



CHA 116

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

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

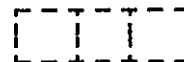
†Insert name(s) and
address(es) of all
the directors

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

To the Registrar of Companies

For official use

Company number



1070953

Name of company

* VIRGIN RECORDS LIMITED

x/We† PAUL STEPHEN ROBINSON OF 26 FURZE LANE, PURLEY, SURREY CR8 3E6; PAUL
ANDREW KERNICK OF 229 PETERSHAM ROAD, PETERSHAM, RICHMOND, SURREY
TW10 7AW AND PAUL WATSON OF APRIL COTTAGE, BOUNDARY ROAD, CHALFONT,
ST PETER, BUCKS SL9 9PQ

§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 the 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 8 or 9 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] [x] holding company of* EMI UK HOLDINGS LIMITED

which is

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

in [this company] [

the holding company of this company.]†

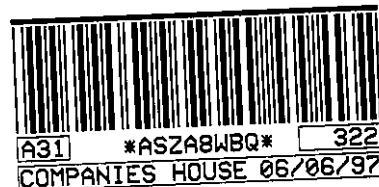
Presentor's name, address and
reference (if any):

Rowe & Maw
20 Black Friars Lane
LONDON
EC4V 6HD

#365664

For official use

General Section



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: 300,000,000 Ordinary Shares of £1 each and 100,000,000 'C' Cumulative Convertible Participating Preference Shares of FFr 10 each

The assistance is to be given to: (note 2) Directly to EMI Group plc, 4 Tenterden Street, London W1A 2AY and indirectly to EMI Group Participations SA

The assistance will take the form of:

A loan of £427,467,522.50 to be made by EMI UK Holdings Limited to EMI Group plc (the ultimate parent company of both the Company and EMI Group Participations SA)

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

†Delete as appropriate

EMI Group plc (which is to acquire the 300,000,000 Ordinary Shares) and EMI Group Participations SA (which is to acquire the 100,000,000 'C' Cumulative Participating Preference Shares)

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

The loan is to be non-interest bearing and repayable on demand

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 £ 427,467,522.50

The value of any asset to be transferred to the person assisted is £ N/A

Please ~~not~~
write in this
margin

The date on which the assistance is to be given is On or about 30 MAY 19 97

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

I/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) [I/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)

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

(b) [~~I/We intended to commence the winding-up of the company within 12 months of that date, and I/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 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 KENSAL HOUSE,
553 - 579 HARROW ROAD,
LONDON W10 4RM
the 22nd day of MAY
One thousand nine hundred and NINETY SEVEN

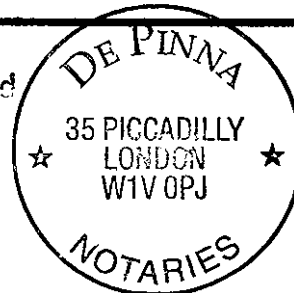
Declarants to sign below

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

D.N.L. FAWCETT
Notary Public of London, England



- 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.

The Directors
Virgin Records Limited
Kensal House
553-579 Harrow Road
London W10 4RM

22 May 1997

REPORT OF THE AUDITORS TO THE DIRECTORS OF VIRGIN RECORDS LIMITED

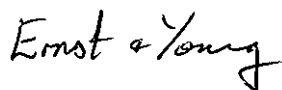
We have examined the attached statutory declaration of the directors of Virgin Records Limited ("the Company") dated 22 May 1997 in connection with the proposed financial assistance to be given by the Company's subsidiary, EMI UK Holdings Limited for the purchase of shares of the Company.

BASIS OF OPINION

We have enquired into the state of affairs of the Company and its subsidiary, EMI UK Holdings Limited, so far as necessary for us 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 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
Chartered Accountants
Registered Auditor