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9 June 2015



Santander UK Group Holdings plc and Santander UK plc announce the results of their cash tender offers in respect of certain securities of Santander UK plc

On 28 May 2015, Santander UK Group Holdings plc (the “**Company**”) and Santander UK plc (the “**Bank**”) announced invitations to holders of the following securities (the “**Securities**”) to tender any or all of their Securities for cash:

£300,002,000 Series A Fixed/Floating Rate Non-Cumulative Callable Preference Shares
(issued on 28 April 2010 in exchange for Alliance & Leicester plc preference shares)
(XS0502105454) (the “**Preference Shares**”)

£300,000,000 7.037 per cent. Step-up Callable Perpetual Reserve Capital Instruments
(originally issued on 14 February 2001 by Abbey National plc)
(XS0124569566) (the “**RCIs**”)

£175,000,000 6.984 per cent. Fixed/Floating Rate Tier One Preferred Income Capital Securities
(originally issued on 9 August 2002 by Abbey National plc)
(XS0152838586) (the “**TOPICS**”)

The invitation in respect of the Preference Shares was made by the Company and the invitations in respect of the RCIs and the TOPICS were made by the Bank. Such invitations were made separately (each a “**Tender Offer**” and, together, the “**Tender Offers**”) on the terms and subject to the conditions contained in the tender offer memorandum dated 28 May 2015 (the “**Tender Offer Memorandum**”) prepared by the Company and the Bank, and are subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum. Capitalised terms used and not otherwise defined in this announcement have the meaning given thereto in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent, the contact details for which are set out below.

The Tender Offers expired at 4.00 p.m. (London time) on 8 June 2015. The Company and the Bank hereby announce the results of the Tender Offers.

Results of the Tender Offers

The final aggregate liquidation preference of Preference Shares and principal amount of Capital Instruments of each Series accepted for purchase pursuant to the Tender Offers, and accordingly the aggregate liquidation preference of Preference Shares and principal amount of Capital Instruments of

each Series expected to remain outstanding following settlement of the Tender Offers, will be as follows:

Description of Securities	Issuer	ISIN	Aggregate liquidation preference / principal amount outstanding	Tender Price	Aggregate liquidation preference / principal amount validly tendered and accepted	Aggregate liquidation preference / principal amount expected to remain outstanding after settlement
£300,002,000 Series A Fixed/Floating Rate Non-Cumulative Callable Preference Shares issued on 28 April 2010	Santander UK plc (issued in exchange for Alliance & Leicester plc preference shares)	XS0502105454	£34,933,000	106.50% (£1,065 for each £1,000 in liquidation preference)	£21,136,000	£13,797,000
£300,000,000 7.037 per cent. Step-up Callable Perpetual Reserve Capital Instruments issued on 14 February 2001	Santander UK plc (originally Abbey National plc)	XS0124569566	£300,000,000	120.00% (£1,200 for each £1,000 in principal amount)	£62,253,000	£237,747,000
£175,000,000 6.984 per cent. Fixed/Floating Rate Tier One Preferred Income Capital Securities issued on 9 August 2002	Santander UK plc (originally Abbey National plc)	XS0152838586	£175,000,000	108.00% (£1,080 for each £1,000 in principal amount)	£173,246,000	£1,754,000

The Company and the Bank have accepted all validly tendered Securities without any scaling or proration.

Members of the Santander Group tendered £163,021,000 in aggregate principal amount of the TOPICS pursuant to the Tender Offers. Members of the Santander Group also hold £195,223,000 in aggregate principal amount of the RCIs which they did not tender pursuant to the Tender Offers.

Capital Instruments purchased by the Bank pursuant to the Tender Offers will be cancelled. Preference Shares purchased by the Company pursuant to the Tender Offers will subsequently be purchased by the Bank and cancelled. Securities which have not been validly submitted for tender or which are otherwise not purchased pursuant to the Tender Offers will remain outstanding on their existing terms after the Settlement Date.

Satisfaction of New Financing Condition

On 28 May 2015, the Company announced its intention, subject to market conditions, to issue new sterling-denominated Fixed Rate Reset Perpetual Additional Tier 1 Capital Securities (“**New Securities**”). Under the terms of the Tender Offers, the purchase of any Securities by the Company or the Bank pursuant to the Tender Offers was expressed to be subject, without limitation, to the successful pricing (in the sole determination of the Company and the Bank) of an issue of New Securities on terms satisfactory to the Company and the Bank in their sole discretion (the “**New Financing Condition**”), unless the Bank and the Company elect to waive such condition.

The Company and the Bank confirm that the Company successfully priced an issue of New Notes in an aggregate principal amount of £750,000,000 on 3 June 2015. Accordingly, the New Financing Condition has been satisfied.

Settlement of the Tender Offers

The Company and the Bank expect settlement of the Tender Offers in respect of the TOPICS and the RCIs to proceed on 11 June 2015, in accordance with the indicative timetable for those Tender Offers.

As announced earlier today, the Company and the Bank expect settlement of the Tender Offer in respect of the Preference Shares to proceed on 12 June 2015.

Contact information

Banco Santander, S.A., Barclays Bank PLC, Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited are acting as Dealer Managers for the Tender Offers and Lucid Issuer Services Limited is acting as Tender Agent.

Questions and requests for assistance in connection with the Tender Offers may be directed to the Dealer Managers:

THE DEALER MANAGERS

BANCO SANTANDER, S.A.

Avenida de Cantabria, s/n
28660 Boadilla Del Monte
Madrid, Spain

Telephone: + 44 20 7756 6909

Email: tommaso.grospietro@santandergbm.com

Attention: Liability Management

BARCLAYS BANK PLC

5 The North Colonnade
Canary Wharf
London E14 4BB

Telephone: +44 20 3134 8515

Email: eu.lm@barclays.com

Attention: Liability Management Group

MERRILL LYNCH INTERNATIONAL

2 King Edward Street
London EC1A 1HQ

Telephone: +44 207 995 2929

Email: kulwant.bhatti@baml.com

Attention: Liability Management Group

MORGAN STANLEY & CO. INTERNATIONAL PLC

25 Cabot Square
Canary Wharf
London E14 4QA

Telephone: +44 20 7677 5040

Email: liabilitymanagementeuropa@morganstanley.com

Attention: Liability Management Group

UBS LIMITED

1 Finsbury Avenue
London EC2M 2PP

Telephone: +44 20 7567 0525

Email: mark-t.watkins@ubs.com / torstein.berteig@ubs.com

Attention: Liability Management Group

TENDER AGENT

Lucid Issuer Services Limited

Leroy House
436 Essex Road
London N1 3QP
United Kingdom

Attention: David Shilson

Tel: +44 20 7704 0880

Email: santander@lucid-is.com

DISCLAIMER: The offer period for the Tender Offers has now expired. No further tenders of any Securities may be made pursuant to the Tender Offers. This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully. If any Securityholder is in any doubt as to the contents of the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial advice, including in respect of any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.