**NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES**

Stonegate Pub Company Financing plc

Guaranteed on a senior secured basis by Stonegate Pub Company Limited and all material subsidiaries of Stonegate Pub Company Limited

£80,000,000 5.75% Senior Secured Notes due 2019

Stonegate Pub Company Financing plc (the "Issuer"), a public limited company incorporated under the laws of England and Wales, is offering £80,000,000 aggregate principal amount of its 5.75% Senior Secured Notes due 2019 (the "Additional Notes"). The Issuer is a wholly owned finance subsidiary of Stonegate Pub Company Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Company"). The proceeds from the Additional Notes will be used primarily to repay the outstanding borrowings under the Senior Secured Credit Facility (as defined herein), entered into to finance the consideration for the acquisition of certain freehold pubs and other assets from TCG, or Tattershall Castle Group (as defined herein).

The Additional Notes will be issued as additional notes under the indenture entered into by the Issuer on April 11, 2014 (the "Indenture") and will form part of the same series of notes as the Issuer's currently outstanding £260,000,000 aggregate principal amount of 5.75% Senior Secured Notes due 2019 issued under the Indenture (the "Original Fixed Rate Notes"). The Original Fixed Rate Notes and the Additional Notes are collectively referred to herein as the "Fixed Rate Notes." The Additional Notes will initially be issued bearing temporary ISINs (as defined herein) and temporary common codes. See "Description of the Notes." The Additional Notes will have the same terms as the Original Fixed Rate Notes and will constitute a single class of debt securities with the Original Fixed Rate Notes under the Indenture, including with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise specified with respect to the Additional Notes, and will become fully fungible with the Original Fixed Rate Notes following termination of certain U.S. selling restrictions.

The Issuer will pay interest on the Additional Notes semi-annually in arrears on each April 15 and October 15, commencing on October 15, 2015. The Fixed Rate Notes will mature on April 15, 2019. The Issuer may redeem some or all of the Fixed Rate Notes on or after April 15, 2016, at the redemption prices set out in this listing particular (this "Offering Memorandum"), plus accrued and unpaid interest, if any. Prior to April 15, 2016, the Issuer may redeem some or all of the Fixed Rate Notes at a price equal to 100% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest, if any, plus a "make whole" premium, as described in this Offering Memorandum. In addition, prior to April 15, 2016, the Issuer may redeem up to 35% of the original aggregate principal amount of the Fixed Rate Notes (including any additional notes) with the net cash proceeds from certain equity offerings at a price equal to 105.75% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest, if any, provided that at least 65% of the original aggregate principal amount of the Fixed Rate Notes (including any additional notes) remains outstanding after the redemption. Further, the Issuer may redeem all, but not part, of the Fixed Rate Notes at a price equal to 100% of the principal amount plus accrued and unpaid interest, if any, upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain change of control events, the Issuer may be required to offer to redeem the Fixed Rate Notes at 101% of the principal amount redeemed, plus accrued and unpaid interest, if any. However, a change of control will not be deemed to have occurred if certain consolidated leverage ratios are not exceeded in connection with such an event.

The Original Fixed Rate Notes and the Original Floating Rate Notes (as defined herein, and together with the Original Fixed Rate Notes, the "Original Notes," and the Original Notes together with the Additional Notes, the "Notes") are, and on the Additional Notes Issue Date the Additional Notes will be, senior obligations of the Issuer, and the Original Notes rank, and on the Additional Notes Issue Date the Additional Notes will rank, equally in right of payment with all unsubordinated indebtedness of the Issuer, senior to all indebtedness of the Issuer that is subordinated in right of payment to the Notes and effectively senior to all unsecured indebtedness of the Issuer to the extent of the assets securing the Notes. The Original Notes are, and on the Additional Notes Issue Date, the Additional Notes will be, guaranteed on a senior secured basis by the Company and all material subsidiaries of the Company, other than the Issuer (the "Subsidiary Guarantors," and together with the Company, the "Guarantors"). The guarantee of the Notes by each Guarantor (a "Note Guarantee" and, collectively, the "Note Guarantees"), in the case of the Original Notes, rank, and in the case of the Additional Notes will rank, equally in right of payment with all the existing and future unsubordinated indebtedness of such Guarantor, senior to all the existing and future indebtedness of such Guarantor that is subordinated in right of payment to such Guarantor's Note Guarantee and effectively senior to all existing and future unsecured indebtedness of such Guarantor to the extent of the assets securing such Guarantor's Note Guarantee. The Notes and the Note Guarantees, in the case of the Original Notes are, and in the case of the Additional Notes on the Additional Notes Issue Date will be, secured by liens on certain assets that also secure our obligations under the Revolving Credit Facility (as defined herein). Pursuant to the terms of the Intercreditor Agreement (as defined herein), any liabilities in respect of obligations under the Revolving Credit Facility Agreement or in respect of hedging obligations, in each case, that are secured by assets that also secure our obligations under the Notes and the Note Guarantees will receive priority with respect to any proceeds received upon any enforcement action over any such assets.

This Offering Memorandum constitutes a Prospectus for the purpose of Luxembourg law dated July 10, 2005 on Prospectus for Securities, as amended. The Prospectus may be used only for the purposes for which it has been published. There is currently no public market for the Additional Notes. Application has been made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and to admit the Additional Notes to trading on the Euro MTF Market.

Investing in the Notes involves risks. See "Risk factors" beginning on page 24.

Issue price of the Additional Notes: 99.50% plus accrued interest, if any, from April 15, 2015 to the Additional Notes Issue Date.

The Notes and the Note Guarantees have not been and will not be registered under the Securities Act of 1933 as amended (the "Securities Act"), or the securities laws of any state of the United States or any other jurisdiction. Accordingly, the Additional Notes are being offered and sold in the United States only to "qualified institutional buyers" in accordance with Rule 144A under the Securities Act ("Rule 144A") and outside the United States in accordance with Regulation S under the Securities Act ("Regulation S"). Prospective purchasers of the Additional Notes that are qualified institutional buyers are hereby notified that the seller may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For further details about eligible offerees and resale restrictions, see "Notice to investors."

The Additional Notes will be issued in the form of global notes in registered form. See "Book-entry, delivery and form." We expect the Additional Notes to be delivered to investors in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream") on or about October 7, 2015.

Sole Bookrunner

Barclays

The date of this listing particular is October 14, 2015

You should rely only on the information contained in this Offering Memorandum. We have not, and Barclays Bank PLC (the "Initial Purchaser") has not, authorized anyone to provide you with information that is different from the information contained herein. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum.

We are not, and the Initial Purchaser is not, making an offer of these securities in any jurisdiction where such offer is not permitted.

Table of contents

Stonegate Pub Company Financing plc (the "Issuer") is incorporated as a public limited company under the laws of England and Wales. The registered office of the Issuer in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom and its telephone number at that address is +44 (0) 845 126 2944.

Important information about this Offering

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Additional Notes may not be offered or sold, directly or indirectly, nor may this Offering Memorandum be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Additional Notes. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing.

In making an investment decision, prospective investors must rely on their own examination of our company and the terms of this Offering, including the merits and risks involved. In addition, neither we nor the Initial Purchaser nor any of our or its respective representatives are making any representation to you regarding the legality of an investment in the Additional Notes, and you should not construe anything in this Offering Memorandum as legal, business, tax or other advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Additional Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Additional Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we nor the Initial Purchaser shall have any responsibility for any of the foregoing legal requirements.

This Offering Memorandum is based on information provided by us and other sources that we believe to be reliable. The Initial Purchaser is not making any representation or warranty, express or implied, that this information is accurate or complete and is not responsible for this information. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchaser as to the past or future. In this Offering Memorandum, we have summarized certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding.

We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything material that is likely to affect the import of such information.

The information contained in this Offering Memorandum is correct as of the date hereof. Neither the delivery of this Offering Memorandum at any time after the date of publication nor any subsequent commitment to purchase the Notes shall, under any circumstances, create an implication that there has been no change in the information set forth in this Offering Memorandum or in our business since the date of this Offering Memorandum.

The information contained in this Offering Memorandum under the caption "Exchange rate information" includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing such information, we accept no further responsibility in respect thereto.

The information set out in relation to sections of this Offering Memorandum describing clearing arrangements, including the section entitled "Book-entry, delivery and form," is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, we accept no further responsibility in respect of such information. Euroclear and Clearstream are not under any obligation to perform or continue to perform under such clearing arrangements and such arrangements may be modified or discontinued by any of them at any time. We will not, nor will any of our agents, have responsibility for the performance of the respective obligations of Euroclear and Clearstream or their respective participants. Investors wishing to use these clearing systems are advised to confirm the continued applicability of these arrangements.

By receiving this Offering Memorandum, you acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. You also acknowledge that you have not relied on the Initial Purchaser in connection with your investigation of the accuracy of this information or your decision whether to invest in the Additional Notes.

None of the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission or any other regulatory authority has approved or disapproved of the Additional Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary could be a criminal offense in certain countries.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act and the applicable state securities laws, pursuant to registration or exemption therefrom. As a prospective investor, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this Offering Memorandum entitled "Plan of distribution" and "Notice to investors." Please note that there are no restrictions on transactions that are being made through the stock exchange.

The Additional Notes will be available initially only in book-entry form. We expect that the Additional Notes sold pursuant to this Offering Memorandum will be issued in the form of one or more global notes, which will be deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by Euroclear and Clearstream and their direct and indirect participants, as applicable. After the initial issuance of the global notes, Additional Notes in certificated form will be issued in exchange for the global notes only as set forth in the indenture governing the Notes (the "Indenture"). See "Book-entry, delivery and form."

We are making this Offering subject to the terms described in this Offering Memorandum and the purchase agreement relating to the Additional Notes (the "Purchase Agreement"). We and the Initial Purchaser also reserve the right to reject any offer to purchase the Additional Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Additional Notes sought by it. The Initial Purchaser and certain of its respective related entities may acquire, for their own accounts, a portion of the Additional Notes.

We cannot guarantee that the application we will make to the Official List of the Luxembourg Stock Exchange for the Additional Notes to be listed and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange will be approved as of the settlement date for the Additional Notes or at any time thereafter, and settlement of the Additional Notes is not conditional on obtaining this admission to trading.

STABILIZATION

IN CONNECTION WITH THE OFFERING OF THE ADDITIONAL NOTES, BARCLAYS BANK PLC (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT ADDITIONAL NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE ADDITIONAL NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON ITS BEHALF) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFERING OF THE ADDITIONAL NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN 30 DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE OFFERING, OR NO LATER THAN 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE ADDITIONAL NOTES, WHICHEVER IS THE EARLIER.

Each purchaser of the Additional Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under the "Notice to investors" section of this Offering Memorandum.

Notice to investors in the United States

The Additional Notes and the Note Guarantees have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold in the United States, except to qualified institutional buyers within the meaning of Rule 144A, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The Additional Notes may be offered and sold outside the United States in reliance on Regulation S. Prospective investors are hereby notified that sellers of the Additional Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on transfers of the Additional Notes, see "Notice to investors."

Neither the SEC, any U.S. state securities commission nor any non-U.S. securities authority has approved or disapproved of these securities or determined that this Offering Memorandum is accurate or complete. Any representation to the contrary is a criminal offence.

Notice to New Hampshire residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to investors in the United Kingdom

This issue and distribution of this Offering Memorandum is restricted by law. This Offering Memorandum is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by, a person authorized under the Financial Services and Markets Act 2000. This Offering Memorandum is for distribution only to, and is only directed at, persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")); (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). Accordingly, by accepting delivery of this Offering Memorandum, the recipient warrants and acknowledges that it is such a relevant person. The Additional Notes are available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Additional Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. No part of this Offering Memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without our prior written consent. The Additional Notes are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the Financial Services and Markets Act 2000.

Notice to investors in the European Economic Area

This Offering Memorandum is not a prospectus and is being distributed to a limited number of recipients for the sole purpose of assisting such recipients in determining whether to proceed with a further investigation of the purchase of, or subscription for, the Additional Notes. This Offering Memorandum has been prepared on the basis that all offers of the Additional Notes will be made pursuant to an exemption under the Prospectus Directive (the "Prospectus Directive"), as implemented in Member States of the European Economic Area (the "EEA"), from the requirement to produce a prospectus for offers of the Additional Notes. Accordingly, any person making or intending to make any offer within the EEA of the Additional Notes, which are the subject of the placement contemplated in this Offering Memorandum, should only do so in circumstances in which no obligation arises for us or the Initial Purchaser to produce a prospectus for such offer. Neither we nor the Initial Purchaser have authorized, nor does it authorize, the making of any offer of Additional Notes through any financial intermediary, other than offers made by the Initial Purchaser, which constitute the final placement of the Additional Notes contemplated in this Offering Memorandum.

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Additional Notes that are the subject of this Offering Memorandum to the public in that Relevant Member State prior to the publication of a prospectus in relation to Additional Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Additional Notes in the Relevant Member State at any time:

(a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Additional Notes shall result in a requirement for the publication by the Issuer or the Initial Purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Additional Notes to the public" in relation to any Additional Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Additional Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Additional Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

In connection with this Offering, the Initial Purchaser is not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing advice in relation to this Offering.

Forward-looking statements

This Offering Memorandum contains "forward-looking statements" within the meaning of the securities laws of certain jurisdictions, including statements under the captions "Summary," "Risk factors," "Management's discussion and analysis of financial condition and results of operations," "Industry," "Business" and in other sections. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "could," "estimates," "anticipates," "expects," "intends," "may," "will," "plans," "continue," "ongoing," "potential," "predict," "project," "target," "seek," "should" or "would" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on forward-looking statements.

Many factors may cause our results of operations, financial condition, liquidity and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Offering Memorandum.

These factors include, among other things:

- changes in the macroeconomic environment in the United Kingdom;
- changes in consumer preferences and perceptions;
- competition in our industry;
- changes in government regulation and legislation;
- our ability to comply with current or future regulations and legislation;

- loss of pub and alcohol licenses;
- further consolidation in our industry;
- failure to diversify our income streams;
- increases in student tuition and other changes in the UK welfare system;
- the trend in migration of business to alternative shopping channels or locations;
- our ability to successfully implement our strategic and financial objectives;
- our ability to identify appropriate acquisition targets and successfully integrate the businesses that we acquire;
- risks associated with the fact that we have not included in this Offering Memorandum separate financial statements prepared in accordance with IFRS as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012;
- risks associated with the fact that our independent auditor's opinion included elsewhere in this Offering Memorandum does not separately opine on the financial condition of the Group as of September 29, 2013 and September 30, 2012 and of the Group's loss for the periods then ended;
- our ability to realize the pro forma adjustments to Adjusted EBITDA that we currently expect;
- our ability to recover the expenditures for our capital projects;
- impact of public holidays, the timing of major sporting events and weather conditions;
- loss of our key suppliers;
- volatility in global food prices and energy costs;
- labor shortages, increased labor costs and other adverse effects of varying labor conditions;
- our dependence on a limited number of key pubs;
- our ability to effectively maintain and manage our property leaseholds;
- negative publicity relating to one or more of our pubs or brands;
- food or drink contamination at our pubs or other health and safety-related incidents;
- employment-related claims;
- loss of our key personnel;
- environmental compliance costs;
- increased costs to cover deficits with respect to our pension schemes;
- insufficient insurance;
- disruptions in our information technology systems;
- our ability to adequately protect our intellectual property;
- cash theft;
- tax risks;
- uncertainties and risks associated with our acquisition and integration of pubs from Maclay and pubs and certain other assets from TCG; and
- other factors discussed under "Risk factors."

These risks and others described under "Risk factors" are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industry in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Offering Memorandum and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum. As a result, you should not place undue reliance on forward-looking statements.

Industry and market data

The market and competitive position data in the sections "Summary," "Risk factors," "Management's discussion and analysis of financial condition and results of operations," "Industry" and "Business" of this Offering Memorandum are estimates by management based on industry publications, and from surveys or studies conducted by third-party industry consultants that are generally believed to be reliable. However, the accuracy and completeness of such information is not guaranteed and has not been independently verified. Additionally, industry publications and such studies generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed and in some instances the sources do not assume liability for such information. We have obtained certain of the market and industry data presented in this Offering Memorandum from reports produced by third-party industry specialists such as the British Beer and Pub Association ("BBPA") CGA Peach ("CGA Peach") and BMI Research ("BMI Research"). Most of the industry data reproduced in this Offering Memorandum is publicly available although we have obtained consent from BBPA, CGA Peach, BMI Research and Barclaycard to reproduce certain of their non-public data in this Offering Memorandum. We cannot assure you of the accuracy and completeness of such data, and we have not independently verified such market data and such data should not be relied upon in making, or refraining from making, any investment decision. We do, however, accept responsibility for the correct reproduction of this information.

Some of the information herein has been extrapolated from such market data or reports using our experience and internal estimates. Elsewhere in this Offering Memorandum, statements regarding the industry in which we operate and our position in this industry are based solely on our experience, internal studies and estimates, and our own investigation of market conditions. We believe that such information and statements are true and accurate, but there can be no assurance that is the case. Such information and statements have not been verified by any independent sources. While we are not aware of any misstatements regarding such information, statements and any similar data presented herein, such information, statements or similar data are subject to change based on various factors, including those discussed under the heading "Risk factors" in this Offering Memorandum. As a result, neither we nor the Initial Purchaser make any representation as to the accuracy or completeness of any such information or statements in this Offering Memorandum.

Certain definitions

Key performance indicators

Certain key performance indicators used in this Offering Memorandum are defined as follows:

- "Acquisition Capital Expenditure" represents payments made to acquire trading sites;
- "Adjusted EBITDA" represents EBITDA excluding acquisition costs, restructuring and integration costs, operational restructuring and redundancy costs, refinancing costs, releases of onerous lease provisions, discretionary management fees, certain pension-related costs, losses on disposals and certain other non-recurring costs, restated on a 52-week basis in the case of the 53 weeks ended September 30, 2012 to enhance comparability by deducting the first week's sales, less operating costs for this week, assumed to be at a consistent margin for the first period (first four weeks from September 26, 2011), less the wages for this week, assumed to be the wages as a consistent percentage of revenue for the first period, and less the variable operating expenses for this week, assumed to be one quarter of the first period costs. Key fixed costs, such as rents, business rates and salaries, do not require a restatement because they are annual costs;
- "Adjusted EBITDAR" represents Adjusted EBITDA before operating lease rentals;
- "Adjusted EBITDA Margin" represents Adjusted EBITDA divided by revenue;
- "As Adjusted Lease Adjusted Net Debt" represents the aggregate of our As Adjusted Net Debt and the value of our operating leases multiplied by a factor of eight;

- “As Adjusted Net Debt” represents our net debt as adjusted to give effect to this Offering and the use of proceeds therefrom;
- “Capital Expenditure” represents the sum of our purchase of property, plant and equipment, payments to acquire trading sites for the periods presented, which for operational purposes we categorize as Acquisition Capital Expenditure, Investment Capital Expenditure and Maintenance Capital Expenditure;
- “Cash Conversion” represents Adjusted EBITDA *less* Maintenance Capital Expenditure divided by Adjusted EBITDA;
- “Drink Sales Growth (Like for Like)” for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014, for the 40 weeks and the 52 weeks ended July 5, 2015, for the ten weeks ended September 11, 2015 and for the eight weeks ended August 30, 2015, represents our aggregate change in revenue from drinks sales compared to the previous comparable period made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous period, restated on a 52 week basis in the case of the 53 weeks ended September 30, 2012, to enhance comparability;
- “EBITDA” represents profit/(loss) for the period excluding UK income tax credit/(charge), finance income, finance costs, depreciation, amortization and impairment, (profit)/loss on sale of non-current assets and movement in fair value of interest rate swaps;
- “EBITDAR” represents EBITDA before operating lease rentals;
- “Food Sales Growth (Like for Like)” for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014, for the 40 weeks and the 52 weeks ended July 5, 2015, for the ten weeks ended September 11, 2015 and for the eight weeks ended August 30, 2015, represents our aggregate change in revenue from food sales compared to the previous comparable period made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous period, restated on a 52 week basis in the case of the 53 weeks ended September 30, 2012, to enhance comparability;
- “Gross Margin for Drinks” represents (i) for the relevant period, our revenue from drinks sales (excluding revenue from disposed of sites) minus cost of the drinks purchased (excluding costs of disposed of sites), divided by (ii) revenue from drinks sales (excluding revenue from disposed of sites) for the relevant period;
- “Gross Margin for Food” represents (i) for the relevant period, our revenue from food sales (excluding revenue from disposed of sites) minus cost of the food purchased (excluding costs of disposed of sites), divided by (ii) revenue from food sales (excluding revenue from disposed of sites) for the relevant period;
- “Gross Margin Growth (Like for Like)” for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014 for the 40 weeks and the 52 weeks ended July 5, 2015 and for the eight weeks ended August 30, 2015, represents our aggregate change in total gross margin (calculated as total revenue minus total operating costs divided by total revenue) compared to the previous comparable period made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous period, restated on a 52 week basis in the case of the 53 weeks ended September 30, 2012, to enhance comparability;
- “Investment Capital Expenditure” represents amounts recorded in our accounting system as capital expenditure incurred in connection with extending the capacity of, or refurbishing, our pubs. Amounts recorded in this manner must be supported by senior management-approved investment appraisals;
- “Maintenance Capital Expenditure” represents all capital expenditure that is not Acquisition Capital Expenditure or Investment Capital Expenditure;
- “Pro Forma Adjusted EBITDA” represents our Adjusted EBITDA as adjusted to give effect to: (i) the acquisition of pubs from Maclay, which we completed on July 17, 2015, August 28, 2015 and September 25, 2015, as though they had occurred on July 7, 2014; (ii) the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014; (iii) certain cost savings that we estimate will result from our acquisition of pubs and certain other assets from TCG in the 52 weeks following the completion of this acquisition; (iv) the aggregate

incremental EBITDA post-investment of certain pubs in which we have invested during the 52 weeks ended July 5, 2015, as though such investment had occurred on July 7, 2014; (v) the aggregate EBITDA of certain pubs in which we have invested during the 52 weeks ended July 5, 2015 during the periods in which those pubs were closed for renovation or refurbishment; (vi) aggregate cost savings resulting from labor efficiency programs implemented during the 52 weeks ended July 5, 2015, as though these programs had been in place throughout the 52 weeks ended July 5, 2015; (vii) aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015; (viii) aggregate cost savings resulting from alcohol duty reductions implemented during the 52 weeks ended July 5, 2015, as though these reductions had been in place throughout the 52 weeks ended July 5, 2015; (ix) aggregate cost savings resulting from changes to our policies regarding the discounts that we offer customers that were made during the 52 weeks ended July 5, 2015, as though these had been in place throughout the 52 weeks ended July 5, 2015 and (x) the annualized rental expense that we estimate we would have incurred following our planned sale and leaseback of five freehold properties located in London, if such sale and leaseback transactions had occurred on July 7, 2014;

- "Pro Forma Adjusted EBITDA Margin" represents Pro Forma Adjusted EBITDA divided by Pro Forma Revenue;
- "Pro Forma Adjusted EBITDAR" represents our Pro Forma Adjusted EBITDA before operating lease rentals and without giving effect to: (i) aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015 and (ii) the annualized rental expense that we estimate we would have incurred following our planned sale and leaseback of five freehold properties located in London, if such sale and leaseback transactions had occurred on July 7, 2014;
- "Pro Forma Revenue" represents our revenue as adjusted to give effect to (i) the acquisition of pubs from Maclay, which we completed on July 17, 2015, August 28, 2015 and September 25, 2015, as though they had occurred on July 7, 2014, and (ii) the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014;
- "Pub Profit Growth (Like for Like)" for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014, for the 40 weeks and the 52 weeks ended July 5, 2015 and for the eight weeks ended August 30, 2015, represents our aggregate change in EBITDA (less Group overhead costs) compared to the previous comparable period made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous period, restated on a 52 week basis in the case of the 53 weeks ended September 30, 2012, to enhance comparability;
- "Return on Investment" represents, for all pubs invested during the three-year period preceding the date on which we present Return on Investment, the difference between the annualized aggregate weekly average post-investment EBITDA (from the first full four week period after the re-opening of such pubs) and the 52 week pre-investment EBITDA of those pubs (to the end of the last full four week period), divided by the aggregate Investment Capital Expenditure invested in these pubs over the same three-year period. Where a pub has traded for less than 52 weeks post-investment, we have not taken it into account when calculating Return on Investment. Pubs where we have not made an Investment Capital Expenditure in the past 156 weeks are classed as uninvested;
- "Revenue Growth (Like for Like)," for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014 for the 40 weeks and the 52 weeks ended July 5, 2015, for the ten weeks ended September 11, 2015 and for the eight weeks ended August 30, 2015, represents our aggregate change in revenue compared to the previous comparable period made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous period, restated on a 52 week basis in the case of the 53 weeks ended September 30, 2012, to enhance comparability;
- "Total Gross Margin" represents, for the relevant period, our total revenue (excluding revenue from disposed of sites) minus total operating costs (excluding operating costs of disposed of sites), divided by total revenue (excluding revenue from disposed of sites); and
- "Yearly Return on Investment" represents, for all pubs invested during the 2011 financial year, the difference between the first, second or third 52 week period post-investment EBITDA and the

52 week pre-investment EBITDA of those pubs (to the end of the last full four week period prior to closure), divided by the aggregate Investment Capital Expenditure invested in these pubs.

Other definitions

In addition, unless otherwise indicated or where the context otherwise requires, references to:

- "Additional Notes" are to the £80,000,000 aggregate principal amount of 5.75% Senior Secured Notes due 2019 offered hereby;
- "Additional Notes Issue Date" are to the date on which the Additional Notes are issued;
- "Bramwell" are to Bramwell Pub Company Limited and Bramwell Pubs and Bars Limited, from which we acquired 78 pubs on November 15, 2013;
- "Clearstream" are to Clearstream Banking, société anonyme;
- "Collateral" are to the security interests securing the obligations of the Issuer and the Guarantors under the Notes, the Note Guarantees and the Revolving Credit Facility. See "Description of the Notes—Security—The Collateral;"
- "Company" are to Stonegate Pub Company Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands;
- "EEA" are to the European Economic Area;
- "EU" are to the European Union;
- "Euroclear" are to Euroclear Bank SA/NV;
- "Exchange Act" are to the U.S. Securities Exchange Act of 1934, as amended;
- "Fixed Rate Notes" are to the Additional Notes and the Original Fixed Rate Notes, collectively;
- "Guarantors" are to the entities guaranteeing the obligations of the Issuer under the Notes;
- "IFRS" are to the International Financial Reporting Standards as adopted by the EU;
- "Indenture" are to the indenture governing the terms of the Notes among the Issuer, the Guarantors, the Trustee and the other parties named therein dated April 11, 2014;
- "Initial Purchaser" are to Barclays Bank PLC;
- "Intercreditor Agreement" are to the intercreditor agreement among the Issuer, the Guarantors, the Trustee, the Security Agent, the facility agent under the Revolving Credit Facility and the other parties named therein, dated April 11, 2014;
- "Issuer" are to Stonegate Pub Company Financing plc, a wholly owned subsidiary of the Company incorporated under the laws of England and Wales as a public limited company;
- "Living Room" are to PBR Leisure Limited, from which we acquired 12 pubs on August 15, 2013;
- "Maclay" are to Maclay Inns Limited;
- "Mitchells & Butlers" are to Mitchells & Butlers plc, from which we acquired 333 pubs in November 2010;
- "New Proceeds Loan" are to the one or more loans to be extended under the New Proceeds Loan Agreement;
- "New Proceeds Loan Agreement" are to the loan agreement to be entered into on or about the Additional Notes Issue Date between the Issuer, as lender, and the Company, as borrower, pursuant to which the Issuer will on-lend the net proceeds of the Offering to the Company;
- "Note Guarantees" are to the senior secured guarantees of the Notes of the Guarantors pursuant to the Indenture;
- "Notes" are to the Original Notes and the Additional Notes, collectively;
- "Offering" are to the offering of the Additional Notes hereby;

- "Original Fixed Rate Notes" are to the £260,000,000 aggregate principal amount of 5.75% Senior Secured Notes due 2019 issued on April 11, 2014 pursuant to the Indenture;
- "Original Floating Rate Notes" are to the £140,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2019 issued on April 11, 2014 pursuant to the Indenture;
- "Original Notes" are to the Original Fixed Rate Notes and the Original Floating Rate Notes, collectively;
- "Original Proceeds Loan" are to the loans extended under the Original Proceeds Loan Agreement;
- "Original Proceeds Loan Agreement" are to the loan agreement entered into on April 11, 2014 between the Issuer, as lender, and the Company, as borrower, pursuant to which the Issuer on-lent the proceeds of the Original Notes to the Company;
- "Parent" are to Stonegate Pub Company Midco Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands;
- "Purchase Agreement" are to the purchase agreement between the Issuer, the Guarantors and the Initial Purchaser in relation to the Additional Notes offered hereby;
- "Revolving Credit Facility" are to the £50.0 million revolving credit facility made available pursuant to the Revolving Credit Facility Agreement;
- "Revolving Credit Facility Agreement" are to a revolving credit facility agreement governing the super senior revolving credit facility dated April 11, 2014, as amended from time to time;
- "SEC" are to the U.S. Securities and Exchange Commission;
- "Securities Act" are to the U.S. Securities Act of 1933, as amended.
- "Security Agent" are to Barclays Bank PLC, as security agent under the Security Documents, the Revolving Credit Facility Agreement and the Intercreditor Agreement;
- "Security Documents" are to the agreements creating security interests over the Collateral as described under "Description of the Notes—Security—The Collateral;"
- "Senior Secured Credit Facility" are to the senior secured bridge term loan facility made available pursuant to the Senior Secured Credit Facility Agreement;
- "Senior Secured Credit Facility Agreement" are to the senior secured bridge facility agreement dated September 29, 2015 entered into in connection with the financing of the consideration for the acquisition of certain freehold pubs and other assets from TCG that we completed on September 29, 2015, among the Company, as the borrower, and Barclays Bank PLC as mandated lead arranger, original lender, agent and security agent;
- "Southeast region" represents the East and South of England, Sussex and Kent, and London as per the map included under "Business—Property estate—Geographical presence;"
- "Stabilizing Manager" are to Barclays Bank PLC;
- "Stonegate," the "Group," "we," "us" and "our" are to the Company and its direct and indirect subsidiaries, unless otherwise indicated or where the context otherwise requires;
- "TCG" and "Tattershall Castle Group" are to, collectively, the TCG freehold property sellers and the TCG operating business sellers;
- "TCG freehold property sellers" are to, collectively, TCGT Holdings Limited, TCGI Holdings Limited, TCGB Holdings Limited, TCGP Holdings Limited, Maple I Unit Trust and Maple II Unit Trust that together comprise the sellers of the freehold properties we acquired on September 29, 2015;
- "TCG operating business sellers" are to, collectively, TCG Pubs Limited, TCG Bars Limited, TCG Taverns Limited and TCG Inns Limited that together comprise the sellers of the leasehold properties and other assets we intend to acquire pursuant to the acquisition agreement we entered into with them on September 29, 2015, and the administrators of the TCG operating business sellers;
- "TDR Capital" are to the investment funds managed by TDR Capital LLP that are our indirect majority shareholders, or, when otherwise indicated or where the context otherwise requires, TDR Capital LLP in its own right;

- "Town & City" are to Plato Company 3 Limited and its subsidiaries, which together operated 226 leasehold pubs and which we acquired on June 21, 2011;
- "Trustee" are to Deutsche Trustee Company Limited;
- "UK" are to the United Kingdom;
- "UK GAAP" are to accounting practices generally accepted in the United Kingdom;
- "United States," "US" and "U.S." are to the United States of America; and
- "US GAAP" are to accounting principles generally accepted in the United States.

Presentation of financial and other information

IFRS financial information

The Company has prepared non-statutory directors' reports and financial statements as of and for the 52 weeks ended September 28, 2014 that contain comparative financial information as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012, from which we have derived the historical consolidated financial information presented in this Offering Memorandum for these periods. We have included the Company's historical consolidated financial statements as of and for the 52 weeks ended September 28, 2014 elsewhere in this Offering Memorandum but have not included the accompanying directors' reports in this Offering Memorandum. The Company has also prepared non-statutory condensed consolidated interim financial statements as of and for the 40 weeks ended July 5, 2015, from which we have derived the historical consolidated financial information presented in this Offering Memorandum for this period and the 40 weeks ended July 6, 2014, which is also included elsewhere in this Offering Memorandum.

The Company's historical consolidated financial information as of and for the 53 weeks ended September 30, 2012, the 52 weeks ended September 29, 2013, the 52 weeks ended September 28, 2014 and the 40 weeks ended July 6, 2014 and July 5, 2015 included in this Offering Memorandum are presented in accordance with IFRS. The Company presented its financial statements in accordance with IFRS for the first time in the financial year 2014 when it applied IFRS 1, 'First-time adoption of International Financial Reporting Standards,' in preparing its financial statements as of and for the 52 weeks ended September 28, 2014 and the accompanying comparative financial information as of and for the 53 weeks ended September 30, 2012 and the 52 weeks ended September 29, 2013. The Company designated September 26, 2011 as the date of transition from UK GAAP, in accordance with which it previously presented its financial statements, to IFRS. The impact of the Company's transition from UK GAAP to IFRS as a basis of accounting is described under note 27 of the Company's audited financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum.

The Company's non-statutory directors' reports and consolidated financial statements as of and for the 52 weeks ended September 28, 2014, which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statements and the related notes, were audited by KPMG LLP and KPMG LLP's non-statutory audit opinion for this period is included elsewhere in this Offering Memorandum.

The results of operations for prior years or interim periods are not necessarily indicative of the results to be expected for the full-year or any future period. The Issuer was incorporated under the laws of England and Wales on March 19, 2014 and is a wholly-owned finance subsidiary of the Company. The Issuer has no material assets or liabilities other than those related to the Notes, the Original Proceeds Loan and the New Proceeds Loan. Consequently, we have not provided herein financial statements for the Issuer.

The Company's financial year accounting periods run from the calendar day following the previous financial year end, which, for the 2012, 2013 and 2014 periods were September 26, 2011, October 1, 2012, and September 30, 2013, respectively, to the Sunday nearest to our accounting reference date. Accordingly, from time to time, the Company's financial year accounting period covers a 53-week period instead of a 52-week period. This impacts the comparability of the Company's results.

In this Offering Memorandum we have also presented certain unaudited revenue information relating to the Company's branded and un-branded groups of pubs and formats for the 53 weeks ended September 30, 2012, the 52 weeks ended September 29, 2013 and the 52 weeks ended September 28, 2014 as well as for the 40 weeks ended July 6, 2014 and July 5, 2015. This information has not been audited or reviewed.

In addition, this Offering Memorandum includes certain unaudited condensed consolidated income statement information, as well as certain other financial and operating information, for the 52-week period ended July 5, 2015. This information was derived by adding the relevant item for the 52 weeks ended September 28, 2014 and for the 40 weeks ended July 5, 2015, and subtracting the relevant item for the 40 weeks ended July 6, 2014. This information for the 52-week period ended July 5, 2015 has been prepared solely for the purpose of this Offering Memorandum, is not prepared in the ordinary course of our financial reporting and has not been audited or reviewed.

We have not included financial information prepared in accordance with US GAAP in this Offering Memorandum. IFRS differs in certain significant respects from US GAAP. In making an investment decision, you should rely upon your own examination of the terms of this Offering and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the differences between IFRS and US GAAP, and how those differences could affect the financial information contained in this Offering Memorandum.

References in this Offering Memorandum to "pound," "pound sterling," "UK pound" or "£" are to the lawful currency of the United Kingdom. The financial information and financial statements included in this Offering Memorandum are presented in pound sterling.

Certain numerical figures included in this Offering Memorandum have been rounded. Discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding.

Non-IFRS financial information

In addition to IFRS financial information, we have included certain non-IFRS financial measures and adjustments in this Offering Memorandum, including EBITDA, Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDA Margin, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDAR, Pro Forma Adjusted EBITDA Margin, Pro Forma Revenue, Capital Expenditure, Cash Conversion and Pro Forma Cash Conversion, Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Growth (Like for Like), Pub Profit Growth (Like for Like), Gross Margin Growth (Like for Like), Gross Margin for Drinks, Gross Margin for Food, Total Gross Margin, Return on Investment, As Adjusted Net Debt, As Adjusted Lease Adjusted Net Debt and As Adjusted Cash Interest Expense, in each case as defined under "Certain definitions—Key performance indicators," and certain other financial measures and ratios. For reconciliations of the EBITDA-based measures presented in this Offering Memorandum, see "Summary—Summary consolidated financial and other information."

Our Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like) measures reflect like for like sales, EBITDA and total gross margin, as applicable, for each period presented only for those pubs that were open and operated by us in one of our branded or un-branded groups during the period presented and the previous comparable period. Accordingly, not every pub that is trading during a period for which we present one of these measures is included in the result presented for that period. For example, for the 52 weeks ended July 5, 2015, 61 of our pubs were not included in the calculation of these measures. We have identified a trading format in either of our branded or un-branded group for 30 of these 61 pubs but have not included these pubs in the calculation of these measures because they are not yet trading in either of our branded or un-branded groups. The remaining 31 pubs have not been included in the calculation of these measures because either we have not identified a format for those pubs in either of our branded or un-branded groups or those pubs have been designated for disposal.

Additionally, where we present Return on Investment in this Offering Memorandum, we have not included in the calculation the results of pubs that have traded for fewer than 52 weeks post investment. For example, for the 156 week period ended July 5, 2015, 104 pubs that we have invested in have not been included in the calculation of Return on Investment because those pubs have not traded for 52 weeks post investment. Had we included the results of our pubs which have been invested but have not yet traded for 52 weeks post investment, the Return on Investment that we have presented for each period shown in this Offering Memorandum may have been lower.

We also present the results of pubs included in our "Hot 100" program. The results presented for this program reflect movements in EBITDA for the sites included in our Hot 100 program since its launch in April 2013 to the period ended July 5, 2015. In this Offering Memorandum, we present the movement in EBITDA at the sites included in our Hot 100 program for the period to July 5, 2015, which represents the aggregated increase in EBITDA from pubs for the 52 weeks ended July 5, 2015 compared to the 52 weeks immediately preceding their first inclusion into the Hot 100 program in either April 2013 or April 2014. Pubs participating in our Hot 100 program are determined in April of each year. Therefore, for pubs included in our Hot 100 program in April 2013 and April 2014, we have aggregated the increase in EBITDA for each such pub for the 52 weeks ended July 5, 2015 compared to the EBITDA for each such pub in the 52 weeks prior to its inclusion in the Hot 100 program in April 2013 or April 2014, as applicable. For any sites included in the Hot 100 in both 2013 and 2014, we used the earlier comparative period to determine the change in EBITDA. The increase in EBITDA attributable to 16 sites that were included in our Hot 100 program since the program began in April 2013 but which have been subsequently disposed of has been removed from this calculation. See "Summary—Our strategies—Concentrate on our core operating initiatives."

Further, we present operating revenue in this Offering Memorandum. Operating revenue represents the aggregate revenue generated from the sale of drinks, food and accommodation and from admissions.

Non-IFRS financial measures are not required by or presented in accordance with IFRS. We have presented these non-IFRS financial measures (1) as they are used by our management to monitor and report to the board on our financial position and (2) to represent similar measures that are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity. We believe these measures enhance the investor's understanding of our indebtedness and our ability to fund our ongoing operations, make capital expenditures and meet and service our obligations.

The non-IFRS financial measures are not measures determined based on US GAAP or any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial position or other indicators of our cash flow and forward position based on IFRS measures. The non-IFRS financial measures, as defined by us, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our non-IFRS financial measures are calculated. The non-IFRS financial information contained in this Offering Memorandum is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. Even though the non-IFRS financial measures are used by management to assess our financial position and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our position or results as reported under IFRS.

Important notice relating to the unaudited pro forma information presented in this Offering Memorandum

Our Pro Forma Adjusted EBITDA represents our Adjusted EBITDA as adjusted to give effect to: (i) the acquisition of pubs from Maclay, which we completed on July 17, 2015, August 28, 2015 and September 25, 2015, as though they had occurred on July 7, 2014; (ii) the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014; (iii) certain cost savings that we estimate will result from our acquisition of pubs and certain other assets from TCG in the 52 weeks following the completion of this acquisition; (iv) the aggregate incremental EBITDA post-investment of certain pubs in which we have invested during the 52 weeks ended July 5, 2015, as though such investment had occurred on July 7, 2014; (v) the aggregate EBITDA of certain pubs in which we have invested during the 52 weeks ended July 5, 2015 during the periods in which those pubs were closed for renovation or refurbishment; (vi) aggregate cost savings resulting from labor efficiency programs implemented during the 52 weeks ended July 5, 2015, as though these programs had been in place throughout the 52 weeks ended July 5, 2015; (vii) aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015; (viii) aggregate cost savings resulting from alcohol duty reductions implemented during the 52 weeks ended July 5, 2015, as though these reductions had been in place throughout the 52 weeks ended July 5, 2015; (ix) aggregate cost savings resulting from changes to our policies regarding the discounts that we offer customers that were made during the 52 weeks ended July 5, 2015, as though these policies had been in place throughout the 52 weeks ended July 5, 2015 and (x) the annualized rental expense that we estimate we would have incurred following our planned sale and leaseback of five freehold properties located in London, if such sale and leaseback transactions had occurred on July 7, 2014.

In order to reflect a full 52 week impact of the EBITDA of the pubs and other assets that we have acquired from Maclay and TCG, for purposes of calculating our Pro Forma Adjusted EBITDA, we have derived the EBITDA of these assets for the 52 weeks ended on July 5, 2015 from the internal management accounts of Maclay and TCG, respectively, which have not been audited or reviewed. Adjustments relating to our estimate of cost savings that we currently expect will result from our acquisition of pubs and other assets from TCG in the 52 weeks following the completion of such acquisition, are based on our estimates of the cost savings we believe will be able to realize based on our past experience. Adjustments relating to cost savings resulting from rent renegotiations, alcohol duty reductions and increased EBITDA post-investment in certain of our sites, during the 52 weeks ended July 5, 2015 are based on assumptions that we believe are reasonable, including our assumption that we would have been able to achieve such cost savings or incremental EBITDA for the full 52 week periods ended July 5, 2015 in amounts consistent with the amounts we were able to achieve in the periods following the rent renegotiations, alcohol duty reductions or site investments, as the case may be. Adjustments relating to the rental expense that we would have incurred following our planned sale and leaseback of five freehold properties located in London during the 52 weeks ended July 5, 2015 are based on assumptions regarding rental expense that we believe are reasonable after consultation with third-party advisors and certain other assumptions, including our assumption that we would have been subject to such rental expense for the full 52 week period ended July 5, 2015.

Our Pro Forma Adjusted EBITDAR represents our Pro Forma Adjusted EBITDA before operating lease rentals and without giving effect to: (i) aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015 and (ii) the annualized rental expense that we estimate we would have incurred following our planned sale and leaseback of five freehold properties located in London, if such sale and leaseback transactions had occurred on July 7, 2014.

For purposes of calculating our Pro Forma Adjusted EBITDAR, we have derived the operating lease rentals of the pubs and other assets that we have acquired from Maclay and TCG for the 52 weeks ended on July 5, 2015 from the internal management accounts of Maclay and TCG, respectively, which have not been audited or reviewed.

Our Pro Forma Revenue represents our revenue as adjusted to give effect to (i) the acquisition of pubs from Maclay, which we completed on July 17, 2015, August 28, 2015 and September 25, 2015, as though they had occurred on July 7, 2014, and (ii) the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014.

In order to reflect a full 52 week impact of the revenue of the pubs and other assets that we have acquired from Maclay and TCG, for purposes of calculating our Pro Forma Revenue, we have derived the revenue of these assets for the 52 weeks ended on July 5, 2015 from the internal management accounts of Maclay and TCG, respectively, which have not been audited or reviewed.

Our unaudited Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR are presented for information purposes only and are not intended to represent or be indicative of the revenue, EBITDA or EBITDAR we would have reported had the acquisitions of pubs and certain other assets from Maclay and TCG, as well as the other events for which we have made pro forma adjustments, materialized on the dates or during the periods discussed above. Further, our unaudited Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR do not purport to project our revenue, EBITDA or EBITDAR for any future period. The pro forma financial information presented in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Directive or any generally accepted accounting standards. In addition, the unaudited Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR presented in this Offering Memorandum have not been prepared in accordance with IFRS, and the pro forma adjustments to our historical revenue, Adjusted EBITDA and Adjusted EBITDAR and the resulting Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR have not been audited or reviewed in accordance with any applicable auditing standards. See "Risk factors—Risks related to our business—The pro forma adjustments to our historical revenue, Adjusted EBITDA and Adjusted EBITDAR and the resulting Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR information presented in this Offering Memorandum should be treated with caution when making an investment decision."

Exchange rate information

The following table sets forth, for the periods indicated, the high, low, average and period end Bloomberg Composite Rate (New York) expressed as U.S. dollars per £1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. Neither we nor the Initial Purchaser make any representation that the pound sterling or U.S. dollar amounts referred to in this Offering Memorandum have been, could have been or could, in the future, be converted into U.S. dollars or pound sterling, as the case may be, at any particular rate, if at all.

(expressed as U.S. dollars per £1.00)	**Period end**	**Average(1)**	**High**	**Low**
Year				
2010	1.5612	1.5457	1.6362	1.4334
2011	1.5549	1.6041	1.6706	1.5343
2012	1.6248	1.5852	1.6279	1.5317
2013	1.6557	1.5649	1.6557	1.4867
2014	1.5578	1.6476	1.7166	1.5516
2015 (through October 1, 2015)	1.5131	1.5325	1.5881	1.4632

	Period end	**Average(2)**	**High**	**Low**
Month				
April 2015	1.5352	1.4961	1.5438	1.4632
May 2015	1.5290	1.5456	1.5776	1.5456
June 2015	1.5714	1.5587	1.5881	1.5200
July 2015	1.5624	1.5560	1.5639	1.5361
August 2015	1.5345	1.5579	1.5775	1.5345
September 2015	1.5127	1.5333	1.5590	1.5127
October 2015 (through October 1, 2015)	1.5131	1.5131	1.5131	1.5131

(1) The average of the Bloomberg Composite Rates on the last business day of each month during the relevant period.

(2) The average of the exchange rates on each business day during the relevant period.

On October 1, 2015, the Bloomberg Composite Rate between the pound sterling and the U.S. dollar was $1.5131 per £1.00.

The above rates may differ from the actual rates used in the preparation of the historical consolidated financial statements and other financial information appearing in this Offering Memorandum.

Summary

This summary highlights information contained elsewhere in this Offering Memorandum. The summary below does not contain all the information that you should consider before investing in the Additional Notes. You should read the entire Offering Memorandum carefully, including our historical consolidated financial statements and the notes thereto, before making an investment decision. See "Risk factors" for certain factors that you should consider before investing in the Additional Notes.

Overview

We are one of the largest managed pub companies in the United Kingdom in terms of sales and number of operating sites. We operated from 612 operating sites (including pubs acquired from Maclay but not from TCG) across the United Kingdom through a variety of formats as of August 31, 2015. In addition, we have recently completed the acquisition of 37 freehold pubs, and have agreed to acquire 16 leasehold pubs, from TCG pursuant to acquisition agreements entered into on September 29, 2015 with TCG. Following the completion of our acquisition of these pubs from TCG, we expect to have 665 operating sites in the United Kingdom. We began our trading operations in November 2010 following the acquisition of 333 pubs from Mitchells & Butlers.

We have since grown in size and scale through a series of strategic acquisitions, including the acquisition of Town & City in June 2011, which operated 226 pubs, the acquisition of 12 pubs from Living Room in August 2013, the acquisition of 78 pubs from Bramwell in November 2013 and the acquisition of 15 pubs from Maclay in July, August and September 2015. In the 52 weeks ended July 5, 2015, we generated revenue of £559.7 million and Adjusted EBITDA of £74.8 million. We estimate that our Pro Forma Revenue for this period would have been £628.8 million and our Pro Forma Adjusted EBITDA for this period would have been £102.2 million.

Our business is highly diversified within our sector through a variety of different formats through which we cater to different customer needs and preferences. We categorize our pubs as either "branded" or "un-branded" based on each pub's concept and offering, and within these groups we classify our pubs into seven formats. Our branded group is comprised of our Slug and Lettuce, Yates, Venues and Common Rooms pubs, while our un-branded group is comprised of our Proper Pubs, Town Pub and Kitchen and Classic Inn pubs. By operating our business through a multi-format strategy, we believe we can position ourselves across a wide range of customer preferences and target various consumer trends. In addition, through strategic initiatives, we continuously evaluate our various pubs based on current performance and capacity, with the objective of identifying opportunities for further growth. In the 52 weeks ended July 5, 2015, 75% of our revenue from operating sites was generated from drink sales and 20% of our revenue from operating sites was generated from food, with the remaining revenue generated from other sources, such as admission, accommodation and machines. Approximately 90% of our pubs, bars and venues offer both food and drinks.

We believe that we have a strong property portfolio that consisted of 612 operating sites (including pubs acquired from Maclay but not from TCG) as of August 31, 2015, with 247 freehold properties and 26 long leasehold properties with 50 years or more remaining under the lease term. Following our acquisition of pubs from TCG, we expect to have a total of 284 freehold properties (five of which, recently acquired from TCG, we intend to sell and lease back following this Offering) and 27 long leasehold properties with 50 years or more remaining under the lease term in our property portfolio. Our property portfolio presents strong geographical diversification with a balanced presence across the entire United Kingdom. We are well exposed to the London market (13% of our operating sites as of August 31, 2015, which we expect will increase to 14% of our operating sites following our acquisition of pubs from TCG) and the broader Southeast region (which includes London and accounted for 32% of our operating sites as of August 31, 2015, and which we expect will increase to 35% of our operating sites following our acquisition of pubs from TCG), areas with higher population densities and more affluent consumers. We also have a widespread presence on the high street and in urban and suburban locations across the United Kingdom. We continue to invest in our estate, and for the 156 week period ended July 5, 2015, our Return on Investment was 48.4%. As of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years.

Headquartered in Luton, with more than 11,500 employees, we benefit from significant scale and experience in our market. Being a fully managed pub operator, we have complete control over the sales formats and product offerings and benefit from all the revenue generated from our operations. All of our pubs benefit from shared administrative, marketing, supply and logistics functions, thereby reducing overheads and driving purchasing power as compared to an independent or tenant pub operator.

Our strengths

Our key credit strengths include the following:

We operate in an attractive sector underpinned by a positive macroeconomic outlook

The pub sector in the United Kingdom is an attractive sector. Over the past few years, leading pub operators have been able to deliver sustainable sales growth despite the subdued economic environment, as consumers have continued spending on low-cost items, including beer. To the extent the outlook for the economy in the United Kingdom improves over the medium term, we expect the better consumer environment to support further growth in the sector.

Managed pub operators have performed particularly well within the pub sector over the past few years and improved their market position versus tenanted pub operators and independent pubs. This is due to a number of advantages that managed pubs benefit from compared to tenanted and independent pubs. Managed pubs typically generate higher gross margins than tenanted or independent pubs, as tenanted pubs are generally required to purchase their beer at a considerable premium from the tenanted pub companies which lease the pubs to them while independent pubs lack the scale to buy on best terms. Furthermore, managed pubs are generally better-invested than tenanted or independent pubs, as managed pub operators have greater financial resources to support robust investment programs. This has enabled managed pub operators to consistently improve their offering and deliver high quality customer experiences, while tenanted and independent operators have generally been forced to downsize their portfolios. Managed pubs tend to be larger and occupy better locations than tenanted pubs, which has also driven their profitability and sustainability.

We are one of the largest managed pub operators in the United Kingdom

As of August 31, 2015, we had a portfolio of 612 operating sites (including pubs acquired from Maclay but not from TCG), which positions us as one of the largest pub operators within the managed segment in the United Kingdom, and expect to have a portfolio of 665 operating sites following the addition of pubs from TCG. Thanks to our size and scale, we are in a strong competitive position versus smaller players operating in the pub market. The scale of our platform provides us with greater purchasing power versus our competitors, allows us to leverage our head office function in Luton efficiently and allows us to negotiate competitive pricing terms with our suppliers. Owing to our reputation and brand, we have also been able to employ and retain experienced and talented employees at both site management and head office level. This, coupled with our ability to keep our staff current and updated on customer trends and preferences through our well-invested training facilities has helped us achieve high levels of customer satisfaction and improved sales. We also have the ability to invest in our estate to improve and innovate our facilities and offering, which has helped us drive improved performance across our sites.

Significant asset backing and diversified estate portfolio

We operate a high-quality estate in terms of geography and format. Of the 612 operating sites (including pubs acquired from Maclay but not from TCG) in our portfolio as of August 31, 2015, 247 were freehold properties and 26 were long leasehold properties with 50 years or more remaining under the lease term. Following our acquisition of pubs from TCG, we expect to have a total of 284 freehold properties (five of which, recently acquired from TCG, we intend to sell and lease back following this Offering) and 27 long leasehold properties with 50 years or more remaining under the lease term in our property portfolio. Furthermore, our estate is well-diversified from a geographic and format perspective. We operate pubs across the United Kingdom and have a strong presence in London (13% of our operating sites as of August 31, 2015, which we expect will increase to 14% of our operating sites following our acquisition of pubs from TCG) and in the broader Southeast region (which includes London and accounted for 32% of our operating sites as of August 31, 2015, and which we expect will increase to 35% of our operating sites following our acquisition of pubs from TCG), areas with higher population densities and more affluent consumers. We also have a widespread presence on the high street and in urban and suburban locations across the United Kingdom. We operate seven different formats, including the Slug and Lettuce, Yates, Venues and Common Rooms formats, which comprise our branded group, and Proper Pubs, Town Pub and Kitchen and Classic Inns, which comprise our un-branded group. By operating our business through a multi-format strategy, we believe we can position ourselves across a wide range of customer preferences and target various consumer trends to deliver growth.

Successful investment program and strong cash conversion

Through our strong track record of successful capital investments, we have strengthened our position as one of the largest managed pub operators in the United Kingdom. We identify priority investments through biannual estate reviews and have put in place a multi-stage estate review process to ensure a disciplined approach to investment in our existing properties. Since we began trading, and through August 31, 2015, we have refurbished approximately 330 of our pubs and on average have successfully exceeded our target of a Return on Investment of 40%. As of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years.

The majority of our capital expenditure is either investment expenditure or acquisition expenditure in nature as opposed to maintenance expenditure, and is therefore, in large part, discretionary. Maintenance Capital Expenditure has historically remained relatively consistent, and for the 52 weeks ended July 5, 2015 represented 3.56% of our revenue and for the 52 weeks ended September 28, 2014 and September 29, 2013, and the 53 weeks ended September 30, 2012, represented 3.16%, 2.58% and 3.28% of our revenue, respectively. As a result of the combination of our increasing Adjusted EBITDA and controlled capital expenditure, we have been able to maintain strong levels of Cash Conversion, which for the 52 weeks ended July 5, 2015, was 73.3% and for the 52 weeks ended September 28, 2014 and September 29, 2013, and the 53 weeks ended September 30, 2012, was 73.7%, 78.9% and 71.5%, respectively.

Experienced senior management team with strong sponsor backing

We have a strong, experienced senior management team with an average of approximately 25 years of relevant experience, combining complementary skill sets in the retail, leisure and service sectors as well as the drinking-out and eating-out markets. We are led by our CEO Simon Longbottom, who has 25 years of experience, previously serving as managing director of the leasehold division at Greene King, managing director of Pub Partners as well as managing director of Gala Coral's gaming division. Mr. Longbottom has also held senior positions with Mill House Inns and Mitchells & Butlers plc. We also benefit from the strong experience of our Chairman Ian Payne, who has more than 35 years of retail experience and helped form Stonegate in 2010. Ian previously served as Chairman of Town & City and CEO of Laurel Pub Company and has held board positions with Bass Taverns, Stakis plc and Ladbrokes.

We also benefit from strong sponsor backing from TDR Capital. TDR Capital is a leading private equity firm with approximately €4.8 billion of funds under management. See "—About TDR Capital."

Our strategies

Our goal is to be the best managed pub operator in the United Kingdom. We intend to achieve this goal through continuous development of our current estate by implementing our capital investment strategy and core operating initiatives. We also intend to maintain a disciplined acquisition policy, selectively pursuing consolidation opportunities which we believe will improve the value of our estate.

We intend to pursue the following initiatives to achieve our strategic objectives:

Maintain our capital investment strategy

To continue to drive our business performance and further increase our market share, we intend to maintain our commitment to capital investment. We have developed a disciplined and efficient process for investing in our estate. Each site we invest in is prioritized at a biannual estate review, after which it receives a detailed appraisal during a multi-stage review process. This site-by-site rigor has allowed us to achieve a Return on Investment of 48.4% for the 156 week period ended July 5, 2015. We have also been able to achieve consistent yearly returns on investment. For example, for pubs in which we invested during the 2011 financial year, our Yearly Return on Investment was 43% in the first year post investment, 43% in the second year post investment and 47% in the third year post investment. Moreover, as of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years. We expect to achieve similar Returns on Investment with our future developments, which will further enhance the quality of our estate. As part of our investment program, we also continue to develop our brands and formats to make them more appealing to our customers.

Concentrate on our core operating initiatives

We also intend to continue to deliver sustainable profit growth through our core operational initiatives:

- **Grow our margins:** We are focused on growing our margins through pricing improvements, labor efficiency and rent renegotiations.
    - *Pricing improvements.* We are dedicated to continuing to improve our pricing strategy by aligning the pricing models in place at our existing pubs and seeking to price efficiently against our competition to improve cash margin, and we continually review the pricing practices at each of our pubs to this end.
    - *Labor efficiency.* We will continue to make our labor and staffing practices more efficient. Following a strategic review conducted by our new CEO, Simon Longbottom, who joined us in October 2014, we introduced for the first time a labor efficiency tool that allows us to tailor our staffing needs to more closely mirror consumer demand and footfall at each of our pubs throughout the day and during the year. We intend to continue to use this tool to efficiently manage the deployment of our staff. We have seen a 0.5% reduction in labor costs as percentage of operating revenue from 24.3% for the 16 weeks ended July 6, 2014 to 23.8% for the 16 weeks ended July 5, 2015, which we believe is attributable, in large part, to the introduction of the labor efficiency tool in March 2015.
- **Focus on our "Hot 100":** The "Hot 100" program is an initiative introduced in 2013 to provide additional focus on, and support to, the 100 pubs with the greatest profit improvement potential. For each "Hot 100" site, a cross-functional team identifies and implements the key actions to drive performance, such as new menus, alternative pricing strategies, and strengthening site management. Since the program's launch in April 2013, the 136 sites that participated in the program have increased their EBITDA in aggregate by approximately £6.7 million to July 5, 2015. For an explanation of how we calculate this EBITDA, see "Presentation of financial and other information—Non-IFRS financial information."
- **Grow our food business:** Eating out has been a growth trend in the United Kingdom. We believe we are well positioned to take advantage of this and will continue to develop our food offering to drive growth. In addition to improving menus, we are also focused on training our staff and utilizing the kitchen management systems we have installed so that we ensure great service and efficient delivery in our pubs.
- **Manage our talent:** We believe that having the best site management is a critical success factor in our business. Consequently, we will continue to focus on our human resources capability so that we can retain and recruit top industry talent. We have taken a number of actions to this end and will continue to support our human resources programs going forward. These include hiring a HR Director, Tim Painter, in 2012 to lead our efforts, running an effective training program to develop our top performing deputy managers into general managers, establishing a training center and development kitchen in Birmingham and operating an attractive incentive package for site managers. In acknowledgement of our work to date, in February 2015 we were awarded a "Distinction in People Development" award at the HR Distinction Awards, and we were awarded the Best Pub Employer (51+ sites) at the 2013 Publican Awards, the leading industry event of the year.

Complement our organic growth through targeted, opportunistic acquisitions

The pub market in the United Kingdom remains fragmented. We believe that our scale, financial strength, and mergers and acquisitions experience will continue to allow us to take advantage of the consolidation in the United Kingdom pub market and increase our market share compared to smaller, capital-constrained competitors. In line with our historic approach, we will only pursue acquisitions, which we believe would add value to Stonegate from both a financial and strategic perspective. More specifically, we will consider acquisitions only when we expect to be able to grow the profitability of any pubs acquired and generate material synergies due to our scale. For example, in the case of the 78 pubs that we recently acquired from Bramwell, we generated aggregate pub profit of £12.8 million (representing aggregate EBITDA (less Group overhead costs) generated by the 78 pubs acquired from Bramwell) for the 52 weeks ended July 5, 2015 and realized cost savings of approximately £7.0 million.

Asset Acquisitions from Maclay and TCG

Asset Acquisitions from Maclay

On July 17, 2015 we acquired 13 freehold pubs and in August and September 2015 we acquired 2 leasehold pubs out of administration from Maclay and its administrators for a total consideration of £13.5 million, which we financed with existing cash on our balance sheet.

The pubs we acquired from Maclay are located in the main towns and cities in Scotland, and we believe that this acquisition strengthens our presence in Scotland by increasing the number of pubs we operate there by approximately 60%. As with our other pubs, these pubs have historically generated the majority of their revenues from drinks sales (comprising approximately 60% of their total revenues during the 52 weeks ended July 5, 2015) but have generated a comparatively higher portion of their revenues from food sales (comprising approximately 33% of their total revenues during the 52 weeks ended July 5, 2015) than have our existing pubs. We have integrated one of these pubs into our Common Rooms format, and we plan to integrate the remaining 14 pubs into our Proper Pubs, Town Pub and Kitchen and Classic Inns formats. According to the management accounts of Maclay, for the 52 weeks ended July 5, 2015, these pubs have historically generated combined revenue of £9.6 million and combined EBITDA of £1.9 million.

Asset Acquisitions from TCG

On September 29, 2015 we acquired 37 freehold properties for an initial consideration of £76.4 million, pursuant to an acquisition agreement that we entered into with the TCG freehold property sellers on September 29, 2015 (the "Freehold Acquisition Agreement"). In addition, on September 29, 2015, we agreed to acquire 16 leasehold properties and certain other assets for a total consideration of approximately £24 million (of which approximately £1 million was paid on September 29, 2015, with the remaining consideration to be paid as contingent or deferred consideration), pursuant to an acquisition agreement that we entered into with the TCG operating business sellers (the "Leasehold and Operating Business Acquisition Agreement"). Under the terms of the Leasehold and Operating Business Acquisition Agreement, we have acquired the right to occupy and operate the 16 leasehold properties, in each case until such time as we can acquire the leasehold interest relating to each property. The properties and assets that are subject to Leasehold and Operating Business Acquisition Agreement are being bought out of administration.

Forty-nine of these pubs are located throughout England, while four are located in Scotland. We believe that the acquisition of these pubs will strengthen our operations across our estate, particularly in London and the broader Southeast region. As with our other pubs, these pubs have historically generated the majority of their revenues from drinks sales (which comprised approximately 82% of their total revenue during the 52 weeks ended July 5, 2015, compared to the approximately 15% of total revenue generated by food sales), and as such we believe these pubs will complement our existing estate well. According to the management accounts of TCG, for the 52 weeks ended July 5, 2015, these pubs generated a combined revenue of £59.5 million and generated a combined EBITDA of £12.3 million, excluding estimated overhead costs that we expect to incur in relation to the operation of these pubs of approximately £1 million and also excluding estimated cost savings that we expect to realize in connection with the inclusion of these pubs into our existing portfolio of approximately £2.3 million. We plan to integrate these pubs into our Slug and Lettuce, Venues, Proper Pubs, Town Pub and Kitchens and Classic Inns formats.

We financed the consideration for the freehold pubs that we acquired from TCG on September 29, 2015 with borrowings under our Senior Secured Credit Facility, and intend to repay these borrowings in full, including any accrued and unpaid interest, with the proceeds of this Offering. We intend to finance the consideration relating to the leasehold properties and certain other assets that we have agreed to acquire from the TCG operating business sellers, which are yet to be acquired, using the proceeds of a sale and leaseback transaction that we intend to complete following this Offering in respect of five freehold properties located in London that we have acquired from the TCG freehold property sellers. Based on currently available information and in consultation with third-party advisors, we estimate that the aggregate proceeds from the sale of these five properties in London will be approximately £30 million. To the extent that the sale and leaseback transaction has not completed at the time that any consideration is due for purchasing one or more leasehold properties, we may use cash on hand or drawings under our Revolving Credit Facility to finance this additional consideration pending the execution of the sale and lease back transaction. The contemplated sale and leaseback transactions have not yet been committed and there can be no assurance that any or all of them will take place or at the currently estimated values. See "Use of proceeds" and "Description of other indebtedness—Planned sale and leaseback transactions" and "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees."

Recent developments

Current trading

Based on our preliminary financial results for the eight weeks ended August 30, 2015, we believe our business is continuing to perform in line with expectations and in accordance with historical trends. Our preliminary financial results indicate that during the eight weeks ended August 30, 2015, our Revenue Growth (Like for Like) was 2.4%, our Drink Sales Growth (Like for Like) was 2.9%, our Food Sales Growth (Like for Like) remained constant (0.0%) and our Pub Profit Growth (Like for Like) was 12.0%. Further, during the eight weeks ended August 30, 2015, our Gross Margin for Drinks was 72.5% and our Gross Margin for Food was 64.4%, while our Gross Margin Growth (Like for Like) was 3.1%. Available preliminary financial results for the ten weeks ended September 11, 2015, indicate that our Revenue Growth (Like for Like) was 1.9%, our Drink Sales Growth (Like for Like) was 2.3% and our Food Sales Growth (Like for Like) remained constant (0.0%).

These preliminary results have been prepared by, and are the responsibility of, management and are based solely on preliminary internal information. Our most recent quarter closed on September 27, 2015. During the course of our financial statement closing process, we could identify items that would require us to make adjustments that could affect the results discussed above. Because these results are preliminary, they could change, and they may not be indicative of the financial quarter or any other period. See "Forward-looking statements."

Duty update

On March 19, 2014, the UK government abolished the duty escalator applicable to spirits, wine and made-wine, cider and perry, which was 2% above the rate of inflation (based on the UK Retail Prices Index), held the duty on spirits, cider and perry and reduced the duty on beer by one pence per pint. On March 23, 2015, the UK government reduced the duty on spirits and other drinks exceeding 22% alcohol by volume by 2%, reduced the duty on low-strength cider by 2% (with an equivalent benefit in cash terms for high-strength cider), reduced the duty on beer by a further one pence per pint and froze the duty rate on wine, made-wine and high-strength sparkling cider.

About Stonegate

Stonegate Pub Company Limited (the "Company") was incorporated as an exempted company with limited liability under the laws of the Cayman Islands in August 2010, in connection with our planned acquisition of pubs from Mitchells & Butlers. We began trading operations in November 2010 after the acquisition of pubs from Mitchells & Butlers was completed.

Stonegate Pub Company Financing plc (the "Issuer") was incorporated on March 19, 2014 as a public limited company under the laws of England and Wales for the purpose of issuing the Notes. The Issuer is a wholly owned subsidiary of the Company.

The registered office of the Company in the Cayman Islands is at the offices of Codan Trust Company (Cayman) Limited, Boundary Hall, Cricket Square, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and its telephone number at that address is +1 345 949 1040. The registered office of the Issuer in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom and its telephone number at that address is +44 (0) 845 126 2944.

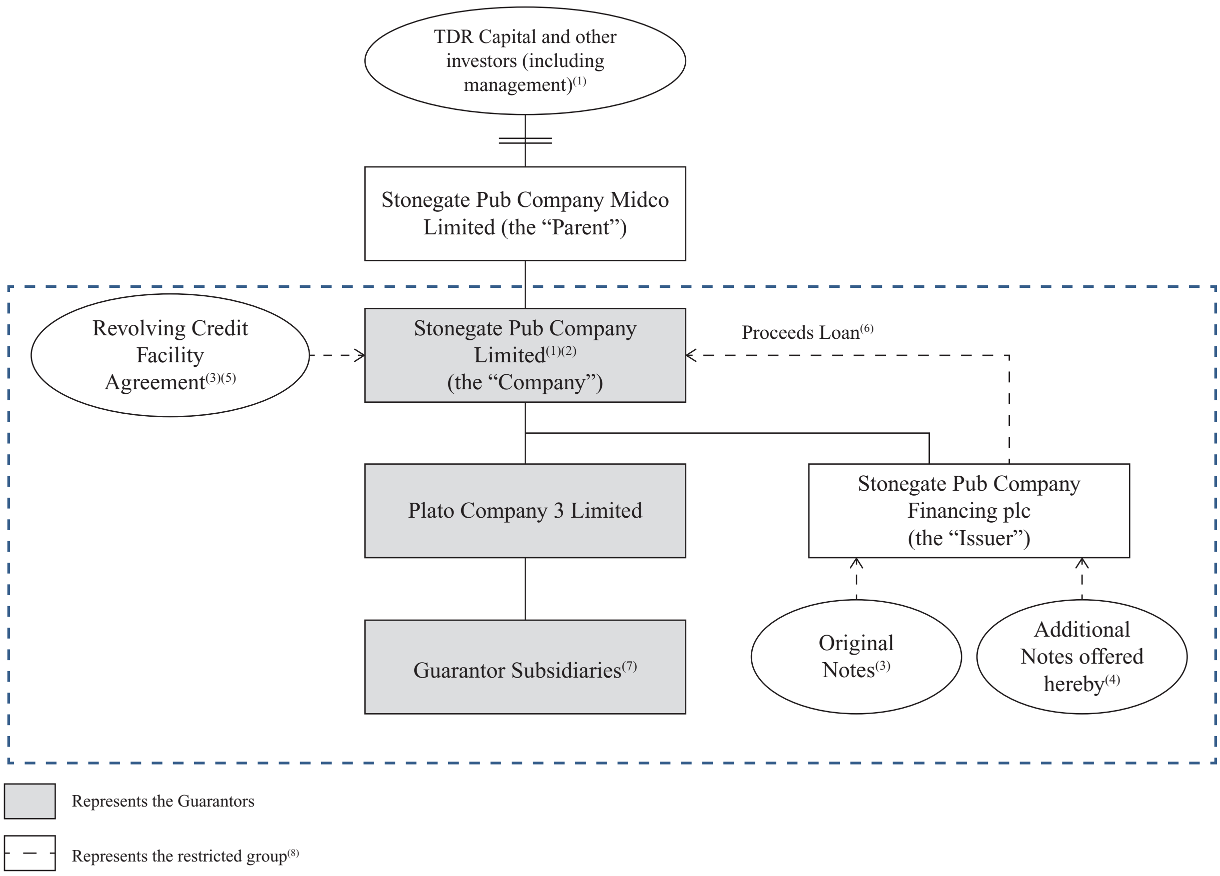
About TDR Capital

TDR Capital is a leading private equity firm with approximately €4.8 billion of capital under management. It was founded in 2002 by Manjit Dale and Stephen Robertson, who were previously partners at DB Capital Partners. TDR Capital has an experienced team of investment professionals and operating partners and has a low-volume investment strategy based on principles developed by the investment team over the past decade. TDR Capital seeks to spend significant resources on each investment and to focus on operational excellence through a tested and integrated operating partner model.

Intense pre-investment analysis and post-investment involvement mean that TDR Capital is selective, typically making only one to three investments a year. TDR Capital takes an active role in overseeing the operations of its investments, working in partnership with management through board representation and professional support.

Corporate and financing structure

The following diagram summarizes our corporate structure and principal outstanding financing arrangements after giving effect to this Offering and the use of proceeds therefrom. See "Description of the Notes." All entities shown below are 100% directly or indirectly wholly-owned, unless otherwise mentioned.



(1) Stonegate Pub Company Limited is wholly owned and controlled by Stonegate Pub Company Midco Limited, which is, in turn, ultimately owned and controlled by TDR Capital. TDR Capital, Kaupthing Bank hf. and our senior management, each of whom is a Permitted Holder under the Indenture hold, directly or indirectly, 94.4%, 4.1% and 1.5%, respectively, of the shares of Stonegate Pub Company Midco Limited. See "Principal shareholders" and "Description of the Notes."

(2) To facilitate our acquisition of pubs and certain other assets from TCG, including certain sale and leaseback transactions, we incorporated six direct subsidiaries of the Company as private limited companies under the laws of England and Wales (the "Newcos" and each a "Newco"). Each of the Newcos acceded to the Indenture as a Guarantor on September 29, 2015.

(3) The obligations of the Issuer and the Guarantors under the Original Notes, the Indenture and the Revolving Credit Facility Agreement are secured, and, in the case of the Additional Notes will be secured, as described under "Description of the Notes—Security" (such security, collectively, the "Collateral"), including by security over all of the shares of the Issuer and the Guarantors. Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility Agreement or in respect of hedging obligations, in each case, that are secured by the Collateral will receive

priority with respect to any proceeds received upon any enforcement action over any such assets. Any remaining proceeds received upon any enforcement action over any Collateral will be applied pro rata in repayment of all obligations under the Indenture and the Notes and any other indebtedness of the Issuer and the Guarantors permitted to be incurred and secured by the Collateral pursuant to the Indenture. In addition, if the Issuer and the Guarantors enter into additional debt instruments, the Collateral may be used to secure such instruments. In certain circumstances, assets may be released from the Collateral. See "Risk factors—Risks related to our structure—There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Note Guarantees will be released automatically and under which the Note Guarantees will be released automatically, without your consent or the consent of the Trustee."

(4) The Additional Notes will be senior obligations of the Issuer and will be guaranteed by the Guarantors on the same basis as the Original Notes. On the Additional Notes Issue Date, the Additional Notes will be secured by the same assets that secure the Original Notes. See "—The Offering."

(5) The Revolving Credit Facility Agreement is, as of the date of this Offering Memorandum, for a committed amount of £50.0 million of secured credit borrowings. The original borrowers under the Revolving Credit Facility Agreement are the Company and certain of the Guarantors, including Barley Pub Company Limited, Hops Pub Company Limited, Slug and Lettuce Company Limited and Town and City Pub Group Limited. We agreed with our lenders to increase the commitments under our Revolving Credit Facility to £50 million, effective as of September 29, 2015. Under the terms of the Revolving Credit Facility Agreement, borrowings above £35 million are required to be repaid and the corresponding commitments cancelled upon the earlier of 12 months from September 29, 2015 and the occurrence of certain other events. See "Description of other indebtedness."

(6) A New Proceeds Loan in respect of the proceeds of the Additional Notes will be made by the Issuer to the Company on or about the Additional Notes Issue Date. See "Use of proceeds." The Issuer's rights under the New Proceeds Loan Agreement will be pledged in favor of the Security Agent and comprise part of the Collateral. See "Description of the Notes—Security."

(7) The Company and all of its subsidiaries (other than the Issuer and two dormant companies, as described below) are Guarantors in respect of the Original Notes, and will become Guarantors on or about the Additional Notes Issue Date in respect of the Additional Notes. The Issuer and the Guarantors unconditionally guarantee the Revolving Credit Facility Agreement on a senior secured basis. See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees" and "Description of other indebtedness—Revolving Credit Facility Agreement." Two of our subsidiaries, Yates Group Pension Trustees Limited and Laurel Pension Trustee Company Limited, which are dormant companies, are not Guarantors. As of and for the 52 weeks ended July 5, 2015, the Guarantors generated substantially all of the consolidated revenue and Adjusted EBITDA of the restricted group and represented substantially all of the consolidated total assets of the restricted group. Each subsidiary within the restricted group is 100% owned, directly or indirectly, by the Company.

(8) The entities in the restricted group are subject to the covenants under the Revolving Credit Facility Agreement and the Indenture.

The Offering

The summary below describes the principal terms of the Additional Notes, the Note Guarantees and the Collateral. It is not intended to be complete and certain of the terms and conditions described below are subject to important exceptions. You should carefully review the "Description of the Notes" section of this Offering Memorandum for more detailed descriptions of the terms and conditions of the Additional Notes.

Issuer	Stonegate Pub Company Financing plc.
Additional Notes offered hereby	£80.0 million aggregate principal amount of 5.75% Senior Secured Notes due 2019 issued by Issuer as additional notes under the Indenture pursuant to which the Original Notes were issued. The Additional Notes will initially be issued bearing temporary international securities identification numbers (the "ISINs") and temporary common codes that differ from the original ISINs and original common codes assigned to the Original Fixed Rate Notes, and will also bear an applicable restrictive Securities Act legend referred to under the heading "Transfer Restrictions" in this Offering Memorandum. See "Description of the Notes—Transfer and exchange." On and from the applicable consolidation date, the Additional Notes will be consolidated and fully fungible with the Original Fixed Rate Notes. The consolidation date for Additional Notes sold outside the United States in reliance on Regulation S under the Securities Act will be the earlier of 40 days after the later of the Additional Notes Issue Date and the earliest date or dates permitted under U.S. federal securities laws. The consolidation date for Additional Notes sold within the United States in reliance on Rule 144A under the Securities Act will be the earlier of one year after the later of the Additional Notes Issue Date and the earliest date or dates permitted under U.S. federal securities laws. Following the replacement of the applicable ISINs and temporary common codes as set forth above, the Additional Notes will become fully fungible with the Original Fixed Rate Notes for trading purposes. The Additional Notes (i) will have substantially the same terms as those of the Original Fixed Rate Notes and (ii) together with the Original Fixed Rate Notes, will be treated as a single class for all purposes under the Indenture, including with respect to waivers, amendments, redemptions and offers to purchase, except as otherwise specified with respect to the Additional Notes.
Additional Notes Issue date	October 7, 2015.
Maturity date	April 15, 2019.
Interest rates	5.75%.
Interest payment dates	Semi-annually in arrears on each April 15 and October 15, commencing on October 15, 2015.
Issue price	99.50% plus accrued interest on the Additional Notes from April 15, 2015 to, but not including, the Additional Notes Issue Date.
Denomination	The Additional Notes will have a minimum denomination of £100,000 and any integral multiples of £1,000 in excess thereof. Additional Notes in denominations of less than £100,000 will not be available.

Ranking of the Additional Notes	The Additional Notes will: • be general, senior obligations of the Issuer, secured by first-ranking security interests in the Collateral as set forth below under "—Collateral;" • rank equally in right of payment with all the Issuer's indebtedness that is not subordinated in right of payment to the Additional Notes; • rank senior in right of payment to all the Issuer's indebtedness that is subordinated in right of payment to the Additional Notes; • be effectively senior to all the Issuer's existing and future unsecured indebtedness to the extent of the value of the property or assets securing the Additional Notes; • be effectively subordinated to all the Issuer's secured indebtedness of the Issuer that is secured by property or assets that do not secure the Additional Notes to the extent of the value of the property or assets securing such indebtedness; and • be effectively subordinated to any existing and future indebtedness of the subsidiaries of the Company (other than the Issuer) that do not guarantee the Additional Notes, if any.
Note Guarantees	The Original Notes are, and on the Additional Notes Issue Date the Additional Notes will be, unconditionally guaranteed on a senior secured basis by the Company and all the Company's material subsidiaries (other than the Issuer). The Note Guarantees are, in the case of the Original Notes, and will be, in the case of the Additional Notes, subject to contractual and legal limitations, and may be released under certain circumstances. See "Description of the Notes—Note Guarantees" and "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees."
Ranking of the Note Guarantees	Each Note Guarantee is, in the case of the Original Notes, and will be, in the case of the Additional Notes: • a general, senior obligation of the relevant Guarantor, secured by first-ranking security interests in the Collateral as set forth below under "—Collateral;" • ranking equally in right of payment with all the Guarantor's existing and future indebtedness that is not subordinated in right of payment to its Note Guarantee; • ranking senior in right of payment to all the Guarantor's existing and future indebtedness that is subordinated in right of payment to its Note Guarantee; • effectively senior to all the Guarantor's existing and future unsecured indebtedness to the extent of the value of the property or assets securing its Note Guarantee; and • effectively subordinated to all the Guarantor's existing and future indebtedness that is secured by property or assets that do not secure its Note Guarantee, to the extent of the value of the property or assets securing such indebtedness.

The Note Guarantees are, in the case of the Original Notes, and will be, in the case of the Additional Notes, subject to release under certain circumstances. See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees" and "Description of the Notes—Note Guarantees."

Collateral . . . . Subject to the terms of the Security Documents and the Intercreditor Agreement, the collateral securing the obligations of the Issuer and the Guarantors under the Notes and the Indenture (the "Collateral") will consist of:

- security interests over all the shares in the Issuer and the Guarantors, all bank accounts in England and Wales of each Guarantor, certain other material assets of each Guarantor, including certain properties, and the rights of the Issuer and Guarantors under intercompany receivables, including the Issuer's rights under the Original Proceeds Loan Agreement and the New Proceeds Loan Agreement, under insurance policies, under hedging agreements and under the acquisition agreements and related agreements entered into with TCG;
- security interests pursuant to a charge by way of a legal mortgage over certain of the Group's freehold properties and long leasehold properties located in England and Wales with, in the case of the long leaseholds, 50 years or more remaining under the lease term at the time the Collateral is entered into (including such properties acquired or to be acquired from TCG and such security interests to be granted within 30 days after the date of such acquisitions from TCG), provided that (i) no security has been granted or will be granted over any leasehold properties if providing such security requires consent of a third party and if such consent is refused or is not received from such third party within 90 days from the date of application for consent and (ii) no security has been or will be granted with regard to properties located outside of England and Wales (except that under certain circumstances security may be granted over certain future acquired properties located in Scotland);
- security interests pursuant to a charge by way of a legal mortgage over freehold properties and long leasehold properties acquired in the future by the Group and which are located in England and Wales with, in the case of the long leaseholds, 50 years or more remaining under the lease term at the time the Collateral is entered into, such security interests to be granted within 30 days after the date of acquisition; provided that (i) no security will be granted over any future acquired leasehold properties if providing such security requires consent of a third party and if such consent is refused or is not received from such third party within 90 days from the date of application for consent and (ii) no security will be granted with regard to future acquired properties located outside of England and Wales (except that under certain circumstances security may be granted over certain future acquired properties located in Scotland); and

- security interests pursuant to a ship mortgage over a ship to be acquired under the Leasehold and Operating Business Acquisition Agreement, to be granted within 30 days after the date of such acquisition.

The security interests over all the shares in the Company granted by the Parent are non-recourse to the Parent other than in relation to the charged shares. See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—The Notes are secured only to the extent of the value of the Collateral that has been, and will be granted as security for the Notes and the Note Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Note Guarantees."

By virtue of the exclusion of a number of our short term leasehold properties in England and Wales and all of our real estate properties located in Scotland and the Isle of Man, from the Collateral, there is a risk that the floating charges granted by the Issuer and the Guarantors would not constitute qualifying floating charges (as defined in paragraph 14 of Schedule B1 of the UK Insolvency Act 1986, as amended). See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—The Security Agent may not be able to appoint its choice of administrator in the event of insolvency nor have the right to appoint an administrative receiver." See also "Description of other indebtedness—Intercreditor Agreement—Appointment of administrator."

Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facility Agreement or in respect of hedging obligations, in each case, that are secured by assets that also secure our obligations under the Notes and the Note Guarantees receive priority with respect to any proceeds received upon any enforcement action over any such assets. See "Description of other indebtedness—Intercreditor Agreement."

The security interests over the Collateral may be released under certain circumstances. See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees," "Description of other indebtedness—Intercreditor Agreement" and "Description of the Notes—Security—Release of Liens."

Optional redemption . . . . Prior to April 15, 2016, the Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Notes at a redemption price equal to 100% of the principal amount of the Fixed Rate Notes redeemed, plus accrued and unpaid interest, if any, plus the applicable "make whole" premium described in this Offering Memorandum.

On or after April 15, 2016, the Issuer will be entitled at its option to redeem all or a portion of the Fixed Rate Notes at the redemption prices set forth under the caption "Description of the Notes—Optional redemption," plus accrued and unpaid interest, if any.

	Prior to April 15, 2016, the Issuer will be entitled at its option, on one or more occasions, to redeem the Fixed Rate Notes in an aggregate principal amount not to exceed 35% of the original aggregate principal amount of the Fixed Rate Notes (including any additional notes) with the net cash proceeds from certain equity offerings at a redemption price equal to 105.75% of the principal amount outstanding in respect of the Fixed Rate Notes redeemed, plus accrued and unpaid interest, if any, provided that at least 65% of the original aggregate principal amount of the Fixed Rate Notes (including any additional notes) remains outstanding immediately after each such redemption. See "Description of the Notes—Optional redemption."
Redemption at maturity	On April 15, 2019, the maturity date of the Notes, the Issuer will be entitled to redeem the Notes at a redemption price equal to 100.00% of the principal amount of the Notes then outstanding, plus accrued and unpaid interest, if any, to April 15, 2019.
Additional amounts; tax redemption .	Any payments made by the Issuer or any Guarantor with respect to the Additional Notes will be made without withholding or deduction for or on account of taxes unless required by law. If the Issuer or Guarantors are required by law to withhold or deduct amounts for or on account of tax imposed by the United Kingdom with respect to a payment to the holders of Additional Notes, the Issuer or the relevant Guarantor will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received by the holders of the Additional Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See "Description of the Notes—Additional Amounts." In the event of certain developments affecting taxation, the Issuer or a Guarantor may redeem the Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See "Description of the Notes—Redemption for taxation reasons."
Change of Control	Upon the occurrence of certain events constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount redeemed on the date of purchase plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the Notes—Change of Control." However, a change of control will not be deemed to have occurred if certain consolidated leverage ratios are not exceeded in connection with such an event. See "Description of the Notes—Change of Control."
Certain covenants	The Indenture relating to the Notes, among other things, restricts the ability of the Company and its restricted subsidiaries to: • incur or guarantee additional indebtedness; • pay dividends or make other distributions or purchase or redeem our stock; • make investments or other restricted payments; • enter into agreements that restrict our restricted subsidiaries' ability to pay dividends;

	• transfer or sell assets; • engage in transactions with affiliates; • create liens on assets to secure indebtedness; • impair security interests; and • merge or consolidate with or into another company. Each of these covenants is subject to significant exceptions and qualifications. See "Description of the Notes—Certain Covenants."
Transfer restrictions	We have not registered the Additional Notes or the Note Guarantees under the Securities Act. You may only offer or sell the Additional Notes in transactions that are exempt from, or not subject to, the registration requirements of the Securities Act, or pursuant to an effective registration statement. See "Notice to investors." We have not agreed to, or otherwise undertaken, to register the Additional Notes under the Securities Act.
No prior market	The Additional Notes will be new securities for which there is currently no established trading market. Although the Initial Purchaser has advised us that it intends to make a market in the Additional Notes, it is not obligated to do so and it may discontinue market-making at any time without notice. Accordingly, there is no assurance that an active trading market will develop for the Additional Notes.
Listing	Application has been made to list the Additional Notes on the Official List of the Luxembourg Stock Exchange and to admit the Additional Notes to trading on the Euro MTF Market.
Use of Proceeds	We expect to receive gross proceeds of £79.6 million from this Offering (not including accrued or unpaid interest estimated at £2.2 million in respect of the Additional Notes from April 15, 2015 to the Additional Notes Issue Date that we will receive on the Additional Notes Issue Date as part of the gross proceeds from this Offering). We intend to use the proceeds from this Offering: (i) to repay the outstanding borrowings under the Senior Secured Credit Facility, entered into to finance the consideration for the acquisition of certain freehold and other assets from TCG and (ii) to pay certain fees and expenses in connection with the foregoing and this Offering. See "Use of proceeds."
Governing Law	The Indenture, the Notes and the Note Guarantees are, and the Additional Notes will be, governed by the laws of the State of New York. The Revolving Credit Facility Agreement and the Intercreditor Agreement are governed by English law. The Security Documents are governed, as the case may be, by English law or the laws of the Cayman Islands.
Security Agent	Barclays Bank PLC.
Trustee	Deutsche Trustee Company Limited.
Paying Agent	Deutsche Bank AG, London Branch.
Registrar, Transfer Agent and Listing Agent	Deutsche Bank Luxembourg S.A.
Risk factors	**Investing in the Additional Notes involves a high degree of risk. See the "Risk factors" section for a description of certain of the risks you should carefully consider before investing in the Additional Notes.**

Summary consolidated financial and other information

The following table summarizes the Company's historical consolidated financial information as of the dates and for the periods indicated. The summary historical consolidated financial information as of and for the 53 weeks ended September 30, 2012, the 52 weeks ended September 29, 2013 and the 52 weeks ended September 28, 2014 have been derived from the Company's audited consolidated financial statements as of and for the 52 weeks ended September 28, 2014 that contain comparative financial information as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012, which is included elsewhere in this Offering Memorandum. The summary historical condensed consolidated financial information as of and for the 40 weeks ended July 6, 2014 and July 5, 2015 have been derived from the Company's condensed consolidated interim financial statements included elsewhere in this Offering Memorandum, which have been prepared on a basis consistent with the Company's annual audited consolidated financial statements. In the opinion of management, such unaudited financial information reflect all adjustments necessary for a fair presentation of the results for those periods. These financial statements have been prepared in accordance with IFRS.

The Company's financial year accounting periods run from the calendar day following the previous financial year end, which for the 2012, 2013 and 2014 periods were September 26, 2011, October 1, 2012 and September 30, 2013, respectively, to the Sunday nearest to our accounting reference date. Accordingly, from time to time, the Company's financial year accounting period covers a 53-week period instead of a 52-week period. This impacts the comparability of the Company's results.

The income statement information, as well as the other financial and operating information, presented for the 52 weeks ended July 5, 2015 is derived by adding the relevant item for the 52 weeks ended September 28, 2014 and for the 40 weeks ended July 5, 2015, and subtracting the relevant item for the 40 weeks ended July 6, 2014.

We also present certain non-IFRS measures below that we use to evaluate our operating and financial performance, including, among others, EBITDA, Adjusted EBITDA, Adjusted EBITDAR, Adjusted EBITDA Margin, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDAR, Pro Forma Adjusted EBITDA Margin, Pro Forma Revenue Capital Expenditure, Cash Conversion and Pro Forma Cash Conversion. These measures are not identified as accounting measures under IFRS and therefore should not be considered as alternative measures to evaluate our performance. See "Presentation of financial and other information."

Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR represent our revenue, Adjusted EBITDA and Adjusted EBITDAR after giving pro forma effect to the acquisition of pubs and other assets from Maclay and TCG and making pro forma adjustments for certain other events that we have discussed below, as if each of these had occurred on July 7, 2014. Our Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR have not been audited and are presented for information purposes only and are not intended to represent or be indicative of the results of operations that we would have reported had events for which we have presented pro forma adjustments below occurred as described in this Offering Memorandum, and do not purport to project our results of operations for any future period. The pro forma financial information presented in this Offering Memorandum has not been prepared in accordance with the requirements of Regulation S-X of the Securities Act, the Prospectus Directive or any generally accepted accounting standards. In addition, the Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR presented in this Offering Memorandum have not been prepared in accordance with IFRS, and the pro forma adjustments to our historical revenue, Adjusted EBITDA and Adjusted EBITDAR and the resulting Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR have not been audited or reviewed in accordance with any applicable auditing standards. See "Risk factors—Risks related to our business—The pro forma adjustments to our historical revenue, Adjusted EBITDA and Adjusted EBITDAR and the resulting Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR information presented in this Offering Memorandum should be treated with caution when making an investment decision."

The As Adjusted Net Debt, As Adjusted Lease Adjusted Net Debt and As Adjusted Cash Interest Expense presented below provide information on an "as adjusted" basis to give effect to the issuance of Additional Notes and certain sale and leaseback transactions that we have contemplated, and the application of the proceeds therefrom as described in "Use of proceeds." The unaudited as adjusted financial information has been prepared for information purposes only nor has it been prepared in accordance with IFRS or audited or reviewed in accordance with any applicable auditing standards and does not purport to represent what our actual net debt, lease adjusted net debt or cash interest expense would have been had this Offering occurred on July 5, 2015, for the purposes of calculating our As Adjusted Net Debt and As Adjusted Lease Adjusted Net Debt and July 7, 2014, for the purposes of calculating our As Adjusted Cash Interest Expense for the 52 weeks ended July 5, 2015, nor does it purport to represent our net debt or cash interest expense at any future date or for any future period.

The results of operations and other financial and operating information for prior years or the interim periods are not necessarily indicative of the results to be expected for the full year or any future period. This financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes included elsewhere in this Offering Memorandum and discussed in "Presentation of financial and other information," "Selected historical consolidated financial information" and "Management's discussion and analysis of financial condition and results of operations."

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015	For the 52 weeks ended July 5, 2015
Consolidated income statement:						
Revenue	**484,263**	**470,272**	**557,699**	**430,159**	**432,167**	**559,707**
Operating costs	**(432,411)**	**(421,393)**	**(507,498)**	**(389,750)**	**(377,662)**	**(495,410)**
Operating profit before depreciation, amortization, impairment and loss on sale of non-current assets	**51,852**	**48,879**	**50,201**	**40,409**	**54,505**	**64,297**
Depreciation, amortization and impairment	*(24,429)*	*(25,781)*	*(26,916)*	*(19,710)*	*(24,866)*	*(32,072)*
Profit/(Loss) on sale of non-current assets	*916*	*(1,844)*	*(210)*	*251*	*(1,863)*	*(2,324)*
Operating profit/(loss)	**28,339**	**21,254**	**23,075**	**20,950**	**27,776**	**29,901**
Finance income	281	70	256	210	106	152
Finance costs	(8,992)	(27,405)	(34,524)	(28,212)	(20,675)	(26,987)
Movement in fair value of interest rate swaps	(8,104)	3,775	4,085	3,064	(197)	824
Profit/(loss) before taxation	**11,524**	**(2,306)**	**(7,108)**	**(3,988)**	**7,010**	**3,890**
UK income tax credit/(charge)	1,681	(5,109)	3,458	(1,105)	(2,707)	1,856
Profit/(loss) for period	**13,205**	**(7,415)**	**(3,650)**	**(5,093)**	**4,303**	**5,746**

(£ in thousands)	As of September 30, 2012	As of September 29, 2013	As of September 28, 2014	As of July 5, 2015
Consolidated balance sheet:				
Non-current assets	499,626	500,296	541,999	550,351
Property, plant and equipment	*379,662*	*382,378*	*399,104*	*410,422*
Operating leases	*11,999*	*13,393*	*36,254*	*33,740*
Goodwill	*104,251*	*104,525*	*106,641*	*106,189*
Current assets	31,151	40,221	62,279	46,284
Current liabilities	(55,980)	(74,452)	(103,330)	(87,834)
Non-current liabilities	(304,513)	(313,436)	(401,569)	404,740
Total equity	170,824	152,629	99,379	104,061

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Consolidated cash flow statement:					
Net cash flow from operating activities	17,772	50,408	55,991	25,301	22,331
Net cash flow from investing activities	(24,388)	(28,793)	(67,387)	(59,858)	(35,152)
Net cash flow from financing activities	(13,000)	(12,501)	27,638	28,759	(855)
Closing cash and cash equivalents	(1,802)	7,312	23,554	1,514	9,878

(£ in thousands, unless otherwise noted)	As of and for the 53 weeks ended September 30, 2012	As of and for the 52 weeks ended September 29, 2013	As of and for the 52 weeks ended September 28, 2014	As of and for the 40 weeks ended July 6, 2014	As of and for the 40 weeks ended July 5, 2015	As of and for the 52 weeks ended July 5, 2015
Other historical financial information:						
Net debt(1)	(286,802)	(291,378)	(376,446)	(398,486)	(390,122)	(390,122)
Adjusted EBITDA(2)	55,803	57,526	67,088	52,496	60,182	74,774
Adjusted EBITDA Margin(3)	11.5%	12.2%	12.0%	12.2%	13.9%	13.4%
Capital Expenditure(4)	26,488	32,220	73,852	61,737	39,847	51,962
Cash Conversion(5)	71.5%	78.9%	73.7%	76.4%	75.6%	73.3%

(£ in thousands, unless otherwise noted)	As of and for the 52 weeks ended July 5, 2015
Other pro forma financial information:	
Pro Forma Revenue(6)	628,805
Pro Forma Adjusted EBITDA(2)(7)	102,243
Pro Forma Adjusted EBITDA Margin(8)	16.3%
Pro Forma Adjusted EBITDAR(9)(10)	145,761
Pro Forma Cash Conversion(11)	80.4%

(£ in thousands, unless otherwise noted)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 5, 2015	For the 52 weeks ended July 5, 2015
Operating information:					
Drink Sales Growth (Like for Like)(12)	3.3%	0.0%	2.9%	0.5%	0.3%
Food Sales Growth (Like for Like)(12)	2.4%	7.2%	9.1%	3.9%	4.7%
Revenue Growth (Like for Like)(12)	3.3%	1.2%	3.8%	1.0%	1.1%
Pub Profit Growth (Like for Like)(12)	1.9%	8.0%	5.3%	9.1%	4.1%
Gross Margin Growth (Like for Like)(12)	2.2%	1.6%	6.0%	3.1%	3.2%
Gross Margin for Drinks(13)	68.9%	69.4%	71.2%	72.4%	72.4%
Gross Margin for Food(13)	58.1%	59.9%	62.1%	63.7%	63.4%
Total Gross Margin(13)	67.6%	67.9%	69.4%	70.6%	70.5%

	For the 156 weeks ended September 30, 2012	For the 156 weeks ended September 29, 2013	For the 156 weeks ended September 28, 2014	For the 156 weeks ended July 5, 2015
Return on Investment(14)	54.2%	41.3%	45.9%	48.4%

(£ in millions, unless otherwise noted)	As of and for the 52 weeks ended July 5, 2015
As Adjusted information:	
As Adjusted Net Debt(1)(15)	470.5
As Adjusted Lease Adjusted Net Debt(1)(15)	818.5
As Adjusted Cash Interest Expense(15)	28.5
Ratio of As Adjusted Net Debt to Pro Forma Adjusted EBITDA(16)	4.6x
Ratio of Pro Forma Adjusted EBITDA to As Adjusted Cash Interest Expense	3.6x
Ratio of As Adjusted Lease Adjusted Net Debt to Pro Forma Adjusted EBITDAR	5.6x

(1) Net Debt represents any outstanding third-party loans, including any bank loans, PIK loans, shareholder loans and notes, net of cash.

(2) EBITDA represents profit/(loss) for the period excluding UK income tax credit/(charge), finance income, finance costs, depreciation, amortization and impairment, (profit)/loss on sale of non-current assets and movement in fair value of interest

rate swaps. Adjusted EBITDA represents EBITDA excluding acquisition costs, restructuring and integration costs, operational restructuring and redundancy costs, refinancing costs, releases of onerous lease provisions, discretionary management fees, certain pension-related costs, losses on disposals and certain other non-recurring costs, restated on a 52-week basis in the case of the 53 weeks ended September 30, 2012 to enhance comparability by deducting the first week's sales, less operating costs for this week, assumed to be at a consistent margin for the first period (first four weeks from September 26, 2011), less the wages for this week, assumed to be the wages as a consistent percentage of revenue for the first period, and less the variable operating expenses for this week, assumed to be one quarter of the first period costs. Key fixed costs, such as rents, business rates and salaries, do not require a restatement because they are annual costs.

The following table provides a reconciliation of EBITDA to profit/(loss) for the financial period and a reconciliation of Adjusted EBITDA to EBITDA:

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015	For the 52 weeks ended July 5, 2015
Profit/(loss) for the period	13,205	(7,415)	(3,650)	(5,093)	4,303	5,746
UK income tax (credit)/charge	(1,681)	5,109	(3,458)	1,105	2,707	(1,856)
Finance income	(281)	(70)	(256)	(210)	(106)	(152)
Finance costs	8,992	27,405	34,524	28,212	20,675	26,987
Movement in fair value of interest rate swaps	8,104	(3,775)	(4,085)	(3,064)	197	(824)
Depreciation, amortization and impairment	24,429	25,781	26,916	19,710	24,866	32,072
Profit/(loss) on sale of non-current assets	(916)	1,844	210	(251)	1,863	2,324
EBITDA	**51,852**	**48,879**	**50,201**	**40,409**	**54,505**	**64,297**
Acquisition costs[(a)]	—	337	3,532	3,439	—	93
Restructuring and integration costs[(b)]	2,774	506	3,538	3,114	274	698
Operational restructuring and redundancy costs[(c)]	788	1,077	2,113	413	571	2,271
Refinancing costs[(d)]	—	1,448	—	—	—	—
Release of onerous lease provision[(e)]	—	(1,869)	—	—	—	—
Discretionary management fees[(f)]	2,064	2,700	1,901	1,555	1,547	1,893
Pension charges[(g)]	—	1,121	1,454	382	386	1,458
Restatements to 52 week accounting period[(h)]	(3,851)	—	—	—	—	—
Losses from disposals[(i)]	1,721	1,461	2,403	2,374	1,877	1,906
Other non-recurring costs[(j)]	455	1,866	1,946	810	1,022	2,158
Adjusted EBITDA	**55,803**	**57,526**	**67,088**	**52,496**	**60,182**	**74,774**

(a) Acquisition costs represent one-off expenses that we incurred in connection with our acquisition of 78 pubs from Bramwell during the 52 weeks ended September 28, 2014 and the 40 weeks ended July 6, 2014, as well as our acquisition of 12 pubs from Living Room during the 52 weeks ended September 29, 2013. Acquisition costs also include legal and professional fees and stamp duties incurred in connection with these acquisitions.

(b) Represents (i) the significant costs that we incurred during the 53 weeks ended September 30, 2012 following our acquisition of Town & City to start up our business and as a result of combining and streamlining our operations and (ii) the integration costs that we incurred during the 52 weeks ended September 28, 2014 and the 40 weeks ended July 5, 2015, in relation to certain of the pubs that we acquired from Living Room and Bramwell, including in relation to the closing down of the Bramwell head office in Marlow that we acquired and the redundancy costs we made in relation thereto, as well as to certain costs associated with keeping Bramwell in administration while we completed the assignment of certain leasehold pubs. We believe that the costs associated with the start-up of our business, the combining and streamlining of our operations and the integration we choose to undertake are one-off front-end costs. Such costs are not expected to recur once those pubs are fully optimized.

(c) Represents costs made in relation to the integration of pubs acquired from Town & City not otherwise accounted for under restructuring and integration costs, as well as redundancy payments made to certain key management personnel.

(d) Represents costs incurred during the 52 weeks ended September 29, 2013, in relation to the refinancing transaction that we undertook during that period but does not include debt issue costs.

(e) Relates to certain sites disposed of during the period for which we had recorded an onerous lease provision.

(f) Represents adjustments for the discretionary management fees paid to TDR Capital. See "Principal shareholders" and "Certain relationships and related party transactions—Management fees to TDR Capital."

(g) Represents historic pension contributions not previously written off as well as certain pension administration costs.

(h) Represents a restatement on a 52-week basis of our Adjusted EBITDA as of and for the 53 weeks ended September 30, 2012 by deducting the first week's sales, less operating costs for this week, assumed to be at a consistent margin for the first period (first four weeks from September 26, 2011), less the wages for this week, assumed to be the wages as a consistent percentage of revenue for the first period, and less the variable operating expenses for this week, assumed to be one quarter of the first period costs. Key fixed costs, such as rents, business rates and salaries, do not require a restatement because they are annual costs.

EBITDA and Adjusted EBITDA are non-IFRS measures that have important limitations as analytical tools. You should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS. See "Certain definitions" and "Presentation of financial and other information."

(i) Represents losses incurred in respect of sites that were disposed of or closed up to July 5, 2015 as if such disposals or site closures occurred at the beginning of the period presented.

(j) Represents consultancy costs associated with rent negotiations, fees spent for the establishment of a new pension scheme for auto-enrollment during the 52 weeks ended September 29, 2013, fees spent on advice for the setting up of a management equity scheme, abortive acquisition costs, certain costs related to internal restructuring, accountancy costs in connection with our switch from the use of UK GAAP accounting to IFRS accounting, costs related to lease assignments for expired leases, certain costs related to upgrades at some of our sites and costs related to certain strategic projects.

(3) Adjusted EBITDA Margin represents Adjusted EBITDA divided by revenue. Adjusted EBITDA Margin is a non-IFRS measure that has important limitations as an analytical tool. You should not consider it in isolation or as a substitute for analysis of our results as reported under IFRS. See "Certain definitions" and "Presentation of financial and other information."

(4) Capital Expenditure represents the sum of our purchase of property, plant and equipment, payments to acquire trading sites for the periods presented, which for operational purposes we categorize as Acquisition Capital Expenditure, Investment Capital Expenditure and Maintenance Capital Expenditure.

(5) Cash Conversion represents our Adjusted EBITDA *less* Maintenance Capital Expenditure divided by our Adjusted EBITDA.

(6) Pro Forma Revenue represents our revenue as adjusted to give effect to (i) the acquisition of pubs from Maclay, which we completed on July 17, 2015, August 28, 2015 and September 25, 2015, as though they had occurred on July 7, 2014, and (ii) the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014, as follows:

	Pro forma for the 52 weeks ended July 5, 2015
	(£ in thousands)
Revenue	**559,707**
Revenue of Maclay pubs[(a)]	9,638
Revenue of TCG pubs[(b)]	59,461
Pro Forma Revenue	**628,805**

(a) Represents the adjustment to our historical revenue for the period presented to give effect to the acquisition of pubs from Maclay as though such acquisition had occurred on July 7, 2014. We have estimated the revenue generated by the 15 pubs acquired from Maclay based on the management accounts we received from Maclay in connection with their acquisition.

(b) Represents the adjustment to our historical revenue for the period presented to give effect to the acquisition of pubs from TCG as though such acquisition had occurred on July 7, 2014. We have estimated the revenue generated by the 53 pubs acquired or agreed to be acquired from TCG based on the management accounts we received from TCG in connection with their acquisition.

(7) Pro Forma Adjusted EBITDA represents our Adjusted EBITDA as adjusted to give effect to: (i) the acquisition of pubs from Maclay, which we completed on July 17, 2015, August 28, 2015 and September 25, 2015, as though they had occurred on July 7, 2014; (ii) the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014; (iii) certain cost savings that we estimate will result from our acquisition of pubs and certain other assets from TCG in the 52 weeks following the completion of this acquisition; (iv) the aggregate incremental EBITDA post-investment of certain pubs in which we have invested during the 52 weeks ended July 5, 2015, as though such investment had occurred on July 7, 2014; (v) the aggregate EBITDA of certain pubs in which we have invested during the 52 weeks ended July 5, 2015 during the periods in which those pubs were closed for renovation or refurbishment; (vi) aggregate cost savings resulting from labor efficiency programs implemented during the 52 weeks ended July 5, 2015, as though these programs had been in place throughout the 52 weeks ended July 5, 2015; (vii) aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015; (viii) aggregate cost savings resulting from alcohol duty reductions implemented during the 52 weeks ended July 5, 2015, as though these reductions had bec been in place throughout the 52 weeks ended July 5, 2015; (ix) aggregate cost savings resulting from changes to our policies regarding the discounts that we offer customers that were made during the 52 weeks ended July 5, 2015, as though these policies had been in place throughout the 52 weeks ended July 5, 2015 and (x) the annualized rental

expense that we estimate we would have incurred following our planned sale and leaseback of five freehold properties located in London, if such sale and leaseback transactions had occurred on July 7, 2014, as follows:

	Pro forma for the 52 weeks ended July 5, 2015
	(£ in thousands)
Adjusted EBITDA	**74,774**
EBITDA of Maclay pubs[(a)]	1,975
less, estimated overhead costs for the Maclay pubs[(b)]	(148)
EBITDA of TCG pubs[(c)]	12,285
less, estimated overhead costs for the TCG pubs[(d)]	(1,000)
Estimated cost savings expected from the TCG acquisition[(e)]	2,339
Estimated EBITDA from acquisitions	90,225
Annualized incremental EBITDA of certain pubs post-investment[(f)]	4,667
EBITDA of invested pubs during period of renovation or refurbishment[(g)]	3,569
Annualized cost savings from labor efficiency initiatives[(h)]	3,095
Annualized cost savings from rent renegotiations[(i)]	926
Annualized savings resulting from alcohol duty reductions[(j)]	848
Annualized cost savings from reductions in discounts to customers[(k)]	213
Annualized rent expenses associated with certain sale and leaseback transactions[(l)]	(1,300)
Pro Forma Adjusted EBITDA	**102,243**

(a) Represents the adjustment to EBITDA for the acquisition of pubs from Maclay as though we had completed the acquisition of these pubs on July 7, 2014, reflecting the inclusion of our estimate of full-year EBITDA, based on Maclay's management accounts, the 15 pubs acquired from Maclay would have contributed in the 52 weeks ended July 5, 2015 had we completed these acquisitions on July 7, 2014.

(b) Represents overhead costs that we estimate we would have incurred in connection with our full-year operation of pubs acquired from Maclay, had we completed the acquisition of these pubs on July 7, 2014.

(c) Represents the adjustment to EBITDA for the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as though we had completed the acquisition of these pubs and assets on July 7, 2014, reflecting the inclusion of our estimate of full-year EBITDA, based on TCG's management accounts, that the 53 pubs acquired or agreed to be acquired from TCG would have contributed in the 52 weeks ended July 5, 2015 had we completed these acquisitions on July 7, 2014.

(d) Represents overhead costs that we estimate we would have incurred in connection with our full-year operation of pubs acquired from TCG, had we completed the acquisition of these pubs on July 7, 2014 .

(e) Represents the annualized aggregate cost savings that we estimate we would have realized in the 52 weeks ended July 5, 2015, had we completed the acquisition of pubs and other assets from Maclay and TCG on July 7, 2014. These cost savings include the annualized incremental cost savings of £0.8 million relating to price reductions that we expect to receive on our supply contracts with our drinks suppliers due to our increased volume of drinks purchases from these suppliers resulting from the inclusion into our existing estate of the pubs we have or will acquire from TCG in the period following our acquisition of these pubs. We also expect to realize annualized cost savings of £1.5 million relating to the application of the prices that we are currently offered by our drinks suppliers to the drinks supply needs of the pubs that we have or will acquire from TCG in the period following our acquisition of these pubs. Any run rate adjustments and aggregate cost savings that we believe we can make in relation to the acquisition of pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, are based on our past experience in similar circumstances and certain assumptions that we believe are reasonable. They involve, among other things, conforming certain performance measures to our historical performance and may be affected by seasonality or unusual effects. These effects may not recur in future months to the same degree or at all. This information is inherently subject to risks and uncertainties. It may not give an accurate or complete picture of the financial condition or results of operations of the transaction for the period presented and may not be comparable to our historical consolidated financial statements or the other financial information included in this Offering Memorandum and should be treated with caution when making an investment decision.

(f) Represents adjustments made to give full-year effect to the incremental EBITDA generated post-investment at certain of our pubs in which we have invested during the 52 weeks ended July 5, 2015, as though such investments had occurred on July 7, 2014. Where a pub has traded for less than 12 weeks post-investment, we have not adjusted for its post-investment incremental EBITDA in calculating our Pro Forma Adjusted EBITDA. This adjustment does not reflect the actual EBITDA that a pub would have generated during the period that it was closed down for renovation or refurbishment. All capital expenditure and related expenses pertaining to these investments have been recognized in the period presented.

(g) Represents our estimate of the aggregate EBITDA that would have been generated at our pubs that were closed down for renovation or refurbishment during the 52 weeks ended July 5, 2015. For each pub that was closed down during the 52 weeks ended July 5, 2015, we have estimated its EBITDA for the period of such closure based on the EBITDA that it generated during the comparable period in the previous year.

(h) Represents adjustments made to give full-year effect to the aggregate cost savings that we estimate will result from certain labor efficiency programs that we have implemented during the 52 weeks ended July 5, 2015, such as improvements made based on a newly launched labor efficiency tool that allows us to tailor our staffing needs to more closely mirror consumer demand and footfall at our pubs, as though these efficiency programs had been in place throughout the 52 weeks ended July 5, 2015.

(i) Represents adjustments made to give full-year effect to the aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015.

(j) Represents adjustments made to give full-year effect to the aggregate savings resulting from alcohol duty reductions implemented during the 52 weeks ended July 5, 2015, as though these reductions had been in place throughout the 52 weeks ended July 5, 2015.

(k) Represents adjustments made to give full-year effect to the aggregate cost savings that we estimate will result from changes to our policy regarding the offering of discounted prices or special deals to customers at certain of our pubs during the 52 weeks ended July 5, 2014, such that we now offer fewer discounts and price reductions across our pubs, as though this policy change had been applicable throughout the 52 weeks ended July 5, 2015.

(l) Following our acquisition of freehold pubs from the TCG freehold property sellers, we plan to enter into certain sale and leaseback transactions whereby we intend to sell five freehold properties that we have acquired from the TCG freehold property sellers (each located in London) to third-party buyers, after which we intend to lease them back for our use. This adjustment reflects our estimated aggregate rental expense for these properties for the 52 week period following the completion of these sale and leaseback transactions, which we have computed based on currently available information and in consultation with third-party advisors. We cannot assure you that we may be able to complete these sale and leaseback transactions in a timely manner, based on our current estimates, on terms favorable to us or at all.

This pro forma information has not been prepared in accordance with Regulation S-X under the Securities Act, and does not purport to represent what our results of operations would have been, nor do they purport to project the results of operations for any future period. See "Presentation of financial and other information—Non-IFRS financial information" and "Presentation of financial and other information—Important notice relating to the unaudited pro forma information presented in this Offering Memorandum." See also "Risk factors—Risks related to our business—The pro forma adjustments to our historical revenue, Adjusted EBITDA and Adjusted EBITDAR and the resulting Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR information presented in this Offering Memorandum should be treated with caution when making an investment decision."

(8) Pro Forma Adjusted EBITDA Margin represents Pro Forma Adjusted EBITDA divided by Pro Forma Revenue. Pro Forma Adjusted EBITDA Margin is a non-IFRS measure that has important limitations as an analytical tool. You should not consider it in isolation or as a substitute for analysis of our results as reported under IFRS. . See "Presentation of financial and other information—Non-IFRS financial information" and "Presentation of financial and other information—Important notice relating to the unaudited pro forma information presented in this Offering Memorandum."

(9) Adjusted EBITDAR represents Adjusted EBITDA before operating lease rentals. The following table provide a reconciliation of Adjusted EBITDAR to Adjusted EBITDA for the 52 weeks ended July 5, 2015:

	For the 52 weeks ended July 5, 2015
	(£ in thousands)
Adjusted EBITDA	**74,774**
Operating Lease Rentals	39,973
Adjusted EBITDAR	**114,747**

(10) Pro Forma Adjusted EBITDAR represents our Pro Forma Adjusted EBITDA before operating lease rentals and without giving effect to: (i) aggregate cost savings resulting from rent renegotiations undertaken during the 52 weeks ended July 5, 2015, as though the revised rental amounts had been in place throughout the 52 weeks ended July 5, 2015 and (ii) the annualized rental

expense that we estimate we would have incurred following our planned sale and leaseback of five freehold properties located in London, if such sale and leaseback transactions had occurred on July 7, 2014 as follows:

	Pro forma for the 52 weeks ended July 5, 2015
	(£ in thousands)
Pro Forma Adjusted EBITDA	102,243
Operating Lease Rentals—Stonegate pubs[(a)]	39,973
Operating Lease Rentals—Maclay pubs[(b)]	40
Operating Lease Rentals—TCG pubs[(c)]	3,131
less, annualized cost savings from rent renegotiations	(926)
plus, annualized rent expenses associated with certain sale and leaseback transactions	1,300
Pro Forma Adjusted EBITDAR	**145,761**

(a) Represents the operating lease rental expense incurred at pubs in our estate prior to our acquisition of pubs and certain other assets from Maclay and TCG.

(b) Represents the operating lease rental expenses for the leasehold pubs we acquired from Maclay as though we had completed the acquisition of these pubs on July 7, 2014, reflecting the inclusion of our estimate of full-year operating lease rental expense, based on Maclay's management accounts, the leasehold pubs acquired from Maclay would have incurred in the 52 weeks ended July 5, 2015 had we completed these acquisitions on July 7, 2014.

(c) Represents the operating lease rental expense for the leasehold pubs we acquired from the TCG operating business sellers, in relation to which we entered into an acquisition agreement on September 29, 2015, as though we had completed the acquisition of these pubs on July 7, 2014, reflecting the inclusion of our estimate of full-year operating lease rental expense, based on TCG's management accounts, that the leasehold pubs acquired from the TCG operating business sellers would have incurred in the 52 weeks ended July 5, 2015 had we completed these acquisitions on July 7, 2014.

For an explanation of the other adjustments in this table, see footnote (7).

(11) Pro Forma Cash Conversion represents our Pro Forma Adjusted EBITDA minus pro forma Maintenance Capital Expenditure of approximately £20.0 million divided by our Pro Forma Adjusted EBITDA. Pro forma Maintenance Capital Expenditure represents the Maintenance Capital Expenditure we currently estimate we will incur during the 2016 fiscal year. See "Management's discussion and analysis of financial condition and results of operations—Liquidity and capital resources—Capital Expenditure."

(12) Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like) for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014, and for the 40 weeks and the 52 weeks ended July 5, 2015 represents our aggregate change in revenue from drinks sales and food sales, in total revenue, in EBITDA (less Group overhead costs) and in total gross margin (calculated as total revenue minus total operating costs divided by total revenue), respectively, compared to the previous year made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous year. For the Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Sales Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like) for the 2012 financial year, we have presented like for like sales, EBITDA and total gross margin, as applicable, for a 52 week period rather than a 53 week period to enhance comparability. Accordingly, we have calculated like for like sales, EBITDA and total gross margin as applicable, for the 2012 financial year by deducting the like for like sales, EBITDA and total gross margin, as applicable, for the first week of the 53 weeks ended September 30, 2012. For more information concerning how these metrics are calculated, see "Presentation of financial and other information—Non-IFRS financial information."

(13) Gross Margin for Drinks represents (i) for the relevant period, our revenue from drinks sales (excluding revenue from disposed of sites) minus cost of the drinks purchased (excluding costs of disposed of sites), divided by (ii) revenue from drinks sales (excluding revenue from disposed of sites) for the relevant period. Gross Margin for Food represents (i) for the relevant period, our revenue from food sales (excluding revenue from disposed of sites) minus cost of the food purchased (excluding costs of disposed of sites), divided by (ii) revenue from food sales (excluding revenue from disposed of sites) for the relevant period. Total Gross Margin represents, for the relevant period, our total revenue (excluding revenue from disposed of sites) minus total operating costs (excluding operating costs of disposed of sites), divided by total revenue (excluding revenue from disposed of sites).

(14) Return on Investment represents, for all pubs invested during the three-year period preceding the date on which we present Return on Investment, the difference between the annualized aggregate weekly average post-investment EBITDA (from the first full four week period after the re-opening of such pubs) and the 52 week pre-investment EBITDA of those pubs (to the end of the last full four week period), divided by the aggregate Investment Capital Expenditure invested in these pubs over the same three-year period. Where a pub has traded for less than 52 weeks post-investment, we have not taken it into account when calculating Return on Investment. Pubs where we have not made an Investment Capital Expenditure in the past 156 weeks are classed as uninvested. For more information concerning how this metric is calculated, see "Presentation of financial and other information—Non-IFRS financial information."

(15) As Adjusted Net Debt represents our net third-party debt as adjusted to give effect to this Offering and certain sale and leaseback transactions that we have contemplated, and the use of proceeds therefrom. See "Use of proceeds," "Capitalization" and "Description of other indebtedness—Planned sale and leaseback transactions." The contemplated sale and leaseback transactions have not been committed yet and there can be no assurance that any or all of them will take place or at the currently estimated values. If we were unsuccessful in completing these transactions, we estimate that our As Adjusted Net Debt would be higher by approximately £30 million. As Adjusted Lease Adjusted Net Debt represents the aggregate of our As Adjusted Net Debt and our pro forma operating lease expense of £43.5 million (which represents our operating lease expense for the 52 week period ended July 5, 2015 of £40.0 million plus £3.5 million in pro forma adjustments to our operating lease expense as discussed under footnote (10) above), multiplied by a factor of eight. As Adjusted Cash Interest Expense represents our interest expense in cash as adjusted to give effect to this Offering and the use of proceeds therefrom (and takes into account payments made under our hedging arrangements in respect of our Original Floating Rate Notes). This pro forma information has not been prepared in accordance with Regulation S-X under the Securities Act, and do not purport to represent what our net debt would have been had this Offering actually taken place on July 7, 2014.

(16) The contemplated sale and leaseback transactions have not been committed yet and there can be no assurance that any or all of them will take place or at the currently estimated values. If we were unsuccessful in completing these transactions, we estimate that our ratio of As Adjusted Net Debt to Pro Forma Adjusted EBITDA would be 4.9x.

Risk factors

An investment in the Notes involves a high degree of risk. You should carefully consider the following risks, together with the other information provided to you in this Offering Memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could be detrimental to our financial performance. If any of these events occur, the trading price of the Notes could decline, we may not be able to pay all or part of the interest or principal on the Notes, and you may lose all or part of your investment. Additional risks not currently known to us or which are presently deemed immaterial may also harm our business and affect your investment.

This Offering Memorandum contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in such forward-looking statements. Factors that might cause such differences include those discussed below. See "Forward-looking statements."

Risks related to our business

Unfavorable general economic conditions in the United Kingdom have had and may continue to have a negative effect on our business.

All of our pubs are located in the United Kingdom and, therefore, the results of our operations are impacted by general economic conditions in the United Kingdom. In particular, given that consumer spending on eating and drinking out is discretionary in nature, our revenue is affected by general levels of consumer confidence and disposable income.

The recession and period of volatility and instability experienced in the United Kingdom in the aftermath of the global financial crisis has had an adverse effect on consumer confidence and disposable income. In addition, factors such as financial and political crises in the Eurozone, the prospect of a referendum on the UK's participation in the European Union, terrorist attacks or other unexpected events, the measures being implemented by the UK government to reduce the national deficit through welfare and other budget cuts, rising interest rates, declining wages, higher unemployment, tax increases and lack of consumer credit could all adversely affect the level of UK consumer confidence and disposable income. Any such factors could in turn adversely affect our operating results, financial condition and prospects.

Despite indications of recovery and measures taken by governments and central banks, there remains a risk that the economy of the United Kingdom, could fall into recession again. As a consequence of the significantly increased volatility and instability experienced during periods of challenging macroeconomic conditions, it is difficult for us to forecast demand trends. We may be unable to accurately predict the extent or duration of cycles or their effect on our financial condition or result of operations and can give no assurance as to the timing, extent or duration of the current or future macroeconomic cycles. A decline in demand due to the emergence of adverse economic conditions affecting the United Kingdom could have a material adverse effect on our operating results, financial condition and prospects.

We may be adversely affected by an increase in consumers purchasing alcohol from supermarkets, off-licenses and other retailers.

Consumers' spending patterns with respect to alcohol have evolved such that they now purchase a higher proportion of their alcoholic drinks at supermarkets, off-licenses and other retailers. This change in behavior has been due, among other things, to growing health and drink driving concerns, the smoking ban, the ability of consumers to purchase canned or bottled beer at lower prices at off-license stores and supermarkets and the expansion of trading hours at those retailers, as well as to the increasing prevalence of cable and satellite television and high speed internet access, which provide consumers with more options to entertain themselves at home. Although the rate at which consumers are shifting their spending towards off-trade channels is no longer increasing, the foregoing factors have contributed to a decline in the total number of pubs in the United Kingdom over the past twenty years. While this decline has disproportionately affected smaller pub operators and tenanted pub operators, allowing managed pub operators to consolidate their position and increase their market share, there can be no assurance that this will continue to be the case. Accordingly, if the trend in consumers purchasing alcohol from supermarkets, off-licenses and other retailers continues, our operating results, financial condition and prospects could be materially adversely affected.

We face competition for consumers from other managed and tenanted pub operators, independent pubs, venues and restaurants.

We compete for consumers with a wide variety of pubs, bars, venues and restaurants (in particular casual dining chains), some of which may offer higher amenity levels or lower prices or may be backed by greater financial and operational resources. Our main competitors include Mitchells & Butler and Greene King, but we also compete with smaller pub operators and independent pubs. In addition, consumer demand for casual dining chains has been growing significantly in recent years. While our pubs are increasingly viewed as popular venues for out-of-home dining, there can be no assurance that we will be successful in managing competition from casual dining chains by changing our formats and food offering to meet consumer demand. We may not be successful in competing against any or all of these alternatives and a sustained loss of customers to other pubs, bars or casual dining chains could have a material adverse effect on our operating results, financial condition and prospects.

Consumer preferences and perceptions in relation to drink and food may continue to change and we may be unable to adapt to such changes.

Our business is affected by consumer preferences and perceptions in relation to both drink and food, as well as demographic trends over time. For instance, many consumers are placing increasing importance on dietary and nutritional content. Consumers are also increasingly demanding all-day formats and increasingly preferring premium drinks. We have responded to these trends by offering more healthy options in our menus, increasing our focus on our breakfast offering and expanding our premium drink offering. There can be no assurance, however, that we will continue to be able to respond to these or other trends in consumer preference by introducing changes to our formats, brands, drink and food offerings and premises or otherwise. Any failure by us to anticipate, identify and respond to trends in consumer preferences could have a material adverse effect on the our operating results, financial condition and prospects.

Changes in regulations to which we are subject or the introduction of new regulations to which we may become subject could have a negative effect on our business.

Our pubs are subject to laws and regulations that affect their operations, including in relation to employment, minimum wages, alcoholic drinks control, late-night levies, pub licensing, leisure (gaming) machines, competition, health and safety, sanitation, data protection and access for the disabled. These laws and regulations impose a significant administrative burden on us, as managers have to devote significant time to compliance with these requirements and therefore have less time to dedicate to trade. If additional or more stringent requirements were to be imposed in the future, the burden on management would increase, which could adversely affect our operating results and, in turn, adversely affect our financial condition and prospects. The risks related to some of the key regulations to which we are subject are discussed below.

a. Employment regulations provide certain rights and protections to our employees, and changes to these regulations may reduce our ability to operate our business efficiently.

The Working Time Regulations (the "WT Regulations") provide that workers may only be required to work a 48-hour week, although they can choose to opt out and work longer if they wish. The WT Regulations also set out rights and protections in areas such as minimum rest time, days off and paid leave. A substantial majority of our employees are covered by the WT Regulations. The existence of the ability to opt out of, and the guidance as to who is covered by, the WT Regulations may change in the future. In addition, under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 (the "Part Time Workers Regulations"), part-time workers can claim the same employment and related rights as full-time workers. The Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 (the "Fixed Term Employees Regulations") similarly provide that employees engaged under fixed-term contracts can claim the same employment and related rights as employees engaged under permanent contracts.

The WT Regulations, Part Time Workers Regulations and Fixed Term Employees Regulations, and any changes to such regulations, may impose constraints on our ability to deploy employees efficiently to a degree that could adversely affect our operating costs and, in turn, our operating results, financial condition and prospects.

In October 2014, the national minimum wage rose to £6.50 per hour for people aged 21 and over and the budget introduced by the UK government in July 2015 provides that people over 25 will be paid a minimum of £7.20 per hour from April 2016, rising up to £9.00 per hour by 2020. As we employ a large number of our staff at the minimum wage, any further increase in the minimum wage, or its scope, could affect our operating costs. Furthermore, we may be required to raise the salaries of our other employees in order to preserve the pay differential vis a vis our employees who are employed at the national minimum wage. Any resulting increase in labor costs could, in turn, have a material adverse effect on our operating results, financial condition and prospects.

b. Government legislation, regulation and campaigns in the United Kingdom relating to the consumption of alcohol and drink-driving laws may reduce demand for our alcoholic drinks.

In the United Kingdom, consumption of alcoholic drinks has become the subject of considerable social and political attention in recent years due to increasing public concern over adverse health consequences associated with the misuse of alcohol and alcohol-related social problems, including the impact of drink and obesity related health issues on the National Health Service budget in the United Kingdom, drink-driving, binge drinking and under-age drinking.

The government in the United Kingdom periodically contemplates imposing measures relating to the consumption of alcohol, including the reduction of licensing hours, raising the legal drinking age to 21, the introduction of minimum prices for alcoholic drinks and the introduction of a mandatory code imposing certain conditions on all alcohol retailers. Any such measures could have a material adverse effect on our business, results of operations, financial condition and prospects.

As car drivers and passengers account for a significant proportion of pub customers in the United Kingdom, the implementation of any legislation to reduce further the legal blood alcohol limit for drivers in the United Kingdom, or an increase in public service advertising warning against the dangers of drink-driving could result in customers in our rural and suburban pubs drinking less or frequenting pubs less often, which could lead to a reduction in revenue in those pubs and a decline in our income from the sale of alcoholic drinks. For example, in 2014, Scotland introduced new legislation which decreased the legal blood alcohol limit. While such legislation has not had a material impact on our operations, there can be no assurance that our operations would be similarly unaffected if the UK government were to impose similar legislation across the rest of the United Kingdom. Further reductions in the legal blood alcohol limit could therefore have a material adverse effect on our operating results, financial condition and prospects.

c. The late-night levy to which we are subject may increase.

Pursuant to the Police Reform and Social Responsibility Act 2011, licensing authorities are authorized to raise a contribution from late-opening alcohol suppliers towards policing the nighttime economy. The licensing authorities also have the power to choose the period during which the levy applies every night, between midnight and 6 a.m., and decide what exemptions and reductions should apply. To the extent that individual licensing authorities decide to implement longer periods than those currently in place or the government in the United Kingdom decides to increase these powers, it could result in increased costs and consequently could have a material adverse effect on our operating results, financial condition and prospects.

d. Our pub operations require licenses, permits and approvals which we may not be able to obtain and/or maintain.

Each of our pubs is licensed for, among other things, the sale of alcoholic drinks. Difficulties or failures in obtaining or maintaining required licenses or approvals could delay or prohibit the operation of our pubs. If we become insolvent, our licenses could lapse. Under the UK Licensing Act of 2003 (the "UK Licensing Act"), insolvency is defined to include the approval of a voluntary arrangement proposed by the company's directors, the appointment of an administrator in respect of the company, the appointment of an administrative receiver in respect of the company or going into liquidation. If we are unable to maintain our licenses that could have an adverse effect on our operating results, financial condition and prospects.

In addition, licensing requirements which affect our pubs are subject to change, and additional or more stringent requirements may be imposed on our operations in the future. This may reduce the ability of our pubs to sell alcoholic drinks, which could have an adverse effect on our operating results, financial condition and prospects.

e. If the UK government were to introduce initiatives that resulted in a requirement to include nutritional information on menus, this could result in additional compliance costs.

If the UK government were to introduce initiatives that resulted in a requirement for restaurants, cafes and pubs to display nutritional information on their menus, this could give rise to additional compliance costs for us. Furthermore, such disclosure requirements would increase consumers' awareness of the nutritional content of our drink and food offerings, which may result in consumers changing their preferences.

f. The taxes and duties to which we are subject may increase.

Our activities are affected by a number of taxes and duties, such as the duty on alcoholic drinks, value added tax ("VAT") and other business taxes. Changes in law and practices that affect all or any of these matters may adversely affect our financial performance. In particular, the government in the United Kingdom imposed a duty escalator which commenced in April 23, 2009, pursuant to which duties on alcohol rose each year by 2% above the rate of inflation (based on RPI). This duty escalation was removed from beer in the March 2013 budget and from spirits, wine and made-wine, cider and perry in the March 2014 budget, while the March 2015 budget subsequently reduced duty rates on beer, spirits and lower and high-strength cider, and froze duty rates on wine below 22% alcohol by volume and high-strength sparkling cider. However, such duties could be increased and/or similar taxes and duties could be imposed by the government in the United Kingdom in future and could therefore affect our activities going forward. The government in the United Kingdom also increased the standard rate of VAT to 20% on January 4, 2011.

To the extent that we do not, or are not able to, pass on any such duty increases to our customers, this could reduce our margins and could consequently have an adverse effect on our operating results, financial condition and prospects. On the other hand, to the extent that we do pass on duty increases to our customers by way of higher prices, this could result in decreased demand and consequently could also have a material adverse effect on our operating results, financial condition and prospects.

Further consolidation in the pub industry in the United Kingdom may result in our being unable to compete with larger competitors.

The pub industry in the United Kingdom has undergone periods of consolidation through joint ventures, mergers and acquisitions. Further consolidation in the pub industry in the United Kingdom could lead to the emergence of larger competitors, who may have greater financial and operational resources than us. We may not be able to respond to the pricing pressures that may result from further consolidation of the pub industry in the United Kingdom and may not be able to compete successfully for the acquisition of pubs and pub-owning companies with larger competitors. If we cannot continue to be a major participant in the pub industry in the United Kingdom, we may not be able to secure favorable pricing from suppliers or attract, or retain suitable employees to operate our managed pubs, which could have an adverse effect on our operating results, financial condition and prospects.

Sales of beer may continue to decline and have a negative effect on our business.

A significant portion of our revenue is derived from the sale of beer to our customers. Beer sales in the United Kingdom (by volume) have been in decline for a number of years having fallen 0.4% in 2013 compared with the same period in 2012, according to figures published by the BBPA. While beer sales rose slightly in 2014, we do not believe that this increase is indicative of a reversal of the overall trend of declining beer sales. A number of factors have contributed to the decline in beer sales over the last ten years, including a decrease in the frequency of male visitors and an increase in beer sales in the off-trade market.

If we are not able to develop our income streams from products other than beer, a continued decline in the United Kingdom beer market could have a material adverse effect on our revenue. A decline in the beer market in the United Kingdom or in our ability to attract customers to our pubs could adversely affect our operating results, financial condition and prospects.

Increases in student tuition fees and other changes in the welfare system in the United Kingdom have had, and may continue to have, a negative effect on our business.

Our key customer groups include blue collar workers (particularly, in our Proper Pubs format) and students (particularly, in our student venues, such as our Common Room format). Changes in recent years to the welfare system have had an impact on the disposable income of blue collar workers and the budget introduced by the UK government in July 2015 contains further cuts to the welfare system. Similarly, increases in student tuition fees for undergraduates and postgraduates, coupled with the general economic difficulties in the UK, have had an adverse impact on student trade for our pubs. Such adverse impact could be exacerbated in future by further changes to student funding, such as the removal of student maintenance grants announced by the UK government in July 2015. Any future cuts to welfare spending or increases in student tuition fees or other costs of higher education could adversely affect our operating results, financial condition and prospects.

A significant proportion of our pubs operate in town centers, and if consumers increasingly choose alternative shopping channels or locations, trade at our pubs could be adversely affected.

A significant proportion of our pubs are located in town centers, and the day-time trade of these pubs is heavily reliant on customers visiting town centers for shopping trips. As such, we are exposed to the risk of consumers increasingly choosing alternative shopping channels or locations, such as online shopping and out of town retail parks, thereby resulting in a decrease in the number of visitors to town centers and the number of potential customers at our pubs. If shoppers continue to migrate away from town centers, this may also ultimately result in the closure of shopping centers and other outlets located in town centers. This could in turn lead to town centers becoming vacant and consumers travelling to larger cities for shopping, which could exacerbate the risk to us. Any continuing trend in migration away from town centers could accordingly have an adverse impact on our operating results, financial condition and prospects.

Our management may not be able to successfully implement our strategic and financial objectives.

Our strategic vision is to operate a high margin, high return national business through the delivery of the best drink-led pub and bar proposition with major appeal across a breadth of social occasions. There can, however, be no assurance that we will be successful in implementing our strategy. In particular, we may not be able to manage our formats and brands and our drink and food offerings to achieve our strategy. We may also be required to invest more than we have currently budgeted in order to implement our strategy and we may not realize cost efficiencies resulting from any such investments. If we are unsuccessful in implementing our strategic or financial objectives, or if we are required to spend more than we anticipated to achieve those objectives, our operating results, financial condition and prospects could be materially adversely affected.

We may make acquisitions that prove unsuccessful or strain or divert our resources.

To date, we have grown through the acquisition of other businesses, pubs, bars and venues, and we seek to selectively continue this growth strategy in future. Successful growth through future acquisitions is dependent upon our ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favorable terms and ultimately complete such transactions and integrate the acquired businesses, pubs, bars or venues into our group.

If we make acquisitions, there can be no assurance that we will be able to generate expected margins or cash flows, or to realize the anticipated benefits of such acquisitions, including growth or expected synergies. There can be no assurance that our assessments of and assumptions regarding acquisition targets and/or expected synergies will prove to be correct, and actual developments may differ significantly from our expectations. We may not be able to integrate acquisitions successfully into our group or turn around businesses that may previously have been insolvent, such as our acquisitions of pubs in administration from Living Room, Bramwell, Maclay and certain pubs from TCG. Such integration or rehabilitation may require more investment than we expect, and we could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees, suppliers, government authorities or to other parties, which may impact our operating results. The process of integrating businesses, pubs, bars or venues may be disruptive to our operations and may cause an interruption of, or a loss of momentum in, such businesses or a decrease in our results of operations as a result of difficulties or risks, including unforeseen legal, regulatory, contractual and other issues; difficulty in standardizing information and other systems; difficulty in realizing operating synergies; diversion of management's attention from our day-to-day business; and failure to maintain the quality of services that we have historically provided.

Moreover, any acquisition may result in the incurrence of additional debt, which could reduce our profitability and harm our business.

We have not included in this Offering Memorandum separate financial statements prepared in accordance with IFRS as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012.

We presented our financial statements in accordance with IFRS for the first time in the financial year 2014 when we applied IFRS 1, 'First-time adoption of International Financial Reporting Standards,' in preparing our financial statements as of and for the 52 weeks ended September 28, 2014. We designated September 26, 2011 as the date of transition from UK GAAP, in accordance with which we previously presented our financial statements, to IFRS. The impact of our transition from UK GAAP to IFRS as a basis of accounting is described under note 27 of our audited financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum.

We have not prepared separate financial statements in accordance with IFRS as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012 but have included financial information for these periods as comparative financial information in our audited financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum. While we believe that the financial information presented in this Offering Memorandum that has been derived from our audited financial statements as of and for the 52 weeks ended September 28, 2014 (including the comparative financial therein and the related footnotes thereto), presents a true and fair view of the financial position of the Company and its subsidiaries as of the dates indicated, and the results of their operations and the changes in their cash flows for the periods specified, we cannot assure you that our financial position, results of operations and changes in cash flow (and the related footnote disclosure) would have been the same as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012 had we prepared separate financial statements in accordance with IFRS for these periods.

Our independent auditors' opinion included elsewhere in this Offering Memorandum is in respect of the financial condition of the Group as of September 28, 2014 and of the Group's loss for the period then ended, and does not separately opine on the financial condition of the Group as of September 29, 2013 and September 30, 2012 and of the Group's loss for the periods then ended.

KPMG LLP's audit opinion included elsewhere in this Offering Memorandum is in respect of the historical consolidated financial statements of the Company and its subsidiaries as of and for the 52 weeks ended September 28, 2014, which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated cash flow statements and the related notes, but does not separately give a true and fair view opinion as to the financial condition of the Group as of September 29, 2013 and September 30, 2012 and of the Group's loss for the periods then ended.

The pro forma adjustments to our historical revenue, Adjusted EBITDA and Adjusted EBITDAR and the resulting Pro Forma Revenue, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDAR information presented in this Offering Memorandum should be treated with caution when making an investment decision.

This Offering Memorandum presents pro forma adjusted financial information which includes various assumptions, including those related to our acquisitions of pubs from Maclay and pubs and certain other assets from TCG, in relation to which we entered into acquisition agreements on September 29, 2015, as well as the other events for which we have made pro forma adjustments. See "Summary—Summary consolidated financial and other information" for additional details regarding these pro forma adjustments to revenue, Adjusted EBITDA and Adjusted EBITDAR and their underlying assumptions. These assumptions are based on our current estimates, and they involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such pro forma adjusted financial information. Some of the factors that could cause our future financial performance to differ materially from that expressed or implied by such pro forma adjusted financial information include not achieving the level of cost-savings that we expect from the integration of the pubs and certain other assets acquired from TCG into our existing business as well as our ability to recognize the estimated post-investment returns at those pubs reopening after having received Investment Capital Expenditure. Additionally, our Pro Forma Adjusted EBITDA does not reflect incremental costs that we may incur as a result of certain events that become effective, or materialize, in the future such as the increase in minimum wage to £7.20 per hour to persons over the age of 25 from April 2016 as proposed in the July 2015 budget by the UK government. See "Presentation of financial and other information—Important notice relating to the unaudited pro forma information presented in this Offering Memorandum." If any of these factors or others cause our actual financial performance to differ significantly from that implied by the financial data presented, they could have a material adverse effect on our business, results of operations, financial condition or prospects.

We may not be able to maintain our Return on Investment from our capital projects within the assumed timeframe, or at all.

We identify priorities for investment in our estate through biannual estate reviews and have put in place a multi-stage estate review process to ensure a disciplined approach to investment across our pubs. A hurdle rate of a 40% Return on Investment is required before an investment is authorized. Since we began trading, and through August 31, 2015, we have refurbished approximately 330 of our pubs (including the refurbishment of one of the pubs acquired from Maclay but none from TCG). There can be no assurance, however, that we will continue to achieve our target Return on Investment with respect to our uninvested sites, whether as a result of incorrect assumptions in evaluating the investment potential or otherwise, or that we will successfully identify the sites that are most in need of investment. We may also not be successful in deploying capital expenditure for maintenance across our estate in a timely manner or at all. Furthermore, although we have historically financed our capital expenditure from cash flows from operations, there can be no assurance that we will not in the future encounter difficulties in financing our capital expenditure. Any of the foregoing may have a material adverse effect on our operating results, financial condition and prospects.

Additionally, where we present Return on Investment in this Offering Memorandum, we have not included in the calculation the results of pubs that have traded for fewer than 52 weeks post investment. For example, for the 156 week period ended July 5, 2015, 104 pubs that we have invested in have not been included in the calculation of Return on Investment because those pubs have not traded for 52 weeks post investment. Had we included the results of our pubs which have been invested but have not yet traded for 52 weeks post investment, the Return on Investment that we have presented for each period shown in this Offering Memorandum may have been lower.

Our revenue, cash and inventory levels fluctuate on a seasonal basis and are affected by public holidays, the timing of major sporting events and weather conditions.

Footfall at our pubs is impacted by seasonality and is highest during the Christmas period, Easter, bank holiday weekends and end-of-the-month salary weekends. In addition, footfall at many of our pubs, particularly those with Sky TV or other large screen offerings, is affected by major sporting events, such as the World Cup, European Championships, Champions' League, FA Cup, Rugby World Cup, Six Nations and The Ashes. British teams' performance in those events can also have an impact on footfall. For example, if a British team does not progress beyond the group stages of the World Cup or the European Championship, this generally represents a lost opportunity for us in terms of footfall and drinks and food sales at our pubs.

Weather patterns can also affect footfall across our pubs. Persistent rain, snow or other inclement weather, particularly during the summer months or over our peak trading periods, adversely affects us. Certain of our pubs, namely those with terraces or significant outdoor space, are particularly vulnerable to rain and other bad weather, as the inability to use their outdoor space prevents such pubs from maximizing their trading capacity.

If revenue during our main trading periods is lower than expected, or if the United Kingdom experiences adverse weather conditions, this could have an adverse effect on our operating results, financial condition and prospects. For a discussion of the impact of seasonal factors on our results of operation, see, "Management's discussion and analysis of financial condition and results of operations—Key factors affecting our results of operations—Seasonal effects."

Seasonal fluctuations also impact our inventory, working capital and liquidity levels. We must carry a significant amount of inventory before the peak selling periods, which is also reflected in our liquidity with a certain time lag due to the payment terms that we have agreed with our suppliers (with payments falling due on average within 45 days from delivery). If net sales during our peak trading periods are significantly lower than we expect, we may be unable to adjust our working capital in a timely fashion. Any of these events could have a material adverse effect on our business, results of operations, financial condition and prospects.

We rely on a limited number of suppliers and, if such suppliers continue to consolidate, or face financial difficulties, prices we pay to our suppliers may rise or our operations may be disrupted.

The brewing and distribution industry in the United Kingdom has seen a movement towards consolidation in recent years, which reduces the number of suppliers available to us and may have the effect of raising prices that we pay. We rely on an increasingly limited number of major brewing companies for the supply of beer and other drink products, with our leading suppliers being Heineken UK, Molson Coors (UK), Matthew Clark Wholesale Limited, Carlsberg UK and Diageo.

In addition, we primarily use Brake Bros Limited for our food supply services. If the trend in consolidation in the brewing and distribution industry were to continue, this could further increase our reliance on a limited number of suppliers and therefore we would continue to be subject to their bargaining power, which could have the effect of increasing the prices we pay for our supplies. Furthermore, if our suppliers face financial difficulties or fail to deliver the agreed level of service, we could encounter difficulties replacing these suppliers, which could result in disruptions to our business and/or significant costs being incurred. Any of the foregoing could have an adverse effect on our operating results, financial condition and prospects.

An increase in global food prices and energy costs may negatively affect the profitability of our managed pubs.

Food purchases account for a significant portion of our operating expenses. We also consume significant amounts of gas and electricity in our operations, and are therefore subject to fluctuations in energy costs. Volatility in global food prices and energy costs have in the past had a negative impact on our operating margins. Prices remain subject to volatility and, if further rises were to occur (including as a result of a depreciation of the pound sterling), this could result in an increase in our costs. We may not be able to increase our prices to offset any such increases in our costs without suffering reduced revenue. Our gross margins could therefore be adversely affected, which in turn could have an adverse effect on our operating results, financial condition and prospects.

We could face labor shortages, increased labor costs and other adverse effects of varying labor conditions.

The development and success of our pubs depend, in large part, on the efforts, abilities and experience of the general managers who manage and operate our pubs. In addition, our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including pub managers, kitchen staff, bar staff and wait staff. Qualified individuals are needed to fill these positions and our inability to recruit and retain such individuals may delay the planned openings of new pubs or result in our existing pubs being understaffed, which could compromise the level of service provided by these pubs. A significant delay in finding qualified employees could adversely affect our operating results and financial condition. We may also incur additional costs in relation to training new employees as a result of high turnover of our employee base In addition, competition for qualified employees could require us to pay higher wages to attract sufficiently qualified employees, which could result in higher labor costs. Further, increases in the minimum hourly wage, employment tax rates or levies, related benefits costs or similar matters over which we have no control may increase our operating costs, all of which could adversely affect our operating results, financial condition and prospects.

We are dependent on a limited number of key pubs and if any of these pubs were to cease operating, this could have a material adverse effect on us.

The 60 pubs in our portfolio that generated the highest EBITDA accounted for 32.3% of our site EBITDA for the 52 weeks ended September 28, 2014. While our expansion continues to dilute the relative significance of these pubs, if we suffered a loss of license at any of these pubs, or if any other event were to occur which resulted in any of these pubs being required to cease operating, this could have a material adverse effect on our operating results, financial condition and prospects.

Leasing and ownership of a significant portfolio of real estate exposes us to possible liabilities and losses.

The property market is subject to fluctuations in value, and if the property market resumes a downturn it could lead to a sustained reduction in our freehold property values over time. There can be no certainty that property values will recover from any downturn at any particular time, or at all. Approximately 56% of our property portfolio is short leasehold. Our short leaseholds have unexpired lease terms of less than 50 years and are subject to periodic rent reviews and renegotiation of rents when leases are renewed. Rents may increase such that they affect the economic viability of one or more of such properties. Further, as leases underlying our pubs, bars or venues expire, we may be unable to negotiate a new lease or lease extension, either on commercially acceptable terms or at all, which could cause us to close our pubs in desirable locations. As a result, our sales and our brand building initiatives could be adversely affected. On the other hand, we are not generally entitled to cancel leases, and if an existing or future pub is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease, including, among other things, paying the base rent for the balance of the lease term. In addition, we operate one of our leasehold properties on a ship in the Thames River, and we have been required by the government to change the mooring location of the ship. We cannot guarantee that this relocation will be successful with customers or that we will be able to achieve, in its new location, the same or similar results of operation as generated by this property historically. Any of the foregoing could negatively impact our operating results, financial condition and prospects.

Additionally, certain of our leasehold properties are or may in the future become subject to disputed claims between us and the landlords of those leasehold properties. For example, under certain of our lease agreements landlords can, and occasionally do, challenge the permissibility of the uses to which we put the properties subject to those leases, and in some cases our landlords may be required to provide consent before we are able to make changes to the formats at certain of our leasehold pubs. Currently, at least one leasehold pub in our portfolio is involved in such a dispute and at least one other leasehold pub in our portfolio is subject to a formal notice from a landlord requiring works to be carried out, and the extent and cost of such works required is currently under negotiation. Further, we operate a small number of leasehold pubs under licenses to occupy, as the leases for these pubs have not yet been assigned to us. At these pubs, there can be no guarantee that the leases will be successfully assigned to us, and we may be required to vacate the property in the event that we are unable to obtain such assignment. Our inability to successfully resolve disputes between us and the landlords of the leasehold pubs that we own or operate could result in a material adverse effect on our business, results of operations, financial condition and prospects.

Furthermore, certain of our freehold and leasehold agreements contain covenants prohibiting the operation of public houses on the premises. We have been operating pubs on several premises that are subject to such covenants and may, as a result, be in breach of these covenants, although we have not faced challenge on these grounds so far. Our lease agreements typically contain covenants relating to the repair and condition of the property. We do not review the state of repair or condition of our pubs on a regular basis and may, from time to time, be in breach of these covenants. Moreover, our landlords may require us to carry out works to our properties in order to maintain them to the standard required by the lease at any time during the term of the lease and also at the end of the lease. Additionally, a small number of our properties have uncertain title, as a result of which either our or our landlords' ability to own the freeholds or leaseholds, respectively, to those properties can potentially be challenged. If, due to these reasons, we are unable to continue to occupy and operate certain of our pubs, that could result in a material adverse effect on our business, results of operations, financial condition and prospects.

Negative publicity relating to one of our pubs or brands could reduce revenue at some or all of our pubs.

We may, from time to time, be subject to negative publicity relating to alcohol consumption or quality, food quality, bar facilities, health inspection scores, employee relationships, food contamination, alcohol-related violence or other matters at one or more of our pubs. The rise of online news reporting, discussion forums and social media has increased the risk to brands of attracting negative publicity given the ease and speed with which such information is disseminated. We are particularly susceptible to such risks given the high degree of engagement with social media by certain of our key customer groups such as the student population. Adverse publicity may negatively affect us, regardless of whether the allegations are valid, whether they are limited to a single pub or whether we are at fault. The negative impact of adverse publicity relating to one of our pubs may extend far beyond the pub involved to affect some or all of our other bars, and restoring image and reputation of our business may be costly and time consuming. The occurrence of such incidents could have a negative impact on our operating results, financial condition and prospects.

Food or drink contamination or other health and safety incidents, including a serious contamination or threat of contamination, could adversely affect our reputation and result in financial loss.

We are susceptible to the risk of food and drink contamination, which can affect consumer confidence and preferences, resulting in lower footfall or expenditure at our pubs, or can lead to increased costs, including in relation to sourcing alternative suppliers or products and seeking to address the contamination. In addition, a serious contamination or threat of contamination at one of our branded pubs, bars or venues could negatively affect the reputation of one or more of our brands.

Accordingly, we adopt and maintain rigorous health and safety policies. However, given the degree of access members of the public have to our premises, our health and safety policies may not be able to prevent a serious health and safety incident from occurring on our premises, which could have an adverse effect on our reputation and, as a result, on our operating results, financial condition and prospects. The occurrence of a serious health and safety incident at one of our branded pubs, bars or venues could also negatively affect the reputation of one or more of our brands.

Furthermore, contamination issues or other health and safety incidents may from time to time result in our becoming subject to various claims and legal actions. No assurance can be given that we will not experience actual losses in connection with these legal actions or that new disputes will not arise under which we could face additional liabilities and reputational risk. Any adverse decisions in any of these legal actions could adversely affect our operating results, financial condition and prospects.

We may be at risk of employment-related claims including for arrears of holiday pay.

We may be at risk of employment related claims, including arrears of holiday pay. A series of recent European and domestic cases suggest that the minimum four weeks' statutory annual leave granted to workers must account for non-guaranteed compulsory overtime and commission payments. We account for these payments when calculating holiday pay for hourly paid employees who accrue holiday entitlement based on all hours that they work. The exact scope of what other payments must be taken into account for salaried employees is not certain from the recent cases. Depending on the outcome of any future cases we may have potential historic, unpaid holiday pay liability for salaried employees and the risk of increased costs in the future, although we have not received any claims or complaints in this regard to date.

The UK government has announced that regulations have been laid before the UK parliament designed to limit the impact of these decisions by limiting claims for holiday pay to two years' arrears of holiday pay for claims brought after July 1, 2015.

We are dependent on key executives for our future success.

Our future success is substantially dependent on the continuing service and performance of key executives and our ability to continue to attract and retain highly skilled senior management. The current directors and members of our management team may not remain with us. Our failure to retain or recruit suitable replacements for any of our directors, the management team or significant numbers of other key employees could have an adverse effect on our operating results, financial condition and prospects.

We could be liable for environmental compliance costs at our properties.

We may be liable for a number of environmental compliance costs, such as costs relating to recycling (for example, recycling of our used cooking oil) and waste disposal. See "Business—Environmental matters." Changes in law or regulation may impose further responsibilities on us, which could adversely affect our operating results, financial condition and prospects.

We may need to increase contributions to cover deficits with respect to our pension schemes.

We operate two defined benefit pension schemes: the Laurel Pub Pension scheme and the Yates Group Pension scheme (each a "Pension Scheme" and together, the "Pension Schemes"). These are both closed to new entrants. As of September 28, 2014, the present value of funded defined benefit obligations was £78.8 million, across both schemes, calculated on an IAS 19 basis, and the deficit in respect of the Pension Schemes as of September 28, 2014 was £7.1 million.

There are many risks arising from the operation of the Pension Schemes. The pensions regulator in the United Kingdom (the "Pensions Regulator"), for instance, may impose a scheme funding target and employer contribution rate, if those matters cannot be agreed between the scheme trustees and the relevant employers. In addition, the trustees of either Pension Scheme may wind up the relevant scheme, as permitted in certain circumstances. The Pensions Regulator also has statutory power to order a pension scheme to be wound up. Winding up the schemes would result in a statutory obligation on the various participating employers to fund the schemes by reference to a "buyout basis" (which represents the estimated cost of securing members' benefits by purchasing annuity policies from an insurance company). The Pensions Regulator may require funding or funding guarantees from our members (in the form of a contribution notice or financial support direction) for defined benefit pension schemes in various circumstances. In addition, the trustees of the Pension Schemes may alter the investment profile of the relevant scheme. For example, the trustee could exchange equity investments for lower risk investments such as bonds, which would typically increase the employer funding obligations in relation to the schemes because of the lower rate of return expected from lower risk investments.

The foregoing risks are linked to the funding level of the Pension Schemes, which may be adversely affected by a number of factors, including: (i) reducing bond yields (since lower yields mean a pension obligation is assessed as having a higher value); (ii) increasing life expectancy (which will make pensions payable for longer and, therefore, more expensive to provide); (iii) investment returns failing to meet expectations; (iv) actual and expected price inflation, subject to the limits set out in the Pension Schemes' governing documentation; (v) funding volatility as a result of any mismatch between the assets held and the assets by reference to which the scheme liabilities are calculated; and (vi) other events occurring which make past service benefits more expensive than anticipated in the actuarial assumptions by reference to which past pension contributions were assessed, including unanticipated changes to tax or other legislation.

Our insurance may be insufficient and certain types of loss may be uninsurable.

There is a risk that our properties could suffer damage so extensive that it is not fully covered by our insurance. Moreover, certain types of risk are not insured fully either because such insurance is not available or because we have determined that the premium costs are disproportionate to the risks in question, and certain risks may be the subject of exclusions. If an uninsured loss (or a loss above the level of our insurance coverage) occurs at one or more of our properties, we could lose all or a portion of the capital we had invested in, as well as any anticipated future revenue from, such properties. In addition, we could be liable to repair damage caused by uninsured risks, and could remain liable for any debt or other financial obligation related to those properties. As a result of the nature of our business, we are also exposed to the risk of other health and safety incidents, for example, accidents occurring on our premises. Any such occurrence could have an adverse effect on our operating results, financial condition and prospects.

Computer or information system breakdowns could impair our ability to conduct our business.

Information technology ("IT") systems are used extensively in our business, including for our ordering systems, stocking activities, logistics, financial reporting and the management of systems monitoring performance. Our operations therefore depend on the continued and uninterrupted functioning of our IT systems. The centralization of many aspects of our operations, such as purchasing, marketing, property, finance, human resources and IT, to a certain extent make such functions more vulnerable to a catastrophic failure at the site or sites at which the IT systems underlying such functions are physically located.

If any of our IT systems were to be disabled or were to malfunction or cease operating properly or as designed, including as a result of computer security breaches, computer viruses, problems with the internet or sabotage, we could suffer disruption to our business and supply chains, incur liability to retailers or customers or experience loss of data. This could have a significant effect on our ability to conduct our business which, in turn, could have an adverse effect on our operating results, financial condition and prospects.

We may not be able to protect our intellectual property adequately, which could harm the value of our brands and adversely affect our operating results, financial condition and prospects.

We depend in large part on our brands and believe that they are very important to our business, particularly in the context of our Slug and Lettuce and Yates formats. We rely on our trademarks to protect our brands. The success of our business depends, in part, on our continued ability to use our existing trademarks in order to increase brand awareness. Although we have registered the brand names for our key pubs, trademarks and logos that distinguish our pubs for trademark protection in the United Kingdom, these actions may be inadequate to prevent imitation of our brands and concepts by others or to prevent others from claiming violations of their trademarks and proprietary rights by us. If our efforts to protect our intellectual property prove to be inadequate, the value of our brands could be harmed, which could adversely affect our operating results, financial condition and prospects.

A significant portion of our business activities is transacted in cash and our internal controls in relation to cash management may not be sufficient to address all the risks associated with the handling of cash and cash transactions.

Due to the nature of our business, a significant proportion of our revenue is collected in cash across our pubs, which exposes us to potential cash loss. Although we have an internal audit department which maintains a comprehensive cash handling policy and aims to ensure there is minimal cash leakage out of the business, our internal controls in relation to cash management may not be sufficient to address all the risks associated with the handling of cash and cash transactions. We may therefore be exposed to risks such as loss, theft, misappropriation and forgery of the cash used in our transactions. In the event such risks materialize, our financial position, business and results of operations may be materially and adversely affected.

We have not included any US GAAP financial information in this Offering Memorandum.

We prepare our financial statements on the basis of IFRS, which differs in certain significant respects from US GAAP. We have not presented a reconciliation of our historical consolidated financial statements to US GAAP in this Offering Memorandum. As there are significant differences between IFRS and US GAAP, there may be substantial differences in our results of operations, cash flows and financial condition if we were to prepare our historical consolidated financial statements in accordance with US GAAP.

Terrorist attacks, war, and threats of attacks and war may materially and adversely affect consumer spending, and in turn, our financial condition, financial returns and results of operation.

Terrorist attacks in the United Kingdom and abroad, as well as war and threats of war or actual conflicts involving the United Kingdom or other countries, may dramatically and adversely impact the economy of the United Kingdom and cause consumer confidence and spending to decrease. Any of these occurrences could result in a material adverse effect on our operating results, financial condition and prospects.

Risks related to the Acquisition of certain assets from Maclay and TCG

The completion of the acquisition of certain leasehold properties from the TCG operating business sellers is subject to significant uncertainties and risks. In addition, the acquisition agreements entered into with TCG may not fully cover us against claims and liabilities that may arise in connection with the assets acquired from TCG.

On September 29, 2015 we acquired 37 freehold properties from the TCG freehold property sellers for an initial consideration of £76.4 million pursuant to the Freehold Acquisition Agreement. In addition, on September 29, 2015, we agreed to acquire 16 leasehold properties and certain other assets from the TCG operating business sellers for a total consideration of approximately £24 million (of which approximately £1 million was paid on September 29, 2015, with the remaining consideration to be paid as contingent or deferred consideration), pursuant to the Leasehold and Operating Business Acquisition Agreement. Under the terms of the Leasehold and Operating Business Acquisition Agreement, we have acquired the right to occupy and operate the 16 leasehold properties, in each case until such time as we can acquire the leasehold interest relating to each property. As of the date of this Offering Memorandum, none of the leases of the pubs that we have agreed to acquire under the Leasehold and Operating Business Acquisition Agreement have been assigned to us. The successful assignment of these leases is subject to certain third-party consents, which we and the TCG operating business sellers may be unable to obtain in a timely fashion or at all. While we are not obligated to pay for these pubs until their respective leases have been assigned to us, we have made certain assumptions as to our future growth and expansion plans and results of operations in this Offering Memorandum on the basis that each of these leases will be successfully assigned to us in due course. Accordingly, any failure in the assignment of these leases to us may have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, the warranties we have received from the TCG freehold property sellers under the Freehold Acquisition Agreement are limited and may not be sufficient to fully cover us against claims and liabilities associated with these assets that may arise in the future. Further, while the TCG freehold property sellers have provided us with either a full or limited title guarantee in relation to each of the pubs we have acquired under the Freehold Acquisition Agreement, they have not provided us with any indemnity or other protection. Additionally, because we have agreed to acquire the 16 leasehold properties and certain other assets out of administration from the TCG operating business sellers, we have not received any representations or warranties from the TCG operating business sellers with respect to those assets. We may also be subject to certain labor-related claims or liabilities as a result of these acquisitions, and while we have taken into account such potential claims and liabilities when determining the consideration to be paid under these agreements, we cannot guarantee that we have been able to identify all claims and liabilities that may arise in this respect. In the event potential claims or liabilities are greater in amount than we have estimated, we may not be covered against these claims and liabilities by TCG.

While we have had an opportunity to inspect each of the pubs that we have acquired or will acquire upon the successful assignment to us of certain leases, we cannot guarantee that we have identified any or all material liabilities relating to each of these pubs and that may cause us to incur losses in the future. Our limited ability, under the acquisitions agreements entered into with TCG, to recover losses or damages arising from these pubs could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may face unexpected difficulties in integrating the pubs acquired from Maclay and the pubs and certain other assets acquired from TCG.

We will need to integrate the pubs acquired from Maclay and TCG with our existing brands and formats. Such integration presents various challenges which may be difficult and costly to overcome and could prevent us from realizing the expected benefits of these acquisitions. We may experience difficulties in integrating the assets of Maclay and TCG in our operations. The expected benefits of the acquisitions, in particular, the anticipated synergies and growth opportunities, may not be realized in full (or not at all) or may take longer to realize than planned. Further, the integration of the assets of Maclay and TCG may require management capacity which may not be available for the further development of our business. In addition, we may lose employees who are instrumental for the integration and further development of our combined business as well as customers, suppliers and agents. Any of these risks could have a material adverse effect on our business, results of operations, financial condition and prospects.

The Maclay and TCG assets may be of a quality below our expectations, or may not be a suitable fit for our existing business, which could diminish the value to us of these acquisitions.

The quality of the Maclay and TCG pubs may be below our expectations and may be subject to contingent or current liabilities that we are not aware of and that are not covered by indemnities from their sellers. Further, under their acquisition agreements, we may experience delays or other difficulties in enforcing indemnity claims should they arise and may be required to pay amounts with respect to such claims without reimbursement. To the extent that Maclay and/or TCG is liable for damages with respect to such claims, such liabilities may significantly diminish the value of the assets we have purchased from Maclay and/or TCG. Any of these risks could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The acquisitions will result in an increase in our financial indebtedness.

The acquisitions will result in a significant increase in our financial indebtedness. The increase in our indebtedness will increase our interest expense. Instruments used to finance the acquisitions such as the Notes are subject to restrictive covenants which limit our flexibility in operating our business. The increased financial indebtedness and interest could have a material adverse effect on our business, results of operations, financial condition and prospects.

We have included only limited financial and other information about Maclay and TCG in this Offering Memorandum, and their financial performance may differ significantly from ours.

We have not included in this Offering Memorandum audited financial statements for Maclay or TCG. The unaudited pro forma financial information included in this Offering Memorandum presents the effect of the acquisitions of assets from Maclay and TCG as if they had occurred on July 7, 2014. The unaudited financial information included herein for Maclay and TCG is based on unaudited financial information of each of Maclay and TCG and has not been independently reviewed or audited. In addition, for the purposes of the unaudited pro forma financial information included herein giving effect to the asset acquisitions, we have made various assumptions. The pro forma adjustments and pro forma assumptions we have made are preliminary and subject to change.

The information on Maclay and TCG contained in this Offering Memorandum has been derived from various sources and includes information provided to us by Maclay and TCG. As we have only recently acquired control over the assets of Maclay and TCG, we have not been able to verify information pertaining to Maclay and TCG as independently, accurately or as completely as we would have if we had control over these assets from Maclay and TCG in the period covered by such financial information. In essence, we have relied on the information that Maclay and TCG have provided to us in the due diligence process in presenting the financial and other information about Maclay and TCG in this Offering Memorandum.

Risks related to our financial profile, the Notes and the Note Guarantees

Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees.

We are, and following the issuance of the Additional Notes, will continue to be, highly leveraged. As of July 5, 2015, after giving effect to this Offering and certain sale and leaseback transactions that we have contemplated and the use of proceeds therefrom, we would have had total third-party debt of £482.5 million. We would also have had £47.5 million available to draw under the Revolving Credit Facility Agreement. See "Capitalization."

Additionally, we intend to enter into sale and leaseback transactions in connection with five freehold properties in London that we have acquired from the TCG freehold property sellers, which we expect will reduce our debt by approximately £30 million (the estimated aggregate proceeds that we expect to receive from the sale of these properties). Our ability to complete these sale and leaseback transactions based on our current estimates, on terms favorable to us and in a timely manner is dependent on a number of factors that are outside of our control, including our ability to find suitable buyers for these properties, emergence of any significant liabilities or defects associated with these properties that we are not currently aware of and the general economic condition of the London property market, among other factors. Accordingly, we may be unable to complete these sale and leaseback transactions in a timely manner, based on our current estimates, on terms favorable to us or at all, and this could reduce our ability to decrease our indebtedness. Further, under the terms of the Revolving Credit Facility Agreement, borrowings above £35 million are required to be repaid and the corresponding commitments cancelled upon the earlier of 12 months from September 29, 2015 and the occurrence of certain other events. To the extent we make borrowings under our Revolving Credit Facility to finance the consideration for leasehold properties that we have agreed to acquire from the TCG operating business sellers, which we have not yet acquired, and seek to repay such amounts with the proceeds of the sale of these London properties (particularly in respect of borrowings above an amount of £35 million), we may, if we are unable to complete these sale and leaseback transactions in a timely manner, on terms favorable to us or at all, be unable to repay the outstanding borrowings according to the terms of the Revolving Credit Facility Agreement, which would result in a breach of the terms of the Revolving Credit Facility Agreement and would significantly increase our third-party debt.

The degree to which the Group will remain leveraged following the issuance of the Additional Notes could have important consequences to holders of the Additional Notes offered hereby, including, but not limited to:

- making it difficult for us to satisfy our obligations with respect to the Notes;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to the payment of interest on indebtedness, thereby reducing the availability of such cash flow to fund the payment of principal of indebtedness, working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and the industry in which we operate;
- placing us at a competitive disadvantage as compared to our competitors, to the extent that they are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

Despite our high level of indebtedness, we may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We may be able to incur substantial additional indebtedness in the future. Although the Indenture and the Revolving Credit Facility Agreement contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and under certain circumstances, the amount of indebtedness that could be incurred in compliance with those restrictions could be substantial. In addition, the Indenture and the Revolving Credit Facility Agreement do not prevent us from incurring obligations that would not constitute indebtedness under those agreements.

The Original Floating Rate Notes and debt under our Revolving Credit Facility Agreement bear interest at a floating rate that could rise significantly, increasing our interest cost and debt and reducing our cash flow.

The Original Floating Rate Notes bear interest at floating rates of interest per annum equal to LIBOR, adjusted quarterly, plus an agreed margin. LIBOR could rise significantly in the future. Although we may enter into and maintain certain hedging arrangements designed to fix a portion of these rates, there can be no assurances that hedging will continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. To the extent interest rates were to rise significantly, our interest expense associated with the Original Floating Rate Notes and debt under our Revolving Credit Facility Agreement would correspondingly increase, thus reducing cash flow. The manner of calculating LIBOR is under review by European regulators and others. There can be no assurance that LIBOR will continue to be calculated as it has historically, if at all.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Indenture and the Revolving Credit Facility Agreement restrict, among other things, our ability to:

- incur or guarantee additional indebtedness;
- pay dividends or make other distributions or purchase or redeem our stock;
- make investments or other restricted payments;
- enter into agreements that restrict our restricted subsidiaries' ability to pay dividends;
- transfer or sell assets;
- engage in transactions with affiliates;
- create liens on assets to secure indebtedness;
- impair security interests; and
- merge or consolidate with or into another company.

The covenants to which we are subject could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest. All of these limitations are subject to significant exceptions and qualifications.

For the restrictions that are included in the Indenture, see "Description of the Notes—Certain Covenants." For the restrictions that are included in the Revolving Credit Facility Agreement, see "Description of other indebtedness—Revolving Credit Facility Agreement." In addition, we are subject to the affirmative covenants contained in the Revolving Credit Facility Agreement. In particular, the Revolving Credit Facility Agreement requires us to comply with a financial covenant. See "Description of other indebtedness—Revolving Credit Facility Agreement—Financial covenant." Our ability to meet this financial covenant can be affected by events beyond our control, and we cannot assure you that we will meet them. A breach of any of those covenants, ratios, tests or restrictions could result in an event of default under the Revolving Credit Facility Agreement. Upon the occurrence of any event of default under the Revolving Credit Facility Agreement, subject to applicable cure periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding under the Revolving Credit Facility Agreement, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility Agreement could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indenture. If our creditors, including the creditors under the Revolving Credit Facility Agreement, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable the Group to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts.

We require a significant amount of cash to service our debt and sustain our operations. Our ability to generate sufficient cash depends on many factors beyond our control.

Our ability to continue to make payments on and to refinance our debt, and to fund working capital and capital expenditures, will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on the success of our business strategy and on general economic, financial, competitive, market, legislative, regulatory and other factors, as well as the other factors discussed in these "Risk factors," many of which are beyond our control. This also depends on our cash flow cycle. We generally pay our suppliers on a monthly basis, our rent on a quarterly basis and our VAT also on a quarterly basis. If our interest payment dates coincide with these periods of significant cash outflow, we may have insufficient cash to pay our obligations as they come due. We also experience seasonal fluctuations in our cash flow. Attendance levels at our pubs are affected by the weather and by the timing of major sporting events. Persistent rain, snow or other inclement weather, especially during the summer months or over our peak trading periods such as the Christmas period, Easter, bank holidays in the United Kingdom and end-of-the-month salary weekends, can have a negative effect on our cash flow. The absence of major sporting events, or the poor performance of a British team, could have a negative impact on our cash position, which could impact our ability to make payments on and to refinance our debt, and to fund working capital and capital expenditures.

We cannot assure you that our business will generate sufficient cash flows from operations, that revenue growth, currently anticipated cost savings and operating improvements will be realized or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs. See "Management's discussion and analysis of financial condition and results of operations."

If our future cash flows from operations and other capital resources (including borrowings under the Revolving Credit Facility Agreement) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments on the Notes on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes and the Revolving Credit Facility Agreement, limit, and any future debt may limit, our ability to pursue any of these alternatives. Any refinancing of our debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business, financial condition and results of operations. There can be no assurance that any assets which we could be required to dispose of could be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale would be acceptable.

Creditors under the Revolving Credit Facility Agreement and in respect of certain hedging obligations are entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale in priority to the Notes.

The obligations under the Notes and the Note Guarantees are secured on a first-ranking basis with security interests over Collateral which will also secure our obligations under the Revolving Credit Facility Agreement and in respect of certain hedging obligations. The Indenture also permits the Collateral to be pledged to secure additional indebtedness in accordance with the terms thereof and the Intercreditor Agreement.

Pursuant to the Intercreditor Agreement, the liabilities under the Revolving Credit Facility Agreement and in respect of certain hedging obligations have priority over any amounts received from the sale of the Collateral pursuant to an enforcement action taken with respect to the Collateral. See "Description of other indebtedness—Intercreditor Agreement."

As a result, in the event of any realization or enforcement of the Collateral, you may not be able to recover on the Collateral if the then-outstanding claims under the Revolving Credit Facility Agreement and in respect of certain hedging obligations are greater than the proceeds realized.

The Notes are secured only to the extent of the value of the Collateral that has been, and will be, granted as security for the Notes and the Note Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Note Guarantees.

If there is an event of default on the Notes, the holders of the Notes will be secured only by the Collateral, which will include all the shares in the Issuer and the Guarantors, all bank accounts in England and Wales of each Guarantor, certain other assets of each Guarantor, the rights of the Issuer and Guarantors under intercompany receivables, certain of the Company's freehold properties located in England and Wales and certain of the Company's leasehold properties located in England and Wales. There is no guarantee that the value of the Collateral will be sufficient to enable the Issuer to satisfy its obligations under the Notes. There is no requirement to provide funds to enhance the value of the Collateral if it is insufficient. The proceeds of any sale of the Collateral following an event of default with respect to the Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Notes.

The amount of proceeds realized upon the enforcement of the security interests over the Collateral or in the event of liquidation will depend upon many factors, including, among other things, general market and economic conditions, the condition of the market for the Collateral, the ability to sell Collateral in an orderly sale, the fair market value of the Collateral, the timing and manner of the sale, whether or not our business is sold as a going concern, the jurisdiction in which the enforcement action or sale is completed, the ability to readily liquidate the Collateral, the availability of buyers and the condition of the Collateral and exchange rates. Further, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of its assets in the event of an enforcement action. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. Portions of the Collateral may be illiquid and may have no readily ascertainable market value. In addition, not all of our assets are secured.

No security has been or will be granted with regard to long leasehold properties with 50 years or more remaining under the lease term, if providing such security requires the consent of a third party where such consent cannot be obtained. No security has been or will be granted with regard to short leasehold properties with less than 50 years remaining under the lease term, if providing such security interest requires consent of a third party. No security has been or will be granted over freehold properties which require consent of a third party where such consent cannot be obtained or for which contracts of sale have been exchanged but completion is conditional on third party consent. No security has been or will be granted with regard to properties located outside of England and Wales (except that under certain circumstances security may be granted over certain future acquired properties located in Scotland). In addition, no security will be granted with regard to any long leasehold property with 50 years or more remaining under the lease term located in England and Wales acquired after the date of this Offering Memorandum, including such long leasehold property forming part of the assets that we have agreed to acquire from TCG, if providing such security requires consent of a third party and if such consent is refused or is not received from such third party within 90 days of the application for such consent. Some of the foregoing assets may, taken together, be material or may be necessary to conduct our business operations.

By its nature, some or all of the Collateral may not have a readily ascertainable market value or may not be saleable or, if saleable, there may be substantial delays in its disposal. To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Issuer or the Guarantors, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the Security Agent, the Trustee or holders of the Notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the Notes and the Note Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Issuer's and the Guarantors' remaining assets. Each of these factors or any challenge to the validity of the Collateral or the intercreditor arrangement governing our creditors' rights could reduce the proceeds realized upon enforcement of the Collateral. In addition, there can be no assurance that the Collateral could be sold in a timely manner, if at all. Proceeds from enforcement sales of capital stock and assets that are part of the Collateral must first be applied in satisfaction of obligations under the Revolving Credit Facility Agreement and counterparties under certain hedging obligations and thereafter towards application to repay on a pari passu basis the obligations of the Issuer and the Guarantor under the Notes. In addition, the Indenture allows incurrence of certain additional permitted debt in the future that is secured by the Collateral on a priority or pari passu basis. The incurrence of any additional debt secured by the Collateral would reduce amounts payable to you from the proceeds of any sale of the Collateral.

To the extent that other first priority security interests, pre-existing liens, liens permitted under the Revolving Credit Facility Agreement and the Indenture and other rights encumber the Collateral securing the Notes, the parties may have or may exercise rights and remedies with respect to the Collateral that could adversely affect the value of the Collateral and the ability of the Security Agent to realize or foreclose on the Collateral.

The value of the Collateral may decrease because of obsolescence, impairment or certain casualty events.

The value of the properties that the Issuer and the other Guarantors own or lease and the real estate serving as Collateral may be adversely affected by depreciation and normal wear and tear or because of certain events that may cause damage to these properties. Although the Security Documents contain certain covenants in relation to the maintenance and preservation of assets, the Issuer and the Guarantors are not required to improve the Collateral. The Issuer is obliged under the Security Documents to maintain insurance with respect to the Collateral, but the proceeds of such insurance may not be sufficient to rebuild or restore such properties to their original condition prior to the occurrence of certain events that caused the insured damages. Those insurance policies most certainly not cover all the events that may conceivably result in damage to the Collateral.

The Issuer and the Guarantors have control over the Collateral securing the Notes, and the sale of particular assets could reduce the pool of assets securing the Notes.

The Security Documents allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from the Collateral securing the Notes. Subject to the Security Documents, so long as no default or event of default under the Indenture or a continuing acceleration event under the Revolving Credit Facility Agreement would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of Collateral and making ordinary course cash payments, including repayments of indebtedness.

It may be difficult to realize the value of the Collateral securing the Notes.

The Collateral securing the Notes is subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture or the Intercreditor Agreement and accepted by other creditors that have the benefit of first-priority security interests in the Collateral securing the Notes from time to time, whether on or after the date the Original Notes were and the Additional Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under the laws of certain jurisdictions.

The security interests of the Security Agent are subject to practical problems generally associated with the realization of security interests over real or personal property such as the Collateral. For example, the Security Agent may need to obtain the consent of a third party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

The security interests in the Collateral are granted to the Security Agent rather than directly to the holders of the Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law.

The security interests in the Collateral that secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Note Guarantees are not granted directly to the holders of the Notes but are granted only in favor of the Security Agent. The Indenture provides (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Notes do not have direct security interests and will are not entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Trustee, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral.

Security over certain Collateral will not be in place on the date on which the Additional Notes are issued or will not be perfected on the date on which the Additional Notes are issued, and we will not be required to perfect security interests in some instances.

Security over certain Collateral will not be in place or will not be perfected on the date on which the Additional Notes are issued. If we or any Guarantor were to become subject to a bankruptcy proceeding after the date on which the Additional Notes are issued, any such creation or perfection steps would face a greater risk of being invalidated than if we had taken such steps on the date on which the Additional Notes were issued. If any such security interest is created or perfected after the date on which the Additional Notes are issued, it will be treated under bankruptcy law as if it were delivered to secure previously existing debt, which is materially more likely to be avoided as a preference by the bankruptcy court than if the steps were taken at the time at which the Additional Notes are issued. To the extent that the grant or perfection of any such security interest is avoided as a preference, you would lose the benefit of such security interest.

The Security Agent may not be able to appoint its choice of administrator in the event of insolvency nor have the right to appoint an administrative receiver.

By virtue of the exclusion of a number of short term leasehold properties in England and Wales and all of our real estate properties located in Scotland and the Isle of Man from the Collateral, there is a risk that the floating charges granted by the Issuer and the Guarantors do not constitute qualifying floating charges (as defined in paragraph 14 of Schedule B1 of the UK Insolvency Act 1986, as amended) and, as a result, it would be unlikely that the Security Agent would be able to appoint its choice of administrator and the Security Agent would not have the right to appoint an administrative receiver. For further details on appointment of administrators or administrative receivers, see "Limitations on validity and enforceability of the Note Guarantees and security interest—England and Wales—Administration and floating charges."

Payments under the Additional Notes may be subject to withholding tax under the EU Directive on the taxation of savings income.

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive"), each Member State is required to provide to the tax authorities, or (to the extent relevant) any other competent authorities, of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or secured by such a person for the benefit of, an individual resident or to (or secured for) certain limited types of entities established in that other Member State; however, for a transitional period, Austria will instead apply a withholding system in relation to such payments, deducting tax at a rate of 35% (subject to a procedure whereby, on meeting certain conditions the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period it elects otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payments. A number of non-EU countries have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or for the benefit of, an individual resident or certain limited types of entities established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On March 24, 2014, the Council of the European Union adopted a directive amending the Savings Directive (the "Amending Savings Directive"), which if implemented, would broaden the scope of the requirements of the Savings Directive described above, including by expanding the range of payments covered by the Savings Directive, in particular, to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. EU Member States have until January 1, 2016 to adopt the national legislation necessary to comply with this amending directive which legislation must apply from January 1, 2017.

The European Commission has published a proposal for a Council Directive repealing the Savings Directive from January 1, 2016 (January 1, 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Savings Directive.

If a payment to an individual were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to the Savings Directive or such other Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

Risks related to our structure

The Issuer is a wholly owned finance subsidiary that has no revenue generating operations of its own and depends on cash from operating companies to be able to make payments on the Notes.

The Issuer is a wholly owned finance subsidiary of the Company with no business operations or significant assets, other than its rights under the Original Proceeds Loan Agreement and, following the Additional Notes Issue Date, its rights under the New Proceeds Loan Agreement. The Issuer is dependent upon the cash flow from our operating companies to meet its obligations under the Notes. We have, and we intend to continue to, provide funds to the Issuer in order for the Issuer to meet its obligations under the Notes principally through payments under the Original Proceeds Loan and the New Proceeds Loan. We intend to provide funds to the Company to service the payments under the Original Proceeds Loan and the New Proceeds Loan principally through the provisions of intercompany loans and dividends and other distributions. If the subsidiaries within the Group do not fulfill their obligations under any such intercompany loans and do not otherwise distribute cash to the Company, and in turn to the Issuer, in order for the Issuer to make scheduled payments on the Notes, the Issuer will not have any other source of funds that would allow it to continue to make payments to the holders of the Notes. The amount of cash available to the Issuer depends on the profitability and cash flows of the operating companies in the Group and the ability of those companies to transfer funds under applicable law. The operating companies in the Group, however, may not be able to, or may not be permitted under applicable law to, make distributions or advance loans, directly or indirectly, to the Issuer in order for the Issuer to make payments in respect of the Notes. Various agreements governing the Group's debt may restrict, and in some cases, may prevent the ability of the members of the Group to transfer funds within the Group. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The interests of our controlling shareholder may differ from the interests of the holders of the Notes.

TDR Capital indirectly beneficially owns approximately 94.4% of the outstanding shares of the Company. As a result, TDR Capital is able to control matters requiring shareholder approval, including the election and removal of our directors, our corporate and management policies, potential mergers or acquisitions, payment of dividends, asset sales and other significant corporate transactions. The interests of TDR Capital may differ from yours in material respects. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of TDR Capital, as ultimate majority shareholder, may be in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investment, even though such transactions might involve risks to you as a holder of Notes. TDR Capital has no contractual obligations to fund our business and may not have sufficient liquidity to fund our business if we require additional funding. Additionally, the Indenture permits us to pay management fees, dividends or make other restricted payments under certain circumstances, and TDR Capital may have an interest in our doing so. See "Certain relationships and related party transactions."

Furthermore, TDR Capital and their affiliates are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly and indirectly with us, or with which we conduct business. TDR Capital and their affiliates may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. You should consider that the interests of these holders may differ from yours in material respects. See "Principal shareholders" and "Certain relationships and related party transactions."

We may not be able to obtain the funds required to repurchase the Notes upon a change of control.

The Indenture contains provisions relating to certain events constituting a "change of control" of the Issuer. Upon the occurrence of a change of control, we will be required to offer to repurchase all outstanding Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in our Revolving Credit Facility Agreement, the Indenture, the Intercreditor Agreement or our other then-existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default under, or acceleration of, our Revolving Credit Facility and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not. The ability of the Issuer to receive cash from members of the Group to allow it to pay cash to the holders of the Notes, following the occurrence of a change of control, may be limited by our then-existing financial resources. In addition, under the terms of the Revolving Credit Facility Agreement, under certain circumstances, we are required to repay an equal amount of debt under our Revolving Credit Facility Agreement if we repay all or a portion of the principal under the Notes. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when the Group is prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, we expect that we would require third party financing to make an offer to repurchase the Notes upon a change of control. We cannot assure you that the Group would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Indenture, which would, in turn, constitute a default under the Revolving Credit Facility Agreement. See "Description of the Notes—Change of Control."

The change of control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. In addition, in certain circumstances a change of control would be deemed not to have occurred if a certain pro forma leverage test is met. See "Description of the Notes—Change of Control." Except as described under "Description of the Notes—Change of Control," the Indenture does not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

In addition, the occurrence of certain events that might otherwise constitute a change of control will be deemed not to be a change of control if a defined consolidated leverage ratio does not exceed a certain level in connection with such event. In the event the Company is sold to a new investor, whether or not such sale constitutes a change of control under the Indenture, no assurance can be given that any such investor will continue to implement our current business and financial strategy. See "Description of the Notes—Change of Control" and "Description of the Notes—Certain Definitions—Specified Change of Control Event."

The definition of "Change of Control" in the Indenture includes a disposition of all or substantially all of the assets of the Company and its restricted subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the Company's and its restricted subsidiaries' assets, taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

English and Cayman Islands insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law.

The Issuer and other members of the Group, including some of the Guarantors, are incorporated under the laws of England and Wales. Accordingly, insolvency proceedings with respect to any of those entities would be likely to proceed under, and be governed by, English insolvency law. The Company and certain of the other Guarantors are incorporated under the laws of the Cayman Islands. Accordingly, insolvency proceedings with respect to the Company and the other Guarantors incorporated in the Cayman Islands would be likely to proceed under, and be governed by, the laws of the Cayman Islands. English or Cayman Islands insolvency law may not be as favorable to investors as the laws of the United States or other jurisdictions with which investors are familiar. In the event that any one or more of the Issuer or Guarantors experiences financial difficulty, it is not possible to predict with certainty the outcome of insolvency or similar proceedings.

In the event that any one or more of the Issuer, the Guarantors, any future Guarantors, if any, or any other of the Company's subsidiaries were to experience financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings. Note Guarantees and Collateral provided by entities organized in jurisdictions not discussed in this Offering Memorandum are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the Note Guarantees or security after bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organization or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of secured and other creditors, the ability to void preferential transfer, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the Note Guarantees or the Collateral in these jurisdictions and limit any amounts that you may receive. See "Limitations on validity and enforceability of the Note Guarantees and security interests."

Each Note Guarantee is subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability.

Each Note Guarantee provides the holders of the Notes with a direct claim against the relevant Guarantor. However, the Indenture provides that each Note Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the relevant Note Guarantee, as it relates to that Guarantor, voidable or otherwise ineffective or limited under applicable law, and enforcement of each Note Guarantee would be subject to certain generally available defenses. See "Limitations on validity and enforceability of the Note Guarantees and security interests."

Enforcement of any of the Note Guarantees against any Guarantor will be subject to certain defenses available to Guarantors in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its Note Guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in such jurisdictions could limit the enforceability of any Note Guarantee against any Guarantor.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Guarantor's obligations under its Note Guarantee, (ii) direct that the holders of the Notes return any amounts paid under a Note Guarantee to the relevant Guarantor or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Note Guarantee was incurred with actual intent to give preference to one creditor over another, hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, when the granting of the Note Guarantee has the effect of giving a creditor a preference or when the recipient was aware that the Guarantor was insolvent when it granted the relevant Note Guarantee;

- the Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Note Guarantee and the Guarantor was: (i) insolvent or rendered insolvent because of the relevant Note Guarantee; (ii) undercapitalized or became undercapitalized because of the relevant Note Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the relevant Note Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor; or
- the amount paid or payable under the relevant Note Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

We cannot assure you which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of method of valuation, a court would not determine that a Guarantor was insolvent on that date, or a that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Note Guarantee was issued, that payments to holders of the Notes constituted preferences, fraudulent transfers or conveyances on other grounds.

The liability of each Guarantor under its Note Guarantee will be limited to the amount that will result in such Note Guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Note Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court were to decide that a Note Guarantee was a preference, fraudulent transfer or conveyance and voided such Note Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the relevant Note Guarantee which has not been declared void. In the event that any Note Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Note Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor, and if we cannot satisfy our obligations under the Notes or any Note Guarantee is found to be a preference, fraudulent transfer or conveyance or is otherwise set aside, we cannot assure you that we can ever repay in full any amounts outstanding under the Notes.

There are circumstances other than repayment or discharge of the Notes under which the Collateral securing the Notes and the Note Guarantees will be released automatically and under which the Note Guarantees will be released automatically, without your consent or the consent of the Trustee.

Under various circumstances, Collateral securing the Notes and the Note Guarantees will be released automatically, including:

- in connection with any sale or other disposition of the property or assets constituting Collateral, if the sale or other disposition does not violate the "Assets Sales" covenant or other provisions of the Indenture;
- in the case of a Guarantor that is released from its Note Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and share capital, of such Guarantor;
- if the Company designates any restricted subsidiary to be an unrestricted subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and share capital, of such subsidiary;
- in accordance with the "Amendments and waivers" provisions of the Indenture;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under the captions "Description of the Notes—Defeasance," and "Description of the Notes—Satisfaction and discharge"; or
- in connection with an enforcement sale pursuant to the Intercreditor Agreement.

In addition, under various circumstances, the Note Guarantees will be released automatically, including:

- in connection with any sale or other disposition of all or substantially all of the assets of a Guarantor (including by way of merger or consolidation) or the share capital of that Guarantor to a person that is not (either before or after giving effect to such transaction) the Company or a restricted subsidiary of the Company, if the sale or other disposition does not violate the "Asset Sales" provisions of the Indenture and the relevant Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;
- if the Company designates any restricted subsidiary that is a Guarantor to be an unrestricted subsidiary in accordance with the applicable provisions of the Indenture;
- in accordance with the "Amendments and waivers" provisions of the Indenture;
- upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under the captions "Description of the Notes—Defeasance," and "Description of the Notes—Satisfaction and discharge"; or
- in connection with an enforcement sale pursuant to the Intercreditor Agreement.

In addition, the Note Guarantees will each be subject to release upon enforcement sale as contemplated under the Intercreditor Agreement. Unless consented to, the Intercreditor Agreement provides that the Security Agent shall not, in an enforcement scenario, exercise its rights to release the relevant Note Guarantees or security interests in the Collateral unless the relevant sale or disposal is made:

- for consideration all or substantially all of which is in the form of cash;
- to the extent there is a release of Note Guarantees or security granted for the benefit of the holders of Notes, concurrently with the discharge or release of the indebtedness of the disposed entities to certain other creditors, including the creditors under the Revolving Credit Facility Agreement and holders of the Notes; and
- pursuant to a public auction, or a fairness opinion has been obtained from an internationally recognized investment bank or accounting firm selected by the Security Agent.

See "Description of other indebtedness—Intercreditor Agreement" and "Description of the Notes."

The Additional Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Additional Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global Additional Notes will trade in book-entry form only, and Additional Notes in definitive registered form, or definitive registered Additional Notes, will be issued in exchange for book entry interests only in very limited circumstances. Owners of the book-entry interests will not be considered owners or holders of Additional Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, the common depositary (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the Additional Notes in global form.

Payments of principal, interest and other amounts owing on or in respect of the Additional Notes in global form will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to Euroclear and Clearstream participants' accounts that hold book-entry interests in the Additional Notes in global form and credited by such participants to indirect participants. After payment to the common depositary for Euroclear and Clearstream, none of the Issuer, the Guarantors, the Trustee, the Paying Agent or any other paying agent will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts to Euroclear and Clearstream, or to owners of book-entry interests. Accordingly, if you own a book-entry interest in the Additional Notes, you must rely on the procedures of Euroclear and Clearstream and, if you are not a participant in Euroclear and/or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Additional Notes under the Indenture.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Additional Notes, including enforcement of security for the Additional Notes and the Note Guarantees. Instead, if you own a book-entry interest, you will be reliant on the common depositary (as registered holder of the Additional Notes) to act on your instructions and/or will be permitted to act directly only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions or to take any other action on a timely basis.

The Additional Notes will be initially issued with temporary ISINs and common codes. In the event that we are unable to transfer the Additional Notes to the permanent ISINs and common codes, the Additional Notes will continue to trade under a separate ISIN and common code to the Original Fixed Rate Notes, which may adversely affect the liquidity of the Additional Notes and cause the Additional Notes to trade at different prices than the Original Fixed Rate Notes.

Once the Additional Notes having become freely tradeable upon the expiration of the relevant restrictive period under Rule 144A and Regulation S under the U.S. Securities Act, we expect that the Additional Notes will share a single ISIN and common code with the relevant Rule 144A and Regulation S Original Fixed Rate Notes, and that the Additional Notes and the Original Fixed Rate Notes will thereafter be fungible. However, in the event that we are unable to transfer the Additional Notes to the permanent ISINs and common codes, the Additional Notes will continue to trade under separate ISINs and common codes to the Original Fixed Rate Notes, which may adversely affect the liquidity of the Additional Notes and cause the Additional Notes to trade at different prices than the Original Fixed Rate Notes.

There may not be an active trading market for the Additional Notes, in which case your ability to sell the Additional Notes may be limited.

We cannot assure you as to:

- the liquidity of any market in the Additional Notes;
- your ability to sell your Additional Notes; or
- the prices at which you would be able to sell your Additional Notes.

Future trading prices for the Additional Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Additional Notes. The liquidity of a trading market for the Additional Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Additional Notes may attract different investors and this may affect the extent to which the Additional Notes may trade. It is possible that the market for the Additional Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Additional Notes, regardless of our prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Additional Notes. If no active trading market develops, you may not be able to resell your holding of the Additional Notes at a fair value, if at all.

Although an application has been made for each of the Additional Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Euro MTF market, we cannot assure you that the Additional Notes will remain listed. Although no assurance is made as to the liquidity of the Additional Notes as a result of the admission to trading on the Euro MTF, the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Additional Notes from the Official List of the Luxembourg Stock Exchange may have a material effect on a holder's ability to resell the Additional Notes, as applicable, in the secondary market.

In addition, the Indenture allows us to issue additional notes in the future, which could adversely impact the liquidity of the Additional Notes. See "Description of the Notes—Additional Notes."

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Additional Notes. The credit ratings address our ability to perform our obligations under the terms of the Additional Notes and credit risks in determining the likelihood that payments will be made when due under the Additional Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Additional Notes.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Additional Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Additional Notes.

The transferability of the Notes may be limited under applicable securities laws.

The Notes and the Note Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or any other jurisdiction. See "Notice to investors." It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

Investors in and purchasers of the Additional Notes may have limited or no recourse against our independent auditors.

See "Independent auditors" for a description of the independent auditors' report, including language limiting the independent auditors' scope of responsibility in relation to their audit work. Investors in and purchasers of the Additional Notes may have limited or no recourse against the independent auditors.

Investors in and purchasers of the Additional Notes should understand that consistent with guidance issued by ICAEW, the Institute of Chartered Accountants in England and Wales, the independent auditors' report included elsewhere in this Offering Memorandum states that: the report has been prepared for the Company and other named parties (the "Addressees") solely in response to a request from the Addressees for an opinion from independent auditors on the truth and fairness of the non-statutory directors' report and financial statements; that the report was designed to meet the agreed requirements of the Addressees determined by their needs at the time; that the report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against the independent auditors other than the Addressees for any purpose or in any context; that any party other than the Addresses who obtains access to the report or a copy and chooses to rely on the report (or any part of it) will do so at its own risk; and that to the fullest extent permitted by law, the independent auditors will accept no responsibility or liability in respect of the report to any other party. In the context of this Offering, the independent auditors have reconfirmed to us that they do not intend their duty of care in respect of their audits to extend to any party, such as investors in and purchasers of the Additional Notes, other than the Addressees of their report.

Without in any way or on any basis affecting or adding to or extending the independent auditors' duties and responsibilities to the Addressees or giving rise to any duty or responsibility being accepted or assumed by or imposed on the independent auditors to any party except the Addressees, the independent auditors have provided consent to the Company's inclusion, independently of the independent auditors, of the audit report with the non-statutory historical financial statements to which they relate in this Offering Memorandum for a proposed issuance of Additional Notes, thereby demonstrating that an audit of the non-statutory directors' report and financial statements for the relevant period has been undertaken for the Addressees. The consent provided by the independent auditors is different from a consent filed with the SEC under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Additional Notes have not been and will not be registered under the Securities Act, the independent auditors have not filed a consent under Section 7 of the Securities Act. The independent auditors' non-statutory historical report for the 52 weeks ended September 28, 2014 is included elsewhere in this Offering Memorandum.

The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act, or in a report filed under the Exchange Act. If a US court (or any other court) were to give effect to the language set out above, the recourse that investors in and purchasers of the Additional Notes may have against the independent auditors based on their report or the non-statutory directors' report and financial statements to which they relate could be limited. The extent to which independent auditors may have responsibility or liability to third parties can be unclear under the laws of many jurisdictions, including the United Kingdom. The inclusion of the language referred to above, however, may limit the ability of holders of the Notes to bring any action against the independent auditors for damages arising out of an investment in or purchase of the Notes.

Use of proceeds

We intend to use the proceeds from this Offering:

- to repay the borrowings under the Senior Secured Credit Facility that we used to finance the consideration for the freehold pubs and other assets that we acquired from the TCG freehold property sellers on September 29, 2015; and
- to pay certain fees, expenses and costs in connection with the foregoing transactions, and this Offering.

Actual amounts are subject to adjustments and may vary from estimated amounts depending on several factors, including actual fees and expenses as of the Additional Notes Issue Date. Following the closing of the purchase of the freehold pubs from the TCG freehold property sellers, we will acquire additional leasehold properties and certain other assets from the TCG operating business sellers. We intend to fund the purchase of the leasehold pubs and certain other assets from the proceeds of a sale and leaseback transaction that we intend to complete following this Offering in respect of five freehold properties located in London that we have acquired from the TCG freehold property sellers. See "Description of other indebtedness—Planned sale and leaseback transactions." Based on currently available information and in consultation with third-party advisors, we estimate that the aggregate proceeds from the sale of these five properties in London will be approximately £30 million. To the extent that the sale and leaseback transaction has not completed at the time that any consideration is due for purchasing one or more leasehold properties, we may use available cash or drawings under our Revolving Credit Facility to finance this additional consideration pending the execution of the sale and lease back transaction. The contemplated sale and leaseback transactions have not been committed yet and there can be no assurance that any or all of them will take place or at the currently estimated values.

The estimated sources and uses of funds for the acquisition of the freehold pubs are shown in the table below, ignoring the intervening drawings under the Senior Secured Credit Facility which will be refinanced by the proceeds of the issuance of the Notes.

Sources	£ in millions	Uses	£ in millions
Additional Notes offered hereby(1)	79.6	Payment of the consideration for freehold pubs and other assets acquired from the TCG freehold property sellers(3)	77.4
Cash(2)	0.4	Estimated commissions, fees and other expenses(4)	2.6
Total sources	**80.0**	**Total uses**	**80.0**

(1) Represents the gross proceeds that we will receive from the issuance of the Additional Notes offered hereby. This amount does not include accrued or unpaid interest estimated at £2.2 million in respect of the Additional Notes from April 15, 2015 to the Additional Notes Issue Date that we will receive on the Additional Notes Issue Date as part of the gross proceeds from this Offering.

(2) We intend to draw £0.4 million under the Revolving Credit Facility on the Additional Notes Issue Date to finance a portion of the fees and expenses we intend to pay on the Additional Notes Issue Date as described in footnote (4) below.

(3) We financed the consideration for our acquisition of freehold pubs and other assets from the TCG freehold property sellers with borrowings under our Senior Secured Credit Facility. We also financed approximately £1 million of the total consideration payable under our Leasehold and Operating Business Acquisition Agreement, for certain services provided by the administrators of the TCG leasehold estate and for certain items of inventory, with borrowings under our Senior Secured Credit Facility. We intend to repay the outstanding borrowings under our Senior Secured Credit Facility, together with any accrued and unpaid interest, in full on the Additional Notes Issue Date with a portion of the proceeds from this Offering.

(4) Represents our estimate of fees and expenses associated with the acquisition of freehold and leasehold pubs and certain other assets from TCG and to this Offering, including certain commissions, advisory and other professional fees and transaction costs. As of the Additional Notes Issue Date, based on our current estimates, we expect to have an additional aggregate amount of approximately £8 million outstanding in fees and expenses related to our acquisition of assets from TCG and to this Offering, of which £4.2 million relates to stamp duty costs, which we expect to pay within one month of the Additional Notes Issue Date. We expect to pay these outstanding fee amounts at varying times in the future from available cash or drawings under our Revolving Credit Facility.

Capitalization

The following table sets forth the Company's cash and cash equivalents and total consolidated capitalization and certain other balance sheet information as of July 5, 2015, on an actual basis and on an as adjusted basis to give effect to this Offering and certain sale and leaseback transactions that we have contemplated, and the use of proceeds therefrom, as described in "Use of proceeds." The adjusted information below is illustrative only and does not purport to be indicative of our capitalization following the completion of this Offering.

You should read this table together with the sections of this Offering Memorandum entitled "Use of proceeds," "Selected historical consolidated financial information," "Management's discussion and analysis of financial condition and results of operations" and "Description of other indebtedness—Planned sale and leaseback transactions" and our historical consolidated financial statements and related notes included elsewhere in this Offering Memorandum.

	As of July 5, 2015	
£ in millions	**Actual**	**As adjusted**
Cash and cash equivalents[(1)]	**12.0**	**12.0**
Third-party borrowings:		
Additional Notes offered hereby[(2)]	—	80.0
Original Notes[(3)]	400.0	400.0
Revolving Credit Facility[(4)]	2.1	2.5
Total third-party debt	**402.1**	**482.5**
Capitalized transaction costs[(5)]	(7.5)	(10.5)
Total financial liabilities	**394.6**	**472.0**
Total equity[(6)]	104.1	104.1
Total capitalization	**510.7**	**588.1**

(1) The actual amount reflects our cash at bank and in hand as of July 5, 2015. The as adjusted amount reflects the use of our cash at bank and in hand to give effect to this Offering and certain sale and leaseback transactions that we have contemplated, and the use of proceeds therefrom, as described in "Use of proceeds." Due to working capital movements, we anticipate that on or about the Additional Notes Issue Date we will need to draw approximately £10 million under our Revolving Credit Facility in order to provide liquidity to the business. If not for this drawing under our Revolving Credit Facility, we would not expect to have significant cash balances on the Additional Notes Issue Date.

(2) Represents £80.0 million aggregate principal amount of the Additional Notes offered hereby but does not include accrued or unpaid interest estimated at £2.2 million in respect of the Additional Notes from April 15, 2015 to the Additional Notes Issue Date that we will receive on the Additional Notes Issue Date as a part of the gross proceeds from this Offering. The proceeds from the Additional Notes will be used to repay the outstanding borrowings under the Senior Secured Credit Facility, entered into to finance the consideration for the acquisition of freehold pubs and other assets from the TCG freehold property sellers. See "Use of proceeds."

(3) Represents £400.0 million aggregate principal amount of the Original Notes, but does not include any accrued and unpaid interest in respect of the Original Notes. The carrying value of the Original Notes on our balance sheet as of July 5, 2015 was £392.5 million, which represents the aggregate principal amount of the Original Notes of £400.0 million net of £7.5 million of capitalized debt issuance costs.

(4) As of July 5, 2015, the principal amount of our borrowings under the Revolving Credit Facility was £2.1 million, which excludes any accrued and unpaid interest. In order to obtain committed financing for the initial consideration for our acquisition of pubs and certain other assets from TCG, we agreed with our lenders to increase the commitments under our Revolving Credit Facility to £50 million, effective as of September 29, 2015. See "Use of proceeds" and "Description of other indebtedness—Planned sale and leaseback transactions." Under the terms of the Revolving Credit Facility Agreement, borrowings above £35 million are required to be repaid, and the corresponding commitments cancelled, upon the earlier of 12 months from September 29, 2015 and the occurrence of certain other events. See "Description of other indebtedness." The as adjusted amount of Revolving Credit Facility does not reflect approximately £10 million in drawings under our Revolving Credit Facility that, based on current estimates, we expect to have outstanding as of the Additional Notes Issue Date. In addition, to the extent that the sale and leaseback transaction that we are contemplating has not completed at the time that any consideration is due for purchasing one or more leasehold properties, we may use available cash or drawings under our Revolving Credit Facility to finance this additional consideration pending the execution of the sale and lease back transaction.

(5) The historical amount of capitalized transaction costs represents £7.5 million of unamortized debt issue costs as of July 5, 2015 relating to the Original Notes. The as adjusted amount of capitalized transaction costs reflects approximately £2.6 million in fees and expenses that we expect to pay on the Additional Notes Issue Date in connection with the acquisition of assets from TCG and this Offering, as well as £0.4 million in issue discount in connection with this Offering which we intend to capitalize

and then amortize for the term of the Notes. See "Use of proceeds." The as adjusted amount of capitalized transaction costs does not include an additional aggregate amount of approximately £8 million in fees and expenses that we expect to have outstanding on the Additional Notes Issue Date. We expect to pay these outstanding fee amounts at varying times in the future, and intend to capitalize and then amortize these amounts for the term of the Notes as they are paid.

(6) We have not adjusted total equity to reflect the impact of the transactions contemplated in this Offering Memorandum.

Selected historical consolidated financial information

The following table summarizes the Company's historical consolidated financial information as of the dates and for the periods indicated. The selected historical consolidated financial information as of and for the 53 weeks ended September 30, 2012, the 52 weeks ended September 29, 2013 and the 52 weeks ended September 28, 2014 presented below have been derived from the Company's audited consolidated financial statements as of and for the 52 weeks ended September 28, 2014 that contain comparative financial information as of and for the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012, which is included elsewhere in this Offering Memorandum. The selected historical condensed consolidated financial information as of and for the 40 weeks ended July 6, 2014 and July 5, 2015 presented below have been derived from the Company's condensed consolidated interim financial statements included elsewhere in this Offering Memorandum, which have been prepared on a basis consistent with the Company's annual audited consolidated financial statements. In the opinion of management, such unaudited financial information reflect all adjustments necessary for a fair presentation of the results for those periods. These financial statements have been prepared in accordance with IFRS.

The Company's financial year accounting periods run from the calendar day following the previous financial year end, which for the 2012, 2013 and 2014 periods were September 26, 2011, October 1, 2012 and September 30, 2013, respectively, to the Sunday nearest to our accounting reference date. Accordingly, from time to time, the Company's financial year accounting period covers a 53-week period instead of a 52-week period. This impacts the comparability of the Company's results.

The results of operations and other financial and operating information for prior years or the interim periods are not necessarily indicative of the results to be expected for the full year or any future period. This financial information should be read in conjunction with the historical consolidated financial statements and accompanying notes included elsewhere in this Offering Memorandum and discussed in "Presentation of financial and other information," "Summary—Summary historical consolidated financial information" and "Management's discussion and analysis of financial condition and results of operations."

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Consolidated income statement:					
Revenue	**484,263**	**470,272**	**557,699**	**430,159**	**432,167**
Operating costs	**(432,411)**	**(421,393)**	**(507,498)**	**(389,750)**	**(377,662)**
Operating profit before depreciation, amortization, impairment and loss on sale of non-current assets	**51,852**	**48,879**	**50,201**	**40,409**	**54,505**
Depreciation, amortization and impairment	*(24,429)*	*(25,781)*	*(26,916)*	*(19,710)*	*(24,866)*
Profit/(Loss) on sale of non-current assets	*916*	*(1,844)*	*(210)*	*251*	*(1,863)*
Operating profit/(loss)	**28,339**	**21,254**	**23,075**	**20,950**	**27,776**
Finance income	281	70	256	210	106
Finance costs	(8,992)	(27,405)	(34,524)	(28,212)	(20,675)
Movement in fair value of interest rate swaps	(8,104)	3,775	4,085	3,064	(197)
Profit/(loss) before taxation	**11,524**	**(2,306)**	**(7,108)**	**(3,988)**	**7,010**
UK income tax credit/(charge)	1,681	(5,109)	3,458	(1,105)	(2,707)
Profit/(loss) for period	**13,205**	**(7,415)**	**(3,650)**	**(5,093)**	**4,303**

(£ in thousands)	As of September 30, 2012	As of September 29, 2013	As of September 28, 2014	As of July 5, 2015
Consolidated balance sheet:				
Non-current assets	499,626	500,296	541,999	550,351
Property, plant and equipment	*379,662*	*382,378*	*399,104*	*410,422*
Operating leases	*11,999*	*13,393*	*36,254*	*33,740*
Goodwill	*104,251*	*104,525*	*106,641*	*106,189*
Current assets	31,151	40,221	62,279	46,284
Current liabilities	(55,980)	(74,452)	(103,330)	(87,834)
Non-current liabilities	(304,513)	(313,436)	(401,569)	404,740
Total equity	170,824	152,629	99,379	104,061

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Consolidated cash flow statement:					
Net cash flow from operating activities	17,772	50,408	55,991	25,301	22,331
Net cash flow from investing activities	(24,388)	(28,793)	(67,387)	(59,858)	(35,152)
Net cash flow from financing activities	(13,000)	(12,501)	27,638	28,759	(855)
Closing cash and cash equivalents	(1,802)	7,312	23,554	1,514	9,878

Management's discussion and analysis of financial condition and results of operations

The following is a discussion of the financial condition and results of operations of the Company and its consolidated subsidiaries in the periods set forth below. Accordingly, all references to "we," "us" or "our" in respect of historical consolidated financial information in this discussion are to the Company and its subsidiaries on a consolidated basis. See "Presentation of financial and other information."

You should read this discussion in conjunction with our historical consolidated financial statements included elsewhere in this Offering Memorandum, as well as the "Selected historical consolidated financial information." The following presentation and analysis contains forward-looking statements that involve risks and uncertainties. For the reasons explained under "Forward-looking statements" and "Risk factors" and elsewhere in this Offering Memorandum, our future results may differ materially from those expected or implied in these forward looking statements.

Some of the measures used in this discussion and analysis are not measurements of financial performance under IFRS and have important limitations as analytical tools. You should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS. See "Certain definitions" and "Presentation of financial and other information."

Overview

We are one of the largest managed pub companies in the United Kingdom in terms of sales and number of operating sites. We operated from 612 operating sites (including pubs acquired from Maclay but not from TCG) across the United Kingdom through a variety of formats as of August 31, 2015. In addition, we have recently completed the acquisition of 37 freehold pubs, and have agreed to acquire 16 leasehold pubs, from TCG pursuant to acquisition agreements entered into on September 29, 2015 with TCG. Following the completion of our acquisition of these pubs from TCG, we expect to have 665 operating sites in the United Kingdom. We began our trading operations in November 2010 following the acquisition of 333 pubs from Mitchells & Butlers.

We have since grown in size and scale through a series of strategic acquisitions, including the acquisition of Town & City in June 2011, which operated 226 pubs, the acquisition of 12 pubs from Living Room in August 2013, the acquisition of 78 pubs from Bramwell in November 2013 and the acquisition of 15 pubs from Maclay in July, August and September 2015. In the 52 weeks ended July 5, 2015, we generated revenue of £559.7 million and Adjusted EBITDA of £74.8 million. We estimate that our Pro Forma Revenue for this period would have been £628.8 million and our Pro Forma Adjusted EBITDA for this period would have been £102.2 million.

Our business is highly diversified within our sector through a variety of different formats through which we cater to different customer needs and preferences. We categorize our pubs as either "branded" or "un-branded" based on each pub's concept and offering, and within these groups we classify our pubs into seven formats. Our branded group is comprised of our Slug and Lettuce, Yates, Venues and Common Rooms pubs, while our un-branded group is comprised of our Proper Pubs, Town Pub and Kitchen and Classic Inn pubs. By operating our business through a multi-format strategy, we believe we can position ourselves across a wide range of customer preferences and target various consumer trends. In addition, through strategic initiatives, we continuously evaluate our various pubs based on current performance and capacity, with the objective of identifying opportunities for further growth. In the 52 weeks ended July 5, 2015, 75% of our revenue from operating sites was generated from drink sales and 20% of our revenue from operating sites was generated from food, with the remaining revenue generated from other sources, such as admission, accommodation and machines. Approximately 90% of our pubs, bars and venues offer both food and drinks.

We believe that we have a strong property portfolio that consisted of 612 operating sites (including pubs acquired from Maclay but not from TCG) as of August 31, 2015, with 247 freehold properties and 26 long leasehold properties with 50 years or more remaining under the lease term. Following our acquisition of pubs from TCG, we expect to have a total of 284 freehold properties (five of which, recently acquired from TCG, we intend to sell and lease back following this Offering) and 27 long leasehold properties with 50 years or more remaining under the lease term in our property portfolio. Our property portfolio presents strong geographical diversification with a balanced presence across the entire United Kingdom. We are well exposed to the London market (13% of our operating sites as of August 31, 2015, which we expect will increase to 14% of our operating sites following our acquisition of pubs from TCG) and the broader

Southeast region (which includes London and accounted for 32% of our operating sites as of August 31, 2015, and which we expect will increase to 35% of our operating sites following our acquisition of pubs from TCG), areas with higher population densities and more affluent consumers. We also have a widespread presence on the high street and in urban and suburban locations across the United Kingdom. We continue to invest in our estate, and for the 156 week period ended July 5, 2015, our Return on Investment was 48.4%. As of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years.

Headquartered in Luton, with more than 11,500 employees, we benefit from significant scale and experience in our market. Being a fully managed pub operator, we have complete control over the sales formats and product offerings and benefit from all the revenue generated from our operations. All of our pubs benefit from shared administrative, marketing, supply and logistics functions, thereby reducing overheads and driving purchasing power as compared to an independent or tenant pub operator.

Factors affecting the comparability of our results of operations

Financial periods

Our historical consolidated financial statements have been drawn up for a whole number of weeks in accordance with common practice in the pub industry. Financial years are therefore generally 52 weeks long, with the occasional 53-week period to maintain our year-end to the Sunday nearest to the end of September each year, which for the 2012, 2013 and 2014 financial year periods were September 30, 2012, September 29, 2013 and September 28, 2014, respectively. Our accounting period for financial year 2012 covered a 53-week period. Consequently, the results for the 53 weeks ended September 30, 2012 were positively impacted by an additional week's trading relative to the 52 weeks ended September 29, 2013 and the 52 weeks ended September 28, 2014.

Our historical consolidated financial statements for each of the periods presented in this Offering Memorandum reflect the trading of certain pubs that we acquired, disposed of and closed during the financial years 2012, 2013 and 2014. Accordingly, because of the changes in the number of pubs in operation in, and during, any given year, our operating results for each of the periods presented are not directly comparable. For instance, our results of operations for the 52 weeks ended September 29, 2013 reflect the results of operations of the Living Room pubs for only 7 weeks since their acquisition in August 2013. Our results of operations for the 52 weeks ended September 28, 2014 include the results of the Bramwell pubs from November 15, 2013, the date on which we acquired the Bramwell pubs. For further information on the impact of our acquisitions on our results of operations, see "—Acquisitions, disposals and closures" below.

Acquisitions, disposals and closures

In each of the periods presented in this Offering Memorandum, we made a number of acquisitions, disposals and closures, which have affected our results of operations. We proactively manage the composition of our estate and pursue a strategy of selective and opportunistic acquisition whereby we seek to acquire high-quality pubs that complement our current offering. See "Summary—Our strategies—Complement our organic growth through targeted, opportunistic acquisitions." From time to time, we also dispose of and close down the less sustainable and unprofitable pubs within our estate. Our significant acquisitions are:

- *Mitchells & Butlers:* We began our trading operations in November 2010, following the acquisition of 333 pubs from Mitchells & Butlers;
- *Town & City:* In June 2011, we acquired Town & City, which operated 226 pubs;
- *Living Room:* In August 2013, we acquired 12 pubs from Living Room;
- *Bramwell:* In November 2013, we acquired 78 pubs from Bramwell;
- *Maclay:* In July, August and September 2015, we acquired 15 pubs from Maclay; and
- *TCG:* In September 2015, we signed acquisition agreements to acquire 53 pubs and certain other assets from TCG, and we completed the acquisition of 37 freehold pubs under one of these agreements on September 29, 2015.

From time to time, we dispose of and close down underperforming pubs to streamline our offering and focus on our profitable operations. For the 52 weeks ended September 28, 2014, the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012, we disposed of 14 pubs, nine pubs and six pubs, respectively, to third parties, and closed down one pub, four pubs and no pubs, respectively. Since September 29, 2014, we have disposed of 16 pubs, and we are currently in the process of disposing of another seven of our pubs that are not in operation at present.

Over the nearly five years since we began our trading operations with the acquisition of pubs from Mitchells & Butlers, we have grown our estate from 333 operating sites as of November 20, 2010 to 612 operating sites as of August 31, 2015 (including pubs acquired from Maclay but not from TCG). Our revenue has grown from £484.3 million in the 53 weeks ended September 30, 2012 to £557.7 million in the 52 weeks ended September 28, 2014 mainly due to the trading impact of these acquisitions.

The following table presents the numbers of pubs acquired, disposed of and closed down, as well as the total number of our operating sites, for the periods indicated:

	For the 53 weeks ended September 30, 2012	**For the 52 weeks ended September 29, 2013**	**For the 52 weeks ended September 28, 2014**	**For the 40 weeks ended July 5, 2015**
Acquisitions of pubs	—	14	78	1
Disposals of pubs	(3)	(9)	(14)	(16)
Closure of pubs	(3)	(4)	5(1)	(1)
Total operating sites	**543**	**544**	**613**	**597(2)**

(1) Represents one pub that was closed, increased by (i) two pubs that were re-opened during this period following their closure in the 52 weeks ended September 29, 2013 as a result of fire incidents at these pubs and (ii) four previously closed down pubs that were disposed of during this period.

(2) Since July 5, 2015, we have acquired 15 pubs from Maclay, and we have recently completed the acquisition of 37 freehold pubs, and have agreed to acquire 16 leasehold pubs, from TCG pursuant to acquisition agreements entered into on September 29, 2015 with TCG. Since August 31, 2015, we have acquired one additional pub. We have not disposed of or closed any pubs since July 5, 2015.

Key factors affecting our results of operations

You should consider the following factors in analyzing our financial condition and results of operations:

Focused investment program and continued operating efficiency improvements

We have a focused investment program and take a disciplined approach to investment appraisal. We identify priority investments through biannual estate reviews, and approve each project at multiple levels, before it can finally be approved at our senior management meetings. Proposed schemes are reviewed at the Managing Director executive committee chaired by our managing directors and the operations board chaired by our CEO before being authorized at our senior management meetings chaired by our chairman. Since we began trading, and through August 31, 2015, we have refurbished approximately 330 of our pubs (including the refurbishment of one of the pubs acquired from Maclay but none from TCG). We continue to invest in our estate, and for the 156 week period ended July 5, 2015, our Return on Investment was 48.4%. Our investments made over the last three years are also presented at each senior management meeting for post-investment review. As of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years. We have integrated the Living Room pubs we have acquired into our Slug and Lettuce format and the Bramwell pubs we have acquired into our Town Pub and Kitchen, Classic Inns and Slug and Lettuce formats. Further, we intend to integrate the Maclay pubs we have acquired into our Proper Pubs, Town Pub and Kitchen and Common Rooms formats and the TCG pubs that we have agreed to acquire into our Slug and Lettuce, Venues, Proper Pubs, Town Pub and Kitchen and Classic Inns formats.

One of our key initiatives for the strategic improvement of our operations is our "Hot 100" program, which we launched in April 2013. This initiative was introduced by our management to provide additional focus on, and support to, our 100 pubs that, at a given time, we believe offer the highest potential for improvement in profits. Implementation of this initiative involves the improvement of overall site performance in both:

- "stretch" pubs (high-performing pubs with further potential to grow by building upon their strong foundations); and
- "turnaround" pubs (pubs which have experienced slow or negative growth, but where there is potential for improved performance).

Our pubs that have been through the Hot 100 program have shown a significant increase in the profits that they generate. So far, 208 of our pubs have been through this program and 100 pubs are currently in the program. We have been able to achieve this by prioritizing what we consider to be key actions at each site, which could involve, among other things:

- capital investments, such as refurbishment of pubs and improvement of their layout;
- reorganization of the drinks and food menu to better address the target customer group for each site;
- strengthening of site management;
- implementation of suitable training programs for our employees; and
- the formulation and implementation of appropriate pricing strategies.

Changing consumer preferences and prevailing macroeconomic conditions

Our financial results are impacted by changes in consumer habits and preferences within the United Kingdom. Examples of changes in consumer habits that have impacted our financial performance include long-term growth in the eating-out market, an increase in on-trade consumption of spirits and wines at the expense of beer, focus on overall customer experience and an increase in popularity of pubs attracting women and families with children. See "Industry." Changes in consumer preferences and trends may continue to impact our financial results, particularly if we are unable to anticipate, identify and respond to such changes by evolving our brands and offering adequately and in a timely fashion.

Changes in the general macroeconomic environment and consumer confidence can also have an impact on our sales. See "—Key performance measures—Like for like growth" and "—Key performance measures—Gross margin for drinks and for food." Our business is also subject to macroeconomic factors such as interest rates, disposable incomes, unemployment rates, taxes, consumer credit levels and house prices, which could all affect the level of consumer confidence and, in turn, impact the level of consumer spending on eating and drinking out and other leisure activities.

Operating costs control

Our cost structure mainly comprises drink and food costs, employment costs, operating expenses (such as utility bills, costs associated with entrance security, live sport subscription costs), operating lease rentals, head office costs, site overhead costs (such as business rates, insurance costs, costs associated with general manager incentive programs) and pub repair and maintenance costs. We believe that much of our cost structure is flexible and can be re-evaluated and restructured should the need arise.

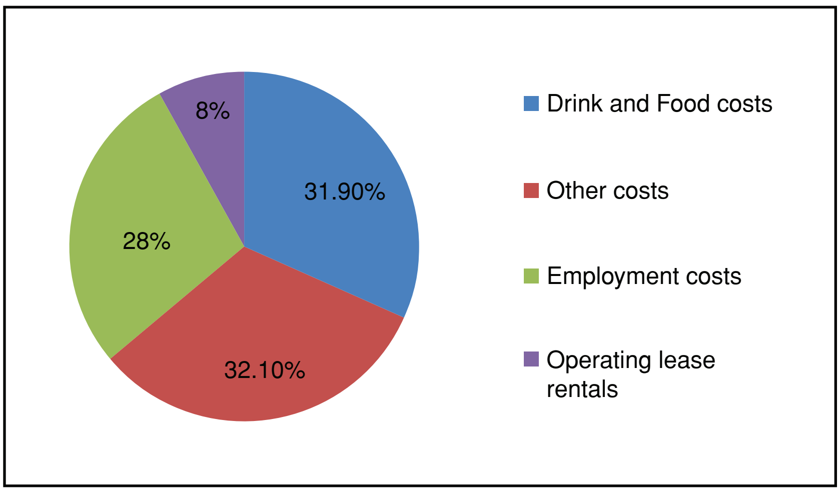
Drink and food costs are the largest element of our operating costs, which accounted for 31.9% of our operating costs for the 52 weeks ended September 28, 2014, and our results are affected by the cost of supplies purchased from third parties. We purchase beer and other drink products from various suppliers. Our five leading drink suppliers are Heineken UK, Molson Coors (UK), Matthew Clark Wholesale Limited, Carlsberg UK and Diageo. Our gross margins derived from beer and other drink products is affected by changes in the wholesale prices at which they are bought from brewers and suppliers and the corresponding changes in prices at which they are sold on to customers. Our Gross Margin for Drinks can also be impacted by duty escalators that may be applied by the government in the United Kingdom with respect to alcoholic drinks. See "Industry." A substantial majority of our food supply is distributed through Brake Bros Limited who, in consultation with us, in turn sources our food supplies from other suppliers in the market. Our Gross Margin for Food is affected by the changes in prices at which food is bought, the corresponding changes in wholesale prices at which they are sold on to customers and the impact of our menu changes. For a discussion on the changes in our Gross Margin for Drink and Gross Margin for Food over the periods presented in this Offering Memorandum, see "—Key performance measures—Gross margin for drinks and for food."

As a result of our increased scale following our acquisition of pubs from Bramwell, we have been able to renegotiate a number of our supply agreements. In particular, we have negotiated reductions in the price per unit of various drinks that we purchase from our suppliers, including draught beer, spirits and packaged products. Applying the renegotiated cost prices to the combined volumes of the products purchased at the time of the acquisition resulted in an estimated cost savings of approximately £7.0 million. We expect to benefit from such, and other, economies of scale as we continue to expand our operations, which we believe will continue to have a favorable impact on our overall supply costs.

Employment costs are another significant element of our operating costs. Employment costs constituted 28.0% of our operating costs for the 52 weeks ended September 28, 2014, of which 69% constituted the cost of wages (which are a variable cost to us) and the remaining 31% constituted the cost of salaries (which are a fixed cost to us). Minimum wage legislation largely establishes our base compensation levels. Since October 2014, the minimum wage has been £6.50 per hour for persons aged 21 and older. Increases in employment costs, whether due to market conditions or increases in mandatory minimum wages or benefits, can have a material impact on our results of operations. Increases in employee turnover can also result in increased recruiting expenses and reduced efficiency through lost management time.

With respect to our property portfolio, the majority of our leases have five-year rent review cycles. We are currently in discussions with a number of landlords regarding potential rent concessions. Similar concessions for the 53 weeks ended September 30, 2012, the 52 weeks ended September 29, 2013 and the 52 weeks ended September 28, 2014 resulted in improved rental terms and a reduction in our lease payments. Weak rental markets outside of London give us a strong negotiating position in those markets. Our continued capital investment in the pubs we rent and efforts to extend lease terms have also historically helped us negotiate rent concessions from our landlords.

The chart below illustrates the breakdown of our operating costs for the 52 weeks ended September 28, 2014:



Branded and un-branded approach

We group each of our pubs into one of two categories: branded or un-branded. We operate seven different formats across these two groups, which allows us to serve a diverse set of customer groups and occasions and cater to a wide range of customer tastes and preferences. Our branded group consists of pubs trading under our Slug and Lettuce, Yates, Venues and Common Rooms formats, while our un-branded group consists of pubs trading under our Proper Pubs, Town Pub and Kitchen and Classic Inns formats. As a result of our mix of brands, formats, target markets and offering, we are not dependent on any one brand or format to drive our sales growth and performance. For the 52 weeks ended September 28, 2014 our branded group's revenue increased by £25.4 million, while our un-branded group's revenue increased by £62.9 million compared to the 52 weeks ended September 29, 2013, primarily as a result of our acquisition of 78 pubs from Bramwell and subsequent integration of those pubs into our formats. For more information concerning revenue movements attributable to our specific formats, see "—Key performance measures—Like for like growth" and "—Results of operations."

Our results of operations represent an aggregation of the differing performance and characteristics of each of our formats. Typically, any marginal decrease in revenue for some of our brands and formats is offset by an increase in revenue of our other brands and formats.

The table below presents revenue relating to our branded and un-branded groups for the 53 weeks ended September 30, 2012, the 52 weeks ended September 29, 2013 and September 28, 2014 and the 40 weeks ended July 6, 2014 and July 5, 2015, excluding revenue from sites that were disposed of or closed up to July 5, 2015, as if such disposals or site closures occurred at the beginning of the period presented.

	Revenue				
(£ in thousands)	**For the 53 weeks ended September 30, 2012[(a)]**	**For the 52 weeks ended September 29, 2013**	**For the 52 weeks ended September 28, 2014**	**For the 40 weeks ended July, 2014**	**For the 40 weeks ended July 5, 2015**
Branded	223,123	227,222	252,629	195,151	195,055
Un-branded	223,081	223,039	285,906	218,939	230,648

(a) For the unaudited revenue information relating to our branded and un-branded groups for the 2012 financial year, we have presented revenue for a 52-week period rather than a 53-week period to provide a meaningful comparison with the data presented for the 52-week 2013 and 2014 financial years. We have calculated revenue relating to our branded and un-branded groups for the 2012 financial year by deducting the revenue for the first week of the 53 weeks ended September 30, 2012.

Regulation

Our pubs are subject to laws and regulations that affect our operations, including in relation to employment, minimum wages, health and safety, sanitation, data protection and access for the disabled, in addition to alcoholic drinks control, late-night levies, pub licensing, leisure (gaming) machines and competition. See "Industry."

We are subject to the Working Time Regulations in the United Kingdom. As we employ a large number of our staff at the minimum wage, increases in the minimum wage may result in increases in our labor costs and, to the extent we are not able to pass through these labor cost increases to our customers, we may experience an adverse impact on our gross margins.

Licensing authorities in the United Kingdom are authorized to impose a late-night levy on late-opening alcohol suppliers. Many of our pubs are open late and are subject to these late-night levies. To the extent that individual licensing authorities decide to implement late-night levies for longer periods than currently in operation or the government decides to increase the scope of these powers, we could experience an increase in our operating costs. Compliance with these laws and regulations impose certain administrative burdens on us, as our managers are required to devote significant amounts of their time to managing and ensuring compliance with these requirements, which reduces the time they are able to dedicate to the running of the business. For risks related to changes in regulations to which we are subject or the introduction of new regulations to which we may become subject, see "Risk factors—Risks related to our business—Changes in regulations to which we are subject or the introduction of new regulations to which we may become subject could have a negative effect on our business."

Seasonal effects

Attendance levels at our pubs are affected by the weather and by the timing of major sporting events. Persistent rain, snow or other inclement weather, especially during the summer months or over our peak trading periods such as the Christmas period, Easter, bank holidays and end-of-the-month salary weekends, can have a negative effect on our revenue. Major sporting events can also affect our revenue. The absence of major sporting events, or the poor performance of a British team, could have a negative impact on our results of operations. The seasonality of the pub industry results in variable demand and, consequently, our revenue and operating results tend to fluctuate from period to period.

Description of key income statement line items

Revenue

Our revenue is mainly derived from the sale of food and drinks to third parties, after deducting discounts and VAT. It also includes revenue derived from admission, accommodation and machine (gaming). We recognize revenue at the point of sale.

In respect of our loyalty card scheme, the More card (formerly, the ScreamMore card), as points are issued to customers, the retail fair value of those points expected to be redeemed is deferred. When the points are used by customers, they are recorded as revenue.

Operating costs

Our operating costs represent our drink and food costs, employment costs, operating lease rentals and other costs.

- Our drink and food costs represented 31.9% of our total operating costs for the 52 weeks ended September 28, 2014 and primarily comprised the costs associated with the supply of our food and drinks;
- Our employment costs represented 28.0% of our total operating costs for the 52 weeks ended September 28, 2014 and primarily comprised salaries to our staff and management;
- Our operating lease rental costs represented 8.0% of our total operating costs for the 52 weeks ended September 28, 2014 and primarily comprised rent payments in respect of our short leasehold properties; and
- Our other costs represented 32.1% of our total operating costs for the 52 weeks ended September 28, 2014 and primarily comprised door costs (i.e., costs associated with entrance security at some of our pubs), live entertainment costs, live sport subscription costs (such as the cost of subscriptions to SKY), repair and maintenance costs, business rates payments, insurance costs and site manager incentive payments.

Depreciation, amortization and impairment

Depreciation relates to the depreciation and impairment of our property, plant and equipment over their useful lives. Amortization relates to the amortization and impairment of certain of our intangible assets over their useful lives. Our intangible assets include our operating leasehold interests, which are capitalized and amortized on a straight-line basis over their useful lives. Goodwill arising on consolidation in respect of acquisitions is capitalized and is tested annually for impairment.

Profit/(loss) on sale of non-current assets

Profit/(loss) on sale of non-current assets represents the difference between the proceeds received from the sale of a site and its book value.

Finance income

Our finance income represents interest receivable on loans extended to certain members of our management as well as interest that accrued on our overnight bank deposits, which we recognize as it accrues using the effective interest method.

Finance costs

Our finance costs include interest on bank loans, notes, the loans made to certain members of our management, certain pension charges related to the carrying value of our pension liability to its fair value, amortization of debt issue costs, refinancing costs, certain other interest expenses and certain costs relating to exceptional items.

Movement in fair value of interest rate swaps

The movement in the fair value of our interest rate swaps represents the change in value of the liability associated with our interest rate swaps, as provided by the swap counterparty.

UK income tax credit/(charge)

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognized, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not been reversed by the balance sheet date, except as otherwise required by International Accounting Standard 12.

We expect to benefit from a reduction in the United Kingdom corporation tax rates expected to come into effect in April 2017 and 2020. Reduction of corporation tax in the United Kingdom to 21% (effective from April 1, 2014) and to 20% (effective from April 1, 2015) was enacted on July 2, 2013, and further reductions to 19% (effective from April 1, 2017) and to 18% (effective from April 1, 2020) are expected. We expect that this reduction in corporation tax in the United Kingdom will reduce our future tax charges accordingly.

Profit/(loss) for the period

Profit/(loss) for the period represents the result of the consolidated income statement after provision for taxation.

Key performance measures

In evaluating our results of operations, we refer to key financial and non-financial measures relating to the performance of our business. In addition to the key line items of our consolidated income statement (which we consider to be revenue, gross profit and operating profit), the principal measures used to evaluate our performance include:

- Drink Sales Growth (Like for Like);
- Food Sales Growth (Like for Like);
- Revenue Growth (Like for Like);
- Pub Profit Growth (Like for Like);
- Gross Margin Growth (Like for Like);
- Gross Margin for Drinks;
- Gross Margin for Food;
- Adjusted EBITDA;
- Adjusted EBITDA Margin;
- Cash Conversion; and
- Return on Investment.

These non-IFRS financial measures are not measures determined based on IFRS, US GAAP or any other internationally accepted accounting principles, and you should not consider such items as an alternative to the historical financial position or other indicators of our cash flow and forward position based on IFRS measures. The non-IFRS financial measures, as defined by us, may not be comparable to similarly titled measures as presented by other companies due to differences in the way our non-IFRS financial measures are calculated. The non-IFRS financial information contained in this Offering Memorandum is not intended to comply with the reporting requirements of the SEC and will not be subject to review by the SEC. Even though the non-IFRS financial measures are used by management to assess our financial position and these types of measures are commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our position or results as reported under IFRS. See "Presentation of financial and other information—Non-IFRS financial information."

Like for like growth

Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like) for the 53 weeks ended September 30, 2012, for the 52 weeks ended September 29, 2013 and September 28, 2014, and for the 40 weeks and the 52 weeks ended July 5, 2015 represents our aggregate change in revenue from drinks sales and food sales, in total revenue, in EBITDA (less Group overhead costs) and in total gross margin (calculated as total revenue minus total operating costs divided by total revenue), respectively, compared to the previous year made at all pubs open and operated by us in either our branded or un-branded group throughout the current and previous year. For the Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Sales Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like) for the 2012 financial year, we have presented like for like sales, EBITDA and total gross margin, as applicable, for a 52 week period rather than a 53 week period to enhance comparability. Accordingly, we have calculated like for like sales, EBITDA and total gross margin as applicable, for the 2012 financial year by deducting the like for like sales, EBITDA and total gross margin, as applicable, for the first week of the 53 weeks ended September 30, 2012. For more information concerning how these metrics are calculated, see "Presentation of financial and other information—Non-IFRS financial information."

Various factors affect our Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like), including:

- the prevailing economic climate and trends;
- customer preferences and our ability to anticipate and respond effectively to trends and customer preferences;
- changes in the competitive environment;
- the level of our capital investment in our pubs;
- changes in our food and drink mix and pricing;
- the number and mix of pubs included in the calculation;
- management of our pubs and the level of customer service that we provide; and
- our ability to source and distribute food and drink products efficiently.

The following table presents our Drink Sales Growth (Like for Like), Food Sales Growth (Like for Like), Revenue Growth (Like for Like), Pub Profit Growth (Like for Like) and Gross Margin Growth (Like for Like) for our last three financial years and for the 40 weeks ended July 5, 2015:

	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 5, 2015
Drink Sales Growth (Like for Like)	3.3%	0.0%	2.9%	0.5%
Food Sales Growth (Like for Like)	2.4%	7.2%	9.1%	3.9%
Revenue Growth (Like for Like)	3.3%	1.2%	3.8%	1.0%
Pub Profit Growth (Like for Like)	1.9%	8.0%	5.3%	9.1%
Gross Margin Growth (Like for Like)	2.2%	1.6%	6.0%	3.1%

Drink Sales Growth (Like for Like) for our last three financial years and for the 40 weeks ended July 5, 2015

Our Drink Sales Growth (Like for Like) was 3.3% for the 53 weeks ended September 30, 2012, primarily due to higher drinks sales at our Slug and Lettuce pubs. The continued growth in drinks sales at our Slug and Lettuce, Classic Inns and Missoula pubs (which have since been reclassified into our Venues and Slug and Lettuce formats) for the 53 weeks ended September 30, 2012, was primarily driven by an increase in the capital investments made at these pubs and the stability of the customer groups targeted by these pubs which constitute some of our premium brands and formats.

Our Drink Sales Growth (Like for Like) remained constant (0.0%) for the 52 weeks ended September 29, 2013, primarily due to an increase in drinks sales at our Slug and Lettuce, Classic Inns and Missoula pubs (which have since been reclassified into our Venues and Slug and Lettuce formats), which was offset by a decline in drinks sales at our Yates pubs and Scream pubs (which have since been reclassified into our Common Rooms and Proper Pubs formats) during this period. A decline in drinks sales for the 52 weeks ended September 29, 2013, was primarily driven by, in the case of Scream, changing trends, preferences and spending patterns of students, which we have sought to address by discontinuing our Scream format and introducing our Common Room format, and, in the case of Yates, the pricing competition that we faced from other high-street pub operators.

Our Drink Sales Growth (Like for Like) was 2.9% for the 52 weeks ended September 28, 2014, primarily due to higher drink sales at our Classic Inns, Slug and Lettuce and Common Rooms pubs. The continued growth in drinks sales at our Classic Inns, Slug and Lettuce and Common Rooms pubs for the 52 weeks ended September 28, 2014, was primarily driven by capital investments made at these pubs, and in particular the successful conversion of pubs that we previously operated under our Scream format into our Common Rooms format, which has become a key format for future growth.

Our Drink Sales Growth (Like for Like) was 0.5% for the 40 weeks ended July 5, 2015, primarily due to higher drink sales at our Classic Inns and Common Rooms pubs, driven by continued investment in these formats, as well as by higher sales across our pubs operating under our Yates and Venues formats due to the implementation of a new management structure at these pubs.

Food Sales Growth (Like for Like) for our last three financial years and for the 40 weeks ended July 5, 2015

Our Food Sales Growth (Like for Like) was 2.4% for the 52 weeks ended September 30, 2012 compared to 9.1% for the for the 52 weeks ended September 28, 2014 primarily resulting from increased investment in pubs that have historically generated a lower mix of food revenue as compared to drink revenue, as well as our efforts to improve the quality and breadth of our food offering across all of our brands and formats. In particular, our efforts to address trends in healthy eating (for example, by including an under 500 calories segment in our menus), have helped us attract a wider, more health conscious, customer group and benefited our food sales.

Our Food Sales Growth (Like for Like) was 3.9% for the 40 weeks ended July 5, 2015, primarily driven by improved performance of certain of our pubs that had benefited from our capital investment program during this period, particularly pubs that we acquired from Bramwell. During the periods discussed above, we also benefited from an increase in consumer food spend outside of the home in the United Kingdom.

Pub Profit Growth (Like for Like) for our last three financial years and for the 40 weeks ended July 5, 2015

Our Pub Profit Growth (Like for Like) was 1.9% for the 53 weeks ended September 30, 2012, primarily due to high returns on capital investments in our Slug and Lettuce and Classic Inns pubs.

Our Pub Profit Growth (Like for Like) was 8.0% for the 52 weeks ended September 29, 2013, primarily due to continuing profit growth from our capital investments and certain off-site cost initiatives.

Our Pub Profit Growth (Like for Like) was 5.3% for the 52 weeks ended September 28, 2014, primarily due to increased drinks and food sales growth, the continuing success of our capital investments and improved margins from synergies resulting from our acquisition of pubs from Bramwell.

Our Pub Profit Growth (Like for Like) was 9.1% for the 40 weeks ended July 5, 2015, primarily due to cost efficiencies that we have realized through the introduction of a new labor efficiency tool, continued improvement in our margins, particularly at our Classic Inns and Common Rooms pubs, and the continuing returns on our capital investments.

Gross Margin Growth (Like for Like) for our last three financial years and for the 40 weeks ended July 5, 2015

Our Gross Margin Growth (Like for Like) was 2.2% for the 53 weeks ended September 30, 2012, primarily due to sales growth resulting from our capital investments.

Our Gross Margin Growth (Like for Like) was 1.6% for the 52 weeks ended September 29, 2013, primarily due to continued returns on capital investments and improved margins resulting from investment in our menu items.

Our Gross Margin Growth (Like for Like) was 6.0% for the 52 weeks ended September 28, 2014, primarily due to synergies gained from the acquisition of pubs from Bramwell.

Our Gross Margin Growth (Like for Like) was 3.1% for the 40 weeks ended July 5, 2015, primarily to synergies gained from the acquisition of pubs from Bramwell as well as from continued returns on capital investments and from our ability to continue to offer lower and less frequent discounts on our food and drink while increasing our food margins by investing in our menu items.

Gross margin for drinks and for food

Gross Margin for Drinks represents (i) for the relevant period, our revenue from drinks sales (excluding revenue from disposed of sites) minus cost of the drinks purchased (excluding costs of disposed of sites), divided by (ii) revenue from drinks sales (excluding revenue from disposed of sites) for the relevant period.

Gross Margin for Food represents (i) for the relevant period, our revenue from food sales (excluding revenue from disposed of sites) minus cost of the food purchased (excluding costs of disposed of sites), divided by (ii) revenue from food sales (excluding revenue from disposed of sites) for the relevant period.

The following table presents our Gross Margin for Drinks and Gross Margin for Food for the periods indicated:

	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 5, 2015
Gross Margin for Drinks	68.9%	69.4%	71.2%	72.4%
Gross Margin for Food	58.1%	59.9%	62.1%	63.7%

Our Gross Margin for Drinks and for Food in a particular period are sensitive to the macroeconomic environment, levels of competitor discounts, wholesale prices and retail prices, as well as our ability to realize cost synergies based on acquisitions of pubs that we complete and to pass these increases on to our customers. In the 52 weeks ended September 29, 2013, for instance, with an improvement in the macroeconomic environment and consumer confidence, we were able to offer lower and less frequent discounts on our food and drink in keeping with market trends, which helped us increase our Gross Margin for Drinks and for Food during this period. Additionally, in the 52 weeks ended September 28, 2014, we were able to benefit from synergies gained from the acquisition of pubs from Bramwell, which has enabled us to improve our drink margin while continuing to generate an improved food margin from our menus. Further, in the 40 weeks ended July 5, 2015, we have continued to benefit from synergies gained from the acquisition of pubs from Bramwell as well as from our ability to continue to offer lower and less frequent discounts on our food and drink while increasing our food margins by investing in our menu items. In addition, our Gross Margin for Drinks is sensitive to increases in alcohol duty. As with other managed pub operators, our Gross Margin for Drinks is higher than our Gross Margins for Food.

Adjusted EBITDA and Adjusted EBITDA Margin

Our Adjusted EBITDA represents EBITDA excluding acquisition costs, restructuring and integration costs, operational restructuring and redundancy costs, refinancing costs, releases on onerous lease provisions, discretionary management fees certain pension-related costs, losses on disposals and certain other non-recurring costs, restated on a 52-week basis in the case of the 53 weeks ended September 30, 2012 to enhance comparability by deducting the first week's sales, less operating costs for this week, assumed to be at a consistent margin for the first period (first four weeks from September 26, 2011), less the wages for this week, assumed to be the wages as a consistent percentage of revenue for the first period, and less the variable operating expenses for this week, assumed to be one quarter of the first period costs. Key fixed costs, such as rents, business rates and salaries, do not require a restatement because they are annual costs. Our Adjusted EBITDA Margin represents Adjusted EBITDA divided by revenue.

The following table presents our Adjusted EBITDA and EBITDA Margin for the periods indicated:

	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Adjusted EBITDA (£ in thousands)	55,803	57,526	67,088	52,496	60,182
Adjusted EBITDA Margin (%)	11.5%	12.2%	12.0%	12.2%	13.9%

Our Adjusted EBITDA for the 52 weeks ended September 29, 2013 increased to £57.5 million from £55.8 million for the 53 weeks ended September 30, 2012 and our Adjusted EBITDA margin for the 52 weeks ended September 29, 2013 increased to 12.2% from 11.5% for the 53 weeks ended September 30, 2012, primarily due to an increase in our Drink Sales Growth (Like for Like) and our Food Sales Growth (Like for Like) during this period driven by the positive impact of the measures implemented under our Hot 100 initiative and investment program and reductions in rent payable that we were able to negotiate with many of our landlords during this period.

Our Adjusted EBITDA for the 52 weeks ended September 28, 2014 increased to £67.1 million from £57.5 million for the 52 weeks ended September 29, 2013 and our Adjusted EBITDA margin for the 52 weeks ended September 28, 2014 decreased to 12.0% from 12.2% for the 52 weeks ended

September 29, 2013, primarily due to the impact on our EBITDA for the 52 weeks ended September 28, 2014 of our acquisition in November 2013 of 78 pubs from Bramwell. During the 52 weeks ended September 28, 2014, we also benefited from an increase in our Drink Sales Growth (Like for Like) and our Food Sales Growth (Like for Like), without a commensurate increase in our costs, driven by the positive impact of the measures implemented under our Hot 100 initiative and our continued investment program which resulted in higher Adjusted EBITDA for this period.

Our Adjusted EBITDA for the 40 weeks ended July 5, 2015 increased to £60.2 million from £52.5 million for the 40 weeks ended July 6, 2014 and our Adjusted EBITDA margin for the 40 weeks ended July 5, 2015 increased to 13.9% from 12.2% for the 40 weeks ended July 6, 2014, primarily due to the impact of our acquisition in November 2013 of 78 pubs from Bramwell, as well as the positive impact of the measures implemented under our Hot 100 initiative and our continued investment program.

Cash Conversion

Cash Conversion represents our Adjusted EBITDA minus Maintenance Capital Expenditure divided by our Adjusted EBITDA. We believe Cash Conversion reflects the proportion of our Adjusted EBITDA that readily converts to cash as we manage our capital expenditure program.

The following table presents our Cash Conversion for the periods indicated:

	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Adjusted EBITDA (£ in thousands)	55,803	57,526	67,088	52,496	60,182
Maintenance Capital Expenditure (£ in thousands)	15,904	12,145	17,647	12,381	14,665
Cash Conversion (%)	**71.5%**	**78.9%**	**73.7%**	**76.4%**	**75.6%**

Our Cash Conversion for the 40 weeks ended July 5, 2015 decreased to 75.6% from 76.4% for the 40 weeks ended July 6, 2014, primarily due the increase in our Maintenance Capital Expenditure for the 40 weeks ended July 5, 2015 compared to the 40 weeks ended July 6, 2014.

Our Cash Conversion for the 52 weeks ended September 28, 2014 decreased to 73.7% from 78.9% for the 52 weeks ended September 29, 2013, primarily due to increased Maintenance Capital Expenditure at certain pubs acquired from Bramwell.

Our Cash Conversion for the 52 weeks ended September 29, 2013 increased to 78.9% from 71.5% for the 53 weeks ended September 30, 2012, primarily due a decrease in Maintenance Capital Expenditure to £12.1 million for the 52 weeks ended September 29, 2013 compared to £15.9 million for the 53 weeks ended September 30, 2012.

Return on Investment

Our Return on Investment represents, for all pubs invested during the three-year period preceding the date on which we present Return on Investment, the difference between the annualized aggregate weekly average post-investment EBITDA (from the first full four week period after the re-opening of such pubs) and the 52 week pre-investment EBITDA of those pubs (to the end of the last full four week period), divided by the aggregate Investment Capital Expenditure invested in these pubs over the same three-year period. Where a pub has traded for less than 52 weeks post-investment, we have not taken it into account when calculating Return on Investment. Pubs where we have not made an Investment Capital Expenditure in the past 156 weeks are classed as uninvested. For more information concerning how this metric is calculated, see "Presentation of financial and other information—Non-IFRS financial information."

The following table presents our Return on Investment for the periods indicated:

	For the 156 weeks ended September 30, 2012	For the 156 weeks ended September 29, 2013	For the 156 weeks ended September 28, 2014	For the 156 weeks ended July 5, 2015
Return on Investment	54.2%	41.3%	45.9%	48.4%

Our Return on Investment for each of the periods indicated is primarily driven by the aggregate Investment Capital Expenditure invested in these pubs during the period for which Return on Investment is presented.

Results of operations

The 40 weeks ended July 5, 2015 compared to the 40 weeks ended July 6, 2014

The table below sets out our results for the 40 weeks ended July 5, 2015 compared to the 40 weeks ended July 6, 2014:

(£ in thousands)	40 weeks ended July 6, 2014	40 weeks ended July 5, 2015	Percentage change
Revenue	**430,159**	**432,167**	**0.5%**
Operating costs	**(389,750)**	**(377,662)**	**3.1%**
Operating profit before depreciation, amortization, impairment and loss on sale of non-current assets	**40,409**	**54,505**	**34.9%**
Depreciation, amortization and impairment	*(19,710)*	*(24,866)*	**26.2%**
Loss on sale of non-current assets	*251*	*(1,863)*	**NM***
Operating profit (loss)	**20,950**	**27,776**	**32.6%**
Finance income	210	106	**49.5%**
Finance costs	(28,212)	(20,675)	**26.7%**
Movement in fair value of interest rate swaps	3,064	(197)	**106.4%**
Profit/(loss) before taxation	**(3,988)**	**7,010**	**—**
UK income tax credit/(charge)	(1,105)	(2,707)	**100%**
Profit/(loss) for the period	**(5,093)**	**4,303**	**NM***

* Not meaningful

Revenue

Our revenue for the 40 weeks ended July 5, 2015 increased by £2.0 million, or 0.5%, from £430.2 million for the 40 weeks ended July 6, 2014 to £432.2 million, primarily due to the full 40-week impact of our acquisition of 78 pubs from Bramwell in November 2013 compared to a 33-week impact of this acquisition in our results for the 40 weeks ended July 6, 2014.

Operating costs

Our operating costs for the 40 weeks ended July 5, 2015 decreased by £12.1 million, or 3.1%, from £389.8 million for the 40 weeks ended July 6, 2014 to £377.7 million, primarily due to various efficiency programs introduced in 2014 aimed at reducing our operating costs. These included, for example, labor efficiency initiatives designed to, among other things, better align the staffing practices at our pubs with demand trends, the implementation of a profit protection plan through which we seek to identify cost items to which we can apply greater discipline, such as by identifying those pubs that would most benefit from maintenance expenditures or from which we would most benefit from disposing, and realizing synergies relating to our acquisition of pubs from Bramwell.

Depreciation, amortization and impairment

Our depreciation, amortization and impairment for the 40 weeks ended July 5, 2015 increased by £5.2 million, from £19.7 million for the 40 weeks ended July 6, 2014 to £24.9 million, primarily due to increased depreciation and amortization attributable to the assets we acquired from Bramwell, as depreciation and amortization attributable to these assets were only included for a portion of the 40 weeks ended July 6, 2014, as well as higher depreciation in the 40 weeks ended July 6, 2014 resulting from our increased investment expenditures during this period.

Loss on sale of non-current assets

Our loss on sale of non-current assets for the 40 weeks ended July 5, 2015 increased by £2.2 million, from a profit of £0.3 million for the 40 weeks ended July 6, 2014 to a loss of £1.9 million, primarily due to our disposal of 16 loss-making sites in the 40 weeks ended July 5, 2015 compared to our disposal of only six such sites in the 40 weeks ended July 6, 2014.

Finance income

Our finance income for the 40 weeks ended July 5, 2015 decreased by £0.1 million, from £0.2 million for the 40 weeks ended July 6, 2014 to £0.1 million.

Finance costs

Our finance costs for the 40 weeks ended July 5, 2015 decreased by £7.5 million, or 26.7%, from £28.2 million for the 40 weeks ended July 6, 2014 to £20.7 million, primarily due to lower interest expense on our third-party debt in the 40 weeks ended July 5, 2015 resulting from the refinancing we undertook of our third-party debt in April 2014.

Movement in fair value of interest rate swaps

The income statement impact of the change in the fair value of our interest rate swaps for the 40 weeks ended July 5, 2015 decreased by £3.3 million, from a £3.1 million gain for the 40 weeks ended July 6, 2014 to a £0.2 million loss, primarily due to the reduction in the principal amount of our third-party floating rate debt from £290 million to £140 million following the refinancing we undertook in April 2014.

UK income tax credit/(charge)

Our tax charge on ordinary activities for the 40 weeks ended July 5, 2015 was £2.8 million compared to a tax charge on ordinary activities of £1.1 million for the 40 weeks ended July 6, 2014, primarily due to the use of brought forward tax losses and capital allowances claimed in excess of depreciation during the current period.

Profit/(loss) for the period

We reported a profit of £4.3 million for the 40 weeks ended July 5, 2015 compared to a loss of £5.1 million for the 40 weeks ended July 6, 2014.

The 52 weeks ended September 28, 2014 compared to the 52 weeks September 29, 2013

(£ in thousands)	52 weeks ended September 29, 2013	52 weeks ended September 28, 2014	Percentage change
Revenue	**470,272**	**557,699**	**18.6%**
Operating costs	**(421,393)**	**(507,498)**	**20.4%**
Operating profit before depreciation, amortization, impairment and loss on sale of non-current assets	**48,879**	**50,201**	**2.7%**
Depreciation, amortization and impairment	**(25,781)**	**(26,916)**	4.4%
Loss on sale of non-current assets	**(1,844)**	**(210)**	**88.6%**
Operating profit (loss)	21,254	23,075	**8.6%**
Finance income	70	256	NM*
Finance costs	(27,405)	(34,524)	26.0%
Movement in fair value of interest rate swaps	3,775	4,085	**8.2%**
Profit/(loss) before taxation	**(2,306)**	**(7,108)**	NM*
UK income tax credit/(charge)	(5,109)	3,458	NM*
Profit/(loss) for the period	**(7,415)**	**(3,650)**	**50.8%**

* Not meaningful

Revenue

Our revenue for the 52 weeks ended September 28, 2014 increased by £87.4 million, or 18.6%, from £470.3 million for the 52 weeks ended September 29, 2013 to £557.7 million for the 52 weeks ended September 28, 2014, primarily due to the consolidation within our results of the revenue from the 78 pubs we acquired from Bramwell in November 2013.

Operating costs

Our operating costs for the 52 weeks ended September 28, 2014 increased by £86.1 million, or 20.4%, from £421.4 million for the 52 weeks ended September 29, 2013 to £507.5 million the 52 weeks ended September 28, 2014, primarily due to the consolidation within our results of the operating costs of the 78 pubs that we acquired from Bramwell in August 2013. These include the rental expense of the 76 leasehold properties within the Bramwell estate that we acquired.

Depreciation, amortization and impairment

Our depreciation, amortization and impairment for the 52 weeks ended September 28, 2014 increased by £1.1 million, or 4.4%, from £25.8 million for the 52 weeks ended September 29, 2013 to £26.9 million, primarily due to the consolidation within our results of the depreciation and amortization expense attributable to the assets we acquired from Bramwell in November 2013.

Loss on sale of non-current assets

Our loss on sale of non-current assets for the 52 weeks ended September 28, 2014 decreased by £1.6 million, or 88.6%, from £1.8 million for the 52 weeks ended September 29, 2013 to £0.2 million, primarily due to our disposal of a higher number of properties for a larger net consideration in the 52 weeks ended September 28, 2014.

Finance income

Our finance income for the 52 weeks ended September 28, 2014 increased by £0.2 million, from £0.07 million for the 52 weeks ended September 29, 2013 to £0.26 million.

Finance costs

Our finance costs for the 52 weeks ended September 28, 2014 increased by £7.1 million, or 26.0%, from £27.4 million for the 52 weeks ended September 29, 2013 to £34.5 million, primarily due to the write-off of the debt issue costs relating to the debt instruments that were a part of our debt structure prior to April 2014 when we refinance these debt instruments and certain costs associated with such refinancing in April 2014.

Movement in fair value of interest rate swaps

The income statement impact of the change in the fair value of our interest rate swaps for the 52 weeks ended September 28, 2014 increased by £0.3 million, or 8.2%, from a £3.8 million gain for the 52 weeks ended September 29, 2013 to a £4.1 million gain, primarily due to the evaluation by our swap counterparty in the 52 weeks ended September 28, 2014 of our interest rate swaps in order to mark the value of these swaps to its market value.

UK income tax credit/(charge)

Our UK income tax for the 52 weeks ended September 28, 2014 was a credit of £3.5 million compared to a charge of £5.1 million for the 52 weeks ended September 29, 2013, primarily due to certain one-off tax reliefs we were able to avail of in the 52 weeks ended September 28, 2014.

Profit/(loss) for the period

We reported a loss of £3.6 million for the 52 weeks ended September 28, 2014 compared to a loss of £7.4 million for the 52 weeks ended September 29, 2013.

The 52 weeks ended September 29, 2013 compared to the 53 weeks ended September 30, 2012

The table below sets out our results for the 52 weeks ended September 29, 2013 compared to the 53 weeks ended September 30, 2012:

(£ in thousands)	53 weeks ended September 30, 2012	52 weeks ended September 29, 2013	Percentage change
Revenue	**484,263**	**470,272**	**2.9%**
Operating costs	(432,411)	(421,393)	2.5%
Operating profit before depreciation, amortization, impairment and loss on sale of non-current assets	**51,852**	**48,879**	**5.7%**
Depreciation, amortization and impairment	(24,429)	(25,781)	5.5%
Loss on sale of non-current assets	916	(1,844)	NM*
Operating profit (loss)	**28,339**	**21,254**	**25.0%**
Finance income	281	70	75.1%
Finance costs	(8,992)	(27,405)	NM*
Movement in fair value of interest rate swaps	(8,104)	3,775	NM*
Profit/(loss) before taxation	**11,524**	**(2,306)**	**NM***
UK income tax credit/(charge)	1,681	(5,109)	NM*
Profit/(loss) for the period	**13,205**	**(7,415)**	**NM***

* Not meaningful

Revenue

Our revenue for the 52 weeks ended September 29, 2013 decreased by £14.0 million, or 2.9%, from £484.3 million for the 53 weeks ended September 30, 2012 to £470.3 million for the 52 weeks ended September 29, 2013, primarily due to the impact of an additional week's trading in the 53 weeks ended September 30, 2012 relative to the 52 weeks ended September 29, 2013. In addition, the decrease in our revenue for the 52 weeks ended September 29, 2013, resulted from a decline in drinks sales at our Yates pubs and Scream pubs during this period, which was partially offset by an increase in drinks sales at our Slug and Lettuce pubs, Classic Inns pubs and Missoula pubs.

Operating costs

Our operating costs for the 52 weeks ended September 29, 2013 decreased by £11.0 million, or 2.5%, from £432.4 million for the 53 weeks ended September 30, 2012 to £421.4 million for the 52 weeks ended September 29, 2013, primarily due to the impact of an additional week's trading in the 53 weeks ended September 30, 2012 relative to the 52 weeks ended September 29, 2013. In the 52 weeks ended September 29, 2013, we also benefited from reductions in rent payable that we were able to negotiate with many of our landlords during this period.

Depreciation, amortization and impairment

Our depreciation, amortization and impairment for the 52 weeks ended September 29, 2013 increased by £1.4 million, or 5.5%, from £24.4 million for the 53 weeks ended September 30, 2012 to £25.8 million, primarily due to higher depreciation resulting from our increased investment expenditure across our estate.

Profit/(Loss) on sale of non-current assets

Our loss on sale of non-current assets for the 52 weeks ended September 29, 2013 increased by £2.8 million, from a profit of £0.9 million for the 53 weeks ended September 30, 2012 to a loss of £1.8 million, primarily due to our realization of a lower net consideration for properties disposed of in the 52 weeks ended September 29, 2013 as well as our ability to utilize an onerous lease provision as a credit to our profit on the sale of non-current assets in connection with our sale of these non-current assets during the 53 weeks ended September 30, 2012.

Finance income

Our finance income for the 52 weeks ended September 29, 2013 decreased by £0.2 million, or 75.1%, from £0.28 million for the 53 weeks ended September 30, 2012 to £0.07 million.

Finance costs

Our finance costs for the 52 weeks ended September 29, 2013 increased by £18.4 million, from £9.0 million for the 53 weeks ended September 30, 2012 to £27.4 million, primarily due to interest payments made on our then outstanding payment-in-kind shareholder loan, as well as the amortization of debt issue costs and other refinancing costs.

Movement in fair value of interest rate swaps

The income statement impact of the change in the fair value of our interest rate swaps for the 52 weeks ended September 29, 2013 increased by £11.9 million, from a £8.1 million loss for the 53 weeks ended September 30, 2012 to a £3.8 million gain, primarily due to the evaluation by our swap counterparty in the 52 weeks ended September 29, 2013 of our interest rate swaps in order to mark the value of these swaps to its market value.

UK income tax credit/(charge)

Our UK income tax for the 52 weeks ended September 29, 2013 was a charge of £5.1 million compared to a credit of £1.7 million for the 53 weeks ended September 30, 2012. This increase in tax charge relates to deferred tax and mainly resulted from the unwinding of deferred tax assets.

Profit/(loss) for the period

We reported a loss of £7.4 million for the 52 weeks ended September 29, 2013 compared to a profit of £13.2 million for the 53 weeks ended September 30, 2012.

Liquidity and capital resources

Liquidity

We have significant debt service obligations. As of July 5, 2015, after giving effect to this Offering and certain sale and leaseback transactions that we have contemplated, and the use of proceeds therefrom, we would have had total third-party debt of £482.5 million. As of the Additional Notes Issue Date, we will also have £47.5 million available under our Revolving Credit Facility. See "Use of proceeds."

The Indenture governing the Notes offered hereby and the Revolving Credit Facility contains covenants significantly restricting our ability to, among other things:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Company or its restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Company or its restricted subsidiaries;
- sell, lease or transfer certain assets including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities;
- impair the security interests for the benefit of the holders of the Notes; and
- amend certain documents.

Each of the covenants is subject to a number of important exceptions and qualifications. These covenants could limit our ability to finance our future operations and capital needs.

Our principal source of liquidity on an ongoing basis is our operating cash flow. Our ability to generate cash depends on our future operating performance, which in turn depends to some extent on general economic, financial, industry and other factors, many of which are beyond our control, as well as the other factors discussed in "Risk factors." In addition, we have access to a Revolving Credit Facility to service our working capital and general corporate needs. The availability of this facility is dependent upon conditions, include ongoing compliance with a maintenance covenant tested quarterly as described further under "Description of other indebtedness—Revolving Credit Facility Agreement." Although we believe that our expected cash flows from operations, together with available borrowings, will be adequate to meet our anticipated liquidity and debt service needs, we cannot assure you that our business will generate sufficient cash flows from operations or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay our debts when due, including the Notes, or to fund our other liquidity needs.

We believe that the potential risks to our liquidity include:

- a reduction in operating cash flows due to a lowering of net income from our operations, which could be due to downturns in our performance or the industry as a whole;
- adverse working capital developments;
- exposure to increased interest rates in relation to that portion of our borrowings which bears interest at a variable rate, including our Revolving Credit Facility; and
- any need to fund higher than anticipated capital expenditures.

If our future cash flows from operations and other capital resources (including borrowings under our Revolving Credit Facility) are insufficient to pay our obligations as they mature or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditure;
- reduce or delay our planned acquisitions;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. In addition, the terms of our existing debt, including the Notes and the Revolving Credit Facility, limit our ability to pursue any of these alternatives, as may the terms of any future debt. We anticipate that our high leverage will continue for the foreseeable future. Our high level of debt may have important negative consequences for you. For more information, see the section entitled "Risk factors," "Description of other indebtedness" and "Description of the Notes."

Cash flows

The following table presents, for the periods indicated, our consolidated cash flows:

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Consolidated cash flow statement:					
Net cash flow from operating activities	17,772	50,408	55,991	25,684	22,337
Net cash flow from investing activities	(24,388)	(28,793)	(67,387)	(60,241)	(35,158)
Net cash flow from financing activities	(13,000)	(12,501)	27,638	28,759	(855)
Closing cash and cash equivalents	(1,802)	7,312	23,554	1,514	9,878

Net cash flow from operating activities

Our net cash flow from operating activities decreased by £3.3 million, from a net cash inflow of £25.7 million for the 40 weeks ended July 6, 2014 to a net cash inflow of £22.3 million for 40 weeks ended

July 5, 2015. Cash flow from operating activities was impacted by a profit before tax of £7.0 million for the 40 weeks ended July 5, 2015 compared to loss before tax of £4.0 million for the 40 weeks ended July 6, 2014, as well as by lower interest costs during the 40 weeks ended July 5, 2015 due to the refinancing of our third-party debt that we undertook in April 2014. Cash flows from operating activities were also impacted by an increase in depreciation, amortization and impairment as a result of our acquisition of pubs from Bramwell.

Our net cash flow from operating activities increased by £5.6 million, from a net cash inflow of £50.4 million for the 52 weeks ended September 29, 2013 to a net cash inflow of £56.0 million for the 52 weeks ended September 28, 2014. Cash flow from operating activities was impacted by a decrease in our payables for the 52 weeks ended September 28, 2014 primarily because our year end for the 52 weeks ended September 28, 2014 occurred before month end, when we typically make payments to our trade creditors, offset by an increase in interest expense for this period, compared to the 52 weeks ended September 29, 2013 due to the write-off of debt issue costs relating to our earlier third-party debt that was refinanced in April 2014.

Our net cash flow from operating activities increased by £32.7 million, from a net cash inflow of £17.7 million for the 53 weeks ended September 30, 2012 to a net cash inflow of £50.4 million for the 52 weeks ended September 29, 2013. This increase resulted from positive working capital position in the 52 weeks ended September 29, 2013 as our year-end for the 52 weeks ended September 29, 2013 occurred before month-end, when we typically make payments to our trade creditors.

Net cash flow from investing activities

Our net cash flow from investing activities decreased by £25.1 million, from a net cash outflow of £60.2 million for the 40 weeks ended July 6, 2014 to a net cash outflow of £35.2 million for the 40 weeks ended July 5, 2015. Cash flow from investing activities was impacted by payments made to acquire pubs from Bramwell during the 40 weeks ended July 6, 2014, partially offset by payments made to acquire certain freehold pubs from companies affiliated with TDR Capital during the 40 weeks ended July 5, 2015.

Our net cash flow from investing activities decreased by £38.6 million, from a net cash outflow of £28.8 million for the 52 weeks ended September 29, 2013 to a net cash outflow of £67.4 million for the 52 weeks ended September 28, 2014. Cash flow from investing activities was primarily impacted by payments made to acquire pubs from Bramwell during the 52 weeks ended September 28, 2014.

Our net cash flow from investing activities decreased by £4.4 million, from a net cash outflow of £24.4 million for the 53 weeks ended September 30, 2012 to a net cash outflow of £28.8 million for the 52 weeks ended September 29, 2013. This decrease resulted from our acquisition of pubs from Living Room during the 52 weeks ended September 29, 2013.

Net cash flow from financing activities

Our net cash flow from financing activities decreased by £29.6 million, from a net cash inflow of £28.8 million for the 40 weeks ended July 6, 2014 to a net cash outflow of £0.9 million for the 40 weeks ended July 5, 2015. This change was primarily impacted by third-party financing raised during the 40 weeks ended July 6, 2014 and the costs related to it, as well as the payment of dividends to our shareholders during the 40 weeks ended July 6, 2014, while we undertook no such financing or refinancing activity in the 40 weeks ended July 5, 2015.

Our net cash flow from financing activities increased by £40.1 million, from a net cash outflow £12.5 million for the 52 weeks ended September 29, 2013 to a net cash inflow of £27.6 million for the 52 weeks ended September 28, 2014. Cash flows from financing activities were primarily impacted by third-party financing raised during the 40 weeks ended July 6, 2014 and the costs related to it, as well as the payment of dividends to our shareholders during the 40 weeks ended July 6, 2014.

Our net cash flow from financing activities decreased by £0.5 million, from a net cash outflow of £13.0 million for the 53 weeks ended September 30, 2012 to a net cash outflow of £12.5 million for the 52 weeks ended September 29, 2013. This decrease resulted from the repayment of a working capital loan in the 52 weeks ended September 29, 2013 that we borrowed in the previous financial year.

Closing cash and cash equivalents

Our closing cash and cash equivalents increased by £8.4 million, from a net cash position of £1.5 million for the 40 weeks ended July 6, 2014 to a net cash position of £9.9 million for the 40 weeks ended July 5, 2015. The change in our net cash position was impacted by a profit before tax of £7.0 million for the 40 weeks ended July 5, 2015 compared to loss before tax of £4.0 million for the 40 weeks ended July 6, 2014, as well as by lower cash outflows from investing activities and financing activities in the 40 weeks ended July 5, 2015 compared to the 40 weeks ended July 6, 2014.

Our closing cash and cash equivalents increased by £16.3 million, from a net cash position of £7.3 million for the 52 weeks ended September 29, 2013 to a net cash position of £23.6 million for the 52 weeks ended September 28, 2014. The change in our net cash position was impacted by higher cash inflow from financing activities as a result of the refinancing of our third-party indebtedness during the 52 weeks ended September 28, 2014.

Our closing cash and cash equivalents increased by £9.1 million, from a net cash position of negative £1.8 million for the 53 weeks ended September 30, 2012 to a net cash position of £7.3 million for the 52 weeks ended September 29, 2013. The change in our net cash position was impacted by a positive working capital position in the 52 weeks ended September 29, 2013 as our year-end for the 52 weeks ended September 29, 2013 was before month-end, when we typically make payments to our trade creditors.

Capital Expenditure

The following table presents, for the periods indicated, our gross Capital Expenditure:

(£ in thousands)	For the 53 weeks ended September 30, 2012	For the 52 weeks ended September 29, 2013	For the 52 weeks ended September 28, 2014	For the 40 weeks ended July 6, 2014	For the 40 weeks ended July 5, 2015
Investment Capital Expenditure	10,584	14,868	22,005	15,156	20,507
Maintenance Capital Expenditure	15,904	12,145	17,647	12,381	14,665
of which, capital expenditure in relation to certain IT improvements across our estate	—	—	1,992	588	2,210
Total Investment and Maintenance Capital Expenditure	**26,488**	**27,013**	**39,652**	**27,537**	**35,172**
Acquisition Capital Expenditure	—	5,207	34,200	34,200	4,675
of which, capital expenditure to acquire trading sites which we formerly leased	—	—	—	—	4,500[1]
Total Capital Expenditure	**26,488**	**32,220**	**73,852**	**61,737**	**39,847**
Capital Expenditure as a percentage of total revenue	**5.5%**	**6.9%**	**13.2%**	**14.4%**	**9.2%**

(1) Relates to payments made to acquire certain pubs from entities that are ultimately controlled by TDR Capital, which we had previously operated under occupational lease arrangements. See "Certain relationships and related party transactions."

Our capital expenditures have primarily been made in relation to real estate refurbishments and upgrades, the integration of our newly acquired pubs into our existing brands and formats, the refurbishment of newly acquired pubs and investment in IT infrastructure. Excluding Acquisition Capital Expenditure, capital expenditure increased to 7.1% of revenue for the 52 weeks ended September 28, 2014 compared to 5.7% of revenue for the 52 weeks ended September 29, 2013. This increase was primarily driven by our decision to make Investment Capital Expenditures at certain pubs acquired from Bramwell and Living Room earlier than initially scheduled due to the success we had achieved in respect of the Bramwell and Living Room pubs that had already been invested, as well as to an increase in Maintenance Capital Expenditure at certain pubs acquired from Bramwell and the roll out of a new till IT system in 524 of our pubs. As of July 5, 2015, we have made Investment Capital Expenditures at 50 of the 78 pubs that we acquired from Bramwell. In the 52 weeks ended September 28, 2014, 29.8% of our capital expenditure constituted Investment Capital Expenditure, 23.9% of our capital expenditure constituted Maintenance Capital Expenditure and 46.4% of our capital expenditure constituted Acquisition Capital Expenditure.

Our capital expenditures are generally spread through the course of a given year. We expect to make capital expenditures of approximately £57 million in the financial year 2015, primarily consisting of Investment Capital Expenditures intended for the refurbishment of pubs in which we have not yet invested and pubs that we have newly acquired. We expect Maintenance Capital Expenditure in the financial year 2015 to be approximately £20 million. Further, we expect to make capital expenditure of approximately £47 million in the financial year 2016, primarily consisting of our planned investment in approximately 130 pubs of approximately £25 million and Maintenance Capital Expenditure of approximately £20 million. We plan to fund our future capital expenditures with cash from operating activities.

Contractual obligations

The following table summarizes our material contractual obligations as of September 28, 2014, as adjusted to give effect to this Offering and the use of proceeds from the Notes offered hereby. The following table excludes any future interest payments that we would be required to make. The table also excludes any payments under any hedging agreements and any interest payable.

(£ in thousands)	Within one year	Between one and two years	Between two and five years	More than five years	Total
Revolving Credit Facility	—	15.0	35.0	—	50.0
Original Notes	—	—	400.0	—	400.0
Additional Notes offered hereby	—	—	80.0	—	80.0
Total[(1)]	**—**	**15.0**	**515.0**	**—**	**530.0**

(1) Does not include £3.4 million in contingent consideration that we have agreed to pay on certain conditions being met under the Freehold Acquisition Agreement entered into with the TCG freehold property sellers on September 29, 2015 and approximately £23 million in deferred and contingent consideration that we have agreed to pay on certain conditions being met under the Leasehold and Operating Business Acquisition Agreement entered into with the TCG operating business sellers on September 29, 2015.

Our future operating lease commitments represent our non-cancellable operating leases in respect of lands and buildings, which as of September 28, 2014, was:

(£ in thousands)	Within one year	Between one and two years	Between two and five years	More than five years	Total
Operating lease obligations	38,964	38,218	112,672	438,792	628,646

Post-retirement benefits

We operate two defined benefit pension schemes providing benefits based on final pensionable salary. The assets of the schemes are held separately from those of the Group.

Defined benefit pension scheme assets are measured using market values and these assets have been updated to reflect their market value as of September 28, 2014.

Differences between the expected return on assets and actual return on assets have been recognized as an actuarial gain or loss in our consolidated cash flow statement.

We also participate in three defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the income statement represents the contributions payable to the schemes in respect of the accounting period.

Off-balance sheet arrangements

On August 12, 2011, we entered into an interest rate swap linked to our external loans fixing the interest rate at 3% for the loan amount of £290 million. During the 53 weeks ended September 30, 2012, we moved this interest rate swap onto our balance sheet, and on April 11, 2014, we reduced the loan amount of the swap to £140 million, in line with the outstanding principal amount of our Original Floating Rate Notes. Fair value of the interest rate swap as of July 5, 2015 was a liability of £1.6 million compared to £1.3 million as of September 28, 2014. We may amend the terms and conditions of our existing interest note swap and/or may enter into new interest hedging arrangements to hedge our exposure to fluctuations in interest rates, primarily under the Original Floating Rate Notes. For information on our operating lease obligations, see "—Contractual obligations." As of July 5, 2015, we had no off-balance sheet arrangements.

We intend to finance the consideration relating to the leasehold properties that we have agreed to acquire from the TCG operating business sellers, which are yet to be acquired, using the proceeds of a sale and leaseback transaction that we intend to complete following this Offering in respect of five freehold properties located in London that we have acquired from the TCG freehold property sellers. Based on currently available information and in consultation with third-party advisors, we estimate that the aggregate proceeds from the sale of these five properties in London will be approximately £30 million. To the extent that the sale and leaseback transaction has not completed at the time that any consideration is due for purchasing one or more leasehold properties, we may use cash on hand or drawings under our Revolving Credit Facility to finance this additional consideration pending the execution of the sale and lease back transaction. The contemplated sale and leaseback transactions have not been committed and there can be no assurance that any or all of them will take place or at the currently estimated values. See "Use of proceeds" and "Description of other indebtedness—Planned sale and leaseback transactions" and "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees."

Financial risk management

Our board of directors regularly reviews our financial requirements the risks associated with them. We have summarized the principal risks arising from our current financial instruments below.

Interest rate risk

We finance our operations through a combination of trading cash flows and bank borrowings. Borrowings under our Revolving Credit Facility Agreement and our Original Floating Rate Notes bear floating rates of interest. We seek to minimize our cost of borrowings and reduce the impact of interest rate fluctuations. For additional information on our existing interest rate swap, see "—Off-balance sheet arrangements."

Liquidity risk

We seek to manage financial risk to ensure sufficient liquidity is available to meet our foreseeable needs. We monitor the maturity of our financial liabilities to avoid the risk of shortage of funds and also place surplus funds on deposit so that they are available at short notice.

Currency risk

The majority of our revenue and costs are generated in pound sterling and involve little or no currency risk. We review our currency exposure on a continual basis and enter into hedges if we consider it necessary.

Credit risk

Our principal financial assets are cash and cash equivalents, trade receivables and other receivables. The credit risk associated with cash and cash equivalents is limited. Credit risk is managed by transacting with financial institutions with high-quality credit ratings. Trade receivables comprise a large number of individually small amounts from unrelated customers and are shown net of a provision for doubtful debts. Management estimates the provision for doubtful debts based on a review of all individual receivable accounts, experience and known factors at the end of the relevant period. The credit risk associated with these is minimal. We have no significant concentration of credit risk.

Selected significant judgments and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, revenues and expenses during an applicable period.

Management periodically evaluates its estimates and judgments and bases them on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are discussed below:

Impairment of property, plant, equipment and operating leases

Property, plant and equipment and operating leases are reviewed for impairment if there are any indicators to suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on value-in-use calculations and estimated sale proceeds. These calculations require assumptions to be made regarding projected cash flows and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Actual outcomes may vary from these estimates. These are discussed under note 11 to our financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum.

Impairment of goodwill

We test good impairment annually. The recoverable amount of cash-generating units to which goodwill has been allocated is determined based on value-in-use calculations. These calculations require assumptions to be made regarding projected cash flows and the choice of an appropriate discount rate in order to calculate the value-in-use of those cash flows. These are discussed under note 11 to our financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum. Actual outcomes could vary from these estimates.

Defined pension benefit schemes

The present value of defined benefit pension scheme liabilities are determined on an actuarial basis and depend on a number of actuarial assumptions, which are disclosed under note 23 to our financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum. Any changes in these assumptions could impact the carrying amounts of retirement benefit assets/liabilities.

Business combinations

We identify separate assets and liabilities upon acquisition and recognize those assets at their fair value. The assessment of fair value, particularly for property, plant, equipment and operating leases acquired, is undertaken with reference to current market conditions. Note 12 to our financial statements as of and for the 52 weeks ended September 28, 2014 included elsewhere in this Offering Memorandum describes the business combinations in the current and prior periods and provides details of the fair value adjustments made in arriving at the fair value of assets and liabilities acquired.

Industry

We operate in the pub sector in the United Kingdom, which continues to be an important part of the wider UK drinking-out and eating-out market. The wider UK drinking-out and eating-out market was estimated to be worth approximately £45 billion in 2014, of which drinking-out constituted approximately £28 billion, according to CGA Peach.

The pub sector in the United Kingdom consisted of approximately 48,000 pubs at the end of 2013, according to the BBPA. The pub sector in the United Kingdom can broadly be categorized into three distinct business models, managed pubs, tenanted pubs and independently owned pubs, which constituted approximately 16%, 43%, and 41%, respectively, of pubs for 2013 according to the BBPA.

Managed Pubs

We operate a managed pub estate. Accordingly, we directly employ central management and local staff and have complete control over the sales format and products sold within each pub. As a result, we benefit from all the revenue, are responsible for all cost lines, and ultimately retain all of the net income generated from sales operations. Managed pubs tend to generate the highest revenue and unit profit returns in the sector. This is because operators can take advantage of scale to maximize buying power, capitalize on operational efficiencies and thereby increase profits across all outlets. In addition to Stonegate, other key operators with the managed pub business model include Mitchells & Butlers and J.D. Wetherspoon, and part of the pubs operated by Marston's and Greene King.

Tenanted Pubs

Tenanted pubs are those pubs which the owner of the property lets to a third- party tenant under a formal agreement in exchange for various income receipts. The pub owner generates its income from three main sources: rental income from tenants, wholesale profit (i.e. contractual sales of certain products to the tenant), and machine income. The average revenue is typically meaningfully lower than for managed pubs. Enterprise Inns and Punch Taverns are the main players with this business model, with Greene King, and Marston's also having a significant exposure through their tenanted pubs.

Independently Owned Pubs

Independently owned pubs (sometimes known as "freehouses") are generally smaller, standalone pubs owned by private individuals who have free rein over the products supplied. Their average revenue is generally similar to tenanted pubs.

Market Trends

The pub market in the United Kingdom has undergone significant changes in the last decade amid challenging market conditions, evolving customer habits and on-going consolidation activities. Larger pub operators characterized by diversification of locations and formats, particularly within the managed pub segment, have been able to take advantage of the changing market environment and sustain solid growth trajectory at the expense of smaller operators.

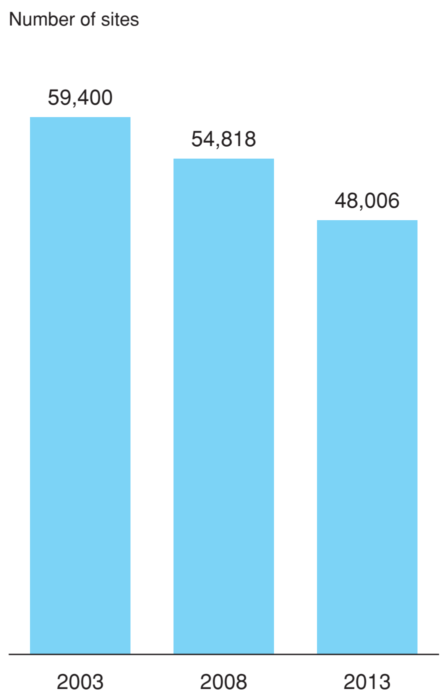
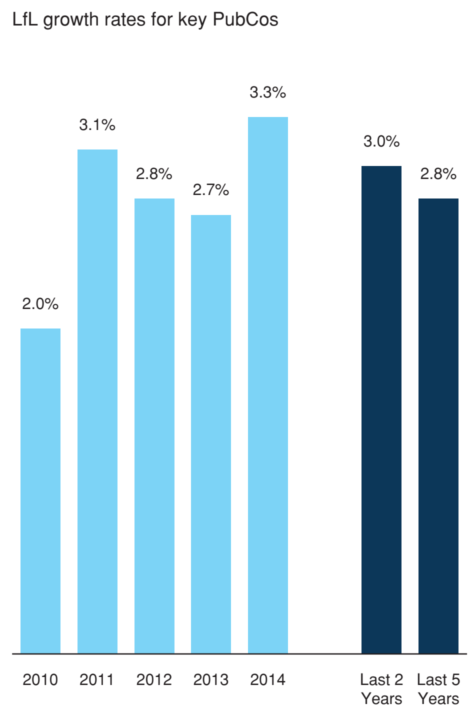
Over the past decade the number of total pubs in the United Kingdom has decreased from approximately 59,400 at the end of 2003 to approximately 48,000 at the end of 2013, according to the BBPA, as a result of the elimination of unviable and unprofitable units. In addition to many smaller operators and individuals being forced to close, several major operators, particularly tenanted pub operators, continued a process of divesting under-performing pubs in an effort to downsize their portfolios and concentrate on sustainable outlets.

This trend allowed managed pub operators to consolidate their positions and increase market share as they continued to invest in their pubs and deliver a consistently high-quality customer experience. Selective acquisitions provided stronger operators with access to brands with growth potential, experienced management teams and benefits from increased scale.

Continued investment, improved drinks and food offerings and provision of higher quality drinking and eating environments have propelled strong resilience in the pub market. With beer sales recently experiencing a slower growth in on-trade channels, major operators have focused on improving their product offer in other alcoholic beverages (such as spirits and wine) and food, as the gastropub experience continues to prove a successful strategy. Other alcoholic drinks in particular have meaningfully increased their share of sales and led to an overall increase in average sales per pub over recent years, particularly in the managed pub portfolios.

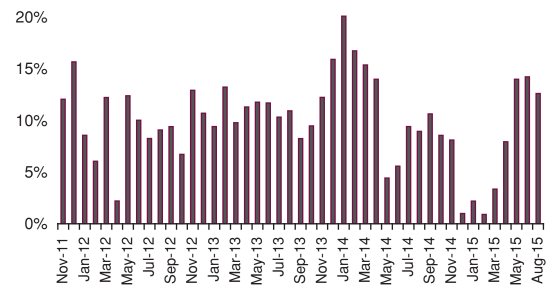
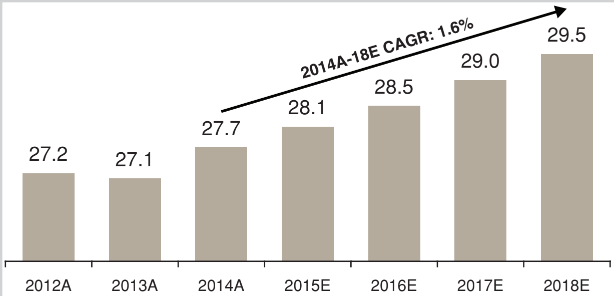
The following charts illustrate the trend of a decreasing number of unviable pubs as well as the growth rates in like-for-like sales in the remaining pubs.

Key Trends in UK Pub Market

Decreasing Number of Pubs with the Elimination of Unviable Units	With Remaining Pubs Continuing to Record Healthy Growth Rates
	
Source: BBPA	Source: Calculated using the simple average (or arithmetic mean) of like-for-like sales for Greene King, J.D. Wetherspoon, Mitchells & Butlers, and Marston's managed and franchised pubs business. The financial year end for each of these companies occurs in April, July, September and September, respectively.

Despite the changes to the overall market, our drink-led pubs have performed well. For example, at one of our pubs that we classify as drink-led (because it generated only 16% of its revenue from food sales in the 52 weeks ended April 12, 2015) and which we believe is representative of our other drink-led pubs, we realized a gross margin (calculated as total site revenue minus cost of site purchases divided by total site revenue) of 74%, a labor cost margin (calculated as labor cost divided by site operating revenue) of 20% and an EBITDAR margin (calculated as site EBITDAR divided by total site revenue) of 39% during the 52 weeks ended April 12, 2015, compared to a gross margin of 69%, a labor cost margin of 28% and an EBITDAR margin of 30% at one of our pubs that we classify as food-led (because it generated 57% of its revenue from food sales in the 52 weeks ended April 12, 2015) and which we believe is representative of our other food-led pubs over the same period.

Furthermore, recent trends in consumer spending have benefitted the UK drinking-out market and are expected to drive future growth in this market. The following charts illustrate the trend in consumer spending growth in the pub sector as well as the growth forecast for the UK drinking-out market:

<table>
<tr><th>Consumer Spending Benefiting the Pub Sector</th><th>Positive Growth Forecast for UK Drinking-Out Market (in £ billion)</th></tr>
<tr><td>
</td>
<td>
</td></tr>
<tr><td>Year-on-year Barclaycard Pub Spend Growth

Source: Barclaycard</td><td>Source: CGA Peach, July 2015</td></tr>
</table>

Key Growth Drivers

There are a number of key drivers that in our view significantly impact the outlook for the pub market in the United Kingdom:

- ***Macroeconomic fundamentals.*** The overall sector is dependent on the performance of the economy in the United Kingdom, as it affects consumer confidence and discretionary income. While the level of consumer confidence and discretionary income in the United Kingdom was negatively affected over the last few years, sales of low-ticket items (such as pub visits) remained relatively resilient compared to high-ticket discretionary items. This sector resilience is partly explained by the pub culture in the UK. According to CGA Peach, the frequency with which people in the UK drink out is relatively consistent, with 27% of individuals in the UK drinking out on a weekly basis, 27% on a monthly basis and 18% every two to three months, as of February 2015. However, business confidence has recently increased, with unemployment falling and the manufacturing and retail sectors recording growth, although inflation is below the 2% target rate set by the Bank of England, and is at 0.1%, as of May 2015 according to the Office of National Statistics. Real GDP growth in the United Kingdom is projected to remain relatively constant between 2014 and 2018, and is projected to be 2.4% in 2018 according to BMI Research, and unemployment as a percentage of the labor force in the United Kingdom is expected to decline from 6.2% in 2014 to 5.3% in 2018 according to BMI Research. Consumer confidence has improved as well, with the July 2015 GfK consumer confidence index rising to four points, six points higher than in July 2014.
- ***Broadened consumer appeal.*** The market has recently observed an increase in the number of people visiting pubs from a wider selection of historically under-represented social and demographic groups. This trend is driven by increased disposable income in these groups and a number of social factors, such as the increase in the proportion of working women, the growth of less-traditional family structures, the smoking ban and the rise of single- parent families.
- ***Further trend towards eating out.*** With the changing profile of the average consumer, there has been an accompanying shift in demand for particular types of products and site formats. Pubs have proven to be increasingly popular venues for out-of-home dining, as customers continue to look for value by choosing pubs over more expensive restaurants when eating out. The food offering increases the footfall in pubs and is an additional growth driver for the overall pub industry.
- ***Increasing consolidation and focus on managed pub concepts.*** Acquisitive pub operators, who have driven industry consolidation, have extracted better purchasing power and benefitted from increased scale.

The ability to sustain necessary investments in their portfolios despite challenging macroeconomic factors has further benefited larger operators and allowed them to increase market share.

- ***Branding.*** With approximately 41% of the pub market in the United Kingdom remaining independently owned and unbranded as of 2013 according to the BBPA, there has been an increasing focus on branded pub chains and formatted pubs which aim to provide consistency of standards and customer service. Branded formats offer more potential for targeted initiatives focused on driving customer loyalty and increasing frequency of visits.

Competitive environment

The pub industry in the United Kingdom faces competition from providers of leisure facilities or services that have the potential to draw customers away from pubs. These providers include other pub operators, retail outlets for the sale of food and drink, restaurants (in particular casual dining outlets), nightclubs as well as off-license shops and supermarkets.

Our on-trade sales of alcohol are impacted by the off-trade alcohol sales market. While we believe that our sales volumes have not been significantly impacted by the growing off-trade alcohol market during the periods presented in this Offering Memorandum, our results of operations may, in the future, be impacted by the increasing volumes of off-trade sales of alcohol resulting from, among other things, the pricing policies of the large supermarket groups and increased home-entertainment options.

While the pub industry in the United Kingdom remains quite fragmented, it has undergone periods of consolidation through joint ventures, mergers and acquisitions, which has led to the emergence of certain large competitors, with considerable financial and operational resources. Therefore despite total spend on alcoholic drinks in on-trade channels experiencing a decline in the United Kingdom over the last ten years, average spend per pub has increased during this period as larger players like us have been able to grow in size and scale and continue to invest in customer experience.

Following our acquisition of freehold and leasehold pubs from TCG, we believe we will be the fourth largest managed pub operator (based on numbers of operating sites) in the United Kingdom, and have benefited from increased scale and competitive advantages. In addition to us, there are four other managed pub operators in the United Kingdom with over 600 managed pubs in their estate. Despite this competition, we believe that we have been able to maintain our market share in the pub industry in the United Kingdom owing to our balanced geographical presence across the United Kingdom with brands and formats that address a wide range of customer preferences and demographics.

Regulation

The pub industry in the United Kingdom is subject to laws and regulations, including in relation to licensing, employment, minimum wages, health and safety, sanitation, data protection and access for the disabled, in addition to alcoholic drinks control, late-night levy, pub licensing, leisure (gaming) machines and competition.

Licensing: The sale of alcohol in the United Kingdom is a highly regulated industry governed by the licensing system under the Licensing Act 2003 and the Licensing (Scotland) Act 1976. Licensing covers most premises where alcohol is sold, such as pubs, off-licences, restaurants and supermarkets. Pursuant to the Police Reform and Social Responsibility Act 2011, licensing authorities in the United Kingdom are authorized to raise a contribution from late-opening alcohol suppliers towards policing the night time economy. Many pubs are open until late and are subject to these late-night levies.

Employment legislation: The Working Time Regulations applied by the government in the United Kingdom have in the past imposed, and may continue to impose, constraints on an ability to deploy employees efficiently. In October 2013, the national minimum wage was raised to £6.31 per hour from £6.19 per hour. In October 2014, it rose further, to £6.50 per hour and in October 2015 it will increase to £6.70. In addition the UK government has announced the introduction of the National Living Wage for those aged over 25 which will see the minimum pay rate rise to £7.20 for these employees. As the industry employs a large number of our staff at the minimum wage, any further increases in the minimum wage may result in increases in our labor costs and, to the extent pub operators are not able to pass through these labor costs increases to end customers, impact overall profitability in the industry.

Government initiatives and measures: The imposition of measures by the government in the United Kingdom relating to the consumption of alcohol, including the reduction of licensing hours, the introduction of minimum prices for alcoholic drinks and the introduction of a mandatory code imposing certain measures that have in the past reduced, and may continue to reduce, attendance at pubs, particularly in respect of younger customer groups. This could have an impact on our future performance.

Taxation: Pubs in the United Kingdom are affected by a number of taxes and duties, such as the duty on alcoholic drinks, VAT and other business taxes. The standard rate of VAT increased from 17.5% to 20% in January 2011. In particular, the excise tax duty escalator pursuant to which duties on spirits, wines and made-wine, cider, perry and beer have risen by 2% above the rate of inflation (based on RPI) each year since 2009, has affected pubs in the United Kingdom. This duty escalator was removed from beer in the March 2013 budget and from spirits, wine and made-wine, cider and perry in the March 2014 budget. The March 2014 budget also reduced the duty on beer by one pence per pint. The March 2015 budget reduced the duty on beer further by one pence per pint and cut the duty on spirits and lower strength cider by 2%. While historically pub operators have been able to pass on the increases in duties and taxes to end customers, they may not be able to do so in the future. In such an event, any further duty or tax increases may have a negative impact on industry profitability and performance. See "Risk factors—Risks related to our business—Changes in regulations to which we are subject or the introduction of new regulations to which we may become subject could have a negative effect on our business—The taxes and duties to which we are subject may increase."

Business

Overview

We are one of the largest managed pub companies in the United Kingdom in terms of sales and number of operating sites. We operated from 612 operating sites (including pubs acquired from Maclay but not from TCG) across the United Kingdom through a variety of formats as of August 31, 2015. In addition, we have recently completed the acquisition of 37 freehold pubs, and have agreed to acquire 16 leasehold pubs, from TCG pursuant to acquisition agreements entered into on September 29, 2015 with TCG. Following the completion of our acquisition of these pubs from TCG, we expect to have 665 operating sites in the United Kingdom. We began our trading operations in November 2010 following the acquisition of 333 pubs from Mitchells & Butlers.

We have since grown in size and scale through a series of strategic acquisitions, including the acquisition of Town & City in June 2011, which operated 226 pubs, the acquisition of 12 pubs from Living Room in August 2013, the acquisition of 78 pubs from Bramwell in November 2013 and the acquisition of 15 pubs from Maclay in July, August and September 2015. In the 52 weeks ended July 5, 2015, we generated revenue of £559.7 million and Adjusted EBITDA of £74.8 million. We estimate that our Pro Forma Revenue for this period would have been £628.8 million and our Pro Forma Adjusted EBITDA for this period would have been £102.2 million.

Our business is highly diversified within our sector through a variety of different formats through which we cater to different customer needs and preferences. We categorize our pubs as either "branded" or "un-branded" based on each pub's concept and offering, and within these groups we classify our pubs into seven formats. Our branded group is comprised of our Slug and Lettuce, Yates, Venues and Common Rooms pubs, while our un-branded group is comprised of our Proper Pubs, Town Pub and Kitchen and Classic Inn pubs. By operating our business through a multi-format strategy, we believe we can position ourselves across a wide range of customer preferences and target various consumer trends. In addition, through strategic initiatives, we continuously evaluate our various pubs based on current performance and capacity, with the objective of identifying opportunities for further growth. In the 52 weeks ended July 5, 2015, 75% of our revenue from operating sites was generated from drink sales and 20% of our revenue from operating sites was generated from food, with the remaining revenue generated from other sources, such as admission, accommodation and machines. Approximately 90% of our pubs, bars and venues offer both food and drinks.

We believe that we have a strong property portfolio that consisted of 612 operating sites (including pubs acquired from Maclay but not from TCG) as of August 31, 2015, with 247 freehold properties and 26 long leasehold properties with 50 years or more remaining under the lease term. Following our acquisition of pubs from TCG, we expect to have a total of 284 freehold properties (five of which, recently acquired from TCG, we intend to sell and lease back following this Offering) and 27 long leasehold properties with 50 years or more remaining under the lease term in our property portfolio. Our property portfolio presents strong geographical diversification with a balanced presence across the entire United Kingdom. We are well exposed to the London market (13% of our operating sites as of August 31, 2015, which we expect will increase to 14% of our operating sites following our acquisition of pubs from TCG) and the broader Southeast region (which includes London and accounted for 32% of our operating sites as of August 31, 2015, and which we expect will increase to 35% of our operating sites following our acquisition of pubs from TCG), areas with higher population densities and more affluent consumers. We also have a widespread presence on the high street and in urban and suburban locations across the United Kingdom. We continue to invest in our estate, and for the 156 week period ended July 5, 2015, our Return on Investment was 48.4%. As of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years.

Headquartered in Luton, with more than 11,500 employees, we benefit from significant scale and experience in our market. Being a fully managed pub operator, we have complete control over the sales formats and product offerings and benefit from all the revenue generated from our operations. All of our pubs benefit from shared administrative, marketing, supply and logistics functions, thereby reducing overheads and driving purchasing power as compared to an independent or tenant pub operator.

Our strengths

Our key credit strengths include the following:

We operate in an attractive sector underpinned by a positive macroeconomic outlook

The pub sector in the United Kingdom is an attractive sector. Over the past few years, leading pub operators have been able to deliver sustainable sales growth despite the subdued economic environment, as consumers have continued spending on low-cost items, including beer. To the extent the outlook for the economy in the United Kingdom improves over the medium term, we expect the better consumer environment to support further growth in the sector.

Managed pub operators have performed particularly well within the pub sector over the past few years and improved their market position versus tenanted pub operators and independent pubs. This is due to a number of advantages that managed pubs benefit from compared to tenanted and independent pubs. Managed pubs typically generate higher gross margins than tenanted or independent pubs, as tenanted pubs are generally required to purchase their beer at a considerable premium from the tenanted pub companies which lease the pubs to them while independent pubs lack the scale to buy on best terms. Furthermore, managed pubs are generally better-invested than tenanted or independent pubs, as managed pub operators have greater financial resources to support robust investment programs. This has enabled managed pub operators to consistently improve their offering and deliver high quality customer experiences, while tenanted and independent operators have generally been forced to downsize their portfolios. Managed pubs tend to be larger and occupy better locations than tenanted pubs, which has also driven their profitability and sustainability.

We are one of the largest managed pub operators in the United Kingdom

As of August 31, 2015, we had a portfolio of 612 operating sites (including pubs acquired from Maclay but not from TCG), which positions us as one of the largest pub operators within the managed segment in the United Kingdom, and expect to have a portfolio of 665 operating sites following the addition of pubs from TCG. Thanks to our size and scale, we are in a strong competitive position versus smaller players operating in the pub market. The scale of our platform provides us with greater purchasing power versus our competitors, allows us to leverage our head office function in Luton efficiently and allows us to negotiate competitive pricing terms with our suppliers. Owing to our reputation and brand, we have also been able to employ and retain experienced and talented employees at both site management and head office level. This, coupled with our ability to keep our staff current and updated on customer trends and preferences through our well-invested training facilities has helped us achieve high levels of customer satisfaction and improved sales. We also have the ability to invest in our estate to improve and innovate our facilities and offering, which has helped us drive improved performance across our sites.

Significant asset backing and diversified estate portfolio

We operate a high-quality estate in terms of geography and format. Of the 612 operating sites (including pubs acquired from Maclay but not from TCG) in our portfolio as of August 31, 2015, 247 were freehold properties and 26 were long leasehold properties with 50 years or more remaining under the lease term. Following our acquisition of pubs from TCG, we expect to have a total of 284 freehold properties (five of which, recently acquired from TCG, we intend to sell and lease back following this Offering) and 27 long leasehold properties with 50 years or more remaining under the lease term in our property portfolio. Furthermore, our estate is well-diversified from a geographic and format perspective. We operate pubs across the United Kingdom and have a strong presence in London (13% of our operating sites as of August 31, 2015, which we expect will increase to 14% of our operating sites following our acquisition of pubs from TCG) and in the broader Southeast region (which includes London and accounted for 32% of our operating sites as of August 31, 2015, and which we expect will increase to 35% of our operating sites following our acquisition of pubs from TCG), areas with higher population densities and more affluent consumers. We also have a widespread presence on the high street and in urban and suburban locations across the United Kingdom. We operate seven different formats, including the Slug and Lettuce, Yates, Venues and Common Rooms formats, which comprise our branded group, and Proper Pubs, Town Pub and Kitchen and Classic Inns, which comprise our un-branded group. By operating our business through a multi-format strategy, we believe we can position ourselves across a wide range of customer preferences and target various consumer trends to deliver growth.

Successful investment program and strong cash conversion

Through our strong track record of successful capital investments, we have strengthened our position as one of the largest managed pub operators in the United Kingdom. We identify priority investments through biannual estate reviews and have put in place a multi-stage estate review process to ensure a disciplined approach to investment in our existing properties. Since we began trading, and through August 31, 2015, we have refurbished approximately 330 of our pubs and on average have successfully exceeded our target of a Return on Investment of 40%. As of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years.

The majority of our capital expenditure is either investment expenditure or acquisition expenditure in nature as opposed to maintenance expenditure, and is therefore, in large part, discretionary. Maintenance Capital Expenditure has historically remained relatively consistent, and for the 52 weeks ended July 5, 2015 represented 3.56% of our revenue and for the 52 weeks ended September 28, 2014 and September 29, 2013, and the 53 weeks ended September 30, 2012, represented 3.16%, 2.58% and 3.28% of our revenue, respectively. As a result of the combination of our increasing Adjusted EBITDA and controlled capital expenditure, we have been able to maintain strong levels of Cash Conversion, which for the 52 weeks ended July 5, 2015, was 73.3% and for the 52 weeks ended September 28, 2014 and September 29, 2013, and the 53 weeks ended September 30, 2012, was 73.7%, 78.9% and 71.5%, respectively.

Experienced senior management team with strong sponsor backing

We have a strong, experienced senior management team with an average of approximately 25 years of relevant experience, combining complementary skill sets in the retail, leisure and service sectors as well as the drinking-out and eating-out markets. We are led by our CEO Simon Longbottom, who has 25 years of experience, previously serving as managing director of the leasehold division at Greene King, managing director of Pub Partners as well as managing director of Gala Coral's gaming division. Mr. Longbottom has also held senior positions with Mill House Inns and Mitchells & Butlers plc. We also benefit from the strong experience of our Chairman Ian Payne, who has more than 35 years of retail experience and helped form Stonegate in 2010. Ian previously served as Chairman of Town & City and CEO of Laurel Pub Company and has held board positions with Bass Taverns, Stakis plc and Ladbrokes.

We also benefit from strong sponsor backing from TDR Capital. TDR Capital is a leading private equity firm with approximately €4.8 billion of funds under management. See "Summary—About TDR Capital."

Our strategies

Our goal is to be the best managed pub operator in the United Kingdom. We intend to achieve this goal through continuous development of our current estate by implementing our capital investment strategy and core operating initiatives. We also intend to maintain a disciplined acquisition policy, selectively pursuing consolidation opportunities which we believe will improve the value of our estate.

We intend to pursue the following initiatives to achieve our strategic objectives:

Maintain our capital investment strategy

To continue to drive our business performance and further increase our market share, we intend to maintain our commitment to capital investment. We have developed a disciplined and efficient process for investing in our estate. Each site we invest in is prioritized at a biannual estate review, after which it receives a detailed appraisal during a multi-stage review process. This site-by-site rigor has allowed us to achieve a Return on Investment of 48.4% for the 156 week period ended July 5, 2015. We have also been able to achieve consistent yearly returns on investment. For example, for pubs in which we invested during the 2011 financial year, our Yearly Return on Investment was 43% in the first year post investment, 43% in the second year post investment and 47% in the third year post investment. Moreover, as of August 31, 2015, and taking into account our recent acquisition of pubs from Maclay (but not from TCG), we still have over 270 pubs that have not been invested while we have been under TDR's ownership, and we believe this provides us with a strong pipeline of investment and growth opportunities. Moreover, we plan to invest in all of the 53 pubs that we have recently acquired or agreed to acquire from TCG, with an investment in 80% of these pubs anticipated within the next three years. We expect to achieve similar Returns on Investment with our future developments, which will further enhance the quality of our estate. As part of our investment program, we also continue to develop our brands and formats to make them more appealing to our customers.

Concentrate on our core operating initiatives

We also intend to continue to deliver sustainable profit growth through our core operational initiatives:

- **Grow our margins:** We are focused on growing our margins through pricing improvements, labor efficiency and rent renegotiations.
  - *Pricing improvements*. We are dedicated to continuing to improve our pricing strategy by aligning the pricing models in place at our existing pubs and seeking to price efficiently against our competition to improve cash margin, and we continually review the pricing practices at each of our pubs to this end.
  - *Labor efficiency*. We will continue to make our labor and staffing practices more efficient. Following a strategic review conducted by our new CEO, Simon Longbottom, who joined us in October 2014, we introduced for the first time a labor efficiency tool that allows us to tailor our staffing needs to more closely mirror consumer demand and footfall at each of our pubs throughout the day and during the year. We intend to continue to use this tool to efficiently manage the deployment of our staff. We have seen a 0.5% reduction in labor costs as percentage of operating revenue from 24.3% for the 16 weeks ended July 6, 2014 to 23.8% for the 16 weeks ended July 5, 2015, which we believe is attributable, in large part, to the introduction of the labor efficiency tool in March 2015.
- **Focus on our "Hot 100":** The "Hot 100" program is an initiative introduced in 2013 to provide additional focus on, and support to, the 100 pubs with the greatest profit improvement potential. For each "Hot 100" site, a cross-functional team identifies and implements the key actions to drive performance, such as new menus, alternative pricing strategies, and strengthening site management. Since the program's launch in April 2013, the 136 sites that participated in the program have increased their EBITDA in aggregate by approximately £6.7 million to July 5, 2015. For an explanation of how we calculate this EBITDA, see "Presentation of financial and other information—Non-IFRS financial information."
- **Grow our food business:** Eating out has been a growth trend in the United Kingdom. We believe we are well positioned to take advantage of this and will continue to develop our food offering to drive growth. In addition to improving menus, we are also focused on training our staff and utilizing the kitchen management systems we have installed so that we ensure great service and efficient delivery in our pubs.
- **Manage our talent:** We believe that having the best site management is a critical success factor in our business. Consequently, we will continue to focus on our human resources capability so that we can retain and recruit top industry talent. We have taken a number of actions to this end and will continue to support our human resources programs going forward. These include hiring a HR Director, Tim Painter, in 2012 to lead our efforts, running an effective training program to develop our top performing deputy managers into general managers, establishing a training center and development kitchen in Birmingham and operating an attractive incentive package for site managers. In acknowledgement of our work to date, in February 2015 we were awarded a "Distinction in People Development" award at the HR Distinction Awards, and we were awarded the Best Pub Employer (51+ sites) at the 2013 Publican Awards, the leading industry event of the year.

Complement our organic growth through targeted, opportunistic acquisitions

The pub market in the United Kingdom remains fragmented. We believe that our scale, financial strength, and mergers and acquisitions experience will continue to allow us to take advantage of the consolidation in the United Kingdom pub market and increase our market share compared to smaller, capital-constrained competitors. In line with our historic approach, we will only pursue acquisitions, which we believe would add value to Stonegate from both a financial and strategic perspective. More specifically, we will consider acquisitions only when we expect to be able to grow the profitability of any pubs acquired and generate material synergies due to our scale. For example, in the case of the 78 pubs that we recently acquired from Bramwell, we generated aggregate pub profit of £12.8 million (representing aggregate EBITDA (less Group overhead costs) generated by the 78 pubs acquired from Bramwell) for the 52 weeks ended July 5, 2015 and realized cost savings of approximately £7.0 million.

History

We were incorporated in August 2010 in connection with our planned acquisition of pubs from Mitchells & Butlers and began our trading operations in November 2010 following the acquisition of 333, predominantly freehold, pubs from them. We have since grown in size and scale through a series of strategic acquisitions. In June 2011, we acquired Town & City, which owned 226 leasehold pubs, helping us grow our geographical presence in the United Kingdom as well as our customer offering. In August 2013, we acquired 12 pubs from Living Room, which allowed us to strengthen our presence in some of the major cities across the United Kingdom, including London, Manchester, Liverpool, Glasgow, Edinburgh and Bristol. In November 2013, through our acquisition of 78 pubs from the Bramwell, we have been able to further grow our reach within the United Kingdom, particularly in cities and towns where we did not yet have an existing presence. In July, August and September 2015, we acquired 15 pubs from Maclay, which has allowed us to expand our presence in the major cities and towns of Scotland, and we have recently completed the acquisition of 37 freehold pubs from the TCG freehold property sellers and have agreed to acquire 16 leasehold pubs and certain other assets from the TCG operating business sellers pursuant to business purchase agreements dated September 29, 2015 entered into with TCG, which will allow us to continue to strengthen our presence throughout the United Kingdom.

Our pubs

We have categorized our pubs as branded and un-branded groups based on each pub's concept and offering, and within these groups we classify our pubs into seven formats. Our branded group is comprised of our Slug and Lettuce, Yates, Venues and Common Rooms pubs, while our un-branded group is comprised of our Proper Pubs, Town Pub and Kitchen and Classic Inn pubs. Our seven formats represent the diversity of our offering, our wide geographical reach within the United Kingdom and our broad customer base. By operating our business through a multi-format strategy, we believe we can strategically position ourselves across a wide range of customer preferences and target various consumer trends.

The table below presents a summary of our formats through which we operate.

Brands and formats	Number of pubs as of August 31, 2015[(a)]	Description	Marketing and branding
		Branded	
The Slug and Lettuce	73	The Slug and Lettuce brand is based on a contemporary bar concept offering quality food and drink at competitive prices and in a wide range of choices.	• Primarily attracts customers in the 20 - 35 year age range; • Positioned to capture the lunch-time, post-work and evening food and drinks market.
Yates	64	Yates is a group of our branded pubs known for competitively priced food and drinks.	• Primarily attracts customers in the 20 - 35 year age range; • Positioned as inclusive high street bars for nights out, meetings with friends and entertainment.

Brands and formats	Number of pubs as of August 31, 2015[(a)]	Description	Marketing and branding
Venues	62	Venues are a group of our individually branded bars located across the United Kingdom under various brand names such as Reflex, Flares and Babylon. Formerly our Bars and Venues format of pubs and certain pubs from our Missoula format of pubs comprised this category.	• Primarily attracts customers in the 25 - 40 year age range; • Positioned as a party venue.
Common Rooms	20	Common Rooms are distinctive pubs targeted at students and like-minded adults, offering a fun environment and embracing technology and emerging trends. Formerly certain pubs from our Scream format of pubs comprised this category.	• Primarily attracts customers in the 18 - 35 year age range; • Positioned as a venue for students
		Un-branded	
Proper Pubs	269	Proper Pubs are mainstream, local community pubs offering food and drinks at value prices. These pubs cater to a variety of customer occasions and offer live sports. Formerly, our Local Pubs format of pubs and certain pubs from our Great Traditional Pubs format of pubs and Scream format of pubs comprised this category.	• Primarily attracts customers in the 30 - 50 year age range; • Positioned as a community local pub.
Town Pub and Kitchen .	42	Town Pub and Kitchens are modern British pubs with lighter and brighter amenities and a premium food and drinks offering. Formerly, certain pubs from our Great Traditional Pubs format of pubs comprised this category.	• Attracts customers in all age ranges, with evenings positioned to attract customers in the 20 - 35 year age range; • Positioned to fit any time of day, including late-night entertainment.
Classic Inns	35	Classic Inns are our individually branded pubs located within city and suburban centers, which offer a premium pub experience, with a varied high-quality food and drink offering.	• Attracts adults of all ages; • Positioned for family-orientated social occasions such as Sunday lunches, family dining or special occasion celebrations.

To be fully integrated

Seller	Number of pubs acquired or to be acquired and not yet integrated[(a)]	Description	Marketing and branding
Maclay	14[(b)]	Maclay pubs are a collection of well-located, primarily freehold, unbranded sites that we believe offer a good fit with our existing formats.	• To be integrated into Proper Pubs, Common Rooms and Town Pub and Kitchen.
TCG	53[(c)]	TCG pubs are a nationwide collection of well-located, managed, mostly unbranded pubs, providing us with an opportunity to expand both our branded and un-branded groups.	• To be integrated into Town Pub and Kitchen, Proper Pubs, the Slug and Lettuce, Venues and Classic Inns.

(a) As of August 31, 2015, of our 612 operating sites (including pubs acquired from Maclay but not from TCG), management has identified 33 operating sites that do not fit into one of our seven formats. As investment options are still being considered for these pubs, they have not been included in this summary.

(b) As of August 31, 2015, we had integrated one of our Maclay pubs into our Common Rooms format, and we plan to integrate seven into our Proper Pubs format, five into our Town Pub and Kitchen format and two into our Classic Inns format.

(c) We plan to integrate 22 of our TCG pubs into our Town Pub and Kitchen format, 16 into our Proper Pubs format, seven into our Venues format, seven into The Slug and Lettuce format and one into our Classic Inns format.

We manage our pubs on a regional basis with 46 area managers supporting six divisional directors, who report to two managing directors. One of our managing directors is responsible for our branded group, which is comprised of the Slug and Lettuce, Yates, Venues and Common Rooms formats, while the other managing director is responsible for our un-branded group, which is comprised of the Proper Pubs, Town Pub and Kitchens and Classic Inns formats. Our un-branded group is split based on region into the North, Midlands and South divisions.

All of our central operations, such as purchasing, marketing, property, finance, human resources and IT are managed out of our head office in Luton. Our purchasing team comprises five members who manage procurement and supply along with associated price negotiations for all of our pubs. Our marketing team comprises 21 members, whose principal responsibility is the development of the customer offer for each of our brands and formats. Our property team comprises 15 members, whose principal responsibility is the maintenance of our estate and the implementation of our agreed capital expenditure plans. Our finance team comprises 78 members, whose principal responsibility is the maintenance of accurate record-keeping and reporting of our business performance. Our human resources team has 39 members and our IT team has 11 members. For additional information regarding our IT operations, see "—Information technology."

Our offering

Our drinks offering

Our drinks sales made up 75% of our consolidated revenue from operating sites for the 52 weeks ended July 5, 2015. We pass through drink price rises annually in April, coinciding with alcohol duty increases in the United Kingdom. On March 25, 2013, alcohol duty increased by 2% above the rate of inflation (based on RPI) for spirits, wine and made-wine, cider and perry. However, the duty rates on beer decreased slightly for the same period (a decrease of 6% for low-strength beer, 2% for mid-strength beer and 0.75% for high-strength beer). On March 19, 2014, the UK government abolished the duty escalator from spirits, wine and made-wine, cider and perry, which was 2% above the rate of inflation (based on RPI), held the duty on spirits, cider and perry and reduced the duty on beer by one pence per pint. On March 23, 2015, the UK government cut the duty rate on spirits and other drinks exceeding 22% alcohol by volume by 2%, cut the duty rate on low-strength cider by 2% (with an equivalent benefit in cash terms for high-strength cider), reduced the duty on beer by a further one pence per pint and froze the duty rate on wine, made-wine and high-strength sparkling cider. For risks related to potential increases in alcohol duties to which we are subject, see "Risk factors—Risks related to our business—Changes in regulations to which we are subject or the introduction of new regulations to which we may become subject could have a negative effect on our business—The taxes and duties to which we are subject may increase.”

Our food offering

Approximately 90% of our pubs offer both food and drinks. An effective food offering has become increasingly important in our market. We have established strict standards and specifications for the food we source for our pubs to help us ensure the quality and consistency of the food products sold. Our food sales made up 20% of our consolidated revenue from operating sites for the 52 weeks ended July 5, 2015.

We change food menus twice a year, once during spring and once during autumn, passing through any price changes at the same time. We attempt to remain current with, and continue to effectively address, customer preferences and consumer trends in the food and drink market. For risks related to our inability to keep up with these preferences and trends, see “Risk factors—Risks related to our business—Consumer preferences and perceptions in relation to drink and food may continue to change and we may be unable to adapt to such change.”

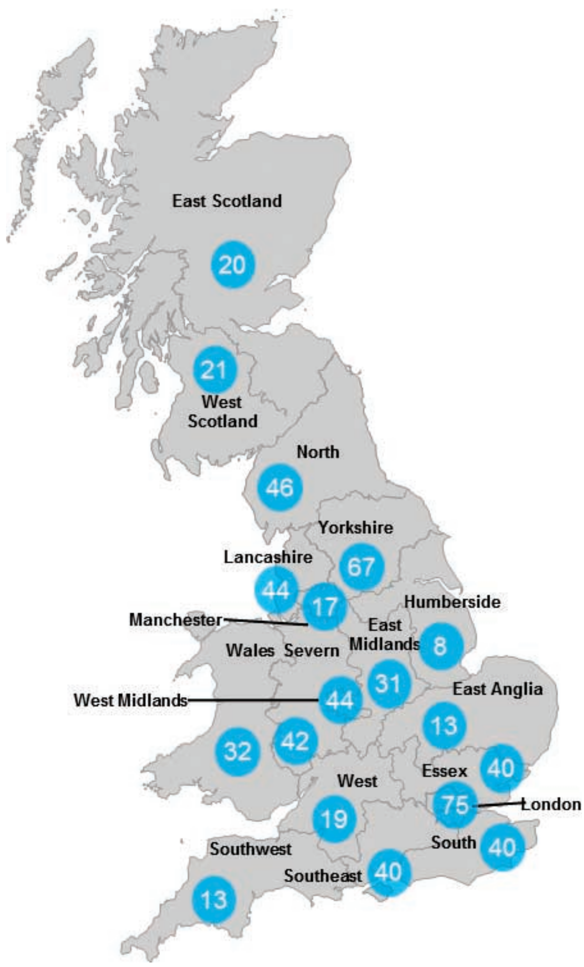
Other

Other sales made up 6% of our consolidated revenue for the 52 weeks ended July 5, 2015 and consisted of gaming charges, accommodation charges and admission fees into our late night venues.

Property estate

Geographical presence

We have a geographically diversified footprint across the United Kingdom that consisted of 612 operating sites as of August 31, 2015, with a strong presence in London and the Southeast region.



Number of pubs by region (including pubs acquired from Maclay but not from TCG)

We review our geographical footprint on an ongoing basis. In August 2013, we acquired 12 pubs from Living Room, which allowed us to strengthen our presence in some of the major cities across the United Kingdom, including London, Manchester, Liverpool, Glasgow, Edinburgh and Bristol. In November 2013, through our acquisition of 78 pubs from Bramwell, we have been able to further grow our reach within the United Kingdom, particularly in cities and towns where we did not yet have an existing presence. Further, in July, August and September 2015, we acquired 15 pubs from Maclay, which has allowed us to expand our presence in the major cities and towns of Scotland, and we have recently completed the acquisition of 37 freehold pubs from the TCG freehold property sellers and have agreed to acquire 16 leasehold pubs and certain other assets from the TCG operating business sellers pursuant to business purchase agreements dated September 29, 2015 entered into with TCG, which will allow us to continue to strengthen our presence throughout the United Kingdom.

Free- and leasehold properties

As of August 31, 2015, approximately 40% of our property portfolio is freehold, comprising 247 pubs, and approximately 4% of our property portfolio is long leasehold with 50 years or more remaining under the lease term, comprising 26 pubs. Following our acquisition of pubs from TCG, we expect to have a total of 284 freehold properties (five of which, recently acquired from TCG, we intend to sell and lease back following this Offering) and 27 long leasehold properties with 50 years or more remaining under the lease term in our property portfolio. The remaining approximately 56% of our property portfolio as of August 31, 2015 is short leasehold with less than 50 years remaining under the lease term, comprising 339 pubs.

As of August 31, 2015, our 612 operating sites (including pubs acquired from Maclay but not from TCG) included one pub that we are currently operating under a license from the administrator of Bramwell. We are in the process of obtaining consent for the assignment of this pub to us and until such time as such assignment has been completed, we will not have legal title to this pub and could be required to vacate it at any time. See "Risk factors—Risks related to our business—Leasing and ownership of a significant portfolio of real estate exposes us to possible liabilities and losses."

With respect to our property portfolio, the majority of our leases have five-year rent review cycles. We are also focused on continuing to monitor our lease agreements in order to take advantage of our ability to renegotiate our rental payments across our estate when possible.

Real estate investment program

Since we began trading, and through August 31, 2015, we have refurbished approximately 330 of our pubs (including the refurbishment of one of the pubs acquired from Maclay but none from TCG). We continue to invest in our estate, and for the 156 week period ended July 5, 2015, we have generated a Return on Investment of 48.4%. We have a focused real estate investment program and take a disciplined approach to investment appraisal. Our investment appraisal process is undertaken twice a year on a site-by-site basis by senior management who identify priority investments based on consumer trends, current performance and opportunity for growth in respect of each of our pubs. Proposed schemes are presented and authorized at centralized monthly investment committee meetings, with strict criteria to be complied with for an investment to be authorized. Our investments over the last three years are also presented at each board meeting for post- investment review.

Real estate disposal program

We have a program of seeking out unprofitable pubs for disposal if the opportunity cost of doing so is beneficial in the medium-term. Since September 29, 2014, we have disposed of 16 pubs, and we are currently in the process of disposing of another seven of our pubs that are not in operation at present.

Supply

We review our food and drink inventory and supply management on an ongoing basis to ensure that our offering is responsive to customer demand and to changing customer and industry trends. We have developed strong relationships with certain of our key suppliers, which have enabled us to benefit from attractive pricing terms. Our pubs benefit from shared administrative, supply and logistics functions, thereby reducing costs and yielding cost synergies, including by giving us greater leverage when negotiating our supply agreements. We select our food and drink suppliers based on quality, the price of their products and consumer tastes and preferences.

We purchase our drink stock from approximately 10 suppliers, with our leading suppliers being Heineken UK, Molson Coors (UK), Matthew Clark Wholesale Limited, Carlsberg UK and Diageo. We have agreed framework purchasing agreements with each of our suppliers with an average term of two years, pursuant to which our individual pubs make purchase orders when needed.

A substantial majority of our food supply is distributed through Brake Bros Limited who, in consultation with us, in turn, sources our food supplies from other suppliers in the market. We have entered into a framework agreement with Brakes Bros Limited for the supply of our food requirements. This agreement has an initial term of three years from January 1, 2013. For risks related to our dependence on certain suppliers, see "Risk factors—Risks related to our business—We rely on a limited number of suppliers and, if such suppliers continue to consolidate, or face financial difficulties, prices we pay to our suppliers may rise or our operations may be disrupted."

Employees

Employees

For the 52-week period ended July 5, 2015, we had on average approximately 12,000 employees located across the United Kingdom. The average number of employees for the 52 weeks ended September 29, 2014, the 52 weeks ended September 29, 2013 and the 53 weeks ended September 30, 2012 were 12,915, 10,660, and 10,577, respectively. Our employees are distributed among our various pubs across the United Kingdom, with 249 employed at our head office in Luton.

In addition to permanent salaried employees, we also employ temporary or part-time staff, generally on a monthly-basis. The average number of temporary staff that we had employed for the 52 weeks ended September 28, 2014, the 52 weeks ended September 29, 2013, and the 53 weeks ended September 30, 2012 were 10,882, 9,126, and 9,053, respectively.

Staff training and development

We are focused on the training of our employees, which constitutes one of the main focus points of our management. We have also initiated programs to improve the caliber of our general managers. See "Summary—Our strategies—Concentrate on our core operating initiatives."

In November 2012 we opened a development center called Albert's Academy. This center is based in Birmingham, which is a central location in the United Kingdom for our pub-based staff. The center provides a multi-functional space for learning and development addressing all aspects of our business and includes facilities such as a state-of-the-art demonstration kitchen and five individual kitchen training pods, alongside two training rooms and a cellar training facility. The facility is used as the primary venue for our training programs.

Recruitment

We strengthened our human resources team in 2012 with the establishment of an internal recruitment team and the appointment of a success coach to promote the development of our top performing deputy managers. We view our pool of managers as being crucial to our future success and place emphasis on the recruitment and retention of highly skilled management. In acknowledgement of our work to date, we were recently awarded a "Distinction in People Development" award at the HR Distinction Awards, and we were awarded the Best Pub Employer (51+ sites) at the 2013 Publican Awards, the leading industry event of the year. For risks related to our ability to identify and/or retain a talented pool of managers, see "Risk factors—Risks related to our business—We are dependent on key executives for our future success."

Employment legislation

Our employees are subject to the Working Time Regulations, which controls the hours they are legally allowed to work. In addition, as a large number of our staff are employed at the national minimum wage, we are impacted by increases in the national minimum wage. For risks related to employment regulations to which we are subject, see "Risk factors—Risks related to our business—Changes in regulations to which we may become subject or the introduction of new regulations to which we are subject could have a negative effect on our business—Employment regulations provide certain rights and protections to our employees, and changes to these regulations may reduce our ability to operate our business efficiently."

Insurance

Our group-wide insurance coverage includes policies for risks associated with our business. These policies provide insurance cover for material property damage, material accidents and material business interruption, in addition to standard corporate insurance, including crime and directors and officers insurance.

We believe that our insurance coverage is sufficient for the risks associated with our operations and that our policies are in accordance with customary industry practices. However, there can be no guarantee that the coverage we maintain will be sufficient to cover the cost of defense or other damages in the event of a significant claim. The nature of our business exposes us to various liability claims which may exceed the level of our insurance. See "Risk factors—Risks related to our business—Our insurance may be insufficient and certain types of loss may be uninsurable."

Information technology

We have an information technology team based at our head office in Luton. Our IT team supports the systems used across our pubs as well as the reporting and analysis tool used by our regional managers and senior management team.

The key system used at our pubs is the Aztec EPOS system, which is supported by Zonal. This system records sales, stock and cash at our pubs. Fourth Hospitality's Tradesimple program is used to place stock orders, receive deliveries and feed stock information into the Aztec EPOS system, which in turn produces the financial information that is used for our management and statutory reporting. We use a separate system for staff planning and payroll. This system is used for both salaried and weekly staff at head offices and at our pubs. The Aztec and Fourth Hospitality systems were designed for the pub and hospitality industry, and we have been able to adapt them for our purposes.

Regulation

Our operations are directly subject to, and indirectly affected by, extensive regulation, including in relation to pub licensing, taxation, health and safety, sanitation, alcoholic drinks control and leisure (gaming) machines. Our operations are also subject to regulation with regard to the environment, data protection and access for the disabled. Some of the regulations to which we are subject in England and Wales are discussed below.

Licensing regulation

Licensing authorities are responsible for the licensing system in England and Wales, which is governed by the Licensing Act of 2003 (the "Licensing Act"). There is a two tier system for licensing: premises licenses and personal licenses.

Premises licenses

Premises licenses are held by the Company. The grant of a premises license permits the conduct of licensable activities at any premises. Licensable activities relevant to our operations are:

- the sale of alcohol;
- the provision of regulated entertainment; and
- the provision of late-night refreshment, including the provision of hot food and drink after 11:00 p.m.

There is no requirement to renew a premises license every year, but an annual fee is payable, and non-payment of the annual fee can lead to suspension of a premises license. Premises licenses are subject to various mandatory conditions, one of which is that there has to be a designated premises supervisor in respect of each premises license. A designated premises supervisor must by law hold a personal license.

The licensing authorities, when making any decision under the Licensing Act, have to do so in accordance with the four licensing objectives, being:

- the prevention of crime and disorder;
- the promotion of public safety;
- the prevention of public nuisance; and

- the protection of children from harm.

The concept of fixed hours for the sale of alcohol was removed with the advent of the Licensing Act in November 2005, and all licensed premises now have flexibility (provided applicable licensing fees are paid) in terms of the hours that alcohol can be sold and entertainment and/or late night refreshment provided. This flexibility is however tempered by the fact that any decision to grant a license has to be determined by the licensing authority, having regard to both the licensing objectives, its statement of licensing policy and UK Home Office guidance.

Each licensing authority produces its own statement of licensing policy, which must be revised at least every five years. The UK Home Office has produced its own guidance on the interpretation of the Licensing Act, which licensing authorities must have regard to when making any decisions.

Personal licenses

Each designated premises supervisor must, by law, hold a personal license. Individuals apply to a licensing authority for a personal license where they habitually reside. A personal license is personal to the individual and is portable. The UK government has dispensed with the requirement to renew a personal license every ten years.

Food hygiene and health and safety

Local authority environmental health departments police these areas of regulatory compliance through regular inspections and reactive enforcement visits following accidents and incidents. They seek to ensure compliance with the Food Safety Act of 1990 and Health and Safety at Work Act of 1974. The risk to the business is that it could be required to close and/or that it could be prosecuted, with consequential fines. Recent government proposals on sentencing guidelines are expected to become effective in April 2016, although they are likely to be used retrospectively by the courts. Should a company be found guilty of an offense under any relevant legislation, including corporate manslaughter, the penalties imposed will be significantly higher than in the past, potentially running into millions of pounds.

We manage this risk by the implementation of robust systems of training and record keeping, assisted by the use of professional consultants to ensure compliance.

Gaming regulation

The provision of machines in premises which have the benefit of a premises license is governed by the Gambling Act of 2005. All premises which have a premises license permitting the sale of alcohol for consumption on the premises, granted under the Licensing Act, and which contain a bar at which alcohol is served, can provide machines available for public use.

All such premises are automatically entitled to provide one or two machines of Category C or D (described below). To benefit from the use of these machines, the premises license holder must notify the licensing authority that it wishes to avail itself of the benefit of up to two Category C or D machines, and pay a £50 fee. There is no annual fee payable for this automatic entitlement, once the initial fee has been paid. If the premises wish to have more than two machines of Category C or D, then it must make an application to the licensing authority for a licensed premises gaming machine permit. Such applications may need to be determined by the licensing authority at a hearing. Once granted, an annual fee is payable for such permits.

Categories of machines

Category C machines have a maximum cash prize of £100, and a maximum stake of £1. Only persons aged 18 or over are allowed to play on Category C machines. Category D machines have different maximum stakes and prizes, but where the prize is money (which is the usual case), the maximum stake is 10 pence, with a maximum prize of £5. Persons under the age of 18 are allowed to play on Category D machines. Commonly, it is Category C machines which are found in licensed premises.

Smoking regulation

There is a legal requirement under the Health Act 2006 for premises which are classed as "enclosed" to be smoke free. The restrictions do not currently apply to electronic cigarettes which allow the user to inhale nicotine in vapor form, and which do not then produce any smoke, but otherwise apply to anything that can be smoked.

Noise nuisance regulation

Local authority environmental health officers are empowered by the Environmental Protection Act of 1990 and associated legislation to police the issue of noise nuisance arising from commercial premises. They have the power to issue fixed penalty notices in certain circumstances and to issue noise abatement notices requiring the cessation of the nuisance. Informal discussion normally precedes such formal action but not always. The onus is on the business to demonstrate due diligence in the prevention of such nuisance.

Environmental matters

As part of our corporate social responsibility program we have implemented a number of schemes on environmental matters.

We partner with Olleco in the recycling of our used cooking oil. Our used oil is refined into a range of products such as industrial oils and renewable fuels. In the 52 weeks ended September 28, 2014, we collected 735,000 liters (or 677 metric tons) of used cooking oil. This is the equivalent of saving 1,255 metric tons of carbon.

We also work in partnership with Veolia Environmental Services for waste collection and recycling services. Veolia offers a range of recycling services to manage our waste streams. Historically, 47% of our waste goes to glass recycling facilities, 14% to dry mixed product recycling and 3% to sustainable uses of food waste. The remaining 36% is sent to energy recovery facilities for incinerations (12%), materials recovery facilities for recycling segregation (80%) or direct to landfill facilities (8%). As a result we have been able to significantly reduce the amount of waste that is sent to landfills.

Over the last two years we have continued with the installation of smart meters in the majority of our outlets. These help us manage our energy use more efficiently, reducing energy consumption.

We believe that we do not currently have any outstanding material environmental compliance costs or environmental liabilities. See "Risk factors—Risks related to our business—We could be liable for environmental compliance costs at our properties."

Litigation

We have been and, from time to time, may continue to become a party to claims and lawsuits incidental to the ordinary course of our business. We are not currently involved in any legal or arbitration proceedings that are expected to have a material adverse effect on our financial position and, to our knowledge, no such legal or arbitration proceedings are currently threatened.

Management

Board of the Issuer

The Issuer was incorporated on March 19, 2014, under the laws of England and Wales. The board of directors of the Issuer is composed of the following members:

Name	Age	Title
Ian Payne	62	Director
Manjit Dale	50	Director
Simon Longbottom	44	Director
David Ross	42	Director and Company Secretary

Summarized below is a brief description of the experience of the individuals who serve as members of the board of directors of the Issuer.

Ian Payne has served as the chairman of the Company since 2010 and has over 35 years of experience in the retail industry. Mr. Payne has held board positions with Bass Taverns Limited, Stakis plc and Ladbrokes plc. He was chief executive officer of the Laurel Pub Company from its inception in May 2001 through to December 2004 and later chairman of the Bay Restaurant Group and Town & City prior to the initiation of our operations in November 2010. Mr. Payne started his career in the trade behind the bar of a local pub more than 35 years ago.

Manjit Dale founded TDR Capital in 2002. Prior to that, Mr. Dale served as managing partner at DB Capital Partners Europe and has almost 20 years' experience in private equity. Mr. Dale graduated from Cambridge University with an honors degree in economics.

Simon Longbottom was appointed chief executive officer of the Company on October 27, 2014, replacing Toby Smith, and was appointed as a director of the Issuer on January 31, 2015. Mr. Longbottom has spent much of his career within the licensed industry. Prior to joining us, Mr. Longbottom was a managing director of Pub Partners, a division of Greene King, as well as a managing director of Gala Coral's gaming division. Mr. Longbottom has also held senior positions with Mill House Inns and Mitchell's & Butlers plc.

David Ross has served as our chief financial officer since January 2012 and has over 15 years of experience in the retail industry. Mr. Ross qualified as a chartered accountant with PricewaterhouseCoopers in 1999 before joining Boots as a senior internal audit manager. After holding various senior-level positions in Boots, Mr. Ross joined the Spirit Group in 2004 as head of finance for investments and the development company of their "gastro-pubs and bars" business. Mr. Ross joined Laurel Pub Company in 2007 as head of finance and held that position until the break-up of Laurel Pub Company in 2008 when he was appointed head of finance of Bay Restaurant Group and Town & City. Mr. Ross holds a bachelor's degree in business economics and accounting from Southampton University.

Board of the Company

The Company was incorporated under the laws of the Cayman Islands on August 13, 2010 as an exempted company with limited liability. The board of directors of the Company is composed of the following members:

Name	Age	Title
Ian Payne	62	Director
Manjit Dale	50	Director
Brian Magnus	49	Director
Philip Rowland	52	Director
Marino Gudmundsson	48	Director
Simon Longbottom	44	Director
David Ross	42	Director

Summarized below is a brief description of the experience of the individuals who serve as members of the board of directors of the Company not already described.

Brian Magnus joined TDR Capital in September 2012. Prior to joining TDR, he was a managing director at Morgan Stanley where he was European head of Morgan Stanley Private Equity, and formerly head of UK investment banking. He joined Morgan Stanley in 2000 having previously worked in the corporate finance division of Schroders, a company later acquired by Citigroup. Brian graduated from the University of Manchester with a degree in management sciences and qualified as a chartered accountant with Price Waterhouse.

Philip Rowland joined TDR Capital in 2005. He serves as a senior operating partner at TDR Capital and is responsible for running the TDR operating team. Prior to joining TDR Capital, Mr. Rowland served as a partner at McKinsey and worked at Cranfield School of Management and Ford Motor Company. He has an MBA from Cranfield School of Management and a degree in management science from Stirling University.

Marino Gudmundsson joined Kaupthing bank h.f. in 2006 and has been the deputy managing director of the asset management unit since 2008. He joined the board of Bay Restaurant Group and Town & City in November 2008 and the board of the Company in June 2011. Mr. Gudmundsson sits on the board of number of European companies and has a MBA degree from the Rotterdam School of Management.

Management of the Group

The senior management team of the Group is composed of the following members:

Name	Age	Title
Ian Payne	62	Chairman
Simon Longbottom	44	Chief executive officer
David Ross	42	Chief finance officer
Nick Andrews	48	Managing Director—Traditional Pubs
Tim Cullum	46	Managing Director—Branded Bars
Suzanne Baker	52	Commercial director
Richard Bruce	45	Marketing director
Tim Painter	45	Human resources director

Summarized below is a brief description of the experience of the individuals who serve as members of management of the Group not already described.

Nick Andrews joined the Company in June 2015 as managing director of our Traditional Pubs estate. Mr. Andrews was previously brand operations director at Mitchells & Butlers, where he worked for five years. Prior to that, he was regional director with Lloyds Banking Group for seven years. He originally joined the Bass PLC graduate program before progressing into roles with Bass Leisure Group and Holiday Inns, eventually becoming director & general manager of the O'Neill's pub chain. He holds a first class honors degree from Leeds Metropolitan University and an MBA from Nottingham Trent University.

Tim Cullum joined the Company in February 2015 as managing director of our Branded Pubs estate. Mr. Cullum previously served as CEO of Novus Leisure, and prior to his service at Novus Leisure he was operations director for TGI Fridays for six years. Mr. Cullum has also previously served at Mitchells & Butlers where he held various senior roles in marketing, operations and property. Mr. Cullum has over 25 years' experience in the restaurant and drinks industry, starting his career at Halls Oxford and West Brewery in 1989 in its sales and marketing department.

Suzanne Baker has served as our commercial director since June 2011 and has over 20 years of experience in the retail industry. Ms. Baker is responsible for overseeing all of our commercial contracts and relationships including those relating to purchasing and property. Ms. Baker has held board positions in Town & City, Bay Restaurant Group, Laurel Pub Company and JD Wetherspoon plc. Ms. Baker commenced her career at Grandmet Retail in operations, progressing within marketing and purchasing roles across national brands in the United Kingdom, including at Chef & Brewer Pubs. Ms. Baker holds a Hotel and Catering International Management Association Part B qualification from Staffordshire University.

Richard Bruce has served as our marketing director since July 2012 and has over 20 years of experience in the retail industry working in commercial and marketing roles. Mr. Bruce is responsible for our customer proposition and offer. Mr. Bruce initially trained at Marks and Spencer following which he moved to Home Retail Group, working at Argos and Homebase before joining us. Mr. Bruce holds a bachelor's degree in business and marketing from Sheffield Hallam University.

Tim Painter has served as our human resources director since January 2012 and has over 22 years of experience in the retail industry. Mr. Painter is responsible for the recruitment, training and development of our employees. Mr. Painter started his career in food retail with human resource roles at Asda Group plc and Safeway plc. Mr. Painter then moved to Thorn UK, where he became the human resources director for a division of the business. In 2003, Mr. Painter was appointed as human resources director for Travel Inn, which is a part of Whitbread plc. During his tenure, Travel Inn acquired and integrated the Premier Lodge business to form Premier Travel Inn. In 2006, Mr. Painter returned to the food retail business as human resources director of Musgrave Retail Partners GB, which managed the franchised convenience brands Budgens and Londis. Mr. Painter holds a bachelor's degree in history from Leeds University.

Board Practices

The Company is managed by its board of directors, which is made up of four members. The Company's board of directors is responsible for setting our direction through the establishment of strategies, key policies, and the approval of financial objectives and targets. The board of directors monitors the implementation of strategies and policies through a structured approach of reporting by senior management and recognizes the importance of managing relationships with various stakeholders. The Company's board of directors meets on a monthly basis and reviews strategy, operating and capital budgets, operating results and other matters relating to our overall objectives. Additional board meetings are held during the year if required.

Committees

Managing Director executive committee

Our Managing Director executive committee is chaired by our managing directors and is composed of our marketing director, human resources director, head of finance and four of our operations directors. The Managing Director executive committee meets every month and its principal role is to discuss the performance of the business and operational initiatives. This committee is also the first point of approval for our proposed investment capital expenditure programs.

Operations board

Our operations board is chaired by our chief executive officer and is composed of our chief financial officer, chief operating officer, managing directors, commercial director, marketing director and human resources director. The operations board meets every month and its principal role is to discuss the performance of the business and marketing plans, and approve any new purchasing agreements. This committee also authorizes proposed investment capital expenditure programs to be presented at strategic planning committee meetings.

Strategic planning committee

Our strategic planning committee is chaired by our chairman and is composed of the members of the operations board and representatives of TDR Capital. The strategic planning committee meets every month and its principal role is to determine the strategy of the company and review the performance of the business against established goals. This committee also serves as the final point of authorization for any proposed investment capital expenditure programs.

Risk management committee

Our risk management committee is chaired by our head of risk and is composed of representatives from our property, food, operations, commercial and finance departments. The risk management committee meets every three months and its principal role is to monitor the risks facing the industry and the business and to evaluate and develop strategies to respond to, and mitigate, such risk. This committee also monitors and reports on latest developments in regulation to which our business operations are subject.

Conflicts of interest

We believe that there are currently no conflicts of interest between the duties owed by executive management to us and their private interests. Certain of the directors are representatives of TDR Capital, which is our indirect majority shareholder. In certain situations, the interests of TDR Capital, as indirect majority shareholder, may differ from the interests of our other shareholders. See "Risk factors—Risks related to our structure—The interests of our controlling shareholder may differ from the interests of the holders of the Notes.”

Compensation

The aggregate compensation paid by us to our directors and key management personnel for the 52 weeks ended September 28, 2014 was £2.3 million, comprising their aggregate salaries and short term benefits, post-employment pension benefits and redundancy payments made during this period.

We have established an incentive program for key employees to help us meet our strategic objectives, reward superior performance and encourage achievement of personal objectives. The program incentivizes such key employees through an annual cash bonus program linked to our key financial performance measures.

Management incentive program

Certain members of our senior management hold Class B ordinary shares of the Parent under a management incentive program. Under this program, we extended cash loans to certain members of our senior management in order for them to purchase these shares. In the event of a transfer of all the shares of the Group, an initial public offering, an asset sale of all or substantially all of the Group’s assets, or a liquidation, these managers will be entitled to a *pro rata* distribution based on their respective holdings of ordinary B shares calculated based on the sale price.

The management incentive program includes good and bad leaver provisions in the event that a manager leaves the Company. Depending on the cause and time of leaving, managers may receive a payment between the fair market value of their investment and the initial investment cost.

We may change the terms and conditions of the management incentive program that we currently have in place and may introduce additional measures to incentivize our management going forward. From time to time, we may also include new managers under our management incentive program.

Share ownership

Certain members of our board of directors and senior management have a beneficial ownership interest in the Parent. See “Principal shareholders.”

Principal shareholders

All the outstanding shares of the Company are held by the Parent, and all the outstanding shares of the Issuer are held by the Company.

The Parent was incorporated under the laws of the Cayman Islands on January 15, 2013 as an exempted company with limited liability. The registered office of the Parent is at the offices of Codan Trust Company (Cayman) Limited, Boundary Hall, Cricket Square, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and its telephone number is +1 345 949 1040.

The issued share capital of the Parent consists of two classes of ordinary shares, which are designated as Class A ordinary shares and Class B ordinary shares. The Class A ordinary shares and the Class B ordinary shares each have a nominal value of £0.01. The following table sets forth certain beneficial ownership information regarding holders of the ordinary shares in the Parent and the percentage owned by each shareholder as of August 31, 2015.

Share class	Parent		Kaupthing hf.		Management		Total	
Class A Ordinary Shares	143,775,600	94.2%	6,224,400	4.1%	—	—	150,000,000	98.3%
Class B Ordinary Shares	360,000	0.2%	—	—	2,296,000	1.5%	2,656,000	1.7%
Total	**144,135,600**	**94.4%**	**6,224,000**	**4.1%**	**2,296,000**	**1.5%**	**152,656,000**	**100.00%**

Information about our principal shareholder

TDR Capital is a leading private equity firm with over €4.8 billion of capital under management. It was founded in 2002 by Manjit Dale and Stephen Robertson, who were previously partners at DB Capital Partners. TDR Capital has an experienced team of investment professionals and operating partners and has a low-volume investment strategy based on principles developed by the investment team over the past decade. TDR Capital seeks to spend significant resources on each investment and to focus on operational excellence through a tested and integrated operating partner model.

Intense pre-investment analysis and post-investment involvement mean that TDR Capital is selective, typically making only one to three investments a year. TDR Capital takes an active role in overseeing the operations of its investments, working in partnership with management through board representation and professional support.

Investment agreement

The Parent, its holding company and Kaupthing hf. entered into an investment agreement on June 21, 2011, as amended and restated on January 24, 2013 (the "Investment Agreement"), which regulates the governance of and equity interests in the group. The Investment Agreement regulates, among other matters: (i) the composition, function and scope of the board at the level of the Parent; (ii) the issue of shares of the Parent; (iii) the Parent's ability to take action regarding the items set forth on list of restricted transactions under the Investment Agreement; (iv) the ability of the parties to sell, transfer or otherwise dispose of their shareholding in the Parent; and (v) other rights and obligations of the investors.

Certain relationships and related party transactions

We enter into transactions with our shareholders and other entities owned by, or affiliated with, our direct and indirect shareholders in the ordinary course of business. These transactions include, among other things, professional advisory, consulting and other corporate services. The following discussion is a brief summary of certain material arrangements, agreements and transactions we have with related parties.

Management fees to TDR Capital

The Company is a wholly-owned subsidiary of the Parent. The Parent is indirectly majority-owned by TDR Capital. See "Principal shareholders." For the 52 weeks ended September 28, 2014, we paid TDR Capital management services and monitoring fees in an aggregate amount of approximately £2.1 million. As of September 28, 2014, we did not owe TDR Capital any additional amounts in respect of the management services rendered by them.

Management incentive program

Certain managers of our Group hold shares in the Parent under a management incentive program. Pursuant to this program, for the 52 weeks ended September 28, 2014, we made loans to certain members of our senior management in an aggregate amount of £525,000 and cancelled £720,000 in aggregate amount of loans (including interest) as a result of two of our managers ceasing their employment with us. The total amount outstanding in respect of loans made to senior management as of September 28, 2014 was approximately £2.3 million. See "Management—Management incentive program." In the 40 weeks ended July 5, 2015, we made an additional loan to a member of our management in the amount of £200,000.

Certain lease arrangements

We were subject to various occupational lease arrangements with Pub Freehold Acquisitions S. à r. l. ("PFA") and Pub Freehold Acquisitions 2 S. à r. l. ("PFA 2"), which are companies affiliated with, and ultimately controlled by, TDR Capital. For the 52 weeks ended September 28, 2014, we made lease payments in an aggregate amount of approximately £11.5 million to PFA and PFA 2. On October 17, 2014, we acquired 15 of these pubs from PFA and PFA 2 for an aggregate purchase price of £2.9 million, and on January 20, 2015, we acquired a further two pubs for an aggregate purchase price of £1.6 million. We continue to lease one pub from PFA for which we pay rent of approximately £180,000 per annum.

We believe that these transactions with our affiliate entities were made in the ordinary course of business, on fair terms and at arm's length. We may, from time to time, enter into similar arrangements with entities affiliated with TDR Capital in the ordinary course of business and on terms that we believe are no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party.

Description of other indebtedness

The following contains a summary of the material provisions of the Revolving Credit Facility Agreement and the Intercreditor Agreement. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents.

Revolving Credit Facility Agreement

Overview and structure

In connection with the issuance of the Original Notes the Company, as parent, and certain of its subsidiaries entered into a £25.0 million super senior revolving credit facility agreement on April 11, 2014 (the "Revolving Credit Facility Agreement") with Barclays Bank PLC as lender and arranger. On June 25, 2015, the Company agreed with its lenders to increase the commitments under the Revolving Credit Facility Agreement, by way of an amendment and restatement agreement, up to a maximum principal amount of £35.0 million of committed financing and, by way of an amendment and restatement agreement dated September 29, 2015, the Company agreed with its lenders to further increase the commitments under the Revolving Credit Facility Agreement up to a maximum amount of £50 million. Under the terms of the Revolving Credit Facility Agreement, borrowings above £35 million are required to be repaid and corresponding commitments cancelled upon the earlier of 12 months from September 29, 2015 and the occurrence of certain other events.

The Revolving Credit Facility Agreement may be utilized by any current or future borrower under the Revolving Credit Facility Agreement in pound sterling only by the drawing of cash advances or ancillary facilities. The Revolving Credit Facility Agreement may be used for financing or refinancing our working capital requirements and for general corporate purposes.

The Revolving Credit Facility may be utilized until the date falling one month prior to the "termination date" of the Revolving Credit Facility (which is the date falling 54 months after the original date of the Revolving Credit Facility Agreement).

The borrowers under the Revolving Credit Facility Agreement are the Company, Barley Pub Company Limited, Hops Pub Company Limited, Slug and Lettuce Company Limited and Town and City Pub Group Limited.

Interest and fees

Loans under the Revolving Credit Facility Agreement will initially bear interest at rates per annum equal to LIBOR, plus a margin of 3.5% per annum. Beginning six months following the original date of the Revolving Credit Facility Agreement, the margin for each loan under the Revolving Credit Facility Agreement has been subject to reduction if certain leverage ratios are met.

A commitment fee is payable on the aggregate undrawn and uncancelled amount of the Revolving Credit Facility until the end of the availability period for the Revolving Credit Facility at a rate of 40% of the then applicable margin for the Revolving Credit Facility. Generally, the commitment fee is payable quarterly in arrears, on the last day of availability of the Revolving Credit Facility and if cancelled, on the cancelled amount of the relevant lender's commitment under the Revolving Credit Facility at the time such cancellation is effective.

Default interest is calculated as an additional 1% per annum above the rate otherwise payable on the overdue amount.

The Company is also required to pay (or procure the payment of) customary arrangement fees to the arranger in connection with the Revolving Credit Facility.

Repayments

Loans under the Revolving Credit Facility Agreement must be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against new loans under the Revolving Credit Facility Agreement to be drawn on such date.

All outstanding amounts under the Revolving Credit Facility Agreement are required to be repaid on the "termination date" (see "—Overview and Structure" above).

Prepayment

The Revolving Credit Facility Agreement allows for voluntary prepayments (subject to a minimum amount).

The Revolving Credit Facility Agreement also allows for voluntary prepayment of the Revolving Credit Facility with the net cash proceeds received by the "restricted group" from certain disposals of assets, to the extent that such net cash proceeds have not been applied for other permitted purposes.

The Revolving Credit Facility Agreement also permits each lender to require the mandatory prepayment of all amounts due to that lender upon (a) an initial public offering (an "IPO"), (b) a sale of all or substantially all of the Group's assets or (c) a "Change of Control" (which comprises (i) prior to an IPO, TDR Capital ceasing to own, directly or indirectly, more than 50% of the issued share capital and voting rights in the Company; (ii) following an IPO, (x) TDR Capital ceasing to control or own, directly or indirectly, 30% of the issued share capital and/or voting rights of the Company or (y) persons or a group of persons acquiring more issued shares and/or voting rights, directly or indirectly, in the Company than TDR Capital or (iii) the Parent ceasing to control or own, legally and beneficially, directly or indirectly, 100% of the issued share capital and/or voting rights in the Company.

Guarantees

The Revolving Credit Facility Agreement is guaranteed by the Company and the Guarantors, including the Company. The Revolving Credit Facility Agreement and the Indenture benefit from the same guarantees.

The Revolving Credit Facility Agreement requires that (subject to the Agreed Security Principles) the Guarantors of the Revolving Credit Facility represent or exceed 80% of consolidated EBITDA of the restricted group and at least 80% of the gross assets of the restricted group.

Furthermore, if on the last day of a fiscal year of the Company, the Guarantors of the Revolving Credit Facility represent less than 80% of the consolidated EBITDA of the restricted group and less than 80% of the total assets of the restricted group (subject to certain exceptions), within 90 days of delivery of the annual financial statements of the Company for the relevant fiscal year, such other members of the restricted group (subject to the Agreed Security Principles) are required to become additional Guarantors of the Revolving Credit Facility until the requirement is satisfied (to be calculated as if such additional Guarantors had been Guarantors of the Revolving Credit Facility on such last day of the relevant fiscal year).

Security

The Revolving Credit Facility Agreement is secured by the same security interests granted as security for the Notes. See "Description of the Notes—Security—The Collateral."

Representations and warranties

The Revolving Credit Facility Agreement contains certain customary representations and warranties (subject to certain exceptions and qualifications and with certain representations and warranties being repeated), including status and incorporation, binding obligations, non-conflict with constitutional documents, applicable laws and certain other obligations, power and authority, authorizations and no default.

Covenants

The Revolving Credit Facility Agreement contains certain of the incurrence covenants and related definitions (with certain adjustments) that are included in the section entitled "Description of the Notes—Certain Covenants." In addition, the Revolving Credit Facility Agreement contains a financial covenant (see "—Financial covenant").

The Revolving Credit Facility Agreement also contains a "notes purchase condition" covenant. Subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Company may not, and shall procure that no other member of the restricted group will, repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount of the Notes (or, in each case, any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time but, for the avoidance of doubt, excluding any amount outstanding under any "finance document" entered into in respect of the Revolving Credit Facility) prior to its scheduled repayment date in any manner which involves the payment of cash consideration by a member of the restricted group to a person which is not a member of the restricted group. The exceptions to such covenant include, *inter alia*, generally, payments that do not exceed 50% of the aggregate original principal amount of the Notes in existence as of the Additional Notes Issue Date or incurred at any time after the Additional Notes Issue Date.

The Revolving Credit Facility Agreement also requires certain members of the restricted group to observe certain affirmative covenants, including covenants relating to maintenance of "guarantor and security coverage" (see "—Guarantees" above) and further assurance with respect to security interests granted.

Certain of the covenants under the Revolving Credit Facility Agreement will be suspended upon an achievement by the Notes of a rating equal to or better than Baa3 and BBB-, according to Moody's Investor Services, Inc. and Standard & Poor's Investors Ratings Services, respectively.

The Revolving Credit Facility Agreement also contains an "information covenant" under which, among other things and in the first instance, the Company is required to deliver to the lender annual financial statements, quarterly financial statements and compliance certificates. Note, however, that the delivery of reports as set out under the caption "Description of the Notes—Certain Covenants—Reports" will satisfy the reports aspect of the information covenant.

Financial covenant

The Revolving Credit Facility Agreement requires the Company to comply with a "minimum EBITDA covenant." The minimum EBITDA covenant is tested quarterly on a rolling basis, with the first test date having occurred on September 28, 2014.

The Company is permitted to prevent or cure breaches of the minimum EBITDA covenant by applying a "cure" amount (generally, amounts received by the Company in cash pursuant to any new equity or permitted subordinated debt) in prepayment of all outstanding loans under the Revolving Credit Facility Agreement. No more than four different cure amounts may be taken into account prior to the original termination date of the Revolving Credit Facility Agreement.

Events of default

The Revolving Credit Facility Agreement contains a limited number of events of default (misrepresentation, unlawfulness, failure to comply with the minimum EBITDA covenant and failure to comply with the information covenant), subject in certain cases to agreed grace periods and other qualifications. Additionally, the Revolving Credit Facility Agreement mirrors the events of default applicable to the Notes.

Senior Secured Credit Facility

General

On September 29, 2015 the Company, as borrower, entered into the Senior Secured Credit Facility Agreement in the amount of £80.0 million with Barclays Bank PLC, as mandated lead arranger, original lender, agent and security agent in connection with the financing of the consideration for the acquisition of certain freehold pubs and other assets from TCG that we completed on September 29, 2015. The Senior Secured Credit Facility made available under this agreement will initially bear interest at rates per annum equal to LIBOR plus an agreed margin. The Senior Secured Credit Facility has an initial maturity of one year from September 29, 2015, after which, upon the occurrence of certain conversion events, it will convert into a term loan with a final maturity date of April 15, 2019. The Senior Secured Credit Facility will be repaid in full with the proceeds of the Offering.

Security

The Senior Secured Credit Facility is secured by the same collateral as that securing the Notes. See "Description of the Notes—Security—The Collateral."

Covenants

The Senior Secured Credit Facility contains covenants and events of default that are substantially the same as those with respect to the Notes, as set forth in "Description of the Notes."

Floating Rate Notes

On April 11, 2014, the Issuer issued £140,000,000 aggregate principal amount of Floating Rate Senior Secured Notes due 2019 under the Indenture, which remain outstanding as of the date of this Offering Memorandum. No additional Floating Rate Senior Secured Notes will be issued pursuant to this Offering.

Planned sale and leaseback transactions

We intend to enter into sale and leaseback transactions in connection with five freehold properties in London that we have acquired from the TCG freehold property sellers. Based on currently available information and in consultation with third-party advisors, we estimate that the aggregate proceeds from the sale of these five properties in London will be approximately £30 million and our aggregate rental expense for these properties for the 52 week period following the completion of these sale and leaseback transactions will be approximately £1.3 million. However, we cannot assure you that we may be able to complete these sale and leaseback transactions in a timely manner, based on our current estimates, on terms favorable to us or at all. See "Risk Factors—Risks related to our financial profile, the Notes and the Note Guarantees—Our substantial leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations with respect to the Notes and the Note Guarantees."

Intercreditor Agreement

General

To establish the relative rights of certain of our creditors under our financing arrangements, the Company, in its capacity as parent, and certain of its subsidiaries (including the Guarantors) (together the "Debtors") have entered into the Intercreditor Agreement dated April 11, 2014 with, among other things, the Security Agent and the lender under our Revolving Credit Facility (the "Senior Lender"). The Intercreditor Agreement is governed by English law and sets out, among other things, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when Enforcement Action (as defined below) can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and the Intercreditor Agreement, and not the description that follows, defines certain rights (and restrictions on entitlement) of the Company and holders of the Notes.

Capitalized terms set forth and used in this section entitled "—Intercreditor Agreement" have the same meanings as set forth in the Intercreditor Agreement (as amended and restated), which may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum.

Ranking and priority

Priority of debt

The Intercreditor Agreement provides that the liabilities owed by the Debtors (other than that member of the Group (being the Company and its subsidiaries for the time being) that is the issuer or borrower of Senior Subordinated Notes or Permitted Subordinated Financing Debt (each, as defined below, a "Senior Subordinated Debt Issuer")) to the Senior Lender and the counterparties under certain hedging agreements (the "Hedging Counterparties" and together with the Senior Lender, the "Senior Creditors"), the holders of any senior secured notes including the Notes (referred to as "Senior Notes" herein) and the trustee in relation to such senior secured notes including the Trustee (collectively the "Senior Note Creditors") and the creditors under any other permitted future debt that is designated as "Permitted Senior Financing Debt" (the "Permitted Senior Financing Creditors" and together with the Senior Creditors and the Senior Note Creditors, the "Senior Secured Creditors"), the holders of notes designated as "Senior Subordinated Notes" and the creditors under certain permitted future debt that is designated as "Permitted Subordinated Financing Debt" (the "Senior Subordinated Creditors" and together with the Senior Secured Creditors, the "Primary Creditors") shall rank in right and priority of payment in the following order and are postponed and subordinated to any prior ranking liabilities as follows:

first, the liabilities owed to the Senior Lender ("Senior Lender Liabilities"), the liabilities owed under any Senior Notes (the "Senior Notes Liabilities"), the liabilities owed under the Permitted Senior Financing

Debt (the "Permitted Senior Financing Liabilities"), the liabilities owed to the Hedging Counterparties (other than any excluded swap obligations) (the "Hedging Liabilities"), amounts due to the Trustee and amounts due to the trustee under any Senior Subordinated Notes (the "Senior Subordinated Notes Trustee") *pari passu* and without any preference between them; and

second, the liabilities owed under the Senior Subordinated Notes (the "Senior Subordinated Notes Liabilities") and the liabilities owed under certain permitted future debt that is designated "Permitted Subordinated Financing Debt" (the "Permitted Subordinated Financing Liabilities") *pari passu* between themselves and without any preference amongst them.

The liabilities owed by any Senior Subordinated Debt Issuer (to the extent relating to Senior Subordinated Liabilities (as defined below) where that Subordinated Debt Issuer is the issuer or the borrower) to the Primary Creditors shall rank *pari passu* in right and priority of payment without any preference amongst them.

The Senior Subordinated Notes Liabilities and the Permitted Subordinated Financing Liabilities are senior obligations of the Senior Subordinated Debt Issuer. Notwithstanding the preceding sentence, until the date the Senior Lender Liabilities, the Hedging Liabilities, the Senior Notes Liabilities and the Permitted Senior Financing Liabilities have been discharged (the "Senior Discharge Date"), the Senior Subordinated Creditors may not take any steps to appropriate the assets of the Senior Subordinated Debt Issuer subject to the Security Documents in connection with any Enforcement Action, other than as expressly permitted by the Intercreditor Agreement.

The Intercreditor Agreement provides that the intragroup liabilities owed by any Debtor to another Debtor ("Intra-Group Liabilities") and liabilities owed by the Company to an Investor (the "Investor Liabilities") are postponed and subordinated to the liabilities owed by the Debtors to the Primary Creditors.

The Intercreditor Agreement does not purport to rank any of the Investor Liabilities or the Intra-Group Liabilities (together, the "Subordinated Liabilities") as between themselves. The creditors of the Subordinated Liabilities are referred to herein as the "Subordinated creditors."

Priority of security

The security shall secure the relevant liabilities (but only to the extent that such security is expressed to secure the relevant liabilities) in the following order: *first*, the Senior Lender Liabilities, the Senior Notes Liabilities, the Permitted Senior Financing Liabilities and the Hedging Liabilities (collectively, the "Senior Liabilities"), amounts due to the Trustee and amounts due to the Subordinated Notes Trustee, *pari passu* and without preference among them; and *second*, the Senior Subordinated Notes Liabilities and the Permitted Subordinated Financing Liabilities (together, the "Senior Subordinated Liabilities") *pari passu* and without preference among them.

Additional and/or refinancing debt

The creditors under the Intercreditor Agreement acknowledge in the Intercreditor Agreement that the Debtors (or any of them) may wish to (i) incur incremental borrowing liabilities (including guarantees of such liabilities) or (ii) refinance or replace borrowing liabilities (including incurring guarantee liabilities in respect of such refinancing or replacement), such liabilities are intended to rank *pari passu* with any other liabilities and/or share *pari passu* in any security and/or to rank behind any other liabilities and/or to share in any security behind any such other liabilities. Subject to the Intercreditor Agreement, the creditors in the Intercreditor Agreement undertake (at the cost of the Debtors) to co-operate with the Company and the Debtors with a view to enabling such financing, refinancing or replacement and such sharing in the security to take place in a timely manner.

Permitted payments

Subject to the Intercreditor Agreement, the Company and the Debtors may make payments of the Senior Liabilities at any time, provided that, prior to the date on which all liabilities owed to the Senior Creditors are discharged in full (the "Senior Discharge Date"), following the occurrence of a senior acceleration event which is continuing, the declaration by any of the Senior Agents that a "Senior Distress Event" has occurred, which is continuing no Debtor may make payments of Senior Lender Liabilities, Senior Notes Liabilities or Permitted Senior Financing Liabilities except for Recoveries (as defined below) distributed in accordance with the provisions set out below the caption "—Application of proceeds," provided further that:

(i) for the avoidance of doubt, unless any such payment constitutes proceeds of a type expressly referred to in the turnover provisions of the Intercreditor Agreement, that payment shall not be required to be paid to the Security Agent by any Senior Secured Creditor pursuant to (or otherwise be subject to the provisions of) such turnover provision;

(ii) any such prohibited payment will remain owing by the relevant Debtor(s) in accordance with the terms of the relevant Secured Debt Document (as defined below); and

(iii) the operation of this provision shall not prevent a Senior Secured Creditor from receiving any payment of Senior Lender Liabilities, Senior Notes Liabilities or Permitted Senior Financing Liabilities (as the case may be) from any distribution or dividend out of any Debtor's unsecured assets (pro rata to each unsecured creditor's claim) made by a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer appointed in respect of any Debtor or any of its assets (without prejudice to any applicable obligations under the turnover provisions).

Prior to the Senior Discharge Date, any member of the Group may make any payment in respect of the Senior Subordinated Liabilities at any time (such payments, the "Permitted Senior Subordinated Payments"):

(i) if:

(A) the payment is of: (1) any of the principal amount of the Senior Subordinated Liabilities which is either not prohibited by the Revolving Credit Facility, the Indenture or any Permitted Senior Financing agreement (each a "Senior Financing Agreement") or paid on or after the final maturity date of the relevant Senior Subordinated Liabilities (subject to certain conditions); or (2) any other amount which is not an amount of principal or capitalized interest;

(B) no Senior Subordinated Payment Stop Notice (as defined below) is outstanding; and

(C) no payment default in respect of principal, interest or fees (not including costs and expenses) and in each case, exceeding £200,000 under the Revolving Credit Facility, the Senior Notes, or the Permitted Senior Financing Debt ("Senior Payment Default") (as applicable) has occurred and is continuing;

(ii) if the Senior Lender (for so long as it is the sole lender under the Revolving Credit Facility) or, if there is more than one Senior Lender, the Senior Lenders whose commitments at that time aggregate more than 66⅔% of the aggregate of all commitments under the Revolving Credit Facility (the "Majority Senior Lenders"), the Trustee and the required creditors or representative, as applicable, in respect of any other Permitted Senior Financing Debt (collectively, the "Required Senior Consent") give prior consent to that payment being made (insofar as such consent is required because it is otherwise prohibited under the relevant Permitted Senior Financing Agreement);

(iii) if the payment is of certain amounts due to the Senior Subordinated Notes Trustee for its own account;

(iv) if the payment is made by a Senior Subordinated Debt Issuer and funded directly or indirectly with amounts which have not been received by such entity from another member of the Group;

(v) of any costs and expenses of any holder of security in relation to protection, preservation or enforcement of such security;

(vi) of costs, commissions, taxes, fees and expenses incurred in respect of or in relation to (or reasonably incidental to) any of the Senior Subordinated Notes indenture and any Permitted Subordinated Financing Debt documents;

(vii) if the payment is funded directly or indirectly with Permitted Subordinated Financing Debt;

(viii) if the payment is funded with amounts permitted by the terms of the Secured Debt Documents, the Senior Subordinated Notes indenture and the Permitted Subordinated Financing Debt documents to be paid to any direct or indirect shareholder in the Company; or (ix) of any other amount not exceeding £5 million (or its equivalent) in aggregate in any financial year of the Company.

On or after the Senior Discharge Date, any member of the Group may make payments directly or indirectly in respect of the Senior Subordinated Liabilities at any time.

Payment blockage provisions

Until the Senior Discharge Date, except with the Required Senior Consent, no Senior Subordinated Debt Issuer shall make (and the Company shall procure that no other member of the Group shall make), and neither the Senior Subordinated Notes Trustee, any holder of Senior Subordinated Notes nor the Permitted Subordinated Financing Creditor may receive over any member of the Group, any Permitted Senior Subordinated Payment (other than certain amounts due to the Senior Subordinated Notes Trustee for its own account, payments funded by amounts not received from another member of the Group or payments funded by Permitted Subordinated Financing Debt) if:

(i) a Senior Payment Default is continuing; or

(ii) an event of default under a Senior Financing Agreement (a "Senior Event of Default") (other than a Senior Payment Default) is continuing, from the date which is one business day after the date on which any of the Senior Lender, the Trustee and any representative of Permitted Senior Financing Debt (together, the "Senior Agents") delivers a payment stop notice (a "Senior Subordinated Payment Stop Notice") specifying the event or circumstance in relation to that Senior Event of Default to the Company, the Security Agent, the other Senior Agents, the Senior Subordinated Notes Trustee and any representative of Senior Subordinated Financing Debt (together with the Senior Subordinated Notes Trustee, the "Senior Subordinated Agents") until the earliest of:

- the date falling 179 days after delivery of that Senior Subordinated Payment Stop Notice;
- in relation to payments of the Senior Subordinated Liabilities, if a Company standstill period is in effect at any time after delivery of that Senior Subordinated Payment Stop Notice, the date on which that standstill period expires;
- the date on which the relevant Senior Event of Default has been remedied or waived in accordance with the applicable Senior Financing Agreement;
- the date on which the Senior Agent which delivered the relevant Senior Subordinated Payment Stop Notice delivers a notice to the Company, the other Senior Agents, the Security Agent and the Senior Subordinated Agents cancelling the Senior Subordinated Payment Stop Notice;
- the Senior Discharge Date; and
- the date on which the Security Agent or a Senior Subordinated Agent takes Enforcement Action permitted under the Intercreditor Agreement against a Debtor.

Unless each Senior Subordinated Agent waives this requirement, (i) a new Senior Subordinated Payment Stop Notice may not be delivered unless and until 360 days have elapsed since the delivery of the immediately prior Senior Subordinated Payment Stop Notice; and (ii) no Senior Subordinated Payment Stop Notice may be delivered by a Senior Agent in reliance on a Senior Event of Default more than 45 days after the date that Senior Agent received notice of that Senior Event of Default.

The Senior Agents may only serve one Senior Subordinated Payment Stop Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the agents to issue a Senior Subordinated Payment Stop Notice in respect of any other event or set of circumstances.

No Senior Subordinated Payment Stop Notice may be served in respect of a Senior Event of Default which had been notified to the agents at the time at which an earlier Senior Subordinated Payment Stop Notice was issued.

Neither the relevant Senior Subordinated Debt Issuer nor any Debtor shall be released from the liability to make any payment (including of default interest, which shall continue to accrue) under the Senior Subordinated Notes indenture and any Permitted Subordinated Financing Debt document by the operation of the provisions described above even if its obligation to make such payment is restricted at any time by the terms of any of those provisions.

The accrual and capitalization of interest (if any) in accordance with the Senior Subordinated Notes indenture and any Permitted Subordinated Financing Debt document shall continue notwithstanding the issue of a Senior Subordinated Payment Stop Notice.

Cure of Payment Stop

If:

(i) at any time following the issue of a Senior Subordinated Payment Stop Notice or the occurrence of a Senior Payment Default, that Senior Subordinated Payment Stop Notice ceases to be outstanding and/or (as the case may be) the Senior Payment Default ceases to be continuing; and

(ii) the relevant Senior Subordinated Debt Issuer or the relevant Debtor then promptly pays to the Senior Subordinated Creditors an amount equal to any payments which had accrued under the Senior Subordinated Notes indenture and any Permitted Subordinated Financing Debt document and which would have been Permitted Senior Subordinated Payments but for that Senior Subordinated Payment Stop Notice or Senior Payment Default,

then any event of default (including any cross default or similar provision under any other debt document) which may have occurred as a result of that suspension of payments shall be waived and any Senior Subordinated Enforcement Notice (as defined below) which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the creditors.

Restrictions on enforcement by Senior Subordinated Creditors

Until the Senior Discharge Date, except with the prior consent of or as required by an Instructing Group (as defined below):

(i) no Senior Subordinated Creditor shall direct the Security Agent to enforce, or otherwise require the enforcement of any security; and

(ii) no Senior Subordinated Creditor shall take or require the taking of any Enforcement Action in relation to the guarantees by a member of the Group of any of the obligations of any member of the Group under the Senior Subordinated Notes finance documents and/or Permitted Subordinated Financing Debt documents,

except as permitted under the provisions set out under the caption "—Permitted Senior Subordinated enforcement" below, provided, however, that no such action required by the Security Agent need be taken except to the extent the Security Agent otherwise is entitled under the Intercreditor Agreement to direct such action.

"Enforcement Action" is defined as:

in relation to any liabilities:

- the acceleration of any liabilities or the making of any declaration that any liabilities are prematurely due and payable (other than as a result of it becoming unlawful for a Senior Secured Creditor or a Senior Subordinated Creditor to perform its obligations under, or of any voluntary or mandatory prepayment arising under, any of the debt documents);
- the making of any declaration that any liabilities are payable on demand;
- the making of a demand in relation to a liability that is payable on demand;
- the making of any demand against any member of the Group in relation to any guarantee liabilities of that member of the Group;
- the exercise of any right to require any member of the Group to acquire any liability (including exercising any put or call option against any member of the Group for the redemption or purchase of any liability, or any other similar or equivalent provision of any of the Revolving Credit Facility, the Revolving Credit Facility finance documents, the Senior Notes finance documents, the Permitted Senior Financing Debt documents, the hedging agreements regulated by the Intercreditor Agreement, the Senior Subordinated Notes finance documents and/or the Permitted Subordinated Financing Debt documents (the "Secured Debt Documents")) and/or any other acquisition of liabilities, acquisition or transaction which any member of the Group is not prohibited from entering into by the terms of the Secured Debt Documents and excluding any mandatory offer arising as a result of a change of control or asset sale (howsoever described) as set out in the Senior Notes finance documents or the Senior Subordinated Notes finance documents (or any other similar or equivalent provision of any of the Secured Debt Documents);

- the exercise of any right of set-off, account combination or payment netting against any member of the Group in respect of any liabilities other than the exercise of any such right:
- as close-out netting by a Hedge Counterparty or by a hedging ancillary lender;
- as payment netting by a Hedge Counterparty or by a hedging ancillary lender;
- as inter-hedging agreement netting by a Hedge Counterparty;
- as inter-hedging ancillary document netting by a hedging ancillary lender; and/or
- which is otherwise permitted by the terms of any of the Secured Debt Documents (other than the hedging agreements), in each case to the extent that the exercise of that right gives effect to a permitted payment;
- the suing for, commencing or joining of any legal or arbitration proceedings against any member of the Group to recover any liabilities;
- the premature termination or close-out of any hedging transaction under any hedging agreement, save to the extent permitted by the Intercreditor Agreement;
- the taking of any steps to enforce or require the enforcement of any security (including the crystallization of any floating charge forming part of the security);
- the entering into of any composition, compromise, assignment or similar arrangement with any member of the Group which owes any liabilities, or has given any security, guarantee or indemnity or other assurance against loss in respect of the liabilities (other than any action permitted under the Intercreditor Agreement, or pursuant to any debt buy-back, tender offer, exchange offer or similar or equivalent arrangement not otherwise prohibited by the debt documents); or
- the petitioning, applying or voting for, or the taking of any steps (including the appointment of any liquidator, provisional liquidator, receiver, examiner, administrator or similar officer) in relation to the winding up, dissolution, examinership, administration or reorganization of any member of the Group which owes any liabilities, or has given any security, guarantee, indemnity or other assurance against loss in respect of any of the liabilities, or any of such member of the Group's assets or any suspension of payments or moratorium of any indebtedness of any such member of the Group, or any analogous procedure or step in any jurisdiction, except that the following shall not constitute Enforcement Action:
- the taking of any action falling above which is necessary (but only to the extent necessary) to preserve the validity, existence or priority of claims in respect of liabilities, including the registration of such claims before any court or governmental authority and the bringing, supporting or joining of proceedings to prevent any loss of the right to bring, support or join proceedings by reason of applicable limitation periods;
- a Senior Secured Creditor or Senior Subordinated Creditor bringing legal proceedings against any person solely for the purpose of: (a) obtaining injunctive relief (or any analogous remedy outside England and Wales) to restrain any actual or putative breach of any debt document to which it is party, (b) obtaining specific performance (other than specific performance of an obligation to make a payment) with no claim for damages or (c) requesting judicial interpretation of any provision of any debt document to which it is party with no claim for damages;
- bringing legal proceedings against any person in connection with any securities violation, securities or listing regulations or common law fraud;
- to the extent entitled by law, the taking of any action against any creditor (or any agent, trustee or receiver acting on behalf of that creditor) to challenge the basis on which any sale or disposal is to take place pursuant to the powers granted to those persons under any relevant documentation; or
- any person consenting to, or the taking of any other action pursuant to or in connection with, any merger, consolidation, reorganization or any other similar or equivalent step or transaction initiated or undertaken by a member of the Group (or any analogous procedure or step in any jurisdiction) that is not prohibited by the terms of the Secured Debt Documents to which it is a party.

Permitted Senior Subordinated enforcement

The restrictions set out in the caption "—Restrictions on enforcement by Senior Subordinated Creditors" above will not apply if:

(i) an event of default under any Senior Subordinated Notes indenture or Permitted Senior Subordinated Debt agreement (the "Relevant Senior Subordinated Default") is continuing;

(ii) each Senior Agent has received a notice of the Relevant Senior Subordinated Default specifying the event or circumstance in relation to the Relevant Senior Subordinated Default from the Senior Subordinated Notes Trustee or the Permitted Senior Subordinated Debt representative, as the case may be;

(iii) a Senior Subordinated Standstill Period (as defined below) has elapsed; and

(iv) the Relevant Senior Subordinated Default is continuing at the end of the relevant Senior Subordinated Standstill Period.

Promptly upon becoming aware of an event of default under the relevant Senior Subordinated Notes indenture or Permitted Senior Subordinated Debt agreement, the Senior Subordinated Notes Trustee or the Permitted Senior Subordinated Debt representative, as the case may be, may by notice (a "Senior Subordinated Enforcement Notice") in writing notify the Senior Agents of the existence of such event of default.

Senior Subordinated Standstill Period

In relation to a Relevant Senior Subordinated Default, a Senior Subordinated Standstill Period shall mean the period beginning on the date (the "Senior Subordinated Standstill Start Date") the relevant Senior Agent serves a Senior Subordinated Enforcement Notice on each of the Senior Agents in respect of such Relevant Senior Subordinated Default and ending on the earliest to occur of:

(i) the date falling 179 days after the Senior Subordinated Standstill Start Date;

(ii) the date the Senior Secured Parties take any Enforcement Action in relation to a particular guarantor of the Senior Subordinated Notes and any Permitted Subordinated Financing Debt (a "Senior Subordinated Guarantor"), provided, however, that if a Senior Subordinated Standstill Period ends pursuant to this paragraph, the Senior Subordinated Notes finance parties and the Permitted Senior Subordinated Debt creditors may only take the same Enforcement Action in relation to the Senior Subordinated Guarantor as the Enforcement Action taken by the Senior Secured Parties against such Senior Subordinated Guarantor and not against any other member of the Group;

(iii) the date of an insolvency event in relation to the Senior Subordinated Debt Issuer or a particular Senior Subordinated Guarantor against whom Enforcement Action is to be taken;

(iv) the expiry of any other Senior Subordinated Standstill Period outstanding at the date such first mentioned Senior Subordinated Standstill Period commenced (unless that expiry occurs as a result of a cure, waiver or other permitted remedy);

(v) the date on which the consent of each of the Senior Lender, any Senior Notes Trustee (acting on behalf of the Senior Note holders) and any representative of creditors under Permitted Senior Financing Debt (acting on instructions of the creditors of any Permitted Senior Financing Debt) has been obtained; and

(vi) a failure to pay the principal amount outstanding under the Senior Subordinated Notes or on any Permitted Subordinated Financing Debt, as the case may be, at the final stated maturity of the amounts outstanding under the Senior Subordinated Notes or on the Permitted Subordinated Financing Debt, as the case may be (subject to certain conditions),

(the "Senior Subordinated Standstill Period").

Turnover by Primary Creditors

Subject to certain exceptions, the Intercreditor Agreement provides that if at any time prior to the Senior Discharge Date any Primary Creditor receives or recovers, or otherwise realizes, the proceeds of any enforcement of any security (or, following a distress event which is continuing, any other proceeds of, or arising from, any of the assets subject to the security which should otherwise have been received, recovered or realized by the Security Agent pursuant to the terms of the Debt Documents) except in accordance with provisions under the caption "—Application of proceeds," that Primary Creditor will:

(a) in relation to receipts and recoveries not received or recovered by way of set-off:

  (i) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

  (ii) promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Turnover by Senior Subordinated Creditors and Subordinated Creditors

Subject to certain exceptions, the Intercreditor Agreement provides that if at any time prior to the Senior Discharge Date any Senior Subordinated Creditor or at any time prior to the Final Discharge Date any Subordinated Creditor receives or recovers from any member of the Group (other than the relevant Senior Subordinated Debt Issuer):

(i) any payment or distribution of, or on account of or in relation to, any of the Senior Subordinated Notes Liabilities, the Permitted Subordinated Financing Liabilities or the Subordinated Liabilities which is not either: (A) a payment or distribution not otherwise prohibited by the terms of the Intercreditor Agreement; (B) or made in accordance with the provisions set out below under the caption "—Application of proceeds";

(ii) subject to certain exceptions, any amount by way of set-off in respect of any of the liabilities owed to it which does not give effect to a payment or distribution not otherwise prohibited by the terms of the Intercreditor Agreement;

(iii) any amount:

  (A) on account of, or in relation to, any of the Senior Subordinated Notes Liabilities, the Permitted Subordinated Financing Liabilities or the Subordinated Liabilities after the occurrence of a distress event (including as a result of any other litigation or proceedings against a member of the Group other than after the occurrence of an insolvency event in respect of that member of the Group); or

  (B) by way of set-off in respect of any of the Senior Subordinated Notes Liabilities, the Permitted Subordinated Financing Liabilities or the Subordinated Liabilities owed to it after the occurrence of a distress event,

  other than, in each case, (A) any amount received or recovered in accordance with the provisions set out below the caption "—Application of proceeds" and (B) in the case of intra group liabilities, any amount received or recovered in accordance with the Intercreditor Agreement; or

(iv) subject to certain exceptions, any distribution in cash or in kind or payment of, or on account of or in relation to, any of the Senior Subordinated Notes Liabilities, the Permitted Subordinated Financing Liabilities or the Subordinated Liabilities owed by any member of Group which is not in accordance with the provisions set out in the caption "—Application of proceeds" and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of Group,

that Senior Subordinated Creditor or Subordinated Creditor (as applicable) will: (i) in relation to receipts and recoveries not received or recovered by way of set-off (x) hold an amount of that receipt or recovery equal to the relevant liabilities (or if less, the amount received or recovered) on trust for the Security Agent and subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (y) subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to the amount (if any) by which the receipt or recovery exceeds the relevant liabilities to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) in relation to receipts and recoveries received or recovered by way of set-off, subject to receiving payment instructions and any other relevant information from the Security Agent, promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Enforcement of Security

Enforcement Instructions

The Security Agent may refrain from enforcing the security unless instructed otherwise by: (i) an Instructing Group (as defined below); or (ii) if required as set out under the third paragraph of this section, the Majority Senior Subordinated Creditors (as defined below).

Subject to the security having become enforceable in accordance with its terms: (i) an Instructing Group; or (ii) to the extent permitted to enforce or to require the enforcement of the security prior to the Senior Discharge Date, the Majority Senior Subordinated Creditors, may give or refrain from giving, instructions to the Security Agent to enforce, or refrain from enforcing, the security as they see fit.

Prior to the Senior Discharge Date, (i) if an Instructing Group has instructed the Security Agent not to enforce or to cease enforcing the security or (ii) in the absence of instructions from an Instructing Group, and, in each case, an Instructing Group has not required any Debtor to make a distressed disposal, the Security Agent shall give effect to any instructions to enforce the security which the Majority Senior Subordinated Creditors are then entitled to give to the Security Agent under the terms of the Intercreditor Agreement.

If at any time any Senior Subordinated Notes Trustee in respect of any Senior Subordinated Notes that are outstanding (the "Senior Subordinated Notes Representative") is then entitled to give the Security Agent instructions as set out above to enforce the security and a Senior Subordinated Notes Representative gives such an instruction, the Instructing Group may give such instructions to the Security Agent to enforce the security as the Instructing Group sees fit (provided that such instructions are otherwise in accordance with the terms of the Intercreditor Agreement and the relevant security documents) in lieu of any instructions to enforce the security given by a Senior Subordinated Notes Representative in accordance with the above paragraph and the Security Agent shall act on those instructions received from the Instructing Group.

Subject to certain provisions of the Intercreditor Agreement, no Secured Party shall have any independent power to, or to have recourse to, any security or to exercise any rights or powers arising under the security documents nor enforce or have any recourse to security except through the Security Agent.

"Instructing Group" means at any time:

(a) prior to the Senior Discharge Date:

   (i) in relation to any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or to take any other Enforcement Action or to stop any payment of Intra-Group Liabilities if at the time on the payment, an Acceleration Event is continuing and the Security Agent has delivered written Notice to the Company stating that no payments may be made in respect of Intra Group Liabilities:

      (A) those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than 66⅔% of the Total Senior Instructing Group Credit Participations at that time; and/or

      (B) prior to the Senior Lender Discharge Date, Senior Creditors, whose credit participations at that time aggregate more than 66⅔% of the aggregate of all commitments (whether drawn or undrawn) under the Revolving Credit Facility and all Hedging Liabilities (the "Majority Senior Creditors"),

   in each case as applicable in accordance with the provisions set out under the caption "—Consultation Period"; or

   (ii) in relation to any other matter:

      (A) those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than 66⅔% of the Total Senior Instructing Group Credit Participations at that time; and

      (B) prior to the Senior Lender Discharge Date, the Majority Senior Creditors; and

(b) on or after the Senior Discharge Date but before the discharge of all Senior Subordinated Liabilities, and subject always to the provisions set out under the caption "—Restrictions on enforcement by Senior Subordinated Creditors," the Majority Senior Subordinated Creditors.

In this definition of "Instructing Group":

"*Majority Senior Subordinated Creditors*" means, at any time, those Senior Subordinated Creditors whose Senior Subordinated Credit Participations at that time aggregate to more than 66⅔% of the total aggregate amount of all Senior Subordinated Credit Participations at that time.

"*Senior Instructing Group Creditors*" means:

(a) prior to the Senior Lender Discharge Date, the Senior Secured Creditors (other than the Senior Creditors); and

(b) on and after the Senior Lender Discharge Date, the Senior Secured Creditors (other than the Senior Lender).

"*Senior Lender Discharge Date*" means the first date on which all Senior Lender liabilities have been fully and finally discharged, whether or not as the result of an enforcement, and the Senior Lender is under no further obligation to provide financial accommodation to any of the Debtors under any of the Revolving Credit Facility documents.

"*Senior Notes/Permitted Financing Credit Participations*" means the aggregate of all the Senior Secured Credit Participations at any time of the Senior Note holders and the Permitted Senior Financing Debt creditors.

"*Senior Subordinated Credit Participation*" means:

(a) in relation to a Senior Subordinated Notes holder, the principal amount of outstanding Senior Subordinated Notes Liabilities held by that Senior Subordinated Note holder; and

(b) in relation to a Permitted Subordinated Financing Debt Creditor, the aggregate amount of its commitments under each Permitted Subordinated Financing Debt agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Subordinated Financing Debt held by that Permitted Subordinated Financing Debt creditor (as applicable and without double counting).

"*Senior Secured Credit Participation*" means:

(a) in relation to a Senior Creditor, its Senior Credit Participation in relation to the Revolving Credit Facility and the hedging agreements only;

(b) in relation to a Senior Note holder, the principal amount of outstanding Senior Notes liabilities held by that Senior Note holder; and

(c) in relation to a Permitted Senior Financing Debt creditor, the aggregate amount of its commitments under each Permitted Senior Financing Debt agreement (drawn or undrawn and calculated in a manner consistent with the senior commitments) and/or the principal amount of outstanding Permitted Senior Financing Debt held by that Permitted Senior Financing Debt creditor (as applicable and without double counting).

"*Total Senior Instructing Group Credit Participations*" means:

(a) prior to the Senior Lender Discharge Date, the aggregate of all the Senior Secured Credit Participations at any time (excluding the Senior Secured Credit Participations of the Senior Creditors); and

(b) on and after the Senior Lender Discharge Date, the aggregate of all the Senior Secured Credit Participations at any time (excluding the Senior Secured Credit Participations of the Senior Lender).

Manner of Enforcement

(a) If the security is being enforced as set forth above under the caption "—Enforcement Instructions," the Security Agent shall enforce the security in such manner (including, without limitation, the selection of any administrator, examiner or equivalent officer of any Debtor to be appointed by the Security Agent) as:

(b) an Instructing Group; or

(c) prior to the Senior Discharge Date, if (i) the Security Agent has, pursuant to the third paragraph of the "—Enforcement of Security" section above, given effect to instructions given by the Majority

Senior Subordinated Creditors to enforce the security; and (ii) an Instructing Group has not given instructions as to the manner of enforcement of the security, the Majority Senior Subordinated Creditors,

shall instruct, or, in the absence of any such instructions, as the Security Agent sees fit.

Consultation Period

(a) Subject to paragraph (d) below, before giving any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or to take any other Enforcement Action, the agent(s) of the creditors represented in the Instructing Group concerned (and, if applicable, any relevant Hedge Counterparties) shall consult with each other agent, Hedge Counterparty and the Security Agent in good faith about the instructions to be given by the Instructing Group for a period of not less than 30 days from the date on which details of the proposed instructions are received by such agents, Hedge Counterparties and the Security Agent (or such shorter period as each agent, Hedge Counterparty and the Security Agent shall agree) (the "Consultation Period"), and only following the expiry of a Consultation Period shall the Instructing Group be entitled to give any instructions to the Security Agent to enforce the security or refrain or cease from enforcing the security or take any other Enforcement Action.

(b) Subject to paragraph (c) below, in the event conflicting instructions are received from any other Instructing Group, the Security Agent shall enforce the security, refrain or cease from enforcing the security or, as the case may be, take the relevant other Enforcement Action in accordance with the instructions given by those Senior Instructing Group Creditors whose Senior Secured Credit Participations at that time aggregate to more than 66⅔% of the Total Senior Instructing Group Credit Participations at that time (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the security documents) and the terms of all instructions given by any other Instructing Group shall be deemed revoked.

(c) Prior to the Senior Lender Discharge Date, if:

(i) the Senior Creditors have not been fully repaid within six months of the end of the first Consultation Period;

(ii) the Security Agent has not commenced any enforcement of the security (or a transaction in lieu thereof) or other Enforcement Action within three months of the end of the first Consultation Period; or

(iii) an insolvency event has occurred and the Security Agent has not commenced any enforcement of the security (or a transaction in lieu thereof) or other Enforcement Action at that time, then the Security Agent shall follow the instructions given by the Majority Senior Creditors (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the security documents).

(d) Subject to paragraph (c) above, no agent or Hedge Counterparty shall be obliged to consult in accordance with paragraph (a) above and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the security or take any other Enforcement Action prior to the end of a Consultation Period (in each case provided that such instructions are consistent with any applicable requirements of the Intercreditor Agreement and the security documents) if:

(i) the security has become enforceable as a result of an insolvency event; or

(ii) the Instructing Group or any agent of the creditors represented in the Instructing Group determines in good faith (and notifies each other agent, the Hedge Counterparties and the Security Agent) that to enter into such consultations and thereby delay the commencement of enforcement of the security would reasonably be expected to have a material adverse effect on:

(A) the Security Agent's ability to enforce any of the security; or

(B) the realization proceeds of any enforcement of the security,

and, where this paragraph (d) applies:

(1) any instructions shall be limited to those necessary to protect or preserve the interests of the Senior Secured Creditors on behalf of which the relevant Instructing Group is acting in relation to the matters referred to in (A) and (B) above; and

(2) the Security Agent shall act in accordance with the instructions first received.

Proceeds of disposals

Non-Distressed disposals

The Security Agent is irrevocably authorized and instructed (at the request and cost of the relevant Debtor or the Parent) to promptly release (or procure that any other relevant person releases):

(i) any security (and/or any other claim relating to a debt document) over any asset which is the subject of:

(A) a disposal not prohibited by the terms of the Revolving Credit Facility Agreement, the Senior Notes indenture, any Permitted Senior Financing Debt agreement, the Senior Subordinated Notes indenture and any Permitted Subordinated Financing Debt agreement (each a "Debt Financing Agreement") (including a disposal to a member of the Group, but without prejudice to any obligation of any member of the Group in a Debt Financing Agreement to provide replacement security); or

(B) any other transaction not prohibited by the terms of any Debt Financing Agreement pursuant to which that asset will cease to be held or owned by a member of the Group;

(ii) any security (and/or any other claim relating to a debt document) over any document or other agreement requested in order for any member of the Group to effect any amendment or waiver in respect of that document or agreement or otherwise exercise any rights, comply with any obligations or take any action in relation to that document or agreement (in each case to the extent not prohibited by the terms of any Debt Financing Agreement);

(iii) any security (and/or any other claim relating to a debt document) over any asset of any member of the Group which has ceased to be a Debtor; and

(iv) any security (and/or any other claim relating to a debt document) over any other asset to the extent that such release is in accordance with the terms of the Debt Financing Agreements.

In the case of a disposal of shares or other ownership interests in a Debtor (or any holding company of any Debtor), or any other transaction pursuant to which a Debtor (or any holding company of any Debtor) (in each case to the extent not prohibited by the terms of any Debt Financing Agreement) will cease to be a member of the Group or a Debtor, the Security Agent shall promptly release (or procure the release of) that Debtor and its subsidiaries from all present and future liabilities under the Secured Debt Documents and the respective assets of such Debtor and its subsidiaries from the security and the Secured Debt Documents.

Distressed Disposals

A "Distressed Disposal" is a disposal of an asset which is (a) being effected at the request of an Instructing Group in circumstances where the security has become enforceable in accordance with the terms of the relevant security documents, (b) being effected by enforcement of security in accordance with the terms of the relevant security documents or (c) being disposed of by a Debtor to a third party subsequent to a distress event.

If a Distressed Disposal of any asset is being effected, the Security Agent is irrevocably authorized (at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor or Debtor):

(i) to release the security or any other claim over that asset and execute and deliver or enter into any release of that security or claim and issue any letters of non-crystallization of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(ii) if the asset which is disposed of consists of shares in the capital of a Debtor to release:

(A) that Debtor and any subsidiary of that Debtor from all or any part of its borrowing liabilities, its guarantee liabilities and its other liabilities;

(B) any security granted by that Debtor or any subsidiary of that Debtor over any of its assets; and

(C) any other claim of an investor, an intra-group lender, or another Debtor over that Debtor's assets or over the assets of any subsidiary of that Debtor,

on behalf of the relevant creditors, Debtors and agents;

(iii) if the asset which is disposed of consists of shares in the capital of any holding company of a Debtor, to release:

(A) that holding company and any subsidiary of that holding company from all or any part of its borrowing liabilities, its guarantees liabilities and its other liabilities;

(B) any security granted by that holding company or any subsidiary of that holding company over any of its assets; and

(C) any other claim of any investor, any intra-group lender or another Debtor over that holding company's assets or the assets of any subsidiary of that holding company,

on behalf of the relevant creditors, Debtors and agents;

(iv) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to dispose of all or any part of the liabilities or the Debtor liabilities owed by that Debtor or holding company or any subsidiary of that Debtor or holding company:

(A) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does not intend that any transferee of those liabilities or Debtor liabilities (the "Transferee") will be treated as a Primary Creditor or the Security Agent, any receiver or delegate and each of the agents, the arrangers, the Senior Secured Creditors and the Senior Subordinated Creditors (each a "Secured Party") for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of those liabilities or Debtor liabilities, *provided* that, notwithstanding any other provision of any debt document, the Transferee shall not be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement; and

(B) (if the Security Agent (acting in accordance with the Intercreditor Agreement) does intend that any Transferee will be treated as a Primary Creditor or a Secured Party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of: all (and not part only) of the liabilities owed to the Primary Creditors and all or part of any other liabilities and the Debtor liabilities,

on behalf of, in each case, the relevant creditors and Debtors;

(v) if the asset which is disposed of consists of shares in the capital of a Debtor or the holding company of a Debtor (the "Disposed Entity") and the Security Agent (acting in accordance with the Intercreditor Agreement) decides to transfer to another Debtor (the "Receiving Entity") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of the intra-group liabilities or the Debtor liabilities, to execute and deliver or enter into any agreement to:

(A) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the relevant intra-group lenders and Debtors to which those obligations are owed and on behalf of the Debtors which owe those obligations; and

(B) (if the Receiving Entity is a holding company of the Disposed Entity which is also a guarantor of Senior Liabilities) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities or Debtor liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities or Debtor liabilities are to be transferred.

The net proceeds of each Distressed Disposal (and the net proceeds of any disposal of liabilities or Debtor liabilities) shall be paid to the Security Agent for application in accordance with the provisions set out under the caption "*—Application of proceeds*" as if those proceeds were the proceeds of an enforcement of the security and, to the extent that any disposal of liabilities or Debtor liabilities has occurred, as if that disposal of liabilities or Debtor liabilities had not occurred.

In the case of a Distressed Disposal (or a disposal of liabilities) effected by, or at the request of, the Security Agent (acting in accordance with the Intercreditor Agreement), the Security Agent shall take reasonable care to obtain a fair market price in the prevailing market conditions (though the Security Agent shall not have any obligation to postpone any such Distressed Disposal or disposal of liabilities in order to achieve a higher price).

If a Distressed Disposal is effected at a time when the Majority Senior Subordinated Creditors are entitled to give, or have given, instructions as to enforcement or the manner of enforcement (acting in accordance with the Intercreditor Agreement), the Security Agent is not authorized to release any Debtor or any other member of the Group from any borrowing liabilities or guarantor liabilities owed to any Senior Secured Creditor unless those borrowing liabilities or, as the case may be guarantor liabilities, together with any other Senior Secured Liabilities will be paid or repaid in full (or, in the case of any contingent liability relating to a letter of credit or an ancillary facility, made subject to cash collateral arrangements acceptable to the relevant Senior Creditor) following that release.

Where borrowing liabilities in respect of any Senior Liabilities would otherwise be released pursuant to the Intercreditor Agreement, the creditor concerned may elect to have those borrowing liabilities transferred to the Parent, in which case the Security Agent is irrevocably authorized (to the extent legally possible and at the cost of the relevant Debtor or the Parent and without any consent, sanction, authority or further confirmation from any creditor or Debtor) to execute such documents as are required to so transfer those borrowing liabilities.

Subject to the immediately following paragraph, in the case of a Distressed Disposal effected by or at the request of the Security Agent (acting in accordance with the Intercreditor Agreement), unless the consent of each Senior Agent is otherwise obtained, it is a further condition to any release, transfer or disposal that the proceeds of such disposal are in cash (or substantially all in cash) and such sale or disposal is made pursuant to a public auction in respect of which the Primary Creditors are entitled to participate or where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view.

If prior to the discharge date for the Senior Subordinated Notes or any Permitted Subordinated Financing Debt, a Distressed Disposal is being effected such that the guarantees of any Senior Subordinated Notes and the guarantees of any Permitted Subordinated Financing Debt or any security over the assets of a Senior Subordinated Debt Issuer or any Senior Subordinated Guarantor will be released and/or the Senior Subordinated Notes Liabilities and any Permitted Subordinated Financing Liabilities will be released or disposed of, it is a further condition to the release that either:

(i) the Senior Subordinated Notes Trustee and any Permitted Senior Subordinated Debt representative have approved the release; or

(ii) where shares or assets of a guarantor of Senior Subordinated Notes or Permitted Senior Subordinated Debt or assets of a Senior Subordinated Debt Issuer are sold:

    (A) the proceeds of such sale or disposal are in cash (or substantially in cash);

    (B) all claims of the Senior Secured Creditors (other than in relation to performance bonds or guarantees or similar instruments) against a member of the Group (if any), all of whose shares (other than any minority interest not owned by members of the Group) are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all security under the security documents in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that if each Senior Agent (acting reasonably and in good faith):

        (I) determines that the Senior Secured Creditors will recover a greater amount if such claim is sold or otherwise transferred to the purchaser or one of its affiliates and not released or discharged; and

        (II) serves a written notice on the Security Agent confirming the same, the Security Agent shall be entitled to sell or otherwise transfer such claim to the purchaser or one of its affiliates; and

    (C) such sale or disposal is made:

        (I) pursuant to a public auction in respect of which the Primary Creditors are entitled to participate; or

(II) where a financial adviser selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view.

Application of proceeds

Order of application

The Intercreditor Agreement provides that all amounts from time to time received or recovered by the Security Agent pursuant to the terms of any debt document or in connection with the realization or enforcement of all or any part of the security (for the purposes of this "—Application of proceeds" section and the "—Equalization of the Senior Secured Creditors" section, the "Recoveries") shall be applied by the Security Agent at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this "—Application of proceeds" section), in the following order of priority:

(i) in discharging any sums owing to any Permitted Senior Financing Creditor representative (in respect of amounts due to that Permitted Senior Financing Creditor representative), any Permitted Senior Subordinated Debt creditor representative (in respect of amounts due to such representative) or any Senior Notes Trustee amounts or Senior Subordinated Notes Trustee amounts, or any sums owing to the Security Agent, any receiver or any delegate on a pro rata and *pari passu* basis;

(ii) in payment of all costs and expenses incurred by any agent or Primary Creditor in connection with any realization or enforcement of the security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent under the Intercreditor Agreement;

(iii) in payment to the Senior Facility Representative and the Hedge Counterparties, for application towards the discharge of:

(I) the Senior Lender Liabilities (in accordance with the terms of the relevant finance documents); and

(II) the Hedging Liabilities (on a pro rata basis between the Hedging Liabilities of each Hedge Counterparty);

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

(iv) in payment to each Senior Notes Trustee on its own behalf and on behalf of the Senior Note holders; and each Senior Creditor representative on its own behalf and on behalf of the arrangers with respect to the Permitted Senior Financing Debt and the Permitted Senior Financing Debt creditors, for application towards the discharge of:

(I) the Senior Notes Liabilities (other than sums owing to the Security Agent) (in accordance with the terms of the Senior Notes finance documents); and

(II) the liabilities of the Debtors owed to the arrangers of the Permitted Senior Financing Debt and the Permitted Senior Financing Liabilities (other than the liabilities owing to a creditor representative) (in accordance with the terms of the relevant finance documents);

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

(v) in payment to each Senior Subordinated Notes Trustee on its own behalf and on behalf of the Senior Subordinated Note holders; and each other Senior Subordinated Creditor representative on its own behalf and on behalf of the arrangers under the Permitted Subordinated Financing Debt and the Permitted Subordinated Financing Debt creditors; for application towards the discharge of:

(I) the Senior Subordinated Notes Liabilities (other than any sums owing to the Security Agent) (in accordance with the terms of the Senior Subordinated Notes finance documents); and

(II) the liabilities of the Debtors owed to the arrangers of the Permitted Subordinated Financing Debt and the Permitted Subordinated Financing Liabilities (other than the liabilities owing to a creditor representative) (in accordance with the terms of the relevant finance documents),

on a pro rata basis and *pari passu* between the immediately preceding paragraphs (I) and (II) above;

(vi) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(vii) the balance, if any, in payment to the relevant Debtor.

Liabilities of the Senior Subordinated Debt Issuer

All amounts from time to time received or recovered by the Security Agent from or in respect of a Senior Subordinated Debt Issuer pursuant to the terms of any debt document (other than in connection with the realization or enforcement of all or any part of the security) shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit, to the extent permitted by applicable law (and subject to the provisions of this "—Application of proceeds" section) in the following order of priority:

(i) in accordance with paragraph (i) of the section captioned "—Application of proceeds—Order of application;"

(ii) in accordance with paragraph (ii) of the section captioned "—Application of proceeds—Order of application;"

(iii) in accordance with paragraphs (iii), (iv) and (v) of the section captioned "—Application of proceeds—Order of application," provided that payments will be made on a pro rata basis and *pari passu* between each of the payments referred to in paragraphs (iii), (iv) and (to the extent relating to liabilities in respect of Senior Subordinated Notes and/or Permitted Subordinated Financing Debt where the relevant Senior Subordinated Debt Issuer is the issuer or, as the case may be, the borrower) (v);

(iv) if none of the Debtors is under any further actual or contingent liability under any Secured Debt Document, in payment to any person to whom the Security Agent is obliged to pay in priority to any Debtor; and

(v) the balance, if any, in payment to the relevant Debtor.

Equalization of the Senior Secured Creditors

The Intercreditor Agreement provides that if, for any reason:

(i) any Senior Creditor Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Creditors at the enforcement date, the Senior Creditors will make such payments among themselves as the Security Agent shall require to put the Senior Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions; and

(ii) any Senior Notes Liabilities and/or Permitted Senior Financing Liabilities remain unpaid after the enforcement date and the resulting losses are not borne by the Senior Notes Creditors and Permitted Senior Financing Creditors in the proportions which their respective exposures at the enforcement date bore to the aggregate exposures of all the Senior Notes Creditors and the Permitted Senior Financing Creditors at the enforcement date, the Senior Notes Creditors and the Permitted Senior Financing Creditors will make such payments among themselves as the Security Agent shall require to put the Senior Notes Creditors and the Permitted Senior Financing Creditors in such a position that (after taking into account such payments) those losses are borne in those proportions.

Required consents

The Intercreditor Agreement provides that, subject to certain exceptions, it and/or a security document may be amended or waived only with the written consent of:

(i) if the relevant amendment or waiver (the "Proposed Amendment") is prohibited by the Revolving Credit Facility Agreement, the Senior Facility Representative;

(ii) if the Proposed Amendment is prohibited by the terms of the relevant Senior Notes indenture, the Trustee;

(iii) if any Permitted Senior Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Senior Financing Debt agreement, the representative in respect of that Permitted Senior Financing Debt (if applicable, acting on the instructions of the Majority Permitted Senior Financing Creditors);

(iv) if any Senior Subordinated Notes have been issued and the Proposed Amendment is prohibited by the terms of the relevant Senior Subordinated Notes indenture, the Senior Subordinated Notes Trustee;

(v) if any Permitted Subordinated Financing Debt has been incurred and the Proposed Amendment is prohibited by the terms of the relevant Permitted Subordinated Financing Debt agreement, the representative in respect of that Permitted Subordinated Financing Debt (if applicable, acting on the instructions of the Majority Permitted Subordinated Financing Creditors);

(vi) if a Hedge Counterparty is providing hedging to a Debtor under a hedging agreement, that Hedge Counterparty (in each case only to the extent that the relevant amendment or waiver adversely affects the continuing rights and/or obligations of that Hedge Counterparty or is an amendment or waiver which is expressed to require the consent of that Hedge Counterparty under the applicable hedging agreement, as notified by the Parent to the Security Agent at the time of the relevant amendment or waiver);

(vii) the investors as permitted under the Intercreditor Agreement; and

(viii) the Parent.

Notwithstanding the foregoing, any amendment or waiver of any Secured Debt Document that is made or effected in connection with any incurrence of additional and/or refinancing debt or non-Distressed Disposal is binding on all parties to the Intercreditor Agreement.

The Intercreditor Agreement or a security document may be amended or waived by the Parent and the Security Agent without the consent of any other party, to cure defects or omissions, resolve ambiguities or inconsistencies or reflect changes in each case of a minor technical or administrative nature, or as otherwise for the benefit of all or any of the Secured Parties. Any amendment, waiver or consent which relates only to the rights or obligations applicable to creditors under a particular Debt Financing Agreement (and which does not materially and adversely affect the rights or interests of creditors under other Debt Financing Agreements) may be approved with only the consent of the agent in respect of that Debt Financing Agreement and the Parent.

Option to purchase

If an acceleration event occurs and is continuing and notice has been given by creditors holding a simple majority of the Senior Notes Liabilities or creditors holding a simple majority of Permitted Senior Financing Liabilities, they shall have the right to purchase the Senior Lender Liabilities as set forth in the Intercreditor Agreement.

If a senior acceleration event occurs and is continuing and notice has been given by the Senior Subordinated Agents, they shall have the right to purchase Senior Secured Liabilities (including the Notes) as set forth in the Intercreditor Agreement.

Appointment of administrator

In order to provide some protection against the risk of the Security Agent not being able to appoint its own administrator as a consequence of the Security Agent not holding a qualifying floating charge with respect to the Collateral, no member of the Group may appoint any administrator other than one of the following: Deloitte, Ernst & Young, KPMG and PwC.

Miscellaneous

The Intercreditor Agreement will contain provisions dealing with:

(a) close-out rights for the Hedging Liabilities;

(b) permitted payments (including without limitation, the repayment of Senior Subordinated Liabilities and the payment of permitted distributions in each case to the extent permitted under the terms of the finance documents relating to the Senior Secured Debt, the Senior Subordinated Notes and the Permitted Subordinated Financing Debt);

(c) incurrence of future debt that will allow certain creditors and agents with respect to such future debt, to accede to the Intercreditor Agreement and benefit from, and be subject to, the provisions of the Intercreditor Agreement so long as not prohibited under the Revolving Credit Facility Agreement or the Indenture and in compliance with the agreed parameters for such class of debt set out in the Indenture;

(d) the ability to replace the Revolving Credit Facility with a replacement facility benefiting from a similar position under the terms of the Intercreditor Agreement; and

(e) payments received by creditors which are not permitted by the Intercreditor Agreement shall be required to be held on trust for the Security Agent and provided to the Security Agent for application in accordance with the provisions set forth under "—Application of proceeds."

Governing law

The Intercreditor Agreement will be governed by and construed in accordance with English law.

Description of the Notes

On April 11, 2014, the Issuer issued and the Guarantors guaranteed £140.0 million aggregate principal amount of floating rate senior secured notes due 2019 (the "Floating Rate Notes") and £260.0 million aggregate principal amount of 5.75% senior secured notes due 2019 (the "Original Fixed Rate Notes"). The Issuer will issue and the Guarantors will guarantee a further issuance of £80.0 million Fixed Rate Notes (the "New Fixed Rate Notes" and, together with the Original Fixed Rate Notes, the "Fixed Rate Notes" and, the Fixed Rate Notes together with the Floating Rate Notes, the "Notes") in this offering. The New Fixed Rate Notes will be issued by Stonegate Pub Company Financing plc (the "Issuer"), a public limited company which has been organized as a special purpose finance subsidiary to facilitate the offering of debt securities, and which has no operations and no assets other than its rights under the Proceeds Loan Agreement (as defined herein) and, immediately following the issuance of the New Fixed rate Notes, will additionally have rights under the New Proceeds Loan Agreement (as defined herein). The Issuer will be dependent on payments by the Company on the New Proceeds Loan (as defined herein) in order to service the New Fixed Rate Notes.

In this Description of the Notes, the "Company" refers only to Stonegate Pub Company Limited, the direct parent of the Issuer, and any successor obligor to Stonegate Pub Company Limited on the Parent Guarantee (as defined herein), and not to any of its subsidiaries, including the Issuer; and the "Issuer" refers only to Stonegate Pub Company Financing plc, and any successor obligor to Stonegate Pub Company Financing plc on the Notes.

The Issuer will issue the New Fixed Rate Notes under the indenture dated April 11, 2014 (the "Indenture") among the Issuer, the Guarantors (as defined herein) and Deutsche Trustee Company Limited, as trustee (the "Trustee"). The New Fixed Rate Notes will be issued in private transactions that are not subject to the registration requirements of the Securities Act. See "Notice to investors." The terms of the New Fixed Rate Notes include those stated in the Indenture. The Indenture is not qualified under, incorporate provisions by reference to or otherwise be subject to the Trust Indenture Act of 1939, as amended.

The Indenture, the Notes and the Note Guarantees (as defined herein) are and will be subject to the terms of the Intercreditor Agreement (as defined herein) and any additional intercreditor agreements entered into in the future. The terms of the Intercreditor Agreement are important to understand the terms and ranking of the Liens on the Collateral securing the Notes and the Note Guarantees. See "Description of other indebtedness—Intercreditor Agreement" for a description of the material terms of the Intercreditor Agreement.

This "Description of the Notes" is intended to be an overview of the material provisions of the Indenture, the Notes, the Note Guarantees, the Proceeds Loan Agreement and the New Proceeds Loan Agreement. Since this description of the terms of the Notes is only a summary, you should refer to the Indenture for complete descriptions of the obligations of the Issuer and the Guarantors and your rights.

Copies of the Indenture, the form of Notes, the Note Guarantees and the Intercreditor Agreement are available as set forth under "Where to find additional information."

The Indenture is unlimited in aggregate principal amount, but this issuance of New Fixed Rate Notes is limited to £80.0 million aggregate principal amount of Fixed Rate Notes. No additional Floating Rate Notes will be issued in this issuance. We may issue an unlimited principal amount of further Additional Notes (as defined under "—Additional Notes") under the Indenture subject to the procedures described therein; provided that we will only be permitted to issue Additional Notes in compliance with the covenants contained in the Indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under "—Certain Covenants—Limitation on Indebtedness"). Subject to certain conditions described herein, the New Fixed Rate Notes offered hereby and the Fixed Rate Notes will be treated as a single class for all purposes under the Indenture. See "—Additional Notes." Unless the context otherwise requires, in this "Description of the Notes," references to the "Notes" include the Floating Rate Notes, the Original Fixed Rate Notes and the New Fixed Rate Notes and further Additional Notes that are actually issued.

The New Fixed Rate Notes will be issued bearing temporary international securities identification numbers ("ISINs") and temporary common codes that differ from the original ISINs and original common codes assigned to the Original Fixed Rate Notes, and will also bear an applicable restrictive Securities Act legend referred to under the heading "Notice to investors." In respect of the New Fixed Rate Notes offered hereby in reliance upon Regulation S, the applicable temporary ISIN and temporary common code will be replaced with the original ISIN and original common code borne by the Original Fixed Rate Notes issued on April 11, 2014, in reliance on Regulation S, and the Regulation S restrictive legend (referred to in paragraph (5) under "Notice to investors") will be removed at the earlier of (1) 40 days after the date of the issue of the New Fixed Rate Notes and (2) the earliest date or dates permitted under U.S. federal securities laws. In respect of the New Fixed Rate Notes offered hereby in reliance upon Rule 144A, the applicable temporary ISIN and temporary common code will be replaced with the original ISIN and original common code borne by the Original Notes, issued on April 11, 2014, in reliance on Rule 144A, and the Rule 144A restrictive legend (referred to in paragraph (5) under "Notice to investors") will be removed at the earlier of (1) one year after the date of the issue of the New Fixed Rate Notes and (2) the earliest date or dates permitted under U.S. federal securities laws. Following the replacement of the applicable temporary ISINs and temporary common codes as set forth above, the New Fixed Rate Notes will become fully fungible with the Original Notes for trading purposes.

Summary description of the Notes

The Notes

- are senior obligations of the Issuer and rank equal in right of payment with any existing or future Indebtedness of the Issuer that is not expressly subordinated to the Notes;
- are secured by the Collateral described below along with obligations under the Revolving Credit Facilities Agreement (although any liabilities in respect of obligations under any Revolving Credit Facilities Agreement and certain Hedging Obligations that are secured by the Collateral will receive priority over the Holders with respect to any proceeds received upon any enforcement action over the Collateral);
- are senior in right of payment to any future Subordinated Indebtedness (as defined herein) of the Issuer;
- are effectively senior in right of payment to any existing or future unsecured obligations of the Issuer to the extent of the value of the Collateral that is available to satisfy the obligations under the Notes; and
- are unconditionally guaranteed on a senior secured basis by the Guarantors.

Principal and maturity

On the date of the issue of the New Fixed Rate Notes, the Issuer will issue £80.0 million in aggregate principal amount of New Fixed Rate Notes. The Notes will mature on April 15, 2019. The New Fixed Rate Notes will be issued in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof. The rights of holders of beneficial interests in the Notes to receive the payments on such Notes are subject to applicable procedures of Euroclear and/or Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Interest

Interest on the Fixed Rate Notes

Interest on the Original Fixed Rate Notes accrues at, and interest on the New Fixed Rate Notes will accrue at, the rate of 5.75% per annum. Interest on the Original Fixed Rate Notes is payable in, and interest on the New Fixed Rate Notes will be payable in, cash, semi-annually in arrears on April 15 and October 15 of each year to holders of record on the immediately preceding April 1 and October 1, respectively. The first interest payment date in respect of the New Fixed Rate Notes will be October 15, 2015. Interest on the Original Fixed Rate Notes accrues from, and interest on the New Fixed Rate Notes will accrue from, the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance; interest on the New Fixed Rate Notes will accrue from April 15, 2015. Interest on the Fixed Rate Notes is computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant interest payment date.

Interest on the Floating Rate Notes

The Floating Rate Notes bear interest at a rate per annum (the "Applicable Rate"), reset quarterly, equal to GBP LIBOR plus 4.75%, as determined by an agent appointed by the Issuer to calculate GBP LIBOR for the purposes of the Indenture (the "Calculation Agent"), which shall initially be Deutsche Bank AG, London Branch.

Interest on the Floating Rate Notes is payable quarterly in arrears on January 15, April 15, July 15 and October 15 of each year. If a particular interest payment date is not a Business Day, then the payment date will move to the next Business Day. Therefore the Interest Period will be one or more days longer. The Issuer will pay interest to the holders of record on the January 1, April 1, July 1 or October 1 immediately preceding the applicable interest payment date, as the case may be. The Floating Rate Notes will bear interest from the Issue Date or, if interest has already been paid, from the date it was most recently paid.

The Calculation Agent will, as soon as practicable after 11:00 a.m., London time, on each Determination Date, determine the Applicable Rate, and calculate the aggregate amount of interest payable on the Floating Rate Notes in respect of the following Interest Period (the "Interest Amount"). The Interest Amount will be calculated by applying the Applicable Rate to the principal amount of the Floating Rate Notes outstanding at the commencement of the Interest Period, multiplying each such amount by the actual number of days in the Interest Period concerned divided by 365.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 4.876545% (or 0.04876545) being rounded to 4.87655% (or 0.487655)). All pound sterling amounts used in or resulting from such calculations will be rounded to the nearest pound sterling cent (with one-half pound sterling cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of wilful default, bad faith or manifest error, be binding on all parties. The Trustee and the Paying Agent shall not be responsible for, nor incur any liability in connection with, any loss resulting from any calculation made, or intended to be made, by the Calculation Agent.

The Calculation Agent will, upon the written request of the holder of any Floating Rate Notes, provide the interest rate then in effect with respect to the Floating Rate Notes. The rights of holders of beneficial interests in the Floating Rate Notes to receive the payments of interest on the Floating Rate Notes will be subject to applicable procedures of Euroclear and Clearstream, as applicable.

Interest will be computed on the basis of a 365-day year and the actual number of days elapsed. The Applicable Rate on the Floating Rate Notes will in no event be higher than the maximum rate permitted by applicable law.

Set forth below is a summary of certain of the defined terms used in the Indenture relating to the calculation of interest on the Floating Rate Notes:

"Determination Date," with respect to an Interest Period, will be the day that is the first day of such Interest Period.

"GBP LIBOR," with respect to an Interest Period, will be the rate (expressed as a percentage per annum) for deposits in pound sterling for a three-month period beginning on (and including) the Determination Date that appears on Reuters Page LIBOR01 as of 11:00 a.m. London time, on the Determination Date. If Reuters Page LIBOR01 does not include such a rate or is unavailable on a Determination Date, the Calculation Agent will request the principal London office of each of four major banks in the London interbank market, as selected by the Calculation Agent to provide such bank's offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., London time, on such Determination Date, to prime banks in the London interbank market for deposits in a Representative Amount in pound sterling for a three-month period beginning on (and including) the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such rates quoted by major banks in London, selected by the Calculation Agent, at approximately 11:00 a.m., London time, on the Determination Date for loans in pound sterling to leading European banks for a three-month period beginning on (and including) the Determination Date and in a Representative Amount.

"Interest Period" means the period commencing on and including an interest payment date and ending on but excluding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and exclude July 15, 2014.

"Representative Amount" means the greater of (a) £1.0 million and (b) an amount that is representative for a single transaction in the relevant market at the relevant time.

"Reuters Page LIBOR01" means the display page so designated on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor).

Additional Notes

From time to time, subject to the Company's compliance with the covenant described under the heading "—Certain Covenants—Limitation on Indebtedness" the Issuer is permitted to issue additional Notes, which shall have terms substantially identical to the Notes except in respect of any of the following terms which shall be set forth in an Officer's Certificate supplied to the Trustee ("Additional Notes," consisting of "Additional Floating Rate Notes" or "Additional Fixed Rate Notes," as the case may be):

(1) the title of such Additional Notes;

(2) the aggregate principal amount of such Additional Notes;

(3) the date or dates on which such Additional Notes will be issued;

(4) the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;

(5) the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable;

(6) the date or dates and price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;

(7) if other than denominations of £100,000 and in integral multiples of £1,000 in excess thereof, the denominations in which such Additional Notes shall be issued and redeemed; and

(8) the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes.

Unless the context otherwise requires, for all purposes of the Indenture and this "Description of the Notes," references to (i) "Notes" shall be deemed to include references to Floating Rate Notes and Fixed Rate Notes and shall be deemed to include the Notes initially issued on the Issue Date as well as any Additional Notes, (ii) "Additional Notes" shall be deemed to include references to Additional Floating Rate Notes and Additional Fixed Rate Notes, (iii) "Floating Rate Notes" shall be deemed to include references to Floating Rate Notes initially issued on the Issue Date as well as any Additional Floating Rate Notes and (iv) "Fixed Rate Notes" shall be deemed to include references to Fixed Rate Notes initially issued on the Issue Date as well as any Additional Fixed Rate Notes. Additional Notes shall be treated, along with all other Notes, as a single class for the purposes of the Indenture with respect to waivers, amendments and all other matters which are not specifically distinguished for such series. For all purposes other than U.S. federal income tax purposes, Additional Notes shall be deemed to form one series with any Notes previously issued if they have terms substantially identical in all material respects to such other Notes. For U.S. federal income tax purposes, Additional Notes shall be part of the same series as any Notes previously issued if they are issued in a qualified reopening of such other Notes pursuant to the Code.

Methods of receiving payments on the Notes

Principal, premium, if any, interest and Additional Amounts (as defined under "—Additional Amounts"), if any, on the Global Notes (as defined under "—Transfer and exchange") will be payable at the specified office or agency of one or more Paying Agents (as defined under "—Paying Agent, Registrar and Transfer

Agent for the Notes"); provided that all such payments with respect to Notes represented by one or more Global Notes registered in the name of or held by a nominee of Euroclear or Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, premium, if any, interest and Additional Amounts, if any, on any certificated securities ("Definitive Registered Notes") will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the Person entitled thereto as shown on the register for the Definitive Registered Notes. See "—Paying Agent, Registrar and Transfer Agent for the Notes."

Paying Agent, Registrar and Transfer Agent for the Notes

The Issuer will maintain one or more paying agents (each, a "Paying Agent") for the Notes for so long as the Notes are held in registered form. The Issuer will also undertake to maintain a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC regarding the taxation of savings income or any other directive implementing the conclusions of the ECOFIN Council meetings of 26 and 27 November 2000 on the taxation of savings income (the "Taxation Directive"), or any law implementing, or complying with or introduced in order to conform to the Taxation Directive. The initial Paying Agent for the Notes will be Deutsche Bank AG, London Branch.

For so long as the Notes are listed on the official list ("Official List") of the Luxembourg stock exchange (the "Luxembourg Stock Exchange") and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange, the Issuer will also maintain (i) one or more registrars (each, a "Registrar") with offices in Luxembourg, and (ii) a transfer agent in Luxembourg (the "Transfer Agent"). The initial Registrar and Transfer Agent will be Deutsche Bank Luxembourg S.A. The Registrar and the Transfer Agent will maintain a register reflecting ownership of Definitive Registered Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of Definitive Registered Notes on behalf of the Issuer. The Transfer Agent shall perform the functions of a transfer agent.

The Issuer may change any Paying Agent, Registrar or Transfer Agent for the Notes without prior notice to the Holders. However, for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a newspaper with general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Transfer and exchange

The New Fixed Rate Notes will be issued in the form of one or more registered notes in global form without interest coupons, as follows:

- Each series of New Fixed Rate Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "144A Global Notes").
- The 144A Global Notes will, on the date of the issue of the New Fixed Rate Notes, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.
- Each series of New Fixed Rate Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the "Regulation S Global Notes" and, together with the 144A Global Notes, the "Global Notes").
- The Regulation S Global Notes will, on the date of the issue of the New Fixed Rate Notes, be deposited with and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes ("Book-Entry Interests") will be limited to Persons that have accounts with Euroclear or Clearstream or Persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under "Notice to investors." In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear or Clearstream, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream, as applicable, and their respective participants.

Book-Entry Interests in the 144A Global Notes may be transferred to a Person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

The New Fixed Rate Notes will not be fully fungible with the Fixed Rate Notes for, in respect of the Regulation S Global Notes, 40 days after the date of the issue of the New Fixed Rate Notes and, in respect of the 144A Global Notes, one year after the date of the issue of the New Fixed Rate Notes. See "Notice to investors."

Prior to 40 days after the date of initial issuance of the Notes, ownership of Book-Entry Interests in Regulation S Global Notes will be limited to Persons that have accounts with Euroclear or Clearstream or Persons who hold interests through Euroclear or Clearstream, and any sale or transfer of such interest to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A under the Securities Act. Subject to the foregoing, Regulation S Book-Entry Interests may be transferred to a Person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a Person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to investors" and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book- Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of £100,000 aggregate principal amount and integral multiples of £1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant that owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Board of Directors or an Officer of the Company or the Issuer to be in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under "Notice to investors."

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged in whole or in part, in minimum denominations of £100,000 in aggregate principal amount and integral multiples of £1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, as applicable, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Notes:

(1) for a period of 15 days prior to any date fixed for the redemption of such Notes;

(2) for a period of 15 days immediately prior to the date fixed for selection of such Notes to be redeemed in part;

(3) for a period of 15 days prior to the record date with respect to any interest payment date applicable to such Notes; or

(4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer (as defined under "—Change of Control") or an Asset Disposition Offer (as defined under "—Limitation on sales of assets and subsidiary stock").

The Issuer, the Trustee, the Paying Agent, the Registrar and the Transfer Agent will be entitled to treat the Holder as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

All the Company's Subsidiaries are Restricted Subsidiaries. In the circumstances described below under the definition of "Unrestricted Subsidiary," the Company will be permitted to designate Restricted Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries will not be subject to any of the restrictive covenants contained in the Indenture.

Note Guarantees

The obligations of the Issuer pursuant to the Original Fixed Rate Notes and the Floating Rate Notes are, and in the case of the New Fixed Rate Notes will be, unconditionally guaranteed, jointly and severally, by the Company and by each existing material Wholly Owned Restricted Subsidiary of the Company, subject to certain exceptions. Each Restricted Subsidiary that provided a guarantee of the Notes (a "Subsidiary Note Guarantee") is referred to herein as a "Subsidiary Guarantor," and together with the Company as the "Guarantors." The Subsidiary Guarantors consist of (i) Plato Company 3 Limited, (ii) Town And City Pub Group Limited, (iii) Barley Pub Company Limited, (iv) Hops Pub Company Limited, (v) Plato Restaurant Holdings Limited, (vi) Bay Restaurant Holdings Limited, (vii) Bay Restaurant Group Limited, (viii) Slug and Lettuce Company Limited, (ix) Hull Propco Limited, (x) SJT Propco Limited, (xi) AD Propco Limited, (xii) DW Propco Limited, (xiii) BH Propco Limited and (xiv) FTK Propco Limited, and will include each entity that has guaranteed, or is a borrower under, the Revolving Credit Facilities Agreement as at the Issue Date. Each of the Subsidiary Guarantors will guarantee the New Fixed Rate Notes as of the date of the issue of the New Fixed Rate Notes.

In addition, subject to the Agreed Security Principles, if the Company or any of its Restricted Subsidiaries acquires or creates a Restricted Subsidiary (other than an Immaterial Subsidiary) after the Issue Date or any Restricted Subsidiary guarantees or becomes liable for certain Indebtedness, the Company will cause such new Subsidiary to provide a Subsidiary Note Guarantee. The new Guarantor will also, subject to the Agreed Security Principles, be required to pledge assets in favor of the Subsidiary Note Guarantee as described under "—Security."

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Revolving Credit Facilities Agreement and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules, retention of title claims and similar matters.

Each Note Guarantee is limited to the maximum amount that would not render the Guarantor's obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor's obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See "Risk Factors—Risks related to our structure—Each Note Guarantee is subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability."

The Note Guarantee provided by the Company (the "Parent Guarantee" and together with the Subsidiary Note Guarantees, the "Note Guarantees") and the Subsidiary Note Guarantee of a Subsidiary Guarantor will terminate upon:

(1) in the case of a Subsidiary Note Guarantee only, a sale or other disposition (including by way of consolidation or merger) of Capital Stock of the relevant Guarantor or of a Parent thereof, such that such Guarantor ceases to be a Restricted Subsidiary, or the sale or disposition of all or substantially all the assets of the relevant Guarantor (other than to the Company or a Restricted Subsidiary), in each case in a transaction otherwise permitted by the Indenture;

(2) in the case of a Subsidiary Note Guarantee only, the designation in accordance with the Indenture of the relevant Guarantor as an Unrestricted Subsidiary;

(3) defeasance or discharge of the Notes, as provided in "—Defeasance" and "—Satisfaction and discharge;"

(4) in the case of a Subsidiary Note Guarantee only (other than a Subsidiary Note Guarantee issued on the Issue Date), to the extent that the relevant Guarantor is not an Immaterial Subsidiary solely due to the operation of clause (i) of the definition of "Immaterial Subsidiary," upon the relevant release of the guarantee or discharge of Indebtedness referred to in such clause;

(5) upon full payment of all obligations of the Issuer and the Guarantors under the Indenture and the Notes; or

(6) in connection with certain enforcement actions taken by the creditors under certain of our secured Indebtedness as provided under the Intercreditor Agreement.

Substantially all the operations of the Company are conducted through its Subsidiaries. Claims of creditors of non-guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries will have priority with respect to the assets and earnings of those Subsidiaries over the claims of creditors of the Company, including Holders. The Notes and each Note Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of any future Subsidiaries of the Company that do not become Guarantors.

Security

The Collateral

Subject to the operation of the Agreed Security Principles described below, which are reflected in the Security Documents, and subject to the grant of further Permitted Collateral Liens, security interests in all the following (collectively, the "Collateral") has been granted or will be granted, as applicable, to the Security Agent for the benefit of the secured parties (which includes the Trustee on behalf of the Holders):

(a) the Issuer and the Guarantors, as applicable, have granted a security interest over (i) all the shares in the Issuer and each Subsidiary Guarantor, (ii) all bank accounts in England and Wales of each Guarantor, (iii) certain other material assets of each Guarantor, including certain properties, and (iv) the rights of the Issuer and Guarantors under intercompany receivables, including the Issuer's rights under the Proceeds Loan Agreement and the New Proceeds Loan Agreement, under insurance policies, under hedging agreements, pursuant to an English law governed debenture and under the acquisition agreements and related agreements entered into with TCG or, in the case of the security interest over the shares in any Subsidiary Guarantor incorporated in the Cayman Islands, pursuant to an equitable share mortgage governed by Cayman Islands law;

(b) the Group has granted security interests over (i) certain of the Group's freehold properties and (ii) certain of the Group's long leasehold properties with 50 years or more remaining under the lease term (including such properties acquired or to be acquired from TCG and such security interests to be granted within 30 days after the date of such acquisitions from TCG), pursuant to an English law governed charge by way of a legal mortgage;

(c) Stonegate Pub Company Midco Limited has granted a security interest over all the shares it holds in the Company, pursuant to a limited recourse third-party equitable share mortgage governed by Cayman Islands law;

(d) the Group will grant security interests over (i) certain of the Group's freehold properties and (ii) certain of the Group's long leasehold properties with 50 years or more remaining under the lease term, acquired in the future by the Group and which are located in England and Wales, such security interests to be granted within 30 days after the date of acquisition pursuant to an English law governed charge by way of a legal mortgage; and

(e) the Group will grant security interests over a ship to be acquired from the sellers under a leasehold and operating business acquisition agreement entered into on September 29, 2015 with TCG, to be granted within 30 days after the date of such acquisition pursuant to a ship mortgage;

provided that, in the case of (a), (b) and (c), such security interests will become effective in respect of the New Fixed Rate Notes following the issuance of the New Fixed Rate Notes, and provide further that, in the case of (a) and (b), no security interest will need to be granted:

(1) with regard to long leasehold properties with 50 years or more remaining under the lease term, if providing such security interest requires consent of a third party and such consent cannot be obtained;

(2) with regard to short leasehold properties with less than 50 years remaining under the lease term, if providing such security interest requires consent of a third party; and

(3) with regard to any properties outside of England and Wales (except that under certain circumstances security may be granted over certain future acquired properties located in Scotland);

provided further that, in the case of (c), the security granted by Stonegate Pub Company Midco Limited will be non-recourse to Stonegate Pub Company Midco Limited other than in relation to the charged shares.

Notwithstanding the foregoing, certain assets may not be secured or such security may not be perfected in accordance with the Agreed Security Principles, which will be reflected in the Security Documents, including:

- if the cost of providing security is not proportionate to the benefit accruing to the Holders and the other secured parties;
- if providing such security requires consent of a third party and, if the asset is material, such consent cannot be obtained after the use of reasonable efforts;
- if providing such security would be prohibited by applicable law, general statutory limitations, financial assistance, corporate benefit, fraudulent preference, "thin capitalization" rules or similar matters or entering into the Security Documents would conflict with fiduciary duties of directors, contravene any legal or regulatory prohibition or result in a risk of personal or criminal liability on the part of directors or officers;
- if perfecting such security would have an unreasonable adverse effect on the ability of such Subsidiary to conduct its operations and business in the ordinary course as otherwise permitted by the Indenture; and
- in the case of bank accounts, notices to the banks with whom the accounts are maintained will only be served if required by local laws to perfect the relevant security.

Certain of the Liens on the Collateral may not be in place on the date of the issue of the New Fixed Rate Notes, in which case any Lien not taken on the date of the issue of the New Fixed Rate Notes will be granted as soon as practicable after the date of the issue of the New Fixed Rate Notes. See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—Security over certain Collateral will not be in place on the date on which the Additional Notes are issued or will not be perfected on the date on which the Additional Notes are issued, and we will not be required to perfect security interests in some instances."

Administration and enforcement of security

The Security Documents and the Collateral will be administered by a Security Agent (or in certain circumstances a receiver or delegate) pursuant to the Intercreditor Agreement for the benefit of all the secured parties. For a description of the Intercreditor Agreement, see "Description of other indebtedness—Intercreditor Agreement."

The ability of Holders to realize the Collateral will be subject to various insolvency law limitations in the event of the Company's insolvency and various contractual limitations set out in the Intercreditor Agreement. See "Risk factors—Risks related to our structure—English and Cayman Islands insolvency laws and other jurisdictions may provide you with less protection than U.S. bankruptcy law" and "Risk factors—Risks related to our structure—Each Note Guarantee is subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit its validity and enforceability."

The Security Documents provide that the rights of the Holders with respect to the Collateral must be exercised by the Security Agent. Since the Holders are not a party to the Security Documents, Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Trustee or the Security Agent, as applicable. The Security Agent will agree to release a security interest created by the Security Documents at the direction of the Trustee that is in accordance with the Indenture and the Intercreditor Agreement without requiring any consent of the Holders. Subject to the terms of the Intercreditor Agreement and the Indenture, the Holders will, in certain circumstances, share in the ability to direct the Trustee to direct the Security Agent to commence enforcement action under the Security Documents. See "Description of other indebtedness—Intercreditor Agreement."

Subject to the terms of the Security Documents, the Issuer and the Guarantors will have the right to remain in possession and retain control of the Collateral securing the Notes (other than as set forth in the Security Documents), to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

No appraisals of any of the Collateral have been prepared by or on behalf of the Company in connection with the issuance of the Notes. There can be no assurance that the proceeds from the sale of the Collateral remaining after the payment of obligations under the Revolving Credit Facilities Agreement or other super priority obligations would be sufficient to satisfy the obligations owed to the Holders as well as any other obligations secured on a pari passu basis. By its nature, some or all the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or at all. See "Risk factors—Risks related to our financial profile, the Notes and the Note Guarantees—The Notes will be secured only to the extent of the value of the Collateral that has been, and will be granted as security for the Notes and the Note Guarantees, and such security may not be sufficient to satisfy the obligations under the Notes and the Note Guarantees."

The creditors under the Revolving Credit Facilities Agreement and the Trustee for the Notes have, and by accepting a Note, each Holder will be deemed to have:

- irrevocably appointed Barclays Bank PLC, as Security Agent, in each case to act as its security agent under the Intercreditor Agreement and the other relevant documents to which the security agent is a party (including, without limitation, the Security Documents);
- irrevocably authorized the Security Agent to (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement or other documents to which the Security Agent is a party, together with any other incidental rights, power and discretions; and (ii) execute each document expressed to be executed by the Security Agent on its behalf; and
- accepted the terms and conditions of the Intercreditor Agreement and any Additional Intercreditor Agreement (as defined herein) and each Holder will also be deemed to have authorized the Trustee to enter into any such Additional Intercreditor Agreement.

In addition, the terms of the Security Documents themselves provide for assets to cease to become subject to security in certain circumstances without the need for a formal release (such as the sale of assets which are subject to a charge) or the exclusion of certain assets from a debenture if such assets may not be subject to security (such as, for example, assets that may not be validly pledged or assets that are subject to a Permitted Lien).

Release of Liens

To the extent a release is required by a Security Document, the Security Agent shall release, and the Trustee shall release and if so requested direct the Security Agent to release, without the need for consent of the Holders, Liens on the Collateral securing the Notes:

(1) upon payment in full of principal, interest and all other obligations on the Notes issued under the Indenture or discharge or defeasance thereof;

(2) upon release of a Note Guarantee (with respect to the Liens securing such Note Guarantee granted by such Guarantor);

(3) in connection with any disposition of Collateral to any Person; provided that if the Collateral is disposed to the Company or a Restricted Subsidiary, the relevant Collateral becomes immediately

subject to a substantially equivalent Lien in favor of the Security Agent securing the Notes (but excluding any transaction subject to "—Certain Covenants—Merger and consolidation—The Issuer and the Company"); provided, further, that, in each case, such disposition is permitted by the Indenture;

(4) if the Company designates any Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property, assets and Capital Stock of such Unrestricted Subsidiary;

(5) in connection with certain enforcement actions taken by the creditors under certain of our Secured Indebtedness as provided under the Intercreditor Agreement, or otherwise in compliance with the Intercreditor Agreement;

(6) as may be permitted by the covenant described under "—Certain Covenants—Impairment of security interest;" and

(7) in order to effectuate a merger, consolidation, conveyance or transfer conducted in compliance with the covenant described under "—Certain Covenants—Merger and consolidation."

Each of these releases shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee.

Intercreditor Agreement

Pursuant to the terms of the Intercreditor Agreement, any liabilities in respect of obligations under the Revolving Credit Facilities Agreement and Hedging Agreements that are secured by Collateral that also secures our obligations under the Notes and the Note Guarantees will receive priority with respect to any proceeds received upon any enforcement action over any such assets. Any remaining proceeds received upon any enforcement action over any Collateral, after all obligations under the Revolving Credit Facilities Agreement and Hedging Agreements have been repaid from such recoveries, will be applied pro rata in repayment of all obligations under the Indenture and the Notes and any other indebtedness of the Issuer and the Guarantors permitted to be Incurred and secured by the Collateral pursuant to the Indenture and the Intercreditor Agreement.

Amendments to the Intercreditor Agreement and Additional Intercreditor Agreements

The Indenture provides that, at the request of the Company, in connection with the Incurrence or refinancing by the Issuer, the Company or its Restricted Subsidiaries of any Indebtedness secured or permitted to be secured on the Collateral, the Issuer, the Company, the relevant Restricted Subsidiaries, the Trustee and the Security Agent, as applicable, shall enter into an intercreditor or similar agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an "Additional Intercreditor Agreement") with the holders of such Indebtedness (or their duly authorized representatives) on substantially the same terms as the Intercreditor Agreement (or on terms that in the good faith judgment of the Board of Directors or an Officer of the Company are not materially less favorable to the Holders), including containing substantially the same terms with respect to the application of the proceeds of the collateral held thereunder and the means of enforcement, it being understood that an increase in the amount of Indebtedness being subject to the terms of the Intercreditor Agreement or Additional Intercreditor Agreement will not be deemed to be less favorable to the Holders and will be permitted by this covenant if the Incurrence of such Indebtedness and any Lien in its favor is permitted by the "—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Limitation on Liens" covenants; provided that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture or the Intercreditor Agreement. As used herein, the term "Intercreditor Agreement" shall include references to any Additional Intercreditor Agreement that supplements or replaces the Intercreditor Agreement entered into on or prior to the Issue Date.

The Indenture provides that, at the written direction of the Issuer and without the consent of the Holders, the Trustee shall from time to time enter into one or more amendments to any Intercreditor Agreement to: (i) cure any ambiguity, omission, defect or inconsistency of any such agreement, (ii) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer that is subject to any such agreement (provided that such Indebtedness is Incurred in compliance with the Indenture), (iii) add Restricted Subsidiaries to the Intercreditor Agreement, (iv) further secure the Notes (including Additional Notes Incurred in compliance with the Indenture), (v) make provision for equal and ratable pledges of the Collateral to secure Additional Notes Incurred in compliance with the Indenture or to implement any Permitted Collateral Liens or (vi) make any other change to any such agreement that does not adversely affect the Holders in any material respect. The Issuer shall not otherwise direct the Trustee to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under "—Amendments and waivers" or as permitted by the terms of such Intercreditor Agreement, and the Issuer may only direct the Trustee to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or, in the opinion of the Trustee, adversely affect the rights, duties, liabilities or immunities of the Trustee under the Indenture relating to the Notes or any Intercreditor Agreement.

The Indenture provides that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of any Intercreditor Agreement (whether then entered into or entered into in the future pursuant to the provisions described herein), and to have authorized the Trustee to enter into any one or more amendments to any Intercreditor Agreement as contemplated above.

The New Proceeds Loan

Upon the issuance of the New Fixed Rate Notes, the Issuer, as lender, and the Company, as borrower, will enter into the New Proceeds Loan Agreement pursuant to which the Issuer will loan to the Company the net proceeds from the issuance of the New Fixed Rate Notes.

The New Proceeds Loan Agreement will be in pound sterling in an aggregate principal amount equal to the aggregate principal amount of the New Fixed Rate Notes less transaction fees and expenses. See "Use of proceeds." The New Proceeds Loan will bear interest at a rate at least equal to the interest rates of the Fixed Rate Notes. Interest on the New Proceeds Loan will be payable semi-annually in arrears on or prior to the corresponding date for the payment of interest on the New Fixed Rate Notes.

The New Proceeds Loan Agreement will provide that the Company will pay the Issuer interest and principal due and payable on the New Fixed Rate Notes and any Additional Amounts due thereunder. All amounts payable under the New Proceeds Loan will be payable to such account or accounts with such Person or Persons as the Issuer may designate. The maturity date of the New Proceeds Loan will be the same as the maturity date of the Fixed Rate Notes. Except as otherwise required by law, all payments under the New Proceeds Loan Agreement will be made without deductions or withholding for, or on account of, any applicable tax. In the event that the Company is required to make any such deduction or withholding, the Company shall gross- up each payment to the Issuer to ensure that the Issuer receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

The New Proceeds Loan will provide that the Company will make all payments pursuant thereto on a timely basis in order to ensure that the Issuer can satisfy its payment obligations under the Notes and the Indenture, taking into account the administrative and timing requirements under the Indenture with respect to amounts payable on the Notes.

The Issuer's rights under the New Proceeds Loan Agreement will be assigned by way of security to the Security Agent and will comprise part of the Collateral, as described above under "—Security—The Collateral."

Optional redemption

Optional redemption of the Fixed Rate Notes

Except as set forth herein and under "—Redemption for taxation reasons," the Fixed Rate Notes are not redeemable at the option of the Issuer.

At any time and from time to time on or after April 15, 2016, the Issuer may redeem the Fixed Rate Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Period commencing	Percentage
April 15, 2016	102.875%
April 15, 2017	101.438%
April 15, 2018 and thereafter	100.000%

At any time and from time to time prior to April 15, 2016, the Issuer may redeem Fixed Rate Notes with the Net Cash Proceeds received by the Company from any Equity Offering, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 105.75% plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), in an aggregate principal amount for all such redemptions not to exceed 35% of the original aggregate principal amount of the Fixed Rate Notes (including Additional Fixed Rate Notes); provided that:

(1) in each case the redemption takes place not later than 120 days after the closing of the related Equity Offering, and

(2) not less than 65% of the original aggregate principal amount of the Fixed Rate Notes (including the principal amount of any Additional Fixed Rate Notes) remains outstanding immediately thereafter.

At any time prior to April 15, 2016, the Issuer may redeem the Fixed Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Fixed Rate Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Optional redemption of the Floating Rate Notes

Except as set forth herein and under "—Redemption for taxation reasons," the Floating Rate Notes are not redeemable at the option of the Issuer.

At any time and from time to time on or after April 15, 2015, the Issuer may redeem the Floating Rate Notes, in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to the applicable percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Period commencing	Percentage
April 15, 2015	101.000%
April 15, 2016 and thereafter	100.000%

At any time prior to April 15, 2015, the Issuer may redeem the Floating Rate Notes in whole or in part, at its option, upon not less than 10 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of such Notes plus the relevant Floating Rate Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the redemption date.

General

Notice of redemption will be provided as set forth under "—Selection and notice" below.

If the Issuer effects an optional redemption of Notes of a series, it will, for so long as such Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange, inform the Luxembourg Stock Exchange of such optional redemption and confirm the aggregate principal amount of the Notes of that series that will remain outstanding immediately after such redemption.

Any redemption and notice of redemption may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent (including, in the case of a redemption related to an Equity Offering, the consummation of such Equity Offering).

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

Sinking fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Selection and notice

If less than all the Notes are to be redeemed at any time, the Trustee or the Registrar will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee by the Issuer, and in compliance with the requirements of Euroclear and/or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear and/or Clearstream or Euroclear and/or Clearstream prescribes no method of selection, on a pro rata basis or by use of a pool-factor; provided, however, that no Note of £100,000 in aggregate principal amount or less shall be redeemed in part. Neither the Trustee nor the Registrar shall be liable for selections made by it under this paragraph.

For so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer shall publish notice of redemption on the official website of the Luxembourg Stock Exchange or in a daily newspaper with general circulation in Luxembourg (which is expected to be the Luxemburger Wort) and in addition to such publication, not less than 10 nor more than 60 days prior to the redemption date, mail such notice to Holders by first-class mail, postage prepaid, at their respective addresses as they appear on the registration books of the Registrar.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption, unless the redemption price is not paid on the redemption date.

Redemption for taxation reasons

The Issuer or Successor Company (as defined herein) may redeem, and a Guarantor may cause the Issuer or Successor Company to redeem, the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' notice to the Holders (which notice will be irrevocable) at a redemption price equal to 100% of the outstanding principal amount thereof, together with accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption (a "Tax Redemption Date") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (see "—Additional Amounts"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if as a result of:

(1) any change in, or amendment to, the laws or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined under "—Additional Amounts") affecting taxation; or

(2) any change in, or amendment to, the application, administration or interpretation of such laws, treaties, regulations or rulings (including pursuant to a holding, judgment or order by a court of competent jurisdiction or a change in published practice) of a Relevant Taxing Jurisdiction (each of the foregoing in clauses (1) and (2), a "Change in Tax Law");

the Issuer, Successor Company or Guarantor are, or on the next interest payment date in respect of the Notes or any Note Guarantee would be, required to pay any Additional Amounts, and such obligation cannot be avoided by taking reasonable measures available to the Issuer, Successor Company or Guarantor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable and, in the case of a payment by a Guarantor, having the Issuer or another Guarantor make the payment, but not including assignment of the obligation to make payment with respect to the Notes). In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that is a Relevant Taxing Jurisdiction at the date of this Offering Memorandum, such Change in Tax Law must become effective on or after the date of this Offering Memorandum. In the case of redemption due to withholding as a result of a Change in Tax Law in a jurisdiction that becomes a Relevant Taxing Jurisdiction after the date of this Offering Memorandum, such Change in Tax Law must become effective on or after the date the jurisdiction becomes a Relevant Taxing Jurisdiction (or, in the case of a Successor Company, on or after the date of assumption by the Successor Company of the Issuer's obligations hereunder). Notice of redemption for taxation reasons will be published in accordance with the procedures described under "—Selection and notice." Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payor would be obliged to make such payment of Additional Amounts and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, Successor Company or Guarantor will deliver to the Trustee (a) an Officer's Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied and that it would not be able to avoid the obligation to pay Additional Amounts by taking reasonable measures available to it and (b) an opinion of an independent tax counsel of recognized standing to the effect that the Issuer, Successor Company or Guarantor has or have been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept such Officer's Certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Additional Amounts

All payments made by or on behalf of the Issuer or a Successor Company under or with respect to the Notes, or any Guarantor (each of the Issuer, Successor Company and Guarantor, a "Payor") with respect to any Note Guarantee, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

(1) the United Kingdom or any political subdivision or Governmental Authority thereof or therein having power to tax;

(2) any jurisdiction from or through which payment on any such Note or Note Guarantee is made by the Issuer, Successor Company, Guarantor or their agents, or any political subdivision or Governmental Authority thereof or therein having the power to tax; or

(3) any other jurisdiction in which the Payor is incorporated or organized, engaged in business for tax purposes, resident for tax purposes, or any political subdivision or Governmental Authority thereof or therein having the power to tax (each of clause (1), (2) and (3), a "Relevant Taxing Jurisdiction"),

will at any time be required from any payments made with respect to any Note or Note Guarantee, including payments of principal, redemption price, premium, if any, or interest, the Payor will pay (together with such payments) such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received in respect of such payments by the Holders or the Trustee, as the case may be, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Note Guarantee in the absence of such withholding or deduction; provided, however, that no such Additional Amounts will be payable for or on account of:

(1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or corporation) and the Relevant Taxing Jurisdiction (including, but not limited to, being a citizen or resident or national or domiciliary of, or the existence of a business, a permanent establishment, a dependent agent, a place of business or a place of management present or deemed present in the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership or holding of such Note or Note Guarantee, the enforcement of rights hereunder or under a Note Guarantee or the receipt of any payment in respect thereof;

(2) any Taxes that are imposed, withheld or deducted by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor addressed to the Holder or

the beneficial owner, after reasonable notice, to provide certification, information, documents or other evidence concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction of the Holder or such beneficial owners or to make any declaration or similar claim or satisfy any certification, identification, information or other reporting requirement relating to such matters, required by applicable law, regulation, treaty or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax provided in each case the Holder or beneficial owner is legally eligible to do so;

(3) any Taxes that are payable otherwise than by deduction or withholding from a payment under or with respect to the Notes or any Note Guarantee;

(4) any estate, inheritance, gift, value added, sales, transfer, personal property or similar Taxes;

(5) any Taxes that are required to be imposed, deducted or withheld pursuant to the Taxation Directive or any law implementing or complying with, or introduced in order to conform to the Taxation Directive;

(6) any Taxes imposed in connection with a Note presented for payment (where presentation is permitted or required for payment) by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union;

(7) any Taxes which would not have been imposed if the Holder had presented the Note for payment (where presentation is permitted or required for payment) within 30 days after the relevant payment was first made available for payment to the Holder (except for Additional Amounts with respect to Taxes that would have been imposed had the Holder presented the Note for payment within such 30-day period);

(8) any Taxes imposed on or with respect to a payment to a Holder that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such Note; or

(9) any combination of the above.

The Payor will (i) make any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes, in such form as provided in the ordinary course by the Relevant Taxing Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustee. Such copies shall be made available to the Holders upon request and will be made available at the offices of the Registrar if the Notes are then listed on the Euro MTF Market of the Luxembourg Stock Exchange. The Payor will attach to each certified copy a certificate stating (x) that the amount of withholding Taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding Taxes paid per £1,000 principal amount of the Notes.

If any Payor becomes aware that it will be obligated to pay Additional Amounts under or with respect to any payment made on any Note or Note Guarantee, at least 30 days prior to the date of such payment, the Payor will deliver to the Trustee an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises, or the Payor becomes aware of such obligation, less than 45 days prior to the relevant payment date, in which case the Payor may deliver such Officer's Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee shall be entitled to rely solely on such Officer's Certificate without further inquiry, as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Note Guarantees or this "Description of the Notes" there are mentioned, in any context:

(1) the payment of principal;

(2) purchase or redemption prices in connection with a purchase or redemption of Notes;

(3) interest; or

(4) any other amount payable on or with respect to any of the Notes or Note Guarantee,

such reference shall be deemed to include payment of Additional Amounts as described under this heading to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay any present or future stamp, court or documentary Taxes, or any other excise, property or similar Taxes that arise in any jurisdiction from the execution, delivery, registration or enforcement of any Notes, any Note Guarantee, the Indenture, the Proceeds Loan Agreement, the Security Documents or any other document or instrument in relation thereto (other than a transfer or exchange of the Notes) excluding any such Taxes, charges or similar levies imposed by any jurisdiction that is not a Relevant Taxing Jurisdiction.

The foregoing obligations of this "Additional Amounts" section will survive any termination, defeasance or discharge of the Indenture and will apply mutatis mutandis to any jurisdiction in which any successor to the Issuer or any Guarantor is organized or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms hereof, each Holder will have the right to require the Issuer to repurchase all or part (equal to £100,000 aggregate principal amount, and integral multiples of £1,000 in excess thereof), as the case may be, of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); provided, however, that the Issuer shall not be obliged to repurchase Notes as described under this "Change of Control" section in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes as described under "—Optional redemption" or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes as described under "—Optional redemption" or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will send a notice (the "Change of Control Offer") to each Holder of any such Notes, by mail or otherwise in accordance with the procedures set forth in the Indenture, with a copy to the Trustee:

(1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder's Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the "Change of Control Payment");

(2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is sent) (the "Change of Control Payment Date");

(3) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;

(4) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

(5) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;

(3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer in the Change of Control Offer;

(4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee or an authentication agent appointed by the Trustee will promptly authenticate (or cause to be authenticated) and mail (or cause to be transferred by book entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in an aggregate principal amount to the unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in an aggregate principal amount that is at least £100,000 or an integral multiple of £1,000 in excess thereof.

If and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market and the rules of such exchange so require, the Issuer will publish a public announcement with respect to the results of the Change of Control Offer as soon as practicable after the Change of Control Payment Date in a daily newspaper with general circulation in Luxembourg (which is expected to be the Luxemburger Wort), or, to the extent and in the manner permitted by such rules, post such notices on the official website of the Luxembourg Stock Exchange.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control; provided that the purchase date will be no earlier than 30 days from the date a notice of such Change of Control Offer is mailed.

The Change of Control provisions described above will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Company or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations (or rules of any exchange on which the Notes are then listed) in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations (or exchange rules) and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of the conflict.

A Change of Control will result in a mandatory prepayment under the Revolving Credit Facilities Agreement. Future debt of the Company or its Subsidiaries, including the Issuer, may prohibit the Issuer from purchasing Notes in the event of a Change of Control or provide that a Change of Control is a default or may require repurchase upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company or the Issuer.

Finally, the Issuer's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Issuer's and the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk factors—Risks related to our structure—We may not be able to obtain the funds required to repurchase the Notes upon a change of control."

In addition, the definition of "Change of Control" and "Permitted Holders" expressly permit a third party to obtain control of the Company in a transaction which is a Specified Change of Control Event without any obligation to make a Change of Control Offer.

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Company and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is limited case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding aggregate principal amount of the Notes under the Indenture.

Certain Covenants

Limitation on Indebtedness

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); provided, however, that the Company and any Restricted Subsidiary may Incur Indebtedness if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries for the most recently ended four full trading quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred would have been at least 2.0 to 1.0.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness:

(1) Indebtedness Incurred by the Company and any Restricted Subsidiary pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount of Indebtedness then outstanding not exceeding (i) the greater of (x) £50.0 million and (y) 60.0% of Consolidated EBITDA, plus (ii) in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) (a) Guarantees by the Company or any Restricted Subsidiary of Indebtedness of the Company or any Restricted Subsidiary, in each case, so long as the Incurrence of such Indebtedness being guaranteed is permitted under the terms of the Indenture (other than pursuant to this clause (2)); provided that, if Indebtedness being guaranteed is subordinated to or pari passu with the Notes or a Guarantee, then the guarantee must be subordinated or pari passu to the Notes or Note Guarantees, as applicable, to the same extent as the Indebtedness guaranteed; or

    (b) without limiting the covenant described under "—Certain Covenants—Limitation on Liens," Indebtedness arising by reason of any Lien granted by or applicable to such Person securing Indebtedness of the Company or any Restricted Subsidiary, in each case so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;

(3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; provided, however, that:

    (a) other than in respect of intercompany current liabilities Incurred in connection with credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Company and the Restricted Subsidiaries, if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations then due (x) in the case of the Issuer, with respect to the Notes, or (y) in the case of a Guarantor, with respect to the Note Guarantee, in each case in the manner and to the extent provided for in the Intercreditor Agreement; and

(b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Company or a Restricted Subsidiary; and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Company or such Restricted Subsidiary, as the case may be;

(4) Indebtedness represented by (a) the Notes (other than any Additional Notes) and the Note Guarantees, (b) any Indebtedness (other than Indebtedness described in clauses (1), (3), (4)(a) and (7) of this paragraph) of the Company or any Restricted Subsidiary entered into or outstanding on the Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clause (5) of this paragraph or Incurred pursuant to the first paragraph of this covenant, (d) Management Advances and (e) the Proceeds Loan;

(5) Indebtedness (i) of any Person Incurred and outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or any Restricted Subsidiary or (ii) Incurred to provide or refinance all or any portion of the funds utilized to consummate a transaction or series of related transactions pursuant to which a Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or otherwise in connection with or contemplation of such acquisition; provided, however, with respect to this clause (5)(i) and (5)(ii), that at the time of such acquisition or other transaction (x) the Company and its Restricted Subsidiaries would have been permitted to Incur £1.00 of additional Indebtedness pursuant to the first paragraph of this covenant after giving pro forma effect to the relevant acquisition and Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such acquisition or other transaction;

(6) Indebtedness under Hedging Agreements entered into for bona fide hedging purposes of the Company or its Restricted Subsidiaries and not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Company);

(7) Indebtedness consisting of (A) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (B) Indebtedness otherwise Incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and (C) any Refinancing Indebtedness and Guarantees in respect of (A) or (B), in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) then outstanding, will not exceed the greater of (i) £20.0 million and (ii) 3.5% of Total Assets;

(8) Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations, indemnities or guarantees Incurred in the ordinary course of business or for governmental or regulatory requirements, (b) letters of credit, bankers' acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business, provided, however, that upon the drawing of such letters of credit or other instrument, such obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business and (d) any credit management, cash management, cash pooling, netting, setting off or similar arrangements in the ordinary course of business of the Company and the Restricted Subsidiaries;

(9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations in respect of earn-outs or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); provided that the maximum

liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness in connection with such acquisition or disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(10) (A) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within 60 Business Days of Incurrence;

(B) Indebtedness owed on a short-term basis of no longer than 60 days to banks and other financial institutions Incurred in the ordinary course of business of the Company and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Company and its Restricted Subsidiaries; and

(C) Indebtedness Incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management purposes, in each case Incurred or undertaken in the ordinary course of business;

(11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness and Guarantees in respect thereof and the aggregate principal amount of all other Indebtedness Incurred pursuant to this clause (11) then outstanding, will not exceed the greater of (i) £20.0 million and (ii) 3.5% of Total Assets;

(12) Indebtedness (including any Refinancing Indebtedness and Guarantees in respect thereof) in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (12) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Company from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or its Capital Stock (other than Disqualified Stock, Designated Preference Shares or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or an Excluded Contribution) of the Company, in each case, subsequent to the Issue Date; provided, however, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6), (10) and (14) of the third paragraph of the covenant described below under "—Certain Covenants—Limitation on Restricted Payments" to the extent the Company and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (12) to the extent the Company or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph and/or clauses (1), (6), (10) or (14) of the third paragraph of the covenant described below under "—Certain Covenants—Limitation on Restricted Payments" in reliance thereon;

(13) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

(i) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant; provided that Indebtedness incurred pursuant to clause (1) of the second paragraph of this covenant may not be reclassified, and Indebtedness under the Revolving Credit Facilities Agreement incurred or outstanding on the Issue Date will be deemed to have been incurred on such date in reliance or the exception provided in clause (1) of the second paragraph of this covenant;

(ii) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;

(iii) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7) or (11) of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;

(iv) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;

(v) for the purposes of determining "Consolidated EBITDA" under clause (1)(i)(y) of the second paragraph of this covenant, (x) pro forma effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Leverage Ratio for the Company and its Restricted Subsidiaries and (y) Consolidated EBITDA shall be measured on the most recent date on which new commitments are obtained (in the case of revolving facilities) or the date on which new Indebtedness is Incurred (in the case of term facilities) and for the period of the most recent four consecutive trading quarters ending prior to the date for which such internal consolidated financial statements of the Company are available;

(vi) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness; and

(vii) The amount of any Indebtedness outstanding as of any date shall be calculated as described under the definition of "Indebtedness," provided that the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of UK GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in UK GAAP, including a change from UK GAAP to IFRS, will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this "—Certain Covenants—Limitation on Indebtedness" covenant.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date.

For purposes of determining compliance with any pound sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling Equivalent of the aggregate principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Company, first committed, in the case of Indebtedness Incurred under a revolving credit facility; provided that (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than pound sterling, and such refinancing would cause the applicable pound sterling-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such pound sterling-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the aggregate principal amount of such Indebtedness being refinanced; (b) the Sterling Equivalent of the aggregate principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date; and (c) if and for so long as any such Indebtedness is subject to a Currency Agreement with respect to the currency in which such Indebtedness is denominated covering principal amounts payable on such Indebtedness, the amount of such Indebtedness, if denominated in pound sterling, will be the amount of the principal payment required to be made under such Currency Agreement and, otherwise, the Sterling Equivalent of such amount plus the Sterling Equivalent of any premium which is at such time due and payable but is not covered by such Currency Agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the

Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

(1) declare or pay any dividend or make any other distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:

  (a) dividends or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company or in Subordinated Shareholder Funding; and

  (b) dividends or distributions payable to the Company or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or a Restricted Subsidiary on no more than a pro rata basis, measured by value);

(2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Company or any direct or indirect Parent of the Company held by Persons other than the Company or a Restricted Subsidiary (other than in exchange for Capital Stock of the Company (other than Disqualified Stock));

(3) make any principal payment on, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness");

(4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Funding; or

(5) make any Restricted Investment in any Person;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a "Restricted Payment"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

  (a) a Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

  (b) the Company and its Restricted Subsidiaries are not permitted to Incur an additional £1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" after giving effect, on a pro forma basis, to such Restricted Payment; or

  (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5)(a) (without duplication of amounts paid pursuant to any other clause of the second succeeding paragraph), (6), (10), (11) and (12) of the second succeeding paragraph, but excluding all other Restricted Payments permitted by the second succeeding paragraph) would exceed the sum of (without duplication):

  (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the first trading quarter commencing prior to the Issue Date to the end of the most recent trading quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Company are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);

(ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company subsequent to the Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph and (z) Excluded Contributions);

(iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange) but excluding Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the second succeeding paragraph;

(iv) the amount equal to the net reduction in Restricted Investments made by the Company or any of its Restricted Subsidiaries resulting from:

(A) repurchases, redemptions or other acquisitions or retirements of any such Restricted Investment, proceeds realized upon the sale or other disposition to a Person other than the Company or a Restricted Subsidiary of any such Restricted Investment, repayments of loans or advances or other transfers of assets (including by way of dividend, distribution, interest payments or returns of capital) to the Company or any Restricted Subsidiary; or

(B) the redesignation of Unrestricted Subsidiaries as Restricted Subsidiaries (valued, in each case, as provided in the definition of "Investment") not to exceed, in the case of any Unrestricted Subsidiary, the amount of Investments previously made by the Company or any Restricted Subsidiary in such Unrestricted Subsidiary, which amount, in each case under this clause (iv), was included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c);

provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (iv); and

(v) the amount of the cash and the fair market value (as determined in accordance with the next succeeding paragraph) of property or assets or of marketable securities received by the Company or any of its Restricted Subsidiaries in connection with:

(A) the sale or other disposition (other than to the Company or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock of an Unrestricted Subsidiary of the Company; and

(B) any dividend or distribution made by an Unrestricted Subsidiary or Affiliate to the Company or a Restricted Subsidiary, provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Company's option) included under this clause (v); provided further, however, that such amount under this clause (v) shall not exceed the amount included in the calculation of the amount of Restricted Payments referred to in the first sentence of this clause (c).

The fair market value of property or assets other than cash covered by the preceding sentence shall be the fair market value thereof as determined in good faith by the Board of Directors or an Officer of the Company.

The foregoing provisions will not prohibit any of the following (collectively, "Permitted Payments"):

(1) any Restricted Payment made in exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company; provided, however, that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock, Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the second preceding paragraph;

(2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made in exchange for, or out of the proceeds of the substantially concurrent Incurrence of Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness" above;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made in exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under "—Limitation on Indebtedness" above, and that in each case, constitutes Refinancing Indebtedness;

(4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness:

    (a) (i) from Net Available Cash to the extent permitted under "—Certain Covenants—Limitation on sales of assets and subsidiary stock" below, but only if (i) the Company shall have first complied with the terms described under "—Certain Covenants—Limitation on sales of assets and subsidiary stock" and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;

    (b) to the extent required by the agreement governing such Subordinated Indebtedness, following the occurrence of a Change of Control (or other similar event described therein as a "change of control"), but only (i) if the Company shall have first complied with the terms of the covenant described under "—Change of Control," if required, and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or

    (c) (i) consisting of Acquired Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;

(5) (a) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant, and (b) any payments associated with the Transactions;

(6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Company to any Parent or any entity formed for the purpose of investing in Capital Stock of the Company or any Parent to permit any Parent or such entity to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Company, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; provided that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (A) £2.0 million plus (B) £1.0 million multiplied by the number of calendar years that have commenced since the Issue Date plus (C) the Net Cash Proceeds received by the Company or its Restricted Subsidiaries since the Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (C), other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant;

(7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under "—Certain Covenants—Limitation on Indebtedness" above;

(8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;

(9) dividends, loans, advances or distributions to any Parent or any Affiliates or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):

    (a) the amounts required for any Parent to pay any Parent Expenses or any Related Taxes; or

    (b) amounts constituting or to be used for purposes of making payments (i) of fees, expenses and other payments in relation to the Transactions or (ii) to the extent specified in clauses (2), (3), (5), (7), (11), (12) and (13) of the second paragraph under "—Certain Covenants—Limitation on Affiliate Transactions,"

(10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Company of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Company or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any trading year the greater of (a) 6% of the Net Cash Proceeds received by the Company from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of the Company or loaned or contributed as Subordinated Shareholder Funding to the Company and (b) following the Initial Public Offering, an amount equal to the greater of (i) 6% of the Market Capitalization and (ii) 6% of the IPO Market Capitalization; provided that, in the case of (b) of this paragraph, after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio for the Company and its Restricted Subsidiaries shall be equal to or less than 4.25 to 1.0;

(11) so long as no Default or Event of Default has occurred and is continuing (or would result from), (a) Restricted Payments (including loans or advances) in an aggregate amount outstanding at any time not to exceed the greater of £10.0 million or 1.75% of Total Assets and (b) any Restricted Payment, provided that the Consolidated Leverage Ratio on a pro forma basis after giving effect to any such Restricted Payment does not exceed 3.0 to 1.0.

(12) payments by the Company, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Company or any Parent in lieu of the issuance of fractional shares of such Capital Stock; provided, however, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or

otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or an Officer of the Company);

(13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments to the extent made in exchange for or using as consideration Investments previously made under this clause (13);

(14) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares of the Company issued after the Issue Date; and (ii) the declaration and payment of dividends to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares of such Parent or Affiliate issued after the Issue Date; provided, however, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (14) shall not exceed the Net Cash Proceeds received by the Company or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution or, in the case of Designated Preference Shares by Parent or an Affiliate the issuance of Designated Preference Shares) of the Company or loaned or contributed as Subordinated Shareholder Funding to the Company, from the issuance or sale of such Designated Preference Shares;

(15) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries; and

(16) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by the Board of Directors or an Officer of the Company acting in good faith.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary), whether owned on the Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien, the "Initial Lien"), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Note Guarantee in the case of Liens of a Guarantor) are secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured (provided that a Lien to secure Indebtedness pursuant to clauses (1) or (6) of such second paragraph of "—Certain Covenants—Limitation on Indebtedness" covenant may have priority not materially less favorable to the Holders than that accorded to the Revolving Credit Facilities Agreement pursuant to the Intercreditor Agreement), and (b) in the case of any property or assets that constitute Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes pursuant to clause (a)(2) of the preceding paragraph will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates and (ii) otherwise as set forth under "Security—Release of Liens."

Limitation on distributions from Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock to the Company or the Issuer or pay any Indebtedness or other obligations owed to the Company or the Issuer;

(B) make any loans or advances to the Company or the Issuer; or

(C) sell, lease or transfer any of its property or assets to the Company or the Issuer;

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

(1) any encumbrance or restriction pursuant to (a) any Credit Facility, including the Revolving Credit Facilities Agreement, (b) the Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents or (c) any other agreement or instrument in effect at or entered into on the Issue Date, including, in each case, any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings, provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements referred to in clauses (a), (b) and (c) above, as applicable (as determined in good faith by the Board of Directors or an Officer of the Company);

(2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; provided that, for the purposes of this clause (2), if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;

(3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an "Initial Agreement") or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); provided, however, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Company);

(4) any encumbrance or restriction:

    (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;

    (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, pledges, charges or other security agreements; or

    (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;

(5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on

the property so acquired or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the transfer of the assets of the joint venture;

(6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

(7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;

(8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order (including encumbrances or restrictions to make distributions in cash or Cash Equivalents as a dividend or otherwise that arise or exist by reason of applicable law or any applicable rule, regulation or order) or encumbrances or restrictions required by any regulatory authority;

(9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;

(10) any encumbrance or restriction pursuant to Hedging Agreements;

(11) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be Incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under "—Certain Covenants—Limitation on Indebtedness" if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the Revolving Credit Facilities Agreement, together with the security documents associated therewith as in effect on the Issue Date or (ii) in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Company) and where, in the case of clause (ii), the Company determines at the time such Indebtedness is Incurred that such encumbrances or restrictions will not adversely affect, in any material respect, the Issuer's ability to make principal or interest payments on the Notes or the ability of the Company to make principal or interest payments on the Proceeds Loan;

(12) any encumbrance or restriction existing by reason of any Lien permitted under "—Certain Covenants—Limitation on Liens;" or

(13) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or an Officer of the Company, are necessary or advisable to effect such Qualified Receivables Financing.

Limitation on sales of assets and subsidiary stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

(1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Board of Directors or an Officer of the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap); and

(2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition (excluding any consideration by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise, other than Indebtedness) received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash, Cash Equivalents or Temporary Cash Investments.

Within 365 days from the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash from an Asset Disposition, the Company or such Restricted Subsidiary, as the case may be, may apply an amount equal to such Net Available Cash at the option of the Company or such Restricted Subsidiary:

(a) (i) to prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) or clause (13) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness," or any Refinancing Indebtedness in respect thereof; provided, however, that in connection with any prepayment, repayment, purchase or redemption of Indebtedness pursuant to this clause (a) (except in the case of any revolving Indebtedness, including but not limited to the Revolving Credit Facilities Agreement), the Company or such Restricted Subsidiary will retire such Indebtedness and will cause the related commitment to be permanently reduced in an amount equal to the principal amount so prepaid, repaid, purchased or redeemed; or (ii) to prepay, repay, purchase or redeem Pari Passu Indebtedness at a price of no more than 100% of the principal amount of such Pari Passu Indebtedness plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption; provided that the Company shall redeem, repay, repurchase or redeem Pari Passu Indebtedness that is Public Debt pursuant to this clause (ii) only if the Company makes (at such time or subsequently in compliance with this covenant) an offer to the Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes at least equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum of the total aggregate principal amount of Notes outstanding plus the total aggregate principal amount outstanding of such Pari Passu Indebtedness; or (iii) to prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor or any Indebtedness that is secured on assets which do not constitute Collateral (in each case, other than Subordinated Indebtedness of the Company or a Guarantor or Indebtedness owed to the Company or any Restricted Subsidiary); or (iv) to purchase the Notes pursuant to an offer to all Holders of Notes at a purchase price in cash equal to at least 100% of the principal amount of the Notes, plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date);

(b) to the extent the Company or such Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary with Net Available Cash received by the Company or another Restricted Subsidiary) within 365 days from the later of (i) the date of such Asset Disposition and (ii) the receipt of such Net Available Cash; provided, however, that any such reinvestment in Additional Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors or an Officer of the Company that is executed or approved within such time will satisfy this requirement, so long as such investment is consummated within 180 days of such 365th day;

(c) to make a capital expenditure pursuant to a definitive binding agreement or a commitment approved by the Board of Directors or an Officer of the Company; provided, however, that any such capital expenditure made that is executed or approved within such time will only satisfy this requirement so long as such investment is consummated within 180 days of such 365th day; or

(d) any combination of the foregoing;

provided that, pending the final application of any such Net Available Cash in accordance with clause (a), (b), (c) or (d) above, the Company and its Restricted Subsidiaries may temporarily reduce Indebtedness or otherwise invest such Net Available Cash in any manner not prohibited by the Indenture.

If an amount less than the Net Available Cash from Asset Dispositions is applied or invested or committed to be applied or invested, or offered to be applied or invested, as provided in the preceding paragraph, an amount equal to the difference will be deemed to constitute "Excess Proceeds" under the Indenture. On the 366th day (or the 546th day, in the case of any Net Available Cash committed to be used pursuant to a definitive binding agreement or commitment approved by the Board of Directors or an Officer of the Company pursuant to clauses (b) or (c) of the second paragraph of this covenant) after the later of (A) the date of such Asset Disposition and (B) the receipt of such Net Available Cash from an Asset Disposition, or at such earlier date that the Company elects, if the aggregate amount of "Excess Proceeds" under the Indenture exceeds £10.0 million, the Company will be required to make an offer (or procure an offer is made) ("Asset Disposition Offer") to all Holders of Notes issued under the Indenture and, to the extent the Company so elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum aggregate principal amount of Notes and any such Pari Passu Indebtedness to which the Asset

Disposition Offer applies that may be purchased out of the "Excess Proceeds," at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of such Notes and 100% of the principal amount of such Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable.

To the extent that the aggregate principal amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the "Excess Proceeds," the Company may use any remaining "Excess Proceeds" for general corporate purposes, subject to the other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of "Excess Proceeds," the "Excess Proceeds" shall be allocated among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis or by use of a pool factor on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness, or by such other method as (i) the Trustee and (ii) the trustee, agent or similar representative of such Pari Passu Indebtedness, after consultation with the Company, deem fair and appropriate (and in such manner as complies with applicable legal, depositary and exchange requirements). For the purposes of calculating the aggregate principal amount of any such Indebtedness not denominated in pound sterling, such Indebtedness shall be calculated by converting any such aggregate principal amounts into their Sterling Equivalent determined as of a date selected by the Company that is within the Asset Disposition Offer Period (as defined herein). Upon completion of any Asset Disposition Offer, the amount of "Excess Proceeds" shall be reset at zero.

Any Net Available Cash payable in respect of the Notes pursuant to this covenant will be allocated between the Floating Rate Notes and the Fixed Rate Notes in proportion to the respective aggregate principal amounts of Floating Rate Notes and Fixed Rate Notes validly tendered and not withdrawn.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which the relevant Notes are denominated that is actually received upon converting such portion of Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the "Asset Disposition Offer Period"). No later than five Business Days after the termination of the Asset Disposition Offer Period (the "Asset Disposition Purchase Date"), the Company will purchase (or procure the purchase of) the aggregate principal amount of Notes and, to the extent they so elect, any Pari Passu Indebtedness required to be purchased pursuant to this covenant (the "Asset Disposition Offer Amount") or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Company will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and, in the case of the Notes, in minimum denominations of £100,000 and in integral multiples of £1,000 in excess thereof. The Company will deliver to the Trustee an Officer's Certificate stating that such Notes or portions thereof were accepted for payment in accordance with the terms of this covenant. The Company or the Paying Agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver (or procure the mail or delivery) to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted for purchase, and the Issuer will promptly issue a new Note (or amend the Global Note), and the Trustee, upon delivery of an Officer's Certificate from the Issuer, will (via an authenticating agent) authenticate and mail or deliver (or cause to be transferred by book entry) such new Note to such Holder, in an aggregate principal amount equal to any unpurchased portion of the Note surrendered; provided that each such new Note will be in an aggregate principal amount with a minimum denomination of £100,000 or in integral multiples of £1,000 in excess thereof. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Company or the Issuer to the Holder thereof.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

(1) the assumption by the transferee of Indebtedness of the Issuer or Indebtedness of the Company or a Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) and the release of the Issuer, the Company or such Restricted Subsidiary from all liability on such Indebtedness in connection with such Asset Disposition;

(2) securities, notes or other obligations received by the Issuer, the Company or any Restricted Subsidiary from the transferee that are converted by the Issuer, the Company or such Restricted Subsidiary into cash or Cash Equivalents within 180 days following the closing of such Asset Disposition;

(3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;

(4) consideration consisting of Indebtedness of the Issuer, the Company or any Restricted Subsidiary (other than Subordinated Indebtedness of the Issuer or a Guarantor) received after the Issue Date from Persons who are not the Issuer, the Company or any Restricted Subsidiary; and

(5) any Designated Non-Cash Consideration received by the Issuer, the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of £23.0 million and 4.0% of Total Assets (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

The Company will comply (or procure compliance), to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations (or exchange rules) conflict with provisions of this covenant, the Company will comply (or procure compliance) with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of any conflict.

Maintenance of listing

The Company will use its commercially reasonable efforts to obtain and maintain the listing of the Notes on the Official List of the Luxembourg Stock Exchange for so long as such Notes are outstanding; provided that if the Company is unable to obtain admission to such listing or if at any time the Company determines that it will not maintain such listing, it will obtain (where the Notes are initially so listed, prior to the delisting of the Notes from the Official List of the Luxembourg Stock Exchange), and thereafter use its best efforts to maintain a listing of such Notes on another stock exchange deemed appropriate by the Board of Directors or an Officer of the Company.

Limitation on Affiliate Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with or for the benefit of any Affiliate of the Company (such transaction or series of related transactions being an "Affiliate Transaction") involving aggregate value in excess of £5.0 million unless:

(1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate;

(2) in the event such Affiliate Transaction involves an aggregate value in excess of £10.0 million, the terms of such transaction or series of related transactions have been approved by a majority of the members of the Board of Directors of the Company resolving that such transaction complies with clause (1) above; and

(3) in the event such Affiliate Transaction involves an aggregate consideration in excess of £20.0 million, the Company has received a written opinion from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Company and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

(1) any Restricted Payment permitted to be made pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the third paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments") or any Permitted Investment;

(2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business;

(3) any Management Advances and any waiver or transaction with respect thereto;

(4) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;

(5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Company, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);

(6) the Transactions and the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect in the good faith judgment of the Board of Directors or an Officer of the Company and the entry into and performance of any registration rights or other listing agreement in connection with any Public Offering;

(7) the execution, delivery and performance of any Tax Sharing Agreement and the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(8) transactions with customers, clients, landlords, suppliers or purchasers or sellers of goods or services, which, in each case, are in the ordinary course of business and are either fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Company or the relevant Restricted Subsidiary or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;

(9) any transaction in the ordinary course of business between or among the Company or any Restricted Subsidiary and any Affiliate of the Company or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;

(10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company or options, warrants or other rights to acquire such Capital Stock or Subordinated Shareholder Funding; provided that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors or an Officer of the Company in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement, as applicable;

(11) without duplication in respect of payments made pursuant to clause (12) hereof, (a) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of annual management, consulting, monitoring or advisory fees and related expenses in an aggregate amount not to exceed £2.0 million in each twelve month period that has commenced since the Issue Date and (b) customary payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments in respect of this clause (b) are approved by the Board of Directors or an Officer of the Company in good faith;

(12) payment to any Permitted Holder of all reasonable out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries; and

(13) any transaction effected as part of a Qualified Receivables Financing.

Reports

For so long as any Notes are outstanding, the Company will provide to the Trustee the following reports:

(1) within 120 days after the end of the Company's trading year beginning with the first trading year ending after the Issue Date, annual reports containing, to the extent applicable the following information: (a) audited consolidated balance sheets of the Company as of the end of the two most recent trading years and audited consolidated income statements and statements of cash flow of the Company for the two most recent trading years, including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed trading year; (c) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital resources of the Company, and a discussion of material commitments and contingencies and critical accounting policies; (d) description of the business, management and shareholders of the Company, all material affiliate transactions and a description of all material contractual arrangements, including material debt instruments; and (e) a description of material risk factors and material recent developments;.

(2) within 75 days (or in the case of the first two trading quarters after the Issue Date, 90 days) following the end of the first three trading quarters in each trading year of the Company beginning with the first trading quarter after the Issue Date, all quarterly reports of the Company containing the following information: (a) an unaudited condensed consolidated balance sheet as of the end of such trading quarter and unaudited condensed statements of income and cash flow for the most recently completed trading quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) unaudited pro forma income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the relevant trading quarter; (c) an operating and financial review of the unaudited financial statements, including a discussion of the results of operations, financial condition and material changes in liquidity and capital resources of the Company, and a discussion of material changes not in the ordinary course of business in commitments and contingencies since the most recent report; and (d) material recent developments; and

(3) promptly after the occurrence of any material acquisition, disposition, restructuring, merger or similar transaction, or any senior executive officer changes at the Company or change in auditors of the Company or any other material event that the Company announces publicly, a report containing a description of such event.

All financial statement information shall be prepared in accordance with UK GAAP as in effect on the date of such report or financial statement (or otherwise on the basis of UK GAAP as then in effect) and on a consistent basis for the periods presented; provided, however, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in applicable UK GAAP, present earlier periods on a basis that applied to such periods. Except as provided for above, no report needs to include separate financial statements for any Subsidiaries of the Company. At the Company's election it may also include financial statements of a Parent in lieu of those for the Company; provided that, if the financial statements of a Parent are included in such report, a reasonably detailed description of material differences between the financial statements of the Parent and the Company shall be included for any period after the Issue Date. Following an Initial Public Offering of the Capital Stock of an IPO Entity and/or the listing of such Capital Stock on a recognized stock exchange, the requirements of clauses (1), (2) and (3) above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange.

At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by the clauses (1) and (2) of the first paragraph of this covenant shall include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries (as a group or otherwise) together with an unaudited reconciliation to the financial information of the Company and its Subsidiaries, which reconciliation shall include the following items: turnover, net income, cash, total assets, total debt, shareholders equity, capital expenditures and interest expense.

Substantially concurrently with the issuance to the Trustee of the reports specified in clause (1), (2) and (3) of the first paragraph of this covenant, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such password protected website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Board of Directors or an Officer of the Company in good faith) or (b) to the extent the Board of Directors or an Officer of the Company determines in good faith that it cannot make such reports available in the manner described in the preceding clause (a) owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes.

The Issuer will also make available copies of all reports required by clauses (1) through (3) of the first paragraph of this covenant, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, at the offices of the Registrar or, to the extent and in the manner permitted by such rules, post such reports on the official website of the Luxembourg Stock Exchange.

In addition, so long as the Notes remain outstanding and during any period during which the Company is not subject to Section 13 or 15(d) of the Exchange Act nor exempt therefrom pursuant to Rule 12g3-2(b), the Company shall furnish to the Holders and, upon their request, prospective purchasers of the Notes, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Merger and consolidation

The Issuer and the Company

Neither the Issuer nor the Company will consolidate with or merge with or into, or convey, transfer or lease all or substantially all its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person (the "Successor Company") (if not the Company or the Issuer, as applicable) will be a Person organized and existing under the laws of any Permissible Jurisdiction and the Successor Company (if not the Company or the Issuer, as applicable) will

expressly assume (subject in each case to any limitation contemplated by the Agreed Security Principles), (a) by supplemental Indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Company or the Issuer, as applicable, under the Notes and the Indenture and (b) to the extent required by applicable law to effect such assumption, all obligations of the Company or the Issuer, as applicable, under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents;

(2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been Incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;

(3) only in case of a transaction involving the Company, immediately after giving effect to such transaction, either (a) the Successor Company would be permitted to Incur at least an additional £1.00 of Indebtedness pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" or (b) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction; and

(4) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental Indenture (if any) comply with the Indenture, and that all conditions precedent therein provided for relating to such transaction have been complied with and an Opinion of Counsel to the effect that such supplemental Indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company and the Notes constitute legal, valid and binding obligations of the Successor Company, enforceable in accordance with their terms (in each case, in form and substance reasonably satisfactory to the Trustee); provided that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above.

Any Indebtedness that becomes an obligation of the Company or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "—Certain Covenants—Limitation on Indebtedness."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Company, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Company on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company, as the case may be.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indenture and the Notes but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes.

Notwithstanding the preceding clauses (2) and (3) and the provisions described below under "—Subsidiary Guarantors" (which do not apply to transactions referred to in this sentence) and, other than with respect to the second preceding paragraph, clause (4) of the first paragraph of this covenant, (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company and (b) any Restricted Subsidiary that is not a Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary. Notwithstanding the preceding clauses (2) and (3) (which do not apply to the transactions referred to in this sentence), the Company may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this covenant) will not apply to (i) any transactions which constitute an Asset Disposition if the Company has complied with the covenant described under "—Certain Covenants—Limitation on sales of assets and subsidiary stock" or (ii) the creation of a new subsidiary as a Restricted Subsidiary of the Company.

Subsidiary Guarantors

No Subsidiary Guarantor may (other than a Subsidiary Guarantor whose guarantee is to be released in accordance with the terms of the Indenture, the Intercreditor Agreement and any Additional Intercreditor Agreement);

(1) consolidate with or merge with or into any Person, or

(2) sell, convey, transfer or dispose of, all or substantially all its assets as an entirety or substantially as an entirety, in one transaction or a series of related transactions, to any Person, or

(3) permit any Person to merge with or into such Subsidiary Guarantor,

unless

(A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor; or

(B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes (in each case subject to any limitation contemplated by the Agreed Security Principles) all of the obligations of the Guarantor under its Note Guarantee and, to the extent required by applicable law to effect such assumption, the obligations under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents to which it is a party; and

(2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or

(C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise permitted by the Indenture.

Notwithstanding the preceding clause (B) and the provisions described under "—The Issuer and the Company" (which do not apply to transactions referred to in this sentence), (a) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Subsidiary Guarantor and (b) if there is more than one Subsidiary Guarantor, any Subsidiary Guarantor may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Subsidiary Guarantor. Notwithstanding the preceding clause B(2) (which do not apply to the transactions referred to in this sentence), a Subsidiary Guarantor may consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Subsidiary Guarantor reincorporating the Subsidiary Guarantor in another jurisdiction, or changing the legal form of the Subsidiary Guarantor.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

Suspension of covenants on achievement of Investment Grade Status

If on any date following the Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until the Reversion Date, the provisions of the Indenture summarized under the following captions will not apply to such Notes: "—Certain Covenants—Limitation on Restricted Payments," "—Certain Covenants—Limitation on Indebtedness," "—Certain Covenants—Limitation on distributions from Restricted Subsidiaries," "—Certain Covenants—Limitation on Affiliate Transactions," "—Certain Covenants—Limitation on sales of assets and subsidiary stock," "—Certain Covenants—Additional Note Guarantees and Collateral" and the provisions of clause (3) of the first paragraph of the covenant described under "—Merger and consolidation—The Issuer and the Company," and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the

Company and its Restricted Subsidiaries. Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and the "—Certain Covenants—Limitation on Restricted Payments" covenant will be interpreted as if it has been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be classified, at the Company's option, as having been Incurred pursuant to the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" or one of the clauses set forth in the second paragraph of such covenant (to the extent such Indebtedness would be permitted to be Incurred thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred prior to the Suspension Event and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be Incurred under the first two paragraphs of the covenant described under "—Certain Covenants—Limitation on Indebtedness," such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness." The Issuer shall notify the Trustee that the conditions under this covenant have been satisfied, although such notification shall not be a condition for the suspension of the covenants set forth above to be effective. The Trustee shall not be obliged to notify Holders of such event.

Additional Note Guarantees and Collateral

Subject to the Agreed Security Principles, the Intercreditor Agreement and any Additional Intercreditor Agreement, the Company will not cause or permit any of its Restricted Subsidiaries that are not Guarantors or the Issuer, directly or indirectly, to Guarantee any Indebtedness under the Revolving Credit Facilities Agreement (or other Indebtedness that is Incurred under clauses (1) or (6) of the second paragraph of "—Certain Covenants—Limitation on Indebtedness"), any Public Debt and any Refinancing Indebtedness thereof or any other Indebtedness of the Issuer or a Guarantor exceeding £2.0 million in principal amount, in whole or in part unless, in each case, such Restricted Subsidiary becomes a Guarantor on the date on which such other Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental Indenture in the form attached to the Indenture or other appropriate agreement pursuant to which such Restricted Subsidiary will provide a Guarantee on the same terms and conditions as those set forth in the Indenture, which Guarantee will be senior to or pari passu with such Restricted Subsidiary's Guarantee of such other Indebtedness.

A Restricted Subsidiary that is not a Guarantor may become a Guarantor if it executes and delivers to the Trustee a supplemental Indenture in the form attached to the Indenture pursuant to which such Restricted Subsidiary will provide a Guarantee.

Following the provision of any additional Guarantees as described above, subject to the Agreed Security Principles, the Intercreditor Agreement and any Additional Intercreditor Agreement (if such security is being granted in respect of the other Indebtedness), any such Guarantor will provide security over certain of its material assets (excluding any assets of such Guarantor which are subject to a Permitted Lien at the time of the execution of such supplemental indenture if providing such security interest would not be permitted by the terms of such Permitted Lien or by the terms of any obligations secured by such Permitted Lien) to secure its Guarantee on a first priority basis consistent with the Collateral.

Each additional Guarantee or security will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, thin capitalization, distributable reserves, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Notwithstanding the foregoing paragraphs, the Company shall not be obligated to cause such Restricted Subsidiary to Guarantee the Notes or provide security to the extent and for so long as the Incurrence of such Guarantee could or the grant of such security would be inconsistent with the Intercreditor Agreement or the Agreed Security Principles.

Impairment of security interest

The Company shall not, and shall not permit any Restricted Subsidiary to, take or omit to take any action, which action or omission would have the result of materially impairing the security interest with respect to the Collateral (it being understood that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the security interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Company shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement, any Lien over any of the Collateral that is prohibited by the covenant entitled "—Certain Covenants—Limitation on Liens;" provided, that the Company and its Restricted Subsidiaries may Incur any Lien over any of the Collateral that is not prohibited by the covenant entitled "—Certain Covenants—Limitation on Liens," including Permitted Collateral Liens, and the Collateral may be discharged or released in accordance with the Indenture, the applicable Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement.

Notwithstanding the above, nothing in this covenant shall restrict the discharge and release of any Lien in accordance with the Indenture, the applicable Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement.

Subject to the foregoing, the Security Documents may be amended, extended, renewed, restated or otherwise modified or released to (i) cure any ambiguity, omission, defect or inconsistency therein; (ii) provide for Permitted Collateral Liens; (iii) add to the Collateral; or (iv) make any other change thereto that does not adversely affect the Holders in any material respect; provided, however, that (except where permitted by the Indenture or the Intercreditor Agreement or to effect or facilitate the creation of Permitted Collateral Liens for the benefit of the Security Agent and holders of other Indebtedness Incurred in accordance with the Indenture) no Security Document may be amended, extended, renewed, restated or otherwise modified or released, unless contemporaneously with such amendment, extension, renewal, restatement or modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), the Company delivers to the Security Agent and the Trustee, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Security Agent and the Trustee, from an Independent Financial Advisor or appraiser or investment bank which confirms the solvency of the Company and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release, (2) a certificate from an Officer of the relevant Person which confirms the solvency of the Person granting such Lien after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets), or (3) an Opinion of Counsel (subject to any qualifications customary for this type of opinion of counsel), in form and substance reasonably satisfactory to the Trustee, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, modification or release (followed by an immediate retaking of a lien of at least equivalent ranking over the same assets), the Lien or Liens created under the Security Document, so amended, extended, renewed, restated, modified or released and retaken are valid and perfected Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, modification or release and retake and to which the new Indebtedness secured by the Permitted Collateral Lien is not subject. In the event that the Company and its Restricted Subsidiaries comply with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Further assurances

Subject to the Agreed Security Principles, the Company and its Restricted Subsidiaries will, at their own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Security Documents in any required register and for perfecting or protecting the security intended to be afforded by such Security Documents and (ii) if such Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. Subject to the Agreed Security Principles, the Company and its Restricted Subsidiaries will execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

Limitation on Issuer activities

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) subject to compliance with the terms of the Indenture, related to the offering, sale or issuance of the Notes or the incurrence of Indebtedness by the Issuer represented by the Notes or any Public Debt, (b) undertaken with the purpose of, and directly related to, fulfilling its obligations under the Notes, the Indenture and any other document relating to the Notes (including the Proceeds Loan), the Security Documents, the Intercreditor Agreement and the Revolving Credit Facilities Agreement or any document relating to any Public Debt; (c) related to the establishment and maintenance of the Issuer's corporate existence, (d) related to using amounts received by the Issuer to make investments in cash or Cash Equivalents in a manner not otherwise prohibited by the Indenture or (e) reasonably related to the foregoing. The Issuer will not (a) incur any indebtedness (except to the Company or a Wholly Owned Subsidiary) other than, subject to compliance with the terms of the Indenture, the Notes or any Public Debt, (b) issue any Capital Stock (other than to the Company or a Wholly Owned Subsidiary) or (c) undertake any transaction that will require the Issuer to register as an "investment company" or an entity "controlled by an investment company" as defined in the U.S. Investment Company Act of 1940, as amended, and the rules and regulations thereunder.

The Issuer will not, and the Company will not permit the Issuer to, use the proceeds from the issuance of the Notes other than (i) to pay fees and expenses related to the offering of the Notes and (ii) to subscribe for the Proceeds Loan issued by the Company promptly upon the receipt of proceeds from the issuance of the Notes.

Payments for consent

The Indenture provides that the Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms of the provisions of the Indenture or the Notes unless such consideration is offered to all Holders and is paid to all Holders that so consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Issuer, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes, to exclude Holders in any jurisdiction where (i) the solicitation of such consent, waiver or amendment, including in connection with an exchange offer or an offer to purchase for cash, or (ii) the payment of the consideration therefor (A) would require the Issuer, the Company or any of its Restricted Subsidiaries to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Issuer and the Company in their sole discretion determine (acting in good faith) would be materially burdensome; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Events of Default

Each of the following is an "Event of Default" under the Indenture:

(1) default in any payment of interest or Additional Amounts, if any, on any Note when due and payable, continued for 30 days;

(2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;

(3) failure to comply for 30 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any of the Company's obligations under the covenants described under "—Change of Control" above or the obligations of the Company and the Restricted Subsidiaries under the covenants described under "—Certain Covenants" above (in each case, other than a failure to purchase Notes which will constitute an Event of Default under clause (2) above);

(4) failure to comply by the Company or any of its Restricted Subsidiaries for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal

amount of the outstanding Notes with the Issuer's or the Guarantors' other agreements contained in the Indenture;

(5) default under any mortgage, Indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, which default:

(a) is caused by a failure to pay principal at Stated Maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness ("payment default"); or

(b) results in the acceleration of such Indebtedness prior to its maturity (the "cross acceleration provision");

and, in each case, the aggregate principal amount of any such Indebtedness, together with the aggregate principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates £15.0 million or more;

(6) certain events of bankruptcy, insolvency or court protection of the Issuer, the Company or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the "bankruptcy provisions");

(7) failure by the Issuer, the Company, a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary, to pay final judgments aggregating in excess of £15.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final and due (the "judgment default provision");

(8) any security interest under the Security Documents on any material Collateral having a fair market value in excess of £15.0 million shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Indenture) for any reason other than the satisfaction in full of all obligations under the Indenture or the release or amendment of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement or such Security Document or any such security interest created thereunder shall be declared invalid or unenforceable in a final non-appealable decision of a court of competent jurisdiction or the Issuer shall assert in writing that any such security interest is invalid or unenforceable and any such Default continues for 10 days (the "security default provisions"); and

(9) any Note Guarantee ceases to be in full force and effect (other than in accordance with the terms of the Intercreditor Agreement and the Indenture), or a Guarantor denies or disaffirms its obligations under its Note Guarantee in writing, other than in accordance with the terms thereof or upon release of the Note Guarantee in accordance with the Indenture.

However, a default under clauses (3), (4), (5) or (7) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in aggregate principal amount of the outstanding Notes notify the Company of the default and, with respect to clauses (3), (4), (5) and (7) the Company does not cure such default (or arranges for such Default to be cured) within the time specified in clauses (3), (4), (5) or (7), as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (6) above) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in aggregate principal amount of the outstanding Notes by written notice to the Company and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest, including Additional Amounts, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (5) of this "Events of Default" section has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (5) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest, including Additional Amounts, if any, on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (6) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest, including Additional Amounts, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in aggregate principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to (i) nonpayment of principal, premium or interest, or Additional Amounts, if any and (ii) a covenant or provision which under the Indenture cannot be modified or amended without the consent of the Holders of at least 90% of the principal amount of the Notes then outstanding, each of which may only be waived with the consent of the Holders of at least 90% of the principal amount of the Notes then outstanding) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered to the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) Holders of at least 30% in aggregate principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;

(3) such Holders have offered in writing the Trustee indemnity and/or security (including by way of prefunding) satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security and/or indemnity; and

(5) the Holders of a majority in aggregate principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in aggregate principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Indenture provides that, in the event an Event of Default has occurred and is continuing, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security (including by way of prefunding) satisfactory to it against all losses and expenses caused by taking or not taking such action.

The Indenture provides that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 90 days after being notified by the Company. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as a committee of trust officers of the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each trading year (and within 14 days upon request at any time after the 120 days), an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof.

The Notes provide for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

Amendments and waivers

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes); provided that (i) if any amendment, waiver or other modification will only affect one series of the Notes, only the consent of a majority in principal amount of the then outstanding Notes of such series shall be required and (ii) if any amendment, waiver or other modification will only affect the Fixed Rate Notes or the Floating Rate Notes, only the consent of the holders of at least a majority in principal amount of the then outstanding the Fixed Rate Notes or Floating Rate Notes (and not the consent of at least a majority of all Notes then outstanding), as the case may be, shall be required. However, without the consent of Holders holding not less than 90% (or, in the case of clause (8), 75%) of the then outstanding aggregate principal amount of Notes affected (including consents obtained in connection with a purchase of, or tender offer or exchange offer for the Notes), an amendment or waiver may not, with respect to any such series of the Notes held by a non-consenting Holder:

(1) reduce the principal amount of such Notes whose Holders must consent to an amendment, waiver or modification;

(2) reduce the stated rate of or extend the stated time for payment of interest on any such Note;

(3) reduce the principal of or extend the Stated Maturity of any such Note;

(4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "—Optional redemption" or "—Redemption for taxation reasons";

(5) make any such Note payable in money other than that stated in such Note;

(6) impair the right of any Holder to receive payment of principal of and interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;

(7) make any change in the provision of the Indenture described under "—Additional Amounts" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder unless the Payor agrees to pay Additional Amounts, if any, in respect thereof;

(8) release all or substantially all the Guarantors from their obligations under their respective Note Guarantees or the Indenture, except otherwise in accordance with the terms of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(9) release the security interest granted for the benefit of the Holders in the material Collateral, other than pursuant to the terms of the Security Document or the Indenture, as applicable, except as permitted by the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement;

(10) waive a Default or Event of Default with respect to the nonpayment of principal, premium, interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration); or

(11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Guarantors, the Trustee and the other parties thereto, as applicable, may amend or supplement any Note Documents to:

(1) cure any ambiguity, omission, defect, error or inconsistency, conform any provision of the Note Documents to this "Description of the Notes," or reduce the minimum denomination of the Notes;

(2) provide for the assumption by a successor Person of the obligations of the Issuer or the Guarantors under any Note Document;

(3) provide for uncertificated Notes in addition to or in place of certificated Notes (provided that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code) or change the minimum denominations for the Notes;

(4) add to the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer, the Company or any Restricted Subsidiary;

(5) make any change that would provide additional rights or benefits to the Trustee or the Holders or does not adversely affect the rights of or benefits to the Trustee or any Holder in any material respect;

(6) make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Company) for the issuance of Additional Notes;

(7) to provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under "—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Additional Note Guarantees and Collateral" to add Note Guarantees, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Note Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is permitted under the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents;

(8) to conform the text of the Indenture, the Note Guarantees, the Security Documents or the Notes to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, a Note Guarantee, the Security Documents or the Notes;

(9) to evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee pursuant to the requirements thereof or to provide for the accession by the Trustee to any Note Document; or

(10) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of parties to the Revolving Credit Facilities Agreement in any property which is required by the Revolving Credit Facilities Agreement (as in effect on the Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest for the benefit of any Person; provided that the granting of such security interest is not prohibited by the Indenture and the covenant described under "—Certain Covenants—Impairment of security interest" is complied with.

In formulating its decisions on such matters, the Trustee shall be entitled to rely on such evidence as it deems appropriate, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

For so long as the Notes are listed on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of such exchange so require, the Issuer will publish notice of any amendment, supplement and waiver on the official website of the Luxembourg Stock Exchange or in a daily newspaper with general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

Acts by Holders

In determining whether the Holders of the required aggregate principal amount of the Notes have concurred in any direction, waiver or consent, any Notes owned by the Company or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Company will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all its and each Guarantor's obligations under the Notes and the Indenture ("legal defeasance") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registrations of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the Security Documents in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate all its and each Guarantor's obligations under the covenants described under "—Certain Covenants" (other than with respect to clauses (1) and (2) of the covenant described under "—Merger and consolidation—The Issuer and the Company" and clauses (A), (B) and (C) of the covenant described under "—Certain Covenants—Merger and consolidation—Subsidiary Guarantors") and "—Change of Control" and the default provisions relating to such covenants described under "—Events of Default" above, the operation of the cross default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuer and its Significant Subsidiaries, the judgment default provision, the guarantee default provision and the security default provision described under "—Events of Default" above ("covenant defeasance").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of the covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3) (other than with respect to clauses (1) and (2) of the covenant described under "—Certain Covenants—Merger and consolidation"), (4), (5), (6) (other than with respect to the Issuer and the Company), (7), (8) or (9) under "—Events of Default" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or such other entity designated or appointed as agent by the Trustee for this purpose) cash in pound sterling, UK Government Obligations or a combination of cash in pound sterling and UK Government Obligations in such amounts as will be sufficient, in the good faith determination of the Board of Directors or an Officer of the Company, for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

(1) an Opinion of Counsel in the United States to the effect that Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law since the Issue Date);

(2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;

(3) an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;

(4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940; and

(5) all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Document will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or such other entity designated or appointed as agent by the Trustee for this purpose), cash in pound sterling, UK Government Obligations or a combination of cash in pound sterling and UK Government Obligations in an amount sufficient, in the good faith determination of the Board of Directors or an Officer of the Company to pay and discharge the outstanding aggregate principal amount of indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; and (4) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "—Satisfaction and discharge" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; provided that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No personal liability of directors, officers, employees and shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or the Company, any of the Company's Subsidiaries or any of their respective Affiliates, as such, shall have any liability for any obligations of the Issuer or the Guarantors under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee and certain agents

Deutsche Bank Trust Company Limited is to be appointed as Trustee under the Indenture. The Indenture provides that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has received written notice, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default of which a responsible officer of the Trustee has received written notice, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Company, the Issuer and their respective Affiliates and Subsidiaries.

The Indenture will set out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Notes, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest in its capacity as Trustee that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee for any loss, liability, taxes and expenses Incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

All notices to Holders will be validly given if mailed to them at their respective addresses in the register of the Holders, if any, maintained by the Registrar. In addition, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices with respect to the Notes listed on the Euro MTF Market will be published on the official website of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or, to the extent and in the manner permitted by such rules, posted on the official website of the Luxembourg Stock Exchange. For so long as any Notes are represented by Global Notes, all notices to Holders will be delivered to Euroclear and Clearstream, delivery of which shall be deemed to satisfy the requirements of this paragraph, each of which will give such notices to the holders of Book-Entry Interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; provided that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail, cause to be delivered or otherwise transmit a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal, or premium, if any, on the Notes or any Note Guarantee will be prescribed five years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed three years after the applicable due date for payment of interest.

Currency indemnity

Pound sterling is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors under or in connection with the Notes and the relevant Guarantees, as the case may be, including damages. Any amount received or recovered in a currency other than pound sterling, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the pound sterling amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that pound sterling amount is less than the pound sterling amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors will indemnify the recipient or the Trustee on a joint and several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any pound sterling-denominated restriction herein, the Sterling Equivalent amount for purposes hereof that is denominated in a currency other than pound sterling shall be calculated based on the relevant currency exchange rate in effect on the date such non-pound sterling amount is Incurred or made, as the case may be.

Enforceability of judgments

Since all the assets of the Issuer and the Guarantors are held or located outside the United States, any judgment obtained in the United States against the Issuer or any Guarantor, including judgments with respect to the payment of principal, premium, if any, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes or the Guarantees, may not be collectable within the United States.

Consent to jurisdiction and service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes and the Note Guarantees, the Issuer and each Guarantor will in the Indenture irrevocably submit to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing law

The Indenture and the Notes, including any Note Guarantees, and the rights and duties of the parties thereunder are governed by and construed in accordance with the laws of the State of New York.

Certain definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"Acquired Indebtedness" means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

"Additional Assets" means:

(1) any property or assets (other than Indebtedness and Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);

(2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary; or

(3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

"Affiliate" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control," when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreed Security Principles" means the agreed security principles as set out in an annex to the Revolving Credit Facilities Agreement, as applied reasonably and in good faith by the Board of Directors or an Officer of the Company.

"Asset Disposition" means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors' qualifying shares), property or other assets (each referred to for the purposes of this definition as a "disposition") by the Company or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction; provided that the sale, conveyance or other disposition of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "—Change of Control" or the provisions described above under the caption "—Certain Covenants—Merger and consolidation" and not by the provisions of the Asset Disposition covenant. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

(1) a disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary;

(2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(3) a disposition of inventory or other assets in the ordinary course of business;

(4) a disposition of obsolete, surplus or worn out equipment or other assets, or equipment or other property that is no longer useful in the conduct of the business of the Company and its Restricted Subsidiaries;

(5) transactions permitted under "—Certain Covenants—Merger and consolidation—The Issuer and the Company" or a transaction that constitutes a Change of Control;

(6) an issuance of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors of the Company;

(7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or an Officer of the Company) of less than the greater of (i) £10.0 million and (ii) 1.75% of Total Assets;

(8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under "—Certain Covenants—Limitation on Restricted Payments" and the making of any Permitted Payments or Permitted Investments or, solely for purposes of the second paragraph under "—Certain Covenants—Limitation on sales of assets and subsidiary stock," asset sales, in respect of which (and only to the extent that) the proceeds of which are used to make such Restricted Payments or Permitted Investments;

(9) dispositions in connection with Permitted Liens;

(10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;

(14) any disposition of Capital Stock, Indebtedness or other securities or assets of an Unrestricted Subsidiary;

(15) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(16) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(17) any disposition of assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person; provided, however, that the Board of Directors or an Officer of the Company shall certify that in the opinion of the Board of Directors or such Officer, the outsourcing transaction will be economically beneficial to the Company and its Restricted Subsidiaries (considered as a whole); provided, further, that the fair market value of the assets disposed of, when taken together with all other dispositions made pursuant to this clause (17), does not exceed £5.0 million;

(18) any disposition with respect to property built, owned or otherwise acquired by the Company or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture;

(19) sales or dispositions of receivables in connection with any Qualified Receivables Financing or any factoring transaction or in the ordinary course of business; and

(20) any dispositions in connection with the entry into a Capitalized Lease Obligation.

"Associate" means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture engaged in a Similar Business entered into by the Company or any Restricted Subsidiary.

"Board of Directors" means (1) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

"Business Day" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, New York, New York, United States or Luxembourg are authorized or required by law to close; provided, however, that for any payments to be made under the Indenture, such day shall also be a day on which the TARGET2 payment system is open for the settlement of payments.

"Capital Stock" of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligations" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of UK GAAP. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of UK GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

"Cash Equivalents" means:

(1) securities issued or directly and fully Guaranteed or insured by a Permissible Jurisdiction or, in each case, any agency or instrumentality of thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

(2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances (in each case, including any such deposits made pursuant to any sinking fund established by the Company or any Restricted Subsidiary) having maturities of not more than one year from the date of acquisition thereof issued by any lender party to a Credit Facility or by any bank or trust company (a) whose commercial paper is rated at least "A-1" or the equivalent thereof by S&P or at least "P-1" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of £500 million;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;

(4) commercial paper rated at the time of acquisition thereof at least "A-2" or the equivalent thereof by S&P or "P-2" or the equivalent thereof by Moody's or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;

(5) readily marketable direct obligations issued by a Permissible Jurisdiction having one of the two highest rating categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;

(6) Indebtedness or Preferred Stock issued by Persons with a rating of "BBB−" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;

(7) bills of exchange issued in a Permissible Jurisdiction eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent); and

(8) interests in any investment company, money market or enhanced high yield fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (7) above.

"Change of Control" means:

(1) the Company becomes aware that (by way of a report or any other filing pursuant to any regulatory filing, proxy, vote, written notice or otherwise) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders, is or has become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Company, provided that for the purposes of this clause, (x) any holding company whose only material assets relate to ownership of the Capital Stock of the Company will not itself be considered a "person" or "group"; and (y) any Voting Stock of which any Permitted Holder is the "beneficial owner" (as so defined) shall not be included in any Voting Stock of which any such person or group is the "beneficial owner" (as so defined), unless that person or group is not an affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock than any other Permitted Holder; or

(2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all the assets of the Company and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders;

provided that, in each case, a Change of Control shall not be deemed to have occurred if such Change of Control is also a Specified Change of Control Event.

"Clearstream" means Clearstream Banking, société anonyme, or any successor securities clearing agency.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Commodity Hedging Agreements" means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

"Company" means Stonegate Pub Company Limited and its successors and assigns.

"Consolidated EBITDA" for any period means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense and Receivables Fees;

(2) Consolidated Income Taxes;

(3) consolidated depreciation expense;

(4) consolidated amortization or impairment expense;

(5) any expenses, charges or other costs related to any Equity Offering, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business; provided that such payments are made in connection with such acquisition and are consistent with the customary practice in the industry at the time of such acquisition), disposition, recapitalization or the Incurrence of any Indebtedness permitted by the Indenture (in each case whether or not successful) (including any such fees, expenses or charges related to the Transactions), in each case, as determined in good faith by the Board of Directors or an Officer of the Company;

(6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;

(7) the amount of management, monitoring, consulting, employment and advisory fees and related expenses paid in such period to the Permitted Holders to the extent permitted by the covenant described under "—Certain Covenants—Limitation on Affiliate Transactions," and the cost (including Taxes) of one-time bonuses to be paid to management in connection with the acquisition of the Company by TDR Capital, not exceeding £2.0 million; and

(8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges in any future period) or other items classified by the Company as extraordinary, exceptional, unusual or nonrecurring items, less other non-cash items of income increasing Consolidated Net Income (other than any non-cash items increasing such Consolidated Net Income pursuant to clauses (1) through (13) of the definition of Consolidated Net Income and excluding any such non-cash item of income to the extent it represents a receipt of cash in any future period).

"Consolidated Financial Interest Expense" means, for any period (in each case, determined on the basis of UK GAAP), the sum of:

(1) consolidated net interest income/expense of the Company and its Restricted Subsidiaries related to Indebtedness (including (a) amortization of debt discount or premium, (b) all commissions, discounts and other fees and charges owed with respect to letters of credit or bankers acceptances, (c) the interest component of Capitalized Lease Obligations, and (d) net payments, if any, pursuant to interest rate Hedging Obligations with respect to Indebtedness) but not including any Pension Items, debt issuance costs and premiums, commissions, discounts and other fees and charges owed or paid with respect to financings, or costs associated with Hedging Obligations (other than those described in (d));

(2) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a subsidiary of the Company; and

(3) any interest on Indebtedness of another Person that is guaranteed by the Company or any of its Restricted Subsidiaries or secured by a Lien on assets of the Company or any of its Restricted Subsidiaries.

"Consolidated Income Taxes" means Taxes or other payments, including deferred Taxes, based on income, profits or capital (including, without limitation, withholding Taxes) and Corporation Tax and franchise Taxes of any of the Company and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any Governmental Authority.

"Consolidated Interest Expense" means, for any period (in each case, determined on the basis of UK GAAP), the consolidated net interest income/expense of the Company and its Restricted Subsidiaries, whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

(1) interest expense attributable to Capitalized Lease Obligations and the interest component of deferred payment obligations;

(2) amortization of debt discount or premium, amortization of debt issuance costs, fees, premium and expenses and the expensing of any financing fees;

(3) non-cash interest expense;

(4) the net payments (if any) of Hedging Agreements (excluding amortization of fees and discounts and unrealized gains and losses, costs associated with Hedging Obligations (including termination payments), foreign currency losses and any Receivables Fees);

(5) dividends on other distributions in respect of all Disqualified Stock of the Company and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Company or a subsidiary of the Company;

(6) the consolidated interest expense that was capitalized during such period;

(7) any interest on Indebtedness of another Person that is guaranteed by the Company or any of its Restricted Subsidiaries or secured by a Lien on assets of the Company or any of its Restricted Subsidiaries; and

(8) Pension Items.

"Consolidated Leverage" means the sum of the aggregate outstanding Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations) less cash and Cash Equivalents.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (x) Consolidated Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the most recent four consecutive trading quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available; provided, however, that for the purposes of calculating Consolidated EBITDA for such period, if, as of such date of determination:

(1) since the beginning of such period, the Company or any Restricted Subsidiary has closed or disposed of any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Consolidated Leverage Ratio is such a Sale, Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period; provided that if any such Sale constitutes "discontinued operations" in accordance with UK GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period;

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder,

Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and expenses and cost savings, as if such Purchase occurred on the first day of such period;

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and expenses and cost savings, as if such Sale or Purchase occurred on the first day of such period; and

(4) since the beginning of such period, a transfer of shares of, or other transaction has occurred or is contractually committed with respect to, the Company or any Restricted Subsidiary, that constitutes an event that is contemplated by the definition of "Specified Change of Control Event" (any such transaction, a "Specified Change of Control Transaction"), and solely for the purpose of making the determination pursuant to "Specified Change of Control Event," Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto (including anticipated synergies and expenses and cost savings expected to be obtained from the Specified Change of Control Transaction) as if such Specified Change of Control Transaction (including such synergies and expenses and cost savings) had occurred on the first day of such period.

For the purposes of this definition and the definitions of Consolidated EBITDA, Consolidated Income Taxes, Consolidated Interest Expense and Consolidated Net Income, (a) calculations will be as determined in good faith by a responsible financial or accounting officer of the Company, including in respect of synergies and expenses and cost savings, as though the full effect of such synergies and expenses and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate costs savings effect (as calculated in good faith by a responsible financial or chief accounting officer of the Company) of cost savings programs that have been initiated by the Company or its Restricted Subsidiaries as though such cost savings programs had been fully implemented on the first day of the relevant period, and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period. For the purpose of calculating pro forma effect pursuant to clause (2) above, the definition of Fixed Charge Coverage Ratio and for the first paragraph and clause (5) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness", as well as clause (3) of the first paragraph of the covenant described under "—Certain Covenants—Merger and consolidation—The Issuer and the Company", pro forma effect may also be given to anticipated acquisitions where the Indebtedness to be Incurred is to finance such acquisitions in whole or in part, which have not yet occurred but which have become subject to a definitive purchase agreement or contract.

"Consolidated Net Income" means, for any period, the profit/(loss) for the financial period of the Company and its Restricted Subsidiaries determined on a consolidated basis on the basis of UK GAAP; provided, however, that there will not be included in such Consolidated Net Income:

(1) subject to the limitations contained in clause (3) below, any profit/(loss) for the financial period of any Person if such Person is not a Restricted Subsidiary, except that the Company's equity in the profit/(loss) for the financial period of any such Person will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents that (x) actually have been distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment and (y) only for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," could have been distributed, as reasonably determined by an Officer of the Company (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments," any the profit/(loss) for the financial period of any Restricted Subsidiary (other than Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to a

Guarantor by operation of the terms of such Restricted Subsidiary's charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to or permitted under the Revolving Credit Facilities Agreement, the Notes or the Indenture, and (c) restrictions not prohibited by the covenant described under "—Certain Covenants—Limitation on distributions from Restricted Subsidiaries"), except that the Company's equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause) even if encumbrances or restrictions to make distributions in cash or Cash Equivalents arise or exist by reason of applicable law or any applicable rule, regulation or order;

(3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Company or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by the Board of Directors or an Officer of the Company);

(4) any extraordinary, exceptional, unusual or nonrecurring gain, loss, charge or expense (as determined in good faith by the Board of Directors or an Officer of the Company), or any charges, expenses or reserves in respect of any restructuring, disposal, closing, redundancy or severance;

(5) the cumulative effect of a change in accounting principles;

(6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards and any non-cash deemed finance charges in respect of any Pension Items or other provisions;

(7) all deferred financing costs written off and premiums paid or other expenses Incurred directly in connection with any early extinguishment of Indebtedness and any net gain (loss) from any write-off or forgiveness of Indebtedness, and any provisions in respect of working capital;

(8) any unrealized gains or losses in respect of Hedging Obligations or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

(9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness of any Person denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;

(10) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary;

(11) any purchase accounting effects including, but not limited to, adjustments to inventory, property and equipment, software and other intangible assets and deferred revenue in component amounts required or permitted by UK GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to the Company and the Restricted Subsidiaries), as a result of any consummated acquisition, or the amortization or write-off of any amounts thereof (including any write-off of in process research and development);

(12) any goodwill or other intangible asset impairment, charge, amortization or write-off, including debt issuance costs;

(13) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding;

(14) Consolidated Income Taxes to the extent in excess of cash payments made in respect of such Consolidated Income Taxes; and

(15) to the extent covered by insurance and actually reimbursed, or, so long as the Company has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the

insurer and only to the extent that such amount is (a) not denied by the applicable insurer in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), losses with respect to business interruption.

"Consolidated Senior Secured Leverage" means the sum of the aggregate outstanding Senior Secured Indebtedness of the Company and its Restricted Subsidiaries (excluding Hedging Obligations).

"Consolidated Senior Secured Leverage Ratio" means the Consolidated Leverage Ratio, but calculated by excluding all Indebtedness other than Senior Secured Indebtedness.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor"), including any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;

(2) to advance or supply funds:

   (a) for the purchase or payment of any such primary obligation; or

   (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Facility" means, with respect to the Company or any of its Subsidiaries, one or more debt facilities, indentures or other arrangements (including the Revolving Credit Facilities Agreement or commercial paper facilities and overdraft facilities) with banks, other institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended from time to time (whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or banks, other institutions or investors and whether provided under the Revolving Credit Facilities Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facility" shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"Currency Agreement" means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Non-Cash Consideration" means the fair market value (as determined in good faith by the Board of Directors or an Officer of the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under "—Certain Covenants—Limitation on sales of assets and subsidiary stock."

"Designated Preference Shares" means, with respect to the Company or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and (b) that is designated as "Designated Preference Shares" pursuant to an Officer's Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

(1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock (excluding Capital Stock which is convertible or exchangeable solely at the option of the Company or a Restricted Subsidiary); or

(3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; provided, however, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under "—Certain Covenants—Limitation on Restricted Payments."

"Equity Investors" means TDR Capital, funds managed by TDR Capital, Kaupthing or any of their respective Affiliates, or any co-investment vehicle managed by TDR Capital, Kaupthing or any of their respective Affiliates.

"Equity Offering" means a sale by the IPO Entity of (x) Capital Stock (other than Disqualified Stock) other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions, or (y) other securities, the proceeds of which are contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution) of, or as Subordinated Shareholder Funding to, the IPO Entity or any of its Restricted Subsidiaries.

"Euroclear" means Euroclear Bank SA/NV or any successor securities clearing agency.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Excluded Contribution" means Net Cash Proceeds or property or assets received by the Company as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Company after the Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Company, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer's Certificate of the Company.

"fair market value" may be conclusively established by means of an Officer's Certificate or a resolution of the Board of Directors of the Company setting out such fair market value as determined by such Officer or the Board of Directors of the Company in good faith.

"Fixed Charge Coverage Ratio" means, for any period, the ratio of:

(a) Consolidated EBITDA; to

(b) Consolidated Financial Interest Expense;

provided that in calculating the Fixed Charge Coverage Ratio or any element thereof for any period, pro forma calculations will be made in good faith by the Board of Directors or an Officer of the Company (including any pro forma synergies and expenses and cost savings that have occurred or are reasonably expected to occur within the next twelve months following the date of such calculation, including, without limitation, as a result of, or that would result from any actions taken by the Company or any of its Restricted Subsidiaries including, without limitation, in connection with any cost reduction or cost savings plan or program or in connection with any transaction, investment, acquisition, disposition, restructuring, corporate reorganization or otherwise, in the good faith judgment of the Board of Directors or an Officer of the Company (regardless of whether these synergies and expenses and cost savings could then be reflected in pro forma financial statements to the extent prepared)); provided, further, without limiting the application of the previous proviso, that for the purposes of calculating Consolidated EBITDA or Consolidated Financial Interest Expense for such period, if, as of such date of determination:

(1) since the beginning of such period, the Company or any Restricted Subsidiary has closed or disposed of any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such disposition, a "Sale") or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is such a Sale, (a) Consolidated EBITDA for such period will be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period; provided that if any such Sale constitutes "discontinued operations" in accordance with UK GAAP, Consolidated Net Income shall be reduced by an amount equal to the Consolidated Net Income (if positive) attributable to the company, business, site or group of assets which are the subject of such Sale for such period or increased by an amount equal to the Consolidated Net Income (if negative) attributable thereto after giving pro forma effect to such Sale as if such Sale occurred on the first day of such period; and (b) the Consolidated Financial Interest Expense for such period shall be reduced by an amount equal to the Consolidated Financial Interest Expense directly attributable to any Indebtedness of the Company or of any Restricted Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to the Company and the continuing Restricted Subsidiaries in connection with such Asset Disposition for such same period (or, if the Capital Stock of any Restricted Subsidiary is sold, the Consolidated Financial Interest Expense for such period directly attributable to the Indebtedness of such Restricted Subsidiary to the extent the Company and the continuing Restricted Subsidiaries are no longer liable for such Indebtedness after such Sale);

(2) since the beginning of such period, the Company or any Restricted Subsidiary (by merger or otherwise) has made an Investment in any Person that thereby becomes a Restricted Subsidiary, or otherwise has acquired any company, any business or site, or any group of assets constituting an operating unit of a business or site (any such Investment or acquisition, a "Purchase"), including any such Purchase occurring in connection with a transaction causing a calculation to be made hereunder, Consolidated EBITDA and Consolidated Financial Interest Expense for such period will be calculated after giving pro forma effect thereto, including anticipated synergies and expenses and cost savings, as if such Purchase occurred on the first day of such period pro forma effect thereto as if such Purchase occurred on the first day of such period; and

(3) since the beginning of such period, any Person (that became a Restricted Subsidiary or was merged or otherwise combined with or into the Company or any Restricted Subsidiary since the beginning of such period) will have made any Sale or any Purchase that would have required an adjustment pursuant to clause (1) or (2) above if made by the Company or a Restricted Subsidiary since the beginning of such period, Consolidated EBITDA and Consolidated Financial Interest Expense for such period will be calculated after giving pro forma effect thereto as if such Sale or Purchase occurred on the first day of such period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness for a period equal to the remaining term of such Indebtedness).

For the purposes of this definition, (a) calculations will be as determined in good faith by a responsible financial or accounting officer of the Company (including in respect of anticipated expense and cost reductions and synergies, and as though the full effect of synergies and cost savings were realized on the first day of the relevant period) and (b) in determining the amount of Indebtedness outstanding on any date of determination, pro forma effect shall be given to any Incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness as if such transaction had occurred on the first day of the relevant period.

"Fixed Rate Applicable Premium" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; or

(2) the excess of:

   (i) the present value at such redemption date of (x) the redemption price of such Note at April 15, 2016 (such redemption price being set forth in the table appearing under the caption "—Optional redemption"), plus (y) all required interest payments due on such Note through April 15, 2016 (excluding accrued but unpaid interest), computed using a discount rate equal to the Gilt Rate as of such redemption date plus 50 basis points; over

   (ii) the outstanding principal amount of such Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

"Floating Rate Applicable Premium" means, with respect to any Floating Rate Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Floating Rate Note; or

(2) the excess of:

   (i) the present value at such redemption date of (x) 101% of the principal amount of the Floating Rate Note, plus (y) all required interest payments due on such Note through April 15, 2015 (excluding accrued but unpaid interest), computed using a discount rate equal to the Gilt Rate as of such redemption date plus 50 basis points; over

   (ii) the outstanding principal amount of such Floating Rate Note;

as calculated by the Issuer or on behalf of the Issuer by such Person as the Issuer shall designate.

"Gilt Rate" means, as of any redemption date, the yield to maturity as of such redemption date of UK Government Obligations with a fixed maturity (as compiled by the debt management office statistics that have become publicly available at least two Business Days in London prior to such redemption date (or, if such statistics are no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to April 15, 2015, in case of the Floating Rate Notes, or to April 15, 2016, in case of the Fixed Rate Notes; provided, however, that if the period from such redemption date to April 15, 2015, in case of the Floating Rate Notes, or to April 15, 2016, in case of the Fixed Rate Notes, is less than one year, the weekly average yield on actually traded UK Government Obligations denominated in pound sterling adjusted to a fixed maturity of one year shall be used.

"Governmental Authority" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory, self-regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

(1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided, however, that the term "Guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"Guarantor" means the Company and any Restricted Subsidiary that Guarantees the Notes.

"Hedging Agreement" means any Interest Rate Agreement, Currency Agreement, Commodity Hedging Agreement or other agreement entered into by the Company or any of its Subsidiaries to offset or balance against risks related to any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates in the ordinary course.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any Hedging Agreement.

"Holder" means each Person in whose name the Notes are registered on the Registrar's books, which shall initially be the nominee of Euroclear or Clearstream.

"IFRS" means the International Financial Reporting Standards (formerly, International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Company or its Restricted Subsidiaries are, or may be, required to comply; provided that at any date after the Issue Date the Company may make an irrevocable election to establish that "IFRS" shall mean IFRS as in effect on a date that is on or prior to the date of such election.

"Immaterial Subsidiary" means any Restricted Subsidiary that (i) has not guaranteed, or is not a co-obligor under, any other Indebtedness of the Issuer or any Guarantor and (ii) (A) has Total Assets (as determined in accordance with UK GAAP) of less than 5% of the Company's consolidated Total Assets and (B) has Consolidated EBITDA of less than 5% of the Company's Consolidated EBITDA (in each case, measured (i) for the four trading quarters ended most recently for which internal financial statements are available, (ii) on a pro forma basis giving effect to any acquisitions or depositions of companies, division or lines of business since such balance sheet date or the start of such four trading quarter period, as applicable and (iii) on the basis of management accounts and excluding intercompany balances, investments in subsidiaries and joint ventures and intangible assets).

"Incur" means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; provided, however, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms "Incurred" and "Incurrence" have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be "Incurred" at the time any funds are borrowed thereunder.

"Indebtedness" means, with respect to any Person on any date of determination (without duplication):

(1) the principal of indebtedness of such Person for borrowed money;

(2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

(4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;

(5) Capitalized Lease Obligations of such Person;

(6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);

(7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided, however, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer of the Company) and (b) the amount of such Indebtedness of such other Persons;

(8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and

(9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term "Indebtedness" shall not include Subordinated Shareholder Funding or any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under UK GAAP as in effect on the Issue Date or any deposit made in relation thereto, any asset retirement obligations, prepayments or deposits received from clients or customers, in each case, in the ordinary course of business, any income tax or other payables, any social security or tax obligations, any obligations with regard to Pension Items or any bonds in relation thereto, or obligations under any profit sharing agreement, license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (6), (7) or (8) above) shall be (a) in the case of any Indebtedness issued with original issue discount, the amount in respect thereof that would appear on the balance sheet (excluding any notes thereto) of such Person in accordance with UK GAAP and (b) the principal amount of the Indebtedness, in the case of any other Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

(i) Contingent Obligations Incurred in the ordinary course of business and obligations under or in respect of Qualified Receivables Financing;

(ii) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; or

(iii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, Pension Items or similar claims, obligations or contributions or social security or wage Taxes.

"Independent Financial Advisor" means an investment banking or accounting firm or any third party appraiser; provided, however, that such firm or appraiser is not an Affiliate of the Company.

"Initial Public Offering" means an Equity Offering of the Capital Stock of the IPO Entity following which there is a Public Market and, as a result of which, the Capital Stock of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

"Intercreditor Agreement" means the intercreditor agreement dated on or about the Issue Date made between the Security Agent, the agent for the Revolving Credit Facilities Agreement, certain hedging counterparties, the Trustee and the other parties named therein, as amended, restated or otherwise modified or varied from time to time.

"Interest Rate Agreement" means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any direct or indirect advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of UK GAAP; provided, however, that endorsements of negotiable instruments and documents in the ordinary course of business will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments."

For purposes of "—Certain Covenants—Limitation on Restricted Payments":

(1) "Investment" will include the portion (proportionate to the Company's equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; provided, however, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company's "Investment" in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company's equity interest in such Subsidiary) of the fair market value of the net assets (as conclusively determined in good faith by the Board of Directors or an Officer of the Company) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary; and

(2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or an Officer of the Company.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Company's option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction (other than Cash Equivalents);

(2) debt securities or debt instruments with a rating of "A−" or higher from S&P or "A3" or higher by Moody's or the equivalent of such rating by such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

"Investment Grade Status" shall occur when the Notes receive both of the following:

(1) a rating of "BBB−" or higher from S&P; and

(2) a rating of "Baa3" or higher from Moody's;

or the equivalent of such rating by either such rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

"IPO Entity" means the Company, any Parent or any Successor Company of the Company or any Parent.

"IPO Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (ii) the price per share at which such shares of common stock or common equity interest are sold in such Initial Public Offering.

"Issue Date" means April 11, 2014, which is the original date of issuance of the Fixed Rate Notes and the Floating Rate Notes.

"Issuer" means Stonegate Pub Company Financing plc and its successors and assigns.

"Kaupthing" means Kaupthing Bank hf. and its successors and assigns.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Management Advances" means loans or advances made to, or Guarantees with respect to loans or advances made to any Management Investors:

(1) in respect of travel, entertainment or moving related expenses Incurred in the ordinary course of business;

(2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or

(3) not exceeding £1.0 million in the aggregate outstanding at any time.

"Management Investors" means the officers, directors, employees and other members of the management of or consultants to any Parent, the Company or any of their respective Subsidiaries, or spouses, family members or relatives thereof, or any trust, partnership or other entity for the benefit of or the beneficial owner of which (directly or indirectly) is any of the foregoing, or any of their heirs, executors, successors and legal representatives, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company, any Restricted Subsidiary or any Parent.

"Market Capitalization" means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

"Moody's" means Moody's Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"Nationally Recognized Statistical Rating Organization" means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act.

"Net Available Cash" from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under UK GAAP (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;

(2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which are required by applicable law to be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Company or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of UK GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition.

"Net Cash Proceeds," with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

"New Proceeds Loan" means the loan of the proceeds of the New Fixed Rate Notes pursuant to the New Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loans or a portion thereof.

"New Proceeds Loan Agreement" means the loan agreement made as of the date of the issue of the New Fixed Rate Notes of the net proceeds of the New Fixed Rate Notes by and among the Company, as borrower, and the Issuer, as lender.

"Note Documents" means the Notes (including Additional Notes), the Indenture, the Intercreditor Agreement, the Proceeds Loan Agreement and the Security Documents.

"Offering Memorandum" means the final offering memorandum in relation to the New Fixed Rate Notes.

"Officer" means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an "Officer" for the purposes of the Indenture by the Board of Directors of such Person.

"Officer's Certificate" means, with respect to any Person, a certificate signed by one Officer of such Person.

"Opinion of Counsel" means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

"Parent" means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

"Parent Expenses" means:

(1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;

(2) customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;

(3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

(4) fees and expenses payable by any Parent, or the return of equity overfunding to any Parent as described in this Offering Memorandum;

(5) (a) general corporate overhead expenses, including professional fees and expenses and other operational expenses of any Parent or any Equity Investor or any of its Affiliates related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries and Equity Investor or any of its Affiliates (including, without limitation, accounting, legal, corporate

reporting, and administrative expenses as well as payments made pursuant to operating partner arrangements or secondment, employment or similar agreements entered into between the Company and/or any of its Restricted Subsidiaries and/or any Parent and any Equity Investor or any of its Affiliates or any employee thereof) or (b) costs and expenses with respect to any litigation or other dispute relating to the Transactions or the ownership, directly or indirectly, of the Company by any Parent;

(6) other fees, expenses and costs relating directly or indirectly to activities of the Company and its Subsidiaries in an amount not to exceed £2.0 million in any trading year; and

(7) expenses Incurred by any Parent in connection with any Public Offering or other sale of Capital Stock or Indebtedness:

(x) where the net proceeds of such offering or sale are intended to be received by or contributed to the Company or a Restricted Subsidiary,

(y) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed, or

(z) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Company or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

"Pari Passu Indebtedness" means Indebtedness of the Company (other than Indebtedness of the Company pursuant to the Revolving Credit Facilities Agreement) or any Guarantor if such Indebtedness or Guarantee ranks equally in right of payment to the Notes or the Note Guarantees, as the case may be, and which, in each case, is secured by Liens on the Collateral.

"Paying Agent" means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

"Pension Items" means any costs, charges or liabilities, including contributions, made in respect of any pension funds or post-retirement benefit schemes, other than administration costs.

"Permissible Jurisdiction" means any state, commonwealth or territory of the United States or the District of Columbia, Canada or any province of Canada, Japan, any member state of the European Union, Switzerland, Norway or any political subdivision, taxing authority agency or instrumentality of any such state, commonwealth, territory, union, country or member state and, for purposes of the covenant described under "Merger and consolidation—The Issuer and the Company" only, the Cayman Islands.

"Permitted Asset Swap" means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents or Temporary Cash Investments between the Company or any of its Restricted Subsidiaries and another Person; provided that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under "—Certain Covenants—Limitation on sales of assets and subsidiary stock."

"Permitted Collateral Liens" means (A) Liens on the Collateral described in one or more of clauses (2), (3), (4), (5), (6), (8), (9), (10), (11), (12), (13), (14), (18), (19), (20), (22), (23), (24) and (27) of the definition of "Permitted Liens"; (B) Liens on the Collateral to secure Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clauses (1), (2) (in the case of (2), to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens), (4)(a) and (c) (if the original Indebtedness was so secured), (5)(i) (covering only the shares and assets of the acquired Person the Indebtedness of which is so secured), (5)(ii), (6) or (11) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness"; provided, however (x) that such Lien ranks equal to all other Liens on such Collateral securing Indebtedness of the Company or such Restricted Subsidiary, as applicable (except that a Lien in favor of Indebtedness Incurred under clause (1) of the second paragraph of "—Certain Covenants—Limitation on Indebtedness" may have super priority not materially less favorable to the Holders than that accorded to the Revolving Credit Facilities Agreement on the Issue Date as provided in the Intercreditor Agreement as in effect on the Issue Date) and (y) that, in the case of Indebtedness of the Company or a Restricted Subsidiary that is permitted to be Incurred under clause (5)(i) or (5)(ii) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness," after giving pro forma effect to such transaction, the Consolidated Senior Secured Leverage Ratio of the

Company would have been less than 4.75 to 1.0 or no higher than it was immediately prior to giving effect to the transaction; (C) Liens on the Collateral securing Indebtedness Incurred under the first paragraph of "—Certain Covenants—Limitation on Indebtedness," provided that, in the case of this clause (C), after giving pro forma effect to such Incurrence and the use of proceeds therefrom, the Consolidated Senior Secured Leverage Ratio of the Company would have been less than 4.75 to 1.0; or (D) Liens on Collateral securing Refinancing Indebtedness in respect of any Indebtedness secured pursuant to the foregoing clauses (A), (B) and (C).

"Permitted Holders" means, collectively, (1) the Equity Investors and any Affiliate or Related Person of any of them, (2) any one or more Persons whose beneficial ownership constitutes or results in a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture, (3) Senior Management and (4) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Company, acting in such capacity. Any Person or group that includes a Permitted Holder shall also be deemed to be a Permitted Holder, provided that the Permitted Holders (before giving effect to this sentence) shall control at least 50% of the voting power of the Voting Stock of the Company owned by such Person or group. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control which is also a Specified Change of Control Event, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Investment" means (in each case, by the Company or any of its Restricted Subsidiaries):

(1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that is engaged in any Similar Business and such Person will, upon the making of such Investment, become a Restricted Subsidiary;

(2) Investments in another Person if such Person is engaged in any Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Company or a Restricted Subsidiary;

(3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

(4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(6) Management Advances;

(7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor;

(8) Investments made as a result of the receipt of non-cash consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with "—Certain Covenants—Limitation on sales of assets and subsidiary stock";

(9) Investments in existence on, or made pursuant to legally binding commitments in existence on, the Issue Date;

(10) Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with "—Certain Covenants—Limitation on Indebtedness";

(11) Investments, taken together with all other Investments made pursuant to this clause (11) and then outstanding, in an aggregate amount at the time of such Investment not to exceed the greater of 4.0% of Total Assets and £23.0 million; provided that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under "—Certain Covenants—Limitation on Restricted Payments," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of "Permitted Investments" and not this clause;

(12) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "—Certain Covenants—Limitation on Liens";

(13) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;

(14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Affiliate Transactions" (except those described in clauses (1), (3), (6), (8), (9) and (12) of that paragraph);

(15) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or licenses or leases of intellectual property, in any case, in the ordinary course of business and in accordance with the Indenture;

(16) Guarantees not prohibited by the covenant described under "—Certain Covenants—Limitation on Indebtedness" and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(17) Investments in Associates or Unrestricted Subsidiaries in an aggregate amount when taken together with all other Investments made pursuant to this clause (17) that are at the time outstanding not to exceed the greater of 4.0% of Total Assets and £23.0 million; and

(18) Investments in the Notes and any Additional Notes and Investments pursuant to the Proceeds Loan Agreement.

"Permitted Liens" means, with respect to any Person:

(1) Liens on assets or property of a Restricted Subsidiary that is not the Issuer or a Guarantor securing Indebtedness of any Restricted Subsidiary that is not the Issuer or a Guarantor;

(2) pledges, deposits or Liens under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(3) Liens imposed by law, including carriers', warehousemen's, mechanics', landlords', materialmen's and repairmen's or other like Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings;

(4) Liens for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to UK GAAP have been made in respect thereof;

(5) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers' acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Company or any Restricted Subsidiary in the ordinary course of its business;

(6) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Company and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(7) Liens on assets or property of the Company or any Restricted Subsidiary securing Hedging Obligations permitted under the Indenture, or over assets or property of any Restricted Subsidiary which is not required to give a Guarantee pursuant to the Agreed Security Principles and which Lien is in favor of obligations under the Indenture;

(8) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;

(9) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(10) Liens on assets or property of the Company or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property; provided that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under the Indenture and (b) any such Lien may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;

(11) Liens arising by virtue of any statutory or common law provisions or standard terms and procedures relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depositary or financial institution;

(12) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(13) Liens existing on, or provided for or required to be granted under written agreements existing on, the Issue Date;

(14) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Company or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); provided, however, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); provided, further, that such Liens do not extend to or cover any property, other assets or stock of the Company and its Restricted Subsidiaries other than (A) the property, other assets or stock acquired or (B) the property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) of the Person acquired, merged with or into or consolidated or combined with the Company or a Restricted Subsidiary;

(15) Liens on assets or property of the Company or any Restricted Subsidiary securing Indebtedness or other obligations of the Company or such Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company or any Restricted Subsidiary;

(16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; provided that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;

(17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;

(18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;

(19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;

(21) Liens on cash accounts securing Indebtedness Incurred under clause (10)(C) or (13) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness";

(22) Liens on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities, or liens over cash accounts securing cash pooling arrangements;

(24) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(25) Liens Incurred with respect to obligations which do not exceed £5.0 million at any one time outstanding;

(26) Permitted Collateral Liens;

(27) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness of such Unrestricted Subsidiary;

(28) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;

(29) Liens securing Indebtedness permitted to be Incurred pursuant to clause (1) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness;" and

(30) any cash collateral arrangement securing the obligations of an ancillary lender, landlord, hedging counterparty or regulator in respect of ancillary facilities, leases, Hedging Obligations or capital, surety or other guarantee requirements under applicable regulations of the Issuer or its Restricted Subsidiaries.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock," as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Proceeds Loan" means the loan of the proceeds of the Notes pursuant to the Proceeds Loan Agreement and all loans directly or indirectly replacing or refinancing such loans or a portion thereof.

"Proceeds Loan Agreement" means one or more loan agreements made as of the Issue Date of the net proceeds of the Notes by and among the Company, as borrower, and the Issuer, as lender.

"Public Debt" means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional and other investors, in each case, that are not Affiliates of the Company, in accordance with Section 4(2) of and/or Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"Public Market" means any time after:

(1) an Equity Offering has been consummated; and

(2) Capital Stock of the IPO Entity having a market value in excess of £70.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

"Public Offering" means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A and/or Regulation S under the Securities Act to professional market investors or similar Persons).

"Purchase Money Obligations" means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

"Qualified Receivables Financing" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors or an Officer of the Company shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or an Officer of the Company), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Company) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Company or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

"Receivables Assets" means any assets that are or will be the subject of a Qualified Receivables Financing.

"Receivables Fees" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"Receivables Financing" means any transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Company or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Company or any such Subsidiary in connection with such accounts receivable.

"Receivables Repurchase Obligation" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"Receivables Subsidiary" means a Wholly Owned Subsidiary of the Company (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Company in which the Company or any Subsidiary of the Company makes an Investment and to which the Company or any Subsidiary of the Company transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Company and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Company of the Company (as provided below) as a Receivables Subsidiary and:

(1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Company or any other Restricted Subsidiary of the Company (excluding guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Company or any other Restricted Subsidiary of the Company, (iii) is recourse to or obligates the Company or any other Restricted

Subsidiary of the Company in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Company or any of its Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(2) with which neither the Company nor any other Restricted Subsidiary of the Company has any contract, agreement, arrangement or understanding other than on terms which the Company reasonably believes to be no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Company; and

(3) to which neither the Company nor any other Restricted Subsidiary of the Company has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Company of the Company shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"refinance" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms "refinances," "refinanced" and "refinancing" as used for any purpose in the Indenture shall have a correlative meaning.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; provided, however, that:

(1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final Stated Maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final Stated Maturity of the Indebtedness being refinanced or, if shorter, of the Notes;

(2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and

(3) if the Indebtedness being refinanced is expressly subordinated to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated to the Notes or the Guarantees on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include Indebtedness of the Company or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary and provided, further, that the provisions of clause (3) above would not operate to preclude the refinancing of indebtedness with Indebtedness that is secured with a super priority status (or other preferential security status) if such security is otherwise permitted pursuant to the Indenture.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"Related Person" with respect to any Equity Investor, means:

(1) any controlling equity holder or Subsidiary of such Person;

(2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof;

(3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

(4) in the case of the Equity Investors any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

"Related Taxes" means

(1) any Taxes (other than (x) Taxes measured by gross or net income, receipts or profits and (y) withholding Taxes), required to be paid (provided such Taxes are in fact paid) by any Parent by virtue of its:

  (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company's Subsidiaries);

  (b) issuing or holding Subordinated Shareholder Funding;

  (c) being a Parent, directly or indirectly, of the Company or any of the Company's Subsidiaries;

  (d) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company's Subsidiaries; or

  (e) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent pursuant to "—Certain Covenants—Limitation on Restricted Payments;" or

(2) if and for so long as the Company is a member of a group filing a consolidated or combined tax return with any Parent or party to a Tax Sharing Agreement, any consolidated or combined Taxes measured by income for which such Parent is liable up to an amount not to exceed the amount of any such Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis if the Company and its Subsidiaries had paid Tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Company and its Subsidiaries; provided that distributions shall be permitted in respect of the income of an Unrestricted Subsidiary only to the extent such Unrestricted Subsidiary distributed cash for such purpose to the Company or its Restricted Subsidiaries.

"Restricted Investment" means any Investment other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"Reversion Date" means, after the Notes have achieved Investment Grade Status, the date, if any, that such Notes shall cease to have such Investment Grade Status.

"Revolving Credit Facilities Agreement" means the senior secured revolving credit facility agreement among the Company, the Security Agent and Barclays Bank PLC, as amended, supplemented, refinanced, replaced or otherwise modified from time to time.

"S&P" means Standard & Poor's Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

"SEC" means the U.S. Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

"Security Agent" means Barclays Bank PLC acting as security agent pursuant to the Intercreditor Agreement or such successor Security Agent or any delegate thereof as may be appointed thereunder or any such security agent, delegate or successor thereof pursuant to an Additional Intercreditor Agreement.

"Security Documents" means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

"Senior Management" means the officers, directors, and other current or former members of senior management of the Company or any of its Subsidiaries, who at any date beneficially own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent.

"Senior Secured Indebtedness" means, with respect to any Person as of any date of determination, any Indebtedness that is Incurred under the first paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" or clauses (1), (4), (5), (6), (7), (12) or (13) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Indebtedness" (in the case of clause (4), to the extent such Indebtedness constitutes Indebtedness under the Notes (excluding Additional Notes)) and any Refinancing Indebtedness in respect thereof, in each case secured by a Lien on the Collateral that is at least pari passu with the Liens securing the Notes.

"Significant Subsidiary" means any Restricted Subsidiary that meets any of the following conditions:

(1) the Company's and its Restricted Subsidiaries' investments in and advances to the Restricted Subsidiary exceed 10% of the Total Assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed trading year;

(2) the Company's and its Restricted Subsidiaries' proportionate share of the Total Assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the Total Assets of the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed trading year; or

(3) the Company's and its Restricted Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Restricted Subsidiary exceeds 10% of such income of the Company and its Restricted Subsidiaries on a consolidated basis for the most recently completed trading year.

"Similar Business" means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date and (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Specified Change of Control Event" means the occurrence of any event that would constitute a Change of Control pursuant to the definition thereof; provided that the Consolidated Leverage Ratio would have been less than (x) 3.5 to 1.0 if the date of such occurrence is prior to the first eighteen months after the Issue Date or (y) 3.0 to 1.0 if the date of such occurrence is on or after the first eighteen months after the Issue Date, immediately prior to the occurrence of such event and immediately thereafter and giving pro forma effect thereto. Notwithstanding the foregoing, only one Specified Change of Control Event shall be permitted under the Indenture after the Issue Date.

"Standard Securitization Undertakings" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Company or any Subsidiary of the Company which the Board of Directors or an Officer of the Company has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any Contingent Obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Sterling Equivalent" means, with respect to any monetary amount in a currency other than pound sterling, at any time of determination thereof by the Company or the Trustee, the amount of pound sterling obtained by converting such currency other than pound sterling involved in such computation into pound sterling at the spot rate for the purchase of pound sterling with the applicable currency other than pound sterling as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Board of Directors or an Officer of the Company) on the date of such determination.

"Subordinated Indebtedness" means, with respect to any Person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes and any Guarantee pursuant to a written agreement.

"Subordinated Shareholder Funding" means, collectively, (i) the Company's existing preference shares and shareholder loans as of the Issue Date; and (ii) any funds provided to the Company by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by a Parent or a Permitted Holder, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; provided, however, that such Subordinated Shareholder Funding:

(1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Company or any funding meeting the requirements of this definition) or the making of any such payment prior to the date that is six months following the Stated Maturity of the Notes is restricted by the provisions of the Indenture as a "Restricted Payment",

(2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;

(3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the date that is six months following the Stated Maturity of the Notes;

(4) does not provide for or require any security interest or encumbrance over any asset of the Company or any of its Subsidiaries; and

(5) pursuant to the Intercreditor Agreement, any Additional Intercreditor Agreement or any other agreement is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding,

provided, further, however, that upon the occurrence of any event or circumstance that results in such Indebtedness ceasing to qualify as Subordinated Shareholder Funding, such Indebtedness shall constitute an Incurrence of such Indebtedness by the Company, and any and all Restricted Payments made through the use of the net proceeds from the Incurrence of such Indebtedness since the date of the original issuance of such Subordinated Shareholder Funding shall constitute new Restricted Payments that are deemed to have been made after the date of the original issuance of such Subordinated Shareholder Funding.

"Subsidiary" means, with respect to any Person:

(1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or

(2) any partnership, joint venture, limited liability company or similar entity of which:

    (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and

    (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Successor Company" means, with respect to any Person (other than a Parent), the resulting, surviving or transferee Person and, with respect to a Parent, means a Successor Parent.

"Successor Parent" means, with respect to a Parent, any other Person of which more than 50% of the total voting power of the Voting Stock, at the time such Parent becomes a Subsidiary of such other Person, is "beneficially owned" (as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Issue Date)) by one or more other Persons that, immediately prior to such Parent becoming a Subsidiary of such other Person, "beneficially owned" more than 50% of the total voting power of the Voting Stock of such Parent.

"TARGET2" means the second generation trans-European automated real time gross settlement express transfer payment system.

"Taxes" means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest, penalties and other liabilities with respect thereto) that are imposed by any government or other taxing authority.

"Tax Sharing Agreement" means any tax sharing or profit and loss pooling or similar agreement with customary or arm's length terms or any arrangement to purchase tax losses or share group relief entered into with any Parent or Unrestricted Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof.

"TDR Capital" means TDR Capital LLP and its successors and assigns.

"Temporary Cash Investments" means any of the following:

(1) any investment in

  (a) direct obligations of, or obligations Guaranteed by, (i) any Permissible Jurisdiction or (ii) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Company or a Restricted Subsidiary in that country with such funds, or

  (b) direct obligations of any country recognized by the United States of America rated at least "A" by S&P or "A-1" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers' acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:

  (a) any lender under the Revolving Credit Facilities Agreement,

  (b) any institution authorized to operate as a bank in any of the countries or member states referred to in clause (1)(a) above, or

  (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

  in each case, having capital and surplus aggregating in excess of £250 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least "A" by S&P or "A-2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;

(4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Company or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of "P-2" (or higher) according to Moody's or "A-2" (or higher) according to S&P (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any Permissible Jurisdiction, and rated at least "BBB" by S&P or "Baa3" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or

Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);

(6) bills of exchange issued in any Permissible Jurisdiction eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);

(7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of £250 million (or the foreign currency equivalent thereof) or whose long term debt is rated at least "A" by S&P or "A2" by Moody's (or, in either case, the equivalent of such rating by such organization or, if no rating of S&P or Moody's then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

(8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment and/or distribution); and

(9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

"Total Assets" means the consolidated total assets of the Company and its Restricted Subsidiaries in accordance with UK GAAP as shown on the most recent balance sheet of such Person.

"Transactions" means the issuance of the Notes and the use of proceeds thereof, as described in "Use of proceeds" and the entry into the Revolving Credit Facilities Agreement.

"UK GAAP" means generally applied accounting principles in the United Kingdom as in effect on the date of any calculation or determination required hereunder. Except as otherwise set forth in the Indenture, all ratios and calculations based on UK GAAP contained in the Indenture shall be computed in accordance with UK GAAP. At any time after the Issue Date, the Company may elect to establish that UK GAAP shall mean UK GAAP as in effect on or prior to the date of such election; provided that any such election, once made, shall be irrevocable. At any time after the Issue Date, the Company may elect to apply IFRS accounting principles in lieu of UK GAAP and, upon any such election, references herein to UK GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture), including as to the ability of the Company to make an election pursuant to the previous sentence; provided that any such election, once made, shall be irrevocable; provided, further, that any calculation or determination in the Indenture that requires the application of UK GAAP for periods that include trading quarters ended prior to the Company's election to apply IFRS shall remain as previously calculated or determined in accordance with UK GAAP; provided, further again, that the Company may only make such election if it also elects to report any subsequent financial reports required to be made by the Company, including pursuant to the covenants set forth under "—Certain Covenants—Reports," in IFRS. The Company shall give notice of any such election made in accordance with this definition to the Trustee and the Holders.

"UK Government Obligations" means direct obligations of, or obligations guaranteed by, the United Kingdom, and the payment for which the United Kingdom pledges its full faith and credit.

"Uniform Commercial Code" means the New York Uniform Commercial Code.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Company (other than the Issuer) that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Company in the manner provided below); and

(2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Company may designate any Subsidiary of the Company (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein), other than the Issuer, to be an Unrestricted Subsidiary only if:

(1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and

(2) such designation and the Investment of the Company in such Subsidiary complies with "—Certain Covenants—Limitation on Restricted Payments."

Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by filing with the Trustee a resolution of the Board of Directors of the Company giving effect to such designation and an Officer's Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Company may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided, that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Company could Incur at least £1.00 of additional Indebtedness under the first paragraph of "—Certain Covenants—Limitation on Indebtedness" or (y) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would not be less than it was immediately prior to giving effect to such designation, in each case, on a pro forma basis taking into account such designation. Any such designation by the Board of Directors of the Company shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors of the Company giving effect to such designation or an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"Voting Stock" of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary of the Company, all the Voting Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Restricted Subsidiary.

"Wholly Owned Subsidiary" means a subsidiary of the Company, all the Voting Stock of which (other than directors' qualifying shares or shares required by any applicable law or regulation to be held by a Person other than the Company or another Wholly Owned Subsidiary) is owned by the Company or another Wholly Owned Subsidiary.

Book-entry, delivery and form

General

Additional Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Rule 144A Global Note"). Additional Notes sold to non-U.S. persons outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Regulation S Global Note" and, together with the Rule 144A Global Note, the "Global Notes"). The Global Notes will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note ("Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Note (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, Book-Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Additional Notes are in global form, holders of Book-Entry Interests will not have the Additional Notes registered in their names, will not receive physical delivery of the Additional Notes in certificated form and will not be considered the owners or "holders" of Additional Notes for any purpose.

So long as the Additional Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Additional Notes under the Indenture.

Neither we, the Trustee nor any of their agents will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive definitive Notes in registered form (the "Definitive Registered Notes"):

(1) if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture and enforcement action is being taken in respect thereof under the Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests.

In such an event, the Issuer will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, the Trustee, the Paying Agents, the Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Additional Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, provided, however, that no Book-Entry Interest of less than £100,000 principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent for onward payment to Euroclear and Clearstream. Euroclear and Clearstream will distribute such payments to participants in accordance with their customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Notes—Additional Amounts." If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts" above, we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding to equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we, the Trustee, the Paying Agent, the Registrar and the Transfer Agent will treat the registered holders of the Global Notes (*i.e.*, the common depositary for Euroclear or Clearstream (or its nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee or any of their agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book- Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- Euroclear, Clearstream or any participant or indirect participant; or
- the records of the common depositary.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream in pound sterling.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for Definitive Registered Notes, and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's or Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Global Notes will bear a legend to the effect set forth under "Notice to investors." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Notice to investors."

Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Notice to investors" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book- Entry Interests in a Global Note only as described in the Indenture and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Notice to investors."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor the Initial Purchaser are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Additional Notes represented by the Global Notes are expected to be listed on the Official List of the Luxembourg Stock Exchange and admitted for trading on the Euro MTF Market thereof. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, any guarantor, the Trustee or their agents will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Additional Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Tax considerations

If you are a prospective investor, you should consult your tax advisor as to the possible tax consequences of purchasing, holding or selling any Notes under the laws of your country of citizenship, residence or domicile, including the effect of any local taxes applicable to you. The discussions that follow do not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase, hold or sell Additional Notes. In particular, these discussions do not consider any specific facts or circumstances that may apply to you. The discussions that follow for each jurisdiction are based upon the applicable laws and interpretations thereof as in effect as of the date of this Offering Memorandum. These tax laws and interpretations are subject to change, possibly with retroactive or retrospective effect.

Certain United States federal income tax consequences

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of Additional Notes as of the date hereof. This summary deals only with Additional Notes that are held as capital assets by a U.S. holder (as defined below) who acquires our Additional Notes upon original issuance at the initial offering price.

As used herein, a "U.S. holder" means a person that is for United States federal income tax purposes any of the following:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury Regulations ("Treasury Regulations") to be treated as a United States person.

This summary is based upon provisions of the United States Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below. This summary does not address all aspects of United States federal income taxes and does not address the effects of the Medicare contribution tax on net investment income or foreign, state, or local or other tax considerations that may be relevant to U.S. holders in light of their particular circumstances. In addition, it does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws. For example, this summary does not address:

- tax consequences to holders who may be subject to special tax treatment, such as dealers in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, financial institutions, regulated investment companies, real estate investment trusts, investors in partnerships or other pass-through entities for United States federal income tax purposes, tax-exempt entities or insurance companies;
- tax consequences to persons holding the Additional Notes as part of a hedging, integrated, constructive sale or conversion transaction or a straddle;
- tax consequences to U.S. holders whose "functional currency" is not the United States dollar; or
- alternative minimum tax consequences, if any.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds our Additional Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our Additional Notes, you should consult your tax advisors.

If you are considering the purchase of Additional Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership

and disposition of the Additional Notes, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

Qualified reopening

For United States federal income tax purposes, the Issuer intends to treat the Additional Notes as issued in a "qualified reopening" of the Original Notes. Provided such treatment is respected, for United States federal income tax purposes, the Additional Notes will be considered to have the same issue date as the Original Notes and to have been issued at par. However, depending on the U.S. holder's purchase price, the Additional Notes may have bond premium. The remainder of this discussion assumes that the Additional Notes are treated as having been issued in a "qualified reopening" of the Original Notes.

Payments of stated interest

Subject to the foreign currency rules discussed below, stated interest on an Additional Note (not including any amount paid for pre-issuance accrued interest, as discussed below under "—Pre-issuance accrued interest") will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes. In addition to interest on the Additional Notes (which includes any foreign tax withheld), you will be required to include in income any additional amounts paid in respect of any foreign tax withheld as described under "Description of the Notes—Additional amounts" above. You may be entitled to deduct or credit any foreign tax withheld, subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your applicable foreign taxes for a particular tax year). Stated interest income (including any additional amounts) generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered passive category income. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Additional Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisors regarding the availability of the foreign tax credit under your particular circumstances.

If you use the cash basis method of accounting for United States federal income tax purposes, you will be required to include in income the United States dollar value of the stated interest received, determined by translating the pound sterling received at the spot rate on the date such payment is received regardless of whether the payment is in fact converted into United States dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment.

If you use the accrual method of accounting for United States federal income tax purposes, you may determine the amount of income recognized with respect to such stated interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the United States dollar value of the stated interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest accrued or, in the case of an accrual period that spans two taxable years of a U.S. holder, the part of the period within the taxable year. Under the second method, you may elect to translate stated interest income at the spot rate on:

- the last day of the accrual period,
- the last day of the taxable year if the accrual period straddles your taxable year, or
- the date the stated interest payment is received if such date is within five business days of the end of the accrual period.

This election will apply to all debt obligations you hold from year to year and cannot be changed without the consent of the United States Internal Revenue Service ("IRS"). You should consult your own tax advisor as to the advisability of making the above election.

Upon receipt of a stated interest payment on an Additional Note (including, upon the sale of an Additional Note, the receipt of proceeds which include amounts attributable to accrued but unpaid interest previously included in income), you will recognize United States source ordinary income or loss in an amount equal to the difference, if any, between the United States dollar value of such payment (determined by translating the pound sterling received at the spot rate on the date such payment is received) and the United States dollar value of the stated interest income you previously included in income with respect to such payment.

Pre-issuance accrued interest

A portion of the purchase price of the Additional Notes will be attributable to the amount of interest accrued from April 15, 2015 and prior to the date the Additional Notes are issued (the "pre-issuance accrued interest"). The Issuer intends to take the position that a portion of the first interest payment on the Additional Notes, equal to the amount of pre-issuance accrued interest, will be treated as a non-taxable return of the purchase price paid for the Additional Notes that is allocable to the pre-issuance accrued interest and not as a payment of interest on the Additional Notes. The remainder of this discussion assumes that the first interest payment on the Additional Notes will be so treated, and references to interest in the remainder of this discussion exclude pre-issuance accrued interest. U.S. holders should consult their tax advisors concerning the United States federal income tax treatment of pre-issuance accrued interest.

Additional Notes purchased at a premium

A U.S. holder that purchases an Additional Note for an amount in excess of its principal amount (not including any amount paid for pre-issuance accrued interest) may elect to treat the excess as "amortizable bond premium." In such case, the amount required to be included in the U.S. holder's income each year with respect to interest on the Additional Note will be reduced by the amount of amortizable bond premium allocable (based on the Additional Note's yield to maturity) to that year. Bond premium will be computed in units of pound sterling, and amortizable bond premium that is taken into account currently will reduce interest income in units of pound sterling. On the date amortized bond premium offsets interest income, a U.S. holder will recognize United States source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the United States dollar values of the amount of such amortized bond premium (i) on the date such amortized bond premium offsets interest income and (ii) on the date on which the U.S. holder acquired the Additional Notes.

A U.S. holder that does not elect to take amortizable bond premium into account currently will recognize gain or loss on the sale or retirement of the Additional Notes in the manner described below under "—Sale, exchange, redemption, retirement and other taxable disposition of Additional Notes." Any election to amortize bond premium applies to all bonds (other than bonds the interest on which is excludible from gross income for United States federal income tax purposes) held by the U.S. holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. holder, and is irrevocable without the consent of the IRS. You are urged to speak with your tax advisors regarding the amortizable bond premium rules.

Sale, exchange, redemption, retirement and other taxable disposition of Additional Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of an Additional Note, you will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, redemption, retirement or other taxable disposition (less an amount equal to any accrued but unpaid stated interest, which will be taxable as interest income to the extent not previously included in income) and your adjusted tax basis in the Additional Note. Your adjusted tax basis in an Additional Note generally will be your United States dollar cost for that Additional Note, not including any amount paid for pre-issuance accrued interest less any amortized bond premium. If you purchased your Additional Note with pound sterling, your cost generally will be the United States dollar value of the pound sterling paid for such Additional Note determined at the spot rate on the date of such purchase. If your Additional Note is sold, exchanged, redeemed, retired or otherwise disposed of in a taxable transaction for pound sterling, the amount realized generally will be the United States dollar value of the pound sterling received based on the spot rate in effect on the date of sale, exchange, redemption, retirement or other taxable disposition. If you are a cash method taxpayer and the Additional Notes are traded on an established securities market, pound sterling paid or received will be translated into United States dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of Additional Notes traded on an established securities market, provided that the election is applied consistently to all debt instruments from year to year. Such election cannot be changed without the consent of the IRS.

Subject to the foreign currency rules discussed below, your gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, redemption, retirement or other taxable disposition, you have held the Additional Note for more than one year. Capital gains of non-corporate U.S. holders, including individuals, derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, redemption, retirement or other taxable disposition of an Additional Note would generally be treated as United States source gain or loss.

A portion of your gain or loss may be treated as exchange gain or loss with respect to the principal amount of an Additional Note. Exchange gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss. For these purposes, the principal amount of the Additional Note is your purchase price for the Additional Note calculated in Pound sterling on the date of purchase (not including any amount paid for pre-issuance accrued interest and decreased by any bond premium amortized) and the amount of exchange gain or loss recognized is equal to the difference between (i) the United States dollar value of the principal amount determined on the date of the sale, exchange, redemption, retirement or other taxable disposition of the Additional Note and (ii) the United States dollar value of the principal amount determined on the date you purchased the Additional Note. The amount of exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of the Additional Note.

Exchange gain or loss with respect to pound sterling

Your tax basis in the pound sterling received as interest on an Additional Note will be the United States dollar value thereof at the spot rate in effect on the date the pound sterling are received. Your tax basis in pound sterling received on the sale, exchange, redemption, retirement or other taxable disposition of an Additional Note will be equal to the United States dollar value of the pound sterling, determined at the time of the sale, exchange, redemption, retirement or other taxable disposition. As discussed above, if the Additional Notes are traded on an established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the United States dollar value of the pound sterling by translating the pound sterling received at the spot rate of exchange on the settlement date of the sale, exchange, redemption, retirement or other taxable disposition. Accordingly, your basis in the pound sterling received would be equal to the spot rate of exchange on the settlement date.

Any gain or loss recognized by you on a sale, exchange, redemption, retirement or other taxable disposition of the pound sterling will be ordinary income or loss and generally will be United States source gain or loss.

Reportable transactions

Treasury Regulations meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury Regulations, certain transactions are required to be reported to the IRS including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a foreign currency note, or foreign currency received in respect of a foreign currency note, to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount. Holders considering the purchase of Additional Notes should consult with their own tax advisor to determine the tax return obligations, if any, with respect to an investment in the Additional Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Backup withholding and information reporting

Generally, information reporting requirements will apply to all payments of principal and interest on an Additional Note, or the proceeds from the sale of an Additional Note, unless you are an exempt recipient. Additionally, if you fail to provide your taxpayer identification number, or in the case of interest payments fail either to report in full dividend and interest income or to make certain certifications, you may be subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS. You are urged to consult your own tax advisors regarding backup withholding and information reporting requirements relating to your ownership and disposition of the Additional Notes.

Foreign financial asset reporting

Certain U.S. holders are required to report information relating to an interest in the Additional Notes, subject to certain exceptions (including an exception for Additional Notes held in accounts maintained by certain financial institutions), by attaching a complete IRS Form 8938, Statement of Specified Financial Assets, with their tax return for each year in which they hold an interest in the Additional Notes. You are urged to consult your own tax advisors regarding the application of these rules to your ownership of the Additional Notes and potential penalties for failure to comply.

Certain United Kingdom taxation considerations

The comments below are of a general nature based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs ("HMRC") practice (which may not be binding on HMRC) and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer or further issues of securities that will form a single series with the Notes, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Notes).They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Additional Notes and any interest payable on their Additional Notes. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such holders of Additional Notes. Any holders of Additional Notes who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisors.

Withholding or deduction of tax on payments of interest by the Issuer or under the Guarantee

Payments of interest by the Issuer

If and while the Additional Notes continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated for these purposes as listed on the Luxembourg Stock Exchange where they are both admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area.

Interest on the Additional Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax where the Issuer reasonably believes at the time the payment is made that (i) the person beneficially entitled to the interest is a United Kingdom resident company or a non-United Kingdom resident company that carries on a trade in the United Kingdom through a permanent establishment and the payment is one that the non-United Kingdom resident company is required to bring into account when calculating its profits subject to United Kingdom corporation tax or (ii) the person to whom the payment is made is one of the further classes of bodies or persons, and meets any relevant conditions, set out in Sections 935-937 of the Income Tax Act 2007, provided that in either case HMRC has not given a direction, the effect of which is that the payment may not be made without that withholding or deduction.

In other cases, interest will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20%) unless the Issuer has received a direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If interest were paid under deduction of United Kingdom income tax (e.g. if the Additional Notes lost their listing), holders of Additional Notes who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

Direct assessment

The interest has a United Kingdom source for tax purposes and accordingly may be chargeable to United Kingdom tax by direct assessment irrespective of the residence of the holder of the Additional Notes. However, where the interest is paid without withholding or deduction on account of United Kingdom tax, the interest will not be assessed to United Kingdom tax in the hands of holders (other than certain trustees) who are not resident in the United Kingdom, except where the holder of the Additional Notes carries on a trade, profession or vocation in the United Kingdom through a branch or agency, or in the case of a corporate holder, carries on a trade through a permanent establishment in the United Kingdom, in connection with which the interest is received or to which the Additional Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency, or permanent establishment.

Holders of the Additional Notes should note that the provisions relating to additional amounts referred to in "Description of the Notes—Additional Amounts" above would not apply if HMRC sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However exemption from, or reduction of, such United Kingdom tax liability might be available under an applicable double taxation treaty.

Payments under a Guarantee

The United Kingdom withholding tax treatment of payments by a Guarantor under the terms of the Guarantee in respect of interest on the Additional Notes (or other amounts due under the Additional Notes other than the repayment of amounts subscribed for the Additional Notes) is uncertain. In particular, such payments by a Guarantor may not be eligible for the exemption in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate.

Information Reporting

Information relating to securities and accounts may be required to be provided to HMRC in certain circumstances. This may include the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons who exercise control over entities that are, or are treated as, holders of the Notes, details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the Issuer, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be provided to tax authorities in other countries.

Taxation of disposal (including redemption) and return (including interest)

Corporate holders of Notes

Holders of the Notes within the charge to United Kingdom corporation tax (including non-resident holders of Notes whose Notes are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be subject to tax as income on all profits and gains from the Notes broadly in accordance with their statutory accounting treatment. Such holders of the Notes will generally be charged in each accounting period by reference to interest and other amounts which, in accordance with generally accepted accounting practice, are recognized in determining the profit or loss for that period of the holder of the Notes. Fluctuations in value relating to foreign exchange gains and losses in respect of the Notes will be brought into account as income.

Other holders of Notes

Taxation of interest

Holders of the Notes who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Notes.

Taxation of disposal

Dependent, among other things, on the discount (if any) at which the Additional Notes are issued, the Additional Notes may be deemed to constitute "deeply discounted securities" for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. If the Additional Notes are so categorized, any profit made on a disposal (including redemption) of an Additional Note by an individual or trustee (i) who is resident for tax purposes in the United Kingdom or (ii) who is subject to United Kingdom income tax by virtue of carrying on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Additional Notes are attributable, will be taxed as income.

Where the Additional Notes are not deemed to constitute deeply discounted securities, on a disposal of the Additional Notes neither chargeable gains nor allowable losses should arise for the purposes of taxation of capital gains, as the Additional Notes should be "qualifying corporate bonds" within the meaning of Section 117 of the Taxation of Chargeable Gains Act 1992 ("Qualifying Corporate Bonds"). A transfer (within the meaning of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses)) of an Additional Note by a holder of the Additional Note that is an individual or trustee resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Additional Note is attributable may however give rise to a charge to tax on income in respect of an amount representing interest on the Additional Note which has accrued since the preceding interest payment date under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007 (Accrued Income Profits and Losses).

Taxation of premium on early redemption

It is possible that the Notes may be redeemed prior to maturity at a premium (including at the option of the Issuer). Payment of such premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax and reporting requirements as outlined above and may be subject to the reporting requirements outlined below.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No UK stamp duty or SDRT is payable on the issue or transfer of a Note or on its redemption.

Holders of Notes are advised to consult their own professional advisors if they require any advice or further information relating to deeply discounted securities.

EU directive on the taxation of savings income

The Savings Directive requires EU Member States to provide to the tax authorities, or (to the extent relevant) any other competent authorities, of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system, deducting tax at the rate of 35%, for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. The transitional period is to terminate following agreement by certain non-EU countries to the exchange of information relating to such payment. A number of non-EU countries, and certain dependent or associated territories of certain EU Member States, have agreed to adopt similar measures (either provision of information of transitional withholding).

On March 24, 2014, the Council of the European Union adopted the Amending Savings Directive, which if implemented, would broaden the scope of the requirements described above, including by expanding the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. EU Member States have until January 1, 2016 to adopt the national legislation necessary to comply with this amending directive, which legislation must apply from January 1, 2017.

The Council of the European Union has also adopted a Directive (the "Amending Cooperation Directive") amending Council Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014. The Amending Cooperation Directive requires EU Member States to adopt national legislation necessary to comply with it by December 31, 2015, which legislation must apply from January 1, 2016 (January 1, 2017 in the case of Austria). The Amending Cooperation Directive is generally broader in scope than the Savings Directive, although it does not impose withholding taxes, and provides that to the extent there is overlap of scope, the Amending Cooperation Directive prevails. The European Commission has therefore published a proposal for a Council Directive repealing the Savings Directive from January 1, 2016 (January 1, 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, Member States will not be required to implement the Amending Savings Directive. Information reporting and exchange will however still be required under Council Directive 2011/16/EU (as amended).

Investors who are in doubt as to their position should consult their professional advisors.

The Proposed Financial Transactions Tax ("FTT")

On February 14, 2013, the European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). The Commission's Proposal has very broad scope and could, if introduced in its published form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution (as defined in the FTT), and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued on May 6, 2014 by the participating Member States (excluding Slovenia) indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives. On January 27, 2015, a further joint statement by ministers of the participating Member States (excluding Greece) stated, amongst other things, that the FTT should be based on the principle of the widest possible base and low rates. Both statements expressed a willingness to create the conditions necessary to implement the FTT on January 1, 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and may be the subject of further legal challenge. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Certain Cayman Islands taxation considerations

The comments below are of a general nature based on current Cayman Islands tax law and are not intended to be exhaustive. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

The Notes

Under current Cayman Islands laws:

- payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- no stamp duty is payable in respect of the issue or transfer of the Notes, although Cayman Islands stamp duty shall be payable if Notes are executed in or brought into, or produced before a court of, the Cayman Islands; and
- certificates evidencing the Notes, in registered form, to which title is not transferable by delivery, should not attract Cayman Islands stamp duty (provided such certificates are not executed in, or brought into, or produced before a court of, the Cayman Islands); however, an instrument transferring title to a Note, if brought to or executed in, or produced before a court of, the Cayman Islands, would be subject to nominal Cayman Islands stamp duty.

Payments under a Guarantee

Under current Cayman Islands laws, payments made under the terms of a guarantee by a Cayman Islands guarantor will not be subject to taxation in the Cayman Islands and no withholding will be required on any such payments.

Limitations on validity and enforceability of the Note Guarantees and security interests

The Issuer and the Guarantors are companies incorporated under the laws of the Cayman Islands and England and Wales (the "Obligors"). Set out below is a summary of certain limitations on the enforceability of the Note Guarantees and the security interests, and a brief description of certain aspects of insolvency law, in the Cayman Islands and England and Wales.

Cayman Islands

Fixed and floating charges

Security may be created by a Cayman Islands company as a fixed or floating charge over the whole or parts of its assets. Under section 142 of the Companies Law (2013 Revision) of the Cayman Islands (the "Companies Law") a creditor who has any such security over the whole, or part of, the assets of a Cayman Islands company is entitled to enforce his security without leave of the court and without reference to the liquidator, notwithstanding that a winding up order has been made with respect to the company.

Fixed-charge security has a number of advantages over floating charge security, including: (a) general costs and expenses (including the liquidator's remuneration) properly incurred in a winding-up are payable out of floating charge assets to the extent the assets of the company available for unsecured creditors generally are otherwise insufficient to meet them in priority to floating charge claims; (b) until the floating charge security crystallizes, a company is, subject to any contractually agreed restrictions, entitled to deal with assets that are subject to floating charge security in the ordinary course of its business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge; and (c) floating charge security is subject to the claims of preferential creditors (including amounts due by the company to its employees in respect of salaries and on behalf of employees in respect of health insurance and pension contributions).

Under Cayman Islands law there is a possibility that a court might recharacterize as floating charges any security interests expressed to be created by a security document as fixed charges where the chargee does not have the requisite degree of control over the ability of the relevant chargor to deal with the relevant assets and the proceeds thereof or does not exercise such control in practice, as the description given to the charges in the relevant security document as fixed charges is not determinative. Where the chargor is free to deal with the secured assets without the consent of the chargee, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Challenges to guarantees and security

There are circumstances under Cayman Islands insolvency law in which the granting by a Cayman Islands company of security and guarantees may be challenged either by an official liquidator of such Cayman Islands company or by a creditor claiming to have been prejudiced by such grants.

The following paragraphs discuss potential grounds for challenge that may apply to guarantee and security interests granted by the Company.

Voidable Preference

Under section 145 of the Companies Law every conveyance or transfer of property, or charge thereon, and every payment obligation and judicial proceeding, made, incurred, taken or suffered by any company in favor of any creditor at a time when the company is unable to pay its debts within the meaning of Section 93 of the Companies Law with a view to giving such creditor a preference over other creditors shall be invalid if made, incurred, taken or suffered within six months immediately preceding the commencement of a liquidation of the company. A payment to a related party of the company (being a creditor which has the ability to control the company or exercise significant influence over the company in making financial and operating decisions) shall be deemed to have been made with a view to giving such creditor a preference.

Pursuant to Section 93 of the Companies Law, a company shall be deemed unable to pay its debts if: (a) a creditor to whom the company is indebted for an amount exceeding one hundred dollars then due, has served on the company a demand at its registered office requiring the company to pay the sum so due, and the company has neglected to pay such sum (or otherwise to secure or compound the same to the satisfaction of the creditor) within three weeks of the service of such demand; (b) execution of other process issued on a judgment, decree or order obtained in the Grand Court of the Cayman Islands in favor of any creditor in any proceedings instituted by such creditor against the company, is returned unsatisfied in whole or in part; or (c) it is proved to the satisfaction of the Grand Court of the Cayman Islands that the company is unable to pay its debts.

Transactions at an undervalue

Under s146 of the Companies Law every disposition of property (including a mortgage or pledge) made at an undervalue by or on behalf of a company with intent to defraud its creditors (meaning an intention to willfully defeat an obligation owed to a creditor) shall be voidable at the instance of its official liquidator. An obligation in this context means an obligation or liability (including a contingent liability) which existed on or prior to the date of the relevant disposition and the burden of establishing an intent to defraud is on the official liquidator.

Undervalue in relation to a disposition of a company's property means (i) the provision of no consideration for the disposition, or (ii) a consideration for the disposition the value of which in money or monies worth is significantly less than the value of the property which is the subject of the disposition.

In the event of a disposition being set aside on the basis that it was a transaction at an undervalue, then if the court is satisfied that the transferee has not acted in bad faith:

(a) the transferee shall have a first and paramount charge over the relevant property of an amount equal to the entire costs properly incurred by the transferee in the defense of the action or proceedings; and

(b) the relevant disposition shall be set aside subject to the proper fees, costs, pre-existing rights, claims and interests of the transferee (and of any predecessor transferee who has not acted in bad faith).

No action or proceedings shall be commenced by an official liquidator more than six years after the date of the relevant disposition.

Fraudulent dispositions

Under the Fraudulent Dispositions Law (1996 Revision) of the Cayman Islands (the "Fraudulent Dispositions Law") every disposition of property (including a mortgage or pledge) made with an intent to defraud (meaning that the intention of the transferor was to willfully defeat an obligation owed to a creditor) and at an undervalue shall be voidable at the instance of the creditor who is thereby prejudiced. An obligation in this context means an obligation or liability (including a contingent liability) which existed on or prior to the date of the relevant disposition and of which the transferor had notice and the burden of establishing intent to defraud is on the creditor seeking to set aside the disposition.

Undervalue in relation to a disposition of a company's property means (i) the provision of no consideration for the disposition, or (ii) a consideration for the disposition the value of which in money or monies worth is significantly less than the value of the property which is the subject of the disposition.

In the event of a disposition being set aside on the basis that it was a fraudulent disposition then if the court is satisfied that the transferee has not acted in bad faith:

(a) the transferee shall have a first and paramount charge over the relevant property of an amount equal to the entire costs properly incurred by the transferee in the defense of the action or proceedings (and not merely such costs as might otherwise be allowed by the court); and

(b) the relevant disposition shall be set aside subject to the proper fees, costs, pre-existing rights, claims and interests of the transferee (and of any predecessor transferee who has not acted in bad faith).

No action or proceedings shall be commenced by a creditor more than six years after the date of the relevant disposition.

A disposition shall be set aside under the Fraudulent Dispositions Law only to the extent necessary to satisfy the obligation to a creditor at whose instance the disposition has been set aside together with such costs as the court may allow.

England and Wales

Fixed and floating charges

Fixed-charge security has a number of advantages over floating charge security: (a) an administrator appointed to the company that granted the floating charge can dispose of floating charge assets for cash or collect receivables charged by way of floating charge and use the proceeds and/or cash subject to a floating charge, to meet administrative expenses (which can include the costs of continuing to operate the charging company's business while in administration) in priority to the claims of the floating charge holder; (b) a fixed charge, even if created after the date of a floating charge, may have priority as against the floating charge over the charged assets; (c) general costs and expenses (including the liquidator's remuneration) properly incurred in a winding-up are payable out of floating charge assets to the extent the assets of the company available for unsecured creditors generally are otherwise insufficient to meet them in priority to floating charge claims; (d) until the floating charge security crystallizes, a company is entitled to deal with assets that are subject to floating charge security in the ordinary course of its business, meaning that such assets can be effectively disposed of by the charging company so as to give a third party good title to the assets free of the floating charge and so as to give rise to the risk of security being granted over such assets in priority to the gloating charge security; (e) floating charge security is subject to certain challenges under English insolvency law (see "—Challenges to guarantees and security—Grant of floating charge"); and (f) floating charge security is subject to the claims of preferential creditors (such as occupational pension scheme contributions and salaries owed to employees (subject to a cap per employee) and holiday pay owed to employees) and, where the floating charge is not a security financial collateral arrangement, to the claims of unsecured creditors in respect of a ring-fenced amount of the proceeds (see "—Administration and floating charges").

Under English law there is a possibility that a court could recharacterize as floating charges any security interests expressed to be created by a security document as fixed charges where the chargee does not have the requisite degree of control over the relevant chargor's ability to deal with the relevant assets and the proceeds thereof or does not exercise such control in practice, as the description given to the charges in the relevant security document as fixed charges is not determinative. Where the chargor is free to deal with the secured assets without the consent of the chargee, the court is likely to hold that the security interest in question constitutes a floating charge, notwithstanding that it may be described as a fixed charge.

Administration and floating charges

Under English insolvency law, English courts are empowered to order the appointment of an administrator in respect of an English company in certain circumstances. An administrator can also be appointed out of court by an English company, its directors or the holder of a qualifying floating charge and different procedures apply according to the identity of the appointor. During the administration, in general no proceedings or other legal process may be commenced or continued against such company, or security enforced over such company's property, except with leave of the court or the consent of the administrator. The moratorium does not, however, apply to a "security financial collateral arrangement" (such as a charge over cash or financial instruments such as shares, bonds or tradable capital market debt instruments) under the Financial Collateral Arrangements (No. 2) Regulations 2003. During the administration of an English company, a creditor would not be able to enforce any security interest (other than security financial collateral arrangements) or guarantee granted by it without the consent of the administrator or the court. In addition, a secured creditor cannot appoint an administrative receiver.

The Security Agent can appoint its choice of administrator by the out- of-court route or appoint an administrative receiver if it is the holder of a qualifying floating charge (as defined in paragraph 14 of Schedule B1 of the United Kingdom Insolvency Act 1986, as amended). The essential characteristics of a qualifying floating charge are that (a) the charge states that the relevant statutory provision applies to it, (b) the charge must by its terms give the holder power to appoint an administrator (or an administrative receiver) and (c) the charge (or that and other charges taken together) must relate to the whole or substantially the whole of the relevant Obligor's property. Even if the Security Agent holds a qualifying floating charge, it can only appoint an administrative receiver if one of the exceptions to the general prohibition of appointing an administrative receiver applies. The most relevant exception to the prohibition on the appointment of an administrative receiver by the Security Agent is that the Security Agent can appoint an administrative receiver under security forming part of a "capital market arrangement" (as defined in the United Kingdom Insolvency Act 1986, as amended), which is the case if a party incurs debt of at least £50,000,000 during the life of the arrangement and the arrangement involves the issue of a "capital markets investment" (which is defined in the United Kingdom Insolvency Act 1986, as amended). Once an administrative receiver is appointed by the Security Agent the company or its directors will not be permitted to appoint an administrator by the out-of-court route and a court will only appoint an administrator if the charge under which the administrative receiver appointed is successfully challenged or the Security Agent agrees. If an administrator is appointed to a company, any administrative receiver then in office must vacate office and any receiver of part of the company's property must resign if requested to do so by the administrator.

An administrator, receiver (including administrative receiver) or liquidator of the company will be required to ring-fence a certain percentage of the proceeds of enforcement of floating charge security for the benefit of unsecured creditors. Under current law, this applies to 50% of the first £10,000 of floating charge realizations and 20% of the remainder over £10,000, with a maximum aggregate cap of £600,000. Whether the assets are subject to the floating charges and other security will constitute substantially the whole relevant Obligor's assets at the time that the floating charges are enforced will be a question of fact at that time.

Challenges to guarantees and security

There are circumstances under English insolvency law in which the granting by an English company of security and guarantees can be challenged.

The following paragraphs discuss potential grounds for challenge that may apply to guarantees and security interest.

Transaction at an undervalue

Under English insolvency law, a liquidator or an administrator of an English company could apply to the court for an order to set aside a security interest (in certain cases) or a guarantee granted by the company (or give other relief) on the grounds that the creation of such security interest or guarantee constituted a transaction at an undervalue. The grant of a security interest or guarantee will only be a transaction at an undervalue if the transaction constitutes a gift or is made on terms that provide that the company receives no consideration or if the company receives consideration of significantly less value, in money or in money's worth, than the consideration given by such company. For a challenge to be made, the guarantee or security must be granted within a period of two years ending with the onset of insolvency (as defined in section 240 of the United Kingdom Insolvency Act 1986, as amended). In addition the company must have been "unable to pay its debts" at the time that it granted the guarantee or security or became "unable to pay its debts" as a result. A company will be "unable to pay its debts" if a statutory demand for over £750 is served on the company and remains unsatisfied for three weeks or an execution on or other process issued on a judgment, decree or order of a court in favor of a creditor is returned unsatisfied in whole or in part or if it is proved to the court's satisfaction that the company is not able to pay its debts as they fall due or that the value of the company's assets is less than the amount of its liabilities (taking into account contingent and prospective liabilities). A court will not make an order in respect of a transaction at an undervalue if it is satisfied that the company entered into the transaction in good faith and for the purpose of carrying on its business and that, at the time it did so, there were reasonable grounds for believing the transaction would benefit the company. Subject to this, if the court determines that the transaction was a transaction at an undervalue the court can make such order as it thinks fit to restore the position to what it would have been if the transaction had not been entered into (which could include reducing payments under the guarantees or setting aside any security interests granted or guarantees although there is protection for a third party that benefits from the transaction and has acted in good faith and for value). In any challenge proceedings, it is for the administrator or liquidator to demonstrate that the English company was unable to pay its debts unless a beneficiary of the transaction was a "connected person" (as defined in the United Kingdom Insolvency Act 1986, as amended), in which case there is a presumption that the company was unable to pay its debts and the connected person must demonstrate that the company was not unable to pay its debts at the time of the transaction.

Preference

Under English insolvency law, a liquidator or administrator of an English company could apply to the court for an order to set aside a security interest or a guarantee granted by such company (or give other relief) on the grounds such security interest or such guarantee constituted a preference. The grant of a security interest or guarantee is a preference if it has the effect of placing a creditor (or a surety or guarantor of the company) in a better position in the event of the company's insolvent liquidation than if the security interest or guarantee had not been granted. For a challenge to be made, the decision to prefer must be made within the period of six months ending with the onset of insolvency (as defined in section 240 of the United Kingdom Insolvency Act 1986, as amended) if the beneficiary of the security interest or the guarantee is not a connected person or two years if the beneficiary is a connected person. A court may not make an order in respect of a preference of a person unless it is satisfied that the company in deciding to give the preference was influenced by a desire to put that person in a better position. If the court determines that the transaction was a preference, the court can make such order as it thinks fit to restore the position to what it would have been if that preference had not been given (which could include reducing payments under the guarantees or setting aside the security interests or guarantees). There is protection for a third party that benefits from the transaction and acted in good faith and for value. In any proceedings, it is for the administrator or liquidator to demonstrate that the company was unable to pay its debts and that the company was influenced by a desire to produce the preferential effect, unless the beneficiary of the transaction was a connected person, in which case there is a presumption that the company was influenced by a desire to produce the preferential effect and the connected person must demonstrate in such proceedings that there was no such influence.

Transaction defrauding creditors

Under English insolvency law, a liquidator or an administrator of a company, or a person who is a victim of the relevant transaction can apply to the court for an order to set aside a security interest or guarantee granted by that company on the grounds the security interest or guarantee was a transaction defrauding creditors.

A transaction will constitute a transaction defrauding creditors if it is a transaction at an undervalue and the court is satisfied the substantial purpose of a party to the transaction was to put assets beyond the reach of actual or potential claimants against it or to prejudice the interest of such persons.

If the court determines that the transaction was a transaction defrauding creditors, then it may make such order as it may deem fit to restore the position to what it was prior to the transaction or protect the victims of the transaction (including reducing payments under the guarantee or setting aside the security interest or guarantees) but there is protection for a third party acting in good faith and for value without notice of the relevant circumstances. Any "victim" of the transaction (with the leave of the court if the company is in liquidation or administration) may apply to court under this provision and not just liquidators or administrators. There is no time limit in the English insolvency legislation within which the company must enter insolvency proceedings and the relevant company does not need to have been unable to pay its debts at the time of the transaction.

Grant of floating charge

Under English insolvency law, if an English company is unable to pay its debts at the time of (or as a result of) granting a floating charge then such floating charge can be avoided on the action of a liquidator or administrator if it was granted in the period of one year ending with the onset of insolvency (as defined in section 245 of the United Kingdom Insolvency Act 1986, as amended). The floating charge, however, will be validated to the extent of the value of the consideration provided for the creation of the charge in the form of money paid to, or goods or services supplied to, or any discharge or reduction of any debt of, the relevant English company at the same time as or after the creation of the floating charge plus interest payable on such amounts. Where the floating charge is granted to a "connected person," the charge can be challenged if given within two years of the onset of insolvency and the prerequisite to challenge that the company is unable to pay its debts does not apply. However, if the floating charge qualifies as a "security financial collateral arrangement" under the Financial Collateral Arrangements (No. 2) Regulations 2003, the floating charge will not be subject to challenge as described in this paragraph.

Plan of distribution

Barclays Bank PLC is the Initial Purchaser. Subject to the terms and conditions set forth in the Purchase Agreement to be dated as of the date of this Offering Memorandum, the Issuer has agreed to sell to the Initial Purchaser, and the Initial Purchaser has agreed to purchase from the Issuer the principal amount of Additional Notes as set forth in the Purchase Agreement.

The Initial Purchaser proposes to offer the Additional Notes initially at the price indicated on the cover page hereof. After the initial offering, the offering price and other selling terms of the Additional Notes may from time to time be varied by the Initial Purchaser without notice.

Persons who purchase Additional Notes from the Initial Purchaser may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that the obligations of the Initial Purchaser to pay for and accept delivery of the Additional Notes are subject to, among other conditions, the delivery of certain legal opinions by counsel. Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchaser has agreed to purchase all of the Additional Notes sold under the Purchase Agreement if any of the Additional Notes are purchased.

The Purchase Agreement further provides that the Issuer will indemnify and hold harmless the Initial Purchaser against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchaser may be required to make in respect thereof. The Issuer has agreed, subject to certain limited exceptions, not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer or its subsidiaries, that are substantially similar to the Additional Notes during the period from the date of the Purchase Agreement through and including the date that is 90 days after the Additional Notes Issue Date, without the prior written consent of the representative of the Initial Purchaser.

The Additional Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to QIBs in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Additional Notes are restricted as described under "Notice to investors."

Each Initial Purchaser has represented and warranted that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Additional Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Additional Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchaser that would permit a public offering of the Additional Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Additional Notes in any jurisdiction where action for this purpose is required. Accordingly, the Additional Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Additional Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this Offering Memorandum and resale of the Additional Notes. See "Notice to investors."

Currently there is no public market for the Additional Notes. Application has been made for the Additional Notes to be listed on the Official List of the Luxembourg Stock Exchange and to be traded on the Euro MTF Market thereof, however we cannot assure you that such listing will be maintained. The

Initial Purchaser has advised us that it intends to make a market in the Additional Notes as permitted by applicable law. The Initial Purchaser is not obligated, however, to make a market in the Additional Notes, and any market making activity may be discontinued at any time at the sole discretion of the Initial Purchaser without notice. In addition, any such market making activity will be subject to the limits imposed by the U.S. Securities Act and the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Additional Notes will develop, that it will be liquid if it does develop or that you will be able to sell any Additional Notes at a particular time or at a price which will be favorable to you. See "Risk Factors—Risks related to our structure—There may not be an active trading market for the Additional Notes, in which case your ability to sell the Additional Notes may be limited."

The Initial Purchaser may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchases of the Additional Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchaser to reclaim a selling concession from a broker or dealer when the Additional Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions. In connection with this Offering, a stabilizing manager, or person acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Additional Notes. Specifically, a stabilizing manager may bid for and purchase Additional Notes in the open markets for the purpose of pegging, fixing or maintaining the price of the Additional Notes. A stabilizing manager may also over- allot the offering, creating a syndicate short position, and may bid for and purchase Additional Notes in the open market to cover the syndicate short position. In addition, a stabilizing manager may bid for and purchase Additional Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Additional Notes above market levels that may otherwise prevail. A stabilizing manager is not required to engage in these activities, and may end these activities at any time. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Additional Notes. See "Risk Factors—Risks related to our structure—There may not be an active trading market for the Additional Notes, in which case your ability to sell the Additional Notes may be limited."

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Additional Notes to be higher than it would otherwise be in the absence of these transactions. These transactions may begin on or after the date on which adequate public disclosure of the terms of the offering of the Additional Notes is made and, if commenced, may be discontinued at any time at the sole discretion of the Initial Purchaser. If these activities are commenced, they must end no later than the earlier of 30 days after the date of issuance of the Additional Notes and 60 days after the date of the allotment of the Additional Notes. These transactions may be effected in the over-the-counter market or otherwise.

The Initial Purchaser and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. The Initial Purchaser or one of its affiliates is a lender under the Senior Secured Credit Facility, to be refinanced with the proceeds of this Offering, the Revolving Credit Facility and is a hedging provider under our existing interest rate swap. In addition, in the ordinary course of their business activities, the Initial Purchaser and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates (including the Additional Notes). The Initial Purchaser or its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Initial Purchaser and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Additional Notes). Any such short positions could adversely affect future trading prices of Additional Notes. The Initial Purchaser and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to investors

The Additional Notes have not been, and will not be, registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Additional Notes offered hereby are being offered and sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the later of the commencement of this Offering and the closing date, an offer or sale of the Additional Notes within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of the Additional Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchaser as follows:

(1) It understands and acknowledges that the Additional Notes have not been registered under the Securities Act or any applicable state securities law; are being offered for resale in transactions not requiring registration under the Securities Act or any state securities law, including sales pursuant to Rule 144A and Regulation S; and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any applicable state securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraph (5) below.

(2) It is not an "affiliate" (as defined in Rule 144 under the Securities Act) of the Issuer or acting on behalf of the Issuer and it is either:

   (i) a qualified institutional buyer and is aware that any sale of the Additional Notes to it will be made in reliance on Rule 144A and the acquisition of the Additional Notes will be for its own account or for the account of another qualified institutional buyer; or

   (ii) purchasing the Additional Notes outside the United States in an offshore transaction in accordance with Regulation S.

(3) It acknowledges that neither we nor the Initial Purchaser, nor any person representing us or the Initial Purchaser, has made any representation to it with respect to this Offering or sale of any Additional Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to it and upon which it is relying in making its investment decision with respect to the Additional Notes. It acknowledges that neither the Initial Purchaser nor any person representing the Initial Purchaser makes any representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum. It also acknowledges that it has had access to such financial and other information concerning us and the Additional Notes as it has deemed necessary in connection with its decision to purchase any of the Additional Notes.

(4) It is purchasing the Additional Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Additional Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) Each holder of the Additional Notes agrees on its own behalf and on behalf of any investor account for which it is purchasing the Additional Notes, and each subsequent holder of the Additional Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Additional Notes prior to the date (the "Resale Restriction Termination Date") that is, in the case of Additional Notes sold in reliance on Rule 144A, one year after the later of the date of the Additional Notes Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Additional Notes (or any predecessor thereto) and, in the case of Additional Notes sold in reliance on Regulation S, 40 days after the later of the date of the Additional Notes Issue Date and the last date on which the Issuer or any of its affiliates was the owner of such Additional Notes (or any predecessor thereto) only (i) to the Issuer; (ii) pursuant to a registration statement that has been declared effective under the Securities Act; (iii) for so long as the Additional Notes are eligible pursuant to Rule 144A

under the Securities Act, to a person it reasonably believes is a qualified institutional buyer that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act; (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (iv) or (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the other side of the security is completed and delivered by the transferor to the Trustee. Each purchaser acknowledges that each Rule 144A note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE RESALE RESTRICTION TERMINATION DATE, WHICH IS [IN THE CASE OF SECURITY SOLD IN RELIANCE ON RULE 144A: ONE YEAR] [IN THE CASE OF SECURITY SOLD IN RELIANCE ON REGULATION S: 40 DAYS] AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) OR THE LAST DATE ON WHICH ADDITIONAL NOTES WERE ISSUED ONLY (A) TO THE ISSUER OR THE GUARANTORS, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE.

(6) It agrees that it will give to each person to whom it transfers the Additional Notes notice of any restrictions on transfer of such Additional Notes.

(7) It acknowledges that the transfer agent will not be required to accept for registration of transfer any Additional Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth therein have been complied with.

It acknowledges that we, the Initial Purchaser and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Additional Notes are no longer accurate, it will promptly notify the Initial Purchaser. If it is acquiring any Additional Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

Legal matters

Certain legal matters relating to the validity of the Additional Notes and the Note Guarantees will be passed upon for the Issuer and the Guarantors by Simpson Thacher & Bartlett LLP, with respect to U.S. federal, New York state and English law. Certain legal matters in connection with this Offering will be passed upon for the Parent and the Company by Conyers Dill & Pearman (Cayman) Limited, with respect to the laws of the Cayman Islands. Certain legal matters in connection with this Offering will be passed upon for the Initial Purchaser by Shearman & Sterling (London) LLP, with respect to U.S. federal, New York state and English law. Certain legal matters in connection with this Offering will be passed upon for the Parent and the Company by Walkers, with respect to the laws of the Cayman Islands.

Independent auditors

The historical consolidated financial statements together with the accompanying directors' report of Stonegate Pub Company Limited and its subsidiaries as of and for the 52 weeks ended September 28, 2014, which comprise the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statements and the related notes, have been audited by KPMG LLP, independent auditors, as set forth in their report appearing herein. The historical consolidated financial statements contained herein do not include the accompanying directors' report. The independent auditors' report for accounting period was unqualified. KPMG LLP is a member of the ICAEW, the Institute of Chartered Accountants in England and Wales.

The independent auditors have given and not withdrawn their consent for their report to be included in the listing particulars in the form and context in which they are included for purposes of the listing of the Additional Notes on the Official List of the Luxembourg Stock Exchange in accordance with its rules. A consent under the listing rules of the Official List of the Luxembourg Stock Exchange is different from a consent filed with the SEC under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Additional Notes have not been and will not be registered under the Securities Act, KPMG LLP has not filed a consent under Section 7 of the U.S. Securities Act.

Investors in and purchasers of the Additional Notes should understand that consistent with guidance issued by the ICAEW, the independent auditors' report included elsewhere in this Offering Memorandum states that: the report has been prepared for the Company and other named parties (the "Addressees") solely in response to a request from the Addressees for an opinion from independent auditors on the truth and fairness of the non-statutory financial statements (which included the accompanying directors' report); that the report was designed to meet the agreed requirements of the Addressees determined by their needs at the time; that the report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against the independent auditors other than the Addressees for any purpose or in any context; that any party other than the Addresses who obtains access to the report or a copy and chooses to rely on the report (or any part of it) will do so at its own risk; and that to the fullest extent permitted by law, the independent auditors will accept no responsibility or liability in respect of the report to any other party. In the context of the Offering, the independent auditors have reconfirmed to us that they do not intend their duty of care in respect of their audits to extend to any party, such as investors in and purchasers of the Additional Notes, other than the Addressees of their report.

Without in any way or on any basis affecting or adding to or extending the independent auditors' duties and responsibilities to the Addressees or giving rise to any duty or responsibility being accepted or assumed by or imposed on the independent auditors to any party except the Addressees, the independent auditors have provided consent to the Company's inclusion, independently of the independent auditors, of the audit report with the non-statutory historical financial statements to which they relate in this Offering Memorandum for a proposed issuance of Additional Notes, thereby demonstrating that an audit of the non-statutory directors' report and financial statements for the relevant period has been undertaken for the Addressees. The consent provided by the independent auditors is different from a consent filed with the SEC under Section 7 of the Securities Act, which is applicable only to transactions involving securities registered under the Securities Act. As the Additional Notes have not been and will not be registered under the Securities Act, the independent auditors have not filed a consent under Section 7 of the U.S. Securities Act. The independent auditors' non-statutory historical reports as of and for the 52 weeks ended September 28, 2014 is included elsewhere in this Offering Memorandum.

The SEC would not permit such limiting language to be included in a registration statement or a prospectus used in connection with an offering of securities registered under the Securities Act, or in a report filed under the Exchange Act. If a US court (or any other court) were to give effect to the language set out above, the recourse that investors in and purchasers of the Additional Notes may have against the independent auditors based on their report or the non-statutory directors' report and financial statements to which they relate could be limited. The extent to which independent auditors may have responsibility or liability to third parties can be unclear under the laws of many jurisdictions, including the United Kingdom. The inclusion of the language referred to above, however, may limit the ability of holders of the Additional Notes to bring any action against the independent auditors for damages arising out of an investment in or purchase of the Additional Notes.

Investors in and purchasers of the Additional Notes may therefore have limited or no recourse against the independent auditors.

Where to find additional information

Each purchaser of the Additional Notes from an Initial Purchaser will be furnished with a copy of this Offering Memorandum and, to the extent provided to the Initial Purchaser by us for such purpose, any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

(1) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(2) such person has not relied on the Initial Purchaser or any person affiliated with the Initial Purchaser in connection with its investigation of the accuracy of such information or its investment decision; and

(3) except as provided pursuant to (1) above, no person has been authorized to give any information or to make any representation concerning the Additional Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the Initial Purchaser.

Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum may make a written request to receive a copy of the Intercreditor Agreement. Moreover, for so long as any of the Additional Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are not subject to Section 13 or 15(d) under the Exchange Act, nor exempt from reporting thereunder pursuant to Rule 12g3-2(b) of the Exchange Act, make available to any holder or beneficial holder of an Additional Note, or to any prospective purchaser of an Additional Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed to the Registrar. All the above documents will be available at the offices of the Registrar.

We are not currently subject to the periodic reporting and other information requirements of the Exchange Act. Pursuant to the Indenture and so long as the Additional Notes are outstanding, we will furnish periodic information to holders of the Additional Notes. See "Description of the Notes—Certain Covenants—Reports." For so long as the Additional Notes are listed on the Official List of the Luxembourg Stock Exchange for trading on the Euro MTF Market thereof and the rules of that exchange so require, copies of such information, the organizational documents of the Issuer and the Guarantors, our most recent audited non-statutory consolidated directors' report and financial statements, the Indenture (which includes the Note Guarantees and the form of the Additional Notes) and the Intercreditor Agreement will be available for review during normal business hours on any business day at the office of the Registrar.

Enforcement of civil liabilities

The Issuer is a public limited company incorporated in England and Wales and its registered offices are in England and Wales. The Guarantors of the Notes are incorporated in and have their respective principal executive offices in the Cayman Islands and England and Wales. All of the directors of the Issuer and the majority of the directors and executive officers of the Guarantors are non- residents of the United States, and all of the assets of the Issuer and the Guarantors and such persons are located outside the United States. It may not be possible for investors to effect service of process within the United States upon the Issuer, a Guarantor or such persons or to enforce against any of the judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States, and there is doubt as to the enforceability in England and Wales or the Cayman Islands of civil liabilities predicated upon the federal securities laws of the United States, either in original actions or in actions for enforcement of judgments of U.S. courts.

The United States and England currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in England. In order to enforce any such U.S. judgment in England, proceedings must first be initiated before a court of competent jurisdiction in England. In such an action, the English court would not generally reinvestigate the merits of the original matter decided by the U.S. court (subject to what is described below) and it would usually be possible to obtain summary judgment on such a claim (assuming that there is no good defense to it). Recognition and enforcement of a U.S. judgment by an English court in such an action is conditional upon (among other things) the following:

- the U.S. court having had, at the time when proceedings were served, jurisdiction over the original proceedings according to English rules of international law;
- the U.S. judgment being final and conclusive on the merits in the sense of being final and unalterable in the court which pronounced it and being for a definite sum of money; and
- the U.S. judgment not being for a sum payable in respect of taxes, or other charges of a like nature or in respect of a penalty or fine or otherwise based on a U.S. law that an English court considers to relate to penal, revenue or other public law.

An English court may refuse to enforce such a judgment if the judgment debtor satisfies the court that:

- the U.S. judgment contravenes English public policy;
- the U.S. judgment has been arrived at by doubling, trebling or otherwise multiplying a sum assessed as compensation for the loss or damages sustained, is otherwise specified in Section 5 of the Protection of Trading Interests Act 1980 or is based on measures designated by the Secretary of State under Section 1 of the Act;
- the U.S. judgment has been obtained by fraud or in breach of English principles of natural or substantial justice;
- the U.S. judgment is a judgment on a matter previously determined by an English court or another court whose judgment is entitled to recognition in England or conflicts with an earlier judgment of such court;
- the English enforcement proceedings were not commenced within the relevant limitation period; or
- the U.S. judgment was obtained contrary to an agreement for the settlement of disputes under which the dispute in question was to be settled otherwise than by proceedings in a United States court (to whose jurisdiction the judgment debtor did not submit).

Only subject to the foregoing may investors be able to enforce in England judgments that have been obtained from U.S. federal or state courts. Notwithstanding the preceding, we cannot assure you that those judgments will be recognized or enforceable in England. In addition, we cannot assure you whether an English court would accept jurisdiction and impose civil liability if the original action was commenced in England, instead of the United States, and predicated solely upon U.S. federal securities laws.

The Cayman Islands currently have no treaties providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters with any jurisdiction (other than in respect of certain judgments of certain superior courts in the Commonwealth of Australia). Consequently, a final judgment for payment rendered by any U.S. federal or state court based on civil liability, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in the Cayman Islands.

However, the courts of the Cayman Islands will recognize as a valid judgment, a final and conclusive judgment *in personam* obtained in U.S. federal or state courts under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an *in personam* judgment for non-monetary relief, and would give a judgment based thereon without any re-examination of the merits provided that:

(a) such U.S. courts had proper jurisdiction over the parties subject to such judgment as a matter of Cayman Islands law conflict of law rules;

(b) such U.S. courts did not contravene rules of natural justice;

(c) the judgment of such U.S. courts was not obtained by fraud,

(d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands,

(e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands, and

(f) there is due compliance with the correct procedures under the laws of the Cayman Islands.

Listing and general information

Listing information

Application has been made for the Additional Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market in accordance with the rules of that exchange. Notice of any change of control, change in the rate of interest payable on the Additional Notes or early redemption of the Additional Notes will be published in a Luxembourg newspaper of general circulation (which is expected to be the Luxemburger Wort) or on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

For so long as the Additional Notes are listed on the Euro MTF Market and the rules of the Luxembourg Stock Exchange so require, copies of the following documents (together with English translations thereof, as applicable) may be inspected and obtained at the specified office of the listing agent in Luxembourg during normal business hours on any weekday:

- the organizational documents of the Issuer;
- the organizational documents of each of the Guarantors;
- the Indenture (which includes the form of the Additional Notes);
- the Intercreditor Agreement and the documents creating the security interests in the Collateral as contemplated by the Indenture;
- the historical consolidated financial statements included in this Offering Memorandum; and
- other material agreements described in this Offering Memorandum as to which we specify that copies thereof will be made available.

We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum.

Except as disclosed herein, there has been no material adverse change in the Company's consolidated financial position since July 5, 2015.

Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the Additional Notes, except as disclosed herein.

The Issuer will maintain a registrar and transfer agent in Luxembourg for as long as any of the Additional Notes are listed on the Euro MTF Market. The Issuer reserves the right to vary such appointment and it will publish notice of such change of appointment in a newspaper having a general circulation in the Grand Duchy of Luxembourg (which is expected to be the Luxemburger Wort) or on the website of the Luxembourg Stock Exchange, at www.bourse.lu.

Clearing information

The Additional Notes sold pursuant to Regulation S and the Additional Notes sold pursuant to Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream. The Additional Notes will initially have a different ISIN and different common code than the Original Fixed Rate Notes. Once the Additional Notes become fully fungible, the Additional Notes and the Original Fixed Rate Notes will share the same ISIN and common code.

The initial, temporary common code number and temporary ISIN for the Additional Notes sold pursuant to Regulation S under the U.S. Securities Act are 130386679 and XS1303866799, respectively. After the expiration of the 40-day period following the Additional Notes Issue Date (which shall expire at the end of November 16, 2015), the common code number and ISIN for the Additional Notes sold pursuant to Regulation S under the U.S. Securities Act will be 105498721 and XS1054987216, respectively.

The initial, temporary common code number and temporary ISIN for the Additional Notes sold pursuant to Rule 144A under the U.S. Securities Act are 130386784 and XS1303867847, respectively. After the expiration of the one-year period following the Additional Notes Issue Date (which shall expire at the end of October 7, 2016), the common code number and ISIN for the Additional Notes sold pursuant to Rule 144A under the U.S. Securities Act will be 105499116 and XS1054991168, respectively.

Issuer legal information

Stonegate Pub Company Financing plc was incorporated on March 19, 2014 as a public limited liability company under the laws of England and Wales. The registered office of the Issuer in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

The Issuer has issued 50,000 shares, each with a nominal value of £1.00.

The Issuer has obtained all necessary consents, approvals and authorizations in the jurisdiction of its incorporation in connection with the issuance and performance of the Additional Notes. The creation and issuance of the Additional Notes will be authorized by the Issuer's board of directors dated prior to the closing of this Offering.

Company legal information

Stonegate Pub Company Limited was incorporated under the laws of the Cayman Islands on August 13, 2010 as an exempted company with limited liability. The registered office of the Company in the Cayman Islands is at the offices of Codan Trust Company (Cayman) Limited, Boundary Hall, Cricket Square, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom.

Subsidiary Guarantor legal information

Plato Company 3 Limited was incorporated under the laws of the Cayman Islands on March 4, 2008 as an exempted company. The registered office of Plato Company 3 Limited Cayman Islands in the Cayman Islands is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Town & City Pub Group Limited was incorporated on November 27, 2007 as a private limited company under the laws of England and Wales. The registered office of Town & City Pub Group Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

Barley Pub Company Limited was incorporated on December 19, 2007 as a private limited company under the laws of England and Wales. The registered office of Barley Pub Company Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

Hops Pub Company Limited was incorporated on December 19, 2007 as a private limited company under the laws of England and Wales. The registered office of Hops Pub Company Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

Plato Restaurant Holdings Limited was incorporated under the laws of the Cayman Islands on May 15, 2007 as an exempted company. The registered office of Plato Restaurant Holdings Limited in the Cayman Islands is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Bay Restaurant Holdings Limited was incorporated under the laws of the Cayman Islands on April 11, 2007 as an exempted company. The registered office of Bay Restaurant Holdings Limited in the Cayman Islands is at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Bay Restaurant Group Limited was incorporated on December 19, 2007 as a private limited company under the laws of England and Wales. The registered office of Bay Restaurant Group Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

Slug and Lettuce Company Limited was incorporated on June 27, 2007 as a private limited company under the laws of England and Wales. The registered office of Slug and Lettuce Company Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

Hull Propco Limited ("Newco") was incorporated on September 18, 2015 as a private limited company under the laws of England and Wales. The registered office of Hull Propco Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

SJT Propco Limited ("Newco") was incorporated on September 18, 2015 as a private limited company under the laws of England and Wales. The registered office of SJT Propco Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

AD Propco Limited ("Newco") was incorporated on September 18, 2015 as a private limited company under the laws of England and Wales. The registered office of AD Propco Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

DW Propco Limited ("Newco") was incorporated on September 18, 2015 as a private limited company under the laws of England and Wales. The registered office of DW Propco Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

BH Propco Limited ("Newco") was incorporated on September 18, 2015 as a private limited company under the laws of England and Wales. The registered office of BH Propco Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

FTK Propco Limited ("Newco") was incorporated on September 18, 2015 as a private limited company under the laws of England and Wales. The registered office of FTK Propco Limited in the United Kingdom is Porter Tun House, 500 Capability Green, Luton, Bedfordshire, LU1 3LS, United Kingdom, and its telephone number at that address is +44 (0) 845 126 2944.

Financial year and annual financial statements

We will prepare and publish annual audited consolidated financial statements. Any future published financial statements prepared by Stonegate will be available, during normal business hours, at the executive offices of the Company.

Index to financial statements

Stonegate Pub Company Limited

Condensed Consolidated Interim Financial Information

For the 40 weeks ended 5 July 2015

Stonegate Pub Company Limited
Registered No: FC029833

Stonegate Pub Company Limited

Consolidated income statement

For the 40 weeks ended 5 July 2015

		Unaudited 40 weeks ended 5 July 2015			Unaudited 40 weeks ended 6 July 2014		
	Notes	Pre-exceptional items	Exceptional items[1]	Total	Pre-exceptional items	Exceptional items[1]	Total
		£000	£000	£000	£000	£000	£000
Revenue		**432,167**	**—**	**432,167**	430,159	—	430,159
Operating costs		**(377,371)**	**(271)**	**(377,642)**	(383,672)	(6,078)	(389,750)
Operating profit before depreciation, amortisation, impairment and (loss)/profit on sale of non-current assets		**54,796**	**(271)**	**54,525**	46,487	(6,078)	40,409
Depreciation, amortisation and impairment		**(24,866)**	**—**	**(24,866)**	(19,710)	—	(19,710)
(Loss)/profit on sale of non-current assets	8	**(1,883)**	**—**	**(1,883)**	251	—	251
Operating profit/(loss)		**28,047**	**(271)**	**27,776**	27,028	(6,078)	20,950
Finance income	3	**106**	**—**	**106**	210	—	210
Finance costs	4	**(20,525)**	**(150)**	**(20,675)**	(22,771)	(5,441)	(28,212)
Movement in fair value of interest rate swaps		**(197)**	**—**	**(197)**	3,064	—	3,064
Profit/(loss) before taxation		**7,431**	**(421)**	**7,010**	7,531	(11,519)	(3,988)
UK income tax charge	5	**(2,707)**	**—**	**(2,707)**	(1,105)	—	(1,105)
Profit/(loss) for the period		**4,724**	**(421)**	**4,303**	6,426	(11,519)	(5,093)

(1) Exceptional items are explained further in note 2.

All of the Group's operations are classed as continuing.

The notes on pages F-9 to F-21 form part of the condensed consolidated interim financial information.

Stonegate Pub Company Limited

Consolidated statement of comprehensive income

For the 40 weeks ended 5 July 2015

	Notes	Unaudited 40 weeks ended 5 July 2015 £000	Unaudited 40 weeks ended 6 July 2014 £000
Profit/(loss) for the period		**4,303**	(5,093)
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit pension schemes		**379**	(1,469)
Other comprehensive expense after tax		**379**	(1,469)
Total comprehensive income/(loss) for the period		**4,682**	(6,562)

The notes on pages F-9 to F-21 form part of the condensed consolidated interim financial information.

Stonegate Pub Company Limited

Consolidated balance sheet

As at 5 July 2015

	Notes	Unaudited 5 July 2015 £000	Unaudited 6 July 2014 £000
Assets			
Non-current assets			
Property, plant and equipment	7	**410,422**	397,322
Operating leases	6	**33,740**	37,023
Goodwill	6	**106,189**	105,509
		550,351	539,854
Current assets			
Inventories		**8,225**	7,850
Trade and other receivables	9	**26,052**	28,234
Cash and cash equivalents		**12,007**	11,987
		46,284	48,071
Total assets		**596,635**	587,925
Liabilities			
Current liabilities			
Trade and other payables	10	**(85,393)**	(74,746)
Borrowings	11	**(2,129)**	(10,473)
Derivative financial instruments	13	**(312)**	(477)
		(87,834)	(85,696)
Non-current liabilities			
Borrowings	11	**(392,465)**	(390,148)
Derivative financial instruments	13	**(1,250)**	(1,909)
Deferred tax liabilities		**(2,998)**	(3,273)
Retirement benefit obligations		**(5,729)**	(5,559)
Provisions	12	**(2,298)**	(3,072)
		(404,740)	(403,961)
Total liabilities		**(492,574)**	(489,657)
Net assets		**104,061**	98,268
Equity			
Called up share capital		**1,500**	1,500
Share premium		**135,453**	135,453
Retained earnings		**(32,892)**	(38,685)
Total equity		**104,061**	98,268

The notes on pages F-9 to F-21 form part of the condensed consolidated interim financial information.

Stonegate Pub Company Limited

Consolidated statement of changes in equity

As at 5 July 2015

	Unaudited Share capital	Unaudited Share premium	Unaudited Retained earnings	Unaudited Total equity
	£000	£000	£000	£000
Total equity at 28 September 2014	**1,500**	**135,453**	**(37,574)**	**99,379**
Total comprehensive income / (losses):				
Profit for the period	—	—	4,303	4,303
Other comprehensive gains for the period	—	—	379	379
Total comprehensive income for the period	—	—	4,682	4,682
Total equity at 5 July 2015	**1,500**	**135,453**	**(32,892)**	**104,061**
Total equity at 29 September 2013	**1,500**	**183,253**	**(32,123)**	**152,630**
Total comprehensive income / (losses):				
Loss for the period	—	—	(5,093)	(5,093)
Other comprehensive losses for the period	—	—	(1,469)	(1,469)
Total comprehensive loss for the period	—	—	(6,562)	(6,562)
Transactions with owners recorded directly in equity:				
Dividends paid	—	(47,800)	—	(47,800)
Total contributions by and distributions to owners of the Company	—	(47,800)	—	(47,800)
Total equity at 6 July 2014	**1,500**	**135,453**	**(38,685)**	**98,268**

Stonegate Pub Company Limited

Consolidated cash flow statement

For the 40 weeks ended 5 July 2015

	Unaudited 40 weeks ended 5 July 2015	Unaudited 40 weeks ended 6 July 2014
	£000	£000
Cash flows from operating activities		
Profit/(loss)for the period	**4,303**	(5,093)
Adjustments for:		
—Depreciation, amortisation and impairment	**24,866**	19,710
—Loss/(profit) on sale of non-current assets	**1,883**	(251)
—Net finance costs	**20,569**	28,002
—Movement in fair value of interest rate swaps	**197**	(3,064)
—UK income tax charge	**2,707**	1,105
	54,525	40,409
Changes in:		
—Inventories	**(150)**	(122)
—Receivables	**(358)**	(3,721)
—Payables	**(8,702)**	1,255
—Provisions	**(130)**	(60)
—Difference between pension charge and cash contributions	**(1,000)**	(1,000)
Cash generated from operating activities	**44,185**	36,761
Interest paid	**(21,834)**	(11,460)
Net cash flow from operating activities	**22,351**	25,301
Cash flows from investing activities		
Purchase of property, plant and equipment	**(35,275)**	(27,402)
Freehold reversions	**(4,480)**	—
Proceeds from sale of property, plant and equipment	**4,747**	1,543
Interest received	**11**	—
Payments to acquire trading sites	**(175)**	(34,200)
Net cash acquired with trading sites	**—**	201
Net cash flow from investing activities	**(35,172)**	(59,858)
Cash flows from financing activities		
Dividends paid	**—**	(47,800)
Repayment of borrowings	**—**	(336,001)
Advance of borrowings	**—**	425,000
Financing costs	**(855)**	(12,440)
Net cash flow from financing activities	**(855)**	28,759
Net decrease in cash and cash equivalents	**(13,676)**	(5,798)
Opening cash and cash equivalents	**23,554**	7,312
Closing cash and cash equivalents	**9,878**	1,514

Stonegate Pub Company Limited

Consolidated cash flow statement

For the 40 weeks ended 5 July 2015

1. Accounting policies

Stonegate Pub Company Limited (the "Company") is a governed by Cayman Island Company Law.

The condensed consolidated interim financial information consolidates those of the Company and its subsidiaries (together referred to as the "Group"). The condensed consolidated interim financial information has been prepared in accordance with Companies Law (2013 Revision) of the Cayman Islands. As the Cayman Islands do not have prescribed accounting standards, the Group has elected to prepare these condensed consolidated interim financial information in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), as allowed under Cayman Island Company Law.

The results for the current and comparative period are unaudited.

No parent company information is presented in the condensed consolidated interim financial information, Companies Law (2013 Revision) in the Cayman Islands does not require such information to be presented. The parent company information has been prepared under FRS 102.

Measurement convention

The condensed consolidated interim financial information is prepared on the historical cost basis with the exception of derivative financial instruments which are measured at fair value. Non-current assets and disposal Groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Going concern

The financial position of the Group is set out in the Consolidated Balance Sheet on page 3 which shows net assets of £104,061,000 (2014: £98,268,000).

During the current period the Group has experienced cash outflow of £13,676,000 (2014: £5,798,000) and recorded net current liabilities of £41,550,000 (2014: £37,625,000). This is reflective of the normal working capital position which is funded through the standard trading cycle. The Directors consider that this is a normal feature of trading in this industry. Customers pay by cash resulting in minimal credit risk and the Group takes advantage of supplier credit terms. In the next 12 months the Group expects to achieve year on year pre-exceptional operating profit growth and be cash generative.

At the balance sheet date, the Group was financed by fixed and floating rate loan notes totalling £392,465,000, details of which are set out in note 11.

The Group met its day-to-day working capital requirements through cash generation and a £25,000,000 overdraft facility. Management have prepared a board paper on going concern showing the Group's forecasts and projections prepared for a period covering fifteen months from the date of approval of the year-end financial statements. Taking account of reasonable possible changes in trading performance, the board paper shows that the Group should be able to operate within the level of its current borrowing facility. Applying sales based sensitivity year on year the Group's forecasts show that it would continue to operate within its facility.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of these condensed consolidated interim financial information and for the foreseeable future thereafter. Thus they adopt the going concern basis of accounting in preparing these financial statements.

Basis of consolidation

The condensed consolidated interim financial information includes the financial statements of the Company and its subsidiary undertakings made up to 5 July 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the

1. Accounting policies (Continued)

period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in this condensed consolidated interim financial information for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments and hedging

Derivative financial instruments

The Group uses interest rate swaps to hedge its exposure to interest rate fluctuations on its floating rate loan notes.

1. Accounting policies (Continued)

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. The Group does not currently hold any derivatives that qualify for hedge accounting.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- freehold properties are depreciated to their estimated residual values over 50 years;
- leasehold properties and improvements are depreciated over the shortest of 50 years, their estimated useful lives and their remaining lease periods;
- administration furniture, fixtures, fittings and equipment are depreciated over 2 to 15 years; and
- retail furniture, fixtures and equipment are depreciated over 3 to 15 years.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Business combinations

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions post transition date

For acquisitions on or after 26 September 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire, if any; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions prior to IFRS transition date

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Group elected not to restate business combinations that took place prior to transition date. In respect of acquisitions prior to transition date, goodwill is included at transition date or earlier if applicable on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, certain items recognised as other intangibles under Adopted IFRS have been separately

1. Accounting policies (Continued)

accounted for with appropriate adjustments against PPE and amortisation of goodwill ceased as required by IFRS 1.

Intangible assets and goodwill

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Operating lease intangible assets

The fair values attached to operating leasehold interests on acquisitions are deemed to represent lease premiums, and are carried as intangible assets. These operating leases are capitalised at cost. Amortisation is charged to the income statement on a straight-line basis over the lease lives.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less any costs of disposal.

Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

The Group considers each of its individual pubs as a cash-generating unit. Each CGU is reviewed annually for indicators of impairment. When indicators of impairment are identified the carrying value of the individual pub is compared to its recoverable amount. The recoverable amount is determined as being the

1. Accounting policies (Continued)

higher of the expected net realisable value of the value in use. For the purposes of goodwill impairment testing, all of the CGUs have been grouped together. This represents the lowest level at which goodwill is monitored by the Group and reflects its business model of managing and operating the pubs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

1. Accounting policies (Continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and is mainly derived from the sale of food and drinks to third parties, after deducting discounts and VAT. It also includes certain services such as provision of entertainment. Revenue is recognised at the point of sale.

All revenue is derived from the one principal activity of the business, based solely within the United Kingdom.

In respect of the loyalty card scheme, the ScreamMore card, as points are issued to customers the retail fair value of those points expected to be redeemed is deferred. When the points are used by customers they are recorded as revenue.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Financing income comprise interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or

1. Accounting policies (Continued)

liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Non-current assets held for sale

A non-current asset or a Group of assets containing a non-current asset (a disposal Group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal Groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal Group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

Exceptional items

The Group presents separately on the face of the income statement those material, non-recurring, items of income and expense, which management consider will distort comparability, in order to provide a trend measure of underlying performance.

Significant accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, revenues and expenses during the period.

Management periodically evaluates its estimates and judgements and bases them on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Impairment of property, plant, equipment and operating leases

Property, plant and equipment and operating leases are reviewed for impairment if there are any indicators to suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on value-in-use calculations and estimated sale proceeds. These calculations require assumptions to be made regarding projected cash flows and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Actual outcomes may vary from these estimates.

Impairment of goodwill

The Group annually tests whether goodwill has been impaired. The recoverable amount of the groups of cash-generating units (CGUs) to which goodwill has been allocated is determined based on value-in-use calculations. These calculations require assumptions to be made regarding projected cash flows and the

1. Accounting policies (Continued)

choice of an appropriate discount rate in order to calculate the value-in-use of those cash flows. Actual outcomes could vary from these estimates.

Defined pension benefit schemes

The present value of defined benefit pension scheme liabilities are determined on an actuarial basis and depend on a number of actuarial assumptions. Any changes in these assumptions could impact the carrying amounts of retirement benefit assets / liabilities.

Business combinations

The Group identifies separate assets and liabilities upon acquisition and recognises those assets at their fair value. The assessment of fair value, particularly for property, plant, equipment and operating leases acquired, is undertaken with reference to current market conditions.

2. Exceptional operating items

	40 weeks ended 5 July 2015	40 weeks ended 6 July 2014
	£000	£000
Operating exceptional items		
Acquisition costs	**—**	3,435
Restructuring and integration costs	**271**	2,643
	271	6,078
Finance costs	**150**	5,441
Total exceptional items	**421**	11,519

3. Finance income

	40 weeks ended 5 July 2015	40 weeks ended 6 July 2014
	£000	£000
Other interest receivable	**106**	210
Total finance income	**106**	210

4. Finance costs

	40 weeks ended 5 July 2015	40 weeks ended 6 July 2014
	£000	£000
Interest payable on bank loans	**18,363**	10,590
Interest payable on PIK loans	**—**	10,904
Other interest payable	**97**	135
Debt issue costs amortisation	**1,579**	3,328
Refinancing costs	**375**	3,178
Non-utilisation fees	**261**	77
Total finance costs	**20,675**	28,212

5. Taxation

	40 weeks ended 5 July 2015	40 weeks ended 6 July 2014
	£000	£000
UK Corporation tax		
Current tax on income for the period	**—**	—
Total current tax	**—**	—
Deferred tax		
Origination and reversal of timing differences	**1,897**	1,079
Adjustment in respect of change in tax rate	**18**	26
Adjustments in respect of prior periods	**792**	—
	2,707	1,105
Deferred tax		
Defined benefit pension scheme	**—**	—
Tax charge on profit on ordinary activities	**2,707**	1,105

6. Goodwill and operating lease intangible assets

	Operating leases	Goodwill
	£000	£000
Cost		
At 29 September 2013	16,576	108,335
Acquisitions through business combinations	25,490	2,691
Disposals	(704)	(575)
At 28 September 2014	41,362	110,451
Acquisitions through business combinations	60	—
Disposals	—	(452)
At 5 July 2015	41,422	109,999
Amortisation		
At 29 September 2013	(3,183)	(3,810)
Charge for the year	(2,629)	—
Disposals	704	—
At 28 September 2014	(5,108)	(3,810)
Charge in the period	(2,574)	—
Disposals	—	—
At 5 July 2015	(7,682)	(3,810)
Net book value		
At 5 July 2015	**33,740**	**106,189**
At 28 September 2014	36,254	106,641
At 29 September 2013	13,393	104,525

During the period ended 5 July 2015 the Group acquired one site from Ha Ha Bar and Grill Limited. Total purchase price was £175,000, of which £60,000 related to the operating lease and £115,000 to furniture, fixtures and equipment.

Operating leases of £25,490,000 were acquired during the period ended 28 September 2014 as part of the acquisition of 78 sites from the Administrator of the Bramwell Pub Company. Goodwill associated with this business combination was £2,691,000.

6. Goodwill and operating lease intangible assets (Continued)

Goodwill has been reduced in the period by £452,000 (2014: £575,000), representing the apportioned value of goodwill allocated to those sites disposed of during the period.

7. Property, plant and equipment

	Leasehold improvements	Land and buildings	Furniture, fixtures and equipment	Total
	£000	£000	£000	£000
Cost				
At 29 September 2013	76,675	236,983	126,898	440,556
Acquisitions through business combinations	—	5,890	794	6,684
Additions	8,771	3,205	27,676	39,652
Disposals	(1,337)	(3,999)	(5,514)	(10,850)
At 28 September 2014	84,109	242,079	149,854	476,042
Acquisitions through business combinations	—	—	115	115
Additions	8,508	6,548	24,616	39,672
Disposals	(2,814)	(4,390)	(3,230)	(10,434)
At 5 July 2015	89,803	244,237	171,355	505,395
Depreciation				
At 29 September 2013	(13,213)	(6,603)	(38,362)	(58,178)
Charge for the period	(4,799)	(370)	(18,260)	(23,429)
Impairment	(802)	—	(56)	(858)
Disposals	1,154	194	4,179	5,527
At 28 September 2014	(17,660)	(6,779)	(52,499)	(76,938)
Charge for the period	(4,448)	(368)	(17,475)	(22,291)
Release of impairment	150	587	583	1,320
Disposals	1,244	160	1,532	2,936
At 5 July 2015	(20,714)	(6,400)	(67,859)	(94,973)
Net book value				
At 5 July 2015	**69,089**	**237,837**	**103,496**	**410,422**
At 28 September 2014	66,449	235,300	97,355	399,104
At 29 September 2013	63,462	230,380	88,536	382,378

During the period ended 5 July 2015 the Group acquired one site from Ha Ha Bar and Grill Limited. Total purchase price was £175,000, of which £60,000 related to the operating lease and £115,000 to furniture, fixtures and equipment.

Included in property, plant and equipment are properties with a net book value of £258,572,000 over which the Group's borrowings are secured by way of fixed and floating charges.

Land and buildings includes £9,349,000 (2014: £9,349,000) relating to long leasehold sites; £161,949,000 of freehold land (2014: £163,053,000) and £65,004,000 of freehold properties (2014: £62,898,000).

8. Disposals

During the period the Group disposed of sixteen sites to third parties for net consideration of £5,339,000, with associated costs of sale and closure costs of £592,000, tangible fixed assets with net book values of £6,178,000 and goodwill with net book values of £452,000. Total loss on disposal was £1,863,000.

9. Trade and other receivables

	5 July 2015	6 July 2014
	£000	£000
Trade receivables	**3,940**	4,973
Other receivables	**8,594**	7,900
Prepayments and accrued income	**13,518**	15,361
	26,052	28,234

10. Trade and other payables

	5 July 2015	6 July 2014
	£000	£000
Trade payables	**26,186**	26,126
Amounts due to group undertakings	**3,122**	3,070
Other taxation and social security	**13,691**	14,582
Other payables	**11,512**	12,170
Accruals	**30,882**	18,798
	85,393	74,746

11. Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	5 July 2015	6 July 2014
	£000	£000
Current liabilities		
Bank overdrafts	**2,129**	10,473
	2,129	10,473
Non-current liabilities		
Secured loan notes issued by Stonegate Pub Company Financing plc	**392,465**	390,148
	392,465	390,148

Secured loan notes are shown net of debt issue costs of £7,535,000.

Terms and debt repayment schedule:

	Principal borrowed	Year of maturity	Principal outstanding	
			5 July 2015	6 July 2014
	£000		£000	£000
Secured fixed notes	260,000	2019	**260,000**	260,000
Secured floating notes	140,000	2019	**140,000**	140,000
			400,000	400,000

On 11 April 2014 Stonegate Pub Company Financing plc, a public limited company incorporated under the laws of England and Wales and a wholly owned subsidiary of the Company, received £400,000,000 from the issue of £260,000,000 fixed loan notes charging an annual interest rate of 5.75% and £140,000,000 floating loan notes charging an annual interest rate of 3 months LIBOR + 4.75%. The Notes will mature on 15 April 2019. Amortised debt issue costs of £7,535,000 offset the loan balance at the period end.

11. Borrowings (Continued)

The proceeds from the issue of the loan notes were used to repay the existing bank loan; repay the shareholder PIK loan; make a distribution of £47,800,000 to shareholders; to pay fees in connection with the transaction and for general corporate purposes.

On 12 August 2011 the Company entered into an interest rate swap linked to its external shareholder loan fixing the interest rate at 3% for the loan amount of £290,000,000.

12. Provisions

	Onerous leases	Health and safety claims	Total
	£000	£000	£000
At 28 September 2014	1,083	1,345	2,428
Utilised	(20)	—	(20)
Released	(110)	—	(110)
At 5 July 2015	**953**	**1,345**	**2,298**
At 29 September 2013	1,438	1,694	3,132
Additions	—	—	—
Released	(60)	—	(60)
At 6 July 2014	1,378	1,694	3,072

The onerous lease provision includes amounts for lease rentals and costs of exiting closed and loss-making sites which the Group acquired during a prior period. The Directors have determined that these sites operate under onerous property leases and have provided the expected shortfall between operating income and rents payable for a property. The estimated period required to mitigate these losses is identified on an individual property basis. The release of the provisions primarily relates to the successful exit of sites at a rate below originally expected.

The health and safety claims provision is an estimate of the claims which the Group expects to settle over the next two years. These claims generally relate to minor incidents of personal injury at sites and the level of provision has been based on managements' expected future successful claim rate.

13. Financial instruments

On 12 August 2011 the Company entered into an interest rate swap linked to its external shareholder loan fixing the interest rate at 3% for the loan amount of £290,000,000. On 11 April 2014 the swap was reduced to £140,000,000 in line with the floating loan notes. The fair value of the swap as at the period end is a liability of £1,562,000.

14. Net debt

Analysis of changes in net debt:

	At 29 September 2013	Cash flow	Non-cash movements	At 28 September 2014	Cash flow	Non-cash movements	At 5 July 2015
	£000	£000	£000	£000	£000	£000	£000
Cash at bank and in hand	9,004	19,601	—	28,605	(16,598)	—	12,007
Bank overdraft	(1,692)	(3,359)	—	(5,051)	2,922	—	(2,129)
	7,312	16,242	—	23,554	(13,676)	—	9,878
Debt due after one year	(300,954)	(99,046)	—	(400,000)	—	—	(400,000)
Net debt per balance sheet	**(293,642)**	**(82,804)**	**—**	**(376,446)**	**(13,676)**	**—**	**(390,122)**

14. Net debt (Continued)

	At 29 September 2013	Cash flow	Non-cash movements	At 6 July 2014
	£000	£000	£000	£000
Cash at bank and in hand	9,004	2,983	—	11,987
Bank overdraft	(1,692)	(8,781)	—	(10,473)
	7,312	(5,798)	—	1,514
Debt due after one year	(300,954)	(77,551)	(21,495)	(400,000)
Net debt per balance sheet	**(293,642)**	**(83,349)**	**(21,495)**	**(398,486)**

15. Pensions

The Group operates two defined benefit pension schemes providing benefits based on final pensionable salary. The assets of the schemes are held separately from those of the Group.

The defined benefit obligation as at 5 July 2015 is calculated on a year-to-date basis, using the latest actuarial valuation as at 28 February 2011 and was updated for FRS 19 purposes to 5 July 2015 by a qualified independent actuary. The defined benefit plan assets have been updated to reflect their market value as at 5 July 2015. Differences between the expected return on assets and the actual return on assets have been recognised as an actuarial gain or loss in the consolidated statement of total recognised gains and losses in accordance with the Group's accounting policy.

The Group also participates in defined contribution pension schemes for the benefit of certain employees. The assets of the schemes are held separately from those of the Group in independently administered funds.

The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

16. Post balance sheet events

Subsequent to the period end, on 17th July 2015, Stonegate Pub Company Limited acquired 15 sites from the Administrator of Maclay Inns Limited. Total consideration was £13,501,000. As part of this transaction Stonegate Pub Company Limited increased the existing bank overdraft by £10,000,000.

Stonegate Pub Company Limited

Annual report and financial statements

For the 52 weeks ended 28 September 2014

Registered number FC029833

Contents

Company information

Directors
Manjit Dale
Philip Rowland
Marino Gudmundsson
Ian Payne
David Ross

Secretary
Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Registered office
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors of Stonegate Pub Company Limited ('the directors') have accepted responsibility for the preparation of the Strategic report, Director's report and non-statutory accounts for the period ended 28 September 2014 which are intended by them to give a true and fair view of the state of affairs of the Group and of the profit or loss for that period. They have decided to prepare the non-statutory accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and applicable law.

In preparing these non-statutory accounts, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with IFRS, as adopted by the EU;
- prepared the non-statutory accounts on the going concern basis as they believe that the Group will continue in business.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP
Audit
58 Clarendon Road
Watford WD17 1DE
United Kingdom

Tel +44 (0) 1923 830000
Fax +44 (0) 1923 214500
DX 147000 Watford 13

Private & confidential
The Directors
Stonegate Pub Company Limited
Porter Tun House
500 Capability Green
Luton
LU1 3LS

Our ref

Contact Simon Haydn-Jones
Tel 0118 964 4971

The Directors
Stonegate Pub Company Holdings Limited
c/o Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

TDR Capital II 'A' L.P.
TDR Capital II 'B' L.P.
TDR Capital II 'C' L.P.
TDR Capital II Associates L.P.
and TDR Capital General Partner II L.P.
each acting by their manager
TDR Capital LLP
20 Bentinck Street
London
W1U 2EU

23 January 2015

Dear Sirs

Independent auditor's report to Stonegate Pub Company Limited ("the Company"), Stonegate Pub Company Holdings Limited, and TDR Capital II 'A' L.P., TDR Capital II 'B' L.P., TDR Capital II 'C' L.P., TDR Capital II Associates L.P., and TDR Capital General Partner II L.P., these five limited partnerships each acting by their manager, TDR Capital LLP, and their respective directors or executive officers

We have audited the non-statutory Group accounts of Stonegate Pub Company Limited and its subsidiaries (collectively "the Group") for the 52 week period ended 28 September 2014 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement and the related notes. These non-statutory Group accounts have been prepared for the reasons set out in note 1 to the non-statutory Group accounts and on the basis of the financial reporting framework of International Financial Reporting Standards (IFRSs) as adopted by the EU.

Our report has been prepared for the Stonegate Pub Company Limited ("the Company"), Stonegate Pub Company Holdings Limited, and TDR Capital II 'A' L.P., TDR Capital II 'B' L.P., TDR Capital II 'C' L.P., TDR Capital II Associates L.P., and TDR Capital General Partner II L.P., these five limited partnerships each acting by their manager, TDR Capital LLP, and their respective directors or executive officers ("the Addressees") solely in response to a request from the Addressees for an opinion from independent

KPMG LLP, a UK limited liability partnership, is a subsidiary of KPMG Europe LLP and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity.

Registered in England No OC301540
Registered office: 15 Canada Square, London, E14 5GL

KPMG LLP

23 January 2015

auditors on the truth and fairness of the non-statutory Group accounts. It has been released to the Addressees on the basis that our report shall not be copied, referred to or disclosed, in whole (save for the Addressees' own internal purposes) or in part, without our prior written consent.

Our report was designed to meet the agreed requirements of the Addressees determined by their needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Addressees for any purpose or in any context. Any party other than the Addressees who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

Respective responsibilities of the Company's directors and KPMG LLP

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the Company's directors are responsible for the preparation of the non-statutory Group accounts, which are intended by them to give a true and fair view. Our responsibility is to audit, and express an opinion on, the non-statutory Group accounts in accordance with the terms of our engagement letter dated 11 November 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the non-statutory Group accounts

An audit involves obtaining evidence about the amounts and disclosures in the non-statutory Group accounts sufficient to give reasonable assurance that the non-statutory Group accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the non-statutory Group accounts. In addition we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited non-statutory Group accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on non-statutory Group accounts

In our opinion the non-statutory Group accounts:

- give a true and fair view of the state of the Group's affairs as at 28 September 2014 and of the Group's profit for the period then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the EU.

KPMG LLP

KPMG LLP
Chartered Accountants
23 January 2015

Consolidated Income Statement

For the 52 weeks ended 28 September 2014

		52 weeks ended 28 September 2014			52 weeks ended 29 September 2013		
	Notes	Pre-exceptional items	Exceptional items[1]	Total	Pre-exceptional items	Exceptional items[1]	Total
		£000	£000	£000	£000	£000	£000
Revenue	2	**557,699**	**—**	**557,699**	470,272	—	470,272
Operating costs		**(499,815)**	**(7,683)**	**(507,498)**	(422,419)	1,026	(421,393)
Operating profit before depreciation, amortisation, impairment and loss on sale of non-current assets		**57,884**	**(7,683)**	**50,201**	47,853	1,026	48,879
Depreciation, amortisation and impairment		**(26,058)**	**(858)**	**(26,916)**	(21,156)	(4,625)	(25,781)
Loss on sale of non-current assets		**(210)**	**—**	**(210)**	(1,844)	—	(1,844)
Operating profit/(loss)		**31,616**	**(8,541)**	**23,075**	24,853	(3,599)	21,254
Finance income	5	**256**	**—**	**256**	70	—	70
Finance costs	6	**(29,020)**	**(5,504)**	**(34,524)**	(25,168)	(2,237)	(27,405)
Movement in fair value of interest rate swaps		**4,085**	**—**	**4,085**	3,775	—	3,775
Profit/(loss) before taxation		**6,937**	**(14,045)**	**(7,108)**	3,530	(5,836)	(2,306)
UK income tax credit/(charge)	8	**3,458**	**—**	**3,458**	(5,109)	—	(5,109)
Profit/(loss) for the period		**10,395**	**(14,045)**	**(3,650)**	(1,579)	(5,836)	(7,415)

(1) Exceptional items are explained further in note 7.

The notes on pages F-34 to F-69 form part of these financial statements.

Consolidated Income Statement (Continued)

For the 52 weeks ended 28 September 2014

		53 weeks ended 30 September 2012		
	Notes	Pre-exceptional items	Exceptional items[1]	Total
		£000	£000	£000
Revenue	2	484,263	—	484,263
Operating costs		(429,637)	(2,774)	(432,411)
Operating profit before depreciation, amortisation, impairment and profit on sale of non-urrent assets		54,626	(2,774)	51,852
Depreciation, amortisation and impairment		(22,837)	(1,592)	(24,429)
Profit on sale of non-current assets		916	—	916
Operating profit/(loss)		32,705	(4,366)	28,339
Finance income	5	281	—	281
Finance costs	6	(8,992)	—	(8,992)
Movement in fair value of interest rate swaps		(8,104)	—	(8,104)
Profit/(loss) before taxation		15,890	(4,366)	11,524
UK income tax credit	8	1,681	—	1,681
Profit/(loss) for the period		17,571	(4,366)	13,205

(1) Exceptional items are explained further in note 7.

The notes on pages F-34 to F-69 form part of these financial statements.

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 28 September 2014

	Notes	2014 52 weeks	2013 52 weeks	2012 53 weeks
		£000	£000	£000
(Loss)/profit for the period		**(3,650)**	(7,415)	13,205
Items that will not be reclassified to profit or loss				
Re-measurement of defined benefit pension schemes	23	**(1,910)**	(243)	(4,411)
Tax credit relating to components of other comprehensive income		**110**	3	1,059
Other comprehensive expense after tax		**(1,800)**	(240)	(3,352)
Total comprehensive (loss)/income for the period		**(5,450)**	(7,655)	9,853

The notes on pages F-34 to F-69 form part of these financial statements.

Consolidated Balance Sheet

At 28 September 2014

	Notes	28 September 2014	29 September 2013	30 September 2012
		£000	£000	£000
Assets				
Non-current assets				
Property, plant and equipment	9	**399,104**	382,378	379,662
Operating leases	10	**36,254**	13,393	11,999
Goodwill	10	**106,641**	104,525	104,251
Deferred tax assets	14	**—**	—	3,714
		541,999	500,296	499,626
Current assets				
Inventories	15	**8,075**	6,910	6,509
Trade and other receivables	16	**25,599**	24,307	24,243
Cash and cash equivalents		**28,605**	9,004	399
		62,279	40,221	31,151
Total assets		**604,278**	540,517	530,777
Liabilities				
Current liabilities				
Trade and other payables	17	**(98,006)**	(71,670)	(51,934)
Borrowings	18	**(5,051)**	(1,692)	(2,201)
Derivative financial instruments	19	**(273)**	(1,090)	(1,845)
		(103,330)	(74,452)	(55,980)
Non-current liabilities				
Borrowings	18	**(390,661)**	(298,690)	(285,000)
Derivative financial instruments	19	**(1,092)**	(4,360)	(7,380)
Deferred tax liabilities	14	**(280)**	(2,164)	—
Retirement benefit obligations	23	**(7,108)**	(5,090)	(5,259)
Provisions	20	**(2,428)**	(3,132)	(6,874)
		(401,569)	(313,436)	(304,513)
Total liabilities		**(504,899)**	(387,888)	(360,493)
Net assets		**99,379**	152,629	170,284
Equity				
Called up share capital	21	**1,500**	1,500	1,500
Share premium		**135,453**	183,253	193,253
Retained earnings		**(37,574)**	(32,124)	(24,469)
Total equity		**99,379**	152,629	170,284

These financial statements were approved by the board of directors on 23 January 2015 and were signed on its behalf by:

David Ross
Director

Company registered number: FC029833

Consolidated Statement of Changes in Equity

For the 52 weeks ended 28 September 2014

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Total equity at 26 September 2011	1,500	193,253	(34,322)	160,431
Total comprehensive income / (losses):				
Profit for the period	—	—	13,205	13,205
Other comprehensive losses for the period	—	—	(3,352)	(3,352)
Total comprehensive income for the period	—	—	9,853	9,853
Total equity at 30 September 2012	**1,500**	**193,253**	**(24,469)**	**170,284**
Total comprehensive income / (losses):				
Loss for the period	—	—	(7,415)	(7,415)
Other comprehensive losses for the period	—	—	(240)	(240)
Total comprehensive loss for the period	—	—	(7,655)	(7,655)
Transactions with owners recorded directly in equity:				
Dividends paid	—	(10,000)	—	(10,000)
Total contributions by and distributions to owners of the Company	—	(10,000)	—	(10,000)
Total equity at 29 September 2013	**1,500**	**183,253**	**(32,124)**	**152,629**
Total comprehensive income / (losses):				
Loss for the period	—	—	(3,650)	(3,650)
Other comprehensive losses for the period	—	—	(1,800)	(1,800)
Total comprehensive loss for the period	—	—	(5,450)	(5,450)
Transactions with owners recorded directly in equity:				
Dividends paid	—	(47,800)	—	(47,800)
Total contributions by and distributions to owners of the Company	—	(47,800)	—	(47,800)
Total equity at 28 September 2014	**1,500**	**135,453**	**(37,574)**	**99,379**

Consolidated Cash Flow Statement

For the 52 weeks ended 28 September 2014

	2014 52 weeks	2013 52 weeks	2012 53 weeks
	£000	**£000**	**£000**
Cash flows from operating activities			
(Loss)/profit for the period	**(3,650)**	(7,415)	13,205
Adjustments for:			
—Depreciation, amortisation and impairment	**26,916**	25,781	24,429
—Loss/(profit) on sale of non-current assets	**210**	1,844	(916)
—Net finance costs	**34,268**	27,335	8,711
—Movement in fair value of interest rate swaps	**(4,085)**	(3,775)	8,104
—UK income tax (credit)/charge	**(3,458)**	5,109	(1,681)
	50,201	48,879	51,852
Changes in:			
—Inventories	**(347)**	(327)	(429)
—Receivables	**(1,059)**	902	(3,391)
—Payables	**21,750**	10,481	(16,729)
—Provisions	**(704)**	(4,426)	(2,151)
—Difference between pension contributions paid and amounts recognised in operating profit/(loss)	**(119)**	(634)	(1,188)
Cash generated from operating activities	**69,722**	54,875	27,964
Interest paid	**(13,731)**	(4,467)	(10,192)
Income tax paid	**—**	—	—
Net cash flow from operating activities	**55,991**	50,408	17,772
Cash flows from investing activities			
Purchase of property, plant and equipment	**(39,069)**	(23,822)	(26,488)
Proceeds from sale of property, plant and equipment	**5,658**	168	1,819
Interest received	**23**	18	281
Payments to acquire trading sites	**(34,200)**	(5,207)	—
Net cash acquired with trading sites	**201**	50	—
Net cash flow from investing activities	**(67,387)**	(28,793)	(24,388)
Cash flows from financing activities			
Dividends paid	**(47,800)**	(10,000)	—
Repayment of borrowings	**(336,001)**	(143,000)	(13,000)
Advance of borrowings	**425,000**	145,000	—
Financing costs	**(13,561)**	(4,501)	—
Net cash flow from financing activities	**27,638**	(12,501)	(13,000)
Net increase / (decrease) in cash and cash equivalents	**16,242**	9,114	(19,616)
Opening cash and cash equivalents	**7,312**	(1,802)	17,814
Closing cash and cash equivalents	**23,554**	7,312	(1,802)

Notes to the consolidated financial statements

1 Accounting policies

Stonegate Pub Company Limited (the "Company") is a governed by Cayman Island Company Law.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The consolidated financial statements have been prepared in accordance with Companies Law (2013 Revision) of the Cayman Islands. As the Cayman Islands do not have prescribed accounting standards, the Group has elected to prepare these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), as allowed under Cayman Island Company Law.

There is no statutory requirement for accounts to be prepared; however, these accounts are being prepared for the purpose of filing accounts of the UK branch of this overseas Group and formally setting out the financial performance and position of the Group.

No parent company information is presented in these consolidated financial statements, Companies Law (2013 Revision) in the Cayman Islands does not require such information to be presented. The parent company information has been prepared under FRS 102.

As there is no statutory requirement for the audit of 'unregulated entities' in the Cayman Islands, these consolidated financial statements have been subject to a non-statutory audit.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements and in preparing an opening IFRS balance sheet at 26 September 2011 for the purposes of the transition to Adopted IFRSs.

1.1 Transition to Adopted IFRSs

The Group is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in note 27.

1.2 Measurement convention

The financial statements are prepared on the historical cost basis with the exception of derivative financial instruments which are measured at fair value. Non-current assets and disposal Groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.3 Going concern

The Group's principal activities, together with the principal risks and uncertainties factors likely to affect its future development, performance and position are set out in the Strategic and Directors' Reports on pages 2 to 9. The financial position of the Group is set out in the Consolidated Balance Sheet on page 14 which shows net assets of £99,379,000 (2013: £152,629,000; 2012: £170,284,000). In addition, note 19 to the consolidated financial statements includes the Group's key exposures to credit risk and liquidity risk.

During the current period the Group has generated cash of £16,242,000 (2013: £9,114,000; 2012: cash outflow of £19,616,000) and recorded net current liabilities of £41,051,000 (2013: £34,231,000; 2012: £24,829,000). This is reflective of the normal working capital position which is funded through the standard trading cycle. The Directors consider that this is a normal feature of trading in this industry. Customers pay by cash resulting in minimal credit risk and the Group takes advantage of supplier credit terms. In the forthcoming period the Group expects to achieve year on year pre-exceptional operating profit growth and be cash generative.

At the balance sheet date, the Group was financed by fixed and floating rate loan notes totalling £400,000,000, details of which are set out in note 18.

The Group met its day-to-day working capital requirements through cash generation and a £25,000,000 overdraft facility. Management have prepared a board paper on going concern showing the Group's forecasts and projections prepared for a period covering fifteen months from the date of approval of the financial statements. Taking account of reasonable possible changes in trading performance, the board paper shows that the Group should be able to operate within the level of its current borrowing facility.

1 Accounting policies (Continued)

Applying sales based sensitivity year on year the Group's forecasts show that it would continue to operate within its facility.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements and for the foreseeable future thereafter. Thus they adopt the going concern basis of accounting in preparing these financial statements.

1.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 28 September 2014. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

1.5 Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1 Accounting policies (Continued)

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.7 Derivative financial instruments and hedging

Derivative financial instruments

The Group uses interest rate swaps to hedge its exposure to interest rate fluctuations on its floating rate loan notes.

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. The Group does not currently hold any derivatives that qualify for hedge accounting.

1.8 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- freehold properties are depreciated to their estimated residual values over 50 years;
- leasehold properties and improvements are depreciated over the shortest of 50 years, their estimated useful lives and their remaining lease periods;
- administration furniture, fixtures, fittings and equipment are depreciated over 2 to 15 years; and
- retail furniture, fixtures and equipment are depreciated over 3 to 15 years.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.9 Business combinations

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions post transition date

For acquisitions on or after 26 September 2011, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire, if any; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1 Accounting policies (Continued)

Acquisitions prior to IFRS transition date

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Group elected not to restate business combinations that took place prior to transition date. In respect of acquisitions prior to transition date, goodwill is included at transition date or earlier if applicable on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, certain items recognised as other intangibles under Adopted IFRS have been separately accounted for with appropriate adjustments against PPE and amortisation of goodwill ceased as required by IFRS 1.

1.10 Intangible assets and goodwill

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions is capitalised. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Operating lease intangible assets

The fair values attached to operating leasehold interests on acquisitions are deemed to represent lease premiums, and are carried as intangible assets. These operating leases are capitalised at cost. Amortisation is charged to the income statement on a straight-line basis over the lease lives.

1.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less any costs of disposal.

1.12 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest Group of assets that generates cash inflows from

1 Accounting policies (Continued)

continuing use that are largely independent of the cash inflows of other assets or Groups of assets (the "cash-generating unit").

The Group considers each of its individual pubs as a cash-generating unit. Each CGU is reviewed annually for indicators of impairment. When indicators of impairment are identified the carrying value of the individual pub is compared to its recoverable amount. The recoverable amount is determined as being the higher of the expected net realisable value of the value in use. For the purposes of goodwill impairment testing, all of the CGUs have been grouped together. This represents the lowest level at which goodwill is monitored by the Group and reflects its business model of managing and operating the pubs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

1 Accounting policies (Continued)

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.14 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.15 Revenue

Revenue is measured at the fair value of the consideration received or receivable and is mainly derived from the sale of food and drinks to third parties, after deducting discounts and VAT. It also includes certain services such as provision of entertainment. Revenue is recognised at the point of sale.

All revenue is derived from the one principal activity of the business, based solely within the United Kingdom.

In respect of the loyalty card scheme, the ScreamMore card, as points are issued to customers the retail fair value of those points expected to be redeemed is deferred. When the points are used by customers they are recorded as revenue.

1.16 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions. Financing income comprise interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

1.17 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1 Accounting policies (Continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.18 Non-current assets held for sale

A non-current asset or a Group of assets containing a non-current asset (a disposal Group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal Groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal Group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

1.19 Exceptional items

The Group presents separately on the face of the income statement those material, non-recurring, items of income and expense, which management consider will distort comparability, in order to provide a trend measure of underlying performance.

1.20 Significant accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, revenues and expenses during the period.

Management periodically evaluates its estimates and judgements and bases them on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are discussed below:

Impairment of property, plant, equipment and operating leases

Property, plant and equipment and operating leases are reviewed for impairment if there are any indicators to suggest that the carrying amount may not be recoverable. Recoverable amounts are determined based on value-in-use calculations and estimated sale proceeds. These calculations require assumptions to be made regarding projected cash flows and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Actual outcomes may vary from these estimates. These are disclosed in note 11.

1 Accounting policies (Continued)

Impairment of goodwill

The Group annually tests whether goodwill has been impaired. The recoverable amount of the groups of cash-generating units (CGUs) to which goodwill has been allocated is determined based on value-in-use calculations. These calculations require assumptions to be made regarding projected cash flows and the choice of an appropriate discount rate in order to calculate the value-in-use of those cash flows. These are disclosed in note 11. Actual outcomes could vary from these estimates.

Defined pension benefit schemes

The present value of defined benefit pension scheme liabilities are determined on an actuarial basis and depend on a number of actuarial assumptions, which are disclosed in note 23. Any changes in these assumptions could impact the carrying amounts of retirement benefit assets / liabilities.

Business combinations

The Group identifies separate assets and liabilities upon acquisition and recognises those assets at their fair value. The assessment of fair value, particularly for property, plant, equipment and operating leases acquired, is undertaken with reference to current market conditions.

Note 12 describes the business combinations in the current and prior periods and provides details of the fair value adjustments made in arriving at the fair value of assets and liabilities acquired.

1.21 New standards, interpretations and amendments to existing standards

The IASB and IFRIC have issued and endorsed the following standards, which are not yet effective and have not been early adopted by the Group, which will be adopted in future accounting periods:

- IFRS 10 Consolidated Financial Statements
- IAS 27 Separate Financial Statements (2011)
- IFRS 9 Financial Instruments

The amendments to published standards that have an effective date of after these financial statements have not been adopted early by the Group.

The Directors do not anticipate that the adoption of these standards and amendments will have a material impact on the Group's reported income or net assets in the period of adoption.

2 Revenue

The Group operates in one segment, being the sale of food and drinks to third parties.

	2014 52 weeks	**2013 52 weeks**	**2012 53 weeks**
	£000	**£000**	**£000**
Sales of food, beverages, admissions, hotel rooms and ma chine income .	**557,699**	470,272	484,263

3 Expenses

Included in operating profit / (loss) are the following expenses:

	2014 52 weeks £000	2013 52 weeks £000	2012 53 weeks £000
Drink and food costs	**161,790**	140,886	149,110
Employment costs	**142,303**	116,653	118,466
Operating lease rentals	**40,653**	33,932	35,369
Other costs	**162,752**	129,922	129,466
Depreciation, amortisation and impairment	**26,916**	25,781	24,429
Loss / (profit) on sale of non-current assets	**210**	1,844	(916)
Costs deducted from revenue to determine operating profit/(loss)	**534,624**	449,018	455,924

Included within operating profit / (loss) are £8,541,000 of costs (2013: £3,599,000; 2012: £4,366,000) relating to exceptional items (see note 7).

4 Employees

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	2014 52 weeks	2013 52 weeks	2012 53 weeks
Head office administration(1)	**236**	214	214
Retail(1)	**12,679**	10,446	10,363
	12,915	10,660	10,577

(1) Employee numbers relate to actual employees rather than full-time employee equivalents.

At the period end the Group had 12,546 employees (2013: 10,825 employees; 2012: 10,299 employees).

The aggregate payroll costs of these persons were as follows:

	2014 52 weeks £000	2013 52 weeks £000	2012 53 weeks £000
Wages and salaries	**133,099**	109,339	110,758
Social security costs	**8,244**	6,800	7,142
Pension costs	**960**	514	566
	142,303	116,653	118,466

5 Finance income

	2014 52 weeks £000	2013 52 weeks £000	2012 53 weeks £000
Other interest receivable	**256**	70	281
Total finance income	**256**	70	281

6 Finance costs

	2014 52 weeks	2013 52 weeks	2012 53 weeks
	£000	£000	£000
Interest payable on bank loans	**16,132**	9,621	8,829
Interest payable on PIK loans	**10,904**	15,317	—
Other interest payable	**236**	8	91
Net pensions finance charge	**227**	222	72
Debt issue costs amortisation	**3,815**	789	—
Refinancing costs	**3,210**	1,448	—
Total finance costs	**34,524**	27,405	8,992

Included within finance costs are £5,504,000 of costs (2013: £2,237,000; 2012: £Nil) relating to exceptional items (see note 7).

7 Exceptional items

	2014 52 weeks	2013 52 weeks	2012 53 weeks
	£000	£000	£000
Operating exceptional items			
Acquisition costs	**3,532**	337	—
Restructuring and integration costs	**3,538**	506	2,774
Compensation for loss of office	**613**	—	—
Release of onerous lease provisions	**—**	(1,869)	—
Impairment of property, plant and equipment (note 11)	**858**	4,507	1,592
Impairment of goodwill (note 11)	**—**	118	—
	8,541	3,599	4,366
Finance costs	**5,504**	2,237	—
Total exceptional items	**14,045**	5,836	4,366

Acquisition costs: Acquisition costs are items of one-off expenditure incurred in connection with the purchase of 78 sites from the Administrator of the Bramwell Pub Company made during the current period and the acquisition of 13 sites from PBR Leisure Ltd during the prior period (see note 12). These costs include legal and professional fees and stamp duties which are expensed as incurred.

Restructuring and integration costs: In the period following acquisitions, the Group incurred costs to combine and streamline the operations of the acquired businesses with the Group.

Compensation for loss of office: relates to redundancy payments made to key management personnel.

Release of onerous lease provisions: relates to sites disposed of during the period for which there was an onerous lease provision.

Finance costs: During the period the Group re-structured its debt arrangements. Fees of £3,240,000 associated with this are regarded as exceptional in nature. Debt issue costs of £2,264,000 relating to a prior refinancing were also written off during the period. In the prior period the Group re-structured its financing in December 2012. Fees associated with this totalled £1,448,000 and debt issue costs amortisation of £789,000 was charged in the period.

8 Taxation

	52 weeks £000	52 weeks £000	53 weeks £000
Tax (credited)/charged in the income statement			
Current tax:			
—UK corporation tax	**—**	—	—
—Adjustments in respect of prior years	**—**	—	—
Total current tax credit	**—**	—	—
Deferred tax (note 14):			
—Origination and reversal of temporary differences	**2,187**	3,606	927
—Adjustments in respect of previous periods	**(5,428)**	1,466	(2,100)
—Rate change	**(217)**	37	433
—Recognition of previously unrecognised tax losses	**—**	—	(941)
Total deferred tax (credit)/charge	**(3,458)**	5,109	(1,681)
Total tax (credited) / charged in the income statement	**(3,458)**	5,109	(1,681)

	2014 52 weeks £000	2013 52 weeks £000	2012 53 weeks £000
Tax charged in other comprehensive income			
Deferred tax:			
—Re-measurement of defined benefit pension schemes	**110**	3	1,059
Total tax credit recognised in other comprehensive income	**110**	3	1,059

Reconciliation of total tax charge

The effective rate of tax is different to the full rate of corporation tax. The differences are explained below:

	2014 52 weeks £000	2013 52 weeks £000	2012 53 weeks £000
(Loss) / profit before tax	**(7,108)**	(2,306)	11,524
Tax at current UK corporation tax rate of 22.0% (2013: 23.51%; 2012: 25.02%))	**(1,564)**	(542)	2,883
Expenses not deductible	**3,973**	4,599	2,812
Impact of rate change	**(217)**	37	433
Capital gain	**—**	—	—
Group relief not paid for	**(222)**	608	(1,264)
Transfer pricing adjustment	**—**	(759)	(3,204)
Recognition of previously unrecognised deferred tax assets	**—**	—	(941)
Adjustment in respect of previous periods	**(5,428)**	1,466	(2,100)
Utilisation of brought forward losses on which no deferred tax was previously recognised	**—**	(300)	(300)
Total tax (credited) / charged in the income statement	**(3,458)**	5,109	(1,681)

9 Property, plant and equipment

	Leasehold improvements	Land and buildings	Furniture, fixtures and equipment	Total
	£000	£000	£000	£000
Cost				
At 26 September 2011	67,153	231,525	92,341	391,019
Additions	4,738	1,944	19,780	26,462
Disposals	(818)	(390)	(383)	(1,591)
Reclassification	1,400	—	(1,400)	—
At 30 September 2012	72,473	233,079	110,338	415,890
Acquisitions through business combinations	—	—	600	600
Additions	5,519	3,991	17,503	27,013
Disposals	(1,321)	(87)	(1,539)	(2,947)
Reclassification	4	—	(4)	—
At 29 September 2013	76,675	236,983	126,898	440,556
Acquisitions through business combinations	—	5,890	794	6,684
Additions	8,771	3,205	27,676	39,652
Disposals	(1,337)	(3,999)	(5,514)	(10,850)
At 28 September 2014	**84,109**	**242,079**	**149,854**	**476,042**
Depreciation				
At 26 September 2011	(1,814)	(2,648)	(8,261)	(12,723)
Charge for the year	(4,337)	(2,942)	(14,894)	(22,173)
Impairment (note 11)	(1,301)	—	(291)	(1,592)
Disposals	148	20	92	260
Reclassification	(177)	—	177	—
At 30 September 2012	(7,481)	(5,570)	(23,177)	(36,228)
Charge for the year	(4,180)	(209)	(14,580)	(18,969)
Impairment (note 11)	(2,495)	(825)	(1,187)	(4,507)
Disposals	956	1	569	1,526
Reclassification	(13)	—	13	—
At 29 September 2013	(13,213)	(6,603)	(38,362)	(58,178)
Charge for the year	(4,799)	(370)	(18,260)	(23,429)
Impairment (note 11)	(802)	—	(56)	(858)
Disposals	1,154	194	4,179	5,527
At 28 September 2014	**(17,660)**	**(6,779)**	**(52,499)**	**(76,938)**
Net book value				
At 28 September 2014	**66,449**	**235,300**	**97,355**	**399,104**
At 29 September 2013	63,462	230,380	88,536	382,378
At 30 September 2012	64,992	227,509	87,161	379,662
At 26 September 2011	65,339	228,877	84,080	378,296

Included in property, plant and equipment are properties with a net book value of £260,737,000 over which the Group's borrowings are secured by way of fixed and floating charges.

Land and buildings includes £9,349,000 (2013: £9,349,000; 2012: £9,349,000) relating to long leasehold sites; £163,053,000 of freehold land (2013: £165,327,000; 2012: £165,401,000) and £62,898,000 of freehold properties (2013: £55,704,000; 2012: £52,759,000).

10 Goodwill and operating lease intangible assets

	Operating leases	Goodwill
	£000	£000
Cost		
At 26 September 2011	13,276	108,018
Disposals	—	(75)
At 30 September 2012	13,276	107,943
Acquisitions through business combinations	6,992	772
Disposals	(3,692)	(380)
At 29 September 2013	16,576	108,335
Acquisitions through business combinations	25,490	2,691
Disposals	(704)	(575)
At 28 September 2014	**41,362**	**110,451**
Amortisation		
At 26 September 2011	(613)	(3,692)
Charge for the year	(664)	—
At 30 September 2012	(1,277)	(3,692)
Charge for the year	(2,187)	—
Disposals	281	—
Impairment (note 11)	—	(118)
At 29 September 2013	(3,183)	(3,810)
Charge for the year	(2,629)	—
Disposals	704	—
At 28 September 2014	**(5,108)**	**(3,810)**
Net book value		
At 28 September 2014	**36,254**	**106,641**
At 29 September 2013	13,393	104,525
At 30 September 2012	11,999	104,251
At 26 September 2011	12,663	104,326

Operating leases of £25,490,000 and were acquired during the period as part of the acquisition of 78 sites from the Administrator of the Bramwell Pub Company. Goodwill associated with this business combination was £2,691,000 (see note 12). During the prior period the Group acquired 13 sites from PBR Leisure and £6,627,000 of operating leases with associated goodwill of £772,000. In the period ended 29 September 2013 the Group also acquired 2 individual sites with £365,000 of operating leases.

Goodwill has been reduced in the period by £575,000 (2013: £380,000; 2012: £75,000), representing the apportioned value of goodwill allocated to those sites disposed of during the period.

11 Impairment losses

Property, plant and equipment and operating lease intangible assets

The Group considers each of its individual pubs as a cash-generating unit (CGU). Each CGU is reviewed annually for indicators of impairment. When indicators of impairment are identified the carrying value of the individual pub is compared to its recoverable amount. The recoverable amount is determined as being the higher of the expected net realisable value or the value in use.

The value in use is determined using the present value of the expected cash flows attributable to that site using a discount rate of 10.0% (2013: 11.4%; 2012: 7%) applied to the future expected cash flows using a growth rate of 3.0%.

11 Impairment losses (Continued)

Where a reliable estimate of the net realisable value is available and is higher than the carrying amount of the asset, the asset is not impaired and there no value in use is calculated.

Indicators of impairment were found in each of the periods ended 28 September 2014, 29 September 2013 and 30 September 2012 and consequently impairment reviews were carried out on the affected CGUs. Impairments totalling £858,000 (2013: £4,507,000; 2012: £1,592,000) were identified.

Goodwill

For the purposes of goodwill impairment testing, all of the CGUs have been grouped together. This represents the lowest level at which goodwill is monitored by the Group and reflects its business model of managing and operating over 600 pubs.

The recoverable amount of goodwill has been calculated with reference to its value in use, using cash flow projections. The value in use calculation is based on budgeted earnings before interest and taxation, the pre-tax discount rate and the growth rate used to extrapolate cash flows beyond the budgeted period. The pre-tax risk adjusted discount rate applied to cash flow projections was 10.0% (2013: 11.4%; 2012: 7%). Management have estimated the discount rate by reference to past experience and an industry average weighted cost of capital as adjusted for appropriate risk factors reflecting current economic conditions and the risk profile of the CGUs. The growth rate applied to cash flows over the five year period is 3.0%.

The Group's estimate of impairments is most sensitive to changes in the discount rate and forecast cash flows. Sensitivity analysis has been carried out by reference to both these assumptions. This demonstrated that neither a 5% reduction in the growth rate, nor a 5% increase in the discount rate would lead to an impairment of goodwill.

Based on the above, the Group considers that its goodwill impairment calculations are not sensitive to any reasonable change in the key assumptions.

12 Acquisitions and disposals

Acquisitions in the current period

On 15 November 2013, Stonegate Pub Company Limited acquired seventy eight sites from the Administrator of the Bramwell Pub Company. Total cash consideration was £34,200,000, of which £14,000,000 was deferred consideration and was paid in May 2014. As part of this transaction Stonegate Pub Company Limited increased its existing bank loan by £25,000,000, which was subsequently repaid.

The business has been acquired for the purpose of integrating it into the Group's existing brands and approach to market where it is believed that synergies and economies of scale can be obtained.

A summary of the book and fair values of the assets and liabilities acquired are given in the table below:

	Book value	Adjustments	Fair value
	£000	£000	£000
Operating leases	14,486	11,004	25,490
Property, plant and equipment	11,613	(4,929)	6,684
Stock	1,023	(205)	818
Cash	201	—	201
Deferred tax liability	—	(1,684)	(1,684)
Net assets acquired	27,323	4,186	31,509
Purchase price satisfied by:			
Initial cash consideration			20,200
Deferred cash consideration at fair value			14,000
Goodwill			2,691

Goodwill is considered to represent the value of the acquired workforce and the benefits that will be gained from combining these sites with the Group's existing portfolio of brands and sites.

12 Acquisitions and disposals (Continued)

The Group incurred acquisition-related costs of £3,442,000 related to stamp duty and external legal and professional fees. These costs have been included in ‘operating costs’ in the consolidated income statement (see note 7).

Fair value adjustments principally relate to:

Operating leases: The fair value of lease premiums was derived through a third party valuation and increase the book value by £11,004,000.

Property, plant and equipment: Included in property, plant and equipment is freehold property given a third party valuation of £5,890,000 and fixtures and fittings adjusted to fair value based on the directors’ internal valuation.

Stock: The adjustment reflects the fair value applied to stock at the date of acquisition.

Post-acquisition to 28 September 2014 these sites have contributed £60,838,000 in revenue and £8,728,000 in operating profit.

Acquisitions in the prior period

On 13 August 2013 the Group acquired the trade, assets and the leasehold interest in thirteen restaurant bars from PBR Leisure Ltd for a total cash consideration of £4,905,000.

The business has been acquired for the purpose of integrating it into the Group’s existing brands and approach to market culture as it is believed that synergies and economies of scale can be obtained.

A summary of the book and fair values of the assets and liabilities acquired are given in the table below:

	Book value	Adjustments	Fair value
	£000	£000	£000
Operating leases	—	6,627	6,627
Property, plant and equipment	2,992	(2,392)	600
Stock	324	(250)	74
Receivables	966	—	966
Cash	50	—	50
Payables	—	(3,412)	(3,412)
Deferred tax liability	—	(772)	(772)
Net assets acquired	4,332	(199)	4,133
Purchase price satisfied by:			
Initial cash consideration			4,905
Goodwill			772

The Group incurred acquisition-related costs of £224,000 in the period ended 29 September 2013 and £90,000 in the period ended 28 September 2014 related to stamp duty and external legal and professional fees. These costs have been included in ‘operating costs’ in the consolidated income statement (see note 7).

Fair value adjustments principally relate to:

Operating leases: The Group has allocated £6,627,000 to the value of the leases. Lease premiums represent the inherent market value of the leases and were derived through a third party valuation.

Property, plant and equipment: Property, plant and equipment has been adjusted to fair value based on the directors’ internal valuation.

Stock: The adjustment reflects the fair value applied to stock at the date of acquisition.

Payables: The adjustment relates to the eventual option of the landlord to pre-empt their rights over one site. As a result this site has been included in both property, plant and equipment additions and disposals during the period in note 9.

12 Acquisitions and disposals (Continued)

Post-acquisition to 29 September 2013 the turnover for these sites was £2,412,000 and the operating loss was £96,000.

During the period ended 29 September 2013 the Group also acquired two individual pubs resulting in operating lease additions of £365,000 and acquisition-related costs of £113,000.

Disposals

During the period the Group disposed of fifteen sites to third parties for net consideration of £6,068,000, with associated costs of sale and closure costs of £410,000, and tangible fixed assets with net book values of £5,293,000 and goodwill of £575,000. Total loss on disposal was £210,000.

During the prior period the Group disposed of nine sites to third parties for net consideration of £552,000, with associated costs of sale and closure costs of £384,000, and tangible fixed assets with net book values of £2,811,000 and goodwill of £380,000. The Group was also able to realise a profit on disposal of £1,179,000 relating to the disposal of a site during the period which was transferred between Group companies in a prior period. Total loss on disposal was £1,844,000.

During the period ended 30 September 2012 the Group disposed of six sites to third parties for net consideration of £2,091,000, with associated costs of sale of £272,000, and tangible fixed assets with net book values of £1,331,000 and goodwill of £75,000. Furthermore, utilisation of onerous lease provisions during the period resulted in £503,000 being credited to profit on sale of non-current assets, resulting in an overall profit on sale of fixed assets of £916,000.

13 Investments in subsidiaries

The Company has the following investments in subsidiaries.

Name of company	Country of incorporation	Class of shares held	Proportion held	Nature of business
Stonegate Pub Company Financing plc	England and Wales	Ordinary	100%	Financing
Plato Company 3 Limited	Cayman Islands	Ordinary	100%	Holding company
Town and City Pub Group Limited*	England and Wales	Ordinary	100%	Holding company
Barley Pub Company Limited*	England and Wales	Ordinary	100%	Operation of licensed bars
Hops Pub Company Limited*	England and Wales	Ordinary	100%	Operation of licensed bars
Plato Restaurant Holdings Limited*	Cayman Islands	Ordinary	100%	Holding company
Bay Restaurant Holdings Limited*	Cayman Islands	Ordinary	100%	Holding company
Bay Restaurant Group Limited*	England and Wales	Ordinary	100%	Holding company
Slug and Lettuce Company Limited*	England and Wales	Ordinary	100%	Operation of licensed bars

* Held indirectly

14 Deferred tax assets and liabilities

Movement in deferred tax during the period is as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
At beginning of period	**(2,164)**	3,714	974
Credited/(charged) to income statement	**3,458**	(5,109)	1,681
Credited to equity	**110**	3	1,059
Acquisitions	**(1,684)**	(772)	—
At end of period	**(280)**	(2,164)	3,714

The movements in deferred tax assets and liabilities during the period are shown below:

Deferred tax assets

	Tax losses	Retirement benefit liabilities	Financial instruments	Property, plant and equipment	Temporary differences	Total
	£000	£000	£000	£000	£000	£000
At 26 September 2011	5,042	94	280	5,031	16	10,463
(Charged)/credited to income statement	(89)	—	1,842	(1,259)	186	680
Recognised in other comprehensive income	—	1,059	—	—	—	1,059
At 30 September 2012	4,953	1,153	2,122	3,772	202	12,202
Charged to income statement	(3,586)	(112)	(1,032)	(1,770)	(148)	(6,648)
Recognised in other comprehensive income	—	3	—	—	—	3
At 29 September 2013	1,367	1,044	1,090	2,002	54	5,557
Credited/(charged) to income statement	2,177	268	(817)	2,438	(44)	4,022
Recognised in other comprehensive income	—	110	—	—	—	110
At 28 September 2014	**3,544**	**1,422**	**273**	**4,440**	**10**	**9,689**

Deferred tax liabilities

	Intangibles	Property, plant and equipment	Temporary differences	Total
	£000	£000	£000	£000
At 26 September 2011	—	9,474	15	9,489
Charged/(credited) to income statement	621	(1,607)	(15)	(1,001)
At 30 September 2012	621	7,867	—	8,488
Charged/(credited) to income statement	519	(2,058)	—	(1,539)
Included in goodwill	772	—	—	772
At 29 September 2013	1,912	5,809	—	7,721
Charged/(credited) to income statement	589	(25)	—	564
Included in goodwill	1,684	—	—	1,684
At 28 September 2014	**4,185**	**5,784**	**—**	**9,969**

14 Deferred tax assets and liabilities (Continued)

At the period end the Group had net deferred tax liabilities of £280,000 (2013: net liabilities of £2,164,000; 2012: net assets of £3,714,000).

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Group's future current tax charge accordingly. The deferred tax liability at 28 September 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

15 Inventories

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Goods held for resale	**8,075**	6,910	6,509
	8,075	6,910	6,509

The estimated replacement cost of stocks is not materially different from the above carrying values.

The Group consumed £161,790,000 of inventories during the period (2013: £140,886,000; 2012: £149,110,000) and charged £Nil to the income statement for the write-down of inventories during the period (2013: £Nil; 2012: £Nil).

16 Trade and other receivables

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Trade receivables	**2,746**	1,627	1,023
Other receivables	**7,124**	6,946	6,216
Prepayments and accrued income	**15,729**	15,734	16,762
VAT receivable	**—**	—	242
	25,599	24,307	24,243

17 Trade and other payables

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Trade payables	**44,217**	28,389	17,080
Amounts due to group undertakings	**3,179**	3,122	—
Other taxation and social security	**15,047**	13,647	12,739
Other payables	**10,753**	10,819	6,566
Accruals	**24,810**	15,693	15,549
	98,006	71,670	51,934

18 Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 19.

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Current liabilities			
Bank overdrafts	**5,051**	1,692	2,201
	5,051	1,692	2,201
Non-current liabilities			
Secured loan notes issued by Stonegate Pub Company Financing plc	**390,661**	—	—
Bank loans	**—**	156,621	285,000
PIK loans	**—**	142,069	—
	390,661	298,690	285,000

Secured loan notes are shown net of debt issue costs of £9,339,000. At 29 September 2013 bank loans are shown net of debt issue costs of £2,264,000.

Terms and debt repayment schedule:

	Principal borrowed	Year of maturity	Principal outstanding 28 September 2014	29 September 2013	30 September 2012
	£000		£000	£000	£000
Secured fixed notes	260,000	2019	**260,000**	—	—
Secured floating notes	140,000	2019	**140,000**	—	—
Bank loans 2	161,885	2016	**—**	158,885	—
Bank loans 1	285,000	2013	**—**	—	285,000
PIK loans	128,115	2016	**—**	128,115	—
			400,000	287,000	285,000

As at 30 September 2012 the Company had a £285,000,000 syndicated loan facility entered into on 21 June 2011. Stonegate Pub Company Holdings Limited, a parent company, was a member of the syndicate, being the majority lender with £203,500,000 loan principal. The remainder of the loan principal was provided by Kaupthing bank hf. and Commerzbank AG who had minority shareholdings in the Company. As Commerzbank were the 'principle bankers' leading the syndicate administration, the debt is classified as bank loans due to third parties.

On 4 December 2012 the Company re-structured its debt arrangements. As part of this transaction the Company repaid £140,000,000 of its original £285,000,000 loan facility to Stonegate Pub Company Holdings Limited, Kaupthing bank hf. and Commerzbank AG. As part of the transaction Stonegate Pub Company received £145,000,000 of syndicated debt from Barclays Bank plc; Abbey National (Treasury Services) plc; Credit Agricole Corporate and Investment Bank and The Royal Bank of Scotland plc with maturity in May 2016 and charging an annual interest rate of 6 months LIBOR +3.50%. During the period ended 29 September 2013 £3,000,000 was repaid to the syndicate.

Furthermore, £128,115,487 of the original loan entered into on 21 June 2011 was restructured into a shareholder PIK loan with Stonegate Pub Company Holdings Limited and Kaupthing bank hf with maturity in December 2016 and charging an annual interest rate of 3 months LIBOR +13.50%.

On 12 August 2011 the Company entered into an interest rate swap linked to its external shareholder loan fixing the interest rate at 3% for the loan amount of £290,000,000. On 11 April 2014 the swap was reduced to £140,000,000 in line with the floating loan notes. At the period end accrued swap interest payable of £239,000 (2013: £802,000) was outstanding and included in current liabilities.

18 Borrowings (Continued)

As mentioned in the acquisitions note (note 12) the bank loan at that time was increased by £25,000,000 on 15 November 2013 to fund the purchase of 78 sites from the Administrator of the Bramwell Pub Company.

On 11 April 2014 Stonegate Pub Company Financing plc, a public limited company incorporated under the laws of England and Wales and a wholly owned subsidiary of the Company, received £400,000,000 from the issue of £260,000,000 fixed loan notes charging an annual interest rate of 5.75% and £140,000,000 floating loan notes charging an annual interest rate of 3 months LIBOR + 4.75%. The Notes will mature on 15 April 2019. Amortised debt issue costs of £9,339,000 offset the loan balance at the period end.

The proceeds from the issue of the loan notes were used to repay the existing bank loan; repay the shareholder PIK loan; make a distribution of £47,800,000 to shareholders; to pay fees in connection with the transaction and for general corporate purposes.

19 Financial instruments

Fair values of financial instruments

Set out in the table below are the carrying values and fair values of all of the Group's financial instruments at 28 September 2014; 29 September 2013 and 30 September 2012.

	Fair value			Carrying value		
	2014	2013	2012	**2014**	2013	2012
	£000	£000	£000	**£000**	£000	£000
Financial assets—loans and receivables						
Trade receivables	**2,746**	1,627	1,023	**2,746**	1,627	1,023
Other receivables	**7,124**	6,946	6,216	**7,124**	6,946	6,216
Cash and cash equivalents	**28,605**	9,004	399	**28,605**	9,004	399
	38,475	17,577	7,638	**38,475**	17,577	7,638
Financial liabilities						
Trade payables	**44,217**	28,389	17,080	**44,217**	28,389	17,080
Interest rate swaps	**1,365**	5,450	9,225	**1,365**	5,450	9,225
Secured fixed notes	**259,585**	—	—	**260,000**	—	—
Secured floating notes	**141,120**	—	—	**140,000**	—	—
Bank loans and overdrafts	**5,051**	158,313	287,201	**5,051**	158,313	287,201
PIK loans	**—**	142,069	—	**—**	142,069	—
	451,338	334,221	313,506	**450,633**	334,221	313,506

The following assumptions were used to estimate the fair values:

Trade and other receivables—these are carried at amortised cost using the effective interest method and fair value is deemed to be the same as this.

Cash and cash equivalents—approximate to the carrying amounts stated in the accounts.

Short-term loans and overdrafts—approximates to the carrying amount because of the short maturity of these instruments.

Long term loans—based on quoted market prices in the case of the securitised debt; approximates to the carrying amount in the case of the bank loans, overdrafts and PIK loans.

The Group's financial instruments, other than derivatives, consist of securitised loan notes, bank borrowings and cash, the main purpose of which is to raise finance for the Group's operations. The Group's other financial instruments, such as trade receivables and payables, arise directly from its operations.

19 Financial instruments (Continued)

Fair value hierarchy

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive fair value.

The classification uses the following three-level hierarchy:

- Level 1—quoted prices in active markets for identical assets or liabilities;
- Level 2—inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3—inputs for the asset or liability that are not based on observable market data (unobservable inputs). All financial instruments carried at fair value have been measured by a level 2 valuation method.

Derivative financial instruments

The carrying values of derivative financial instruments in the balance sheet are as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Interest rate swaps			
Current liabilities	**273**	1,090	1,845
Non-current liabilities	**1,092**	4,360	7,380
	1,365	5,450	9,225

The interest rate swap replaces the LIBOR rate on the Group's secured floating rate loan notes with a fixed rate. The Group has decided not to apply hedge accounting for its interest rate swap given the additional costs of meeting the extensive documentation requirements of IAS 39. Consequently movements in fair value are recognised in the income statement.

Capital risk management

The Group's capital structure consists of debt, issued share capital and reserves. These are managed effectively to minimise the Group's cost of capital, to add value to shareholders and to service debt obligations. The Group's principal external debt is held within one securitisation. The securitised debt is monitored by a variety of measures, which are reported to the debt providers on a quarterly basis. The Group assesses the performance of the business, the level of available funds and the short to medium term strategic plans concerning capital spend as well as the need to meet financial covenants and such assessment influences the level of dividends payable.

The main risks from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. There is no currency risk as the majority of the revenues and costs of the Group are in sterling. The policy for managing each of the Group's risks is set out as follows.

Interest rate risk

The Group finances its operations through a mixture of trading cash flows, bank overdraft facilities and fixed and floating rate secured loan notes. The Group seeks to minimise the impact of interest rate fluctuations from its floating rate loan notes and uses an interest rate swap to manage exposure.

Liquidity risk

Liquidity risk is risk that the Group may not be able to meet its financial obligations as they fall due. The Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs. The Group also monitors the maturity of financial liabilities to avoid the risk of a shortage of funds.

19 Financial instruments (Continued)

Surplus funds are placed on deposit and are available at short notice. The table below summarises the maturity profile of the Group's debt based on contractual, undiscounted cash flows including interest.

	Within 1 year	1 - 2 years	2 - 5 years	> 5 years	Total
	£000	£000	£000	£000	£000
At 28 September 2014					
Interest-bearing loans and borrowings					
—capital	**—**	**—**	**400,000**	**—**	**400,000**
—interest	**14,909**	**14,950**	**38,133**	**—**	**67,992**
—interest rate swaps	**1,359**	**1,217**	**—**	**—**	**2,576**
Trade payables	**44,217**	**—**	**—**	**—**	**44,217**
	60,485	**16,167**	**438,133**	**—**	**514,785**
	£000	£000	£000	£000	£000
At 29 September 2013					
Interest-bearing loans and borrowings					
—capital	—	—	300,954	—	300,954
—interest	28,560	30,303	37,308	—	96,171
—interest rate swaps	3,038	5,842	—	—	8,880
Trade payables	28,389	—	—	—	28,389
	59,987	36,145	338,262	—	434,394
	£000	£000	£000	£000	£000
At 30 September 2012					
Interest-bearing loans and borrowings					
—capital	285,000	—	—	—	285,000
—interest	4,328	—	—	—	4,328
—interest rate swaps	3,038	3,038	5,842	—	11,918
Trade payables	17,080	—	—	—	17,080
	309,446	3,038	5,842	—	318,326

Credit risk

Credit risk arises because a counter party may fail to perform its obligations. The principal financial assets of the Group are cash and cash equivalents, trade receivables and other receivables. The credit risk associated with the cash and cash equivalents is limited. Credit risk is managed by transacting with financial institutions with high quality credit ratings. Trade receivables comprise a large number of individually small amounts from unrelated customers and are shown net of a provision for doubtful debts. Management estimates the provision for doubtful debts based on a review of all individual receivable accounts, experience and known factors at the period end. The credit risk associated with these is minimal. The Group has no significant concentration of credit risk. The carrying amount of financial assets

19 Financial instruments (Continued)

represents the maximum credit exposure. The ageing of trade receivables at the balance sheet date, net of the doubtful debt provision, is as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Not past due	**8,292**	8,041	6,696
0 - 30 days past due	**1,277**	493	534
31 - 60 days past due	**49**	39	10
Greater than 60 days past due	**287**	35	40
	9,905	8,608	7,280

Trade receivables are shown gross of a provision of £35,000 (2013: £35,000; 2012: £41,000). £37,000 was charged to the income statement during the period (2013: credited £6,000; 2012: charged £103,000) and £37,000 was utilised (2013: £Nil; 2012: £107,000).

20 Provisions

	Onerous leases	Health and safety claims	Total
	£000	£000	£000
At 26 September 2011	6,835	2,190	9,025
Utilised	(2,159)	8	(2,151)
At 30 September 2012	4,676	2,198	6,874
Additions	—	684	684
Released	(1,869)	—	(1,869)
Utilised	(1,369)	(1,188)	(2,557)
At 29 September 2013	1,438	1,694	3,132
Additions	349	996	1,345
Utilised	(704)	(1,345)	(2,049)
At 28 September 2014	**1,083**	**1,345**	**2,428**

The onerous lease provision includes amounts for lease rentals and costs of exiting closed and loss-making sites which the Group acquired during a prior period. The Directors have determined that these sites operate under onerous property leases and have provided the expected shortfall between operating income and rents payable for a property. The estimated period required to mitigate these losses is identified on an individual property basis. The release of the provisions primarily relates to the successful exit of sites at a rate below originally expected.

The health and safety claims provision is an estimate of the claims which the Group expects to settle over the next two years. These claims generally relate to minor incidents of personal injury at sites and the level of provision has been based on managements' expected future successful claim rate.

21 Share capital

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Called up, allotted and fully paid:			
150,000,000 ordinary shares of £0.01 each	**1,500**	1,500	1,500

22 Commitments

Operating leases relating to land and buildings

At the end of the reporting period, the future minimum lease payments under non-cancellable operating leases are payable as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Future minimum rentals payable under non-cancellable operating leases:			
Within one year	**38,964**	36,763	35,910
Between one and five years	**150,890**	142,496	138,338
After five years	**438,792**	464,097	437,971
	628,646	643,356	612,219

Capital commitments

Capital commitments for property, plant and equipment:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Contracted but not provided	**4,295**	3,735	1,026

23 Employee benefits

Defined contribution pension schemes

The Group operates three defined contribution stakeholder schemes for certain employees. The pension cost charge for the period represents contributions payable by the Group to the schemes and amounted to £960,000 (2013: £514,000; 2012: £566,000). At the period end the Group had outstanding contributions payable to the schemes of £Nil (2013: £47,000; 2012: £39,000).

Defined benefit pension schemes

On 21 June 2011, as part of the Plato Company 3 acquisition the Group acquired two defined benefit schemes, the Laurel Pub Pension scheme and the Yates Group Pension scheme, which are closed to new members and closed to further accruals for existing members. The assets of the schemes are held in single, separate trustee administered funds. The latest full actuarial valuations of the schemes were last carried out by an independent qualified actuary at 28 February 2011 and the results have been updated for the purpose of calculating the disclosures at 28 September 2014. The actuarial valuation at 28 February 2014 is still on-going and is expected to be finalised in March 2015.

The tables below illustrate the impact of both the Laurel Pub Pension scheme and the Yates Group Pension scheme on the income statement, the statement of comprehensive income (SOCI) and the balance sheet.

23 Employee benefits (Continued)

The amounts recognised in the balance sheet are as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Laurel Pub Pension scheme			
Fair value of plan assets	**58,499**	54,004	49,303
Present value of defined benefit obligation	**(65,734)**	(59,161)	(54,668)
Net retirement benefit liability recognised in the balance sheet	**(7,235)**	(5,157)	(5,365)
	£000	£000	£000
Yates Group Pension scheme			
Fair value of plan assets	**13,168**	12,549	12,107
Present value of defined benefit obligation	**(13,041)**	(12,482)	(12,001)
Surplus in scheme	**127**	67	106
Restriction of surplus	**—**	—	—
Net retirement benefit surplus recognised in the balance sheet	**127**	67	106
Total net retirement benefit recognised in the balance sheet	**(7,108)**	(5,090)	(5,259)

Movements in the present value of scheme liabilities are as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Laurel Pub Pension scheme			
Present value of scheme liabilities at beginning of period	**59,161**	54,668	48,604
Expenses	**955**	386	2
Interest cost	**2,624**	2,432	2,504
Actuarial losses	**5,679**	3,300	6,101
Benefits paid	**(2,685)**	(1,625)	(2,594)
Past service costs	**—**	—	51
Present value of scheme liabilities at end of period	**65,734**	59,161	54,668
	£000	£000	£000
Yates Group Pension scheme			
Present value of scheme liabilities at beginning of period	**12,482**	12,001	11,177
Expenses	**—**	28	—
Interest cost	**548**	529	579
Actuarial losses	**620**	434	697
Benefits paid	**(609)**	(510)	(452)
Past service costs	**—**	—	—
Present value of scheme liabilities at end of period	**13,041**	12,482	12,001
Total present value of scheme liabilities at end of period	**78,775**	71,643	66,669

23 Employee benefits (Continued)

Movements in the fair value of scheme assets are as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Laurel Pub Pension scheme			
Fair value of scheme assets at beginning of period	**54,004**	49,303	47,067
Interest income	**2,394**	2,206	2,447
Return on plan assets excluding interest income	**3,712**	3,072	1,330
Contributions paid by employer	**1,074**	1,048	1,053
Benefits paid	**(2,685)**	(1,625)	(2,594)
Fair value of scheme assets at end of period	**58,499**	54,004	49,303
	£000	£000	£000
Yates Group Pension scheme			
Fair value of scheme assets at beginning of period	**12,549**	12,107	10,801
Interest income	**551**	533	564
Return on plan assets excluding interest income	**677**	419	1,006
Contributions paid by employer	**—**	—	188
Benefits paid	**(609)**	(510)	(452)
Fair value of scheme assets at end of period	**13,168**	12,549	12,107
Total fair value of scheme assets at end of period	**71,667**	66,553	61,410

Interest costs are shown in finance costs and service costs and expenses are recognised in operating costs. The amounts recognised in the income statement are as follows.

	2014 52 weeks	2013 52 weeks	2012 53 weeks
	£000	£000	£000
Laurel Pub Pension scheme			
Past service costs	**—**	—	51
Interest cost	**230**	226	57
Expenses	**955**	386	2
Net cost	**1,185**	612	110
	£000	£000	£000
Yates Group Pension scheme			
Past service costs	**—**	—	—
Interest cost	**(3)**	(4)	15
Expenses	**—**	28	—
Net cost	**(3)**	24	15
Total net cost	**1,182**	636	125

23 Employee benefits (Continued)

Analysis of amounts recognised in the SOCI in the period:

	2014 52 weeks	2013 52 weeks	2012 53 weeks
	£000	£000	£000
Laurel Pub Pension scheme			
Return on plan assets excluding interest income	**3,712**	3,072	1,330
Experience losses	**(152)**	(59)	(1,072)
Effects of changes in demographic assumptions	**360**	—	808
Effects of changes in financial assumptions	**(5,887)**	(3,241)	(5,786)
Re-measurement losses recognised in the SOCI	**(1,967)**	(228)	(4,720)
	£000	£000	£000
Yates Group Pension scheme			
Return on plan assets excluding interest income	**677**	419	1,006
Experience losses	**(44)**	(131)	14
Effects of changes in demographic assumptions	**75**	—	(110)
Effects of changes in financial assumptions	**(651)**	(303)	(601)
Re-measurement losses recognised in the SOCI	**57**	(15)	309
Total re-measurement losses recognised in the SOCI	**(1,910)**	(243)	(4,411)

Cumulative amounts recognised in the SOCI:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
At beginning of period	**(3,891)**	(3,648)	763
Re-measurement losses in the period	**(1,910)**	(243)	(4,411)
At end of period	**(5,801)**	(3,891)	(3,648)

The history of experience adjustments on the schemes for the current and previous financial periods is as follows:

	2014	2013	2012	2011
	£000	£000	£000	£000
Laurel Pub Pension scheme				
Present value of retirement benefit liabilities	**(65,734)**	(59,161)	(54,668)	(48,604)
Fair value of plan assets	**58,499**	54,004	49,303	47,067
Net asset/ (liability) in the scheme	**(7,235)**	(5,157)	(5,365)	(1,537)
Experience adjustment on scheme liabilities	**(152)**	(59)	(1,123)	113
Percentage of scheme liabilities	**0.2%**	0.1%	2.1%	(0.2)%
Experience adjustments on scheme assets	**3,712**	3,072	1,330	1,528
Percentage of scheme assets	**6.3%**	5.7%	2.7%	3.2%

23 Employee benefits (Continued)

	£000	£000	£000	£000
Yates Group Pension scheme				
Present value of retirement benefit liabilities	**(13,041)**	(12,482)	(12,001)	(11,177)
Fair value of plan assets	**13,168**	12,549	12,107	10,801
Net asset/ (liability) in the scheme	**127**	67	106	(376)
Experience adjustment on scheme liabilities	**(44)**	(131)	14	(5)
Percentage of scheme liabilities	**0.3%**	1.0%	(0.1)%	0.0%
Experience adjustments on scheme assets	**677**	419	1,006	(91)
Percentage of scheme assets	**5.1%**	3.3%	8.3%	(0.8)%

The Group expects to contribute approximately £1,000,000 to its defined benefit plans in the next financial period for the Laurel Pub Pension scheme. The Group does not expect to contribute to the Yates Group defined benefit plan in the next financial period.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

	28 September 2014	29 September 2013	30 September 2012
Male retiring in 2014	**21.7 years**	21.8 years	21.8 years
Female retiring in 2014	**24.0 years**	23.9 years	23.9 years
Male retiring in 2039	**24.5 years**	24.7 years	24.7 years
Female retiring in 2039	**26.9 years**	26.9 years	26.9 years

The principal actuarial assumptions (expressed as weighted averages) at the period end were as follows:

	28 September 2014	29 September 2013	30 September 2012
	£000	£000	£000
Laurel Pub Pension Scheme			
Discount rate	**4.00%**	4.50%	4.50%
Rate of increase in pension payment	**3.05%**	3.10%	2.70%
Inflation (RPI)	**3.15%**	3.20%	2.70%
Inflation (CPI)	**2.15%**	2.20%	1.90%
Yates Group Pension Scheme			
Discount rate	**4.00%**	4.50%	4.50%
Rate of increase in pension payment	**2.15%**	2.20%	1.90%
Inflation (RPI)	**3.15%**	3.20%	2.70%
Inflation (CPI)	**2.15%**	2.20%	1.90%

23 Employee benefits (Continued)

The fair values of the plan assets and the return on those assets for both schemes were as follows:

	2014	2013	2012
	£000	£000	£000
Laurel Pub Pension Scheme			
Equities	**29,551**	28,436	23,928
Bonds	**28,846**	25,449	25,088
Cash	**102**	119	287
Fair value of plan assets	**58,499**	54,004	49,303
Actual return on plan assets	**6,106**	5,278	3,777
Yates Group Pension Scheme			
Equities	**5,218**	5,031	4,732
Bonds	**6,869**	6,537	6,435
Cash	**40**	75	68
Other	**1,041**	906	872
Fair value of plan assets	**13,168**	12,549	12,107
Actual return on plan assets	**1,228**	952	1,570

Analysis of the sensitivity to the principal assumptions of the present value of the defined benefit obligation is set out below:

		Impact on scheme liabilities		
	Change in assumption	28 September 2014	29 September 2013	30 September 2012
Laurel Pub Pension Scheme				
Discount rate	Decrease of 0.25% p.a.	**6.00%**	6.10%	6.10%
Rate of inflation	Increase of 0.25% p.a.	**5.70%**	4.30%	4.30%
Rate of mortality	Increase in life expectancy of 1 year	**2.50%**	2.10%	2.10%
Yates Group Pension Scheme				
Discount rate	Decrease of 0.25% p.a.	**3.30%**	3.50%	3.50%
Rate of inflation	Increase of 0.25% p.a.	**2.80%**	2.80%	2.80%
Rate of mortality	Increase in life expectancy of 1 year	**2.50%**	2.70%	2.70%

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation and pension increases. The average duration of the defined benefit obligation at the period ending 28 September 2014 is 24 years for the Laurel Pub Pension scheme (2013: 25 years; 2012: 26 years) and 13 years for the Yates Group Pension scheme (2013: 14 years; 2012: 15 years).

The plan typically exposes the Group to actuarial risks such as investment risk, interest rate risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to plan liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in future income statements. This effect would be partially offset by an increase in the value of the plan's bond holdings, and in qualifying death in service insurance policies that cover the mortality risk. Additionally, caps on inflationary increases are in place to protect the Yates Group Pension scheme against extreme inflation.

24 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not contained in this note.

Transactions with key management personnel

Key management comprises the executive directors and management board. The key management personnel compensation is as follows:

	2014 52 weeks	2013 52 weeks	2012 53 weeks
	£000	£000	£000
Salaries and short-term employee benefits	**1,593**	1,646	2,096
Post-employment pension benefits	**235**	246	210
Compensation for loss of office	**499**	—	250
	2,327	1,892	2,556

Other related party transactions

During the year the Group made new loans to senior management of £525,000 (2013: £2,988,000; 2012: £Nil) as part of the MEP scheme and cancelled loans and interest totalling £720,000 (2013: £180,000; 2012: £Nil) as a result of two employees ceasing employment. £Nil was repaid during the period (2013: £15,960; £2012: £Nil). The amount outstanding at 28 September 2014 was £2,327,000 (2013: £2,792,000; 2012: £Nil)). Interest was charged on these loans during the year of £233,000 (2013: £Nil; 2012: £Nil).

There is an amount of £3,179,000 (2013: £3,122,000; 2012: £Nil) owing to Stonegate Pub Company Midco Limited, the immediate parent company, at 28 September 2014 relating to this transaction.

Transactions with Group undertakings

During the year the Group was invoiced management charges of £2,069,000 (2013: £2,093,000; 2012: £2,064,000) by TDR Capital LLP. The amount outstanding at 28 September 2014 was £Nil (2013: £525,000; 2012: £Nil).

During the year £11,528,000 (2013: £8,720,000; 2012: £3,677,000) of rent was paid to Pub Freehold Acquisitions S.a.r.L, a company under common control of TDR Capital LLP. The amount outstanding at 28 September 2014 was £Nil (2013: £Nil; 2012: £Nil).

25 Ultimate parent undertaking

The ultimate parent company is Stonegate Pub Company Holdings Limited, a company incorporated in the Cayman Islands. The ultimate controlling parties are various investment funds managed by TDR Capital LLP, a private equity management firm.

26 Post balance sheet events

Subsequent to the year end, on 17 October 2014, Stonegate Pub Company Limited purchased 15 sites, which it previously rented, from Pub Freehold Acquisitions S.a.r.L, for £2,850,000.

27 Explanation of transition to Adopted IFRS

As stated in note 1, the Group has applied IFRS 1 *'First-time adoption of International Financial Reporting Standards'* as the Group's most recent consolidated financial statements were not prepared in accordance with Adopted IFRS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the period ended 28 September 2014, the comparative information presented in these financial statements for the periods ended 29 September 2013 and 30 September 2012 and in the preparation of an opening IFRS balance sheet at 26 September 2011 (the Group's date of transition).

27 Explanation of transition to Adopted IFRS (Continued)

In preparing its opening IFRS balance sheet, the Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to Adopted IFRS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity at 26 September 2011 (transition date)

	Notes	UK GAAP	Effect of transition to adopted IFRSs	Adopted IFRSs
		£000	£000	£000
Assets				
Non-current assets				
Property, plant and equipment	a,b	390,447	(12,151)	**378,296**
Operating leases	a	—	12,663	**12,663**
Goodwill	b,h	104,838	(512)	**104,326**
Deferred tax assets	c,g,d	—	974	**974**
		495,285	974	**496,259**
Current assets				
Inventories		6,080	—	**6,080**
Trade and other receivables	c	30,943	(10,087)	**20,856**
Cash and cash equivalents		18,132	—	**18,132**
		55,155	(10,087)	**45,068**
Total assets		550,440	(9,113)	**541,327**
Liabilities				
Current liabilities				
Trade and other payables	f	(70,577)	58	**(70,519)**
Borrowings		(318)	—	**(318)**
Derivative financial instruments	e	—	(224)	**(224)**
		(70,895)	(166)	**(71,061)**
Non-current liabilities				
Borrowings		(298,000)	—	**(298,000)**
Derivative financial instruments	e	—	(897)	**(897)**
Deferred tax liabilities		—	—	**—**
Retirement benefit obligations	d	(1,819)	(94)	**(1,913)**
Provisions		(9,025)	—	**(9,025)**
		(308,844)	(991)	**(309,835)**
Total liabilities		(379,739)	(1,157)	**(380,896)**
Net assets		170,701	(10,270)	**160,431**
Equity				
Called up share capital		1,500	—	**1,500**
Share premium		193,253	—	**193,253**
Retained earnings		(24,052)	(10,270)	**(34,322)**
Total equity		170,701	(10,270)	**160,431**

Notes to the reconciliation of equity at 26 September 2011 (transition date) between UK GAAP and IFRS

27 Explanation of transition to Adopted IFRS (Continued)

***a)* Operating lease intangible assets**

Lease premiums arising from business combinations have been reclassified from property, plant and equipment to operating lease intangible assets. £12,663,000 of lease premiums, arising from a business combination in 2010 have been reclassified at 26 September 2011.

***b)* Reclassification of fair values at acquisition**

An adjustment of £512,000 between goodwill and leasehold improvements has been made at transition at 26 September 2011.

***c)* Deferred tax assets**

Under UK GAAP, a deferred tax asset (excluding that relating to the pension scheme liability) is shown within current assets but is separately disclosed as an asset greater than one year. Under IFRS, this asset is shown as a non-current asset. At 26 September 2011 £10,087,000 has been reclassified. Recognition of the fair value of the interest rate swap also gave rise to a deferred tax asset of £282,000 at 26 September 2011.

***d)* Retirement benefit obligations**

Under FRS 17, pension balances are presented net of deferred tax on the face of the balance sheet. Under IFRS, IAS 19 'Employee Benefits' requires these balances to be shown separately, as a liability for the pension scheme and as an asset for deferred tax. As a result, the Group's retirement benefit obligation at 26 September 2011 increased by £94,000 and the non-current deferred tax asset increased by £94,000.

***e)* Derivative financial instruments**

Under IAS 39 'Financial Instruments: Recognition and Measurement' fair values of interest rate swaps must be recognised and split between current and non-current on the face of the balance sheet. At 26 September 2011 the fair value was £1,121,000; £224,000 was recognised as a current liability and £897,000 as a non-current liability.

***f)* Operating lease incentives**

Under UK GAAP lease incentives are spread over the period to the next rent review. IAS 17 'Leases' requires rent free incentives to be spread out over the lease life resulting in a debit adjustment of £58,000 at 26 September 2011.

***g)* Deferred tax liabilities**

Pre-transition business combinations have resulted in £9,474,000 of deferred tax liabilities arising at 26 September 2011 on the wasting assets acquired. A deferred tax liability of £15,000 was also recognised on the operating lease incentive adjustment described above at 26 September 2011. Deferred tax liabilities and assets have been netted together under deferred tax assets on the face of the balance sheet.

***h)* Goodwill**

On transition to IFRS, the Group has taken full advantage of the exemption from IFRS 3 'Business Combinations' provided in IFRS 1 'First-time adoption of International Financial Reporting Standards'. Any unamortised goodwill at 26 September has been carried forward at cost, subject to impairment testing on transition to IFRS.

27 Explanation of transition to Adopted IFRS (Continued)

Reconciliation of equity at 29 September 2013

	Notes	UK GAAP	Effect of transition to adopted IFRSs	Adopted IFRSs
		£000	£000	£000
Assets				
Non-current assets				
Property, plant and equipment	a,b	396,105	(13,727)	**382,378**
Operating leases	a	—	13,393	**13,393**
Goodwill	c,d	93,017	11,508	**104,525**
		489,122	11,174	**500,296**
Current assets				
Inventories		6,910	—	**6,910**
Trade and other receivables	e	27,688	(3,381)	**24,307**
Cash and cash equivalents		9,004	—	**9,004**
		43,602	(3,381)	**40,221**
Total assets		532,724	7,793	**540,517**
Liabilities				
Current liabilities				
Trade and other payables	f	(71,446)	(224)	**(71,670)**
Borrowings		(1,692)	—	**(1,692)**
Derivative financial instruments	g	—	(1,090)	**(1,090)**
		(73,138)	(1,314)	**(74,452)**
Non-current liabilities				
Borrowings		(298,690)	—	**(298,690)**
Derivative financial instruments	g	—	(4,360)	**(4,360)**
Deferred tax liabilities	d,e,h	—	(2,164)	**(2,164)**
Retirement benefit obligations	h	(4,126)	(964)	**(5,090)**
Provisions		(3,132)	—	**(3,132)**
		(305,948)	(7,488)	**(313,436)**
Total liabilities		(379,086)	(8,802)	**(387,888)**
Net assets		153,638	(1,009)	**152,629**
Equity				
Called up share capital		1,500	—	**1,500**
Share premium		183,253	—	**183,253**
Retained earnings		(31,115)	(1,009)	**(32,124)**
Total equity		153,638	(1,009)	**152,629**

Notes to the reconciliation of equity at 29 September 2013 between UK GAAP and IFRS

a) Operating lease intangible assets

Lease premiums arising from business combinations have been reclassified from property, plant and equipment to operating lease intangible assets. £9,621,000 of lease premiums, arising from a business combination in 2010 have been reclassified at 26 September 2011. Business combinations in 2013 resulted in £3,772,000 net book value of lease premiums being reclassified at 29 September 2013.

b) Acquisition costs

Business combinations after the transition date have been restated in accordance with IFRS 3. Property, plant and equipment has been reduced by £334,000 net book value of acquisition related costs.

27 Explanation of transition to Adopted IFRS (Continued)

c) **Goodwill amortisation**

Under UK GAAP, goodwill arising on business combinations was amortised, which is not permitted under IFRS. Goodwill has been increased by £10,736,000 at 29 September 2013 which is the cumulative post-transition amortisation from 26 September 2011 to 29 September 2013.

d) **Deferred tax liabilities**

Post-transition cumulative goodwill amortisation reversal resulted in a deferred tax liability of £1,143,000 at 29 September 2013. Pre-transition business combinations have resulted in £5,809,000 of deferred tax liabilities arising at 29 September 2013 on the wasting assets acquired. £772,000 of deferred tax liability was acquired with business combinations in 2013 (see note 12). Deferred tax liabilities and assets have been netted together.

e) **Deferred tax assets**

Under UK GAAP, a deferred tax asset (excluding that relating to the pension scheme liability) is shown within current assets but is separately disclosed as an asset greater than one year. Under IFRS, this asset would be shown as a non-current asset. At 29 September 2013 £3,381,000 has been reclassified and netted off against the deferred tax liabilities. Recognition of the fair value of the interest rate swap also gave rise to a deferred tax asset of £1,090,000 at 29 September 2013. A deferred tax asset of £58,000 was also recognised on the operating lease incentive adjustment described below at 29 September 2013.

f) **Operating lease incentives**

Under UK GAAP lease incentives are spread over the period to the next rent review. IAS 17 'Leases' requires rent free incentives to be spread out over the lease life resulting in a credit adjustment of £224,000 at 29 September 2013.

g) **Derivative financial instruments**

Under IAS 39 'Financial Instruments: Recognition and Measurement' fair values of interest rate swaps must be recognised and split between current and non-current on the face of the balance sheet. At 29 September 2013 the fair value was £5,450,000; £1,090,000 was recognised as a current liability and £4,360,000 as a non-current liability.

h) **Retirement benefit obligations**

Under FRS 17, pension balances are presented net of deferred tax on the face of the balance sheet. Under IFRS, IAS 19 'Employee Benefits' requires these balances to be shown separately, as a liability for the pension scheme and as an asset for deferred tax. As a result, the Group's retirement benefit obligation at 29 September 2013 increased by £1,031,000 and the non-current deferred tax asset increased by £1,031,000. At 29 September 2013 the Yates Group Pension Scheme surplus of £67,000 has also been recognised under IAS 19.

27 Explanation of transition to Adopted IFRS (Continued)

Reconciliation of loss for period ended 29 September 2013

		52 weeks ended 29 September 2013		
	Notes	UK GAAP	Effect of transition to adopted IFRSs	Adopted IFRSs
		£000	£000	£000
Revenue		470,272	—	**470,272**
Operating costs	a,b,d	(420,488)	(905)	**(421,393)**
Operating profit before depreciation, amortisation, impairment and loss on sale of non-current assets		49,784	(905)	**48,879**
Depreciation, amortisation and impairment	a,c	(31,174)	5,393	**(25,781)**
Loss on sale of non-current assets	c	(1,794)	(50)	**(1,844)**
Operating profit		16,816	4,438	**21,254**
Finance income		70	—	**70**
Finance costs	d	(27,058)	(347)	**(27,405)**
Movement in fair value of interest rate swaps	e	—	3,775	**3,775**
(Loss)/profit before taxation		(10,172)	7,866	**(2,306)**
UK income tax (charge)/credit	f	(5,822)	713	**(5,109)**
(Loss)/profit for the period		(15,994)	8,579	**(7,415)**

Explanation of reconciling items between UK GAAP and IFRS

a) **Acquisition costs**

Business combinations after the transition date have been restated in accordance with IFRS 3. Operating costs have been increased by £337,000 of acquisition related costs. £3,000 of depreciation for the period ended 29 September 2013 has also been removed from depreciation, amortisation and impairment.

b) **Operating lease incentives**

Under UK GAAP lease incentives are spread over the period to the next rent review. IAS 17 'Leases' requires rent free incentives to be spread out over the lease life resulting in a charge to the income statement of £154,000 for the period ended 29 September 2013.

c) **Goodwill amortisation**

Under UK GAAP, goodwill arising on business combinations was amortised, which is not permitted under IFRS. Reversal of goodwill amortisation for the period ended 29 September 2013 was £5,340,000.

d) **Defined benefit pension scheme**

Accounting for pensions in accordance with IAS 19 'Employee Benefits' compared to FRS 17 'Retirement benefits' has resulted in increased finance charges of £347,000 and increased operating costs of £414,000 for the period ended 29 September 2013 and decreased re-measurement losses of £761,000.

e) **Derivative financial instruments**

Under IAS 39 'Financial Instruments: Recognition and Measurement' fair values of interest rate swaps must be recognised on the balance. The Group accounts for the movement in the income statement. For the period ended 29 September 2013 the swap valuation reduced resulting in a £3,775,000 credit to the income statement.

f) **Income taxes**

The adoption of IAS 12 has decreased the tax charge by £713,000 for the period ended 29 September 2013.

27 Explanation of transition to Adopted IFRS (Continued)

Explanation of material adjustments to the cash flow statement for period ended 29 September 2013

There are no other material differences between the cash flow statement presented under Adopted IFRS and the cash flow statement presented under UK GAAP.

THE ISSUER

Stonegate Pub Company Financing plc
Porter Tun House, 500 Capability Green
Luton, Bedfordshire, LU1 3LS, United Kingdom

LEGAL ADVISOR TO THE ISSUER

As to matters of U.S. and English Law

Simpson Thacher & Bartlett LLP
CityPoint
One Ropemaker Street
London EC2Y 9HR, United Kingdom

LEGAL ADVISOR TO THE INITIAL PURCHASER

As to matters of U.S. and English Law

Shearman & Sterling (London) LLP
9 Appold Street
London EC2A 2AP, United Kingdom

INDEPENDENT AUDITORS
KPMG LLP
15 Canada Square
London E14 5GL, United Kingdom

TRUSTEE
Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

SECURITY AGENT
Barclays Bank PLC
5 The North Colonnade
London E14 4BB
United Kingdom

PAYING AGENT
Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

REGISTRAR, TRANSFER AGENT AND LISTING AGENT

Deutsche Bank Luxembourg S.A.
2, Boulevard Konrad Adenauer
L-1115 Luxembourg, Luxembourg

LEGAL ADVISOR TO THE TRUSTEE

White & Case LLP
5 Old Broad Street
London EC2N 1DW, United Kingdom

stonegate

PUB COMPANY

Merrill Corporation Ltd, London
15ZCN47901