately verified the information contained in this Prospectus.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Purchasers of Notes and counterparties to Transactions should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Prospectus (if any) and the merits and risks of investing in the Notes in the context of their financial position and circumstances. The risk factors identified in this Prospectus are provided as general information only and the Dealer disclaims any responsibility to advise purchasers of Notes or counterparties to other Transactions of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

The Issuer is not regulated by the Central Bank and Financial Services Authority of Ireland. Neither the Notes nor the Transactions will have the status of a bank deposit under Irish law and is not within the scope of the Deposit Protection Scheme operated by the Central Bank and Financial Services Authority of Ireland.

This Prospectus is to be read in conjunction with all documents which are incorporated by reference (see "Incorporation by Reference" below).

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "Euro" and "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with the Prospectus and that have been approved by the Competent Authority or filed with it and shall be deemed to be incorporated in, and form part of, this Prospectus:

- (1) the base prospectus of the Issuer dated 4 August 2005 relating to the Issuer's Euro 5,000,000,000 Secured Transaction Programme (the "**Base Prospectus**");
- (2) the audited annual financial statements ended 30 March 2003 and 2004 (including any auditors report thereon), of the Issuer;

save that any statement contained in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Prospectus. This Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The Issuer will, at the specified offices of the Issuer and AIB International Services Limited, free of charge, upon the oral or written request therefor, make available a copy of this Prospectus (and any documents incorporated by reference in this Prospectus). Written or oral requests for such documents should be directed to the specified office of AIB International Services Limited.

SUPPLEMENTS TO THE PROSPECTUS

If at any time any Issuer shall be required to prepare a supplemental prospectus pursuant to Articles 23 and 51 of the Irish S.I No.324 Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Irish Prospectus Regulations**"), the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus which shall constitute a supplemental prospectus as required by the Competent Authority and the Irish Prospectus Regulations.

RISK FACTORS

This Prospectus does not describe all of the risks of an investment in the Notes. The Issuer and the Dealer disclaim any responsibility to advise prospective investors of such risks as they exist at the date of this Prospectus or as they change from time to time. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in any Notes and the suitability of investing in such Notes in the light of their particular circumstances. Prospective investors should carefully consider, among other factors, all the information set forth in this Prospectus and in particular, the matters described below.

Risks related to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing notes and entering into other Transactions for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not, as long as any of the Transactions remain outstanding, without the consent of the Trustee and any Other Creditors and provided that it will not result in any rating assigned to the Notes being adversely affected, as confirmed in writing by the relevant rating agency, to have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day to day management of the business of the Issuer.

No Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

Preferred creditors under Irish law

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (see "Examinership" below).

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed to the Issuer are as follows:

- (i) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;
- (ii) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (iii) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholders.

Risks related to the Notes

Liability under the Notes

The Notes will be solely the obligations of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other entity. In particular, the Notes will not be obligations or responsibilities of, and will not be guaranteed by, the Trustee or the Swap Counterparty. Furthermore, no such person other than the Issuer will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Limited recourse obligations

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the assets charged by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes and claims against the Issuer by the Trustee, the Noteholders and the Swap Counterparty will be limited. The Noteholders will have no right to proceed directly against the Swap Counterparty in respect of the Swap (if any) or take title to, or possession of, the charged assets unless the Trustee, having become bound to do so, fails to take action against the Issuer within a reasonable time. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency. Any deficiency will be borne by the Trustee, the Agents, the Noteholders and the Swap Counterparty in accordance with the order of priority specified in Condition 4 and following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of any such deficiency.

Further, the Trustee, the Agents, the Swap Counterparty and the Noteholders will not be entitled at any time to petition or take any other step for the winding-up of or the appointment of an examiner to, the Issuer provided that the Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer. No person other than the Issuer will be obliged to make payments on the Notes.

Priority of Claims

During the term of the transaction and on an enforcement of the security granted by the Issuer in favour of the Trustee, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated to (i) the payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the costs of realising any Security and the Trustee's remuneration) (ii) the Issuing and Paying Agent Claim and Custodian Claim, and the claims of all other Agents, Pari Passu Ranking (iii) thirdly, Swap Counterparty Claim; and (iv) the other claims as specified in the Supplemental Trust Deed that rank in priority to the Notes.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, any of the provisions of Notes that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or (ii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

Early redemption for tax or legal reasons

The Issuer may for specified tax or legal reasons, as detailed in Conditions 7(c), 7(d) and 10, upon giving notice to Noteholders, redeem all Notes earlier than the Maturity Date. If the Issuer redeems Notes early, the Issuer will, if and to the extent permitted by applicable law, pay each Noteholder the Early Redemption Amount on the date specified in the Conditions.

The Swap provides that if it is terminated early as a result of an early redemption of the Notes pursuant to Conditions 7(c), 7(d)(iii) or 10 thereof, then notwithstanding the provisions of Section 6(e) of the ISDA Master Agreement, if the amount payable on termination of the Swap pursuant to Section 6(e) thereof would be an amount payable by the Swap Counterparty to the Issuer, then such amount shall be deemed to be zero and, therefore, no amount shall be payable by the Swap Counterparty to the Issuer.

Risks related to the assets

No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Trustee in respect of the Securities. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Trustee or any other person on their behalf in respect of the Securities.

Noteholders may be exposed to the market price of the Securities. The Issuer may have to fund its payments by the sale of Securities at a market value and the nominal amount of the Securities will be reduced by the principal amount of the Securities sold. The market price of the Securities will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the issuer of the Securities. The Dealer may have acquired or during the terms of the Notes may acquire, confidential information with respect to any Securities and it shall not be under any duty to disclose such confidential information to any Noteholder.

Risks related to the counterparties

Reliance on creditworthiness of other parties

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments due from the Swap Counterparty under the Swap. Consequently, the Issuer is exposed to the ability of the Swap Counterparty to perform their respective its obligations under the Swap.

The receipt by the Issuer of payments under the Swap is also dependent on the timely payment by the Issuer of its obligations under the Swap. The ability of the Issuer to make timely payment of its obligations under the Swap depends on receipt by it of the scheduled payments under the Securities. Consequently, the Issuer is also exposed to the ability of the Securities issuer to perform its payment obligations.

Conflicts of interest

Under the Trust Deed, the Trustee will hold a security interest in the property charged and assigned thereunder for the benefit of, inter alios, the Noteholders, whose rights in an enforcement of the security interest will be subordinated to the prior rights of, inter alios, the Swap Counterparty in respect of the Issuer's obligations to the Swap Counterparty under the Swap (save for certain termination payments where the Swap Counterparty is the defaulting party or the sole affected party).

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders and the other secured creditors as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only to the interests of the Noteholders if, in the Trustee's opinion, there is a conflict between the interests of the Noteholders and the interests of any other secured creditor.

Risks related to the market

Limited liquidity of the Notes

Although application may be made to list the Notes on the Irish Stock Exchange, there is currently no market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any Noteholder must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If Barclays Bank PLC begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

PART A – CONTRACTUAL TERMS

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus (the “**Base Conditions**”) as amended or supplemented below. References in the Base Conditions to Final Terms shall be deemed to refer to the terms set out below.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus.

- 1 Issuer:** Dali Capital PLC
- 2 (i) Series Number:** 12
(ii) Tranche Number: Not Applicable
- 3 Specified Currency or Currencies:** Euro (“€”)
- 4 Aggregate Nominal Amount:**
 - (i) Series:** €100,000,000
 - (ii) Tranche:** Not Applicable
- 5 Issue Price:** 100 per cent. of the Aggregate Nominal Amount
- 6 Specified Denominations:** €100,000
- 7 Tradeable Amount:** €100,000
- 8 (i) Issue Date:** 4 August 2005
(ii) Interest Commencement Date: 4 August 2005
- 9 Maturity Date:** 1 November 2026, subject to adjustment in accordance with the Business Day Convention in respect of which the Business Days are London and TARGET Settlement Day
- 10 Interest Basis:** Fixed Rate/Zero Coupon
(further particulars specified below)
- 11 Redemption/Payment Basis:** Index linked redemption
(further particulars specified below)
- 12 Change of Interest or Redemption/Payment Basis:**

From and including the Issue Date to but excluding the Interest Payment Date falling on or nearest to 1 November 2005, the Notes bear interest at the Fixed Rate.

From and including the Interest Payment Date falling on or nearest to 1 November 2005 to but excluding the Maturity Date, the Notes do not bear interest.

- 13 Put/Call Options:** Not Applicable
- 14 Status of the Notes:** Secured and limited recourse obligations
- 15 Listing:** Application will be made to the Irish Stock Exchange for the Notes to be listed and admitted to trading on the regulated market and the official list of the Irish Stock Exchange.
- Where a notice is given by or on behalf of the Issuer in accordance with these Conditions, such notice shall, to the extent required by the Irish Stock Exchange, also be given to the Companies Announcements Office of the Irish Stock Exchange.
- 16 Method of distribution:** Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 17 Fixed Rate Note Provisions** Applicable in respect of the first Interest Accrual Period only (the “**Fixed Rate Period**”)
- (i) Rate of Interest: 4.66 per cent. per annum
- (ii) Interest Payment Date(s): 1 November 2005, subject to adjustment in accordance with the Business Day Convention in respect of which the Business Days are London and TARGET Settlement Day
- (iii) Fixed Coupon Amount(s): Not Applicable
- (iv) Broken Amount: €1,126.17 per Note of denomination €100,000 in respect of the first Interest Accrual Period
- (v) Day Count Fraction (Condition 6(k)): 30/360
- (vi) Determination Date(s) (Condition 6(k)): Not Applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable
- 18 Floating Rate Provisions** Not Applicable
- 19 Zero Coupon Note Provisions** Applicable in respect of each Interest Period from and including the Interest Period commencing on or nearest to 1 November 2005, to and including the Interest Period ending on the Maturity Date (the “**Zero Coupon Period**”)
- (i) Amortisation Yield (Condition 7(b)): Zero per cent. per annum
- (ii) Day Count Fraction (Condition 6(k)): Not Applicable
- (iii) Any other: Not Applicable

formula/basis of
determining amount
payable:

20 Index Linked Interest Note Provisions Not Applicable

21 Dual Currency Note Provisions Not Applicable

PROVISIONS RELATING TO THE SECURITY

22 Mortgaged Property

- (i) Securities: From time to time:
- (i) the initial securities as listed in Annex 1 to this Prospectus (the “**Initial Securities**”)
- plus
- (ii) any securities which the Swap Counterparty has delivered to the Issuer pursuant to the Swap
- less
- (iii) any of the Initial Securities that have been redeemed.
- (ii) Security (order of priorities):
- The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the Security constituted by the Trust Deed in the following order of priorities:
- (i) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the costs of realising any Security and the Trustee’s remuneration);
 - (ii) secondly, Issuing and Paying Agent Claim and Custodian Claim, and the claims of all other Agents, Pari Passu Ranking;
 - (iii) thirdly, Swap Counterparty Claim; and
 - (iv) fourthly, Noteholder Claim
- (iii) Contract (if applicable): Not Applicable
- Beneficiary (ies): Not Applicable
- (iv) Securities Agreement: Not Applicable
- Counterparties: Not Applicable
- (v) Swap (if applicable): An ISDA Master Agreement dated 8 April 2005 and a confirmation thereunder (the “**Confirmation**”) with an effective date of 4 August 2005, as amended from time to time, made between the Issuer and the Swap Counterparty.
- A copy of the form of the Confirmation is attached as Annex 2 hereto.

- (vii) Details of Credit Support Document (if applicable): Not Applicable
- (viii) Credit Support Provider: Not Applicable

23 Realisation of Security: Holder Request or Creditor B Direction

PROVISIONS RELATING TO REDEMPTION

24 Call Option Not Applicable

25 Put Option Not Applicable

26 Exchangeable Notes: No

27 Exchange Event: Not Applicable

28 Repayable Assets: All Securities

29 Final Redemption Amount of each Note In respect of each Note, the Aggregate Redemption Amount as at the Maturity Date divided by the Number of Notes.

Where:

“Aggregate Redemption Amount” means, an amount determined by the Calculation Agent as follows:

(i) as at 1 November 2005, the Aggregate Redemption Amount equals €264,568,968.70,

(ii) on the Determination Date at the end of each Determination Period, the Calculation Agent will adjust the Aggregate Redemption Amount by adding the Redemption Adjustment Amount determined for such Determination Period.

“Redemption Adjustment Amount” for a Determination Period means an amount per Note (which may be positive or negative) determined by the Calculation Agent as:

(i) $\text{Denomination} \times \text{Floating Rate Option} \times (n/N) \times (1+\text{IRR})^T$
minus

(ii) $\text{Denomination} \times \text{Redemption Calculation Rate} \times (1+\text{IRR})^T$

“Redemption Calculation Rate” means 4.66% in each year from and including 1 November 2006 to and including 1 November 2007, and 4.80% from and including 1 November 2008 to and including 1 November 2026.

“Number of Notes” means 1,000

“Determination Date” means 1 November in each year from and including 1 November 2006 to and including 1 November 2026, subject to adjustment in accordance with the Business Day Convention in respect of which the Business Days are London and TARGET Settlement Day. For the avoidance of doubt, the Maturity Date shall be a Determination Date.

“Determination Commencement Date” means 1 November 2005, subject to

adjustment in accordance with the Business Day Convention in respect of which the Business Days are London and TARGET Settlement Day.

“Determination Period” means the period from and including the Determination Commencement Date to but excluding the first Determination Date and each subsequent period from and including a Determination Date to but excluding the next following Determination Date

“Floating Rate Option” means, in respect of a Determination Period, a rate per annum determined by the Calculation Agent as the product of (i) 115% and (ii) the 10 year Rate in respect of such Determination Period

“10 year Rate” means the annual swap rate for euro swap transactions with a maturity of 10 years, as determined by the Calculation Agent in its discretion and expressed as a percentage, which appears on Reuters Screen ISDAFIX2 Page under the heading “EURIBOR BASIS - FRF” and above the caption “12.00 AM FRANKFURT” as of 12:00 noon, Frankfurt time, on (i) (for the purposes of determining the Floating Rate Option in respect of a Determination Period) the day that is five London and TARGET Settlement Days preceding the first date in such Determination Period or (ii) (for the purposes of determining the Index on a calendar day in an Observation Period) such calendar day, *provided that*, if for any reason the relevant rate cannot be so determined by reference to the relevant screen page, it shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner

“2 year Rate” means, in respect of a calendar day in an Observation Period, as determined by the Calculation Agent in its discretion, as the annual swap rate for euro swap transactions with a maturity of 2 years, expressed as a percentage, which appears on Reuters Screen ISDAFIX2 Page under the heading “EURIBOR BASIS - FRF” and above the caption “12.00 AM FRANKFURT” as of 12:00 noon, Frankfurt time, on such calendar day, *provided that*, if for any reason the relevant rate cannot be so determined by reference to the relevant screen page, it shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner

“Index” means in respect of any calendar day in an Observation Period, (i) the 10 year Rate for such calendar day minus (ii) the 2 year Rate for such calendar day

“Accrual Barrier” means 0.00 per cent.

“London and TARGET Business Day” means a day which is both a London Business Day and a TARGET Settlement Day.

“Observation Period” means, in respect of a Determination Period, the period from and including the day falling 5 London and TARGET Business Days prior to the start of such Determination Period to but excluding the day falling 5 London and TARGET Business Days prior to the end of such Determination Period.

“n” means, in respect of a Determination Period, the number of calendar days in the related Observation Period on which the Index is greater than or equal to the Accrual Barrier.

“**N**” means, in respect of a Determination Period, the total number of calendar days in the related Observation Period.

“**T**” means, as determined by the Calculation Agent in its sole discretion, the number of years from the end of the relevant Determination Period (inclusive) to the Maturity Date (exclusive) using a 30/360 day count convention subject to no business day adjustment.

“**IRR**” means 4.67 per cent.

30 Early Redemption Amount

- (i) Early Redemption Amount(s) of each Note payable on mandatory redemption (Condition 7(c)), redemption for taxation and other reasons (Condition 7(d)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):

The Early Redemption Amount shall be satisfied by delivery of the Physical Redemption Amount.

Where:

“**Physical Redemption Amount**” means, in connection with any Notes subject to a single Redemption Instruction Notice, the sum of:

(i) a portion, determined by the Calculation Agent in its absolute discretion, of the Net Securities equal to the proportion represented by the nominal amount of the Notes subject to that Redemption Instruction Notice against the aggregate nominal amount of the outstanding Notes, but rounded down to the nearest whole number of Securities and

(ii) the Net Realisation Proceeds in respect of that fraction of the Net Securities that was the subject of such rounding down.

“**Net Securities**” means those Securities remaining following liquidation (or, if such liquidation cannot be effected by the Calculation Agent within 5 Business Days following the date on which an Early Redemption Event occurs, delivery to the Trustee, Agents and/or the Swap Counterparty, as the case may be) by the Calculation Agent on behalf of the Issuer of sufficient Securities to satisfy (which in the case of a delivery of Securities will be on the basis of the fair market value of the Securities as determined by the Calculation Agent in its sole and absolute discretion) the aggregate of any Agency Costs and any Swap Termination Value payable by the Issuer to the Swap Counterparty.

“**Net Realisation Proceeds**” means the proceeds of realisation of any Securities actually received on the Issuer’s, or following enforcement of security, the Trustee’s behalf, less all Agency Costs.

“**Agency Costs**” means an amount in U.S. dollars determined by the Calculation Agent equal to the sum of the fees, costs, charges, expenses and other liabilities incurred by the Trustee and or the Agents in connection with and attributable to the Notes.

“**delivery**” means the satisfaction of any obligation of the Issuer to complete all matters necessary to transfer the relevant Securities to the Noteholder and in accordance with all applicable laws. Accordingly, and for the avoidance of doubt, there shall be no obligation on the Issuer to concern itself with any formalities or requirements that shall be placed on the Noteholder as the transferee of the relevant Securities in connection with the acquisition by the Noteholder of the relevant Securities.

“**Clearing Business Day**” means a day on which any clearing system through

which delivery of the Securities is to be effected is open for the acceptance and execution of settlement instructions other than a day on which it is scheduled to close prior to its regular weekday closing time.

“**Early Redemption Event**” means the occurrence of any event as a result of which the Notes become due for redemption pursuant to Conditions 7(c), 7(d) or 10.

For the avoidance of doubt, the Swap provides that if it is terminated early as a result of an early redemption of the Notes pursuant to Conditions 7(c), 7(d)(iii) or 10 thereof, then notwithstanding the provisions of Section 6(e) of the ISDA Master Agreement, if the amount otherwise payable on termination of the Swap pursuant to Section 6(e) thereof would be an amount payable by Barclays Bank PLC to Dali Capital PLC, then such amount shall be deemed to be zero.

- (ii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 8(f)): Yes

31 Mark-to-Market Call Option Not Applicable

32 Securities Rating Call Option Not Applicable

- (i) Minimum Rating Level for the Securities:
- (ii) Notice period (if other than as set out in the Conditions):

33 Mark-to-Market Redemption Option Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34 Form of Notes: Bearer Notes

- (i) Temporary or permanent Global Note/Certificate: Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note
- (ii) Applicable TEFRA exemption: D Rules

35 Additional Business Centre(s) (Condition 8(h)) or other special provisions relating to payment dates: London

36 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates No

on which such Talons mature):

37 Details relating to Partly Paid Not Applicable

Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

38 Details relating to Instalment Notes: Not Applicable

39 Redenomination, renominatisation and reconventioning provisions: Not Applicable

40 Consolidation provisions: Not Applicable

41 Other terms or special conditions: The following modifications shall be made to the Conditions for the purposes of these Notes:

1 Condition 6(i)

Condition 6(i) shall be amended with the addition of the following sentence at the end thereof:

“The Calculation Agent shall notify the Trustee, the Issuer, each of the Paying Agents and the Noteholders of the Redemption Adjustment Amount (i) on, or as soon as reasonably practicable after, each Determination Date and (ii) as soon as reasonably practicable after any request from the Trustee or any Noteholder.”

2 Condition 7(c)

Condition 7(c) shall be replaced with the following:

“(c) **Mandatory Redemption:** If, at any time a Credit Event has occurred and the Conditions to Settlement have been satisfied, as determined by the Calculation Agent in its sole and absolute discretion, then the Calculation Agent shall, as soon as reasonably practicable, notify the Issuer, the Trustee, the Issuing and Paying Agent, the Swap Counterparty and the Noteholders (the date on which notification to the Noteholders is effective (which, in the case of notification by delivery of a notice through any clearing system, shall be deemed to be the date of such delivery of such notice to such clearing system) being the “**Event Notification Date**”) and the Issuer shall redeem each Note at its Early Redemption Amount on the date specified in such notice falling no less than 5 Business Days and no more than 30 Business Days after the Event Notification Date.

“**Conditions to Settlement**” shall be deemed to have been satisfied upon the delivery by the Calculation Agent to the Issuer of a Credit Event Notice and a Notice of Publicly Available Information (the date of delivery of such Credit Event Notice being the “**Event Determination Date**”).

“**Credit Derivatives Definitions**” means the 2003 Credit Derivatives Definitions, as published by ISDA, as supplemented by the May 2003 Supplement to the 2003 Credit Derivatives Definitions.

“**Credit Event**” means the occurrence in respect of any of the Securities or the Issuer thereof, as the case may be, of a Failure to Pay, Restructuring (in respect of which Restructuring Maturity Limitation and Fully Transferable Obligation shall be deemed to be applicable), Repudiation/Moratorium (in respect of which the “**Repudiation/Moratorium Evaluation Date**” shall be deemed to be the first London Business Day prior to the Maturity Date.

For the purposes hereof, the terms “**Credit Event Notice**”, “**Notice of Publicly Available Information**”, “**Failure to Pay**”, “**Restructuring**”, “**Maturity Limitation**”, “**Fully Transferable Obligation**” and “**Repudiation/Moratorium**” shall have the respective meaning given to them, *mutatis mutandis*, in the Credit Derivatives Definitions, provided that:

(A) In respect of Failure to Pay, the Grace Period (as defined in the Credit Derivatives Definitions) shall be deemed to be the grace period applicable to the relevant Obligations (the “**Applicable Grace Period**”);

(B) In respect of Restructuring, notwithstanding Section 4.7 of the Credit Derivatives Definitions, an event in respect of an Obligation that would otherwise constitute a Restructuring shall be deemed not to do so if such Obligation is held only by one or more Sovereigns.

(C) “**Default Requirement**” shall mean U.S.\$ 10,000,000 (or its equivalent in any other currency);

(D) “**Obligations**” shall be deemed to refer to the Securities;

(E) “**Payment Requirement**” shall mean U.S.\$ 1,000,000 (or its equivalent in any other currency);

(F) “**Reference Entity**” shall be deemed to refer to the issuer of the Securities; and

(G) Paragraphs (IV) and (V) of the definition of “**Restructuring**” shall be deleted.

(H) “**Scheduled Termination Date**” shall mean the Maturity Date.

(I) references to notices being given by telephone will be disregarded.

(J) any other terms used in any of the above terms but not otherwise defined herein shall have the meaning given to each such term, *mutatis mutandis*, in the Credit Derivatives Definitions.

The Credit Derivatives Definitions shall be incorporated by reference into the terms of the Notes for the purposes of this Condition 7(c) and terms used but not defined herein shall have the meanings given to them, *mutatis mutandis*, in the Credit Derivatives Definitions.

In the event of the Notes becoming mandatorily due for redemption and the Security becoming enforceable (i) the Trustee may take such action as is provided in Condition 4(d) and (ii) the Early Redemption Amount may be less than the principal amount of the Notes being redeemed.”

3 Condition 7(d)(ii)

Condition 7(d)(ii) shall be amended by the addition of the words “and/or” at the end thereof.

4 Condition 7(d)(iii)

A new Condition 7(d)(iii) shall be added as follows:

“(iii) If, at any time (a) any of the Securities become repayable prior to their stated date of maturity, or (b) if a payment due in respect of any of the Securities is not made within the Applicable Grace Period of such payment first becoming due, in each case as determined by the Calculation Agent in its sole and absolute discretion and *provided that* any event that falls under both Condition 7(c) and this Condition 7(d)(iii), shall be

deemed to fall under Condition 7(c) only,”

5 Condition 7(d)

Condition 7(d) shall be amended by replacing the words “shall become due for redemption on the date specified in such notice at their outstanding Early Redemption Amount (as described in Condition 7(b) above) (together with any interest accrued to the date fixed for redemption)” in the first paragraph after the new Condition 7(d)(iii), with the words “shall become due for redemption on the date specified in such notice (such date to be no less than 5 Business Days and no more than 30 Business Days after the date of the relevant Early Redemption Event) at their Early Redemption Amount”.

6 Condition 8(i)

A new Condition 8(i) shall be added as follows:

“(i) Payments subject to Taxation: All payments of principal and interest in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature (“**taxes**”) imposed, levied, collected, withheld or assessed thereon. In the event of the imposition of any such taxes, the Issuer shall deduct such taxes from the amounts payable in respect of the Notes. Any such deduction shall not be an Event of Default under Condition 10. In the event of the imposition of such withholding taxes on payments in respect of the Notes the Issuer will use all reasonable endeavours to arrange for its substitution as principal debtor by a company incorporated in another jurisdiction, subject to and in accordance with Condition 7(d).”

7 Condition 8(j)

A new Condition 8(j) shall be added as follows:

“(j) Delivery of Securities: Delivery of any Securities to which a Noteholder is entitled shall be made in accordance with the instructions of the relevant Noteholder set out in a Redemption Instruction Notice (a “**Redemption Instruction Notice**”) substantially in the form set out in Schedule 2 of the Supplemental Trust Deed (and available upon request from the specified office of any Paying Agent during normal office hours). The Issuer shall forthwith on request provide each Paying Agent with sufficient copies of the form of the Redemption Instruction Notice for such purposes. The Issuer shall not be obliged to deliver any Securities in respect of any Note unless such Note, together with a completed and executed Redemption Instruction Notice relating to the Note, shall have been presented for endorsement and surrendered at the specified office of the Issuing and Paying Agent. The Issuing and Paying Agent shall, in respect of any Note so presented to it, endorse on such Note details of the receipt of the Redemption Instruction Notice and the Securities deliverable to the Noteholder.

The Issuing and Paying Agent shall, in respect of such Note surrendered, issue to the Noteholder, as a receipt for such Note, a copy of such Redemption Instruction Notice duly marked with the Issuing and Paying Agent’s stamp and the date and time of receipt. Such receipt shall be non-transferable and shall be prima facie evidence of entitlement of the person named therein to any Securities in respect of the Note specified therein. However, the records of the Issuing and Paying Agent shall be conclusive evidence of such entitlement.

No Note so surrendered may be withdrawn without the prior written consent of the Issuer. The Issuer shall (subject to receipt of a Redemption Instruction Notice) deliver or cause to be delivered on, or as soon as practicable after, the due date for redemption, the relevant Securities for the Note so presented or surrendered as specified in the relevant Redemption Instruction Notice and subject to the provisions herein.

For so long as the Notes are held by or on behalf of Clearstream, Luxembourg or Euroclear, any written or

electronic transmission from the Noteholder that contains the information required in a Redemption Instruction Notice shall be treated as a Redemption Instruction Notice.

If the Securities are clearable through Euroclear or Clearstream, Luxembourg and the relevant Noteholder wishes to have delivery through Euroclear or Clearstream, Luxembourg, then accountholders at Euroclear and Clearstream, Luxembourg will be required to give an irrevocable instruction to Euroclear or Clearstream, Luxembourg as the case may be, in respect of such delivery in the form prescribed by the relevant clearing system not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be (or, in the case of an instruction to Euroclear via EUCLID or EUCLID 90, 11.00 a.m. Brussels time) on the Clearing Business Day prior to the due date for redemption.

If the Securities are not clearable through Euroclear or Clearstream, Luxembourg then delivery of the Securities shall take place in such manner as indicated in the relevant Redemption Instruction Notice or, if in the opinion of the Calculation Agent such manner is impracticable or unreasonable, in such manner as the Calculation Agent, acting in its absolute discretion, considers appropriate.

For as long as the Notes are represented by a Global Note, surrender of Notes, together with a Redemption Instruction Notice shall be effected by presentation of the Global Note and its endorsement to note the nominal amount of Notes to which the relevant Redemption Instruction Notice relates.

DISTRIBUTION

- | | | |
|-----------|--|--|
| 42 | (i) If syndicated, names of Managers:

(ii) Stabilising Manager (if any):

(iii) Dealer's Commission: | Not Applicable

Not Applicable

Not Applicable |
| 43 | If non-syndicated, name of Dealer: | Barclays Bank PLC |
| 44 | Additional selling restrictions: | The Notes will not be offered or sold except in circumstances which do not constitute an offer to the public within the meaning of the Irish Companies Act 1963 (as amended and supplemented). |
| 45 | Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 12(a): | Not Applicable |

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing: Ireland
- (ii) Admission to trading: Application will be made for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange
- (iii) Estimate of total expenses related to admission to trading: €6,000

2 RATING

The Notes to be issued are expected to be rated BBB by Standard and Poor's

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

OPERATIONAL INFORMATION

4 ISIN Code: XS0223633289

5 Common Code: 022363328

6 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

7 Delivery: Delivery free of payment

8 The Agents appointed in respect of the Notes are: *Issuing and Paying Agent:*
The Bank of New York Mellon

Paying Agent:

CAPITA INTERNATIONAL FINANCIAL SERVICES (IRELAND) LIMITED

Custodian:

The Bank of New York Mellon

Calculation Agent:

Barclays Bank PLC. *Except to the extent that the Calculation Agent has acted negligently or fraudulently or is in wilful breach of its duties, the Calculation Agent shall not be liable to the Noteholders for any expense, loss or damage suffered by or occasioned to them. In any event, the Calculation Agent shall not be responsible for any direct loss or indirect consequential losses, notwithstanding it having been advised of the possibility of such loss.*

9 The aggregate nominal amount of Notes issued has been translated into Euro at the rate of [•], Not Applicable

**producing a sum of (for
Notes not denominated in
euro):**

Annex 1

The Initial Securities

Each of the following securities, in the amounts set out in the third column, will constitute part of the Securities on the Issue Date.

Title	ISIN	Notional Amount (€)
Buoni del Tesoro Poliennali due 1 November 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0001246807	80,000,000
Buoni del Tesoro Poliennali due 1 November 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0001247383	21,000,000
Buoni del Tesoro Poliennali due 1 August 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0003268858	58,000,000
Buoni del Tesoro Poliennali due 1 May 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0001247375	20,000,000
Buoni del Tesoro Poliennali due 1 February 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0003268841	60,000,000

Annex 2 Swap Confirmation

DATE: Dated as of 4 August 2005, as amended and restated on 20 November 2013 but with effect as of 7 June 2006

TO: Dali Capital PLC

Location: Ireland
Telephone No: +353 1874 0777
Facsimile No.: +353 1874 3050
Attention : The Directors.

FROM: Barclays Bank PLC

SUBJECT: Amended and Restated Interest Rate and Currency Swap Transaction relating to EUR 100,000,000 Secured Limited Recourse Variable Redemption CMS Linked Notes due 2026 (the “Notes”)

The purpose of this communication is to amend and restate the terms and conditions of the transaction entered into on the Trade Date specified below (the “Transaction”) between Barclays Bank PLC (“Barclays”) and Dali Capital PLC (“Dali”) entered into in connection with the issue by Dali of the Notes. This communication constitutes a “Confirmation” as referred to in the ISDA Agreement specified below.

Unless otherwise indicated, we have acted as principal in respect of this Transaction. The time of execution of this Transaction is available on request.

This Confirmation is subject to, and incorporates, the 2000 ISDA Definitions (the “Definitions”) published by the International Swaps and Derivatives Association, Inc. (“ISDA”). The Definitions shall be read as supplemented or modified by this Confirmation. This Confirmation supplements, forms a part of and is subject to the ISDA Master Agreement dated as of 8 April 2005, including the Schedule thereto (the “ISDA Agreement”), between Barclays and Dali. All provisions contained in, or incorporated by reference into, the ISDA Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between this Confirmation (including the Appendix hereto, which forms part of this Confirmation), the Definitions or the ISDA Agreement, as the case may be, this Confirmation will control for purposes of the Transaction to which this Confirmation relates. Terms used but not defined (whether expressly or by incorporation) in this Confirmation shall have the meaning given to them in the Notes.

The terms of the particular Swap Transaction to which this Confirmation relates are as follows:

General Terms:

Trade Date: 21 July 2005

Effective Date: The Issue Date of the Notes

Termination Date: The Maturity Date of the Notes

Calculation Agent: Barclays

Business Days: London and TARGET Settlement Day

Business Day Convention: Modified Following

First Fixed Amounts:

Fixed Rate Payer 1:	Dali.
Fixed Rate Payer 1 Payment Amounts:	On each Fixed Rate Payer 1 Payment Date, an amount equal to the aggregate of any amount in respect of interest scheduled to be received under the terms and conditions of the Securities then held by Dali (determined by reference to the terms and conditions of such Securities as at the Issue Date without regard to any subsequent modifications thereto).
Fixed Rate Payer 1 Payment Dates:	Each date on which any payment in respect of interest is scheduled to be paid under the terms and conditions of the Securities (as defined in the Notes) then held by Dali (determined by reference to the terms and conditions of such Securities as at the Issue Date without regard to any subsequent modifications thereto).

Second Fixed Amounts:

Fixed Rate Payer 2:	Barclays.
Fixed Rate Payer 2 Payment Amounts:	On each Fixed Rate Payer 2 Payment Date, an amount equal to the aggregate interest amount payable on the Notes on the Interest Payment Date falling on the same day as such Fixed Rate Payer 2 Payment Date.
Fixed Rate Payer 2 Payment Dates:	Each date on which payment of interest is due in respect of the Notes during the Fixed Rate Period.

Interim Exchanges

Interim Exchange Dates:	Each date (other than the Final Exchange Date) on which Dali is scheduled to receive the proceeds of redemption of any of the Securities on maturity thereof under the terms and conditions of such Securities (determined by reference to the terms and conditions of such Securities as at the Issue Date without regard to any subsequent modifications thereto).
Interim Exchange Amounts:	<p>On each Interim Exchange Date:</p> <p>(i) Dali will pay to Barclays an amount in EUR equal to the scheduled proceeds of redemption of the relevant Securities under the terms and conditions of such Securities (determined by reference to the terms and conditions of such Securities as at the Issue Date without regard to any subsequent modifications thereto), and</p> <p>(ii) Barclays will deliver to Dali the Relevant Securities set out in the table in the Appendix hereto corresponding to the relevant Interim Exchange Date, in the notional amount specified in the third column of such table.</p>

Collateral Interim Exchanges

Collateral Interim Exchange Dates: Each date on which, if this Transaction were terminated on such date, the termination payment (the “**Swap Termination Payment**”) that would be payable upon such termination in accordance with the provisions of Section 6(e) of this Transaction and for this purpose taking into account any Collateral Interim Exchange Amounts already delivered in favour of Dali (as determined by the Calculation Agent in its sole and absolute discretion) would be an amount payable to Dali in excess of EUR 10,000,000.

Collateral Interim Exchange Amount: On each Collateral Interim Exchange Date, Barclays will deliver to Dali an aggregate nominal amount of Collateral Securities (as selected by Barclays in its sole and absolute discretion) having a market value (as determined by the Calculation Agent in its sole and absolute discretion) such that delivery thereof to Dali will mean that the related Swap Termination Payment would not be an amount payable to Dali in excess of EUR 10,000,000.

For the purposes of this Transaction, “**Collateral Securities**” means, as selected by Barclays in its sole and absolute discretion, Buoni del Tesoro Poliennali issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance and having any of the following ISINs:

- (i) ISIN IT0001246807,
- (ii) ISIN IT0001247383, or
- (iii) ISIN IT0001086567.

Final Exchange

Final Exchange Date: The Termination Date.

Final Exchange Amount: On each Final Exchange Date:

- (i) Dali will pay to Barclays an amount in EUR equal to the scheduled proceeds of redemption of the Securities then held by or on behalf of Dali under the terms and conditions of such Securities (determined by reference to the terms and conditions of such Securities as at the Issue Date without regard to any subsequent modification thereof), and
- (ii) Barclays will pay to Dali the aggregate Final Redemption Amount in respect of the Notes.

Additional Provisions

If an Early Termination Date is deemed to have been designated pursuant to paragraph (b) of Part 5 of the Schedule to the ISDA Agreement and such deemed designation is as a result of an early redemption of the Notes pursuant to Conditions 7(c), 7(d)(iii) or 10 thereof, notwithstanding the provisions of Section 6(e) of the ISDA Master Agreement, if the amount otherwise payable on termination of this Transaction pursuant to Section 6(e) would be an amount payable by Barclays to Dali, then such amount shall be deemed to be zero, provided that any Unpaid Amount shall continue to be payable. For the avoidance of doubt, pursuant to

paragraph (b) of Part 5 of the Schedule to the ISDA Agreement, Dali will be the Affected Party in respect of such Early Termination Date.

Section 5(a)(i) shall be amended by the deletion of the words “the third Local Business Day” and their replacement with the words “day falling the Applicable Grace Period (as such term is defined in the terms and conditions of the relevant Notes)”.

Details for the purpose of giving Notices:

Barclays:	Dali:
Barclays Bank PLC	West Block Building
5 The North Colonnade	IFSC
Canary Wharf	Dublin 1
London E14 4BB	Ireland
Attention: Credit Exotic Trading	Attention: The Directors
Tel: +44 20 7773 4115	Tel: +353 1874 0777
Fax: +44 20 7773 4838	Fax: +353 1874 3050

Account Details:

Payments to Barclays:

For the Account of:	Barclays Bank PLC
Name of Bank:	Barclays Bank PLC, London
Sort Code:	20-00-00
Account Number:	00152021
Swift Code:	BARCGB22

Payments in euro:

For the Account of:	Barclays Head Office SWAPS
Name of Bank:	Barclays Bank PLC, London
IBAN no:	GB 49 BARC 200000 78659111
Swift Code:	BARCGB22 (If paying by MT202: Barclays Head Office SWAPS do not have an associated SWIFTBIC. Do not quote BARCGB22 in field 58)

Payments to Dali:

For the Account of:	The Bank of New York Mellon, London
Name of Bank:	Barclays Bank PLC
Address:	155 Bishopsgate, London
Account Number:	57474322

SWIFT Code:

BARCGB22

Reference:

Attn Corporate Trust re: Dali Capital PLC Series 12

Offices:

(a) The Office of Barclays for this Transaction is London.

(b) The Office of Dali for this Transaction is Dublin.

Dali hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing correctly sets forth the terms of the agreement between Barclays and Dali with respect to the particular Transaction to which this Confirmation relates, by manually signing this Confirmation and providing the other information requested herein and immediately returning an executed copy to MTN Desk, facsimile number +44 20 7773 4876.

Yours sincerely,

BARCLAYS BANK PLC

By:

Agreed and Accepted By:

DALI CAPITAL PLC

By:

APPENDIX

The Relevant Securities

The securities set out below comprise the “Relevant Securities”.

Interim Exchange Date	Title	ISIN	Notional Amount (€)
1 August 2026	Buoni del Tesoro Poliennali due 1 November 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0001086567	56,500,000
1 May 2026	Buoni del Tesoro Poliennali due 1 November 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0001086567	20,000,000
1 February 2026	Buoni del Tesoro Poliennali due 1 November 2026 issued by the Republic of Italy acting through a duly authorised delegate of the Minister of the Economy and Finance	IT0001086567	57,500,000

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors passed on 29 July 2005 and the amendment of the terms of the Notes was authorised by a resolution of the Board of Directors on 20 November 2013.
2. Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case, since its date of incorporation on 13 June 2001.
3. The auditor of the Issuer is Deloitte and Touche, Chartered Accountants (a member of the Institute of Chartered Accountants in Ireland and qualified to act as Auditors in Ireland).
4. The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such procedures which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus that may have, or have had in the recent past, a significant effect, in the context of the issue of Notes on its financial position or profitability.
5. Each Note and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems.
7. For so long as the Notes are outstanding (in respect of 6(a) to 6(f)) and for so long as the Notes are listed, from the date of the relevant document (in respect of 6(g)), the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of Capita International Financial Services (Ireland) Limited :
 - (a) the Principal Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - (b) the Dealer Agreement;
 - (c) the Agency Agreement;
 - (d) the Memorandum and Articles of Association of the Issuer;
 - (e) the Instrument of Trust;
 - (f) a copy of this Prospectus together with any document incorporated by reference in this Prospectus;
 - (g) all audited annual financial statements of the Issuer as and when published; and
 - (h) each Supplemental Trust Deed and Swap.

REGISTERED OFFICE OF THE ISSUER

Dali Capital PLC
West Block Building
International Financial Services Centre
Dublin1
Ireland

TRUSTEE

The Bank of New York Mellon
One Canada Square
Canary Wharf
London E14 5AL

ISSUING AND PAYING AGENT AND CUSTODIAN

The Bank of New York Mellon
One Canada Square
Canary Wharf
London E14 5AL

PAYING AGENT

Capita International Financial Services (Ireland) Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

DEALER

Barclays Bank PLC
5 North Colonnade
Canary Wharf
London E14 4BB

AUDITOR OF THE ISSUER

Deloitte & Touche
Chartered Accountants
Earlsfort Terrace
Dublin 2
Ireland

LISTING AGENT

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

LEGAL ADVISERS

*to the Dealer
in respect of English law*

Linklaters
One Silk Street
London EC2Y 8HQ

*To the Issuer
in respect of Irish law*

A & L Goodbody
International Financial Services Centre
North Wall Quay
Dublin 1