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COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

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

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

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

For official use

Company number

[] [] [] [] [] [] [] []

1070953

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

Name of company

* VIRGIN RECORDS LIMITED

* insert full name
of company

X/We Duncan Bratchell of 16 Green End Road, Boxmore, Hemel Hempstead,
Herts HP1 1QW, England

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

Paul Kernick of 229 Petersham Road, Petersham, Richmond, Surrey

Paul Robinson of 26 Furze Lane, Purley, Surrey CR8 3E6

† delete as
appropriate

~~the sole director~~ [all the directors]† of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

~~(a) that of a recognised bank licensed to do banking business within the meaning of the Banking Act 1988~~

~~(b) that of a person authorised under section 32 of the Insurance Companies Act 1982 to carry on~~

~~insurance business in the United Kingdom~~

(c) something other than the above§

The company is proposing to give financial assistance in connection with the acquisition of shares in the

[company] ~~company's holding company~~

~~limited~~

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the
purpose of that acquisition].†

The number and class of the shares acquired or to be acquired is: See Appendix A

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

Rowe & Maw
20 Black Friars Lane
LONDON
EC4V 6HD

DX 93 LONDON 651365 v5

For official Use
General Section

Post room



APPENDIX A

The number and class of shares acquired is 700,010,000 Ordinary Shares of £1 each; 190,000,000 "A" Fixed Rate Cumulative Redeemable Preference Shares of DM1 each; and 13,617,534 "B" Redeemable Preference Shares of DM1 each.

The assistance is to be given to: (note 2) EMI Group Finance plc whose registered office is at 4 Tenterden Street, London, W1A 2AY

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

The assistance will take the form of:

Depositing by the Company of £140,653,973 with effect from 1 April 1999 with EMI Group Finance plc at a rate of interest equal to the sterling base rate of Barclays Bank plc (from time to time). The monies deposited would be repayable on demand by the Company at any time.

VT

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

† delete as appropriate

Mawlaw 294 Limited

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

EMI Group plc repaid to the Company with effect from 1 April 1999 £140,653,973. The Company is to place the amount so repaid by EMI Group plc on deposit with EMI Group Finance plc on the terms set out above. Such deposit may constitute the giving of financial assistance pursuant to Section 151(2) of the Companies Act 1985 ("the Act") for the following reasons:

(a) in connection with Mawlaw 294 Limited's purchase of the entire issued share capital of the Company on 1 April 1999, EMI Group Finance plc had changed its financial position for the purposes of Section 152(3)(a) of the Act by making a loan of £1,984,616,058 to Mawlaw 294 Limited; and

(b) the deposit of funds by the Company with EMI Group Finance plc would, by virtue of Section 152(3)(b) of the Act, have the effect of partly restoring EMI Group Finance plc's financial position to what it was before EMI Group Finance plc made the loan to Mawlaw 294 Limited.

The amount of cash to be transferred to the person assisted is £ 140,653,973

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

VT The date on which the assistance is to be given is 20 July 19 99

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

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

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

And ~~*/~~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 Penrhywlad Hotel
London Heathrow Hotel
Bath Road Heathrow Middlesex
the 20th day of July
one thousand nine hundred and Ninety Nine

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.

VINCENT WALTER TURNER

Declarants to sign below

[Signature]
[Signature]

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
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

REPORT OF THE AUDITORS
to the Directors of Virgin Records Limited

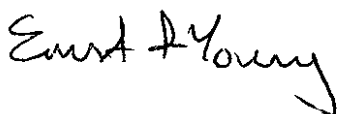
We have examined the attached Statutory Declaration of the directors dated 20 July 1999 in connection with the proposal that the company should give financial assistance for the purchase of 700,010,00 of the Company's Ordinary shares, 190,000,000 of the Company's 'A' Fixed Rate Cumulative Redeemable Preference Shares of DM1 each, and 13,617,534 of the Company's 'B' Redeemable Preference Shares of DM1 each.

Basis of Opinion

We have enquired into the state of affairs of the Company so far as necessary for us to review the basis for the Statutory Declarations.

Opinion

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



Ernst & Young
Registered Auditor
London

20 July 1999