

## SUPPLEMENTARY PROSPECTUS

**This Supplement (the "Supplement") comprises a supplementary prospectus relating to Guaranteed Investment Products 1 PCC Limited (the "Company") prepared in accordance with the Prospectus Rules of the FSA made under Section 73A of the Financial Services and Markets Act 2000. A copy of this Supplement has been delivered to the FSA and made available to the public in accordance with the Prospectus Rules.**

Each of the Directors of the Company, whose names appear in Part II of this Supplement, and the Company itself, accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Directors and the Company itself, who have taken all reasonable care to ensure that such is the case, the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. Santander Guarantee Company ("SGC") accepts responsibility for the information contained in this Supplement in so far as it relates to SGC and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement in so far as it relates to SGC and for which SGC is responsible is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

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## GUARANTEED INVESTMENT PRODUCTS 1 PCC LIMITED

*(a protected cell company incorporated with limited liability under the laws of Guernsey with registered number 42754)*

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This Supplement is supplementary to, and must be read in conjunction with, each of: (i) the Prospectus relating to the Protected Cell 232 Cell Shares, which comprises the Registration Document dated 22 December 2011, the Securities Note dated 22 June 2012 and the Summary dated 22 June 2012 (the "**Protected Cell 232 Prospectus**"); and (ii) the Prospectus relating to the Protected Cell 233 Cell Shares, which comprises the Registration Document dated 22 December 2011, the Securities Note dated 22 June 2012 and the Summary dated 22 June 2012 (the "**Protected Cell 233 Prospectus**", and together with the Protected Cell 232 Prospectus, the "**Prospectuses**" and each a "**Prospectus**"). Your attention is drawn, in particular, to the sections headed "Risk Factors" from page 6 of the Registration Document dated 22 December 2011 (the "**Registration Document**") forming a part of each Prospectus and from page 3 of the relevant Securities Note forming a part of each Prospectus for a discussion of certain factors that should be considered in connection with an investment in Shares. Except where the context otherwise requires, terms defined in each of the Prospectuses have the same meaning in respect of the relevant Cell when used in this document.

This document is not an offer of securities for sale in the United States. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any securities laws of any state of the United States and may not be offered or sold in the United States or to or for the account or benefit of US persons (as such terms are defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration. The Shares will not be registered under the relevant securities laws of Canada, Australia or Japan. Accordingly, unless an exemption under such acts or laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, in or into Canada, Australia or Japan.

24 August 2012

## **PART I: SIGNIFICANT NEW FACTORS**

### **FINANCIAL INFORMATION OF SGC**

Information on SGC, including historical financial information, can be found in Part E of the Registration Document and Section F of the relevant Securities Note.

Since the publication of the Prospectuses, SGC has published updated financial information, as further described below.

#### ***Publication of the interim financial statements in respect of SGC for the six-month period ended 30 June 2012.***

Since the publication of the Prospectuses, SGC has published its unaudited interim financial statements for the six-month period ended 30 June 2012 ("**SGC Interim Financial Statements**").

The SGC Interim Financial Statements are included in their entirety from page 4 onwards with their original pagination to maintain the integrity of the document and include, on the pages specified in the table below, the following information:

<b>Nature of Information</b>	<b>Page</b>
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## **SGC INTERIM FINANCIAL STATEMENTS**

**SANTANDER GUARANTEE COMPANY**

**Registered in England and Wales  
No 2687070**

**INTERIM MANAGEMENT REPORT**

**PERIOD ENDED 30 JUNE 2012**

# **Santander Guarantee Company**

## **Interim Management Report for the six months ended 30 June 2012**

Santander Guarantee Company (the 'Company') sets out below its Interim Management Report for the six months ended 30 June 2012.

The principal activity of the Company is that of an investment company.

### **Financial Performance**

The Company's primary source of income is interest receivable on money market deposits due from its parent company. The profit for the six months ended 30 June 2012 after taxation amounted to £10,319 (2011: £8,478).

### **Financial Position**

There has been no significant change in the balance sheet.

### **Principal Risks and Uncertainties**

Risk management is carried out by the central risk management function of the Santander UK Group. Santander UK's Risk Framework ensures that risk is managed and controlled on behalf of shareholders, customers, depositors, employees and the Santander UK Group's regulators. The key financial risks facing the Company are:

- Credit risk
- Liquidity risk; and
- Market risk

We believe that the risks and uncertainties identified in the 2011 Annual Report and Accounts are still relevant to the second half of the current financial year.

### **Outlook**

We believe that the Company will remain unaffected by the recent difficult credit conditions and general downturn in the financial market.

### **Related Party Transactions**

The related party of the Company is its parent company. For a full description of related party activity, please refer to Note 10 of the Company's 2011 Annual Report and Accounts. There have been no significant changes to these arrangements.

This announcement is not a form of statutory accounts. The information for the year ended 31 December 2011 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

# Santander Guarantee Company

## Condensed Income Statement

For the six months ended 30 June 2012 and 2011

	Note	Six months ended 30 June 2012 £	Six months ended 30 June 2011 £
<b>Continuing operations</b>			
Interest income		13,667	11,535
<b>Profit from operations before tax</b>		<b>13,667</b>	<b>11,535</b>
Tax	2	(3,348)	(3,057)
<b>Net profit attributable to equity holders of the Company</b>		<b>10,319</b>	<b>8,478</b>

## Condensed Statement of Comprehensive Income

For the six months ended 30 June 2012 and 2011

	Six months ended 30 June 2012 £	Six months ended 30 June 2011 £
<b>Profit for the period</b>	<b>10,319</b>	<b>8,478</b>
Net loss recognised directly in equity	-	-
Net transfers to profit	-	-
Total other comprehensive expense for the period before tax	-	-
Tax relating to components of other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>10,319</b>	<b>8,478</b>
<b>Attributable to equity holders of the Company</b>	<b>10,319</b>	<b>8,478</b>

## Condensed Statement of Changes in Equity

For the six months ended 30 June 2012 and 2011

	Note	Share Capital £	Retained Earnings £	Total £
1 January 2011		2,806,750	983,640	3,790,390
Profit for the period		-	8,478	8,478
Other comprehensive income before tax for the period		-	-	-
Tax relating to components of other comprehensive income	2	-	-	-
<b>30 June 2011</b>		<b>2,806,750</b>	<b>992,118</b>	<b>3,798,868</b>
1 January 2012		2,806,750	1,001,597	3,808,347
Profit for the period		-	10,319	10,319
Other comprehensive income before tax for the period		-	-	-
Tax relating to components of other comprehensive income	2	-	-	-
<b>30 June 2012</b>		<b>2,806,750</b>	<b>1,011,916</b>	<b>3,818,666</b>

## Condensed Cash Flow Statement

For the six months ended 30 June 2012 and 2011

	Six months ended 30 June 2012 £	Six months ended 30 June 2011 £
<b>Net cash flows generated from operating activities</b>	<b>-</b>	<b>-</b>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	2,314	2,314
<b>Cash and cash equivalents at end of year</b>	<b>2,314</b>	<b>2,314</b>

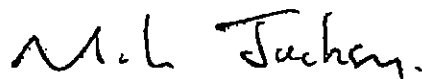
# Santander Guarantee Company

## Condensed Balance Sheet

As at 30 June 2012 and 31 December 2011

	30 June 2012 £	31 December 2011 £
<b>Non-current assets</b>		
Loans and receivables	3,826,174	3,812,507
<b>Current assets</b>		
Cash and cash equivalents	2,314	2,314
<b>Total assets</b>	<b>3,828,488</b>	<b>3,814,821</b>
<b>Current liabilities</b>		
Payables	(6,474)	(6,474)
Current tax liabilities	(3,348)	-
<b>Total liabilities</b>	<b>(9,822)</b>	<b>(6,474)</b>
<b>Equity</b>		
Share capital	2,806,750	2,806,750
Retained earnings	1,011,916	1,001,597
<b>Equity attributable to equity holders of the Company</b>	<b>3,818,666</b>	<b>3,808,347</b>

These financial statements were approved by the Board of Directors and authorised for issue on 17 August 2012. They were signed for and on its behalf by:



Director

# Santander Guarantee Company

## Going Concern

The Company has adequate financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the condensed interim financial statements.

## 1. Accounting policies

### General information

The condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", as adopted for use in the European Union. Accordingly, certain information and disclosures normally required to be included in the notes to the annual financial statements have been omitted or condensed. The condensed interim financial statements should be read in conjunction with the financial statements for the year ended 31 December 2011 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB in addition to being consistent with IFRS as adopted for use in the European Union.

The same accounting policies, presentation and methods of computation are followed in these condensed interim financial statements as were applied in the preparation of the financial statements for the year ended 31 December 2011.

There are no new accounting standards which have a material impact on the Company.

### Basis of preparation

The condensed interim financial statements have been prepared under the historical cost convention.

## 2. Taxation expense

Interim period income tax is accrued based on the estimated average annual effective corporation tax rate of 24.5% (2011: 26.5%).

## 3. Contingent liabilities

Since 22 February 2006, the Company has issued guarantees under a guarantee facility to the investors in classes of redeemable preference shares issued by a Guernsey protected cell company. These guarantees in aggregate represent an undertaking by the Company to guarantee a defined return on the redeemable preference shares that is payable when the redeemable preference shares mature. The current maximum exposure under the guarantees is £8bn (2011: £8bn). The Company has the benefit of a conditional share subscription agreement provided by Santander UK plc to enable it to pay any claims under the guarantee.

The Guernsey protected cell company has invested the proceeds of each class of redeemable preference shares in investments provided by a member of the Santander UK plc group, the terms of which are designed to provide at least the guaranteed defined return. As a result, the Company does not expect any claims to be made under any of the guarantees.



## **PART II: ADDITIONAL INFORMATION**

### **1. Directors**

Gavin Farrell  
John Reginald Le Prevost  
Steven Guy Meeks

### **2. Withdrawal rights**

Persons who have applied for Protected Cell 232 Cell Shares and Protected Cell 233 Cell Shares prior to publication of this Supplement and who wish to exercise their statutory withdrawal rights must do so by lodging a written notice of withdrawal (which shall include a notice sent by electronic mail to Daniel.Pugh@santanderam.co.uk or by facsimile to Santander ISA Managers Limited on 0845 602 6994), which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a member of CREST, the relevant participant ID and member account ID, with Santander ISA Managers Limited, 287 St. Vincent Street, Glasgow G2 5NB so as to be received no later than two business days after the date of this Supplement (i.e. by 5.30 p.m. on 29 August 2012). Notice of withdrawal given by any other means or which is deposited with or received by Santander ISA Managers Limited after expiry of such period will not constitute a valid withdrawal.

### **3. Document available for inspection**

Copies of this document (in addition to those listed as available for inspection at paragraph 1 of Part J of the Registration Document) may be inspected at the offices of Santander ISA Managers Limited at 287 St. Vincent Street, Glasgow G2 5NB, at the registered office of the Company during normal business hours of any business day (Saturdays, Sundays and public holidays excepted) and on the website of the Company at <http://www.anson-group.com/GIPL/GIP1PCCL.html> until the close of the relevant Offer for Subscription.

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