

SUPPLEMENTARY PROSPECTUS DATED 8 OCTOBER 2008 TO THE PROSPECTUS DATED 9 APRIL 2008



Alliance & Leicester plc

(incorporated with limited liability in England and Wales under the Companies Act 1985 with registered number 3263713)

€10 billion

Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments of interest and principal by

Alliance & Leicester Covered Bonds LLP

(a limited liability partnership incorporated in England and Wales with registered number OC332032)

This Supplement (the **Supplement**) to the Prospectus (the **Prospectus**) dated 9 April 2008, which comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the €10 billion Global Covered Bond Programme (the **Programme**) established by Alliance & Leicester plc (the **Issuer**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

Each of the Issuer and Alliance & Leicester Covered Bonds LLP (the **LLP**) accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of each of the Issuer and the LLP (each of which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Recent Developments

On 14 July 2008, the Issuer announced that the Issuer and Banco Santander S.A. (**Santander**) have reached agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of the Issuer by Santander (the **Acquisition**). Under the terms of the Acquisition, the registered holders of the Issuer's shares will receive one Santander share for every three of the Issuer's shares. It is intended that the Acquisition will be implemented by means of a scheme of arrangement (the **Scheme**) under sections 895 to 899 of the Companies Act 2006, as amended. The document relating to the Scheme was posted in August 2008 and it is expected that, subject to the satisfaction, or where relevant waiver, of all relevant conditions, the Scheme will become effective and the Acquisition completed on 10 October 2008. Further details on the Acquisition can be found in the announcement relating to the Acquisition dated 14 July 2008 (the **Announcement**). See "Documents Incorporated by Reference" below.

Interim Results

On 1 August 2008, the Issuer published its unaudited interim results as at, and for the six month period ended, 30 June 2008 (the **Interim Results**).

Documents Incorporated by Reference

A copy of each of the Interim Results and the Announcement has been filed with the Financial Services Authority and, by virtue of this Supplement, the Interim Results and the Announcement are incorporated in, and form part of, the Prospectus.

Copies of each document incorporated by reference in the Prospectus can be obtained from the website of the Issuer at www.alliance-leicester-group.co.uk, as described on page 5 of the Prospectus.

General

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, or any other supplements to the Prospectus issued by the Issuer, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

In accordance with Section 87Q(4) of the FSMA, investors who have agreed to purchase or subscribe for Notes before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.