



Part 1 Overview

MU Finance plc

- £250,000,000 8.75% Senior Secured Notes due 2017
- \$425,000,000 8.375% Senior Secured Notes due 2017

Issue Date – 22 January 2010

A public limited company incorporated under the laws of England and Wales

Summary based on Preliminary Confidential [Offering Memorandum](#) dated 11 January 2010

Covenant package favourable to the Group.

Note:

- **Limitation on Indebtedness is qualified by detailed carve outs including:**
 - Indebtedness if Fixed Charge Coverage Ratio test met (4 quarter period; 2.0: 1.0)
 - Senior Secured Indebtedness if Consolidated Senior Secured Leverage Ratio test met (4 quarter period; 4.0: 1.0)
 - Permitted debt standard (includes Acquired Debt)
 - Indebtedness of Parent or Guarantors under Credit Facilities permitted up to £75 million (including such debt existing on the Issue Date)
 - CLO basket up to £50 million
 - General debt basket up to £50 million
- **Ability to incur Liens on the Collateral securing the Notes** in respect of Indebtedness incurred under (i) Credit Facility basket (ii) the ratio debt basket (iii) the CLO debt basket and (iv) the general debt basket; provided in each case (i) to (iv) that such assets and property also secure the Notes and the Guarantees (in the case of clause (i) only, which security may rank junior with respect to distributions of proceeds of any enforcement of Collateral to the extent such Indebtedness under Credit Facilities is not Public Debt), subject to entry into the Intercreditor Agreement
- **Notes stated ranking *pari passu* with other Senior Indebtedness, including the Revolving Credit Facility**, however, certain provisions of the intercreditor agreement are unfavorable to holders of the Notes, including that the RCF lenders and hedging providers will receive priority to the proceeds from the enforcement of security and the guarantees. In addition, if the security trustee receives conflicting enforcement instructions then the creditor representatives are obliged to consult for 30 days to coordinate instructions, after which time the security trustee will comply with the instructions received from the Trustee; if those instructions do not result in full repayment of amounts owing to the RCF lender and hedging counterparties, then the instructions of the RCF lenders and hedging counterparties will prevail.

Contents

Structure

[Part 2: Key provisions: Interest, Maturity, Repayment, Prepayment, Default](#)

[Part 3: The Covenant Package](#)

[Part 4: Deal Structure, Ownership Structure And Local Law Issues](#)

[Part 5: Security Package](#)

[Part 6: Transfers](#)

[Part 7: Voting Rights](#)

[Part 8: Governing Law](#)

[Part 9: Administration Parties](#)

The Guarantors/Parent

Parent: Red Football Limited, (the "Parent Guarantor")

Guarantors: Red Football Junior Limited, Manchester United Limited and Manchester United Football Club Limited (each organized under the laws of England and Wales) (the "Subsidiary Guarantors", and together with the Parent Guarantor, the "Guarantors").

The Guarantors represented approximately 96.5% of the Group's consolidated revenues and approximately 99.0% of the Group's EBITDA, during the twelve months ended 30 September 2009, and as of 30 September 2009, the Guarantors represented approximately 98.7% of the Group's consolidated total assets.

The Guarantors also guarantee the New Revolving Credit Facility.

Guarantees may be released and additional guarantees may be provided in certain circumstances

The Notes and coupons

Quantum and currency

£250 million

\$425 million

Stated ranking

Senior

Issue Price

98.089% (plus accrued and unpaid interest from the issue date)

98.065% (plus accrued and unpaid interest from the issue date)

Maturity

February 1, 2017

Coupon

8.75%

8.375%

Security

Summary of security package for Notes

The Notes and the Note Guarantees will be secured by first-ranking Liens over the Collateral. Subject to the terms of the Indenture and the Intercreditor Agreement, certain other Indebtedness will be permitted to be secured by the Collateral now and in the future.

The collateral (the "Collateral") will consist of the following properties and assets:

(1) all of the Capital Stock in the Issuer and each Subsidiary Guarantor;
and

(2) substantially all of the property and assets of the Issuer and the Guarantors.

Minimum denomination

Sterling Notes: £50,000 plus integral multiples of £1,000 in excess thereof

Dollar Notes: \$100,000 plus integral multiples of \$1,000 in excess thereof

Governing law

Notes, guarantees and indenture: the laws of the State of New York

Security Documents: the law of England and Wales

Purpose of the issue / use of proceeds

The proceeds from the issuance of the Notes will be used to repay existing senior credit facility, to partially repay existing interest rate hedging liabilities, and to pay fees and expenses incurred in connection with the offering of the Notes

See “*Use of Proceeds*” (page 29) of the Preliminary [Offering Memorandum](#)

Ranking within programme

The Notes rank *pari passu* with each other and with any additional notes issued under the Indenture.

See “*Description of the Notes - Principal, maturity and interest*” (page 99) of the Preliminary [Offering Memorandum](#)

Ranking with other debt arrangements

The Notes will be **general obligations** of the Issuer, **secured by first-ranking Liens over substantially all of the property and assets** of the Issuer and:

- o will be **effectively subordinated** to any existing and future Indebtedness of the Issuer that is **secured by Liens senior** to the Liens securing the Notes, or secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;
- o will be ***pari passu in right of payment*** with all existing and future Indebtedness of the Issuer that is **not subordinated** in right of payment to the Notes;
- o will rank **senior in right of payment** to all existing and future Indebtedness of the Issuer that is **subordinated** in right of payment to the Notes;
- o will be **effectively subordinated** to all obligations of the Subsidiaries of the Parent that do not guarantee the Notes; and
- o will be **unconditionally guaranteed** by the Guarantors.

Each Note Guarantee will be a general obligation of the Guarantors and will be secured by first-ranking Liens over substantially all of the property and assets of such Guarantor and:

- o will be **effectively subordinated** to any existing and future Indebtedness of such Guarantor that is **secured by Liens senior** to the Liens securing such Note Guarantee or secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- o will be ***pari passu in right of payment*** with all existing and future Indebtedness of such Guarantor that is **not subordinated** in right of payment to such Note Guarantee;
- o will rank **senior in right of payment** to all existing and future Indebtedness of such Guarantor that is **subordinated** in right of payment to such Note Guarantee; and

- o will be **effectively senior** to all of such Guarantor's existing and future **unsecured Indebtedness** to the extent of the assets securing such Note Guarantee.

See "**Brief Description of the Notes and Note Guarantees**" (page 97-98) of the Preliminary [Offering Memorandum](#)

Up to £75 million will be available for additional borrowing under the Issuer's new revolving credit facility after completion of the offering of the Notes. In addition, the indenture governing the Notes and the new revolving credit facility will permit the Issuer and its Restricted Subsidiaries, in compliance with the covenants in those agreements, to incur additional indebtedness secured by liens on the collateral, which may have the effect of diluting the ratio of the value of such collateral to the aggregate amount of the obligations secured by the collateral.

See "**Risk Factors — Risks relating to our debt and the Notes**" (page 20) of the Preliminary [Offering Memorandum](#)

Listing/Trading

Euro MTF operated by the Luxembourg Stock Exchange

Financial Guarantor/ Monoline

Not applicable

Part 2: Key provisions: Interest, Maturity, Repayment, Prepayment, Default

Interest

Basis of interest

Interest will accrue at the rate of 8.75% per annum
Interest will accrue at the rate of 8.375% per annum

Basis of interest accrual

- Interest payable in arrears,
- No payment in kind provisions

Timing of interest payments

Interest payment dates [February 15 and August 15]

Interest is payable semi-annually in arrears

First interest payment date

August 15, 2010

Maturity

The Notes will mature on February 1, 2017

The payment will be a bullet payment

There is no provision for a sinking fund

Financial triggers to default (if any)

Not applicable

Mandatory Prepayment

Change of Control

On a Change of Control, each holder of Notes will have the right to require the Issuer to repurchase all or a portion the Notes at 101% of their principal amount plus accrued and unpaid interest.

Change of Control includes:

- Disposition of substantially all of the properties or assets of the Parent and its Restricted Subsidiaries to any person other than a Principal or a Related Party of a Principal (other than a Specified Asset Sale and Leaseback transaction (see below), provided that no Default of Event of Default has occurred and is continuing or would be caused thereby)
- Adoption of a liquidation or dissolution plan in relation to the Parent
- A person or group of persons other than a Principal and/or a Related Party of a Principal owning more than 50% of the Voting Stock of the Parent;
- the first day on which a majority of the members of the Board of Directors of the Parent are not Continuing Directors; and
- Manchester United Limited ceases to own, directly or indirectly, 100% of the Capital Stock of the Issuer.

“Principal” means Mr. Malcolm Glazer

“Related Party” means:

(1) the parents or spouse of a Principal, the parents of a Principal’s spouse and any of a Principal’s, his or her spouse’s or their parents’ direct descendants; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, shareholders, partners, members, owners or Persons beneficially holding a 50.1% or more controlling interest of which consist of any one or more Principals and/or such other Persons referred to in the immediately preceding clause (1).

“Specified Asset” means Old Trafford Stadium and grounds and any real property related thereto.

“Specified Asset Sale and Leaseback” means in a sale and lease back transaction permitted by the Limitation on sale and leaseback transactions covenant (see below)

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if

- a third party makes the Change of Control Offer in compliance with the applicable requirements set forth in the Indenture, or
- a notice of redemption has been given as described under “—Optional Redemption”

The Issuer’s ability to repurchase the Notes pursuant to the Change of Control Offer may be limited by a number of factors. The ability of the Issuer to pay cash to the holders of the Notes following the occurrence of a Change of Control may be limited by the Parent Guarantor’s and its Restricted Subsidiaries’ then existing financial resources, and sufficient funds may not be available when necessary to make any required repurchases. The Issuer expects that it would require third party financing to make an offer to repurchase the Notes upon a Change of Control, and it cannot provide assurance that it would be able to obtain such financing. Any failure by the Issuer to offer to purchase Notes would constitute a Default under the Indenture, which could, in turn, constitute a default under the Revolving Credit Facility.

See ***“Repurchase at the option of holders — Change of control”*** (page 109) in the Preliminary [Offering Memorandum](#)

Other Mandatory prepayment

Following an Asset Sale:

Where the proceeds of an asset sale exceed \$15 million and where such proceeds are not used to: (1) repay (a) Indebtedness of the Parent or any other Guarantor incurred pursuant to clause (1) of the second paragraph

of the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock” or (b) Indebtedness of a Restricted Subsidiary of the Parent that is not a Guarantor or (c) the Notes pursuant to an offer at par; (2) used to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business (provided that in the case of any acquisition of Capital Stock, the Permitted Business becomes a Restricted Subsidiary of the Parent Guarantor); (3) make a capital expenditure; or (4) to acquire non-current assets that are used or useful in a Permitted Business, in each case within 360 days, except in the case of (2) and (4), enter into a binding agreement to acquire within 360 days, and complete such acquisition within 180 days after the end of the 360 day period.

Any such Asset Sale Offer may be made to all holders of other indebtedness that is *pari passu* Indebtedness.

In addition, within 30 Business Days of any Specified Asset Sale and Leaseback entered into in compliance with the Indenture, the Issuer will apply the Net Proceeds from such Specified Asset Sale and Leaseback (a) to repay, repurchase, prepay or redeem outstanding Indebtedness of the Parent or any other Guarantor incurred pursuant to clause (1) of the second paragraph of the covenant entitled “—Incurrence of Indebtedness and Issuance of Preferred Stock” and (b) with the balance of such Net Proceeds after making such repayment, repurchase, prepayment or redemption, to make an Asset Sale Offer (as defined below). Upon the completion of such Asset Sale Offer, any Net Proceeds not applied to such Asset Sale Offer will not constitute Excess Proceeds (as defined below) and may be used by the Parent and its Restricted Subsidiaries in any manner not prohibited by the Indenture.

See “Repurchase at the Option of Noteholders — Asset Sales” (page 109) in the Preliminary [Offering Memorandum](#)

Early redemption

Redemption at the Option of the Issuer following Equity Offering

At any time prior to February 15, 2013, with the net cash proceeds of one or more offerings of Capital Stock (excluding Disqualified Stock) of the Parent Guarantor, the Issuer may redeem up to 35% of the aggregate principal amount of the Sterling Notes may be redeemed, at a redemption price of 108.75% and the Dollar Notes may be redeemed, at a redemption price 108.375%, respectively, of the principal amount of the Notes provided that:

- at least 65% of the aggregate principal amount of the Notes originally issued (excluding Notes held by the Issuer and its Restricted Subsidiaries) remains outstanding after the redemption; and
- the redemption occurs within 90 days of such offering

Notice of any prepayment upon any Equity Offering may be given prior to the completion thereof, and any such prepayment or notice may, at the Issuer’s discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering.

Redemption at the Option of the Issuer prior to February 15, 2013 – Make Whole redemption:

At any time prior to December 15, 2012 the Issuer may redeem at the Issuer’s option in whole but not in part the Notes at any time on 30 to 60 days notice, at 100% of the principal plus the Applicable Premium and any accrued interest

Redemption at the Option of the Issuer on or after February 15 2013

In respect of the Sterling Notes:

- On February 15, 2013 and during the 12 month period commencing on each of the dates set forth below, at the following prices:
 - 2013: 108.750% plus premium
 - 2014: 104.375% plus premium
 - 2015: 102.188% plus premium
 - 2016 and thereafter: 100%in each case plus accrued interest

In respect of the Dollar Notes:

- On February 15, 2013 and during the 12 month period commencing on each of the dates set forth below, at the following prices:
 - 2013: 108.375% plus premium
 - 2014: 104.188% plus premium
 - 2015: 102.094% plus premium
 - 2016 and thereafter: 100%in each case plus accrued interest

See “Optional Redemption” (page 104) and the definition of “Applicable Premium” (page 139) in the Preliminary [Offering Memorandum](#)

Redemption for changes in taxes

The Issuer may redeem the Notes, in whole but not in part, at its discretion at any time on 30 to 60 days notice, at 100% of the principal plus accrued and unpaid interest if on the next date on which any amount would be payable in respect of the Notes, the Issuer is or would be required to pay Additional Amounts or the Guarantors would be unable for reasons outside their control to procure payment by the Issuer and in making payment itself the relevant Guarantor would be required to pay Additional Amounts, and the Issuer or the relevant Guarantor, as applicable, cannot avoid any such payment obligation taking reasonable measures available, and the requirement arises as a result of (1) any change in, or amendment to, the laws and treaties of the relevant Tax Jurisdiction; or (2) any change in, or amendment to, the existing official position or the introduction of an official position regarding such laws, in each case (1) or (2), which such change or amendment was not publicly announced as formally proposed before and becomes effective on or after the Issue Date.

See “Redemption for changes in taxes” (page 106) in the Preliminary [Offering Memorandum](#)

Part 3: The Covenant Package

Nature of High Yield Incurrence Package

- Covenant package favourable to the Group.
- See detail on each covenant below

Limitation on Indebtedness and Issuance of Preferred Stock

- Parent or Guarantor may Incur Indebtedness if Fixed Charge Coverage Ratio test met (4 quarter period; 2.0:1.0)
- Parent or Guarantor may Incur Senior Secured Indebtedness if Consolidated Senior Secured Leverage Ratio test met (4 quarter period; 4.0:1.0)
- Permitted debt standard (includes Acquired Debt)
- Indebtedness of Parent or Guarantors under Credit Facilities permitted up to £75 million (including such debt existing on the Issue Date)
- the incurrence by the Parent Guarantor or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings, industrial revenue bonds or purchase money obligations or other Indebtedness or preferred stock, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, development, construction, installation or improvement of property (real or personal), plant or equipment used or useful in a Permitted Business up to £50 million
- issuance of preferred stock by Restricted Subsidiaries to Parent or any Restricted Subsidiaries as long the interests are held by either Parent or a Restricted Subsidiary (including such debt existing on the Issue Date)
- certain hedging obligations not for speculative purposes
- guarantee of certain Permitted Debt provided that if the Indebtedness is *pari passu* or subordinated to the Notes, the guarantee should be *pari passu* or subordinated to same extent as the guaranteed debt
- (1) Indebtedness or preferred equity of an acquired Restricted Subsidiary permitted (so long as not issued or incurred in contemplation of such acquisition or merger to consummate same) and (2) Indebtedness of a Notes Guarantor incurred in connection with an acquisition by the Parent Guarantor or Restricted Subsidiary of a Restricted Subsidiary, in each case, if either
 - the Company would have been able to incur \$1.00 of additional indebtedness after giving effect to the incurrence or
- the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such acquisition or other transaction
- debt arising from customary indemnification, obligations in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary, up to a maximum of the gross proceeds actually received from the sale of assets or paid for the acquisition assets
- the incurrence by the Parent and its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding not to exceed £50.0 million

See "***Certain Covenants – Limitation on Indebtedness and Issuance of Preferred Stock***" (page 116) in the [Preliminary Offering Memorandum](#)

Limitation on Liens

The Parent will not, and will not permit its Restricted Subsidiaries, to create or incur any liens, except in the case of the Collateral, Permitted Collateral Liens, and in the case of any other assets, Permitted Liens.

- **Note Permitted Liens include:**
 - Liens that secure CLO/purchase money/mortgage financing debt basket (see above), covering only the assets acquired with or financed by such Indebtedness
 - Liens to secure general debt basket of £50.0 million
 - General basket of £25 million for Liens incurred in the ordinary course of business by the Parent or any Restricted Subsidiary
- **Note Permitted Collateral Liens include:**
 - Liens on the Collateral securing Indebtedness incurred under (i) Credit Facility basket (ii) the ratio debt basket (iii) the CLO debt basket and (iv) the general debt basket; provided in each case (i) to (iv) that such assets and property also secure the Notes and the Guarantees (in the case of clause (i) only, which security may rank junior with respect to distributions of proceeds of any enforcement of Collateral to the extent such Indebtedness under Credit Facilities is not Public Debt) and provided that each of thereto such debt must enter into the Intercreditor Agreement or an Additional Intercreditor Agreement
 - Liens on the Collateral securing Hedging Obligations permitted to be incurred under the Limitation on Indebtedness and Issuance of Preferred Stock covenant, and Liens on Collateral securing Existing Hedging Obligations, in each case so long as such assets also secure the Notes and Guarantees (which security may rank junior in respect of application of proceeds on enforcement) and provided such hedging providers enter into an Intercreditor Agreement or an Additional Intercreditor Agreement
 - Liens incurred in the ordinary course of business of the Parent or any of its Restricted Subsidiaries with respect to obligations that in total do not exceed £5.0 million at any one time outstanding and that (i) are not incurred in connection with the borrowing of money or the obtaining of advances or credit (other than trade credit in the ordinary course of business) and (ii) do not in the aggregate materially detract from the value of the property or materially impair the use thereof in the operation from the Parent's or such Restricted Subsidiary's business

See "*Certain Covenants – Liens*" (page 140) and the definition of "*Permitted Liens*" (page 155) and "*Permitted Collateral Liens*" (page 153) in the Preliminary [Offering Memorandum](#)

Limitation on Restricted Payments

The Parent and its Restricted Subsidiaries may not make pay dividends or make distributions in respect of its Equity Interests; purchase, redeem or otherwise retire for value any Equity Interests of the Parent or any direct or indirect parent entity of the parent; make payments on or retire for value any Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or any Note Guarantee, or purchase or redeem any such indebtedness in anticipation of a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of purchase or redemption; make any payment on or with respect to, or purchase or otherwise retire for value any Subordinated Shareholder Funding; or make any Restricted Investment

- Basis of Restricted Payments:
 - No default has occurred prior to or as a result of the Restricted Payment;
 - The Issuer is not able to incur an additional £1.00 of indebtedness under the Incurrence of Indebtedness and issuance of preferred

- stock covenant's Fixed Charge Coverage Ratio test (pro forma 2.0:1.0); or
- o The aggregate amount of Restricted Payments (excluding those permitted by clauses (2), (3), (5), (6), (7), (8), (9), (10), (11), (13) and (14) of the second paragraph of Restricted Payments covenant on page 113 of the Preliminary Offering Memorandum) exceed:
 - 50% of Consolidated Net Income of the Parent;
 - 100% of the aggregate net cash proceeds received by the Parent as a contribution to common equity capital or from an issue or sale of Equity Interests of the Parent (other than Disqualified Stock and Excluded Contributions) or from Subordinated Shareholder Funding (excluding any such contribution, issue or sale made in connection with the Closing Funds Flow;
 - 100% of the lesser of (a) the cash return of capital with respect to a Restricted Investment or (b) the initial amount of Such Restricted Investment, in each case to the extent made after the Issue date;
 - to the extent that any Unrestricted Subsidiary of the Parent designated as such after the date of the Indenture is redesignated as a Restricted Subsidiary after the date of the Indenture, the lesser of (A) the Fair Market Value of the Parent's Investment in such Subsidiary as of the date of such redesignation or (B) such Fair Market Value as of the date on which such Subsidiary was originally designated as an Unrestricted Subsidiary after the date of the Indenture;
 - a upon the full and unconditional release of a Restricted Investment that is a guarantee made by the Parent or one of its Restricted Subsidiaries to any Person, an amount equal to the amount of such guarantee;
 - the initial amount of any Restricted Investment made after the Issue Date in a Person that becomes a Restricted Subsidiary; and
 - 100% of any dividends received by the Issuer or a Restricted Subsidiary from an Unrestricted Subsidiary (to the extent that the amounts were not included in Consolidated Net Income for the relevant period);
 - **Note carve outs include** (a non-exhaustive list; see Preliminary Offering Memorandum for full list):
 - o the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Parent) of, Equity Interests of the Parent (other than Disqualified Stock) or from the substantially concurrent contribution of common equity capital or Subordinated Shareholder Funding to the Parent (excluding any such sale or contribution made in connection with the Closing Funds Flow); provided that the amount of any such net cash proceeds that are utilised for any such Restricted Payment will not be excluded from clause (c)(ii) of the preceding paragraph;
 - o the repurchase of (A) Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Notes or to any Note Guarantee with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness; or (B) Indebtedness of the Issuer or any Guarantor that is subordinated in right of payment to the Notes or to any Note Guarantee (other than any Indebtedness so subordinated and held by Affiliates of the Issuer) upon a Change of Control or Asset Sale to the extent required by the agreements governing such Indebtedness, but only if the Issuer shall have made an Asset Sale

- Offer or a Change of Control Offer, as the case may be, and the Issuer repurchased all Notes tendered pursuant to such offer prior to offering to purchase, purchasing or repaying such Indebtedness;
- repurchase of Equity Interests of the Parent, any of its Restricted Subsidiaries or any Parent Entity held by officers, directors, employees or consultants pursuant to any equity subscription agreement, stock option, employment agreement or similar agreements up to £3.0 million in any 12 month period, which may be increased by net cash proceeds received by the Parent or Restricted Subsidiaries from the sale of Equity Interests of the Parent, any of its Restricted Subsidiaries or any Parent Entity to officers, directors, employees or consultants to the extent not applied to the build-up basket
 - payment of regularly scheduled or accrued dividends to holders of Disqualified Stock of the Parent or any Restricted Subsidiary issued on or after the Issue Date in accordance with the Fixed Charge Coverage Ratio test set forth in the first paragraph of the “Incurrence of Indebtedness and issuance of preferred stock” covenant on page 116 of the Preliminary Offering Memorandum
 - Permitted Transactions (defined as (1) payment of Management Fees; (2) the Carrington Transaction; and (3) Closing Funds Flow)
 - so long as no Default has occurred and is continuing or would be caused thereby, following a Public Equity Offering that results in a Public Market of the Capital Stock of the Parent or any Parent Entity, the payment of dividends on the Capital Stock of the Parent up to 6% per annum of the net cash proceeds received by the Parent in any such Public Equity Offering or any subsequent public offering of such Capital Stock, or the net cash proceeds of any such Public Equity Offering or subsequent public offering of such Capital Stock of any Parent Entity that are contributed in cash to the Parent’s equity (other than through the issuance of Disqualified Stock); provided, that if such Public Equity Offering was of Capital Stock of a Parent Entity, the net proceeds of any such dividend are used to fund a corresponding dividend in equal or greater amount on the Capital Stock of such Parent Entity
 - so long as no default has occurred, other Restricted Payments not to exceed \$25.0 million since the Issue Date
 - the declaration and payment of dividends or other distributions, or the making of loans, by the Parent or any of its Restricted Subsidiaries to Red Football Joint Venture Limited in an aggregate amount not to exceed £70.0 million since the Issue Date.
- **Note Permitted Investments** include (a non-exhaustive list; see Preliminary Offering Memorandum for full list):
 - loans or advances to officers, directors or employees made in the ordinary course of business of the Parent or any of its Restricted Subsidiaries in an aggregate principal amount not to exceed £5.0 million at any one time outstanding
 - made with Excluded Contributions
 - other Investments in any Person having an aggregate Fair Market Value when taken together with all other such Investments that are at the time outstanding not to exceed £50 million, provided, that if an Investment is made in a Person that is not a Restricted Subsidiary of the Parent and such Person subsequently becomes a Restricted Subsidiary of the Parent or is subsequently designated a Restricted Subsidiary pursuant to “Certain covenants— Restricted payments”, such Investment shall be reclassified and this basket will refill

See “*Certain Covenants – Restricted Payments*” (page 112) and the definition of “*Permitted Investments*” (page 154) in the Preliminary [Offering Memorandum](#)

Limitation on sale and leaseback transactions

Applies to the Parent and its Restricted Subsidiaries, contains standard provisions, except:

- o Carves out the Carrington Transaction, which is defined as the sale, lease, assignment, disposal or other transfer (including any sale and leaseback transaction) of the Trafford Training Centre and Academy at Carrington Manchester, including any real property or fixtures related thereto but not any personal property
- o Carves out from typical requirement to have capacity to incur a Lien up to the value of the Attributable Debt for the "Specified Asset Sale and Leaseback transaction", which is contemplated to be a sale and leaseback of the Old Trafford Stadium grounds and any real property related thereto

See "*Certain Covenants – Limitation on sale and leaseback transactions*" (page 120) in the Preliminary [Offering Memorandum](#)

Dividend and other payment restrictions affecting subsidiaries

Applies to the Parent and its Restricted Subsidiaries

- Standard
- Note that the following are carveouts to what constitutes an encumbrance or restriction:
 - o provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment) entered into with the approval of the Parent's Board of Directors, which limitation is applicable only to the assets that are the subject of such agreements;
 - o agreements governing Indebtedness incurred pursuant to clauses (4) or (14) of the Incurrence of Indebtedness and issuance of preferred stock covenant by a Restricted Subsidiary of the Parent that is not required to become a Guarantor by virtue of clause (1) of the fifth paragraph of the Additional Note Guarantees covenant, provided that any encumbrance or restriction in any such agreement is not applicable to any Person, or the properties or assets of any other Person, other than such Restricted Subsidiary or its property or assets.

See "*Certain Covenants – Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*" (page 121) in the Preliminary [Offering Memorandum](#)

Limitation on Mergers, Consolidation and Asset Sales

None of the Parent, Red Football Junior Limited or Manchester United Limited will merge, consolidate or sell all or substantially all of its assets to another Person.

Subject to standard restrictions but with standard carve-outs, including that the obligations under the Notes, Indenture or Guarantees as applicable, and the Security Documents and the Intercreditor Agreement, must be expressly assumed by the surviving entity, and note requirement to be able to incur £1 of debt under the Fixed Charge Coverage Ratio, or that the ratio after the transaction would not be worse than prior to the transaction.

The Guarantors are also subject to standard restrictions with standard carve-outs, including assumption of the relevant obligations or application or proceeds in accordance with the Indenture.

Note carveout (under certain conditions) for merger and consolidation transactions between the Issuer or any Subsidiary Guarantor with or into the Parent and any Subsidiary Guarantor or for a disposition or all or

substantially all of the assets or merger or consolidation of the Issuer with or into an Affiliate solely for the purpose of reincorporating the Issuer in another jurisdiction for tax reasons.

See ***“Merger, Consolidation or Sale of Assets”*** (page 122) in the Preliminary [Offering Memorandum](#)

Limitation on Affiliate Transactions

Applies to the Parent and its Restricted Subsidiaries.

- Threshold for board approval: £10.0 million
- Threshold for fairness opinion of an independent appraiser: £20.0 million
- Note carve outs include:
 - any employment agreement, collective bargaining agreement, consultant agreement, employee benefit arrangements with any employee, consultant, officer or director of the Parent or any of its Restricted Subsidiaries, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;
 - issuance of Equity Interests (other than Disqualified Stock) or Subordinated Shareholder Funding of the Parent to Affiliates of the Parent;
 - Restricted Payments permitted by “Restricted Payments” provisions in the Indenture and Permitted Investments (except (3), (13) and (15) of the definition of Permitted Investments)
 - transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture that are fair to the Parent or its Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Parent or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;
 - any payments or other transactions pursuant to a tax sharing agreement between the Parent and any other Person or a Restricted Subsidiary of the Parent and any other Person with which the Parent or any of its Restricted Subsidiaries files a consolidated tax return or with which the Parent or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; provided, however, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Parent and its Restricted Subsidiaries on a stand-alone basis
 - payment of Management Fees (defined as management monitoring and advisory service fees, out of pocket expenses and other payments made to a Related Party or any Affiliate thereof, up to a maximum of £6.0 million with unused amounts carried over year to year);
 - transactions permitted by, and complying with, the provisions of the Merger, consolidation or sale of assets covenant
 - Permitted Transactions (defined as the payment of Management Fees, the Carrington Transaction and the Closing Funds Flow)

See ***“Certain Covenants – Transactions with Affiliates”*** (page 123) in Preliminary [Offering Memorandum](#)

Other covenants

The Indenture will also contain the following covenants:

- Use of Facilities (See "***Certain Covenants – Use of facilities***" (page 120) in the Preliminary [Offering Memorandum](#)) – limits ability of Parent and Restricted Subsidiaries to dispose of the Specified Asset and the Carrington Premises without having in place certain lease terms with the transferee
- Additional Note Guarantees (See "***Certain Covenants – Additional Guarantees***" (page 125) in the Preliminary [Offering Memorandum](#))
- Limitation on issuances of guarantees of Indebtedness (See "***Certain Covenants – Limitation on issuances of guarantees of Indebtedness***" (page 125) in the Preliminary [Offering Memorandum](#))
- Designation of Restricted and Unrestricted Subsidiaries (See "***Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries***" (page 126) in the Preliminary [Offering Memorandum](#))
- Impairment of Security Interest (See "***Certain Covenants – Impairment of Security Interest***" (page 126) in the Preliminary [Offering Memorandum](#))
- Security (See "***Certain Covenants – Impairment of Security Interest***" (page 128) in the Preliminary [Offering Memorandum](#))
- Additional Intercreditor Agreements (See "***Certain Covenants – Additional Intercreditor Agreements***" (page 128) in the Preliminary [Offering Memorandum](#))
- Limitation of issuer activities (See "***Certain Covenants – Limitation on Issuer Activities***" (page 128) in the Preliminary [Offering Memorandum](#))
- Limitation to holding company activities (See "***Certain Covenants – Limitation to holding company activities***" (page 129) in the Preliminary [Offering Memorandum](#))
- Maintenance of Listing (See "***Certain Covenants – Maintenance of Listing***" (page 130) in the Preliminary [Offering Memorandum](#))
- Reports (See "***Certain Covenants – Reports***" (page 130) in the Preliminary [Offering Memorandum](#))

Part 4: Deal Structure, Ownership Structure And Local Law Issues

Incorporation of Issuer

- England and Wales
- The Issuer is incorporated as a public limited company

Incorporation of Parent/Guarantors

Red Football Limited (Parent) Red Football Junior Limited, Manchester United Limited and Manchester United Football Club Limited (Guarantors) each organized under the laws of England and Wales

Restricted Subsidiaries

- A Subsidiary of the Issuer can be designated an Unrestricted Subsidiary if it would not cause a default and certain other conditions are met. Unrestricted Subsidiaries are not bound by the covenants

See "*Certain Covenants – Designation of Restricted and Unrestricted Subsidiaries*" (page 126) of the Preliminary [Offering Memorandum](#)

Additional Note Guarantees

- The Parent will cause one of more Restricted Subsidiaries that are Material Subsidiaries to become Guarantors
- Any Restricted Subsidiary of the Parent (other than MUTV Limited and Alderley Urban Investments Limited) which:
 - (1) has earnings before interest, taxes, depreciation and amortisation representing 5% or more of Consolidated EBITDA; or
 - (2) has gross assets or turnover (excluding intragroup items) representing 5% or more of the gross assets or revenues of the Issuer and its Restricted Subsidiaries, consolidated as of the end of the most recently completed fiscal year.

See "*Certain Covenants – Additional Note Guarantees*" (page 125) in the Preliminary [Offering Memorandum](#)

Ownership structure

- The groups structure is set out in *Summary corporate and financing structure* (page 5) in the Preliminary Offering Memorandum

Transfer of Assets to Issuer or other structural arrangements

Not applicable

Degree of subordination to senior/other debt

The Notes will be **general obligations** of the Issuer, **secured by first-ranking Liens over substantially all of the property and assets** of the Issuer and:

- will be **effectively subordinated** to any existing and future Indebtedness of the Issuer that is **secured by Liens senior** to the Liens securing the Notes, or secured by property and assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness;
- will be **pari passu in right of payment** with all existing and future Indebtedness of the Issuer that is **not subordinated** in right of payment to the Notes;
- will rank **senior in right of payment** to all existing and future Indebtedness of the Issuer that is **subordinated** in right of payment to the Notes;

- o will be **effectively subordinated** to all obligations of the Subsidiaries of the Parent that do not guarantee the Notes; and
- o will be **unconditionally guaranteed** by the Guarantors.

Each Note Guarantee will be a general obligation of the Guarantors and will be secured by first-ranking Liens over substantially all of the property and assets of such Guarantor and:

- o will be **effectively subordinated** to any existing and future Indebtedness of such Guarantor that is **secured by Liens senior** to the Liens securing such Note Guarantee or secured by property and assets that do not secure such Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- o will be **pari passu in right of payment** with all existing and future Indebtedness of such Guarantor that is **not subordinated** in right of payment to such Note Guarantee;
- o will rank **senior in right of payment** to all existing and future Indebtedness of such Guarantor that is **subordinated** in right of payment to such Note Guarantee; and
- o will be **effectively senior** to all of such Guarantor's existing and future **unsecured Indebtedness** to the extent of the assets securing such Note Guarantee.

See "**Brief Description of the Notes and Note Guarantees**" (page 97-98) of the Preliminary [Offering Memorandum](#)

Position compared to equity

Not applicable

Intercreditor arrangements

At or before the time of entry into the new revolving credit facility, the Issuer and the Guarantors expect to enter into an intercreditor agreement, with the creditors of the new revolving credit facility (the RCF lenders) and J.P. Morgan Europe Limited as the agent for the RCF lenders, the creditors under certain hedging agreements permitted pursuant to the new revolving credit facility, the Trustee for the Notes on behalf of the holders of the Notes and J.P. Morgan Europe Limited as security trustee.

The Intercreditor Agreement will provide that the right and priority of payment of all present and future liabilities and obligations under the RCF, the hedge agreements and the Notes shall rank pari passu and without any preference between them. Certain intra-restricted Group liabilities and subordinated liabilities owing by Red Football Limited to its holding companies (each a subordinated creditor) are postponed and subordinated to liabilities under the RCF, the hedge agreements and the Notes. The Intercreditor Agreement does not purport to rank the intra-restricted Group liabilities and subordinated liabilities as between themselves.

See "**Description of our other indebtedness – Intercreditor agreement**" (page 89) of the Preliminary [Offering Memorandum](#)

Standstill Period

There is no standstill period. However, before the discharge date, neither the RCF lenders and the existing hedge counterparties nor the holders of the Notes may require enforcement of the transaction security unless the agent or Trustee (each a creditor representative) as (applicable) delivers a copy of the proposed enforcement instructions to the other creditor representatives, the existing hedge counterparties and the security trustee at least 2 business days before the issuance of the instructions. If the security trustee receives conflicting enforcement instructions then the creditor representatives, the existing hedge counterparties and the security trustee must consult with each other for not less than 30 days from the date of receipt of the latest of such instructions with a view to coordinating those instructions. Such instructions must comply with

requirements set forth in more detail in the Preliminary Offering Memorandum.

A creditor representative or existing hedge counterparty is not obliged to consult as described above (or shall only be obliged to consult for a shorter period) if the transaction security has become enforceable as a result of an insolvency event or the instructing group determines in good faith that to do so and thereby delay enforcement could reasonably be expected to have a material adverse effect on (i) its ability to enforce the transaction security or (ii) the realisation proceeds of any enforcement of the transaction security. If six months have elapsed since the date of the first acceleration event to occur the RCF lenders and existing hedge counterparties will not be obliged to consult as described above.

Before the discharge date, if the security trustee has received conflicting enforcement instructions from the agent and Trustee then provided that the instructions from the Trustee comply with the consultation requirements described above and the security enforcement principles then the security trustee shall comply with the instructions from the Trustee. If the RCF lenders and existing hedge counterparties have not been fully repaid within 6 months of the initial acceleration event then the instructions of the RCF lenders and the existing hedge counterparties will prevail.

See “*Limitations on Enforcement by RCF Lenders, the Existing Hedge Counterparties and Senior Noteholders and Manner of enforcement*” (page 92) of the Preliminary [Offering Memorandum](#)

Payment Stop

Not applicable

Drag along

Not applicable

Other

Turnover provisions apply to amounts received or recovered that do not constitute permitted payments or made in accordance with the enforcement proceeds waterfall described below.

Application of proceeds:

- firstly, pro rata and pari passu, in payment of certain amounts owing to the Trustee and all costs and expenses incurred by the security trustee, each creditor representative and any receiver or delegate;
- secondly, in payment to (i) the agent on its own behalf and on behalf of the arrangers; and the RCF lenders (ii) the existing hedge counterparties and (iii) the senior new hedge counterparties for application towards the discharge of (A) the agent’s liabilities, the arrangers’ liabilities and the liabilities owed to the RCF lenders (in accordance with the terms of the RCF documentation) (B) the liabilities owed to the existing hedge counterparties (on a pro rata basis between the hedging liabilities of each existing hedge counterparty), and (C) the liabilities owed to the senior new hedge counterparties (on a pro rata basis between the hedging liabilities of each senior new hedge counterparty) (provided that the liabilities discharged under paragraph (C) may not exceed an agreed maximum cap) on a pro rata basis between paragraph (A), (B) and (C) above;
- thirdly, in payment to the senior new and other hedge counterparties for application towards the discharge of any remaining hedging liabilities (on a pro rata basis between the hedging liabilities of each such hedge counterparty);
- fourthly, in payment to the Trustee on its own behalf and on behalf of the Senior Noteholders for application (in accordance with the terms of the

Note documentation) towards the discharge of the Trustee's liabilities and the liabilities owed to the holders of the Notes;

- fifthly, in payment to any person to whom the security trustee is obliged to pay in priority to any member of the restricted Group; and
- the balance, if any, in payment to the relevant member of the restricted Group.

Option to purchase

The holders of the Notes may, after the occurrence of an acceleration or enforcement of the transaction security and subject to various conditions set out in the intercreditor agreement (including the grant of an acceptable indemnity against clawback to the RCF lenders and existing hedge counterparties), exercise an option to purchase the liabilities owed to the RCF lenders and the liabilities owed to the existing hedge counterparties in full and at par.

See "*Turnover, Application of Proceeds, and Option to purchase*" (page 94-95) of the Preliminary [Offering Memorandum](#)

Part 5: Security Package

Security (Assets and/or Guarantees (if any)) for Notes

- The Notes are secured by first-ranking Liens over substantially all of the property and assets of the Issuer.
- The Notes are guaranteed on a senior secured basis by Red Football Limited (Parent) Red Football Junior Limited, Manchester United Limited and Manchester United Football Club Limited (Guarantors).
- Guarantees (other than those given by Manchester United Limited and RedFootball Junior Limited) may be released in connection with a sale or all or substantially all of the assets or capital stock of the relevant Guarantor, upon designation of such Guarantor as an Unrestricted Subsidiary in accordance with the terms of the Indenture, upon repayment in full of the Notes, upon legal or covenant defeasance and discharge of the Indenture as provided therein, and in connection with an enforcement sale pursuant to the terms of the Intercreditor Agreement.

See "*Brief description of the Notes and the Note Guarantees*" (page 97) and "*Note Guarantees*" (page 103) in the Preliminary [Offering Memorandum](#)

Senior ranking security package for Senior Facilities

Not applicable

Local law issues

The risk factors of the Preliminary [Offering Memorandum](#) set out local law issues. The summary below is in no way a substitute for the full disclosure made in the Preliminary [Offering Memorandum](#)

- The Group is subject to English insolvency laws, which pose certain risks to Noteholders, including in relation to the ability under English insolvency statutes given to English courts to make an administration order in respect of an English company, which can be made if the court is satisfied that the relevant company is or is likely to become "unable to pay its debts" and that the administration order is reasonably likely to achieve the purpose of administration. In addition, the holder of a "qualifying floating charge" over the assets of an English company may appoint an administrator out of court, provided

such floating charge has become enforceable. During the time the Issuer or a Guarantor were involved in administration proceedings, the Notes and the guarantees, and the related security, could not be enforced by the security trustee without the consent of the administrator, and no assurance can be given that such consent will be received.

- Certain transactions could be subject to unwinding by the liquidator or administrator under certain circumstances, and accordingly there can be no assurance that the provision of the guarantees will not be challenged by a liquidator or administrator.
- Enforcement of judgments of US courts predicated upon the civil liability provisions of US securities laws may not be possible in the United States because the Issuer and assets are located outside the United States.

See *“Risk Factors”* (page 14) and *“Service of Process and Enforcement Judgments”* (page 182) in the Preliminary [Offering Memorandum](#)

Part 6: Transfers

Minimum size

- The Notes will be issued in registered form.
- If Definitive Registered Notes are issued, they will be issued only in minimum denominations of £50,000 or \$100,000 principal amount and integral multiples £1,000 or \$1,000 in excess thereof
- Free transfer under Luxembourg Listing Rules
- Transfer subject to the rules of the Euro MTF and selling restrictions including US securities regulations (Rule 144A and Reg S)

See *“Transfer and exchange”* (page 100) in the Preliminary [Offering Memorandum](#)

Fee

Not applicable

Any restrictions

Not applicable

Part 7: Voting Rights

Majority threshold

- The Indenture, the Notes, the Note Guarantees, the Intercreditor Agreement or any Security Document may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the Notes then outstanding

See *“Amendment, Supplement and Waiver”* (page 135) in the Preliminary [Offering Memorandum](#)

Issues requiring super majority

- The consent of at least 90% of the aggregate principal amount of the then outstanding Notes and the consent of each Holder of an affected Note is required to amend: the voting majorities, interest, or principal or change maturity or currency of the Notes, any redemption premium or timing of redemption and the noteholders' rights to principal and interest; waive defaults, make changes to the detriment of

noteholders to the section entitled “Additional Amounts”, release guarantors or security except in accordance with the indenture, impair the right of noteholders to institute suit on any payment, amendment and waiver provision

See “*Amendment, Supplement and Waiver*” (page 135) in the Preliminary [Offering Memorandum](#)

Part 8: Governing Law

Indenture, Notes and Note Guarantees

The laws of the State of New York

Security Documents

The law of England and Wales

Part 9: Administration Parties

Trustee

The Bank of New York Mellon
One Canada Square
London E14 5AL
United Kingdom

Security Agent

J.P. Morgan Europe Limited
125 London Wall
London EC2Y 5AJ
United Kingdom

US Registrar, US Paying Agent and Transfer Agent

The Bank of New York Mellon
101 Barclay Street
New York, New York 10286
United States of America

Listing Agent, Luxembourg Paying Agent and Transfer Agent

The Bank of New York Mellon
(Luxembourg) S.A.
Aerogolf Centre
1A, Hoehenhof L-1736
Senningerberg
Luxembourg

REPORT DISCLAIMER

Whilst Debt Explained Limited has used reasonable endeavours to ensure that the information provided by Debt Explained Limited in this report is accurate, reliable and up to date as at the date of issue, Debt Explained Limited reserves the right to make corrections and does not represent or warrant that it is accurate or complete. Debt Explained Limited hereby disclaims all liability to the maximum extent permitted by law in relation to this report and does not give any warranties (including any statutory ones to the extent permitted by law) in relation to this report.

The content on this report is provided by Debt Explained Limited for your information only, and is not intended for investment or trading purposes. Content in this report is not appropriate for the purposes of making a decision to carry out a transaction, investment or trade of any nature. You should rely on the offering document referred to in this report (together with any supplements and updates thereto). This report does not (expressly or impliedly) provide any form of advice (financial, investment, tax, legal or other) amounting to investment or legal advice, or make any recommendations to buy or sell securities of any nature or regarding particular financial securities and/or instruments, investments or products.

The contents of this report should not be relied upon as a substitute for formal legal, financial and or investment advice.

Debt Explained Limited, its employees and agents will not be responsible for any direct, indirect, contingent or other loss, however arising, from the use of, or reliance on the information contained in this report.

This report is provided "as is" without warranty of any kind, either expressed or implied. You should not assume that this report is error-free or that it will be suitable for the particular purpose which you have in mind when using it. Debt Explained Limited assumes no responsibility for errors or omissions in this report or on our website (whether in printed, electronic or other form) or other documents which are referenced by or linked to this report.

In no event shall Debt Explained Limited be liable for any special, incidental, indirect, consequential or other damages of any kind, or any damages whatsoever, including, without limitation, those resulting from loss of use, data or profits, whether or not advised of the possibility of damage, and on any theory of liability, arising out of or in connection with the use or performance of this report or other documents which are referenced by or linked to this report.

Unless otherwise stated, Debt Explained Limited or its licensors own the exclusive worldwide intellectual property rights in the content of this report.

You must not:

- (a) republish material from this report (including republication on another website, or publication), or reproduce or store material from this report in any public or private electronic retrieval system (other than to store copies of this report or part thereof on your systems as a subscriber);
- (b) reproduce, duplicate, copy, sell, resell or otherwise exploit Debt Explained Limited's report or material in this report for a commercial purpose, without Debt Explained Limited's express written consent;
- (c) edit or otherwise modify any material in this report.