

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached tender offer memorandum (the "**Tender Offer Memorandum**") and you are therefore required to read this disclaimer page carefully before accessing, reading or making any other use of the Tender Offer Memorandum. By accessing, reading or making any other use of the Tender Offer Memorandum, you agree (in addition to giving the representations below) to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Barclays Bank PLC (the "**Issuer**"), Barclays Capital Inc. or, as the case may be, Barclays Capital, the investment banking division of Barclays Bank PLC and each of their affiliates (the "**Dealer Manager**") and/or Lucid Issuer Services Limited and Global Bondholder Services Corporation (each a "**Tender Agent**" and together, the "**Tender Agents**"), as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Tender Offer Memorandum.

THE ATTACHED TENDER OFFER MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE TENDER OFFER MEMORANDUM MAY ONLY BE DISTRIBUTED TO PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO SEND THE TENDER OFFER MEMORANDUM. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THESE REQUIREMENTS MAY RESULT IN A VIOLATION OF THE APPLICABLE LAWS OF THE UNITED STATES OR OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the attached Tender Offer Memorandum or make an investment decision with respect to the Offer (as defined below), you must be able to participate lawfully in the invitations by the Issuer, which are being made by the Issuer on behalf of the Issuer and any subsidiary or associated undertaking of the Issuer (together with the Issuer, the "**BGp Companies**"), to Holders of the Securities (as defined below) to tender their Securities for purchase by a BGp Company for cash (the "**Offers**") on the terms and subject to the conditions set out in the Tender Offer Memorandum, including the offer and distribution restrictions set out on pages 3 to 4 (the "**Offer and Distribution Restrictions**"). The Tender Offer Memorandum was sent at your request and by accessing the Tender Offer Memorandum you shall be deemed to have represented to the BGp Companies, the Dealer Manager and the Tender Agents that:

- (i) you are a Holder or a beneficial owner of the US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes, the £500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments, the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes, the £500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments, the US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments and the US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments (the "**Securities**");
- (ii) you are a person to whom it is lawful to send the attached Tender Offer Memorandum or to make an invitation pursuant to the Offers under all applicable laws, including the Offer and Distribution Restrictions; and
- (iii) you consent to delivery of the Tender Offer Memorandum to you by electronic transmission.

The attached Tender Offer Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the BGp Companies, the Dealer Manager, the Tender Agents or any person who controls, or any director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Tender Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Dealer Manager or the Tender Agents.

You are otherwise reminded that the Tender Offer Memorandum has been sent to you on the basis that you are a person into whose possession the Tender Offer Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver the Tender Offer Memorandum to any other person.

If any Holder has sold or otherwise transferred all of its Securities, it should inform the relevant Tender Agent accordingly.

Any materials relating to the Offers do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Offers be made by a licensed broker or dealer and the Dealer Manager or any of its affiliates is such a licensed broker or dealer in that jurisdiction, the Offers shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the BGp Companies in such jurisdiction.

Restrictions: Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in any jurisdiction in which such offer or solicitation would be unlawful.

The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer Memorandum comes are required by the Issuer and the other BGp Companies, the Dealer Manager and the Tender Agents to inform themselves about, and to observe, any such restrictions.

This Tender Offer Memorandum does not constitute an invitation to participate in the Offers in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities laws or otherwise. The distribution of this document in certain jurisdictions (in particular, the United Kingdom, France and Belgium) may be restricted by law. See "Offer and Distribution Restrictions" below. Persons into whose possession this document comes are required by the Dealer Manager and the BGP Companies to inform themselves about, and to observe, any such restrictions. No action that would permit a public offer has been or will be taken in any jurisdiction by the Dealer Manager or by the BGP Companies.

**TENDER OFFER MEMORANDUM DATED 5 DECEMBER 2011
THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION**



Invitations to Holders of

Barclays Bank PLC

(Incorporated with limited liability in England and Wales)

US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes,
£500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments,
£400,000,000 6 per cent. Callable Perpetual Core Tier One Notes,
£500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments,
US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments and
US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments
(together, the "**Securities**")

by Barclays Bank PLC (the "**Issuer**") on behalf of the Issuer and any subsidiary or associated undertaking of the Issuer (together with the Issuer, the "**BGP Companies**")

to tender up to £2,500,000,000 of the Securities for purchase for cash
(each such invitation an "**Offer**" and, together, the "**Offers**")

Acceptance Priority Level	Title of Security	CUSIP Numbers	ISIN Numbers	Principal Amount Outstanding	Purchase Price*	Early Tender Premium*	Early Tender Consideration*
1	US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes	06738CAG4	XS0155141830 / US06738CAG42	US\$1,000,000,000	US\$765	US\$50	US\$815
2	£500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments	-	XS0248675364	£500,000,000	£650	£50	£700
3	£400,000,000 6 per cent. Callable Perpetual Core Tier One Notes	-	XS0150052388	£400,000,000	£680	£50	£730
4	£500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments	-	XS0305103482	£500,000,000	£730	£50	£780
5	US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments	06739FEY3	XS0269453139 / US06739FEY34	US\$1,350,000,000	US\$795	US\$50	US\$845
6	US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments	06739GAD1	XS0322792010 / US06739GAD16	US\$1,250,000,000	US\$895	US\$50	US\$945

* per £1,000/US\$1,000 in principal amount, as applicable, subject to the relevant Minimum Denomination.

Dealer Manager

BARCLAYS CAPITAL

On the terms and subject to the conditions contained in this Tender Offer Memorandum, the Issuer, on behalf of the BGP Companies, invites Holders of the relevant Securities (subject to the Offer and Distribution Restrictions contained herein) to tender their Securities for purchase at the applicable Purchase Price (as defined below).

Subject to the relevant Minimum Denomination (as defined below), the price payable per £1,000 principal amount of Sterling Securities and per US\$1,000 principal amount of Dollar Securities accepted for purchase will be an amount in pounds sterling or US dollars, as applicable, equal to (a) in respect of Securities of the relevant Series validly tendered in the Offers on or prior to the Early Tender Deadline, the Early Tender Consideration (which comprises the applicable Purchase Price together with the applicable Early Tender Premium) plus any Accrued Interest Payment, which will be payable on the Early Settlement Date; and (b) in respect of Securities of the relevant Series validly tendered in the Offers after the Early Tender Deadline but prior to the Expiration Deadline, the Purchase Price plus any Accrued Interest Payment, which will be payable on the Final Settlement Date. Securities that have not been validly tendered and/or accepted for purchase pursuant to the Offers will remain outstanding after the relevant Settlement Date.

The maximum aggregate principal amount of Securities to be accepted in the Offers across all Series of Securities combined (converted, in the case of Securities denominated in US dollars into pounds sterling at the FX Rate) is £2,500,000,000 (the "**Maximum Offer Amount**"). The Issuer, on behalf of the BGP Companies, reserves the right, subject to applicable law, to amend the terms of the Offers. See "*Amendment and Termination*". Subject to the terms and conditions of the Offers, on each Settlement Date (as defined below), the relevant Purchaser will accept for purchase Securities of the relevant Series validly offered for purchase in accordance with the applicable acceptance priority levels (in numerical priority order) set forth in the table on the front cover page of this Tender Offer Memorandum (each an "**Acceptance Priority Level**" or "**Level**"), with Level 1 being the highest priority level, as described further under "*Terms and Conditions of the Offers*".

The Issuer, on behalf of the BGP Companies, reserves the right, in its sole and absolute discretion, to extend, withdraw, terminate or amend the terms and conditions of the Offers at any time following the announcement of the Offers, without giving Holders withdrawal rights, as described herein under the heading "*Amendment and Termination*". Details of any such extension, amendment, withdrawal or termination will be notified to the Holders as soon as possible after such decision. An offer to tender Securities for purchase may only be made by the submission of a valid Tender Instruction. The acceptance of Securities for purchase pursuant to the Offers is conditional on the satisfaction of the conditions to each Offer, as set out in "*Terms and Conditions of the Offer – General Conditions of the Offer*".

THE OFFERS WILL EXPIRE AT 11.59PM (NEW YORK CITY TIME), ON 3 JANUARY 2012 (THE "EXPIRATION DEADLINE"), IN ORDER TO BE ELIGIBLE FOR THE EARLY TENDER PREMIUM, HOLDERS MUST VALIDLY TENDER THEIR SECURITIES AND NOT WITHDRAW SUCH OFFER ON OR PRIOR TO 5.00PM (NEW YORK CITY TIME) ON 16 DECEMBER 2011 (THE "EARLY TENDER DEADLINE"), IN EACH CASE, UNLESS EXTENDED, RE-OPENED OR TERMINATED AS PROVIDED IN THIS TENDER OFFER MEMORANDUM. HOLDERS WHO VALIDLY TENDER THEIR SECURITIES AFTER THE EARLY TENDER DEADLINE BUT PRIOR TO THE EXPIRATION DEADLINE WILL NOT RECEIVE THE EARLY TENDER PREMIUM.

Custodians, Direct Participants and Clearing Systems will have deadlines for receiving instructions prior to the Early Tender Deadline and the Expiration Deadline, as applicable, and Holders should contact the Intermediary through which they hold their Securities as soon as possible to ensure proper and timely delivery of instructions.

Any questions or requests for assistance in connection with this Tender Offer Memorandum may be directed to the Dealer Manager at the telephone numbers or e-mail addresses provided on the back cover of this Tender Offer Memorandum. Any questions or requests for assistance in connection with the delivery of Tender Instructions or requests for additional copies of this Tender Offer Memorandum or related documents, which may be obtained free of charge, may be directed (in the case of the Sterling Securities) to Lucid Issuer Services Limited and (in the case of the Dollar Securities) to Global Bondholder Services Corporation (each a "**Tender Agent**" and together, the "**Tender Agents**") at the telephone numbers or e-mail addresses provided on the back cover of this Tender Offer Memorandum.

Before making a decision with respect to the Offers, Holders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the risk factors described in the section entitled "*Risk Factors and Other Considerations*".

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GENERAL

This Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Offers. If any Holder is in any doubt as to the action it should take or is unsure of the impact of the Offers, it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Securities are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Securities in the Offers. None of the BGp Companies, the Dealer Manager or the Tender Agents is providing Holders with any legal, business, tax or other advice in this Tender Offer Memorandum. Holders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Securities for cash.

The Issuer accepts responsibility for the information contained in this Tender Offer Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Tender Offer Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the relevant Offers and Tender Offer Memorandum) and each Holder must make its own decision as to whether to tender any or all of its Securities for purchase pursuant to the relevant Offers. Accordingly, each person receiving this Tender Offer Memorandum acknowledges that such person has not relied upon the Issuer or any other of the BGp Companies, the Dealer Manager or the Tender Agents in connection with its decision as to whether to participate in the Offers. Each such person must make its own analysis and investigations regarding the Offers, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it. If such person is in any doubt about any aspect of the Offers and/or the action it should take, including in respect of any tax consequences it should consult its professional advisers.

None of the Dealer Manager, the Issuer or any other of the BGp Companies, the Tender Agents or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding this Tender Offer Memorandum or the Offers and none of the Issuer or any other of the BGp Companies, the Dealer Manager, the Tender Agents or their respective directors, employees or affiliates makes any recommendation as to whether Holders of Securities should tender Securities for purchase pursuant to the Offers. The Tender Agents are the agents of the Issuer and owe no duty to any Holder.

None of the Dealer Manager or the Tender Agents (or their respective directors, employees or affiliates) assumes any responsibility for the accuracy or completeness of the information concerning the Offers or the Issuer or any other of the BGp Companies contained in this Tender Offer Memorandum or for any failure by the Issuer or any other of the BGp Companies to disclose events that may have occurred and may affect the significance or accuracy of the information in this Tender Offer Memorandum.

No person has been authorised to give any information or to make any representation other than those contained in this Tender Offer Memorandum in connection with the Offers and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer or any other of the BGp Companies or the Dealer Manager. Neither the delivery of this Tender Offer Memorandum nor any purchase of Securities pursuant to the Offers shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer or any other of the BGp Companies, since the date of this Tender Offer Memorandum or that the information contained in this Tender Offer Memorandum is correct as of any time subsequent to the date of this Tender Offer Memorandum.

The Issuer, on behalf of the BGp Companies, is making the Offers only in those jurisdictions where it is legal to do so. See "*Offer and Distribution Restrictions*". This document does not constitute a "prospectus" for the purposes of Directive 2003/71/EC (as amended).

Securities can only be tendered in the Offers in accordance with the procedures described in "*Procedures for Participating in the Offer*". Holders who do not participate in the Offers, or whose Securities are not accepted for purchase, will continue to hold their Securities.

Holders must comply with all laws that apply to them in any place in which they possess this Tender Offer Memorandum. Holders must also obtain any consents or approvals that they need in order to tender their Securities. None of the BGp Companies, the Dealer Manager or the Tender Agents is responsible for Holders' compliance with these legal requirements. See "*Offer and Distribution Restrictions*." The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offers in, from or otherwise involving the United Kingdom.

NEITHER THIS TENDER OFFER MEMORANDUM NOR ANY RELATED DOCUMENT HAS BEEN FILED WITH THE US SECURITIES AND EXCHANGE COMMISSION, NOR HAS ANY SUCH DOCUMENT BEEN FILED WITH OR REVIEWED BY ANY US STATE SECURITIES COMMISSION OR THE REGULATORY AUTHORITY OF ANY COUNTRY, NO AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS TENDER OFFER MEMORANDUM OR ANY RELATED DOCUMENTS, AND IT IS UNLAWFUL AND IS A CRIMINAL OFFENCE IN THE UNITED STATES TO MAKE ANY REPRESENTATION TO THE CONTRARY.

For the avoidance of doubt, each invitation by the Issuer, on behalf of the BGp Companies, to Holders contained in this Tender Offer Memorandum is an invitation to treat by the Issuer, on behalf of the BGp Companies, and any references to the Offers or invitations being made by the Issuer, on behalf of the BGp Companies, under or in respect of the Offers shall be construed accordingly.

Unless the context otherwise requires, all references in this Tender Offer Memorandum to a Holder or Holder of the Securities include:

- (a) each person who is shown in the records of The Depository Trust Company ("**DTC**"), Euroclear Bank S.A./N.V. ("**Euroclear**") or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and, together with DTC and Euroclear, the "**Clearing Systems**" and each a "**Clearing System**") as a Holder of the Securities (also referred to as "**Direct Participants**" and each a "**Direct Participant**");
- (b) any broker, dealer, commercial bank, trust company or other nominee or custodian who holds Securities; and
- (c) each beneficial owner of Securities holding such Securities, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner's behalf,

except that for the purposes of any payment to a Holder pursuant to any of the Offers of the Purchase Price, Early Tender Premium and any Accrued Interest Payment, to the extent the beneficial owner of the relevant Securities is not a Direct Participant, such payment will only be made by the relevant Clearing System to the relevant Direct Participant and the making of such payment by or on behalf of the relevant BGp Company to such Clearing System will satisfy the obligations of the relevant BGp Company and such Clearing System in respect of the purchase of such Securities.

All references in this Tender Offer Memorandum to "**US dollar**" and "**US\$**" refer to the currency of the United States of America and references to "**pounds sterling**" and "**£**" refer to the currency of the United Kingdom.

As used in this Tender Offer Memorandum, "**Business Day**" means any day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business in London and New York City.

Capitalised terms used in this Tender Offer Memorandum have the meaning given in "*Definitions*" and any other definitions of such terms are for ease of reference only and shall not affect their interpretation.

OFFER AND DISTRIBUTION RESTRICTIONS

This Tender Offer Memorandum does not constitute an invitation to participate in the Offers in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Tender Offer Memorandum comes are required by each of the BGp Companies, the Dealer Manager and the Tender Agents to inform themselves about and to observe any such restrictions.

United Kingdom

The communication of this Tender Offer Memorandum and any other documents or materials relating to the Offers are not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**")) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (such persons together being the "**Relevant Persons**"). The Offers are only available to Relevant Persons and the transactions contemplated herein will be available only to, or engaged in only with, Relevant Persons, and this financial promotion must not be relied or acted upon by persons other than Relevant Persons.

Belgium (in respect of the US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes and the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes only)

Neither this Tender Offer Memorandum nor any other document or material relating to the Offers have been submitted for approval to the Belgian Financial Services and Markets Authority and, accordingly, the Offers may not be made in Belgium by way of a public offer, as defined for the purposes of the Belgian law of 1 April 2007 on public takeover bids. The Offers are consequently addressed in Belgium exclusively to, and may only be accepted by, holders who are qualifying investors within the meaning of Article 10 of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, or who can otherwise make the representation set out in paragraph (l) of the Holder Representations section on page 20 below.

Accordingly, the information contained in this Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

France

The Offers are not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither this Tender Offer Memorandum nor any other documents or materials relating to the Offers have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier*, are eligible to participate in the Offers. This Tender Offer Memorandum and any other document or material relating to the Offers have not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Italy

None of the Offers, this Tender Offer Memorandum or any other documents or materials relating to the Tender Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**").

The Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial**

Services Act") and article 35-bis, paragraph 4, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (the "**Issuer's Regulation**"), as amended.

Holders, or beneficial owners of the Securities can tender some or all of their Securities pursuant to the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

General

Neither this Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Securities (and tenders of Securities for purchase pursuant to the Offers will not be accepted from Holders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offers to be made by a licensed broker or dealer and the Dealer Manager or any of its affiliates is such a licensed broker or dealer in any such jurisdiction, the relevant Offers shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the BGp Companies in such jurisdiction.

In addition, each Holder participating in the Offers will be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offers*". Any tender of Securities for purchase pursuant to the Offers from a Holder that is unable to make these representations will not be accepted.

Each of the BGp Companies, the Dealer Manager and the Tender Agents reserves the right, in its absolute discretion, to investigate, in relation to any tender of Securities for purchase pursuant to the Offers whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result a BGp Company determines (for any reason) that such representation is not correct, such tender or submission may be rejected.

INDICATIVE TIMETABLE

This is an indicative timetable showing one possible outcome for the timing of the Offers based on the dates in this Tender Offer Memorandum. This timetable is subject to change and dates and times may be extended, re-opened or amended by the Issuer, on behalf of the BGP Companies in accordance with the terms of the Offers as described in this Tender Offer Memorandum. Accordingly, the actual timetable may differ from the timetable below.

Date and Time	Action
5 December 2011	<i>Commencement of the Offers</i> Offers announced through RNS, the Clearing Systems and by publication on a Notifying News Service. Tender Offer Memorandum available from the Dealer Manager and the Tender Agents.
16 December 2011, 5 p.m. (New York City time)	<i>Early Tender Deadline</i> Deadline for receipt by the Tender Agents of all Tender Instructions in order for Holders to be eligible to receive the Early Tender Consideration and Accrued Interest Payment on the Early Settlement Date.
19 December 2011	<i>Announcement of Early Tender Results</i> The Issuer expects to announce: (i) the aggregate principal amount of Securities accepted for purchase; and (ii) which BGP Company is accepting the Tender Instructions in respect of each Series of Securities.
22 December 2011	<i>Early Settlement Date</i> Expected Settlement Date for Securities validly tendered on or prior to the Early Tender Deadline and accepted by the relevant Purchaser. Payment of the relevant Early Tender Consideration and any Accrued Interest Payment in respect of any such Securities.
3 January 2012, 11.59 p.m. (New York City time)	<i>Expiration Deadline</i> Deadline for receipt by the Tender Agents of all Tender Instructions in order for Holders to be able to participate in the Offers and to be eligible to receive the relevant Purchase Price and Accrued Interest Payment on the Final Settlement Date.
4 January 2012	<i>Announcement of Result of Offers</i> The Issuer expects to announce: (i) the final aggregate principal amount of Securities accepted for purchase; and (ii) which BGP Company is accepting the Tender Instructions in respect of each Series of Securities.
9 January 2012	<i>Final Settlement Date</i> Expected Settlement Date for Securities validly tendered after the Early Tender Deadline and accepted by the relevant Purchaser. Payment of the relevant Purchase Price and any Accrued Interest Payment in respect of any such Securities.

Announcements in connection with the Offers will be made via RNS. Such announcements may also be made (i) on the relevant Reuters International Insider Screen; (ii) by the issue of a press release to a

Notifying News Service; and (iii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained from the relevant Tender Agent, the contact details for whom are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Holders are urged to contact the relevant Tender Agent for the relevant announcements relating to the Offers. In addition, Holders may contact the Dealer Manager for information using the contact details on the last page of this Tender Offer Memorandum.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above. See "*Procedures for Participating in the Offers*".

DEFINITIONS

Accrued Interest	Interest or distributions, as the case may be, accrued and unpaid on the relevant Securities from (and including) the immediately preceding interest payment date or distribution payment date, as applicable, for such Securities to (but excluding) the relevant Settlement Date.
Accrued Interest Payment	An amount in cash (rounded to the nearest £0.01 or US\$0.01, as applicable, with £0.005 and US\$0.005 being rounded upwards) equal to the Accrued Interest on the relevant Securities validly tendered for purchase by a Holder and accepted for purchase by a BGp Company.
ATOP	Automated Tender Offer Program.
BGp Companies	The Issuer and any subsidiary or associated undertaking of the Issuer.
Business Day	A day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in London and New York City.
Clearing System Notice	The "Deadlines and Corporate Events" or similar form of notice to be sent to Direct Participants by each of Euroclear and Clearstream, Luxembourg on or about the date of this Tender Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Offers.
Clearing Systems	DTC, Clearstream, Luxembourg and Euroclear.
Clearstream, Luxembourg	Clearstream Banking, <i>société anonyme</i> .
Conditions	The terms and conditions of the Securities.
Dealer Manager	Barclays Capital Inc. and its affiliates or Barclays Capital, the investment banking division of Barclays Bank PLC, and its affiliates, as the case may be.
Direct Participant	Each person shown in the records of the Clearing Systems as a holder of the Securities.
Dollar Securities	The US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes, the US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments and the US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments.
DTC	The Depository Trust Company.
Early Settlement Date	Expected to be 22 December 2011 (subject to the right of the Issuer, on behalf of the BGp Companies, to extend, re-open, amend and/or terminate the Offers).
Early Tender Consideration	The sum of (i) the relevant Purchase Price and (ii) the Early Tender Premium, which will be payable to all Holders who validly tender their Securities on or prior to the Early Tender Deadline and whose Securities are accepted for purchase.
Early Tender Deadline	5.00 p.m. (New York City time) on 16 December 2011 (subject to the right of the Issuer, on behalf of the BGp Companies, to extend, re-open and/or terminate the Offers, as applicable).
Early Tender Premium	The additional cash payment which forms part of the Early Tender Consideration payable to all Holders who validly tender their Securities on or prior to the Early Tender Deadline and whose Securities are accepted for

purchase, being: US\$50 per US\$1,000 principal amount of the Dollar Securities; and £50 per £1,000 principal amount of the Sterling Securities.

Euroclear	Euroclear Bank S.A./N.V.
Exchange Act	United States Securities Exchange Act of 1934, as amended.
Expiration Deadline	11.59 p.m. (New York City time), 3 January 2012 (subject to the right of the Issuer, on behalf of the BGp Companies, to extend, re-open and/or terminate the Offers, as applicable).
Final Settlement Date	Expected to be 9 January 2012 (subject to the right of the Issuer, on behalf of the BGp Companies, to extend, re-open, amend and/or terminate the Offers).
Financial Promotion Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended).
FX Rate	FX Rate means the US dollar/pounds sterling foreign exchange rate determined by the Dealer Manager on the Business Day following each of the Early Tender Deadline and the Final Expiration Deadline.
Group	Barclays PLC and its consolidated subsidiaries.
Holder	A holder of the Securities.
Intermediary	Any broker, dealer, bank, custodian, trust company, nominee or other Direct Participant in any Clearing Systems who holds Securities or an interest in Securities on behalf of another person.
Issuer	Barclays Bank PLC.
Maximum Offer Amount	£2,500,000,000 in aggregate principal amount of Securities across all Series of Securities combined (calculated, to the extent necessary, using the FX Rate).
Minimum Denomination	<p>The minimum denomination of each Series of Securities, being:</p> <p>(i) US\$1,000 principal amount for the US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes, and authorised denominations of US\$1,000 thereafter;</p> <p>(ii) £50,000 principal amount for the £500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments, and authorised denominations of £1,000 thereafter;</p> <p>(iii) £1,000 principal amount for the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes, and authorised denominations of £1,000, £10,000 and £100,000 thereafter;</p> <p>(iv) £50,000 principal amount of the £500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments, and authorised denominations of £1,000 thereafter, up to and including £99,000;</p> <p>(v) US\$100,000 principal amount for the US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments, and authorised denominations of US\$1,000 thereafter; and</p> <p>(vi) US\$100,000 principal amount for the US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments, and authorised denominations of US\$1,000 thereafter.</p>

Notifying News Service	A recognised financial news service or services (e.g. Reuters/Bloomberg) as selected by the Issuer.
Offers	The invitations by the Issuer, on behalf of the BGp Companies, to Holders (subject to the Offer and Distribution Restrictions) to tender their Securities for purchase for cash up to the Maximum Offer Amount, on the terms and subject to the conditions set out in this Tender Offer Memorandum.
Offer and Distribution Restrictions	The offer and distribution restrictions referred to in " <i>Offer and Distribution Restrictions</i> ".
Purchase Price	<p>Subject to the relevant Minimum Denomination in respect of each Series of Securities, the price payable by the relevant Purchaser for Securities validly tendered and accepted for purchase by it will be as follows:</p> <p>(i) US\$765 per US\$1,000 principal amount of the US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes;</p> <p>(ii) £650 per £1,000 principal amount of the £500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments;</p> <p>(iii) £680 per £1,000 principal amount of the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes;</p> <p>(iv) £730 per £1,000 principal amount of the £500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments;</p> <p>(v) US\$795 per US\$1,000 principal amount of the US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments; and</p> <p>(vi) US\$895 per US\$1,000 principal amount of the US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments.</p>
Purchaser	Barclays Bank PLC or any other of the BGp Companies which accepts an offer to purchase any validly tendered Securities of a particular Series. Such Purchaser will be announced to Holders in the announcement relating to the results of the Offers following each of the Early Tender Deadline and the Expiration Deadline, as the case may be.
RNS	The Regulatory News Service provided by the London Stock Exchange plc (being a Regulated Information Service that is on the list of Regulated Information Services maintained by the Financial Services Authority).
Securities	The Dollar Securities and the Sterling Securities.
Series	Each series of Securities.
Settlement Date(s)	The Early Settlement Date and/or the Final Settlement Date, as the context so requires.
Sterling Securities	The £500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments, the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes and the £500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments.
Tender Agent(s)	Lucid Issuer Services Limited, acting as tender agent in respect of the Offers in relation to the Sterling Securities or Global Bondholder Services Corporation acting as tender and information agent in respect of the Offers in relation to the Dollar Securities, as the context so requires.

Tender Instruction

Either: (i) the instruction submitted through DTC's ATOP procedures and/or the execution and delivery of a letter of transmittal to the relevant Tender Agents or (ii) the electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the relevant Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadline in order for Holders to be able to participate in the Offers.

RISK FACTORS AND OTHER CONSIDERATIONS

Before making a decision with respect to the Offers, Holders should carefully consider, in addition to the other information contained in this Tender Offer Memorandum, the following:

Uncertainty as to the Trading Market for Securities not Purchased.

Although the Securities that are not validly tendered for purchase by Holders will continue to be admitted to the Official List of the United Kingdom Financial Services Authority and to trading on the Regulated Market of the London Stock Exchange plc, to the extent tenders of Securities for purchase in an Offer are accepted by the relevant Purchaser and such Offer is completed, the trading market for the relevant Securities that remain outstanding following the completion of such Offer may be significantly more limited. If a significant portion of the remaining Securities are purchased pursuant to the Offers, it would have a negative impact on the liquidity of the outstanding Securities. Any remaining Securities may command a lower price than a comparable issue of securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such remaining Securities more volatile. Accordingly, the market price for such Securities that remain outstanding after the completion of such Offers may be adversely affected as a result of such Offers. None of the BGp Companies, the Dealer Manager or the Tender Agents has any duty to make a market in any such remaining Securities. It will not be possible to ascertain the aggregate nominal amount of the Securities to be accepted for purchase prior to the Expiration Deadline.

Restrictions on transfer of Securities.

When considering whether to tender Securities in the Offers, Holders whose Securities are held through Euroclear or Clearstream, Luxembourg should take into account that restrictions on the transfer of the Securities will apply from the time of such tender. Such a Holder will, on tendering Securities in the Offers, agree that the relevant Securities will be blocked in the relevant account at the relevant Clearing System from the date that the tender of Securities is made until the earlier of the date on which the tender of the Securities is revoked, in the limited circumstances in which such revocation is permitted (see "*Amendment and Termination - Revocation Rights*") (including the automatic revocation of Tender Instructions on the termination of the Offers), in accordance with the terms of the Offers, and the time of settlement on the relevant Settlement Date.

No Obligation to Accept for Purchase Securities Tendered.

None of the BGp Companies are under any obligation to accept for purchase any Securities tendered pursuant to the Offers and shall not be liable to any person for the failure to accept any tender of Securities for purchase pursuant to an Offer. Tenders of Securities may be rejected in the sole discretion of any of the BGp Companies for any reason and none of the BGp Companies are under any obligation to Holders to furnish any reason or justification for refusing to accept for purchase a tender of Securities. For example, tenders of Securities may be rejected if the Offers are terminated, if the Offers do not comply with the relevant requirements of a particular jurisdiction or for any other reason.

Responsibility for Complying with the Procedures of the Offers.

Holders are responsible for complying with all of the procedures for submitting a Tender Instruction. Holders who wish to tender their Securities for purchase should allow sufficient time for timely completion of the relevant submission procedures. None of the BGp Companies, the Dealer Manager or the Tender Agents assume any responsibility for informing Holders of irregularities with respect to any such Holder's Tender Instruction or for notifying the Holder of any failure to follow the proper procedure.

If Securities are held through a broker, dealer, commercial bank, trust company or other nominee, such entity may require the relevant Holder to take action with respect to the relevant Offer a number of days before the Early Tender Deadline or Expiration Deadline in order for such entity to tender for purchase the relevant Securities on your behalf on or prior to the Early Tender Deadline or Expiration Deadline, as the case may be.

The Offers may be prorated.

Subject to the terms and conditions of the Offers, the relevant Purchaser will accept for purchase across all Series up to the Maximum Offer Amount of Securities tendered for purchase in accordance with the

applicable Acceptance Priority Levels. If the remaining Maximum Offer Amount is not adequate to accept for purchase all of the validly tendered and not validly withdrawn Securities of a particular Acceptance Priority Level at the Early Tender Deadline or the Expiration Deadline, as the case may be, the relevant Purchaser will (subject to the terms and conditions of the relevant Offer) accept Securities tendered for purchase in such Acceptance Priority Level on a pro rata basis. See also "*Minimum Denominations of the Securities*" below.

Offers made after the Early Tender Deadline will have lower priority.

All Securities that are tendered for purchase on or prior to the Early Tender Deadline will effectively have priority over any Securities that are tendered for purchase after the Early Tender Deadline. Accordingly, if the aggregate principal amount of Securities tendered for purchase and accepted for purchase in the relevant Offer prior to the Early Tender Deadline exceeds the Maximum Offer Amount, no Securities tendered for purchase after the Early Tender Deadline will be accepted for purchase (even if they are Acceptance Priority Level 1).

Responsibility to consult advisers.

Holders should consult their own tax, accounting, financial and legal advisers regarding the consequences (tax, accounting or otherwise) of participating in the Offers.

None of the Dealer Manager, the Tender Agents or the BGP Companies (nor any director, officer, employee, agent or affiliate of any such person) is acting for any Holder or will be responsible to any Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offers, and accordingly none of the Dealer Manager, the Tender Agents, the BGP Companies (nor any director, officer, employee, agent or affiliate of, any such person) makes any recommendation whether Holders should tender Securities in the Offers.

Tender Instructions irrevocable.

Tender Instructions will be irrevocable except in the limited circumstances described in "*Amendment and Termination - Revocation Rights*".

Completion, Termination and Amendment.

Until the Issuer announces whether a Purchaser has decided to accept valid tenders of Securities pursuant to the relevant Offers no assurance can be given that any or all of the Offers will be completed. This may depend upon the satisfaction or waiver of the conditions of the Offers. In addition, subject to applicable law and as provided in this Tender Offer Memorandum, the Issuer on behalf of the BGP Companies, may in its sole discretion, extend, re-open, amend or terminate a relevant Offer at any time before such announcement and may, in its sole discretion, waive any of the conditions to any Offer either before or after such announcement.

Compliance with Offer and Distribution Restrictions.

Holders are referred to the offer and distribution restrictions in "*Offer and Distribution Restrictions*" and the acknowledgements, representations, warranties and undertakings in "*Procedures for Participating in the Offer and the Proposals*", which Holders will be deemed to make on tendering Securities in the Offers. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

Purchases of Securities.

Whether or not the purchase of any Securities pursuant to the Offers is completed, the BGP Companies, Dealer Manager and Tender Agents may, to the extent permitted by applicable law, acquire (from time to time both during and after the Offers) Securities other than pursuant to the Offers, including through open market purchases, privately negotiated transactions, tender offer, exchange offer or otherwise. Such purchases may be on such terms and at such prices as the BGP Companies may determine, which may be more or less than the prices to be paid pursuant to the Offers and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated by the Offers.

Minimum Denominations of the Securities.

The Securities are denominated, and accordingly can only be tendered, in the relevant Minimum Denomination and the authorised denominations specified in the relevant Conditions of the Securities thereafter. Holders may tender outstanding Securities only in the relevant Minimum Denomination and integral multiples of the relevant authorised denominations set out in the Conditions thereafter. If as a result of proration of a Tender Instruction, the relevant Purchaser would need to return to a Holder a principal amount of a Series of Securities which is less than the applicable Minimum Denomination, then the relevant Purchaser will not accept for purchase the Securities which are the subject of such Tender Instruction. In the event that Securities offered are not accepted they will be returned promptly following the expiration or termination of the Offers.

TERMS AND CONDITIONS OF THE OFFERS

Introduction

On the terms and subject to the conditions contained in this Tender Offer Memorandum, the Issuer, on behalf of the BGp Companies, invites Holders of the Securities (subject to the Offer and Distribution Restrictions contained herein) to tender their Securities for purchase at the relevant Purchase Price (as defined below).

The Issuer, on behalf of the BGp Companies, reserves the right, in its sole and absolute discretion, not to accept any Tender Instructions, not to purchase Securities or to extend, terminate, withdraw or modify in any manner any of the terms and conditions of the Offers (as further described below), subject to applicable laws and regulations.

Tenders of Securities for purchase must be made to each of the BGp Companies but, if accepted in relation to Securities of a particular Series, will only be accepted in relation to that Series by the relevant Purchaser specified in the announcements following each of the Early Tender Deadline and the Expiration Deadline, as applicable.

Rationale for the Offers

To the extent accepted, Offers will enable the Issuer to enhance further the quality of its capital structure through the reduction of non-Basel III compliant tier one capital and subsequent generation of additional core tier one capital.

Purchase Price

Subject to the relevant Minimum Denomination in respect of each Series, the relevant Purchase Price for Securities accepted for purchase will be as follows:

- (i) US\$765 per US\$1,000 principal amount of the US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes;
- (ii) £650 per £1,000 principal amount of the £500,000,000 5.3304 per cent. Step-up Callable Perpetual Reserve Capital Instruments;
- (iii) £680 per £1,000 principal amount of the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes;
- (iv) £730 per cent. per £1,000 principal amount of the £500,000,000 6.3688 per cent. Step-up Callable Perpetual Reserve Capital Instruments;
- (v) US\$795 per US\$1,000 principal amount of the US\$1,350,000,000 5.926 per cent. Step-up Callable Perpetual Reserve Capital Instruments; and
- (vi) US\$895 per US\$1,000 principal amount of the US\$1,250,000,000 7.434 per cent. Step-up Callable Perpetual Reserve Capital Instruments.

The Issuer intends to announce, *inter alia*, whether and which BGp Companies accept tenders of Securities for purchase in the announcements following each of the Early Tender Deadline and the Expiration Deadline, as applicable.

Accrued Interest Payment

Accrued and unpaid interest will be paid in respect of all Securities validly tendered and delivered and accepted for purchase by the relevant Purchaser pursuant to the Offers from, and including, the immediately preceding interest payment date for the relevant Series of Securities to, but excluding, the relevant Settlement Date.

Early Tender Premium

Each Holder who validly tenders its Securities by 5.00 p.m. (New York City time) on 16 December 2011 (the "**Early Tender Deadline**") and whose Securities are accepted for purchase will receive a further cash

payment (the "**Early Tender Premium**") in addition to the relevant Purchase Price and Accrued Interest Payment and as additional consideration for the repurchase of the relevant Securities, as follows: US\$50 per US\$1,000 principal amount of the Dollar Securities; and £50 per £1,000 principal amount of the Sterling Securities.

Total Tender Consideration

The total consideration payable to each Holder in respect of Securities validly submitted for tender and accepted for purchase by the relevant Purchaser will be an amount in cash equal to (i) the relevant Purchase Price for the Securities, together with any applicable Early Tender Premium multiplied by each £1,000 in aggregate principal amount of Sterling Securities or US\$1,000 in aggregate principal amount of Dollar Securities, as the case may be, tendered and delivered by such Holder and accepted by the relevant Purchaser for purchase (rounded to the nearest £0.01 or US\$0.01, as applicable, with £0.005 or US\$0.005 being rounded upwards) plus (ii) any Accrued Interest Payment payable in respect of the Securities.

Maximum Offer Amount and Acceptance Priority Levels

The maximum aggregate principal amount of Securities to be accepted by the relevant Purchasers in the Offers across all Series of Securities combined (converted, in the case of Dollar Securities into pounds sterling at the FX Rate) is the Maximum Offer Amount of £2,500,000,000. The Issuer, on behalf of the BGp Companies, reserves the right, subject to applicable law, to amend the terms of the Offers without giving Holders withdrawal rights. See "*Amendment and Termination*" herein.

Subject to the terms and conditions of the Offers, on each Settlement Date, the relevant Purchaser will accept for purchase the Securities validly tendered in the Offers in accordance with the applicable Acceptance Priority Levels (in numerical priority order) as set forth in the table on the front cover page of this Tender Offer Memorandum, with Level 1 being the highest priority level. On the relevant Settlement Date, all validly tendered Securities having a higher Acceptance Priority Level will be accepted for purchase before any validly tendered Securities having a lower Acceptance Priority Level. If the remaining Maximum Offer Amount after acceptances of any Securities with a higher Acceptance Priority level is not adequate to accept for purchase all of the validly tendered and not validly withdrawn Securities of a particular Acceptance Priority Level, the relevant Purchaser will (subject to the terms and conditions of the Offers) accept validly tendered Securities in such Acceptance Priority Level on a pro rata basis (with each individual Tender Instruction subject to proration rounded, if necessary, down to the nearest authorised denomination for the relevant Series of Securities). See "*Risk Factors and Other Considerations- Minimum Denominations of the Securities*" for the potential consequences of proration which include, in certain circumstances, the rejection of Tender Instructions.

All Securities that are tendered for purchase on or prior to the Early Tender Deadline will have priority over any Securities that are tendered for purchase after the Early Tender Deadline. Accordingly, if the aggregate principal amount of Securities tendered for purchase and accepted for purchase on or prior to the Early Tender Deadline exceeds the Maximum Offer Amount, no Securities tendered for purchase after the Early Tender Deadline will be accepted for purchase (even if they are Acceptance Priority Level 1).

Securities that are not successfully tendered for purchase pursuant to the Offers and the terms and conditions set out in this Tender Offer Memorandum will remain outstanding and will remain subject to the terms and conditions of such Securities.

Tender Offer Period

The Offers commence on 5 December 2011 and will end at 11.59 p.m. (New York City time) on 3 January 2012 (the "**Expiration Deadline**"), however, in order to be eligible for the Early Tender Premium Holders must validly tender their Securities, and not validly withdraw such tender, on or prior to 5.00pm (New York City time) on 16 December 2011. If the Expiration Deadline is extended by the Issuer, on behalf of the BGp Companies, an announcement to that effect will be made by or on behalf of the Issuer by way of RNS, announcements on the relevant Notifying News Service(s) and through the Clearing Systems no later than 9:00 a.m., New York City time, on the next Business Day after the previously scheduled Expiration Deadline.

Results

The results of the Offers are expected to be announced on 19 December 2011, following the Early Tender Deadline, and on 4 January 2012, following the Expiration Deadline. In each case the Issuer will announce the aggregate principal amount of Securities accepted for purchase and will specify which BGp Company is accepting tenders of Securities for purchase. Such information will be notified to Holders by way of RNS, and may also be made by announcements on the relevant Reuters International Insider Screen, relevant Notifying News Service(s) and through the Clearing Systems and shall, absent manifest error, be final and binding on the relevant Purchaser and the Holders.

Once the Issuer has announced the results of the Offers in accordance with applicable law, the relevant Purchaser's acceptance of Tender Instructions in accordance with the terms of the Offers will be irrevocable. Tender Instructions which are so accepted will constitute binding obligations of the submitting Holders and the relevant Purchaser to settle the Offers.

Securities which have not been validly tendered and accepted for purchase pursuant to the Offers will remain outstanding after the relevant Settlement Date.

Payment

If the Securities validly tendered in the Offers are accepted for purchase by the relevant Purchaser, the relevant Purchase Price for Securities accepted for purchase pursuant to the Offers, any Early Tender Premium and any Accrued Interest Payment will be paid on the relevant Settlement Date (subject to the right of the relevant Purchaser to delay the acceptance of Tender Instructions as set out in this Tender Offer Memorandum) in immediately available funds delivered to the Clearing Systems for payment to the cash accounts of the relevant Holders in the Clearing Systems (see "*Procedures for Participating in the Offer*"). The deposit of such funds with the Clearing Systems will discharge the obligation of the relevant Purchaser to all Holders in respect of the above amounts represented by such funds.

Provided the relevant Purchaser makes or has made on its behalf full payment of the relevant Purchase Price, any Early Tender Premium and any Accrued Interest Payment for Securities accepted for purchase pursuant to the Offers to the Clearing Systems on or before the relevant Settlement Date (subject to any amendment of the payment date as described above), under no circumstances will any additional interest be payable because of any delay in the transmission of funds from the Clearing Systems or any other intermediary with respect to such Securities.

Extension, Termination and Amendment

Subject to applicable law, the Issuer, on behalf of the BGp Companies, reserves the right to extend, withdraw, terminate, or amend the terms and conditions of the Offers at any time after the announcement of the Offers as described below under "*Amendment and Termination*", including with respect to any Tender Instructions already submitted as of the time of any such extension, withdrawal, termination or amendment. In the case of an extension of the Expiration Deadline, the Issuer, on behalf of the BGp Companies, will make an announcement, no later than 9:00 a.m., New York City time, on the next Business Day after the previously scheduled Expiration Deadline.

If the Issuer, on behalf of the BGp Companies, withdraws or terminates the Offers, any Securities tendered for purchase will not be purchased and will be returned to Holders.

The BGp Companies also reserve the right at any time or from time to time during or following completion or cancellation of the Offers to purchase or exchange or offer to purchase or exchange Securities or to issue an invitation to submit offers to sell Securities (including, without limitation, those tendered pursuant to these Offers but not accepted for purchase), in each case on terms that may be more or less favourable than those contemplated by the Offers.

The making of such new Offer and the issuance of any new invitation will depend on various factors, including interest rates prevailing at such time and the aggregate principal amount of Securities purchased pursuant to the Offers.

Costs and Expenses

Any charges, costs and expenses incurred by the Holders or any Intermediary in connection with the Offers shall be borne by such Holder. No brokerage costs are being levied by the Dealer Manager or the Tender Agents. Holders should check whether their brokers or custodians will assess fees.

General Conditions of the Offers

In all cases, the purchase for cash of Securities pursuant to the Offers will only be made after the submission of a valid Tender Instruction in accordance with the procedures described in "*Procedures for Participating in the Offers*". These procedures include (in respect of Securities held through DTC) (i) the submission of instructions through DTC's ATOP procedures and/or (ii) the execution and delivery of a letter of transmittal to the relevant Tender Agent; or (in respect of Securities held through Euroclear or Clearstream, Luxembourg), the blocking of the Securities tendered in the relevant account in the relevant Clearing System from the date the relevant Tender Instruction is submitted until the earlier of (a) the time of settlement on the applicable Settlement Date and (b) the date of any termination of the relevant Offer (including as regards a Holder whose Securities are not accepted by the relevant Purchaser for purchase) or on which the Tender Instruction is withdrawn, in the limited circumstances in which such withdrawal is permitted. See also "*Risk Factors and Other Considerations*".

Any payment pursuant to the Offers may be delayed in the sole discretion of the relevant Purchaser in order to comply with applicable laws.

The Issuer and/or the relevant Purchaser may reject tenders of Securities for any reason and if it considers in its sole discretion that tenders have not been validly tendered in the Offers and neither the Issuer nor the relevant Purchaser is under any obligation to any relevant Holder to furnish any reason or justification for refusing to accept such tenders. **For example, tenders of Securities may be rejected and not accepted and may be treated as not having been validly tendered in the Offers if any such tender does not comply with the requirements of a particular jurisdiction.**

The relevant Purchaser will at any time have the discretion to accept for purchase any Securities tendered in the Offers, the tender of which would otherwise be invalid or, in the sole opinion of the relevant Purchaser, may otherwise be invalid.

Holders are advised that the relevant Purchasers may, in their sole discretion, accept tenders of Securities for purchase pursuant to an Offer on more than one date if such Offer is extended or re-opened.

All conditions to the Offers set out in this Tender Offer Memorandum will, if any Securities are to be accepted for purchase on the Early Settlement Date or the Final Settlement Date, be either satisfied or waived by the Issuer or the relevant Purchaser concurrently with or before the Early Settlement Date or the Final Settlement Date, as applicable. If any of the conditions are not satisfied on the Early Tender Deadline or the Expiration Deadline, the Issuer on behalf of the relevant Purchasers may, in its sole discretion and without giving any notice, terminate the Offers or extend the Offers and continue to accept tenders.

The failure by the Issuer or the relevant Purchaser at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time. The purchase of any Securities of any Series is not conditional upon the purchase of Securities of any other Series; however, Securities will be purchased by the relevant Purchaser in accordance with the procedures described under "*Terms and Conditions of the Offers – Maximum Offer Amount and Acceptance Priority Levels*".

The failure of any person to receive, or any delay in any person's receipt of, a copy of this Tender Offer Memorandum or any announcement made or notice issued by the Issuer or, if applicable, a Purchaser in connection with the Offers shall not invalidate any aspect of the Offers. No acknowledgement of receipt of any Tender Instruction and/or other documents will be given by the Issuer, any of the Purchasers or the Tender Agents.

Subject only as aforesaid, the acceptance of Securities validly tendered in accordance with the terms of the Offers by the relevant Purchaser will be irrevocable and once accepted the Offers will constitute binding obligations of the submitting Holders and that Purchaser to settle the Offers.

Announcements

Announcements in connection with the Offers will be made via RNS. Such announcements may also be made (i) on the relevant Reuters International Insider Screen; (ii) by the issue of a press release to a Notifying News Service; and (iii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all announcements, notices and press releases can also be obtained from the relevant Tender Agent, the contact details for whom are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Holders are urged to contact the relevant Tender Agent for the relevant announcements during the course of the Offers. In addition, Holders may contact the Dealer Manager for information using the contact details on the last page of this Tender Offer Memorandum.

Governing Law

This Tender Offer Memorandum, the Offers, each Tender Instruction, any purchase of Securities pursuant to the Offers and any non-contractual obligations arising out of or in connection with the Offer shall be governed by and construed in accordance with English law. By submitting a Tender Instruction, the relevant Holder will irrevocably and unconditionally agree for the benefit of the Issuer, the relevant Purchasers, the Dealer Manager and the Tender Agents that the courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Offers or such Tender Instruction and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

PROCEDURES FOR PARTICIPATING IN THE OFFERS

Holders that need assistance with respect to the procedures for participating in the Offers should contact the Tender Agents, the contact details for whom are on the last page of this Tender Offer Memorandum.

Tender Instructions

Only a Direct Participant in a Clearing System can properly instruct that Clearing System with regard to submitting Tender Instructions. In so instructing, the Direct Participant, and the tendering Holder on whose behalf it is acting, will be deemed to have read and agreed to be bound by the terms and conditions of the relevant Offer contained in this Tender Offer Memorandum.

If a Holder holds its Securities through a custodian or other intermediary, such Holder may not submit a Tender Instruction directly. It should therefore contact its custodian or other intermediary to instruct its custodian or intermediary to submit a Tender Instruction on its behalf. In the event that the relevant custodian or intermediary is unable to submit a Tender Instruction on its behalf by one of the methods described herein, the Holder should contact the relevant Tender Agent for assistance in submitting its Tender Instruction. There can be no assurance that such Tender Agent(s) will be able to assist any such Holders in successfully submitting a Tender Instruction.

To tender Securities in the Offers, a Holder of Securities should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received in each case by the relevant Tender Agent by the Early Tender Deadline or the Expiration Deadline, as the case may be.

Tender Instructions must be submitted in respect of a principal amount of Securities of no less than the relevant Minimum Denomination and integral multiples of the authorised denominations of the relevant Securities thereafter, as set out in the definition of "Minimum Denomination" on page 8 herein.

Holdes are advised to check with any bank, securities broker or other intermediary through which they hold Securities when such intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers before the deadlines specified in this Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified in this Tender Offer Memorandum.**

The tendering of Securities in the Offers will be deemed to have occurred upon receipt by the relevant Tender Agent via the relevant Clearing System of a valid Tender Instruction submitted in accordance with the requirements of such Clearing System. The receipt of such Tender Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System.

Holdes must take the appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such tendered securities at any time after the date of submission of such Tender Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. Each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to relevant Tender Agent (and for such Tender Agent to provide such details to the BGP Companies and Dealer Manager, and their respective legal advisers).

Euroclear and Clearstream

To tender effectively the Securities that are held through Euroclear or Clearstream, Luxembourg, participants of Euroclear or Clearstream, Luxembourg, as the case may be, must electronically transmit their Tender Instructions via a message to Euroclear or Clearstream, Luxembourg, as the case may be, containing the following information:

- (a) the event or reference number issued by Euroclear or Clearstream, Luxembourg;
- (b) the name of the account holder and the securities account number in which the Securities the Holder wishes to tender are held;

- (c) the ISINs and Common Codes of such Securities;
- (d) the principal amount of the relevant Securities; and
- (e) any other information as may be required by Euroclear or Clearstream, Luxembourg, and duly notified to the Holder prior to the submission of the Tender Instructions.

In addition, the Holder must (a) cause Euroclear or Clearstream, Luxembourg, as the case may be, to block the position in the tendered Securities in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as the case may be; and (b) instruct Euroclear or Clearstream, Luxembourg, as the case may be, to send the relevant Tender Agent an electronic message confirming: (i) the Direct Participant's Tender Instruction and (ii) that the position in the Securities being tendered has been blocked from trading pending settlement of the Offers, valid revocation of such Tender Instruction or termination of the Offers, in each case of (a) and (b), on or prior to the Early Tender Deadline or the Expiration Deadline, as applicable. Euroclear and Clearstream, Luxembourg will collect from the Direct Participants: (1) instructions to (a) tender the Securities and deliver the acceptances held by them on behalf of their Direct Participants; and (b) credit their accounts on the relevant Settlement Date, in respect to all tendered Securities; and (2) irrevocable authorisation to disclose the name of the Direct Participants and information about the foregoing instructions to the relevant Tender Agent (and for that Tender Agent to provide such details to the BGP Companies and their respective legal advisers).

DTC

Any Holder who holds Securities through DTC must arrange for a Direct Participant in DTC to electronically transmit the Holder's tender through DTC's Automated Tender Offer Programme ("**ATOP**"), for which the Offers will be eligible. Accordingly, a DTC participant whose name appears on the security position listing as the holder of the Securities may electronically transmit their acceptance of the Offers by causing DTC to transfer their Securities and indicate delivery of their consents to the relevant Tender Agent in accordance with DTC's ATOP procedures. DTC will then send an agent's message as hereinafter defined to the Tender Agent.

An "**agent's message**" is a message, transmitted by DTC, received by the relevant Tender Agent and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgement from the tendering participant that such participant has received this Tender Offer Memorandum and agrees to be bound by the terms of the relevant Offer, and that the relevant BGP Company may enforce such agreement against such participant.

Although transfer of the Securities may be effected through book-entry at DTC, an agent's message must be transmitted by DTC and received by the relevant Tender Agent on or prior to the Early Tender Deadline or the Expiration Date, as applicable, in order to validly tender Securities pursuant to the relevant Offer. Securities tendered through DTC's ATOP system will be held to the order of the relevant Tender Agent until the earlier of the time of settlement on the relevant Settlement Date, or the termination of the relevant Offer (if applicable). Such Securities will be released after the Offer has expired.

Neither the Issuer nor the Purchasers have or will have provided guaranteed delivery procedures in conjunction with the Offers or under this Tender Offer Memorandum or other offer materials provided therewith. Holders who intend to tender their Securities on the Early Tender Deadline or Expiration Date should allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date.

Delivery of the agent's message by DTC will satisfy the terms of the Offers as to execution and delivery of a letter of transmittal by the DTC participant identified in the agent's message. Accordingly, holders who tender their Securities through DTC's ATOP procedures shall be bound by, but need not complete, the letter of transmittal.

All tenders through DTC must be submitted through DTC's ATOP system in accordance with the deadlines and procedures and procedures established by DTC and an agent's message with respect to any tender must be received by the Tender Agent on or prior to the Early Tender Deadline or Expiration Deadline, as applicable.

General

Only Direct Participants may submit Tender Instructions. Each Holder that is not a Direct Participant must arrange for the Direct Participant through which it holds the relevant Securities to submit a Tender Instruction on its behalf to the relevant Clearing System by the deadlines specified by such Clearing System.

A Tender Instruction may only be revoked by a Holder, or the relevant Direct Participant on its behalf, in the limited circumstances described in "*Amendment and Termination - Revocation Rights*" by submitting a valid electronic revocation instruction to the relevant Clearing System. To be valid, such instruction must specify the Securities to which the original Tender Instruction related, the securities account to which such Securities are credited and any other information required by the relevant Clearing System.

Holder Representations

By submitting a valid Tender Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, the Holder of the relevant Securities and any Direct Participant submitting such Tender Instruction on such Holder's behalf shall be deemed to agree to, acknowledge, represent, warrant and undertake to the BGp Companies, the Dealer Manager and the Tender Agents the following on the Early Tender Deadline or the Expiration Deadline, as applicable, and on the relevant Settlement Date (if the Holder of such Securities or the Direct Participant is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such Holder or Direct Participant should contact the relevant Tender Agent immediately):

- (a) it has received the Tender Offer Memorandum, and has reviewed and accepts the Offer and Distribution Restrictions, terms, conditions, risk factors and other considerations of the Offers all as described in the Tender Offer Memorandum, and it is assuming all the risks inherent in participating in the relevant Offer and has undertaken an appropriate analysis of the implications of the Offers without reliance on any of the Purchasers, the Dealer Manager or the Tender Agents;
- (b) by blocking the relevant Securities in the relevant Clearing System, submitting instructions through DTC's ATOP procedures or by executing and delivery a letter of transmittal to the Tender Agents, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agents (and for the Tender Agents to provide such details to the relevant Purchaser and the Dealer Manager, and their respective legal advisers);
- (c) upon the terms and subject to the conditions of the Offers it irrevocably tenders for purchase in the Offers the aggregate principal amount of Securities in its account blocked in the relevant Clearing System or that are the subject of instructions submitted through DTC's ATOP procedures or in the letter of transmittal and, subject to and effective upon the purchase by the relevant Purchaser of such Securities, it renounces all right, title and interest in and to all such Securities purchased by or at the direction of the relevant Purchaser pursuant to the Offers and waives and releases any rights or claims it may have against the BGp Companies with respect to any such Securities or the Offer, as the case may be, and it unconditionally and irrevocably releases, discharges and waives all claims (including all claims for interest, costs and orders for costs), actions and causes of action, present or future and however arising, whether or not presently known or unknown (including those which arise hereafter upon a change in the relevant law) whether arising in equity or under common law or statute or by reason of breach of contract or in respect of any tortious act or omission or otherwise (whether or not damage has yet been suffered), it has, may have or had against any of the BGp Companies and each of their present or former officers, directors, employees or agents which arise out of or relate to, or are in any way connected with the Securities, or non-contractual obligations arising out of or in connection with the Securities. Further, it undertakes and covenants not to, and shall procure that any entity controlled, directly or indirectly, by it, or that controls, directly or indirectly, it, shall not, make, pursue, litigate, commence or prosecute any proceedings in relation to the Securities, or non-contractual obligations arising out of or in connection with the Securities, against the BGp Companies or any of their present or former officers, directors, employees or agents;

- (d) it agrees to ratify and confirm each and every act or thing that may be done or effected by the BGp Companies, any of its directors or any person nominated by the BGp Companies in the proper exercise of his or her powers and/or authority hereunder;
- (e) it agrees to do all such acts and things as shall be necessary and execute and deliver any additional documents deemed by the Issuer and/or the relevant Purchaser to be desirable, in each case to complete the transfer of the relevant Securities to the relevant Purchaser or its nominee against payment to it of the relevant Purchase Price or Early Tender Consideration and/or to perfect any of the authorities expressed to be given hereunder;
- (f) it has observed the laws of all relevant jurisdictions; obtained all requisite governmental, exchange control or other required consents; complied with all requisite formalities; and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer, tender or acceptance in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of the Offers or which will or may result in the BGp Companies, the Dealer Manager, the Tender Agents or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offers;
- (g) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- (h) none of the BGp Companies, the Dealer Manager or the Tender Agents has given it any information with respect to the Offers save as expressly set out in the Tender Offer Memorandum nor has any of them made any recommendation to it as to whether it should tender Securities in the Offers and it has made its own decision with regard to tendering Securities in the Offers based on any legal, tax or financial advice it has deemed necessary to seek and it is able to bear the economic risks of participating in the Offer;
- (i) no information (other than the information set out under the heading "*Certain US Federal Income Tax Considerations*") has been provided to it by the BGp Companies, the Dealer Manager or the Tender Agents, or any of their respective directors, officers or employees, with regard to the tax consequences for Holders of Securities arising from the tender of Securities in the Offers and the receipt of the relevant Purchase Price, any Early Tender Premium and any Accrued Interest Payment, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction in connection with the Offers (including the receipt pursuant of the Offers of the relevant Purchase Price, any Early Tender Premium and any Accrued Interest Payment) and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the BGp Companies, the Dealer Manager or the Tender Agents, or any of their respective directors, officers or employees, or any other person in respect of such taxes and payments;
- (j) it is not a person to whom it is unlawful to make an invitation pursuant to the Offers under applicable securities laws, it has not distributed or forwarded the Tender Offer Memorandum or any other documents or materials relating to the Offers to any such person(s) and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Tender Instruction in respect of the Securities it is tendering for purchase) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer;
- (k) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order) or persons who are within Article 43 of the Financial Promotion Order or to whom the Tender Offer Memorandum and any other documents or materials relating to the Offers may otherwise lawfully be communicated in accordance with the Financial Promotion Order;
- (l) if it is a Holder of the US\$1,000,000,000 6.86 per cent. Callable Perpetual Core Tier One Notes or the £400,000,000 6 per cent. Callable Perpetual Core Tier One Notes, it is located outside Belgium, or if it is located in Belgium:

- (i) it is a qualifying investor within the meaning of Article 10 of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets; or
- (ii) it has not been informed about the Offers through information published in Belgian media or through documentation sent (whether on paper or electronically) or telephone calls made to it, in each case by or for the account of the Offerors or the Dealer Manager, and it is not aware, and has no reason to believe, that the Offers would have a public nature within the meaning of Article 6 of the law of 1 April 2007 on public takeover bids;
- (m) it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifié*), other than an individual (all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier*);
- (n) it has full power and authority to tender, sell, assign and transfer the Securities it has tendered in the Offers pursuant to the Tender Instruction and, if such Securities are accepted for purchase by a Purchaser pursuant to the Offer, such Securities will be transferred to, or to the order of, the relevant Purchaser with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached thereto, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the relevant Purchaser to be necessary or desirable to complete the transfer of such Securities or to evidence such power and authority;
- (o) it holds and will hold, until the time of settlement on the relevant Settlement Date, the relevant Securities in the relevant Clearing System (and in the case of Securities held in Euroclear or Clearstream, Luxembourg, such Securities are blocked in the relevant Clearing System) and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has delivered instructions through DTC's ATOP procedures, executed and delivered a letter of transmittal to the Tender Agents or submitted, or has caused to be submitted, the Tender Instruction to such Clearing System and, in the case of Euroclear and Clearstream, Luxembourg, it has authorised the blocking of the tendered Securities with effect on and from the date of such submission so that, at any time pending the transfer of such Securities on the relevant Settlement Date to the relevant Purchaser or to its agent on its behalf, no transfers of such Securities may be effected;
- (p) the terms and conditions of the relevant Offers shall be deemed to be incorporated in, and form a part of, the Tender Instruction which shall be read and construed accordingly, and that the information given by or on behalf of such Holder in the Tender Instruction is true and will be true in all respects at the time of purchase on the relevant Settlement Date.
- (q) it accepts that none of the BGp Companies are under any obligation to accept for purchase Securities tendered pursuant to the Offer, and accordingly such tender may be accepted or rejected by a Purchaser in its sole discretion and for any reason;
- (r) it understands that the relevant Purchaser's acceptance for purchase of Securities tendered pursuant the procedures described in this Tender Offer Memorandum will constitute a binding agreement between such Holder and the relevant Purchaser in accordance with the terms and subject to the conditions of the Offer;
- (s) it understands that, in the event of a withdrawal or termination of the Offer, the Tender Instructions with respect to such Securities will be deemed to be withdrawn, and the Securities will be unblocked, or released in accordance with ATOP procedures, in the Direct Participant's Clearing System account;
- (t) it understands that validly tendered Securities (or defectively tendered Securities with respect to which the relevant Purchaser has waived, or has caused to be waived, such defect) will be deemed to have been accepted by the relevant Purchaser if, as and when that Purchaser gives oral or written notice thereof to the Tender Agents;

- (u) if the Securities tendered for purchase are accepted by the relevant Purchaser (i) such acceptance may be effected according to its Acceptance Priority Level and/or on a pro rata basis; (ii) the Early Tender Premium and Accrued Interest Payment, if any, will be paid in US dollars in respect of the purchase of Dollar Securities or in pounds sterling in respect of the purchase of Sterling Securities, as the case may be, will be deposited by or on behalf of the relevant Purchaser with the relevant Clearing System on the relevant Settlement Date; (iii) on receipt of such cash amounts, the relevant Clearing System will make payments promptly to the accounts in such Clearing System of the relevant Holders; and (iv) payment of such cash amounts to or to the order of the Clearing Systems will discharge the obligation of the relevant Purchaser to such Holder in respect of the payment of the cash amounts, and no additional amounts shall be payable to the Holder in the event of a delay in the payment of such cash amounts by the relevant Clearing System or an intermediary to the Holder;
- (v) the information given by or on behalf of such Holder in the Tender Instruction is true and will be true in all respects at the time of the purchase of the Securities on the relevant Settlement Date; and
- (w) it acknowledges that the BGP Companies, the Dealer Manager and the Tender Agents will rely on the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties and undertakings and it shall indemnify the BGP Companies, the Dealer Manager and the Tender Agents against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the agreements, representations, warranties and/or undertakings given in connection with the Offers (including any acceptance thereof) by any such Holder.

The receipt of a Tender Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the relevant Settlement Date in respect of all of the Securities the relevant Holder has tendered in the Offers and which are accepted for purchase by the relevant Purchaser, upon receipt by such Clearing System of an instruction from the Tender Agents to receive such Securities for the account of the relevant Purchaser and against credit of the relevant amount in cash from such Purchaser equal to the relevant Purchase Price, any Early Tender Premium and any Accrued Interest Payment for such Securities, subject to the automatic revocation of those instructions on the date of any termination of the Offers (including where such Securities are not accepted for purchase by the relevant Purchaser) or the valid revocation of such Tender Instruction in the limited circumstances in which such revocation is permitted as set out in this Tender Offer Memorandum.

General

Compliance with "Short Tendering" Rule

It is a violation of Rule 14e-4 (promulgated under the Exchange Act) for a person, directly or indirectly, to tender Securities in a partial tender offer (i.e. the Offers) for his or her own account unless the person so tendering his Securities (a) has a net long position equal to or greater than the aggregate principal amount of the Securities being tendered; and (b) will cause such Securities to be delivered in accordance with the terms of the Offers. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Securities under any of the procedures described above will constitute a binding agreement between the tendering Holder and the relevant BGP Company upon the terms and subject to the conditions of the relevant Offer, including the tendering Holder's acceptance of the terms and conditions of the relevant Offer, as well as the tendering Holder's representation and warranty that (a) such Holder has a net long position in the Securities being tendered pursuant to the relevant Offer within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Securities complies with Rule 14e-4.

Separate Tender Instructions

A separate Tender Instruction must be submitted on behalf of each beneficial owner of the Securities.

Tenders and instructions other than in accordance with the procedures set out in this section will not be accepted

The relevant Purchasers will only accept tenders of Securities in the Offers by way of the submission of valid Tender Instructions in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*". It is also each Holder's responsibility to inform itself of, and arrange for timely tender of its Securities in accordance with, the procedures and deadlines applicable to the Clearing System through which it tenders its Securities.

Irrevocability

The submission of a valid Tender Instruction in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*" will be irrevocable (except in the limited circumstances described in "*Amendment and Termination - Revocation Rights*").

Irregularities

All questions as to the validity, form and eligibility (including time of receipt) of any Tender Instruction or as to the revocation of any Tender Instruction will be determined by the Issuer, or the relevant BGp Company, in its sole discretion, and such determination will be final and binding.

Each of the Issuer and/or the relevant Purchasers reserves the absolute right to reject any and all Tender Instructions, or (in the limited circumstances in which revocation is permitted) revocation instructions not in proper form or in respect of which the acceptance by the relevant Purchaser may be unlawful. Each of the Issuer and/or the relevant Purchasers also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Tender Instructions or revocation instructions. Each of the Issuer and/or the relevant Purchasers also reserves the absolute right to waive any such defect, irregularity or delay in respect of particular Securities, whether or not the Issuer or such Purchaser elects to waive similar defects, irregularities or any delay in respect of other Securities.

Any defect, irregularity or delay must be cured within such time as the Issuer and/or the relevant Purchaser determines, unless waived by it. Tender Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the BGp Companies, the Dealer Manager or the Tender Agents shall be under any duty to give notice to a Holder of any defects, irregularities or delays in the receipt or non-receipt of any Tender Instruction or revocation instructions nor shall any of them incur any liability for failure to give such notice.

AMENDMENT AND TERMINATION

Amendment and Termination

Notwithstanding any other provision of the Offers, the Issuer, on behalf of the BGp Companies, may, subject to applicable laws, at its option and in its sole discretion, at any time before the Issuer announces whether it or any BGp Company accepts valid tenders of Securities:

- (a) extend the Early Tender Deadline and/or the Expiration Deadline or re-open the Offers, as applicable (in which case all references in this Tender Offer Memorandum to the Early Tender Deadline and the Expiration Deadline shall, unless the context otherwise requires, be to the latest time and date, as the case may be, to which the Early Tender Deadline and/or the Expiration Deadline has been so extended or the Offers re-opened);
- (b) otherwise amend the Offers in any respect (including, but not limited to, any amendment to any of the Purchase Price, the Early Tender Premium, the Early Tender Deadline, the Expiration Deadline or the Settlement Dates);
- (c) delay acceptance or, subject to applicable law, purchase of Securities tendered in the Offers, even if the Offers have expired; or
- (d) terminate the Offers including with respect to Tender Instructions submitted before the time of such termination.

The Issuer, on behalf of the BGp Companies, also reserve the right at any time to waive any or all of the terms and conditions of the Offers as set out in this Tender Offer Memorandum.

The Issuer will ensure an announcement is made of any such extension, re-opening, amendment or termination as soon as is reasonably practicable after the relevant decision is made. To the extent a decision is made to waive any term or condition of the Offers generally (as opposed to in respect of certain tenders of Securities only), such decision will also be announced as soon as is reasonably practicable after it is made. See "*Terms and Conditions of the Offers – Announcements*". If the Offers are amended in a manner that constitutes a material change, the Issuer, or where applicable the relevant Purchaser, will extend the Expiration Deadline for a period of five to 10 US business days, or such other period as required by applicable law, depending on the significance of the amendment and the manner of disclosure to such holders, if the Expiration Deadline would otherwise have occurred during that period. In accordance with and subject to Rule 14e-1 under the Exchange Act, if the Issuer, or where applicable the relevant Purchaser, elects to decrease the amount of Securities sought or increase or decrease the consideration offered for the Securities, or the Dealer Manager's soliciting fees in relation to the Securities, the Offers will remain open for at least 10 US business days from the date that the notice of such change is first published or sent to holders of the Securities. The Issuer, or where applicable the relevant Purchaser, will ensure an announcement is made through RNS in respect of any such extension, re-opening, amendment or termination as soon as is reasonably practicable after the relevant decision is made.

Revocation Rights

If any amendment to the Offers is made in any way (including by way of the making of any announcement, or the issue of any supplement or other form of update to this Tender Offer Memorandum, in which any material development is disclosed) that, in the opinion of the Issuer and/or any other relevant Purchaser (in consultation with the Dealer Manager), is materially prejudicial to Holders that have already tendered Securities in the Offers before the announcement of such amendment (which announcement shall include a statement that in the Issuer's and/or any other relevant Purchaser's opinion such amendment is materially prejudicial to such Holders), then such tenders of Securities may be revoked at any time from the date and time of such announcement until 11.59 p.m. (New York City time) on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Holders hold their Securities).

For the avoidance of doubt, any extension or re-opening of the Offers (including any amendment in relation to the Early Tender Deadline, the Expiration Deadline and/or the Settlement Date) in accordance with the terms of the Offers as described in this section "*Amendment and Termination*" shall not be

considered materially prejudicial to Holders that have already tendered Securities in the Offers before the announcement of such amendment.

Holders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in "*Procedures for Participating in the Offers and the Proposals*". Beneficial owners of Securities that are held through an intermediary are advised to check with such entity when it would require receipt of instructions to revoke a tender of Securities in the Offers in order to meet the above deadline. For the avoidance of doubt, any Holder who does not exercise any such right of revocation in the circumstances and in the manner specified above shall be deemed to have waived such right of revocation and its original Tender Instruction will remain effective.

TAX CONSEQUENCES

In view of the number of different jurisdictions where tax laws may apply to a Holder, this Tender Offer Memorandum does not discuss the tax consequences to Holders of the purchase of Securities by any Purchaser pursuant to the Offers (other than the consequences with regards to United States Federal Income Tax set out on pages 30 to 32 of this Tender Offer Memorandum). Holders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the sale of their Securities and their receipt of the Purchase Price, Early Tender Premium and any Accrued Interest Payment. Holders are liable for their own taxes and similar or related payments imposed on them under the laws of any applicable jurisdiction, and have no recourse to any BGp Company, the Dealer Manager or the Tender Agents with respect to such taxes arising in connection with the Offer.

CERTAIN US FEDERAL INCOME TAX CONSIDERATIONS

The discussion of US tax matters in this Tender Offer Memorandum was written in connection with the promotion or marketing of the transactions described herein, and it was not intended to be, and cannot be used by any person for the purpose of avoiding tax-related penalties under US federal, state and local tax law. Taxpayers should seek their own advice based on their particular circumstances from an independent tax adviser.

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF US FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE OFFERORS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE OFFERS AND OWNING NEW SECURITIES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

The following discussion summarises certain US federal income tax consequences that may be relevant to a US Holder (as defined below) of Securities if the Offer is completed as described herein. This summary is based upon the provisions of the Internal Revenue Code of 1986 (the "**Code**"), Treasury Regulations promulgated under the Code, administrative rulings and judicial decisions as of the date hereof. These authorities are subject to change or differing interpretations, possibly with retroactive effect, which may result in US federal income tax consequences different from those discussed below. It addresses only US Holders that hold the Securities as capital assets (generally, property held for investment) and use the US dollar as their functional currency. It may not address the issues relevant to US Holders subject to special rules, such as banks and other financial institutions, holders that own (directly, indirectly or constructively) 10 per cent. or more of the Issuer's stock, dealers, traders that elect to mark to market, insurance companies, regulated investment companies, tax-exempt entities, persons subject to the alternative minimum tax, certain US expatriates or persons holding Securities as part of a hedge, straddle, conversion or other integrated financial transaction. It is not a complete description of all US tax considerations that may be relevant to a particular holder.

For purposes of this discussion, a "**US Holder**" is a beneficial owner of Securities that for US federal income tax purposes is (i) an individual citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any State thereof; (iii) a trust if it is subject to the primary supervision of a court within the United States and one or more US persons have the authority to control all substantial decisions of the trust; or (iv) an estate the income of which is subject to US federal income taxation regardless of its source.

If a partnership holds Securities, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of a partnership that holds Securities should consult its own tax advisers.

The summary assumes that the Issuer is not and has not been a passive foreign investment company (a "**PFIC**") for US federal income tax purposes. If the Issuer were to be a PFIC in any year in which a US Holder owned Securities, materially adverse consequences could result for US Holders.

Non-Tendering Holders

US Holders of Securities who do not participate in the Offers will not incur any tax liability as a result of the consummation of the Offers.

Tendering Holders

Early Tender Premium

The US federal income tax treatment of the receipt of the Early Tender Premium is unclear. It might be treated as additional consideration received by US Holders as part of the exchange of Securities for cash or it might be treated as a separate fee paid for the early tender of Securities. If it is treated as additional

consideration, it will be taxed in the manner discussed below under "*Exchange of Securities Pursuant to the Offers*". If it is treated as a fee, it will be ordinary income in an amount equal to the US dollar value of the payment for the US Holder. The remainder of the discussion below assumes that the Early Tender Premium is treated as additional consideration.

Exchange of Securities Pursuant to the Offers.

The Issuer expects that the Securities are treated as equity in the Issuer for US federal income tax purposes, and the following discussion assumes that the Securities are so treated. The receipt of cash in exchange for Securities pursuant to the Offers will be treated as a redemption of the Securities for US federal income tax purposes. For US federal income tax purposes, the amount realised by a US Holder upon the receipt of cash will be treated as a distribution from the Issuer unless the amount is characterised as proceeds of a sale of the Securities. The amount paid to a US Holder will be treated as proceeds of a sale of the Securities if the US Holder owns (directly or indirectly) no other interests that are treated, for US federal income tax purposes, as equity in the Issuer after the exchange. Even if a US Holder retains an equity interest, under certain conditions the receipt of cash in exchange for Securities may be considered as "not essentially equivalent to a dividend" and therefore treated as a sale. US Holders should consult with their tax advisers regarding the application of these rules to their own situations.

Sale Treatment

If the receipt of cash in exchange for Securities is treated as a sale, a US Holder generally will recognise gain or loss for US federal income tax purposes equal to the difference, if any, between the cash received pursuant to the exchange and the US Holder's adjusted tax basis in the Securities. A US Holder's tax basis in its Securities will generally be their US dollar cost. The US dollar cost of Securities purchased with foreign currency will generally be the US dollar value of the purchase price on the date of purchase or, if Securities are treated as traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Gain or loss will be a capital gain or loss, and will be a long-term capital gain or loss if the Securities have been held for more than one year. Any gain or loss will generally be US source.

The amount realised on a disposition of Securities in the Offers for an amount in foreign currency will be the US dollar value of this amount on the date of disposition. On the settlement date, the US Holder will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of disposition and the settlement date. However, if in the Offers a cash basis US Holder (or an accrual basis US Holder that so elects) disposes of Securities that are treated as traded on an established securities market, the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Distribution Treatment

If the receipt of cash is not treated as a sale of Securities, the exchange will be treated as a distribution by the Issuer in an amount equal to the US dollar amount (calculated by reference to the exchange rate in effect on the day the payment is received by the US Holder, regardless of whether the foreign currency is converted into US dollars at that time) of the cash received. The distribution will generally be taxable to a US Holder as foreign source dividend income to the extent of the US Holder's allocable portion of current or accumulated earnings and profits (as determined for US federal income tax purposes), and will not be eligible for the dividends received deduction allowed to corporations. The Issuer does not maintain calculations of its earnings and profits in accordance with US federal income tax accounting principles. US Holders should therefore assume that if the amounts received pursuant to the Offers are not treated as proceeds of a sale of the US Holder's Securities, as described above, the US Holder will be treated as receiving a dividend.

Amounts received that are treated as dividends paid may be taxable to a non-corporate US Holder at the special reduced rate normally applicable to capital gains, provided the Issuer qualifies for the benefits of the income tax treaty between the United States and the United Kingdom, which the Issuer believes to be the case. A US Holder will be eligible for this reduced rate only if it satisfies certain holding period requirements.

Information Reporting and Backup Withholding

Information returns may be filed with the US Internal Revenue Service ("**IRS**") in connection with the disposition of Securities pursuant to the Offers, unless a US Holder establishes that it is exempt from the information reporting rules. If a US Holder does not establish that it is exempt from these rules, it may be subject to backup withholding on these payments if it fails to provide its taxpayer identification number or otherwise comply with the backup withholding rules. The amount of any backup withholding from a payment to a US Holder will be allowed as a credit against its US federal income tax liability and may entitle the US Holder to a refund, provided that the required information is timely furnished to the IRS.

Holders should consult their own tax advisers about any reporting or filing obligations that may result from disposing the Securities in their particular circumstances. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

DEALER MANAGER AND TENDER AGENTS

The Issuer has retained Barclays Capital Inc. or Barclays Capital, the investment banking division of Barclays Bank PLC, as the case may be, to act as dealer manager, Lucid Issuer Services Limited to act as a tender agent (in respect of the Sterling Securities) and Global Bondholder Services Corporation to act as a tender and information agent (in respect of the Dollar Securities) in connection with the Offers. The Issuer has entered into a dealer manager agreement with the Dealer Manager, which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Offers.

The Dealer Manager and its affiliates may contact Holders regarding the Offers and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Tender Offer Memorandum and related materials to Holders.

The Dealer Manager and its affiliates have provided and continue to provide certain investment banking services to the BGp Companies for which they have received and will receive compensation that is customary for services of such nature.

The Dealer Manager and/or its affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Securities. Further, the Dealer Manager may (subject always to the Offer and Distribution Restrictions) (i) submit Tender Instructions for its own account; and (ii) submit Tender Instructions on behalf of other Holders.

None of the Dealer Manager or the Tender Agents (or any of their respective directors, officers, employees, agents or affiliates) assumes any responsibility for the accuracy or completeness of the information concerning the Offers, the BGp Companies, any of their affiliates or the Securities contained in this Tender Offer Memorandum or for any failure by the BGp Companies to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of the Dealer Manager or the Tender Agents (or any of their respective directors, officers, employees or affiliates) make any representation or recommendation whatsoever regarding the Offers or any recommendation as to whether Holders should tender Securities in the Offers or otherwise participate in the Offers.

Each Tender Agent is the agent of the Issuer and owes no duty to any Holder of Securities.

ISSUER

Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

DEALER MANAGER

Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019
Telephone: +1 (212) 528-7581
US Toll Free Number: +1 (800) 438-3242
Attention: Liability Management Group
Email: liability.management@barcap.com

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
Telephone: +44 (0) 20 7773 8990
Attention: Liability Management Group
Email: liability.management@barcap.com

TENDER AGENT

in respect of the Dollar Securities

Global Bondholder Services Corporation
65 Broadway – Suite 404
New York, New York 10006
Banks and Brokers Call: (212) 430-3774
Toll Free Number: (866) 937-2200
Attention: Corporate Actions
Email: Info@gbsc-usa.com

TENDER AGENT

in respect of the Sterling Securities

Lucid Issuer Services Limited
Leroy House
436 Essex Road
London N1 3QP
United Kingdom
Telephone: +44 (0) 20 7704 0880
Attention: Thomas Choquet / Yves Theis
Email: barclays@lucid-is.com

LEGAL ADVISERS

To the Issuer

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

To the Dealer Manager

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom