

Final Terms dated 3 February 2009
Scottish and Southern Energy plc
Issue of £700,000,000 5.75 per cent. Notes due 2014
under the
€5,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 13 June 2008 and the Supplements to the Prospectus dated 9 December 2008 and 14 January 2009, which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive 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 Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at www.londonstockexchange.com/en-gb/pricesnews/marketnews.

1	Issuer:	Scottish and Southern Energy plc
2	(i) Series Number:	4
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Pounds Sterling ("£")
4	Aggregate Nominal Amount of Notes:	
	(i) Series:	£700,000,000
	(ii) Tranche:	£700,000,000
5	Issue Price:	99.663 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	£50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. No Notes in definitive form will be issued with a denomination above £99,000.
	(ii) Calculation Amount:	£1,000
7	(i) Issue Date:	5 February 2009
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	5 February 2014
9	Interest Basis:	5.75 per cent. per annum Fixed Rate (further particulars specified below)

10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12	Put/Call Options:	Applicable (further particulars specified in the attached Schedule)
13	(i) Status of the Notes:	Senior
	(ii) Date Board committee approval for issuance of Notes obtained:	28 January 2009
14	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	5.75 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	5 February in each year, from and including 5 February 2010, to and including the Maturity Date
	(iii) Fixed Coupon Amount:	£57.50 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual / Actual - ICMA
	(vi) Determination Dates:	5 February in each year
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16	Floating Rate Note Provisions:	Not Applicable
17	Zero Coupon Note Provisions:	Not Applicable
18	Index-Linked Interest Note/other variable- linked interest Note Provisions:	Not Applicable
19	Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20	Call Option:	Not Applicable
21	General Put Option:	Not Applicable

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| 22 | Restructuring Event Put Option: | Not Applicable |
| 23 | Final Redemption Amount of each Note: | £1,000 per Calculation Amount |
| 24 | Early Redemption Amount: | £1,000 per Calculation Amount |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | £1,000 per Calculation Amount |
| 25 | Indexation: | Not Applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 26 | Form of Notes: | Bearer Notes |
| | | 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 |
| 27 | New Global Note: | Yes |
| 28 | Financial Centre(s) or other special provisions relating to payment dates: | London |
| 29 | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 30 | Details relating to Partly Paid 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: | Not Applicable |
| 31 | Details relating to Instalment Notes: Instalment Amount of each instalment date on which each payment is to be made: | Not Applicable |
| 32 | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 33 | Consolidation provisions: | Not Applicable |

- 34 Other final terms: Applicable
(further particulars specified in the attached Schedule)

DISTRIBUTION

- 35 (i) If syndicated, names of Managers: Barclays Bank PLC
BNP Paribas
Dresdner Bank AG London Branch
The Royal Bank of Scotland plc
- (ii) Stabilising Manager(s) (if any): Not Applicable
- 36 If non-syndicated, name of Dealer: Not Applicable
- 37 U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D
- 38 Additional selling restrictions: Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange plc's Regulated Market of the Notes described herein pursuant to the €5,000,000,000 Euro Medium Term Note Programme of the Issuer.

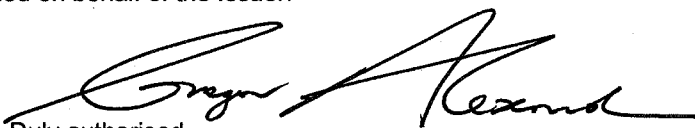
RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised



PART B - OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from 5 February 2009.
- (ii) Estimate of total expenses related to admission to trading: £3,650

2 RATINGS

Ratings: The Notes to be issued have been rated:

S&P: A

Moody's: A2

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

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

4 YIELD

Indication of yield: 5.83 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5 OPERATIONAL INFORMATION

ISIN Code: XS0411057713

Common Code: 041105771

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

Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s): The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL

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

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Schedule

For the purposes of the Final Terms dated 3 February 2009 (to which this Schedule is attached), the text of Condition 6(e) contained in the Base Prospectus shall be deleted and replaced with the following:

(i) If at any time while any of the Notes remains outstanding, a Change of Control occurs and:

A. on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:

- (I) a credit rating from any Rating Agency and there occurs, within the Change of Control Period, a Change of Control Rating Downgrade; or
- (II) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that an event shall be deemed not to be a Change of Control if, notwithstanding the occurrence of a Change of Control Rating Downgrade or a Negative Rating Event, the rating assigned to the Notes by any Rating Agency is subsequently increased to, or, as the case may be, there is assigned to the Notes an investment grade credit rating (BBB-/Baa3 or their respective equivalents for the time being) or better within the Change of Control Period; and

B. in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (I) and (II) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement (the "**Confirmation**"),

then, unless at any time the Issuer shall have given a notice under Condition 6(c), the holder of each Note will, upon the giving of a Change of Control Put Event Notice (as defined below), have the option (the "**Change of Control Put Option**") to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) that Note on the date which is seven days after the expiration of the Change of Control Put Period (as defined below) (or such other date as may be specified hereon, the "**Change of Control Put Date**"), at its outstanding principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding shall (subject to being indemnified and/or secured to its satisfaction), give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 17 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option the holder must deposit such Note (together with all unmatured Coupons and Talons) with any Paying Agent at its specified office, together with a duly completed option exercise notice (the "**Change of Control Put Exercise Notice**") in the form obtainable from any Paying Agent within 30 days of the Change of Control Put Event Notice being given (or such other put period as may be specified hereon, the "**Change of Control Put Period**"), as applicable. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

If the rating designations employed by any of Moody's or S&P are changed from those which are described in the definition of Change of Control Rating Downgrade below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition 6(e)(i) shall be construed accordingly.

The Trust Deed provides that the Trustee is under no obligation to ascertain whether a Change of Control Put Event, Change of Control, a Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control has occurred and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary the Trustee may assume without liability to any person for so doing that no Change of Control Put Event, Change of Control, Negative Rating Event or such other event has occurred.

For the purposes of this Condition 6(e)(i):

"**Change of Control**" means the occurrence of an event whereby any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer;

"**Change of Control Period**" means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a "**Change of Control Put Event**" occurs on the date of the last to occur of (a) a Change of Control, (b) either a Change of Control Rating Downgrade or, as the case may be, a Negative Rating Event and (c) the Confirmation;

a "**Change of Control Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if the then current rating assigned to the Notes by any Rating Agency at the invitation of the Issuer (or where there is no rating from any Rating Agency assigned at the invitation of the Issuer, the then current rating (if any) assigned to the Notes by any Rating Agency of its own volition) is withdrawn or reduced from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or

better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, if the Rating Agency shall then have already rated the Notes below investment grade (as described above), the rating is lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lowering);

a **"Negative Rating Event"** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being) by the end of the Change of Control Period, provided that in either case, there is at least one Rating Agency in operation at such time from whom to obtain such a rating. If there is no Rating Agency so in operation no Negative Rating Event shall be deemed to occur;

"Rating Agency" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or any of its Subsidiaries and their successors (**"S&P"**) or Moody's Investors Service, Inc. or any of its Subsidiaries and their successors (**"Moody's"**) or any rating agency (a **"Substitute Rating Agency"**) substituted for any of them (or any permitted substitute of them) by the Issuer from time to time with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed); and

"Relevant Potential Change of Control Announcement" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (ii) As soon as reasonably practicable after the occurrence of a Restructuring Event, the Issuer shall make a Public Announcement and if, within the Restructuring Period, either:
 - (a) (if at the time that the Restructuring Event occurs there are Rated Securities) a Rating Downgrade in respect of the Restructuring Event occurs; or
 - (b) (if at the time that the Restructuring Event occurs there are no Rated Securities) a Negative Rating Event in respect of the Restructuring Event occurs,

(the Restructuring Event and Rating Downgrade or the Restructuring Event and Negative Rating Event, as the case may be, occurring within the Restructuring Period, together called a **"Put Event"**),

then, unless the Issuer shall have previously given a notice under Condition 6(c), the holder of each Note will have the option (a **"Put Option"**) upon the giving of a notice (a **"Put Event Exercise Notice"**) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date.

Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a Put Event has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, the Trustee shall (subject to it being

indemnified and/or secured to its satisfaction), give notice (a **"Put Event Notice"**) to the Noteholders in accordance with Condition 17 specifying the nature of the Put Event and the procedure for exercising the Put Option as contained in this Condition.

The Issuer shall, forthwith upon becoming aware of the occurrence of any event which may (after taking into account all (if any) other relevant events in relation to Disposed Assets for the purpose of this Condition 6(e)(ii)) result in a Restructuring Event (a **"Potential Restructuring Event"**) (a) provide the Trustee with the relevant Directors' Report and (b) to the extent permitted by the terms of the engagement letter between the Issuer and the Reporting Accountants, provide or procure that the Reporting Accountants provide the Trustee with a copy of the Accountants' Report. The Directors' Report and the Accountants' Report shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders. The Trustee shall be entitled to act, or not act, and rely on without being expected to verify the accuracy of the same (and shall have no liability to Noteholders for doing so) any Directors' Report and/or any Accountants' Report provided to it (whether or not addressed to it).

If the rating designations employed by any of Moody's or S&P are changed from those which are described in the definition of Rating Downgrade below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the consent of the Trustee, the rating designations of Moody's or S&P or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody's or S&P and this Condition shall be construed accordingly.

The Trust Deed provides that the Trustee is under no obligation to ascertain whether a Restructuring Event, a Negative Rating Event or a Potential Restructuring Event has occurred and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary the Trustee may assume without liability to any person for so doing that no such event has occurred. The Trust Deed also provides that in determining whether or not a Restructuring Event has occurred, the Trustee shall be entitled, but not bound, to rely solely on an opinion given in a certificate signed by two directors of the Issuer.

For the purposes of this Condition 6(e)(ii):

"Accountants' Report" means a report of the Reporting Accountants stating whether the amounts included in the calculation of the Operating Profit and the amount for Consolidated Operating Profit as included in the Directors' Report have been accurately extracted from the accounting records of the Issuer and its consolidated subsidiaries and whether the Disposal Percentage included in the Directors' Report has been correctly calculated which will be prepared pursuant to an engagement letter to be entered into by the Reporting Accountants and the Issuer.

The Issuer shall use reasonable endeavours to procure that there shall at the relevant time be Reporting Accountants who have (a) entered into an engagement letter with the Issuer which shall (i) not limit the liability of the Reporting Accountants by reference to a monetary cap, (ii) permit the Trustee to receive a copy of, and rely upon, any Accountants' Reports produced by them and (iii) be available for inspection by Noteholders at the principal office of the Trustee or (b) agreed to provide Accountants' Reports on such other terms as the Issuer and the Trustee, in its absolute discretion, shall approve.

If the Issuer, having used reasonable endeavours, is unable to procure that there shall at the relevant time be Reporting Accountants who have entered into an engagement letter complying with (i) above, the Trustee may rely on an Accountants' Report (whether or not

addressed to it) which contains a limit on the liability of the Reporting Accountants by reference to a monetary cap or otherwise.

Investors should be aware that the engagement letter may contain a limit on the liability of the Reporting Accountants which may impact on the interests of Noteholders.

If the Issuer, having used reasonable endeavours, is unable to procure that there shall at the relevant time be Reporting Accountants who have entered into an engagement letter complying with (ii) above, the Issuer shall procure that the Directors' Report shall state whether or not the Accountants Report confirms whether or not (x) the amounts referred to in the first paragraph of this definition have been so correctly extracted and (y) the relevant Disposal Percentage has been correctly calculated and, if applicable, shall give details of any respects in which the Accountants' Report reaches a different conclusion from that stated in the Directors' Report. In the event that the Accountants' Report does not confirm that such amounts have been correctly extracted and/or correctly calculated, the Issuer shall, as soon as reasonably practicable, provide the Trustee with a revised Directors' Report which states that the Accountants' Report confirms the details referred to in (x) and (y) above in relation to the contents of such revised Directors Report. The Trustee may rely upon the revised Directors' Report regardless of the contents of any previous Directors' Report delivered as contemplated by this paragraph.

The Issuer shall give notice in writing to the Trustee of the identity of the Reporting Accountants at any relevant time;

"Consolidated Operating Profit" means the consolidated operating profit on ordinary activities before tax and interest and before taking account of depreciation and amortisation of goodwill and regulatory assets (and, for the avoidance of doubt, excluding the impact of IAS 39 and exceptional items, as reflected in the Relevant Accounts) of the Issuer (including any share of operating profit of associates and joint ventures) determined in accordance with International Financial Reporting Standards ("IFRS") by reference to the Relevant Accounts;

"Directors' Report" means a report prepared and signed by two directors of the Issuer addressed to the Trustee setting out the Operating Profit, the Consolidated Operating Profit and the Disposal Percentage (in each case in relation to the relevant Disposed Assets), stating any assumptions which the directors have employed in determining, in each case, the Operating Profit, confirming whether or not a Restructuring Event has occurred and, where applicable, containing the relevant confirmation referred to in the definition of **"Accountants Report"** above (and includes any revision made to any previous report);

"Disposal Percentage" means, in relation to a sale, transfer, lease or other disposal or dispossession of any Disposed Assets, the ratio of (a) the aggregate Operating Profit to (b) the Consolidated Operating Profit, expressed as a percentage;

"Disposed Assets" means, where the Issuer and/or any of its subsidiaries sells, transfers, leases or otherwise disposes of or is dispossessed by any means (but excluding sales, transfers, leases, disposals or dispossessions which, when taken together with any related lease back or similar arrangements entered into in the ordinary course of business, have the result that Operating Profit directly attributable to any such undertaking, property or assets continues to accrue to the Issuer or, as the case may be, such subsidiary), otherwise than to a wholly-owned subsidiary of the Issuer or to the Issuer, of the whole or any part (whether by a single transaction or by a number of transactions whether related or

not) of its undertaking or (except in the ordinary course of business of the Issuer or any such subsidiary) property or assets, the undertaking, property or assets sold, transferred, leased or otherwise disposed of or of which it is so dispossessed;

"Negative Rating Event" shall be deemed to have occurred if at the time of the Restructuring Event there are no Rated Securities and either:

(a) the Issuer does not, either prior to or not later than 21 days after the relevant Restructuring Event, seek, and thereafter throughout the Restructuring Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more (**"Rateable Debt"**) from a Rating Agency; or

(b) if the Issuer does so seek and use such endeavours, it is unable, as a result of such Restructuring Event, to obtain a rating from a Rating Agency within the Restructuring Period of at least BBB or Baa2 (or their respective equivalents for the time being),

provided that in either case there is at least one Rating Agency in operation at such time from whom to obtain such a rating, and if there is no Rating Agency in operation no Negative Rating Event will be deemed to occur. The Issuer shall promptly notify the Trustee in writing of the date on which it first seeks to obtain the rating referred to in paragraph (a) above;

"Operating Profit", in relation to any Disposed Assets, means the operating profits on ordinary activities before tax and interest and before taking account of depreciation and amortisation of goodwill and regulatory assets (and, for the avoidance of doubt, excluding the impact of IAS 39 and exceptional items, as reflected in the Relevant Accounts) of the Issuer and its consolidated subsidiaries directly attributable to such Disposed Assets as determined in accordance with IFRS by reference to the Relevant Accounts and, if Relevant Accounts do not yet exist, determined in a manner consistent with the assumptions upon which the Directors' Report is to be based. Where the Directors of the Issuer have employed assumptions in determining the Operating Profit, those assumptions should be clearly stated in the Directors' Report;

"Public Announcement" means an announcement made by the Issuer of the occurrence of a Restructuring Event in accordance with Condition 17;

"Rated Securities" means the Notes, if and for so long as they shall have an effective rating from a Rating Agency and otherwise any Rateable Debt which is rated by a Rating Agency; *provided that* if there shall be no such Rateable Debt outstanding prior to the maturity of the Notes, the holders of not less than one-quarter in principal amount of outstanding Notes may require the Issuer to obtain and thereafter update on an annual basis a rating of the Notes from a Rating Agency. In addition, the Issuer may at any time obtain, and thereafter update, on an annual basis a rating of the Notes from a Rating Agency, *provided that*, except as provided above, the Issuer shall not have any obligation to obtain such a rating of the Notes;

"Rating Agency" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or any of its subsidiaries (**"S&P"**) and their respective successors or Moody's Investors Service, Inc. or any of its subsidiaries (**"Moody's"**) and their respective successors or any rating agency (a **"Substitute Rating Agency"**) substituted for either of them (or any permitted substitute of them) by the Issuer from time to time with the prior

written approval of the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of the Noteholders);

"Rating Downgrade" shall be deemed to have occurred in respect of the Restructuring Event if the then current rating assigned to the Rated Securities by any Rating Agency at the invitation of the Issuer (or where there is no rating from any Rating Agency assigned at the invitation of the Issuer, the then current rating (if any) assigned to the Rated Securities by any Rating Agency of its own volition) is: (i) withdrawn or reduced from a rating of at least BBB or Baa2 (or their respective equivalents for the time being) to a rating below BBB or Baa2 (or their respective equivalents for the time being) or, (ii) if a Rating Agency shall already have rated the Rated Securities below BBB or Baa2 (or their respective equivalents for the time being), the rating is lowered at least one full rating notch (for example, BBB/Baa2 to BBB-/Baa3 (or, in each case, their respective equivalents for the time being); provided that a Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Restructuring Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer or the Trustee that its decision resulted, in whole or in part, from the occurrence of, or any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Restructuring Event (whether or not the Restructuring Event shall have occurred at the time of the Rating Downgrade);

"Relevant Accounts" means the most recent annual audited consolidated financial accounts of the Issuer preceding the relevant sale, transfer, lease or other disposal or dispossession of any Disposed Asset;

"Reporting Accountants" means the auditors for the time being of the Issuer (but not acting in their capacity as auditors) or such other firm of accountants as may be nominated by the Issuer and approved in writing by the Trustee for the purpose (such approval not to be unreasonably withheld or delayed having regard to the interests of the Noteholders) or, failing which, as may be selected by the Trustee for the purpose;

"Restructuring Event" shall be deemed to have occurred at any time (whether or not approved by the board of directors of the Issuer) if the sum of all (if any) Disposal Percentages arising within any period of 36 consecutive months commencing on or after 31 March 2008 is greater than 30 per cent.; and

"Restructuring Period" means:

- (i) if at the time a Restructuring Event occurs there are Rated Securities, the period of 90 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time a Restructuring Event occurs there are no Rated Securities, the period beginning on and including the day on which such Restructuring Event occurs and ending on the day 90 days following the later of (a) the date on which the Issuer shall seek to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 21 days referred to in that definition and (b) the date of the relevant Public Announcement,

(or, in each case, such longer period in which the Rated Securities are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency).

To exercise the option under this Condition, the Noteholder must deposit each Note to be redeemed accompanied by a duly signed and completed Put Event Exercise Notice in the form (for the time being current) obtainable from the specified office of any Paying Agent and, in which the Noteholder may specify an account to which payment is to be made under this Condition, with any Paying Agent at its specified office on any business day falling within the period (the "**Put Period**") of 30 days after a Put Event Notice is given. The Note should be delivered together with all Coupons and Talons appertaining thereto maturing after the date (the "**Put Date**") falling seven days after the expiry of the Put Period, failing which Condition 8(f)(i) will apply. No Note so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or, at the option of the Issuer, purchase (or procure the purchase of) the relevant Notes on the Put Date unless previously redeemed or purchased.