

Date: 21st November 2008

APPLICABLE INDICATIVE TERMS

ESPIRITO SANTO INVESTMENT p.l.c.
(incorporated with limited liability in Ireland)

EUR Worst of BBVA, Repsol Notes due 27th December 2018 (the "Notes")
issued pursuant to the € 2,500,000,000 Euro Medium Term Note Programme

With the benefit of a Keep Well Agreement
provided by
BANCO ESPIRITO SANTO DE INVESTIMENTO, S.A.

PART A – CONTRACTUAL TERMS

The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (i) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

(i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 35 of Part A below, provided such person is one of the persons mentioned in Paragraph 35 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Offering Circular dated 25 July 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the Prospectus Directive). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 3.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the relevant Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing at <http://www.esinvestment.com> and during normal business hours at Rua Alexandre Herculano, 38, 1269-161 Lisbon and copies may be obtained at the same address.

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|---|---|
| 1. Issuer: | Espirito Santo Investment p.l.c. |
| 2. (i) Series Number: | 408 |
| 3. Specified Currency or Currencies: | EUR |
| 4. Aggregate Nominal Amount: | EUR 1,000,000 |
| 5. (i) Issue Price for the Aggregate Nominal Amount: | 16.10 per cent. of the Aggregate Nominal Amount |
| (ii) Net Proceeds for the Aggregate Nominal Amount: | EUR 161,000 |
| 6. Specified Denominations: | EUR 1,000 |
| 7. (i) Issue Date for the Aggregate Nominal Amount: | 28 th November 2008 |
| (ii) Interest Commencement Date (if different from the Issue Date): | 28 th November 2008 |

8. **Maturity Date:** 27th December 2018, subject to adjustment in accordance with the Modified Following Business Day Convention and subject to the Early Redemption Conditions, Issuer Call and Investor Put
9. **Interest Basis:** Not Applicable
10. **Redemption/Payment Basis:** Indexed Linked Redemption
11. **Change of Interest Basis or Redemption/Payment Basis:** Not Applicable
12. **Put/Call Options:** Issuer Call and Investor Put
13. **Status of the Notes:** Senior
14. **Method of distribution:** Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** 2.20%*NA paid on each Early Redemption Date i ($i=1, \dots, 4$), subject to Early Redemption Conditions

Where:

NA= Aggregate Nominal Amount

16. **Floating Rate Note Provisions:** Not Applicable
17. **Zero coupon Note Provisions:** Not Applicable
18. **Indexed Note Provisions:** Not Applicable
19. **Dual Currency Note Provisions:** Not Applicable
20. **Credit Linked Notes/First to Default Linked Notes provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. **Issuer Call:** The Issuer has the right to early redeem the Note at par on each Callable Date, by giving no less than 5 Business Days notice.

Callable Dates: 27th December 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017
For avoidance of doubt, the 1st Callable Date (27th December 2009) is also subject to Early Redemption Conditions.
22. **Investor Put:** The Noteholder has the right to early redeem the Note at market prices prevailing at the time on the 1st Callable Date (27th December 2009), by giving no less than 5 Business Days notice.
23. **Final Redemption Amount of each Note (subject to Early Redemption Conditions):** Aggregate Nominal Amount

24. **Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6 (e)):** Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. (a) **Form of Notes:** Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes
- (b) **New Global Note:** No
26. **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** Business Days for payments: TARGET and London
27. **Talons for further coupons to be attached to Definitive Notes (and dates on which such talons mature):** No
28. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** Not Applicable
29. **Details relating to Instalment Notes:**
- (i) **Instalment Amount(s):** Not Applicable
 - (ii) **Instalment Date(s):** Not Applicable

30. Other final terms:

(i) Business day Convention:

- Exchange Business Day Convention: Following Business Day Convention (in block);

- Payment Business Day Convention: Modified Following Business Day Convention;

(ii) Early Redemption Conditions:

On each Early Redemption Date i (from $i=1, \dots, 5$)

For $i = 1$ (27th December 2008), if

$$\min_{j=1}^2 \left[\frac{\text{Share}_j^1}{\text{Share}_j^0} - 1 \right] \geq 0\%$$

then Redemption Amount = NA

and the issue will be cancelled;

otherwise the issue continues to the next Early Redemption Date;

For $i = 2$ (27th March 2009), if

$$\min_{j=1}^2 \left[\frac{\text{Share}_j^2}{\text{Share}_j^0} - 1 \right] \geq 0\%$$

then Redemption Amount = NA

and the issue will be cancelled;

otherwise the issue continues to the next Early Redemption Date;

For $i = 3$ (27th June 2009), if

$$\min_{j=1}^2 \left[\frac{\text{Share}_j^3}{\text{Share}_j^0} - 1 \right] \geq 0\%$$

then Redemption Amount = NA

and the issue will be cancelled;

otherwise the issue continues to the next Early Redemption Date;

For $i = 4$ (27th September 2009), if

$$\min_{j=1}^2 \left[\frac{Share^4}{Share_j^0} - 1 \right] \geq 0\%$$

then **Redemption Amount = NA**

and the issue will be cancelled;

otherwise the issue continues to the next Early Redemption Date;

For $i = 5$ (27th December 2009), Pay-Off 1 or Pay-Off 2 or Pay-Off 3:

- If $\min_{j=1}^2 \left[\frac{Share^5}{Share_j^0} - 1 \right] \geq 0\%$ then

Pay-Off 1 = Coupon Amount = 2.20% x NA +

Case 1) 100% x NA, if called by the Issuer

Case 2) 0% x NA, otherwise and the Note continues to the next Callable Date

(please see point 21 and 22)

- If $-25\% < \min_{j=1}^2 \left[\frac{Share^5}{Share_j^0} - 1 \right] < 0\%$ then

Pay-Off 2 = Coupon Amount = 2.20% x NA +

Case 1) 100% x NA, if called by the Issuer

Case 2) 0% x NA, otherwise and the Note continues to the next Callable Date

(please see point 21 and 22)

- If $\min_{j=1}^2 \left[\frac{Share^5}{Share_j^0} - 1 \right] \leq -25\%$ then

Pay-Off 3 = $\min_{j=1}^2 \left[\frac{Share^5}{Share_j^0} \right] \times NA$

and the issue will be cancelled;

NA = Aggregate Nominal Amount ("Amount")

Where:

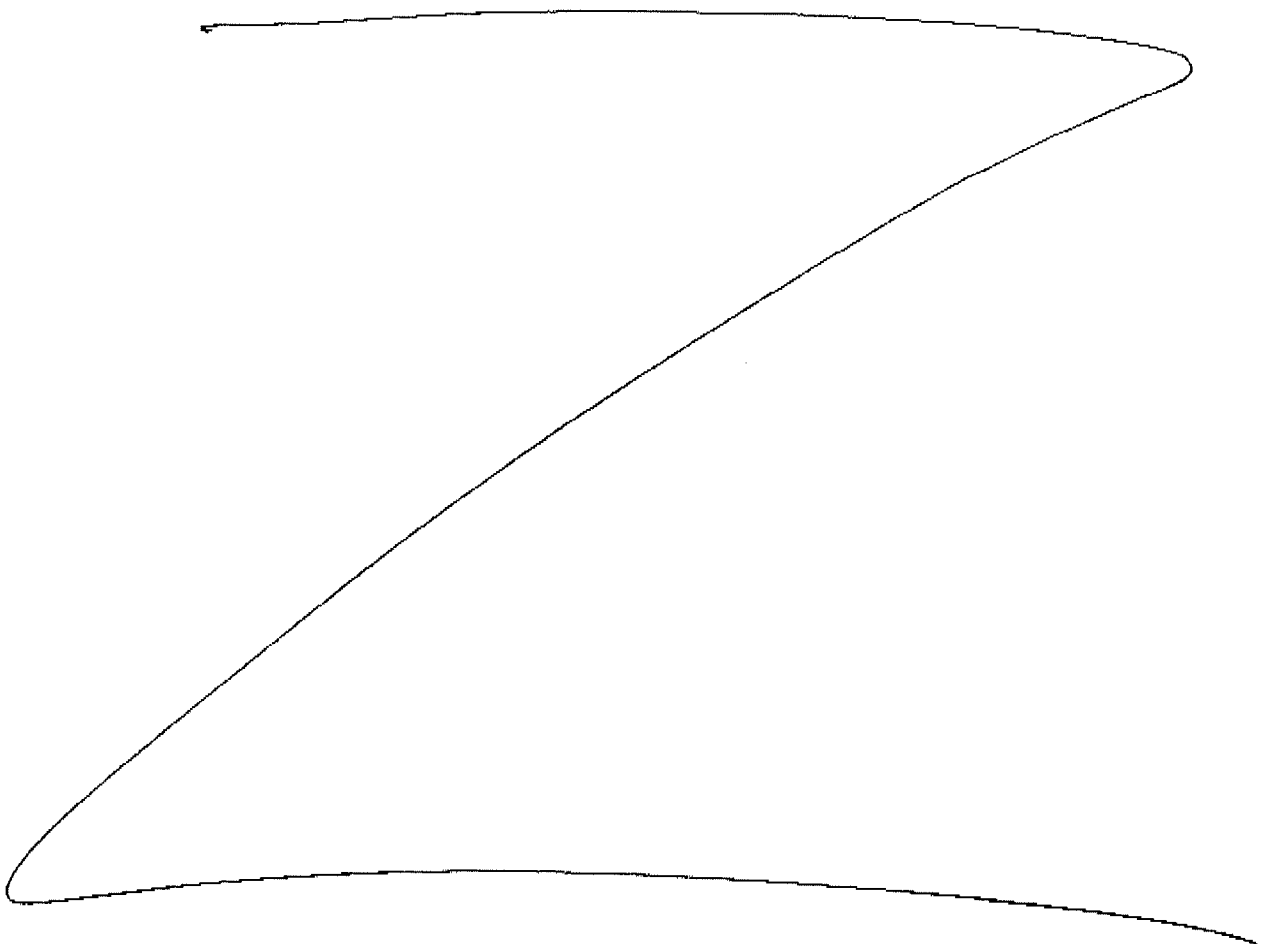
$Share_j^0$ = Strike of the Underlying Share j as defined below

$Share_j^i$: is the official closing price of the Underlying Share j
on Observation Date i (from $i=1, \dots, 5$)

Underlying Shares:

j	Share	$Share_j^0$	Bloomberg code
1	Repsol YPF SA	€ 25.36	REP SM Equity
2	BBVA SA	€ 17.28	BBVA SM Equity

The price is subject to any adjustments, including dilution or concentration to the value of the shares according to conventional standards used in an international capital market (Excluding all types of dividends).



(iii) Other terms and definitions:

Observation Dates and Early Redemption Dates:

i	Observation Date i	Early Redemption Date i
1	12th December 2008	27th December 2008
2	12th March 2009	27th March 2009
3	12th June 2009	27th June 2009
4	12th September 2009	27th September 2009
5	12th December 2009	27th December 2009

If any Observation Date is not an exchange business day for one of the Underlying Shares, the Observation Date will be moved to the following Exchange Business Day for all the Underlying Shares (in block).

DISTRIBUTION

31. **If syndicated, names and addresses of Managers and underwriting commitments:** Not Applicable
32. **If non syndicated, name and address of relevant Dealer:** Banco Espírito Santo de Investimento, S.A.
Rua Alexandre Herculano, 38
1269-161 Lisbon, Portugal
33. **Total commission and concession:** Not Applicable
34. **U.S. Selling Restrictions:** Tefra D
35. **Non exempt Offer:** An offer of the Notes may be made by the Managers (together with the Managers, the Financial Intermediaries) other than pursuant to Article 3(2) of the Prospectus Directive in Ireland the United Kingdom (Public Offer Jurisdictions) during the period from 28th November 2008 until 19th December 2009 (Offer Period). See further Paragraph 10 of Part B below.
36. **Additional Selling Restrictions:** No offer or sale of the Notes may be made in Portugal in circumstances which constitute an offer to the public within the meaning of Código dos Valores Mobiliários (Decree-Law no. 486 of 13 November 1999).

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue of the Notes described herein pursuant to the €2,500,000,000 Euro Medium Term Note Programme of Espirito Santo Investment plc. and Banco Espirito Santo de Investimento, S.A.

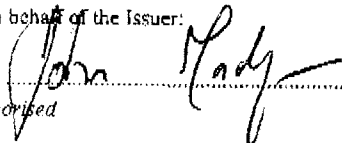
RESPONSIBILITY

The Issuer and Banco Espirito Santo de Investimento, S.A. accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:

Duly authorised



By:

Duly authorised



Signed on behalf of Banco Espirito Santo de Investimento, S.A.:

By:

Duly authorised



By:

Duly authorised



Marta Carvalheiro
DRF- Fixed Income
Associate

Carlos Ferreira Pinto
DRF- Fixed Income
Director

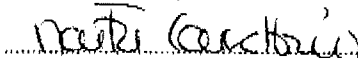
KEEP WELL AGREEMENT

Banco Espirito Santo de Investimento, S.A. hereby confirms that the Keep Well Agreement executed on 25 July 2007 (as amended and/or supplemented and/or restated from time to time) will apply in relation to the Notes of this Series.

Signed on behalf of Banco Espirito Santo de Investimento, S.A.:

By:

Duly authorised



By:

Duly authorised



Marta Carvalheiro
DRF- Fixed Income
Associate

Carlos Ferreira Pinto
DRF- Fixed Income
Director

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING:

Irish Stock Exchange

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Irish Stock Exchange with effect from 28th November 2008.

**2. RATINGS
Ratings:**

Not applicable



3. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) **Reasons for the offer:** The net proceeds will be applied by the Issuer in the ordinary course of its business, which includes making a profit.
- (ii) **Estimated Net Proceeds for the Aggregate Nominal Amount:** EUR 161,000
- (iii) **Estimated total expenses:** None
5. **YIELD (Fixed Rate Notes Only):** Not applicable
6. **HISTORIC INTEREST RATES (Floating Rate Notes only):** Not applicable
7. **PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index Linked Notes only)**
Not applicable
8. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only):**
Not applicable

9. OPERATIONAL INFORMATION

- (i) **ISIN Code:** XS0401833966
- (ii) **Common Code:** 40183396
- (iii) **Any clearing system(s) other than Euroclear bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification numbers:** Not applicable
- (iv) **Delivery:** Delivery against payment
- (v) **Names and addresses of additional Paying Agent(s) (if any):** Banco Espírito Santo de Investimento, S.A.
- (vi) **Intended to be held in a manner which would allow Eurosystem eligibility:** No

10. TERMS AND CONDITIONS OF THE OFFER

Offer Price: Issue Price