COMPANIES FORM No. 155(6)b

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

155(6)b

CHFP025

Please do not write in this margin

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

Note
Please read the notes on page 3 before completing this form

* insert full name of company

ø insert name(s) and address(es) of all the directors

Pursuant to section 155(6) of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number 237511

Name of company

* Arcadia Group Limited

I/We ø See Attachment A

† delete as appropriate

[the sole director] [all the directors]† of the above company (hereinafter called 'this company') do solemnly and sincerely declare that:

§ delete whichever is inappropriate

The business of this company is:

(a) that of a [recognised bank] [licensed institution]† within the meaning of the Banking Act 1979§

(b) that of a person authorised under section 3 or 4 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom§

(c) something other than the above§

This company is [the] [a] holding company of* Arcadia Group Design & Development Limited [Registered Number 2317752] which is proposing to give financial assistance in connection with the acquisition of shares in [this company] [ ] the holding company of this company.†

Presentor's name address and reference (if any) :

Allen & Overy
One New Change
London
EC4M 9QQ

Dx 44
BK:1017324

For official Use
General Section



A45 0579
COMPANIES HOUSE 19/12/02

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

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 210,204,416 ordinary shares

The assistance is to be given to: (note 2)

Taveta Investments Limited [Registered Number 04464926]
129-137 Marylebone Road, London NW1 5QD

The assistance will take the form of:

See Attachment B

The person who [has acquired] [will acquire]† the shares is:

Taveta Investments Limited [Registered Number: 04464926]

† delete as appropriate

The principal terms on which the assistance will be given are:

See Attachment C

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

The amount of cash to be transferred to the person assisted is £ See Attachment D

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

Please do not write in this margin

The date on which the assistance is to be given is See Attachment E

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

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

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

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

(b) [It is intended to commence the winding up of this company within 12 months of that date and I/we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding up.]* (note 3)

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

Declared at Colegrave House, 70 Berners Street, London

Declarants to sign below

Day	Month	Year
1 1	1 2	2 0 1 2

on

before me

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

NOTES

1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.

2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.

3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.

4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.

5 The address for companies registered in England and Wales or Wales is:-

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

or, for companies registered in Scotland:-

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

Laserform International 12/99

Directors' names and addresses

Attachment A

ATTACHMENT A

Directors' names and addresses

(to statutory declaration Form 155(6)b – page 1)

Ian Mark Allkins
35 Brentham Way
London
W5 1BE

Paul Coackley
Garden House
1 Tudor Road
Beckenham
Kent
BR3 6QR

Lord Anthony Grabiner, QC
1 Essex Court
Temple
London
EC4Y 9AR

Philip Green
Le Formentour
1st Floor
27 Avenue Princess Grace
Monte Carlo MC 9800
Monaco

Nigel Patrick Hall
9 Harmont House
20 Harley Street
London
W1N 1AL

John Paul Readman
Jellystone Farm
Friezland Lane Greenfield
Oldham
Lancashire
OL1 7HB

Stuart Alan Ransom Rose
4 St Johns House
30 Smith Square
London
SW1P 3HF

Charles Wilson
51 Ennismore Gardens
London
SW7 1AH

ATTACHMENT B

Form of Assistance

(to statutory declaration Form 155(6)b – Box 1 page 2)

Definitions

In this statutory declaration the following expressions have the following meanings:

Act means the Law of Property Act 1925;

Acquisition Facilities means the Term Loan Facility and the Revolving Credit Facility (each an **Acquisition Facility**);

Advance means a Term Advance, a RCF Advance or WCF Advance;

Agent means The Governor and Company of the Bank of Scotland, in its capacity as agent for the Banks;

Ancillary Bank means The Governor and Company of the Bank of Scotland, in its capacity as provider of the Ancillary Facilities;

Ancillary Facilities means the overdraft, letter of credit and other ancillary facilities to be made available by the Ancillary Bank to the Ancillary Facility Borrowers from time to time pursuant to the terms of the Ancillary Facility Letter;

Ancillary Facility Letter means, at any time, the letter addressed by the Ancillary Bank to, and acknowledged by way of acceptance by, the Ancillary Facility Borrowers, which letter regulates the terms of the Ancillary Facilities from time to time;

Ancillary Facility Borrowers means, at any time, the Principal Borrower and the Approved Ancillary Facility Borrowers at such time (each an **Ancillary Facility Borrower**);

Approved Ancillary Facility Borrowers means the Initial Ancillary Facility Borrowers and any other UK Charging Company which has executed and delivered to the Agent a deed of accession substantially in the form set out in part 1 of schedule 5 of the Facilities Agreement (each an **Approved Ancillary Facility Borrower**);

Banking Documents means the Facilities Agreement, the Group Banking Documents, the Security Documents, the Intercreditor Deed any documentation entered into in relation to the Hedging Arrangements and any documents supplemental to any of the foregoing (including, without limitation, any documentation pursuant to which any Group Company becomes subject to the provisions of any such document(s)) (each a **Banking Document**);

Banks means the Committed Banks, the Hedging Bank and the Ancillary Bank (each a **Bank**);

Form of Assistance

Attachment B

Borrower means, the Companies listed in schedule 1 to the Intra-group Loan Agreement (together the **Borrowers** and each a **Borrower**);

Certain Funds Period means the period commencing on the date of the Facilities Agreement and ending on the earlier of:

(i) the date which falls 21 days after the Offer lapses; and

(ii) the date which falls 21 days after the expiry of the period of four months beginning on the date of the Offer,

unless, on or prior to each such date, the Principal Borrower has become entitled to exercise any of its rights under sections 428 to 430F of the Act, in which case the period shall end on the later of the date which

(i) falls 104 days after the Principal Borrower is entitled to exercise such rights; and

(ii) the date on which the last payment needs to be made to option holders who have exercised their existing share options and have accepted the Offer;

Charging Companies means the Principal Borrower and any other Group Companies which have executed security documents in favour of, and in form and substance satisfactory to, the Security Trustee pursuant to the terms of any Banking Document (each a **Charging Company**);

Charged Shares means:

(i) the Shares;

(ii) all rights of whatever nature which a Charging Company may now have or hereafter acquire as against CREST in respect of any Charged Shares including (but without limitation) any rights which such Charging Company may have (i) under any agreement with CREST or CRESTCo Limited and/or (ii) to require delivery by CREST of any Charged Shares to, or to the order of, such Charging Company; and

(iii) all rights of whatever nature which a Charging Company may now have or hereafter acquire as against a custodian in respect of any Charged Shares held in such custodian's account with CREST including (but without limitation) any rights which such Charging Company may have (i) under any agreement with such custodian relating to the use of such account and/or (ii) to require delivery by such custodian of any Charged Shares to, or to the order of, such Charging Company;

Charging Companies means the Initial Charging Company and any company which accedes to the terms of the Composite Guarantee and Debenture pursuant to the terms of a duly executed Deed of Accession (each a **Charging Company**);

Code means the City Code on Takeovers and Mergers;

Collections Accounts has the meaning ascribed to that term in Clause 12.1.2.1 of the Composite Guarantee and Debenture;

Form of Assistance

Attachment B

Committed Banks means the Term Banks, the RCF Banks and the WCF Banks (each a **Committed Bank**);

Composite Guarantee and Debenture means a composite guarantee and debenture between the Principal Borrower and the Security Trustee dated 10th September, 2002;

Declared Default means an Event of Default that is continuing and in respect of which notice has been given by the Agent to the Principal Borrower in accordance with clause 24.2 of the Facilities Agreement;

Deed of Accession (Debenture) means the deed of accession, in the agreed terms, pursuant to which certain Group Companies shall accede to the Composite Guarantee and Debenture;

Deed of Accession (Facilities Agreement) means the deed of accession, in the agreed terms, to be entered into by, inter alia, the Principal Borrower, the Agent and the Initial Ancillary Facility Borrowers, pursuant to which such Initial Ancillary Facility Borrowers shall accede to the terms of this Agreement;

Deed of Accession (Intercreditor) means the deed of accession, in the agreed terms, pursuant to which certain Group Companies shall accede to the Intercreditor Deed;

Deeds of Accession means the Deed of Accession (Facilities Agreement), the Deed of Accession (Debenture) and the Deed of Accession (Intercreditor) (each a **Deed of Accession**);

Default Rate means the rate of interest set out at clause 11.2 of the Facilities Agreement;

Drawdown means the making of an Advance;

Drawdown Date means the date of a Drawdown;

Encumbrance includes (a) any mortgage, pledge, lien, charge, standard security, assignation, assignment by way of security, hypothecation or other security interest securing any obligation of any person, (b) any arrangement under which money or claims to, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to affect the discharge of any such money owed or payable to any person or (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect;

Facilities Agreement means, £880,000,000 committed facilities for Taveta Investments Limited arranged and underwritten by The Governor and Company of the Bank of Scotland dated 10th September, 2002 (as amended and restated on 10th December, 2002);

Group means, at any time, the Principal Borrower and its Subsidiaries at such time (each a **Group Company**);

Group Banking Documents means :

(i) the Deeds of Accession; and

(ii) the Intra-Group Loan Agreement;

Form of Assistance

Attachment B

Hedging Arrangements means the Initial Hedging Arrangements;

Hedging Bank means HBOS Treasury Services plc, in its capacity as provider of the Hedging Arrangements;

Initial Ancillary Facility Borrowers means the UK Charging Companies which have been identified in writing to, and approved in writing to, the Agent (each an **Initial Ancillary Facility Borrower**);

Initial Charging Company means Taveta Investments Limited, a company registered in England under number 4464926;

Initial Hedging Arrangements means the hedging arrangements which are to be entered into by the Principal Borrower with the Hedging Bank prior to the Initial Hedging Date, under which the Principal Borrower shall enter into an interest rate hedging arrangement acceptable to the Agent in respect of sixty per cent (60%) of the Term Loan for a period of 3 years from the first Drawdown Date;

Initial Hedging Date has the meaning ascribed thereto in clause 6 of the Facilities Agreement;

Insurances means the policies of insurance in which a Charging Company has an interest from time to time save for third party liability insurances;

Intellectual Property means all legal and/or equitable interests (including, without limitation, the benefit of all licences in any part of the world) of the Group Companies (or any of them), in or relating to registered and unregistered trade marks and service marks, patents, registered designs, utility models, applications for any of the foregoing, trade names, copyrights, design rights, unregistered designs, inventions, confidential information, know-how, registerable business names and any other rights of every kind deriving from or through the exploitation of any of the aforementioned rights of any Group Company;

Intra-Group Loan Advance means, unless the context otherwise requires, any advance made or to be made under the Intra-Group Loan Agreement by a Lender;

Intra-Group Loan Agreement means the intra-group loan agreement to be entered into by the Borrowers and Lenders;

Investments means shares, certificates of deposit, debentures and other investments as defined in part II of schedule II to the Financial Services and Markets Act 2000;

Lenders means the Companies listed in Schedule 2 to the Intra-Group Loan Agreement (together the **Lenders** and each a **Lender**);

Offer means the offer made, or proposed to be made with respect to the Shares, by the Principal Borrower in accordance with the terms of the Offer Document;

Offer Document means the document, in the agreed terms, issued, or to be issued, by the Principal Borrower to the shareholders of the Target (including the forms of acceptance) in respect of the Offer;

Form of Assistance

Attachment B

Principal Borrower means Taveta Investments Limited, a company registered in England under number 4464926 whose registered office is situate at 129-137 Marylebone Road, London NW1 5QD;

RCF Advance means the principal amount made, or to be made, available to the Principal Borrower under the Revolving Credit Facility, or, as the context may require, the outstanding principal amount of such advance;

RCF Banks means the Banks whose names are set out in part 2 of schedule 1 of the Facilities Agreement and, subject to the provisions of clause 29 of the Facilities Agreement, any of their respective successors, assigns and Transferees (each a **RCF Bank**);

Receivables means:

(i) all present and future book and other debts, rentals, royalties, fees, VAT and monetary claims and all other amounts recoverable or receivable by any Charging Company from other persons or due or owing to such Charging Company (whether actual or contingent and whether arising under contract or in any other manner whatsoever);

(ii) the benefit of all rights and remedies relating to any of the foregoing including, without limitation, claims for damages and other remedies for non-payment of the same, all entitlements to interest, negotiable instruments, guarantees, indemnities, Encumbrances, reservations of property rights, rights of tracing and unpaid vendor's liens and similar associated rights; and

(iii) all proceeds of any of the foregoing;

Related Rights means, in relation to any Investments or Charged Shares, all dividends, distributions and other income paid or payable on the relevant Investment or Charged Shares (as the case may be), together with (a) all shares or other property derived from the relevant Investment or Charged Shares (as the case may be) and (b) all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to the relevant Investment or Charged Shares (whether by way of conversion, redemption, bonus, preference, option or otherwise);

Revolving Credit Facility means the revolving credit facility, in the maximum aggregate principal amount of £350,000,000, granted to the Principal Borrower by the RCF Banks pursuant to clause 2 of the Facilities Agreement;

Secured Obligations means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Charging Company to the Security Trustee and the Security Beneficiaries (or any of them) under the Banking Documents, to which such Charging Company is a party, **provided** that no obligation or liability shall be included in the definition of "Secured Obligations" to the extent that, if it were so included, the Composite Guarantee and Debenture (or any part of it) would constitute unlawful financial assistance within the meaning of sections 151 and 152 of the Companies Act 1985 or any other applicable financial assistance legislation;

Security Beneficiaries means the Agent, the Security Trustee and the Banks (each a **Security Beneficiary**);

Form of Assistance

Attachment B

Security Documents means the documents which are from time to time entered into by any Group Company in favour of the Security Trustee (or any Security Beneficiary), as security for any and all monies and liabilities due, owing or incurred by any Group Company to the Security Beneficiaries (or any of them) (each a **Security Document**);

Security Trustee means The Governor and the Company of the Bank of Scotland, in its capacity as security trustee for the Security Beneficiaries;

Shares means all shares, stocks, debentures, bonds, warrants, coupons or other securities and Investments owned by any Charging Company;

Subsidiary means:

(i) a subsidiary as defined in section 736 of the Act; and

(ii) a subsidiary undertaking as defined in section 258 and schedule 10A of the Act;

Target means Arcadia Group Limited, a company registered in England under number 237511 whose registered office is situate at Colegrove House, 70 Berners Street, London W1T 3NL;

Term Advance means the principal amount made, or to be made, available to the Principal Borrower under the Term Loan Facility or, as the context may require, the outstanding principal amount of any such advance;

Term Banks means the Banks whose names are set out in part 1 of schedule 1 of the Facilities Agreement (each a **Term Bank**);

Term Loan means, at any time, the principal amount outstanding at such time under the Term Loan Facility;

Term Loan Facility means the term loan facility, in the maximum aggregate principal amount of £460,000,000, granted to the Principal Borrower by the Term Banks pursuant to clause 2 of the Facilities Agreement;

Transferee means a bank or other financial institution to which a Bank seeks to transfer all or part of its rights and obligations hereunder in accordance with clause 29 of the Facilities Agreement;

WCF Advance means the principal amount made, or to be made, available to the Principal Borrower under the Working Capital Facility, or, as the context may require, the outstanding principal amount of such advance;

WCF Banks means the Banks whose names are set out in part 3 of schedule 1 of the Facilities Agreement and, subject to the provisions of clause 29 of the Facilities Agreement, any of their respective successors, assigns and Transferees (each a **WCF Bank**);

Working Capital Facility means the revolving credit facility, in the maximum aggregate principal amount of £70,000,000, granted to the Principal Borrower by the WCF Banks pursuant to clause 2 of the Facilities Agreement.

Form of Assistance

Attachment B

The assistance will take the form of:

1. execution, delivery and performance by the Company of a Deed of Accession (Debenture) to the Composite Guarantee and Debenture pursuant to which the Company:

   (i) guarantees to the Security Trustee that it, inter alia, will pay or discharge when due the Secured Obligations and under which the Company, inter alia, gives certain indemnities in favour of the Security Trustee; and

   (ii) grants fixed and floating charges over all of its assets and undertakings (with the exception of its freehold and leasehold property) in favour of the Security Trustee as security for the Secured Obligations under the Banking Documents,

   pursuant to a Facilities Agreement comprising:

   (a) a Term Loan Facility and a Revolving Credit Facility made available to the Principal Borrower for the purposes of:

      (i) financing the consideration payable by the Principal Borrower for the Shares being acquired by the Principal Borrower pursuant to the Offer, or pursuant to the procedures set out in sections 428-430F (inclusive) of the Act, or any subsequent offer made for Shares which are subject to options granted by the Target prior to the date of the Facilities Agreement; and

      (ii) financing the fees, costs, stamp duty and expenses associated with the Offer (including, without limitation, the procedures set out in sections 428-430F (inclusive) of the Act).

   (b) the Revolving Credit Facility is also made available to the Principal Borrower, at any time after the expiry of the Certain Funds Period, to be used for general corporate purposes; and

   (c) a Working Capital Facility available to the Principal Borrower to be used only in connection with the working capital requirements of the Charging Companies at any time after the first Drawdown Date in respect of the Acquisition Facilities.

2. entry into by the Company of the Intra-Group Loan Agreement under which the Company will make available to the Borrowers committed revolving credit facility of up to an aggregate amount of £550,000,000.

ATTACHMENT C

Principal Terms of Assistance

(to statutory declaration Form 155(6)b – Box 2 page 2)

DEED OF ACCESSION (DEBENTURE)

TO THE COMPOSITE GUARANTEE AND DEBENTURE

1. By executing the Deed of Accession (Debenture) pursuant to the Composite Guarantee and Debenture the Company will, inter alia, irrevocably and unconditionally and jointly and severally with each other Charging Company:

Guarantee and Indemnity

(a) guarantee to the Security Trustee full, prompt and complete performance by each other Charging Company of all of the Secured Obligations owing by such Charging Company and the due and punctual payment of all the sums comprised in the Secured Obligations owing by each such Charging Company as and when they become due and payable;

(b) undertake to the Security Trustee that if any of the other Charging Companies fails to pay any sum comprised in the Secured Obligations on its due date it will pay such sum on demand as if it instead of such other Charging Company were the principal obligor in respect of those Secured Obligations;

(c) undertake to indemnify the Security Trustee as an additional and independent obligation against all losses, damages, costs and expenses incurred by the Security Beneficiaries (or any of them) arising from any failure by any of the other Charging Companies to pay the sums comprised in the Secured Obligations as and when they fall due;

Covenant to Pay

(d) as principal obligor and not merely as surety, covenants with the Security Trustee that it will pay or discharge when due the Secured Obligations in the manner provided for in the relevant Banking Document. Any such amount not paid when due shall bear interest (as well after as before judgment and payable on demand) at the Default Rate from the due date until the date such amount is unconditionally and irrevocably paid and discharged in full save to the extent that interest at such rate on such amount for such period is charged pursuant to a Banking Document and itself constitutes a Secured Obligation;

Fixed and Floating Charges

(e) with full title guarantee, charge in favour of the Security Trustee, as continuing security for the payment of the Secured Obligations, the following assets which are at any time owned by the Company, or in which such Charging Company is from time to time interested;

(i) by way of first fixed charge all plant, machinery, computers, vehicles, office and other equipment and the benefit of all contracts, licences and warranties relating to the same;

(ii) by way of first fixed charge all its right, title, interest and benefit in and to the Collections Accounts, all monies standing to the credit of the Collections Accounts, all interest accrued on monies standing to the credit of the Collections Accounts and all rights of such Charging Company to repayment of any of the foregoing;

(iii) by way of first fixed charge all Intellectual Property;

(iv) by way of first fixed charge the benefit of all licences, consents, agreements and authorisations held or utilised by such Charging Company in connection with its business or the use of any of its assets;

(v) to the extent not effectively assigned under Clause 4.2 *(Assignment)* of the Composite Guarantee and Debenture, by way of first fixed charge all Receivables;

(vi) by way of first fixed charge all the goodwill and uncalled capital of such Charging Company; and

(vii) by way of first fixed equitable charge all the Charged Shares together with all the Related Rights from time to time accruing thereto;

(f) with full title guarantee assign absolutely by way of security for the Secured Obligations in favour of the Security Trustee as a continuing security for the payment of the Secured Obligations:

(i) all the rights, title, interest and benefit of such Charging Company in and to the Receivables provided that, prior to the occurrence of a Declared Default that is continuing, the relevant Charging Company may exercise its rights in respect of its Receivables; and

(ii) all the rights and interests of such Charging Company in respect of Insurances and all proceeds thereof provided that, prior to the occurrence of a Declared Default that is continuing, the relevant Charging Company may exercise its rights in respect of such Insurances and proceeds,

subject in each case to a proviso for re-assignment on redemption;

(g) with full title guarantee in favour of the Security Trustee charge as further continuing security for the payment of the Secured Obligations, each Charging Company charges with full title guarantee in favour of the Security Trustee by way of first floating charge all its assets and undertaking whatsoever and wheresoever situated both present and future not effectively charged by way of first fixed mortgage or charge pursuant to the provisions of Clause 4.1 of the Composite Guarantee and Debenture, including, without prejudice to the generality of the foregoing, heritable property and all other property and assets in Scotland; and

Further Assurance

(h) each Charging Company will, whenever requested by the Security Trustee (acting reasonably) and at its own expense, promptly execute such deeds or documents and take any necessary action at its own expense whenever requested by the Security Trustee (acting reasonably) to perfect and protect the security created (or intended to be created) by the Composite Guarantee and Debenture or to facilitate the realisation thereof or otherwise to enforce the same or exercise any of the rights of the Security Trustee thereunder.

INTRA-GROUP LOAN AGREEMENT

2. By entering into the Intra-Group Loan Agreement, the Company will individually agree to:

(a) grant to the Borrowers (or any of them) a committed revolving credit facility of up to an aggregate amount of £550,000,000 pursuant to which it will make Intra-Group Loan Advances; and

(b) make available to the Borrowers amounts to be drawn under this revolving credit facility to the extent that:

(i) such Intra-Group Loan Agreement Advance is permitted to be made by the terms of the Banking Documents;

(ii) the aggregate of all monies standing to the credit of all bank accounts in the United Kingdom of Great Britain and Northern Ireland of such Lender exceeds the proportion of such Intra-Group Loan Advance which it is proposed be made by such Lender;

(iii) the Borrower requires the proposed Intra-Group Loan Advance for one of the purposes specified in clause 3.1 of the Intra-Group Loan Agreement;

(iv) the Borrower has insufficient funds available to it from any source other than the Lender;

(v) in respect of any payment required for one of the purposes specified in clauses 3.1.1 to 3.1.3 (inclusive) of the Intra-Group Loan Agreement, the payment to be made by the Borrower, which is to be funded (in whole or in part) from the proceeds of such Advance, falls due for payment no more than 5 Business Days after the date on which the Advance is proposed to be made;

(vi) the approval of, or the making of, the Advance does not give rise to any offence by any person under the Companies Act 1985 or the Insolvency Act 1986 and is not otherwise illegal; and

(vii) the Borrower is not on the date on which the Advance is proposed to be made in liquidation or administration or the subject of a voluntary arrangement in accordance with part 1 of the Insolvency Act 1986,

provided that such Lender shall cease to have an obligation to make any Intra-Group Loan Advance to such Borrower under this Agreement from such time as it ceases to be a Subsidiary of the Principal Borrower.

Form of Assistance

Attachment B

ATTACHMENT D

Amount of cash to be transferred
(to statutory declaration Form 155(6)b – page 2)

By means of an Intercompany Loan Agreement a maximum amount of £550,000,000

Form of Assistance

Attachment B

ATTACHMENT E

Date on which assistance is to be given

(to statutory declaration Form 155(6)b - page 3)

Within 8 weeks of the date hereof

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460

Private and Confidential

The Directors
Arcadia Group Limited
Colegrave House
70 Berners Street
London
W1T 3NL

11 December 2002

Dear Sirs

Auditors' report to the directors of Arcadia Group Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Arcadia Group Limited ('the Company') dated 11 December 2002 in connection with the proposal that the Company's subsidiary undertaking Arcadia Group Design & Development Limited should give financial assistance for reducing or discharging a liability incurred in connection with the purchase of the ordinary shares of the Company.

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

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

Yours faithfully

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6RH. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Financial Services Authority for investment business activities.