

Declaration in relation to assistance for the acquisition of shares.

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

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3902915

Name of company

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

* 35 Basinghall Street First Limited

*Insert full name of company

†We†

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

Humphrey James Montgomery Price, Deaks, Deaks Lane, Cuckfield, RH17 5JA and
Eugene Francis Doyle, 2 Gombards, St. Albans, AL3 5NW

§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] §

‡

The assistance is for the purpose of ~~[the 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:

264,856,404 Ordinary Shares of 25p each

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

Gouldens
10 Old Bailey
London EC4M 7NG
DX 67 London/Chancery

For official use
General Section

Post room



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

Pillar City PLC of Lansdowne House, Berkeley Square, London, W1J 6HQ

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 Rider 1

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

Pillar City PLC of Lansdowne House, Berkeley Square, London, W1J 6HQ

*Delete as
appropriate

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

See Rider 2

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

29 March

2001

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.

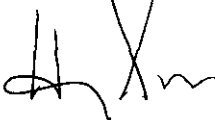

Declared at Langdowne House
Berkeley Square
London

Day Month Year

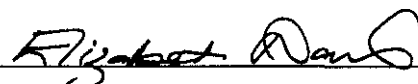
on

2	9	0	3	2	0	0	1
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Declarants to sign below

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.

Davenport Lyons
1 Old Burlington Street
London W1S 3NL
DX 37233 Piccadilly 1

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 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 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

Rider 1 to Form 155(6)a

The financial assistance will take the form of execution, delivery and performance by 35 Basinghall Street First Limited (the "**Company**") of:

1. an accession agreement (the "**Accession Agreement**") to be entered into by the Company pursuant to a £402,000,000 credit facility agreement (the "**Credit Agreement**") dated 24th November, 2000 as amended by a supplemental agreement dated 21st December, 2000 and amended and restated by a supplemental agreement dated 6th March, 2001 and made between (1) Pillar City PLC ("**Pillar City**"), (2) Pillar Property PLC ("**Pillar Property**") and (3) Abbey National Treasury Services Plc, Credit Suisse First Boston, DePfa Bank AG, London Branch and Lloyds TSB Bank plc (the "**Finance Parties**");
2. a security agreement (the "**Security Agreement**") to be entered into by the Company pursuant to the Credit Agreement.

The facility available under the Credit Agreement has been utilised by Pillar City for the purpose of financing and refinancing the acquisition by Pillar City of all the issued shares in the capital of the Company (the "**Acquisition**").

Execution by the Company of the Accession Agreement will result in the Company becoming a guarantor of the payment obligations of Pillar City under the Credit Agreement.

Execution by the Company of the Security Agreement will result in the Company granting fixed and floating charges over all of its assets in favour of Lloyds TSB Bank plc (the "**Facility Agent**") as agent and trustee for the Finance Parties as security for all sums due and payable by the Company under the Credit Agreement.

Rider 2 to Form 155(6)a

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

1. The Company, as a guarantor under the Credit Agreement, irrevocably and unconditionally and jointly and severally:
 - (A) guarantees to each Finance Party punctual performance by Pillar City of all Pillar City's payment obligations under the Finance Documents and undertakes with each Finance Party to immediately on demand by the Facility Agent pay, as principal obligor, any amount which Pillar City does not pay when due under any Finance Document; and
 - (B) indemnifies each Finance Party immediately on demand against any loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal; the amount of such loss or liability being equal to the amount which the Finance Party would otherwise have been entitled to recover.
3. Under the terms of the Security Agreement, the Company:
 - (A) as security for the payment of all the Secured Liabilities, charges in favour of the Facility Agent (as agent and trustee for the Finance Parties) with full title guarantee:
 - (i) to the extent its interest is a legal interest by way of first legal mortgage and, to the extent its interest is not a legal interest, by way of first mortgage, all the property specified in schedule 1 to the Security Agreement, all estates or interests in any freehold or leasehold property including all buildings and Fixtures on that property, the proceeds of sale of any part of that property and the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants (except for the property specified in schedule 1 to the Security Agreement belonging to the Company at the date of the Security Agreement and all Group Shares held by it and/or any nominee on its behalf and all Related Rights accruing to such Group Shares;
 - (ii) to the extent its interest is a legal interest by way of first fixed charge and to the extent its interest is not a legal interest, by way of first fixed charge:
 - (a) (to the extent that they are not the subject of a mortgage under paragraph (i)) above all estates or interests in any freehold or leasehold property belonging to it, including all buildings and Fixtures on that property, the proceeds of sale of any part of that property and the benefit of any covenants for title given or entered into by any predecessor in title of the Company in respect of that property or any moneys paid or payable in respect of those covenants;
 - (b) all plant and machinery owned by the Company and its interest in any plant or machinery in its possession;

- (c) (to the extent that they are not the subject of a mortgage under paragraph (i) above) its interest in all the Shares and their Related Rights;
 - (d) all moneys standing to the credit of any account (including the Security Accounts with any person and the debts represented by them);
 - (e) all benefits in respect of all contracts and policies of insurance taken out by or on behalf of the Company or (to the extent of its interest) in which the Company has an interest and relating to all freehold or leasehold property the subject of any security created by the Security Agreement and all claims and returns of premiums in respect of them;
 - (f) all of the Company's book and other debts, the proceeds of the same and all other moneys due and owing to the Company and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (g) (to the extent that they do not fall within any other paragraphs of this paragraph (ii)) all of the Company's rights and benefits under any distributorship or similar agreements entered into by the Company, any letters of credit issued in its favour and all bills of exchange and other negotiable instruments held by it;
 - (h) any beneficial interest, claim or entitlement of the Company in any pension fund;
 - (i) its goodwill;
 - (j) the benefit of all authorisations (statutory or otherwise) held in connection with its business or the use of any of its assets the subject of any security created by the Security Agreement specified in any other paragraph in this paragraph (A) and the right to recover and receive all compensation which may be payable to the Company in respect of them;
 - (k) its uncalled capital; and
- (B) as further continuing security for the payment of all of the Secured Liabilities, charges with full title guarantee in favour of the Facility Agent (as agent and trustee for Finance Parties) by way of a first floating charge all its assets not otherwise effectively mortgaged or charged by way of fixed mortgage or charge under paragraph (A) above.

Definitions

"Finance Document"

means the Credit Agreement, a Security Document, the Vintners' Place Intercreditor Deed, a Direct Agreement, any Hedging Arrangement entered into with Lloyds TSB Bank plc, a Subordination Deed, a Fee Letter, a Transfer Certificate, an Accession Agreement, (each, as defined in the Credit Agreement) and any other document designated as a Finance Document by Pillar City and the Facility Agent.

"Finance Party"	means an Arranger, the Facility Agent, the Counterparty and a Lender (each as defined in the Credit Agreement).
"Fixtures"	means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on all freehold or leasehold property the subject of any security created by the Security Agreement but excluding tenant's fixtures where the Company is not the tenant and the landlord's fixtures where the Company is not the landlord.
"Group"	means Pillar City and its subsidiaries (within the meaning of section 736 of the Companies Act 1985).
"Group Shares"	means any stock, shares, debentures, bonds or other securities and investments in any member of the Group other than the Company.
"Related Rights"	means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Share by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.
"Secured Liabilities"	means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Company to any Finance Party under each Finance Document to which the Company is a party, except for any obligation which, if it were so included, would result in the Security Agreement contravening Section 151 of the Companies Act 1985.
"Security Accounts"	means from time to time any account opened or maintained by the Company with any financial institution, into which the proceeds of the getting in or realisation of the Company's book debts and other claims or receipts are to be paid into.
"Shares"	means the Group Shares and any other stock, shares, debentures, bonds or other securities and investments.



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Private & confidential

The Directors
35 Basinghall Street First Limited
Lansdowne House
Berkeley Square
London
W1X 6HQ

Our ref sb/jd/592

Contact Stephen Bligh
020 7311 6444

29 March 2001

Dear Sirs

Auditors' report to the directors of 35 Basinghall Street First Limited pursuant to Section 156(4) of the Companies Act 1985

We refer to the statutory declaration (Form 155(6)a) to which this report is annexed made by the directors of the Company and dated the same as this report.

We have examined the attached statutory declaration of the directors dated 29 March 2001 in connection with the proposal that the company should give financial assistance for the purchase of 100% of the company's holding company's ordinary shares. We have enquired into the state of the company's affairs in order to review the bases for the statutory declaration.

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

KPMG Audit Plc

KPMG Audit Plc



KPMG Audit Plc, a company
incorporated under the UK Companies
Acts, is a member of KPMG
International, a Swiss association

KPMG Audit Plc is
registered to carry on audit
work by the Institute of
Chartered Accountants in

England and Wales.
Registered in England
No 3110745

Registered office
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