

ACROMAS

HOLDINGS LTD

30th July 2013

Acromas publishes 2012/13 Annual Report

Continued growth during the year

Highlights

- Acromas now creates employment for some 38,000 people an increase of over 20,000 since 2007.
- Since 2007 AA has increased its breakdown and driving school fleet by 1,394 vehicles.
- Launched new £65 million flagship ship for the Saga fleet, since 2007 Saga has invested a total of £130 million in the fleet.
- Over the year the AA answered 3.5 million call outs during the year, Saga contact centre staff dealt with 6.4 million calls.
- Ended the year with 9.5 million insurance policies across Saga and AA.
- Turnover grew 6.4% to exceed £2.2 billion over the year, primarily due to care business.
- EBITDA (earnings before interest tax depreciation and amortisation) up 4.9% to £620.8 million and operating profit up 5.3% to £547.9 million, driven by a stellar underwriting performance.
- Acromas now operates some of the UK's biggest and best known leisure, insurance, health and roadside service brands: AA, Saga, BSM, Titan Travel and Allied Healthcare.

Andrew Goodsell, chief executive, said:

“It is our focus on delivering excellence in customer service that underpins our commercial success and is why the AA and Saga are pre-eminent in their markets.

I am proud that customers of our iconic British brands consistently place the AA and Saga in 1st and 2nd ranking for customer favourability in the independent Ipsos MORI poll.

Acromas is a UK success story of the past few years as our results keep showing. The investment we've made, the people we've employed and the decisions we've taken have made AA and Saga world class businesses.”

2012-13 Financial Summary

- Turnover of £2,248.8 million (up 6.4%).
- Adjusted EBITDA of £620.8 million (up 4.9%).
- Operating profit of £547.9 million (up 5.3%).
 - The operating profit becomes a reported loss of £574.8 million after paying interest of £199.4 million in cash – but principally due to non-cash items such as amortisation of goodwill (£322.9 million), the notional interest paid on shareholder loans of £490.1 million (this is rolled up and can only be paid once bank debts are repaid), and other non-cash interest of £56.9 million.
- Net bank and other borrowings fell to £3.9 billion by 31st January 2013 and were successfully replaced with longer term finance in July 2013.
- The ratio of third party (external) net debt to EBITDA has fallen again to 7.54 (from 10x when Acromas was formed).

-ENDS-

Acromas Holdings Ltd

Acromas Holdings Ltd acquired the businesses of the AA and Saga on 18th September 2007. Its shareholders are its employees (20.2%), and funds advised by Charterhouse Capital Partners (35.8%), CVC Capital Partners (19.9%) and Permira Advisers (19.9%) and others (4.2%).

www.acromas.com

The AA

The AA is the UK's leading breakdown service, serving 16 million members with more dedicated patrols than any other roadside assistance provider. The AA also offers financial services such as loans and motor and home insurance. The on-line route planner calculates more than three million routes per week. The AA is the largest independent travel publisher in the UK. www.theAA.com

Saga

Saga Group is the UK's leading provider of products and services specifically designed for people aged 50 and over. With some 2.7 million customers, Saga provides insurance, savings and other personal finance products, holidays, and publishes Saga Magazine. www.saga.co.uk

Allied Healthcare

Allied is the UK's largest provider of domiciliary care with some 16,000 people delivering 22 million hours of care each year. Our nationwide network of carers are within 30 minutes of 90% of the UK population. www.alliedhealthcare.com

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