

SERIES PROSPECTUS

NOVUS CAPITAL PLC

(incorporated with limited liability in Ireland with registered number 470980)

**SERIES 2011-18 EUR 30,000,000 Interest Rate Asset Swap Notes due 15
September 2019**

Issued pursuant to the

"Novus" Structured Issuance Programme

arranged by

NOMURA INTERNATIONAL PLC

The date of this Series Prospectus is 6 September 2011.

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This Series Prospectus applicable to the issue by Novus Capital plc (the "**Issuer**") of its Series 2011-18 EUR 30,000,000 Interest Rate Asset Swap Notes due 15 September 2019 (the "**Notes**") should be read in conjunction with the Base Prospectus dated 12 August 2011 (the "**Base Prospectus**") relating to the "**Novus**" Structured Issuance Programme and the issuance by the Issuer of notes thereunder (the "**Programme**"), which is deemed to be incorporated herein by reference (see "*Incorporation by Reference*" below).

The Notes have been issued and constituted and secured pursuant to an Issue Deed dated 10 August 2011 between, amongst others, the Issuer and the Trustee.

Terms defined in the Base Prospectus have the same meaning in this Series Prospectus. This Series Prospectus (which incorporates by reference the Base Prospectus) constitutes a prospectus for the purposes of Article 5 of Directive 2003/71/EC (the "**Prospectus Directive**"). This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The obligations of the Issuer under the Notes will be secured as described under "*Charged Assets*" in the Additional Conditions.

Subject as set out below, the Issuer accepts responsibility for the information contained in this Series Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this Series Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof. So far as the Issuer is aware and is able to ascertain from information published in relation to the Collateral Assets and the issuers thereof no facts have been omitted which would render the information inaccurate or misleading. The information in relation to such Collateral Assets issuers has been accurately reproduced or summarised from information available on Bloomberg or the exchange on which such Collateral Assets issuer has listed some or all of its securities.

This Series Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC. The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC.

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that such application will be successful.

Neither the Arranger nor the Permanent Dealer makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes and accepts no responsibility or liability therefor.

On 10 August 2011 the Notes were issued on the terms set out in this Series Prospectus read together with the Base Prospectus.

This Series Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Prospectus or any other offering material in any jurisdiction where such action is required.

In this Series Prospectus, references to "**euro**", "**EUR**" and "**€**" refer to the currency introduced from the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union.

INCORPORATION BY REFERENCE

This Series Prospectus should be read and construed in conjunction with the Base Prospectus which has been previously published and approved by the Central Bank of Ireland as the competent authority under the Prospectus Directive and shall be deemed to be incorporated in, and form part of, this Series Prospectus, save that any statement contained in the Base Prospectus which is incorporated by reference in, and forms part of, this Series Prospectus shall be deemed to be modified or superseded for the purpose of this Series 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 a part of this Series Prospectus. This Series Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The Base Prospectus has been prepared on the basis that, except as provided in subparagraph (b) under the heading "**Exempt Offers**" in the Base Prospectus, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor the Permanent Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

ADDITIONAL RISK FACTORS

In addition to this section, each prospective investor in the Notes should refer to "Section 2: Risk Factors" in the Base Prospectus for risk factors which may reduce the return on the Notes and which could result in the loss of all or a portion of an investor's investment in the Notes.

Volatility of Collateral Assets

The market value of the Collateral Assets, and hence the market value of the Notes, may be volatile.

Volatility of Interest Rates

The volatility of interest rates may affect the market value of the Notes and in some circumstances may directly affect the amount payable on maturity or early redemption of the Notes.

Return

The value of these Notes and any income that may be paid from them can go down as well as up and, as such, at any point in time prior to and including the Maturity Date, the market value of the Notes may be substantially less than the amount initially invested. The return on an investment in the Notes could be very low or zero. The value of the Notes may be affected by a wide variety of investment risks, which include, but are not limited to, the following: interest rates, exchange rates, inflation, yield, correlation, volatility, creditworthiness of the Issuer, the obligor of the Collateral Assets and the Counterparty or any relevant guarantor, liquidity, embedded leverage, market sentiment, path dependency and general economic factors.

Creditworthiness of the Issuer, the Collateral Assets, the Counterparty and the Counterparty Guarantor

The Noteholder has recourse only to underlying securities forming collateral and any related swap transaction entered into by the Issuer of the Notes (together the "**Available Assets**"). The net proceeds (if any) of any realisation of the Available Assets may be insufficient to pay amounts due to the holders of the Notes and the holders of the coupons relating thereto. In such event, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, any such shortfall. None of the Arranger, Paying Agent, Trustee or the shareholders of the Issuer shall have any obligation to any of the holders of the Notes and the coupons relating thereto.

Credit Support Annex

The Bond Collateral shall be subject to haircuts as set out in the CSA. If the Bond Collateral ceases to be an eligible asset for the open market options of the Eurosystem, it shall cease to be Eligible Credit Support for the CSA. If any Eligible Credit Support ceases to be clearable through LCH.Clearnet, the Valuation Percentage under the CSA shall be reduced to zero.

If the Issuer is unable to deliver Eligible Credit Support pursuant to the CSA, an event of default under the Derivative Agreement may occur. This may result in an Event of Default in relation to the Notes.

MTM Trigger Event

The Notes may redeem early due to the occurrence of a MTM Trigger Event as determined by the Calculation Agent. The Notes may redeem at an amount less than the Issue Price and such amount may be zero.

Interest rates

The absolute level of interest rates may affect both the interest amount payable and the market value of the Notes.

Liquidity

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market (as defined in MiFID). However, there is currently no market for trading the Notes and there can be no assurance that such a market would develop. Therefore, it may not be possible for an investor to sell the Notes. As such, an investment in the Notes is only suitable for those investors that have no need for liquidity during the term of the Notes.

Conflict of Interest

During the course of its normal business, Nomura International plc and any of its affiliates or subsidiaries or their respective directors, officers, employees, representatives, delegates or agents (each a "**Relevant Person**") may enter into or promote, offer or sell transactions or investments (structured or otherwise) linked to the Notes or the relevant underlying asset or variable(s) that could affect the value of the Notes (either negatively or positively). The Issuer and any of its affiliates may establish, maintain, adjust or unwind its hedge positions with respect to the Notes with Nomura International plc or any of its affiliates.

Market disruption

Market disruption affects the value of the Notes and/or delay settlement, redemption or payments.

Suitability

Investors in the Notes are responsible for their own independent analysis and they should ensure that they understand and can afford all the risks (including but not limited to the market risk, credit risk and liquidity risk) associated with the Notes before making a decision to invest in the Notes. Investors should carefully consider whether the Notes are suitable for them in the light of their experience, objectives, financial position and other relevant circumstances. Investors should consult with their own counsel, accountants and other advisers in connection with their decision to purchase the Notes. In structuring and selling the Notes, Nomura International plc is not acting in any fiduciary or advisory capacity.

Reinvestment risk

If the Notes are redeemed prior to their scheduled Maturity Date, investors in the Notes may not be able to reinvest the redemption proceeds from the Notes at an equivalent rate to that earned or expected to be earned on the Notes.

PART A – ADDITIONAL CONDITIONS

Terms used but not defined herein shall be deemed to have the meaning given thereto in the base Conditions set forth in the Base Prospectus dated 12 August 2011 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC). This document constitutes the Additional Conditions of the Notes described herein and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Additional Conditions, the Series Prospectus and the Base Prospectus. The Base Prospectus is available for viewing on the website of the Central Bank (www.centralbank.ie) or during normal business hours at 11/12 Warrington Place, Dublin, Ireland.

The Issue Price specified below may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which Nomura International plc or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Nomura International plc are based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

If any commissions or fees relating to the issue and sale of these Notes have been paid or are payable by the Permanent Dealer to an intermediary, then such intermediary may be obliged fully to disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) ("**MIFID**"), or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these Notes intending to purchase Notes through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.

1	Issuer:	Novus Capital plc
2	Series Number:	2011-18
3	Currency:	EUR
4	Principal Amount of Series:	EUR 30,000,000, subject to increase in accordance with paragraph 2.5 of Part C (Further Provisions)
5	Issue Price:	100 per cent. of the Principal Amount as at the Issue Date
6	Minimum Denominations/Specified Denominations:	EUR 100,000
7	Integral Multiple:	Not Applicable
8	(i) Issue Date:	10 August 2011
	(ii) Interest Commencement Date:	Issue Date
9	Maturity Date:	15 September 2019, subject to adjustment in accordance with the Business Day Convention
10	Business Day:	London and TARGET2

11	Business Day Convention:	Following
12	Interest Basis:	From and including the Interest Commencement Date to but excluding the Maturity Date, Fixed Rate. In addition to the foregoing, from and including the Interest Commencement Date to but excluding the Maturity Date, Structured
13	Redemption Basis:	Redemption at par
14	Change of Interest or Redemption Basis:	Not Applicable
15	Investor Put/Issuer Purchase Options:	Not Applicable
16	Date on which Board approval for issuance of Notes obtained:	9 August 2011

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Obligations:	Applicable
	(i) Interest Rate:	5.80 per cent. per annum
	(ii) Interest Payment Dates:	15 March and 15 September in each year commencing on 15 September 2011, up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention.
	(iii) Interest Amount:	Notwithstanding Condition 3.5, the Interest Amount in respect of Fixed Rate Obligations shall be, in respect of each Note, its pro rata share of the product of: <ul style="list-style-type: none"> (a) the Interest Rate; (b) the principal amount outstanding of the Notes (determined without regard to any Actual Top-Up Amount); and (c) the applicable Day Count Fraction.
	(iv) Day Count Fraction:	30/360
	(v) Determination Date:	Not Applicable
	(vi) Other terms relating to the method of calculating interest for Fixed Rate obligations.	Not Applicable
18	Floating Rate Obligations:	Not Applicable
19	Zero Coupon Notes	Not Applicable
20	Indexed Obligations	Not Applicable
21	Structured Rate Obligations	Applicable

In addition to interest payable under paragraph 17 above, interest shall be payable in respect of each Note in accordance with this paragraph 21. Notwithstanding Condition 3.5, the Interest Amount in respect of Structured Rate Obligations shall be, in respect of each Note, its pro rata share of the product of:

- (a) the Floating Rate Option;
- (b) the average daily Aggregate Top-up Amount in the relevant Interest Period; and
- (c) the applicable Day Count Fraction.

For the avoidance of doubt, such Interest Amount will be zero if the Aggregate Top-up Amount is zero.

- (i) Interest Periods: As per the Conditions
- (ii) Interest Payment Dates: 15 March and 15 September from and including 15 September 2011 to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention.
- (iii) Floating Rate Option: EUR-EONIA-OIS-COMPOUND, unless such rate (or component of such rate) cannot be determined for any day in an Interest Period, in which case the rate (or component of such rate) for that day will be determined by the Calculation Agent (acting in a commercially reasonable manner).
- (iv) Designated Maturity: Not Applicable
- (v) Reset Dates: The first date on which any Aggregate Top-up Amount is delivered to the Issuer, and thereafter the first day of each Interest Period
- (vi) Margin: Zero
- (vii) Minimum Rate of Interest: Not Applicable
- (viii) Maximum Rate of Interest: Not Applicable
- (ix) Day Count Fraction: 30/360
- (x) Determination Date: Not Applicable
- (xi) Linear Interpolation: Not Applicable
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Obligations, if different from those set out in the

Conditions:

- 22 Redemption Amount:** In respect of each Note, on the Maturity Date, its pro rata proportion of an amount in EUR equal to the Principal Amount of the Series.
- 23 Instalment Obligations:** Not Applicable
- 24 Early Redemption Amount:**
- (i) Early Redemption Amount: In respect of each Note, an amount as determined by the Calculation Agent in its sole and absolute discretion equal to such Note's pro rata proportion of the lesser of:
- (a) the Principal Amount on such date less the Unwind Amount; and
 - (b) the amount which would be available for distribution in respect of the Series less the Unwind Amount and after payment of all prior ranking amounts if the Priority of Payments were to apply (disregarding, for the purposes of this sub-paragraph (b), paragraph (iii) of the definition of "**Unwind Amount**" and any other amounts which are already accounted for in the Priority of Payments).
- "Unwind Amount"** means an amount determined by the Calculation Agent in its sole and absolute discretion comprising:
- (i) an amount equal to the aggregate of any losses, costs and expenses incurred (or in the sole discretion of the Calculation Agent likely to be incurred) by the Issuer, the Note Trustee, the Security Trustee, the Counterparty (including, but not limited to loss of bargain, cost of funding, loss of collateral/Independent Amount under the CSA and, without duplication, costs of terminating, liquidating or re-establishing any hedge or related trading position) or by the other transaction parties in connection with the realisation of the Collateral Assets; plus
 - (ii) the Early Termination Amount as defined in the Derivative Agreement (where a negative amount represents an amount owing to the Issuer by the Counterparty and a positive amount represents an amount owing to the Counterparty by the Issuer); minus

	(iii)	an amount equal to the product of (x) the difference (if any) between the price (expressed as a percentage) at which the Acquisition and Disposal Agent disposes of the outstanding Initial Bond Collateral (inclusive of accrued interest) and 100 per cent. and (y) the principal amount of the outstanding Initial Bond Collateral as of the Early Redemption Date (such amount being negative if the price of the outstanding Initial Bond Collateral is less than 100 per cent. and positive if the price of the outstanding Initial Bond Collateral exceeds 100 per cent.).
	(ii)	Physical Settlement: Not Applicable
25		Redemption for taxation reasons permitted on days other than Interest Payment Dates: Yes
26		Issuer Purchase Option: Not Applicable
27		Investor Put Option: Not Applicable
28		Premium Amount: Not Applicable
29		Charged Assets:
	(i)	Collateral Assets: The Issuer's right, title and interest in and to each of the following:
	(a)	EUR 30,000,000 in principal amount of 2.35 per cent. Buoni Poliennali del Tesoro indicizzato all'inflazione europea (Italian Treasury Bonds indexed to Euro-zone inflation) due 15 September 2019 (ISIN IT0004380546), as described further in Part F (Summary of Collateral Assets and Swap Transaction) (the " Initial Bond Collateral ");
	(b)	any securities from time to time transferred to the Issuer by the Counterparty under the terms of the CSA (as defined below), being EUR denominated debt obligations issued by the Republic of Italy that are eligible assets for the purposes of the open market operations of the Eurosystem (together with the Initial Bond Collateral, the " Bond Collateral ");
	(c)	any cash in EUR delivered to the Issuer in accordance with paragraph 2.3 of Part C (Further Provisions) (the " Aggregate Top-up Amount "); and

		(d) any cash in EUR from time to time transferred to the Issuer by the Counterparty under the CSA (as defined below) (together with the Aggregate Top-up Amount, the " Cumulative Cash Collateral ").
(ii)	Derivative Agreement (if applicable):	A 2002 ISDA Master Agreement and Schedule thereto (in the form set out in the Derivatives Master Terms dated 3 August 2011 signed for the purposes of identification by the Counterparty and the Trustee) between the Issuer and the Counterparty dated as of the Issue Date and an ISDA Credit Support Annex (English Law transfer) in the form set out in Part E (Paragraph 11 of the Credit Support Annex) (the " CSA ") as supplemented by a confirmation in the form set out in Part D (Form of Swap Confirmation) hereto (the " Confirmation ") confirming the terms of a swap transaction (the " Swap Transaction "). A summary of the Swap Transaction is set out in Part F (Summary of Collateral Assets and Swap Transaction). The Counterparty's obligations under the Derivative Agreement are guaranteed by Nomura Bank International plc (the " Counterparty Guarantor ") pursuant to a guarantee dated 10 August 2011 (the " Counterparty Guarantee "). The Counterparty Guarantee is available for viewing during normal business hours at 11/12 Warrington Place, Dublin 2, Ireland.
	Counterparty:	Nomura International plc of 1 Angel Lane, London, United Kingdom, EC4R 3AB
(iii)	Repurchase Agreement (if applicable):	Not Applicable
(iv)	Deposit Agreement (if applicable):	Not Applicable
(v)	Securities Lending Agreement (if applicable):	Not Applicable
(vi)	Priority of Payments:	The Trustee shall apply all moneys received by it under the trust constituted by the Trust Terms and the Issue Deed in connection with the realisation or enforcement of the security constituted by or pursuant to the trust constituted by the Trust Terms and the Issue Deed in accordance with: Modified Counterparty Priority
30	Form of Obligations:	Registered Notes
31	New Global Note:	No
32	Clearing System (if applicable):	Euroclear Bank S.A. 1, Boulevard du Roi Albert II

33	Exchange:	
	(i) Obligations to be represented on issue by:	Registered Global Note
	(ii) Applicable TEFRA exemption:	Not Applicable
	(iii) Registered Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes:	Yes, exchangeable for Definitive Registered Notes in limited circumstances set out in the Registered Global Note
	(iv) Permanent Global Note exchangeable for Definitive Bearer/ Registered Notes:	Not Applicable
34	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No
35	Unmatured Coupons to become void upon early redemption:	Yes
36	Details of any other additions or variations to the Conditions:	See Part C (Further Provisions)

DISTRIBUTION

37	Syndicate Issue:	Not Applicable
38	Non-syndicated Issue name and address of Dealer:	Nomura International plc 1 Angel Lane London United Kingdom EC4R 3AB
39	Dealers' commission (if applicable):	None
40	Details of any additions or variations to the Programme Agreement:	None
41	Non-exempt Offer:	Not Applicable
42	Details of any additions or variations to the selling restrictions:	None
43	Principal Paying Agent:	Citibank, N.A., London Branch Citigroup Centre Canada Square Canary Wharf London E14 5LB
44	Calculation Agent:	Nomura International plc 1 Angel Lane London United Kingdom

- EC4R 3AB
- 45 Acquisition and Disposal Agent:** Nomura International plc
1 Angel Lane
London
United Kingdom
EC4R 3AB
- 46 Registrar:** Citigroup Global Markets Deutschland AG
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany
- 47 Transfer Agents:** Not Applicable
- 48 Paying Agents:** Principal Paying Agent:
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB
- 49 Custodian:** Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

PART B - OTHER INFORMATION

1. Admission to Listing and Trading

- (i) Admission to listing and trading: Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.
- (ii) Estimate of total expenses related to admission to trading: Approximately EUR 2,600

2. Ratings

Rating Agency: The Notes to be issued have not been and will not be rated.

3. Interests of Natural and Legal Persons Involved in the Issue/Offer

Save as discussed in "Subscription and Sale" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. Use of Proceeds

The net proceeds of the issue will amount to EUR 30,000,000 and will be used by the Issuer to purchase the assets which are to form the Charged Assets and in making the initial payment due by the Issuer under the Derivative Agreement.

5. Operational Information

ISIN Code: XS0650702946

Common Code: 065070294

CUSIP Number: Not Applicable

Any clearing system(s) other than Euroclear Bank S.A./N.V. Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable

Delivery: Delivery free of payment

Names and addresses of initial Paying Agent(s): See paragraph 43 of Part A

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No

6. General

The aggregate principal amount of Notes issued has been translated into EUR at the rate of EUR[●]/[●][●], producing a sum of (for Notes not denominated in EUR): Not Applicable

7. **Supplementary Information**

The Issuer will agree to comply with any undertakings given by it from time to time to the Irish Stock Exchange in connection with the Notes. Without prejudice to the generality of the foregoing, the Issuer will, so long as any of its Notes remain outstanding and listed on the Official List and admitted to trading on the regulated market, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in the Base Prospectus, prepare a supplement to the Base Prospectus or publish a new base prospectus as may be required by the guidelines of the Irish Stock Exchange for use in connection with any subsequent issue of Notes to be listed on the Official List and admitted to trading on the regulated market. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus, as so modified or amended, inaccurate or misleading, a new base prospectus will be prepared.

8. **Restrictions on Transfers**

Subject to applicable securities laws, there are no restrictions on the free transferability of the Notes other than those described in paragraph 2.1 of Section 8 (Provisions Relating to Notes while in Global Form) of the Base Prospectus and Section 13 (Subscription and Sale) of the Base Prospectus.

9. **Collateral Assets and the Derivative Agreement**

The Collateral Assets and the Derivative Agreement collectively have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes.

10. **Post-issuance Information**

The Issuer does not intend to provide post-issuance information.

11. **Language of Series Prospectus**

The language of this Series Prospectus is English.

12. **Legal Proceedings**

The Issuer is not and has not been since the date of its incorporation involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have had in the recent past significant effects on the Issuer's financial position or profitability.

13. **Website Addresses**

None of the website addresses contained in this Series Prospectus form part of the Series Prospectus.

14. **Financial Statements**

The financial statements of the Issuer for the period ending 31 December 2009 were filed with the Irish Stock Exchange and are hereby incorporated by reference. There has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation.

15. **Auditor of the Issuer**

The Issuer has appointed Deloitte & Touche of Earlsfort Terrace, Dublin 2, Ireland as its auditor.

PART C - FURTHER PROVISIONS

1. Additional Definitions

"Collateralisation Date" means three Business Days from the date of delivery of the MTM Trigger Notice, or where the Bond Collateral is rated the equivalent of BB+ by S&P, Moody's or Fitch, one Business Day from the date of delivery of the MTM Trigger Notice.

"Fitch" means Fitch Ratings Ltd or any successor to its debt rating business.

"Moody's" means Moody's Investors Service Ltd or any successor to its debt rating business.

"MTM Amount" means, on any day, the sum of

- (a) the bid value of the Initial Bond Collateral (as increased or decreased from time to time); plus
- (b) the amount of the Cumulative Cash Collateral at such time; minus
- (c) the Counterparty's Exposure (as such term is defined in the Credit Support Annex to the Schedule to the Derivative Agreement),

in each case as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

"MTM Trigger Event" means the determination of the Calculation Agent in accordance with paragraph 2.5 of this Part C.

"Sole Noteholder" means the holder of 100 per cent. of the Principal Amount of the Notes from time to time.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw Hill, Inc., a New York corporation or any successor to its debt rating business.

2. MTM Trigger Event

2.1 The Calculation Agent shall deliver a notice to the Noteholder Representative in accordance with Condition 15 (and which also may be by facsimile and/or email) each time the MTM Amount falls below 30 per cent. of the principal amount of the Initial Bond Collateral (as increased or decreased from time to time).

2.2 If on any day the MTM Amount is less than or equal to 25 per cent. of the principal amount of the Initial Bond Collateral (as increased or decreased from time to time), then the Calculation Agent shall deliver a notice (the **"MTM Trigger Notice"**) to the Noteholder Representative, Issuer, Counterparty and Trustee in accordance with Condition 15 (and which also may be by facsimile and/or email) specifying the amount of cash that would be required to increase the MTM Amount to 30 per cent. of the principal amount of the Initial Bond Collateral (as increased or decreased from time to time) (the **"Minimum Top-up Amount"**).

2.3 Upon delivery of an MTM Trigger Notice, the Noteholder Representative may pay to the Issuer (or the Arranger on its behalf), on behalf of the Issuer, an amount of cash in EUR (the **"Actual Top-up Amount"**) on or before the Collateralisation Date. The Actual Top-up Amount shall be equal to:

2.3.1 EUR 200,000; or

2.3.2 any multiple of the Specified Denomination above EUR 200,000,

provided that, in each case, such amount shall be at least equal to the Minimum Top-up Amount.

- 2.4 The Issuer directs the Arranger (on its behalf) to pay to the Counterparty any Actual Top-up Amount paid by the Sole Noteholder pursuant to paragraph 2.3 of this Part C in satisfaction of the Issuer's obligation to pay such amount to the Counterparty pursuant to the terms of the Derivative Agreement and any payment by the Sole Noteholder to the Arranger shall satisfy such obligation.
- 2.5 In consideration for the payment of the Actual Top-up Amount by the Noteholder Representative pursuant to paragraph 2.3 of this Part C, the Principal Amount in respect of each Note shall be deemed to be increased by its pro rata proportion of the Actual Top-up Amount, provided that in respect of any Actual Top-up Amount, no interest shall accrue under paragraph 17 (*Fixed Rate Obligations*) but only under paragraph 21 (*Structured Rate Obligations*).
- 2.6 If the Actual Top-up Amount is not delivered by the Noteholder Representative in accordance with paragraph 2.3 of this Part C, the Calculation Agent may, in its sole discretion, determine that a MTM Trigger Event has occurred. Such MTM Trigger Event shall be a Mandatory Redemption Event for the purposes of Condition 5.1.

3. **Noteholder Representative**

3.1 Appointment

The holders holding in aggregate 100 per cent. of the principal amount outstanding of the Notes may appoint an entity (the "**Noteholder Representative**") to pay any Actual Top-up Amount on behalf of the holders. The Noteholder Representative may be a holder or an Affiliate of one or more holders.

3.2 Conditions to Appointment

It shall be a condition to the appointment of any Noteholder Representative that:

3.2.1 it and the holders execute an agreement in respect of such appointment;; or

3.2.2 the Counterparty consents to such appointment by countersignature of the agreement in respect of such appointment; and,

3.2.2 such entity is acceptable to the Issuer and each Trustee, acting reasonably, and the Issuer and each Trustee is reasonably satisfied that the Noteholder Representative has been duly appointed as such by the requisite majority of the holders of the Series.

3.3 Reliance

The Counterparty and, following receipt of copies of the documents referred to in paragraph 3.2 (Conditions to appointment) above, the Issuer, each Trustee and the Calculation Agent shall be entitled, absent receipt of express written notice to the contrary from the holder of any Note to assume that the Noteholder Representative is duly authorised to act as such on behalf of the holders of the Notes and to rely on any communication purporting to be delivered by the Noteholder Representative and shall have no liability in respect of such reliance.

3.4 Powers of Noteholder Representative

For so long as it is validly appointed, the Noteholder Representative shall be entitled to pay any Actual Top-up Amount on behalf of the holders (regardless of any requirement as to the manner in which such right is to be exercised), and the Noteholders shall be bound by any such exercise.

3.5 The Initial Noteholder Representative

The first Noteholder Representative appointed pursuant to this paragraph 3 shall be Allianz Italia Spa of Corso Italia 23, 20122 Milan, Italy. The appointment letter for this appointment is available for viewing during normal business hours at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

3.6 Notice Details

When exercising any of its rights under the Notes, the Noteholder Representative shall provide the Issuer, each Trustee or the Calculation Agent (as applicable) (each a "**Recipient**") with its notice details as the relevant Recipient may in its sole discretion require.

PART D - FORM OF SWAP CONFIRMATION

To: Novus Capital plc
11/12 Warrington Place
Dublin 2
Ireland

From: Nomura International plc
Nomura House
1 St. Martin's-le-Grand
London
EC1A 4NP

Tel: +44 (0) 20 7521 2000

Fax: +44 (0) 20 7521 2121

Date: 10 August 2011

Re: **Swap Transaction - Novus Capital plc EUR 30,000,000 Interest Rate Asset Swap Notes due 15 September 2019, Series 2011-18**

Dear Sirs,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction (the "**Transaction**") entered into between you and us on the Trade Date specified below. This Confirmation constitutes a "**Confirmation**" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the "**Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In addition, terms and expressions used in this Confirmation that are not otherwise defined in the Agreement (as defined below), this Confirmation or the Definitions will have the meanings given to them on the date hereof in the terms and conditions of the Notes (the "**Conditions**"). In the event of any inconsistency between the Definitions and the Conditions, the Conditions will govern. In the event of any inconsistency between: (i) the Definitions or the Conditions; and (ii) this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms part of, and is subject to, the 2002 ISDA Master Agreement dated as of 10 August 2011 together with the Schedule (as set forth in the Derivatives Master Terms dated 3 August 2011 and signed for identification purposes by Party A and the Trustee) and the Credit Support Annex thereto (as each may be amended or supplemented from time to time, the "**Agreement**"), between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The Transactions relate to the issue by Party B of its EUR 30,000,000 Interest Rate Asset Swap Notes due 15 September 2019, Series 2011-18 (the "**Notes**") in respect of which an Issue Deed dated 10 August 2011 has been issued (the "**Issue Deed**").

1 General Terms

Trade Date:	13 July 2011
Effective Date:	10 August 2011
Party A:	Nomura International plc
Party B:	Novus Capital plc

Credit Support Document in relation to Party A: Guarantee dated 10 August 2011 granted by Nomura Bank International plc in relation to the obligations of Party A under this Agreement.

Credit Support Provider in relation to Party A: Nomura Bank International plc

Calculation Agent: Party A (whose determinations and calculations shall be binding in the absence of manifest error)

Calculation Agent City: London

Business Days: London and TARGET2 Settlement Day

Business Day Convention: Following

2 Party A Payments

Payer: Party A

Party A Payment Dates: Each Interest Payment Date under the Notes and the Maturity Date under the Notes

Party A Payment Amounts: With respect to each Party A Payment Date, an amount in EUR equal to the aggregate amount payable by way of Interest Amounts and the Redemption Amount at the Maturity Date in respect of the Notes.

3 Party B Payments

Payer: Party B

Party B Payment Date: Each date on which (a) any amount is payable by way of interest, principal and/or other redemption or early redemption distributions (if any) under the Collateral Assets and (b) any Actual Top-up Amount is paid.

Party B Payment Amount: With respect to each Party B Payment Date, an amount in EUR equal to the aggregate amounts payable by way of interest, principal and/or other redemption or early redemption distributions (if any) under the Collateral Assets on such date and the Actual Top-up Amount received by Party B or on its behalf on such date.

4 Representations and Agreements

Each party agrees that the Calculation Agent is not acting as a fiduciary for or as an adviser to either party in respect of its duties as Calculation Agent in connection with these Transactions. The Calculation Agent's determinations and calculations will be made in good faith in a commercially reasonable manner and will be binding in the absence of manifest error. The Calculation Agent will have no responsibility for good faith errors or omissions in making any determination or calculations as provided herein.

5 Notice and Account Details

(a) **Details for Notices**

The notice details set forth in the Definitions and Common Provisions relating to the Programme dated 3 August 2011 shall apply together with the email addresses listed below:

Party A: scttrading-LDN@nomura.com

Party B: novus@ogier.com

(b) **Account Details**

Account Details of Party A:

Account for payments in EUR: Citibank N.A., London

Account Name: Nomura International Plc – Euro Nostro Account

Account No.: GB44CITI 18500812543850

SWIFT: CITIGB2L

Account Details of Party B:

Accounts for payments in EUR: Citibank N.A., London

Account No.: 8378339

Reference: NOVUS CAP 2011-18

SWIFT: CITIGB2L

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours sincerely,

Confirmed on behalf of

Nomura International plc

By:

Name:

Title:

Confirmed on the date first above written.

Novus Capital plc

By:

Name:

Title:

PART E - PARAGRAPH 11 OF THE CREDIT SUPPORT ANNEX

Paragraph 11 shall be deemed to be attached to, and form part of the 1995 Credit Support Annex (Transfer – English Law) in standard form as published by ISDA.

Paragraph 11. Elections and Variables

- (a) *Base Currency and Eligible Currency.*
 - (i) **"Base Currency"** means EUR;
 - (ii) **"Eligible Currency"** means the Base Currency.
- (b) *Credit Support Obligations*
 - (i) Delivery Amount, Return Amount and Credit Support Amount.
 - (A) **"Delivery Amount"** has the meaning specified in Paragraph 2(a), except that the words **"upon a demand made by the Transferee on or promptly following a Valuation Date if"** shall be deleted. For the purposes of Paragraph 3(a), where applicable, a demand shall be deemed to have been made by the Transferee and received by the Transferor by the Notification Time.
 - (B) **"Return Amount"** has the meaning specified in Paragraph 2(b), except that the words **"upon a demand made by the Transferee on or promptly following a Valuation Date if"** shall be deleted. For the purposes of Paragraph 3(a), where applicable, a demand shall be deemed to have been made by the Transferee and received by the Transferor by the Notification Time.
 - (C) **"Credit Support Amount"** has the meaning specified in Paragraph 10.
 - (ii) Eligible Credit Support. The following items will qualify as "Eligible Credit Support" for the party specified here:

	Party A	Party B	Valuation Percentage
Cash in the Eligible Currency	X	X	100 per cent.
EUR denominated debt obligations issued by the Republic of Italy that are eligible assets for the purposes of the open market operations of the Eurosystem. The Calculation Agent shall use https://mfi-assets.ecb.int/query_EA.htm or any successor display page in determining Eurosystem eligibility.	X	X	95 per cent. minus the Deposit Factor.

- (iii) Thresholds:
 - (A) **"Independent Amount"** means with respect to Party A: zero
"Independent Amount" means with respect to Party B: 15 per cent. of the aggregate principal amount of the Notes (determined without regard to any Actual Top-Up Amount) as at the Issue Date
 - (B) **"Threshold"** means with respect to Party A: zero

"Threshold" means with respect to Party B: zero

(C) **"Minimum Transfer Amount"** means with respect to Party A: EUR 200,000

"Minimum Transfer Amount" means with respect to Party B: EUR 200,000

(iv) Rounding. The Delivery Amount and the Return Amount will be rounded down to the nearest integral multiple of EUR 10,000.

(c) *Valuation and Timing*

(i) **"Valuation Agent"** means the Calculation Agent from time to time for the purposes of the Notes.

(ii) **"Valuation Date"** means the Issue Date and each Local Business Day thereafter.

(iii) **"Valuation Time"** means the close of business on the Local Business Day immediately preceding the relevant Valuation Date or date of calculation, as applicable provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) **"Notification Time"** means 1.00 p.m., London time on a Local Business Day.

(d) *Exchange Date.* **"Exchange Date"** has the meaning specified in Paragraph 3(c)(ii).

(e) *Dispute Resolution*

(i) **"Resolution Time"** means 1.00 p.m., London time, on the Local Business Day following the date on which notice of the dispute is given under Paragraph 4.

(ii) Value. For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated as set out in the definition of Value in Paragraph 10.

(iii) Alternative. The provisions of Paragraph 4 will apply.

(f) *Distributions and Interest Amount*

(i) Interest Rate. Interest on Eligible Credit Support in the form of cash in the Eligible Currency will accrue from day to day at the rate available to Party B in respect of cash balances in the Eligible Currency held by Party B with the Custodian.

(ii) Transfer of Interest Amount. The transfer of the Interest Amount will be made on the second Local Business Day of each calendar week.

(iii) Alternative to Interest Amount. The provisions of Paragraph 5(c)(ii) will apply.

(g) *Addresses for Transfers*

Party A:

Collateral Management Department
One Angel Lane
London EC4R 3AB

Attention: Paul Howe

Telephone: +44 20 7521-2515

Facsimile: +44 20 7521-1335

Email: OTDCollateral@uk.nomura.com

Details for transfers of cash in the Eligible Currency: to be advised at the time of settlement.

Details for transfers of Eligible Credit Support: to be advised at the time of settlement.

Party B:

Novus Capital plc
11/12 Warrington Place
Dublin 2
Ireland

Attention: The Directors

Telephone: +353 1 775 2600

Facsimile: +353 1 775 2601

Email: novus@ogier.com

Details for transfers of cash in the Eligible Currency: to be advised at the time of settlement.

Details for transfers of Eligible Credit Support: to be advised at the time of settlement.

(h) *Other Provisions*

(i) *Deposit Factor.* "**Deposit Factor**" means, in relation to any Valuation Date, the initial margin applied by LCH.Clearnet (or any successor clearing house) to repurchase agreements of the relevant security, namely the "**Duration Class Parameter**" of LCH.Clearnet or any successor term. If any Eligible Credit Support which has been transferred pursuant to Paragraph 2(a) is not clearable through LCH.Clearnet or any successor clearing house, the Deposit Factor shall be 95 per cent.

(ii) *Early Termination*

The parties agree that the terms of each Annex to the 2002 Master Agreement Protocol published by ISDA apply to this Agreement as if the parties had adhered to the Protocol without amendment provided that:

(A) The heading for Paragraph 6 shall be deleted and replaced with "**Early Termination**" and the following shall be added:

(1) after the word "**Default**" in the first line, "**or a Termination Event in relation to all (but not less than all) Transactions**"; and

(2) after the words "**Defaulting Party**", in the fourth line, "**or the Affected Party as the case may be**".

(B) The following sentence shall be added to the end of Paragraph 6:

"For the purposes of this Paragraph 6, the Value of the Credit Support Balance shall be determined on the basis that the Valuation Percentage applicable to each item of Eligible Credit Support is 100 per cent.."

- (iii) *Ineligible Credit Support.* If at any time any Eligible Credit Support which has been transferred pursuant to Paragraph 2(a) ceases to qualify as Eligible Credit Support (the "**Ineligible Credit Support**"), the Transferee shall, upon demand by the Transferor, transfer to the Transferor any Ineligible Credit Support forming part of the Transferor's Credit Support Balance. The Transferee's obligation to transfer such Ineligible Credit Support is subject to the condition precedent that there is then no Delivery Amount applicable to the Transferor.
- (iv) *Final Returns.* When there are no Transactions (except for the Transaction constituted by this Annex) outstanding between the parties and no amounts are or may become payable by the Transferor with respect to any Transactions, the Transferee shall, upon demand by the Transferor, transfer to the Transferor Equivalent Credit Support having a Value as of the date of transfer as close as practicable to the entire Credit Support Balance (for the avoidance of doubt, disregarding any Threshold, Minimum Transfer Amount or Rounding provisions).
- (v) *Definitions.* Terms defined in the Conditions have the same meaning in this Annex. For such purpose, "Conditions" means the terms and conditions set out in the base prospectus dated 12 August 2011 relating to the "Novus" Structured Issuance Programme for the issue of notes, as amended and restated by the terms and conditions set out in Party B's Series Prospectus related to its Series 2011-18 Notes due 15 September 2019 dated 6 September 2011.
- (vi) *Instructions for Transfers.* For the purpose of receiving any instructions for the transfer of Eligible Credit Support hereunder, the Calculation Agent will instruct the Acquisition and Disposal Agent and the Acquisition and Disposal Agent will instruct the Custodian in accordance with the terms of the Custody Agreement.
- (vii) *Transactions.* Notwithstanding anything to the contrary in this Annex references in this Agreement to "all Swap Transactions", "all Transactions" and "all Affected Transactions" means only the Swap Transaction relating to the Notes (as defined in the Issue Deed) (the "**Relevant Transaction**"). The credit support arrangements set out in this Annex shall constitute a Transaction relating to the Notes and form part of the Agreement with the Relevant Transaction. Neither Party A nor Party B shall be entitled to set off or net its payment obligations in respect of the Transaction for which this Annex constitutes the Confirmation against the payment obligations of the other party under any other Transaction except (and notwithstanding Sections 6(e) and 6(f) of the Agreement) in respect of the Relevant Transaction.

PART F – SUMMARY OF COLLATERAL ASSETS AND SWAP TRANSACTION

The summary of the Initial Bond Collateral and the Swap Transaction set out below is qualified by reference to the detailed terms and conditions of the Initial Bond Collateral and the detailed provisions of the Derivative Agreement, respectively.

Initial Bond Collateral

The Issuer will acquire the Initial Bond Collateral from the Vendor on the Issue Date for a purchase price of EUR 30,000,000. The terms and conditions of the Initial Bond Collateral are summarised below.

Issuer:	Republic of Italy
Description of Issuer:	Sovereign
Status:	Senior and unsecured
ISIN:	IT0004380546
Maturity Date:	15 September 2019
Principal Amount:	EUR 30,000,000
Redemption Amount:	Principal Amount multiplied by the Inflation Rate (as defined in the terms and conditions of the Initial Bond Collateral)
Interest Rate:	2.35 per cent. per annum multiplied by the Inflation Rate (as defined in the terms and conditions of the Initial Bond Collateral)
Interest Payment Dates:	Semi-annually in arrear on 15 March and 15 September in each year
Form:	Registered
Governing Law:	Italian law
Listing:	Milan Stock Exchange

Custody Arrangements

The Collateral Assets (including any Cumulative Cash Collateral) will be held in an account of, and in the name of, the Custodian. Please refer to Section 12 of the Base Prospectus for further information.

Swap Transaction

Under the Swap Transaction, the Issuer will pay to the Counterparty all amounts payable by way of interest under the Collateral Assets. The Issuer will also pay (or procure payment on its behalf) to the Counterparty any Actual Top-up Amount paid by the Noteholder Representative pursuant to paragraph 2 of Part C (Further Provisions). The Counterparty will pay to the Issuer an amount in EUR equal to the aggregate amount payable by way of Interest Amounts and Redemption Amount at the Maturity Date in respect of the Notes.

**Arranger, Calculation Agent, Acquisition and Disposal Agent, Counterparty,
Permanent Dealer and Vendor**

Nomura International plc

1 Angel Lane
London
United Kingdom
EC4R 3AB

Registered Office of Novus Capital plc

11/12 Warrington Place
Dublin 2
Ireland

Note Trustee and Security Trustee

Citicorp Trustee Company Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Registrar

Citigroup Global Markets Deutschland

AG
Germany Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

Principal Paying Agent and Custodian

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Irish Listing Agent

NCB Corporate Finance Limited

3 George's Dock
IFSC
Dublin 1
Ireland

Legal Advisers

*To the Arranger and Permanent Dealer as
to English law*

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA

To the Issuer as to Irish law

Matheson Ormsby Prentice
70 Sire John Rogerson's Quay
Dublin 2
Ireland

Auditor of the Issuer

Deloitte & Touche
Earlsfort Terrace
Dublin 2
Ireland