

PRICING SUPPLEMENT

4th March, 2003

Alliance & Leicester plc

**Issue of £150,000,000 5.25 per cent. Step-up Subordinated Callable Notes due 2023
under the U.S.\$10,000,000,000
Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 3rd May, 2002. This Pricing Supplement must be read in conjunction with such Information Memorandum.

1. (i) Issuer: Alliance & Leicester plc
2. (i) Series Number: 030301
(ii) Tranche Number: 1
3. Specified Currency or Currencies: Sterling (£)
4. Aggregate Nominal Amount:
 - (i) Series: £150,000,000
 - (ii) Tranche: £150,000,000
5. (i) Issue Price: 99.873 per cent. of the Aggregate Nominal Amount
(ii) Net proceeds: £149,134,500
6. Specified Denominations: £1,000
£10,000
£100,000
7. (i) Issue Date and Interest Commencement Date: 6th March, 2003
(ii) Interest Commencement Date (if different from the Issue Date): Not Applicable
8. Maturity Date: 6th March, 2023
9. Interest Basis: In relation to the period from and including the Issue Date, to and including the Reset Date, 5.25 per cent. per annum Fixed Rate. In relation to the Reset Period (as defined below), the Reset Rate (as defined below), subject to Issuer Call.
10. Redemption/Payment Basis: Redemption at par

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| 11. | Change of Interest Basis or Redemption/ Payment Basis: | The Rate of Interest is subject to change in accordance with the provisions of paragraph 16 below |
| 12. | Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13. | Status of the Notes: | Dated Subordinated |
| 14. | Listing: | London |
| 15. | Method of distribution: | Syndicated |

Provisions relating to Interest (if any) Payable

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| 16. | Fixed Rate Note Provisions: | Applicable |
| | (i) Rates of Interest: | <p>(A) In respect of the period from and including the Issue Date to but excluding 6th March, 2018 (the Reset Date), 5.25 per cent. per annum payable annually in arrear; and</p> <p>(B) In respect of the period from and including the Reset Date to but excluding the Maturity Date (the Reset Period), the Reset Rate per annum payable annually in arrear.</p> |

Where:

Calculation Date means the second London Business Day (being a day on which commercial banks are open for business (including dealing in foreign exchange and foreign currency deposits) in London) prior to the Reset Date, provided that if it is not possible for any reason to determine the Gilt Rate on such day, the Calculation Date shall be postponed to the first London Business Day thereafter on which the Calculation Agent determines that it is possible to determine such rate.

Five Year Benchmark Gilt means the United Kingdom government security having a maturity date falling on or nearest to the fifth anniversary of the Calculation Date, (or where the Calculation Agent advises the Trustee that such stock is not appropriate for such purpose for reasons of illiquidity or otherwise, such other government stock as the Calculation Agent may recommend).

Gilt Rate means the Gross Redemption Yield (as calculated by the Calculation Agent at 3.00 p.m. (London time) on the Calculation Date of the Five Year Benchmark Gilt (converted to an annualised yield and expressed as a percentage rounded up (if necessary) to 4 decimal places).

Gross Redemption Yield means a yield calculated on a basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 4, Section One: Price/Yield Formulae "Conventional Gilts, Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 8/6/1998) on a semi-annual compounding basis (and rounded up (if necessary) to 4 decimal places).

Reset Rate means, in respect of the Reset Period, the sum of (a) the Gilt Rate and (b) 1.95 per cent.

For the purposes of this paragraph 16(i)B:

(a) *Notification of Rate of Interest for the Reset Date*

The Issuer will cause the Rate of Interest for the Reset Period to be notified to the Trustee and to any stock exchange on which the Notes are for the time being listed and to be published in accordance with Condition 19 as soon as practicable after its determination.

(b) *Determination or calculation by Trustee*

If for any reason at any time, the Calculation Agent defaults in its obligation to determine the Rate of Interest in accordance with this paragraph 16(i), the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this paragraph 16(i)), it shall deem fair and reasonable in all the circumstances.

(c) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph 16(i), whether by the Calculation Agent or the

Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent, the Trustee, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions pursuant to such provisions.

- (ii) Interest Payment Date(s): 6th March in each year from and including 6th March, 2004 to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): In respect of the Interest Payment Dates from and including 6th March, 2004 to and including 6th March, 2018:

£52.50 per £1,000 in nominal amount
 £525 per £10,000 in nominal amount
 £5,250 per £100,000 in nominal amount

In respect of the Interest Payment Dates from and including 6th March, 2019 to and including the Maturity Date, the Reset Rate, (as defined above), subject to Issuer Call.

- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual
- (vi) Determination Date (s): 6th March in each year
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: None
17. Floating Rate Note Provisions: Not Applicable
18. Zero Coupon Note Provisions: Not Applicable
19. Index Linked Interest Note Provisions: Not Applicable
20. Dual Currency Note Provisions: Not Applicable

Provisions relating to Redemption

21. Issuer Call: Applicable. Redemption in full, not in part

(i) Optional Redemption Dates: 6th March, 2018
6th March, 2019
6th March, 2020
6th March, 2021
6th March, 2022

(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): Par

(iii) If redeemable in part:

(A) Minimum Redemption Amount: Not Applicable

(B) Maximum Redemption Amount: Not Applicable

(iv) Notice period (if other than as set out in the Conditions): As per Conditions

22. Investor Put: Not Applicable

23. Final Redemption Amount of each Note: Par

24. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)): Par

General Provisions applicable to the Notes

25. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event

26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No

28. 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
29. Details relating to Instalment Notes:
- (i) Instalment Amount(s): Not Applicable
- (ii) Instalment Date(s): Not Applicable
30. Redenomination: Redenomination not applicable
31. Other terms or special conditions: Not Applicable

Distribution

32. (i) If syndicated, names of Managers: UBS AG, acting through its business group UBS Warburg
HSBC Bank plc
Lehman Brothers International (Europe)
- (ii) Stabilising Manager: UBS AG, acting through its business group UBS Warburg
33. If non-syndicated, name of relevant Dealer: Not Applicable
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
35. Additional selling restrictions: Not Applicable

Operational Information

36. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
37. Delivery: Delivery against payment
38. Additional Paying Agent(s) (if any): Not Applicable

ISIN: XS0164078791

Common Code: 016407879

Listing Application

This Pricing Supplement comprises the details required for the issue of Notes described herein pursuant to the listing of the U.S.\$10,000,000,000 Euro Medium Term Note Programme of Alliance & Leicester plc.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: *C. Hanis*
Duly authorised