

Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

THURSDAY



1 VANLV92

06/12/2007

169

1499377

The assistance is for the purpose of ~~XXXXXXXXXX~~ [reducing or discharging a liability incurred for the purpose of that acquisition] † (note 1)

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

The number and class of the shares acquired or to be acquired is See Schedule 3.

The assistance is to be given to (note 2) See Schedule 4

The assistance will take the form of

See Schedule 5

The person who [has acquired] ~~XXXXXXXXXX~~ † the shares is
See Schedule 6

† delete as appropriate

The principal terms on which the assistance will be given are

See Schedule 7

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is NIL

The amount of cash to be transferred to the person assisted is £ See Schedule 8

The value of any asset to be transferred to the person assisted is £ NIL

The date on which the assistance is to be given is Within 8 weeks of today's date

**Please complete
legibly, preferably
in black type, or
bold block lettering**

~~X~~We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts (note 3)

* delete either (a) or (b) as appropriate

(a) ~~X~~We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

[illegible]

And ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at SAGA HOUSE, 85 BUCKINGHAM GATE
LONDON SW1 6PD

Declarants to sign below

on

Day	Month	Year
26	11	2007

before me M ROACH M. Roach

~~A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor~~ having the powers conferred on a Commissioner for Oaths

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given, if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- 5 The address for companies registered in England and Wales or Wales is -

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ

or, for companies registered in Scotland -

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 1 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

List of Directors

Timothy Bruce Bull of 3 Enbrook Park, Folkestone, Kent, CT20 3SE,

Andrew Goodsell of 1 Enbrook Park, Folkestone, Kent, CT20 3SE, and

Stuart Howard of 2 Enbrook Park, Folkestone, Kent, CT20 3SE

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 2 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Details of Financial Assistance

The Financial Assistance Company is proposing to give financial assistance in connection with the acquisition of shares in the Financial Assistance Company's holding company

- (i) Saga Holdings Limited (CRN 05245832)

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 3 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Number and class of shares to be acquired

The number and class of the shares acquired or to be acquired is

- (i) 2,912,024 Ordinary shares of £0.01 each in Saga Holdings Limited

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 4 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Companies to whom Financial Assistance will be given

The assistance is to be given to

- (i) Acromas Mid Co Limited (CRN 06252749) and Acromas Bid Co Limited (CRN 06252535) in relation to the acquisition of shares in Saga Holdings Limited both of whose registered offices are at The Saga Building, Enbrook Park, Folkestone, Kent CT20 3SE

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 5 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Form of Financial Assistance

The assistance will take the form of the execution, delivery and performance by the Financial Assistance Company of its obligations under

- 1 an accession deed (to be dated on or about the date hereof) (the "**SFA Accession Deed**") relating to (1) a £4,420,000,000 senior facilities agreement originally dated 17 September 2007 (as amended by an amendment agreement dated 31 October 2007) between, among others, Acromas Mid Co Limited (formerly known as Spring & Alpha Midco Limited ("**Midco**") as parent, original borrower and original guarantor, Acromas Bid Co Limited (formerly known as Spring & Alpha Bidco Limited) ("**Bidco**") as original borrower and original guarantor, Barclays Capital and Mizuho Corporate Bank, Ltd as mandated lead arrangers and Barclays Bank PLC as facility agent, issuing bank and security trustee (the "**Senior Facilities Agreement**") pursuant to which the Financial Assistance Company will accede to the terms of the Senior Facilities Agreement as an additional guarantor and an additional borrower, and (2) an intercreditor deed originally dated 18 September 2007 (as amended by an amendment agreement dated 31 October 2007) entered into between among others Midco, Bidco, Barclays Bank PLC as senior facility agent and security trustee and Mizuho Corporate Bank, Ltd as mezzanine facility agent (the "**Intercreditor Agreement**") pursuant to which the Financial Assistance Company would become an Obligor as defined in the Intercreditor Agreement,
- 2 an accession deed (to be dated on or about the date hereof) (the "**MFA Accession Deed**") relating to (1) a £650,000,000 mezzanine facility agreement originally dated 17 September 2007 (as amended by an amendment agreement dated 31 October 2007) between, among others, Midco as parent, borrower and original guarantor, Bidco as original guarantor, Barclays Capital and Mizuho Corporate Bank, Ltd as mandated lead arrangers, Mizuho Corporate Bank, Ltd as mezzanine facility agent and Barclays Bank PLC as security trustee (the "**Mezzanine Facility Agreement**") pursuant to which the Financial Assistance Company will accede to the terms of the Mezzanine Facility Agreement as an additional guarantor, and (2) the Intercreditor Agreement pursuant to which the Financial Assistance Company would become an Obligor as defined in the Intercreditor Agreement,
- 3 a security accession deed (the "**Security Accession Deed**") relating to a debenture dated 17 September 2007 in favour of Barclays Bank PLC (the "**Debenture**") pursuant to which the Financial Assistance Company would grant security for the payment or

discharge of the Indebtedness as therein defined but which includes outstandings under the Senior Facilities Agreement and Mezzanine Facility Agreement, and

- 4 an intra-group loan agreement to be entered into between, amongst others, the Financial Assistance Company and certain other members of the Group (as defined therein) in their capacities as both lenders and borrowers pursuant to which they will make available and receive intra-group loan facilities for, amongst other things, repaying borrowings and making other payments required in the context of the Acquisition (as defined therein) (the "**Intra-Group Loan Agreement**"),

(each of these documents being in such form as the directors may approve and as may be amended, supplemented, novated, replaced, refinanced or restated from time to time (the "**Documents**") together with the performance of the Financial Assistance Company of other acts (such as the execution of documents, ancillary or otherwise) in connection with the acquisition by Acromas Bid Co Limited of all the shares in Saga Holdings Limited

Capitalised terms not otherwise defined in this Schedule 2 shall have the meaning given to them in the relevant Document

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 6 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Details of person who has acquired shares

The person who has acquired the shares is

- (i) Acromas Bid Co Limited (CRN 06252535) in relation to the acquisition of shares in Saga Holdings Limited and whose registered office is at The Saga Building, Enbrook Park, Folkestone, Kent CT20 3SE

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 7 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Principal Terms of the Financial Assistance

The principal terms on which the assistance will be given are

1 Senior Facilities Agreement

1.1 By executing the accession deed to the Senior Facilities Agreement (and thereby, *inter alia*, giving the guarantee and indemnity contained in the Senior Facilities Agreement) the Financial Assistance Company will, *inter alia*

1.1.1 irrevocably and unconditionally and jointly and severally (with the other Guarantors)

- (a) guarantee to each Finance Party punctual performance by each other Obligor (other than itself) of all that Obligor's obligations under the Finance Documents (which include outstandings under the Senior Facilities Agreement and any Ancillary Document),
- (b) undertake with each Finance Party that whenever an Obligor (other than itself) does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor, and
- (c) indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if the guarantee or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal or is not performed on its due date. The amount of the cost, loss or a liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover,
- (d) acknowledge that its guarantee obligations are a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part,
- (e) acknowledge that its guarantee obligations are in addition to and not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party,

- (f) agree that its guarantee and indemnity obligations will not be affected by (amongst other things as referred to in clause 23 4(a) to (g) (*Waiver of Defences*) as inclusive of the Senior Facilities Agreement) an act, omission, matter or thing which would otherwise reduce, release or prejudice any of the Financial Assistance Company's obligations under clause 23 (*Guarantee and Indemnity*) of the Senior Facilities Agreement,
- 1 1 2 give certain representations, undertakings and indemnities to the Senior Finance Parties,
- 1 1 3 agree that any Finance Party may at any time whilst an Event of Default has occurred and is continuing set off any matured obligation due from the Financial Assistance Company under the Finance Documents against any matured obligation owed by that Finance Party to the Financial Assistance Company, and
- 1 1 4 all capitalised terms in this paragraph 1 shall (unless otherwise defined in the Form 155 (and schedules)) be as defined in the Senior Facilities Agreement

2 Mezzanine Facility Agreement

- 2 1 By executing the accession deed to the Mezzanine Facility Agreement (and thereby, *inter alia*, giving the guarantee and indemnity contained in the Mezzanine Facility Agreement) the Financial Assistance Company will, *inter alia*
 - 2 1 1 irrevocably and unconditionally and jointly and severally (with the other Obligors)
 - (a) guarantee to each Mezzanine Finance Party punctual performance by each other Obligor (other than itself) of all that Obligor's obligations under the Mezzanine Finance Documents (which include outstandings under the Mezzanine Facility Agreement),
 - (b) undertake with each Mezzanine Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Mezzanine Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor,
 - (c) indemnify each Mezzanine Finance Party immediately on demand against any cost, loss or liability suffered by that Mezzanine Finance Party if the guarantee or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal or is not performed on its due date. The amount of the cost, loss or a liability shall be equal to the amount which that Mezzanine Finance Party would otherwise have been entitled to recover,
 - (d) acknowledge that its guarantee obligations are a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor

under the Mezzanine Finance Documents, regardless of any intermediate payment or discharge in whole or in part,

- (e) acknowledge that its guarantee obligations are in addition to and not in any way prejudiced by any other guarantee or security now or subsequently held by any Mezzanine Finance Party, and
 - (f) agree that its guarantee and indemnity obligations will not be affected by (amongst other things as referred to in clause 19 4(a) to (g) (*Waiver of Defences*) as inclusive of the Mezzanine Facility Agreement) an act, omission, matter or thing which would otherwise reduce, release or prejudice any of the Financial Assistance Company's obligations under clause 19 (*Guarantee and Indemnity*) of the Mezzanine Facility Agreement,
- 2 1 2 give certain representations, undertakings and indemnities to the Mezzanine Finance Parties,
- 2 1 3 agrees that any Mezzanine Finance Party may at any time whilst an Event of Default has occurred is continuing set off any matured obligation due from the Financial Assistance Company under the Mezzanine Finance Documents against any matured obligation owed by that Mezzanine Finance Party to the Financial Assistance Company, and
- 2 1 4 all capitalised terms in this paragraph 2 shall (unless otherwise defined in the Form 155 (and schedules)) be as defined in the Mezzanine Facility Agreement

3 **Debenture**

- 3 1 By executing the Security Accession Deed to the Debenture the Financial Assistance Company agrees to be a Charging Company under the Debenture and to be bound by all of the terms of the Debenture as if it had originally been a party to it as a Charging Company and among other things will
- (a) subject to any limits on its liability specifically recorded in the Finance Documents covenant with the Security Trustee (for the benefit of itself and the other Secured Parties) as primary obligor that it will pay on demand the Indebtedness when it falls due for payment,
 - (b) charge in favour of the Security Trustee as continuing security for the payment of the Indebtedness with full title guarantee (other than in respect of the Software obtained by the Financial Assistance Company on licence and any information in the Customer Database obtained by the Financial Assistance Company on licence if applicable) the following assets, both present and future, from time to time owned by it or in which it has an interest

(i) by way of first legal mortgage all Premises together with all buildings and fixtures (including trade fixtures) on those Premises,

(ii) by way of first fixed charge

- (1) all the Subsidiary Shares and Investments and all corresponding Distribution Rights,
- (2) all other interests (not charged under Clause 3 1(a) of the Debenture) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all material licences to enter upon or use land and the benefit of all other agreements relating to land,
- (3) all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto,
- (4) all Book Debts and all rights and claims against third parties and against any security in respect of those Book Debts,
- (5) all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of those debts and claims,
- (6) all monies standing to the credit of its accounts (including the Nominated Accounts and the Collection Accounts) and all rights related to those accounts but excluding monies standing to the credit of the Excluded Accounts;
- (7) all its Intellectual Property (including the Software),
- (8) all rights and interest in the Hedging Agreements,
- (9) the benefit of all consents and agreements held by it in connection with the use of any of its assets,
- (10) its goodwill and uncalled capital,
- (11) if not effectively assigned by Clause 3 3 (*Security Assignment*) of the Debenture, all its rights and interests in (and claims under) the Assigned Agreements and the Database Rights,

but excluding the Excluded Assets

(c) charge as further security for the payment and discharge of the Indebtedness, with full title guarantee in favour of the Security Trustee by way of first

floating charge all its assets, both present and future, not effectively charged by way of first fixed charge under Clause 3 1 (*Fixed Charges*) of the Debenture or assigned under Clause 3 3 (*Security Assignment*) of the Debenture, including heritable property and all other assets in Scotland but excluding the Excluded Assets and the Excluded Accounts,

- (d) assign absolutely with full title guarantee to the Security Trustee as further security for the payment and discharge of the Indebtedness, absolutely with all its rights, title and interest in the Assigned Agreements and the Database Rights, **provided that** on payment or discharge in full of the Indebtedness the Security Trustee will promptly at the request and cost of the Financial Assistance Company re-assign the relevant rights, title and interest in the Assigned Agreements and Database Rights to the Financial Assistance Company (or as it shall direct),

3 2 If the Financial Assistance Company as a Charging Company creates (or purports to create) any security interest (except as permitted by the Senior Facilities Agreement and the Mezzanine Facility Agreement or with the prior consent of the Security Trustee) on or over any Floating Charge Asset, or if any third party levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset, the floating charge created under the Debenture will automatically (without notice) and immediately be converted into a fixed charge over the relevant Floating Charge Asset

3 3 Subject to paragraph (b) below, there shall be excluded from the Security created by Clauses 3 1 (*Fixed Charges*) to 3 3 (*Security Assignment*) of the Debenture and from the operation of Clause 5 (*Further Assurance*) of the Debenture any asset or undertaking

- (a) which any Charging Company is prohibited (absolutely or conditionally) from creating Security on or over by reason of any contract, licence, lease, instrument or other arrangement with a third party (including any asset or undertaking which the relevant Charging Company is precluded from creating Security on or over without the prior consent of a third party),
- (b) which, if subject to Security created by Clause 3 of the Debenture, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of any Charging Company in respect of that asset or undertaking,
- (c) any Book Debt or Other Debt which any Charging Company is prohibited (absolutely or conditionally) from creating Security on or over by reason of the contract constituting such Book Debt or Other Debt or by reason of any other contract to which it is a party existing at the date of this deed, or
- (d) situated outside England and Wales to the extent that any such Security would be unlawful under the laws of the jurisdiction in which such asset or

undertaking is situated (or would present a material risk of liability for any director or officer of any Charging Company or give rise to a material risk of breach of fiduciary or statutory duty by any such director or officer)

3 4 Under the Security Accession Deed, the Financial Assistance Company undertakes that it shall not at any time during the subsistence of the Debenture

- (a) create or agree to create or permit to subsist any Security or Quasi-Security over all or any part of the Charged Property,
- (b) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Charged Property (other than Floating Charge Assets on arm's length terms in the ordinary course of trading) or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so,
- (c) dispose of the equity of redemption in respect of all or any part of the Charged Property, or

except as permitted by the Debenture, the Senior Facilities Agreement or the Mezzanine Facility Agreement or with the prior consent of the Security Trustee

3 5 Covenants

3 5 1 The Debenture contains a covenant for the further assurance whereby

- (a) subject to the Agreed Security Principles, the Financial Assistance Company and each other Charging Company shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Trustee may reasonably specify in writing (and in such form as the Security Trustee may reasonably require in favour of the Security Trustee or its nominee(s))
 - (1) to perfect the Security created or intended to be created under or evidenced by this deed or for the exercise of any rights, powers and remedies of the Security Trustee, any Receiver or the Secured Parties provided by or pursuant to this deed or by law,
 - (2) to confer on the Security Trustee or on the Secured Parties Security over any property and assets of that Charging Company located in any jurisdiction equivalent or similar to the Security intended to be conferred by or pursuant to this deed, and/or
 - (3) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this deed

3 5 2 Any security document required to be executed by a Charging Company under Clause 5 1 (*Further Assurance*) of the Debenture will contain clauses corresponding to and no more onerous than the provisions set out in the

Debenture Subject to the Agreed Security Principles, each Charging Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security specified by the Security Trustee conferred or intended to be conferred on the Security Trustee or the Secured Parties by or pursuant to this deed (in each case to the extent necessary to perfect the Security created or intended to be created under this deed over such assets)

- 3 6 The Debenture contains set off provisions such that if an Event of Default has occurred and is continuing any Secured Party may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to that Obligor, regardless of the place of payment, booking branch of currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set off.

Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

- 3 7 All capitalised terms in this paragraph 3 shall (unless otherwise defined in this Form 155 (and schedules)) be defined in the Debenture)

4 **Intercreditor Agreement**

- 4 1 By acceding to the Intercreditor Agreement, the Financial Assistance Company will (amongst other things)

4 1 1 covenant to pay the Senior Debt, the Mezzanine Debt and the Pension Debt owed by that company when the same falls due for payment,

4 1 2 subordinate all monies owed to it by other members of the Group to the monies owed to the Finance Parties (as defined therein),

4 1 3 agree not to make, or receive, and procure that none of its subsidiaries will make, any payment or distribution of any kind whatsoever in respect or on account of the Intra-Group Debt (as defined therein),

4 1 4 agree not to, and procure that none of its subsidiaries will, create or permit to subsist, nor receive from any company in the Group, any security over any asset of any company in the Group or give or permit to subsist any guarantee in respect of any part of the Intra-Group Debt (as defined therein), and

4 1 5 agree to indemnify the Senior Lenders (as defined therein), the Mezzanine Lenders (as defined therein) and the Security Trustee for certain costs, claims, expenses and liabilities under the Intercreditor Agreement,

in respect of paragraphs 4 1 3 and 4 1 4 above, in each case without the consent of the Majority Senior Creditors (if on or before the Senior Discharge Date) and the Majority Mezzanine Lenders (if on or before the Mezzanine Discharge Date)

4 2 All capitalised terms in this paragraph 4 shall (unless otherwise defined in the Form 155) (and schedules) be as defined in the Intercreditor Agreement

5 **Intra-Group Loan Agreement**

The principal terms on which the assistance will be given under the terms of the Intra-Group Loan Agreement are

5 1 The Financial Assistance Company will agree to become a lender and a borrower along with certain other Group Companies for the purposes of assisting a Borrower (which includes Acromas Mid Co Limited and Acromas Bid Co Limited) to

5 1 1 comply with its payment obligations under the Facilities Agreements (including, without limitation, the repayment of principal and the payment of interest),

5 1 2 repay its existing financial indebtedness; and

5 1 3 pay all consideration, costs, expenses and fees and other amounts incurred in connection with the Acquisition (and by virtue thereof, the acquisition of the shares in Saga Holdings Limited)

5 2 Advances under the Intra-Group Loan Agreement may be repaid and reborrowed upon and subject to the terms and conditions of the Intra-Group Loan Agreement

5 3 Each Advance made by the Financial Assistance Company under the Intra-Group Loan Agreement shall bear interest at a rate as may be agreed from time to time between the Financial Assistance Company (as Lender) and each relevant Borrower under the Intra-Group Loan Agreement

5 4 All capitalised terms in this paragraph 5 shall (unless otherwise defined in the Form 155) (and schedules) be as defined in the Intra-Group Loan Agreement

6 **Amendments**

The Financial Assistance Company's obligations as described above continue in relation to the Finance Documents (as defined in the Senior Facilities Agreement) and the Mezzanine Finance Documents (as defined in the Mezzanine Facility Agreement) as they may be amended, modified, varied or restricted from time to time

Company Number 05245794

SAGA 300 LIMITED
(the "Company")

SCHEDULE 8 to Form 155(6)b Statutory Declaration in respect of
Saga Leisure Limited
(the "Financial Assistance Company")

Cash to be transferred at the time of the giving of financial assistance is nil. However cash may be advanced under the Intra-Group Loan Agreement and/or under the other Documents (as defined in schedule 5 of this Form 155)

The Directors
Saga 300 Limited
The Saga Building
Enbrook Park
Folkestone
Kent CT20 3SE

26 November 2007

Dear Sirs

**Report of the Independent Auditor to the directors of Saga 300 Limited (the "Company")
pursuant to Section 156(4) of the Companies Act 1985**

We report on the attached statutory declaration dated 26 November 2007, prepared pursuant to the Companies Act 1985, in connection with the proposal that the Company's subsidiary undertaking, Saga Leisure Limited, should give financial assistance for the reduction or discharge of a liability incurred for the purpose of the acquisition of 2,912,024 Ordinary Shares of £0.01 each of the Company's holding company, Saga Holdings Limited. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their statutory declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors