

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, CANADA, JAPAN, SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT.

This announcement is an advertisement and not a prospectus or an offer of securities for sale in any jurisdiction, including in or into Australia, Canada, Japan, South Africa or the United States. Investors should not purchase or subscribe for any shares referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") expected to be published by Saga plc in due course in connection with the proposed admission of its ordinary shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange. Copies of the Prospectus will, following publication, be available for inspection from the company's registered office at Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE and from the company's website at www.saga.co.uk/shares.

FOR IMMEDIATE RELEASE

8 May 2014

Saga

Expected Price Range and Offer Launch

Following the announcement by Saga plc (the "Company" and, together with its subsidiaries, "Saga" or the "Group") on 30 April 2014 of its intention to proceed with an initial public offering (the "IPO" or the "Offer"), the Company today announces the expected Price Range of the Offer, and the commencement of the Offer once an approved price range prospectus (the "Prospectus") is published containing full details of the Offer.

Offer highlights

- The Company intends to apply for admission of its ordinary shares ("Shares") to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange (together, "Admission")
- The expected Offer price range is set at 185 pence to 245 pence per Share (the "Price Range"), implying a market capitalisation on Admission of between £2.0 billion and £2.5 billion
- Immediately following Admission, proceeds from the primary offering of approximately £550 million will be used to reduce the net debt of the Company to approximately £700 million
- Acromas Bid Co Limited (the "Selling Shareholder"), which is a wholly owned subsidiary of Acromas Holdings Limited ("Acromas"), is expected to sell a proportion of its shareholding in the Offer. Acromas is owned by the Charterhouse Funds, the CVC Funds, the Permira Funds, numerous employees and other institutional investors
- The total size of the Offer is expected to deliver a free float of between 25% and 50% of the issued share capital
- Shares representing up to 15% of the Offer are also being made available by the Selling Shareholder pursuant to over-allotment arrangements
- The Offer by the Company and the Selling Shareholder will comprise:
 - An offer of Shares to retail investors in the UK, the Channel Islands and the Isle of Man (the "Retail Offer") to enable Saga's employees, existing and prospective customers, along with other retail investors in the UK, to become shareholders in the Company pursuant to:
 - An offer of Shares to the Group's Eligible Customers¹ (the "Customer Offer");
 - An offer of Shares direct to retail investors (the "Non-Customer Offer");

- An offer of Shares to qualifying financial intermediaries for onward distribution to underlying applicants (the "Intermediaries Offer"); and
 - An offer of Shares to Eligible Employees² of the Group (the "Employee Offer")
- An offer of Shares to institutional investors in qualifying geographies (in the UK and elsewhere outside the United States in reliance on Regulation S and to QIBs in the United States in reliance on Rule 144A) (the "Institutional Offer")
- Eligible Customers who acquire Shares under the Customer Offer and Eligible Employees who acquire Shares under the Employee Offer and hold them for a continuous period of one year following Admission will receive one Free Share for every 20 Shares acquired in the Customer Offer or the Employee Offer (as applicable), subject to certain conditions to be described in the Prospectus
 - Within the Retail Offer, applications made in the Customer Offer and the Employee Offer will be given preference over applications made in the Non-Customer Offer and the Intermediaries Offer
 - The same allocation policy will apply to all non-Eligible Customers whether they apply through an Intermediary or directly to the Company
- The minimum eligible application size in the retail offer will be £1,000³
- Full details of the Offer will be included in the Prospectus which is expected to be published later today.

Customer Offer

- Eligible Customers who acquire Shares in the Customer Offer will receive one Free Share for every 20 Shares acquired in the Customer Offer and held for a continuous period of one year, subject to certain conditions described in the Prospectus
- The minimum application size in the Customer Offer will be £1,000
- The Customer Offer is expected to open following publication of the Prospectus. Eligible Customers who wish to apply for Shares in the Customer Offer should visit www.saga.co.uk/shares and complete and submit an online Customer Application Form or request that an application form be mailed to them. The latest time for receipt by the Receiving Agent of completed Customer Application Forms is 11:59 p.m. on 20 May 2014

Non-Customer Offer

- Retail investors can apply directly to the Company for Shares in the Non-Customer Offer
- The minimum application size in the Non-Customer Offer will be £1,000
- The Non-Customer Offer is expected to open following publication of the Prospectus. Retail investors who wish to apply for Shares in the Non-Customer Offer should visit www.saga.co.uk/shares and complete and submit an online Application Form or request that an application form be mailed to them. The latest time for receipt by the Receiving Agent of completed Application Forms is 11:59 p.m. on 20 May 2014

Intermediaries Offer

- Retail investors can apply through stockbrokers and share dealing providers who are participating in the Offer as Intermediaries, who will apply for Shares on behalf of their clients. Retail Investors can find further information about the Intermediaries Offer, including the Prospectus once published, at www.saga.co.uk/shares
- The minimum application size in the Intermediaries Offer will be £1,000
- The Intermediaries Offer is expected to open following publication of the Prospectus. Individuals must apply in the Intermediaries Offer through participating Intermediaries. The latest date for receipt by the Intermediaries of completed application forms from retail investors is 20 May 2014

Employee Offer

- Eligible Employees who acquire Shares in the Employee Offer will receive one Free Share for every 20 Shares acquired in the Employee Offer and held for a continuous period of one year, subject to certain conditions described in the Prospectus
- Lower minimum application amounts of £500 and £750 will apply in the Employee Offer
- Details of the timing for applications under the Employee Offer have already been communicated directly to Eligible Employees

Institutional Offer

- The Offer includes the Institutional Offer to institutional investors in certain jurisdictions (in the UK and elsewhere outside the United States under Regulation S and to QIBs in the United States in reliance on Rule 144A)
- The Institutional Offer is expected to close on 22 May 2014

Further information

- The Selling Shareholder is expected to realise a proportion of their shareholding in the Offer
- The Company (180 days), the Selling Shareholder (180 days), the Executive Directors and the Senior Managers in respect of their direct holdings of Shares in Saga (365 days) have committed to lock-up arrangements following Admission, which are subject to certain customary exemptions
- Pricing and allocations are expected to be announced and conditional dealings in the Shares on the London Stock Exchange are expected to commence on 23 May 2014
- Admission to the premium listing segment of the Official List and unconditional dealings in the Shares on the London Stock Exchange are expected to occur on 29 May 2014
- Subject to satisfying the appropriate criteria, the Company may be eligible following completion of the Offer for inclusion in the FTSE UK Index Series at the quarterly review in September 2014
- In relation to the Offer and Admission, Citigroup Global Markets Limited is acting as Sole Sponsor, Joint Global Co-ordinator and Joint Bookrunner, BofA Merrill Lynch, Credit Suisse Securities (Europe) Limited and Goldman Sachs International are acting as Joint Global Co-ordinators and Joint Bookrunners, J.P. Morgan Cazenove and UBS Limited are acting as Joint Bookrunners, Investec Bank plc is acting as Joint Lead Manager and Mizuho International plc is acting as Co-Lead Manager. STJ Advisors LLP is acting as Financial Advisor to the Company

Andrew Goodsell, Executive Chairman, said:

“Today’s announcement reflects the strong level of investor interest shown in acquiring Saga shares, which we believe underlines the potential that exists in the Company. We have also been enormously pleased with the positive response from customers to the announcement that we intend to IPO the business and are looking forward to further strengthening our relationship with customers by allowing them to invest in the business.

We are fortunate to have a discerning customer base that can see the long-term strength of the Saga brand. Today’s announcement is a further important step in our journey toward becoming a public company with our customers and employees at the heart of it.”

Lance Batchelor, Group Chief Executive, said:

“Everyone at Saga has been delighted by the positive response to the news that Saga intends to IPO. Saga is a classic British brand, offering a unique portfolio of products and services to the over 50s market. The strength and breadth of Saga is reflected in the positive response that we have received to the Offer.”

Enquiries:

Saga

Paul Green, Director of Communications

Tel: 01303 776 023

Retail Offer Enquiries:

Helpline

Tel: 0800 015 5429

Sole Sponsor, Joint Global Co-ordinator and Joint Bookrunner

Citigroup Global Markets Limited

Michael Lavelle

Jan Skarbek

Tel: 0207 986 4000

Joint Global Co-ordinator and Joint Bookrunner

BofA Merrill Lynch

Rupert Hume-Kendall

George Close-Brooks

Tel: 0207 174 4000

Joint Global Co-ordinator and Joint Bookrunner

Credit Suisse Securities (Europe) Limited

George Maddison

Nick Koemtzopoulos

Tel: 0207 888 8888

Joint Global Co-ordinator and Joint Bookrunner

Goldman Sachs International

Alasdair Warren

Phil Shelley

Tel: 0207 774 1000

Joint Bookrunner

J.P. Morgan Cazenove

Laurence Hollingworth

Greg Chamberlain

Tel: 0207 742 4000

Joint Bookrunner

UBS Limited

Simon Lyons

Christopher Smith

Tel: 0207 567 8000

Joint Lead Manager

Investec Bank plc

Joe Thompson

Chris Treneman

Tel: 0207 597 4000

Co-Lead Manager

Mizuho International plc

Nigel Brockman

Tel: 0203 192 1300

Financial Advisor

STJ Advisors LLP

Marcus Le Grice

Tel: 0207 659 1125

Media Enquiries:

Brunswick Group LLP

Nick Claydon

Justine McIlroy

James Olley

Tel: 0207 404 5959

Intermediaries Offer Enquiries:

Solid Solutions Associates (UK) Ltd
Nigel Morris

Tel: 0207 549 1613

Notes to Editors:

Except where the context otherwise requires, defined terms used in these notes to editors have the meanings given to such terms in the Prospectus to be published by Saga.

- 1 An Eligible Customer for the purposes of the Customer Offer is defined as any person who held a Saga personal finance product or policy or Saga financial services policy between 5 January 2013 and 30 April 2014, any person who booked a Saga or Titan holiday or cruise (and any passengers travelling on the same booking with such a person) between 5 January 2011 and 30 April 2014, any person who held a Saga Magazine subscription between 5 January 2013 and 30 April 2014, and any person who has purchased or received the benefit of Saga private healthcare services between 5 January 2013 and 30 April 2014. Further details on who is an Eligible Customer for the purposes of the Customer Offer will be set out in the Prospectus.
- 2 Eligible Employees for the purposes of the Employee Offer are employees of the Company or one of its subsidiaries as at 2 May 2014.
- 3 For Eligible Employees applying in the Employee Offer, lower minimum application amounts of £500 and £750 will apply.

Saga and the Offer

Saga is a well-recognised, classic British brand, providing products and services tailored for people aged 50 and over. The Company has been built on high standards of customer care, value for money and talking directly to its customers. The Saga brand embodies those core values today and is one of the most trusted brands among people aged over 50 in the UK.

By focusing on the needs of its customers, Saga has gained a unique insight and an in-depth understanding of the over 50s which has enabled it to expand its business and tailor its products specifically for its customers. Having been initially established as an out-of-season holiday provider in 1950, Saga has successfully broadened its product and service offering to include cruises and holidays, home and motor insurance, savings and share dealing and the UK's best-selling *Saga Magazine*. Saga also provides domiciliary and primary healthcare services through Allied Healthcare.

The Group has delivered consistent revenue and earnings growth with underlying revenue and underlying EBITDA having grown at a 4.7% and 7.4% CAGR, respectively, over the last three years. In the year ended 31 January 2014, the Group generated underlying revenue of £1,209.3 million and underlying EBITDA of £222.4 million.

The Company is making the Offer and is seeking Admission in order to raise further consumer and investor awareness of Saga and to provide the Company with a structure for future growth and development. The Retail Offer has been structured to provide Saga's existing and prospective customers, along with other retail investors in the UK, with the opportunity to become shareholders in the Company.

Expected timetable

Event	Time and Date ⁽¹⁾⁽²⁾
Latest time and date for receipt of completed Online Applications and hard copy Application Forms in respect of the Direct Retail Offer	11:59 pm on 20 May 2014
Latest date for receipt by the Intermediaries of completed application forms	20 May 2014

from retail investors in the Intermediaries Offer

Latest time and date for receipt by the Receiving Agent of applications from Intermediaries in respect of the Intermediaries Offer	12:00 pm on 21 May 2014
Latest date for receipt of indications of interest in the Institutional Offer	22 May 2014
Announcement of the Offer Price and Offer Size, publication of the Pricing Statement and notification of allocations of Shares ⁽³⁾	7:00 am on 23 May 2014
Commencement of conditional dealings in Shares on the London Stock Exchange ⁽⁴⁾	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 ⁽⁵⁾⁽⁶⁾	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 ⁽⁷⁾	From 29 May 2014

Notes:

- (1) Times and dates set out in the timetable above and mentioned throughout this announcement that fall after the date of publication of this announcement 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) The Offer Price and Offer Size will be set out in the Pricing Statement. The Pricing Statement will be available free of charge at the Company's registered office at Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE. In addition, the Pricing Statement will (subject to certain restrictions) be published on the Company's website at www.saga.co.uk/shares.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Or as soon as practicable thereafter. No temporary documents of title will be issued. Underlying applicants who apply to Intermediaries for Shares under the Intermediaries Offer will not receive share certificates.

Offer statistics

Price Range (per Share) ⁽¹⁾	185 pence to 245 pence
Expected minimum number of Shares in the Offer ⁽²⁾	258,653,571
Expected maximum number of Shares in the Offer ⁽²⁾	555,352,703
— New Shares	297,297,297
— Existing Shares	258,055,406
Number of existing Shares subject to the Over-allotment Option ⁽³⁾	83,302,905

Number of Shares in issue following the Offer ⁽⁴⁾	1,067,351,162
Market capitalisation of the Company at the Offer Price ⁽⁴⁾	£2.3 billion
Estimated net proceeds of the Offer receivable by the Company ⁽⁵⁾	£512.4 million
Estimated net proceeds of the Offer receivable by the Selling Shareholder ⁽⁶⁾⁽⁷⁾	£304.9 million

Notes:

- (1) It is currently expected that the Offer Price will be within the Price Range. It is expected that the Pricing Statement containing the Offer Price and the number of Shares which are comprised in the Offer will be published on or about 23 May 2014 and will be available (subject to certain restrictions) on the Company's website at www.saga.co.uk/shares. If the Offer Price is set above the Price Range, the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA.
- (2) It is currently expected that the Offer Size will be set by the Company within the Offer Size Range. If the Offer Size is set above or below the Offer Size Range, then the Company would make an announcement via a Regulatory Information Service and prospective investors would have a statutory right to withdraw their application for Shares pursuant to section 87Q of FSMA. It is expected that the Pricing Statement containing the Offer Price and the number of New Shares and Existing Shares which are comprised in the Offer will be published on or about 23 May 2014 and will be available (subject to certain restrictions) on the Company's website at www.saga.co.uk/shares.
- (3) The maximum number of existing Shares comprised in the Over-allotment Option is, in aggregate, equal to 15% of the maximum number of Shares comprised in the Offer.
- (4) Assuming the Offer Price is set at the mid-point of the Price Range. 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.
- (5) The estimated 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 currently expected to be approximately £37.6 million. The Company will not receive any of the net proceeds from the sale of the Existing Shares in the Offer by the Selling Shareholder or the sale of Shares pursuant to the Over-allotment Option.
- (6) The number of Ordinary Shares to be delivered on settlement of the Retail Offer (or thereafter) is subject to minor adjustment to the extent Ordinary Shares are retained by the Selling Shareholder following defaults by applicants under the terms of the Retail Offer and/or if the Selling Shareholder determines to increase the number of Ordinary Shares sold to rectify any operational or administrative errors in the Retail Offer.
- (7) The estimated net proceeds receivable by the Selling Shareholder are stated after deduction of the estimated underwriting commissions and other fees and expenses of the Offer (including VAT) payable by the Selling Shareholder, which are currently expected to be approximately £9.8 million.

Saga highlights

Focus on serving the attractive and growing over 50s demographic in the UK

- Saga is one of the largest commercial organisations in the UK that offers a range of products and services focused primarily on people aged 50 and over
- The over 50s population is the fastest growing demographic in the UK and is expected to increase from 22.8 million people in 2013 to 29.1 million people by 2033
- The over 50s population is also the most affluent demographic in the UK, controlling approximately 68% of total UK household financial wealth and representing approximately 48% of total UK household expenditure in 2012

A unique and trusted consumer brand

- The Saga brand is synonymous with the over 50s market and is an established name in the UK achieving 96% prompted brand awareness among those aged 50 and over
- Saga is recognised for its high quality products and services, expertise in serving the over 50s market and excellence in customer service

An established and growing Group Marketing Database providing unique customer insight

- Saga's Group Marketing Database contains over one billion lines of highly relevant data relating to approximately 10.4 million contactable individuals and 8.4 million contactable households in the UK
- Approximately 400,000 net new names have been added to the Group Marketing Database each year on average from 31 January 2009 to 31 January 2014

- Saga generates unique customer insight through 60 years of customer dialogue and through broad and regular surveys, which allow it to identify new opportunities for innovative product development in areas that appeal to its customers

Tailored products and a focus on service, providing high levels of customer satisfaction

- Saga uses its knowledge and understanding of its target demographic, including its Group Marketing Database, to tailor its products and services to its customers' increasingly complex needs
- By putting customer service at the heart of its organisation, the Group maintains high levels of customer satisfaction and has consistently won awards for its products and services from various independent consumer and industry awards organisations

Flexible business model and forensic analysis of the value chain

- Saga maintains a business model that allows it to generate underlying EBITDA growth by responding quickly to new commercial opportunities across its existing and potential product portfolio
- The Group's flexible approach to the provision of its products, whether direct or in partnership with a third-party, has enabled it to choose the parts of the value chain where it competes, delivering significant value to both Saga and its customers
- The Group conducts a thorough examination of the value chain to understand where cost is distributed and where value lies to ensure Saga and its customers secure best value

Sophisticated and data-led approach to insurance pricing and risk selection, claims management strength and underwriting expertise have driven outperformance versus the industry

- Saga's scrutiny of actuarial data and its in-house underwriting capabilities have enabled it to identify and respond to changes in claims experience in advance of the wider market
- The Group maintains industry-leading loss ratios through predictive pricing, careful selection of risk and claims management excellence

Focus on efficiency

- Saga's integrated business model achieves significant operating efficiency through best-in-class customer acquisition costs, increasing customer value over time, and continual pursuit of operational excellence
- This is supported by leveraging the Group Marketing Database to deliver targeted marketing, product cross sales and multi-product holdings
- Saga's customer acquisition cost ratios of 7.6% for home insurance and 5.6% for motor insurance compare favourably to the UK market averages of 30.2% and 12.3%, respectively

Consistent financial performance underpinned by significant repeat business

- Saga benefits from high quality revenue streams and significant levels of repeat business which have underpinned its resilient revenue and earnings growth through the economic cycle
- Approximately 88% of Saga's customers as at 31 January 2014 were repeat buyers, having purchased their first Saga product more than one year prior to that date

Strong cash flow generation and cash conversion rates

- Saga had underlying cash flow of £196.7 million in the year ended 31 January 2014 and achieved attractive and growing underlying EBITDA margins, increasing from 17.5% to 18.4% over the last three financial years
- The Group's underlying cash conversion ratio was 88% in the year ended 31 January 2014. The Group's businesses require low levels of maintenance capital expenditure and have favourable working capital dynamics, reflecting upfront payment by customers for most of its products and services

Experienced and proven management team

- Saga has built an experienced senior management team that has been integral to the development and growth of its businesses
- Saga's Executive Chairman, Andrew Goodsell, and its Chief Financial Officer, Stuart Howard, have been with Saga for 22 years and 14 years, respectively
- This team has been further strengthened with the appointment of Lance Batchelor as Group Chief Executive in March 2014, previously CEO of Domino's Pizza Group plc, who brings significant digital CRM skills and direct marketing expertise to enhance Saga's data-driven approach
- They are supported by a strong senior management team comprised of five divisional CEOs (Darryn Gibson, Tim Pethick, Roger Ramsden, David Slater and Andrew Strong) with over 29 years' combined experience at Saga

Strategy and opportunities for further growth

- Continue to develop the Saga brand and grow the Group Marketing Database
- Continue to deliver exceptional customer service and a unique customer experience
- Increase the multi-product holdings of existing customers and increase conversion rates of new customers
- Develop new and expand existing products and services tailored for the over 50s market
- Expand into other business areas, such as wealth management and private homecare, as opportunities present themselves and as customer needs change over time

Three year financial track record

£ millions, unless stated otherwise	Financial year ended 31 January			CAGR
	2012	2013	2014	2012-2014
Number of contactable households (m) ⁽¹⁾	7.9	8.2	8.4	3.6%
Underlying revenue	1,103.5	1,253.9	1,209.3	4.7%
Underlying EBITDA	192.7	213.7	222.4	7.4%
Underlying EBITDA margin (%)	17.5%	17.0%	18.4%	

Note: Unaudited financial information for the three years ended 31 January 2014

(1) Households included in the Group Marketing Database

2015 YTD trading and full year expectations for 2015

- In the two months ended 31 March 2014, the Group has performed strongly with revenue ahead of expectations
- In line with the Group's expectations, revenue from the financial services segment is lower than the same two month period in 2013, as the lower market premium levels experienced in motor insurance in the prior year continue to pass through into the first quarter of the current financial year
- Within the travel segment, trading has been strong with revenue on confirmed bookings up compared to the same period in 2013
- Within the healthcare segment, trading has been in line with our expectations as the benefits of streamlined policies, processes and systems have begun to show through. In April 2014, the Healthcare business was awarded a contract with Kent County Council, its largest contract win to date. Under the terms of the contract, the business will provide 32% of the total hours available, increasing the number of hours of care delivered per week in the county from 4,400 up to 13,800
- As a result, the Directors remain confident in the outlook for the full financial year ending 31 January 2015 and the Group's longer term prospects
- It is anticipated that the Company's next trading update will be its interim results for the six months ending 31 July 2014, which are expected to be published in September 2014

Forward-looking statements

This announcement contains "forward-looking" statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "projects", "anticipates", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of the Directors or Saga with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth and strategies of Saga and the industry in which it operates. These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Saga. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. The Group disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules of the Financial Conduct Authority.

Important notice

The contents of this announcement, which has been prepared by and is the sole responsibility of Saga plc, have been approved by Citigroup Global Markets Limited and Merrill Lynch International solely for the purposes of section 21(2) (b) of the Financial Services and Markets Act 2000 (as amended).

Neither this announcement nor any copy of it may be made or transmitted into the United States, or distributed, directly or indirectly, in the United States. Neither this announcement nor any copy of it may be taken or transmitted directly or indirectly into Australia, Canada, Japan or South Africa or to any persons in any of those jurisdictions, except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of Australian, Canadian, Japanese, South African or United States securities laws. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. This announcement does not constitute, or form part of, an offer to sell, or a solicitation of an offer to purchase, any securities in Australia, Canada, Japan, South Africa or the United States or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

The securities of Saga have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable state law. There will be no public offer of the securities in the United States.

The securities referred to herein have not been registered under the applicable securities laws of Australia, Canada, Japan or South Africa and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or South Africa or to any national, resident or citizen of Australia, Canada, Japan or South Africa.

This announcement is not an offer of securities for sale in the United States or any other jurisdiction. This announcement is an advertisement and not a prospectus. Investors should not subscribe for or purchase any transferable securities referred to in this announcement except on the basis of information in the Prospectus intended to be published by Saga in connection with the proposed admission of its ordinary shares to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange. Copies of the Prospectus will, following publication, be available for inspection from the Company's registered office Enbrook Park, Sandgate, Folkestone, Kent, CT20 3SE and from the Company's website www.saga.co.uk/shares.

Any purchase of Shares in the proposed Offer should be made solely on the basis of the information contained in the final Prospectus to be issued by the Company in connection with the Offer. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus when published. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

This announcement does not constitute a recommendation concerning the Offer. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Before purchasing any Shares, persons viewing

this announcement should ensure that they fully understand and accept the risks that will be set out in the Prospectus, when published. Information in this announcement or any of the documents relating to the Offer cannot be relied upon as a guide to future performance. There is no guarantee that Admission will occur and you should not base your financial decisions on Saga's intentions in relation to Admission at this stage. Potential investors should consult a professional advisor as to the suitability of the Offer for the entity concerned.

Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, Merrill Lynch International, J.P. Morgan Cazenove, UBS Limited and Investec Bank plc each of which is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA"), and Mizuho International plc and STJ Advisors LLP, each of which is authorised and regulated by the FCA, are acting exclusively for Saga and no-one else in connection with the Offer. They will not regard any other person as their respective clients in relation to the Offer and will not be responsible to anyone other than Saga for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, each of Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, Merrill Lynch International, J.P. Morgan Cazenove, UBS Limited, Investec Bank plc and Mizuho International plc and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of Saga or related investments in connection with the Offer or otherwise. Accordingly, references in the Prospectus, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, Merrill Lynch International, J.P. Morgan Cazenove, UBS Limited, Investec Bank plc and Mizuho International plc or any of their respective affiliates acting as investors for their own accounts. Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, Merrill Lynch International, J.P. Morgan Cazenove, UBS Limited, Investec Bank plc and Mizuho International plc and their respective affiliates do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Goldman Sachs International, Merrill Lynch International, J.P. Morgan Cazenove, UBS Limited, Investec Bank plc and Mizuho International plc or any of their respective affiliates or any of their respective directors, officers, employees, advisors or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Saga, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

In connection with the Offer, Merrill Lynch International as stabilising manager, or any of its agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Shares or effect other transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. The stabilising manager will not be required to enter into such transactions and such transactions may be effected on any stock market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the date of the commencement of conditional dealings of the Shares on the London Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the stabilising manager or any of its agents to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilising measures, if commenced, may be discontinued at any time without prior notice. In no event will measures be taken to stabilise the market price of the Shares above the offer price. Save as required by law or regulation, neither the stabilising manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offer.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this document may not conform exactly with the total figure given.