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If you sell or have sold or otherwise transferred all of your Aga Foodservice Group plc shares, please send this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The distribution of these documents in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession any of these documents come should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

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AGA FOODSERVICE GROUP PLC

Proposed Sale of Aga Foodservice Equipment
and
Notice of Extraordinary General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of Aga on pages 3 to 7 of this document which recommends that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting. For a discussion of certain risk factors which should be taken into account when considering what action you should take in connection with the Extraordinary General Meeting, see Part II of this document.

The Sale Agreement is conditional, amongst other things, on the approval of Aga Shareholders. A notice convening an Extraordinary General Meeting of Aga to be held at 12 noon on 15 November 2007 is set out at the end of this document.

A Form of Proxy for use in connection with the Resolution to be proposed at the Extraordinary General Meeting is enclosed. Whether or not you intend to attend the Extraordinary General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any event so as to be received by Aga's registrars, Equiniti (formerly Lloyds TSB Registrars), not later than 12 noon on 13 November 2007.

Alternatively, you may wish to appoint a proxy and register your proxy vote electronically by visiting the web site www.sharevote.co.uk by no later than 12 noon on 13 November 2007.

If you hold Aga Shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti (CREST participant ID 7RA01) so that it is received no later than 12 noon on 13 November 2007.

A summary of the action to be taken by Shareholders is set out on page 7 of this document and in the Notice of Extraordinary General Meeting. The return of a completed Form of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person if you so wish.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy, electronic proxy votes and CREST Proxy Instructions	12 noon on 13 November 2007
Extraordinary General Meeting	12 noon on 15 November 2007

Information regarding forward-looking statements

This document contains a number of forward-looking statements relating to the Aga Group with respect to, amongst other things, the following: financial condition; results of operations; economic conditions in which the Aga Group operates; the business of the Aga Group; future benefits of the Sale; and management plans and objectives. Aga considers any statements which are not historical facts to be "forward-looking statements". They relate to events and trends which are subject to risks and uncertainties which could cause the actual results and financial position of the Aga Group to differ materially from the information presented in the relevant forward-looking statement. When used in this document, the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Aga Group or the management of the Aga Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this document. Neither Aga nor any other member of the Aga Group undertakes any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws and regulations.

PART I

Letter from the Chairman of Aga

AGA FOODSERVICE GROUP PLC

(Registered in England and Wales No.00354715)

Directors	**Registered Office and Head Office**
Victor Cocker CBE (Chairman)	4 Arleston Way
Paul B Dermody OBE	Shirley
Paul E Jackson	Solihull
Helen M Mahy	B90 4LH
William B McGrath	
Stephen Rennie	
Shaun M Smith	
Peter W G Tom CBE	

29 October 2007

To Shareholders and, for information only, to holders of options under the Aga Share Schemes

Dear Madam or Sir,

PROPOSED SALE OF AGA FOODSERVICE EQUIPMENT

1. Introduction

Your Board announced on 19 October 2007 that Aga had entered into a conditional agreement for the sale of Aga Foodservice Equipment, its commercial foodservice and bakery equipment business, to Ali SpA, the major Italian commercial foodservice equipment manufacturer, for a cash consideration of £260 million (including assumption or repayment of net debt) subject to adjustment for movements in net assets between 30 June 2007 and the date of Completion.

As a consequence of the size of Aga Foodservice Equipment relative to the Aga Group, the Sale is conditional, amongst other things, on the approval of Aga Shareholders. The Sale is also conditional on the receipt of certain regulatory approvals and is targeted to be completed by the end of 2007. An Extraordinary General Meeting of Aga is being convened for 12 noon on 15 November 2007 for the purposes of obtaining shareholder approval for the Sale. A notice convening this Extraordinary General Meeting is set out at the end of this document.

Your Board intends that a significant proportion of the available net proceeds of the Sale will be returned to Shareholders.

The purpose of this document is to provide you with information on the proposed Sale, to explain why your Board believes that the Sale is in the best interests of Aga and its Shareholders as a whole and to recommend that Shareholders vote in favour of the Resolution to approve the Sale to be proposed at the Extraordinary General Meeting.

Shareholders should read the whole of this document and not rely solely on the summarised information set out in this letter.

2. Background to and reasons for the Sale

Since 2001, when it sold the Glynwed Pipe Systems businesses, the Aga Group has grown its consumer and commercial foodservice equipment activities organically and by acquisition. Over this period, the Aga Group has achieved a significant position in the foodservice equipment sector, based on its strong product portfolio and the investments which it has made in new and upgraded manufacturing facilities and its distribution network. Aga has also returned approximately £400 million to Shareholders, in addition to ordinary dividends, over the same period.

In order to drive the pace of change, Aga sought a more substantial corporate transaction for its foodservice equipment division to create a market-leading group with greater scale. To this end, it proposed a combination with the US-focused, UK-listed foodservice group, Enodis plc, in late 2006. It did not prove possible to agree a transaction with Enodis plc. The Board remained committed to its analysis of the desirability of structural change in the foodservice equipment sector and, on 6 July 2007, announced that it was working with its advisers to unlock the value of the foodservice equipment businesses.

Following that announcement, Aga undertook a process whereby it provided information to, and received proposals from, a number of parties, including companies with a presence in the foodservice sector and financial sponsors. As announced on 19 October 2007, the Board has reached agreement to sell Aga Foodservice Equipment to Ali SpA, a private company headquartered in Milan, Italy. The Ali group's activities comprise the design, manufacture, marketing and servicing of commercial foodservice equipment and it has 32 manufacturing sites located in 12 countries. The Ali group has annual revenues of approximately EUR850 million.

The Board believes that the price being paid by Ali SpA fairly reflects the high quality and prospects of Aga Foodservice Equipment and also believes that the business will thrive as part of the Ali group, which is a major group focused on the foodservice equipment sector and which has been successful in its expansion in recent years.

3. Information on Aga Foodservice Equipment

Aga Foodservice Equipment has three parts: European Foodservice; European Bakery; and North American Foodservice and Bakery.

European Foodservice comprises: Falcon and Williams, which provide hot-side and cold-side commercial foodservice equipment; and Eloma, which is a German company acquired by Aga Foodservice Equipment in February 2006 and which supplies combi-ovens.

European Bakery comprises: Bongard and Pavailler, based in France, which are suppliers of bakery equipment to artisan bakers and supermarket chains; Mono, which is based in Wales and which supplies in-store bakery equipment; and Miller's, which is based in England and which specialises in contract maintenance and cleaning of bakery and other foodservice equipment.

North American Foodservice and Bakery comprises: Victory, which produces refrigeration equipment and steaming ovens; Amana, which was acquired in September 2006 and which supplies commercial microwave ovens and accelerated cooking ovens; and Adamatic/Belshaw, which supply roll-lines for major bread producers and doughnut-making equipment.

In the financial year ended 31 December 2006, Aga Foodservice Equipment made an operating profit of £21.2 million on revenues of £250.3 million. Net tangible assets and gross assets as at 31 December 2006 were £90.8 million and £285.1 million respectively. In the six months ended 30 June 2007, Aga Foodservice Equipment made an operating profit of £8.9 million on revenues of £131.5 million.

4. Management

The Chairman of Aga, Victor Cocker, has indicated that, following the Sale, an important strategic milestone, he will stand down at the next Annual General Meeting of Aga after seven years' service, including nearly four as Chairman.

Subject to Completion, Stephen Rennie, who is currently Chief Operating Officer of Aga, will join the Ali group and will resign from the Aga Board.

The Board is grateful to Victor Cocker and to Stephen Rennie and the senior management team at Aga Foodservice Equipment, Iain Whyte, Tim Smith and Alain Peru, for their contribution to the development of the Aga Group in recent years.

5. Principal terms of the Sale Agreement

Under the terms of the Sale Agreement, Aga has agreed to sell Aga Foodservice Equipment to Ali SpA for a cash consideration of £260 million (including assumption or repayment of net debt) subject to adjustment for movements in net assets between 30 June 2007 and the date of Completion.

The Sale is conditional, amongst other things, on the approval of Shareholders and on the receipt of certain regulatory approvals and is targeted for completion by the end of 2007. Aga has agreed to pay Ali SpA a break fee of one per cent. of the Sale consideration if Shareholders do not approve the transaction.

Further information on the Sale Agreement is set out in Part V of this document.

6. Pension Scheme

As at 30 June 2007, the Pension Scheme had a surplus of £75.6 million on an IAS 19 basis, based on assets of £767.6 million and liabilities of £692.0 million.

In relation to the sale of Aga Foodservice Equipment, Aga has reached agreement with the trustees of the Pension Scheme in relation to the consequences which would otherwise arise under section 75 of the Pensions Act 1995 as a result of Aga Foodservice Equipment ceasing to be a participating employer under the Pension Scheme. This agreement has been approved by the Pensions Regulator. The main terms of this agreement are that: the Aga Group will make a payment of £10 million to the Pension Scheme and the ongoing funding rate will fall generally to 8.5 per cent. from 16.9 per cent. (in each case including employee contributions) from 2008; and the Aga Group will provide a guarantee to the Pension Scheme of £22.5 million (in addition to the £10 million payment) which will support an undertaking by Aga to make up any deficit in the Pension Scheme identified by the next two triennial actuarial valuations and/or to make a payment to the Pension Scheme if there is a material deterioration in the covenant of the Company.

Further, if, before Completion, a third party acquires or, having made an announcement under rule 2.5 of the City Code on Takeovers and Mergers, makes a formal offer to acquire, more than 50 per cent. of the issued ordinary share capital of the Company, the Aga Group will provide for the £22.5 million (in addition to the £10 million payment) to be paid into the Pension Scheme on Completion.

7. Use of proceeds

The Board estimates that the net proceeds of the Sale after costs will be approximately £250 million. As described in paragraph 6 above, there will be payments and guarantees of £32.5 million in relation to the Pension Scheme. The existing net borrowings of the Aga Group, which are approximately £80 million, will also be repaid out of the net Sale proceeds.

The Board intends to return to Shareholders a significant proportion of the available net Sale proceeds. Such a return will be conditional on the consent of the trustees of the Pension Scheme and the Pensions Regulator, a corporate reorganisation to create the necessary reserves and further shareholder approval. The amount of the return will also take into account the level of borrowing facilities available to the Aga Group following the return. The Board intends that the return will be effected in the first quarter of 2008.

The effect of the Sale on Aga's earnings per share in the year ending 31 December 2008 is expected to be dilutive but this effect is expected to be mitigated by the intended return of cash to Shareholders. This statement does not constitute a profit forecast and should not be interpreted to mean that the Aga Group's earnings per share for the current or future financial years will necessarily match or be greater than historical published earnings per share. An unaudited pro forma statement of the net assets of the Continuing Group as at 30 June 2007 is set out, for illustrative purposes only, in Part IV of this document. Based on that statement, the pro forma effect of the Sale is to increase the net assets of the Aga Group from £320.9 million to £341.3 million.

The Board continues to consider all ways in which shareholder value can be maximised. One aspect of this is consideration of ways to accelerate the achievement of self sufficiency by the Pension Scheme with the objective of reducing risk and enhancing long-term shareholder value. The Board is working with the trustees of the Pension Scheme and the respective specialist pensions advisers to achieve this end. Any significant changes to the Pension Scheme's funding will be made after completion of the work currently underway and in the light of discussions between Aga and a number of leading investment institutions which are putting forward proposals in relation to the long-term funding of the Pension Scheme.

8. Continuing Group

The Sale will enable Aga to focus on its consumer business, where it has leading positions in premium kitchen appliances in the UK and Ireland.

Aga's range of consumer brands is spearheaded by Aga, Rangemaster and Marvel and also includes Divertimenti, Falcon, Fired Earth, Grange, Heartland, La Cornue, Rayburn and Waterford Stanley. These products are sold primarily in the United Kingdom, Ireland, France and North America and also in a further 47 countries.

The Board aims to accelerate growth through:

International growth – Aga will increase its investment in expanding its premium kitchens business internationally and expects that it will achieve strong growth, particularly in France and Ireland, with North America remaining a key target market.

Increasing revenues from existing customers – Aga has a database of over 700,000 customers and will focus not only on increasing spend on Agas and Rangemasters but marketing the other strong brands through this established customer base.

Innovation – Over recent years, Aga has benefited from leading innovation and technology to drive product development and will continue to invest substantially in these areas to drive growth in its key markets.

Higher overall returns – Aga will make it a priority to achieve a substantial improvement in the profitability of the Fired Earth and Grange businesses.

The Board believes that the Continuing Group will be able to deliver higher returns than the overall group as currently constituted. The Board intends to focus on organic growth rather than acquisitions and will continue to consider all options for maximising and delivering best value for Shareholders. Following Completion, the management team will outline a detailed strategy with higher operational targets for the Continuing Group.

9. Current trading

9.1 The Continuing Group

Following the Sale, the continuing business will have two segments led by Aga and Rangemaster. These businesses have traded satisfactorily since the announcement of the Aga Group's interim results for the six months ended 30 June 2007. The level of sales of cast-iron cookers has been satisfactory. Rangemaster continues to perform particularly well and, in addition to a strong performance in the UK, there has been good growth in export sales. Fired Earth has progressed well in the second half to date. In the USA, sales of Marvel's premium refrigeration equipment are likely to be affected by the slowdown in consumer spending.

9.2 Aga Foodservice Equipment

Since the announcement of the Aga Group's interim results for the six months ended 30 June 2007, there have been sound performances across the foodservice operations. Aga Foodservice Equipment is implementing certain reorganisations in order to achieve greater efficiency in its bakery operations.

10. Risk factors

Shareholders should consider fully the risk factors associated with the Aga Group and Aga Foodservice Equipment which are set out in Part II of this document.

11. Further information

Your attention is drawn to the further information set out in Parts III to VI of this document and to the definitions in Part VII.

12. Extraordinary General Meeting

The Sale is conditional, amongst other things, on the approval of Shareholders. A notice convening an Extraordinary General Meeting of the Company to be held at Dresdner Kleinwort, 30 Gresham

Street, London EC2V 7PG at 12 noon on 15 November 2007, at which an ordinary resolution will be proposed to approve the Sale, is set out at the end of this document.

13. Action to be taken

A Form of Proxy for use in connection with the Resolution to be proposed at the Extraordinary General Meeting is enclosed. Whether or not you intend to attend the Extraordinary General Meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and return it as soon as possible and in any event so as to be received by Aga's registrars, Equiniti, not later than 12 noon on 13 November 2007. Alternatively, you may wish to appoint a proxy and register your proxy vote electronically by visiting the web site www.sharevote.co.uk by no later than 12 noon on 13 November 2007. If you hold shares in CREST, you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti (CREST participant ID 7RA01) so that it is received no later than 12 noon on 13 November 2007. The return of a completed Form of Proxy will not prevent you from attending and voting at the Extraordinary General Meeting in person if you so wish.

14. Recommendation

The Board has received financial advice with respect to the Sale from Dresdner Kleinwort and Citi. In providing advice to the Board, Dresdner Kleinwort and Citi have relied upon the Directors' commercial assessments.

The Board considers the Sale to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution to approve the Sale to be proposed at the Extraordinary General Meeting, as they intend to do in respect of their own beneficial holdings amounting in aggregate to approximately 0.359 per cent. of the issued ordinary share capital of the Company.

Yours faithfully,

Victor Cocker CBE
Chairman

PART II

Risk factors

The following risk factors should be carefully considered by Shareholders when deciding what action to take at the Extraordinary General Meeting in relation to the Sale. Shareholders should read the whole of this document and not rely solely on the information set out in this section.

The risks and uncertainties set out below are those which the Directors believe are the material risks relating to the Aga Group. If any of the circumstances identified in the risk factors were to materialise, there could be a material adverse effect on the growth, business, financial condition or results and operations of the Aga Group. The risks below are not intended to be presented in any order of priority. Additional risks and uncertainties currently not known to the Directors, or which the Directors currently consider to be immaterial, may also have a material adverse effect on the Aga Group.

1. Risks relating to the Sale not proceeding

Satisfaction of conditions of Sale Agreement

Completion of the Sale is subject to satisfaction of conditions contained in the Sale Agreement relating, amongst other things, to (i) the approval of Shareholders; and (ii) the obtaining of certain regulatory approvals. If Completion does not occur, the Aga Group will experience a delay in realising, and may ultimately not be able to realise, its strategic objectives. If condition (i) above is not satisfied, Aga will incur a break fee of £2.6 million.

Impaired ability to realise value if the Sale is not completed

The Board considers that the Sale is in the best interests of Shareholders as a whole and that the Sale currently provides the best opportunity to realise the value of the Aga Group's investment in Aga Foodservice Equipment. Accordingly, if the Sale is not completed, the Aga Group's ability to realise the value of its investment in Aga Foodservice Equipment may be impaired.

Potential destabilising effect on Aga Foodservice Equipment if the Sale does not proceed

If the Sale does not proceed, this may have a negative effect on Aga Foodservice Equipment and its management and employees, who have committed considerable time, effort and resource in relation to the Sale process. This could have a negative effect on the value of the Aga Group's investment in Aga Foodservice Equipment.

2. Risks relating to the Sale

The Continuing Group will be exposed to potential liablities and costs as a result of the Sale

The Sale Agreement contains certain warranties and indemnities in favour of Ali SpA. If the Continuing Group incurs liabilities and costs under any of these warranties or indemnities, these costs could have an adverse effect on its business, financial condition and results of operations. Further details of the Sale Agreement are set out in Part V of this document.

3. General risks

Economic conditions

Changes in economic conditions, including, for example, interest rates, rates of inflation, the competitive environment, economic growth rates, tax laws and other factors can substantially and adversely affect the business, financial and operating performance of the Aga Group.

Legislation and regulation

The Aga Group is subject to various laws and regulations around the world and operates in sectors which may be affected by changes in the regulatory environment. Failure to comply with laws and regulations, including health and safety and environmental regulations, could impose additional costs on, have an adverse impact on the performance of and/or damage the reputation of the businesses carried on by the Aga Group.

Raw material and utility prices

The Aga Group uses large amounts of stainless steel, aluminized steel, electricity, gas and related commodities. Volatility and changes in the pricing and availability of these could have a significant impact on the Aga Group's results. In particular, the prices of steel and utilities have increased significantly in recent years and may increase further. The Aga Group's raw materials are sourced on the world market and, in general, the Aga Group has access to multiple sources of supply. However, should there be a significant change in the global balance of supply and demand, or should there be a cessation of supply of these items, the performance of the Aga Group could be adversely affected. In addition, the Continuing Group will purchase lower volumes of stainless steel and other commodities following the Sale. As a result there can be no assurance that the Continuing Group will continue to secure supply of these commodities on the same pricing and other terms as currently supplied.

Foreign exchange

In relation to currency exchange rates, the Aga Group is exposed to transaction risks in respect of products manufactured in one currency region and sold in another currency, and translation risk which causes the results of non-UK businesses to be translated into differing pound sterling values depending on the exchange rate.

4. Risks relating to the Aga Group

Changes in consumer trends and spending

The Continuing Group will derive a significant proportion of its revenues from sales of consumer appliances. Financial and operating performance will depend, in part, on factors which affect the level and patterns of consumer and retail spending, including changes in consumer preferences and trends.

The Continuing Group's future success and revenues will be dependent, in part, on the strength of its principal trading brands. The Aga Group monitors changing consumer preferences, brand perception, price points and other trends such as environmental awareness etc. to understand better and to anticipate its customers' preferences.

Trends in foodservice equipment markets

Aga Foodservice Equipment's key customers include major supermarkets, restaurant/café chains, hotels and government bodies. If major customers change their capital expenditure programmes, suffer a significant loss of market share or in the event of an economic downturn, there could be a material adverse effect on Aga Foodservice Equipment's financial condition and results of operations. These risks are mitigated by monitoring industry and competitive developments and by the fact that Aga Foodservice Equipment is not unduly dependent on a small number of customers.

Inability to protect intellectual property rights

The Aga Group relies significantly on confidential know-how, patents, trademarks, copyrights and design rights to protect proprietary technology and other proprietary rights. Notwithstanding the precautions taken to protect its intellectual property rights, it is possible that third parties may copy or otherwise obtain and use the Aga Group's proprietary technology without authorisation or may otherwise infringe the Aga Group's rights. In some cases, including in relation to a number of the Aga Group's most important products, there may be no effective legal recourse against duplication by competitors.

Infringement of third party intellectual property rights

Patents of third parties may have an important bearing on the Aga Group's ability to offer some of its products. The competitors of the Aga Group, as well as other companies and individuals, may obtain, and may be expected to obtain in the future, patents related to the types of products which the Aga Group offers or plans to offer. In addition, third parties may allege that their intellectual property rights have been infringed by Aga Group products. There can be no assurance that the Aga Group is or will be aware of all patents which may pose a risk of infringement by its products. If one or more of the Aga Group's products were to infringe patents held by others or were alleged to infringe such patents, this could result in claims being made against the Aga Group, which might result in additional costs and/or the Aga Group being required to modify or to cease development or marketing of a particular product or products.

Competitive environment

The markets in which the Aga Group competes are fragmented but many of the Aga Group's competitors are large and have substantially greater financial, marketing, technological and personnel resources. The Aga Group is subject to their competitive actions and, although the Aga Group believes that the performance and price characteristics of its products provide competitive solutions for its customers' needs, there can be no assurance that existing customers will continue to choose its products over products offered by competitors. The Aga Group has a good understanding of the markets in which it operates and its key competitors and their strategies and monitors and develops its strategy to mitigate these risks.

Product defect risk, product liability

The products manufactured and sold by the Aga Group could contain defects, which could result in claims being made against the Aga Group. Individual components may not withstand the mechanical stress placed upon them. The materials used may result in as yet unknown health risks; in particular this could affect food prepared with such materials. The Aga Group has put in place product liability insurance but it cannot be ruled out that claims arise which are not covered by such insurance.

Pension funding

The value of the assets and liabilities of the Aga Group's defined benefit pension schemes is substantial and most of these assets and liabilities will be retained following the sale of Aga Foodservice Equipment. As at 30 June 2007, these schemes were in surplus on an IAS 19 basis. The funding position of these schemes is, and the contributions that are required from the companies that participate in them are, likely to fluctuate as a result of changes in economic conditions, demographic experience, movements in interest rates, the investment performance of the schemes' assets and the longevity of the schemes' members. The potential risks and uncertainties are mitigated by careful management and continual monitoring of the schemes and by appropriate and timely action to ensure as far as possible that the defined benefit pension liabilities do not increase disproportionately. Scheme assets are defensively invested with a current benchmark of 60 per cent. in bonds and property. The Company works closely with the scheme trustees and specialist advisers in managing the inherent risks of such schemes.

5. Risks relating to Aga Shares

Volatility of the price of Aga Shares

The market price of Aga Shares may be affected by a variety of factors including, but not limited to, changes in sentiment regarding Aga Shares, variations in operating results compared with the expectations of market analysts and investors, business developments or those of competitors, the operating performance of competitors and regulatory changes. Shareholders should be aware that the value of Aga Shares can decrease as well as increase and may not always reflect the underlying value or prospects of the business.

Dividends

The ability of Aga to pay dividends on Aga Shares is a function of its profitability and the extent to which, as a matter of law, it has available to it sufficient distributable reserves out of which any proposed dividend may be paid. Aga's ability to pay dividends is also dependent on receipt by it of dividends and other distributions from its subsidiaries.

PART III

Financial information on Aga Foodservice Equipment

1. Basis of preparation

The following financial information relating to Aga Foodservice Equipment has been extracted without material adjustment from the consolidation schedules which support the audited financial statements of the Aga Group as prepared under IFRS for the financial years ended 31 December 2005 (and comparatives for 31 December 2004) and 31 December 2006, and the unaudited interim accounts for the six months ended 30 June 2007. Shareholders should read the whole of this document and not rely solely on the information contained in this Part III.

The financial information contained in paragraphs 2 and 3 of this Part III does not constitute statutory accounts for any company within the meaning of section 240 of the Act. The statutory accounts for Aga in respect of the financial years ended 31 December 2005 (and comparatives for 31 December 2004) and 31 December 2006 have been delivered to the Registrar of Companies. The auditors' reports in respect of those statutory accounts were unqualified and did not contain statements under section 237(2) or (3) of the Act. PricewaterhouseCoopers LLP was the auditor of the Aga Group in respect of the financial years ended 31 December 2004 and 31 December 2005. Ernst & Young LLP was the auditor of the Aga Group in respect of the financial year ended 31 December 2006.

2. Income statements

	Audited Year ended 31 December 2006	Audited Year ended 31 December 2005	Audited Year ended 31 December 2004
£m			
Revenue	250.3	217.0	192.9
Net operating costs	(229.1)	(200.6)	(179.3)
Operating profit before interest and taxation	21.2	16.4	13.6

Notes

(1) For the three-year period ended 31 December 2006, the Aga Group did not allocate its interest bearing debt between the different businesses within the Aga Group. As a result, it is not possible to provide a meaningful allocation of interest costs for Aga Foodservice Equipment for these periods. In addition, it is not possible to provide a meaningful allocation of tax costs for Aga Foodservice Equipment as these are calculated after charging interest.

(2) Net operating costs include an element of group and general overhead costs and pension credits that have been allocated to Aga Foodservice Equipment. Net amounts allocated are estimated to be £1.7 million, £1.9 million and £1.0 million, respectively in 2004, 2005, and 2006.

3. Balance sheet

£m	Audited 31 December 2006	Unaudited 30 June 2007
Non-current assets		
Goodwill	109.6	111.5
Intangible assets	12.6	12.4
Plant property and equipment	31.2	32.7
Investments in associates	0.1	0.1
Deferred tax asset	4.5	3.6
	158.0	160.3
Current assets		
Inventories	46.4	52.9
Trade and other receivables	55.1	56.7
Current tax assets	7.1	6.0
Cash and cash equivalents	18.5	22.0
	127.1	137.6
Total assets	285.1	297.9
Current liabilities		
Borrowings	(0.2)	(0.7)
Trade and other payables	(50.6)	(53.9)
Current tax liabilities	(4.8)	(6.6)
Current provisions	(3.8)	(3.5)
	(59.4)	(64.7)
Net current assets	67.7	72.9
Non-current liabilities		
Borrowings	(1.3)	(1.1)
Retirement benefit obligations	(4.1)	(2.6)
Deferred tax liabilities	(5.0)	(7.6)
Provisions	(2.3)	(2.3)
	(12.7)	(13.6)
Total liabilities	(72.1)	(78.3)
Net assets	213.0	219.6

Note
The above net assets are funded by way of an inter-company loan from the Aga Group.

PART IV

Unaudited *pro forma* statement of net assets of the Continuing Group

Set out below is an unaudited *pro forma* statement of net assets of the Continuing Group illustrating the effect of the Sale. The unaudited *pro forma* statement of net assets is based on the unaudited consolidated balance sheet of Aga as at 30 June 2007 adjusted as described in the notes set out below. The unaudited *pro forma* statement has been prepared to illustrate how the Sale might have affected the net assets of the Continuing Group had it been effected as at 30 June 2007. The unaudited *pro forma* statement is for illustrative purposes only and, because of its nature, the unaudited *pro forma* statement addresses a hypothetical situation and does not, therefore, represent the Continuing Group's actual financial position or results. The unaudited *pro forma* statement has been prepared on the basis set out in the notes below and in accordance with Annex II of the Prospectus Rules.

		***Pro forma* adjustments**		
	Aga Group 30 June 2007 Unaudited (Note 1)	**Sale of Aga Foodservice Equipment Unaudited (Note 2)**	**Sale adjustments Unaudited (Note 4)**	**Continuing Group Unaudited**
£m				
Non-current assets				
Goodwill	169.7	(111.5)		58.2
Intangible assets	29.1	(12.4)		16.7
Plant property and equipment	84.6	(32.7)		51.9
Investments in associates	0.3	(0.1)		0.2
Retirement benefit surplus	76.8	—		76.8
Deferred tax asset	6.5	(3.6)		2.9
	367.0	(160.3)		206.7
Current assets				
Inventories	105.4	(52.9)		52.5
Trade and other receivables	106.3	(56.7)		49.6
Current tax assets	7.2	(6.0)		1.2
Cash and cash equivalents	42.6	(22.0)	119.5	140.1
	261.5	(137.6)	119.5	243.4
Total assets	628.5	(297.9)	119.5	450.1
Current liabilities				
Borrowings	(3.7)	0.7	3.0	—
Trade and other payables	(117.0)	53.9		(63.1)
Current tax liabilities	(16.5)	6.6		(9.9)
Current provisions	(5.7)	3.5		(2.2)
	(142.9)	64.7	3.0	(75.2)
Net current assets	118.6	(72.9)	122.5	168.2
Non-current liabilities				
Borrowings	(118.6)	1.1	117.5	—
Other payables	(1.0)			(1.0)
Retirement benefit obligations	(3.4)	2.6		(0.8)
Deferred tax liabilities	(33.1)	7.6		(25.5)
Provisions	(8.6)	2.3		(6.3)
	(164.7)	13.6	117.5	(33.6)
Total liabilities	(307.6)	78.3	120.5	(108.8)
Net assets	320.9	(219.6)	240.0	341.3

Notes

(1) The net assets of the Aga Group as at 30 June 2007 have been extracted without material adjustment from the unaudited interim financial statements of the Aga Group for the six-month period then ended.

(2) The net assets of Aga Foodservice Equipment as at 30 June 2007 have been extracted without material adjustment from the financial information on Aga Foodservice Equipment set out in Part III of this document.

(3) As at 30 June 2007, net borrowings were £79.7 million, made up of current borrowings of £3.7 million, non-current borrowings of £118.6 million and cash and cash equivalents of £42.6 million.

(4) The Sale adjustments comprise:

(a) an adjustment to cash of £119.5 million, being the net proceeds received from the Sale after taking into account (b), (c) and (d) below as well as settlement of the estimated expenses of £10 million associated with the Sale;

(b) an adjustment to current borrowings of £3.0 million, being the repayment of these borrowings from the Sale proceeds received;

(c) an adjustment to non-current borrowings of £117.5 million, being the repayment of these borrowings from the Sale proceeds received; and

(d) payment of £10 million into the Pension Scheme.

(5) No account has been taken of the trading results or transactions of the Continuing Group or Aga Foodservice Equipment for the period since 30 June 2007. In addition, no adjustment has been made in respect of the Board's intention to return a significant portion of the available net proceeds from the Sale to Shareholders following Completion.

Accountants' Report on the unaudited pro forma statement of net assets

The Directors
Aga Foodservice Group plc
4 Arleston Way
Shirley, Solihull
B90 4LH

29 October 2007

Dear Sirs

We report on the *pro forma* financial information set out in Part IV of the circular to Shareholders (the "Circular") dated 29 October 2007 (the "Pro Forma Financial Information"), which has been prepared on the basis described in the notes to the statement, for illustrative purposes only, to provide information about how the Sale might have affected the financial information presented on the basis of the accounting policies adopted by Aga Foodservice Group plc in preparing the financial statements for the period ended 30 June 2007. This report is required by Listing Rule 13.5.31 and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

Responsibilities

It is the responsibility of the directors of Aga Foodservice Group plc to prepare the Pro Forma Financial Information in accordance with Listing Rule 13.5.31.

It is our responsibility to form an opinion, as required by Listing Rule 13.5.31, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of Aga Foodservice Group plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Aga Foodservice Group plc.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of Aga Foodservice Group plc.

Yours faithfully

Ernst & Young LLP

PART V

Summary of the principal terms and conditions of the Sale

1. Document and parties

The Sale Agreement was entered into on 19 October 2007 between the Sellers and Ali SpA (the "Purchaser") and is the agreement under which each of the Sellers has agreed to sell Aga Foodservice Equipment to the Purchaser.

The obligations of the Sellers (other than Aga) under the Sale Agreement are guaranteed by Aga. The Purchaser may designate one or more wholly owned subsidiaries to be the holder of shares in Aga Foodservice Equipment companies.

2. Consideration

The consideration payable for the sale of the Shares shall be £260 million inclusive of the assumption or repayment of net debt, which shall be payable in cash on Completion and allocated as between the Sellers, and subject to adjustment after Completion in respect of movements in the net assets of the businesses between 30 June 2007 and the date of Completion.

3. Conditions

The Sale is conditional on the following:

(a) the passing at an extraordinary general meeting of a resolution by Shareholders to approve the Sale;

(b) antitrust authorities in Germany, France and, if applicable, the EU approving the transactions contemplated by the Sale Agreement and the termination or expiry of the applicable waiting period in the US; and

(c) no injunction, restraining order or other order or any other legal or regulatory restraint or prohibition having the force of law having been issued or made by any court of competent jurisdiction or any other person which prevents the consummation of the transactions contemplated by the Sale Agreement.

The Purchaser may waive in whole or in part the condition in paragraph (b) but only with Aga's prior written consent.

The parties have undertaken to use all reasonable endeavours to procure the fulfilment of the conditions. If all of the conditions are not satisfied or waived by 23 January 2008, the Sale Agreement will lapse and automatically terminate. In circumstances where the Sale Agreement terminates at a time when the condition in paragraph (a) above is not satisfied the Sellers will pay the Purchaser a break fee of £2.6 million.

4. Warranties

The Sellers have given certain warranties which are customary for a transaction of this nature. These include warranties relating to their ability to sell the shares in the companies which comprise Aga Foodservice Equipment, accounting and financial matters, regulatory and legal matters, intellectual property and information technology matters, the assets of Aga Foodservice Equipment, the contracts of Aga Foodservice Equipment, the properties which Aga Foodservice Equipment either owns or occupies, environmental matters, employees, pensions and taxation.

The warranties are subject to certain financial and time limitations. Other than in respect of warranties relating to capacity, title to shares and valid incorporation (the "Fundamental Warranties"), the Sellers have no liability for warranty claims unless: (a) an individual claim amounts to £0.1 million or more; and (b) all claims in aggregate amount to £2.5 million or more. Once the aggregate limit is exceeded, the Sellers are liable for the whole amount and not just the excess.

The overall cap on the aggregate liability of the Sellers in relation to warranty claims (other than in respect of Fundamental Warranties), any other claims under the Sale Agreement and any Tax Deed (as defined below) claims is £75.0 million, other than in relation to certain indemnities relating to pensions (those indemnities being described below).

The liability of the Sellers under the warranties (other than tax warranties) expires 18 months after the date of the Sale Agreement and, under the tax warranties, on the seventh anniversary of Completion.

The warranties given by the Sellers will be repeated following the date of the Sale Agreement up to the date of Completion; should there occur a breach of such repeated warranties giving rise to a claim in excess of £26.0 million, the Sellers may elect to terminate the agreement and not proceed to Completion.

5. Indemnities

The Sellers have agreed to enter into a tax deed (the "Tax Deed") with the Purchaser on Completion in which they will give certain tax covenants and indemnities in respect of pre-Completion tax liabilities of the companies which comprise Aga Foodservice Equipment. Claims made pursuant to the indemnities contained in the Tax Deed are subject to the overall cap on the aggregate liability of the Sellers referred to in paragraph 4 of this Part V.

The Sellers have also given certain indemnities in respect of pension matters:

(a) Aga has indemnified the Purchaser against any liability arising under Section 75 of the Pensions Act 1995 as a result of Aga Foodservice Equipment Limited ceasing to be a participating employer under the Pension Scheme. However, as described in paragraph 6 of the Chairman's letter in Part I of this document, an agreement has been reached with the Pension Scheme Trustees and therefore Aga expects no Section 75 liability to arise as a result of such cessation.

(b) Aga has indemnified the Purchaser against any liability arising as a result of the Pensions Regulator using its powers under the Pension Act 2004 to require the Purchaser to support the Pension Scheme financially. The Purchaser has indemnified Aga in identical terms in respect of the Mono Equipment Limited Pension and Life Assurance Scheme (which will transfer to the Purchaser with the Sale).

In addition, Aga has agreed to make a payment to the Purchaser in respect of any deficit as at Completion under the Mono Equipment Limited Pension and Life Assurance Scheme. An actuarial valuation to determine the deficit will be carried out within three months of Completion using an agreed methodology and set of assumptions.

The Sellers have also given certain indemnities, expiring four years after the date of the Sale Agreement, in respect of disclosed litigation, and certain legal and administrative matters relating to the business in the US.

The covenants and indemnities described above are customary for a transaction of this nature.

6. Pre-Completion obligations

Aga has undertaken to ensure that, during the period prior to Completion, the members of Aga Foodservice Equipment will carry on the business in the ordinary course and will be subject to certain specific limitations on how Aga Foodservice Equipment will operate until Completion.

The Purchaser also has certain rights of access to Aga Foodservice Equipment and information about Aga Foodservice Equipment in the period until Completion, subject to relevant confidentiality restrictions.

7. Transitional arrangements and services

Aga and Aga Foodservice Equipment Limited have agreed to enter into an agreement on Completion pursuant to which they will provide to each other certain services (including financial, treasury, and website hosting and procurement services) and to continue the supply of certain parts and products to each other for a limited period of time following Completion. These services and products are provided only to the extent they were provided to the appropriate party prior to Completion. Licence agreements relating to certain intellectual property rights utilised by both Aga and the companies which comprise Aga Foodservice Equipment have also been put in place.

PART VI

Additional information

1. Responsibility

The Directors of Aga, whose names appear in paragraph 3 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registration

The Company was incorporated and registered in England and Wales on 5 July 1939 under the Companies Act 1929 with registered number 00354715. The registered office of the Company is 4 Arleston Way, Shirley, Solihull, B90 4LH.

3. Directors

The names and principal functions of the Directors are as follows:

Victor Cocker CBE	Chairman
Paul B Dermody OBE	Non-Executive Director
Paul E Jackson	Non-Executive Director
Helen M Mahy	Non-Executive Director
William B McGrath	Chief Executive
Stephen Rennie	Chief Operating Officer
Shaun M Smith	Group Finance Director
Peter W G Tom CBE	Non-Executive Director

The business address of all the Directors is 4 Arleston Way, Shirley, Solihull, B90 4LH.

Directors' and other interests

At close of business on 26 October 2007 (being the latest practicable day prior to publication of this document) the interests of the Directors, and persons connected with the Directors in the share capital of the Company, such interests being those which could with reasonable diligence be ascertained by the Directors, whether or not held through another party, are shown below.

	Number of Ordinary Shares	**Percentage of issued ordinary share capital**
Victor Cocker	50,636	0.044
Paul B Dermody	17,777	0.015
Paul E Jackson	888	0.001
Helen M Mahy	4,816	0.004
William B McGrath	146,692	0.127
Stephen Rennie	70,222	0.061
Shaun M Smith	104,317	0.091
Peter W G Tom	17,777	0.015

The following directors hold options to subscribe for Ordinary Shares:

(i) Aga Foodservice Group 1994 Senior Executive Share Option Scheme

	Number of options	**Period in which the options may be exercised**	**Option price**
William B McGrath	144,000	5 May 2001 to 4 May 2008	£3.21

(ii) The Aga Foodservice Group Long-Term Incentive Plan

	Number of options	Performance condition tested	Dates exercisable
William B McGrath.	42,766*	13 Oct 2006	13 Oct 2006 to 12 Oct 2013
	38,549	27 Apr 2008	27 Apr 2008 to 26 Apr 2015
	33,922	27 Apr 2009	27 Apr 2009 to 26 Apr 2016
	121,262	14 May 2010	14 May 2010 to 13 May 2017
Stephen Rennie.	21,000*	13 Oct 2006	13 Oct 2006 to 12 Oct 2013
	27,521	27 Apr 2008	27 Apr 2008 to 26 Apr 2015
	24,219	27 Apr 2009	27 Apr 2009 to 26 Apr 2016
	86,574	14 May 2010	14 May 2010 to 13 May 2017
Shaun M Smith	14,617*	13 Oct 2006	13 Oct 2006 to 12 Oct 2013
	22,153	27 Apr 2008	27 Apr 2008 to 26 Apr 2015
	19,486	27 Apr 2009	27 Apr 2009 to 26 Apr 2016
	60,656	14 May 2010	14 May 2010 to 13 May 2017

Options marked * have vested. The other options will be tested against the agreed performance conditions at the end of the three-year period from the date of grant. A fee of £1 is payable by each director on exercise of an award and no further consideration is due.

3.1 Executive Directors' service agreements

Executive Directors

Service agreements for each of the Executive Directors are for an indefinite term, ending automatically on the directors' retirement date, but may also be terminated on 12 months' notice in writing by either the Company or by the Director.

The appointment and contract commencement dates for each of the Executive Directors and their base salaries at 1 January 2007 are as follows:

Name	Date of appointment	Date of contract	Salary at 1 January 2007
William B McGrath.	13 Oct 1997	28 Sept 1998	£467,770
Stephen Rennie	3 Nov 2000	20 Mar 2001	£333,960
Shaun M Smith	12 Mar 2001	20 Mar 2001	£268,700

In addition to basic salary, the remuneration packages of the Executive Directors comprise awards under an annual bonus plan (which consists of a cash bonus payable reflecting the performance of the Aga Group), awards under the Aga Group Long-Term Incentive Plan, a pension (see below for further details) and other benefits (including company car and fuel benefit or a cash allowance in lieu of such benefits, private health insurance and life insurance).

Pensions and retirement benefits

The Executive Directors are members of a defined benefit pension scheme. The contractual retirement age agreed in Executive Directors' service agreements is the age of 60 years. The directors' dependants are eligible for a dependants' pension and the payment of a lump sum in the event of death in service. Pensions arrangements provide for a pension on retirement of two-thirds of final pensionable remuneration at normal retirement age with 20 or more years service. From 2005, any increase in the annual pensionable remuneration of senior executives under the scheme is being limited by price inflation. The pensions arrangements of William McGrath and Shaun Smith are already subject to the statutory earnings cap and they receive additional salary in lieu of pension on remuneration above the statutory cap.

Save as disclosed above, there are no other provisions regarding the Executive Directors' remuneration (including salary and other benefits) or commission or profit sharing agreements. The service agreements described above do not contain any express provision for compensation to be payable to them in the event of early termination of their agreements.

Non-Executive Directors' letters of appointment

The Chairman and the Non-Executive Directors have entered into written letters of appointment with the Company and do not have contracts of service. They are not eligible for bonuses or participation in the Company's share plans and no pension contributions are made on their behalf. The initial term of appointment for each Non-Executive Director is three years unless terminated earlier at the discretion of either party. The letters of appointment of the Non-Executive Directors do not contain any express provision for compensation payable to them in the event of early termination of their agreements. The date of appointment and date of the letter of appointment for each of the Non-Executive Directors and current annual basic fees payable are as follows:

Name	Date of appointment	Date of letter of appointment	Fees at 1 January 2007
Victor Cocker	27 Jul 2000	1 Aug 2006	£110,000
Paul B Dermody	12 Mar 2004	12 Mar 2004	£35,000
Paul E Jackson	14 Dec 2005	14 Dec 2005	£35,000
Helen M Mahy	12 Mar 2003	14 Mar 2003	£35,000
Peter W G Tom	1 Feb 2004	29 Jan 2004	£35,000

Additional fees of £5,000 per annum have been agreed for Non-Executive Directors who chair the Company's Audit and Risk Committee (Paul B Dermody) and the Remuneration Committee (Peter W G Tom).

Executive Directors and Non-Executive Directors are subject to appointment and re-election by Shareholders at an Annual General Meeting in line with the provisions set out in Articles 73 and 77 of the Company's articles of association.

4. Substantial shareholdings

As at the close of business on 26 October 2007 (the latest practicable date prior to publication of this document), the Directors had been notified of the following persons who are or will be directly or indirectly interested in 3 per cent. or more of the issued ordinary share capital of the Company:

	Number of Ordinary Shares	Percentage of issued ordinary share capital	Date of notification
Pension Corporation GP Limited	19,685,105	17.10	10 October 2007
Aviva PLC	8,696,121	6.73	29 March 2007*
Prudential PLC Group of Companies	6,580,913	5.09	24 January 2007*
J P Morgan Chase & Co	5,713,191	4.96	1 August 2007
Cazenove Capital Management Limited	4,107,977	3.57	11 July 2007
Legal & General Investment Management Limited	4,126,000	3.19	1 February 2007*
Principle Capital Investment Trust PLC	3,502,382	3.05	13 July 2007

* These notifications were received prior to the share consolidation on 14 May 2007, when each nine 25p ordinary shares were exchanged for eight $28^1/_8$ p Ordinary Shares.

5. Litigation

5.1 The Continuing Group

The Continuing Group is not, nor has it been, engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Aga is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Continuing Group.

5.2 Aga Foodservice Equipment

Aga Foodservice Equipment is not, nor has it been, engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Aga Foodservice Equipment.

6. Material contracts

6.1 The Continuing Group

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Continuing Group either (a) within the two years immediately preceding the date of this document which are or may be material; or (b) which contain any provision under which any member of the Continuing Group has any obligations or entitlements which are or may be material to the Continuing Group as at the date of this document, save as disclosed below:

6.1.1 The Company has five multi-currency bilateral facilities for a total amount of £160 million provided by four banks. The lenders are HSBC Bank plc, Lloyds TSB Bank plc, RBS plc and Svenska Handelsbanken AB. These revolving credit facilities are based on a single agreement with uniform terms and conditions, with the exception of their final maturity dates. The maturity profile of the facilities ranges between eighteen months and five years (the first maturity being November 2008 and the last being May 2012). The facilities were signed during the first half of 2007, prior to the payment of a special dividend and the share consolidation.

The revolving credit facilities are used for general corporate purposes and allow the Company to borrow funds in GBP Sterling or currency for agreed periods of time at the appropriate LIBOR interest rate plus a margin. The facilities are provided to the Company on an unsecured basis.

Under the facility agreement, the Company gives various covenants and undertakings customary for facilities of this nature including the provision of certain financial information and compliance with certain financial ratios.

The facility agreement contains certain restrictions on mergers and acquisitions and the disposal of certain assets. If the Company wishes to maintain the facilities following the receipt of proceeds from a disposal of a significant business, prior written consent of the banks is required.

6.1.2 On 20 June 2007, Aga Foodservice Inc ("Aga Inc") entered into an agreement (the "Domain Sale Agreement") with (1) Domain Acquisition Corporation, (2) Domain Home Holding Company LLC and (3) Domain Inc. whereby Aga Inc agreed to sell its US home fashions business, Domain. The aggregate consideration payable to Aga Inc was $6.725 million of which $3.875 million was in cash and $2.85 million was in loan notes repayable over four years. An additional closing adjustment receipt of approximately $1.197 million is due six months after completion. The agreement contains warranties and indemnities given by Aga Inc customary for a transaction of this nature.

6.1.3 On 19 October 2007, the Company entered into the Sale Agreement as described elsewhere in this document and more particularly in Part V of this document.

6.2 Aga Foodservice Equipment

No contracts have been entered into (other than the contracts entered into in the ordinary course of business) by Aga Foodservice Equipment either (a) within the two years immediately preceding the date of this document which are or may be material; or (b) which contain any provision under which Aga Foodservice Equipment has any obligations or entitlements which are or may be material to Aga Foodservice Equipment as at the date of this document, save as disclosed below:

6.2.1 On 1 February 2006, the Company entered into an agreement (the "Eloma Purchase Agreement") with Gustatus Holding GmbH ("Gustatus") whereby the Company agreed to acquire from Gustatus as a going concern the entire issued share capital of Eloma GmbH. The aggregate cash consideration payable by the Company to Gustatus was EUR10.5 million (including repayment of borrowings). The agreement contains warranties and indemnities given by Gustatus in favour of the Company customary for a transaction of this nature.

Gustatus also gave various undertakings in favour of the Company relating to, *inter alia*, its ability to engage, within limits, in businesses competing with those which are the subject of the agreement, in the two-year period following completion.

Pursuant to an assignment agreement dated 3 October 2007, the Company assigned all of its rights under the Eloma Purchase Agreement to Aga Fooodservice Equipment Limited, an Aga Foodservice Equipment company.

6.2.2 On 6 September 2006, Aga Inc entered into an agreement with (1) Maytag Corporation and (2) Maytag Worldwide N.V. (together "Maytag") whereby Aga Inc agreed to acquire from Maytag as a going concern the business and assets of Amana Commercial Products. The aggregate cash consideration payable to Maytag was $49.25 million. The agreement contains warranties and indemnities given by Maytag in favour of Aga Inc customary for a transaction of this nature. Maytag also gave various undertakings relating to, *inter alia*, the ability of it to engage, within limits, in businesses competing with those that are the subject of the agreement, in the five-year period following completion.

7. Working capital

Aga is of the opinion that, taking into consideration the net proceeds of the Sale, the working capital available to the Continuing Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

8. Significant change

8.1 The Continuing Group

There has been no significant change in the trading or financial position of the Continuing Group since 30 June 2007, being the date to which the last unaudited interim financial statements of Aga were drawn up.

8.2 Aga Foodservice Equipment

There has been no significant change in the trading or financial position of Aga Foodservice Equipment since 30 June 2007, being the date to which the last unaudited interim financial statements of Aga were drawn up.

9. Related party transactions

For each of the periods ended 31 December 2004, 31 December 2005 and 31 December 2006 and in the current financial year to the date of this document, Aga has not entered into any transactions with related parties.

10. Consents

10.1 Dresdner Kleinwort and Citi

Each of Dresdner Kleinwort and Citi has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

10.2 Ernst & Young LLP

Ernst & Young LLP has given and has not withdrawn its written consent to the inclusion in this document of its report on the unaudited *pro forma* statement of net assets of the Continuing Group set out in Part IV in the form and context in which it appears.

11. Documents available for inspection

Copies of the following documents may be inspected at the registered office of Aga and at the offices of Allen & Overy LLP, One Bishops Square, London, E1 6AO during usual business hours on any weekday (public holidays excepted) until the conclusion of the Extraordinary General Meeting:

(a) the memorandum and articles of association of Aga;

(b) the audited consolidated accounts of Aga for the financial years ended 31 December 2005 and 31 December 2006;

(c) the report from Ernst & Young LLP on the unaudited *pro forma* statement of net assets of the Continuing Group contained in Part IV;

(d) the consent letters referred to in paragraph, 10.1 and 10.2 above; and

(e) this document.

Dated 29 October 2007

PART VII

Definitions

In this document and in the notice convening the Extraordinary General Meeting and accompanying Form of Proxy the following expressions shall have the following meanings, unless the context otherwise requires:

"Act"	means the Companies Act 1985, as amended;
"Aga" or the **"Company"**	means Aga Foodservice Group plc;
"Aga Foodservice Equipment"	means the commercial foodservice and bakery equipment businesses of the Aga Group;
"Aga Group"	means Aga and its subsidiary undertakings as at the date of this document;
"Aga Share Schemes"	means The Aga Foodservice Group 1994 Senior Executive Share Option Scheme and The Aga Foodservice Group Long-Term Incentive Plan;
"Board"	means the board of directors of Aga as constituted from time to time;
"Citi"	means Citigroup Global Markets Limited;
"Completion"	means completion of the Sale in accordance with the terms of the Sale Agreement;
"Continuing Group"	means the Aga Group as it will exist following Completion;
"CREST"	means the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations);
"CREST Proxy Instruction"	means the appropriate CREST message to make a proxy appointment by means of CREST;
"CREST Regulations"	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
"Directors"	means the directors of Aga whose names appear on page 18 of this document;
"Dresdner Kleinwort"	means Dresdner Kleinwort Limited;
"Extraordinary General Meeting"	means the extraordinary general meeting of Aga to be held at Dresdner Kleinwort, 30 Gresham Street, London EC2V 7PG at 12 noon on 15 November 2007, notice of which is set out at the end of this document (or any reconvened meeting following any adjournment thereof);
"Form of Proxy"	means the enclosed form of proxy for use by Shareholders in connection with the Extraordinary General Meeting;
"FSMA"	means the Financial Services and Markets Act 2000 and all regulations promulgated thereunder from time to time;
"IFRS"	means International Financial Reporting Standards as adopted by the European Union;
"Listing Rules"	means the listing rules made by the Financial Services Authority in exercise of its functions as competent authority pursuant to Part VI of FSMA;
"Ordinary Shares" or **"Aga Shares"**	means ordinary shares of 28 1/8 pence each in the capital of Aga;
"Pension Scheme"	means the Aga Foodservice Group Pension Scheme;

"Prospectus Rules"	means the prospectus rules made by the Financial Services Authority in exercise of its functions as competent authority pursuant to part VI of the FSMA;
"Resolution"	means the ordinary resolution to approve the Sale as set out in the notice convening the Extraordinary General Meeting;
"Sale"	means the proposed sale by the Sellers of Aga Foodservice Equipment pursuant to the terms and subject to the conditions of the Sale Agreement;
"Shareholder(s)"	means holder(s) of Ordinary Shares;
"Sale Agreement"	means the conditional sale agreement dated 19 October 2007 between the Sellers and Ali SpA, the principal terms of which are summarised in Part V of this document; and
"Sellers"	means Aga, AFG Properties Limited, AFG Holdings Limited and AFG Developments Limited and "**Seller**" shall mean any of them.

AGA FOODSERVICE GROUP PLC

(*Incorporated in England under the Companies Act 1929 under number 00354715*)

Notice of Extraordinary General Meeting

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Aga Foodservice Group plc (the "Company") will be held at 12 noon on 15 November 2007 at Dresdner Kleinwort, 30 Gresham Street, London EC2V 7PG for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

THAT the proposed sale by the Company of Aga Foodservice Equipment (as defined in the circular to the Company's shareholders dated 29 October 2007) (the "Circular") be and is hereby approved on the terms and subject to the conditions contained in the sale and purchase agreement dated 19 October 2007 between the Company, AFG Properties Limited, AFG Holdings Limited, AFG Developments Limited and Ali SpA (the "Sale and Purchase Agreement") as described in the Circular and the directors of the Company (or any duly constituted committee thereof) be and are hereby authorised to conclude and implement the same in accordance with such terms and conditions and to agree such modifications, variations, revisions, waivers, amendments and extensions to or waivers of such terms and conditions (provided such modifications, variations, revisions, waivers, amendments and extensions are not of a material nature) and to any documents relating thereto as they may in their absolute discretion think fit.

Dated 29 October 2007

Registered office:	By Order of the Board
4 Arleston Way	Pamela Sissons
Shirley	*Company Secretary*
Solihull	
B90 4LH	

Notes

(1) A member of the Company entitled to attend and vote at the meeting may appoint a proxy or proxies (who need not be a member of the Company) to attend and, on a poll, to vote on his or her behalf. In order to be valid an appointment of proxy must be returned by one of the following methods:

- (i) in hard copy form by post, by courier or by hand to the Company's registrars, Equiniti;
- (ii) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below; or
- (iii) by appointing and registering his/her proxy vote electronically by visiting the website www.sharevote.co.uk,

and in each case must be received by the Company not less than 48 hours before the time of the meeting.

(2) (a) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(b) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

(c) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(d) CREST members and, when applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal systems timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST System by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(3) A member who wishes to appoint a proxy and register his or her proxy vote electronically should visit the website www.sharevote.co.uk. The on-screen instructions will give details on how to complete the appointment and voting process.

(4) A form of proxy is enclosed for use by shareholders and, if appropriate, must be deposited with the Company's registrars, Equiniti, not less than 48 hours before the time of the meeting. Appointment of a proxy does not preclude a shareholder from attending the meeting and voting in person.

(5) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, in order to be able to attend and vote at the meeting or any adjourned meeting (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by 6.00 p.m. (London time) on 13 November 2007 (or 6.00 p.m. on the date two days before any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(6) Shareholders who return a form of proxy or register the appointment of a proxy will still be able to attend the meeting and vote in person if they so wish.

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