

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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SFX ENTERTAINMENT INC

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SIC: **7900** Amusement & recreation services

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported) September 17, 1999

SFX ENTERTAINMENT INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

1-14993
(Commission
File No.)

13-3977880
(I.R.S. Employer
Identification No.)

650 MADISON AVENUE
16TH FLOOR
NEW YORK, NEW YORK 10022
(Address, including zip code, of principal executive offices)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (212) 838-3100

No Change

(Former name or former address, if changed since last report)

SFX ENTERTAINMENT, INC.

ITEM 2. ACQUISITION OF ASSETS.

On September 17, 1999, SFX Entertainment Inc. acquired all of the outstanding capital stock of Apollo Leisure Group Limited, a privately-held company, from its shareholders. Apollo operates live theaters and provides entertainment and leisure management services in the United Kingdom. In addition Apollo owns Tickets Direct, a telephone operator-based ticketing system. As part of the transaction, SFX also acquired Barry Clayman Corporation Limited, a

leading promoter of concert and other live entertainment events in the United Kingdom.

On August 2, 1999, SFX entered into a definitive purchase agreement with Apollo's shareholders that provided that the acquisition was conditioned on the receipt by the sellers of tax clearance from Inland Revenue, the U.K.'s tax authority. The parties were advised that Inland Revenue denied the requested tax clearance, and the agreement was terminated. SFX and Apollo negotiated an alternative structure for its acquisition of Apollo that preserved the basic economic terms of the transaction, and entered into a definitive share purchase agreement with Apollo's shareholders on September 17, 1999, a copy of which is attached as Exhibit 10.1 to this report (the "Share Purchase Agreement").

The total purchase price for the acquisition of Apollo was approximately \$256.4 million (based on the exchange rate as of September 17, 1999), comprised of approximately \$196.4 million in cash (based on the exchange rate as of September 17, 1999), 979,667 shares of Class A common stock with a value of approximately \$37.5 million (based on an assumed market price of the Class A common stock of \$38.25 per share) and the assumption of net liabilities of approximately \$22.5 million (based on the exchange rate as of September 17, 1999). The purchase price is subject to certain post-closing adjustments. The purchase price was determined through arms-length negotiations between the parties. SFX financed the cash portion of the Apollo acquisition with borrowings under its new senior credit facility.

The foregoing description of the Share Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Share Purchase Agreement attached as Exhibit 10.1 to this report.

The consolidated financial statements of Apollo Leisure Group and subsidiaries as of November 28, 1998 and for each of the two years then ended and as of and for the twenty-four weeks ended May 15, 1999 and May 16, 1998, are included as Exhibit 99.1 to this report.

ITEM 7. EXHIBITS.

C. Exhibits.

Share Purchase Agreement, dated September 17, 1999, among SFX Entertainment, Inc., Anita Gregg, Paul Gregg and certain other individuals set forth therein.	10.1
Consent of Deloitte & Touche	23.1
Consent of Smith Partnership	23.2
Condensed Consolidated Financial Statements of Apollo Leisure Group and subsidiaries	99.1

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SFX ENTERTAINMENT, INC.

Dated: September 17, 1999

By: /s/ Howard J. Tytel

Name: Howard J. Tytel

Title: Executive Vice President
General Counsel and Member
of the Office of the Chairman

EXHIBIT INDEX

Description -----	Exhibit -----
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Consent of Smith Partnership	23.2
Condensed Consolidated Financial Statements of Apollo Leisure Group and subsidiaries	99.1

DATED SEPTEMBER 17, 1999

(1) ANITA and PAUL GREGG AND OTHERS

(2) SFX ENTERTAINMENT, INC.

(3) SFX U.K. HOLDINGS LIMITED

SHARE PURCHASE AGREEMENT

Baker & McKenzie
100 New Bridge Street
London EC4V 6JA

Telephone: (0171) 919 1000
Fax: (0171) 919 1999
Ref: TEDG/HG

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DATE: SEPTEMBER 17, 1999

PARTIES:

- (1) The persons whose names are set out in Column 1 of Schedule 1 (the "Vendors").
- (2) SFX ENTERTAINMENT, INC., a company incorporated in the state of Delaware, United States of America whose principal place of business is at 650 Madison Avenue, New York, NY 10022, United States of America ("SFX").
- (3) SFX U.K. HOLDINGS LIMITED, a company incorporated in England with registered number 3805556 whose registered office is at 100 New Bridge Street, London, EC4V 9JA ("SFX UK"), SFX and SFX UK together being the "Purchaser".

RECITALS:

- (A) The Vendors are the registered holders and except as otherwise stated herein beneficial owners of all of the issued shares in the capital of Apollo Leisure Group Limited, particulars of which are set out in Schedule 2.
- (B) The Vendors wish to sell and the Purchaser wishes to purchase the said shares on the terms and conditions set out in this Agreement.

TERMS AGREED:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement where the context so admits the following words and expressions shall have the following meanings:

<TABLE>

<S>	<C>
"Accounting Date"	28 November 1998;
"Accounts"	the audited consolidated financial statements of the Company and of each of the Subsidiaries for the accounting reference period which ended on the Accounting Date (each such financial statement comprising a balance sheet, profit and loss account, cash flow statement, notes and directors' and auditors' report) and the consolidated profit and loss account and consolidated balance sheet of the Company and the Subsidiaries as at and for the period ending on the Accounting Date copies of which are annexed to the Disclosure Letter;
"Associates"	any person, firm or company which is a connected person (as defined in Section 839 Taxes Act) of the Vendors (or any of them), or which is an associated company of the Vendors (or any of them) within the meaning of Section 416 Taxes Act (but as if in sub-section (2) of that Section

	there was substituted for the words "the greater part" wherever they appear the words "twenty five per cent or more");
"B Shares"	as defined in schedule 2;
"Bank Debt"	the aggregate amount of bank loans immediately prior to Completion;
"Barry Clayman Corporation"	Barry Clayman Corporation Limited, a company incorporated in England with registered number 3570610, whose registered office is at 144 Wigmore Street, London W1H 9FF;
"Cash Consideration"	the amount of eighty million four hundred and thirty thousand pounds ((pound)80,430,000), as adjusted in accordance with clause 7;
"Certificates"	the certificates of title dated 3 August 1999 in respect of the properties that are listed in Part 2 of Schedule 4;
"CAA"	the Capital Allowances Act 1990;
"CCL"	CCL Leisure Limited, a company incorporated in England with registered number 2227126, whose registered office is at Cardyn House, Dingwall, Croydon, Surrey CR0 9XF;
"CCL Group"	CCL and its subsidiary undertakings;
"Company"	Apollo Leisure Group Limited, details of which are set out in Schedule 2;
"Companies Acts"	the Companies Act 1985 and the Companies Act 1989 and the former Companies Acts within the meaning of Section 735(1)(c) of the Companies Act 1985;
"Completion"	completion of the sale and purchase of the Sale Shares as specified in clauses 5.1 to 5.4 inclusive;
"Completion Accounts"	the consolidated balance sheet of the Group prepared as at the Completion Accounts Date and the consolidated profit and loss account of the Group for the period from the Accounting Date to the Completion Accounts Date, to be prepared and agreed or determined in accordance with the provisions of clause 6;
"Completion Accounts Date"	close of business on 2 October 1999 (except in relation to the CCL Group where the relevant date will be the close of business on 30 September 1999);

"Completion Date"	the date of this Agreement;
"Confidential Information"	know-how, trade secrets and other information of a proprietary or confidential nature, wherever in the world protectable;
"Consideration"	the amount specified in clause 3.1;
"Consideration Shares"	979,667 shares of Class A common stock, par value \$0.01 per share, of SFX, forming the Share Consideration;
"Current Assets"	the aggregate of the amount of the cash balances as recorded in the books of the Group, stock (consumables and goods for sale), debtors, pre-payments, accrued income, assets for resale and investments of the Group at the Completion Accounts Date as shown in the Completion Accounts;
"Current Liabilities"	the aggregate of the amount of bank overdrafts, bank and other loans (falling due within one year of Completion)

other than Bank Debt, hire purchase creditors, trade creditors, corporation tax (not including deferred taxation), other taxation and social security creditors due within one year of Completion, accruals and deferred income (not including deferred grants received) and other creditors of the Group at the Completion Accounts Date falling due within one year of Completion as shown in the Completion Accounts;

"DCG Trustees" David Clifford Gregg, Suzanne Gregg and Simon Paul Gregg as Trustees of the David Clifford Gregg Accumulation and Maintenance Trust;

"DCR Trustees" David Charles Rogers, Julie Diane Rogers and John Michael Cook as trustees of the David Charles Rogers Interest in Possession Settlement;

"Deferred Consideration" an amount equal to the amounts received by any member of the Group on the sale of the Deferred Consideration Properties which takes place within 12 months of Completion as adjusted for the aggregate amount (if any) of the operating profit and loss made by the business carried on at any such property between the Completion Date and the date of the sale of the relevant property but less:

- (a) all associated reasonable selling costs;
- (b) any corporation tax payable on the associated chargeable gain as calculated in accordance with the TCGA (except to the extent that such gains

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may be deferred under roll-over relief provisions);

- (c) all reasonable costs expended on the Deferred Consideration Properties between the Completion Date and the date of sale of the relevant property as agreed between the parties, such agreement not to be unreasonably withheld; and
- (d) an amount equal to the stamp duty (or stamp duty reserve tax) paid by the Purchaser (and not repaid) in respect of the Sale Shares which would not have been payable if this agreement had not required the Deferred Consideration to be paid;

"Deferred Consideration Properties" the assets described in paragraph (ii) of Part 2 of Schedule 5;

"Directors" the persons listed as directors of the Company in Schedule 2;

"Disclosure Letter" the letter of 3 August 1999 from the Vendors to SFX;

"Employment Law" all and any laws, common law, statutes, directives, recommendations, regulations, notices, codes of practice, guidance notes, judgements, decrees or orders, whether of the European Community, the United Kingdom or such other law as may be applicable, relating to or connected with the employment of employees and their health and safety at work or the use of or engagement of temporary workers, agency workers, contract workers or other workers where the relationship is not one of employment in their health and safety at work;

"Exchange Rate" the prevailing exchange rate applicable to the amount of Sterling in relation to the US dollar by reference to

the middle-market rates quoted by National Westminster Bank plc;

"Group"	the group of companies comprising the Company, its Subsidiaries, Barry Clayman Corporation and Nederlander Dominion and the expression "member of the Group" shall be construed accordingly;
"Hazardous Substances"	all substances of whatever description which may cause or have a harmful effect on the environment or the health of man or any other living organism including, without limitation, asbestos, petroleum, petroleum by products and polychlorinated biphenyls and which in their present state, condition and location would be required to be removed by any competent authority under the provisions of any United Kingdom, Irish laws or legislation enacted
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	at the Completion Date and applying to the legal jurisdiction in which the Properties are located or any regulations made thereunder, including, for the avoidance of doubt, under the powers introduced by Section 57 and paragraphs 161 and 162 of Schedule 22 of the Environment Act 1995;.
"IHTA"	the Inheritance Tax Act 1984;
"Intellectual Property"	includes Confidential Information, patents, registered designs, copyrights, rights in databases, design rights, topography rights, trade marks, business names, registrations of and applications to register any of the aforesaid items, rights in the nature of any of the aforesaid items in any country, rights in the nature of unfair competition rights and rights to sue for passing off, in each case wherever in the world enforceable;
"Long Term Debt"	the aggregate amount of hire purchase creditors due over one year (including finance leases) of the Group including, for the avoidance of doubt, the provision for the purchase of the remaining shares in CCL, at Completion Accounts Date, other than Current Liabilities, as shown in the Completion Accounts;
"Medium Term Plan"	the Apollo Leisure Group 5 Year Forecast dated 18 May 1999 included in the bundle of documents annexed to the Disclosure Letter at Volume 5, divider 1.4;
"Moral Rights"	the rights of an author of a copyright literary, dramatic, musical or artistic work or a director of a copyright film ("Work") to be identified as the author or director (as the case may be) of the Work, not to have the Work subjected to derogatory treatment and not to have a Work falsely attributed to him as the author or director (as the case may be), and rights in the nature of the aforesaid rights, in each case wherever in the world enforceable;
"Nederlander"	Dominion" Nederlander Dominion Limited, a company incorporated in England with registered number 02583337 whose registered office is at Regina House, 124 Finchley Road, London NW3 5JS;
"Non-Certificate Properties"	those of the Properties which are not the subject of the Certificates;
"Non-Certificate Property Summary"	the information summary in respect of the Non-Certificate Properties included in the bundle of documents annexed to the Disclosure Letter at volume 85;

"participating interest"	the meaning defined in section 260 Companies Act 1985;
"Planning Acts"	the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991 and the Rules, Regulations and Orders made under them or continued by them as they apply from time to time;
"Properties"	the properties, short particulars of which are set out in part 1 of Schedule 4;
"Purchaser's Accountants"	Ernst & Young;
"Purchaser's Group"	the group of companies comprising SFX and its subsidiary undertakings from time to time, and the expression "member of the Purchaser's Group" shall be construed accordingly provided that this shall not include the Group;
"Purchaser's Solicitors"	Baker & McKenzie of 100 New Bridge Street, London EC4V 6JA;
"Sale Shares"	all the issued share capital of the Company as set out in Schedule 1;
"SJS Trustees"	Samuel John Shrouder and Frieda Shrouder as trustees of the Samuel John Shrouder Interest in Possession Trust;
"Share Consideration"	the amount of twenty five million pounds ((pound)25,000,000) to be satisfied by the issue of the Consideration Shares;
"Subsidiaries"	the subsidiaries and subsidiary undertakings of the Company which are listed in Schedule 3;
"subsidiary undertaking"	the meaning given to that term in section 258 Companies Act 1985;
"Tax"	all forms of taxation, withholdings, duties, imposts, levies, social security contributions and rates imposed by any local, municipal, governmental, state, federal, or other body in the United Kingdom or elsewhere and any interest, penalty, surcharge or fine in connection therewith;
"Taxes Act"	the Income and Corporation Taxes Act 1988;
"TCGA"	the Taxation of Chargeable Gains Act 1992;

"Trusts"	the David Clifford Gregg Accumulation and Maintenance Trust, the David Charles Rogers Interest in Possession Settlement and the Samuel John Shrouder Interest in Possession Trust;
"VATA"	the Value Added Tax Act 1994;
"Vendors' Solicitors"	Gouldens of 22 Tudor Street, London EC4Y 0JJ;
"Vendor Trustees"	the DCG Trustees, the DCR Trustees and the SJS Trustees;
"Warranties"	the warranties and undertakings contained or referred to in clause 9 and Schedule 6 and part 1 of Schedule 7;
"Working Capital"	Current Assets less Current Liabilities and less Long Term Debt as shown by the Completion Accounts, less Bank Debt, and adjusted in accordance with Schedule 5;
"Working Capital Statement"	the statement showing the Working Capital prepared and agreed or determined in accordance with the provisions

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- 1.2 Save where the context otherwise requires words and phrases the definitions of which are contained or referred to in Part XXVI of the Companies Act 1985 shall be construed as having the meaning thereby attributed to them.
- 1.3 Any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall wherever necessary or appropriate in the context be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared provided that none of the parties' liability will be increased over and above that on the date of this Agreement.
- 1.4 References in this Agreement to clauses and schedules are to clauses in and schedules to this Agreement (unless the context otherwise requires). The recitals and schedules to this Agreement shall be deemed to form part of this Agreement.
- 1.5 Headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.6 The expression "the Vendors" includes their respective personal representatives and the expression "the Purchaser" includes their successors and assigns.

- 1.7 References to "persons" shall include natural persons, bodies corporate, unincorporated associations and partnerships (whether or not having separate legal personality).
- 1.8 References to writing shall include any methods of reproducing words in a legible and non-transitory form.
- 1.9 The masculine gender shall include the feminine and neuter and the singular number shall include the plural and vice versa.
- 1.10 All warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into jointly and severally except as otherwise provided.
- 1.11 A document expressed to be "in the approved terms" means a document the terms of which have been approved by or on behalf of the parties to this Agreement and a copy of which has been signed for the purposes of identification by or on behalf of those parties.
2. SALE OF SALE SHARES
- 2.1 Subject to the terms of this Agreement, each of the Vendors shall sell with full title guarantee, except to the extent that the Vendor Trustees do not own the beneficial interest in the Sale Shares set opposite his or her name in Schedule 1, and the Purchaser shall purchase, free from all liens, charges and encumbrances and together with all rights now or hereafter attaching to them, including all rights to any dividend or other distribution declared, made or paid after the date of this Agreement, the number of Sale Shares set opposite his or her name in column 2 of Schedule 1.
- 2.2 Each of the Vendors hereby waives and agrees to procure the waiver of any restrictions on transfer (including pre-emption rights) which may exist in relation to the Sale Shares, whether under the articles of association of the Company or otherwise.
- 2.3 The covenants implied herein pursuant to the Law of Property (Miscellaneous Provisions) Act 1994 ("LP(MP)A") shall apply as if the covenant in section 3(1) of LP(MP)A ended after the word "parties" and

as if section 6(2) of LP(MP)A did not apply.

- 2.4 SFX and SFX UK shall purchase the Sale Shares in equal proportions in consideration of, in the case of SFX, the Share Consideration and cash, and in the case of SFX UK, cash.

3. CONSIDERATION

- 3.1 The consideration payable for the Sale Shares shall be the aggregate of the Share Consideration, the Deferred Consideration and the Cash Consideration.
- 3.2 The Share Consideration shall be satisfied by the allotment and issue of the Consideration Shares in accordance with clause 5.4.1, the Cash Consideration shall be

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satisfied in cash in accordance with clause 5.3.2 and the Deferred Consideration shall be satisfied in accordance with clause 7.3.

4. CONSIDERATION SHARES

- 4.1 Unless otherwise agreed in writing by the Purchaser and provided that such transferee agrees in writing to be subject to the provisions of clauses 4 and 9.5, each of the Vendors agrees that he or she will not offer, sell, pledge, encumber, transfer or otherwise dispose of any of the Consideration Shares issued and allotted to him or her pursuant to this Agreement (including any shares he or she receives as a result of any stock splits, stock dividends, combinations of shares, recapitalisations or other such events relating to the common stock of SFX which may occur at any time and from time to time from and after Completion) or any interest therein during the period of one year from the Completion Date (the "Non-Disposal Period") and thereafter unless an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), is available or pursuant to an effective registration statement under the Securities Act and pursuant to an exemption from any applicable United States state securities or blue sky laws or an effective registration or other qualification under any applicable United States state securities or blue sky laws.
- 4.2 The Purchaser hereby agrees that Anita Kim Gregg and Paul Richard Gregg shall be entitled to transfer the beneficial and/or legal interest in their Consideration Shares to a corporate vehicle of their choice incorporated in the Cayman Islands provided that the said transferee agrees in writing to be subject to the provisions of clauses 4 and 9.5 and further provided that Paul Richard Gregg or a member of his immediate family is and will continue to be the ultimate beneficial owner of the corporate vehicle for the Non-Disposal Period in respect of 60% of their Consideration Shares and the Option Period in respect of the Option Shares (as such terms are defined below).
- 4.3 Each of the Vendors grants to SFX an option (the "Option") exercisable during the period of two years from the Completion Date (the "Option Period") to acquire at US\$45.31 per share (which price shall be subject to appropriate adjustment in the event of any stock splits, stock dividends, combinations of shares, recapitalisations or other such events relating to the common stock of SFX which may occur at any time and from time to time from and after Completion), the number of Consideration Shares that is equal to up to forty percent (40%) of the Consideration Shares issued and allotted to each Vendor pursuant to this Agreement (subject to appropriate adjustment in the event of any stock splits, stock dividends, combinations of shares, recapitalisations or other such events relating to the common stock of SFX which may occur at any time and from time to time from and after Completion) (the "Option Shares").
- 4.4 The Option shall be capable of exercise in whole or in part at any time or times during the Option Period by service of notice in writing on the Vendors provided that if SFX does exercise its option in part, it will treat all the Vendors equally and exercise the Option in respect of the same proportional percentage of each Vendor's Option Shares. Service of such notice shall constitute a legally binding obligation of each of the Vendors to transfer, subject to the Vendors receiving the consideration due in relation to such shares as set out in clause 4.3, such number of

and clear of all liens, charges and encumbrances. The purchase price shall be payable to the Vendors' Solicitors in cash within thirty (30) days of the exercise of the Option against delivery of certificates for the Option Shares to be repurchased and the Purchaser shall not be concerned to see to the distribution of the monies so paid.

4.5 Notwithstanding any other provision of this clause 4 other than clause 4.2, whilst the Option remains exercisable in whole or in part, each of the Vendors undertakes that he or she shall not offer, sell, pledge, encumber, transfer or otherwise dispose of the Option Shares (including any shares he or she receives as a result of any stock splits, stock dividends, combinations of shares, recapitalisations or other such events relating to the common stock of SFX which may occur at any time and from time to time from and after Completion) or any interest therein unless otherwise agreed to in writing by the Purchaser and provided that such transferee agrees in writing to be subject to the provisions of this clause 4 and 9.5.

4.6 Each of the Vendors understands and acknowledges that:

4.6.1 the Consideration Shares are being distributed by SFX pursuant to the terms of Regulation S promulgated under the Securities Act ("Regulation S"), which permits securities to be sold to non-U.S. Persons in "offshore transactions" (as defined in Regulation S), subject to certain terms and conditions; and

4.6.2 the Consideration Shares have not been registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S) unless such securities are registered under the Securities Act or such offer or sale is made pursuant to an exemption from the registration requirements of the Securities Act.

4.7 Each of the Vendors agrees that during the Non-Disposal Period, each of the Vendors shall not engage in any activity for the purpose of, or which may reasonably be expected to have the effect of, conditioning the market in the United States for the Consideration Shares.

4.8 Each of the Vendors agrees that from the date hereof until the expiration of the Non-Disposal Period he or she shall not with respect to the Consideration Shares enter into any short sale, sell or purchase any option or other derivative security, enter into any swap, or enter into any other transaction which would have the effect of, directly or indirectly, in whole or in part, hedging the economic or investment risk of such Vendor's investment in the Consideration Shares. Each of the Vendors represents that no such hedging position is currently in effect.

4.9 Each of the Vendors agrees that the certificates for the Consideration Shares to be received shall bear the following legend:

"The Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or with any state securities commission, and may not be offered, sold, pledged, transferred, encumbered or disposed of by the holder except in accordance with the provisions of Regulation S under the Securities Act, pursuant to registration under the Securities Act, or pursuant to an available exemption from

registration; and that hedging transactions involving those securities may not be conducted unless in compliance with the Securities Act".

During the twelve month period following the Non-Disposal Period, SFX will cause the removal of such legend upon receipt of an opinion of

United States counsel, or other evidence, in form and substance reasonably satisfactory to SFX, to the effect that the specified Consideration Shares may be sold in brokers transactions under Rule 144. After the Option Period, upon request of any Vendor, SFX will cause the removal of such legend from any Consideration Shares held by the Vendors.

In addition, each of the Vendors understands that SFX's transfer agents will not register any transfer of the Consideration Shares during the Non-Disposal Period and the Option Period, as applicable, and agrees that SFX may place stop transfer orders with its transfer agents with respect to such certificates.

- 4.10 Each of the Vendors agrees that certificates for the Consideration Shares to be received on Completion shall bear the following legend in addition to the legend set forth above for the duration of the Non-Disposal Period in respect of all of his or her Consideration Shares and the Option Period in respect of 40% of his or her Consideration Shares, as applicable:

"In addition to and not in limitation of the restriction set forth above, the Shares represented by this certificate shall be subject to the terms of the Share Purchase Agreement dated September 1999 between the shareholders of Apollo Leisure Group Limited and SFX Entertainment, Inc. (the "Company") which includes provisions affecting the free transferability of the shares represented by this certificate. HOLDERS AND/OR PROSPECTIVE PURCHASERS OR TRANSFEREES OF INTERESTS IN THESE SHARES SHOULD BE AWARE THAT THE COMPANY, UNDER CERTAIN CIRCUMSTANCES, WILL HAVE THE ABSOLUTE RIGHT, WITHOUT NOTICE TO THE HOLDER, TO PREVENT THE TRANSFER OF OR CANCEL THE SHARES REPRESENTED BY THIS CERTIFICATE ON THE BOOKS OF THE COMPANY."

Upon the request of a Vendor after the Option Period, SFX will cause the removal of such legend from any Consideration Shares then held by the Vendors.

- 4.11 Each of the Vendors acknowledges that the Consideration Shares will be "restricted securities" as defined in Rule 144 under the Securities Act and may be resold in the U.S. only after the Non-Disposal Period and only pursuant to the requirements of Rule 144 or otherwise in reliance upon an exemption from registration under the Securities Act.

- 4.12 Each of the Vendors hereby warrants and undertakes to and with the Purchaser that:

- 4.12.1 he or she has downloaded to paper format from the internet website maintained by the United States Securities and Exchange Commission ("SEC") at <http://www.sec.gov> and reviewed the most recent annual report to stockholders of SFX, the latest available annual report of SFX on Form 10-K, as amended; any of SFX's quarterly reports on Form 10-Q filed since such

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reports; any of SFX's filings on Form 8-K since such reports; and has reviewed a statement of certain risk factors associated with investment in the Consideration Shares as set out in SFX's Form 10-K, as amended (the "Risk Factors") and in all cases consents to his or her receipt of such reports to the extent received in this manner;

- 4.12.2 he or she was provided with the opportunity to ask questions of and receive answers from SFX or its representative, concerning the operations, business and financial condition of SFX, and all such questions have been answered to his or her full satisfaction and any information necessary to verify such responses has been made available to him or her;

- 4.12.3 he or she has received such documents, materials and information as he or she deems necessary or appropriate for evaluation of the Consideration Shares, and further confirms that he or she has carefully read and understands these materials and has made such further investigation as was deemed appropriate to obtain additional information to verify the accuracy of such materials;

- 4.12.4 he or she confirms that the Consideration Shares were not offered to him or her by any means of general solicitation or general advertising;
- 4.12.5 he or she confirms that he has such knowledge and experience in financial and business matters so that he or she is capable of evaluating the merits and risks of an investment in the Consideration Shares and has the capacity to protect his or her own interests, understands that such investment involves a high degree of risk, has carefully considered the Risk Factors before making his decision to make the investment and can bear the entire economic risk of the investment;
- 4.12.6 he or she understands that there is no assurance that any exemption from registration under the Securities Act will be available and that, even if available, such exemption may not allow him or her to transfer all or any portion of the Consideration Shares under the circumstances, in the amounts or at the times he or she might propose;
- 4.12.7 he or she will be acquiring the Consideration Shares for his or her own account, for investment purposes only, and not with a view towards the sale or other distribution thereof, in whole or in part;
- 4.12.8 he or she understands that the Consideration Shares have not been approved or disapproved by the SEC or by any other US federal or state agency or any UK regulatory authority;
- 4.12.9 he or she understands that: (i) there are restrictions on the transferability of the Consideration Shares; (ii) owners of Consideration Shares have no right to require the Consideration Shares to be registered under the Securities Act; and (iii) it may not be possible for him or her to sell his or her Consideration Shares and accordingly, he or she may have to hold the Consideration Shares, and bear the entire economic risk of this investment for an extended period of time;

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- 4.12.10 he or she is not a U.S. Person; he or she is executing such undertaking outside the United States; he or she has received no offer of the Consideration Shares in the United States; and he or she has made no offer or order to purchase the Consideration Shares in the United States; and
- 4.12.11 he or she has not relied upon any information or representation with regard to SFX or the Consideration Shares apart from the information in clause 4.14.
- 4.13 SFX shall prepare and submit to the New York Stock Exchange, or such other national securities exchange on which SFX's Class A common stock is principally traded, a listing application covering the Consideration Shares and shall use its commercially reasonable efforts to obtain, prior to any permitted sale by a Vendor, approval for the listing of such Consideration Shares subject to official notice of issuance. The Vendors shall, without any expenditure of funds, co-operate fully with SFX with respect to such listing and any filings made with the SEC by SFX.
- 4.14 SFX hereby warrants to each of the Vendors as follows:
- 4.14.1 SFX is a corporation duly organised, validly existing and in good standing under the laws of the state of Delaware with full corporate power and corporate authority to enter into this Agreement and each of the agreements contemplated hereby to be executed by it and to perform its obligations hereunder and thereunder.
- 4.14.2 This Agreement and all documents required to be executed and delivered by SFX hereunder at Completion have been or will be duly authorised, executed and delivered on behalf of SFX. This Agreement and all agreements required hereunder to be executed and delivered on behalf of SFX, constitute the legal, valid and binding obligations of SFX enforceable against it in accordance with their respective terms, except that enforceability may be

limited by bankruptcy, insolvency, moratorium or other similar laws of general application affecting the enforceability of creditors' rights generally or by general principles of equity (whether applied by a court of law or equity). Neither the execution of this Agreement or the consummation of the transactions provided for herein will result in any breach of, acceleration of, maturity of, or constitute any default under, except to the extent waived, any indentures, mortgages, promissory notes, contracts or agreements to which either SFX is a party or by which it or its properties are bound or will cause it to violate any applicable legal requirements, judgement, order or decree of any governmental authority or any provision of the Certificate of Incorporation or bylaws of SFX.

- 4.14.3 SFX has authorised capital stock of (a) 100,000,000 shares of Class A common stock, par value \$0.01 per share, of which 63,319,143 shares were issued and outstanding and no shares were held as treasury stock as at close of business on 13 September 1999; (b) 10,000,000 shares of Class B common stock, par value \$0.01 per share, of which 2,545,557 were issued and outstanding as at close of business on 13 September 1999 and (c) 25,000,000 shares of preferred stock, par value \$0.01 per share, of which no shares were

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issued and outstanding as of the date hereof. All of the issued shares of common stock of SFX have been duly authorised and validly issued, are fully paid and non-assessable and constitute the only issued and outstanding voting capital shares of SFX. The Consideration Shares to be exchanged for the Sale Shares will be issued out of authorised but unissued shares, and there are no outstanding options, warrants, rights or calls relating to the Consideration Shares, other than pursuant to the terms of this Agreement.

- 4.14.4 Upon delivery of the Consideration Shares in exchange for the Sale Shares, each of the Vendors will receive good title to the Consideration Shares allocated to him or her, and the Consideration Shares will upon issuance in accordance with this Agreement all be duly authorised and validly issued, fully paid and non-assessable, not issued in violation of the pre-emptive rights or other rights of any other shares or security holder of SFX, free of any restrictions and encumbrances imposed by SFX except as otherwise provided in this Agreement or by applicable law, free and clear of all mortgages, pledges or security interests of SFX and not subject to any agreements or understandings among any persons with respect to the voting or transfer of such shares, other than those to which the Vendors or any of them become or are parties.

- 4.14.5 SFX has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including material filed pursuant to Sections 13(a) or 15(d) (collectively, the "SEC Documents"). As of their respective dates, the SEC Documents were true, correct and complete in all material respects in accordance with the requirements of the Exchange Act and the SEC's regulations thereunder, and none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

- 4.14.6 No broker or finder has been employed by SFX in consideration with the transactions contemplated hereby.

- 4.14.7 The Sale Shares that are to be acquired by SFX are being acquired for investment, for its own account and not with a view to the resale thereof or any other transaction which would constitute a "distribution" under the Securities Act. SFX acknowledges that the Sale Shares acquired by it have not been and will not be registered under the Securities Act or any applicable US state securities or blue sky laws. SFX has the knowledge and experience in financial and business matters such that it is capable of

evaluating the merits and risks of the investment by SFX in the Sale Shares. SFX will not resell or otherwise dispose of the Sale Shares that it acquires in any manner or transaction that will make the Vendors unable to rely on the exemption from the Securities Act and all applicable state securities and blue sky laws on which the Vendors have relied in making the offer and sale of the Sale Shares hereunder.

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- 4.14.8 SFX is an "accredited investor", as that term is defined in Rule 501(a) under the Securities Act, and it has such knowledge and experience in financial and business matters as make it capable of evaluating the merits and risks of its purchase of the Sale Shares upon the terms of this Agreement.
- 4.14.9 In deciding to enter into and consummate the transactions contemplated hereby, SFX has relied, as to tax, securities and other legal matters, on the advice it has received from its own advisers and experts.
- 4.14.10 SFX understands that there is no public trading market for the Sale Shares.

5. COMPLETION

- 5.1 Completion shall take place on the Completion Date at the offices of the Purchaser's Solicitors when all (but not some only) of the events described in clauses 5.2, 5.3 and 5.4 shall occur.
- 5.2 The Vendors shall:
 - 5.2.1 deliver to the Purchaser:
 - 5.2.1.1 duly executed transfers of all of the Sale Shares in favour of the Purchaser or their nominees together with the relative share certificates or an indemnity in the approved terms;
 - 5.2.1.2 duly executed transfers in favour of the Company (or its nominees) of such shares in the Subsidiaries as are registered in the names of nominee holders, together with the relative share certificates or an indemnity in the approved terms;
 - 5.2.1.3 such waivers or consents as the Purchaser may require to enable the Purchaser or their nominees to be registered as holders of any of the Sale Shares and the shares in the Subsidiaries which are referred to in clause 5.2.1.2;
 - 5.2.1.4 the resignation of Deloitte and Touche as auditors of each member of the Group (where such is the case), such resignation to contain a statement in accordance with Section 394 of the Companies Act 1985 that there are no circumstances connected with it ceasing to hold office which they consider should be brought to the attention of the members or creditors of the relevant Group Member;
 - 5.2.1.5 written undertakings from edge ellison, Morgan Cole Solicitors and Brodies to hold the title deeds to the Properties that are in their possession to the order of the Purchaser (other than any for which an undertaking has already been given to a bank or other lending institution) and confirmation from Holohan Associates that they hold the title deeds to The Point in Dublin;

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- 5.2.1.6 the statutory and other books (duly written up to date) of Point Exhibition Company Limited and its certificate of incorporation, common seal and any other papers and documents of it and a written undertaking from the Smith Partnership that they hold all the statutory and other

books (duly written up to date) of the Company and the Subsidiaries and their respective certificates of incorporation, common seals and any other papers and documents of the Company or the Subsidiaries (other than those Subsidiaries expressly referred to in paragraph 1(b) of the Disclosure Letter);

- 5.2.1.7 an unconditional letter of release from the bankers of the Company and the Subsidiaries evidencing the release and discharge of all guarantees and charges granted by the Company and the Subsidiaries or, to the extent that such guarantees and charges are not to be released and/or discharged, letters of consent to the change of control of the Group from the relevant banks including Woodchester and HSBC and a letter of non-crystallisation from HSBC;
- 5.2.1.8 certified copies of any powers of attorney under which any of the documents referred to in this clause 5.2 is executed or evidence reasonably satisfactory to the Purchaser of the authority of any person signing on the Vendor(s) behalf;
- 5.2.1.9 the duly executed powers of attorney in respect of the Sale Shares which are referred to in clause 16.9;
- 5.2.1.10 except in relation to David Rogers and Paul Gregg, letters of resignation in the approved terms from each of the Directors and the secretary of the Company and the directors and secretary of each of the Subsidiaries other than in relation to the CCL Group, Nederlander Dominion and The Point Exhibition Company Limited, such resignations to take effect in accordance with the minutes of the meetings referred to in clauses 5.2.4 and 5.2.5 below;
- 5.2.1.11 duly executed deeds of release, in the approved terms, terminating the licence in favour of Boars Hill Heath and releasing and discharging the Company and the Subsidiaries from any liability whatsoever (whether actual or contingent) which may be owing to the Vendors, John Jarvis or any of their respective Associates (other than in relation to remuneration and emoluments accrued but not yet paid and unpaid expenses properly payable to the Vendors and John Jarvis or any of their Associates pursuant to their terms of employment with the relevant member of the Group at Completion) including, for the avoidance of doubt, any and all bonus payments, finder's fees, claims, demands, proceedings, causes of action, awards, decisions, injunctions, judgements, orders, rulings, subpoenas, verdicts, obligations, contracts, agreements, debts and liabilities whatsoever, whether in law or equity (including any right of contribution), whether arising under contract or arrangement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur, or alleged to have
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- occurred or to have failed to occur, or any conditions existing or alleged to have existed on or before Completion;
- 5.2.1.12 evidence to the Purchaser's reasonable satisfaction that Barry Clayman Corporation is beneficially owned by a member of the Group;
- 5.2.1.13 evidence that the lease of the Alexandra Theatre Birmingham has been duly stamped;
- 5.2.2 procure that Paul Richard Gregg, John Jarvis, David Charles Rogers and Samuel John Shrouder shall enter into service agreements (or a consultancy agreement in the case of John Jarvis) with the Company or, in respect of Paul Richard Gregg, a member of the Purchaser's Group incorporated outside the United Kingdom, in the approved terms and procure that Barry Clayman

shall enter into a service agreement with Barry Clayman Corporation Limited in the approved terms;

- 5.2.3 procure that the amounts set out in the board minutes referred to in clauses 5.2.4 and 5.2.5 shall be paid to Paul Richard Gregg, John Jarvis, Steve Lavelle, Nigel Brewster, Mike Adamson, Terry Carnes, Jerry Tate, Paul Latham, Anita Kim Gregg, Simon Paul Gregg and David Clifford Gregg and to all staff of the Group;
- 5.2.4 cause the Directors to hold a meeting of the board of the Company at which the Directors shall pass resolutions (inter alia) to:
 - 5.2.4.1 approve the registration of the Purchaser or their nominees as members of the Company subject only to the production of duly stamped and completed transfers in respect of the Sale Shares;
 - 5.2.4.2 appoint the Purchaser's Accountants as joint auditors of the Company;
 - 5.2.4.3 appoint such persons as the Purchaser may nominate as directors and secretary of the Company;
 - 5.2.4.4 approve all financial assistance being given by the Company; and
 - 5.2.4.5 give authority to such persons as the Purchaser may nominate to operate the bank accounts.
- 5.2.5 cause the directors of the Subsidiaries to hold meetings of the board of the Subsidiaries at which the directors of the Subsidiaries shall pass resolutions (inter alia) to:
 - 5.2.5.1 appoint such persons as the Purchaser may nominate as directors and secretary of the Subsidiaries; and
 - 5.2.5.2 appoint the Purchaser's Accountants as joint auditors of the Subsidiaries;

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- 5.2.5.3 approve all financial assistance being given by the Subsidiaries; and
 - 5.2.5.4 give authority to such persons as the Purchaser may nominate to operate the bank accounts.
- 5.3 The Purchaser shall:
- 5.3.1 subscribe in cash nine million pounds ((pound)9,000,000) for B Shares in the Company; and
 - 5.3.2 pay by telegraphic transfer to the Vendor's Solicitors' bank account the Cash Consideration (for value that day) and receipt by the Vendor's Solicitors shall be a complete discharge of the Purchaser's liability to pay the Cash Consideration.

- 5.4 SFX shall:
- 5.4.1 issue and allot to the Vendors the respective number of Consideration Shares as set out opposite his or her name in column 3 of Schedule 1; and
 - 5.4.2 provide a letter of support in the approved terms.
- 5.5 Each of the Vendors hereby agrees to the allocation of the Cash Consideration and the Consideration Shares as is set out in columns 3 and 4 of Schedule 1.
6. COMPLETION ACCOUNTS
- 6.1 The Vendors and the Purchaser shall use all reasonable endeavours to procure that the Company shall prepare Completion Accounts for the Group in respect of the period from the Accounting Date to the Completion Accounts Date and a draft Working Capital Statement in accordance with the provisions of Schedule 5 as soon as reasonably practicable after

Completion and in any event within sixty (60) days of the Completion Date and that the Company shall deliver the same to the Purchaser and the Purchaser's Accountants.

6.2 The Purchaser shall procure that the Purchaser's Accountants shall, within forty five (45) days of the Purchaser's Accountants receiving the draft Completion Accounts and draft Working Capital Statement review the same and applying the same basis and principals referred to in clause 6.1 deliver to the Purchaser and the Vendors a written notice stating either:

6.2.1 that in their opinion the draft Completion Accounts and the draft Working Capital Statement have been prepared in accordance with the provisions of clause 6.1; or

6.2.2 that they disagree with the draft Completion Accounts and the draft Working Capital Statement, together with a statement detailing their reasons for disagreement and showing their proposed adjustments to the draft Working Capital Statement.

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6.3 The Vendors shall have thirty (30) days from receipt of the notice referred to in clause 6.2.2 to serve a written notice on the Purchaser stating that they:

6.3.1 agree with the proposed adjustments to the draft Completion Accounts and the draft Working Capital Statement; or

6.3.2 disagree with the proposed adjustments to the draft Completion Accounts and the draft Working Capital Statement.

6.4 If the Purchaser's Accountants or the Vendors serve a notice pursuant to clause 6.2.1 or 6.3.1 (as the case may be) the draft Completion Accounts and the draft Working Capital Statement (as adjusted if relevant) shall be the Completion Accounts and the Working Capital Statement respectively for the purposes of this Agreement but such Completion Accounts and Working Capital Statement shall be without prejudice to the Purchaser's right to claim under the Warranties, clause 10 or otherwise in respect of any matter, but subject always to clause 9.9.8.2. In carrying out their functions under this Agreement, the Purchaser's Accountants shall not be deemed to be acting as arbitrators.

6.5 If the Vendors serve a notice pursuant to clause 6.3.2 and/or the parties are not able to agree the form and content of the Completion Accounts and Working Capital Statement within seventy five (75) days of the date on which they were first submitted to the Purchaser and the Purchaser's Accountants, the matter may be referred by the Vendors or the Purchaser to an independent firm of chartered accountants selected by agreement between the Vendors and the Purchaser, or, failing agreement, nominated by the President for the time being of the Institute of Chartered Accounts in England and Wales on the application of any of the Vendors or the Purchaser and:

6.5.1 such independent firm of chartered accountants shall be requested to settle any matter in dispute, applying the same basis and principles as are referred to in clause 6.1 and (unless both the Vendors and the Purchaser shall otherwise direct in writing) determine the form and content of the Completion Accounts and the Working Capital Statement; and

6.5.2 the decision of such firm of chartered accountants as to the matter in dispute and their determination (if any) as to the form and content of the Completion Accounts and the Working Capital Statement shall be final and binding, in the absence of manifest error, on the parties hereto and such chartered accountants shall be deemed to act as experts and not as arbitrators.

6.6 The costs of the Purchaser's Accountants and the costs of the independent chartered accountant, if any, shall be borne by the Vendors if the amount of the Working Capital which is ultimately agreed or determined in favour of the Purchaser differs by an amount of more than ten per cent (10%) from the original amount stated in the draft Working Capital Statement produced by the Company, and otherwise by the Purchaser.

7. ADJUSTMENT OF CONSIDERATION AND DEFERRED CONSIDERATION

- 7.1 Subject to clause 7.3, within 7 days of the agreement or determination of the amount of the Working Capital in accordance with clause 6:
- 7.1.1 if the amount of the Working Capital exceeds minus fifty million and eighty thousand pounds -(pound)50,080,000, which for the avoidance of doubt means that the amount of the Working Capital is nearer to nil, the Purchaser will pay to the Vendors' Solicitors (whose receipt shall be an absolute discharge therefor) an amount equal to such excess and interest thereon as specified in clause 7.2 and the Purchaser shall not be concerned to see to the distribution of the monies so paid;
- 7.1.2 if the amount of the Working Capital is less than minus fifty million and eighty thousand pounds -(pound)50,080,000, which for the avoidance of doubt means that the amount of the Working Capital is a larger negative number, the Vendors will pay to the Purchaser an amount equal to such shortfall and interest thereon as specified in clause 7.2.
- 7.2 The amount of any excess or shortfall pursuant to clause 7.1 shall accrue interest from the Completion Accounts Date to the date of payment at a rate per annum equal to LIBOR. For each month during such period, "LIBOR" shall be the Interbank Sterling one month mid-rate published in the Financial Times on the first business day of such month. Interest payable under this clause 7.2 shall be calculated on the number of days elapsed and a 365 day year and shall accrue daily and be compounded monthly.
- 7.3 In relation to the Deferred Consideration Properties:
- 7.3.1 if the proceeds of any sale of any of the Deferred Consideration Properties are received by a member of the Group prior to agreement or determination of the amount of the Working Capital, the proceeds and deductions that would have been taken into account in determining the Deferred Consideration in respect of such properties shall be taken into account in calculating the amount of the Working Capital;
- 7.3.2 in all other cases, the proceeds and deductions that would fall to be taken into account in calculating the Deferred Consideration shall not be taken into account in calculating the amount of the Working Capital and any such Deferred Consideration shall be paid by the Purchaser in cash to the Vendors in the same proportions as set out in column 4 of Schedule 1 within 30 days of receipt of such proceeds of sale by the relevant member of the Group.
- 7.4 The Purchaser shall procure that the relevant member of the Group which owns the Deferred Consideration Properties shall act promptly on the reasonable instructions of Paul Gregg and David Rogers in relation to the terms upon which such properties should be sold and shall procure that Paul Gregg and David Rogers are given reasonable access at all reasonable times to papers and documents relating to the Deferred Consideration Properties.

- 7.5 In calculating the adjustment for the net amount of the operating profit and loss made by the business carried on at any of the Deferred Consideration Properties, the Vendors shall notify the Purchaser in writing what they consider the profit or loss to be. The Purchaser shall within 14 days of such notification inform the Vendors in writing whether it agrees or disagrees with the same. If the Purchaser agrees, then the amount of Deferred Consideration referable to that Deferred Consideration Property shall be final and paid as provided in clause 7.3. If the Purchaser disagrees with the amount notified to it and it and the Vendors cannot reach agreement within 14 days of the Purchaser's notification of disagreement, the matter shall be referred to an independent firm of chartered accountants and the provisions of clause

6.5 shall mutatis mutandis apply. On the decision of the firm of chartered accountants being published, the amount of the Deferred Consideration shall be finalised and paid as provided in clause 7.3. The firm of Chartered Accountants will as part of their decision determine in what proportion their costs should be borne by either or both of the Vendors and the Purchaser.

8. RESTRICTION OF VENDORS

8.1 Each of the Vendors undertakes with the Purchaser (for itself and as trustee for the Company and each of the Subsidiaries) that, except as provided in clause 8.2 or with the consent in writing of the Purchaser and subject to the provisions of clause 8.4:

8.1.1 for the period of three (3) years after Completion he or she will not within the United Kingdom and Eire either on his or her own account or in conjunction with or on behalf of any person, firm or company carry on or be engaged, concerned or interested, directly or indirectly, whether as shareholder, director, employee, partner, agent or otherwise in carrying on any business which competes with the business carried on by any member of the Group at Completion (other than as a holder of not more than five (5) per cent of the issued shares or debentures of any company carrying on such a business listed on a recognised stock exchange);

8.1.2 for the period of three (3) years after Completion he or she will not either on his or her own account or in conjunction with or on behalf of any other person, firm or company solicit or entice away or attempt to solicit or entice away from any member of the Group the custom of any person, firm, company or organisation who shall at any time within the year preceding Completion have been a supplier of goods or services, identified prospective supplier of goods or services, representative or agent of any member of the Group or in the habit of dealing with any member of the Group or enter into any contract for sale and purchase or accept business from any such person, firm, company or organisation in a business area in which any members of the Group competes;

8.1.3 for the period of three (3) years after Completion he or she will not either on his or her own account or in conjunction with or on behalf of any other person, firm or company employ, engage, solicit, entice away or attempt to employ, engage, solicit or entice away from any member of the Group any person employed in a managerial, supervisory or sales capacity by, or engaged as a consultant to, or representative or agent of any member of the Group at Completion or at any time during the period of six months immediately

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preceding Completion (whether or not such person would commit a breach of contract by reason of leaving such employment or engagement);

8.1.4 he or she will not make use of or disclose or divulge to any person (other than to officers or employees of the Company or any of the Subsidiaries whose province it is to know the same) at any time hereafter, any Confidential Information, or, for a period of three (3) years after Completion, any other information (other than any information properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction) relating to any member of the Group, the identity of its customers and suppliers, its products, finance, contractual arrangements, business or methods of business and shall use all his or her reasonable endeavours to prevent the publication or disclosure of any such information by any person, firm or company with which he or she is connected;

8.1.5 if, in connection with the business or affairs of any member of the Group, he or she shall have obtained Confidential Information belonging to any third party under an agreement purporting to bind any member of the Group which contained restrictions on disclosure he or she will not without the previous written consent of the board of directors of the Purchaser at any time infringe such restrictions;

- 8.1.6 he or she will not at any time hereafter in relation to any trade, business or company use a name or trade mark including the words Apollo, CCL or The Point or any word confusingly similar thereto in such a way as to be capable of or likely to be confused with the name or any trade mark of any member of the Group and shall use his or her best endeavours to procure that no such name or trade mark shall be used by any person, firm or company with which he or she is connected.
- 8.2 The restrictions set out in clause 8.1 will not apply to the Vendors (either alone or working with any other person) in connection with:
- 8.2.1 the exploitation of such Doctor Dolittle rights as are transferred to Houston Securities Limited in accordance with terms and conditions of the transfer agreement between Houston Securities Limited and the relevant members of the Group in the approved terms;
- 8.2.2 the operation of the Prince of Wales Hotel and the Palladium Llandudno as they are currently operated by the Group;
- 8.2.3 the personal use by Houston Securities Limited of the name "Apollo" for the period of twelve (12) months from the Completion Date for the purpose of operating the Deferred Consideration Properties; and
- 8.2.4 the development of the land at The Point, Dublin, provided that such development does not consist of any large scale live entertainment that might compete with the business of The Point as it has been carried on from time to time in the five (5) years up to the Completion Date.

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- 8.3 Each Vendor shall procure that all persons directly or indirectly owned or controlled by him or her shall be bound by and observe the provisions of this clause 8 as if they were parties covenanting with the Purchaser in the same terms.
- 8.4 While the restrictions contained in this clause 8 are considered by the parties to be reasonable in all the circumstances, it is recognised that restrictions of the nature in question may fail for technical reasons and accordingly it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Purchaser but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope the said restriction shall apply with only such modifications as may be necessary to make it valid and effective.
- 8.5 Each of the Vendors acknowledges that its restrictions and obligations under this clause 8 are reasonable and necessary to protect the Purchaser and the business that the Purchaser is acquiring pursuant to this Agreement and monetary damages would not be an adequate remedy for the Purchaser for any breach by the Vendors of its restrictions and obligations and the Vendors accordingly agree that the Purchaser shall be entitled to specific performance of the Vendors' obligations herein and to injunctive and other equitable relief in addition to any other remedy to which it may be entitled at law or in equity.
- 8.6 The restrictions contained in clauses 8.1 and 8.3 shall be without prejudice to:
- 8.6.1 performance by and shall not limit the restrictions on any of the Vendors under the terms of any of their service and/or employment agreements (as amended from time to time) with any member of the Group; and
- 8.6.2 any shareholding any of the Vendors may hold in SFX.
9. WARRANTIES
- 9.1 As of 3 August 1999 (unless otherwise stated in Schedule 6 and/or part 1 of Schedule 7), the Vendors hereby warrant and undertake to and with the

Purchaser in the terms of Schedule 6 and part 1 of Schedule 7, as to Paul Richard Gregg and Anita Kim Gregg jointly and severally, as to David Charles Rogers and the DCR Trustees jointly and severally, as to David Clifford Gregg and the DCG Trustees jointly and severally, and as to and Julie Diane Rogers and Simon Paul Gregg severally.

- 9.2 The Warranties (other than the Warranties in paragraphs 3.2, 3.11 and 5.12 of Schedule 6 in respect of which no qualification is accepted) are given subject to matters fairly disclosed in the Disclosure Letter. "Fairly" for these purposes means disclosed in a manner so as to enable a reasonable purchaser to make an informed and accurate assessment of the significance of the disclosure and its impact upon the relevant Warranty. In this connection, it is accepted that where a disclosure is specifically referenced to a numbered warranty, but not to others that does not of itself mean that it is not fairly disclosed against such other warranties, provided that a fact or matter will not be deemed to be fairly disclosed if it could only have been

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discoverable by the Purchaser deducing it from the face of a series of documents which are not connected by explicit references to each other. The parties agree that a fact or matter will only be deemed to be fairly disclosed to the Purchaser if it is within the actual knowledge of the Purchaser as a result of reviewing the Disclosure Letter and/or the documents annexed thereto (the "Disclosure Bundle") or it is readily discoverable from the face of any document in the Disclosure Bundle. No letter, document or other communication shall be deemed to constitute a disclosure for the purposes of this Agreement unless the same is actually contained in the Disclosure Bundle.

- 9.3 The Vendors acknowledge that the Purchaser has entered into this Agreement in reliance upon the Warranties.
- 9.4 In the event that any of the Warranties is broken or (as the case may be) proves to be untrue or misleading in whole or in part, the Vendors shall indemnify the Purchaser for itself and as trustee for each member of the Purchaser's Group and Group in respect of:
- 9.4.1 the full amount of any shortfall or diminution in the value of any assets of the Company or any of the Subsidiaries and an amount equal to any other loss suffered or incurred by the Purchaser, the Company or any of the Subsidiaries or any successor as a result of or in relation to any act, matter or circumstance constituting a breach or non-fulfilment of any of the Warranties, excluding, for the avoidance of doubt, any right the Purchaser may have to apply the multiple used in assessing the value of the Sale Shares to the loss suffered as a result of the breach; and
- 9.4.2 all costs and expenses incurred by the Purchaser, the Company and each member of the Group as a result of such breach, and any reasonable and proper costs (including legal costs on a solicitor and own client basis), expenses or other liabilities which any of them may incur either before or after the commencement of any action in connection with (i) any legal proceedings in which the Purchaser or the relevant member of the Group or the Purchaser's Group claims that any of the Warranties has been broken or is untrue or misleading and in which judgement is given for the Purchaser or the relevant member of the Group or the Purchaser's Group or (ii) the enforcement of any settlement of, or judgement in respect of, such claim, provided that such claim in respect of such breach is resolved in favour of the Purchaser or the relevant member of the Group or the Purchaser's Group.
- 9.5 Any amounts agreed by each Vendor (including all amounts which are not in dispute and which form a part of a claim that has not yet been agreed or finally determined) or, with respect to amounts which are not so agreed, finally determined to be payable in respect of any breach of the Warranties or under the terms of clause 10 shall be satisfied within ten (10) days from such agreement or the date of being finally determined (and time shall be of the essence for the purpose of this clause 9.5), to the extent that a claim for breach of a Warranty has been agreed or finally determined within two (2) years of the Completion Date, by the transfer to SFX of Consideration Shares with full title guarantee and free and clear of all liens, charges and encumbrances which shall be

Consideration Shares were issued to Vendors and the price in US dollars for the Consideration Shares shall be translated at the Exchange Rate immediately prior to close of business in London on the business day prior to the date the claim is agreed or finally determined, and after the said two year period, at the option of each of the Vendors, by:

- 9.5.1 the transfer to SFX of Consideration Shares with full title guarantee and free and clear of all liens, charges and encumbrances which shall be deemed to have a value equal to the average closing price of such stock over the five business days prior to the date the claim is agreed or finally determined and the price in US dollars for the Consideration Shares shall be translated at the Exchange Rate immediately prior to close of business in London on the business day prior to the date the claim is agreed or finally determined; and/or
- 9.5.2 payment in cash.

For the purposes of this clause 9.5, "finally determined" means a final decision of a Court or tribunal of competent jurisdiction from which there is no appeal or in relation to which the right to appeal has not been made within the applicable time limit. If any of the Vendors fails to make such payment, the Purchaser shall have the absolute right without prejudice to any other rights of recovery the Purchaser or any other member of the Purchaser's Group may have, without further notice to the Vendors, to satisfy the amount of such payment by cancelling the appropriate number of Consideration Shares on the books of SFX with the shares to have a value equal, to the extent that such cancellation is carried out within two (2) years of the Completion Date, to the price for which the Consideration Shares were issued to Vendors and otherwise the average closing price of such stock over the five business days prior to the date the claim is agreed or finally determined and the price in US dollars for the Consideration Shares shall be translated at the Exchange Rate immediately prior to close of business in London on the business day prior to the date the claim is agreed or finally determined.

- 9.6 Each of the Warranties shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to or inference from any other Warranty or any other term of this Agreement.
- 9.7 Where any statement in the Warranties or any confirmation or certificate given by any of the Vendors hereunder or pursuant hereto is qualified by the expression "so far as the Vendors are aware" or "to the best of the Vendors' knowledge and belief" or any similar expression, that statement shall be deemed to include an additional statement that it has been made after reasonable enquiry of each of the Directors of each member of the Group, Craig Morgan, Heather Salter and Terry Carnes of the subject matter of the Warranties.
- 9.8 Each of the Vendors hereby agrees with the Purchaser (for itself and as trustee for the Company and each of the Subsidiaries) to waive any rights which he or she may have in respect of any misrepresentation or inaccuracy in, or omission from, any information or advice supplied or given by the Company or its Subsidiaries or its or their officers, employees or advisers in connection with the giving of the Warranties and the preparation of the Disclosure Letter.

- 9.9 Subject to clause 9.10, the parties agree as follows:
 - 9.9.1 The liability of the Vendors under the Warranties shall, save in relation to the Warranties in paragraph 2 of Schedule 6 (the "Tax Warranties"), cease on the earlier of two years from the Completion Date and thirty (30) days after the audited accounts for the second audit of the Group following Completion have been filed at Companies House, except (subject to clause 9.9.10) in

respect of matters which have been the subject of a written claim made before such date by the Purchaser or the Purchaser's Solicitors to any of the Vendors or the Vendors' Solicitors.

9.9.2 The liability of the Vendors under the Tax Warranties shall cease six (6) years after the first anniversary of the Accounting Date, except in respect of matters which have been the subject of a written claim made before such date by the Purchaser or the Purchaser's Solicitors to any of the Vendors or the Vendors' Solicitors.

9.9.3 Any claim which is made under clause 9.9.1 or 9.9.2 within the required period shall (unless settled or withdrawn) be deemed to have been waived or withdrawn if legal proceedings in respect thereof are not issued and served on the Vendors within nine months of written notice of the claim first being given, except in the case of a claim notified under clause 9.9.10 where legal proceedings must be issued and served within nine months of the liability becoming an actual rather than contingent liability, and time shall be of the essence for the purposes of clauses 9.9.1 and 9.9.2.

9.9.4 The aggregate liability of Paul Richard Gregg and Anita Kim Gregg under the Warranties and clause 10 of the Agreement shall be limited to 67.144% of the Consideration less (pound)38,272,000.

9.9.5 The liability under the Warranties and clause 10 of this Agreement of:

9.9.5.1 David Charles Rogers together with the DCR Trustees, Samuel John Shrouder together with the SJS Trustees, and David Clifford Gregg together with the DCG Trustees shall in each case be limited to their individual proportion of the Consideration aggregated with the relevant proportion of the Consideration of the relevant Vendor Trustee less the equivalent proportion of (pound)57,000,000 and then reduced by twenty five percent (25%); and

9.9.5.2 Simon Paul Gregg and Julie Diane Rogers shall in each case be limited to their individual proportion of the Consideration less the equivalent proportion of (pound)57,000,000 and then reduced by twenty five percent (25%).

9.9.6 Save in relation to the Warranties in paragraph 5 of Schedule 6 and the Tax Warranties, no liability shall attach to the Vendors under the Warranties:

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9.9.6.1 where the amount of any individual claim is less than ten thousand pounds ((pound)10,000), such claims being ignored for the purposes of calculating the liability of the Vendors under the Warranties unless such claims, when aggregated, amount to more than two hundred thousand pounds ((pound)200,000) and further provided that one or more claims deriving from, or attributable to, the same matter or circumstance shall be treated as one claim for the purpose of this clause; and

9.9.6.2 until the aggregate amount of all claims shall exceed one million five hundred thousand pounds ((pound)1,500,000) and in such event the Vendors shall be liable for all amounts over two hundred thousand pounds ((pound)200,000).

9.9.7 In relation to the Warranties in paragraph 5 of Schedule 6, no liability shall attach to the Vendors unless the aggregate amount of all claims under such Warranties shall exceed five hundred thousand pounds ((pound)500,000) and in such event the Vendors shall be liable for the excess only.

9.9.8 The Vendors shall, save in relation to the Tax Warranties, not be liable under the Warranties:

9.9.8.1 to the extent that such claim would not have arisen but for some voluntary act or omission occurring after

Completion outside the ordinary course of business (otherwise than pursuant to a legally binding commitment binding on the Company or any Subsidiary created on or before Completion) by or on behalf of all or any of the Purchaser, the Company or any Subsidiary and the Purchaser, the Company or any Subsidiary (as the case may be) or any of its directors knew or should reasonably have known that such act or omission could reasonably be or have been expected to give rise to or increase such claim and a reasonable alternative course of action, having regard, without limitation, to the protection of the goodwill of the Purchaser and the members of the Group and the Purchaser's Group, was available to the Purchaser, the Company or the Subsidiary (as the case may be) which could be expected not to have given rise to such claim or to a claim of such amount;

- 9.9.8.2 to the extent that a specific provision is made in the Completion Accounts in respect of the matter to which the liability specifically relates;
- 9.9.8.3 to the extent any claimant(s) is or are entitled to claim indemnity against any loss or damage arising out of the breach or claim under the terms of any insurance policy from time to time in force;
- 9.9.8.4 which would not have arisen but for anything expressly provided to be done or omitted to be done pursuant to this Agreement; or

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- 9.9.8.5 to the extent that any losses, credits, reliefs or any other allowable sums arising or becoming available to the Company or any Subsidiary on or before Completion and previously unutilised (other than any such reliefs or rights to repayment as are mentioned in clauses 10.1.5.1 to 10.1.5.3 inclusive) are available to the Company or any Subsidiary for set-off against the Tax that is the subject of such claim or the liability to which it relates (and so that the use of any such losses, credits, reliefs or allowable sums shall not of itself give rise to a claim).
- 9.9.9 The Vendors shall not be liable under the Tax Warranties to the extent that the limitations in clause 10.3 are applicable.
- 9.9.10 If, in respect of a claim for breach of any of the Warranties, the liability of the Purchaser or the Company or any Subsidiary is contingent then the Vendors shall not be liable in respect thereof unless and until such time as the contingent liability ceases to be contingent and becomes actual, provided that the liability becomes actual within one (1) year of the end of the periods referred to in clauses 9.9.1 and 9.9.2 respectively and if the liability does not become actual within such period the liability of the Vendors shall cease.
- 9.9.11 Nothing herein or otherwise shall be deemed to relieve the Purchaser or the Company or any Subsidiary from any common law duty to mitigate any loss or damage incurred by it or them. Neither the Purchaser, nor the Company nor any relevant member of the Group shall be obliged to make a payment under clauses 9.9.14 or 9.9.15 in respect of any sum or benefit which any of them shall have received, recovered or become entitled to if any such sum or benefit falls to be taken into account in computing any amount to be set off, refunded or repaid to the Vendors pursuant to clause 10.4.4.
- 9.9.12 The Purchaser shall not be entitled to recover any sum in respect of any claim or otherwise obtain reimbursement or restitution more than once in respect of any one breach of the Warranties or claim under clause 10 or the subject matter thereof.
- 9.9.13 In the event that a claim (other than a claim under clause 10) against the Vendors arises as a result of or in connection with a liability to or a dispute with any third party:

- 9.9.13.1 no such liability or dispute shall be admitted, settled or discharged without the written consent of the Vendors (such consent not to be unreasonably withheld or delayed); and
- 9.9.13.2 the Purchaser shall (provided that they are indemnified to their reasonable satisfaction by the Vendors against any costs, expenses, liabilities, penalties, and fines which may be incurred by the Purchaser and the Group and the Purchaser's Group in taking such action and provided that the Vendors give the Purchaser such assistance as they reasonably require) take such action to avoid, dispute, resist, appeal, compromise or contest such liability or dispute as may be reasonably requested by the Vendors

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provided that the Purchaser shall not be obliged to take any action whatsoever that the Purchaser reasonably believes acting in good faith having taken account of the reasonable representations of the Vendors will or is reasonably likely to have a material adverse effect on the business of any member of the Group taken as a whole. In relation to any claim against the Company arising from an audit of the box office takings by any major US or UK producer, the parties agree that contesting, disputing or resisting such claim in good faith will not be reasonably likely to have a material adverse effect on the business of the Group taken as a whole. Notwithstanding the above, the Purchaser may, at their option, assign such claim or any part thereof to the Vendors.

- 9.9.14 Where the Purchaser or any member of the Group or the Purchaser's Group is entitled (whether by right of indemnity, reimbursement or any other means) to recover from some other person (not being the Purchaser any member of the Group or the Purchaser's Group or any person connected with any of them but including, without limitation, any Tax authority) any sum or benefit in respect of the same matter that was the subject of a successful claim for breach of any of the Warranties, the Purchaser or the relevant member of the Group or the Purchaser's Group so entitled shall (provided that it is indemnified to its satisfaction by the Vendors against all costs, expenses, liabilities, penalties and fines which it or they may incur thereby and provided that the Vendors give the Purchaser or the relevant member of the Group or the Purchaser's Group such assistance as it reasonably requires) take all reasonable steps to enforce such recovery provided that neither the Purchaser nor any member of the Group or the Purchaser's Group shall be required to do anything which in the reasonable opinion of the Purchaser might have a material adverse effect on the business of the Group taken as a whole (in which case the Purchaser shall reimburse the Vendors for the amount which the Vendors and the Purchaser reasonably expect the Purchaser to recover from such other person, less all reasonable costs, expenses, and taxes, but in no event shall such amount be greater than the amount received by Purchaser from the Vendors with respect to the same matter that was the subject of such claim for breach of Warranties). Notwithstanding the above, the Purchaser or the relevant member of the Group or the Purchaser's Group entitled to such recovery may, at its option, assign such claim or any part thereof for recovery to the Vendors.

- 9.9.15 In the event that payment is made by the Vendors or any of them in respect of a claim and the Purchaser or the relevant member of the Group or the Purchaser's Group or any of them subsequently recovers from the third party a sum or, in the case of Tax claims, a benefit in respect of the same matter that was the subject of a claim, the Purchaser and the Company or the relevant Group member shall reimburse the Vendors after receipt of such sum or, in the case of Tax claims, benefit the net amount received (after deducting any costs including legal costs on a solicitor and own client basis) but not in any event exceeding the amount originally paid in respect of the relevant claim. For the purposes of the foregoing:

- 9.9.15.1 subject to clauses 9.9.15.2 to 9.9.15.4 below, a sum or benefit shall also be deemed to have been received if

off or other deduction or received in kind, provided that such sum or benefit is reasonably capable of being quantified in cash.

9.9.15.2 a reduction in liability to Tax arising as a direct result of any payment made in respect of the claim shall be deemed to be a sum or benefit received aforesaid;

9.9.15.3 the recipient shall be deemed to receive a refund or repayment for Tax purposes when and only when it would have received the same but for a liability to any Tax not covered by clause 10 and shall be deemed to receive a credit for Tax purposes when and only when the same results in an actual reduction of Tax not covered by clause 10 that the recipient would otherwise have been liable to pay;

9.9.15.4 any repayment supplement for Tax purposes or interest (less tax) paid or received or attributable to the sum or benefit recovered shall also be accounted for to the Vendors to the extent referable to the period after the claim was satisfied.

9.9.16 None of the Vendors shall be liable in respect of any representations or warranties which are made or deemed to have been made by them or any of them in relation to or connection with the subject matter hereof (save for fraudulent misrepresentation) which are not contained and expressly given or assumed by them in this Agreement or any document in the approved terms to be entered into pursuant hereto and the Purchaser hereby confirms that it has not entered into this Agreement in reliance on any such representation or warranty.

9.9.17 The Purchaser shall indemnify the Vendors and each of them against any and all reasonable and proper costs and expenses (including legal costs on a solicitor and own client basis) to the extent that such costs and expenses are incurred in successfully defending in all respects a claim for breach of any of the Warranties and where the Purchaser and the members of the Purchaser's Group have no right of appeal or the Purchaser has not appealed within the applicable time limits.

9.9.18 The Purchaser irrevocably and unconditionally waives any right it may have to sue the Vendors in misrepresentation or to rescind this Agreement, in either case for any non-fraudulent misrepresentation made by or on behalf of the Vendors, whether or not contained in this Agreement, or to terminate this Agreement for any reason. The Purchaser's remedy in respect of any such misrepresentation shall be an action under the terms of this Agreement if and to the extent the misrepresentation constitutes a breach of the Warranties.

9.9.19 Notwithstanding any other provision of this Agreement, the maximum liability of each of the Vendor Trustees (and any trustees to whom they transfer all or any part of the trust fund of the relevant Trust in exercise of their dispositive powers under the relevant Trust ("a Transferee Trustee") under this Agreement shall be limited to the extent that such liability can be met and discharged out of the net assets (after costs of realisation of the same and any

tax payable on or by reference to such realisation) held by or on behalf of such Vendor Trustee in the Trust of which they are trustees at the time such Vendor Trustee is called upon to make such payment and no Vendor Trustee (or any Transferee Trustee) shall incur any personal liability in respect of any claim under this Agreement.

- 9.9.20 If a capital distribution is made to a beneficiary of a Trust before such time as the Vendor Trustee of the relevant Trust are under no actual or contingent liability under this Agreement and the beneficiary of the distribution is sui iuris and shall by deed undertake to accept liability under this Agreement (subject to the limitations provided herein) whether to the extent only of the distribution concerned (less any tax payable by such beneficiary by reason of the receipt thereof) or generally then the residual liability of such distributing trustees hereunder shall thereupon be reduced to such extent or extinguished accordingly.
- 9.10 Clause 9.9 shall not apply if any claim or claims has or have arisen by reason of fraud, wilful concealment or dishonesty.
- 9.11 If any sum payable by the Vendors under this clause 9 shall be subject to Tax (whether by way of deduction or withholding or direct assessment of the person entitled thereto) such payment shall be increased by such an amount as shall ensure that after deduction, withholding or payment of such Tax the recipient shall have received a net amount equal to the payment otherwise required hereby to be made.
- 9.12 The amount paid by the Vendors to the Purchaser or the relevant member of the Purchaser's Group in satisfaction of any claim shall, so far as possible, be treated as a reduction by that amount in the Consideration for the Sale Shares.

10. COVENANT IN RESPECT OF TAX

10.1 In this clause 10 unless the context otherwise requires:

- 10.1.1 "Claim" means the issue of any notice, letter or other document by or on behalf of any Tax Authority or the taking of any action by or on behalf of any Tax Authority from which letter, notice, document or action it appears that a Tax liability is to be imposed on any of the Company or a Subsidiary so that such Company or Subsidiary will or may become subject to a liability which could give rise to a claim under the Warranties relating to Taxation or, in the context of clause 10.2 that a liability or increased liability is to be imposed on any relevant company.
- 10.1.2 "event" includes (without limitation) any omission, event, action or transaction whether or not the Company or any of the Subsidiaries is a party thereto, the death of any person, a change in the residence of any person for any Tax purpose, and the entering into and completion of this Agreement and references to the result of events on or before the Completion Date shall include the combined result of two or more events one or more of which shall have taken place on or before the Completion Date in circumstances where

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those events occurring after Completion occurred inside the Company's ordinary course of business and is or are:

- 10.1.2.1 the completion of the disposal by the Company or any of the Subsidiaries of any asset which was contracted to be sold by the Company or any of the Subsidiaries outside the ordinary course of business before Completion or the performance of any other act which the Company or any of the Subsidiaries was bound to perform by virtue of a legally binding obligation it had entered into outside the ordinary course of business before Completion;
- 10.1.2.2 the satisfaction of a condition to which the disposal by the Company or any of the Subsidiaries of any asset pursuant to a contract entered into outside the ordinary course of business before Completion was subject (in which even the disposal shall, for the purposes of this clause 10, but subject to clause 10.3.14, be treated as having been made before Completion and any liability to Tax arising from such disposal shall be treated as having arisen before Completion);

- 10.1.2.3 the service of any notice pursuant to section 703 of the Taxes Act;
- 10.1.2.4 the bringing into the United Kingdom of any document executed prior to Completion outside the United Kingdom where the same is required to be produced in court in the United Kingdom with a view to protecting or enforcing any legal rights of the Company or any of the Subsidiaries;
- 10.1.2.5 the making of any chargeable payment (as defined in section 214 of the Taxes Act) where the same is connected with the exempt distribution (as defined in section 213(2) of the Taxes Act) made prior to Completion.
- 10.1.3 "relief" means any relief, allowance, credit, set off, deduction or exemption for any Tax purpose;
- 10.1.4 reference to income or profits or gains earned, accrued or received shall include income or profits or gains deemed to have been or treated as or regarded as earned, accrued or received for the purposes of any legislation;
- 10.1.5 reference to any Tax liability shall include not only any liability to make actual payments of or in respect of Tax but shall also include:
- 10.1.5.1 the loss or reduction in the amount of, or the setting off against income, profits or gains, or against any Tax liability for which no provision has been made in preparing the Accounts or in preparing the Completion Accounts, of any relief which would (were it not for the said loss, reduction or setting off) have been available to the Company or any of the Subsidiaries and which has been taken into account in computing (and so eliminating or reducing) any provision for deferred

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Tax which appears (or which but for such relief would have appeared) in the Completion Accounts;

- 10.1.5.2 the loss or reduction in the amount of, or the setting off against any Tax liability for which no provision has been made in preparing the Accounts or in preparing the Completion Accounts, of a right to repayment of Tax which has been treated as an asset of the Company or any of the Subsidiaries in preparing the Completion Accounts; and
- 10.1.5.3 the utilisation or setting off against income, profits or gains earned, accrued or received on or before Completion, or against any Tax liability of any relief which is not available before Completion but which arises in respect of an event occurring after Completion in circumstances where but for such utilisation or setting off, the Company or any of the Subsidiaries would have had a Tax liability in respect of which the Purchaser would have been able to make a successful claim under this clause 10;

and in such a case as is referred to in Clause 10.1.5.1, the amount of the Tax liability shall be either the amount of the relief where the relief which has been lost or set off was a deduction or offset against Tax or where the relief was a deduction offset against income profits or gains, the amount of Tax which, on the basis of rates current at the date of the loss, would have been saved but for such loss and in the case of a liability under Clause 10.1.5.1 or 10.1.5.3 where the relief was subject to a set-off, the Tax liability shall be the amount of Tax which the Covenantors would have been liable for hereunder but for the set off;

- 10.1.6 reference to "the Company" includes a reference to each of the Subsidiaries;
- 10.1.7 reference to a payment in respect of Tax means a payment other than to a Group Company for the surrender of losses or other amounts by way of group relief (within the meaning of Section 402

of the Taxes Act) or for the surrender of advance corporation tax or for the transfer of any other relief, a repayment of any such payment and a payment by way of indemnity or damages.

10.2 Subject as provided in this Agreement, the Vendors hereby covenant with and undertake as to Paul Richard Gregg and Anita Kim Gregg jointly and severally, David Charles Rogers and the DCR Trustees jointly and severally, Samuel John Shrouder and the SJS Trustees jointly and severally, David Clifford Gregg and the DCG Trustees jointly and severally, and Julie Diane Rogers and Simon Paul Gregg severally, to pay to the Purchaser a sum equal to the amount of:

10.2.1 any Tax liability of the Company or any of the Subsidiaries arising as a result of or calculated by reference to any income, profits or gains earned accrued or received on or before the Completion Date or any event on or before the Completion Date whether or not such Tax is chargeable against or attributable to any other person;

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10.2.2 any Tax liability of any member of the Group that arises after Completion as a result of an act, omission or transaction by a person (other than any member of the Group) and which liability to Tax falls upon the relevant member of the Group as a result of (i) the failure by such person to discharge (even after Completion) where due any liability to taxation on its part and (ii) its having been in the same group for Tax purposes as that person at any time before Completion;

10.2.3 the standard rate of corporation tax as at the date of this Agreement multiplied by the aggregate of the payments referred to in clause 5.5.4 (other than in relation to the payment to Paul Richard Gregg) and the employer's national insurance contributions thereon to the extent that a deduction for corporation tax purposes is denied in whole or in part in respect thereof; and

10.2.4 all costs and expenses incurred by the Purchaser, the Company and each member of the Group in connection with a claim by the Purchaser which results in a payment being made by the Vendors under this clause 10.2, and any reasonable and proper costs (including legal costs on a solicitor and own client basis), expenses or other liabilities which any of them may incur either before or after the commencement of any action in connection with (i) any legal proceedings in which the Purchaser or the relevant member of the Group or the Purchaser's Group make a claim under this clause 10.2 and in which judgement is given for the Purchaser or the relevant member of the Group or the Purchaser's Group or (ii) the enforcement of any settlement of, or judgement in respect of, such claim, provided that such claim is resolved in favour of the Purchaser or the relevant member of the Group or the Purchaser's Group.

10.3 The covenants contained in clause 10.2 do not apply to any liability:

10.3.1 to the extent that provision or reserve in respect thereof has been made in the Completion Accounts or to the extent that payment or discharge of such liability has been taken into account therein;

10.3.2 in respect of which provision or reserve has been made in the Completion Accounts which is insufficient only by reason of any increase in rates of Tax made after the Completion Date with retrospective effect;

10.3.3 to the extent that the Tax liability arises as a result of the Purchaser, the Company or any Subsidiary failing to comply with their respective obligations under this clause 10;

10.3.4 to the extent that the Tax liability in question arises or is increased as a result of the failure by the Purchaser, the Company or any Subsidiary after Completion to make any claim, election, surrender or disclaimer or give any notice or consent under any enactment relating to Taxation, the making or giving of which was taken into account in preparing the Accounts or the

Completion Accounts and in the case of a claim, election, surrender, disclaimer, notice or consent assumed to be made or given in the preparation of the Accounts sufficient details of which are notified to the Purchaser at least

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60 days prior to the last date upon which such claim, election, surrender or disclaimer notice or consent could validly be made or given;

- 10.3.5 to the extent that the Tax liability in question arises or is increased as a result of any voluntary claim, election, surrender or disclaimer made or notice or consent given after Completion by the Purchaser, the Company or any Subsidiary other than pursuant to clause 10.9, 10.9.1 or 10.11 hereof and other than pursuant to a comment or suggestion made by the Vendors or their duly authorised agents in accordance with clause 10.10;
- 10.3.6 to the extent that the Tax liability in question arises or is increased as a result of any cessation or winding-up after Completion of any trade or business carried on by the Company or any Subsidiary or the Purchaser or any major change after Completion in the nature or conduct of any trade carried on by the Company or any Subsidiary;
- 10.3.7 to the extent that the Tax liability in question arises or is increased as a result of the any change in law or published practice or any withdrawal of any extra statutory concession by any authority competent to impose a Tax liability (a "Tax Authority");
- 10.3.8 to the extent that the Tax liability in question arises or is increased as a result of any change in accountancy principles or practice or as a result of the change in the bases, policies, or methods of accounting of the Purchaser, the Company or any Subsidiary except where such change was necessary to rectify any prior non-compliance with relevant generally accepted accounting principles and practice;
- 10.3.9 to the extent that any relief arising to the Company or relevant Subsidiary wholly before Completion (other than any such relief as is referred to in clause 10.1.5.1, 10.1.5.2, 10.1.5.3, 10.4.2, 10.4.3 or 10.5) is available for offset against the Tax Liability concerned provided that the Vendors shall have notified the Purchaser in writing of the availability of such relief and shall have taken all such steps as are reasonable to assist in obtaining the benefit or claiming such relief;
- 10.3.10 to the extent that the Tax liability in question arises or is increased as a result of any voluntary act, transaction or omission by the Purchaser, the Company or any Subsidiary after Completion outside the ordinary course of business and which could reasonably have been avoided and otherwise (in the case of the Company and any Subsidiary only) than pursuant to a legally binding obligation entered into before Completion;
- 10.3.11 to the extent that the Tax liability has been made good by insurers deducting for these purposes the associated costs and expenses of maintaining the relevant policy of insurance;
- 10.3.12 to the extent that the Purchaser has made recovery in respect of the Tax liability concerned by means of a claim for breach of any of the Warranties (whether or not relating to Taxation);

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- 10.3.13 to the extent that the Tax liability is corporation tax which has been deducted in calculating the Deferred Consideration;
- 10.3.14 to the extent that the Tax liability arises solely as a result of the combination of two or more events one or more of which shall have taken place on or before the Completion Date in

circumstances where the events occurring after Completion occurred inside the Company's ordinary course of business and is or are the events referred to in clauses 10.1.2.1 or 10.1.2.2 AND the income, profits or gains by reference to which such Tax liability is calculated are actual income, profits or gains (as opposed to income, profits or gains which are deemed to have been or treated as or regarded as earned, accrued or received) which have not been reflected or taken into account in either the Accounts or the Completion Accounts;

- 10.3.15 to the extent that the Tax liability arises by reference to actual income, profits or gains (as opposed to income, profits or gains which are deemed to have been or treated as or regarded as or earned, accrued or received) earned, accrued or received since the Accounting Date and which are not reflected or taken into account in the Completion Accounts.
- 10.3.16 to the extent that the Tax liability arises by reference to actual income, profits or gains (as opposed to income, profits or gains which are deemed to have been or treated as or regarded as earned, accrued or received) earned, accrued or received in the accounting reference period which ended on the Accounting Date and which were not reflected or taken into account in the Accounts.
- 10.4.1 If any provision for Taxation in the Completion Accounts proves to be an over-provision, then the amount of such over-provision shall be dealt with as set out in clause 10.4.4.
- 10.4.2 If the Vendors and the Purchaser shall agree that any Tax Claim which has resulted in a payment having been made or becoming due from the Vendors under this Agreement will give rise to relief which relief results in an actual saving of Tax or repayment of Tax for the Company or any Subsidiary which would not otherwise have arisen, then, the amount by which that Company's or any Subsidiary's liability to Tax is so reduced or the amount of such repayment of Tax shall be dealt with in accordance with clause 10.4.4 below and for these purposes the Purchaser shall use all reasonable endeavours to utilise any such reliefs in priority to any other reliefs that arise in accounting periods commencing after that in which the relief arose;
- 10.4.3 If the Vendors and the Purchaser shall agree that the Company or any Subsidiary has:
- 10.4.3.1 received after the Completion Date from any Tax Authority any repayment of Taxation in circumstances where the Taxation in question was paid before Completion and the repayment of such

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Taxation has not been taken into account or reflected in the Accounts or the Completion Accounts and is not otherwise dealt with in accordance with clause 10.4.4; or

- 10.4.3.2 set off after the Completion Date any relief (other than such relief as is referred to in clauses 10.1.5.1, 10.1.5.2 or 10.1.5.3) against any Tax liability (whether arising before or after Completion) of the Company or any Subsidiary in circumstances where the Tax liability in question is not a Tax liability in respect of which a claim could be made under clause 10 and the relief arises as a result of or is calculated by reference to an event occurring (including the accrued earning or receiving of income, profits or gains) before Completion;

then the Relevant Amount shall be dealt with in accordance with clause 10.4.4 PROVIDED ALWAYS THAT:

- (a) the Relevant Amount shall be in such a case as is mentioned in clause 10.4.3.1, the amount of the repayment received by the Company or the Subsidiary but only to the extent that it is neither (i) reflected or taken into account in the Accounts or the Completion Accounts, nor (ii) otherwise taken into account in accordance with

clause 10.4.4;

- (b) the Relevant Amount shall be, in such a case as is mentioned in clause 10.4.3.2, the amount of Taxation agreed by the Vendors and the Purchaser as having been saved by the use of the relief in question; and
- (c) the Purchaser shall use reasonable endeavours to recover any such repayment as is mentioned in clause 10.4.3.1 and to procure that the Company and/or the Subsidiary use any such reliefs as are mentioned in clause 10.4.3.2 but nothing in this clause 10.4.3.2 (c) shall require the Purchaser to procure that the Company or Subsidiary utilise any such relief in priority to any other reliefs which are available to the Company or the Subsidiary and nothing in this clause 10.4.3.2 (c) shall require the Purchaser to do (or to procure that the Company or any of the Subsidiaries shall do) anything that the Purchaser reasonably believes is likely to have a material adverse effect on the business of any member of the Group taken as a whole.

10.4.4 where it is provided under paragraph 10.4.1, 10.4.2 or 10.4.3 that any amount (the "Relevant Amount") is to be dealt with in accordance with this paragraph:

- (a) the Relevant Amount shall first be set off against any payment then due from the Vendors under this Agreement; and
- (b) to the extent there is an excess, a refund shall be made to the Vendors of any previous payment or payments made by the Vendors under this Agreement and not previously refunded under this clause up to the amount of such excess; and

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- (c) to the extent that the excess referred to in paragraph (b) of this paragraph is not exhausted under that paragraph, the remainder of that excess shall be repaid to the Vendors within 30 days of:
 - (i) in a case falling within clause 10.4.1, the date on which the Vendors and the Purchaser agree that a provision for Tax has proved to be an over provision;
 - (ii) in a case falling within clause 10.4.2, the date on which the Tax which has been reduced by reason of the relief in question would otherwise have been due to be paid or (as the case may be) the date on which the Company or the Subsidiary receives the repayment of Tax in question;
 - (iii) in a case falling within clause 10.4.3.1, the date on which the Company or the Subsidiary received the repayment of Tax in question; and
 - (iv) in a case falling within clause 10.4.3.2, the date on which the Tax against which the relief in question has been set off would otherwise have been due to have been paid.

10.5 The Purchaser shall and shall procure that the Company and each Subsidiary takes such steps as are reasonably necessary for the Company and each Subsidiary to use in the manner hereinafter mentioned all reliefs (other than any reliefs referred to in clauses 10.1.5.1, 10.1.5.2, 10.1.5.3, 10.4.1, 10.4.2 or 10.4.3 above) arising to the Company by reason of events occurring on or before the date of Completion as are available to the Company and as are notified to the Purchaser in writing by the Vendors to reduce or eliminate any liability of the Company to make an actual payment of Tax in respect of which the Purchaser would have been able to make a claim against the Vendors under this Agreement, the said use being to effect the reduction or elimination of any such liability to make an actual payment of Tax to

the extent permitted by law, provided that neither the Purchaser, the Company nor any Subsidiary shall be required to do anything that, in the reasonable opinion of the Purchaser, might have a material adverse effect on the business of any member of the Group taken as a whole.

- 10.6 The Purchaser shall procure that the Company makes (or joins in making) such claims and elections and signs such documents as may be reasonably necessary to effect the reduction or elimination referred to in clause 10.5.
- 10.7 If the Vendors and the Purchaser shall fail to agree as contemplated in clauses 10.4.2, 10.4.3, 10.4.3.2 (b) and 10.4.4 (c) (i) within 45 days of written notice having been served by the Vendors on the Purchaser to agree the matter in question, the matter shall be referred to such chartered accountant (the "Independent Accountant") as the parties may agree or in default of agreement within 10 days nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of any of the Vendors or the Purchaser. The Independent Accountant shall act as an expert and not as arbitrator and his decision shall, save in

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the case of manifest error, be binding on the parties (including the manner in which his costs shall be borne by the Vendors and the Purchaser).

- 10.8 If the Purchaser, the Company or any Subsidiary is entitled to recover from some other person (not being the Purchaser, any member of the Group or the Purchaser's Group or any person connected with any of them but including, without limitation, any Tax Authority) any sum (other than a sum which is dealt with in accordance with clause 10.4.4) in respect of a Tax Claim that has resulted or will result in the Vendors becoming liable to make a payment under this clause 10 or the Warranties relating to Taxation, or subsequently becomes entitled to make such a recovery, then Purchaser shall or shall procure that the Company shall as soon as reasonably practicable after becoming aware of such entitlement notify the Vendors of its entitlement and shall, if reasonably so required by the Vendors in writing and subject to being indemnified against all losses, costs, interest, damages and expenses which may hereby be incurred take all such reasonable steps to enforce that recovery (keeping the Vendors informed of the progress of any action taken) as the Vendors may reasonably request and, provided that neither the Purchaser nor the Company nor any Subsidiary shall be required to do anything which in the reasonable opinion of the Purchaser might have a material adverse effect on the business of any member of the Group taken as a whole and shall account to the Vendors for whichever is the lesser of:
- 10.8.1 any sum so recovered (including any interest or repayment supplement paid by the Tax Authority) but net of any Tax paid by the Company or relevant recipient or which would be due from the Company or relevant recipient but for any such relief as is mentioned in clauses 10.1.5.1, 10.1.5.2 or 10.1.5.3 hereof and net of any reasonable costs, expenses and charges properly incurred in recovering the same; and
- 10.8.2 the amount paid by or due by the Vendors under this clause 10 or the Warranties relating to Taxation in respect of the Tax Claim in question.
- 10.9 The Vendors or their duly authorised agents shall be responsible for, and have the conduct of preparing, submitting to and agreeing with the relevant Tax Authorities all Tax returns, computations and other related documents of the Company and each Subsidiary relating to all accounting periods ending on or before Completion ("Relevant Accounting Periods") and subject as hereafter provided shall be solely entitled to deal with all matters (including correspondence) relating to such Tax returns, computations, and other related documents.
- 10.9.1 The Vendors shall submit all Tax returns, computations and related documents as are referred to in clause 10.9 to the Purchaser or its duly authorised agents for comment a reasonable time before they are due to be sent to the relevant Tax Authority. The Purchaser or its agents shall comment within 21 days of such submission and if the Vendors shall not have

received comments within that period, the Purchaser or its agents shall be deemed to have approved such draft computations. If the Purchaser or its agents have any comments or suggestions, the Vendors and its agents shall not unreasonably refuse to adopt such comments or suggestions provided that nothing herein shall oblige the Company or any Subsidiary to submit any computation or other document unless it is reasonably satisfied that it is accurate and complete in all material

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respects. The Vendors and the Purchaser shall respectively afford (or procure to be afforded) to the other or their agents such information and assistance as may reasonably be required to prepare, submit and agree all relevant Tax returns, computations and other related documents.

- 10.9.2 The Purchaser shall, except in the case of manifest error, procure (i) that the Company and each Subsidiary shall cause the returns referred to in clause 10.9. to be authorised, signed and submitted to the appropriate Tax Authority without amendment or with such amendments as the Vendors shall agree (such agreement not to be unreasonably withheld or delayed); and (ii) that the Company and each Subsidiary makes (or joins in making) such claims and elections as the Vendors shall reasonably require in relation to accounting periods for which the Vendors have responsibility pursuant to clause 10.9 above.
- 10.9.3 For the avoidance of doubt, it is hereby agreed that the Company shall bear the reasonable costs of the Company of preparing and submitting the tax computations, returns and other documents referred to in clause 10.9 and dealing with matters arising in connection therewith.
- 10.10 The Purchaser shall be responsible for, and have the conduct of preparing, submitting to and agreeing with the relevant Taxation Authorities all Tax computations of the Company for the period comprising Completion subject to all such tax computations, documents and correspondence (in so far as they relate also to the period between the Accounting Date and Completion) being submitted in draft to the Vendors for comment. The Vendors or their duly authorised agents shall comment within 14 business days of such submission. If the Purchaser has not received any comments within 21 business days, the Vendors and its duly authorised agents shall be deemed to have approved such draft documents. If the Vendors or their duly authorised agents have any comments or suggestions, the Purchaser shall not unreasonably refuse to adopt such comments or suggestions except where the Purchaser reasonably believes the same would be materially prejudicial to the Tax affairs of any member of the Group taken as a whole. (Provided always that nothing in this clause 10.10 shall entitle the Purchaser to refuse to make such claims under sections 152, 153, 155, 156 and 175 TCGA as are referred to in paragraph 2.15 of the Disclosure Letter or in respect of the Deferred Consideration Properties.) The Vendors and the Purchaser shall each respectively afford (or procure the affordance) to the other or their duly authorised agents of information and assistance which may reasonably be required to prepare, submit and agree all such outstanding Tax computations.
- 10.11 In the event that a Claim against the Vendors arises pursuant to this clause 10, no such liability or dispute shall be admitted, settled or discharged without the written consent of the Vendors (such consent not to be unreasonably withheld or delayed) and the Purchaser shall (provided that it is indemnified to its reasonable satisfaction by the Vendors against any costs, expenses, liabilities, penalties, and fines which may be incurred by the Purchaser, the Group and the Purchaser's Group in taking such action and provided that the Vendors give the Purchaser such assistance as they may reasonably require) take such action to avoid, dispute, resist, appeal, compromise or contest such liability or dispute as may be reasonably requested by the Vendors provided that the Purchaser shall not be obliged to take any action which the

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Purchaser reasonably believes acting in good faith having taken account of the reasonable representations of the Vendors will or is reasonably likely to have a material adverse effect on the goodwill of the Group taken as a whole.

10.12 The Purchaser hereby covenants with the Vendors to pay to the Vendors an amount equal to any of the following:

- 10.12.1 any liability or increased liability to Tax of any company under the control of the Vendors which arises as a result of or by reference to any reduction or disallowance of Group Relief that would otherwise have been available to the Vendors or the relevant subsidiary of such company where and to the extent that such reduction or disallowance occurs as a result of or by reference to:
- (a) any total or partial withdrawal effected by any Company after Completion of any surrender of Group Relief that was submitted by any Company to the Inland Revenue on or before Completion in respect of any accounting period on or before Completion; or
 - (b) any total or partial disclaimer made by any Company after Completion of any capital allowances available to any Company in respect of any accounting period ended on or before Completion

save where any such withdrawal or disclaimer is made at the express written request of the Vendors or pursuant to clause 10.9, 10.9.1, 10.9.2, 10.10 or 10.11 hereof;

10.12.2 any liability or increased liability to the Tax of the Vendors or any company under the control of the Vendors which arises as a consequence of any Relevant Company failing to pay the whole of the Tax charged by any Tax assessment made in respect of that Relevant Company within six months of the date of that Tax Assessment where (and to the extent that) the liability for that Tax arises in circumstances such that the Purchaser would not have been entitled to make a claim against the Vendors under clause 10.2 hereof in respect of that Tax had it been paid by the Relevant Company and, for the purposes of this sub-clause, the term "Relevant Company" shall mean any of the Company, any Subsidiary and any other company which is, or has at any time been, treated for the purposes of any Tax as being a member of the same group of companies as the Purchaser;

10.12.3 all costs and expenses incurred by the Vendors in connection with a claim by the Vendors which results in a payment being made under this clause 10.12, and any reasonable and proper costs (including legal costs on a solicitor and own client basis), expenses or other liabilities which any of them may incur either before or after the commencement of any action in connection with (i) any legal proceedings in which the Vendors make a claim under this clause 10.12 and in which judgement is given for the Vendors or (ii) the enforcement of any settlement or, or judgement in respect of, such claim, provided that such claim is resolved in favour of the Vendors;

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10.12.4 where the Purchaser becomes liable to make any payment under sub-clause 10.12 hereof, the due date for the making of that payment shall be the date that is the last date on which the Vendors or, as the case may be, the relevant company would have had to have paid to the appropriate Tax Authority the Tax that has given rise to the Purchaser's liability under clause 10.12 hereof in order to avoid incurring a liability to interest or a charge or penalty in respect of that amount of Tax;

10.12.5 if any payment required to be made by the Purchaser under clause 10.12 hereof is not made by the due date for the making thereof, then that payment shall carry interest from that due date until the date when the payment is actually made at the rate of three per cent above the base rate for the time being of National Westminster Bank plc; and

10.12.6 all sums payable by the Purchaser to the Vendors under this clause shall be paid free and clear of all deductions or withholdings whatsoever, save only as may be required by law. If any sum payable by the Purchaser under this clause 10.12 (other than interest under clause 10.12.5) shall be subject to Tax (whether by way of deduction or withholding or direct assessment of the person entitled thereto) such payment shall be increased by such amount as shall ensure that after deduction, withholding or payment of such Tax the recipient shall have received a net amount equal to the payment otherwise required hereby to be made.

10.13 The liability of:

10.13.1 the Vendors under this clause shall cease after the sixth anniversary of the first anniversary of the Accounting Date except in respect of matters which have been the subject of a written claim before such date by the Purchaser or the Purchaser's Solicitors to any of the Vendors or the Vendors' Solicitors provided that any such claim shall be deemed to have been irrevocably withdrawn if proceedings in respect of it are not begun within 9 months of the sixth anniversary referred to above unless the claim in question has arisen by reason of fraud, wilful concealment or dishonesty in which event there shall be no contractual limit in the time period within which such claim may be brought; and

10.13.2 the Purchaser under this clause shall cease after the sixth anniversary of the first anniversary of the Accounting Date except in respect of matters which have been the subject of a written claim before such date by the Vendor or the Vendors' Solicitors to the Purchaser or the Purchaser's Solicitors provided that any such claim shall be deemed to have been irrevocably withdrawn if proceedings in respect of it are not begun within 9 months of the sixth anniversary referred to above unless the claim in question has arisen by reason of fraud, wilful concealment or dishonesty in which event there shall be no contractual limit in the time period within which such claim may be brought.

10.14 The due date for the making of payments under this clause 10 (other than clause 10.12 or clause 10.4.4) shall be the later of the day following seven days after written demand has been made therefor and:

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10.14.1 where the payment relates to a liability of the Company or any of the Subsidiaries to make an actual payment of or in respect of Tax, the date which is seven days before the date on which such actual payment becomes due and payable to the relevant authority;

10.14.2 where the payment relates to a matter falling within clause 10.1.5.1 or 10.1.5.3, the date falling seven days after the Vendors have been notified by the Purchaser that the auditors for the time being of the Company or the relevant Subsidiary have certified at the request of the Purchaser or the Company or the relevant Subsidiary that the Vendors have a liability for a determinable amount under clause 10.2 or, if later, the date on which any Tax for which would have been liable under this clause 10 would have been due and payable to the Tax Authority entitled to the same but for the use of any such relief as is referred to in clause 10.1.5.1 or 10.1.5.3

10.14.3 where the payment relates to a matter falling within clause 10.1.5.2 the date on which the repayment of Tax would otherwise have been due to be made, and;

10.14.4 in the case of costs expenses within clause 10.2.5 seven days after written demand has been made therefore or, if later, the date on which such costs become due and payable.

10.15 If any payment due to be made by the Vendors under this clause is not made on the due date for payment thereof the same shall carry interest which shall accrue from day to day from such due date of payment until actual payment at the rate of three per cent above the base rate from time to time of National Westminster Bank Plc, compounded annually.

- 10.16 If any sum payable by the Vendors under this clause 10 (other than interest under clause 10.15) shall be subject to Tax (whether by way of deduction or withholding or direct assessment of the person entitled thereto) such payment shall be increased by such an amount as shall ensure that after deduction, withholding or payment of such Tax the recipient shall have received a net amount equal to the payment otherwise required hereby to be made.
- 10.17 The Purchaser shall indemnify the Vendors and each of them against any and all reasonable and proper costs and expenses (including legal costs on a solicitor and own client basis) to the extent that such costs and expenses are incurred in successfully defending in all respects a claim under clause 10.2 hereof and where the Purchaser and the members of the Purchaser's Group have no right of appeal or the Purchaser has not appealed within the applicable time limits.
- 10.18 The Vendors shall indemnify the members of the Purchaser's Group and each of them against any and all reasonable and proper costs and expenses (including legal costs on a solicitor and own client basis) to the extent that such costs and expenses are incurred in successfully defending in all respects a claim under clause 10.12 hereof and where the Vendors have no right to appeal or the Vendors have not appealed within the applicable time limits.

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- 10.19 The Vendors and their duly authorised agents shall be responsible for and have the conduct of preparing and submitting to the Inland Revenue the return required to be made by the Company under section 250 of the Income and Corporation Taxes Act 1988 in respect of the dividend declared by the Company on 8 September 1999 and shall procure that all information provided in such return shall be true and correct in all material respects and the Vendors shall have the conduct of any matters arising as a result of the submission of such return but shall keep the Purchaser informed of any material correspondence or communications in connection therewith. The Purchaser shall procure that any correspondence received by the Company in respect of such return is forwarded to the Vendors or their duly authorised agents as soon as is reasonably practicable and shall not agree any matter or enter into any correspondence with the Inland Revenue in relation to the same without the prior written consent of the Vendors.
11. PENSIONS
- 11.1 For the purposes of this clause 11, the definitions set out in part 1 of Schedule 7 shall apply.
- 11.2 For the purposes of this clause 11, the value at the Completion Date of the assets of the Pension Scheme and the value at the Completion Date of the prospective benefits payable to or in respect of all active members, pensioners and deferred pensioners which have accrued in consequence of pensionable service under the Pension Scheme up to the Completion Date (including any augmentations to benefits and any benefits due in respect of transfer payments received by the Pension Scheme) shall be calculated (if the Purchaser elects to have the value of the Pension Scheme as at the Completion Date calculated) by the Purchaser's Actuary at the Purchaser's expense, using the actuarial assumptions used in the last formal Actuarial Valuation of the Pension Scheme undertaken as at April 1997 and also the minimum funding requirement.
- 11.3 In the event that the value of the assets of the Pension Scheme at the Completion Date is less than the value of the prospective benefits (on each basis described in clause 11.2) calculated by the Purchaser's Actuary in accordance with clause 11.2 and certified to the Purchaser by the Purchaser's Actuary:
- 11.3.1 the Vendors shall pay to the Purchaser, or if the Purchaser so requests in writing to the trustees of the Pension Scheme, such amount as the Purchaser's Actuary shall certify to be equal to the shortfall and the cost to the Purchaser of the valuations performed by the Purchaser's Actuary (together with interest thereon calculated in accordance with this clause) or, if a shortfall exists on both bases, the greater of the shortfalls;
- 11.3.2 the required amount (and the interest on it) shall be paid to the

Purchaser or to the Pension Scheme (as appropriate) no later than thirty (30) days after the receipt by the Vendor of the certificate of the Purchaser's Actuary specifying the value of that amount at the Completion Date;

- 11.3.3 the Vendors have the option to instruct the Vendors' Actuary to check the calculations performed by the Purchaser's Actuary and any dispute between

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the Purchaser's Actuary and the Vendors' Actuary regarding the calculations can be referred at either the Purchaser's or the Vendors' request to an independent Actuary; and

- 11.3.4 the Vendors shall, in addition, pay interest upon the shortfall (or upon such part as shall remain unpaid) from the Completion Date to the date of actual payment at 2% above the National Westminster Bank plc base rate from time to time in force calculated on a day to day basis with monthly rests.
- 11.4 No liability shall attach to the Vendors under clause 11.3 unless the aggregate amount of any such liability, when aggregated with any interest payable in accordance with clause 11.3.4 exceeds fifty thousand pounds ((pound)50,000). For the avoidance of doubt, if such liability does exceed fifty thousand pounds ((pound)50,000), the Vendors' liability under clause 11.3 shall attach to the entire amount (together with the cost to the Purchaser of the valuations performed by the Purchaser's Actuary) and not just the excess.
- 11.5 In relation to the SSAS:
- 11.5.1 the Vendors hereby jointly and severally undertake to use their best endeavours to procure that a deed of amendment for the SSAS (in the form set out in part 2 of Schedule 7, the "Deed of Amendment") is executed and that the approval of the Pension Schemes Office of the Inland Revenue ("the PSO") is obtained for the Deed of Amendment;
- 11.5.2 in the event that the approval of the PSO cannot be obtained for the Deed of Amendment, the Vendors hereby jointly and severally undertake to use their best endeavours to procure that the Deed of Amendment is modified in the light of comments received from the PSO and executed and approval for such modified Deed of Amendment is subsequently obtained from the PSO;
- 11.5.3 the Vendors hereby jointly and severally indemnify and keep indemnified the Purchaser and the Principal Employer (as defined in the governing documentation of the SSAS) for the time being of the SSAS against all costs, claims, demands, expenses and litigation whenever and howsoever arising in relation to the SSAS (except and to the extent that such costs, claims, demands, expenses and litigation arise as a consequence of default by the said Principal Employer in relation to its duties and obligations under legislation and regulations governing the SSAS and its constitutional documents) and, without prejudice to the generality of the foregoing, shall indemnify and keep indemnified the Purchaser and the Principal Employer for the time being of the SSAS against any liabilities arising by virtue of the failure of the Vendors to procure the execution of and approval of the PSO to the Deed of Amendment in the exact form set out in part 2 of Schedule 7 or as modified in accordance with clause 11.5.2.

12. INDEMNITIES

12. The Vendors hereby covenant with and undertake to indemnify the Purchaser for itself and as trustee for each member of the Purchaser's Group and the Group and

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their respective successors in title, officers, directors, employees and agents as to Paul Richard Gregg and Anita Kim Gregg jointly and

severally, as to David Charles Rogers and the DCR Trustees jointly and severally, as to Samuel John Shrouder and the SJS Trustees jointly and severally, as to David Clifford Gregg and the DCG Trustees jointly and severally, and as to Julie Diane Rogers and Simon Paul Gregg severally, fully on demand and to keep them indemnified against any and all liabilities, losses (including consequential losses) penalties, fines, damages, claims, costs, expenses and legal or professional fees and disbursements (on a full indemnity basis) incurred, suffered or sustained by them or asserted against them, or any or all of them arising out of:

- 12.1.1 the sale of any of the Deferred Consideration Properties, including, for the avoidance of doubt, in relation to any representations and/or warranties given to any of the purchasers of the such Deferred Consideration Properties; and
- 12.1.2 the exercise of the option pursuant to the option agreement dated 7 August 1991 between Dominion James Nederlander and Apollo Dominion Investments Limited to the extent that the amount received by the Group is less than eight million five hundred and seventy seven thousand pounds ((pound)8,577,000) as reduced by the net amount (if any) of the operating profit attributable to the Dominion Theatre and Nederlander Dominion from the Completion Date until the date of purchase of the Group's interest.
- 12.2 The liability of the Vendors shall cease in respect of any claim:
 - 12.2.1 under clause 12.1.1 on the sixth anniversary of completion of the sale of each such Deferred Consideration Property; and
 - 12.2.2 under clause 12.1.2 on the earlier of the fifth anniversary of the Completion Date and the date upon which Paul Richard Gregg's employment is terminated (except in relation to termination through no fault of his employer).

13. THE POINT

The Point, Dublin shall be dealt with in accordance with Schedule 8.

14. RESTRICTION ON ANNOUNCEMENTS AND CONFIDENTIALITY

- 14.1 Each of the parties to this Agreement undertakes that it will not (save as required by law, under any securities act, rules or regulations, or by any securities exchange or any supervisory or regulatory body to whose rules any party to this Agreement is subject, including in connection with SFX's proposed equity offering) make any statement or announcement in connection with this Agreement unless the other parties shall have given their respective consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).
- 14.2 Subject to clause 14.1, the Vendors undertake with the Purchaser and the members of the Purchaser's Group that they shall treat as strictly confidential all information received or obtained by them or their employees, agents or advisers as a result of

entering into or performing this Agreement including information relating to the provisions of this Agreement, the negotiations leading up to this Agreement, the subject matter of this Agreement and the business or affairs of any member of the Purchaser's Group and subject to the provisions of clause 14.3 that they will not at any time hereafter make use of or disclose or divulge to any person any such information and shall use their best endeavours to prevent the publication or disclosure of any such information.

- 14.3 The restrictions contained in clause 14.2 shall not apply so as to prevent the Vendors from making any disclosure required by law or by any securities exchange or supervisory or regulatory or governmental body pursuant to rules to which the relevant Vendor is subject or from making any disclosure to any professional adviser for the purposes of obtaining advice (provided always that the provisions of this clause 14 shall apply to and the Vendors shall procure that they apply to and are observed in relation to, the use or disclosure by such professional

adviser of the information provided to him) nor shall the restrictions apply in respect of any information which comes into the public domain otherwise than by a breach of this clause 14 by any Vendor.

15. COSTS

- 15.1 Each party to this Agreement shall pay its own costs of and incidental to this Agreement and the sale and purchase hereby agreed to be made.
- 15.2 Save as specifically referred to in this Agreement, the Vendors confirm that no expense of whatever nature relating to the sale of the Sale Shares has been or is to be borne by the Company or any of the Subsidiaries.

16. GENERAL

- 16.1 This Agreement shall be binding upon and enure for the benefit of the estates, personal representatives or successors of the parties. This Agreement may not be assigned by any party without the prior written consent of each other party. Notwithstanding the foregoing, the obligations and rights of the Purchaser hereunder or any part thereof may be assigned and delegated without the consent of the Vendors to any affiliated company of the Purchaser and/or to any transferee of the Sale Shares, but only where such transfer is effected pursuant to the exercise of security rights by any lender to or financial source of the Purchaser's Group and such rights may be assigned but only as security to any such lender.
- 16.2 This Agreement (together with any documents referred to herein or executed contemporaneously by the parties in connection herewith) constitutes the whole agreement between the parties hereto and supersedes any previous agreements or arrangements between them relating to the subject matter hereof; it is expressly declared that no variations hereof shall be effective unless made in writing signed by duly authorised representatives of the parties.
- 16.3 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations that have been fully performed at Completion).

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- 16.4 If any provision or part of a provision of this Agreement shall be, or be found by any authority or court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect and such invalid or unenforceable provision shall be replaced by a provision or part of a provision as similar in terms to such invalid or unenforceable provision as possible to effect the intent of the parties which shall be valid and enforceable.
- 16.5 If any liability of one or more but not all of the Vendors shall be or become illegal, invalid or unenforceable in any respect, such circumstance shall not affect or impair the liabilities of the other Vendors under this Agreement.
- 16.6 The Purchaser may release or compromise the liability of any of the Vendors hereunder or grant to any Vendor time or other indulgence without affecting the liability of any other Vendor hereunder.
- 16.7 Save as stated in relation to clauses 9.5, 9.9.1 and 9.9.2 where time is of the essence, no failure of any party to exercise, and no delay or forbearance in exercising, any right or remedy in respect of any provision of this Agreement shall operate as a waiver of such right or remedy.
- 16.8 Upon and after Completion the Vendors shall do and execute or procure to be done and executed all such further acts, deeds, documents and things as may be reasonably necessary to give effect to the terms of this Agreement and to place control of the Company and the Subsidiaries in the hands of the Purchaser and pending the doing of such acts, deeds, documents and things the Vendors shall as from Completion hold the legal estate in the Sale Shares in trust for the Purchaser.
- 16.9 At the request of the Purchaser, each of the Vendors shall execute as a

deed a power of attorney in favour of the Purchaser or such person as may be nominated by the Purchaser generally in respect of the Sale Shares and in particular to enable the Purchaser (or its nominees) to attend and vote at General Meetings of the Company.

- 16.10 Unless this Agreement or any arrangement of which it forms a part is a non-notifiable agreement pursuant to Section 27A of the Restrictive Trade Practices Act 1976 ("RTPA 1976") or paragraph 5, Schedule 13 of the Competition Act 1998, to the extent that any provision of this Agreement or of any such arrangement is a restriction or information provision for the purposes of the RTPA 1976 by virtue of which this Agreement or any such arrangement is registrable under the RTPA 1976, no such restriction or information provision shall take effect or be enforced until the day after particulars of this Agreement or (as the case may be) that arrangement have been furnished to the Director General of Fair Trading in accordance with the RTPA 1976.
- 16.11 This Agreement may be executed in one or more counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.

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- 16.12 Nothing contained or implied in this Agreement shall constitute or be deemed to constitute a partnership or agency relationship between the parties hereto and none of the parties hereto shall have any authority to bind or commit any other party hereto.
17. NOTICES
- 17.1 Save as otherwise provided in this Agreement any notice, demand or other communication to be served under this Agreement shall be in writing in the English language and shall be served upon any party hereto only by posting by first class post or pre-paid recorded delivery (if to an address in the same country) or air mail (if to an address in a different country) or delivering the same by hand or by courier, to its address given or referred to in this clause or sending the same by facsimile transmission to the number given in this clause for the addressee or at such other address or number as it may from time to time notify in writing to the other parties hereto.
- 17.2 A notice, demand or other communication served by first class post or pre-paid recorded delivery shall be deemed duly served on an address in the same country 48 hours (disregarding days which are not business days) after posting, a notice, demand or other communication served by air mail shall be deemed duly served on an addressee in a different country five business days after posting and a notice, demand or other communication sent by facsimile transmission shall be deemed to have been served at the time of transmission (save that if the transmission occurs after 6pm the notice, demand or other communication shall be deemed to have been served at 8.30am on the next business day following transmission) and in proving service of the same it will be sufficient to prove, in the case of a letter, that such letter was left at or delivered to the correct address of the party to be served as provided in this Agreement or, in the case of properly stamped or franked first class post or air mail or pre-paid recorded delivery, addressed to the address of the party to be served given in this clause and placed in the post and, in the case of facsimile transmission, that such facsimile was duly transmitted to the number of the party to be served given in this clause and an electronic acknowledgement was received.
- 17.3 All notices, demands or other communications given under this Agreement, shall be given to the following addresses:
- If to the Vendors: To the address set out in Schedule 1 or such other address as is notified to the Purchaser from time to time for these purposes.
- Copied to: The Vendors' Solicitors, marked for the attention of Hilary Winter.
- If to the Purchaser: SFX ENTERTAINMENT, INC., and SFX U.K. HOLDINGS LIMITED, 650 Madison Avenue, New York, NY 10022, United States of America, telephone (001) 212 838

3100, facsimile (001) 212 753 3188 for the attention of the legal department.

Copied to: Baker & McKenzie, Two Allen Center, Suite 1200,
1200 Smith Street, Houston, Texas 77002-4579,
United States of America,

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facsimile: (001) 713 427 5099 for the attention of Amar Budarapu (for the purpose of information only and not for purpose of Service).

17.4 For the purposes of this clause "business day" means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London and New York.

18. AGENT FOR SERVICE

18.1 The Purchaser agrees that any document may be sufficiently and effectively served on it in connection with any proceedings in England and Wales by service on the Purchaser's Solicitors, if no replacement agent has been appointed and notified to the Vendors pursuant to clause 18.3 below, or on the replacement agent if one has been appointed and notified to the Vendors.

18.2 Any document served pursuant to this clause shall be marked for the attention of:

18.2.1 Baker & McKenzie Ref: TEDG: For the attention of the Litigation Partner/Service of Process, 100 New Bridge Street, London EC4V 6JA; or

18.2.2 such other person as is appointed as agent for service pursuant to clause 18.3 below at the address notified pursuant to 18.3 below.

18.3 If the agent referred to in clause 18.1 above (or any replacement agent appointed pursuant to this clause) at any time ceases for any reason to act as such, the Purchaser shall appoint a replacement agent to accept service having an address for service in England and Wales and shall notify the Vendors of the name and address of the replacement agent.

18.4 A copy of any document served on any agent pursuant to this clause shall be served on the Purchaser at its address for the time being for the service of notices and other communications under clause 18.3 in accordance with that clause.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement shall be governed by and construed in accordance with English law and the parties hereto submit to the non-exclusive jurisdiction of the English courts for the purpose of enforcing any claim arising hereunder.

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SCHEDULE 1
THE VENDORS

<TABLE>
<CAPTION>

(1) NAME AND ADDRESS OF VENDOR	(2) NUMBER OF SALE SHARES				(3) NUMBER OF CONSIDERATION SHARES FOR A SALE SHARES
	A	B	C	D	
<S> Paul Richard Gregg, Boars Hill Heath, Yarn Way, Boars Hill, Oxford, England	<C> 167,022	<C> Nil	<C> 529,459	<C> 529,459	<C> 227,440

Anita Kim Gregg, Boars Hill Heath, Yarn Way, Boars Hill, Oxford, England	316,029	Nil	1,001,812	1,001,812	430,348
David Charles Rogers, Woodsend, Hamels Lane, Boars Hill, Oxford, England	45,866	Nil	145,395	145,395	62,460
Julie Diane Rogers, Woodsend, Hamels Lane, Boars Hill, Oxford, England	25,697	Nil	81,463	81,463	34,991
Samuel John Shrouder, Sherbourne House, Lechlade, Gloucestershire, England	45,866	Nil	145,395	145,395	62,458
David Clifford Gregg, 21 Coudray Road, Southport, England	46,248	5,997	138,850	138,850	62,980
Simon Paul Gregg, 10 Duke Street, London SW3, England	53,956	6,996	161,992	161,992	73,475
DCR Trustees	5,515	17,485	Nil	Nil	7,510
SJS Trustees	5,515	17,485	Nil	Nil	7,510
DCG Trustees	7,708	914	23,142	23,142	10,495

TOTAL	719,424	53,401	2,227,181	2,227,181	979,667

</TABLE>

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<TABLE>
<CAPTION>

(4) AMOUNT OF CASH CONSIDERATION ((Pound))		
FOR B SALE SHARES	FOR C SALE SHARES	FOR D SALE SHARES
<S> Nil	<C> 18,654,685.10	<C> 17,911.36
Nil	35,297,326.85	33,890.86
Nil	5,122,772.38	4,918.86
Nil	2,870,225.29	2,755.86
Nil	5,122,772.38	4,918.65
211,498.08	4,954,250.62	4,756.84
246,730.12	5,779,982.55	5,549.67
616,648.97	Nil	Nil
616,648.97	Nil	Nil

32,234.32 828,726.77 795.71

1,723,760.46 78,630,741.94 75,497.60
</TABLE>

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SCHEDULE 2
DETAILS OF THE COMPANY

THE COMPANY

<TABLE>
<S> <C> <C>
1. Registered number: 2129195

2. Address of registered office: Grehan House, Garsington Road, Cowley, Oxford OX4 5NQ

3. Date and place of 7 May 1987
incorporation: England and Wales

4. Authorised share capital: (pound)16,280,582 divided into:

 1,579,127 A ordinary shares of (pound)1 each ("A Shares")

 11,280,582 B ordinary shares of (pound)1 each ("B Shares")

 2,280,582 C ordinary shares of 50p each ("C Shares")

 2,280,582 D ordinary shares of (pound)1 each ("D Shares")

5. Issued share capital: (pound)4,113,596.50 divided into :

 719,424 A Shares

 53,401 B Shares

 2,227,181 C Shares

 2,227,181 D Shares

6. Directors: Paul Richard Gregg, Anita Kim Gregg, David Charles
 Rogers, Samuel John Shrouder, David Clifford Gregg
 and John Francis Jarvis

7. Secretary: David Charles Rogers

8. Accounting Reference Date: 30 November

9. Auditors: Smith Partnership and Ernst & Young
</TABLE>

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SCHEDULE 3
THE SUBSIDIARIES

<TABLE>
<S> <C> <C>
1. Name of Subsidiary: Apollo Dominion Investments Limited
2. Registered Number: 01623438
3. Date and place of Incorporation: 19/03/1982, England & Wales
4. Address of Registered Office: Grehan House, Garsington Road, Cowley,
 Oxford, OX4 5NQ

5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder,
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	03/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure Group Limited 1 Apollo Leisure (UK) & P R Gregg 99

1.	Name of Subsidiary:	Apollo Leisure (U.K.) Limited
2.	Registered Number:	01444368
3.	Date and place of Incorporation:	17/08/1979 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, M. Adamson, S.C. Lavelle, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	03/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure Group Limited 100

1.	Name of Subsidiary:	Apollo Lyceum London Limited
2.	Registered Number:	2898096
3.	Date and place of Incorporation:	15/02/1994 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster, S.C. Lavelle
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	2 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 2

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1.	Name of Subsidiary:	Cardiff International Arena Limited
2.	Registered Number:	03014566
3.	Date and place of Incorporation:	26/01/1995, England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.C. Lavelle
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	2 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 2

1.	Name of Subsidiary:	Cardiff World Trade Centre Limited
2.	Registered Number:	02965830
3.	Date and place of Incorporation:	07/09/94, England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.C. Lavelle
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	2 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 2

1.	Name of Subsidiary:	Apollo Theatre Productions Limited
2.	Registered Number:	1544438
3.	Date and place of Incorporation:	10/02/1981 England & Wales

4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young,
8.	Accounting Reference Date:	03/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 99 Apollo Leisure Group Limited 1

1.	Name of Subsidiary:	Apollo Theatre (Victoria) Limited
2.	Registered Number:	01481278
3.	Date and place of Incorporation:	25/02/1980 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ

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5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	03/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 99 Apollo Leisure Group Limited 1

1.	Name of Subsidiary:	Dragon Advertising Limited
2.	Registered Number:	02655969
3.	Date and place of Incorporation:	21/10/91 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg
6.	Secretary:	D.C. Rogers
7.	Auditors:	None
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100,000 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure Group Limited 75 Exors G L Watts 15 S M B Watts 10

1.	Name of Subsidiary:	Manchester Theatres Limited
2.	Registered Number:	01889935
3.	Date and place of Incorporation:	26/02/85 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder and N D Brewster
6.	Secretary:	D.C. Rogers

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7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 99 Apollo Leisure Group Limited 1

1.	Name of Subsidiary:	Tatton Cinemas (Gatley) Limited
2.	Registered Number:	0324687
3.	Date and place of Incorporation:	25/02/1937, England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	D.C. Rogers, S.J. Shrouder
6.	Secretary:	D.C. Rogers

7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	18,000 ordinary shares of (pound)1 each
10.	Issued Share Capital:	18,000 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Manchester Theatres Limited 17,999 Apollo Leisure (UK) Limited 1

1.	Name of Subsidiary:	World Trade Centre Wales Limited
2.	Registered Number:	01340618
3.	Date and place of Incorporation:	25/11/1977, England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 99 Apollo Leisure Group Limited 1

1.	Name of Subsidiary:	Tickets London Limited
2.	Registered Number:	2846049
3.	Date and place of Incorporation:	19/08/1993 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	1,000 ordinary shares of (pound)1 each
10.	Issued Share Capital:	150 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 100 Tickets International Limited 50

1.	Name of Subsidiary:	Tickets North Limited
2.	Registered Number:	2628279
3.	Date and place of Incorporation:	10/07/1991 England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	1,000,000 ordinary shares of (pound)1 each

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10.	Issued Share Capital:	2 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure Group Limited 1 Apollo Leisure (UK) Limited 1

1.	Name of Subsidiary:	Fitzers Limited
2.	Registered Number:	02461451
3.	Date and place of Incorporation:	19/01/1990. England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, P.J. Fitzpatrick, F.G. Fitzpatrick, D. Barker
6.	Secretary:	D.C. Rogers
7.	Auditors:	None
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	50 A ordinary shares and 50 B ordinary shares each of (pound)1
10.	Issued Share Capital:	50 A ordinary shares and 50 B ordinary shares each of (pound)1
11.	Registered Shareholders and of beneficial owners:	Apollo Leisure (UK) Limited 50 identity P J Fitzpatrick 50

1.	Name of Subsidiary:	Hutchinson Leisure Group of Companies Limited
2.	Registered Number:	00565365
3.	Date and place of Incorporation:	28/04/1956, England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	1,000,000 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100,000 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 100,000

1.	Name of Subsidiary:	Hutchinson Cinemas (North Wales) Limited
2.	Registered Number:	00964627
3.	Date and place of Incorporation:	23/10/1969 England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11

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9.	Authorised Share Capital:	1,000 ordinary shares of (pound)1 each
10.	Issued Share Capital:	1,000 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Hutchinson Leisure Group of Companies Limited 998 D J Hutchinson 1 D J Hutchinson and Hutchinson Leisure Group of Companies Limited 1

1.	Name of Subsidiary:	Hutchinson Cinemas (Properties) Limited
2.	Registered Number:	738149
3.	Date and place of Incorporation:	18/10/1962 England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	5,000 ordinary shares of (pound)1 each
10.	Issued Share Capital:	1,000 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Hutchinson Leisure Group of Companies Limited 999 D J Hutchinson and Hutchinson Leisure Group of Companies Limited 1

1.	Name of Subsidiary:	Hutchinson Leisure Limited
2.	Registered Number:	1076410
3.	Date and place of Incorporation:	12/10/1972 England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	Smith Partnership and Ernst & Young
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	50,000 ordinary shares of 10p each
10.	Issued Share Capital:	20 ordinary shares of 10p each
11.	Registered Shareholders and identity of beneficial owners:	Hutchinson Leisure Group of Companies Limited 19 D J Hutchinson and Hutchinson Leisure Group of Companies Limited 1

1.	Name of Subsidiary:	The Wigan Entertainments Company Limited
2.	Registered Number:	0111659
3.	Date and place of Incorporation:	08/09/1910, England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	None
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	42,000 ordinary shares of (pound)1 each
10.	Issued Share Capital:	30,285 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Hutchinson Leisure Limited 30,284 DJ Hutchinson and Hutchinson Leisure Limited 1

1.	Name of Subsidiary:	Unit Four Cinemas Limited
2.	Registered Number:	0841717
3.	Date and place of Incorporation:	19/03/1965 England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT

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5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, N.D. Brewster
6.	Secretary:	D.C. Rogers
7.	Auditors:	None
8.	Accounting Reference Date:	02/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Hutchinson Leisure Group of Companies Limited 99 Apollo Leisure (UK) Limited 1

1.	Name of Subsidiary:	Unit Four Cinemas (Accrington) Limited
2.	Registered Number:	1559426
3.	Date and place of Incorporation:	05/05/1981 England and Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder, D.C. Rogers
6.	Secretary:	D.C. Rogers
7.	Auditors:	None
8.	Accounting Reference Date:	02/12
9.	Authorised Share Capital:	1,500 ordinary shares of (pound)1 each
10.	Issued Share Capital:	1,500 ordinary shares of (pound)1 each
11.	Registered Shareholders and Identity of beneficial owners:	Hutchinson Leisure Group of Companies Limited 1,500

1.	Name of Subsidiary:	Unit Four Cinemas (Wigan) Limited
2.	Registered Number:	928375
3.	Date and place of Incorporation:	06/03/1968 England & Wales
4.	Address of Registered Office:	3 Ralli Courts, West Riverside, Manchester, M3 5FT
5.	Directors:	P.R. Gregg, D.C. Rogers, S.J. Shrouder

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6.	Secretary:	D.C. Rogers
7.	Auditors:	None
8.	Accounting Reference Date:	02/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners	Unit Four Cinemas Limited 99 Hutchinson Leisure Group of Companies Limited 1

1. Name of Subsidiary: Unit Four Cinemas (Walkden) Limited
2. Registered Number: 0787110
3. Date and place of Incorporation: 07/10/1964 England & Wales
4. Address of Registered Office: 3 Ralli Courts, West Riverside, Manchester, M3 5FT
5. Directors: P.R. Gregg, D.C. Rogers, S.J. Shrouder
6. Secretary: D.C. Rogers
7. Auditors: None
8. Accounting Reference Date: 02/12
9. Authorised Share Capital: 100 ordinary shares of (pound)1 each
10. Issued Share Capital: 100 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: Unit Four Cinemas Limited 99
Hutchinson Leisure Group of Companies Limited 1

1. Name of Subsidiary: Barry Clayman Concerts Limited
2. Registered Number: 01996525
3. Date and place of Incorporation: 06/03/1986 England & Wales
4. Address of Registered Office: 144 Wigmore Street, London, W1H 9FF
5. Directors: Barry Clayman
6. Secretary: Linda Clayman
7. Auditors: Smith Partnership and Ernst & Young
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 100,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 100 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: Barry Clayman 50
Apollo Leisure Group Limited 50

1. Name of Subsidiary: Barry Clayman Productions Limited
2. Registered Number: 02405548
3. Date and place of Incorporation: 18/07/1989 England & Wales
4. Address of Registered Office: 144 Wigmore Street, London, W1H 9FF
5. Directors: Barry Clayman, D.C. Rogers, P.R. Gregg
6. Secretary: D.C. Rogers
7. Auditors: Smith Partnership and Ernst & Young
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 100(pound)1 ordinary shares
249,900 (pound)1 Deferred Ordinary Shares

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10. Issued Share Capital: 16 (pound)1 ordinary shares
160,000 (pound)1 Deferred Ordinary Shares
11. Registered Shareholders and identity of beneficial owners: Barry Clayman Concerts Limited 15
David Alan Ballinger 160,000
Barry Clayman Corporation Limited 1

1. Name of Subsidiary: Barry Clayman Concerts (London) Limited
2. Registered Number: 02177553
3. Date and place of Incorporation: 13/10/1987 England & Wales
4. Address of Registered Office: 144 Wigmore Street, London, W1H 9FF
5. Directors: Barry Clayman, Linda Clayman
6. Secretary: Linda Clayman
7. Auditors: None
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 100,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 1,000 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: Barry Clayman Concerts Limited 1,000

1. Name of Subsidiary: Street Promotions (Europe) Limited
2. Registered Number: 2721990
3. Date and place of Incorporation: 10/06/1992 England and Wales
4. Address of Registered Office: 144 Wigmore Street, London, W1H 9FF
5. Directors: Barry Clayman
6. Secretary: Linda Clayman
7. Auditors: Smith Partnership and Ernst & Young
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 1,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 100 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: Barry Clayman Concerts Limited 100

1.	Name of Subsidiary:	Point Exhibition Company Limited
2.	Registered Number:	128549
3.	Date and place of Incorporation:	29/01/1988
4.	Address of Registered Office:	The Point Depot, North Wall Quay, Dublin 1
5.	Directors:	Paul Gregg, Mike Adamson, Brenda Fox, Harry Crosbie and Simon Crosbie
6.	Secretary:	Brenda Fox
7.	Auditors:	KPMG
8.	Accounting Reference Date:	28 November
9.	Authorised Share Capital:	9,900,000 ordinary shares of (pound)1 each 100,000 A ordinary shares 12,550,000 7% Redeemable Cumulative Preference Shares 500,000 7% Redeemable Cumulative Second Preference Shares

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10.	Issued Share Capital:	500,000 ordinary shares of (pound)1 each 30,000 A ordinary shares of (pound)1 each 2,800,000 7% Redeemable Cumulative Preference Shares 500,000 7% Redeemable Cumulative Second Preference Shares
11.	Registered Shareholders and identity of beneficial owners:	Apollo UK Limited, 250,000 ordinary shares of (pound)1 Harry Crosbie, 249,999 ordinary shares of (pound)1 each Simon Crosbie, 1 ordinary share of (pound)1 Point Presentations Limited, 30,000 'A' ordinary shares of (pound)1 each Apollo UK Limited, 1,025,000 7% Redeemable Cumulative Preference Shares of (pound)1 Harry Crosbie, 1,400,000 7% Redeemable Cumulative Preference Shares of (pound)1 Apollo UK Limited, 250,000 7% Redeemable Cumulative Second Preference Shares (2nd) of (pound)1 each Point Presentations Limited, 250,000 7% Redeemable Cumulative Second Preference Shares (2nd) of (pound)1 each

1.	Name of Subsidiary:	CCL Leisure Limited (was City Centre Leisure (Holdings) Limited until 06/08/1998)
2.	Registered Number:	02227126
3.	Date and place of Incorporation:	03/03/1988 England & Wales
4.	Address of Registered Office:	Carolyn House, Dingwall Road, Croydon, Surrey CR0 9XF
5.	Directors:	R M Bottomley, N D Brewster, K R Milsom, C A Morgan, D C Rogers and I E Warren.
6.	Secretary:	K R Milsom
7.	Auditors:	
8.	Accounting Reference Date:	30/11
9.	Authorised Share Capital:	56,750 (pound)1 ordinary shares divided into 28,430 (pound)1 A ordinary shares and 28,320 (pound)1 B ordinary shares
10.	Issued Share Capital:	28,430 (pound)1 A ordinary shares 28,320 (pound)1 B ordinary shares
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Limited 28,430 A ordinary shares K Milsom 4,885 B ordinary shares L Milsom 1,884 B ordinary shares P Reid 1,416 B ordinary shares Walbrook Trustees (Jersey) Limited 15,710 B ordinary shares I Warren 1,416 B ordinary shares

1. Name of Subsidiary: City Centre Leisure (London) Limited
2. Registered Number: 02678878
3. Date and place of Incorporation: 17/01/1992 England & Wales
4. Address of Registered Office: Carolyn House, Dingwall Road, Croydon, Surrey CR0 9XF
5. Directors: R M Bottomley, P J Reid, I E Warren, K R Milsom
6. Secretary:
7. Auditors:
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 5,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 1,000 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: City Centre Leisure Limited 1,000

1. Name of Subsidiary: City Centre Leisure (Meridian) Limited
2. Registered Number: 02700627
3. Date and place of Incorporation: 25/03/1992 England & Wales
4. Address of Registered Office: Carolyn House, Dingwall Road, Croydon, Surrey CR0 9XF
5. Directors: R M Bottomley, D G Swinburn
6. Secretary: K R Milsom
7. Auditors:
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 5,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 100 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: City Centre Leisure Limited 100

1. Name of Subsidiary: City Centre Leisure (Severn) Limited
2. Registered Number: 02678884
3. Date and place of Incorporation: 17/01/1992 England & Wales
4. Address of Registered Office: Carolyn House, Dingwall Road, Croydon, Surrey CR0 9XF
5. Directors: R M Bottomley
6. Secretary: K R Milsom
7. Auditors:
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 5,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 100 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: City Centre Leisure Limited 100

1. Name of Subsidiary: City Centre Leisure (Weald) Limited
2. Registered Number: 02678879
3. Date and place of Incorporation: 17/01/1992 England & Wales
4. Address of Registered Office: Carolyn House, Dingwall Road, Croydon, Surrey CR0 9XF
5. Directors: R M Bottomley, P J Reid, K Warren
6. Secretary: K R Milsom
7. Auditors:
8. Accounting Reference Date: 30/11
9. Authorised Share Capital: 1,000 ordinary shares of (pound)1 each
10. Issued Share Capital: 1,000 ordinary shares of (pound)1 each
11. Registered Shareholders and identity of beneficial owners: City Centre Leisure Limited 1,000

1. Name of Subsidiary: Gold Diggers Limited
2. Registered Number: 2484888
3. Date and place of Incorporation: 26.03.90, England & Wales (as Showclip Limited)
4. Address of Registered Office: 3 Ralli Courts, West Riverside, Manchester.
5. Directors: P.R. Gregg
6. Secretary: Linda Clayman
7. Auditors: Smith Partnership and Ernst & Young

8.	Accounting Reference Date:	31/08
9.	Authorised Share Capital:	1000 Ordinary shares of (pound)1 each
10.	Issued Share Capital:	2 Ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Barry Clayman Concerts Limited 1 Barry Clayman Corporation Limited 1

1.	Name of Subsidiary:	Point Presentations Limited
2.	Registered Number:	14377
3.	Date and place of Incorporation:	16/04/1989, Ireland
4.	Address of Registered Office:	The Point Depot, North Wall Quay, Dublin 1
5.	Directors:	Paul Gregg, Mike Adamson, Breda Fox, Harry Crosbie and Simon Crosbie
6.	Secretary:	Breda Fox
7.	Auditors:	KPMG
8.	Accounting Reference Date:	28 November
9.	Authorised Share Capital:	100 ordinary shares of IR(pound)1 each
10.	Issued Share Capital:	2 ordinary shares of IR(pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Point Exhibition Company Limited

1.	Name of Subsidiary:	Point Promotions Limited
2.	Registered Number:	172291
3.	Date and place of Incorporation:	09/04/1991
4.	Address of Registered Office:	The Point Depot, North Wall Quay, Dublin 1

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5.	Directors:	Paul Gregg, Mike Adamson, Breda Fox, Harry Crosbie and Simon Crosbie
6.	Secretary:	Breda Fox
7.	Auditors:	KPMG
8.	Accounting Reference Date:	28 November
9.	Authorised Share Capital:	100 ordinary shares of IR(pound)1 each
10.	Issued Share Capital:	2 ordinary shares of IR(pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Point Exhibition Company Limited 1 Apollo Leisure Group Limited 1

1.	Name of Subsidiary:	Apollo Cambridge Theatre
2.	Registered Number:	1568580
3.	Date and place of Incorporation:	England & Wales
4.	Address of Registered Office:	Grehan House, Garsington Road, Cowley, Oxford, OX4 5NQ
5.	Directors:	P R Gregg
6.	Secretary:	D C Rogers
7.	Auditors	
8.	Accounting Reference Date:	03/12
9.	Authorised Share Capital:	100 ordinary shares of (pound)1 each
10.	Issued Share Capital:	100 ordinary shares of (pound)1 each
11.	Registered Shareholders and identity of beneficial owners:	Apollo Leisure (UK) Ltd 99 Apollo Leisure Group Limited 1

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SCHEDULE 4
PART 1
THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS	DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL	NEXT RENT REVIEW
			Free Hold	Lease hold					
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>

1	LYCEUM THEATRE, LONDON	West End Theatre	LH	21.11.88 150 years	The Theatres Trust	Apollo Lyceum London Limited	None	(pound) 10 per annum	None
2	VICTORIA THEATRE, LONDON	West End Theatre	FH	N/a	N/a	N/a	N/a	N/a	N/a
3	PLAYHOUSE THEATRE, EDINBURGH	Provincial Theatre	FH	N/a	N/a	N/a	N/a	N/a	N/a
4	LONDON APOLLO, HAMMERSMITH	London Theatre	LH	24.3.64 125 years	Land Securities (Ravenseft)	Apollo Leisure (UK) Limited	None	(pound) 150,000 per annum	25.3.2010
5	HOLLYWOOD PARK, BURNLEY	Cinema	FH	N/a	N/a	N/a	N/a	N/a	N/a
6	CARDIFF INTERNATIONAL ARENA	Concert and Exhibition Arena and Offices	LH	6.7.94 to 25.12.2131	City and County of Cardiff	Apollo Leisure (UK) Limited	None	(pound) 15,000	6.7.2001 Agreed increase to (pound) 300,000 per annum
7	PALACE THEATRE, MANCHESTER	Provincial Theatre	FH	N/a	N/a	N/a	N/a	N/a	N/a

<CAPTION>

NO	PRESENT USE	OWNER	REMARKS
<S> 1	<C> Theatre and Restaurant	<C> The Theatres Trust	<C> Tenant of restaurant is Groupe Chez Gerrard Restaurants Plc
2	Theatre	Apollo Leisure (UK) Limited	
3	Theatre	Apollo Leisure (UK) Limited	
4	Theatre	Ravenseft Properties Limited	
5	9 Screen Multiplex Cinema and Restaurant	Apollo Leisure (UK) Limited	Tenant of restaurant is Ind Coope (Oxford and West) Limited

6	Arena and Offices	City and County of Cardiff	BT and various other tenants have short term lets on offices
7	Theatre	Apollo Leisure (UK) Limited	999 year lease on stage extension from 22.12.80

</TABLE>

SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL	NEXT RENT REVIEW
			Free Hold	Lease hold						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
8	OPERA HOUSE, MANCHESTER	Provincial Theatre	FH		N/a	N/a	N/a	N/a	N/a	N/a
9	BRISTOL HIPPODROME, BRISTOL	Provincial Theatre	FH		N/a	N/a	N/a	N/a	N/a	N/a
10	SOUTHPORT THEATRE AND FLORAL HALL COMPLEX, SOUTHPORT	Provincial Theatre and Exhibition Hall		LH	12 years from 1.4.96	Sefton Metropolitan Borough Council	Apollo Leisure (UK) Limited	None	Pepper-corn	N/a
11	APOLLO BINGO, RHYL	Bingo Hall	FH		N/a	N/a	N/a	N/a	N/a	N/a
12	APOLLO CINEMA, RHYL	Cinema		LH	25 years from 29.9.95	Denbighshire County Council (formerly Rhuddlan Borough Council)	Apollo Leisure (UK) Limited	N/a	(pound) 27,500 + Rent RPI + profit share	None linked to RPI
13	APOLLO THEATRE, MANCHESTER	Provincial Theatre / Music Venue	FH		N/a	N/a	N/a	N/a	N/a	N/a
14	APOLLO CINEMA, LEAMINGTON SPA	Cinema	FH		N/a	N/a	N/a	N/a	N/a	N/a

<CAPTION>

NO	PRESENT USE	OWNER	REMARKS
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<S>	<C>	<C>	<C>
8	Theatre	Apollo Leisure (UK) Limited	
9	Theatre	1. Apollo Leisure (UK) Limited (10 + 10a St Augustines Parade) 2. Apollo Cambridge Theatre Limited (main Theatre)	
10	Theatre and Exhibition Hall	Sefton MBC	
11	Bingo Club	Hutchinson Cinemas (Property) Limited	4 lock up shops
12	5 Screen Multiplex	Denbighshire County Council	
13	Theatre	Apollo Leisure (UK) Limited	1 vacant former night club
14	4 Screen Cinema	Hutchinson Cinemas (Properties) Limited	

</TABLE>

SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL	NEXT RENT REVIEW
			Free Hold	Lease hold						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
15	APOLLO CINEMA, BLACKBURN	Cinema	FH		N/a	N/a	N/a	N/a	N/a	N/a

16	ALEXANDRA THEATRE, BIRMINGHAM	Provincial Theatre	LH	20 years from 21.2.94	City of Birmingham	Apollo Leisure (UK) Limited	None	Premium of (pound) 250,000, then pepper -corn to 31.12.99	1.1.2000 Agreed rent increase (pound) 50,000
17	APOLLO CINEMA, WALLASEY	Cinema	FH	N/a	N/a	N/a	N/a	N/a	N/a
18	APOLLO THEATRE, OXFORD	Provincial Theatre	LH	75 years from 25.12.32	City of Oxford	Apollo Leisure (UK) Limited	None	(pound) 600	No review
19	THE POINT, DUBLIN	Concert and Exhibition Arena	FH	N/a	N/a	N/a	N/a	N/a	N/a
20	DOMINION THEATRE, LONDON	West End Theatre	LH	125 years less 10 days, from 25.3.64	Land Securities (Ravenseft) (freeholder) Butlins Limited (head leaseholder)	Neder- lander Dominion Limited		(pound) 296,153	25.3.2010
21	APOLLO CINEMA, MORECAMBE	Cinema	LH	999 years from 1.2.96	Lancaster City Council	Hutchin- son Leisure Group of Companies Limited	None	Pepper- corn	None

<CAPTION>

NO	PRESENT USE	OWNER	REMARKS
<S> 15	5 Screen Cinema	Hutchinson Cinemas (Properties) Limited	1 tenanted restaurant and 1 vacant shop
<S> 16	<C> Theatre	<C> City of Birmingham	<C>
17	6 Screen Cinema	Hutchinson Leisure Group of Companies Limited	

18 Theatre, City of
Nightclub Oxford
and Shop

19 Concert Point 50% Apollo
and Arena Exhibition Leisure Group
Co Limited 50% Harry
Crosbie

20 Theatre, Apollo
Shops and Dominion
Offices Investments
Limited
have
33 1/3rd %
interest
in the
Theatre

21 4 Screen Lancaster
Cinema City
Council

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SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL	NEXT RENT REVIEW
			Free Hold	Lease hold						
<S> 22	<C> GRAND OPERA HOUSE, YORK	<C> Provincial Theatre	<C> FH	<C>	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a
23	GREHAN HOUSE, OXFORD	Head Office and Finance Department		LH	21 years from 25.9.94	Apollo Leisure Pension Scheme	Apollo Leisure (UK) Limited	None	(pound) 87,000	25.9.99 Agents recommend increase to (pound) 145,000
24	EMPIRE THEATRE, LIVERPOOL	Provincial Theatre		LH	124 years + 340 days from completion of Agreement to Lease	Liverpool City Council / Empire Theatre (Merseyside) Trust Limited	Apollo Leisure (UK) Limited	N/a	Pepper- corn	N/a
25	OLD FIRE STATION, OXFORD	Studio Theatre and Cafe Bar		LH	9.4.91 to 29.9.2009	City of Oxford	Apollo Leisure (UK) Limited		Profit related	N/a
26	LEAS CLIFF HALL, FOLKESTONE	Provincial Theatre		LH	16.9.96 to 31.1.2000	District Council of Shepway	Apollo Leisure (UK)	None	Pepper- corn	n/ a

27	PRINCESS THEATRE, TORBAY	Princess Theatre	LH	60 years from 17.11.98	Borough of Torbay	Apollo Leisure (UK) Limited	None	Pepper- corn	None
28	HOLLYWOOD PARK, TORBAY	Multiplex Cinema (currently under construction)	LH	New Lease will be from 20 days after Practical Completion, for 60 years	Borough of Torbay	Apollo Leisure (UK) Limited	None	Pepper- corn until 30.11.201	From 1.12.2010 (pound) 50,000 pa 5-yearly reviews RPI

<CAPTION>

NO	PRESENT USE	OWNER	REMARKS
<S> 22	<C> Theatre	<C> Apollo Leisure (UK) Limited	<C>
23	Office	Apollo Leisure Pension Scheme	
24	Theatre	Liverpool City Council	
25	Theatre and Cafe Bar	City of Oxford	Proposed scheme to substantially refurbish building linked to new Lease
26	Theatre	District Council of Shepway	New refurbishment scheme linked to Management Contract
27	Theatre	Borough of Torbay	
28	Cinema under construction	Borough of Torbay	

</TABLE>

SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL	NEXT RENT REVIEW
			Free Hold	Lease hold						
<S> 29	<C> APOLLO CINEMA AND BINGO, CREWE	<C> 3 Screen Cinema and Bingo Club	<C> FH	<C>	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a
30	HOLLYWOOD PARK, PORT TALBOT	6 Screen Cinema		LH	125 years from 30.11.98	Neath Port Talbot County Borough Council	Apollo Leisure (UK) Limited	N/a	(pound) 15,625 for first 10 years (pound) 1 thereafter	N/a
31	PALLADIUM CINEMA AND BINGO, LLANDUDNO	Bingo Hall and Cinema		LH	Lease ending 2913	Mostyn Estates	Hutchinson Cinemas (Properties) Limited	N/a	(pound) 35	N/a
32	PRINCE OF WALES HOTEL, CAERNARFON	21 Bedroom Hotel	FH		N/a	N/a	N/a	N/a	N/a	N/a
33	DELIBERATELY LEFT BLANK									
34	UNIT 4 CINEMA, BRIERFIELD	Vacant Cinema	FH		N/a	N/a	N/a	N/a	N/a	N/a
35	PORT TALBOT STORE, PORT TALBOT	Warehouse		LH	999 years from 14.8.89	Scotts	Apollo Leisure (UK) Limited	N/a	Pepper-corn	N/a

<CAPTION>

NO	PRESENT USE	OWNER	REMARKS
<S> 29	<C> Cinema and Bingo Club	<C> Hutchinson Cinemas (Properties) Limited	<C>
30	Multiplex Cinema and Development Site	Neath Port Talbot County Borough Council	

31	Bingo Hall and Cinema	Hutchinson Cinemas (Properties) Limited	7 tenanted shops
32	Hotel	Hutchinson Cinemas (Properties) Limited	
33			
34	Vacant Cinema	Hutchinson Group of Companies Limited	
35	Warehouse	Apollo Leisure (UK) Limited	Agreed sale of warehouse and land for (pound)296,000

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SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL	NEXT RENT REVIEW
			Free Hold	Lease hold						
<S> 36	<C> ASTRA CINEMA, BARROW	<C> 4 Screen Cinema	<C> FH	<C>	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a
37	PLAZA BINGO, WIDNES	Bingo Club	FH		N/a	N/a	N/a	N/a	N/a	N/a
38	PALLADIUM BINGO, BLACKPOOL	Bingo Club	FH		N/a	N/a	N/a	N/a	N/a	N/a
39	TATTON CINEMA, GATLEY	3 Screen Cinema	FH		N/a	N/a	N/a	N/a	N/a	N/a
40	HEN & CHICKENS, BIRMINGHAM	Public House	LH		10 years from 14.9.92	Ind Coope (Oxford and West) Limited	Apollo Leisure (UK) Limited	N/a	(pound) 80,000	None
41	PALACE BINGO, WARRINGTON	Bingo Hall	LH		21 years from 1.1.78	Warrington Borough Council	Hutchinson Cinemas (Properties) Limited	N/a	(pound) 12,000	N/a

42	UNIT 4 CINEMA, WALKDEN	4 Screen Cinema	LH	21 years from 13.1.86	Liverpool and Lancashire Properties Limited	Unit 4 Cinemas Limited	David Tattersall and Joyce Tattersall	(pound) 17,000	15.1.2001
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<CAPTION>

NO	PRESENT USE	OWNER	REMARKS
<S> 36	<C> Vacant former Cinema	<C> Hutchinson Cinemas (Properties) Limited	<C> Cinema and 4 shops currently for sale
37	P Vacant Bingo Hall	Hutchinson Cinemas (Properties) Limited	Currently for sale
38	Bingo Hall	Hutchinson Group of Companies Limited	
39	Cinema	Hutchinson Group of Companies Limited	
40	Public House/ Nightclub	Ind Coope (Oxford and West) Limited	
41	Vacant Bingo Hall	Warrington Borough Council	Ongoing negotiations with Council regarding alternative uses
42	Cinema	Liverpool and Lancashire Properties Limited	

</TABLE>

SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>

<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS	DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL
			Free Hold	Lease hold				

<S> 43	<C> PLAZA CINEMA & BINGO, BANGOR	<C> 2 Screen Cinema and Vacant Bingo Club	<C> FH	<C>	<C> N/a	<C> N/a	<C> N/a	<C> N/a	<C> N/a
44	APOLLO CINEMA, STAFFORD	3 Screen Cinema		LH	Long leasehold into perpetuity	Budget Howarth	Hutchinson Cinemas (Properties) Limited	N/a	(pound) 400
45	HOLLYWOOD PARK, BARROW	6 Screen Cinema		LH	25 years from 25.12.98	Positive Location Properties Limited	Apollo Leisure (UK) Limited	N/a	(pound) 59,500
46	EMPIRE BINGO, CAERNARFON	Bingo Club			N/a	N/a	N/a	N/a	N/a
47	COPPULL OFFICES, COPPULL, CHORLEY	Regional Office		LH	3 years from 1.3.99	Palatine Developments Limited	Apollo Leisure (UK) Limited	N/a	(pound) 18,350
48	134 WIGMORE STREET, LONDON	Former offices, now vacated at end of lease							
49	144 WIGMORE STREET, LONDON	Offices for BCC / Apollo Productions		LH	25 years from 25.12.86	Zaison Investments Limited	Apollo Leisure (UK) Limited	N/a	(pound) 41,500

<CAPTION>

NO	NEXT RENT REVIEW	PRESENT USE	OWNER	REMARKS
<S> 43	<C> N/a	<C> Cinema/ vacant Bingo Club	<C> Hutchinson Cinemas (Properties) Limited	<C> 3 vacant shops
44	N/a	3 Screen Cinema	Budget Howarth	
45	25.12.2003	6 Screen Cinema	Positive Location Properties Limited	
46	N/a	Bingo Club	Hutchinson Cinemas (Properties) Limited	
47	N/a	Offices	Palatine Developments Limited	

49	1.1.2006	Offices	Superior Lessee Zaison Investments Limited
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</TABLE>

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SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY	ANNUAL RENTAL
			Free Hold	Lease hold					
<S> 50	<C> TICKETS LONDON, LONDON	<C> Offices	<C>	<C> LH	<C> New lease being prepared	<C> Nederlander Dominion Limited	<C> Apollo Leisure (UK) Limited	<C> -	<C> (pound) 13,000
51	TICKETS DIRECT, MANCHESTER	Offices		LH	7 years from 25.3.94	Drew Investments Limited	Apollo Leisure (UK) Limited	-	(pound) 59,346
52	BOARS HILL HEATH, OXFORD	Offices		Licence	Ongoing	Mrs Gregg	Apollo Leisure (UK) Limited	-	(pound) 50,000 + RPI
53	SPA PAVILION, FELIXSTOWE	Provincial Theatre		LH	20 years from 3.6.96	Suffolk Coastal District Council	Apollo Leisure (UK) Limited	N/a	(pound) 18,000
54	BECK THEATRE, HAYES	London Theatre		Management Agreement and Licence	15 years from 1.4.92	London Borough of Hillingdon Limited	Apollo Leisure (UK)	N/a	-
55	WYVERN THEATRE, SWINDON	Provincial Theatre		Management Agreement	10 years from 25.3.94	Swindon Council	Apollo Leisure (UK) Limited	N/a	N/a
56	TAMESIDE HIPPODROME, TAMESIDE	Provincial Theatre		Management Agreement	15 years from 1.10.92	Tameside Metropolitan Borough Council	Apollo Leisure (UK) Limited	N/a	N/a

<CAPTION>

NO	NEXT RENT REVIEW	PRESENT USE	OWNER	REMARKS
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<S> 50	<C>	<C> Offices	Nederland Dominion Limited
51	None	Call Centre	Drew Investments Limited
52	Linked to RPI	Offices	Mrs Gregg
53	None	Theatre	Suffolk Coastal District Council
54	-	Theatre	London Borough of Hillingdon
55	N/a	Theatre	Swindon Council
56	N/a	Theatre	Tameside Council

</TABLE>

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SCHEDULE 4
PART 1 - THE PROPERTIES

<TABLE>
<CAPTION>

NO	PROPERTY	DESCRIPTION	TENURE DETAILS		DATE & TERM OF LEASE	LANDLORDS	TENANT	SURETY
			Free Hold	Lease hold				
<S> 57	<C> FUTURIST, SCARBOROUGH	<C> Provincial Theatre	<C>	<C>	<C> Management Agreement No formal lease in place	<C> Scarborough Borough Council	<C> N/a	<C> N/a
58	SHEFFIELD ARENA, SHEFFIELD	Concert and Exhibition arena			Management Agreement	Sheffield City Trust	N/a	N/a
59	CLARENCE HOTEL - FLAT, LLANDUDNO	Vacant Flat	FH		N/a	N/a	N/a	N/a

<CAPTION>

NO	ANNUAL RENTAL	NEXT RENT REVIEW	PRESENT USE	OWNER	REMARKS
<S> 57	<C> N/a	<C> N/a	<C> Theatre	<C> Scarborough Borough Council	<C>
58	N/a	N/a	Concert and Arena	Sheffield City Trust	
59	N/a	N/a	Vacant flat	Hutchinson Cinemas (Properties) Limited	Formally Manager's flat for Clarence Hotel (sold separately)

</TABLE>

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PART 2
CERTIFICATES OF TITLE

1. Lyceum Theatre, London
2. Victoria Apollo Theatre, London
3. Edinburgh Playhouse
4. Hammersmith Apollo, London
5. Hollywood Park, Burnley
6. Cardiff International Arena
7. Palace Theatre, Manchester
- 7a. Bridgwater Store, Manchester
8. Opera House, Manchester
9. Bristol Hippodrome
- 9a. CAST, Bristol
10. Southport Theatre and Floral Hall
11. Apollo Bingo, Rhyl
12. Apollo 5 Cinema, Rhyl
13. Apollo Theatre, Manchester
14. Apollo 4 Cinema, Leamington Spa
15. Apollo 5 Cinema, Blackburn
16. Alexandra Theatre, Birmingham
17. Apollo 6 Cinema, Wallasey
18. Apollo Theatre, Oxford
19. The Point, Dublin
20. The Dominion Theatre, London
21. Apollo 4 Cinema, Morecambe
22. Grand Opera House, York
23. Grehan House, Oxford
24. Empire Theatre, Liverpool
25. Old Fire Station, Oxford
26. Leas Cliff Hall, Folkestone
27. Princess Theatre, Torbay
28. Hollywood Park, Torbay
29. Apollo Cinema, Crewe
- 29a. Apollo Bingo, Crewe
30. Hollywood Park, Port Talbot

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SCHEDULE 5
PART 1
COMPLETION ACCOUNTS

The Completion Accounts shall be prepared in accordance with the policies that appear, and in the order shown, below:

1. the specific accounting policies set out in (i) to (viii) below;
 2. to the extent not covered by 1 above, the accounting policies, principles, practices, evaluation rules and procedures, methods and bases adopted by the Group in preparation of the Accounts; and
 3. to the extent not covered by 1 or 2 above, in accordance with UK generally accepted accountancy principles as at the Completion Accounts Date.
- (i) OTHER DEBTORS
- Stocks of Paintings
- Stocks of paintings (for the avoidance of doubt included within other debtors in the financial statements of the Group) will only include items that have been purchased from third parties for future use within the business. No value will be attributed to any item that has previously been included within fixed assets.
- Stocks of paintings (excluding those transferred into work in progress as at the Completion Accounts Date) will be valued at cost subject to a maximum total value for these items of (pound)60,000.
- (ii) PREPAYMENTS
- Prepayments will only be included where such prepayments will give rise to a benefit to the Group after the Completion Accounts Date or are expected to be recovered in full from promoters or other third parties.
- (iii) ACCRUED INCOME
- Accrued income will only be included where such amounts are supported by documentary evidence prepared by third parties that specify amounts to be paid to the Group. Where such documentary evidence is not available for all periods up to the Completion Accounts Date, accrued income may be based on reasonable estimates prepared.
- (iv) INVESTMENTS
- Doctor Dolittle
- The investment in the London production of Doctor Dolittle will be written down to nil value.
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- A separate provision will be included within the Completion Accounts for all further costs to be borne in relation to the London production of Doctor Dolittle with the exception of storage costs incurred after the closure of this production.
- Any costs expended in relation to the UK tour of Doctor Dolittle shall be included as current assets.
- Listed securities
- The quoted investments held by the Group at the Completion Accounts Date will be valued at market value as at the Completion Accounts Date.
- (v) CORPORATION TAX
- (a) Full provision will be made for corporation tax which is payable for all accounting periods ending before the Completion Accounts Date and which has not yet been paid to the Inland Revenue. In addition, full provision will be made for corporation tax as if

the period beginning with the day following the Accounting Date and ending on the Completion Accounts Date was a financial year of the Company and its Subsidiaries for corporation tax purposes. For the avoidance of doubt, it shall be assumed that the payments to certain of the Vendors, managers and employees referred to in (vi) below will be fully deductible for corporation tax purposes.

- (b) In preparing the provision for Tax in the Completion Accounts it shall be assumed that (i) all of the payments referred to in clause 5.2.3 other than the payments to Paul Richard Gregg and John Jarvis and the employer's national insurance contributions thereon shall be deductible for corporation tax purposes and (ii) the payments referred to in clause 5.3.3 to Paul Richard Gregg and to John Jarvis and the employer's national insurance contributions thereon shall not be deductible for corporation tax purposes.

(vi) OTHER CREDITORS

Concert Ledger

All income relating to shows that have not taken place prior to the Completion Accounts Date will be included within deferred income.

Payments to certain of the Vendors, Managers and Employees

Provision will be made in respect of specific payments due to certain of the Vendors, managers and employees referred to in clause 5.2.3 of this Agreement only to the extent that these payments have not been paid by the Completion Accounts Date.

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(vii) CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

Provision for payments to be made in relation to acquisition of remaining shares in CCL

The provision to be included in respect of future payments to acquire the remaining issued share capital of CCL will be calculated under the terms of the shareholders' agreement dated 5 February 1997 as modified by the memorandum of agreement dated 28 May 1999. The forecast trading results to be used as the basis for the calculation of this provision are to be those forecasts prepared for the purposes of the Accounts.

(viii) OTHER MATTERS

Foreign Currencies

Foreign currency balances of all members of the Group (including the assets and liabilities of The Point Exhibition Company Limited) will be translated into sterling at the prevailing Exchange Rate on the Completion Accounts Date.

Lease Premiums

Lease premiums will be accounted for in accordance with the provisions of Urgent Issues Task Force Abstract Number 12.

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PART 2
WORKING CAPITAL STATEMENT

The Working Capital Statement shall be prepared in accordance with the policies set out in (i) to (viii) below:

(i) WORK-IN-PROGRESS

The following projects have been designated as work-in-progress:

Torbay Cinema
Folkestone
Screen Advertising in theatres
Liverpool Phase 2
Warrington
Old Fire Station cafe bar
Stage Door bar
Tower Hamlets (CCL)
Trafford (CCL)
Torbay (CCL)
Bangor

An adjustment will be included within the Working Capital Statement to increase the level of Working Capital by the value of work-in-progress in accordance with the following terms:

- (a) Costs included within the category of work-in-progress represent amounts invoiced from third parties only, and include stocks of paintings not already included in Working Capital.
- (b) All costs included within work-in-progress relate to work completed or assets delivered as at the date of the Completion Accounts.
- (c) No internal costs or interest costs are to be included within work-in-progress.
- (d) Any grant or other non-repayable funding which has been received in relation to schemes included within work-in-progress must be offset against the capitalised costs within the Working Capital Statement.
- (e) No value will be attributed to any items that are transferred into this category from other categories of fixed assets.

(ii) DEFERRED CONSIDERATION PROPERTIES

The following assets have been designated as "Deferred Consideration Properties":

Llandudno Bingo and Cinema
Port Talbot warehouse and land
Prince of Wales Hotel

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Subject to clause 7.3 of this Agreement, the Deferred Consideration relating to the Deferred Consideration Properties shall be included in the Working Capital Statement.

(iii) ASSETS FOR SALE

The following assets have been designated as assets for sale and will be ascribed a total value of (pound)200,000 in the Working Capital Statement:

Brierfield Cinema
Widnes Bingo
Clarence Hotel Flat
Barrow Cinema
Blackpool Bingo

(iv) INVESTMENTS

Doctor Dolittle

An adjustment of (pound)800,000 will be included in the Working Capital Statement to increase the level of Working Capital in respect of the London Production of Doctor Dolittle.

Fixed asset investments

No amount shall be included within the Working Capital Statement in relation to fixed asset investments including the investment in Nederlander Dominion. However, one third of all working capital balances (calculated using the same principles as those applied in calculating the Working Capital) of Nederlander Dominion and the tenancy in common will be included in the Working Capital Statement.

(v) CASH

An adjustment of nine million pounds ((pound)9,000,000) will be included within the Working Capital Statement to reduce the level of Working Capital in relation to the cash paid by the Purchaser to subscribe for B Shares in the Company in accordance with clause 5.3.1 of this Agreement.

(vi) MINORITY INTERESTS

An adjustment will be included within the Working Capital Statement to remove the value of all minority interests included within the Working Capital. For the avoidance of doubt, this paragraph does not refer to either Nederlander Dominion Limited or the CCL Group.

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(vii) BANK DEBT

Bank Debt will be calculated as at the Completion Date but shall have added to it an amount equivalent to the interest that the Group would have paid between Completion and the Completion Accounts Date had the Bank Debt not been paid off at Completion.

For the avoidance of doubt no amount in respect of breakage costs will be included in the calculation of Bank Debt.

(viii) INTEREST

Working Capital shall be decreased (which for the avoidance of doubt means that the amount of the Working Capital will be made a larger negative number) by two hundred thousand pounds ((pound)200,000) to reflect notional interest on the Consideration from Completion to the Completion Accounts Date (inclusive).

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SCHEDULE 7
PART 1
PENSION WARRANTIES

1. DEFINITIONS

In this Schedule references to paragraphs are references to paragraphs in this Schedule and the following expressions shall have the following meanings:

- 1.1 "Actuary" means a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries in Scotland;
- 1.2 "the Final Salary Scheme" means each of Apollo LG Pension and Assurance Scheme and the Hutchinson Leisure Group Pension Scheme;
- 1.3 "the GPPs" means each of the Apollo Leisure Group Personal Pension Plan, the Sheffield Arena Group Personal Pension Plan, the CCL Scottish Equitable GPP, the CCL Allied Dunbar GPP and any other personal pension plan to which any of the Group contributes in respect of a present or former employee of the Group;
- 1.4 "the Apollo Leisure Group Personal Pension Plan" means the group personal pension established by the Company with effect from 1 January 1993;

- 1.5 "the Apollo Leisure Staff Pension Scheme" means the occupational defined contribution scheme for senior management governed by the Definitive Trust Deed and Rules dated 1 December 1992 and established with effect from 1 July 1989;
- 1.6 "the Apollo L G Pension and Assurance Scheme" means the occupational defined benefit scheme for staff and manual employees governed by the Definitive Trust Deed and Rules dated 31 March 1998 and established with effect from 1 April 1996;
- 1.7 "the Hutchinson Leisure Group Pension Scheme" means the Hutchinson Leisure Group Limited Pension and Life Assurance Scheme which was placed into winding up with effect from 31 December 1993;
- 1.8 "the Money Purchase Schemes" means each of the Apollo Leisure Staff Pension Scheme, the CCL Directors Pension Schemes with Allied Dunbar, United Friendly and Scottish Equitable and the SSAS;
- 1.9 "the Apollo Life Scheme" means the Apollo Leisure (UK) Limited Group Life Assurance Scheme established by a Deed of Declaration of Trust and Rules with effect from 1 October 1990;
- 1.10 "the Pension Schemes" means each of the Apollo LG Pension and Assurance Scheme, the Hutchinson Leisure Group Pension Scheme, the Money Purchase Schemes, the GPPs and the Apollo Life Scheme and where appropriate, shall include the trustees of the Pension Schemes;

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- 1.11 "the Purchaser's Actuary" means Richard Soldan of Lane Clark & Peacock, 30 Old Burlington Street, London W1X 2NN or any other actuary appointed by the Purchaser for the purpose of this Schedule;
- 1.12 "Retirement Benefit Scheme" means a retirement benefits scheme within the meaning given to that term in Section 611 of the Taxes Act;
- 1.13 "the Sheffield Arena Group Personal Pension Plan" means the group personal pension acquired by the Company when it acquired Sheffield Arena in 1996;
- 1.14 "the SSAS" means the occupational defined contribution scheme established with effect from 10 November 1987 by the Definitive Trust Deed and Rules dated 26 July 1994 and known as the Apollo Leisure Pension Scheme;
- 1.15 "the Taxes Act" means the Income and Corporation Taxes Act 1988; and
- 1.16 "the Vendors' Actuary" means Pamela Mascall of Legal & General Assurance Society Limited, Legal & General House, Kingswood, Tadworth, Surrey KT20 6EU or any other actuary appointed by the Vendors for the purpose of this Schedule.

2. VENDORS' WARRANTIES (GENERAL)

- 2.1 Other than the Pension Schemes, no member of the Group provides any pension, share option, share incentive or similar schemes or arrangements for the employees or former employees of the Group and the Vendors and the Group have no obligation (whether legally binding or established by custom) to pay any pension or make any other payment after retirement or death or otherwise to provide "relevant benefits" or to make any payment for the purpose of providing "relevant benefits" within the meaning of Section 612 of the Taxes Act to or in respect of any employee or former employee of the Group and that the Vendors and the Group are not party to any scheme or arrangement having as its purpose or one of its purposes the making of such payments or the provision of such benefits;
- 2.2 The Vendors have supplied to the Purchaser complete and accurate copies of all announcements and relevant booklets relating to the Pension Schemes. The Vendors have also supplied to the Purchaser complete and accurate copies of all trust deeds, rules and resolutions relating to the Apollo LG Pension and Life Assurance Scheme, the Apollo Leisure Staff Pension Scheme, the SSAS and the Apollo Life Scheme. In relation to the Apollo L G Pension and Assurance Scheme, the Vendors have supplied complete copies of the most recent actuarial valuation and the Scheme accounts together with copies of any certifications made to the

Inland Revenue under the Finance Act 1986 or Schedule 22 to the Taxes Act. In relation to the Money Purchase Schemes, the Vendors have supplied complete copies of the last audited scheme accounts for each scheme. The GPPs are, and have been since their establishment, group personal pension arrangements.

- 2.3 So far as the Vendors are aware, the Pension Schemes comply and have at all times complied materially with any applicable provisions of the Pensions Act 1995, the Pension Schemes Act 1993 and all other relevant legislation and with the relevant requirements of the Pension Schemes Office and the Contributions Agency affecting

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schemes approved (or capable of approval) under either Chapter I or Chapter IV of Part XIV of the Taxes Act and, where appropriate, contracted-out under the Pension Schemes Act 1993. There is no reason why such approval should be withdrawn or not obtained. In addition, the Vendors, any participating employers and the Pension Schemes have duly complied with their respective obligations under the applicable trust deeds and rules or other governing documentation of the Pension Schemes and the aforementioned applicable legislation and other requirements;

- 2.4 The Vendors have disclosed to the Purchaser complete and accurate details of all benefits payable or prospectively payable under the Pension Schemes to or in respect of all active members, pensioners and deferred pensioners, including any augmentations of benefits, and details of any additional undertakings with regard to the provision of such benefits together with complete, accurate and comprehensive employee data (including the member's age, sex, pensionable service and pensionable salary);
- 2.5 All amounts due to the Pension Schemes or to any insurance company in connection with them have been paid and, where appropriate, have been eligible for tax relief. All contributions paid to the Pension Schemes since their establishment have been paid in accordance with any guarantees, promises or undertakings given by any member of the Group or the Pension Schemes to the employees and former employees of the Group;
- 2.6 Neither the Group nor the Pension Schemes are parties to any litigation or arbitration proceedings in respect of the Pension Schemes or the provision of any relevant benefits (as defined in Section 612 of the Taxes Act), and there are no current submissions or referrals to the Pensions Ombudsman or to the Occupational Pensions Advisory Service or notifications to the Occupational Pensions Regulatory Authority in respect of the Group or the Pension Schemes and no such submissions, referrals or notifications are expected by the Vendors and that there are no outstanding payments or penalties payable by the Group or the Pension Schemes in respect of any litigation or arbitration proceedings or determination of the Pensions Ombudsman or the Occupational Pensions Regulatory Authority;
- 2.7 No Retirement Benefits Scheme other than the Hutchinson Leisure Group Pension Scheme in which employees or former employees of the Group participate or have participated has been or is in the process of being (or is proposed to be) wound up (in whole or in part) or closed to new entrants (in whole or in part).

3. WARRANTIES FOR THE FINAL SALARY SCHEMES

- 3.1 The Apollo L G Pension and Assurance Scheme (the "Pension Scheme") has been funded to the extent recommended by the actuary to the Pension Scheme and that neither the Group nor the Pension Scheme has undertaken to make or accept any transfer payment on agreed terms regarding the calculation of the payment or the benefits to be credited in respect of the payment;
- 3.2 No employers other than the Company participate in the Pension Scheme and all such participating companies were properly admitted to the Pension Scheme;

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- 3.3 The Pension Scheme does not hold any employer-related investments (within the meaning of Section 40 of the Pensions Act 1995);
- 3.4 All reasonable and appropriate steps were taken by the principal company and the trustees to trigger the termination of the Hutchinson Leisure Group Personal Scheme. In addition all necessary and appropriate steps were taken by the principal company and the trustees to secure all the assets and liabilities of the Hutchinson Leisure Group Pension Scheme in accordance with applicable legislative, Inland Revenue and trust law requirements. This Scheme has been fully wound up and no further actuarial, legislative or Inland Revenue requirements need to be satisfied in relation to it.
- 3.5 There are no provisions for continued private medical insurance or permanent health and life insurance for ex-employees and ex-directors including pensioners, other than for G S Lipson, S Simpon, D Tattershall and P Hancock and no promises of such provisions on leaving service for whatever reason on retirement for current employees, workers or directors.
- 3.6 None of the Pension Schemes are in breach of any legal requirement to provide equal access to benefits and equal levels of benefits to male and female employees regardless of sex relating to any UK or European Community legislation or any other applicable legislation.
4. WARRANTIES FOR THE MONEY PURCHASE SCHEMES
- 4.1 At no time since the establishment of the Money Purchase Schemes, have members under them been guaranteed or promised a defined benefit underpin or any other defined benefit by any member of the Group or by the Money Purchase Schemes.
- 4.2 The SSAS has always, and does, comply with the Retirement Benefit Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1991 as subsequently amended and the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Small Self-Administered Schemes) Regulations 1998. Without prejudice to the generality of the foregoing, in relation to the property known as Alexander House, 190/194/196 Garsington Road, Cowley, Oxford, all trust law, statutory and Inland Revenue requirements have always been and are satisfied in relation both to that property's purchase and its subsequent retention by the trustees of the SSAS.

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PART 2
FORM OF DEED OF AMENDMENT

THIS DEED OF AMENDMENT is made on 1999

PARTIES

PAUL RICHARD GREGG and ANITA KIM GREGG both of Boars Hill Heath, Jarn Way, Boars Hill, Oxford, DAVID CHARGES ROGERS and JULIE DIANE ROGERS both of Woodsend Hamels Lane, Boars Hill, Oxford, SAMUEL JOHN SHROUDER of Sherbourne House, Lechlade, Gloucestershire, England and HORNBUCKLE MITCHELL TRUSTEES LIMITED whose registered office is at 4-8 Upper King Street, Leicester LE1 6XA ("Trustees")

RECITALS

(A) By a definitive trust deed dated 10 November 1987 ("the Old Definitive Deed") made between the Principal Employer and Paul Richard Gregg, David Charles Rogers and Michael Jeffrey Field, the Principal Employer established a retirement benefits scheme called the Apollo Leisure Pension Scheme ("the Scheme") to commence on and operate from 10 November 1987.

(B) This Deed is supplemental (inter alia) to the Old Definitive Deed and the rules attached thereto ("the Old Rules") and to a supplemental definitive deed ("the Supplemental Deed") made on 26 July 1994 and the rules attached thereto ("the Supplemental Rules") which set out the existing definitive provisions of the Scheme (together, "the Scheme Documents").

(C) This Deed is subject to a resolution made with effect from 6 April 1997 ("the Resolution") that all decisions of the Trustees must be unanimous to be effective.

(D) The Trustees may under Clause 10 of the Supplemental Deed and the Resolution modify provisions of the Scheme Documents if acting unanimously.

OPERATIVE PROVISIONS

1. DEFINITIONS

The definitions used in the Supplemental Rules apply equally to this Deed, except as otherwise stated herein.

2. AMENDMENTS

The following amendments to the Scheme Documents shall apply from the date hereof:-

- 2.1 Rule 7 of the Supplemental Rules shall be replaced by the words "Each of the Employers shall during the continuance of the Scheme contribute 20% of

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Remuneration in respect of each Member or such other amount as the Principal Employer and the Trustees shall agree".

- 2.2 In Rule 8 of the Supplemental Rules, sub-paragraph (i) shall be replaced by:-

"(i) no grant or augmentation hereunder shall oblige any Employer to make contributions to the Fund other than in accordance with Clause 7 above."

- 2.3 In Clause 19 of the Supplemental Deed the words "the Employers in such proportion by each Employer as the Trustees shall deem appropriate" shall be replaced by the words "the Fund". The second sentence of Clause 19 shall be deleted.

- 2.4 Clause 15.1 of the Supplemental Deed shall be added to with the words:-

"b), and

c) the Employers consent to the substitution of the Old Company with the New Company".

- 2.5 In Clause 15.2 of the Supplemental Deed the words "the Employers" shall be inserted after the word "Trustees".

- 2.6 Clause 17.3 of the Supplemental Deed shall be amended by the replacement of the words "The Principal Employer" in the first sentence thereof with the words "Scheme" and the addition of the words "out of the Fund" following the words "Keep indemnified". The last sentence of the Clause shall be deleted and the Clause shall be retitled "Indemnity from the Fund".

- 2.7 Clause 17.4 shall be deleted.

- 2.8 In Clause 10 of the Supplemental Deed the words "The Trustees and the Employers in agreement may by deed or resolution modify all or any of the provisions of the Scheme where such modification may affect the Employers liabilities or contributions" shall be inserted at the beginning of the Clause and the word "other" shall be inserted after the word "provisions" of the following sentence.

3. CONSENT

The Trustees hereby unanimously consent to the above amendments to be operative from the date hereof.

NOW this DEED is executed the day and year before written.

SCHEDULE 8
THE POINT

In this Schedule references to paragraphs are references to paragraphs in this Schedule and the following expressions shall have the following meanings:

"Adjusted Point Consideration"	the meaning given to that term in paragraph 3 of this Schedule;
"Assurance"	the document containing the easements and covenants referred to in paragraph 5 which transfers the title to the Development Land to the Developer;
"Business"	the business carried on by PEC at the Venue from time to time;
"Contract"	the contract (to be negotiated by the Vendors on behalf of PEC) to be entered into between PEC and the Developer for the sale of the Development Land;
"Developer"	the person or persons carrying out the Development;
"Development"	the Venue Development and the Point Village Development to be carried out on the Development Land and the Venue Development Land in accordance with the Satisfactory Planning Permission;
"Development Land"	that part of the land owned by PEC at the Completion Date on which it is proposed to carry out the Point Village Development excluding the Venue Development Land and the Venue;
"Estimated Management Fee"	<p>an amount equal to fifty per cent (50%), if the Estimated Management Fee is to be paid by the Vendors to the Purchaser, or one hundred per cent (100%), if the Estimated Management Fee is to be paid under the Contract by the Developer to PEC, of the sum of the Purchaser's reasonable estimates of:</p> <ul style="list-style-type: none"> (i) all and any amounts that will be incurred by PEC in handing over the Venue for the Handover Period including without limitation any cancellation of booking fees; plus (ii) the amount of the earnings earned by PEC for the twelve month period ending at the monthly management accounting period end immediately prior to the Handover Date being calculated before and without giving effect to interest, tax,

- depreciation and amortisation divided by 365 and then multiplied by the number of days that make up the Handover Period; plus
- (iii) any payments which PEC could reasonably be obliged to make during the Handover Period less any income which PEC could reasonably be

expected to receive, both regardless of the handover of the Venue; less

(iv) any savings which could reasonably be expected to be made during the Handover Period, provided always this shall not require PEC to terminate the employment of any permanent employees employed by PEC at the Venue on the Handover Date;

"Handover Date" the date of the handover of the Venue to enable the Venue Development;

"Handover Notice" the written notice to be served on the Purchaser and PEC pursuant to paragraph 4 by the Vendors or the Developer (as the case may be), giving no less than 12 months' notice of the Handover Date and the Handover Period;

"Handover Period" the period during which it is envisaged at the date of the Handover Notice the Venue has to be handed over for the purpose of carrying out the Venue Development commencing on the Handover Date;

"Joint Venture Agreement" the joint venture agreement made between Harry Crosbie ("Mr Crosbie"), PEC and the Company relating to PEC dated 15 March 1989 as amended from time to time;

"Management Fee" the amount agreed or determined to be payable to the Purchaser by the Vendors or to PEC by the Developer under the Contract (as the case may be) in accordance with the provisions of paragraphs 11 to 14 in consideration of the Purchaser or PEC (as the case may be) delivering up the Venue from the Handover Date to the Open Date and being derived from the amounts actually incurred, earned or made (as the case may be) in respect of the items estimated in calculating the Estimated Management Fee;

"Onerous Condition" any condition or restriction contained in any planning permission for the Point Village Development or a covenant, condition or restriction contained in or

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imposed by a Planning Agreement the effect of which is not acceptable to the Vendors in their sole joint discretion;

"Open Date" the date of practical completion of the Venue Development to the reasonable satisfaction of the Purchaser as certified by the architect under any building contract relating to the Venue Development and also in a state and condition where the same can be reopened and be fully operational and after all necessary final approvals of the relevant competent authorities have been obtained for the use and operation of the Venue in substantially the same manner as it was used and operated prior to the Handover Date;

"PEC" Point Exhibition Company Limited;

"Planning Agreement" any agreement with the planning authority or other competent authority regulating the Point Village Development whether or not

pursuant to Section 38 of the Local Government (Planning & Development) Act, 1963 or otherwise as may be required by the competent planning authority or any statutory or service undertaker to enable a planning permission for the Development to be granted;

"Point Consideration"

an amount equal to fifty per cent (50%) of the amounts received by PEC on the sale of the Development Land less an amount equal to fifty percent (50%) of the Purchaser's good faith reasonable estimate of:

- (i) all and any costs incurred by PEC which are referable to site assembly and the obtaining of all and any licences, consents and permissions as are deemed necessary by PEC in order to facilitate the entry into the Contract and the Assurance;
- (ii) all associated reasonable selling costs incurred in connection with the Development Land;
- (iii) the amount of any Tax payable as a result of or by reference to the disposal by PEC of the Development Land;
- (iv) the amount of any costs and Tax that would be incurred in transferring the proceeds of sale (whether by way of dividend or otherwise) to the Purchaser from PEC;

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- (v) any and all costs that would be incurred by PEC in undertaking the Venue Requirements; and
- (vi) all and any other costs and liabilities undertaken or incurred by PEC or arising in connection with any contract entered into with the Developer or any other person at the request of the Developer all relating to the Development;

"Point Consideration Loan Notes"

the guaranteed loan notes to be issued in accordance with paragraph 3 which shall be substantially in the form of loan notes in the approved terms save as to the rate of interest, which shall be the best rate of interest reasonably obtainable by the Purchaser by depositing an amount in cash equal to the Point Consideration with a UK or Republic of Ireland clearing bank;

"Point

Village Development" the redevelopment of the land owned by PEC surrounding the Venue and the Venue Development Land to incorporate a mixed retail and leisure development together with residential apartments and a hotel to comprise approximately 1.25 million square feet of space on the Development Land;

"Point Village Development Land"

the Development Land and the Venue Development Land;

"Professional Team"

the architect, the building contractor, the structural engineer, the mechanical and electrical engineer, the acoustic

consultant, the theatre consultant and all other professionals appointed by or on behalf of the Developer or the Vendors from time to time in connection with the Venue Development;

"Satisfactory	Planning Permission" a full planning permission including any associated Planning Agreement which is free from an Onerous Condition and permits the Development and otherwise is satisfactory in all respects to the Vendors;
"Security"	a performance bond or letter of credit or a guarantee or some other form of security reasonably commercially acceptable to the party in whose favour it is granted in respect of the Venue Development in an amount equal to the full costs of the Venue Development;
"Venue"	the Point Theatre, Dublin including without limitation the building known as the Point Theatre, together with all easements, rights privileges and appurtenances benefiting the land upon which the Point Theatre is erected and all improvements and betterments utilised

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in the use, operation, maintenance and repair of the Point Theatre at the Handover Date;

"Venue	Development" the refurbishment of the Venue as part of the Point Village Development in accordance with the Satisfactory Planning Permission and other permissions and the Venue Requirements;
"Venue	Development Land" that part of the land currently owned by PEC on which the Venue Development will take place and the refurbished Venue will stand;
"Venue	Requirements" the brochure entitled "Venue Requirements" for the design and redevelopment of the Venue dated July 1999, as amended by agreement between the Vendors and the Purchaser from time to time.

In this Schedule where the expression "materially and adversely affect the use, repair and replacement of the Venue" is used it shall mean any right, event or circumstance which might reasonably be expected to:

- (i) limit the ability of PEC to stage or promote at the then market rate attractions of the type which have historically played at or performed at the Venue; or
- (ii) increase materially the cost to PEC of the maintenance, repair or replacement of the Venue or any part thereof,

where such right, event or circumstance would not have arisen or to the extent it would not have arisen, but for the Development.

1. Subject to paragraph 5 and subject to the Vendors procuring any necessary consents, including from the parties to the Joint Venture Agreement (other than any party to that agreement that is at the relevant time a member of the Group) the Vendors may serve notice in writing on the Purchaser and PEC within two months of the grant of a Satisfactory Planning Permission and all other conditions under the Contract being either satisfied or waived but no later than the fifth (5th) anniversary of the Completion Date, requiring the Purchaser (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC by the exercise of control over the

voting rights held by any member of the Group in respect of the capital of PEC) to procure the transfer by PEC to the Developer, or as the Developer may otherwise direct, the same right, title and interest in the Development Land as is held by PEC as at Completion, provided that:

- 1.1 the Purchaser shall be under no obligation when procuring such transfer to remove any matters of title that have arisen other than through the actions or omissions of the Purchaser; and
- 1.2 if an application for judicial review of the Satisfactory Planning Permission is made the transfer will not take place until the Satisfactory Planning Permission is upheld.

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2. Subject to paragraph 5, the Purchaser shall (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) procure that:
 - 2.1 PEC shall act promptly, on the reasonable instructions of Paul Gregg and David Rogers, in relation to the transfer of the Development Land to the Developer and the terms of the Assurance which instructions must, for the avoidance of doubt, be consistent with the terms of this Schedule, unless otherwise agreed; and
 - 2.2 Paul Gregg and David Rogers are given reasonable access at all reasonable times to PEC's papers and documents relating to the Development Land.
- 3.1 Within 7 business days of the Vendors notifying the Purchaser that the proceeds of sale of the Development Land under the Contract have been received into the Development Account (as defined in paragraph 10.12) the Purchaser shall procure that the Point Consideration shall be satisfied (without any counterclaim or set off) by the issue, by the Purchaser (as the Purchaser shall determine), to the Vendors in the same proportions as set out in column 4 of Schedule 1, of the Point Consideration Loan Notes, in an aggregate principal amount equal to the Point Consideration. The Vendors shall be responsible for the costs of obtaining the guarantee of the Point Consideration Loan Notes.
- 3.2 Within 60 days of the Open Date the Purchaser shall deliver to the Vendors a draft statement showing the calculation of a sum, such sum being fifty per cent (50%) of the amounts received by PEC on the sale of the Development Land less an amount equal to fifty per cent (50%) of:
 - (a) the amount of the costs and liabilities described in the definition of the Point Consideration as have actually been incurred by PEC by the date of the draft statement; and
 - (b) the amount of the Tax described in that definition as has actually been paid or become due and payable by that date or, if it has not by that date been paid or become due and payable, the estimated amount thereof.
- 3.3 The Vendors shall within 30 days of receipt of such draft statement review the same and deliver a written notice to the Purchaser stating either that they agree with the draft statement of the sum or that they disagree and, if so, in what respect they disagree and stating their reasons for their disagreement and their calculation of the sum.
- 3.4 If the Purchaser disagrees with the Vendors' notice of disagreement and if the Purchaser and the Vendors cannot reach agreement within 30 days of the date of the Vendors' notification of disagreement, the matter shall be referred to an independent firm of chartered accountants and the provisions of paragraph 6.5 of the Agreement shall apply mutatis mutandis. The sum as so determined or agreed between the Vendors and the Purchaser shall be the "Adjusted Point Consideration". The firm of chartered accountants that makes the determination, if any, will as part of their

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decision determine what proportion of their costs should be borne by the Vendors and the Purchaser.

- 3.5 Within 7 days of the agreement or determination of the amount of the Adjusted Point Consideration in accordance with paragraph 3.4:
- 3.5.1 if the amount of the Adjusted Point Consideration exceeds the Point Consideration, the Purchaser will pay an amount equal to such excess to the Vendors, together with interest thereon at the same rate of interest as applied to the monies held in the Development Account for the period from the date of issue of the Point Consideration Loan Notes under paragraph 3.1 to the date of payment;
- 3.5.2 if the amount of the Adjusted Point Consideration is less than the Point Consideration, the Vendors will pay an amount equal to such shortfall to the Purchaser together with interest thereon at the rate payable on the Point Consideration Loan Notes from the date of the issue of the Point Consideration Loan Notes under paragraph 3.1 to the date of payment.
- 3.6 Any amounts payable:
- 3.6.1 by the Purchaser under paragraph 3.5.1 shall be satisfied in cash or, at the option of the Vendors, in additional Point Consideration Loan Notes, in the same proportions as set out in column 4 of Schedule 1;
- 3.6.2 by the Vendors under paragraph 3.5.2 shall be satisfied in the same proportions as set out in column 4 of Schedule 1 by the cancellation of Point Consideration Loan Notes in a principal amount equal to the amount so payable or, to the extent that the Vendors no longer hold Point Consideration Loan Notes, in cash provided that, if any of the Vendors so elect, any amounts payable by such persons under paragraph 3.5.2 shall be satisfied by payment in cash.
- 3.7 Notwithstanding anything else in this Agreement the Purchaser agrees that it will use all reasonable endeavours to work with the Vendors to achieve in the most tax effective manner the realisation of the Vendors' rights to receive the Point Consideration (as adjusted by paragraphs 3.2 to 3.6) PROVIDED that in so doing neither the Purchaser nor any member of the Purchaser's Group or the Group is financially disadvantaged.
4. The Purchaser acknowledges that the Venue will need to be handed over to the Developer for the Handover Period for the purposes of the Venue Development and that the Vendors or the Developer (as the case may be) may at any time prior to the expiry of twelve (12) months from the later of the date of receipt of Satisfactory Planning Permission and the date of the Assurance but in no event later than the fifth (5th) anniversary of the Completion Date serve the Handover Notice Provided that the Purchaser shall (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) only be obliged to procure the handover and vacation of the Venue in its entirety on the later of the

Handover Date and the date of payment of the Estimated Management Fee. The Estimated Management Fee will be paid on the Handover Date. The Vendors shall pay the Estimated Management Fee save where the Developer is required to pay the same to PEC under the Contract. The Purchaser shall and shall procure that PEC (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) shall co-operate with the Vendors and the Developer and the Vendors shall and shall procure that the Developer shall co-operate with the Purchaser and PEC to obtain all necessary approvals of the relevant competent authorities for the re-opening of the Venue.

5. The Vendors shall be entitled to negotiate on behalf of PEC the terms of the Contract and the Assurance and the Purchaser shall procure that PEC (so far as it is able within the terms of the Joint Venture Agreement

and the articles of association of PEC by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) enters into the Contract and the Assurance within seven (7) days of being notified that it is ready for signature PROVIDED THAT the Purchaser shall not be obliged to enter, nor shall it be obliged to procure (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) that PEC enters into the Contract or the Assurance unless the Contract and the Assurance:

5.1 reserves for the benefit of the Venue in perpetuity all rights and easements required to enable the Business to operate after practical completion of the Development in substantially the same manner as it was operated (when fully operational) at and prior to the Handover Date including without limitation rights of way both vehicular and pedestrian, water, drainage, gas, electricity, telephone, conducting and other media and services, support and protection, right of entry for repair and maintenance and car parking as specified in the Venue Requirements (in respect of which PEC shall be entitled to receive the income) all to be provided as part of the Venue Development. The Assurance will also grant to the Developer such similar rights (excluding rights of way and car parking) as are necessary for the use of the Development Land provided the same do not materially and adversely affect the use, repair and replacement of the Venue;

5.2 contains binding covenants by the Developer:

5.2.1 not to develop the Development Land in such a manner or grant rights that materially and adversely affect the use, repair and replacement of the Venue;

5.2.2 not to develop the Development Land for uses that compete with the Venue, which, for these purposes shall mean any large scale live entertainment that might compete with the Business as such business has been carried on from time to time in the five (5) years immediately prior to the later of the date of the Contract or the Completion Date;

5.2.3 to carry out and complete the Venue Development and the Point Village Development in a good and workmanlike manner with all due expedition and in accordance with all legal and statutory requirements, authorisations,

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covenants and permits, including the Satisfactory Planning Permission, and in addition in the case of the Venue Development in accordance with the Venue Requirements and to a state of completion of works as required for the Open Date;

5.2.4 to obtain the Security in favour of PEC;

5.2.5 a full and sufficient indemnity in favour of PEC in relation to any and all liabilities, losses, costs or claims of any nature whatsoever arising in relation to any Planning Agreement or other deeds and documents entered into by PEC pursuant to paragraph 7;

5.2.6 up to practical completion to insure the Venue Development in terms reasonably satisfactory to PEC and to procure that PEC's interest in the Venue and the Venue Development Land is noted on the Developer's policies of insurance;

5.2.7 to procure that each member of the Professional Team provides warranties to PEC in a form reasonably acceptable to the Purchaser;

5.2.8 to keep the Purchaser advised of the progress of the Development and promptly to advise the Purchaser of any problems or if there is likely to be an extension of the estimated Handover Period as soon as the Developer becomes aware of the same;

5.2.9 to allow the Purchaser and the Purchaser's surveyor to have reasonable access to the Venue during the course of the Venue Development at reasonable times and on reasonable notice to enable inspection of the Venue Development and to allow the

Purchaser to make representations to the Professional Team; and

- 5.2.10 to make available to the Venue 182 car parking spaces in addition to those referred to in the Venue Requirements on the Development Land provided that the income in respect of the same shall not belong to PEC;

5.3 provides that:

- 5.3.1 PEC shall at all times be permitted to continue to run and manage the Business as it shall in its sole discretion think fit until the later of the Handover Date and the payment of the Estimated Management Fee. In the event that any part of the Venue stands on the Development Land, PEC will be given the right to use that land and the buildings thereon and the services and facilities within it for the purposes of the Business until the later of the Handover Date and the Payment of the Estimated Management Fee; and

- 5.3.2 subject to the payment of the Estimated Management Fee, PEC shall give an irrevocable licence to the Developer, its contractors and third parties authorised by it to enter the Venue in order to carry out the Development. Such licence will include and permit the carrying out of surveys, soil tests or other investigations in connection with the Development and the carrying out of works of demolition, clean up, redevelopment, building, construction and

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the like in connection with the Development, all to be carried out at the Developer's cost and in accordance with the covenants set out in the Contract and the Assurance.

6. The Vendors will procure that on the Handover Date:

6.1 the Developer will have provided the Security in favour of PEC;

6.2 there shall have been granted to PEC the right to enforce the Security and to step in to complete the Venue Development in the event that the Developer:

6.2.1 fails to complete the Venue Development in accordance with the Satisfactory Planning Permission;

6.2.2 fails to complete the Venue Development within the Handover Period, such period to be extended in respect of force majeure events outside the control of the Developer and/or justifiable delays as allowed by the architect under the building contract to be entered by the Developer, provided that in either case the Developer seeks to complete or procure completion of the Development as soon as possible; or

6.2.3 becomes insolvent within the meaning of the Insolvency Act 1986 or equivalent legislation in the relevant jurisdiction and in which case the Purchaser shall be deemed to have enforced the Security and to have stepped in to complete the Venue Development immediately prior to the Developer becoming or being declared insolvent.

7. Subject to the Vendors procuring any necessary consents from the parties to the Joint Venture Agreement (other than any party to that agreement that is at the relevant time a member of the Group) the Purchaser shall (so far as it is able by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) and subject to the Vendors and/or the Developer giving to the Purchaser and PEC a full and sufficient indemnity in respect thereof, procure that PEC shall enter into such deeds and documents as are necessary to obtain the Satisfactory Planning Permission including any Planning Agreement(s).

8. Where the Estimated Management Fee payable under paragraph 4 is to be satisfied by the Vendors, it shall be satisfied in the same proportions as their holdings of Sale Shares as set out in Schedule 1 in cash.

9. The Vendors will liaise with the Purchaser and keep it informed of the proposals for the Development and will supply to the Purchaser copies of

all planning applications for the Development and will keep the Purchaser informed as to the progress of such applications provided always the Vendors agree that neither they nor the Developer shall apply for a planning permission or seek to develop the Development Land in a manner which may materially and adversely affect the use, repair and replacement of the Venue (including without limitation, any governmental approvals benefiting the Venue) or which would prohibit the Developer giving and complying with the provisions and covenants set out in paragraph 5.

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10. The Purchaser undertakes to the Vendors that following Completion and until the earlier of the fifth (5th) anniversary of the Completion Date or the date of delivery of the Point Consideration Loan Notes save as provided for and/or contemplated by the terms of this Agreement or with the prior written consent of the Vendors such consent not to be unreasonably withheld or delayed or as required by law or under the terms of the Joint Venture Agreement:
 - 10.1 it will not agree to allow PEC to transfer its interest in the Development Land to a third party or otherwise agree or allow PEC to dispose of its interest in the Development Land (other than to SFX or any of its subsidiary undertakings, in which case SFX or its subsidiary undertaking will agree to be bound by this covenant and will be a successor to the obligations of PEC hereunder);
 - 10.2 it will not create or grant any easements or allow any restrictive covenants or encumbrances (including without limitation any charges) to be created over the Development Land;
 - 10.3 it will not apply for planning permission to change the current use of the Venue nor object to the application for planning permission in relation to the Point Village Development, subject to such planning permission complying with the provisions of this Schedule 8;
 - 10.4 it will not deliberately and knowingly do any act or thing (and shall procure that the Company, PEC (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC) and the members of the Group will not do any act or thing) the effect of which is to reduce the amount of the Point Consideration provided always that nothing contained in this paragraph 10.4 shall prohibit or restrict the Purchaser in growing or exploiting the Business;
 - 10.5 in so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC it will procure that Paul Gregg and David Rogers are appointed as directors of PEC with Paul Gregg being appointed chairman of the board of PEC provided that they are permitted to act as such by law and except where the relevant member of the Purchaser's Group or the Group has dismissed or is entitled to dismiss him summarily from his employment. If both Paul Gregg and David Rogers cease to be employed by the Purchaser's Group or the Group (as the case may be) one of them shall remain or be appointed as a director of PEC;
 - 10.6 it will retain PEC as a separate operating entity;
 - 10.7 it will not pass any resolution for the winding-up, dissolution or reconstruction of PEC;
 - 10.8 it will not take steps designed to prevent PEC from carrying on its business in the ordinary course, substantially as presently carried on;
 - 10.9 it will not for a period of two years from the Completion Date sell or otherwise dispose of all or any of the shares it owns indirectly in PEC. After the expiry of the aforementioned two year period it may only transfer such shares: (i) if the transferee enters into a deed of novation with the Vendors and the Purchaser agreeing to assume

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the Purchaser's rights and obligations under this Schedule as if the transferee were a party to this Agreement for the purposes of this Schedule only; and (ii) PEC has granted to the Vendors a second charge

over the Development Land subordinated only to such charge as is in place at Completion and only to the extent of the indebtedness secured by such charge at Completion;

- 10.10 subject to the provisions of paragraph 10.11, it will not change or vary the terms of the Joint Venture Agreement;
- 10.11 it will co-operate with the Vendors, upon their reasonable request to vary the terms of the Joint Venture Agreement and, in particular, in order to facilitate the payment to Mr Crosbie of his proportion of the profits of PEC provided that the relevant member of the Group shall not be financially disadvantaged;
- 10.12 it will procure that PEC shall open a separate bank account (to be known as the Development Account) which will be used solely for the purposes of receiving the proceeds of sale of the Development Land under the Contract and making the payments (to the extent that they fall to be paid by PEC) identified in paragraphs (i) to (vi) of the definition of "Point Consideration";
- 10.13 it will procure that Paul Gregg and David Rogers together with any nominees of Mr Crosbie shall be the only signatories on the bank mandate which operates the Development Account.
11. For the purposes of paragraphs 11 to 13, in the circumstances where the Developer is required to pay the Estimated Management Fee and the Management Fee under the Contract, "Vendors" shall mean the "Vendors for and on behalf of the Developer". Within 60 days of the Open Date the Purchaser shall deliver to the Vendors a draft statement of the Management Fee, such statement setting out the Purchaser's bases of calculation. The Vendors shall within 30 days of receipt of the draft statement of Management Fee, review the same and deliver written notice to the Purchaser stating either that they agree with the draft statement of Management Fee, or that they disagree, and, if so, in what respect they disagree and stating their reasons for their disagreement and their calculation of the Management Fee.
12. If the Purchaser disagrees with the Vendors' notice of disagreement and if the Purchaser and the Vendors cannot reach agreement within 30 days of the date of the Vendors' notification of disagreement, the matter shall be referred to an independent firm of chartered accountants and the provisions of paragraph 6.5 of the Agreement shall apply mutatis mutandis. On the decision of the firm of chartered accountants being published, the amount of the Management Fee shall be finalised and paid as provided in paragraph 14. The firm of chartered accountants will as part of their decision determine in what proportion their costs should be borne by the Vendors and the Purchaser.
13. If the Vendors serve notice stating that they agree pursuant to paragraph 11 or the parties reach agreement pursuant to paragraph 12, the amount so agreed will be the Management Fee for all purposes of this Agreement.

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14. Within 7 days of the agreement or determination of the amount of the Management Fee in accordance with paragraphs 11 and 12:
- 14.1 if the amount of the Management Fee exceeds the Estimated Management Fee, the Vendors will pay an amount equal to such excess to the Purchaser save where the Developer is required to pay the same to PEC under the Contract;
- 14.2 if the amount of the Management Fee is less than the Estimated Management Fee, the Purchaser will pay an amount equal to such shortfall to the Vendors save where the Developer paid the Estimated Consideration to PEC pursuant to the terms of the Contract and in which case SFX shall procure (so far as it is able within the terms of the Joint Venture Agreement and the articles of association of PEC by the exercise of control over the voting rights held by any member of the Group in respect of the capital of PEC) that PEC shall pay such shortfall to the Developer;
- 14.3 any amounts payable:
- 14.3.1 by the Purchaser under paragraph 14.2 shall be satisfied in cash

in the same proportions as set out in column 4 of Schedule 1;

14.3.2 by the Vendors under paragraph 14.1 shall be satisfied in the same proportions as set out in column 4 of Schedule 1 by the cancellation of Point Consideration Loan Notes in a principal amount equal to the amount so payable or, to the extent that the Vendors no longer hold Point Consideration Loan Notes, in cash, provided that, if any of the Vendors so elects, any amounts payable by such person(s) under paragraph 14.1 shall be satisfied by payment in cash; and

14.3.3 by the Developer under paragraphs 4 and 14.1 shall be satisfied by payment in cash.

15. The Vendors hereby covenant with and undertake to indemnify the Purchaser for itself and as trustee for each member of the Purchaser's Group and each member of the Group and their respective successors in title, officers, directors, employees and agents, as to Paul Richard Gregg and Anita Kim Gregg jointly and severally, as to David Charles Rogers and the DCR Trustees jointly and severally, as to Samuel John Shrouder and the SJS Trustees jointly and severally, as to David Clifford Gregg and the DCG Trustees jointly and severally, and as to Julie Diane Rogers and Simon Paul Gregg severally, fully on demand and to keep them indemnified against any and all liabilities, losses (including consequential losses) penalties, fines, damages, claims, costs, expenses and legal or professional fees and disbursements (on a full indemnity basis) incurred, suffered or sustained by them or asserted against them, or any or all of them arising out of the Venue Development, the Handover Period, any failure to pay the Management Fee and any subsequent loss suffered in relation to the Venue Development, provided that the Vendors' liability under this paragraph 15 shall not exceed(pound)10,250,000. Where an amount is due under this paragraph 15 (and for these purposes due shall mean either agreed by the Purchaser and the Vendors to be payable or finally determined, as that phrase is defined in clause 9.5 of the Agreement) it shall be satisfied in the same proportion as set out in column 4 of Schedule 1 by the cancellation of the Point Consideration Loan Notes in a principal amount equal to the

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amount due hereunder or, to the extent that the Vendors no longer hold such notes, in cash.

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IN WITNESS WHEREOF the parties hereto have executed this document as a deed on the date appearing at the head hereof.

EXECUTED by
duly authorised officer on behalf of
SFX ENTERTAINMENT, INC.

) /s/ Howard J Tytel
) -----
) By : Howard J Tytel
Title: Executive Vice President
Member of the Office of
the Chairman, General

EXECUTED AS A DEED by
two directors or a director and
the company secretary of
SFX U.K. HOLDINGS LIMITED

) /s/
) -----
) Director
) /s/
) -----
Director/ Company secretary

SIGNED, SEALED
AND DELIVERED by
PAUL RICHARD GREGG
in the presence of

) /s/
)
)
)
)

SIGNED, SEALED
AND DELIVERED by
ANITA KIM GREGG
in the presence of

) /s/
)
)
)
)

103

SIGNED, SEALED
AND DELIVERED by
DAVID CHARLES ROGERS
in the presence of

) /s/
)
)
)
)

SIGNED, SEALED
AND DELIVERED by
JULIE DIANE ROGERS
in the presence of

) /s/
)
)
)
)

SIGNED, SEALED
AND DELIVERED by
SAMUEL JOHN SHROUDER
in the presence of

) /s/
)
)
)
)

SIGNED, SEALED
AND DELIVERED by
DAVID CLIFFORD GREGG

) /s/
)
)

in the presence of)
)

SIGNED, SEALED) /s/
AND DELIVERED by)
SIMON PAUL GREGG)
in the presence of)
)

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EXECUTED AS A DEED) /s/
by DAVID CHARLES ROGERS)
AS TRUSTEE OF THE DAVID)
CHARLES ROGERS INTEREST IN)
POSSESSION SETTLEMENT)
in the presence of)

EXECUTED AS A DEED) /s/
by JULIE DIANE ROGERS)
AS TRUSTEE OF THE DAVID)
CHARLES ROGERS INTEREST IN)
POSSESSION SETTLEMENT)
in the presence of)

EXECUTED AS A DEED) /s/
by JOHN MICHAEL COOK)
AS TRUSTEE OF THE DAVID)
CHARLES ROGERS INTEREST)
IN POSSESSION SETTLEMENT)
in the presence of)

EXECUTED AS A DEED) /s/
by SAMUEL JOHN SHROUDER)
AS TRUSTEE OF THE SAMUEL)
JOHN SHROUDER INTEREST IN)
POSSESSION TRUST)
in the presence of)

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EXECUTED AS A DEED) /s/
by FRIEDA SHROUDER)
AS TRUSTEE OF THE SAMUEL)
JOHN SHROUDER INTEREST IN)
POSSESSION TRUST)
in the presence of)

EXECUTED AS A DEED) /s/
by DAVID CLIFFORD GREGG)
AS TRUSTEE OF THE DAVID)
CLIFFORD GREGG ACCUMULATION)
AND MAINTENANCE TRUST)
in the presence of)

EXECUTED AS A DEED) /s/
by SUZANNE GREGG)
AS TRUSTEE OF THE DAVID)
CLIFFORD GREGG ACCUMULATION)
AND MAINTENANCE TRUST)
in the presence of)

EXECUTED AS A DEED) /s/
by SIMON PAUL GREGG)
AS TRUSTEE OF THE DAVID)
CLIFFORD GREGG ACCUMULATION)
AND MAINTENANCE TRUST)
in the presence of)

CONSENT OF INDEPENDENT AUDITORS

We consent to the use of our joint report dated July 27, 1999 with respect to the financial statements of Apollo Leisure Group plc as of November 28, 1998 and for each of the two years then ended included in this Form 8-K of SFX Entertainment, Inc., and to the incorporation by reference in the Registration Statement No 333-76123 and related Prospectus on Form S-3 filed by SFX Entertainment, Inc. in April 1999 with respect to the registration of 2,736,448 Class A Common Stock and in the Registration Statement No 333-58737 on Form S-8 filed by SFX Entertainment, Inc. in July 1999 with respect to its 1998 Stock Option and Restricted Stock Plan.

We also consent to the reference to our firm as experts in accounting and auditing.

/s/ Deloitte & Touche

Deloitte & Touche
Chartered Accountants
Bracknell, England
September 17, 1999

CONSENT OF INDEPENDENT AUDITORS

We consent to the use of our joint report dated July 27, 1999 with respect to the financial statements of Apollo Leisure Group plc as of November 28, 1998 and for each of the two years then ended included in this Form 8-K of SFX Entertainment, Inc., and to the incorporation by reference in the Registration Statement No 333-76123 and related Prospectus on Form S-3 filed by SFX Entertainment, Inc. in April 1999 with respect to the registration of 2,736,448 Class A Common Stock and in the Registration Statement No 333-58737 on Form S-8 filed by SFX Entertainment, Inc. in July 1999 with respect to its 1998 Stock Option and Restricted Stock Plan.

We also consent to the reference to our firm as experts in accounting and auditing.

/s/ Smith Partnership

Smith Partnership
Chartered Accountants
Manchester, England
September 17, 1999

APOLLO LEISURE GROUP PLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED GROUP BALANCE SHEET

(IN THOUSANDS)

<TABLE>

<CAPTION>

	AS AT 15 MAY 1999	AS AT 28 NOVEMBER 1998
	(UNAUDITED)	
	(pounds sterling)000	(pounds sterling)000
	<C>	<C>
<S>		
Fixed assets		
Tangible assets	79,150	78,270
Investments	2,116	1,817
	-----	-----
	81,266	80,087
	-----	-----
Current assets		
Stocks	640	670
Debtors	10,994	12,125
Investments	1,076	908
Cash at bank and in hand	10,462	15,285
	-----	-----
	23,172	28,988
Creditors: amounts falling due within one year	(48,809)	(52,078)
Net current liabilities	(25,637)	(23,090)
Total assets less current liabilities	55,629	56,997
Creditors: amounts falling due after more than one year	(23,752)	(25,943)
Provisions for liabilities and charges		
Deferred taxation	(2,227)	(2,249)
Grants received	(1,506)	(1,123)
	-----	-----
Net assets	28,144	27,682
	=====	=====
Shareholders' funds		
Share capital	3,000	3,000
Other reserves	10,051	10,264
Revenue reserves	13,162	12,928
	-----	-----
Equity shareholders' funds	26,213	26,192
Minority interests	1,931	1,490
	-----	-----
	28,144	27,682
	=====	=====

</TABLE>

The condensed consolidated group balance sheet at 28 November, 1998 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See accompanying notes to condensed consolidated financial statements.

APOLLO LEISURE GROUP PLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED GROUP PROFIT AND LOSS ACCOUNT

(IN THOUSANDS)

(UNAUDITED)

<TABLE>

<CAPTION>

	24 WEEKS ENDED	
	15 MAY 1999	16 MAY 1998
	(pounds sterling)000	(pounds sterling)000
	<C>	<C>
<S>		
Turnover	36,583	36,758
Cost of sales	15,001	17,994
	-----	-----
Gross profit	21,582	18,764
Administration expenses	18,428	17,170
	-----	-----

Other operating income	3,154	1,594
	619	630
	-----	-----
Operating profit	3,773	2,224
Interest receivable	86	26
Interest payable	1,017	1,058
	-----	-----
Profit before taxation	2,842	1,192
Taxation	1,171	556
	-----	-----
Profit after taxation	1,671	636
Minority interests	441	12
	-----	-----
Profit for period	1,230	624
Dividends paid	1,000	1,000
	-----	-----
Retained profit / (loss) for the period	230	(376)
	=====	=====
Earnings per share	(pounds sterling)0.41	(pounds sterling)0.21

</TABLE>

See accompanying notes to condensed consolidated financial statements.

2

APOLLO LEISURE GROUP PLC AND SUBSIDIARIES

CONDENSED CONSOLIDATED GROUP CASHFLOW STATEMENT

(IN THOUSANDS)
(UNAUDITED)

<TABLE>
<CAPTION>

	24 WEEKS ENDED	
	15 MAY 1999	16 MAY 1998
	-----	-----
	(pounds sterling)000	(pounds sterling)000
	<C>	<C>
<S>		
CASH FLOW FROM OPERATING ACTIVITIES	2,462	(2,996)
Returns on investments and servicing of finance	(931)	(1,033)
Taxation	(107)	(222)
Capital expenditure and financial investment	(3,678)	(1,906)
Acquisitions	--	--
Equity dividends paid	(1,000)	(1,000)
NET CASHFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING	(3,254)	(7,157)
Management of liquid resources	8,681	10,053
Financing:		
Loans and finance leases	(902)	(414)
Grants received	413	--
Net cashflow from financing	(489)	(414)
	-----	-----
INCREASE IN CASH	4,939	2,482
	=====	=====

</TABLE>

See accompanying notes to condensed consolidated financial statements.

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APOLLO LEISURE GROUP PLC AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15 MAY 1999

(UNAUDITED)

NOTE 1 -- ORGANISATION AND DESCRIPTION OF BUSINESS

The Apollo Leisure Group ("Group") originated in 1977 with the purchase of the "New Theatre" in Oxford. The Group has expanded significantly since that time through a combination of organic growth and a series of corporate acquisitions. The Group currently owns or manages an estate of 22 theatres, 3 arenas, 16 cinemas, 6 licensed premises and 4 bingo halls in the United Kingdom and Eire.

In 1997 the Group entered into a new business area, with the purchase of City Centre Leisure ("CCL"), a group involved in running sports and fitness leisure facilities on behalf of local authorities in the United Kingdom. The

Group currently owns 67.5% of the ordinary share capital of CCL and is contracted to acquire the remaining 37.5% in three annual installments of 12.5% under the terms of an earnout agreement.

NOTE 2 -- BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for an interim period are not necessarily indicative of the results that may be expected for a full year. For further information, refer to the consolidated financial statements and footnotes thereto included in the Apollo Leisure Group PLC Annual Report for the year ended November 28, 1998.

The accompanying unaudited condensed consolidated financial statements include the accounts and transactions of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

The Company's revenues vary throughout the year. The Company's first 24 weeks generally produces the lowest revenues for the year and the last 28 weeks generally produces the highest revenues for the year.

NOTE 3 -- INDEBTEDNESS

The Apollo Group use debt finance, in the form of term loans, to finance specific capital development projects. The terms of these loans include a number of covenant tests and as at 28 November 1998 the Apollo Group was in breach of the interest cover covenant on a loan within one of its subsidiary companies. Whilst this is an isolated breach, the default causes further technical breaches in relation to other loans within the Apollo Group.

Management does not believe that there is a possibility of the banks requiring repayment of all Group loans and accordingly have not reclassified the term loans to creditors: amount falling due within one year. Management has formed this view on the basis of the strong cash flows generated by the Group and the quality of the asset backing available as security to these lenders. This accounting treatment is permitted in the UK under the 'true and fair override' provisions included within section 226(5) of the Companies Act of 1985.

NOTE 4 -- EARNINGS PER SHARE

Earnings per share is based upon the net profit applicable to basic common shares. There is only one class of share and consequently no dilution calculations are required.

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APOLLO LEISURE GROUP PLC.

DIRECTORS' REPORT

FOR THE YEAR ENDED 28TH NOVEMBER 1998

The directors present their report together with the audited group financial statements for the year ended 28th November 1998.

PRINCIPAL ACTIVITIES

The principal activities of the group are Theatre Services, Theatrical Show Production, Sports and Fitness Centre Management and the operation of Bingo and Social Clubs, Cinemas, Hotels and other licensed outlets.

REVIEW OF BUSINESS & FUTURE DEVELOPMENTS

The results for the year are set out in the Group profit and loss account on page 9 together with the attached notes.

The profit of the Group's theatre activities was affected mainly by the establishment of the Lyceum following its reopening in 1996. The Group has now

secured the prestigious Lion King contract, to run at the Lyceum from September 1999 and anticipate a mature profit year in 2000.

An Arts Council Lottery Grant awarded in 1997 enabled the full refurbishment and redevelopment of the Liverpool Empire Theatre to proceed at a cost of (pounds sterling)11m. The theatre reopened in October 1998 with an extended season of Les Miserables, and Phantom of the Opera.

In early 1998 the Group was awarded the management contract of the Sheffield Arena, supplementing its multi-purpose arenas in Cardiff and Dublin and also adding sports in the form of ice hockey and basketball to its range of activities.

As reported last year, the Group extended its local authority involvement with the acquisition of a majority holding in CCL Leisure Limited (formerly City Centre Leisure (Holdings) Limited), which is a local authority sports and fitness contractor. During the past twelve months CCL Leisure Limited has been awarded further contracts for the management of leisure centres and also enjoyed extensions to some of its existing contracts and invested considerable capital into public facilities.

In November 1998 the Group entered into a unique agreement in Torbay to redevelop a theatre (already operated by the Group) into a new 9-screen multiplex, to extend the management agreement on a second theatre, and to manage and invest in a leisure centre on behalf of the Council, through its subsidiary CCL Leisure Limited.

Two new 6-screen multiplexes were opened, one at a new "Hollywood Park" development in Port Talbot, and a further "Hollywood Park" at Barrow, which opened in March 1999.

The Group continues to search for and develop 5 to 9-screen multiplexes in secondary towns, often in partnership with local authorities, and are committed to extending the "Hollywood Park" brand to further sites.

The directors are satisfied with the results for the year and anticipate continued growth in its various divisions.

DIVIDENDS

Interim dividends of (pounds sterling)0.67 (1997 -- (pounds sterling)0.49) per share were paid during the year (total dividend paid (pounds sterling)2,000,000 1997 -- (pounds sterling)800,000).

The directors recommend that no final dividend be declared (1997 -- (pounds sterling)Nil).

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APOLLO LEISURE GROUP PLC.

DIRECTORS' REPORT

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

DIRECTORS

The directors who served during the year and their interests (including family interests) in the issued share capital of the company were:

<TABLE>

<CAPTION>

(pounds sterling)1 ORDINARY SHARES	28TH NOVEMBER 1998 NO.	30TH NOVEMBER 1997 NO.
<S>	<C>	<C>
P.R. Gregg	696,480	696,480
A.K. Gregg	1,317,840	1,317,840
J.F. Jarvis (appointed 11th March 1998)	--	--
D.C. Rogers, F.C.A.	321,420	321,420
S.J. Shrouder	214,260	214,260
D.C. Gregg	225,000	270,000

</TABLE>

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and the appropriate training is arranged. It is the policy of the group that the training, career development

and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and continues its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through regular formal and informal meetings.

CHARITABLE CONTRIBUTIONS

The group contributed (pounds sterling)25,286 to charities during the year.

POLICY FOR PAYMENT OF CREDITORS

Whenever possible the group agrees terms of payment with individual suppliers at the point of first placing orders with the supplier. Significant amendments to established terms are discussed with suppliers before the amendments take place. The group always endeavours to abide by agreed terms.

The amount for trade creditors shown at the balance sheet as at the end of the financial year represents 90 days (1997 -- 58 days) of average daily purchases for the group.

YEAR 2000

The directors are aware of the business problems associated with the Year 2000 and are taking steps to identify all compliance pitfalls and to mitigate their impact on the group's future operations by 31st December 1999.

The cost of achieving Year 2000 compliance will be written off directly to the profit and loss accounts, to the extent that the expenditure does not represent an improvement to existing assets, and this amount is not expected to be significant.

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APOLLO LEISURE GROUP PLC.

DIRECTORS' REPORT

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Smith Partnership and Deloitte & Touche have indicated that they are willing to continue in office as joint auditors and a resolution proposing their re-appointment will be submitted at the forthcoming Annual General Meeting.

This report was approved by the board on 27th July 1999 and signed on its behalf.

/s/ D.C. Rogers F.C.A.
D.C. Rogers F.C.A.,
Secretary.

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AUDITOR'S REPORT TO THE SHAREHOLDERS OF
APOLLO LEISURE GROUP PLC.

We have audited the financial statements on pages 9 to 31 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies as set out on pages 14 to 16.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 7, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 28th November 1998 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

/s/ Smith Partnership
SMITH PARTNERSHIP
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
3 Ralli Courts,
West Riverside,
Manchester, M3 5FT.

Date: 27th July 1999

/s/ Deloitte & Touche
DELOITTE & TOUCHE
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
Columbia Centre,
Market Street, Bracknell,
Berkshire, RG12 1PA.

Date: 27th July 1999

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APOLLO LEISURE GROUP PLC.

GROUP PROFIT AND LOSS ACCOUNTS

FOR THE YEARS ENDED 28TH NOVEMBER 1998 AND 29TH NOVEMBER 1997

<TABLE>

<CAPTION>

	NOTES	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>	<C>
Turnover	2	79,342,933	95,038,447
Cost of sales		46,059,026	60,237,589
GROSS PROFIT		33,283,907	34,800,858

Administrative expenses		29,206,604	28,957,865
		-----	-----
		4,077,303	5,842,993
Other operating income	3	926,352	800,032
		-----	-----
GROUP OPERATING PROFIT	4	5,003,655	6,643,025
Group Share of profit of associated undertaking	12(ii)	742,282	432,018
Profit/(loss) on sale of properties		482,846	(60,351)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		6,228,783	7,014,692
Interest receivable		288,607	454,958
Interest payable and similar charges	7	(2,368,426)	(2,337,742)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	4,148,964	5,131,908
Tax on profit on ordinary activities	8	(1,936,105)	(2,340,770)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,212,859	2,791,138
Equity minority interests		(248,410)	(340,528)
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		1,964,449	2,450,610
Dividends paid	9	(2,000,000)	(800,000)
		-----	-----
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	22	(35,551)	1,650,610
		=====	=====

</TABLE>

The notes on pages 14 to 31 form part of these financial statements

9

APOLLO LEISURE GROUP PLC.

GROUP STATEMENTS OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEARS ENDED 28TH NOVEMBER 1998 AND 29TH NOVEMBER 1997

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
<S>	<C>	<C>
Profit for the financial year	1,964,449	2,450,610
Deficit on revaluation in the year	(31,419)	--
Currency translation differences on foreign currency net investments	13,354	(217,091)
	-----	-----
TOTAL GAINS & LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	1,964,384	2,233,519
	=====	=====

NOTE OF HISTORICAL COST PROFITS FOR THE YEAR ENDED 28TH NOVEMBER 1998

	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
Reported profit on ordinary activities before taxation	4,148,964	5,131,908
Difference between historical cost profit on disposal of freehold property and the loss on disposal calculated on the revalued amount	--	584,046
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	219,436	230,914
	-----	-----
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,368,400	5,946,868
	=====	=====
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION, MINORITY INTERESTS AND DIVIDENDS	183,885	2,465,570
	=====	=====

</TABLE>

The notes on pages 14 to 31 form part of these financial statements

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APOLLO LEISURE GROUP PLC.

GROUP BALANCE SHEETS AS AT 28TH NOVEMBER 1998 AND 29TH NOVEMBER 1997

<TABLE>

<CAPTION>

	1998	
	-----	-----
NOTES	(pounds sterling)	(pounds sterling)

<S>	<C>	<C>	<C>
FIXED ASSETS			
Tangible assets	11		78,269,924
Investments	12		1,816,912
			80,086,836
CURRENT ASSETS			
Stocks	13	669,853	
Debtors	14	12,125,510	
Investments	15	907,631	
Cash at bank & in hand		15,285,346	
		28,988,340	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	52,078,471	
NET CURRENT LIABILITIES			(23,090,131)
TOTAL ASSETS LESS CURRENT LIABILITIES			56,996,705
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		25,942,693
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	19		2,249,371
Grants received	20		1,122,895
NET ASSETS	2		27,681,746
CAPITAL AND RESERVES			
Called up share capital	21		3,000,000
Revaluation reserve	23		8,592,671
Other reserves	23		1,671,445
Profit & loss account	23		12,928,021
EQUITY SHAREHOLDERS' FUNDS	22		26,192,137
MINORITY INTERESTS -- EQUITY			161,020
-- NON-EQUITY	24		1,328,589
			27,681,746

<CAPTION>

1997

	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>
FIXED ASSETS		
Tangible assets		75,196,006
Investments		1,522,293
		76,718,299
CURRENT ASSETS		
Stocks	685,632	
Debtors	8,748,367	
Investments	1,292,851	
Cash at bank & in hand	13,142,355	
	23,869,205	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	42,729,915	
NET CURRENT LIABILITIES		(18,860,710)
TOTAL ASSETS LESS CURRENT LIABILITIES		57,857,589
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		26,591,821
PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation		1,728,103
Grants received		1,427,932
NET ASSETS		28,109,733
CAPITAL AND RESERVES		
Called up share capital		3,000,000
Revaluation reserve		8,839,957
Other reserves		1,747,026
Profit & loss account		12,879,767
EQUITY SHAREHOLDERS' FUNDS		26,466,750
MINORITY INTERESTS -- EQUITY		37,240
-- NON-EQUITY		1,605,743
		28,109,733

</TABLE>

These financial statements were approved by the board on 27th July 1999.

/s/ P.R. Gregg

P.R. Gregg
Director

/s/ D.C. Rogers F.C.A.

D.C. Rogers F.C.A.
Director

The notes on pages 14 to 31 form part of these financial statements

11

APOLLO LEISURE GROUP PLC.

COMPANY BALANCE SHEETS AS AT 28TH NOVEMBER 1998 AND 29TH NOVEMBER 1997

<TABLE>

<CAPTION>

		1998	
		NOTES	(pounds sterling)
			(pounds sterling)
<S>	<C>	<C>	<C>
FIXED ASSETS			
Investments	12		28,029,809
CURRENT ASSETS			
Debtors	14	1,000	
Cash at bank & in hand		73	

		1,073	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR.	16	1,598,051	

NET CURRENT LIABILITIES			(1,596,978)

TOTAL ASSETS LESS CURRENT LIABILITIES			26,432,831
			=====
CAPITAL AND RESERVES			
Called up share capital	21		3,000,000
Revaluation reserve	23		23,340,005
Profit & loss account	23		92,826

EQUITY SHAREHOLDERS' FUNDS			26,432,831
			=====

<CAPTION>

		1997	
		(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
FIXED ASSETS			
Investments			28,981,415
CURRENT ASSETS			
Debtors		1,000	
Cash at bank & in hand		73	

		1,073	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR.		2,000,051	

NET CURRENT LIABILITIES			(1,998,978)

TOTAL ASSETS LESS CURRENT LIABILITIES			26,982,437
			=====
CAPITAL AND RESERVES			
Called up share capital			3,000,000
Revaluation reserve			23,951,040
Profit & loss account			31,397

EQUITY SHAREHOLDERS' FUNDS			26,982,437
			=====

</TABLE>

These financial statements were approved by the board on 27th July 1999.

/s/ P.R. Gregg

P.R. Gregg
Director

/s/ D.C. Rogers F.C.A.

D.C. Rogers F.C.A.
Director

The notes on pages 14 to 31 form part of these financial statements

12

APOLLO LEISURE GROUP PLC.

GROUP CASH FLOW STATEMENTS

FOR THE YEARS ENDED 28TH NOVEMBER 1998 AND 29TH NOVEMBER 1997

<TABLE>
<CAPTION>

		1998	
	NOTES	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
NET CASH INFLOW FROM OPERATING ACTIVITIES	25		14,642,249
RETURNS ON INVESTMENTS & SERVICING OF FINANCE	26		(1,918,414)
TAXATION			(1,664,312)
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT	26		(6,776,992)
ACQUISITIONS	26		(421,155)
EQUITY DIVIDENDS PAID			(2,000,000)

NET CASH INFLOW BEFORE USE OF LIQUID RESOURCES			
& FINANCING			1,861,376
MANAGEMENT OF LIQUID RESOURCES	27		1,423,542
FINANCING			
Loans and finance leases	28	(110,773)	
Grants received		255,635	

NET CASH INFLOW FROM FINANCING			144,862

INCREASE/DECREASE IN CASH	29		3,429,780
=====			
		1998	
		(pounds sterling)	

RECONCILIATION OF NET CASH FLOW			
MOVEMENT TO MOVEMENT IN NET DEBT			
Increase/Decrease in cash in the year			3,429,780
Cash inflow/outflow from movement in debt and			
lease financing			110,773
Cash inflow from management of liquid			
resources			(1,423,542)

Decrease/Increase in net debt resulting from			
cash flows			2,117,011
Increase in net debt resulting from the			
Acquisition of subsidiary undertakings			--
Movements in unlisted investments			59,533
New finance leases			(250,000)
Exchange difference			(39,803)

Movement in net debt for the year			1,886,741
Net debt at beginning of the year			(15,488,944)

Net debt at the end of the year	30		(13,602,203)
=====			

<CAPTION>

		1997	
		(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
NET CASH INFLOW FROM OPERATING ACTIVITIES			7,208,880
RETURNS ON INVESTMENTS & SERVICING OF FINANCE			(1,950,105)
TAXATION			(1,606,285)
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT			(8,399,303)
ACQUISITIONS			(178,645)
EQUITY DIVIDENDS PAID			(800,000)

NET CASH INFLOW BEFORE USE OF LIQUID RESOURCES			5,725,458
& FINANCING			2,877,436
MANAGEMENT OF LIQUID RESOURCES			
FINANCING			
Loans and finance leases	1,815,352		
Grants received	367,025		

NET CASH INFLOW FROM FINANCING			2,182,377

INCREASE/DECREASE IN CASH			(665,645)

=====

1997
(pounds sterling)

RECONCILIATION OF NET CASH FLOW	
MOVEMENT TO MOVEMENT IN NET DEBT	
Increase/Decrease in cash in the year	(665,645)
Cash inflow/outflow from movement in debt and lease financing	(1,815,352)
Cash inflow from management of liquid resources	(2,877,436)

Decrease/Increase in net debt resulting from cash flows	(5,358,433)
Increase in net debt resulting from the Acquisition of subsidiary undertakings	(8,016)
Movements in unlisted investments	92,147
New finance leases	(240,504)
Exchange difference	93,785

Movement in net debt for the year	(5,421,021)
Net debt at beginning of the year	(10,067,923)

Net debt at the end of the year	(15,488,944)
=====	

</TABLE>

The notes on pages 14 to 31 from part of these financial statements

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APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold and long leasehold land and buildings and investments in subsidiary and associated companies. The financial statements have been prepared in accordance with applicable accounting standards.

Basis of Preparation

The group financial statements consolidate those of the company and all its subsidiaries made up to 28th November 1998.

The financial statements are prepared for the 52 or 53 week period ("year") ending on the Saturday nearest to 30th November.

Goodwill

Goodwill arising on consolidation and purchased goodwill is written off to reserves.

Tangible Fixed Assets

Depreciation is calculated to write off the cost or valuation less the estimated realisable value of tangible fixed assets over their estimated useful lives. The rates are calculated on a straight line basis as follows:

<TABLE>

<S>	<C>
Freehold and long leasehold property	mainly over 50 years
Short leasehold property	over the term of the lease
Fixtures and fittings	3 to 10 years
Computer equipment	3 to 5 years
Motor vehicles	3 to 7 years

</TABLE>

No depreciation is charged on assets under construction.

Investments

Fixed asset investments are included at valuation. Provision is made for

any permanent diminution in value.

Current asset investments are included at the lower of cost and net realisable value.

Interests in Associated Undertakings

The associated undertaking is an entity in which a consolidated member of the group has a participating interest and over whose operating and financial policies it exercises a significant influence. This investment is accounted for by the net equity method of accounting, whereby the consolidated profit and loss account includes the appropriate share of this company's profits less losses (based on audited financial statements made up to the 28th November 1998) and the group's share of post acquisition retained profits and reserves is added to the cost of investment in the consolidated balance sheet.

Turnover

Turnover represents the total amount receivable by the group for goods sold and services provided net of V.A.T. Inter-group transactions are eliminated on consolidation.

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APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

Stocks

Stocks have been valued at the lower of actual cost and net realisable value.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences, except to the extent that in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Leasing and Rental Transactions

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Operating lease and rental transactions are charged to profit and loss account in the period to which they relate.

Pension Benefits

Pension benefits are funded through defined contribution schemes over the employees' periods of service. The group's contributions are charged to the profit and loss account as incurred.

The group also operates a defined benefit scheme for certain of its employees. The expected costs of providing these pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme operated within the group in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Grants

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful life of the relevant assets.

Grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Foreign Currencies

Revenues and costs denominated in foreign currencies are recorded at the

rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at year end rates of exchange. Exchange differences thus arising are reported as part of the profit for the year.

For the purposes of consolidation, the closing rate method is used under which translation losses or gains are shown as a movement on reserves. Profit and loss financial statements of overseas subsidiaries are translated at the average exchange rate.

Show Productions

Expenditure on show productions is carried forward to be recovered over the foreseeable life of the show, provided there is reasonable certainty as to the show's profitability.

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APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

Capitalisation of Interest

Interest costs relating to the financing of major properties in the course of construction for trading occupation by the group are capitalised.

2. SEGMENT INFORMATION

Contributions to group turnover and profit on ordinary activities before taxation were as follows:

<TABLE>

<CAPTION>

TURNOVER		
	1998	1997
	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>
Theatre services	52,662,891	71,480,258
Licensed premises (including Hotels)	2,969,428	4,535,459
Bingo	2,596,391	2,800,202
Cinemas	8,260,666	7,544,144
Health and fitness centres	12,853,557	8,678,384
	79,342,933	95,038,447
	=====	=====

<CAPTION>

PROFIT BEFORE TAXATION		
	1998	1997
	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>
Theatre services	1,002,841	2,826,049
Licensed premises (including Hotels)	104,714	235,488
Bingo	751,000	636,014
Cinemas	1,490,373	1,265,536
Health and fitness centres	800,036	168,821
	4,148,964	5,131,908
	=====	=====

</TABLE>

The appropriate net assets relating to the above segments were as follows:

<TABLE>

<CAPTION>

	1998	1997
	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>
Theatre services	10,724,932	14,106,206
Licensed premises (including Hotels)	1,701,711	1,739,872
Bingo	4,572,777	3,400,191
Cinemas	9,753,888	8,223,066

Health and fitness centres	928,438	640,398
	-----	-----
	27,681,746	28,109,733
	=====	=====

</TABLE>

All amounts derive from activities in the United Kingdom and the Republic of Ireland.

3. OTHER OPERATING INCOME

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
<S>	<C>	<C>
This comprises:		
Rent receivable	674,022	566,527
Other income	87,004	153,577
Profit on disposal of investments	165,326	--
Profit on disposal of fixed assets	--	79,928
	-----	-----
	926,352	800,032
	=====	=====

</TABLE>

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APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

4. GROUP OPERATING PROFIT

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
<S>	<C>	<C>
The operating profit is stated after charging/(crediting):		
Directors' emoluments	2,108,617	2,212,423
Other staff costs	26,231,075	17,448,421
Auditors' remuneration: Audit	130,887	120,067
Other services	16,635	35,000
Hire of plant & machinery	911,081	843,162
Other operating lease rentals	361,738	177,518
Depreciation of tangible fixed assets	4,524,980	4,246,524
Profit on disposal of tangible fixed assets	(34,117)	(76,412)
	-----	-----
(Profit)/Loss on disposal of investments	(86,188)	140,887
	=====	=====

</TABLE>

The audit fee for the company for both years has been borne by other group companies.

5. DIRECTORS' EMOLUMENTS

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
<S>	<C>	<C>
Salaries	1,663,384	1,620,333
Benefits in kind	295,233	434,912
Pension scheme contributions	150,000	157,178
	-----	-----
	2,108,617	2,212,423
	=====	=====

</TABLE>

Retirement benefits were accruing to directors under schemes as follows:

<TABLE>

<CAPTION>

Defined Contribution Schemes	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>
Directors' emoluments disclosed above include amounts paid to the highest paid director as follows:		
Emoluments	762,555	785,714
Contributions to a defined contribution scheme	75,000	62,871
	-----	-----
	837,555	848,585
	=====	=====

</TABLE>

6. STAFF COSTS

<TABLE>
<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Salaries	25,951,459	17,518,429
Social security costs	1,896,112	1,660,227
Pension costs	492,121	482,188
	-----	-----
	28,339,692	19,660,844
	=====	=====

</TABLE>

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APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

6. STAFF COSTS (CONTINUED)

The average monthly number of employees, including directors, during the year was:

<TABLE>
<CAPTION>

	1998 NO.	1997 NO.
<S>	<C>	<C>
Theatre services	1,578	1,916
Licensed premises, including hotels	126	227
Bingo & cinemas	433	464
Health & fitness centres	659	498
	-----	-----
	2,796	3,105
	=====	=====

</TABLE>

7. INTEREST PAYABLE

<TABLE>
<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
On bank loans and overdrafts	2,323,933	2,301,403
On hire purchase loans	44,493	36,339
	-----	-----
	2,368,426	2,337,742
	=====	=====

</TABLE>

All loans are repayable by instalments.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

<TABLE>
<CAPTION>

1998 (pounds sterling)	1997 (pounds sterling)
-----	-----

<S>	<C>	<C>
U.K. Corporation Tax at 31% (1997 -- 32%)	1,315,503	1,598,928
Taxation on share of profit of associated undertaking.....	294,793	132,333
Deferred taxation	517,069	532,595
	-----	-----
	2,127,365	2,263,856
Adjustments relating to prior years:		
Corporation tax	(191,260)	10,247
Taxation on share of profit of associated undertaking	--	66,667
	-----	-----
	1,936,105	2,340,770
	=====	=====

</TABLE>

The taxation charge for the year is distorted due to the level of depreciation charged on assets not eligible for capital allowances.

9. DIVIDENDS

<TABLE>
<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
<S>	<C>	<C>
Interim dividends paid on equity ordinary shares (pounds sterling)0.67 per share (1997 -- (pounds sterling)0.49) ..	2,000,000	800,000
	=====	=====

</TABLE>

In 1997 certain shareholders' waived their entitlement to an interim dividend.

APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

10. PROFIT OF THE PARENT COMPANY

The amount of the group profit attributable to Apollo Leisure Group plc. which has been accounted for within its own financial statements is (pounds sterling)2,061,429 (1997 -- (pounds sterling)798,334). The company is exempt from presenting its own profit and loss account in accordance with Section 230 Companies Act 1985.

11. TANGIBLE FIXED ASSETS

<TABLE>
<CAPTION>

	FREEHOLD PROPERTY	LONG LEASEHOLD PROPERTIES	SHORT LEASEHOLD PROPERTIES
	-----	-----	-----
COST/VALUATION	(pounds sterling)	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
At 30th November 1997	40,050,075	20,323,840	5,231,717
Additions	34,410	(25,696)	(10,892)
Disposals	(216,627)	--	--
Exchange Adjustment	62,650	--	--
Reclassifications	4,156,036	(25,622)	1,309,672
	-----	-----	-----
AT 28TH NOVEMBER 1998	44,086,544	20,272,522	6,530,497
	=====	=====	=====
Comprising:			
At Cost	17,119,704	15,620,022	6,095,497
At Valuation: 01.12.90	8,633,000	--	435,000
30.11.91	13,370,996	--	--
27.05.92	--	4,652,500	--
27.11.93	4,962,844	--	--
	-----	-----	-----
	44,086,544	20,272,522	6,530,497
	=====	=====	=====
DEPRECIATION			
At 30th November 1997	5,292,492	931,239	1,546,276
Charge	874,343	479,211	440,402
Disposals	(44,463)	--	--
Exchange Adjustment	8,155	--	--

Reclassifications	43,850	--	(15,082)
AT 28TH NOVEMBER 1998	6,174,377	1,410,450	1,971,596
	=====	=====	=====
NET BOOK VALUE			
At 29th November 1997	34,757,583	19,392,601	3,685,441
	=====	=====	=====
AT 28TH NOVEMBER 1998	37,912,167	18,862,072	4,558,901
	=====	=====	=====

<CAPTION>

	FIXTURES, FITTINGS & EQUIPMENT	MOTOR VEHICLES	ASSETS UNDER CONSTRUCTION	TOTAL
	(pounds sterling)	(pounds sterling)	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>	<C>
At 30th November 1997	23,552,602	915,029	6,025,390	96,098,653
Additions	2,822,579	320,262	4,643,496	7,784,159
Disposals	(337,924)	(244,714)	--	(799,265)
Exchange Adjustment	25,252	366	--	88,268
Reclassifications	2,576,147	--	(8,016,233)	--
	-----	-----	-----	-----
AT 28TH NOVEMBER 1998	28,638,656	990,943	2,652,653	103,171,815
	=====	=====	=====	=====
Comprising:				
At Cost	28,638,656	990,943	2,652,653	71,117,475
At Valuation: 01.12.90	--	--	--	9,068,000
30.11.91	--	--	--	13,370,996
27.05.92	--	--	--	4,652,500
27.11.93	--	--	--	4,962,844
	-----	-----	-----	-----
	28,638,656	990,943	2,652,653	103,171,815
	=====	=====	=====	=====
DEPRECIATION				
At 30th November 1997	12,563,494	569,146	--	20,902,647
Charge	2,476,204	254,820	--	4,524,980
Disposals	(337,851)	(176,747)	--	(559,061)
Exchange Adjustment	24,812	358	--	33,325
Reclassifications	(28,768)	--	--	--
	-----	-----	-----	-----
AT 28TH NOVEMBER 1998	14,697,891	647,577	--	24,901,891
	=====	=====	=====	=====
NET BOOK VALUE				
At 29th November 1997	10,989,108	345,883	6,025,390	75,196,006
	=====	=====	=====	=====
AT 28TH NOVEMBER 1998	13,940,765	343,366	2,652,653	78,269,924
	=====	=====	=====	=====

</TABLE>

The total net book value includes (pounds sterling)314,747 (1997 -- (pounds sterling)416,749) in respect of assets held under hire purchase and finance lease agreements.

The depreciation charge for the year on these assets amounted to (pounds sterling)131,643 (1997 -- (pounds sterling)167,024).

The cumulative amount of capitalised interest included in the net book value of fixed assets is (pounds sterling)678,185 (1997 -- (pounds sterling)693,110). This relates to the interest capitalised during the construction of the Lyceum Theatre.

11. TANGIBLE FIXED ASSETS (CONTINUED)

On an historical cost basis, freehold and leasehold properties would have been included at:

<TABLE>

<CAPTION>

	(pounds sterling)	(pounds sterling)
	-----	-----
<S>	<C>	<C>
Cost	59,368,026	54,064,920
Accumulated depreciation	(8,354,358)	(6,805,610)
	-----	-----
Net Book Value	51,013,668	47,259,310
	=====	=====

</TABLE>

12. FIXED ASSET INVESTMENTS

<TABLE>

<CAPTION>

	GROUP		COMPANY	
	1998	1997	1998	1997
	(pounds sterling)	(pounds sterling)	(pounds sterling)	(pounds sterling)
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Subsidiaries (see i)	--	--	28,029,809	28,981,415
Other investments (see ii)	1,816,912	1,522,293	--	--
	-----	-----	-----	-----
	1,816,912	1,522,293	28,029,809	28,981,415
	=====	=====	=====	=====

</TABLE>

(I) INVESTMENTS IN SUBSIDIARIES

<TABLE>

<CAPTION>

	1998	1997
	(pounds sterling)	(pounds sterling)
	-----	-----
<S>	<C>	<C>
At beginning of year	28,981,415	32,644,385
Revaluation of investment in Apollo Leisure (U.K.) Limited & Point Exhibition Company Limited	(549,606)	(3,662,970)
Return of investment in Point Exhibition Company Limited	(402,000)	--
	-----	-----
At end of year	28,029,809	28,981,415
	=====	=====

</TABLE>

The investments in Apollo Leisure (U.K.) Limited and Point Exhibition Company Limited have been revalued based on underlying net asset value at 28th November 1998 of (pounds sterling)28,029,809 (1997 -- (pounds sterling)28,981,361). The historic cost of the investments is (pounds sterling)1,739,804 (1997 -- (pounds sterling)2,080,175).

The following are the company's principal subsidiaries:

<TABLE>

<CAPTION>

COMPANY	NATURE OF BUSINESS	% OF SHARES HELD	CAPITAL & RESERVES	PROFIT FOR YEAR
-----	-----	-----	(pounds sterling)	(pounds sterling)
			-----	-----
<S>	<C>	<C>	<C>	<C>
Apollo Leisure (U.K.) Ltd. and its trading subsidiaries	Theatre Hire, Theatrical Show Production, Sports & Fitness Management, Ticket Sales Agencies, Hotels, Cinemas and Bingo Halls	100	26,486,258	(262,964)
Barry Clayman Concerts Ltd. and its trading subsidiaries	Theatrical Show Production	50	(1,281,994)	205,568
Point Exhibition Company Ltd.	Theatre Hire	50	3,203,574	249,259
			=====	=====

</TABLE>

12. FIXED ASSET INVESTMENTS (CONTINUED)

All shares held are ordinary equity shares. The percentage of shares held also reflects the proportion of voting rights held.

The Point Exhibition Company Limited is incorporated in and operates in the Republic of Ireland. All other companies were incorporated in and operate wholly within the United Kingdom.

All subsidiary companies of Apollo Leisure (U.K.) Limited are wholly owned with the exception of Tickets London Limited, where 66.67% of the equity is held and CCL Leisure Limited (formerly City Centre Leisure (Holdings) Limited) where 50.1% of the equity is held.

All subsidiary undertakings have been included in the consolidation.

Acquisitions

In accordance with the Shareholders' Agreement for the acquisition of the issued share capital of CCL Leisure Limited in 1997 an estimated further consideration of (pounds sterling)3,183,001 (1997 -- (pounds sterling)3,112,000) is provided for at the balance sheet date.

This has been revised to reflect the directors' best estimate of the total amount payable, and payments made during the year.

(II) OTHER INVESTMENTS

<TABLE>
<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Nederlander Dominion Limited	1,816,912	1,522,293
	=====	=====

</TABLE>

INVESTMENT IN NEDERLANDER DOMINION LIMITED

<TABLE>
<CAPTION>

	SHARE OF ASSOCIATED UNDERTAKING	INTEREST IN TENANCY IN COMMON	TOTAL
	(pounds sterling)	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
VALUATION			
At 29th November 1997	532,825	989,468	1,522,293
Capital introduced	--	50,000	50,000
Distribution received	(250,000)	(83,362)	(333,362)
Share of operating profits/rental income	742,282	130,492	872,774
Share of taxation charge (See Note 8)	(294,793)	--	(294,793)
	-----	-----	-----
AT 28TH NOVEMBER 1998	730,314	1,086,598	1,816,912
	=====	=====	=====
COST AT 29TH NOVEMBER 1997 AND 28TH NOVEMBER 1998	127,900	638,582	766,482
	=====	=====	=====

</TABLE>

- (a) As at 28th November 1998, the group owns 33.33% (1997 -- 33.33%) of the issued share capital of its associated undertaking, Nederlander Dominion Limited.

The group's share of the company's net assets is (pounds sterling)696,164.

During the year the group received a dividend of (pounds sterling)250,000 which has been credited to the value of the investment.

(b) As an integral part of the overall investment, the group holds a 33.33% interest in the tenancy in common of the Dominion Theatre, London which is operated by Nederlander Dominion Limited.

The group's share of rental income is included within other operating income.

During the year the group received a distribution of (pounds sterling)83,362 which has been credited to the value of the investment.

13. STOCKS

<TABLE>
<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Consumables	374,898	410,407
Goods for resale	294,955	275,225
	-----	-----
	669,853	685,632
	=====	=====

</TABLE>

The directors consider that the replacement cost of stock is not materially different to the balance sheet value.

14. DEBTORS

<TABLE>
<CAPTION>

	GROUP		COMPANY	
	1998 (pounds sterling)	1997 (pounds sterling)	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>	<C>	<C>
Trade debtors	6,321,595	6,116,142	--	--
Other debtors	1,432,692	920,988	1,000	1,000
Prepayments and accrued income	4,371,223	1,711,237	--	--
	-----	-----	-----	-----
	12,125,510	8,748,367	1,000	1,000
	=====	=====	=====	=====

</TABLE>

Included within other debtors is an amount of (pounds sterling)282,906 (1997 -- (pounds sterling)Nil) which is repayable after more than one year.

15. CURRENT ASSET INVESTMENTS

<TABLE>
<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Listed at cost	760,838	1,119,403
Unlisted at cost	415,100	393,334
Provision for loss	(268,307)	(219,886)
	-----	-----
	907,631	1,292,851
	=====	=====

</TABLE>

The market value of the listed investments at 28th November 1998 was (pounds sterling)655,274 (1997 -- (pounds sterling)1,076,064).

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<TABLE>
<CAPTION>

GROUP		
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Bank and Mortgage Loans (Note 18)	4,557,718	3,683,198
Bank overdrafts (Note 18)	2,070,370	2,409,668
Hire purchase creditors (Note 18)	222,708	201,463
Trade creditors	7,723,481	9,131,061
Amounts owed to subsidiaries	--	--
Corporation tax	915,305	1,458,811
Other taxation and social security	2,857,339	3,647,303
Other creditors	25,585,783	19,107,082
Accruals and deferred income	8,145,767	3,091,329
	52,078,471	42,729,915
	=====	=====

<CAPTION>

COMPANY		
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Bank and Mortgage Loans (Note 18)	--	--
Bank overdrafts (Note 18)	--	--
Hire purchase creditors (Note 18)	--	--
Trade creditors	--	--
Amounts owed to subsidiaries	1,598,051	2,000,051
Corporation tax	--	--
Other taxation and social security	--	--
Other creditors	--	--
Accruals and deferred income	--	--
	1,598,051	2,000,051
	=====	=====

</TABLE>

Other creditors includes (pounds sterling)482,000 relating to deferred consideration due on the acquisition of CCL Leisure Limited as referred to in Note 12(i).

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

<TABLE>
<CAPTION>

GROUP		
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Bank and Mortgage Loans (Note 18)	22,882,976	23,169,903
Hire purchase creditors (Note 18)	61,408	94,953
Other creditors	2,998,309	3,326,965
	25,942,693	26,591,821
	=====	=====

</TABLE>

Other creditors includes (pounds sterling)2,701,001 relating to deferred consideration due on the acquisition of CCL Leisure Limited as referred to in Note 12(i).

18. BORROWINGS

The bank overdrafts, loans and mortgage loans are secured by legal charges over certain of the group's freehold and leasehold properties. The loans bear interest at up to 1.25 percent above bank base rates.

The hire purchase creditors are secured by the related leased assets.

18. BORROWINGS (CONTINUED)

The borrowings are repayable by instalments as follows:

<TABLE>

<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Within one year	6,850,796	6,294,329
Between one and two years	3,797,526	3,269,798
Between two and five years	11,208,354	10,437,381
After five years	7,938,504	9,557,677
	-----	-----
	29,795,180	29,559,185
	=====	=====

</TABLE>

Those bank and mortgage loans which are repayable in part after more than five years are repayable by monthly instalments terminating in 2008.

The hire purchase creditors are all repayable within five years.

19. DEFERRED TAXATION

Provision has been made in these financial statements as follows:

Provisions calculated at 31% (1997 -- 32%)

<TABLE>

<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Accelerated capital allowances	2,249,371	1,728,103
	=====	=====
At beginning of year	1,728,103	1,238,645
Charged for the year	517,069	532,595
Exchange difference	4,199	(43,137)
	-----	-----
At end of year	2,249,371	1,728,103
	=====	=====

</TABLE>

No provision has been made for the potential Corporation Tax liability of approximately (pounds sterling)1,620,000 (1997 -- (pounds sterling)2,335,000) which would arise if land and buildings were sold at an amount equal to their net book values. In the opinion of the directors, no provision is necessary.

There is no other unprovided deferred tax liability in the group or the company.

20. GRANTS

<TABLE>

<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
At beginning of year	1,427,932	1,172,484
Grants received for capital projects	255,635	367,025
Release	(560,672)	(111,577)
	-----	-----
At end of year	1,122,895	1,427,932
	=====	=====

</TABLE>

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

21. CALLED UP SHARE CAPITAL

<TABLE>
<CAPTION>

	GROUP & COMPANY	
	AUTHORISED 1998 & 1997 (pounds sterling)	ALLOTED & FULLY PAID 1998 & 1997 (pounds sterling)
<S>	<C>	<C>
Ordinary shares of (pounds sterling)1 each	5,000,000	3,000,000
	=====	=====

</TABLE>

22. RECONCILIATION OF MOVEMENTS IN GROUP EQUITY SHAREHOLDERS' FUNDS

<TABLE>
<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
	<C>	<C>
<S>		
Profit for the financial year	1,964,449	2,450,610
Dividend paid	(2,000,000)	(800,000)
	-----	-----
	(35,551)	1,650,610
Goodwill written off	(220,997)	(3,288,766)
Other recognised gains & losses relating to the year (net)	(18,065)	(217,091)
	-----	-----
Net increase/(decrease) to shareholders' funds	(274,613)	(1,855,247)
Opening equity shareholders' funds	26,466,750	28,321,997
	-----	-----
Closing equity shareholders' funds	26,192,137	26,466,750
	=====	=====

</TABLE>

23. RESERVES

Of the total reserves shown in the balance sheet, the following amounts are considered distributable or otherwise:

<TABLE>
<CAPTION>

	GROUP		COMPANY	
	1998 (pounds sterling)	1997 (pounds sterling)	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>	<C>	<C>
DISTRIBUTABLE:				
Profit & loss account	12,928,021	12,879,767	92,826	31,397
NON-DISTRIBUTABLE:				
Revaluation reserve	8,592,671	8,839,957	23,340,005	23,951,040
Foreign currency translation reserve	(246,392)	(275,920)	--	--
Other reserves	1,917,837	2,022,946	--	--
	-----	-----	-----	-----
Total Reserves	23,192,137	23,466,750	23,432,831	23,982,437
	=====	=====	=====	=====

</TABLE>

APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

23. RESERVES (CONTINUED)

Group

<TABLE>

<CAPTION>

	PROFIT & LOSS ACCOUNT	REVALUATION RESERVE
	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>
At beginning of year	12,879,767	8,839,957
Retained loss for the financial year	(35,551)	--
Goodwill written off	(220,997)	--
Transfer of realised profits	324,545	(219,436)
Revaluations in the year	--	(31,419)
Currency translation differences on foreign currency net investments	(19,743)	(5,988)
Minority interest	--	9,557
	-----	-----
At end of year	12,928,021	8,592,671
	=====	=====

<CAPTION>

	FOREIGN CURRENCY TRANSLATION RESERVE	OTHER RESERVES	TOTAL
	(pounds sterling)	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
At beginning of year	(275,920)	2,022,946	23,466,750
Retained loss for the financial year	--	--	(35,551)
Goodwill written off	--	--	(220,997)
Transfer of realised profits	--	(105,109)	--
Revaluations in the year	--	--	(31,419)
Currency translation differences on foreign currency net investments	36,313	--	10,582
Minority interest	(6,785)	--	2,772
	-----	-----	-----
At end of year	(246,392)	1,917,837	23,192,137
	=====	=====	=====

</TABLE>

Other reserves relate to discounts on the acquisition of subsidiaries (negative goodwill). An amount of (pounds sterling)105,109 has been transferred to the profit and loss account during the year in respect of the disposal of properties on which a discount on acquisition had arisen.

Company

<TABLE>

<CAPTION>

	PROFIT & LOSS ACCOUNT	REVALUATION RESERVE	TOTAL
	(pounds sterling)	(pounds sterling)	(pounds sterling)
<S>	<C>	<C>	<C>
At beginning of year	31,397	23,951,040	23,982,437
Retained profit for the financial year	61,429	--	61,429
Decrease on revaluation of investment in subsidiaries.....	--	(611,035)	(611,035)
	-----	-----	-----
At end of year	92,826	23,340,005	23,432,831
	=====	=====	=====

</TABLE>

24. NON-EQUITY MINORITY INTERESTS

Non-equity minority interests comprise 7% redeemable cumulative preference shares of IR (pounds sterling)1 each in The Point Exhibition Company Limited. The shares are redeemable on 31st March 2004.

APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

25. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATION ACTIVITIES

<TABLE>

<CAPTION>

1998	1997
(pounds sterling)	(pounds sterling)

<S>	<C>	<C>
Operating profit	5,003,655	6,643,025
Depreciation charges	4,524,980	4,246,524
Profit on sale of tangible fixed assets	(34,117)	(76,412)
Decrease/(Increase) in stocks	16,216	(21,207)
(Increase)/Decrease in debtors	(2,665,002)	1,185,745
Increase/(Decrease) in creditors	9,312,273	(4,565,071)
Grants amortised	(560,672)	(111,577)
(Profit)/Loss on sale of investments	(86,188)	350,407
Movements in investments in productions	(868,896)	(442,550)
	-----	-----
Net Cash Inflow From Operating Activities	14,642,249	7,208,880
	=====	=====

</TABLE>

26. GROSS CASH FLOWS

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	-----	-----
<S>	<C>	<C>
Interest received	288,607	454,958
Interest paid	(2,162,528)	(2,290,854)
Interest element of finance lease rentals	(44,493)	(36,340)
Non-equity dividends paid	--	(77,869)
	-----	-----
	(1,918,414)	(1,950,105)
	=====	=====
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
Purchase of tangible fixed assets	(7,534,159)	(10,615,846)
Proceeds from sale of tangible fixed assets	757,167	2,216,543
	-----	-----
	(6,776,992)	(8,399,303)
	=====	=====
ACQUISITIONS	1998 (pounds sterling)	1997 (pounds sterling)
	-----	-----
Acquisition of subsidiary, net of cash acquired (see Note 12)	--	(178,645)
Purchase of minority interests	(421,155)	--
	-----	-----
	(421,155)	(178,645)
	=====	=====

</TABLE>

APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

27. MANAGEMENT OF LIQUID RESOURCES

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Purchase of investments	(604,877)	(1,150,356)
Proceeds from sale of investments	1,049,630	484,885
Net cash withdrawn from/(invested in) money market	978,789	3,542,907
	-----	-----
	1,423,542	2,877,436
	=====	=====

</TABLE>

28. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

<TABLE>

<CAPTION>

LEASE FINANCE (pounds sterling)	LOANS (pounds sterling)	TOTAL (pounds sterling)
---------------------------------------	----------------------------	----------------------------

<S>	<C>	<C>	<C>
At beginning of year			
In creditors due within one year	201,463	3,683,198	3,884,661
In creditors due after one year	94,953	23,534,868	23,629,821
	-----	-----	-----
	296,416	27,218,066	27,514,482
Exchange adjustment	99	71,002	71,101
Non Cash flow items:			
New finance leases	250,000	--	250,000
Cash flow items:			
Repayments of loans/leases	(262,399)	(3,533,486)	(3,795,885)
New loans	--	3,685,112	3,685,112
	-----	-----	-----
At end of year	284,116	27,440,694	27,724,810
	=====	=====	=====
In creditors due within one year	222,708	4,557,718	4,780,426
In creditors due after one year	61,408	22,882,976	22,944,384
	-----	-----	-----
	284,116	27,440,694	27,724,810
	=====	=====	=====

</TABLE>

29. ANALYSIS OF THE CASH BALANCES

<TABLE>
<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)	EXCHANGE DIFFERENCE (pounds sterling)	CASH FLOW (pounds sterling)
<S>	<C>	<C>	<C>	<C>
Cash at bank and in hand	15,285,346	13,142,355	30,148	2,112,843
Less liquid resources	(9,181,050)	(10,159,839)	--	978,789
	-----	-----	-----	-----
	6,104,296	2,982,516	30,148	3,091,632
Bank overdraft	(2,070,370)	(2,409,668)	1,150	(338,148)
	-----	-----	-----	-----
	4,033,926	572,848	31,298	3,429,780
	=====	=====	=====	=====

</TABLE>

28

APOLLO LEISURE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH NOVEMBER 1998 -- (CONTINUED)

30. ANALYSIS OF CHANGES IN NET DEBT

<TABLE>
<CAPTION>

	1997 (pounds sterling)	CASH FLOW (pounds sterling)
<S>	<C>	<C>
Cash in hand & at bank (excluding liquid resources)	2,982,516	3,091,632
Overdrafts	(2,409,668)	338,148

		3,429,780
		=====
Debt due within one year	(3,683,198)	(151,626)
Debt due after one year	(23,534,868)	--
Hire purchase liabilities	(296,416)	262,399

		110,773
		=====
Current asset investments	1,292,851	(444,753)
Liquid resources	10,159,839	(978,789)

		(1,423,542)
		=====
Total	(15,488,944)	2,117,011
	=====	=====

<CAPTION>

EXCHANGE OTHER
NON-CASH

	MOVEMENT (pounds sterling)	CHANGES (pounds sterling)	1998 (pounds sterling)
<S>	<C>	<C>	<C>
Cash in hand & at bank (excluding liquid resources)	30,148		6,104,296
Overdrafts	1,150		(2,070,370)
Debt due within one year	(71,002)	(651,892)	(4,557,718)
Debt due after one year	--	651,892	(22,882,976)
Hire purchase liabilities	(99)	(250,000)	(284,116)
Current asset investments	--	59,533	907,631
Liquid resources	--	--	9,181,050
Total	(39,803)	(190,467)	(13,602,203)
	=====	=====	=====

</TABLE>

31. CAPITAL COMMITMENTS

<TABLE>

<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Contracted for but not provided	7,315,000	3,930,000
	=====	=====

</TABLE>

External funding for the developments is already in place.

32. FINANCIAL COMMITMENTS

At 28th November 1998, the group had, in respect of land and buildings, operating lease commitments under non cancellable operating leases as follows:

<TABLE>

<CAPTION>

	GROUP	
	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
Leases expiring:		
Within one year	44,854	69,750
Between one and five years	82,370	59,346
Over five years	190,699	162,000
	-----	-----
	317,923	291,096
	=====	=====

</TABLE>

33. PENSION SCHEMES

Defined Contribution Schemes

The group operates defined contribution pension schemes for the benefit of directors and senior employees. The assets of the schemes are administered by trustees in funds independent from those of the group.

33. PENSION SCHEMES (CONTINUED)

<TABLE>

<CAPTION>

	1998 (pounds sterling)	1997 (pounds sterling)
<S>	<C>	<C>
The total contributions charged in the year amounted to:		
Directors	150,000	157,178
Staff	289,336	260,942
	-----	-----

</TABLE>

At the balance sheet date, there were no outstanding contributions.

Defined Benefits Scheme

The group also operates a pension scheme providing benefits based on final pensionable pay for certain of its employees. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1st April 1997.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increases in salaries and pensions. It was assumed that the investment returns would be 8% per annum, that salary increases would average 6% per annum and that present and future pensions would increase at the rate of 6% per annum.

The pension charge for the year was (pounds sterling)52,785 (1997 -- (pounds sterling)64,068). At the balance sheet date, outstanding contributions amounted to (pounds sterling)Nil (1997 -- (pounds sterling)7,918).

The most recent actuarial valuation showed that the market value of the scheme's assets was (pounds sterling)65,000 representing a funding level of 127%. The contributions of the company and employees will remain at 17% and 6% of earnings respectively.

34. TRANSACTIONS WITH RELATED PARTIES

In the opinion of the directors the following transactions require to be disclosed under the definition of related parties within Financial Reporting Standard Number 8 "Related Party Disclosures".

1) During the year, interest free loans were advanced to directors of the company as detailed below:

<TABLE>

<CAPTION>

	OUTSTANDING AT BEGINNING OF THE YEAR (pounds sterling)	OUTSTANDING AT END OF THE YEAR (pounds sterling)	MAXIMUM OUTSTANDING DURING THE YEAR (pounds sterling)
	-----	-----	-----
<S>	<C>	<C>	<C>
Mr. P.R. Gregg	--	--	75,594
Mrs. A.K. Gregg	32,237	--	32,237
	=====	==	=====

</TABLE>

2) A short leasehold property used for office accommodation is leased from a member of Mr. P.R. Gregg's family at an annual rental of (pounds sterling)48,718.

3) The group is a tenant of Apollo Leisure Group Pension Scheme of whom Messrs. P.R. Gregg, D.C. Rogers and S.J. Shrouder are trustees and beneficiaries. The group pays rent of (pounds sterling)86,500 per annum to the scheme. There were no balances outstanding at the 28th November 1998.

4) Nederlander Dominion Limited, a 33.33% associated undertaking of the company, paid a management fee of (pounds sterling)59,952 for accountancy and administrative services. There were no balances outstanding as at the 28th November 1998.

34. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

5) Barry Clayman Concerts Limited, a 50% subsidiary of Apollo Leisure Group plc., produces and promotes shows at the company's theatres. The total

paid to the company for theatre hire and theatre services amounted to approximately (pounds sterling)729,074. The balances owing to Barry Clayman Concerts Limited in respect of future shows including advanced ticket sales is approximately (pounds sterling)570,897 as at the 28th November 1998.

With the exception of the transactions detailed in note 1, all transactions have been carried out on normal commercial terms.

35. CONTROLLING PARTY

In the opinion of the directors, the group is controlled jointly by Mr. and Mrs. Gregg who own 67% of the issued ordinary share capital.