

COMPANIES FORM No. 155(6)(a)

Declaration in relation to assistance for the acquisition of shares

155(6)a

Please do not write in this margin

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

03430071

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

Name of company

* Debenhams Limited

*Insert full name of company

I/We

See Schedule 1 attached hereto

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

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 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

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

in the ~~company~~ [company's holding company]

See Schedule 2 attached hereto

~~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 Schedule 3 attached hereto

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

FRESHFIELDS BRUCKHAUS
DERINGER
65 FLEET STREET, LONDON
ENGLAND
UNITED KINGDOM EC4Y 1HS
DX 23 LONDON/CHANCERY LANE

For official Use (10/03)
General Section

Post room



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

See Schedule 4 attached hereto

Please do not
write in
this margin

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

The assistance will take the form of:

See Schedule 5 attached hereto

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

See Schedule 6 attached hereto

[†] Delete as
appropriate

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

See Schedule 7 attached hereto

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

Nil

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

Nil

The date on which the assistance is to be given is within 8 weeks of the date hereof

Please do not write in this margin

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

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

~~x~~/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) ~~x~~/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)

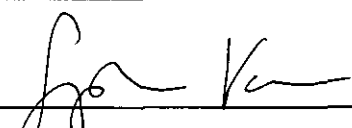
(b) ~~It is intended to commence the winding up of the company within 12 months of that date and we have formed the opinion that the company will be able to pay its debts in full within 12 months of the commencement of the winding up.]~~* (note 3)

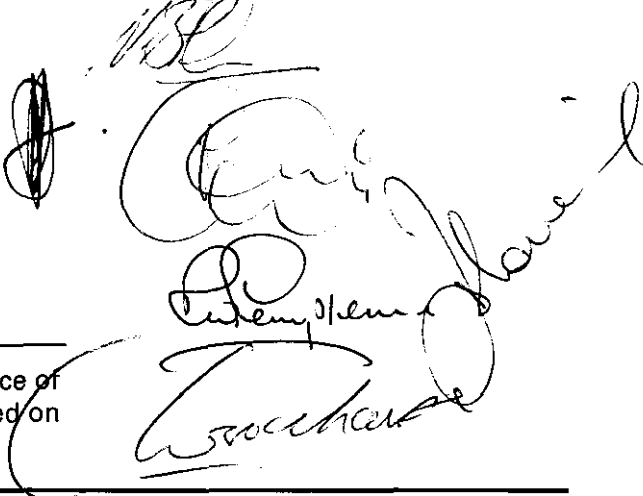
And ~~x~~/we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at

Declarants to sign below

on Day Month Year
2 7 0 6 2 0 0 5

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 auditor's 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

DX 33050 Cardiff

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

DX 235 Edinburgh

or LP-4 Edinburgh 2

SCHEDULE 1

Directors of the Company

| Name | Address for service of documents |
|-----------------------|-----------------------------------|
| Christopher Woodhouse | 91 Wimpole Street, London W1G 0EF |
| Robert Templeman | 91 Wimpole Street, London W1G 0EF |
| John Lovering | 91 Wimpole Street, London W1G 0EF |
| Nigel Palmer | 91 Wimpole Street, London W1G 0EF |
| Michael Sharp | 91 Wimpole Street, London W1G 0EF |
| Nikki Zamblera | 91 Wimpole Street, London W1G 0EF |

This is Schedule 1 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

SCHEDULE 2

Financial assistance proposed

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

1. the Company; and
2. Debenhams Finance Holdings Limited.

This is Schedule 2 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

SCHEDULE 3

Number and class of the shares acquired

1. The number and class of shares acquired in the Company is 372,121,110 (three hundred and seventy-two million, one hundred and twenty-one thousand one hundred and ten) Ordinary Shares of £0.10 each.
2. The number and class of shares acquired in Debenhams Finance Holdings Limited is 519,900,423 (five hundred and nineteen million, nine hundred thousand, four hundred and twenty-three) Ordinary Shares of £1 each.

This is Schedule 3 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

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SCHEDULE 4

The assistance is to be provided to:

1. In relation to the acquisition of the shares of the Company:
Debenhams Retail Holdings Limited, company number 05448421.
2. In relation to the acquisition of the shares of Debenhams Finance Holdings Limited:
Debenhams Retail Holdings Limited, company number 05448421.

This is Schedule 4 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

SCHEDULE 5

Form of the assistance

The Company will:

1. accede as an additional borrower and additional guarantor to a facilities agreement dated 25 April 2005 between, among others, Debenhams Finance Holdings plc (now Debenhams Finance Holdings Limited) and Credit Suisse First Boston, London Branch, Morgan Stanley Bank International Limited, Citigroup Global Markets Limited and Merrill Lynch International as Mandated Lead Arrangers and Bookrunners, Credit Suisse First Boston, London Branch, Morgan Stanley Bank International Limited, Morgan Stanley Senior Funding, Inc., Citibank N.A., London Branch and Merrill Lynch Capital Corporation as original lenders and Credit Suisse First Boston, London Branch as issuing bank, agent and security agent (as amended from time to time) (the *Facilities Agreement*);
2. accede as an additional chargor to a debenture dated 26 May 2005 between Debenhams Retail Holdings Limited as chargor and Credit Suisse, London Branch, as Security Agent (the *Debenture*);
3. accede as an additional obligor to an intercreditor deed dated 26 May 2005 between, among others, Debenhams Retail Holdings Limited as original borrower, original guarantor and original intra-group creditor and Credit Suisse, London Branch, as issuing bank, agent and security agent (the *Intercreditor Deed*); and
4. pay any transaction costs and expenses incurred in relation to the reorganisation of the group of companies to which the Company belongs and in relation to the financing of that reorganisation.

This is Schedule 5 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

SCHEDULE 6

The persons who have acquired the shares

1. In relation to the acquisition of the shares of the Company:

Baroness Retail Limited, company number 04843152.

2. In relation to the acquisition of the shares of Debenhams Finance Holdings Limited:

Debenhams Retail Holdings Limited, company number 05448421.

This is Schedule 6 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

SCHEDULE 7

Principal terms on which the assistance will be given

1. Pursuant to the terms of the Facilities Agreement (as defined in Schedule 5 to this Form 155(6)(a)) to which the Company will accede by delivering an accession letter, the Company:

- (a) will guarantee to each Finance Party (as defined in the Facilities Agreement) punctual performance by each other Obligor (as defined in the Facilities Agreement) under the Facilities Agreement of all that Obligor's obligations under the Facilities Agreement and all Finance Documents (as defined in the Facilities Agreement);
- (b) will undertake with each Finance Party that whenever another Obligor does not pay any amount when due or in connection with any Finance Documents, the Company shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) will indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

2. Pursuant to the terms of the Debenture (as defined in Schedule 5 to this Form 155(6)(a)) to which the Company will accede by delivering an accession letter, the Company will charge in favour of the Security Agent (as defined in the Facilities Agreement):

- (a) by way of fixed charge:
 - (i) all Material Property (as defined in the Debenture) which is now, or in the future becomes, its property or in which it holds any estate or interest;
 - (ii) all interests and rights in or relating to any Material Property or the proceeds of sale of any Material Property now or in the future belonging to it;
 - (iii) all plant and machinery and equipment now or from time to time hereafter owned by it or in which the Company has an interest and the benefit of all contracts and warranties relating to the same;
 - (iv) all rental and other income and all debts and claims now or in the future due or owing to it under or in connection with any lease, agreement or licence relating to land;
 - (v) all Specified Investment Securities (as defined in the Debenture) (other than Investment Securities in respect of members of the Jersey Sub-

Group (as defined in the Debenture) which are now, or in the future become, its property);

- (vi) all derivative rights now or in the future accruing in respect of its Specified Investment Securities;
- (vii) all its Insurances (as defined in the Debenture) together with all its rights and interests in such Insurances (including the benefit of all claims arising and all money payable under them);
- (viii) all its goodwill and uncalled capital;
- (ix) all Specified Intellectual Property (as defined in the Debenture) belonging to it;
- (x) all other intellectual property now or from time to time hereafter belonging to it, or in which it may have an interest;
- (xi) the benefit of all agreements and licences now or in the future entered into or enjoyed by it relating to the use or exploitation of any intellectual property in any part of the world;
- (xii) all its rights now or in the future in relation to trade secrets, confidential information and know how in any part of the world;
- (xiii) all its rights and causes of action in respect of infringement(s) (past, present or future) of the rights referred to in paragraphs (a) to (l) above inclusive;
- (xiv) all intercompany debts owed to the Company;
- (xv) all Receivables and all other debts now or in the future owing to it (but the Company may utilise its collection accounts until security granted under the Debenture becomes enforceable);
- (xvi) the benefit of all instruments, guarantees, charges, pledges and other security and all other rights and remedies available to it in respect of any asset, subject to this fixed charge (a **Fixed Charge Asset**);
- (xvii) all its interests and rights (if any) now or in the future in or to any pension fund or plan;
- (xviii) all rights, money or property accruing or payable to it now or in the future under or by virtue of a Fixed Charge Asset except to the extent that such rights, money or property are for the time being effectively charged by this fixed charge; and
- (xix) the benefits of intra-group loans, hedging documents and insurances (the **Relevant Documents**), all licences, consents and authorisations held in connection with its business or the use of any asset and the right to recover and receive all compensation which may be payable in respect of them (to the extent that the same are not otherwise subject to

an effective fixed charge under the Debenture or to an effective security assignment as described below.

- (b) by absolute assignment (subject to the right to reassignment on redemption) of all right, title and interest both present and future of the Company in respect of the Relevant Documents together with the benefit of all rights, claims and remedies in respect of such Relevant Documents. Until the charges created by the Debenture become enforceable the Company shall be entitled to exercise all its rights under the Relevant Documents (subject to the provisions of the Debenture).
- (c) by way of floating charge:
 - (i) all its assets (including any assets comprised within a charge which is reconverted) except to the extent that such assets are for the time being effectively charged by any fixed charge contained in paragraph (a) above, effectively assigned pursuant to paragraph (b) above; and
 - (ii) without exception, all its assets in so far as they are for the time being situated in Scotland,

and such floating charge shall be a qualifying floating charge for the purposes of paragraph 14 Schedule B1 to the Insolvency Act 1986.

3. Pursuant to the terms of the Intercreditor Deed (as defined in Schedule 5 to this Form 155(6)(a)) to which the Company will accede by delivering an accession letter, the Company will:

- (a) agree to subordinate all debts owed to the Company by certain other members of the group of companies to which the Company belongs (the **Intra-Group Debts**) to amounts due under the Facilities Agreement (the **Senior Debt**); and
- (b) agree to restrict the rights of the Company to enforce security granted pursuant to the Intra-Group Debts until such time as the Senior Debt is repaid in full.

This is Schedule 7 referred to in the form 155(6)(a) declared by the Directors of the Company on 27 June 2005.

DEBENHAMS LIMITED
(the *Company*)

Company Number 03430071

BOARD MEMORANDUM

1. This Memorandum is given in connection with the proposed arrangement whereby the Company will give financial assistance for the purpose of discharging liabilities incurred for the purposes of (1) the acquisition by Debenhams Retail Holdings Limited of the entire issued share capital of Debenhams Finance Holdings Limited, a holding company of the Company, and (2) the refinancing of the acquisition by Baroness Retail Limited of the entire issued share capital of the Company, particulars of which transactions are given in the statutory declaration made by the directors this day pursuant to section 155(6) of the Companies Act 1985.
2. As at the close of business on 28 May 2005, being the last practicable date before the date of this memorandum for which management accounts have been prepared, the aggregate of the Company's assets as stated in its accounting records exceeded the aggregate of its liabilities so stated.
3. From their knowledge of events since that date and of the likely course of the Company's business, the directors have formed the opinion that the aggregate of the Company's assets will exceed the aggregate of its liabilities immediately before the proposed financial assistance is given and that the giving of such financial assistance will not reduce the net assets of the Company.

Signed on behalf of the Board

Dated: 27 June 2005



Director

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 288 2211

The Directors
Debenhams Limited
1 Welbeck Street
London
W1G 0AA

27 June 2005

Dear Sirs

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

We have examined the attached statutory declaration of the directors of Debenhams Limited (the "Company") dated 27 June 2005 in connection with the proposal that the Company should give financial assistance for the purposes of (1) the acquisition by Debenhams Retail Holdings Limited of the entire issued share capital (519,900,423 ordinary shares) of the Company's intermediate holding company, Debenhams Finance Holdings Limited, and (2) the refinancing of the acquisition by Baroness Retail Limited of the entire issued share capital (372,121,110 ordinary shares) of the Company. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors