

**To: Group of more than 200 largest original shareholders
in Irish Life & Permanent Group Holdings plc
(currently Permanent TSB Group Holdings plc) ("PTSB GH")**

Via email only

7 January 2015

Re: Potential damages of at least €1.8 per share recoverable in respect of your shares in PTSB GH

Dear Shareholder in Permanent TSB Group Holdings plc ("PTSB GH"),

The information provided in this letter is provided for general information purposes only and does not constitute a legal or professional advice or an offer or solicitation of any sort.

I am writing to you as one of a group of about 200 largest shareholders in PTSB GH, who collectively represented about 20% of the PTSB GH voting capital before the ex parte direction order effected by the Irish Minister for Finance on 26 July 2011 (the "July 2011 Ex Parte Provisional Direction Order")¹.

You supported the efforts of Mr. Piotr Skoczylas of Scotchstone Capital Fund Ltd (Malta) at the EGM of PTSB GH on 20 July 2011 when the shareholders overwhelmingly rejected the terms of the takeover by the Irish Minister for Finance (the "Minister") of the 99.2% of the PTSB GH voting share capital. The takeover by the Minister of the 99.2% of the voting share capital in PTSB GH was subsequently forced by means of the July 2011 Ex Parte Provisional Direction Order.

A small group of the PTSB GH shareholders led by Piotr Skoczylas (the "Shareholder Litigants") has been fighting the Minister for Finance / the Irish State in an effort, inter alia, to set aside the July 2011 Ex Parte Provisional Direction Order.

¹ The Irish Supreme Court has determined that "*any order made ex parte must be regarded as an order of a provisional nature only*" (Hardiman J. in the Supreme Court in *Adam v. Minister for Justice* [2001] 3 I.R. 53 (at p. 77)).

The court proceedings against the Minister are still ongoing. However, the Shareholder Litigants have already achieved certain important milestones, including, inter alia, the following:

- Firstly, following a three-week trial, the Irish High Court has been unable to uphold the legality of the July 2011 Ex Parte Provisional Direction Order. On 12 November 2014, the High Court ordered that the Court of Justice of the European Union (the "CJEU") be asked to determine legality, i.e. compatibility with EU law, of national measures such as the said ex parte provisional direction order. References to the CJEU are rare in Ireland. National courts must follow the CJEU rulings. Consequently, the said ex parte provisional Direction Order of July 2011 will be set aside or varied, if the CJEU rules against the Minister's position.
- Secondly, the Irish High Court has recently delivered a ruling (subject to an appeal), the consequence of which is that, should the July 2011 Ex Parte Provisional Direction Order be determined to be illegal due to its incompatibility with EU law, then the PTSB GH shareholders who were affected by the illegality of that direction order may be able to apply for damages. Thus, should you have been affected by the July 2011 Ex Parte Provisional Direction Order, you may be eligible for damages.

Specifically, as outlined in more detail at www.ilpshareholders.com, the current state of litigation against the Minister opened a way for you to potentially claim in due course damages estimated to be at least €1.8 per share for each original shareholder in PTSB GH (excluding damages that are non-calculable). On that basis, you can work out yourself damages that would be potentially awarded to you (if you have been affected by the said ex parte direction order). Assuming that all 200 of you took advantage of this opportunity, and assuming that the respective legal action is successful, the total damages attributable to the 200 of you (i.e. to the 200 largest affected shareholders) would potentially amount to approx. €100 million (excluding damages that are non-calculable). Assuming that all the affected 135,000 PTSB GH shareholders (mostly from Ireland) joined the respective legal action, and assuming that such a legal action is successful, the total damages attributable to all the affected shareholders would then potentially amount to approx. €500 million (excluding damages that are non-calculable).

Next Steps

The Shareholder Litigants believe that it is critically important that the affected PTSB GH shareholders close ranks. The more united the affected shareholders are, the more effective they can jointly be in influencing the current situation. **All the affected shareholders may benefit from extending a shareholder coalition of common interest.** Please let us know if, following the pending ruling of the Court of Justice of the European Union, you would be interested in seeking the aforementioned damages (assuming, inter alia, that the Court of Justice of the European Union rules in favour of the position of the affected shareholders in PTSB GH).

Please provide your feedback via the feedback form available at:

www.ilshareholders.com/your_feedback.php

By providing your feedback, you would be expressing your views, which hopefully will contribute towards extending a shareholder coalition of common interest. Additionally, please do not hesitate to contact us if you have any questions.

This letter is written without prejudice to the currently ongoing court proceedings. Nothing in this letter should be misconstrued as contradicting the claims, averments or submissions made by the Shareholder Litigants during the court proceedings.

Yours faithfully,



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