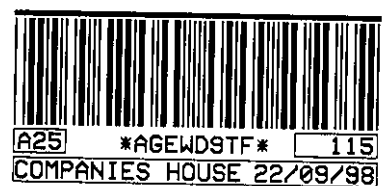


The Pizza Gallery Limited

Annual report

for the seventeen months ended 28 February 1998

Registered Number : 2886353



The Pizza Gallery Limited

Directors' report for the seventeen months ended 28 February 1998

The directors present their report together with the financial statements for the company for the seventeen months ended 28 February 1998.

Principal Activities

The company has not traded during the period and has made neither any profit nor loss.

Directors

The directors of the company during the period were as follows:

J W Lester (appointed 27 November 1996)
J S D Evans (appointed 27 November 1996)
C D Green (appointed 27 November 1996)
R C Johnson (appointed 27 November 1996, resigned 29 August 1997)
R B Simpson (appointed 27 November 1996, resigned 1 May 1997) -
G M Guthrie (resigned 27 November 1996)
Dr A W Henfrey (resigned 27 November 1996)
R E Sims (resigned 27 November 1996)

Directors and their interests

According to the register maintained as required under the Companies Act 1985, the beneficial interests of the directors in shares and options over the ordinary shares in the holding company, Whitbread PLC, including shares held under the Whitbread PLC Share Ownership Scheme are as follows:-

Ordinary shares	<u>29 September 1996</u> <u>28 February 1998 or date of appointment</u>	
J S D Evans	530	511
C D Green	-	-
J W Lester	1194	145

The Pizza Gallery Limited

Directors' report cont.

Options over ordinary shares

During the period the following movements in options over the ordinary share capital of the holding company, Whitbread PLC, took place:-

		<u>Options held at 29.9.96 or appointment</u>	<u>Options granted</u>		<u>Options exercised</u>		<u>Options held at 28.2.98</u>
			<u>Number</u>	<u>Price</u>	<u>Number</u>	<u>Price</u>	
J S D Evans	a	0	13,100	778.5p	0		13,100
	b	0	1,526	638.6p	0		1,526
C D Green	a	57,500	1,700	778.5p	0		59,200
	b	0	2,701	638.6p	0		2,701
J W Lester	b	3,061	472	584.2p	1,006	357.8p	2,527

(a) the Executive Share Option Scheme

(b) the Savings Related Option Scheme

By order of the board



R N C Franklin ACIS
Company Secretary

The Pizza Gallery Limited

Balance Sheet at 28 February 1998

	1998 £	1996 £
Current Assets		
Amount due from parent undertaking	<u>100</u>	<u>100</u>
Capital and reserves		
Authorised ordinary shares of £1 each	1,000	1,000
Called-up share capital	<u>100</u>	<u>100</u>

The Company was dormant throughout the financial period within the meaning of Section 250(3) of the Companies Act 1985.



J W Lester
Director

Date:

Notes to the accounts

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Whitbread PLC, registered in England and Wales. Copies of Whitbread PLC's accounts can be obtained from Chiswell Street, London EC1Y 4SD.

The Company has not traded during the period and therefore does not present a profit and loss account.