

SEPARATOR SHEET

213393



GRAND METROPOLITAN FINANCE PLC



GRAND METROPOLITAN

213393

....adding value



Grand Metropolitan Finance Public Limited Company ✓

(incorporated in England and Wales under the Companies Acts 1908 to 1917
and the Companies Acts 1948 to 1981 with registered number 213393)

6.J.1
6.J.2

Grand Metropolitan Finance France S.A.

(incorporated in France with registration number B 382 587 590)

6.J.1
6.J.2

Grand Metropolitan International Finance B.V.

(incorporated in The Netherlands with its registered corporate seat
in Amsterdam with registration number 161.335)

6.J.1
6.J.2

Grand Metropolitan Investment Corporation

(incorporated in the State of Delaware, U.S.A.)

6.J.1
6.J.2

US\$500,000,000 Euro Medium-Term Notes

6.I.4

Due 9 Months or More from Date of Issue Guaranteed as to
Payment of Principal, Premium (if any) and Interest by

Grand Metropolitan Public Limited Company

(incorporated in England and Wales under the Companies Act 1929
and the Companies Acts 1948 to 1981 with registered number 291848)

The Issuers may severally offer from time to time their Euro Medium-Term Notes, Due 9 Months or More From Date of Issue, at an aggregate initial offering price not to exceed US\$500,000,000, or its equivalent in other currencies or composite currencies, subject to increase by the Issuers. As of the date of this Offering Circular, the Issuers have issued an aggregate of US\$7.8 million of the Notes. Because the Notes are limited in aggregate initial offering price to US\$500,000,000, or its equivalent in other currencies or composite currencies, an issuance of the Notes by one of the Issuers will correspondingly reduce the amount of Notes available to be issued by the other Issuers. Each of the Notes will have the benefit of an unconditional and irrevocable guarantee as to payment of principal, premium (if any) and interest from the Guarantor.

The Notes may be denominated in US Dollars, British Pounds Sterling, Deutsche Marks, ECUs, Japanese Yen, Italian Lire, Dutch Guilders, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swedish Kronor, Danish Kroner, Finnish Markkas or, subject to certain conditions, any other currency, composite currency or basket of currencies set forth in the applicable Pricing Supplement. However, Notes denominated in or linked to Japanese Yen and Notes which are denominated or are or may be payable in Sterling must have an original maturity of more than one year and may not contain any put or call option entitling any person to redeem, or require the redemption of, such Notes on or prior to their first anniversary. Notes denominated or payable in Sterling must have an original maturity not exceeding five years. Notes denominated in Dutch Guilders which are described as medium term notes and Notes denominated in Deutsche Marks may not have an original maturity of less than two years.

The interest rates and offering prices on Fixed Rate Notes, any indices, the spreads and offering prices for Floating Rate Notes and the offering prices for Zero Coupon Notes will be established by the Issuers from time to time and set forth in the applicable Pricing Supplement. The Issuers also may issue Notes (other than Notes denominated in Deutsche Marks) with principal or interest determined by reference to one or more commodity prices, equity indices, the exchange rate of the Specified Currency for one or more other currencies, or other factors, in each case with the terms to be set forth in the applicable Pricing Supplement hereto.

The Notes will be offered by the Issuers through the Dealers, who have agreed to use reasonable best efforts to solicit offers to purchase the Notes. The Issuers reserve the right to sell Notes directly on their own behalf and, from time to time, to or through any other dealers. The Dealers may purchase Notes on their own behalf or may solicit offers to purchase the Notes as agents of the Issuers. An issue of Notes may also be jointly and severally underwritten by two or more Dealers. The Issuers or the Dealers may reject any offer as a whole or, subject to the terms of such offer, in part. See "Plan of Distribution".

Application has been made to The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited (the "London Stock Exchange") for Notes to be issued under this program up to 12 months from the date of this Offering Circular to be admitted to the Official List. Any Pricing Supplement with respect to Notes to be admitted to the Official List of the London Stock Exchange will be delivered to the London Stock Exchange on or before the date of issue of such Notes. Copies of this Offering Circular, which comprises the Listing Particulars for the purpose of giving information with regard to the Issuers, the Guarantor and its subsidiaries and the Notes, have been delivered by the Guarantor and the UK Issuer for registration to the Registrar of Companies in England and Wales. Copies of each Pricing Supplement will be available from the specified offices of each of the Paying Agents. The Issuers may also issue unlisted Notes. Any of the Issuers may redeem the Notes if certain changes in taxation law occur or, if the applicable Pricing Supplement so provides, in the circumstances set out therein. See "Terms and Conditions of the Notes — Optional Tax Redemption".

6.I.1

6.I.3 ✓

CS First Boston**Merrill Lynch International Limited****Morgan Stanley & Co.**
International**Goldman Sachs International****J.P. Morgan Securities Ltd.****UBS Limited****S.G.Warburg Securities****Goldman Sachs International**

as Arrangers

Goldman, Sachs & Co. oHG

The date of this Offering Circular is February 20, 1995.

No person has been authorized to give any information or to make any representations other than those contained in this Offering Circular, and, if given or made, such information or representations must not be relied upon as having been authorized. Neither this Offering Circular nor any Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates. Neither the delivery of this Offering Circular or any Pricing Supplement nor any sale hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Grand Metropolitan Finance Public Limited Company (the "UK Issuer"), Grand Metropolitan Finance France S.A. (the "French Issuer"), Grand Metropolitan International Finance B.V. (the "Dutch Issuer"), Grand Metropolitan Investment Corporation (the "US Issuer") (each an "Issuer" and together the "Issuers"), or Grand Metropolitan Public Limited Company (the "Guarantor") since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

This Offering Circular comprises Listing Particulars (as defined below) issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 (the "Financial Services Act") by the London Stock Exchange. However, neither the 1994 Form 20-F (as defined below) nor the Shareholders' Circular (as defined below) forms a part of the Listing Particulars. The Issuers and the Guarantor accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuers and the Guarantor (which have taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

6.H.3

This Offering Circular is to be read in conjunction with all documents that are attached hereto. See "Available Information and Attachment of Certain Documents". This Offering Circular shall be read and construed on the basis that such documents form part of this Offering Circular but not the Listing Particulars (as defined below).

The Euro Medium-Term Notes, Due 9 Months or More From Date of Issue (the "Notes") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and include Notes in bearer form that are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered, directly or indirectly, in the United States of America or to US persons, each as defined herein. Neither this Offering Circular nor any Pricing Supplement constitutes an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction where such offer or solicitation is unlawful. Notes in bearer form are subject to US tax law requirements. See "Plan of Distribution".

Each tranche of Notes in bearer form will initially be represented by a Temporary Global Note (as defined below) which will be deposited on the issue date with a common depositary on behalf of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System (the "Euroclear Operator") and Cedel Bank, société anonyme ("Cedel"). Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes (as defined below), or, if so provided in the relevant Temporary Global Note, for definitive Notes in bearer or registered form after the date falling 40 days after the later of completion of the distribution of the relevant tranche as determined by the lead manager in respect of such tranche or any later date determined by the applicable Issuer, in its sole discretion, in order for the issuance of securities under the Fiscal Agency Agreement to be exempt from the registration requirements of the Securities Act, in either case upon certification as to non-US beneficial ownership in the manner and upon compliance with the procedures described under "Terms and Conditions of the Notes — Form, Exchange, Registration and Transfer". Interests in a Permanent Global Note will be exchangeable for definitive Notes in bearer form or registered form, in each case as described in "Terms and Conditions of the Notes — Form, Exchange, Registration and Transfer".

The distribution of this Offering Circular and the offering of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Guarantor and CS First Boston Limited, Goldman Sachs International, Merrill Lynch International Limited, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, UBS Limited and S.G. Warburg Securities Ltd. (the "Dealers") to inform themselves about and to observe any such

restriction. For a further description of certain restrictions on offering and sales of Notes and on distribution of this Offering Circular, see "Plan of Distribution".

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning any of the Issuers or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigations as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

This Offering Circular and any Pricing Supplement do not describe all the risks of an investment in Notes denominated in, or the payment of which is related to the value of, any currency or composite currency, and the Issuers and the Guarantor disclaim any responsibility to advise prospective purchasers of such risks as they exist at the date of this Offering Circular or as such risks may change from time to time. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in Notes the payment of which is related to the value of specified currencies. Such Notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal, premium, if any, or interest on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note would not be available when payments on such Note are due. In that event, the applicable Issuer would make required payments in US Dollars on the basis of the Market Exchange Rate on the date of such payment or, if such rate of exchange is not then available on the basis of the Market Exchange Rate, as of the most recent practicable date. See "Terms and Conditions of Notes — Payment of Principal and Interest; Paying Agents".

In connection with the issue of any tranche of the Notes, the Dealer (if any) disclosed as stabilizing manager in the relevant Pricing Supplement may over-allot or effect transactions that stabilize or maintain the market price of such Notes at a level that might not otherwise prevail. Such stabilizing, if commenced, may be discontinued at any time.

AVAILABLE INFORMATION AND ATTACHMENT OF CERTAIN DOCUMENTS

The Guarantor's Annual Report on Form 20-F for the fiscal year ended September 30, 1994 (File No. 1-10691) (the "1994 Form 20-F") has been filed with the United States Securities and Exchange Commission ("SEC") pursuant to the Exchange Act, and is attached hereto. In addition, the shareholders' circular, dated February 13, 1995 (the "Shareholders' Circular"), of the Guarantor regarding the acquisition of Pet Incorporated is attached hereto. However, neither the 1994 Form 20-F nor the Shareholders' Circular forms a part of the Listing Particulars.

The principal executive and registered office of the Guarantor is located at 20 St James's Square, London SW1Y 4RR, England. The UK Issuer's principal executive and registered office is located at 20 St James's Square, London SW1Y 4RR, England. The French Issuer's principal executive and registered office is located at BP 10, 71570 La Chapelle de Guinchay, Republic of France. The Dutch Issuer's principal executive office and registered seat is located at Heathrowstraat 3, 1043 CE Amsterdam, The Netherlands. The US Issuer's principal executive office is located at Pillsbury Center, 200 South Sixth Street, Minneapolis, Minnesota 55402, United States of America.

In this Offering Circular, references to "British pounds sterling", "pounds sterling", "£", "sterling", "pence" or "p" are to UK currency; references to "US dollars", "US\$" or "\$" are to US currency; references to "FRF" are to French currency and references to "NLG" are to Dutch currency.

Any statement contained herein or in a document incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Offering Circular (but not the Listing Particulars) to the extent that a statement contained in any subsequent document which is also incorporated herein by reference or that is a supplement hereto, modifies or supersedes such a statement. Any statement so superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. The "Listing Particulars" means the listing particulars approved by the London Stock Exchange as required by the Financial Services Act.

This Offering Circular may be used only in connection with the offer, sale and listing of Notes in an aggregate initial offering price up to \$500,000,000 (or its equivalent in other currencies or composite currencies). References herein to "Offering Circular" shall include the 1994 Form 20-F and the Shareholders' Circular. However, neither the 1994 Form 20-F nor the Shareholders' Circular forms a part of the Listing Particulars.

Each of the Issuers and the Guarantor has given an undertaking to the Dealers in connection with the listing of the Notes on the London Stock Exchange to the effect that if after preparation of the Listing Particulars for submission to the London Stock Exchange and at any time when listed Notes are outstanding (a) there is a significant change affecting any matter contained in the Listing Particulars whose inclusion was required by Section 146 of the Financial Services Act or by the listing rules made by the London Stock Exchange (or such other body to which its functions have been transferred under Section 157 of that Act) under that Act (the "Listing Rules") or by the London Stock Exchange, or (b) a significant new matter arises the inclusion of information in respect of which would have been so required if it had arisen when the Listing Particulars were prepared, the applicable Issuer or Issuers or the Guarantor will give to Goldman Sachs Equity Securities (U.K.) (the "Listing Agent") full information about such change or matter and shall publish supplementary listing particulars as may be required and approved by the London Stock Exchange and approved by the Listing Agent, and shall otherwise comply with the applicable provisions of the Financial Services Act and the Listing Rules in that regard and shall supply to each Dealer such number of copies of the supplementary listing particulars as such Dealer may reasonably request.

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GRAND METROPOLITAN PUBLIC LIMITED COMPANY

The Guarantor was incorporated for an unlimited duration with limited liability under the laws of England and Wales on September 6, 1934 and re-registered as a public company on March 8, 1982. The Guarantor and its subsidiaries (the "Group" or "GrandMet") comprise a leading international branded consumer products group managed as two core sectors of operations: Food and Drinks. GrandMet, which is headquartered in the United Kingdom, was the 21st largest UK publicly owned company in terms of market capitalization on February 10, 1995, with a market capitalization of approximately £8.0 billion. The Group considers its brands to be important to its operations, and a focus of its business strategy is to strengthen and increase consumer appeal for its key brands.

The Food sector. The Food sector comprises: Pillsbury and GrandMet Foods Europe, producers and distributors of leading food brands; Burger King, the fast food restaurant chain; and Pearle, the eyewear and eyecare retailer. Food products sold internationally include Green Giant vegetables and Häagen-Dazs frozen dessert products; products sold primarily in the United States include Pillsbury bakery and prepared dough products, and Totino's and Pappalo's pizza products.

6.K.1

The Drinks sector. The Drinks sector comprises International Distillers and Vintners ("IDV"), which is one of the largest spirits and wines groups in the world. IDV produces and distributes a wide range of branded products, including Smirnoff vodka, J&B Rare Scotch whisky and Baileys Original Irish Cream liqueur.

The Group also has a 50% interest in Innpreneur Estates Limited and its subsidiaries ("IEL"), a property joint venture with Courage Limited ("Courage"), a subsidiary of Foster's Brewing Group Ltd ("Fosters").

GrandMet has completed a number of acquisitions and dispositions since the beginning of fiscal 1987, consistent with its current strategy of focusing its operations on food and drinks. From the beginning of fiscal 1987 to date, the Group has spent approximately £8.3 billion on acquisitions, the most important of which were the acquisition of Heublein Inc., a major drinks producer and distributor in the United States, for \$1.2 billion in March 1987, the acquisition of The Pillsbury Company ("Pillsbury"), a major worldwide branded foods company whose operations included Burger King, for \$5.8 billion in January 1989 and the acquisition of Pet Incorporated in February 1995 for \$2.6 billion. In March 1991, GrandMet completed the sale of its brewing operations and the restructuring of a significant portion of its pub estate. Between December 1991 and October 1992, GrandMet sold its Express dairy businesses. The sale of the Chef & Brewer UK pub retailing business ("Chef & Brewer") was completed in November 1993. In December 1994, GrandMet completed the sale of Alpo Petfoods, Inc ("Alpo") for \$510 million. From the beginning of fiscal 1987 to date, dispositions, including Alpo, have been made for a total consideration of approximately £5.7 billion.

The Group's acquisitions have significantly increased the international scope of its operations, primarily in the United States, and have strengthened its portfolio of brands. In fiscal 1994, approximately 60% of sales and 67% of total operating income before exceptional items were generated by continuing businesses in the United States. Grand Metropolitan Incorporated, an indirect wholly owned subsidiary of the Company, serves as a holding company for the Group's US operating companies, including Pillsbury, The Häagen-Dazs Company, Inc., Burger King Corporation and Pearle, Inc. in the Food sector; and Heublein Inc., The Paddington Corporation and Carillon Importers Ltd in the Drinks sector.

The Group expects to continue to make selective acquisitions in its core businesses and further dispositions where these are consistent with its overall business strategy.

6.N.1(a)

Recent Developments

On January 9, 1995 GrandMet announced that a subsidiary of Pillsbury, TPC America Holdings Inc. ("Holdings"), had entered into a merger agreement (the "Merger Agreement") to acquire all the

outstanding shares of Pet Incorporated ("Pet") for \$2.6 billion (£1.7 billion). Pet is a leading US packaged food company with sales in the year ended June 30, 1994 of \$1.6 billion (£1.1 billion). Pet's products principally comprise Mexican and Italian foods, frozen bakery products and seafood products, which it sells under a number of well-known brand names. Pursuant to the Merger Agreement, Holdings commenced a tender offer for all of the outstanding shares of common stock, par value \$0.01 per share ("Pet Shares"), at a price of \$26 per Pet Share. On February 9, 1995, following the expiration of the tender offer, Pillsbury accepted for payment all of the 95,364,543 Pet Shares, representing approximately 94% of the outstanding Pet Shares, tendered pursuant to the tender offer. Subject to the terms of the Merger Agreement, Pet Shares not acquired pursuant to the tender offer will be converted into the right to receive \$26 in cash in a second step merger. The merger is expected to be completed on May 12, 1995. In connection with the acquisition, GrandMet has assumed various obligations of Pet, including outstanding long and short term debt which at December 31, 1994 totalled approximately \$0.5 billion. Based on initial estimates, using the unaudited balance sheet of Pet at September 30, 1994, the Group estimates that there will be a goodwill write off of approximately £450 million and integration costs of approximately £120 million.

Capitalization

The following table sets forth the capitalization of the Group at September 30, 1994. For the purposes of this Offering Circular, "Capitalization" as used in relation to the UK Issuer, the French Issuer and the Dutch Issuer is defined as total external borrowings (total borrowings excluding those borrowings from Group companies) plus called up share capital.

	At September 30, 1994			6.L.6(a)
			(audited)	
	Secured £million	Unsecured £million	Total £million	
Guaranteed notes 1996	—	188	188	
Guaranteed notes 1999	—	564	564	
Guaranteed notes 2001	—	188	188	
Zero coupon bond 2004	—	358	358	
Guaranteed notes 2004	—	127	127	
Guaranteed notes 2011	—	187	187	
Guaranteed notes 2022	—	188	188	
Medium term notes	—	144	144	
Other loans and debentures	2	93	95	
	2	2,037	2,039	
Commercial paper	—	611	611	
Bank loans and overdrafts	272	223	495	
	274	2,871	3,145	
Called up share capital			533	
Total capitalization			3,678	

Non-sterling amounts have been translated at the rates of exchange ruling at September 30, 1994.

As of the date of this Offering Circular, the Guarantor's authorized share capital is £660 million divided into: 1,217,250 3.325% cumulative preference shares of £1 each; 7,739,411 3.5% cumulative preference shares of £1 each; 3,278,454 4.375% cumulative preference shares of £1 each and 2,591,059,540 ordinary shares of 25p each. All of the cumulative preference shares and 2,086,118,911 of the ordinary shares were issued and fully paid at the date of this Offering Circular. 6.J.9

At September 30, 1994 the Group had obligations under finance leases of £37 million and had given performance guarantees and indemnities to third parties of £71 million. In addition, the Group and Fosters

have several and equal obligations to ensure that the effective rate of interest borne on IEL's secured loans does not exceed certain levels. The Group and Fosters have also severally and equally guaranteed IEL's obligations under interest rate swap agreements taken out to ensure IEL's compliance with its financial covenants; the estimated contingent liability to the Group under these guarantees at September 30, 1994 was £9 million, compared to £28 million in the previous year.

Save as disclosed above, and apart from intra-Group liabilities, neither the Guarantor nor any of its subsidiaries had, at September 30, 1994, any loan capital outstanding, or created but unissued, or any term loans or any other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits mortgages, or other material contingent liabilities or guarantees.

At September 30, 1994, the Group had cash of £986 million.

In November 1994, a subsidiary of the Guarantor issued \$560 million of perpetual preferred shares which will be reflected as part of minority interests in the Group's consolidated balance sheet.

During January and February 1995, a subsidiary of the Guarantor issued £700 million of guaranteed securities due 1995 and the Guarantor issued \$710 million 6.5% Convertible Notes due 2000. A major part of the net proceeds were used to provide a portion of the purchase price of the acquisition of Pet.

In connection with the acquisition of Pet, GrandMet has assumed various obligations of Pet, including outstanding long and short term debt, which at December 31, 1994 totalled approximately \$0.5 billion.

Since September 30, 1994, there has been a net repayment of commercial paper of approximately £500 million.

Since September 30, 1994, IEL has sold 1,750 free of tie pubs for a cash consideration of £254 million and 320 other pubs for a cash consideration of £203 million to subsidiaries of Morgan Grenfell. The bank finance for both of these transactions has been guaranteed equally by the Group and Fosters. The Group subsequently received a net repayment of £332 million from IEL.

Other than the above, there has been no material change in the Capitalization of the Group since September 30, 1994.

Litigation

The William Hill Group Ltd alleges that the total consideration payable for the sale in 1989 of the Group's former retail betting operations should be reduced. As provided in the sale agreement, an independent accountant has been appointed to decide whether any such adjustment should be made. The directors are resisting strongly the allegations made by The William Hill Group Ltd and are satisfied that no provision for it should be made.

The Group has extensive international operations and is a defendant in a number of legal proceedings incidental to these operations. The Group does not expect the outcome of such proceedings, either individually or in the aggregate, to have a material effect on the Group's financial position. Provision is made in the consolidated financial statements for all liabilities which are expected to materialize.

Management

The Directors of the Guarantor are:

6.M.1(a)

<u>Name</u>	<u>Function</u>
The Lord Sheppard of Didgemere	Chairman and Director of the UK Issuer
George J Bull	Group Chief Executive and Director of the UK Issuer
Richard V Giordano KBE (USA)	Deputy Chairman and Non-executive Director, Chairman of British Gas PLC
Peter EB Cawdron	Group Strategy Development Director and Director of the UK Issuer
Gerald MN Corbett	Group Finance Director, Director of the UK Issuer and Director of the US Issuer
Professor Dr Gertrud Höhler (Germany)	Non-executive Director, Management Consultant of Höhler Consultants
Sir Colin Marshall	Non-executive Director, Chairman of British Airways PLC
John B McGrath	Chairman and Chief Executive, Drinks Sector and Director of the UK Issuer
David P Nash	Chairman and Chief Executive, Food Sector and Director of the UK Issuer
David AG Simon CBE	Non-executive Director, Group Chief Executive and Deputy Chairman of The British Petroleum Company plc
David E Tagg	Group Services Director
Michael L Hephner	Non-executive Director, Group Managing Director of British Telecommunications PLC
Peter JD Job	Non-executive Director, Chief Executive of Reuters Holdings PLC

The business address of each of the above is 20 St James's Square, London SW1Y 4RR.

GRAND METROPOLITAN FINANCE PUBLIC LIMITED COMPANY

6.J.3

The UK Issuer was incorporated with limited liability under the Companies Acts 1908 to 1917 and Companies Acts 1948 to 1981 of England and Wales on April 23, 1926 with registered number 213393 and re-registered as a public company on November 2, 1981. It is a direct wholly-owned subsidiary of the Guarantor. The registered office of the UK Issuer is at 20 St James's Square, London SW1Y 4RR.

6.J.4

6.J.6

6.J.11

The UK Issuer is engaged in treasury management for the Guarantor and the Group. The UK Issuer's operations are based in the United Kingdom and its principal business is to raise external funds utilizing the London and New York financial markets.

6.K.1

Capitalization

6.J.9

The following table sets forth the Capitalization of the UK Issuer at September 30, 1994.

6.L.6(a)

	At September 30, 1994
	(audited) £million
Commercial paper	36
Other loans	34
Bank loans and overdrafts	201
	<u>271</u>
Called up share capital	255
Total Capitalization	<u>526</u>

None of the borrowings of the UK Issuer are guaranteed or secured.

The UK Issuer's authorized share capital is divided into 5,100 million ordinary shares of 5p each, all of which have been issued and fully paid.

The UK Issuer enters into various forward dated transactions to manage the Group's interest and exchange rate exposures. It is not anticipated that any material losses will arise from these transactions.

6.K.1

Except as disclosed above, and apart from any intra-Group liabilities, at September 30, 1994 the UK Issuer had no outstanding loan capital, no created but unissued loan capital, and no term loans or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages or any material contingent liabilities or guarantees.

Since September 30, 1994, the UK Issuer has issued £192 million of bills of exchange and £98 million of commercial paper. Other than this, there has been no material change in the Capitalization of the UK Issuer since September 30, 1994.

6.L.6(b)

Management

The Directors of the UK Issuer are:

6.M.1(a)

<u>Name</u>	<u>Function</u>
The Lord Sheppard of Didgemere	Chairman and Director of the Guarantor
George J Bull	Group Chief Executive of the Guarantor
John B McGrath	Chairman and Chief Executive, Drinks Sector and Director of the Guarantor
David P Nash	Chairman and Chief Executive, Food Sector and Director of the Guarantor
Gerald MN Corbett	Chairman of the UK Issuer, Director of the US Issuer and Group Finance Director of the Guarantor
Peter EB Cawdron	Group Strategy Development Director of the Guarantor
Chester J Evans	Finance Director, Drinks Sector
David B Rickard	Group Controller of the Guarantor
Nicholas C Rose	Group Treasurer of the Guarantor, Executive Director of the Dutch Issuer, Director of the French Issuer and Director, Vice President and Treasurer of the US Issuer
Douglas C Stainton	Director of Group Taxation of the Guarantor
Ian C Shaw	Food Sector Controller of the Guarantor

The business address of each of the above is 20 St James's Square, London SW1Y 4RR, with the exception of Chester J Evans, whose business address is 1 York Gate, Regent's Park, London NW1 4PU.

GRAND METROPOLITAN FINANCE FRANCE S.A.

6.J.3

The French Issuer was incorporated for a renewable period of 99 years as a *société anonyme* with limited liability under the laws of Republic of France on August 1, 1991 with registration number B 382 587 590. It is an indirect wholly-owned subsidiary of the Guarantor. The principal executive and registered office of the French Issuer is at BP 10, 71570 La Chapelle de Guinchay, Republic of France. The French Issuer's business is treasury management for the companies within the Group in accordance with Article 12-3 of the French Banking law of January 24, 1984 including, in particular financial and administrative services for the same.

6.J.4

6.J.6

6.J.11

6.K.1

Capitalization

6.J.9

The following table sets forth the Capitalization of the French Issuer at September 30, 1994.

6.L.6(a)

	<u>At September 30, 1994</u>
	<u>(audited)</u>
	<u>FRF thousand</u>
Borrowings from credit institutions	274,509
Share capital	250
Total Capitalization	<u>274,759</u>

None of the borrowings of the French Issuer are guaranteed or secured.

The French Issuer's authorized share capital is FRF 250,000, divided into 2,500 shares of FRF 100 each, all of which have been issued and are fully paid.

Except as disclosed above, and apart from any intra-Group liabilities, at September 30, 1994 the French Issuer had no outstanding loan capital, no created but unissued loan capital, and no term loans or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages or any material contingent liabilities or guarantees.

There has been no material change in the Capitalization of the French Issuer since September 30, 1994.

Financial Information

6.L.1

The financial information set forth on pages 12 to 14 of this Offering Circular is based on the audited accounts of Grand Metropolitan Finance France S.A. for the three years ended September 30, 1994, September 30, 1993 and September 30, 1992.

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12.19

Accountants' Report

The Directors
Grand Metropolitan Finance France S.A.
BP10
71570 La Chapelle de Guinchay
Republic of France

Dear Sirs

23.11(K)(iv)

GRAND METROPOLITAN FINANCE FRANCE S.A.

We have examined the financial information set out on pages 12 to 14 of this Offering Circular which is based on the accounts of Grand Metropolitan Finance France S.A. for the three years ended September 30, 1994, September 30, 1993 and September 30, 1992 which we audited in accordance with generally accepted auditing standards in France and on which we reported without qualification.

In our opinion such financial information gives a true and fair view of the state of affairs of Grand Metropolitan Finance France S.A. at September 30, 1994 and of the results for the three years ended September 30, 1994.

23.11(L)

Yours faithfully

KPMG Audit
Registered Auditors
Neuilly-sur-Seine, France
February 20, 1995

Profit and Loss Accounts

	Notes	Year ended September 30		
		1994	1993	1992
		FRF thousand	FRF thousand	FRF thousand
Operating income				
Sales of services — France		281	170	220
Operating expenses				
Other purchases and expenses	3	(203)	(214)	(229)
Depreciation		(43)	—	—
Operating result		35	(44)	(9)
Financial income				
Interest and similar income		55,375	35,722	18,962
Financial expenses				
Interest payable and similar charges		(55,410)	(35,678)	(18,953)
Net financial income		(35)	44	9
Results of ordinary operations before corporate tax on profit		—	—	—
Total income		55,656	35,892	19,182
Total expenses		(55,656)	(35,892)	(19,182)
Profit or loss		—	—	—

Balance Sheets

	Notes	Year ended September 30	
		1994	1993
		FRF thousand	FRF thousand
Assets			
Fixed assets	1	—	43
Current assets			
Receivables	2	274,890	150,934
Total		274,890	150,977
Liabilities			
Shareholders' funds			
Share capital (of which FRF 250,000 paid up)		250	250
Liabilities			
Financial liabilities			
Borrowings from credit institutions (see note below)	2	274,509	150,689
Operating Liabilities			
Trade accounts payable and related liabilities	2	131	38
		274,640	150,727
Total		274,890	150,977

Note: Borrowings from credit institutions comprise current bank facilities and overdrafts.

Accounting Policies

The financial statements have been prepared under the historical cost convention. The accounting policies have been applied on the going concern, matching and consistency bases and in accordance with other generally accepted principles for the preparation of French financial statements.

Notes to the Accounts

1. Fixed assets

	1994 FRF thousand	1993 FRF thousand
Gross fixed assets		
At beginning of period	43	—
Additions	—	43
At end of period	<u>43</u>	<u>43</u>
Depreciable fixed assets		
At beginning of period	—	—
Increase in depreciation allowance	43	—
At end of period	<u>43</u>	<u>—</u>
Net book value	<u>—</u>	<u>43</u>

All amounts relate to other tangible fixed assets.

2. Schedule of maturity dates for receivables and liabilities

Receivables

	1994			1993		
	Gross	Within One Year	Over One Year	Gross	Within One Year	Over One Year
	FRF thousand	FRF thousand	FRF thousand	FRF thousand	FRF thousand	FRF thousand
Current assets						
Corporate tax	10	10	—	5	5	—
VAT recoverable	11	11	—	34	34	—
Intercompany accounts	274,869	274,869	—	150,116	150,116	—
Sundry debtors	—	—	—	779	779	—
	<u>274,890</u>	<u>274,890</u>	<u>—</u>	<u>150,934</u>	<u>150,934</u>	<u>—</u>

Liabilities

	1994			1993		
	Gross	Within	Over	Gross	Within	Over
	FRF thousand	One Year	One Year	FRF thousand	One Year	One Year
		FRF thousand	FRF thousand		FRF thousand	FRF thousand
Borrowings from credit institutions up to two years.....	274,509	274,509	—	150,689	150,689	—
Trade accounts payable and related liabilities	131	131	—	38	38	—
Intercompany accounts						
	<u>274,640</u>	<u>274,640</u>	<u>—</u>	<u>150,727</u>	<u>150,727</u>	<u>—</u>

3. Other information

	1994	1993	1992
	FRF thousand	FRF thousand	FRF thousand
Other purchases and expenses			
Subcontracting	170	—	—
Personnel outside of company.....	—	150	172
Professional fees	68	19	47
Other accounts	(35)	45	10
	<u>203</u>	<u>214</u>	<u>229</u>

Management

The Directors of the French Issuer are:

8.M.1(a)

<u>Name</u>	<u>Function</u>
André P Guichard	Chairman
Eric Guillen	Managing Director
Alastair FD Macgowan	Treasurer of International Operations of the Guarantor
Jean-Claude Arnal.....	Director
Jacques F Lapierre	Director
Nicholas C Rose	Executive Director of the Dutch Issuer, Director of the UK Issuer, Director, Vice President and Treasurer of the US Issuer and Group Treasurer of the Guarantor

The business address of each of the above is BP 10, 71570 La Chapelle de Guinchay, Republic of France with the exception of Alastair Macgowan and Nicholas Rose whose business address is 20 St James's Square, London SW1Y 4RR.

GRAND METROPOLITAN INTERNATIONAL FINANCE B.V.

6.J.3

The Dutch Issuer was incorporated for an unlimited duration as a *besloten vennootschap met beperkte aansprakelijkheid* (close company with limited liability) under Book 2 of the Dutch Civil Code on July 28, 1980. Its registration number with the Trade Register of the Amsterdam Chamber of Commerce is 161.335. It is an indirect wholly-owned subsidiary of the Guarantor. The registered office of the Dutch Issuer is at Heathrowstraat 3, 1043 CE Amsterdam, The Netherlands. The Dutch Issuer's business is to raise funds to lend to other members of the Group.

6.J.4

6.J.6

6.J.11

6.K.1

Capitalization

6.J.9

The following table sets forth the Capitalization of the Dutch Issuer at September 30, 1994.

	At September 30, 1994 (audited) NLG
Paid-up and called capital	<u>100,000</u>

The Dutch Issuers' authorized share capital is NLG 5 million, divided into 5,000 ordinary shares of NLG 1,000 each, of which 1,000 shares have been issued. Of the issued capital ten per cent have been fully paid.

Apart from any intra-Group liabilities, at September 30, 1994 the Dutch Issuer had no outstanding loan capital, no created but unissued loan capital, and no term loans or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages or any material contingent liabilities or guarantees.

There has been no material change in the Capitalization of the Dutch Issuer since September 30, 1994.

6.L.6(b)

Financial Information

The financial information set forth on pages 17 to 18 of this Offering Circular is based on the audited accounts of Grand Metropolitan International Finance B.V. for the three years ended September 30, 1994, September 30, 1993 and September 30, 1992.

6.L.1

12.17

12.19

Accountants' Report

23.11(K) (iv)

The Directors
Grand Metropolitan International Finance B.V.
Heathrowstraat 3
1043 CE Amsterdam
The Netherlands

Dear Sirs

GRAND METROPOLITAN INTERNATIONAL FINANCE B.V.

We have examined the financial information set out on pages 17 to 18 of this Offering Circular which is based on the accounts of Grand Metropolitan International Finance B.V. for the three years ended September 30, 1994, September 30, 1993 and September 30, 1992 which we audited in accordance with generally accepted auditing standards in The Netherlands and on which we reported without qualification.

23.11(I)

In our opinion such financial information gives a true and fair view of the state of affairs of Grand Metropolitan International Finance B.V. at September 30, 1994 and of the results for the three years ended on that date.

Yours faithfully

KPMG Accountants N.V.
Registered Accountants
Amstelveen, The Netherlands
February 20, 1995

Profit and Loss Accounts

	Notes	Year ended September 30		
		1994	1993	1992
		NLG	NLG	NLG
Interest income		40,985	75,921	88,564
General and administrative expenses	1	(130,648)	(24,517)	(23,032)
(Loss) / profit on ordinary activities before taxation		(89,663)	51,404	65,532
Taxation	2	35,865	(20,562)	(26,213)
Net (loss) / profit		<u>(53,798)</u>	<u>30,842</u>	<u>39,319</u>

Balance Sheets

	Notes	At September 30	
		1994	1993
		NLG	NLG
Current assets			
Receivables		71,585	15,417
Cash and bank		5,161	992,507
		76,746	1,007,924
Current liabilities		(13,350)	(15,846)
		<u>63,396</u>	<u>992,078</u>
Capital and reserves			
Paid-up and called capital	3	100,000	100,000
Other reserves	4	17,194	861,236
Unappropriated result		(53,798)	30,842
		<u>63,396</u>	<u>992,078</u>

Accounting Policies

The financial statements have been prepared under the historical cost convention. Unless stated otherwise assets and liabilities are valued at face value.

Notes to the Accounts

1. General and administrative expenses

The company has no employees. The principal components of general and administrative expenses are management fees, directors fees and audit fees and, in 1994 only, legal advice.

2. Taxation

	1994	1993	1992
	NLG	NLG	NLG
Dutch corporation tax at 40%	<u>(35,865)</u>	<u>20,562</u>	<u>26,213</u>

3. Paid-up and called capital

	<u>1994</u>	<u>1993</u>
	<u>NLG</u>	<u>NLG</u>
Authorized capital	5,000,000	5,000,000
Unissued capital	(4,000,000)	(4,000,000)
Issued capital	1,000,000	1,000,000
Non paid-up capital	(900,000)	(900,000)
Paid-up and called capital	<u>100,000</u>	<u>100,000</u>

The paid-up and called capital represents 1,000 shares with a nominal value of NLG 1,000, of which ten per cent have been paid.

4. Other reserves

	<u>1994</u>	<u>1993</u>
	<u>NLG</u>	<u>NLG</u>
Movements in other reserves can be specified as follows:		
Balance as at October 1	861,236	821,917
Appropriation of profit	30,842	39,319
Dividend	(874,884)	—
Balance as at September 30	<u>17,194</u>	<u>861,236</u>

5. Group affiliation

The company was founded in 1980 and is an indirect wholly-owned subsidiary of the Guarantor.

Management

The Executive Directors of the Dutch Issuer are:

6.M.1.(a)

<u>Name</u>	<u>Function</u>
Ian S Cray	Executive Director
Nicholas C Rose	Director of the French and UK Issuers, Director, Vice President and Treasurer of the US Issuer and Group Treasurer of the Guarantor
Selviac Nederland B.V.	Selviac Nederland B.V. is an indirect wholly owned subsidiary of the Guarantor. Its business is to import and export wine, spirits and other beverages as well as to finance and manage other businesses. Its Directors are Ernesto Celman, Ian S Cray (Managing Director), Chester J Evans, André P Guichard, Pierre Jacquesson, Ian Stevens, Conor J Walsh and Edmond F Sullivan.
Nicholas R Smith	Executive Director
Leendert P Van den Blink	Partner, Stibbe Simont Monahan Duhot; retired

The business address of each of the above is Heathrowstraat 3, 1043 CE Amsterdam, The Netherlands, with the exception of Nicholas C Rose whose business address is 20 St James's Square, London SW1Y 4RR.

GRAND METROPOLITAN INVESTMENT CORPORATION

The US Issuer is a direct wholly owned subsidiary of Grand Metropolitan Incorporated ("GMI"). GMI, an indirect wholly owned subsidiary of the Guarantor, serves as a holding company for the Group's US operating company, and substantially all proceeds of its borrowings have been lent to one or more of those companies. The Notes offered hereby are expected to be repaid from funds derived from those companies. As a financing subsidiary, the US Issuer's principal US business activities consist of lending funds, derived primarily from funds borrowed from related and unrelated persons, to GMI and its subsidiaries located in the United States. The US Issuer manages the daily cash and borrowings and acts as the principal financing agent for its US affiliates. The US Issuer's US affiliates include The Pillsbury Company, The Häagen-Dazs Company, Inc., Burger King Corporation, Pearle Inc., Heublein Inc., The Paddington Corporation and Carillon Importers, Ltd.

6.J.11

6.K.1

The US Issuer's sources of funds are external borrowings and loans from UK affiliates. The earnings of the US Issuer and the development of its business are influenced to a considerable extent by its US affiliates' financing requirements. At September 30, 1994, the US Issuer had total debt of approximately \$4.0 billion. In addition, the US Issuer and GMI are parties to an agreement (which by its terms may not be terminated or modified in a manner materially prejudicial to the US Issuer prior to January 1, 2025) pursuant to which GMI has unconditionally agreed to provide on demand by the US Issuer additional equity capital to the US Issuer in an amount up to \$2 billion. The US Issuer was incorporated for an unlimited duration with limited liability under the laws of the State of Delaware, United States of America, on March 22, 1988. The US Issuer has no subsidiaries.

6.J.3

6.J.4

6.J.6

Capitalization

6.J.9

The following table sets forth the capitalization (total borrowings (excluding those borrowings from Group companies) plus common stock) of the US Issuer as at September 30, 1994.

6.L.6(a)

	As at September 30, 1994
	(audited) \$million
Medium term notes due 1996-2001	227
Guaranteed notes due 1996	299
Guaranteed notes due 1999	298
Guaranteed notes due 1999	591
Guaranteed notes due 2001	298
Zero coupon bonds due 2004	570
Guaranteed notes due 2004	199
Guaranteed debentures due 2011	295
Guaranteed debentures due 2022	296
Commercial paper	925
	3,998
Common stock	25
<u>Total capitalization</u>	<u>4,023</u>

None of the borrowings of the US Issuer are secured, but all of them are guaranteed by the Guarantor.

At September 30, 1994, the US Issuer's authorized share capital consisted of 200 common shares (no par value), of which 100 were issued and fully paid.

The US Issuer enters into various forward dated transactions to manage the Group's interest and exchange rate exposures. It is not anticipated that any material losses will arise from such transactions.

Except as disclosed above, and apart from any intra-Group liabilities, at September 30, 1994 the US issuer had no outstanding loan capital, no created but unissued loan capital, and no term loans or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages or any material contingent liabilities or guarantees.

Since September 30, 1994, the US Issuer has repaid \$925 million of commercial paper. Other than this, there has been no material change in the capitalization of the US Issuer since September 30, 1994.

Management

6.M.1(a)

The Directors of the US Issuer are:

<u>Name</u>	<u>Function</u>
Gerald MN Corbett	Director, Chairman of the UK Issuer and Director of the Guarantor
Paul S Walsh	Director and President
Jerry F Miller	Director and Vice President
Nicholas C Rose	Director, Vice President and Treasurer, Executive Director of the Dutch Issuer, Director of the French and UK Issuers and Group Treasurer of the Guarantor
Jerome J Jenko	Director, Vice President and Secretary
David G Laurey	Director and Vice President

The business address of each of the above is Pillsbury Center, 200 South Sixth Street, Minneapolis, Minnesota 55402, except for Gerald Corbett and Nicholas Rose whose business address is 20 St. James's Square, London, SW1Y 4RR.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in global form and definitive form (if any) issued in exchange for the Global Note(s) representing each tranche, details of the relevant tranche of Notes being shown on the relevant Notes and in the relevant Pricing Supplement:

6.1.34

This Note is one of a duly authorized issue of securities issued and to be issued under the Amended and Restated Fiscal Agency Agreement, dated as of February 20, 1995 (the "Fiscal Agency Agreement"), among Grand Metropolitan Finance Public Limited Company (the "UK Issuer"), Grand Metropolitan Finance France S.A. (the "French Issuer"), Grand Metropolitan International Finance B.V. (the "Dutch Issuer"), Grand Metropolitan Investment Corporation (the "US Issuer") (each an "Issuer" and together the "Issuers"), Grand Metropolitan Public Limited Company as guarantor (the "Guarantor"), Morgan Guaranty Trust Company of New York, London office, as fiscal agent (the "Fiscal Agent"), and the other parties named therein. These Terms and Conditions as amended or supplemented in relation to a specific tranche of Notes by the provisions contained in the Pricing Supplement, are fully incorporated into this Note by reference and shall for all purposes have the same effect as if set forth therein. Whenever defined terms of the Fiscal Agency Agreement are referred to herein, such defined terms are incorporated herein by reference. Copies of the Fiscal Agency Agreement are available for inspection at the principal office of the Fiscal Agent, being at the date of the Fiscal Agency Agreement, 60 Victoria Embankment, London EC4Y 0JP. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement that are applicable to them. Unless context otherwise requires, references in these Terms and Conditions to "the Notes" apply generally to the Notes and, to the extent not inconsistent with the applicable Pricing Supplement, this Note.

6.J.14

The Issuers may severally issue debt securities under the Fiscal Agency Agreement from time to time in one or more series. The Notes constitute a single series of debt securities for purposes of the Fiscal Agency Agreement and will be unsecured evidences of indebtedness of the applicable Issuer. The Notes may be issued from time to time for up to US\$500,000,000 in aggregate initial offering price, or the equivalent thereof in other currencies or composite currencies. Because the Notes are limited in aggregate initial offering price, an issuance of Notes by one Issuer will correspondingly reduce the amount available to be issued by the other Issuers.

Unless otherwise specified in the applicable Pricing Supplement and unless previously redeemed, this Note will mature on the date ("Stated Maturity") not less than 9 months from its date of issue that is specified on the face hereof and in the applicable Pricing Supplement or, if such specified date is not a Business Day with respect to such Note, the next succeeding Business Day (or, if such next succeeding Business Day falls in the next calendar month, the next preceding Business Day). Unless otherwise specified in the applicable Pricing Supplement, the term "Business Day" means a day other than a Saturday or Sunday on which Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System (the "Euroclear Operator") and Cedel Bank, société anonyme ("Cedel") are operating and which is (i) not a day on which banking institutions in The City of New York or London generally are obligated by law, regulation or executive order to close and (ii) if this Note is denominated in a Specified Currency other than US Dollars or British Pounds Sterling, not a day on which banking institutions are authorized or obligated by law, regulation or executive order to close in the principal financial center of the country issuing the Specified Currency (as defined below) (which in the case of Australian dollars shall be Melbourne or, in the case of ECUs, shall be Brussels, in which case "Business Day" shall not include any day that is designated as a non-ECU clearing day as determined by the ECU Banking Association in Paris).

This Note is denominated in a currency, composite currency or basket of currencies (each a "Specified Currency") as specified on the face hereof and in the applicable Pricing Supplement, which may include US Dollars, British Pounds Sterling, Deutsche Marks, ECUs, Japanese Yen, Italian Lire,

6.1.12

Dutch Guilders, Canadian Dollars, Australian Dollars, New Zealand Dollars, Swedish Kronor, Danish Kroner, Finnish Markkas or, subject to certain conditions, any other currency, composite currency or basket of currencies set forth in the applicable Pricing Supplement. Purchasers of the Notes are required to pay for them by delivery of the requisite amount of the Specified Currency to the applicable Issuer, unless other arrangements have been made. Unless otherwise specified in the applicable Pricing Supplement, payments on the Notes will be made in the applicable Specified Currency; provided that, in certain circumstances at the option of the applicable Issuer, payments on Notes denominated other than in US Dollars may be made in US Dollars.

Notes are sold in individual issues of Notes, each of which has such interest rate or interest rate formula, if any, Stated Maturity and date of original issuance as may be specified in the applicable Pricing Supplement. Unless otherwise indicated in the applicable Pricing Supplement, this Note shall bear interest at either (i) a fixed rate (a "Fixed Rate Note"), which may be zero if this Note is issued at a discount from the principal amount payable at maturity thereof (a "Zero Coupon Note") or (ii) a floating rate (a "Floating Rate Note") determined by reference to the interest rate formula which may be adjusted by adding or subtracting the Spread or multiplying by the Spread Multiplier (each term as defined below under "Floating Rate Notes").

This Note has been issued as an "Original Issue Discount Note" if so indicated in the applicable Pricing Supplement. An Original Issue Discount Note is a Note, including any Zero Coupon Note, which is issued at a price lower than the principal amount thereof and which provides that upon redemption or acceleration of the maturity thereof an amount less than the principal thereof shall become due and payable. In the event of redemption or acceleration of the maturity of an Original Issue Discount Note, the amount payable to the Holder of such Note upon such redemption or acceleration will be determined in accordance with the terms of the Note, but will be an amount less than the amount payable at the Stated Maturity of such Note.

This Note has been issued as an "Indexed Note" if so indicated in the applicable Pricing Supplement. An Indexed Note is a Note which is issued with the principal amount payable at maturity, or the amount of interest payable on an interest payment date, to be determined by reference to one or more currencies (including baskets of currencies), one or more commodities (including baskets of commodities), one or more securities (including baskets of securities) and/or any other index as set forth in the applicable Pricing Supplement. Holders of Indexed Notes may receive a principal amount at maturity that is greater than or less than the face amount (but not less than zero) of such Notes depending upon the value at maturity of the applicable index. With respect to any Indexed Note, information as to the methods for determining the principal amount payable at maturity and/or the amount of interest payable on an interest payment date, as the case may be, as to any one or more currencies (including baskets of currencies), commodities (including baskets of commodities), securities (including baskets of securities), or other indices to which principal or interest is indexed, as to any additional foreign exchange or other risks or as to any additional tax or regulatory considerations may be set forth in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, this Note will not be entitled to the benefit of a sinking fund.

The Pricing Supplement relating to each Note will describe one or more of the following terms: (i) the Specified Currency with respect to such Note (and, if such Specified Currency is other than US Dollars, certain other terms relating to such Note, including authorized denominations); (ii) the price (expressed as a percentage of the aggregate principal amount thereof) at which such Note will be issued; (iii) the date on which such Note will be issued; (iv) the date on which such Note will mature; (v) whether such Note is a Fixed Rate Note or a Floating Rate Note; (vi) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the interest payment date or dates, if different from those set forth below under "Fixed Rate Notes"; (vii) if such Note is a Floating Rate Note, the interest rate basis (the "Interest Rate Basis") for each such Floating Rate Note which will be such interest rate formula as is set forth in such Pricing Supplement, and, if applicable, the Calculation

Agent, the Index Maturity, the Spread or Spread Multiplier, the Maximum Rate, the Minimum Rate, the Initial Interest Rate, the Interest Payment Dates, the Regular Record Dates, the Calculation Date, the Interest Determination Date and the Interest Reset Date (each term as defined below under "Floating Rate Notes") with respect to such Floating Rate Note; (viii) whether such Note is an Original Issue Discount Note, and if so, the yield to maturity; (ix) whether such Note is an Indexed Note, and if so, the principal amount thereof payable at maturity, or the amount of interest payable on an interest payment date, as determined by reference to any applicable index, in addition to certain other information relating to the Indexed Note; (x) whether such Note may be redeemed at the option of the applicable Issuer or repaid at the option of the Holder, prior to Stated Maturity and, if so, the Redemption Commencement Date, Repayment Date, Repayment Prices, Redemption Prices, Redemption Period and other provisions relating to such redemption or repayment; (xi) whether such Note will be listed on the London Stock Exchange or any other exchange or will not be listed; and (xii) any other terms of such Note not inconsistent with the provisions of the Fiscal Agency Agreement.

Form, Exchange, Registration and Transfer

Unless otherwise specified in the applicable Pricing Supplement, interests in Notes may be available in denominations of US\$5,000 or any amount in excess thereof that is an integral multiple of US\$1,000. Unless otherwise provided in the applicable Pricing Supplement, Notes denominated in a Specified Currency other than US dollars may be issued in denominations of the equivalent of US\$5,000 (rounded down to an integral multiple of 1,000 units of such Specified Currency), or any amount in excess thereof which is an integral multiple of the equivalent of US\$1,000 (rounded down to an integral multiple of 1,000 units of such Specified Currency), as determined by reference to the noon U.S. dollar buying rate in New York City for cable transfers of such Specified Currency published by the Federal Reserve Bank of New York (the "Market Exchange Rate") on the Business Day (as defined above) immediately preceding the date of issuance; *provided, however*, that in the case of ECUs, the Market Exchange Rate shall be the rate of exchange determined by the Commission of the European Communities (or any successor thereto) as published in the Official Journal of the European Communities, or any successor publication, on the Business Day immediately preceding the date of issuance.

6.1.5

Bearer Notes are subject to certain requirements and restrictions imposed by United States federal tax laws and regulations as provided in the Fiscal Agency Agreement.

Registered Notes may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) or exchange at the office of the Registrar or at the office of any transfer agent that is designated by the applicable Issuer for such purpose with respect to such Notes and referred to in the applicable Pricing Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Fiscal Agency Agreement. Unless otherwise specified in the applicable Pricing Supplement, such transfer or exchange will be effected upon the Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request, and subject to such reasonable regulations as the Issuers may from time to time agree upon with the Registrar and any transfer agents.

Unless otherwise indicated in the applicable Pricing Supplement, in the event of a redemption of the Notes in part, the applicable Issuer will not be required (i) to register the transfer of or exchange of any Notes during a period beginning at the opening of business 15 days before, and continuing until, the date notice is given identifying the Notes to be redeemed, (ii) to register the transfer of or exchange any Registered Note, or portion thereof, called for redemption, or (iii) to exchange any Bearer Note called for redemption except for a Registered Note of like aggregate principal amount and tenor which is simultaneously surrendered for redemption.

Temporary Global Notes

General

Unless otherwise specified in the applicable Pricing Supplement, the Notes constituting a separate tranche (within the meaning of Regulation S under the Securities Act) will initially be represented by a Temporary Global Note, to be deposited with a common depository in London for the Euroclear Operator or Cedel for credit to the designated accounts.

The Temporary Global Note will be exchangeable for a Permanent Global Note on the Exchange Date as provided in the Fiscal Agency Agreement.

Interest Payment Prior to Exchange Date

In the case of a Temporary Global Note that has an Interest Payment Date prior to the Exchange Date, a member organization appearing in the records of the Euroclear Operator or Cedel as entitled to a portion of the principal amount of such Temporary Global Note (a "Member Organization") must provide a Beneficial Ownership Certification (as defined below) to the Euroclear Operator or Cedel and the Euroclear Operator or Cedel must provide to the applicable Issuer or its agent a certification in the form required by the Fiscal Agency Agreement (a "Depositary Tax Certification"), in each case, prior to the payment of interest. Until a Beneficial Ownership Certification is provided by the Member Organization to the Euroclear Operator or Cedel and the Euroclear Operator or Cedel provides to the applicable Issuer or its agent a Depositary Tax Certification, such Member Organization will not be entitled to receive any interest with respect to its interest in the Temporary Global Note or to exchange its interest therein for a portion of the Permanent Global Note.

Exchange Date Prior to Interest Payment Date

In the case of a Temporary Global Note that does not have an Interest Payment Date prior to the Exchange Date, the Member Organization must provide to the Euroclear Operator or Cedel a Beneficial Ownership Certification and the Euroclear Operator or Cedel must provide to the applicable Issuer or its agent a Depositary Tax Certification prior to the Exchange Date. Until the requisite certifications are provided by the Member Organization to the Euroclear Operator or Cedel and the Euroclear Operator or Cedel provides the requisite certifications to the applicable Issuer, such Member Organization shall not be entitled to receive any interest with respect to its interest in the Temporary Global Note or to exchange its interest in the Temporary Global Note for a portion of the Permanent Global Note.

Certifications

No interest will be paid on any Temporary Global Note and no exchange of a Temporary Global Note for a portion of the Permanent Global Note may occur until a person entitled to receive such interest or a portion of the Permanent Global Note furnishes written certification (the "Beneficial Ownership Certification"), in the form required by the Fiscal Agency Agreement, to the effect that such person (i) is not a United States person (as defined in the Fiscal Agency Agreement), (ii) is a foreign branch of a United States financial institution as defined in United States Treasury Regulations Section 1.165-12(c)(1)(v) (a "financial institution") purchasing for its own account or for resale, or is a United States person who acquired the Note through a foreign branch of a United States financial institution and who holds the Note through such United States financial institution on the date of certification, provided in either case that such United States financial institution provides a certificate to the applicable Issuer or the distributor selling the Note to it stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder, or (iii) is a United States or foreign financial institution holding for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)). A United States or foreign financial institution described in clause (iii) of the preceding sentence (whether or not also described in clause (i) or (ii)) must certify that it has not

acquired the Note for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

Fixed Rate Notes

6.1.14

Unless otherwise specified in the applicable Pricing Supplement, each Fixed Rate Note (except any Zero Coupon Note) shall bear interest from its date of issue or, in the case of a Registered Note, from the most recent Interest Payment Date to which interest on such Note has been paid or duly provided for, at the fixed rate per annum stated on the face thereof and in the applicable Pricing Supplement until the principal thereof is paid or made available for payment. Interest on a Fixed Rate Note shall be payable on the dates set forth in the applicable Pricing Supplement (each an "Interest Payment Date") and at maturity or upon earlier redemption or repayment. Each payment of interest in respect of an Interest Payment Date shall include interest accrued to but excluding such Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months. Interest shall be payable on each Interest Payment Date and at maturity as specified below under "Payment of Principal and Interest".

Floating Rate Notes

6.1.14

Each Floating Rate Note shall bear interest from its date of issue or, in the case of a Registered Note, from the most recent Interest Payment Date to which interest on such Note has been paid or duly provided for (or if the applicable Interest Reset Dates are weekly, from the day following the most recent Regular Record Date in the case of Registered Notes or from the date immediately following the date which is 15 days prior to the next Interest Payment Date in the case of Bearer Notes), at the rate per annum determined pursuant to the interest rate formula stated therein and in the applicable Pricing Supplement until the principal thereof is paid or made available for payment. Interest shall be payable on each Interest Payment Date and at maturity as specified below under "Payment of Principal and Interest; Payment Agents".

The interest rate for each Floating Rate Note is determined by reference to the Interest Rate Basis, which may be adjusted by a Spread or Spread Multiplier (each as defined below). Unless otherwise specified in the applicable Pricing Supplement, the interest rate on each Floating Rate Note shall be calculated by reference to the specified Interest Rate Basis (i) plus or minus the Spread, if any, or (ii) multiplied by the Spread Multiplier, if any. The "Spread" is the number of basis points (one-hundredth of a percentage point) specified in the applicable Pricing Supplement to be added to or subtracted from the Interest Rate Basis for such Floating Rate Note, and the "Spread Multiplier" is the percentage specified in the applicable Pricing Supplement to be applied to the Interest Rate Basis for such Floating Rate Note. "Index Maturity" means, with respect to a Floating Rate Note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable Pricing Supplement. Unless otherwise provided in the applicable Pricing Supplement, the Fiscal Agent has also been appointed the Calculation Agent with respect to the Floating Rate Notes.

As specified in the applicable Pricing Supplement, a Floating Rate Note may also have either or both of the following: (a) a maximum numerical interest rate limitation, or ceiling, on the rate of interest which may accrue during any interest period ("a Maximum Rate"); and (b) a minimum numerical interest rate limitation, or floor, on the rate of interest which may accrue during any interest period ("a Minimum Rate"). In addition to any Maximum Rate that may be applicable to any Floating Rate Note pursuant to the above provisions, the interest rate on a Floating Rate Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States laws of general application. Under New York law as of the date of the Fiscal Agency Agreement, the maximum rate of interest, subject to certain exceptions, for any loan in an amount less than US\$250,000 is 15% and for any loan in the amount of US\$250,000 or more but less than US\$2,500,000 is 25% per annum on a simple interest basis. There are no limits on loans of US\$2,500,000 or more.

The rate of interest on each Floating Rate Note shall be reset daily, weekly, monthly, quarterly, semiannually, annually or otherwise (such period being the "Interest Reset Period" for such Note, and the first day of each Interest Reset Period being an "Interest Reset Date"), as specified in the applicable Pricing Supplement. Unless otherwise provided in the applicable Pricing Supplement, the interest rate in effect from the date of issue to the first Interest Reset Date with respect to a Floating Rate Note shall be the initial interest rate set forth in the applicable Pricing Supplement (the "Initial Interest Rate") and the interest rate in effect for the ten days immediately prior to maturity, redemption or repayment shall be that in effect on the tenth day preceding such maturity, redemption or repayment date. If any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next succeeding Business Day, except that if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the next preceding Business Day.

Upon the request of the Holder of any Floating Rate Note, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next Interest Reset Date with respect to such Floating Rate Note.

Unless otherwise specified in the applicable Pricing Supplement, the "Interest Determination Date" pertaining to an Interest Reset Date is the second Business Day next preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a Note the interest rate of which is tied to LIBOR is the second London Banking Day preceding such Interest Reset Date.

Unless otherwise specified in the applicable Pricing Supplement, the "Calculation Date", where applicable, pertaining to an Interest Determination Date is the earlier of the tenth calendar day after such Interest Determination Date or the next succeeding Record Date after such Interest Determination Date or, if either such day is not a Business Day, the next succeeding Business Day.

All percentages resulting from any calculations referred to will be rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point (e.g., 9.876541% (or .09876541) being rounded to 9.87655% (or .0987655)), and all US dollars amounts used in or resulting from such calculations will be rounded to the nearest cent, whereas all non-US dollars amounts used in or resulting from such calculations will be rounded to the nearest minimum denomination (with one-half cent or other minimum denomination or more being rounded upwards).

Payment of Principal and Interest; Paying Agents

Unless otherwise specified in the applicable Pricing Supplement, payments of principal of (and premium, if any) and interest on Notes will be made in the applicable Specified Currency; *provided, however*, that payments of principal of (and premium, if any) and interest on Notes denominated in other than US dollars will nevertheless be made in US dollars at the option of the applicable Issuer in the case of imposition of exchange controls or other circumstances beyond the control of such Issuer as described below. If specified in the applicable Pricing Supplement, the amount of principal payable on the Notes herein described will be determined by reference to an index or formula described in such Pricing Supplement.

The principal of (and premium, if any) and interest on a Temporary Global Note and a Permanent Global Note will be paid to each of the Euroclear Operator and Cedel with respect to that portion of such Temporary Global Note or Permanent Global Note held for its account. The Issuers and the Guarantor understand that in accordance with current operating procedures of the Euroclear Operator and Cedel each of the Euroclear Operator and Cedel will credit such principal (and premium, if any) and interest received by it in respect of a Temporary Global Note or Permanent Global Note to the respective accounts of the persons who on its records are owners of beneficial interests in such Temporary Global Note or Permanent Global Note. If a Registered Note is issued in exchange for any portion of a Permanent Global Note after the close of business at the office or agency where such exchange occurs on any Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, interest will not be payable on such Interest Payment Date in respect of such Registered Note, but will be payable on such Interest Payment Date only to the Euroclear Operator and Cedel, and the Issuers and the

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Guarantor understand that the Euroclear Operator and Cedel will undertake in such circumstances to credit such interest to the account of the person who was the beneficial owner of such portion of such Permanent Global Note on such Record Date.

Unless otherwise indicated in the applicable Pricing Supplement, payment of any interest on definitive Bearer Notes will be payable by check upon surrender of any applicable coupon, and principal of (and premium, if any, on) Bearer Notes will be payable by check upon surrender of such Notes, at such offices or agencies outside the United States and its possessions as the Issuers may from time to time designate; *provided, however*, that no interest will be payable on any Bearer Note (including a Temporary Global Note) until the Beneficial Ownership Certification described above under "Temporary Global Notes — Certifications" is delivered to the Euroclear Operator or Cedel and the Euroclear Operator or Cedel delivers the Depositary Tax Certification described under "Temporary Global Notes — Interest Payment Date Prior to Exchange Date" to the Fiscal Agent. No payment with respect to any Bearer Note will be made at any office or agency in the United States or its possessions or by check mailed to any address in the United States or its possessions or by transfer to an account maintained with a bank located in the United States or its possessions. Notwithstanding the foregoing, payments of principal of and any premium and interest on Bearer Notes denominated and payable in US dollars will be made in the United States if (but only if) payment of the full amount thereof in US dollars at each office of the Fiscal Agent and of each paying agent outside the United States appointed and maintained by the Fiscal Agent is illegal or effectively precluded by exchange controls or other similar restrictions.

Unless otherwise indicated in the applicable Pricing Supplement, payments on Registered Notes issued under the Fiscal Agent Agreement will be made against surrender of such securities at the corporate trust office of the Registrar in New York City or at the office of Morgan Guaranty Trust Company of New York, London or Morgan Guaranty Trust Company of New York, Brussels (the "Paying Agents") by check or, if an owner of not less than US\$5,000,000 principal amount of Registered Notes provides the Registrar with appropriate wire instructions in writing which are received by the Registrar not later than the record date prior to the applicable payment date, by wire transfer of immediately available funds. Payments of any interest on Registered Notes may be made, subject to applicable laws and regulations, by check mailed to the address of the person entitled thereto as such address shall appear on the register of such Notes. Unless otherwise indicated in the applicable Pricing Supplement, interest will be payable to the person in whose name a Registered Note is registered at the close of business on the Record Date next preceding each Interest Payment Date; *provided, however*, that interest payable at maturity will be payable to the person to whom principal shall be payable. The first payment of interest on any Registered Note originally issued between a Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Record Date to the registered owner on such next succeeding Record Date.

Bearer Notes called or presented for redemption must be presented for payment of the applicable redemption price together with all unmatured coupons. Amounts due in respect of any missing unmatured coupons will be deducted from the sum due for payment. Interest due on or prior to the redemption date on Bearer Notes will be payable only upon the surrender of the corresponding coupons.

All monies paid by the applicable Issuer to a Paying Agent for the payment of principal of and any premium or interest on any Note which remain unclaimed for two years after such principal, premium or interest shall have become due and payable will be repaid to such Issuer and thereafter the holder of such Note or any coupon shall be entitled to look only to such Issuer for payment thereof.

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If an Interest Payment Date with respect to any Floating Rate Note would otherwise fall on a day that is not a Business Day with respect to such Note, such Interest Payment Date shall be the next succeeding Business Day or, if such day falls in the next calendar month, the next preceding Business Day.

Payments of interest on any Fixed Rate Note or Floating Rate Note with respect to any Interest Payment Date or at maturity shall include interest accrued to but excluding such Interest Payment Date and such maturity date, as the case may be; *provided, however*, that if the Interest Reset Dates with

respect to any Floating Rate Note are weekly, interest payable on such Note on any Interest Payment Date, other than interest payable on the date on which principal on such Note is payable, shall include interest accrued through but excluding, in the case of Bearer Notes, the day following the date 15 days prior to the Interest Payment Date or, in the case of Registered Notes, the day following the next preceding Regular Record Date.

With respect to a Floating Rate Note, accrued interest from the date of issue or from the last date to which interest has been paid or duly provided for shall be calculated by multiplying the face amount of such Floating Rate Note by an accrued interest factor. Such accrued interest factor shall be computed by adding the interest factor calculated for each day from the date of issue, or from the last date to which interest has been paid or duly provided for, to but excluding the date for which accrued interest is being calculated. Unless otherwise specified in the applicable Pricing Supplement, the interest factor (expressed as a decimal) for each such day shall be computed by dividing the interest rate (expressed as a decimal) applicable to such date by 360.

Any payment on this Note shall be due on any day which is a day on which banking institutions in any place of payment are obligated by law to close, need not be made on such day at such place, but may be made on the next succeeding day on which banking institutions in such place of payment are not authorized or obligated by law to close, with the same force and effect as if made on the due date, and no interest shall accrue for the period from and after such date.

If the principal of, premium, if any, or interest on, this Note shall be payable in a Specified Currency other than US dollars and such Specified Currency (other than ECUs) is not available to the applicable Issuer for making payments thereof due to the imposition of exchange controls or other circumstances beyond the control of such Issuer or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, then such Issuer will be entitled to satisfy its obligations to the Holder of Notes by making such payments in US dollars on the basis of the Market Exchange Rate on the date of such payment or, if the Market Exchange Rate is not available on such date, as of the most recent practicable date. Any payment made under such circumstances in US dollars where the required payment is in a Specified Currency other than US dollars will not constitute a default. Any exchange rate agent (an "Exchange Agent") necessary for this Note shall be specified in the applicable Pricing Supplement.

If payment in respect of a Note is required to be made in ECUs and ECUs are unavailable due to the imposition of exchange controls or other circumstances beyond the applicable Issuer's control or are no longer used in the European Monetary System, then the applicable Issuer will be entitled to satisfy its obligations to the holders of the Notes by making payment as described in the applicable Pricing Supplement.

All determinations referred to above made by the applicable Issuer, its agent or the Exchange Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of this Note.

Notes Denominated in ECU

Except as otherwise provided below, the value of the ECU in which a Note is denominated is equal to the value of the ECU that is from time to time used in the European Monetary System (the "EU ECU") and which is at the date of this Offering Circular valued on the basis of specified amounts of the currencies of the twelve member countries of the European Union ("EU") as shown below.

Pursuant to Council Regulation (EEC) No. 1971/89 of 19th June, 1989, the EU ECU is defined as the sum of the following components:

0.6242	Deutsche Mark	0.13	Luxembourg Franc
0.08784	Pound Sterling	0.1976	Danish Krone
1.332	French Francs	0.008552	Irish Pound
151.8	Italian Lire	1.44	Greek Drachmas
0.2198	Dutch Guilder	6.885	Spanish Pesetas
3.301	Belgian Francs	1.393	Portuguese Escudos

The basis may be changed by the EU, including changes in the components, in which event the basis of valuation of the ECU will change accordingly.

Currency Indexed Notes

Each of the Issuers may from time to time offer Notes ("Currency Indexed Notes"), the principal amount of which payable at or prior to the Stated Maturity Date, the amount of interest payable on which and/or any premium payable with respect to which is determined by the rate of exchange between the Specified Currency and the other currency or composite currency specified as the Indexed Currency (the "Indexed Currency") or by reference to some other currency index or indices, in each case as set forth in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, holders of Currency Indexed Notes will be entitled to receive a principal amount in respect of such Currency Indexed Notes exceeding the amount designated as the face amount of such Currency Indexed Notes in the applicable Pricing Supplement (the "Face Amount") if, at the Stated Maturity Date, the rate at which the Specified Currency can be exchanged for the Indexed Currency is greater than the rate of such exchange designated as the base exchange rate, expressed in units of the Indexed Currency per one unit of the Specified Currency, in the applicable Pricing Supplement (the "Base Exchange Rate"); such holders will only be entitled to receive a principal amount in respect of such Currency Indexed Notes less than the Face Amount of such Currency Indexed Notes, if, at the Stated Maturity Date, the rate at which the Specified Currency can be exchanged for the Indexed Currency is less than such Base Exchange Rate. A description of the currency index or indices, information as to the relative historical value of the applicable Specified Currency against the applicable Indexed Currency, any currency and/or exchange controls applicable to such Specified Currency or Indexed Currency and any additional tax consequences to holders will be set forth in the applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, the term "Exchange Rate Day" shall mean any day which is a Business Day in The City of New York and if the Specified Currency of Index Currency is other than the US dollars, in the principal financial center of the country of such Specified Currency or Indexed Currency or, if the Specified Currency or Indexed Currency is the ECU, in Brussels, Belgium.

Unless otherwise specified in the applicable Pricing Supplement, interest and/or any premium will be payable by the applicable Issuer in the Specified Currency based on the Face Amount of the Currency Indexed Notes and at the rate and times and in the manner set forth herein and in the applicable Pricing Supplement.

Other Indexed Notes

Each of the Issuers may also from time to time offer Notes ("Other Indexed Notes"), the principal amount of which payable on or prior to the Stated Maturity Date, the amount of interest payable on which and/or any premium payment with respect to which, is determined with reference to an index or indices (e.g., the difference in price of a specified security or commodity on certain dates, a securities or commodity index or any other index or indices). The Pricing Supplement relating to such Other Indexed Note will set forth the method by and the terms on which the amount of principal (payable on or prior to the Stated Maturity Date), interest and/or any premium will be determined, any additional tax conse-

quences to the holder of such Note, a description of certain risks associated with investment in such Note and other information relating to such Note.

Guarantee

Pursuant to the Guarantee set forth in the Fiscal Agency Agreement and endorsed on this and every Note, the Guarantor unconditionally guarantees the due and punctual payment of principal, premium (if any) and interest on this Note, including any additional amounts that the applicable Issuer is obligated to pay as and when the same shall become due and payable, whether at Stated Maturity, by declaration of acceleration, call for redemption or otherwise. The Guarantee is an unsecured obligation of the Guarantor.

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Optional Tax Redemption

The Notes contained in one or more particular issues may be redeemed at the option of the applicable Issuer or the Guarantor, in whole but not in part, upon not less than 30 nor more than 60 days' notice given as provided in the Fiscal Agency Agreement, the relevant Pricing Supplement or herein, at any time at a redemption price equal to the principal amount (the "Redemption Price") (or such other Redemption Price as may be specified in the applicable Pricing Supplement) thereof plus accrued interest to the date fixed for redemption if, as a result of any change in or amendment to the laws or any regulations or rulings promulgated thereunder of the jurisdiction (or of any political subdivision or taxing authority thereof or therein) in which the Guarantor or the applicable Issuer is incorporated or any change in the official application or interpretation of such laws, regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which such jurisdiction (or such political subdivision or taxing authority) is a party, which change, execution or amendment becomes effective on or after the date of issuance of this Note (i) the Guarantor or the applicable Issuer is or would be required on the next succeeding Interest Payment Date to pay additional amounts with respect to the Notes or the Guarantees, as the case may be, as described under "Payment of Additional Amounts", or (ii) the Guarantor or any Subsidiary (as defined below) of the Guarantor is or would be required to deduct or withhold tax on any payment to the applicable Issuer to enable such Issuer to make any payment of principal or interest in respect of the Notes and, in each case, the payment of such additional amounts in the case of (i) above or such deduction or withholding in the case of (ii) above cannot be avoided by the use of any reasonable measures available to the applicable Issuer, the Guarantor or the Subsidiary.

Unless otherwise provided in the applicable Pricing Supplement, the Notes contained in one or more particular issues may also be redeemed in whole but not in part upon not less than 30 nor more than 60 days' notice given as provided in the Fiscal Agency Agreement or this Note at any time at a Redemption Price equal to the principal amount (or such other Redemption Price as may be specified in the applicable Pricing Supplement) thereof plus accrued interest to the date fixed for redemption if the Person formed by a consolidation of the Guarantor or into which the Guarantor is merged or to which the Guarantor conveys, transfers or leases its properties and assets substantially as an entirety is required to pay additional amounts in respect of any tax, assessment or governmental charge imposed on any Holder of any such Notes or required to be withheld or deducted from any payment to such Holder as a consequence of such consolidation, merger, conveyance, transfer or lease. See " — Consolidation, Merger and Sale of Assets".

The applicable Issuer or the Guarantor, as the case may be, will also pay, or make available for payment, to Holders on the Redemption Date any additional amounts (pursuant to " — Payment of Additional Amounts" below) resulting from the payment of such Redemption Price.

Unless otherwise specified in the applicable Pricing Supplement, the Notes shall not be repayable at the option of the Holder prior to maturity.

Payment of Additional Amounts

If any deduction or withholding for any present or future taxes, assessments or other governmental charges of the jurisdiction (or any political subdivision or taxing authority thereof or therein) in which the Guarantor or the applicable Issuer is incorporated, shall at any time be required by such jurisdiction (or any such political subdivision or taxing authority) in respect of any amounts to be paid by the Guarantor or the applicable Issuer under the Guarantee or this Note, respectively, the Guarantor or the applicable Issuer, as the case may be, will pay to the Holder of this Note as additional interest, such additional amounts as may be necessary in order that the net amounts paid to such Holder of such Note who, with respect to any such tax, assessment or other governmental charge, is not resident in such jurisdiction, after such deduction or withholding, shall be not less than the amounts specified in such Note to which such Holder is entitled; provided, however, that the Guarantor or the applicable Issuer shall not be required to make any payment of additional amounts for or on account of:

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(a) any tax, assessment or other governmental charge which would not have been imposed but for (i) the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, trust, partnership or corporation) and the taxing jurisdiction or any political subdivision or territory or possession thereof or area subject to its jurisdiction, including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein or (ii) the presentation of a Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payments of (or in respect of) principal of, or any interest on, the Notes;

(d) any tax, assessment or other governmental charge that is imposed or withheld by reason of the failure to comply by the Holder or the beneficial owner of this Note with a request of the applicable Issuer or the Guarantor addressed to the Holder (i) to provide information concerning the nationality, residence or identity of the Holder or such beneficial owner or (ii) to make any declaration or other similar claim or satisfy any information or reporting requirement, which, in the case of (i) or (ii), is required or imposed by a statute, treaty, regulation or administrative practice of the taxing jurisdiction as a precondition to exemption from all or part of such tax, assessment or other governmental charge; or

(e) any combination of items (a), (b), (c) and (d) above;

nor shall additional amounts to be paid with respect to any payment in respect of this Note to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the jurisdiction (or any political subdivision or taxing authority thereof or therein) to be included in the income for tax purposes of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such additional amounts had it been the Holder of this Note.

Additional amounts may also be payable in the event of certain consolidations, mergers or sales of assets.

Limitation on Liens

So long as any of the Notes are Outstanding, the Guarantor will not, and the Guarantor will procure that no Restricted Subsidiary will, create or permit to subsist any Encumbrance on the whole or any part

of any Principal Property or upon any shares or stock of any Restricted Subsidiary to secure any present or future indebtedness for borrowed money without making, or causing such Restricted Subsidiary to make, effective provision whereby the Notes (together with, if the Guarantor shall so determine, any other indebtedness of the Guarantor or such Restricted Subsidiary then existing or thereafter created which is not subordinate to the Notes) shall be secured equally and ratably with (or, at the option of the Guarantor or such Restricted Subsidiary, prior to) such indebtedness for borrowed money, so long as such indebtedness for borrowed money will be so secured. However, such limitation will not apply to (a) any Encumbrance subsisting on or prior to the date of the Fiscal Agency Agreement; (b) any Encumbrance arising by operation of law and not securing amounts more than 90 days overdue or otherwise being contested in good faith; (c) judgment Encumbrances not giving rise to an Event of Default; (d) any Encumbrance subsisting over a Principal Property, shares or stock of any Restricted Subsidiary (which becomes a Restricted Subsidiary after the date of the Fiscal Agency Agreement) prior to the date of such Restricted Subsidiary becoming a Restricted Subsidiary, provided that such Encumbrance was not created in contemplation of such Restricted Subsidiary becoming a Restricted Subsidiary; (e) any Encumbrance over any Principal Property (or documents of title thereto), shares or stock of any Restricted Subsidiary acquired by the Guarantor or any Restricted Subsidiary as security for, or for indebtedness incurred, to finance all or part of the price of its acquisition, development, redevelopment, modification or improvement; (f) any Encumbrance over any Principal Property (or documents of title thereto), shares or stock of any Restricted Subsidiary which is acquired by the Guarantor or any Restricted Subsidiary subject to such Encumbrance; (g) any Encumbrance to secure indebtedness for borrowed money incurred in connection with a specifically identifiable project where the Encumbrance relates to a Principal Property involved in such project and acquired by the Guarantor or any Restricted Subsidiary after the date of the Fiscal Agency Agreement and the recourse of the creditors in respect of such indebtedness is limited to such project and Principal Property; (h) any Encumbrance arising solely by operation of law over any credit balance or cash held in any account with a financial institution; (i) rights of financial institutions to offset credit balances in connection with the operation of cash management programs established for the benefit of the Guarantor and/or any Restricted Subsidiary; (j) any Encumbrance securing indebtedness of the Guarantor or any Restricted Subsidiary for borrowed money incurred in connection with the financing of accounts receivable; (k) any Encumbrance incurred or deposits made in the ordinary course of business, including, but not limited to, (i) any mechanics', materialmen's, carriers', workmen's, vendors' or other like Encumbrances, (ii) any Encumbrances securing amounts in connection with workers' compensation, unemployment insurance and other types of social security, and (iii) any easements, rights-of-way, restrictions and other similar charges; (l) any Encumbrance upon specific items of inventory or other goods and proceeds of the Guarantor or any Restricted Subsidiary securing the Guarantor's or any such Restricted Subsidiary's obligations in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods; (m) any Encumbrance incurred or deposits made securing the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of like nature incurred in the ordinary course of business; (n) any Encumbrance on any Principal Property of the Guarantor or any Restricted Subsidiary in favor of the Federal Government of the United States or the government of any State thereof, or the government of the United Kingdom, or the European Communities, or any instrumentality of any of them, securing the obligations of the Guarantor or any Restricted Subsidiary pursuant to any contract or payments owed to such entity pursuant to applicable laws, rules, regulations or statutes; (o) any Encumbrance securing taxes or assessments or other applicable governmental charges or levies; (p) any Encumbrance securing industrial revenue, development or similar bonds issued by or for the benefit of the Guarantor or any of its Principal Subsidiaries, provided that such industrial revenue, development or similar bonds are nonrecourse to the Guarantor or such Restricted Subsidiary; (q) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Encumbrance referred to in (a) to (p), inclusive, for amounts not exceeding the principal amount of the borrowed money secured by the Encumbrance so extended, renewed or replaced, provided that such extension, renewal or replacement Encumbrance is limited to all or a part of the same Principal Property, shares or stock of the Restricted Subsidiary that

secured the Encumbrance extended, renewed or replaced (plus improvements on such Principal Property); and (r) Encumbrances in favor of the Guarantor or any subsidiary of the Guarantor.

Notwithstanding the foregoing, the Guarantor or any Restricted Subsidiary may create or permit to subsist Encumbrances over any Principal Property, shares or stock of any of the Restricted Subsidiaries so long as the aggregate amount of indebtedness for borrowed money secured by all such Encumbrances (excluding therefrom the amount of the indebtedness secured by Encumbrances set forth in (a) through (r), inclusive, above) does not exceed 15% of the consolidated shareholders' equity of the Guarantor.

Definitions of Certain Terms. For the purposes of the above provisions and the provisions under "Limitation on Sales and Leasebacks" below, the term "Restricted Subsidiary" means any Subsidiary (i) substantially all of the physical properties of which are located, or substantially all the operations of which are conducted, within the United States or the United Kingdom and (ii) which owns a Principal Property. The term "Restricted Subsidiary" does not include any Subsidiary which is principally engaged in leasing or in financing instalment receivables or which is principally engaged in financing the operations of the Guarantor and its consolidated Subsidiaries. Additionally, the term "Principal Property" means any building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, located in the United States or the United Kingdom, owned or leased by the Guarantor or any Restricted Subsidiary, the gross book value (without deduction of any depreciation reserves) of which on the date as of which the determination is being made exceeds 2% of consolidated shareholders' equity of the Guarantor, other than (i) any such building, structure or other facility or portion thereof which, in the opinion of the Board of Directors of the Guarantor, is not of material importance to the total business conducted by the Guarantor and its Subsidiaries as an entirety or (ii) any portion of any such property which, in the opinion of the Board of Directors of the Guarantor, is not of material importance to the use or operation of such property. "Subsidiary" means a corporation in respect of which more than 50% of the outstanding voting stock or equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by the Guarantor or by one or more Subsidiaries, or by the Guarantor and one or more Subsidiaries.

Limitation on Sales and Leasebacks

So long as any of the Notes are Outstanding, the Guarantor will not, and the Guarantor will procure that no Restricted Subsidiary will, enter into any arrangement with any bank, insurance company or other lender or investor (not including the Guarantor or any Subsidiary), or to which any such lender or investor is a party, providing for the leasing by the Guarantor or a Restricted Subsidiary for a period, including renewals, in excess of three years of any Principal Property which has been owned by the Guarantor or a Restricted Subsidiary for more than six months and which has been or is to be sold or transferred by the Guarantor or any Restricted Subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such Principal Property (herein referred to as a "sale and leaseback transaction") unless either:

(a) the Guarantor or such Restricted Subsidiary could create indebtedness secured by an Encumbrance (pursuant to the provisions governing limitations on liens discussed above) on the Principal Property to be leased back in an amount equal to the indebtedness attributable to such sale and leaseback transaction without equally and ratably securing the Securities; or

(b) the Guarantor, within one year after the sale or transfer will have been made by the Guarantor or a Restricted Subsidiary, applies an amount equal to the greater of (i) the net proceeds of the sale of the Principal Property sold and leased back pursuant to such arrangement or (ii) the fair market value of the Principal Property so sold and leased back at the time of entering into such arrangement (as determined by any two Directors of the Guarantor) to the retirement of indebtedness for money borrowed, incurred or assumed by the Guarantor or any Restricted Subsidiary which

by its terms matures at, or is extendible or renewable at the option of the obligor to, a date more than twelve months after the date of incurring, assuming or guaranteeing such indebtedness or to investment in any Principal Property.

Defeasance and Discharge

Unless specified in applicable Pricing Supplement the Notes are not subject to defeasance and discharge.

Events of Default

The following events constitute Events of Default under the Notes:

(a) failure to pay any interest or additional interest on any Note when due, continued for 30 days;

(b) failure to pay principal (or premium, if any, on) of any Note when due (and, in the case of technical or administrative difficulties only, such failure continues for five days);

(c) failure to perform any other covenant of the Issuer or the Guarantor in the Fiscal Agency Agreement or the Notes (other than a covenant included in the Fiscal Agency Agreement solely for the benefit of another series of securities), continued for 90 days after written notice by the holders of at least 10% in principal amount of the Outstanding Notes specifying such default or breach and requiring it to be remedied;

(d) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the applicable Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law of the jurisdiction of incorporation of such Issuer or of the United Kingdom, as the case may be, or (ii) a decree or order adjudging such Issuer or the Guarantor a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of such Issuer or the Guarantor under any applicable law of the jurisdiction of incorporation of such Issuer or of the United Kingdom, as the case may be, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Issuer or the Guarantor or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstated and in effect for a period of 90 consecutive days;

(e) the commencement by the applicable Issuer or the Guarantor of a voluntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law of the jurisdiction of incorporation of such Issuer or of the United Kingdom, as the case may be, or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of such Issuer or the Guarantor in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law of the jurisdiction of incorporation of such Issuer or of the United Kingdom, as the case may be, or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable law of the jurisdiction of incorporation of such Issuer or of the United Kingdom, as the case may be, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of such Issuer or of the Guarantor or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by such Issuer or the Guarantor in furtherance of any such action; or

(f) any other Event of Default set forth in the applicable Pricing Supplement in relation to a particular Note or tranche of Notes.

If an Event of Default with respect to the Notes shall occur and be continuing, the Holders of at least 25% in aggregate principal amount of the Outstanding Notes by notice as provided in the Fiscal Agency Agreement may declare the principal amount of all of the Outstanding Notes to be due and payable immediately. At any time after such declaration of acceleration has been made, but before a judgment or decree for payment of money has been obtained, the Holders of a majority in aggregate principal amount of the Outstanding Notes, under certain circumstances, may rescind and annul such declaration.

Modification and Waiver

Modification and amendments of the Fiscal Agency Agreement or a particular issuance of Notes may be made by the Issuers, the Guarantor and the Fiscal Agent with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Notes; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Note affected thereby, (a) change the Stated Maturity of the principal of, or any instalment of interest on, any Note, (b) reduce the principal amount of, premium, if any, or interest on any Note, (c) change any obligations of the Guarantor to pay additional amounts, (d) change any Place of Payment where, or the coin or currency in which, the Notes or any premium or interest thereon is payable, (e) impair the right to institute suit for the enforcement of any payment on or with respect to any security or guarantee of the Notes, (f) reduce the percentage in principal amount of Outstanding Notes required for modification or amendment of the Fiscal Agency Agreement or the Notes or for waiver of compliance with certain provisions of the Fiscal Agency Agreement or the Notes or the waiver of certain defaults, (g) reduce the requirements contained in the Fiscal Agency Agreement for quorum or voting, (h) change any obligation of the applicable Issuer or the Guarantor to maintain an office or agency in the places and for the purposes required by the Fiscal Agency Agreement or the Notes or (i) modify or affect in any manner adverse to the interests of the Holders of the Notes the terms and conditions of the obligations of the Guarantor regarding the due and punctual payment of the principal thereof, premium, if any, and interest thereon or any sinking fund payments with respect to the Notes.

The Fiscal Agency Agreement or the Notes may also be modified or amended without the consent of the Holders, among other things, (a) to evidence the succession of another Person to either of the Issuers or the Guarantor, (b) to add to the covenants of any of the Issuers or the Guarantor for the benefit of Holders of Notes or to surrender any power conferred upon any of the Issuers or the Guarantor, (c) to add any Events of Default, (d) to secure the Notes, (e) to provide for successor or additional fiscal agents or other parties thereto, or (f) to cure any ambiguity, to correct or supplement any provision which may be inconsistent with any other provision or to make any other provisions with respect to matters or questions arising under the Fiscal Agency Agreement or the Notes, provided such action shall not adversely affect the interests of Holders of the Notes in any material respect.

The Holders of not less than a majority in aggregate principal amount of the Outstanding Notes may waive any past default under the Fiscal Agency Agreement with respect to the Notes, except a default (a) in the payment of principal of, premium, if any, or any interest on any Note of such series or (b) in respect of a covenant or provision of the Fiscal Agency Agreement which cannot be modified or amended without the consent of the Holder of each Outstanding Note.

Consolidation, Merger and Sale of Assets

As set forth in Section 30 of the Fiscal Agency Agreement (which Section is incorporated herein by reference), any of the Issuers or the Guarantor, without the consent of the Holders as set forth above, may consolidate with, or merge into, or transfer or lease their respective assets substantially as an entirety to any corporation, partnership or trust, provided that (i) any such successor entity assumes the applicable Issuer's obligations on the Notes or the Guarantor's obligations on the Guarantees, (ii) after giving effect to the transaction, no event which, after notice or lapse of time would become an Event of Default, shall have occurred and be continuing and (iii) certain other conditions (including payment of additional amounts, if any) are met.

The Guarantor or any of its Subsidiaries may, subject to certain restrictions set forth in the Fiscal Agency Agreement, assume the obligations of any of the Issuers under the Notes without the consent of the Holders of the Notes.

Title

6.1.27

Title to any Temporary Global Note, any Permanent Global Note, any Bearer Note and any coupons and/or talons appertaining to any such Note thereto shall pass by delivery. The applicable Issuer, the Guarantor, the Fiscal Agent and any agent of such Issuer, the Guarantor or the Fiscal Agent may deem and treat the holder of any Bearer Note and the holder of any coupon and/or talon and the registered owner of any Registered Note as the absolute owner thereof (whether or not such Note or coupon shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

Notices

Notices to holders of Bearer Notes will be given publication at least once in an English language daily newspaper of general circulation in London or, if such publication is not practicable, in another leading daily English language newspaper of general circulation in Europe. The Issuers and the Guarantor initially intend to use for this purpose the *Financial Times*. Notices to holders of Registered Notes will be given by first class mail, postage prepaid, to each holder as his address appears on the security register. In the case of a Temporary Global Note or Permanent Global Note, notice will be deemed to be validly given if delivered to the Euroclear Operator and Cedel for communication by them to persons shown in their respective records as having interests therein.

Replacement of Notes and Coupons

Notes, coupons or talons that become mutilated, destroyed, stolen or lost will be replaced by the applicable Issuer at the expense of the holder upon delivery, in the case of Bearer Notes, coupons or talons, to the Fiscal Agent of the mutilated Notes, coupons or talons or evidence of the loss, theft or destruction thereof satisfactory to such Issuer and the Fiscal Agent, or, in the case of Registered Notes, to the Registrar of the mutilated Note or evidence of the loss, theft or destruction thereof satisfactory to such Issuer and the Registrar. In the case of a lost, stolen or destroyed Note, coupon or talon an indemnity satisfactory to the Fiscal Agent, and such Issuer may be required at the expense of the holder of such Note before a replacement Note, coupon or talon will be issued. Such Issuer may require payment by the holder of any taxes and other governmental charges payable in connection with the replacement of Notes or coupons and any other expenses (including the fees and expenses of the Fiscal Agent or any other agent) connected therewith.

Governing Law

6.1.25

The Notes, the Fiscal Agency Agreement and the Guarantees are governed by and shall be construed in accordance with the law of the State of New York.

In the event an action based on Notes denominated in a Specified Currency other than US Dollars were commenced in a federal or state court in the United States, it is likely that such court would grant judgment relating to the Notes only in US Dollars. If an action based on Notes denominated in a Specified Currency other than US Dollars were commenced in a New York court, however, such court would render or enter a judgment or decree in the Specified Currency. Such judgment would then be converted into US Dollars at the rate of exchange prevailing on the date of entry of the judgment or decree.

Submission to Jurisdiction

The Issuers and the Guarantor have submitted to the jurisdiction of the courts of England and Wales in relation to any disputes. The French Issuer and the Dutch Issuer have appointed the Guarantor as their authorized agent for service of process in any legal action or proceeding in England and Wales, arising out of or relating to the Fiscal Agency Agreement, the Notes or the Guarantees.

ADDITIONAL INFORMATION REGARDING THE NOTES

As of the date hereof, the Group has no Principal Properties (as defined in "Terms and Conditions of the Notes — Limitation on Liens").

Unless otherwise provided in the applicable Pricing Supplement, all Notes issued as part of the same tranche (within the meaning of Regulation S under the Securities Act) will be initially represented by a single temporary bearer global Note (a "Temporary Global Note") which will be deposited with Morgan Guaranty Trust Company of New York, as common depositary for Cedel and the Euroclear Operator. The Euroclear Operator or Cedel, as the case may be, will credit the account of each subscriber with the principal amount of Notes being subscribed by it. On or after the Exchange Date, provided certification as to non-US beneficial ownership has been received, interests in the Temporary Global Note representing Bearer Notes will be exchanged for interests in a definitive permanent bearer global Note (a "Permanent Global Note") representing Bearer Notes of that tranche. See "Temporary Global Notes". "Exchange Date" means, in respect of a Temporary Global Note, the first day following the expiration of 40 days after the later of completion of the distribution of the tranche of Notes as determined by the lead manager in respect of such tranche and any later date determined by the applicable Issuer, in its sole discretion, in order for the issuance of securities under the Fiscal Agency Agreement to be exempt from the registration requirements of the United States Securities Act of 1933.

6.1.26

6.1.16

The Issuers will be permitted, without the consent of the holders of the Notes or the Dealers to issue additional tranches of Notes from time to time having the same terms and conditions as an earlier tranche of Notes. Upon such issuance of additional tranches of Notes (if any) prior to an Exchange Date for a particular tranche of Notes (as it may be extended), such Exchange Date would be extended (or further extended), without the consent of the holders of the Notes, until the 40th day after the sale of such additional tranches of Notes.

Unless otherwise provided in the applicable Pricing Supplement, interests in the Permanent Global Note will be exchangeable for definitive Notes in bearer form, serially numbered, with or without interest coupons attached (the "Bearer Notes") or definitive Notes in registered form without coupons attached (the "Registered Notes") upon not less than 60 days' written notice to the applicable Issuer or the Guarantor and the Fiscal Agent from the Euroclear Operator or Cedel. Such notice shall specify whether the interest in such Permanent Global Note is to be exchanged for Bearer Notes or Registered Notes, or both, the denominations in which any Registered Notes shall be issued and the names in which such Registered Notes shall be issued. Upon receipt of such notice, the applicable Issuer will cause to be prepared for delivery the requested Bearer Notes and/or Registered Notes, in the specified denominations and in the specified names. The Permanent Global Note will be exchangeable in whole but not in part.

Subject to the terms of the Fiscal Agency Agreement, Bearer Notes (with all unmatured coupons and/or talons appertaining thereto) will be exchangeable into a like aggregate principal amount of Registered Notes of like tenor. Bearer Notes will not be issued in exchange for Registered Notes. Each Note authenticated and delivered upon any transfer or exchange for or in lieu of the whole or any part of any Notes will carry all the rights, if any, to interest accrued and unpaid and to accrue which were carried by the whole or such part of such Note. Such new Note, if a Registered Note, will be so dated, and, if a Bearer Note, will have attached thereto such coupons, that neither gain nor loss in interest will result from such transfer or exchange.

The Issuers and the Guarantor have initially appointed as paying agents the banks set out at the end of this Offering Circular. The Issuers and the Guarantor may at any time terminate the appointment of any paying agent and appoint additional or other paying agents, provided that until all outstanding Notes have been delivered to the Fiscal Agent for cancellation, or monies sufficient to pay the principal of (and premium, if any) and interest on all outstanding Notes have been made available for payment and either paid or returned to the applicable Issuer as provided in the Notes, it will maintain a paying agent for payment of principal of (and premium, if any) and interest on the Notes in London and, if deemed necessary by the applicable Issuer, one or more additional European cities. Notice of any such

termination or appointment and of any changes in the office through which any paying agent will act will be given in accordance with "Terms and Conditions of the Notes — Notices" above.

USE OF PROCEEDS

The net proceeds arising from the issuance and sale of the Notes by the Issuers will be used to refinance Group corporate debt and for general corporate purposes of the Group. 6.1.33(h)

LIMITATIONS ON ISSUANCE OF BEARER NOTES

In compliance with United States federal tax laws and regulations, Bearer Notes (including Temporary Bearer Global Notes and Permanent Bearer Global Notes) with a maturity greater than one year may not be offered or sold during the restricted period (as defined in United States Treasury Regulations Sections 1.163-5(c)(2)(i)(D)(7)) within the United States or its possessions or to United States persons (each as defined below) other than to an office located outside the United States of a United States financial institution (as defined in United States Treasury Regulations Section 1.165-12(c)(1)(v)), purchasing for its own account or for resale or for the account of certain customers, that provides a certificate stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder, or to certain other persons described in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(1)(iii)(B). Moreover, such Bearer Notes may not be delivered in connection with their sale during the restricted period within the United States or its possessions. Any distributor (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(1)(D)(4)) participating in the offering or sale of Bearer Notes must covenant that it will not offer or sell during the restricted period any Bearer Notes within the United States or its possessions or to United States persons (other than persons described above), it will not deliver in connection with the sale of Bearer Notes during the restricted period any Bearer Notes within the United States or its possessions and it has in effect procedures reasonably designed to ensure that its employees and agents who are directly engaged in selling the Bearer Notes are aware of the restrictions on offers and sales described above. No Bearer Note (other than a Temporary Global Note) may be delivered, nor may interest on any Bearer Note be paid, until receipt by the applicable Issuer or its agent of (i) a Depositary Tax Certification in the case of a Temporary Global Note or (ii) an Owner Tax Certification in all other cases, as described above under "Terms and Conditions of the Notes — Temporary Global Notes". Bearer Notes will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code."

As used herein, "United States person" means any citizen or resident of the United States, any corporation, partnership or other entity created or organized in or under the laws of the United States or any State and any estate or trust the income of which is subject to United States federal income taxation regardless of its source; "United States" means the United States of America (including the States thereof and the District of Columbia); and "possessions" of the United States include Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in the Amended and Restated Euro Distribution Agreement, dated February 20, 1995 (the "Distribution Agreement"), among each of the Issuers, the Guarantor and the Dealers, the Notes will be offered on a continuing basis by the Issuers and the Guarantor through the Dealers who have agreed to use such reasonable best efforts to solicit offers to purchase the Notes as are consistent with best market practice in the international medium-term note market. The applicable Issuer will have the sole right to accept offers to purchase Notes and may reject any such offers as a whole or, subject to the terms of the offer, in part. The Dealers shall have the right, in 23.11(b)

their discretion reasonably exercised, without notice to the applicable Issuer, to reject any proposed purchase of the Notes made to them as a whole or, subject to the terms of the offer, in part. Unless otherwise specified in the applicable Pricing Supplement, the applicable Issuer will pay a Dealer a commission of from 0.050 percent to 0.600 percent of the initial offering price of the Notes, depending upon maturity in respect of Notes solicited for purchase by it. The Issuers and the Guarantor have agreed to reimburse the Dealers for their reasonable expenses incurred in connection with the establishment of the offering contemplated hereby and the Dealers' activity in connection with such offering.

The Issuers may also sell Notes to the Dealers as principals, for their own accounts at a discount to be agreed upon at the time of sale. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. An issue of Notes may also be jointly and severally underwritten by two or more Dealers. The Issuers reserve the right to sell Notes (other than Notes denominated in Deutsche Marks) to investors directly on its own behalf and, from time to time, to or through any dealer in securities.

The Issuers and the Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the applicable Issuer or, in relation to itself and the applicable Issuer only, by any Dealer, at any time on giving not less than 10 business days' notice.

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a US person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the Internal Revenue Code of 1986, as amended, and the regulations thereunder. See "Limitations on Issuance of Bearer Notes".

Each of the Dealers has agreed in the Distribution Agreement that, with respect to all Notes issued as a part of the same tranche (within the meaning of Regulation S under the Securities Act), it will not offer or sell such Notes, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of (a) completion of the distribution of such tranche as determined, and certified to the applicable Issuer and the Guarantor, by the lead manager in respect of such tranche or (b) any later date determined by the applicable Issuer, in its sole discretion, in order for the issuance of the Notes under the Fiscal Agency Agreement to be exempt from the registration requirements of the United States Securities Act, within the United States or to, or for the account or benefit of, US persons except, in either case, in accordance with Regulation S under the Securities Act, and it will have sent to each dealer to which it sells such Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of Notes within the United States or to, or for the account or benefit of, US persons.

Each of the Dealers has represented and agreed that (i) it has not offered or sold and will not, for so long as Part III of the Companies Act 1985 remains in force in relation to the Notes, offer or sell in the United Kingdom (or elsewhere in the case of Notes issued by the UK Issuer), by means of any document, any Notes prior to application for listing of such Notes being made in accordance with Part IV of the Financial Services Act 1986 ("Financial Services Act") other than (in the case of Notes issued by the French Issuer, the Dutch Issuer or the US Issuer and in the case of Notes issued by the UK Issuer with a maturity not exceeding five years) to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent (except in circumstances which do not constitute an offer to the public within the meaning of the Companies Act 1985), (ii) it has complied and will comply with all applicable provisions of the Financial Services Act, with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom, (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes, other than any document which consists of or any part of listing particulars, supplementary

listing particulars or any other document required or permitted to be published by the listing rules under Part IV of the Financial Services Act, to a person who is of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988 or is a person to whom the document may otherwise lawfully be issued or passed on and (iv) once the provisions of law which shall replace Part III of the Companies Act 1985 in relation to offers of securities have come into force, it will not make an offer to the public (within the meaning of those provisions) of the Notes in circumstances which would require (for the avoidance of any contravention of those provisions) a prospectus to have been delivered to the Registrar of Companies in England and Wales.

Each Dealer has represented and agreed that for Notes denominated in Deutsche Marks and issues with a Deutsche Mark option or issues of dual currency Notes with principal and/or interest payable in Deutsche Marks ("Deutsche Mark Notes") each Dealer and each of the Issuers and the Guarantor understand and agree that (i) Goldman, Sachs & Co. oHG will act as arranger; (ii) the arranger, each Dealer and each of the Issuers and the Guarantor will undertake to comply with the Deutsche Bundesbank's statements from time to time relating to the issue of securities denominated in Deutsche Marks; (iii) Deutsche Mark Notes will, in all cases, have an original maturity of not less than two years and will not contain any put or call option entitling any person to redeem, or require the redemption of, such Notes prior to their second anniversary; (iv) index-, currency- or commodity-linked Deutsche Mark Notes will not be issued in contravention of applicable provisions of German law, in particular Section 3 of the German Currency Act (Währungsgesetz), and related guidelines of the Deutsche Bundesbank in force on the date of agreement and (v) Notes which have not been listed on any German stock exchange shall only be offered in the Federal Republic of Germany in accordance with the provisions of the German Securities Prospectus Act.

Any Notes denominated in or linked to Japanese Yen or in respect of which amounts may be payable in Japanese Yen will be offered on condition that they will not be offered or sold directly or indirectly in Japan or to residents of Japan prior to the date which is 90 days (180 days in the case of dual currency Notes) after the issue of the Notes and thereafter they may not be so offered or sold except under circumstances which will result in compliance with the Securities and Exchange Law of Japan and other applicable laws and regulations of Japan.

Each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in The Netherlands (or elsewhere in the case of Notes issued by the Dutch Issuer) any Notes with a denomination of less than 100,000 Dutch Guilders (or its equivalent in other currencies), except for Notes in respect of which an exception as referred to in Article 3 or Article 4 of the Act on the Supervision of Securities Trade Transactions Supervision Act ("Wet toezicht effectenverkeer" — "ASST") is applicable.

Each Dealer has represented and agreed, in respect of bearer zero coupon Notes and other Notes in bearer form issued by the Dutch Issuer on which no interest is paid during their term, regardless of the denomination of such Notes, and in accordance with Article 3 of The Netherlands' Savings Certificates Act ("Wet inzake Spaarbewijzen") of May 21, 1985 (the "Savings Certificates Act"), that it will not transfer or accept bearer zero coupon Notes or other Notes in bearer form issued by the Dutch Issuer which fall within the definition of "spaarbewijzen" in the Savings Certificate Act, unless the transfer and acceptance is done through the mediation of the Dutch Issuer or a member of the Amsterdam Stock Exchange. The Savings Certificate Act does not apply to (a) a transfer and acceptance by individuals who do not act in the conduct of a business or a profession, (b) the initial issue of such Notes to the first holders thereof, or (c) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands or to residents of The Netherlands in the course of primary trading.

To the extent that the Dutch Savings Certificates Act is applicable, each transaction regarding the relevant Note must be effected through mediation of the Dutch Issuer or a member of the Amsterdam Stock Exchange and must be either:

(i) between individuals or legal entities who or which trade or invest in securities in the conduct of a profession or trade (which includes banks, brokers, dealers, insurance companies, pension funds, other institutional investors and commercial enterprises which regularly, as an ancillary activity, invest in securities); or

(ii) in any other case, recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial number of such Note;

Each Dealer has represented and agreed that issues of Notes in bearer form denominated in Dutch Guilders shall comply with the relevant requirements of the Dutch Central Bank which include the requirement that the issue is arranged through a Dutch dealer, being a registered credit institution meeting the requirements of the Dutch Central Bank (De Nederlandsche Bank N.V.).

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell the Notes in The Republic of France, except as otherwise permitted by French law.

Each Dealer has represented and agreed that it has not taken and will not take any steps in relation to the Notes or any offering material in respect thereto that would constitute or result in a public offer of the Notes in the Kingdom of Belgium within the provisions of the Royal Decree No. 185 of 9 July 1935, Article 22 of the Law of 10 June 1964, the Law of 10 July 1969, Articles 3, 4 and 105 of the Law of 4 December 1990 and the Royal Decree of 9 January 1991, as amended.

Selling restrictions may be modified by the agreement of the Issuers, the Guarantor and the Dealers following a change in a relevant law, regulation or directive or to take into account the particular characteristics of a particular tranche of Notes. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Except for listing the Notes on the London Stock Exchange each of the Dealers, the Issuers and the Guarantor has agreed not to take any action in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any amendment or supplement thereto issued in connection with the offering of any of the Notes or any other offering material, in any country or jurisdiction where action for that purpose is required. Each of the Dealers, the Issuers and the Guarantor has agreed to comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular or any amendment or supplement thereto or any other offering material.

TAXATION

United Kingdom Taxation

The comments below, which are of a general nature and are based on current United Kingdom law and Inland Revenue practice, describe only the United Kingdom withholding tax treatment of payments of principal and interest in respect of the Notes. They do not deal with any other United Kingdom taxation implications acquiring, holding or disposing of Notes. The comments relate to the position of persons (other than dealers) who are the absolute beneficial owners of their Notes and any coupons. **Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly advised to consult their own professional advisers.**

Summary

The Issuers have been advised that under English law and Inland Revenue practice as applied and interpreted on the date of this Offering Circular no taxes, levies, or charges of the United Kingdom (or any political subdivision or taxing authority thereof or therein) would be required to be deducted or withheld from any payment to a non-resident of the United Kingdom, made:

(i) by the UK Issuer pursuant to the Notes provided that the Notes constitute "quoted Eurobonds" as described below and the payment satisfies the other conditions set out below under the heading "Notes Issued by the UK Issuer";

or

(ii) by the Guarantor or any Subsidiary of any of the Issuers to enable such Issuer to make any payment of principal or interest in respect of the Notes, assuming that, in the case of payments to the French Issuer, appropriate claims are validly made and accepted by the Inland Revenue under the United Kingdom/French Double Taxation Treaty currently in force and that, in the case of payments to the Dutch Issuer, appropriate claims are validly made and accepted by the Inland Revenue under the United Kingdom/Netherlands Double Taxation Treaty currently in force and that, in the case of payments to the US Issuer, appropriate claims are validly made and accepted by the Inland Revenue under the United Kingdom/United States Double Taxation Treaty currently in force.

Notes Issued by the UK Issuer

(i) Notes issued by the UK Issuer which are in bearer form and carry a right to interest ("UK Notes") will constitute "quoted Eurobonds" provided they are and continue to be quoted on a recognized stock exchange (the London Stock Exchange is so recognized). Accordingly, while the UK Notes are and continue to be quoted Eurobonds and are in global form and are held in a "recognized clearing system" (Cedel and Euroclear and First Chicago Clearing System have each been designated as a "recognized clearing system"), payments of interest on the Notes may be made without withholding of deduction for or on account of United Kingdom income tax.

If definitive UK Notes are issued in bearer form and are and continue to be "quoted Eurobonds", then payments of interest on UK Notes may be made without such withholding or deduction where:

(a) the person by or through whom the payment is made is not in the United Kingdom; or

(b) the payment is made by or through a person who is in the United Kingdom and either: (x) it is proved, on a claim in that behalf made in advance and in the required manner to the Inland Revenue, that the person who is the beneficial owner of the UK Notes and is entitled to the interest (or, if different, the person whose income the interest is deemed to be for United Kingdom tax purposes) is not resident in the United Kingdom for tax purposes; or (y) the UK Notes are held in a "recognized clearing system".

In all other cases interest on Notes issued by the UK Issuer must generally be paid under deduction of United Kingdom income tax at the basic rate (currently 25 percent) subject to such relief as may be available under the provisions of any applicable double taxation treaty.

If the Notes issued by the UK Issuer carry a right to interest and have a maturity date less than one year from the date of issue (and are not issued pursuant to any arrangement, the effect of which is to render such Note part of a borrowing for a total term of one year or more) payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax.

Notes Issued by the French Issuer, the Dutch Issuer and the US Issuer

Payments of interest made by a United Kingdom paying agent on Notes issued by the French Issuer, the Dutch Issuer or the US Issuer will be paid under deduction of United Kingdom income tax at the basic rate (currently 25 percent) unless such Notes are held in a "recognized clearing system" or it is proved, on a claim in that behalf made in advance and in the required manner to the Inland Revenue, that the person owning such Notes and entitled to the interest is not resident in the United Kingdom and the interest is not deemed under the provisions of the tax legislation to be income of some other person resident in the United Kingdom.

Collecting Agents

A collecting agent in the United Kingdom obtaining payment of interest on behalf of a holder of either UK Notes which constitute quoted Eurobonds or of Notes issued by the French Issuer, the Dutch Issuer or the US Issuer where either:

(a) payment was not (in the case of UK Notes which are not held in a recognized clearing system) made by or (in the case of Notes issued by any Issuer) entrusted to any person in the United Kingdom; or

(b) the Notes issued by any Issuer are held in a "recognized clearing system" (for which see above).

will be required to withhold or deduct for or on account of United Kingdom income tax at the basic rate unless it is proved, on a claim in that behalf made in advance and in the required manner to the Inland Revenue, that the person owning the Note and entitled to the interest is not resident in the United Kingdom and the interest is not deemed under the provisions for the tax legislation to be income of some other person resident in the United Kingdom.

Discount Notes and Premiums

Any premium over the amount originally subscribed for the Notes paid on redemption at maturity or otherwise in accordance with the Terms and Conditions of the Notes will not generally be regarded as interest for United Kingdom withholding tax purposes. If any element of premium or discount were to be treated as interest, payments thereof would be subject to United Kingdom withholding tax as outlined above.

Payments under the Guarantee

Where the Guarantor makes any payments in respect of interest on the Notes pursuant to Guarantees in the form provided in the Fiscal Agency Agreement, such payments may be regarded as arising from a source in the United Kingdom with the result that such payments may be subject to deduction of United Kingdom income tax at the basic rate (currently 25 per cent) subject to such relief as may be available under the provisions of any applicable double taxation treaty; it is not certain that the exemption described above in respect of quoted Eurobonds would apply to such payments made by the Guarantor.

French Taxation

The French Issuer and the Guarantor have been advised that, under French law as applied and interpreted on the date of this Offering Circular, no taxes, levies, imposts or charges of France (or any political subdivision or taxing authority thereof or therein) would be required to be deducted or withheld from any payment to a person who is not a resident of the Republic of France and who is not deemed to be domiciled or resident in France for tax purposes made (i) by the French Issuer pursuant to the Notes or (ii) by the Guarantor pursuant to guarantees in the form provided in the Fiscal Agency Agreement or (iii) by the Guarantor or any subsidiary of the Guarantor to the French Issuer to enable such Issuer to make any payment of principal or interest in respect of the Notes.

Under French law as of the date of this Offering Circular, no income taxes are payable in the Republic of France (or to any political subdivision or taxing authority thereof or therein) in connection with payments of principal or interest by the French Issuer in connection with the Notes and coupons or by the Guarantor under the Guarantee to a person who is not resident in the Republic of France and who is not deemed to be domiciled or resident in France for tax purposes.

Dutch Taxation

The Dutch Issuer and the Guarantor have been advised that, under Dutch law as applied and interpreted on the date of this Offering Circular no taxes, levies, imposts or charges of The Netherlands (or any political subdivision or taxing authority thereof or therein) would be required to be deducted or withheld from any payment to a non-resident of The Netherlands, made (i) by the Dutch Issuer pursuant to the Notes or (ii) by the Guarantor pursuant to guarantees in the form provided in the Fiscal Agency Agreement or (iii) by the Guarantor or any subsidiary of the Guarantor to the Dutch Issuer to enable such issuer to make any payment of principal or interest in respect of the Notes.

A holder of a Note or a coupon appertaining thereto ("a Holder") who is neither resident, nor deemed to be a resident in The Netherlands, will not be subject to Netherlands taxes or duties on payments of principal and interest in respect of the Notes or coupons appertaining thereto, provided that:

(a) such Holder does not have an enterprise carrying on business in The Netherlands through a permanent establishment or a permanent representative to which, or to whom the Notes or coupons appertaining thereto can be attributed, and

(b) such Holder does not have a direct or indirect substantial or deemed substantial interest in the share capital of the Issuers, or, in the event such Holder does, such interest belongs to an enterprise.

United States Taxation

The following is a summary of the principal United States federal income and estate tax consequences of the ownership of Notes of the US Issuer to a holder who or which is, as to the United States, (i) a nonresident alien individual or (ii) a foreign corporation, partnership, estate or trust, not subject to United States federal income taxation on a net income basis in respect of a Note (a "United States Alien Holder"). It deals only with Notes of the US Issuer that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of ownership of Notes that are due to mature more than 30 years from their date of issue will be discussed in the applicable Pricing Supplement.

Under present United States federal income and estate tax law and subject to the discussion of backup withholding below:

(a) if the Notes are offered, sold and delivered, and principal and interest thereon are paid, in accordance with the terms of the Fiscal Agency Agreement and the limitations described above under "Limitations on Issuance of Bearer Notes", payments of principal, premium and interest (including original issue discount) by the US Issuer or any of its paying agents to any holder of a Note of the US Issuer or coupon appertaining thereto, who or which is a United States Alien Holder will not be subject to United States federal withholding tax, if, in the case of interest or original issue discount, (1) the beneficial owner of the Note or coupon does not actually or constructively own 10% or more of the total combined voting power of all classes of voting stock of the US Issuer, (2) the beneficial owner of the Note or coupon is not a controlled foreign corporation that is related to the US Issuer through stock ownership, (3) If the Note is a Registered Note (including one received in exchange for a Bearer Note), either (i) the beneficial owner of the Note certifies to the US Issuer or its agent, under penalties of perjury, that it is not a United States person and provides its name and address, or (ii) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the Note on behalf of the beneficial owner certifies to the US Issuer or its agent under penalties of perjury that such statement has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof and (4) the Note and coupons are not subject to the application of Section 871(h)(4) of the United States Internal Revenue Code of 1986, as amended (the "Code"), dealing with payments contingent upon certain factors relating to the US Issuer or a person related to the US Issuer;

- (b) a United States Alien Holder of a Note of the US Issuer or coupon appertaining thereto will not be subject to United States federal withholding tax on gain realized on the sale or exchange of such Note or coupon; and
- (c) a Note of the US Issuer or coupon appertaining thereto held by an individual who at death is not a citizen or resident of the United States will not be includible in the individual's gross estate for purposes of the United States federal estate tax as a result of the individual's death if (1) the individual did not actually or constructively own 10% or more of the total combined voting power of all classes of voting stock of the US Issuer and (2) the income on the Note or coupon would not have been effectively connected with a United States trade or business of the individual at the individual's death, provided that if the Note or coupon is subject to the rules of Section 871 (h) (4) of the Code described above, an appropriate portion (as determined in a manner to be prescribed by the Internal Revenue Service) of the value of such Note or coupon will be included in the individual's gross estate.

Backup Withholding and Information Reporting

Information reporting and backup withholding will not apply to payments of principal, or premium and interest (including original issue discount) made by the US Issuer or a paying agent to a United States Alien Holder on a Bearer Note of the US Issuer or coupon appertaining thereto, or on a Registered Note of the US Issuer if the certification described in clause (a) (3) above is received, provided that the payor does not have actual knowledge that the holder is a United States person.

Payment of the proceeds from the sale by a United States Alien Holder of a Note made to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that if the broker is a United States person, a controlled foreign corporation for United States tax purposes or a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, information reporting may apply to such payments. Payment of the proceeds from a sale of a Note made to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding.

GENERAL INFORMATION

Listing

The listing of the Notes on the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). It is expected that listing of the program on the London Stock Exchange will be granted on February 22, 1995 subject only to the issue of a Temporary Global Note in respect of each tranche. Prior to official listing, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the fifth working day after the day of the transaction. Notes may also be issued pursuant to the program which will not be listed on the London Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the applicable Issuer and the applicable Dealers may agree.

Material Change

Other than disclosed herein on pages 5 to 20, there has been no significant change in the financial or trading position of any of the Issuers, or the Guarantor and its subsidiaries taken as a whole, since September 30, 1994. Other than disclosed herein on pages 5 to 20, there has been no material adverse change in the financial position or prospects of any of the Issuers, or the Guarantor and its subsidiaries taken as a whole, since September 30, 1994.

6.L.4(c)

23.11(o)

Authorization

The issue of Notes and the Guarantees were authorized by decisions of the Board of Directors of the Guarantor on September 23, 1993 and of a committee thereof dated December 22, 1993. The issue of Notes by the UK Issuer was authorized by a decision of the Board of Directors of the UK Issuer dated December 22, 1993. The issue of Notes by the French Issuer was authorized by a decision of the Board of Directors of the French Issuer dated December 17, 1993. The issue of Notes by the Dutch Issuer was authorized by a decision of the Board of Directors of the Dutch Issuer on December 18, 1993. The issue of Notes by the US Issuer was authorized by a decision of the Board of Directors of the US Issuer on August 1, 1994.

Litigation

Neither any of the Issuers, the Guarantor or any of its subsidiaries are involved in any legal or arbitration proceedings (nor are there any such proceedings pending or threatened) that are expected to have or have had during the twelve months prior to the date hereof a significant effect on the financial position of the Guarantor and its subsidiaries taken as a whole or on the financial position of any of the Issuers.

6.K.7

Euroclear and Cedel

The Notes have been accepted for clearance through Euroclear and Cedel systems. The appropriate codes for each issue allocated by Euroclear and Cedel will be contained in the relevant Pricing Supplement. Transactions will normally be settled not earlier than two days after the date of the transaction.

23.11(f)

Auditors

The financial statements of the Guarantor for the four years ended September 30, 1994 and of the UK Issuer for the three years ended September 30, 1994 have been audited without qualification by KPMG, Chartered Accountants and Registered Auditors, in accordance with the laws of England and Wales. The business address of KPMG is P.O. Box 695, 8 Salisbury Square, London EC4V 8BB. The financial statements of the Dutch Issuer for the three years ended September 30, 1994, have been audited without qualification by KPMG Accountants N.V., Registered Accountants in accordance with the laws of The Netherlands. The business address of KPMG Accountants N.V. is KPMG Building, Burg.

6.H.5

6.H.4

Rijnderslaan 10-20, 1185 MC Amstelveen, The Netherlands. The financial statements of the French Issuer for the three years ended September 30, 1994, have been audited without qualification by KPMG Audit, Registered Auditors, in accordance with the laws of France. The business addresses for KPMG Audit is 47 Rue de Villiers, F-92200, Neuilly-sur-Seine, Republic of France. The financial statements of the US Issuer for the three years ended September 30, 1994 have been audited by KPMG Peat Marwick LLP, Certified Public Accountants, in accordance with the laws of the United States. The audit reports on the financial statements of the US Issuer for the three years ended September 30, 1994 were unqualified. The business address of KPMG Peat Marwick LLP is 4200 Norwest Center, 90 South Seventh Street, Minneapolis, Minnesota 55402, United States of America.

KPMG Accountants N.V. have given and have not withdrawn their written consent to the issue of this Offering Circular with their report on the financial extracts based on the annual accounts of the Dutch Issuer for the three years ended September 30, 1994 included in the form and context in which it is included and the references thereto and to them in the form and context in which they appear. In addition, KPMG Accountants N.V. have authorized the content of their report for the purposes of Section 152(1)(e) of the Financial Services Act 1986. KPMG Audit have given and have not withdrawn their written consent to the issue of this Offering Circular with their report on the financial extracts based on the annual accounts of the French Issuer for the three years ended September 30, 1994 included in the form and context in which it is included and the references thereto and to them in the form and context in which they appear. In addition, KPMG Audit have authorized the content of their report for the purposes of Section 152(1)(e) of the Financial Services Act 1986.

6.H.9

23.11(M)

Documents for Inspection

6.J.7

Copies of the following documents (including English translations where appropriate) may be inspected at the offices of Goldman Sachs Equity Securities (U.K.), Peterborough Court, 133 Fleet Street, London, EC4A 2BB during usual business hours on any weekday (public holidays excepted) during the life of the program and so long as any Notes remain outstanding, at the registered office of the Issuers and the office of the Fiscal Agent:

23.11(L)

(i) the Memorandum and Articles of Association of the UK Issuer and of the Guarantor, the certificate of incorporation and the by-laws of the US Issuer, the *Statuts* of the French Issuer and the Articles of Association of the Dutch Issuer;

6.J.7(a)

(ii) the audited annual accounts of each of the Issuers and the consolidated audited accounts of the Guarantor and its subsidiaries for its two most recent financial years for which such financial statements have been published together with any interim financial statements of the Guarantor published subsequently to such annual accounts and copies of the accountants' reports in respect of the French Issuer and the Dutch Issuer;

6.J.7(g)

(iii) the Fiscal Agency Agreement;

(iv) the Distribution Agreement;

6.J.7(c)

(v) Offering Circular together with any supplementary listing particulars; and

(vi) any Pricing Supplements for listed issues.

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6.J.1

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6.1.11

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