

Guaranteed Capital Investment Bonds

Want great earning potential with no risk to your capital?

If you're searching for a medium to long term investment, you'll also be looking for the prospect of earning great returns. But we can give you more. As well as offering excellent earning potential, our Guaranteed Capital Investment Bonds present no risk to your capital as you'll always get back your original investment.

How a Guaranteed Capital Investment Bond works for you

Our Guaranteed Capital Investment Bonds give you the chance to benefit from any growth in the FTSE® 100 Index. We have a range of bonds for you to choose from and any return depends on the growth in share value of the UK's top 100 companies. You will receive a great return as long as the FTSE® 100 Index rises above or is the same as the Start Value at the end of the term subject to "averaging". If the Index falls below the Start Value at the end of the term you'll get back your original investment in full. However, no return will be paid and the effects of any inflation will reduce the true value of your investment.

Please see overleaf for an explanation of "averaging".

Investment Dates

Your investment will need to be made between the First and Last Investment Date, shown in the table below.

Period	Bond Term			
	3 Years	4 Years	5 Years	6 Years
First Investment Date	26/07/2008	26/07/2008	26/07/2008	26/07/2008
Last Investment Date	19/09/2008	19/09/2008	19/09/2008	19/09/2008
Start Date	03/10/2008	03/10/2008	03/10/2008	03/10/2008
Final Averaging Period	Final 6 months	Final 12 months	Final 12 months	Final 12 months
End Date	03/10/2011	03/10/2012	03/10/2013	03/10/2014
Maturity Date	10/10/2011	10/10/2012	10/10/2013	10/10/2014

The Start Value of your account will be confirmed shortly after the Start Date. The End Value will be confirmed shortly after the End Date.

As these accounts are intended to be medium or long term investments, you need to make sure that you can tie up your money for this period of time before investing.

Key Guaranteed Capital Investment Bond benefits

- Choose from a range of Guaranteed Capital Investment Bonds to suit your needs with terms of 3, 4, 5 or 6 years
- Receive a great return providing the End Value is the same as, or higher than, the Start Value
- Investment protection - even if the Index falls below the Start Value at the end of the term, you'll get back your original investment
- No upfront charges or management fees to reduce your initial investment
- Britannia membership benefits, including the unique Britannia Membership Reward scheme, start to earn membership reward points after 2 years (subject to scheme rules - please see 'Payment rules and terms & conditions' available online at britannia.co.uk/reward)
- Have your fair say with an annual AGM vote (subject to eligibility - please visit britannia.co.uk/agm for further information)

Account features

- Invest with just £500
- Invest up to £1,000,000
- No withdrawals are permitted before the Maturity Date
- Any return is taxable and will be paid after deducting the basic rate of income tax that applies. It will be paid in the tax year shown in the 'Return' table overleaf. This may change your tax status. Non tax payers can complete an R85 form to ensure interest is received gross
- Interest prior to the Start Date - When you make your investment interest will be paid at a fixed rate of 4% Gross[#]/AER[^] until the Start Date. The interest earned will be added to your investment on the Start Date
- Can be opened as a sole or joint account

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Return

The interest rate is guaranteed as long as the FTSE® 100 Index is the same or greater than the Start Value at the end of the term, subject to 'averaging'.

Bond Term	Gross# Interest Rate	AER^ Interest Rate	Tax year when interest will be paid
3 Years	20%	6.27%	2011/2012
4 Years	30%	6.78%	2012/2013
5 Years	40%	6.96%	2013/2014
6 Years	50%	6.99%	2014/2015

Examples of the return you might receive - the table below shows you examples of how much our Guaranteed Capital Investment Bonds would be worth at the end of the term, using the averaging method, based on an initial investment of £5,000.

	3 Year Term Gross# interest rate of 20%	4 Year Term Gross# interest rate of 30%	5 Year Term Gross# interest rate of 40%	6 Year Term Gross# interest rate of 50%
Average % Difference in the FTSE® 100 Index	Gross# Maturity Value	Gross# Maturity Value	Gross# Maturity Value	Gross# Maturity Value
-25%	£5,000	£5,000	£5,000	£5,000
0	£6,000	£6,500	£7,000	£7,500
25%	£6,000	£6,500	£7,000	£7,500
50%	£6,000	£6,500	£7,000	£7,500

The table demonstrates that irrespective of the amount by which the FTSE® 100 Index grows the return is fixed. The above illustrations are examples and are not intended to give an indication of your exact return and do not take account of interest paid between the First Investment Date and the Start Date or the effects of inflation during the term of the investment.

Averaging

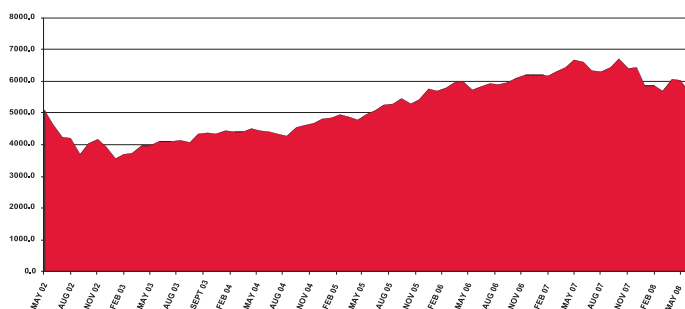
Performance is measured by comparing the level of the FTSE® 100 Index at the close of business on the Start Date with the End Value.

The End Value is calculated by reading the FTSE® 100 Index at the close of business on each working day in the Final Averaging Period. These levels are then "averaged" and this is the End Value. This process is known as "averaging" and may result in the End Value being lower than the Start Value, even though the FTSE® 100 Index level at the end of the term may be higher than the Start Value.

Tax

Any interest earned may affect your tax status. This means you may become a tax payer, move into a higher rate tax band or pay more income tax. If you are over 65 any gain made on this product may affect your age allowance, which means you could pay more tax.

FTSE® 100 Index



Your money is not directly invested in the companies within the FTSE® 100 Index so you're not eligible for dividend income from them. Any interest return you receive will be paid by Britannia.

Past performance must not be seen as an indication of future performance. The value of the FTSE® 100 Index can go down as well as up. The graph shows that the FTSE® 100 Index has shown growth since 2002, but can be volatile and has also fallen a number of times.

Maturity

The account will mature 7 calendar days after the End Date and your investment will be transferred to a tiered, variable rate instant access account for one month. Unless you tell us otherwise, your funds will then be transferred into a tiered, variable rate Members' Maturity Saver (or equivalent). We'll send you further details shortly before maturity.