



Please do not
write in
this margin

Declaration in relation to assistance for the acquisition of shares

155(6)(a)

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

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

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

For official use

Company number

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03674996

Name of company

* **Coral Group Trading Limited (the "Company")**

~~We~~ Please see Appendix A

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

† delete as appropriate

§ delete whichever
is inappropriate

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

The business of the company is:

(a) ~~the~~ ~~NOX~~ [recognised bank] ~~like~~ ~~ed~~ ~~pos~~ ~~ition~~ ~~†~~ within the meaning of the Banking Act 1978

(b) the Chapter 11 bankruptcy reorganization of the insurance companies 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 **Coral Eurobet 4 Limited (the "Parent")**]

~~XXXXXX~~

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

The number and class of the shares acquired or to be acquired is: **665,500,000 ordinary shares**

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

Latham & Watkins
99 Bishopsgate
London EC2M 3XF

Ref: MW 028871-0008

For official Use
General Section

Post room



LD4
COMPANIES HOUSE

0368
29/02/04

The assistance is to be given to: (note 2) Coral Eurobet 3 Limited (the "Purchaser") of Glebe
House, Vicarage Drive, Barking, Essex, IG11 7NS

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:

Please see Appendix B

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

[†] delete as
appropriate

The Purchaser

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

Please see Appendix C

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 Please see Appendix D

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

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


(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)

[illegible]

Declared at GLASSBORO
NORRIS DRIVE
BARKING

on 12 02 2004

Declarants to sign below



- 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
CF14 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
37 Castle Terrace
Edinburgh
EH1 2EB

APPENDIX A
DIRECTORS' NAMES AND ADDRESSES FOR
Coral Group Trading Limited

1. Coral Nominees Limited represented by
John Julian Tristram Cronk
Glebe House
Vicarage Drive
Barking
Essex
IG11 7NS

2. Michael Gordon Mariscotti
Arrewig Farm
Arrewig Lane
Chartridge
Buckinghamshire
HP5 2UA.

3. Vaughn Trevor Ashdown
Pine Hall
Crouch Lane
Borough Green
Sevenoaks
Kent
TN15 8LU

Appendix B – Coral Group Trading Limited

1. The financial assistance will be provided by the Company in connection with:

- (a) a £830,000,000 restated senior credit agreement (the “**New Senior Credit Agreement**”) dated 4 February 2004 and made between, among others, the Purchaser as Principal Borrower, The Governor and Company of the Bank of Scotland and Lehman Brothers Bankhaus AG, London Branch as Mandated Lead Arrangers, The Governor and Company of the Bank of Scotland as Facility Agent and Security Agent (in the former capacity, the “**New Facility Agent**” and in such latter capacity, the “**New Security Agent**”) and the financial institutions named or defined therein as Lenders, whereby £830,000,000 term loan and revolving loan facilities have been made available to the Purchaser (the “**Senior Loans**”);
- (b) an intercreditor deed (the “**New Intercreditor Deed**”) dated 4 February 2004 and made between, among others, the parties to the New Senior Credit Agreement, which amongst other things subordinates debts owing to the Company by certain members of its group and regulates the priority and subordination of payments and, where applicable, the enforcement of the security granted to certain of the parties thereto;
- (c) a debenture (the “**New Debenture**”) to be made between, among others, the Company and the New Security Agent whereby, amongst other things, the Company will create first fixed and floating charges over all or substantially all of its property and undertaking present and future, by way of security for, inter alia, its obligations under the guarantee and indemnity given by it in the Restated Senior Credit Agreement (as increased in accordance with the Guarantee Increase Deed, as such term is defined below) referred to in (a) above, in favour of the New Security Agent as security agent for itself and the other Secured Parties (as such term is defined in the New Debenture); and
- (d) an upstream loan agreement (the “**New Upstream Loan Agreement**”) dated 4 February 2004 and made between, inter alios, the Company as lender and the Purchaser, under which the Company will make available loan facilities to the Purchaser as and when requested which may be used by the Purchaser to, inter alia, assist it in meeting its payment obligations under the New Senior Credit Agreement,

in each case as such document is amended, restated, varied or supplemented from time to time.

2. The financial assistance will be given by way of the Company entering into the following documents:

- (a) a guarantee increase deed (the “**Guarantee Increase Deed**”) to be made between, among others, the Company as guarantor and the New Facility Agent, whereby the Company would agree:
 - (i) to extend the amounts guaranteed by it under the New Senior Credit Agreement to cover all obligations incurred in respect of the Senior Loans which are to be used for the purpose of the acquisition of shares in the Parent; and
 - (ii) that the Company’s obligations under the New Intercreditor Deed shall no longer be limited by reference to section 151 Companies Act 1985 to the extent that such limitation would otherwise restrict any such obligations as a result of all or part of the Senior Loans being used for the purpose of the acquisition of shares in the Parent;
- (b) the New Debenture whereby, amongst other things, the Company will create first fixed and floating charges as further described in paragraph 1(c) above in favour of the New Security Agent as security agent for itself and the other Secured Parties (as such term is defined in the New Debenture); and
- (c) a confirmatory agreement (the “**Confirmatory Agreement**”) to be made between each of the parties to the New Upstream Loan Agreement whereby each of the parties thereto as lenders (including the Company) would agree to advance monies thereunder to the Purchaser notwithstanding the fact that such monies would be used by the Purchaser to, inter alia, assist it in meeting its payment obligations in respect of the Senior Loans, all or part of which are to be used for the purpose of the acquisition of shares in the Parent,

in each case as such document is amended, restated, varied or supplemented from time to time.

APPENDIX C – Coral Group Trading Limited

The principal terms on which assistance will be given are:

1. By executing the Guarantee Increase Deed and thereby, inter alia, increasing the amount guaranteed under the guarantee given by it in the New Senior Credit Agreement referred to in paragraph 1(a) of Appendix B to include obligations to be incurred for the purposes of the acquisition of shares in the Parent:
 - (a) the Company, inter alia, irrevocably and unconditionally and jointly and severally with certain other members of the group of companies of which it is a member, in respect of such increased amount:
 - (i) will guarantee to each Finance Party the punctual performance by each Obligor of all that Obligor's obligations under the Senior Finance Documents;
 - (ii) will undertake with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Senior Finance Document, the Company shall immediately on demand pay that amount as if it was the Principal Borrower; and
 - (iii) will indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if the guarantee given under the New Senior Credit Agreement or any obligation guaranteed by it is or becomes unenforceable, invalid or illegal.

The obligations of the Company under the guarantee referred to above shall not be discharged, diminished or in any way adversely affected as a result of any of the following (whether or not known to any Obligor or Finance Party):

- (i) any time, consent or waiver given to, or composition made with, any Obligor or any other person;
- (ii) any amendment to, or replacement of, any Senior Finance Document (however fundamental) or any other agreement or security;
- (iii) the taking, variation, compromise, renewal, release or refusal or neglect to perfect or enforce any right, remedies or security against any Obligor or any other person;
- (iv) any purported obligation of any Obligor or any other person to any Finance Party (or any security for that obligation) becoming wholly or partly void, invalid, illegal or unenforceable for any reason;

- (v) any incapacity, lack of power, authority or legal personality or any change in the constitution of, or any amalgamation or reconstruction of, any Obligor, Finance Party or other person;
 - (vi) any Obligor or other person becoming insolvent, going into receivership or liquidation, having an administrator appointed or becoming subject to any other procedure for the suspension of payments to or protection of creditors or similar proceedings;
 - (vii) any change in the constitution of any Finance Party or as a result of the amalgamation or consolidation by a Finance Party with any other person; or
 - (viii) any other act, omission, circumstance, matter or thing which, but for this provision, might operate to release, reduce or otherwise exonerate the Company from any of its obligations under the guarantee given under the New Senior Credit Agreement.
2. By becoming a party to the New Intercreditor Deed, the Company, among others, agreed to subordinate debts owing to the Company by other members of its group and regulate the subordination of certain payments and, where applicable, the enforcement of the security granted to certain of the parties thereto
- By the terms of clause 25.3 of the New Intercreditor Deed, the obligations of the Company thereunder were limited by reference to any possible infringement of section 151 Companies Act 1985. By executing the Guarantee Increase Deed, the Company will acknowledge that, once the procedures set out in sections 155-158 Companies Act 1985 have been complied with, its obligations under the New Intercreditor Deed will no longer be limited by such reference to the extent that such limitation would otherwise restrict any such obligations as a result of all or part of the Senior Loans being used for the purpose of the acquisition of shares in the Parent.
3. By executing the New Debenture, as referred to in paragraph 2(b) of Appendix B:
- (a) the Company as primary obligor will covenant with the New Security Agent (for the benefit of itself and the other Secured Parties) that it will on demand pay the Indebtedness when it falls due for payment;
 - (b) subject to the applicable terms of the New Debenture, the Company, as security for the payment of the Indebtedness, will charge in favour of the New Security Agent (or, if the New Security Agent so chooses, its nominee) with full title guarantee the following assets, both present and future, from time to time owned by it or in which it has an interest:
 - (i) by way of first legal mortgage all Material Premises together with all buildings and fixtures (including trade fixtures) on such Material Premises;

- (ii) by way of first equitable mortgage all leasehold and freehold property not charged by way of legal mortgage under clause (i) above, together with all buildings and fixtures (including trade fixtures) on that property;
- (iii) by way of first equitable mortgage (subject to the applicable terms of the New Debenture) all the Subsidiary Shares and Investments and all corresponding Distribution Rights;
- (iv) by way of first fixed charge all other interests (not charged under clauses (i), (ii) and (iii) above) in any freehold or leasehold property, the buildings and fixtures (including trade fixtures) on that property, all proceeds of sale derived therefrom and the benefit of all warranties and covenants given in respect thereof and all licences to enter upon or use land and the benefit of all other agreements relating to land;
- (v) by way of first fixed charge all plant, machinery, vehicles, computers, office and other equipment and the benefit of all contracts, licences and warranties relating thereto;
- (vi) by way of first fixed charge all Book Debts and all rights and claims against third parties and against any security in respect of those Book Debts;
- (vii) by way of first fixed charge all debts and monetary claims (other than Book Debts) and all rights against third parties in respect of such debts and claims;
- (viii) by way of first fixed charge all monies standing to the credit of its accounts (including the Cash Collateral Accounts, the Nominated Accounts and the Collection Accounts but excluding any cash collateral account established for the purposes of receiving monies in connection with the Vendor Loan Notes or the New Vendor Loan Notes) with any bank, financial institution, or other person;
- (ix) by way of first fixed charge all its Material Intellectual Property Rights;
- (x) by way of first fixed charge the benefit of all consents and agreements held by it in connection with its business or the use of any of its assets;
- (xi) by way of first fixed charge its goodwill and uncalled capital; and
- (xii) by way of first fixed charge if not effectively assigned by way of security as described in paragraph (d) below all its rights and interests in (and claims under) the Assigned Agreements;

- (c) the Company will charge as further continuing security for the payment of the Indebtedness, with full title guarantee in favour of the New Security Agent (for the benefit of itself and the other Secured Parties) by way of first floating charge all its assets, both present and future, not effectively charged by way of first fixed charge as described above or assigned as described in paragraph (d) below (but excluding any cash collateral account established for the purposes of receiving monies in connection with the Vendor Loan Notes or the New Vendor Loan Notes); and
- (d) as further continuing security for the payment of the Indebtedness, the Company will assign (to the fullest extent capable of assignment) absolutely with full title guarantee to the New Security Agent all its rights, title and interest in the Assigned Agreements provided that on payment or discharge in full of the Indebtedness (and subject to other conditions as set out in the New Debenture) the New Security Agent will at the request and cost of the Company re-assign the Assigned Agreements to the Company (or as it shall direct).

(All capitalised terms in this paragraph 3 shall (unless otherwise defined in this Form 155 (and appendices)) be as defined in the New Debenture).

4. By executing the Guarantee Increase Deed and by executing the New Debenture, the Company will permit the Finance Parties to have the right at any time for so long as an Event of Default is occurring (without notice to the Company):

- (a) to set-off or otherwise apply sums standing to the credit of the Company's accounts with the Finance Parties (irrespective of the terms applicable to those accounts and whether or not those accounts are those due for repayment to the Company); and
- (b) set-off any other obligations (whether or not then due for performance) owed by the Finance Parties to the Company,

against any liability of the Company to the relevant Finance Party under the Senior Finance Documents.

(All capitalised terms in this paragraph 4 shall (unless otherwise defined in this Form 155 (including appendices)), be as defined in the New Senior Credit Agreement).

5. By executing the Confirmatory Agreement, the Company, together with other members of its group, will agree to advance monies thereunder to the Purchaser as and when requested (but on the basis that the Company will only be obliged to make advances under the New Upstream Loan Agreement if, inter alia, it has the cash resources and the Company is not in liquidation or administration or the subject of a creditor's voluntary arrangement) notwithstanding the fact that such monies would be used by the Purchaser to, inter alia, assist it in meeting its payment obligations in respect of the Senior Loans, all or part of which are to be used for the purpose of the acquisition of shares in the Parent.

APPENDIX D – Coral Group Trading Limited

The assistance will be given within eight weeks of the date of the declaration contained in this Form 155(6)a.

The Directors
Coral Group Trading Limited
Glebe House
Vicarage Drive
Barking
Essex
IG11 7NS

Auditors' report to the directors of Coral Group Trading Limited pursuant to section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Coral Group Trading Limited ("the Company") dated 10 February 2004, prepared in accordance with applicable United Kingdom law, in connection with the proposal that the Company should give financial assistance for the purpose of the acquisition of shares in the Company's holding company Coral Eurobet 4 Limited.

This report is made solely to the directors in accordance with Section 156(4) of the Companies Act 1985. Our work in preparing this report has been undertaken so that we might state to the directors those matters we are required to state to them herein and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors, for such work, for this report, or for the opinions we have formed.

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.



Ernst & Young LLP
Registered Auditor
London
10 February 2004