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London Borough of Hammersmith and Fulham
Town Hall
King Street
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LONDON W6 9JU

For the attention of: Nigel Palace

16 November 2011

Dear Sir

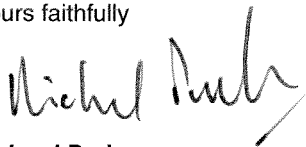
RE: King Street Financial Model Review – PwC Report dated 1 November 2010

Further to our report dated 1 November 2010 which detailed our review of the King Street Financial Model we have been asked to clarify the comment that *'the level of projected developer returns appear lower than those that we would typically expect for a project of this type'*.

PwC can confirm that this comment reflected the fact that, based on the financial data we reviewed as part of the high level review we carried out, the developer is forecasting that it will earn a lower level of return than is usually required in the market, given the risks involved, for a project of this type. This is not intended to suggest that the developer has understated profitability; instead it reflects that the developer is forecasting to make a lower level of profit than might be reasonably expected on a project with this risk profile.

For the avoidance of doubt, PwC have not considered any new or additional information subsequent to our report of the 1 November 2010.

Yours faithfully



Richard Parker

for and on behalf of PricewaterhouseCoopers LLP