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29 OCTOBER 1999

SUBSCRIPTION AND TRANSFER AGREEMENT
relating to the transfer of the
Hillsdown Subsidiaries to Premier Financing Limited

between

HILLSDOWN HOLDINGS LIMITED

PREMIER INTERNATIONAL FOODS PLC

and

PREMIER FINANCING LIMITED

This is certified a true and complete copy of the original

Weil, Gotshal & Manges

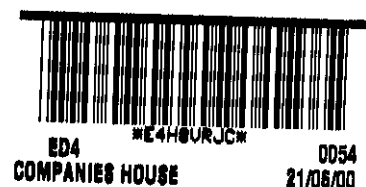
Weil, Gotshal & Manges

Dated: 3 May 2000

WEIL, GOTSHAL & MANGES

One South Place
London EC2M 2WG

Tel. 0207 903 1000
Fax. 0207 903 0990



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THIS AGREEMENT is made on 29 October 1999 between the following parties:

- (1) **HILLSDOWN HOLDINGS LIMITED**, a company incorporated in England and Wales (registered number 971448) whose registered office is at Hillstown House, 32 Hampstead High Street, London NW3 1QD ("**Hillstown**");
- (2) **PREMIER INTERNATIONAL FOODS PLC**, a company incorporated in England and Wales (registered number 3771991) whose registered office is at Queensberry House, 3-9 Old Burlington Street, London W1X 1LA ("**PIF**"); and
- (3) **PREMIER FINANCING LIMITED**, a company incorporated in England and Wales (registered number 3716362) whose registered office is at Queensberry House, 3-9 Old Burlington Street, London W1X 1LA ("**PFL**").

WHEREAS

- (a) PIF and its directly-owned subsidiary, PFL, became subsidiaries of Hillstown on 1 October 1999.
- (b) On 10 August 1999, PFL entered into a Senior Secured Credit Facility (as amended, the "**Credit Agreement**") with, among others, Chase Manhattan Bank, N.A., Banc Alex. Brown Incorporated and Salomon Brothers International Limited, to which the Banks (as defined in the Credit Agreement) agreed to lend up to £20,000,000 to PFL and certain other subsidiaries of Hillstown.
- (c) Hillstown, PIF and PFL have agreed, in order to enhance the position of the Banks in connection with the Credit Agreement, to transfer the Hillstown Subsidiaries to PFL on the terms set out in this Agreement.

IT IS AGREED as follows:

1 INTERPRETATION

In this Agreement, the following expressions have the following meanings:

EXPRESSION	MEANING
"Completion"	the completion of the sale and purchase of the Sale Shares in accordance with clause 3;
"Hillstown Subsidiaries"	those companies listed in the Schedule;
"PIF Ordinary Shares"	ordinary shares of £1 each in the capital of PIF, credited as fully paid;
"PFL Ordinary Shares"	ordinary shares of £1 each in the capital of PFL, credited as fully paid;
"Schedule"	the schedule to this Agreement; and

"Sale Shares"

the shares in the Hillsdown Subsidiaries to be transferred in accordance with the terms of this Agreement, as set out in the third column of the Schedule.

2 TRANSFER OF SALE SHARES

2.1 Upon the terms and subject to the conditions set out in this Agreement:

2.1.1 Hillsdown shall sell and transfer with full title guarantee, and PIF shall purchase, the Sale Shares in consideration of the issue to Hillsdown at Completion of 60,000,000 PIF Ordinary Shares; and

2.1.2 PIF shall sell and transfer with full title guarantee, and PFL shall purchase, the Sale Shares in consideration of the issue to PIF at Completion of 60,000,000 PFL Ordinary Shares.

2.2 The Sale Shares shall in each case be sold free from all claims, equities, charges and other third party rights (including rights of pre-emption) of any nature whatsoever and together with all rights now or hereafter attaching to them.

3 COMPLETION

3.1 Completion of the sale and purchase of the Sale Shares shall take place forthwith upon execution of this Agreement.

3.2 At Completion the following shall simultaneously occur:

3.2.1 Hillsdown shall, in satisfaction of its obligation to, and at the direction of, PIF shall deliver duly executed transfers of the Sale Shares in favour of PFL together with relevant share certificates;

3.2.2 Hillsdown shall procure that resolutions of the board of directors of the Hillsdown Subsidiaries are passed approving the registration (subject to stamping) of the transfers in respect of the Sale Shares;

3.2.3 PIF shall procure that all necessary board and shareholders' resolutions are passed authorising the issue of the 60,000,000 PIF Ordinary Shares to Hillsdown and shall enter Hillsdown's name in its register of members in respect of such shares and issue Hillsdown a share certificate in respect of the shares in due course;

3.2.4 PFL shall procure that all necessary board and shareholders' resolutions are passed authorising the issue of the 60,000,000 PFL Ordinary Shares to PIF and shall enter PIF's name in its register of members in respect of such shares and issue PIF a share certificate in respect of the shares in due course;

4 FURTHER ASSURANCE

Each party shall at its own expense, now or at any time in the future, do or procure the doing of all acts and/or execute or procure the execution of all documents in a form satisfactory to the other party reasonably within its power and as may be reasonably requested of it required to give full effect to this Agreement.

5 ENTIRE AGREEMENT

- 5.1** This Agreement and the documents referred to in it together constitute the entire agreement and understanding of the parties and supersede any previous agreement between the parties relating to the subject matter of this Agreement.
- 5.2** Each of the parties acknowledges and agrees that, in entering into this Agreement and the documents referred to in it, it is not relying on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement or the documents referred to in it (provided, however, that nothing in this Agreement shall operate to limit or exclude any liability for fraud).

6 COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered constitutes an original of this Agreement, but all the counterparts shall together constitute one and the same agreement. No counterpart shall be effective until each party has executed at least one counterpart.

7 GOVERNING LAW

This Agreement is governed by, and shall be construed in accordance with, English law.

IN WITNESS whereof the parties have executed this Agreement the day and year first above written.

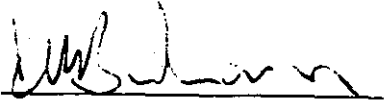
SCHEDULE

Hillsdown Subsidiaries

<i>Company Name</i>	<i>Company Number</i>	<i>Shares to be transferred</i>
Chivers Hartley Limited	02081705	8,841,480 ordinary shares of £1 each
F E Barber Limited	02905130	2 ordinary shares of £1 each
Hillsdown Ambient Foods Group Limited	01220754	21,822,000 ordinary shares of £1 each
Hillsdown International Limited	01943509	150,000,000 ordinary shares of £1 each
Hillsdown Investments Limited	1871848	324,739,280 ordinary shares of £1 each
MBM Produce Limited	00426939	5,290,953 ordinary shares of £1 each
Premier Brands Limited	SC096055	112,182,928 ordinary shares of £1 each
Premier Brands UK Limited	00314272	25,001,000 ordinary shares of £1 each
The Horizon Biscuit Company Limited	02086754	14,001,000 ordinary shares of £1 each

Signed for and on behalf of
**HILLSDOWN HOLDINGS
LIMITED**

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Signature of director

K M BUCHANAN

Name of director



Signature of secretary

ROSALIND CAMPBELL

Name of secretary

Signed for and on behalf of
**PREMIER INTERNATIONAL
FOODS PLC**

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Signature of director

K M BUCHANAN

Name of director



Signature of secretary

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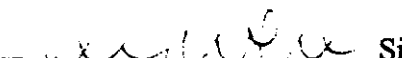
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Signature of director

K M BUCHANAN

Name of director



Signature of secretary

ROSALIND CAMPBELL

Name of secretary