

Guaranteed Capital Investment Bond ISA

Want the prospect of earning a tax-free# return with no risk to your capital?

If you're looking for a medium to long term investment, the prospect of earning great tax-free returns is attractive. However, we can give you more. As well as offering excellent earning potential that's out of the taxman's reach, our Guaranteed Capital Investment Bond ISA presents no risk to your capital. That's because you're guaranteed to get back at least your original investment.

How a Guaranteed Capital Investment Bond ISA works for you

Our Guaranteed Capital Investment Bond ISA gives you the chance to benefit from any potential growth in the FTSE® 100 Index. We have a range of bonds for you to choose from and your level of tax-free 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.

Please note the Guaranteed Capital Investment Bond ISA is non-stakeholder standard.

Key Guaranteed Capital Investment Bond ISA benefits

- Choose from a range of Guaranteed Capital Investment Bond ISAs to suit your needs with terms of 3, 4, 5 or 6 years
- Any return is tax free# (subject to ISA regulations)
- Investment protection - even if the Index falls below the Start Value at the end of the term, you'll get back your original investment (less any withdrawals that you make and ISA Access Fees - please see the 'ISA withdrawals, transfers and fees' section for further details)
- 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

- You can invest £3,600, this being your full ISA allowance for the current tax year and/or any amount in the case of transfers of your ISA savings from previous tax years
- Once the account is open, you can also transfer in other ISAs from previous tax years before the Start Date
- Interest will be paid at a fixed rate of 4.55% tax-free#/AER^ from your First Investment Date until the Start Date. Interest earned will be added to your investment on the Start Date
- ISA Access Fees are applied when you make withdrawals or transfers before the Maturity Date (see 'ISA withdrawals, transfers and fees' for more details). These withdrawals and ISA Access Fees will be deducted from your investment
- This account must be opened as a sole account. Joint accounts are not permitted

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Return

Any return is tax free[#], subject to ISA Regulations. The interest rate is guaranteed so 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	Tax Free [#] 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 Bond ISAs could be worth at the end of the term, using the averaging method, based on an initial investment of £3,600.

	3 Year Term Tax Free [#] interest rate of 20%	4 Year Term TaxFree [#] interest rate of 30%	5 Year Term Tax Free [#] interest rate of 40%	6 Year Term Tax Free [#] interest rate of 50%
Average % Difference in the FTSE[®] 100 Index	Tax Free[#] Maturity Value	Tax Free[#] Maturity Value	Tax Free[#] Maturity Value	Tax Free[#] Maturity Value
-25%	£3,600	£3,600	£3,600	£3,600
0	£4,320	£4,680	£5,040	£5,400
25%	£4,320	£4,680	£5,040	£5,400
50%	£4,320	£4,680	£5,040	£5,400

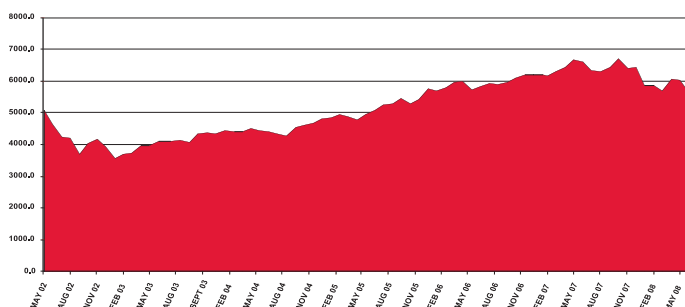
The table demonstrates that irrespective of the amount by which the FTSE[®] 100 Index grows the return is fixed. The above illustrations are examples and do not take account of interest paid between the First Investment Date and the Start Date, or the effects of inflation during the term of the investment, or any withdrawals that may have been made prior to the Maturity Date.

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.

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.

The FTSE[®] 100 Index past performance is illustrated by the graph above. 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 a growth since 2002, but can be volatile and has also fallen a number of times.

Maturity

Your account will mature 7 calendar days after the End Date and your investment will be transferred to a tiered, variable rate Instant Access Cash ISA account. We'll send you further details shortly before maturity.

ISA withdrawals, transfers and fees

If transferring prior to the Maturity Date an ISA Access Fee and a 30 day administration period will apply. If transferring after the Maturity Date a 30 day administration period will apply.

The ISA Access Fee may be substantial and you may not get the money back you have invested. To calculate the fee, Britannia will take the requested withdrawal amount and multiply this by the Bank of England Base Rate (BBR) at the time of the request, plus 0.50%. This figure is then divided by 365 and multiplied by the number of days from the withdrawal request until the End Date.

$$\left[\frac{\text{Withdrawal Amount} \times (\text{BBR} + 0.50\%)}{365} \right] \times \frac{\text{Number of days from ISA Withdrawal request until End Date}}{365}$$

A few example scenarios based on calculating the cost of £1,000 withdrawal, at different times during any term are detailed below. We have used example withdrawal dates based on a 365 day year and an average 30 day month. These are for illustrative purposes only.

It is not possible for Britannia to predict what the BBR will be in the future as it is subject to change and cannot be predicted. One example assumes the costs if BBR is 5.25% and the other at 6.50%.

Number of days remaining until the End Date	Total cost of withdrawal if BBR is at 5.25% 5.25% + 0.50 = 5.75%	Total cost of withdrawal if BBR is at 6.50% 6.50% + 0.50 = 7.00%
2010 days (approx. 67 months)	£316.64	£385.48
1500 days (approx. 50 months)	£236.30	£287.67
1140 days (approx. 38 months)	£179.59	£218.63
810 days (approx. 27 months)	£127.60	£155.34
480 days (approx. 16 months)	£75.62	£92.05
120 days (approx. 4 months)	£18.90	£23.01

If you are thinking of withdrawing funds prior to the Maturity Date you should contact us to calculate the ISA Access Fee. It will take us up to 7 days to make a calculation which is valid for 7 days from the calculation date. Separate ISA Access Fees will be payable if there is more than one withdrawal.

Withdrawals from your capital cannot be replaced and any withdrawals which leave a balance of less than £500 will be treated as a request to close your Account. We are not required to contact you prior to closure.