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The Banks are acting exclusively for the Company and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in the attached document.

This document comprises a pricing statement relating to the Offer described in the prospectus published by Saga plc (the "Company") on 8 May 2014 (the "Prospectus") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of the Financial Services and Markets Act 2000 (the "FSMA"). This document must be read in conjunction with the Prospectus. Capitalised terms used in this document and not defined herein have the same meaning as given to them in the Prospectus. Investors should not subscribe for or purchase any ordinary shares of the Company (the "Shares") on the basis of this document alone and should refer to information in the Prospectus, in particular Part 2 "Risk Factors" of the Registration Document and Part 2 "Risk Factors" of the Securities Note. Copies of the Prospectus are available on the Company's website at www.sagashareoffer.co.uk.

Application has been made to the FCA for the Shares issued and to be issued in connection with the Offer to be admitted to the premium listing segment of the Official List of the FCA and to London Stock Exchange plc (the "London Stock Exchange") for all of the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "Admission"). Conditional dealings in the Shares are expected to commence on the London Stock Exchange on 23 May 2014. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, on 29 May 2014. **All dealings before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No application is currently intended to be made for the Shares to be admitted to listing or dealt in on any other exchange. The new Shares issued by the Company will rank, upon Admission, *pari passu* in all respects with the existing Shares including the right to receive dividends or other distributions declared, made or paid after Admission.**



Saga plc

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 08804263)

**Offer of 297,297,297 Shares of one pence each
at an Offer Price of 185 pence per Share
and admission to the premium listing segment of the Official List
and to trading on the London Stock Exchange**

Joint Global Co-ordinators

**BofA Merrill
Lynch**

Citigroup

Credit Suisse

**Goldman Sachs
International**

Joint Bookrunners

**BofA Merrill
Lynch**

Citigroup

Credit Suisse

**Goldman Sachs
International**

**J.P. Morgan
Cazenove**

UBS

Joint Lead Manager

Investec

Co-Lead Manager

Mizuho International

Sponsor

Citigroup

ORDINARY SHARE CAPITAL IMMEDIATELY FOLLOWING ADMISSION

<i>Number</i>	<i>Issued and fully paid</i>	<i>Nominal Value</i>
1,110,705,405		11,107,054

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The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “US Securities Act”). The Shares offered by the Prospectus may not be offered or sold in the United States, except to qualified institutional buyers (“QIBs”), as defined in, and in reliance on, the exemption from the registration requirements of the US Securities Act provided in Rule 144A under the US Securities Act (“Rule 144A”) or another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Shares may be relying on the exemption from the provisions of section 5 of the US Securities Act provided by Rule 144A or another relevant exemption. The Shares have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Shares have not been and will not be registered under the applicable securities laws of Australia, Canada, Japan or South Africa. Subject to certain exceptions, the Shares may not be offered or sold in, or to or for the account or benefit of any national, resident or citizen in, Australia, Canada, Japan or South Africa.

The distribution of this document and the offer and sale of the Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, the Channel Islands and the Isle of Man, no action has been or will be taken by the Company, the Selling Shareholder or the Banks to permit a public offering of the Shares under the applicable securities laws of any jurisdiction. Other than in the United Kingdom, the Channel Islands and the Isle of Man, no action has been taken or will be taken to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required or where doing so is restricted by law. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase, any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks by FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Banks nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Shares or the Offer. Each of the Banks and each of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement herein. No representation or warranty, express or implied, is made by any of the Banks or any of their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

Information contained on the Company’s website is not incorporated into and does not form part of this document.

The date of this document is 23 May 2014.

Offer statistics

Price (per Share)	185 pence
Number of Shares in the Offer	297,297,297
Number of existing Shares subject to the Over-allotment Option	44,594,594
Number of Shares in issue following the Offer	1,110,705,405
Market capitalisation of the Company at the Offer Price ⁽¹⁾	£2.1 billion
Net proceeds of the Offer receivable by the Company ⁽²⁾	£511.0 million

Notes:

- (1) The market capitalisation of the Company at any given time will depend on the market price of the Shares at that time. There can be no assurance that the market price of a Share will be equal to or exceed the Offer Price.
- (2) The net proceeds receivable by the Company are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Company, which are approximately £39.0 million. The Company will not receive any of the net proceeds from the sale of any Shares pursuant to the Over-allotment Option.

TIMETABLE OF PRINCIPAL EVENTS

Event	Time and Date ⁽¹⁾⁽²⁾ 2014
Announcement of the Offer Price and Offer Size, publication of this Pricing Statement and notification of allocations of Shares	7:00 am on 23 May 2014
Commencement of conditional dealings in Shares on the London Stock Exchange	8:00 am on 23 May 2014
Notification by e-mail of share allocation for Shareholders who submitted an Online Application and elected to hold their Shares through the Saga Shareholder Account or Saga Share Direct ⁽³⁾ ⁽⁴⁾	23 May 2014
Admission and commencement of unconditional dealings in Shares on the London Stock Exchange	8:00 am on 29 May 2014
CREST accounts credited in respect of Shares in uncertificated form	29 May 2014
Despatch by post of: (i) Share Account Statements to Shareholders holding Shares in the Saga Shareholder Account; (ii) definitive share certificates to Shareholders for Shares in certificated form; and (iii) allocation statements to Shareholders who elected to hold their Shares with Saga Share Direct (excluding, in each case, those Shareholders who are sent a notification by e-mail) together with, in each case (if applicable), payment of any refund by cheque	From 29 May 2014
Payment of any refund (as applicable) to debit card accounts of Shareholders who submitted an Online Application	From 29 May 2014

Notes:

- (1) Times and dates set out in the timetable above and mentioned throughout this document that fall after the date of publication of this document are indicative only and may be subject to change without further notice.
- (2) All references to time in this timetable are to UK time.
- (3) Shareholders who submitted an Online Application and elected to hold their Shares through the Saga Shareholder Account or Saga Share Direct will be able to deal in Shares on a conditional basis prior to Admission. For further details on how to effect sales and purchases prior to and from Admission, and the charges payable, please refer to section 5 of Part 6 "Details of the Offer" of the Securities Note.
- (4) Shareholders who applied for Shares in the Intermediaries Offer should consult their Intermediary as to when they will be sent documents in respect of any Shares they have been allocated and when they may commence dealing in any such Shares.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

SHAREHOLDERS' INTERESTS

In so far as is known to the Directors, the following are the interests which represent, or will represent, directly or indirectly, three per cent. or more of the issued share capital of the Company on the date of this document and on the day of Admission assuming no exercise of the Over-allotment Option:

	Immediately prior to Admission		Immediately following Admission ⁽¹⁾	
	Number of Shares	Percentage of issued share capital	Number of Shares	Percentage of issued share capital
Acromas Bid Co Limited	800,000,000	100	800,000,000	72

(1) Assuming no exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, Acromas will hold 755,405,406 Shares, representing 68 per cent. of the Company's issued share capital.

DIRECTORS' AND SENIOR MANAGERS' INTERESTS

On the day of Admission, the voting rights in the share capital of the Company of the Directors and Senior Managers (all of whom, unless otherwise stated, are beneficial or are interests of a person connected with a Director or a Senior Manager) will be as follows:

Directors/Senior Managers ⁽¹⁾	Number of Shares ⁽²⁾⁽³⁾	Percentage of issued share capital
Andrew Goodsell	2,702,703	0.2%
Lance Batchelor ⁽⁴⁾	2,162,162	0.2%
Stuart Howard	1,621,622	0.1%
Philip Green	32,432	0.0%
Ray King	27,027	0.0%
Orna Ni-Chionna	10,811	0.0%
Gareth Williams	32,432	0.0%
Darryn Gibson	540,541	0.0%
Tim Pethick	1,081,081	0.1%
Roger Ramsden	1,081,081	0.1%
David Slater	1,081,081	0.1%
Andrew Strong	1,081,081	0.1%

Notes:

- (1) Certain of the Directors and Senior Managers are also shareholders of Acromas and are owed subordinated shareholder debt by an Acromas subsidiary. See "Interests of Directors, Senior Managers and employees of the Group in Acromas" in Part 8 "Directors, Senior Managers and Corporate Governance" of the Registration Document.
- (2) In the case of Andrew Goodsell, Stuart Howard, Darryn Gibson, Tim Pethick, Roger Ramsden, David Slater and Andrew Strong, these interests in Shares comprise nil cost options granted at or shortly after Admission.
- (3) In the case of Philip Green, Ray King, Orna Ni-Chionna and Gareth Williams, these Shares were received following applications made in the Offer.
- (4) In the case of Lance Batchelor, his interest in Shares comprises an option with an exercise price set at the Offer Price granted under the LTIP at or shortly after Admission.

ALLOCATION IN THE RETAIL OFFER

Eligible Customers are receiving preference in allocation at all levels with an allocation of between 540 Shares and 5,000 Shares and applications at the minimum application amount of £1,000 have been met in full.

Over two thirds of Eligible Customers have been allocated at least 50 per cent. of their application amount.

Applications of up to £10,000 from Non-Customers and applicants in the Intermediaries Offer have been allocated 400 Shares each.

Applications under the Employee Offer have been met in full.

Allocations in the Retail Offer are set out below:

Application Amount	Customer Offer		Non-Customer Offer and Intermediaries Offer	
	Number of Shares allocated at the Offer Price	Allocation amount (£)	Number of Shares allocated at the Offer Price	Allocation amount (£)
£1,000	540	£999.00	400	£740.00
£1,500	630	£1,165.50	400	£740.00
£2,000	720	£1,332.00	400	£740.00
£2,500	800	£1,480.00	400	£740.00
£3,000	865	£1,600.25	400	£740.00
£4,000	930	£1,720.50	400	£740.00
£5,000	1,000	£1,850.00	400	£740.00
£6,000	1,020	£1,887.00	400	£740.00
£7,000	1,040	£1,924.00	400	£740.00
£8,000	1,060	£1,961.00	400	£740.00
£9,000	1,080	£1,998.00	400	£740.00
£10,000	1,100	£2,035.00	400	£740.00
£15,000	1,150	£2,127.50		
£20,000	1,200	£2,220.00		
£25,000	1,225	£2,266.25		
£30,000	1,250	£2,312.50		
£40,000	1,300	£2,405.00		

With respect to the Customer Offer, applications of £50,000 and above allocated at 5 per cent. subject to a maximum allocation of 5,000 shares.