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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

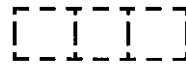
395

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number



2376810

Name of company

* VIRGIN RETAIL GROUP LIMITED (the "Company")

Date of creation of the charge

23rd December 1996

Description of the instrument (if any) creating or evidencing the charge (note 2)

Supplemental Deed dated 23rd December 1996 supplemental to a Mortgage of Shares in Virgin Retail Limited dated 5th March 1993 (as amended by a Supplemental Deed dated 12th September 1994 and a Supplemental Deed dated 24th February 1995 and as so supplemented by each Supplemental Deed, the "Mortgage").

Amount secured by the mortgage or charge

PLEASE SEE ATTACHED SCHEDULE 1

Names and addresses of the mortgagees or persons entitled to the charge

Lloyds Bank Plc, 6-8 Eastcheap, London EC3M 1LL acting as trustee for itself and for The Bank of Nova Scotia of Scotia House, 33 Finsbury Square, London EC2A 1BB

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

Cameron Markby Hewitt
Sceptre Court
40 Tower Hill
London
EC3N 4BB

SXC/CAG.X2244.8322 237055

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

PLEASE SEE ATTACHED SCHEDULE 2

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legibly, preferably
in black type, or
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Particulars as to commission allowance or discount (note 3)

NIL

Signed

Cameron Mackay Hewitt

Date

9.1.97

On behalf of ~~[company]~~ [mortgagee/chargee] †

† delete as
appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

Companies form number M395
Particulars of a Mortgage or Charge
Virgin Retail Group Limited - Company number 2376810

SCHEDULE 1

Amount secured by the mortgage or charge

The payment on demand of all money and liabilities whether certain or contingent which now are or at any time after the date of creation of the charge may be due owing or incurred from the Company:

- (i) to Lloyds Bank Plc ("Lloyds") pursuant to a Loan Agreement ("Lloyds Loan Agreement") dated 5th March 1993, as amended from time to time, whereby Lloyds agreed to make available to the Company a loan of up to £12,500,000 upon and subject to the terms thereof;
- (ii) to The Bank of Nova Scotia ("BNS") pursuant to a Loan Agreement dated 5th March 1993 as amended from time to time, whereby BNS agreed to make available to the Company a loan of up to £12,500,000 upon and subject to the terms thereof;
- (iii) to Lloyds and BNS pursuant to the Mortgage: and
- (iv) to Lloyds other than under the Lloyds Loan Agreement.

Cameron Manly Hewitt
9.1.97

Companies form number M395
Particulars of a Mortgage or Charge
Virgin Retail Group Limited - Company number 2376810

SCHEDULE 2

Short particulars of all the property mortgaged or charged

1. 1,049,048 (one million forty nine thousand and forty eight) ordinary shares of £1 par value in Virgin Retail Limited (the "Shares");
2. any securities substituted for the Shares;
3. all dividends or interest paid or payable after 5th March 1993 on the Shares or on any such substituted securities and all stocks and shares owned at any time by the Company in Virgin Retail Limited whether such stocks and shares are issued to the Company or otherwise acquired by the Company and all stocks and shares (and the dividends or interest thereon) rights moneys or property accruing or offered at any time by way of redemption bonus preference option consolidation sub-division or otherwise to or in respect of any securities subject to the Mortgage; and
4. any proceeds of the sale of the securities to WH Smith Limited ("WHS") pursuant to the terms of a Joint Venture Agreement between the Company, Virgin Retail Limited, Lloyds and WHS dated 3rd February 1992 as varied by a Supplemental Agreement between the Company, Virgin Retail Limited, Lloyds and WHS dated 5th March 1993 and as each has been further amended by two amendment agreements dated 31st May 1994 and 3rd March 1994 respectively and as the Supplemental Agreement has been further amended by an agreement dated 21st February 1995.

Cameron Mackay Head
3.1.97

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No: 02376810

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SUPPLEMENTAL DEED DATED THE 23rd DECEMBER 1996 AND CREATED BY VIRGIN RETAIL GROUP LIMITED FOR SECURING ALL MONEYS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO LLOYDS BANK PLC AS TRUSTEE FOR ITSELF AND THE BENEFICIARIES (AS DEFINED) PURSUANT TO THE TERMS OF A LOAN AGREEMENT DATED 5/3/93 AS AMENDED WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 10th JANUARY 1997.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16th JANUARY 1997.

R. L. ADAMS

for the Registrar of Companies



COMPANIES HOUSE

HC026B

PS 16-1