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FINAL TERMS DOCUMENT – SERIES 2

8 October 2008

Alliance & Leicester plc

**Issue of £2,000,000,000 Floating Rate Covered Bonds due November 2011
irrevocably and unconditionally guaranteed as to payment of principal and interest by
Alliance & Leicester Covered Bonds LLP
under the €10 billion
Global Covered Bond Programme**

Application has been made for the Programme to be registered, and notice of these Covered Bonds will be made, under the Regulated Covered Bonds Regulations 2008 (SI 2008/346), as amended.

The Prospectus referred to below (as completed by this Final Terms Document) has been prepared on the basis that any offer of Covered Bonds 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 Covered Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of the Covered Bonds 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 any Dealer has authorised, nor do they authorise, the making of any offer of Covered Bonds in any other circumstances.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 9 April 2008 as supplemented by the Supplemental Prospectus dated 8 October 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the LLP and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms Document and the Prospectus. Copies of the Prospectus are available free of charge to the public at the registered office of the Issuer and from the specified office of each of the Paying Agents.

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| 1. | (a) | Issuer: | Alliance & Leicester plc |
| | (b) | Guarantor | Alliance & Leicester Covered Bonds LLP |
| 2. | (a) | Series Number: | 2 |
| | (b) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Sterling (£) |
| 4. | | Aggregate Nominal Amount of Covered Bonds admitted to trading: | |
| | (a) | Series: | £2,000,000,000 |
| | (b) | Tranche: | £2,000,000,000 |
| 5. | | Issue Price: | 100 per cent. of the aggregate nominal amount. |
| 6. | (a) | Specified Denominations: | £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Covered Bonds in definitive form will be |

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- issued with a denomination above £99,000.
- (b) Calculation Amount: £1,000
(Applicable to Covered Bonds in definitive form)
7. (a) Issue Date: 9 October 2008
- (b) Interest Commencement Date: 9 October 2008
8. (a) Final Maturity Date: Interest Payment Date falling in November 2011 or, if a Redemption Notice has been served on the Bond Trustee, the Interest Payment Date specified as the Final Maturity Date in the Redemption Notice
- (b) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: For the purposes of this Final Terms, **Redemption Notice** means such notice served on the Bond Trustee on a day falling not less than two London Business Days prior to the relevant Interest Payment Date on which the Issuer wishes to redeem the Series 2 Covered Bonds
- Interest Payment Date falling in November 2012 or, if a Redemption Notice has been served on the Bond Trustee, the Interest Payment Date falling twelve calendar months after the Interest Payment Date specified as the Final Maturity Date in the Redemption Notice
9. Interest Basis: 1 month Sterling LIBOR +0.25 per cent. Floating Rate from and including the Issue Date to but excluding the Final Maturity Date
- 1 month Sterling LIBOR +0.35 per cent. Floating Rate from and including the Final Maturity Date to but excluding the Extended Due for Payment Date, if applicable
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: Applicable, see item 9 above
12. Put/Call Options: Not Applicable
13. (a) Status of the Covered Bonds: Senior
- (b) Status of the Guarantees: Senior
- (c) Date Board approval for issuance of Covered Bonds and Guarantees obtained: 7 October 2008

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14.	Method of distribution:	Non-syndicated
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
15.	Fixed Rate Covered Bond Provisions:	Not Applicable
16.	Floating Rate Covered Bond Provisions:	Applicable
(a)	Interest Period(s):	From and including the Issue Date to but excluding the Specified Interest Payment Date falling in November 2008 and thereafter each period from and including a Specified Interest Payment Date to but excluding the following Specified Interest Payment Date
(b)	Specified Interest Payment Dates:	The 17th day of November 2008 and thereafter the 17th day of each month to and including the Extended Due for Payment Date
(c)	First Interest Payment Date:	17 November 2008
(d)	Business Day Convention:	Following Business Day Convention
(e)	Business Day(s):	London
	Additional Business Centre(s):	None
(f)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(g)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	Not Applicable
(h)	Screen Rate Determination: Reference Rate:	1 month Sterling LIBOR (or, in the case of the first interest period, at an annual rate obtained upon interpolation of LIBOR for 1 month sterling deposits and LIBOR for 2 month sterling deposits)
	Interest Determination Date(s):	First day of each Interest Period
	Relevant Screen Page:	Reuters page LIBOR01 or any replacement thereto
(i)	ISDA Determination:	Not Applicable
(j)	Margin(s):	+0.25 per cent. per annum
(k)	Minimum Rate of Interest:	Not Applicable
(l)	Maximum Rate of Interest:	Not Applicable
(m)	Day Count Fraction:	Actual/365 (Fixed)
(n)	Fallback denominator provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Terms and Conditions:	Not Applicable

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17. Zero Coupon Covered Bond Provisions: Not Applicable
18. Variable Interest Covered Bond Provisions (other than Dual Currency Interest Covered Bonds): Not Applicable
19. Dual Currency Interest Covered Bond Provisions: Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: Not Applicable
21. Investor Put: Not Applicable
22. Final Redemption Amount of each Covered Bond: Nominal Amount
23. Early Redemption Amount of each Covered Bond payable on redemption for taxation reasons or on event of default, etc. and/or the method of calculating the same (if required or if different from that set out in Condition 6.5): Condition 6.5 applies

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

24. Form of Covered Bonds: Bearer Covered Bonds: Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only after an Exchange Event
25. New Global Covered Bond: No
26. Financial Centre(s) or other special provisions relating to payment dates: Not Applicable
27. Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): No
28. Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: Not Applicable
29. Details relating to Instalment Covered Bonds:
- (a) Instalment Amount(s): Not Applicable
- (b) Instalment Date(s): Not Applicable
30. Redenomination renominalisation and reconventioning provisions: Not Applicable
31. Other terms or special conditions: Not Applicable

DISTRIBUTION

32. (a) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- (b) Stabilising Manager (if any): Not Applicable
33. If non-syndicated, name and address of Dealer: Not Applicable
34. Total commission and concession: Not Applicable

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| 35. | U.S. Selling Restrictions: | Reg. S Compliance Category 2;
TEFRA D |
| 36. | Non-exempt Offer: | Not Applicable |
| 37. | Additional selling restrictions: | Not Applicable |
| 38. | Additional United States Tax Considerations: | Not Applicable |
| 39. | Initial Purchaser | Alliance & Leicester plc |


PURPOSE OF FINAL TERMS DOCUMENT

This Final Terms Document comprises the final terms required for issue and admission to trading on the regulated market of the London Stock Exchange of the Covered Bonds described herein pursuant to the €10 billion Global Covered Bond Programme of Alliance & Leicester plc.

RESPONSIBILITY

Each of the Issuer and the LLP accepts responsibility for the information contained in this Final Terms Document.

Signed on behalf of the Issuer:

By: 

Duly authorised

Signed on behalf of the LLP:

By: 

Duly authorised

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PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's regulated market and admitted to the Official List of the U.K. Listing Authority with effect from 9 October 2008.
- (ii) Estimate of total expenses related to admission to trading: £4,200

2. RATINGS:

Ratings: The Covered Bonds to be issued have been rated:
S & P: AAA
Moody's: Aaa
Fitch: AAA

3. COVERED BOND SWAP:

Covered Bond Swap Provider: Not Applicable

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

Save as discussed in "*Subscription and Sale and Transfer and Selling Restrictions*", so far as the Issuer and the LLP are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer.

5. YIELD: (*Fixed Rate Covered Bonds only*)

Indication of yield: Not Applicable

6. TRADEABLE AMOUNTS

So long as the Covered Bonds are represented by a Global Covered Bond and Euroclear and Clearstream so permit, the Global Covered Bond shall be tradeable in minimum principal amounts of £50,000 and integral multiples of £1,000 (the **Tradeable Amount**) in addition thereto.

7. OPERATIONAL INFORMATION:

- (i) ISIN Code: XS0391944062
- (ii) Common Code: 039194406
- (iii) Any clearing system(s) other than DTC, Euroclear or Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery free of payment
- Name and address of Initial Paying Agent(s): HSBC Bank plc
8 Canada Square, London E14 5HQ
- Names and addresses of additional Paying Agent(s) (if any): None
- Intended to be held in a manner which would allow Eurosystem eligibility: No