

LD2 197
COMPANIES HOUSE 25/09/2006

The assistance is for the purpose of ~~100,000,000~~ [reducing or discharging a liability incurred for the purpose of that acquisition]. † (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: One hundred million (100,000,000)
ordinary shares of £0.00001 each

The assistance is to be given to: (note 2) Punch Taverns (PGE) Limited (company number 03982441)
with registered office at Jubilee House, Second Avenue, Burton-upon-Trent, Staffordshire DE14 2WF

The assistance will take the form of:

See Annex 1

The person who [has acquired] ~~100,000,000~~ † the shares is:

† delete as appropriate

Punch Taverns (Redwood Bidco) Limited (company number 05622593) with registered office at
Jubilee House, Second Avenue, Burton-upon-Trent, Staffordshire DE14 2WF

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

See Annex 2

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is nil

The amount of cash to be transferred to the person assisted is £ up to £70,000,000

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 on or before 16 November 2006

~~X~~We have formed the opinion, as regards this 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) [I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

[illegible]

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 Jubilee House, Second Avenue
Burton-upon-Trent, Staffordshire
DE14 2WF

Declarants to sign below

Day Month Year

on 2 2 0 9 2 0 0 6

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 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

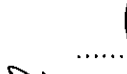
or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

ANNEX 1

The financial assistance will take the form of the early partial repayment by Spirit Managed Funding Limited ("**SMFL**"), an indirect wholly owned subsidiary of the Company, of principal amounts outstanding under a loan agreement (the "**Loan Agreement**") between Spirit Group Finco Limited ("**Finco**") (as lender) and SMFL (as borrower), dated 25 November 2004, such repayment to be made by SMFL on or before 16 November 2006 pursuant to an Inter-Company Funds Flow and Debt Reorganisation and Settlement Agreement between, inter alios, SMFL and Finco to be executed on or before 16 November 2006 (the "**Funds Flow Deed**"), up to a total amount of £70,000,000.

Signatures of Declarants:

2. 

Declared before me

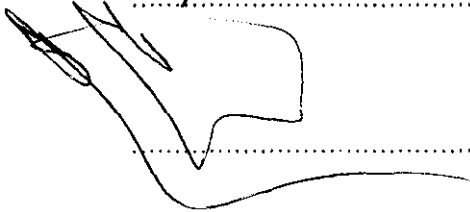
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ANNEX 2

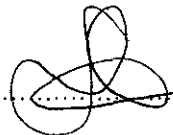
The principal terms on which the financial assistance will be given are as follows:

The early partial repayment by SMFL of principal amounts outstanding under the Loan Agreement up to £70,000,000, such amounts to be repaid by SMFL pursuant to the Funds Flow Deed. The amount so repaid may indirectly be used to reduce indebtedness incurred by Punch Taverns (PGE) Limited ("**PGE**") in relation to the acquisition of Spirit Group Holdings Limited, the holding company of the Company, by PGE's indirect subsidiary, Punch Taverns (Redwood Bidco) Limited ("**Bidco**"), using funds borrowed from Punch Taverns plc, the borrower under an acquisition facility from certain third party lending banks, and on-lent to Bidco via a chain of inter-company loans between members of the group of companies of which Punch Taverns plc is the parent company.

Signatures of Declarants:


.....
.....
.....

Declared before me

 STUBBS
SAUER

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SPIRIT
INTERMEDIATE HOLDINGS LIMITED PURSUANT TO SECTION 156(4) OF THE
COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of Spirit Intermediate Holdings Limited (the "Company") dated 22 September 2006 prepared in accordance with applicable United Kingdom law, in connection with the proposed financial assistance to be given by the Company's subsidiary Spirit Managed Funding Limited for the purpose of reducing or discharging a liability incurred for the purpose of the purchase of the entire issued share capital of Spirit Group Holdings Limited, particulars of which are given in the attached statutory declaration.

This report is made solely to the directors of the Company in accordance with Section 156(4) of the Companies Act 1985. Our work has been undertaken so that we might state to the directors those matters we are required to state to them in an auditors' report under section 156(4) 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 our audit work, for this report, or for the opinions we have formed.

Basis of opinion

We have enquired into the state of affairs of the Company so far as necessary 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
Birmingham
22 September 2006