

FINAL TERMS

28 April 2008

ALLIANCE & LEICESTER PLC

Issue of £350,000,000 Dated Subordinated Callable Step-up Notes due 2023 (the Notes) under the U.S.\$40,000,000,000 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 22 April 2008 which constitutes a base prospectus for the purposes of 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 the 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 Prospectus. The Prospectus is available for (i) inspection at the registered office of the Issuer and at the specified office of the Paying Agent for the time being in London and (ii) viewing on the website of the London Stock Exchange at:

<http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/marketnews.htm>.

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| 1. | Issuer: | Alliance & Leicester plc |
| 2. | (i) Series Number: | 080401 |
| | (ii) Tranche Number: | 1 |
| 3. | Specified Currency or Currencies: | Pounds sterling (£) |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | £350,000,000 |
| | (ii) Tranche: | £350,000,000 |
| 5. | Issue Price: | 99.313 per cent. of the Aggregate Nominal Amount |
| 6. | (i) Specified Denomination(s): | £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. | Issue Date and Interest Commencement Date: | 30 April 2008 |
| 8. | Maturity Date: | Interest Payment Date falling in October 2023 |

9. Interest Basis: 9.625 per cent. Fixed Rate from and including the Interest Commencement Date to but excluding the First Call Date (as defined below) and thereafter, in the event the Notes are not called pursuant to the Issuer Call, 3-month £ LIBOR plus 6.56 per cent. Floating Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest Basis or Redemption/Payment Basis: See paragraph 9 above
12. Put/Call Options: Issuer Call
(further particulars specified below)
13. Status of the Notes: Dated Subordinated
14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions
- Applicable from and including the Interest Commencement Date to but excluding the First Call Date
- (i) Rate(s) of Interest: 9.625 per cent. per annum to but excluding the First Call Date payable annually in arrear
- (ii) Interest Payment Date(s): 30 October in each year from and including 30 October 2008 up to and including the First Call Date
- (iii) Fixed Coupon Amount(s): £96.25 per Calculation Amount
(Applicable to Notes in definitive form)
- (iv) Broken Amount(s): £48.13 per Calculation Amount, payable on the Interest Payment Date falling on 30 October 2008 in respect of the period from and including 30 April 2008 to but excluding 30 October 2008
(Applicable to Notes in definitive form)
- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Determination Date(s): 30 October in each year from and including 30 October 2008 up to and including the First Call Date
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: None
16. Floating Rate Note Provisions
- Applicable from and including the First Call Date

(i)	Specified Period(s)/Specified Interest Payment Dates:	30 January, 30 April, 30 July and 30 October in each year from but excluding the First Call Date up to and including 30 October 2023
(ii)	Business Day Convention:	Modified Following Business Day Convention
(iii)	Additional Business Centre(s):	Not Applicable
(iv)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	Not Applicable
(vi)	Screen Rate Determination:	
	– Reference Rate:	3-month £ LIBOR
	– Interest Determination Date(s):	First day of each Interest Period
	– Relevant Screen Page:	Reuters LIBOR01
(vii)	ISDA Determination:	
	– Floating Rate Option:	Not Applicable
	– Designated Maturity:	Not Applicable
	– Reset Date:	Not Applicable
(viii)	Margin(s):	+ 6.56 per cent. per annum
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/Actual
(xii)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index Linked Interest Note Provisions	Not Applicable
19.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Issuer Call	Applicable
	(i) Optional Redemption Date(s):	30 October 2018 (the First Call Date) and each Interest Payment Date thereafter
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	£1,000 per Calculation Amount
	(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
21.	Investor Put	Not Applicable
22.	Final Redemption Amount:	£1,000 per Calculation Amount
23.	Early Redemption Amount 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)):	£1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	New Global Note:	No
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 Days:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Yes. A Talon will be attached to Definitive Notes if the Permanent Global Note is exchanged for Definitive Notes before the Interest Payment Date falling on 30 October 2011
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	Not Applicable

of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

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

DISTRIBUTION

32. (i) If syndicated, names of Managers: J.P. Morgan Securities Ltd.
Lehman Brothers International (Europe)
- (ii) Date of Subscription Agreement: 28 April 2008
- (iii) Stabilising Manager(s) (if any): Not Applicable
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


PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue, admission to trading on the EEA Regulated Market of the London Stock Exchange and admission to the Official List of the UK Listing Authority of the Notes described herein pursuant to the U.S.\$40,000,000,000 Euro Medium Term Note Programme of Alliance & Leicester plc.

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 AND ADMISSION TO TRADING:

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the London Stock Exchange plc's EEA Regulated Market with effect from 30 April 2008
- (iii) Estimate of total expenses related to admission to trading: £4,200 (excluding VAT)

2. RATINGS:

- Ratings: The Notes to be issued have been rated:
- S & P: A-
 - Moody's: A2
 - Fitch: A

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

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

4. YIELD:

Indication of yield: 9.5225 per cent. semi-annually up to and including the First Call Date

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:

- (i) ISIN Code: XS0361244311
- (ii) Common Code: 36124431
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg (together with the address of each such clearing system) and the relevant identification number(s): Not Applicable
- (iv) Delivery: Delivery against payment
- (v) Names and addresses of additional Paying Agent(s) (if any): Not Applicable

- (vi) Intended to be held in a manner No
which would allow Eurosystem
eligibility: