

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 426 OF THE COMPANIES ACT 1985. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent professional adviser.

Marylebone Warwick Balfour Group Plc, whose registered office is set out on page 10, and the Directors, whose names are set out on page 10, accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

If you have sold or otherwise transferred all of your Existing Ordinary Shares, please send this document and the accompanying Forms of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold part only of your holding of Existing Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document should be read in whole and in conjunction with the accompanying Forms of Proxy.

PricewaterhouseCoopers LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority for designated investment business, is acting exclusively for MWB and for no one else in relation to the matters described in this document and will not be responsible to anyone other than MWB for providing the protections afforded to customers of PricewaterhouseCoopers LLP or for providing advice in relation to the contents of this document.

KBC Peel Hunt Ltd, which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as the Company's Sponsor (for the purposes of the Listing Rules) and is acting for no one else in connection with the admission of the Units to the London Stock Exchange and will not be responsible for providing the protections afforded to customers of KBC Peel Hunt Ltd nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it.

Marylebone Warwick Balfour Group Plc

(incorporated and registered in England and Wales with company number 3125437)

Recommended Proposals in relation to a capital reorganisation and the establishment of MWB Group Holdings Plc as the new holding company of Marylebone Warwick Balfour Group Plc by means of a Scheme of Arrangement under section 425 of the Companies Act 1985

Your attention is drawn to the Chairman's letter which is set out in Part I of this document. The Board unanimously recommends that you vote in favour of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting. A letter from PricewaterhouseCoopers LLP explaining the Proposals is set out in Part II of this document.

Meetings to consider the proposals contained in this document will be held at 1 West Garden Place, Kendal Street, London, W2 2AQ on 4 March 2008. The Court Meeting shall commence at 11 a.m. and the Extraordinary General Meeting shall commence at 11.15 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned). Notices convening the Court Meeting and Extraordinary General Meeting are set out in Part V and Part VI respectively of this document.

Whether or not you intend to be present at the Court Meeting and/or the Extraordinary General Meeting, please complete and return the Forms of Proxy accompanying this document to the Registrars as soon as possible and in any event so as to arrive by not later than 11:00 a.m. on 2 March 2008 in respect of the blue Form of Proxy for the Court Meeting and 11:15 a.m. on 2 March 2008 in respect of the green Form of Proxy for the Extraordinary General Meeting. In the case of the Court Meeting, the blue Form of Proxy may also be handed to the Registrars at the Court Meeting who will receive the Form of Proxy on behalf of the Chairman.

Neither the Units, the New MWB Ordinary Shares nor the B Shares to be issued pursuant to the Scheme have been marketed to, nor are any available for purchase by, the public in the United Kingdom or elsewhere in connection with the introduction of the Units to the Official List. **This document does not constitute an offer invitation to any person to subscribe for or purchase any securities in MWB or New MWB.**

Applications will be made to the UKLA for the Units (comprising New MWB Ordinary Shares and B Shares) and the Loan Stock to be admitted to the Official List and to trading on London Stock Exchange's market for listed securities. If the Proposals proceed as currently envisaged, it is expected that: (i) dealings in the Existing Ordinary Shares will continue until close of business on 2 April 2008 and that Admission of the Units will become effective, and that dealings in the Units will commence, on 3 April 2008; and (ii) dealings in the Loan Stock listed in the name of MWB will continue until close of business on 11 April 2008 and that Admission of the Loan Stock listed in the name of New MWB will be effective and that dealings in such Loan Stock will commence, on 14 April 2008.

The Prospectus relating to the Units (comprising New MWB Ordinary Shares and B Shares) and the Loan Stock to be listed in the name of New MWB, is expected to be published by 31 March 2008. The Prospectus will not be sent to you when published, but it will be possible for you to obtain a copy of the Prospectus from the MWB website (www.mwb.co.uk) or, on request, free of charge from the registered office address of the MWB Group, being 30 City Road, London EC1Y 2AG. A copy of the Prospectus will also be available for inspection at the Document Viewing Facility of the Financial Services Authority, 25 North Colonnade, London E14 5HS up until Admission during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

Securities may not be offered or sold in the United States of America unless they are registered under the Securities Act or are exempt from such registration requirements. Neither the Units nor the New MWB Ordinary Shares and B Shares forming such Units, to be issued pursuant to the Scheme, have been or will be registered under the Securities Act but will be issued in reliance on the exemption provided by Section 3(a)(10) thereof. In addition, neither the Units nor the New MWB Ordinary Shares and B Shares forming such Units have been or will be registered under the securities laws of any state of the United States but will be issued pursuant to available exemptions from state law registration requirements. Neither the SEC nor any US state securities commission has reviewed or approved this document or the Scheme. Any representation to the contrary is a criminal offence in the United States.

This document contains certain forward-looking statements. These statements typically contain words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, factors identified elsewhere in this document as well as the following possibilities: future revenues are lower than expected; competitive pressures in the industry increase; general economic conditions or conditions affecting the industry, whether internationally or in the places the Group does business, are less favourable than expected; and/or conditions in the securities market are less favourable than expected. Save as required by the Disclosure and Transparency Rules, the Listing Rules and Prospectus Rules, MWB does not undertake any obligation to update the forward looking statements to reflect actual results, or any change in events, conditions or assumptions or other factors, unless required to do so by regulation.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<i>Event</i>	<i>Time and date in 2008</i>
Posting of this document to Shareholders	Thursday, 7 February
Latest time for lodging blue Forms of Proxy for the Court Meeting	11:00 a.m. on Sunday, 2 March⁽¹⁾
Latest time for lodging green Forms of Proxy for the Extraordinary General Meeting	11:15 a.m. on Sunday, 2 March
Scheme Voting Record Time (in respect of the Court Meeting and the Extraordinary General Meeting)	6:00 p.m. on Sunday, 2 March ⁽²⁾
Court Meeting	11:00 a.m. on Tuesday, 4 March
Extraordinary General Meeting	11:15 a.m. on Tuesday, 4 March⁽³⁾
Last day of dealings in, and for registration of, Existing Ordinary Shares	Wednesday, 2 April
Court Hearing of the Claim Form to sanction the Scheme	Wednesday, 2 April
Scheme Record Date	Wednesday, 2 April
Scheme Record Time	6:00 p.m. on Wednesday, 2 April
Scheme Effective Date	Thursday, 3 April
Cancellation of listing of Existing Ordinary Shares, Units admitted to Official List, crediting of Units to CREST accounts and dealing commences on London Stock Exchange	8:00 a.m. on Thursday, 3 April
Court Hearing of the Claim Form to confirm the New MWB Reduction of Capital	Wednesday, 9 April
New MWB Reduction of Capital becomes effective	Thursday, 10 April
Last day of dealings in and for registration of Loan Stock with MWB as the issuer	Friday, 11 April
Cancellation of listing of Loan Stock issued by MWB, Loan Stock in the name of New MWB admitted to Official List, crediting of Loan Stock to CREST accounts and dealing commences on London Stock Exchange	Monday, 14 April
Despatch of share certificates in respect of Units and certificates in respect of Loan Stock issued by New MWB	Tuesday, 15 April

Unless otherwise stated, all references in this document to times are to London times.

The dates given are indicative only and are subject to change. The dates are based on MWB's current expectations and will depend on, among other things, the dates upon which the Court sanctions the Scheme, the Scheme becomes effective, the Prospectus is approved by UKLA and the Court confirms the New MWB Reduction of Capital. In particular, certain Court dates are subject to confirmation by the Court. If the scheduled date of the Court Hearing of the Claim Form to sanction the Scheme is changed, MWB will give adequate notice of the change by issuing an announcement through a Regulatory Information Service.

Notes:

- (1) Forms of Proxy for the Court Meeting not returned by this time may also be validly handed to the Registrars at the Court Meeting who will receive the Forms of Proxy on behalf of the Chairman.
- (2) If either the Court Meeting or the Extraordinary General Meeting is adjourned, the voting record time for the adjourned meeting will be 6:00 p.m. on the date two days before the date set for the adjourned meeting.
- (3) To commence at 11:15 a.m. or, if later, immediately after the conclusion or adjournment of the Court Meeting.

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DEFINITIONS

In this document, the following expressions shall have the meanings set out below, save where the context otherwise requires:

“Admission”	the admission of Units and the Loan Stock to the Official List in accordance with the Listing Rules and the admission of the Units and the Loan Stock to trading by the London Stock Exchange on its market for listed securities in accordance with the Standards;
“B Shares”	(i) prior to the New MWB Reduction of Capital, the B Shares of 10p each in the capital of New MWB (or such other nominal value as New MWB shall resolve prior to the date on which the Court is asked to sanction the Scheme); and (ii) following the New MWB Reduction of Capital, the B Shares of 0.01p each in the capital of New MWB, such B Shares having in each case the rights more particularly described in paragraph 3.2 of Part III;
“B Share Redemption”	the redemption of some or all of the B Shares from time to time at a redemption price per B Share equal to their nominal value at the date of issue (being 10p per B Share or such other nominal value as New MWB shall resolve prior to the date on which the Court is asked to sanction the Scheme);
“Board” or “Directors”	the board of directors of MWB and, following the Scheme becoming effective, of New MWB (as the context requires), such persons being listed in Part I of this document;
“Business Day”	any day other than a Saturday or a Sunday or public holiday on which banks are generally open for business in England and Wales;
“Cash Distribution Programme”	the programme as approved by Shareholders at an extraordinary general meeting of MWB held on 24 May 2002 whereby MWB proposes to realise all or substantially all of its assets in cash or cash equivalents in order to make Gross Cash Returns to Shareholders;
“Circular”	this document issued by MWB dated 7 February 2008;
“Claim Form”	the claim form issued by MWB seeking the permission of the Court to sanction the Scheme;
“Companies Act”	the Companies Act 1985, including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;
“Court”	the High Court of Justice of England and Wales;
“Court Hearing”	the hearing by the Court of the Claim Form to sanction the Scheme;
“Court Meeting”	the meeting of holders of Existing Ordinary Shares as at the Scheme Voting Record Time convened by direction of the Court pursuant to section 425 of the Companies Act for 11:00 a.m. on 4 March 2008, to consider and, if thought fit, to approve the Scheme, including any adjournment thereof, notice of which is contained in Part V of this document;

“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations);
“CrestCo”	Euroclear UK and Ireland Limited;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time;
“Disclosure and Transparency Rules”	the disclosure and transparency rules of the UKLA made in accordance with section 73A of FSMA 2000;
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of MWB convened for 11:15 a.m. on 4 March 2008, including any adjournment thereof, notice of which is contained in Part VI of this document;
“Executive Directors”	the executive directors of MWB being, together, Richard Gary Balfour-Lynn, Andrew Francis Blurton, Jagtar Singh and Michael Albert Bibring, further details of each such director being as set out in paragraph 8 of Part II and paragraph 5 of Part III of this document;
“Existing Ordinary Shares”	ordinary shares of 50p each in the capital of MWB: <ul style="list-style-type: none"> (a) in issue as at the date of this document; (b) (if any) issued after the date of this document and prior to the Scheme Voting Record Time; and (c) (if any) issued at or after the Scheme Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme;
“FSA”	Financial Services Authority;
“FSMA 2000”	Financial Services and Markets Act 2000;
“Exchange Act”	the United States Securities Exchange Act of 1934, as amended;
“Explanatory Statement”	this document and in particular Part II of this document which has been prepared in accordance with section 426 of the Companies Act;
“Forms of Proxy”	the forms of proxy accompanying this document relating to the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting;
“Group” or “MWB Group”	before the Scheme Effective Date, MWB and its subsidiary undertakings (which does not include New MWB) and, from the Scheme Effective Date, New MWB and its subsidiary undertakings (which will include MWB);
“Gross Cash Returns to Shareholders”	the aggregate gross distributions or deemed distributions to Shareholders by MWB in the form of cash or readily realisable assets (such as shares in demerged and listed companies, where those companies were previously subsidiaries of the Group) adjusted by adding back any corporation tax payable by MWB on any disposals, and including the aggregate gross cash or cash equivalents paid to Shareholders by a third party on a takeover of MWB;

“HMRC” or “HM Revenue & Customs”	Her Majesty’s Revenue & Customs;
“Incentive Scheme”	the long term incentive scheme provided to employees of MWB Management Limited, a company wholly owned by ServCo, including the Executive Directors, approved by Independent Shareholders at an extraordinary general meeting of MWB held on 24 May 2002, as amended and approved by Independent Shareholders at an extraordinary general meeting of MWB held on 4 March 2004 and as amended by Independent Shareholders at the annual general meeting of MWB held on 22 May 2007;
“Independent Shareholders”	Shareholders authorised to vote at a meeting of Shareholders, excluding those Shareholders who could obtain benefits under the resolutions being considered at the meeting;
“Listing Rules”	the rules and regulations of the Financial Services Authority made under Part VI FSMA 2000 as amended from time to time;
“Loan Stock”	the £30 million Unsecured Loan Stock 2009/2012 with a nominal rate of 9.75 per cent, constituted by a trust deed dated 28 June 2005 made between (1) MWB and (2) the Loan Stock Trustee and which, prior to the Proposals becoming effective will be a liability of MWB and which on 11 April 2008 is intended, subject to the consent of the Loan Stock Trustee or Loan Stock holders, to be novated to New MWB (with New MWB assuming all of the rights and liabilities of MWB in respect of such loan stock);
“Loan Stock Trustee”	Capita Trust Company Limited of 7 Phoenix House, 18 King William Street, London EC4N 7HE;
“London Stock Exchange”	London Stock Exchange plc;
“MWB”	Marylebone Warwick Balfour Group Plc;
“MWB Articles”	the articles of association of MWB from time to time;
“MWB Scheme Shares”	ordinary shares of 50p each to be issued by MWB to New MWB pursuant to the Scheme;
“MWB Shareholders”	holders of Existing Ordinary Shares in MWB;
“New MWB”	MWB Group Holdings Plc, a company incorporated in England and Wales (company number 6487877) having its registered office address at 30 City Road, London EC1Y 2AG, which following implementation of the Scheme, will be the new holding company of the Group;
“New MWB Articles”	the articles of association of New MWB from time to time;
“New MWB Class A Ordinary Share”	the Class A ordinary share of £1 in the capital of New MWB;
“New MWB Ordinary Shares”	ordinary shares of 0.1p each in the capital of New MWB;
“New MWB Redeemable Shares”	the redeemable non-voting shares of £1 each in the capital of New MWB;
“New MWB Reduction of Capital”	the proposed reduction of capital of New MWB under section 135 of the Companies Act described in paragraph 3.5 of Part I and paragraph 3.2 of Part II;

“Nominations Committee”	the committee of the Board which considers the composition of the Board and the retirement and appointment of additional and replacement Directors, the members of which committee are all Non-Executive Directors, specifically: Eric Fenton Sanderson (chairman of the committee), David Courtnall Marshall and Robert Philip Burrow;
“Non-Executive Directors”	the non-executive directors of MWB being, together, Eric Fenton Sanderson, Robert Philip Burrow and David Courtnall Marshall, further details of each such director being as set out in paragraph 8 of Part II and paragraph 5 of Part III;
“Official List”	the list maintained by the UKLA pursuant to Part VI of FSMA 2000;
“Overseas Shareholders”	a holder of Existing Ordinary Shares who is a citizen, resident or national of any jurisdiction outside the United Kingdom;
“Proposals”	the proposed reorganisation of the Group involving the Scheme and the subsequent New MWB Reduction of Capital;
“Prospectus”	the prospectus relating to the Units and the Loan Stock prepared in accordance with the Listing Rules and the Prospectus Rules, expected to be published by 31 March 2008;
“Prospectus Rules”	the rules and regulations made by the FSA pursuant to Part VI of FSMA 2000;
“Registrars”	Capita Registrars, whose address for general correspondence is: The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU and whose address for the purposes of returning Forms of Proxy is: Proxy Department, The Registry, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR;
“Regulatory Information Service”	a regulatory information service that is approved by the FSA and is on the list of regulatory information services maintained by the FSA;
“Remuneration Committee”	the committee of the Board which considers, inter alia, remuneration policy and strategy; remuneration arrangements for the Executive Directors and the chairman; and approving the adoption and rules of incentive schemes, members of which committee are all Non-Executive Directors, specifically: David Courtnall Marshall (chairman of the committee), Eric Fenton Sanderson and Robert Philip Burrow
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under section 425 of the Companies Act between MWB and holders of Existing Ordinary Shares, as set out in Part IV of this document, with or subject to any modification, addition or condition approved or imposed by the Court;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with its terms, expected to be 3 April 2008;
“Scheme Record Date”	the Business Day immediately preceding the Scheme Effective Date;
“Scheme Voting Record Time”	6:00 p.m. on 2 March 2008 or, if the Court Meeting is adjourned, 6:00 p.m. two days before the time appointed for any adjourned Court Meeting;
“Scheme Record Time”	6:00 p.m. on the Scheme Record Date;

“SEC”	the Securities and Exchange Commission being the agency responsible for administering federal securities law in the USA;
“Securities Act”	the United States Securities Act of 1933, as amended;
“ServCo”	Servco Limited Partnership, a partnership established under the laws of England and Wales (registered number LP008066) and whose registered office address is at 1 West Garden Place, Kendal Street, London W2 2AQ and ultimately controlled by the Executive Directors together with John Harrison, Joe Shashou and Richard Aspland-Robinson, and which employs (through its ownership of MWB Management Limited) the majority of the Group head office staff in accordance with proposals approved by Independent Shareholders, at an extraordinary general meeting of MWB held on 24 May 2002;
“Shareholder”	a registered holder of Existing Ordinary Shares, or of Units, as the context may require;
“Standards”	the current edition of the Admission and Disclosure Standards produced by the London Stock Exchange;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UKLA” or “UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA 2000;
“Unit”	a unit, comprising one New MWB Ordinary Share and 20 B Shares in the capital of New MWB to be admitted to the Official List and to the main market for listed securities of the London Stock Exchange; and
“US”, “USA” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction.

In this document, references to “£”, “pence”, “p” and “sterling” are to the lawful currency of the United Kingdom.

PART I

LETTER FROM THE CHAIRMAN

Marylebone Warwick Balfour Group Plc

(incorporated and registered in England and Wales with registered number 3125437)

Directors

Eric Fenton Sanderson (Non-Executive Chairman)
Richard Gary Balfour-Lynn (Chief Executive)
Jagtar Singh (Joint Finance Director)
Andrew Francis Blurton (Joint Finance Director)
Michael Albert Bibring (Legal and Commercial Director)
Robert Philip Burrow (Non-Executive Director)
David Courtnall Marshall (Non-Executive Director)

Registered Office

30 City Road
London EC1Y 2AG

Head Office

1 West Garden Place
Kendal Street
London W2 2AQ

7 February 2008

To the holders of Existing Ordinary Shares and, for information purposes only, to the holders of the Loan Stock

Dear Shareholder,

RECOMMENDED PROPOSALS

1. Introduction

The Board has today announced details of proposals relating to a capital reorganisation and the introduction of a new holding company for the Group which are referred to in this document as the "Proposals". The Proposals are intended to facilitate the Group's strategy to distribute in cash or cash equivalents, substantially all of its material assets and to facilitate the returning of such cash or cash equivalents under the Cash Distribution Programme.

The purpose of this document is to explain the Proposals and why your Board considers that the Proposals will promote the success of MWB for the benefit of its Shareholders as a whole. Your Board is recommending that you vote in favour of the Proposals. **A summary of the action recommended to be taken is set out on pages 15 and 16 of this document and on the Forms of Proxy accompanying this document.**

Shareholders' and Loan Stock holders' economic interests are not intended to be adversely affected by the Scheme, other than indirectly through the costs of its implementation. Specifically, the Proposals are intended to:

- create a group structure which increases the flexibility for the Board on future potential disposals of the operating businesses;
- increase the available options as to when cash or cash equivalents can be returned to Shareholders; and
- increase the reserves of the Group which can be distributed to Shareholders.

If the Proposals are implemented, 'New MWB', a new holding company of the MWB Group will be put in place through a Court approved Scheme of Arrangement under section 425 of the Companies Act. New MWB is incorporated in England and Wales. Units in New MWB (such Units comprising a combination of New MWB Ordinary Shares and B Shares in New MWB) will be admitted to the Official List and to trading on the main market of the London Stock Exchange.

offer to Shareholders and buy-backs of Existing Ordinary Shares in the market. In future, this may also involve cash distributions, demergers, distributions of assets and similar value distribution programmes. The Cash Distribution Programme was originally expected to be completed by 31 December 2005 but as a result of market conditions was extended by a further 3 years to 31 December 2008 and may be further extended by the Directors should market conditions dictate that such extension would be in the interests of Shareholders.

Throughout this time, the Board has remained focused on delivering the Cash Distribution Programme in the manner originally envisaged. This has involved property sales totalling more than £600 million, all at prices in excess of the most recent valuation of such properties at the date of sale. Since May 2002, MWB has purchased approximately 60.5 million Existing Ordinary Shares for cancellation under the Cash Distribution Programme, returning approximately £70.4 million of cash to Shareholders. Also as part of the Cash Distribution Programme, in October 2006, MWB conducted a tender offer for Existing Ordinary Shares resulting in the purchase for cancellation of 14.4 million Existing Ordinary Shares at 208p per Existing Ordinary Share for a total cost of £30.1 million.

The Board regularly examines ways in which the Group's assets can be realised for cash at premium values when suitable business opportunities arise. The Proposals are intended to facilitate the Group's strategy to distribute in cash or cash equivalents, substantially all of its assets by the end of 2008 (although the Directors may extend this strategy should market conditions dictate that such extension would be in the interests of Shareholders) and to facilitate the returning of such cash or cash equivalents to Shareholders.

The underlying reason for issuing Units comprising New MWB Ordinary Shares and B Shares is to give the Board flexibility as to timing in returning cash or cash equivalents to Shareholders. If the Proposals are approved and implemented in full, the Board would have the additional option to redeem B Shares in stages, for example, following the sale of one or more of the three operating businesses of the Group.

3. Outline of the Proposals

3.1 The Scheme

The Proposals and the constituent Scheme are structured so that Shareholders remain with the same economic interest after the Scheme as they have prior to implementation of the Proposals.

Under the Scheme, all Existing Ordinary Shares will be cancelled. The resulting reserve in MWB will be capitalised by the issue of fully paid new shares to New MWB. New MWB will in turn issue 'Units' to the MWB Shareholders with each such Unit comprising one New MWB Ordinary Share and 20 B Shares. The Units will be issued to the holders of Existing Ordinary Shares at the Scheme Record Time on the basis of one Unit for every Existing Ordinary Share. Accordingly, MWB Shareholders will cease to own Existing Ordinary Shares and will instead own Units comprising a combination of New MWB Ordinary Shares and B Shares, thus preserving the same economic interest.

It is intended that the Units will be admitted to the Official List and to trading on the main market of the London Stock Exchange. As further explained below, the New MWB Ordinary Shares and the B Shares will only be capable of being traded in the form of Units.

The Proposals will not alter the assets and liabilities of the MWB Group, which will have substantially the same assets and liabilities after the Scheme becomes effective as it had before. If the Proposals are approved and implemented in full, New MWB will have the same business, management and operations as MWB currently has. The principal change will be the significantly increased ability to return cash and cash equivalents to Shareholders.

Further details of the effect of the Scheme are set out in Part II of this document.

3.2 *New MWB*

New MWB has the same directors as MWB. Prior to the Scheme becoming effective, New MWB will have no material assets or liabilities. With effect from the implementation of the Scheme, New MWB will own no material assets other than the entire issued share capital of MWB.

Upon the Scheme becoming effective, a holder of Units in New MWB will effectively have the same proportionate interest in the profits, net assets and dividends of New MWB as they have as holders of Existing Ordinary Shares in the profits, net assets and dividends of MWB before the Scheme becomes effective.

Further information regarding New MWB is contained in Part III of this document.

3.3 *The New MWB Ordinary Shares*

If the Proposals are implemented in full, the rights attached to the New MWB Ordinary Shares will be for all practical purposes the same as the rights attaching to Existing Ordinary Shares, save that the rights attached to the New MWB Ordinary Shares will provide mechanisms designed to attach 20 B Shares to every New MWB Ordinary Share such that these shares are treated, in effect, as a single inseparable unit (described in this document as "Units").

3.4 *The B Shares*

The B Shares to be allotted and issued by New MWB pursuant to the Scheme are intended as a specific mechanism to give the Board flexibility as to timing in returning cash or cash equivalents to Shareholders in accordance with the Cash Distribution Programme. This return of cash or cash equivalents is expected to be achieved in part by way of a future redemption of the B Shares by New MWB, termed in this document as the "B Share Redemption". The B Share Redemption will be made by New MWB through the redemption of some or all of the B Shares from time to time by the payment to holders of those B Shares of the sum of 10p per B Share, thus facilitating the ability to return a total of 200p for the 20 B Shares attaching to each New MWB Ordinary Share. There are no specific plans in relation to the timing for any B Share Redemption save that the Board anticipates that any such redemption will take place in stages within the timetable contemplated by the Cash Distribution Programme.

Until all B Shares are redeemed, each B Share in issue will be attached to a New MWB Ordinary Share and form a Unit. This is intended to ensure that, in the event of any transfer of a New MWB Ordinary Share, those B Shares attaching to that New MWB Ordinary Share will also be transferred contemporaneously to the proposed transferee, thus enabling the transferee to participate in any subsequent B Share Redemption.

The timing of any B Share Redemption will be within the control of the Board and once announced by the Board will be mandatory to all holders of Units. The effect of each B Share Redemption will be to reduce the aggregate number of B Shares comprising each Unit, in consideration for the payment by New MWB to each holder of a Unit of 10p for each B Share redeemed. The redemption process will be mandatory to ensure that each Unit in issue will always comprise an identical number of B Shares.

The practical effect of the arrangements in relation to the Units will be to ensure that, until all B Shares are redeemed, the price of the Units as quoted on the Official List of the London Stock Exchange will reflect the value attributed to the combination of the New MWB Ordinary Shares and B Shares.

The B Shares will carry very limited rights beyond the rights that are specific to the B Share Redemption. In particular, the B Shares will not confer on their holders any additional rights in relation to income or voting and limited rights to participate in capital. The reason for this is that every B Share will be part of a Unit and will, for all practical purposes, be inseparable from a New MWB Ordinary Share. As a consequence, the respective rights of Shareholders as holders of Units in relation to dividends, capital and voting will be the same as New MWB Ordinary Shareholders and thus remain the same as they would have been had the B Shares not been allotted and issued.

Further details of the B Shares are set out in paragraph 2.1 (iii) of Part II of this document and a detailed summary of the rights attaching to the B Shares is set out at paragraph 3.2 of Part III of this document.

3.5 New MWB Reduction of Capital

Pursuant to a proposed reduction of capital of New MWB, termed in this document as the “New MWB Reduction of Capital”, the share capital of New MWB is proposed to be reduced by decreasing the nominal value of each B Share from 10p to 0.01p.

These are legal and accounting adjustments and should not of themselves have any direct impact on the market value of the Units. The New MWB Reduction of Capital will create distributable reserves for use by New MWB for distributions to Shareholders in connection with the Cash Distribution Programme.

The aggregate nominal value of the Units comprising New MWB Ordinary Shares and B Shares to be issued will not be more than the aggregate market value of the MWB Group. For this reason, and depending on the market price of Existing Ordinary Shares at the relevant time, New MWB may need to issue Units comprising New MWB Ordinary Shares and B Shares with a nominal value of less than 0.1p and 10p respectively. Should this occur, the New MWB Reduction of Capital would still proceed although the amount of the reduction and the resulting reserves created would be reduced. This should have no effect on what the market value of a Unit would otherwise be but may affect the amount that may be distributable under the B Share Redemption.

The New MWB Reduction of Capital will establish distributable reserves in New MWB. The initial shareholders of New MWB have resolved to reduce its capital as described above, conditional on the Scheme becoming effective. Further details of the initial shareholders of New MWB are contained in Part III of this document. Shareholders will also be requested to give their confirmatory approval to the New MWB Reduction of Capital by passing a resolution at the EGM. The New MWB Reduction of Capital will also require the confirmation of the Court and, if so confirmed, as an illustration, it will create, subject to any undertakings the Court may require for the protection of creditors, a distributable reserve in New MWB of approximately £161 million (assuming a reduction of 9.99p per B Share from the assumed 10p nominal value).

The New MWB Reduction of Capital is expected to become effective on 10 April 2008. Shareholders should note that the Scheme of Arrangement is not conditional upon the New MWB Reduction of Capital and will therefore become effective regardless of whether the New MWB Reduction of Capital is confirmed by the Court.

3.6 Listing and Delisting Arrangements

The last date for dealings in Existing Ordinary Shares is expected to be 2 April 2008. The last time for registration of transfers of Existing Ordinary Shares is expected to be 6:00 p.m. on 2 April 2008, the Scheme Record Date.

Application will be made to the UKLA for the Units to be admitted to the Official List and to the London Stock Exchange for the Units to be admitted to trading on its market for listed securities. It is expected that the Units will be listed, and that dealings in them will commence, on 3 April 2008.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this document or if there is any delay in obtaining the Court’s sanction of the Scheme, although no such delay is currently envisaged. In the event of a delay, the application for the Existing Ordinary Shares to be delisted will be deferred, so that the listing will not be cancelled until immediately before the Scheme takes effect and dealings in the Units commences.

4. Court Meeting and EGM

The Scheme requires the approval of Shareholders at the Court Meeting. If the Scheme is approved by the requisite majority at the Court Meeting, the Court will be requested to sanction the Scheme at the Court Hearing.

Shareholders will also be asked to approve a resolution implementing matters in connection with the Scheme at the Extraordinary General Meeting, including:

- (i) providing the Directors with authority to give effect to the Scheme by approving the cancellation of the Existing Ordinary Shares and authorising the allotment and issue of MWB Scheme Shares to New MWB as part of the Scheme; and
- (ii) approving certain amendments to MWB's Articles to deal with matters arising under the Scheme.

5. Taxation

Certain UK taxation consequences of the Scheme for certain categories of holders of Existing Ordinary Shares who are resident in the UK or the US for tax purposes are summarised in paragraph 9 of Part III of this document. This information is in summarised form and Shareholders are requested to obtain their own taxation advice relating to the Scheme.

6. Overseas Shareholders

If you are a citizen, resident or national of a jurisdiction outside the United Kingdom, your attention is drawn to paragraph 11 of Part II of this document for further details concerning the Scheme.

7. Loan Stock

If the Proposals are implemented in full, all rights and obligations of MWB in relation to the Loan Stock are proposed, subject to the consent of the Loan Stock Trustee or the consent of the Loan Stock holders', to be assigned and novated to New MWB. This will result in, amongst other things, the obligations to make repayments of capital and payments of interest in respect of the Loan Stock being assumed by New MWB and in MWB being released from its obligations to make any such repayments and payments. As a term of the novation, MWB will agree to pay to New MWB an amount equal to the outstanding principal and interest on the Loan Stock at the date of novation in consideration for New MWB assuming the obligation to make repayments of capital and payments of interest in respect of the Loan Stock. The amount due from MWB to New MWB will remain outstanding on an inter-company loan account. It is further intended that the current listing of the Loan Stock will be cancelled and a listing of the Loan Stock in the name of New MWB will be obtained, and dealings will commence in the name of New MWB on 14 April 2008. The delisting of the Loan Stock in the name of MWB will not be actioned until the listing of the Loan Stock in the name of New MWB has taken place.

Further details of arrangements in relation to the Loan Stock are set out in paragraph 7 of Part III.

8. Action to be taken

On 4 March 2008, the Court Meeting and the Extraordinary General Meeting will be held to seek approval for the Proposals. Notices of the Court Meeting and the Extraordinary General Meeting are set out in Parts V and VI of this document respectively. **In order that the Court and the Directors can be satisfied that the votes cast fairly represent the views of the Shareholders, it is important that as many votes as possible are cast at the Court Meeting.** Shareholders are therefore encouraged to attend the Court Meeting in person or by proxy.

Whether or not you propose to attend the meetings, you are therefore requested to complete, sign and return the enclosed blue Form of Proxy for use at the Court Meeting and the enclosed green Form of Proxy for use at the Extraordinary General Meeting (together, where necessary, with any power of attorney or other authority under which it is signed or a notarially certified copy of such power or authority) to Capita Registrars, Proxy Department, The Registry, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR.

The Forms of Proxy should be completed and returned in accordance with the instructions thereon as soon as possible and, in any event, so that they are received not later than 48 hours before the time of the relevant meeting. The completion and return of the Forms of Proxy will enable you to vote at

the relevant meetings without having to be present, but will not preclude you from attending the Court Meeting or the EGM and voting in person if you so wish. **Completed Forms of Proxy should be returned by post; faxes will not be accepted.**

9. Recommendation

The Board, which has received financial advice from PricewaterhouseCoopers LLP, considers the terms of the Proposals to be fair and reasonable. In providing advice to the Board, PricewaterhouseCoopers LLP has relied upon the Board's commercial assessment of the Proposals.

The Board considers the Proposals to be in the best interests of Shareholders as a whole and accordingly, your Board unanimously recommends that Shareholders vote in favour of the Proposals at the Court Meeting and at the Extraordinary General Meeting. The members of the Board, their families and associated Shareholders, intend to vote their own shareholdings totalling 11,855,280 Existing Ordinary Shares (representing in aggregate approximately 14.7 per cent. of the issued ordinary share capital of MWB) in favour of the Proposals.

10. Further information

Your attention is drawn to the:

- explanatory letter from PricewaterhouseCoopers LLP in Part II of this document;
- additional information in Part III of this document;
- Scheme in Part IV of this document; and
- notices of meetings in Part V and Part VI of this document.

Yours faithfully

Eric Sanderson
Chairman

PART II

EXPLANATION OF THE SCHEME AND ITS EFFECTS

(in compliance with Section 426 of the Companies Act 1985)



PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

7 February 2007

To the holders of Existing Ordinary Shares and, for information only, to the holders of the Loan Stock

Dear Shareholder,

MARYLEBONE WARWICK BALFOUR GROUP PLC – PROPOSALS RELATING TO A CAPITAL REORGANISATION AND THE INTRODUCTION OF A NEW HOLDING COMPANY

1. Introduction

The Board of MWB today announced its intention to carry out a capital reorganisation and to introduce New MWB as a new listed holding company for the MWB Group. The new holding company is to be interposed by way of a scheme of arrangement between MWB and its Shareholders under section 425 of the Companies Act. We are writing to you on behalf of MWB to explain the Scheme and its effect.

Implementation of the Proposals in full will result in Shareholders exchanging their Existing Ordinary Shares in MWB for Units in New MWB, and in New MWB becoming the owner of MWB.

The Scheme will require the approval of holders of Existing Ordinary Shares at the Court Meeting and the passing of a special resolution at a separate Extraordinary General Meeting of MWB Shareholders, as explained in paragraph 12 below.

A description of the action recommended to be taken by MWB Shareholders in relation to the Court Meeting and the EGM is set out in paragraph 15 below. The full text of the Scheme is set out in Part IV of this document. The full text of each of the resolutions to be proposed at the Court Meeting and at the EGM is set out in Parts V and VI of this document respectively.

The reasons for the capital reorganisation and the introduction of New MWB as the new holding company are set out in the letter from the Chairman of MWB in Part I, which should be treated as incorporated in this Part II.

The Board has unanimously recommended that MWB Shareholders vote in favour of the proposed Scheme at the Court Meeting and to vote in favour of the resolutions to be proposed at the EGM referred to in paragraph 12 below.

It is expected that, if approved, the Scheme will become effective and that trading in the Units in New MWB will commence on 3 April 2008.

2. Summary of the Proposals

2.1 *The Scheme*

The principal steps involved in the Scheme are as follows:

(i) *Cancellation of Existing Ordinary Shares*

Under the Scheme, all Existing Ordinary Shares will be cancelled on the Scheme Effective Date (which is expected to be 3 April 2008). In consideration of the cancellation of their Existing Ordinary Shares, MWB Shareholders will receive, in respect of any Existing Ordinary Shares held at the Scheme Record Time of 6:00 p.m. on the Scheme Record Date:

for each Existing Ordinary Share cancelled one Unit (comprising one New MWB Ordinary Share and 20 B Shares)

A summary of the rights attaching to the New MWB Ordinary Shares and the B Shares is set out in paragraph 3 of Part III. A summary of the principal differences between the New MWB Articles and the MWB Articles is set out in paragraph 4 of Part III of this document.

(ii) *Establishing New MWB as the new holding company of the MWB Group*

Following cancellation of the Existing Ordinary Shares, the authorised share capital of MWB will be restored to its former nominal amount and the credit arising in the books of MWB as a result of the cancellation will be applied in paying up in full new shares in MWB such that the aggregate nominal value of those shares equals the aggregate nominal value of the Existing Ordinary Shares cancelled. The new shares in MWB will be issued to New MWB which will, as a result, become the holding company of MWB and hence of the MWB Group.

(iii) *The Units*

If the Scheme is approved and becomes effective, Shareholders will hold Units in New MWB comprising one New MWB Ordinary Share and 20 B Shares. The rights attaching to the New MWB Ordinary Shares will be substantially the same as those attaching to the Existing Ordinary Shares save that the rights attaching to the New MWB Ordinary Shares will provide mechanisms designed to attach B Shares to every New MWB Ordinary Share such that these shares are treated, in effect, as a single inseparable unit.

Your attention is drawn to the description of the B Shares set out in paragraph 3.4 of the Chairman's letter in Part I of this document.

To ensure that the capital structure created as a result of the Scheme is maintained, the New MWB Articles will not permit the Directors of New MWB to allot and issue any additional New MWB Ordinary Shares unless a specified number of B Shares are allotted and issued at the same time to the intended allottee as part of a Unit. The specified number of B Shares to be allotted and issued with each New MWB Ordinary Share will be 20 B Shares, less such number of B Shares as have been redeemed by New MWB per Unit at the date of the proposed allotment. This will ensure that, until the B Shares are redeemed in full, every New MWB Ordinary Share in issue will have the same specified number of B Shares attached to it.

To achieve the objective of attaching B Shares to New MWB Ordinary Shares in the form of Units, the New MWB Articles contain certain restrictions in relation to transfers of New MWB Ordinary Shares and B Shares. These restrictions are intended to ensure that whole Units are transferred and that no transfer of B Shares to an intended transferee is possible without the simultaneous transfer (to the same transferee) of the New MWB Ordinary Share to which such B Shares are attached. For so long as the B Shares remain in issue, a similar restriction will operate in relation to transfers of New MWB Ordinary Shares such that no transfer of New MWB Ordinary Shares will be possible without a simultaneous transfer of a specified number of B Shares (such specified number being 20 B Shares, less such number of B Shares as have been redeemed by New MWB per Unit at the date of the proposed transfer).

2.2 *New MWB Reduction of Capital*

The New MWB Reduction of Capital will involve the reduction of New MWB's share capital by approximately £160 million, by decreasing the nominal amount of each B Share issued pursuant to the Scheme from 10p to 0.01p. This is expected to create distributable reserves in New MWB (subject to any undertakings the Court may require for the protection of creditors) of an equal amount to the aggregate reduction. Assuming New MWB has sufficient financial resources, this reserve will be available at the discretion of the Board to facilitate returns of cash or cash equivalents in accordance with the Cash Distribution Programme.

To facilitate implementation of the Proposals, the necessary resolution for New MWB to implement the New MWB Reduction of Capital has already been approved by the present voting member of MWB, prior to MWB Shareholders becoming members of New MWB pursuant to the Scheme. That approval is conditional upon the Scheme becoming effective and will also require the confirmation of the Court. Shareholders will also be requested to give their confirmatory approval to the New MWB Reduction of Capital by passing a resolution at the EGM.

3. **Conditions to the Scheme**

3.1 *The Scheme*

The implementation of the Scheme is conditional upon:

- (A) the Scheme having been approved by a majority in number, representing not less than 75 per cent. in value of those Shareholders present and voting, either in person or by proxy, at the Court Meeting;
- (B) the special resolution set out in the notice of EGM to be held on 4 March 2008 to approve the Scheme, the cancellation of the Existing Ordinary Shares, the creation of the MWB Scheme Shares, the allotment of MWB Scheme Shares by the Directors (pursuant to the Scheme), the New MWB Reduction of Capital and certain amendments to the MWB Articles, having been duly passed by a majority of not less than 75 per cent. of the votes cast in person or by proxy; and
- (C) sanction by the Court and confirmation by the Court of the reduction of MWB's ordinary share capital which occurs as a result of the cancellation of Existing Ordinary Shares as part of the Scheme.

Furthermore, the Scheme will not become effective until a copy of the order of the Court sanctioning the Scheme and confirming the reduction of MWB's ordinary share capital under the Scheme has been delivered to the Registrar of Companies for registration and the order and relevant minute are registered by him.

The Court Hearing (at which it is proposed that the Court sanction the Scheme) is expected to be held on or around 2 April 2008. Shareholders or creditors of MWB who wish to oppose the Scheme will have a right to appear in person, or be represented by counsel, at the Court Hearing. Creditors of MWB will be informed of the Scheme by advert placed in a newspaper with national distribution.

In addition, the Directors will not take the necessary steps to enable the Scheme to become effective unless, at the relevant time, they consider that it continues to promote the success of MWB for the benefit of Shareholders as a whole, and provided always that the following conditions have been satisfied:

- (D) the UKLA has agreed to admit the Units to be issued in connection with the Scheme to the Official List and such agreement has not been withdrawn prior to the Scheme Effective Date; and
- (E) the London Stock Exchange has agreed to admit the Units to be issued in connection with the Scheme to trading on its market for listed securities and such agreement has not been withdrawn prior to the Scheme Effective Date.

If the Scheme is sanctioned by the Court and conditions (D) and (E) are satisfied, the Scheme is expected to become effective and dealings in Units to be issued pursuant to the Scheme are expected to commence on 3 April 2008.

If the Scheme has not become effective by 30 September 2008 (or such later date as the Court may allow), it will lapse, in which event neither the Scheme nor the New MWB Reduction of Capital will proceed and MWB Shareholders will remain holders of Existing Ordinary Shares and the Existing Ordinary Shares will continue to be listed on the Official List.

The Scheme contains a provision for MWB and New MWB jointly to consent on behalf of all persons concerned to any modification of or addition to the Scheme, or to any condition which the Court may think fit to approve or impose. MWB has been advised by its legal advisers that the Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of MWB Shareholders unless MWB Shareholders were informed of any such modification, addition or condition. It will be a matter for the Court to decide, in its discretion, whether or not further meetings of MWB Shareholders should be held. If the Court does approve or impose a modification of, or addition or condition to, the Scheme which, in the opinion of the Directors, is such as to require the consent of the MWB Shareholders, the Directors will not take the necessary steps to enable the Scheme to become effective until such consent has been obtained. Until such point in time, the Scheme would not become effective.

The full text of the Scheme and of the resolutions to be proposed at the Court Meeting and the EGM are set out in Parts IV, V and VI respectively of this document.

3.2 *New MWB Reduction of Capital*

The New MWB Reduction of Capital is conditional upon the following:

- (A) the Scheme becoming effective and being fully implemented;
- (B) the passing of the special resolution set out in the notice of EGM in Part V of this document; and
- (C) the confirmation of the New MWB Reduction of Capital by the Court.

The New MWB Reduction of Capital will not become effective until the registration by the Registrar of Companies of an office copy of the order of the Court confirming the New MWB Reduction of Capital. The Court Hearing to confirm the New MWB Reduction of Capital is expected to be held on or around 9 April 2008. New MWB Shareholders will have the right to attend the Court Hearing to support or oppose the New MWB Reduction of Capital and to appear in person or be represented by Counsel. The New MWB Reduction of Capital is expected to become effective on 10 April 2008.

Shareholders should note that implementation of the Scheme in full is not conditional upon the New MWB Reduction of Capital and as such, the Scheme will become effective if sanctioned, regardless of whether or not the New MWB Reduction of Capital is confirmed by the Court.

4. Effect of the Proposals

The effect of full implementation of the Proposals will be as follows:

- (A) instead of holding a given number of Existing Ordinary Shares, each MWB Shareholder will hold the same number of Units, with each such Unit comprising one New MWB Ordinary Share and 20 B Shares for every Existing Ordinary Share held;
- (B) instead of having its ordinary share capital owned by MWB Shareholders, MWB will become a subsidiary of New MWB;
- (C) New MWB will own all of the business of the MWB Group;
- (D) the economic interest of a Shareholder will be effectively unaltered but the MWB Group will have greater flexibility in returning cash or cash equivalents to Shareholders under the Cash Distribution Programme;

- (E) the Loan Stock will be novated from MWB to New MWB; and
- (F) instead of owning a given amount of Loan Stock whose issuer is MWB, each holder of Loan Stock will own the same amount of Loan Stock but whose issuer will be New MWB.

5. Taxation

In summary, the Directors have been advised, in respect of MWB Shareholders who are resident or ordinarily resident in the UK for tax purposes at all relevant times who are the absolute beneficial owners of their Existing Ordinary Shares and who hold their Existing Ordinary Shares as an investment, that:

- (A) the cancellation of such a holder's Existing Ordinary Shares in return for the issue of Units should generally not be treated as a disposal by that holder for the purposes of UK taxation of chargeable gains;
- (B) the payment of any dividend on the Units in the hands of such a holder would generally be treated in the same way as any other dividend paid by New MWB; and
- (C) the subsequent disposal of Units may give rise to a liability to UK taxation on chargeable gains for such holders.

The above paragraphs are only a summary and should not be regarded as a substitute for review of the further information on UK taxation given in this document. Further information on UK and US taxation is set out in paragraph 9 of Part III to this document and it is important that you read the parts of that paragraph relevant to you. MWB Shareholders who are in any doubt as to their tax position should consult their own professional tax adviser.

6. Listing and de-listing arrangements

Application has been made to the UK Listing Authority for the Units to be admitted to the Official List and to the London Stock Exchange for the Units to be admitted to trading on its market for listed securities. The ISIN number of the Units will be GB00B2PF7L39. If all the conditions to the Scheme are satisfied, MWB intends to seek the delisting of the Existing Ordinary Shares from the Official List with effect from the Scheme Effective Date. If the Scheme is approved and becomes effective, the last day of dealings in Existing Ordinary Shares is expected to be 2 April 2008 and the last time for registration of transfers of Existing Ordinary Shares is expected to be 6:00 p.m. on 2 April 2008, the Scheme Record Date.

Prior to the Scheme Effective Date, applications will be made to UKLA and to the London Stock Exchange for the listing of the Existing Ordinary Shares to be cancelled and for the Existing Ordinary Shares to cease to be admitted to trading on the London Stock Exchange's market for listed securities. If the Scheme is approved and becomes effective, delisting of the Existing Ordinary Shares is expected to become effective on 3 April 2008.

If New MWB redeems all of the B Shares, it will have returned to Shareholders 200p for each New MWB Ordinary Share held by a Shareholder, having redeemed 20 B Shares at 10p per share. Upon all the B Shares being redeemed, the Units will only comprise New MWB Ordinary Shares. Accordingly, following such redemption, if appropriate to do so, New MWB will apply to the UKLA for the description of the Units on the official List of the UKLA to be changed to ordinary shares of 0.1p each.

7. Dealings and settlement

It is expected that the Units will be issued on 3 April 2008 and that Admission of the Units will become effective and that dealings will commence on 3 April 2008. On the Scheme Effective Date, all certificates representing Existing Ordinary Shares will cease to be valid and binding in respect of such holdings. Share certificates for the Units of MWB Shareholders who held their Existing Ordinary Shares in certificated form are expected to be despatched within 10 Business Days after the Scheme Effective Date. In the case of joint holders, certificates will be despatched to the joint holder whose name appears first in the register. All certificates will be sent by pre-paid first class post at the risk of the person entitled thereto.

If you hold share certificates for Existing Ordinary Shares, they will cease to be valid when the Scheme becomes effective. When the relevant share certificates for Units are sent to you, your original share certificates for Existing Ordinary Shares should be destroyed.

Existing Ordinary Shares held in uncertificated form will be disabled in CREST on the Scheme Effective Date. For MWB Shareholders who hold their Existing Ordinary Shares in a CREST account, Units are expected to be credited to the relevant CREST accounts on 3 April 2008.

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The MWB Articles and the New MWB Articles permit the holding of Units under the CREST system.

The Directors will apply for the Units to be admitted to CREST with effect from Admission of the Units. Accordingly, settlement of transactions in Units following Admission may take place within the CREST System. CREST is a voluntary system and holders of Units who wish to receive and retain share certificates will be able to do so.

All mandates in force at the Scheme Record Time relating to distributions on Existing Ordinary Shares and all instructions then in force relating to notices and other communications will, unless varied or revoked, be deemed from the Scheme Effective Date to be valid and effective mandates or instructions to New MWB in relation to the corresponding holding of Units.

8. MWB Directors and effect of Scheme on their interests

8.1 *Interests of the Directors*

The effect of the Scheme on the interests of the Directors does not differ from its effect on the like interests of other persons.

On the Scheme becoming effective, (assuming that no further Existing Ordinary Shares have been purchased or issued after 6 February 2008 (being the latest practicable date prior to the publication of this document)), the Directors will have the following interests in New MWB Ordinary Shares by virtue of the effect of the Scheme on their Existing Ordinary Shares:

Director	Number of Existing Ordinary Shares	Number of Units	Percentage of issued share capital
E.F. Sanderson	—	—	—
R.G. Balfour-Lynn ⁽¹⁾	7,533,655	7,533,655	9.3%
A.F. Blurton ⁽¹⁾	681,080	681,080	0.8%
J. Singh ⁽¹⁾	1,030,803	1,030,803	1.3%
M.A. Bibring ⁽¹⁾	609,742	609,742	0.8%
D.C. Marshall ⁽²⁾	2,000,000	2,000,000	2.5%
R.P. Burrow	—	—	—
Total	11,855,280	11,855,280	14.7%

(1) Member of the 1997 Concert Party (see paragraph 8.2 below).

(2) David Marshall is a director of London Finance & Investment Group P.L.C. ("LFG") in which he holds a beneficial interest of 7.4 per cent. and a non-beneficial interest of a further 33.9 per cent. in its issued share capital. LFG owns the entire issued share capital of Lonfin Investments Limited which at 6 February 2008 owned 2,000,000 Existing Ordinary Shares in MWB. This holding represents approximately 2.5 per cent. of the issued Existing Ordinary Share capital of MWB at that date. Under the City Code on Takeovers and Mergers, this holding is deemed to be controlled by David Marshall and accordingly has been included in the table above.

8.2 *1997 Concert Party*

The majority of the Board, together with three executives of MWB, who all acquired Existing Ordinary Shares at the time of its merger with Ex-Lands Properties PLC in 1997, and the trustee of the Long Term Incentive Plan (further details of which are set out below), are deemed by the Takeover

Panel to be acting in concert within the meaning of the Takeover Code for the purposes of shareholding considerations. For the purposes of this document they are referred to as the "1997 Concert Party".

As at 31 January 2008, the members of the 1997 Concert Party beneficially held a total of 21,466,118 Existing Ordinary Shares, which includes shareholdings of the Directors totalling 9,855,280 included in the table above. The total holding of the 1997 Concert Party of 21,466,118 Existing Ordinary Shares represents approximately 26.7 per cent. of the issued Existing Ordinary Share capital of MWB at the date of this document.

8.3 *Long Term Incentive Plan (LTIP)*

In accordance with the proposals set out in the circular to Shareholders of MWB dated 1 May 2002 and approved by Shareholders at the extraordinary general meeting held in May 2002, the LTIP was closed in May 2002 for the making of further awards. No awards have been made under the LTIP since the closure of the financial year ended 30 June 2003. The trustees of the Employee Share Ownership Plan that operated the LTIP have an interest in 766,006 Existing Ordinary Shares that are no longer required for the specific purpose of the LTIP. These Existing Ordinary Shares are retained by the trustees of the LTIP and are used for incentive arrangements for employees of the Group and of ServCo, including potentially the Executive Directors, as described further in paragraph 8.4(A) below.

The effect of the Scheme on the trustees of the LTIP will be no different to any other holder of Existing Ordinary Shares. If the Scheme is approved and becomes effective, all Existing Ordinary Shares held by the trustee of the LTIP will be cancelled and the trustee of the LTIP will be issued an equivalent number of Units in New MWB.

8.4 *Incentive Arrangements*

(A) *Incentive Scheme*

The majority of the employees of ServCo and the Executive Directors are incentivised through the Incentive Scheme. The Incentive Scheme is based on Gross Cash Returns to Shareholders. Payments under the Incentive Scheme commence after Gross Cash Returns to Shareholders of £87.8 million have been made.

After Gross Cash Returns to Shareholders have exceeded £87.8 million, payments will be calculated each subsequent time there is a Gross Cash Return to Shareholders. Amounts potentially payable under the Incentive Scheme after the first £87.8 million of Gross Cash Returns to Shareholders has been made are at varying percentages, commencing at 7.5 per cent. and increasing to 12.5 per cent. of tranches of Gross Cash Returns to Shareholders between £87.8 million and £197.6 million. Thereafter payments under the Incentive Scheme amount to 15 per cent. of Gross Cash Returns to Shareholders in excess of £197.6 million.

At the date of this document, Gross Cash Returns to Shareholders total £70.4 million. As this is less than the minimum Gross Cash Returns to Shareholders required under the Incentive Scheme of £87.8 million before incentive payments commence, no payments have been made under the Incentive Scheme at the date of this document.

The Incentive Scheme is currently expressed to run until 31 December 2008 and at that date if Gross Cash Returns to Shareholders are less than £87.8 million then there will be no incentive payment made or otherwise if Gross Cash Returns to Shareholders are, at that date, in excess of £87.8 million then incentive payments will be made based on Gross Cash Returns to Shareholders actually made and no further incentive payments will be made.

It is proposed that, in order to replicate the arrangements in MWB as fully as possible in New MWB, New MWB will enter into a novation agreement to assume all of the rights and obligations of the Incentive Scheme from MWB. The novation of the Incentive Scheme would be conditional on the

Proposals, including the New MWB Reduction of Capital, becoming fully effective, which is expected to be on or around 14 April 2008 and would therefore take effect at a time when MWB is a wholly owned subsidiary of New MWB. There is not intended to be any material change to the terms of the Incentive Scheme and Shareholder consent will not be required to give effect to this novation.

(B) *Bonus Replacement Plan*

In May 2002, Shareholders of MWB approved a bonus plan, funded by MWB, that provides cash based incentives to those employees of ServCo below Board level whose employment was transferred to ServCo in May 2002. The Executive Directors do not participate in this plan. This bonus plan is structured so that any payments to be funded by MWB are broadly equivalent to the value foregone by participants from the share option entitlements in MWB that were cancelled in May 2002. Payments can only be made to participants when they would have become entitled to exercise their options under the previous share option schemes at the previously agreed exercise price, which in most cases was 95p per share. Participants only start to accrue value under this plan if Gross Cash Returns to Shareholders, in the form of capital distributions and similar value distributions to Shareholders, or proceeds received by Shareholders under a takeover, exceed the exercise price of the shares under option. No payments have been made to participants under this bonus plan.

It is proposed that, in order to replicate the arrangements in MWB as fully as possible in New MWB, for New MWB to enter into a novation agreement to assume all of the rights and obligations of the bonus plan from MWB. The novation of the bonus plan would be conditional on the Proposals becoming fully effective, which is expected to be on or around 14 April 2008 and would therefore take effect at a time when MWB is a wholly owned subsidiary of New MWB. There is not intended to be any material change to the terms of this bonus plan and Shareholder consent will not be required to give effect to this novation.

(C) *Andrew Blurton's Bonus Replacement Plan*

In May 2002, at the same time as Shareholders of MWB approved the bonus plan referred to in paragraph (B) above, the Shareholders approved and MWB entered into an individual bonus arrangement with Andrew Blurton. This bonus plan was structured so that it would ensure that the value foregone by Mr Blurton arising from his agreement to cancel his previous share option entitlements equalled the value of cash payments to be funded by MWB under the individual bonus agreement. The cash bonus payable to Mr Blurton will (in respect of a capital distribution) be the aggregate amount of the distribution that would have been payable per share or (in respect of a takeover) the value of the consideration that would have been receivable per share, on each share that was previously under option and held by Mr Blurton, but in each case only to the extent that such amounts are in excess of the average exercise price of the previous options of 88p share. The individual bonus agreement will terminate if Mr Blurton ceases to be employed by MWB other than as a result of injury, ill health, disability, redundancy, normal retirement or the winding-up of MWB. No payments have been made to Mr Blurton under this bonus arrangement.

It is proposed that, in order to replicate the arrangements in MWB as fully as possible in New MWB, for New MWB to enter into a novation agreement to assume all of the rights and obligations of the individual bonus arrangement with Mr Blurton from MWB. The novation of this bonus arrangement would be conditional on the Proposals becoming effective, which is expected to be on or around 14 April 2008 and would therefore take effect at a time when MWB is a wholly owned subsidiary of New MWB. There is not intended to be any material change to the terms of this bonus plan and Shareholder consent will not be required to give effect to this novation.

8.5 *Service Agreements*

Details of Directors' service agreements and the terms of their appointment are set out in paragraph 5 of Part III of this document. The current Board of MWB has been appointed as the Board of New MWB. Subject to the Scheme becoming effective and with effect from the Scheme Effective Date, the existing service agreements between MWB and each of the Executive Directors will be

cancelled and they will enter into new service agreements with New MWB on identical terms. The existing Non-Executive Directors of MWB will resign and will take up new appointments as Non-Executive Directors of New MWB on the same terms as previously with MWB.

8.6 *Participation in Loan Stock*

At the date of this document, Richard Balfour-Lynn and Andrew Blurton hold interests in the Loan Stock as set out below. As described further in paragraph 7 of Part III below, conditional upon the Proposals being implemented in full, the Loan Stock will be novated from MWB to New MWB. Consequently, it is intended that the existing listing in respect of the Loan Stock in the name of MWB will be cancelled and a new listing in the name of New MWB will be obtained and, accordingly, the Directors' interest in the Loan Stock will remain as it was prior to the cancellation of the Listing.

Director	Amount of Loan Stock	% of Loan Stock
R.G. Balfour-Lynn	£1,000,000*	3.3%
A.F. Blurton	£250,000	0.8%
	<u>£1,250,000</u>	<u>4.1%</u>

* Includes £400,000 subscribed by the Jane Balfour-Lynn Interest Settlement, which is connected with Mr. Balfour-Lynn for the purpose of section 252 of the Companies Act 2006, and of which Mr. Balfour-Lynn is a trustee with no beneficial interest therein.

8.7 *General*

Save as disclosed above, none of the Directors or their immediate families, nor any person connected with any Director (within the meaning of section 252 of the Companies Act 2006) has any interest, whether beneficial or non beneficial, in any share or loan capital of MWB or any of its subsidiaries.

At the date of this document, no outstanding loans or guarantees have been granted or provided to or for the benefit of any Director by MWB or any of its subsidiaries.

9. Memorandum and Articles of New MWB

A summary of the principal differences between the New MWB Articles and the MWB Articles is set out in paragraph 4 of Part III.

10. New MWB Reduction of Capital

A written Shareholder resolution of New MWB has already been passed pursuant to which, among other matters, the Directors were granted authority to undertake the New MWB Reduction of Capital and to issue and allot New MWB Ordinary Shares and the B Shares (in the form of Units) requisite to the implementation of the Scheme.

The Directors have also been granted authorities to allot further Units, to make allotments of Units otherwise than in accordance with pre-emption rights and to make purchases of New MWB Ordinary Shares which update the authorities as implemented in respect of MWB at its annual general meeting held on 22 May 2007 (subject to adjustment to ensure that any such allotments are of Units rather than Existing Ordinary Shares).

The Directors are authorised to implement the New MWB Reduction of Capital only if MWB Shareholders pass the special resolution which will be proposed at the EGM to approve (amongst other things) that reduction (details of which are set out in the notice of the EGM in Part VI of this document). Accordingly, MWB Shareholders will not be required to approve separately the New MWB Reduction of Capital once they have become holders of New MWB Ordinary Shares pursuant to the Scheme.

For additional information on the authorities relating to New MWB's share capital which have already been granted, see paragraph 2 of Part III of this document.

11. Overseas shareholders

Overseas Shareholders may be affected by the laws of other jurisdictions in relation to the Scheme. Overseas Shareholders should inform themselves about and observe all applicable legal requirements. It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the allotment and issue of New MWB Ordinary Shares and B Shares in the form of Units following the Scheme becoming effective, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

If the Scheme is approved and becomes effective, Units will be allotted and issued to Shareholders resident in the United States of America in reliance on Section 3(a)(10) of the Securities Act. In respect of any other Overseas Shareholder, if New MWB is advised that the allotment and issue of New MWB Ordinary Shares and B Shares (whether or not in the form of Units) would or might infringe the laws of any jurisdiction outside the United Kingdom, or would or might require New MWB to obtain any governmental or other consent or effect any registration, filing or other formality, New MWB may determine that no Units shall be allotted and issued to such Shareholder but instead those Units shall be allotted and issued to a nominee appointed by New MWB as trustee for such Shareholder, on terms that they shall be sold on behalf of such Shareholder as soon as reasonably practicable after the Scheme becomes effective, with the net proceeds of sale being remitted to the Overseas Shareholder concerned at the risk of such Shareholder. Alternatively, New MWB may determine that the Units shall be issued to that Shareholder and sold, with the net proceeds of sale being remitted to the Overseas Shareholder at their risk.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances. For additional information relating to the US tax consequences of the Scheme for certain categories of US holders respectively, see paragraph 9 of Part III of this document.

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

The New MWB Ordinary Shares, the B Shares and the Units have not been, and are not, required to be, registered with the SEC under the Securities Act, in reliance on the exemption provided by Section 3(a)(10) thereof.

12. Details of shareholder meetings

The Scheme will require the approval of MWB Shareholders at the Court Meeting, convened pursuant to an order of the Court, and the passing by MWB Shareholders of the special resolution specified in the notice of the EGM. Both of the meetings have been convened for 4 March 2008.

The Directors of New MWB are authorised to implement the New MWB Reduction of Capital only if MWB Shareholders pass the special resolution which will be proposed at the EGM to (*inter alia*) approve that reduction (details of which are set out in the notice of the EGM in Part VI of this document). Accordingly, MWB Shareholders will not be required separately to approve the New MWB Reduction of Capital once they have become Shareholders of New MWB pursuant to the Scheme. New MWB has agreed to appear by Counsel at the hearing of the Claim Form to sanction the Scheme and to undertake to be bound by the Scheme.

Each of the Scheme and the New MWB Reduction of Capital requires a separate sanction from the Court. Notices of the Court Meeting and the EGM are contained in Part V and VI respectively.

12.1 Court Meeting

The Court Meeting has been convened for 11:00 a.m. on 4 March 2008, pursuant to an order of the Court. At the Court Meeting, or at any adjournment thereof, the MWB Shareholders will consider and, if thought fit, approve the Scheme.

Voting will be by poll at the Court Meeting and each MWB Shareholder entitled to attend and who is present in person or by proxy will be entitled to one vote for each Existing Ordinary Share held.

The statutory majority required to approve the Scheme at the Court Meeting is a simple majority in number of the MWB Shareholders present and voting (either in person or by proxy) representing not less than 75 per cent. of the nominal value of the Existing Ordinary Shares voted by such MWB Shareholders.

In order that the Court and the Directors can be satisfied that the votes cast constitute a fair representation of the views of the MWB Shareholders, it is important that as many votes as possible are cast at the Court Meeting. MWB Shareholders are therefore urged to take the action referred to in paragraph 15 below.

It is also particularly important for you to be aware that if the Scheme becomes effective, it will be binding on all MWB Shareholders irrespective of whether they attended the Court Meeting and irrespective of the manner in which they voted.

12.2 *The EGM*

The EGM has been convened for 11:15 a.m. on 4 March 2008 (or as soon thereafter as the Court Meeting has finished or is adjourned). At the EGM, or at any adjournment thereof, MWB Shareholders will consider and, if thought fit, pass the resolutions set out in the notice of the EGM contained in Part V.

The majority required for the passing of the special resolution is not less than 75 per cent. of the votes cast. Voting at the EGM will be by poll and each MWB Shareholder present in person or by proxy will have one vote for each Existing Ordinary Share held.

In summary, the special resolutions set out in the notice of the EGM are proposed in order to approve:

- (A) the Scheme;
- (B) the cancellation of the Existing Ordinary Shares;
- (C) the increase in the share capital of MWB to its former amount before this cancellation by the creation of MWB Scheme Shares to be issued to New MWB;
- (D) the allotment of such MWB Scheme Shares (pursuant to the Scheme) to New MWB;
- (E) the alterations to the MWB Articles as described below; and
- (F) the New MWB Reduction of Capital.

The authority to allot MWB Scheme Shares by the resolution described at (D) above will lapse on 30 September 2008.

The alterations to the MWB Articles are proposed to ensure that, if further Existing Ordinary Shares are allotted by MWB prior to the Scheme coming into effect, the holders of such shares will be bound by the Scheme. At the date of this document, no such additional allotments of Existing Ordinary Shares have been made and the Board does not anticipate that any such additional allotments will be made. However, the Board considers that they are acting prudently in proposing the alteration of the Articles to provide for such an eventuality. Specifically, the alterations proposed provide that:

- (i) any Existing Ordinary Shares which are issued after the Scheme is approved but prior to confirmation by the Court of the reduction of MWB's ordinary share capital provided for under the Scheme will be allotted and issued subject to the terms of the Scheme and that the holders of such shares will be bound by the Scheme accordingly;

- (ii) any Existing Ordinary Shares which are allotted otherwise than to New MWB (or to a nominee of New MWB) after confirmation by the Court of the reduction of capital of MWB provided for under the Scheme will be acquired by New MWB in exchange for the issue of Units to the allottees; and
- (iii) in the event that any Existing Ordinary Shares are allotted to any person within (ii) above following any variation in the share capital of either MWB or New MWB or such other event as the Board of MWB consider fair and reasonable after the Scheme Effective Date, the number of Units to be issued to that person will be adjusted in an appropriate manner, provided MWB's auditors have confirmed such adjustment is fair and reasonable. In this way, the allottees in question will receive Units instead of Existing Ordinary Shares.

The alterations to the MWB Articles described above will take effect whether or not the Scheme is approved.

13. Prospectus

The Prospectus relating to the Units of New MWB is expected to be published by 31 March 2008. The Prospectus will not be sent to Shareholders when published, but a copy of the Prospectus can be obtained from the MWB website (www.mwb.co.uk) or, on request, free of charge from the registered office address of MWB being 30 City Road, London EC1Y 2AG. A copy of the Prospectus will also be available for inspection at the Document Viewing Facility of the FSA, 25 North Colonnade, London E14 5HS up until Admission during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted).

14. Further Information

Your attention is drawn to the letter from the Chairman of MWB in Part I and to the full text of the Scheme set out in Part IV.

Copies of:

- (A) the MWB Articles;
- (B) the New MWB Articles; and
- (C) the proposed amended articles of association for MWB,

can be inspected at the offices of MWB's solicitors, PricewaterhouseCoopers Legal LLP, at 1 Embankment Place, London WC2N 6DX and at the registered office of MWB, being 30 City Road, London EC1Y 2AG during usual business hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this document to the close of business on the date of the Court Meeting and the EGM.

Copies of these documents will also be available for inspection for at least 15 minutes prior to and during the Court Meeting and the EGM. In the case of joint holders of Existing Ordinary Shares, one copy of this document is being delivered to the first registered joint holder. Further copies of this document may be requested by joint holders other than the first registered joint holder by application in writing to the Company Secretary, MWB, 30 City Road, London EC1Y 2AG.

15. Action to be taken

Forms of proxy are enclosed as follows:

- (A) for the Court Meeting, a blue form of proxy; and
- (B) for the EGM, a green form of proxy.

Whether or not you propose to attend the meetings in person, if you hold Existing Ordinary Shares, you are requested to complete and return the blue and green forms of proxy.

Completed Forms of Proxy should be returned to Capita Registrars, Proxy Department, The Registry, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR as soon as possible and in any event so as to be received by the Registrars not later than 48 hours before the time appointed for the relevant meeting. The completion and return of the Forms of Proxy will enable you to vote at the meeting without having to be present at the meeting, but will not preclude you from attending either of the meetings and voting in person if you wish. In each case, the Forms of Proxy should be completed in accordance with the instructions printed on them.

The blue Form of Proxy in respect of the Court Meeting will also be valid if it is handed to the Registrars or the Chairman at the Court Meeting before the start of the meeting. In the case of the EGM, the green Form of Proxy must be lodged so as to be received by the Registrars at least 48 hours before the time appointed for the meeting for it to be valid.

Yours faithfully

PricewaterhouseCoopers LLP

PART III

ADDITIONAL INFORMATION

The terms and rights set out in this Part are presented on the basis that the Scheme is effected in accordance with its terms.

1. Incorporation and registered address of New MWB

- 1.1 New MWB was incorporated and registered in England and Wales on 29 January 2008 under the Companies Act as a public company limited by shares with registered number 6487877 and with the name MWB Group Holdings Plc.
- 1.2 As is the case for MWB, the registered office address of New MWB is at 30 City Road, London EC1Y 2AG with its head office address being 1 West Garden Place, Kendal Street, London W2 2AQ.
- 1.3 The principal legislation under which New MWB will operate and the share capital of New MWB will be created is the Companies Act.
- 1.4 New MWB has not traded nor prepared any accounts since its incorporation. KPMG Audit Plc ("KPMG") whose address is at 8 Salisbury Square, London EC4Y 8BB are the auditors of New MWB and have been the only auditors of New MWB since its incorporation.
- 1.5 KPMG are the auditors of MWB. KPMG audited the financial statements of MWB for the 18 month period ended 31 December 2006, for the year ended 30 June 2005 and the year ended 30 June 2004. Their audit reports in respect of the financial statements for all periods up to 31 December 2006 were unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act.

2. Share capital of New MWB

- 2.1 On incorporation, the authorised share capital of New MWB was £50,001 divided into:
 - 2.1.1 one New MWB Class A Ordinary Share; and
 - 2.1.2 50,000 non-voting New MWB Redeemable Shares;
- 2.2 The subscribers to the memorandum of association were:
 - 2.2.1 Andrew Blurton, a Director of MWB, who subscribed for one New MWB Class A Ordinary Share (see paragraph 2.3 below); and
 - 2.2.2 KBC Peel Hunt Ltd who subscribed for 50,000 New MWB Redeemable Shares (see paragraph 2.3 below).
- 2.3 The New MWB Redeemable Shares were allotted and issued as fully-paid for the purposes of ensuring that New MWB had issued share capital that had been paid-up as to the minimum amount required in order for New MWB to obtain a certificate to commence business under section 117 of the Companies Act 2006. The New MWB Class A Ordinary Share was allotted and issued fully-paid as it is a requirement of the Companies Act that companies limited by shares have at least one share in issue that is not a redeemable share. Neither the New MWB Redeemable Shares nor the New MWB Class A Ordinary Share will bestow any economic value on the holders thereof. The New MWB Redeemable Shares will be redeemed in accordance with paragraph 2.4 below. The New MWB Class A Ordinary Share will be cancelled, as described in paragraph 2.5.4(b) below, for nil consideration.
- 2.4 Following completion of the Scheme, the New MWB Redeemable Shares, to the extent that they have been issued but remain unredeemed, will continue to be held by the holder thereof, but will carry no right to vote. The New MWB Redeemable Shares may be redeemed by New MWB by notice to the holder thereof and upon the balance of £37,500 being paid up

by the holder of the New MWB Redeemable Shares. Upon any redemption, the New MWB Redeemable Shares will be cancelled and New MWB will pay to the holder thereof the amount paid up on such New MWB Redeemable Shares. New MWB intends to redeem the Redeemable Shares as soon as reasonably practicable after the Scheme Effective Date.

2.5 On 6 February 2008, New MWB passed the following resolutions described below. Where appropriate, these authorities and the conditions which attach to these resolutions are within the guidelines laid down by the Investment Committees of the Insurance and Pension Management Industries and by the UKLA. The resolutions referred to in paragraphs 2.5.2 to 2.5.5 below are similar to those passed at the 2007 Annual General Meeting of MWB held in May 2007.

2.5.1 the authorised share capital of New MWB be increased by the creation of:

- (a) 107,000,000 New MWB Ordinary Shares; and
- (b) 2,140,000,000 B Shares;

2.5.2 in accordance with Section 80 of the Companies Act 1985 the Directors of New MWB were authorised to exercise all powers of New MWB to allot relevant securities within the terms of the following restrictions and provisions, namely:

- (a) that the authority shall (unless previously revoked, varied or renewed by resolution of the members of New MWB) expire on the conclusion of the first annual general meeting of New MWB; and
- (b) the authority is limited to the allotment of relevant securities up to 84,572,017 Units (comprising 84,572,017 New MWB Ordinary Shares, with a nominal value of 0.1p each and 1,691,440,340 B Shares with a nominal value of up to 10p each).

(and for the purposes of this paragraph 2.5.2 the said authority allows and enables the Directors to make an offer or agreement before the expiry of that authority which would or might require relevant securities to be allotted after such expiry); and

2.5.3 in accordance with Section 95 of the Companies Act 1985 the Directors be given power to allot equity securities for cash pursuant to the general authority conferred upon the Directors pursuant to the resolution referred to at paragraph 2.5.2 above, as if sub-section (1) of Section 89 of the Companies Act 1985 did not apply to any such allotment, provided that the power granted:

- (a) shall be limited to:
 - (i) the allotment of equity securities in connection with or pursuant to an offer by way of rights to the holders of ordinary shares in the capital of New MWB and other persons entitled to participate therein for cash in proportion (as nearly as may be) to the holdings of Units of such holders (or, as appropriate, to the number of Units which such other persons are for these purposes deemed to hold) subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of or the requirements of any recognised regulatory body in any territory;
 - (ii) the allotment of equity securities up to 84,572,017 Units (comprising 84,572,017 New MWB Ordinary Shares, with a nominal value of 0.1p each and 1,691,440,340 B Shares with a nominal value of up to 10p each);
 - (iii) shall (unless previously revoked, varied or renewed by resolution of the members of New MWB) expire on the conclusion of the first Annual General Meeting of New MWB;

- (b) shall nevertheless allow and enable the Directors to make an offer or agreement before the expiry of that power which would or might require equity securities to be allotted after such expiry; and
 - (c) notwithstanding the foregoing provisions of this paragraph, 2.5.3 shall not permit the Directors to allot equity securities other than Units (each such Unit comprising one New MWB Ordinary Share and such number of B Shares from time to time as determined in accordance with the Articles of Association of New MWB);
- 2.5.4 subject to and conditional upon the Scheme becoming effective and subject to the confirmation by the Court as required by section 135(1) of the Companies Act:
- (a) the share capital of New MWB be reduced by: (i) reducing the nominal value of each fully paid up B Share in issue to 0.01p; and crediting the amount represented by such reduction to the reserves of New MWB; and (ii) reducing the nominal value of each B Share not in issue to 0.01p, and that the authorised share capital of New MWB be reduced accordingly; and
 - (b) the share capital of New MWB shall be further reduced by cancelling and extinguishing the fully-paid up New MWB Class A Ordinary Share of £1 without payment of consideration to the holder of such New MWB Class A Ordinary Share and in crediting the amount represented by such reduction to the reserves of New MWB; and
- 2.5.5 conditional upon the New MWB Reduction of Capital becoming effective, that New MWB be generally and unconditionally authorised to make market purchases (as defined in section 163 of the Companies Act 1985) of Units provided that:
- (a) the maximum number of Units authorised to be purchased is 4,020,000 representing approximately 5 per cent. of the issued Units at the date upon which the New MWB Reduction of Capital becomes effective;
 - (b) the minimum price which may be paid (in aggregate) for each Unit (comprising a New MWB Ordinary Share and such number of B Shares from time to time as determined in accordance with the Articles of Association of New MWB) is 1p, exclusive of all expenses;
 - (c) the maximum price which may be paid (in aggregate) for each Unit (comprising a New MWB Ordinary Share and such number of B Shares from time to time as determined in accordance with the Articles of Association of New MWB) is an amount, exclusive of all expenses, equal to 105 per cent. of the average of the middle market quotations of Units as derived from the Daily Official List of the London Stock Exchange for each of the five business days immediately preceding the day on which the Unit is contracted to be purchased;
 - (d) the authority hereby conferred shall expire at the conclusion of the first annual general meeting of New MWB unless such authority is renewed, varied or revoked prior to such time; and
 - (e) New MWB may validly make a contract to purchase Units under the authority hereby conferred prior to expiry of such authority which will or may be executed wholly or partly after expiry of such authority, and may validly make a purchase of Units in pursuance of any such contract.
- 2.5.6 upon redemption of the New MWB Redeemable Shares in the share capital of New MWB, the New MWB Articles be amended by deleting all the terms relating to the New MWB Redeemable Shares.

- 2.6 If in connection with the Scheme, the issue of New MWB Ordinary Shares with a nominal value of 0.1p each and/or B Shares with a nominal value of 10p each would or may (in the reasonable opinion of the Directors) result in the issue of New MWB's shares at a discount if they were so issued, New MWB will, prior to the Scheme becoming effective, take steps in accordance with the provisions of the New MWB Articles and the Companies Act to procure that the New MWB Ordinary Shares and/or the B Shares are issued with a lower nominal value which is, in the reasonable opinion of the Directors of New MWB, appropriate to ensure that such New MWB Ordinary Shares and/or B Shares are not issued at a discount to their nominal value.
- 2.7 As referred to in paragraph 2.2.1 above, a Director of MWB currently holds one Class A Ordinary Share. It is expected that, following the Scheme becoming effective, this share will be cancelled as part of the New MWB Reduction of Capital with no consideration payable to the holder.
- 2.8 As referred to in paragraph 2.2.2 above, KBC Peel Hunt Ltd holds the New MWB Redeemable Shares. It is expected that, following the Scheme becoming effective, the New MWB Redeemable Shares will be redeemed for an amount equal to the amount paid up on such New MWB Redeemable Shares. Following completion of the Scheme, the New MWB Redeemable Shares, to the extent that they have been issued but remain unredeemed, will continue to be held by the holder thereof, but will carry no right to vote. The New MWB Redeemable Shares may be redeemed by New MWB by notice to the holder thereof and upon any redemption the New MWB Redeemable Shares will be cancelled and New MWB will pay to the holder thereof the amount paid up on such New MWB Redeemable Shares. New MWB Group intends to redeem the New MWB Redeemable Shares as soon as reasonably practicable after the Scheme Effective Date.
- 2.9 Accordingly, at the date of this document, the authorised and issued share capital of New MWB is, and immediately prior to completion of the Scheme it will be, as follows:

Class	Authorised		Issued		Amount paid-up
	Number	Nominal Value (£)	Number	Nominal Value (£)	
New MWB Ordinary Shares of 0.1p each	107,000,000	107,000	NIL	NIL	NIL
B Shares of 10p each	2,140,000,000	214,000,000	NIL	NIL	NIL
New MWB Redeemable Shares	50,000	50,000	50,000	50,000	50,000
New MWB Class A Ordinary Share	1	1	1	1	1
Total	<u>2,247,050,001</u>	<u>£214,157,001</u>	<u>50,001</u>	<u>50,001</u>	<u>50,001</u>

- 2.10 MWB does not hold any Existing Ordinary Shares in treasury. The Directors of New MWB have no present intention to make any allotments pursuant to the authority contemplated in the resolution described in paragraph 2.5.2(b) above save for the allotment of Units pursuant to the Scheme.
- 2.11 The Units will, when issued, be in registered form and will be capable of being held in certificated and uncertificated form. No temporary documents of title have been or will be issued in respect of the Units.

3. Summary of rights attaching to New MWB Ordinary Shares and B Shares

The New MWB Ordinary Shares and the B Shares will only be capable of being held and transferred in the form of Units and will have the rights and be subject to the following restrictions as described below. The rights and restrictions attaching to the New MWB Ordinary Shares and the B Shares are reflected in the New MWB Articles.

3.1 *New MWB Ordinary Shares*

If the Proposals are implemented in full, the rights attaching to the New MWB Ordinary Shares will be for all practical purposes the same as the rights attaching to Existing Ordinary Shares, save that the rights attaching to the New MWB Ordinary Shares will provide mechanisms designed to attach B Shares to every New MWB Ordinary Share such that these shares are treated, in effect, as a single inseparable unit.

Specifically, the New MWB Articles provide that:

- (A) New MWB shall not make any allotments of any additional New MWB Ordinary Shares unless a specified number of B Shares are issued at the same time to the intended allottee as part of a Unit. The specified number of B Shares to be allotted and issued with each New MWB Ordinary Share will be 20 B Shares, less such number of B Shares as have been redeemed by New MWB per Unit at the date of the proposed allotment. This will ensure that, until the B Shares are redeemed in full, every New MWB Ordinary Share in issue will have the same specified number of B Shares attached.
- (B) No transfer of a New MWB Ordinary Share will be registered by the Directors of New MWB save unless a simultaneous transfer of a specified number of B Shares is made to the same transferee. Accordingly, an instrument of transfer in respect of a New MWB Ordinary Share lodged with New MWB shall only be valid if it also transfers to the same transferee a specified number of B Shares. The specified number of B Shares to be transferred to an intended transferee of a New MWB Ordinary Share will be a number equal to 20 B Shares, less such number of B Shares as have been redeemed by New MWB per Unit at the date of the proposed transfer.

3.2 *B Shares – General*

The following is a general summary of the rights and restrictions attached to the B Shares.

- (A) The B Shares will be issued or credited as fully paid and will rank *pari passu* in all respects with each other.
- (B) Save in respect of the B Share Redemption, the B Shares will have no right to participate in any dividends or other distributions thereafter declared, made or paid by New MWB.
- (C) The holders of B Shares will not be entitled to receive notice of, or attend and speak at, any general meetings of New MWB and no holder of B Shares shall be entitled to vote at a general meeting called and duly held (save in respect of a meeting at which a variation to the class rights of the B Shares is being specifically considered and voted upon).
- (D) The B Shares will not be freely transferable and shall not be transferable other than as a Unit with a transfer of the corresponding New MWB Ordinary Share with which it is issued. Accordingly, an instrument of transfer in respect of a B Share lodged with New MWB shall only be valid if it also transfers, to the same transferee, one New MWB Ordinary Share per a specified number of B Shares (such specified number of B Shares being 20 B Shares less such number of B Shares as have been redeemed by New MWB per Unit at the date of the proposed transfer).
- (E) The B Shares shall be redeemed, if lawfully permissible, on 31 December 2010 or, if determined by the Directors in their sole discretion, at any time prior to 31 December 2010. B Shares shall be redeemable at 10p per share and shall, at the sole discretion of the Directors, be redeemable in one or more tranches of such amounts and at such times prior to 31 December 2010 as the Directors may from time to time determine.
- (F) Amounts payable by New MWB pursuant to paragraph 3.2(E) shall be paid to the first named holder of the Unit in respect of those B Shares to be redeemed as shown in the register of members in question at the close of business on the date (the “B Record Date”) on which the Directors resolve to redeem the B Shares in respect of which such payment relates.

- (G) The B Shares, or any number thereof, shall only be redeemed pursuant to paragraph 3.2(E) if, in accordance with the provisions of the Companies Act, the amount of New MWB's profits available for distribution equals or exceeds the aggregate amount payable by New MWB pursuant to paragraph 3.2(E) in respect of the B Shares in issue on the B Record Date.
- (H) No additional B Shares may be allotted by New MWB unless New MWB Ordinary Shares are allotted contemporaneously to the same allottee in the form of Units. Each Unit shall comprise a specified number of B Shares for every New MWB Ordinary Share, with the specified number of B Shares being 20 B Shares less such number of B Shares as have been redeemed by New MWB per Unit at the date of such allotment.
- (I) Save in respect of the B Share Redemption, on a return of capital on a winding-up or otherwise by New MWB, the B Shares shall, following the return of £500,000,000 in aggregate of the capital available for distribution to the holders of the New MWB Ordinary Shares (in their capacity as the holders of the New MWB Ordinary Shares), be entitled to receive the nominal amount paid up, or credited as paid up, in respect of each of the B Shares in issue or 1p, whichever is higher.

3.3 *Capital Rights on a winding up*

On a return of capital on a winding-up, the assets of New MWB remaining after payment of its debts and liabilities (including the Loan Stock) and of the costs, charges and expenses of such winding-up shall be applied in the following manner and order of priority.

- (A) first, in paying to the holder of the New MWB Redeemable Shares the nominal amount paid up or credited as paid up thereon;
- (B) second, in paying to the holders of the issued New MWB Ordinary Shares the nominal amounts paid up or credited as paid up thereon;
- (C) third, in paying to the holders of the New MWB Ordinary Shares in proportion to the nominal amounts paid up or credited as paid up thereon, the funds and assets of New MWB available for distribution up to an aggregate return of £500,000,000;
- (D) fourth, in paying to the holders of the issued New MWB Class A Ordinary Shares, the nominal amount paid up or credited as paid up thereon;
- (E) fifth, in distributing rateably to the holders of the B Shares in proportion to the amounts to which they are entitled an amount equal to the nominal amounts paid up or credited as paid up thereon or 1p, whichever is higher, of the capital available for distribution in excess of £500,000,000; and
- (F) finally, in distributing to the holders of the issued New MWB Ordinary Shares in proportion to the nominal amounts paid up or credited as paid up thereon the remainder of the assets of New MWB remaining for distribution.

Save as provided above the holders of the B Shares shall not, in their capacity as holders of B Shares, be entitled to any further right of participation on the profits or assets of New MWB. The holders of the New MWB Ordinary Shares will, in their capacity as holders of New MWB Ordinary Shares, be entitled to participate in the profits and assets of New MWB.

3.4 *Attendance and voting at general meetings*

- (A) The holders of the B Shares shall not be entitled, in their capacity as holders of the B Shares, to receive notice of any general meeting of New MWB or to attend, speak or vote at any such general meeting (save for a general meeting convened for the purposes of considering and, if thought fit, passing a resolution for the variation of the rights attaching to the B Shares).
- (B) The holders of the New MWB Ordinary Shares shall, in their capacity as holders of New MWB Ordinary Shares, be entitled to receive notice of any general meeting of New MWB and to attend, speak and vote at any such meeting.

3.5 *Purchase*

The New MWB Articles permit New MWB to acquire Units, subject always to the provisions of the Companies Act and other relevant legislation. As detailed in paragraph 2.5.5 above, New MWB has passed a resolution authorising the Directors to make market purchases of Units. This authority is intended to reflect the existing authority granted to the Directors in respect of market purchases of Existing Ordinary Shares in MWB.

3.6 *Class Rights*

The rights attached to the B Shares may be modified, abrogated or varied only with the consent in writing of the holders of three-fourths in nominal value of the issued B Shares.

New MWB, may from time to time, create, allot and issue further shares, whether ranking *pari passu* with or in priority to the B Shares, and on such creation, allotment or issue any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose.

A reduction by New MWB of the capital paid up on the B Shares shall be in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose, and New MWB shall be authorised at any time to reduce its capital (subject to the confirmation of the Court in accordance with the Companies Act) and without obtaining the consent of the holders of the B Shares in their capacity as holders of the B Shares.

3.7 *Form and Transferability*

New MWB has applied for the Units to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Units may take place within the CREST system in respect of general market transactions.

The Units are not renounceable and will be freely transferable by an instrument of transfer in any usual form or any other form which the Board of New MWB may approve, subject always that the New MWB Ordinary Shares and B Shares shall only be transferable as part of a Unit. Accordingly, an instrument of transfer in respect of a New MWB Ordinary Share or B Share lodged with New MWB shall only be valid if it also transfers to the same transferee the specified number of securities that, at that time, form part of a Unit.

The UKLA has advised the Board of New MWB that, in the event that the New MWB Articles are amended to allow the transfer of the New MWB Ordinary Shares or B Shares independently of the other shares which at the time comprise a Unit, the Units would no longer be eligible for listing.

4. New MWB Memorandum and Articles of Association

The Memorandum of Association of New MWB is substantially the same as the Memorandum of Association of MWB. The New MWB Articles are substantially the same as the MWB Articles save that the New MWB Articles:

- (A) Contain the rights and restrictions attaching to the B Shares, as more particularly described in paragraph 3 of Part III above;
- (B) Ensure that the New MWB Ordinary Shares and B Shares may only be transferred as a Unit;
- (C) Make the following technical changes to reflect the implementation of certain provisions of the Companies Act 2006:
 - (i) the deletion of all references to “extraordinary general meetings” such that the New MWB Articles only refer to “general meetings” (under the Companies Act 2006, all meetings other than an Annual General Meeting are referred to as ‘General Meetings’ rather than ‘Extraordinary General Meetings’);

- (ii) that general meetings of New MWB will be convened in accordance with the Companies Act 2006 and that the minimum notice period for calling such general meetings shall be 14 days' notice (save in relation to convening the Annual General Meeting of New MWB in relation to which 21 days' notice will still be required);
- (iii) removing the right of the chairman of a general meeting to have a casting vote;
- (iv) clarifying that a member is entitled to attend and vote by proxy at a general meeting;
- (v) permitting New MWB to send or supply information, documents, notices and other communications in any manner permitted by the Companies Act 2006, the practical effect of which will be that New MWB will be able to send or supply such information electronically, although Shareholders will always retain the right to receive information in paper form if so requested;
- (vi) removing the obligation for Directors of New MWB to retire at 70 years old; and
- (vii) including a right for registered shareholders to nominate a third party to enjoy or exercise certain Shareholder rights.

5. Directors' Service Agreements

5.1 General

Save as specified in this paragraph 5, there are no existing or proposed service agreements between any of the Directors and MWB or any of its subsidiaries. Other than the one year notice periods of the contracts concerned, there are no provisions in the service contracts of the Executive Directors or the letters of engagement of the Non-Executive Directors for compensation to be payable on early termination of engagement with any of the Directors. No compensation was payable to departing Directors during the year ended 31 December 2007 or in the previous year.

At the date of this document, there is no arrangement under which any Director has waived or agreed to waive future emoluments.

In the financial year ended 31 December 2006 the amount of remuneration paid (including any contingent or deferred compensation) and benefits in kind granted to each of the Directors of MWB is shown in the Remuneration Report on page 98 of the Annual Report 2006 and is hereby incorporated into this document by reference.

There are no amounts set aside or accrued by MWB or its subsidiaries to provide pension, retirement or similar benefits to Directors (save in relation to any accruals made in the ordinary course of business in respect of contributions to money purchase pension schemes for the benefit of Directors).

5.2 Executive Directors

Each of the Executive Directors has a service agreement with MWB. The unexpired term of the service contracts of all Executive Directors of MWB is restricted to one year. If the Scheme is approved and becomes effective, new service agreements will be entered into with New MWB on identical terms to the service agreements in force between each of the Executive Directors and MWB and the existing contracts with MWB will be terminated.

The dates of the service contracts between the Directors and MWB are as follows:

R.G. Balfour-Lynn	Original contract dated 30 June 1997.
A.F. Blurton	Original contract dated 29 November 1995, varied on 7 December 1998 as a result of merger between Ex-Lands Properties PLC and MWB.
J. Singh	Original contract dated 17 November 1997.
M.A. Bibring	Original contract dated 17 November 1997.

Each of the service contracts referred to above was varied on 27 March 2002, 1 May 2002 and 17 February 2004. Each of the above contracts has a term ending on 31 December 2008 and a notice period of one year.

5.3 *Non-Executive Directors*

The Non-Executive Directors do not have service agreements with MWB. Their services are the subject of detailed letters of engagement and their remuneration is a matter for the Executive members of the Board. Their remuneration takes into account the level of responsibility, experience and abilities required from each Director, together with the marketplace for similar positions in comparable companies. The dates, period and terms of their appointments are as follows:

E.F. Sanderson	Chairman of MWB. Appointed Chairman in April 2005, at a fee of £120,000 per annum, having been a Non-Executive Director of MWB for 2½ years prior to this appointment. The notice period is six months where notice is given prior to 30 June 2008, after which it is equal to the remaining period of the appointment to 31 December 2008. Mr. Sanderson also receives private health insurance under MWB's private health scheme for him and his family, on the same scale as other employees.
R.P. Burrow	Appointed September 2005 at a fee of £30,000 per annum. The term expires on 31 December 2008 but the appointment can be terminated at any time on three months' notice, for no compensation.
D.C. Marshall	Appointed November 1995 at a current fee of £30,000 per annum. The term expires on 31 December 2008, but the appointment can be terminated at any time on three months' notice, for no compensation.

Non-Executive Directors do not participate in any incentive or pension arrangements sponsored by the MWB Group.

It is intended that the Non-Executive Directors will enter into new letters of appointment with New MWB on the same terms as the existing letters prior to, and conditional, upon the Proposals becoming effective.

5.4 *Other Directorships*

(A) *Summary*

A summary of the commercial and business background of each of the Directors is as follows:

Eric Sanderson LLB, CA, FCIBS, Non-Executive Chairman, aged 56

On the Board of First Milk Limited and is a member of the Court of the University of Dundee. He was formerly Chairman of MyTravel Group PLC and of Kwik-Fit Insurance Services Limited, Chief Executive of the British Linen Bank Limited and on the Management Board of Bank of Scotland. He joined the Board of MWB in November 2002. He was Chairman of the MWB Audit Committee until his appointment as Chairman of MWB in April 2005, and he still remains a member of that Committee. He has been Chairman of the MWB Conflicts Committee and of its Nominations Committee throughout the year ended 31 December 2007. He is also a member of the Remuneration Committee.

Richard Balfour-Lynn BA (HONS) Finance, Chief Executive, aged 54

Formed Warwick Balfour Properties Plc in 1982, a commercial and residential property development and investment company, working in established and growth areas of Central London. Co-founded MWB in 1994, reversing it into a listed company in June 1997. He joined the Board of MWB on completion of reversal in June 1997. He is responsible for the Group's overall direction, the co-ordination of all areas of activity and its financial strategy.

Andrew Blurton FCA, Joint Finance Director, aged 53

Qualified as a Chartered Accountant in 1975 with Deloitte Haskins & Sells. He joined the Board of The Ex-Lands PLC in 1991, which merged with the Group in 1997. He has comprehensive experience in Corporate Finance and UK Listing Authority regulations and is responsible for all financial management reporting across the Group. He is also responsible for all Financial Statements and Circulars issued by the Group to its shareholders, equity raisings undertaken by MWB and liaison by MWB with its institutional shareholders.

Jagtar Singh BA (HONS) FCCA, Joint Finance Director, aged 49

Joined Hill Samuel in 1980 specialising in investment management. He moved to Lombard Odier et Cie in 1985 where he was responsible for corporate and investment finance for quoted companies. Joined Warwick Balfour in 1988 and joined the Board of MWB in November 1998. He is responsible for property funding and structuring of transactions.

Michael Bibring LLB (HONS), Legal and Commercial Director, aged 53

Graduated from the London School of Economics in 1976 and thereafter practiced as a solicitor specialising in property development, retail and leisure property. He acted for the Group for 12 years before joining MWB at the end of 1996 and was appointed to the Board of MWB in November 1998. His Board responsibility includes structuring corporate and property transactions, overseeing the Group's developments and being strategically involved in MWB's hotel investments.

David Marshall, Non-Executive Director, aged 63

David Marshall joined the Board of The Ex-Lands PLC in 1979, which was acquired by the Group in June 1996. He became the Non-Executive Chairman of MWB from the date of acquisition in 1996 until May 2002. He is the Chairman of London Finance & Investment Group P.L.C., a subsidiary of which owns 2.5 per cent. of the issued share capital of MWB. He is also Chairman of Western Selection P.L.C. and of Creston plc, and a non-executive director of Finsbury Food Group plc and Northbridge Industrial Services Plc. He is a member of the MWB Audit Committee, its Conflicts Committee and its Nominations Committee, and he is Chairman of its Remuneration Committee.

Robert Burrow MA (Cantab), Non-Executive Director, aged 56

Joined the Board of MWB as Senior Independent Non-Executive Director on 21 September 2005. With effect from that date, he has been a member of the MWB Audit Committee, its Conflicts Committee, its Remuneration Committee and its Nominations Committee. In September 2006 he was appointed Chairman of the Audit Committee. He is a solicitor and was a partner of S.J. Berwin LLP and its predecessor firm from 1985 to 2007. He is a partner of Chelsfield Partners LLP. He is also a Non-Executive Director of Mission Capital PLC and of Caxton Global Investments Limited.

(B) Other offices

During the five years immediately prior to the date of this document, the Directors have been members of the administrative, management or supervisory bodies or partners of the following UK companies or partnerships other than MWB:

Eric Sanderson

Current

The University of Dundee
Dundee University Press Ltd
MWB Group Holdings Plc
First Milk Limited

Past

MyTravel Group PLC (resigned 01.04.04)

Richard Balfour-Lynn

Current

140 Park Lane (No.3) Limited
AHG Hotel Holdings Limited
AHG Management Services Limited
AHG Management Services Venice Limited

Past

1 Radlett Place Limited (dissolved 30.05.06)
140 Park Lane (No.2) Limited (resigned 21.10.05)
140 Park Lane Residential No.1 Limited (dissolved 17.07.07)
140 Park Lane Residential No.2 Limited (dissolved 17.07.07)

Richard Balfour-Lynn (continued)

Current

AHG Venice Finance No.1 Limited
AHG Venice Finance No.2 Limited
AHG Venice Finance No.3 Limited
AHG Venice Land Limited
AHG Venice Limited
AHG Venice Newco 1 Limited
AHG Venice Newco 2 Limited
AHG Venice Newco 3 Limited
AHG Venice Newco 4 Limited
AHG Venice Newco 5 Limited
AHG Venice Newco 6 Limited
AHG Venice Newco 7 Limited
AHG Venice Newco 8 Limited
AHG Venice SPV No.1 Limited
AHG Venice SPV No.2 Limited
AHG Venice SPV No.3 Limited
AHG Venice SPV No.4 Limited
B.S. Mineral Waters Limited
Belton Woods Hotel and Country Club Limited
Belton Woods Resort Ownership Limited
Branwell Wines Limited
Cambrian Soft Drinks Limited
Cameron House Loch Lomond Limited
Cave Du Vin Limited
Chester Northgate Brewery Company Limited
China Lane Limited
Cornish Brewery Company Limited
Davenport's Brewery (Holdings) Limited
Davenport's Brewery Limited
De Vere (Blackpool) Limited
De Vere (C.R.) Limited
De Vere (Southampton) Limited
De Vere Credit Limited
De Vere Golf & Leisure Limited
De Vere Group Investments Limited
De Vere Group Limited
De Vere Hotels & Leisure Limited
De Vere Hotels (Management) Limited
De Vere Hotels and Leisure CLG Limited
De Vere Hotels and Restaurants Limited
De Vere Hotels Limited
De Vere Hotels No.1 Limited
De Vere Hotels No.2 Limited
De Vere Hotels No.3 Limited
De Vere Hotels No.4 Limited
De Vere Leasing Limited
De Vere Oulton Hall Finance Lease Unlimited
De Vere Oulton Hall Limited
De Vere Resort Ownership Limited
De Vere Swindon Finance Lease Unlimited
De Vere Swindon Limited
Devenish Brewery Limited
Drew & Co (Wine Cellars) Limited
Dunston Hall Limited
DV Leisure Limited
English Wines Group Plc
G W Group Property Development Limited
Gilbert and John Greenall Limited
Glowfine Limited
Greenall Whitley Limited
Greenalls (Pelican) Limited
Greenalls Brewery Limited
Greenalls Leasing Limited

Past

33/34 Onslow Gardens No.1 Limited (dissolved 31.10.06)
33/34 Onslow Gardens No.2 Limited (dissolved 14.11.06)
Cadbury House Limited (dissolved 28.10.03)
Capital & Regional (Leisure GP) Limited (resigned 24.01.03)
Capital & Regional (Leisure II GP) Limited (resigned 24.01.03)
Cedar Mansions Limited (dissolved 11.05.04)
Centre Heights Limited (dissolved 28.06.05)
Connaught Management Services Limited (dissolved 17.10.06)
E P Holdings Limited (resigned 22.01.07)
Fleetplan Limited (dissolved 13.05.03)
Grandrest Projects Limited (dissolved 13.10.07)
Grenville Nominees No.1 Limited (resigned 15.06.04)
Grenville Nominees No.2 Limited (resigned 15.06.04)
Hotel Du Vin Europe LP Limited (resigned 28.06.06)
Hotel Fund (General Partner) Limited (dissolved 01.07.03)
Leisure II (O2 LP) shareholder Limited (resigned 24.01.03)
Leisure II (O2 Manager) Shareholder limited
(resigned 24.01.03)
Leisure Box Limited (resigned 22.12.06)
Leisure Park Management (Bentley Bridge) Limited
(resigned 14.01.04)
Leisure Park Management (Boldon) Limited (resigned 14.01.04)
Leisure Park Management (Maidstone) Limited
(resigned 14.01.04)
Leisure Park Management (Stockton) Limited
(resigned 28.07.03)
Leisure Parks (General Partner) Limited (resigned 24.01.03)
Leisure Parks (General Partner II) Limited (resigned 24.01.03)
Liberty (Regent and Tudor) No.1 Limited (dissolved 18.09.07)
Liberty Lasenby Property Limited (dissolved 14.08.07)
Liberty Lasenby Property No.2 Limited (dissolved 17.07.07)
Liberty Regent Property Limited (dissolved 17.07.07)
Liberty Regent Property No.2 Limited (dissolved 17.07.07)
Ludgate House Limited (dissolved 28.06.05)
Malmaison (Birmingham II) Limited (dissolved 26.08.03)
Malmaison (Charterhouse II) Limited (dissolved 26.08.03)
Malmaison (Edinburgh II) Limited (dissolved 03.02.04)
Malmaison (ELL) Limited (dissolved 13.06.03)
Malmaison (Glasgow II) Limited (dissolved 26.08.03)
Malmaison (Leeds II) Limited (dissolved 26.08.03)
Malmaison (Manchester II) Limited (dissolved 26.08.03)
Malmaison (Newcastle II) Limited (dissolved 26.08.03)
Marylebone Warwick Balfour Management Limited
(resigned 28.10.03)
MWB (Bishopsgate Residential) Limited (dissolved 23.11.04)
MWB (Bishopsgate) Limited (dissolved 08.02.05)
MWB (Chelsea) Limited (dissolved 13.05.03)
MWB (Facilities Management) Limited (dissolved 29.04.03)
MWB (Kensington Village Pembroke) Limited
(dissolved 15.01.08)
MWB (Lancaster Gate) Limited (dissolved 14.10.03)
MWB (Leisure II Carried Interest) Limited (dissolved 15.01.08)
MWB (Leisure II LP Shareholder) Limited (dissolved 15.01.08)
MWB (Mount Vernon Two) Limited (dissolved 28.06.05)
MWB (Mount Vernon) Limited (dissolved 05.07.05)
MWB (Old Bailey Developments) Limited (dissolved 12.08.03)
MWB (Queensway Properties) Limited (dissolved 15.01.08)
MWB (Rossetti) Limited (dissolved 10.06.03)
MWB (Royal Victoria Dock Management) Limited
(dissolved 29.04.03)
MWB (Tower Park) Limited (dissolved 15.01.08)
MWB (Warwick Road) Limited (dissolved 01.02.05)
MWB Argyle Street Operations Limited (dissolved 11.05.04)

Richard Balfour-Lynn (continued)

Current

Greenalls Leisure Developments Limited
Greenalls Leisure Holdings Limited
Greenalls Leisure Limited
Greenalls Management Limited
Greenalls Midlands Limited
Greens Health and Fitness Limited
Groves & Whitnall Limited
Harvey Prince & Company Limited
Hey (UK) Limited
Hotel 123 Limited
Hotel Des Arts Limited
Hotel Du Vin (Birmingham) Limited
Hotel Du Vin (Brighton) Limited
Hotel Du Vin (Bristol) Limited
Hotel Du Vin (Cambridge) Limited
Hotel Du Vin (Glasgow) Limited
Hotel Du Vin (Harrogate) Limited
Hotel Du Vin (Henley) Limited
Hotel Du Vin (Tunbridge Wells) Limited
Hotel Du Vin (Winchester) Limited
Hotel Du Vin Limited
Health Du Vin Limited
Inn Leisure (South West) Limited
Inn Leisure Group Limited
Inn Leisure Limited
J.A. Devenish Limited
James Shipstone & Sons Limited
Jermcam Limited
Kay's Wine & Spirits (Worsley) Limited
Keypond Properties Limited
L & W (Wholesale) Limited
Lawread Limited
Liberty (Regent and Tudor)
Holdings No.1 Limited
Liberty (RSPH) No.4 Limited
Liberty Centres Limited
Liberty of London Limited
Liberty Plc
Liberty Prints Limited
Liberty Properties Link Owner Limited
Liberty Properties Link Owner
No.2 Limited
Liberty Regent Street Limited
Liberty Regent Street No.2 Limited
Liberty Retail Plc
Liberty Tudor Property Limited
Liberty Tudor Property No.2 Limited
Licat Supplies Limited
Limewood Developments Limited
Liquid Assets Group Limited
Liquid Assets Limited
Londinium Investments Limited
London Cellars Limited
M.L. Cooper (Food Distributors) Limited
Magee Marshall and Company Limited
Malmaison (Belfast) Limited
Malmaison (Liverpool) Limited
Malmaison (Oxford) Limited
Malmaison (Reading) Limited
Malmaison Europe General Partner Limited
Malmaison Europe LP Limited
Malmaison Hotels Limited
Malmaison Resources Limited

Past

MWB Baker Street Limited (dissolved 15.01.08)
MWB Business Exchange Europe Limited (dissolved 14.06.07)
MWB Business Exchange (France) Limited (dissolved 14.06.07)
MWB Business Exchange (Germany) Limited
(dissolved 07.04.05)
MWB Business Exchange (Holland) Limited
(dissolved 28.01.05)
MWB Business Exchange (Spain) Limited (dissolved 28.08.07)
MWB Business Exchange Trustee Limited (dissolved 26.08.03)
MWB Cannon Centre Lease Limited (dissolved 15.01.08)
MWB Clubhaus Prefs Limited (dissolved 28.06.05)
MWB Friar Street Lease Limited (dissolved 28.06.05)
MWB Howard Hotel No.1 Limited (dissolved 15.01.08)
MWB Howard Hotel No.2 Limited (dissolved 15.01.08)
MWB Howard Hotel No.3 Limited (dissolved 17.07.07)
MWB Howard Hotel No.4 Limited (dissolved 17.07.07)
MWB Konnect Limited (dissolved 28.08.07)
MWB Leisure (Maidstone) Limited (resigned 24.01.03)
MWB Leisure (Maidstone (2)) Limited (resigned 24.01.03)
MWB Oxford Street Limited (dissolved 28.06.05)
MWB Pemberton Limited (dissolved 28.06.05)
MWB Select Limited (dissolved 27.04.04)
MWB West End Limited (dissolved 01.02.05)
MWB West India Quay Eastern Shareholder Limited
(dissolved 10.05.05)
No.1 West India Quay (Commercial) Limited
(resigned 21.07.06)
No.1 West India Quay (Residential) Limited
(resigned 21.07.06)
Orangeplume Limited (dissolved 10.10.07)
Park Leisure Management (Poole) Limited (resigned 14.01.04)
Park-Lands (Cheltenham) Limited (dissolved 10.06.03)
Park-Lands (Estates) Ltd (dissolved 28.06.05)
Park-Lands (Holdings) Limited (dissolved 13.05.03)
Park-Lands (Islington) Limited (dissolved 13.05.03)
Park-Lands (London) Limited (dissolved 28.06.05)
Park-Lands (Securities) Limited (dissolved 11.05.04)
Park-Lands (Wood Green) Limited (dissolved 01.02.05)
Superlative Investment Services Limited (dissolved 22.01.08)
T P Properties Limited (dissolved 28.06.05)
The Alternative Hotel Company Limited (dissolved 03.10.06)
The Hospitality Asset Management Company Limited
(resigned 23.09.05)
Vision Development Company Limited (resigned 23.09.05)
Vision Hotel Asset Management Plc (resigned 23.09.05)
Warwick House Kensington Limited (dissolved 06.01.04)
West India Quay (Eastern) Limited (resigned 21.07.06)
West India Quay (Warehouse Property) Limited
(resigned 30.09.04)
West India Quay Development Company (Eastern) Limited
(resigned 21.07.06)
West India Quay Management Company Limited
(resigned 21.07.06)
WGP Management Limited (dissolved 22.01.08)
X- Leisure (Bentley Bridge) Limited (resigned 24.01.03)
X- Leisure (Baldon) Limited (resigned 24.01.03)
X-Leisure (Dundee) Limited (resigned 24.01.03)
X-Leisure (Edinburgh) Limited (resigned 24.01.03)
X-Leisure (Guildford) Limited (resigned 24.01.03)
X-Leisure (Maidstone) Limited (resigned 24.01.03)
X-Leisure Management Limited (resigned 14.01.04)
X-Leisure (Poole) Limited (resigned 24.01.03)
Yankglen Properties Limited (dissolved 06.02.07)

Richard Balfour-Lynn *(continued)*

Current

Manchester Trading Company Limited
Marylebone Warwick Balfour Finance Limited
Marylebone Warwick Balfour Holdings Limited
Marylebone Warwick Balfour Management Limited
Middlemas of Kelso Limited
Mont Blanc Limited
Moorston Capital Limited
MWB (Cannon Centre) Limited
MWB (GMAC Finance) Limited
MWB (Industrial) Limited
MWB (Kensington Village Warwick) Limited
MWB (Kensington Village) Limited
MWB (Maidstone) Limited
MWB (Marble Arch Tower No.1) Limited
MWB (Marble Arch Tower) Limited
MWB (Old Bailey) Limited
MWB (Pal Mall) Limited
MWB (Queensway) Limited
MWB (Royal Victoria Dock) Limited
MWB (West India Quay) Limited
MWB Argyle Street Limited
MWB Asset Management Holdings Limited
MWB Business Exchange (Birmingham) Limited
MWB Business Exchange (Canary Wharf) Limited
MWB Business Exchange Leadenhall Limited
MWB Business Exchange Plc
MWB Business Exchange UK Limited
MWB Commercial Property Holdings Limited
MWB Congleton Limited
MWB Executive Centres (Castle Street) Limited
MWB Executive Centres (Solly Street) Limited
MWB Friar Street Limited
MWB Fund Management Holdings Limited
MWB Fund Management Limited
MWB Group Holdings Plc
MWB Hayes Gate Limited
MWB Hotel Holdings Limited
MWB Howard Hotel Limited
MWB Investments Limited
MWB Kensington Village (Gloucester) Limited
MWB Liberty Investments Limited
MWB Malmaison Holdings Limited
MWB Management Services Limited
MWB Mitcham Limited
MWB Park Lane Investments Limited
MWB Project Management Holdings Limited
MWB Retail Holdings Limited
MWB Retail Holdings No.1 Limited
MWB Retail Holdings No.2 Limited
MWB Retail Stores Shareholder Limited
MWB Serviced Office Holdings Limited
MWB Watford Limited
MWB West India Quay (Northern) Limited
MWB West India Quay (Warehouses) Limited
Ogden Wade Limited
Oldtop Limited
Out of the Box Catering Limited
Pendarves Arms Gwithian Limited
Phoenix Securities (Bishops Stortford) Limited
Phoenix Securities (Harborne) Limited
Premiere Inns Limited

Richard Balfour-Lynn *(continued)*

Current

Principality Beers & Minerals Limited
Queen's Hotel Aberdeen Limited
Retail Stores Property Holdings Limited
Retail Stores Property Holdings No.1 Limited
Retail Stores Property Holdings No.2 Limited
Retail Stores Property Holdings No.3 Limited
Royal Bath Hotel Bournemouth Limited
Rysbridge Estates Limited
Sablehurst Limited
Searcy Tansley and Company Limited
Searcy Toptable Limited
ServCo Limited Partnership
Slaley Hall Co-ownership Club Limited
Smartwarden Limited
Speed 8014 Limited
Springbrook Landscapes Limited
St David's Hotels Limited
Stretton Leisure Clubs Limited
Tavern (1993) Limited
The Alternative Hotel Group Limited
The Belfry (North Warwickshire) Limited
The Fox & Anchor Limited
The Malmaison Company (Edinburgh) Limited
The Shrewsbury and Wem Brewery Company Limited
The Wrekin Brewery Company Limited
Tob Restaurants Limited
University Arms Hotel Limited
Vallances Nominees Limited
Vector Hospitality Plc
Vector Subco Limited
Vector Venue Holdings Limited
Verve Central Limited
Verve City Limited
Verve Conferences Limited
Verve Metropolis Limited
Verve Venues Limited
Verve Venues Properties Limited
Village Hotels & Leisure Limited
Village Leisure Hotels Limited
Warwick Balfour Group Limited
Warwick Balfour Investments Limited
Warwick Balfour Limited
Warwick Balfour Management Limited
Warwick Balfour Properties Limited
West India Quay (Block A) Limited
West India Quay Development Company
(Eastern No.2) Limited
West India Quay Development Company
(Ledger) Limited
West India Quay Development Company
(Northern) Limited
West India Quay Development Company
(Warehouses No.2) Limited
West India Quay Development Company
(Warehouses) Limited
West India Quay Development Company Limited
West India Quay Management Company
(Car Park) Limited
West India Quay Management Company
(Museum) Limited
West India Quay Management Company
(Northern) Limited
WGP (Two) Limited
X Est Catering Limited

Andrew Blurton

Current

140 Park Lane (No. 3) Limited
140 Park Lane (No. 4)
140 Park Lane Limited
175 Limited
Arnlink Limited
Avanta Business Centres Limited
Avanta MWB (Bracknell) Limited
Bellsite Limited (in voluntary liquidation)
Cave Du Vin Limited
Chainrange Limited
Finlaw 536 Limited
Health Du Vin Limited
Hotel 123 Limited
Hotel Des Arts Limited
Hotel Du Vin (Birmingham) Limited
Hotel Du Vin (Brighton) Limited
Hotel Du Vin (Bristol) Limited
Hotel Du Vin (Cambridge) Limited
Hotel Du Vin (Cheltenham) Limited
Hotel Du Vin (Glasgow) Limited
Hotel Du Vin (Harrogate) Limited
Hotel Du Vin (Henley) Limited
Hotel Du Vin (Tunbridge Wells) Limited
Hotel Du Vin (Winchester) Limited
Hotel Du Vin (York) Limited
Hotel Du Vin Edinburgh Property Limited
Hotel Du Vin Europe LP Limited
Hotel Du Vin Limited
Hotel Du Vin Newcastle Limited
Hotel Du Vin Newcastle Property Limited
Hurlingham PLC
Jay Hotels Limited
John S. Leonard (Hotels) Limited
Langcharm Limited
Liberty (Regent and Tudor) Holdings Limited
Liberty (Regent and Tudor) Holdings No. 1 Limited
Liberty (RSPH) No. 4 Limited
Liberty Centres Limited
Liberty Export Services Limited
Liberty Fabric Limited
Liberty Investment Limited
Liberty of London Limited
Liberty Prints Limited
Liberty Properties Link Owner Limited
Liberty Properties Link Owner No. 2 Limited
Liberty Regent Street Limited
Liberty Regent Street No. 2 Limited
Liberty Retail PLC
Liberty Tudor Property Limited
Liberty Tudor Property No. 2 Limited
Londinium Investments Limited
London Park Lane Associates Limited
Malmaison (Belfast) Limited
Malmaison (Chart Square) Limited
Malmaison (Liverpool) Limited
Malmaison (Oxford) Limited
Malmaison (Reading) Limited
Malmaison Aberdeen Limited
Malmaison Aberdeen Property Holdings Limited
Malmaison Aberdeen Property Limited
Malmaison and Hotel Du Vin Holdings Limited
Malmaison and Hotel Du Vin Limited

Past

140 Park Lane (No. 2) Limited (resigned 21.10.05)
140 Park Lane Residential No. 1 Limited (dissolved 17.07.07)
140 Park Lane Residential No. 2 Limited (dissolved 17.07.07)
Bickville Limited (dissolved 24.05.05)
Bondcrest Investments Limited (dissolved 13.05.03)
Budget Offices Limited (dissolved 19.10.07)
Cadbury House Limited (dissolved 28.10.03)
Capital & Regional (Leisure II GP) Limited (resigned 24.01.03)
Capital & Regional (Leisure GP) Limited (resigned 24.01.03)
Cedar Mansions Limited (dissolved 11.05.04)
Centre Heights Limited (dissolved 28.06.05)
Comprehensive Resources Limited (dissolved 28.06.05)
Eagercatch Limited (dissolved 28.06.05)
ELP UK Management Limited (dissolved 20.05.03)
First Bowl Limited (resigned 22.12.06)
Fleetplan Limited (dissolved 13.05.03)
Flowcart Limited (in members voluntary liquidation)
Gableworth Limited (in members voluntary liquidation)
Grenville Nominees No. 1 Limited (resigned 15.06.04)
Grenville Nominees No. 2 Limited (resigned 15.06.04)
Hobcan Limited (dissolved 28.06.05)
Hotel Fund (General Partner) Limited (dissolved 01.07.03)
Leisure II (O2 LP) Shareholder Limited (resigned 24.01.03)
Leisure II (O2 Manager) Shareholder Limited (resigned 24.01.03)
Leisure Box Limited (resigned 22.12.06)
Leisure II (West India Quay LP) Shareholder Limited (resigned 14.01.04)
Leisure Park Management (Bentley Bridge) Limited (resigned 14.01.04)
Leisure Park Management (Boldon) Limited (resigned 14.01.04)
Leisure Park Management (Maidstone) Limited (resigned 14.01.04)
Leisure Park Management (Stockton) Limited (resigned 28.07.03)
Leisure Parks (General Partner) Limited (resigned 24.01.03)
Leisure Parks (General Partner II) Limited (resigned 24.01.03)
Liberty & Co. (Investment 1946) Limited (dissolved 01.07.03)
Liberty (Regent and Tudor) Limited (dissolved 18.09.07)
Liberty (Regent and Tudor) No. 1 Limited (dissolved 18.09.07)
Liberty Lasenby Property Limited (dissolved 14.08.07)
Liberty Lasenby Property No. 2 Limited (dissolved 17.07.07)
Liberty of London Dot Com Limited (dissolved 13.05.03)
Liberty Regent Property Limited (dissolved 17.07.07)
Liberty Regent Property No. 2 Limited (dissolved 17.07.07)
Liberty Retail PLC (resigned 08.07.02)
Liberty Retail Limited (dissolved 13.05.03)
Ludgate House Limited (dissolved 28.06.05)
Malmaison (Birmingham II) Limited (dissolved 26.08.03)
Malmaison (Charterhouse II) Limited (dissolved 26.08.03)
Malmaison (Edinburgh II) Limited (dissolved 03.02.04)
Malmaison (ELL) Limited (dissolved 13.06.03)
Malmaison (Glasgow II) Limited (dissolved 26.08.03)
Malmaison (Leeds II) Limited (dissolved 26.08.03)
Malmaison (Manchester II) Limited (dissolved 26.08.03)
Malmaison (Newcastle II) Limited (dissolved 26.08.03)
MWB (Bishopsgate) Limited (dissolved 08.02.05)
MWB (Chelsea) Limited (dissolved 13.05.03)
MWB (Facilities Management) Limited (dissolved 29.04.03)
MWB (Kensington Village Pembroke) Limited (dissolved 15.01.08)

Andrew Blurton (continued)

Current

Malmaison and Hotel Du Vin Property Holdings Limited
Malmaison and Hotel Du Vin Property Limited
Malmaison Brand Limited
Malmaison Europe General Partner Limited
Malmaison Europe LP Limited
Malmaison Hotels Limited
Malmaison Limited
Malmaison Resources Limited
Manorcall Limited (in voluntary liquidation)
Marylebone Warwick Balfour Finance Limited
Marylebone Warwick Balfour Holdings Limited
Marylebone Warwick Balfour Management Limited
Marylebone Warwick Balfour Structuring Limited
Moorston Capital Limited
MWB (Cannon Centre) Limited
MWB (GMAC Finance) Limited
MWB (Industrial) Limited
MWB (Kensington Village Warwick) Limited
MWB (Kensington Village) Limited
MWB (Maidstone) Limited
MWB (Marble Arch Tower No.1) Limited
MWB (Marble Arch Tower) Limited
MWB (Old Bailey) Limited
MWB (Pall Mall) Limited
MWB (Premier) Limited
MWB (Queensway) Limited
MWB (Royal Victoria Dock) Limited
MWB (West India Quay) Limited
MWB Argyle Street Limited
MWB Asset Management Holdings Limited
MWB Business Exchange (Belgium) Limited
MWB Business Exchange (Birmingham) Limited
MWB Business Exchange (Canary Wharf) Limited
MWB Business Exchange Centres Limited
MWB Business Exchange City Tower Limited
MWB Business Exchange Leadenhall Limited
MWB Business Exchange Pall Mall Court Limited
MWB Commercial Property Holdings Limited
MWB Congleton Limited
MWB Executive Centres (Castle Square) Limited
MWB Executive Centres (Northampton) Limited
MWB Executive Centres (Solly Street) Limited
MWB Executive Centres Limited
MWB Friar Street Limited
MWB Fund Management Holdings Limited
MWB Fund Management Limited
MWB Group Holdings Plc
MWB Hayes Gate Limited
MWB Hotel Holdings Limited
MWB Howard Hotel Limited
MWB Investments Limited
MWB Kensington Village (Gloucester) Limited
MWB Liberty Investments Limited
MWB Malmaison Brand Limited
MWB Malmaison CLG Limited
MWB Malmaison Holdings Limited
MWB Management Services Limited
MWB Mitcham Limited
MWB Park Lane Investments Limited
MWB Project Management Holdings Limited
MWB Retail Holdings Limited
MWB Retail Holdings No. 1 Limited

Past

MWB (Lancaster Gate) Limited (dissolved 14.10.03)
MWB (Leisure II Carried Interest) Limited (dissolved 15.01.08)
MWB (Leisure II LP Shareholder) Limited (dissolved 15.01.08)
MWB (Mount Vernon Two) Limited (dissolved 28.06.05)
MWB (Mount Vernon) Limited (dissolved 05.07.05)
MWB (Old Bailey Developments) Limited (dissolved 12.08.03)
MWB (Queensway Properties) Limited (dissolved 15.01.08)
MWB (Rossetti) Limited (dissolved 10.06.03)
MWB (Royal Victoria Dock Management) Limited (dissolved 29.04.03)
MWB (Tower Park) Limited (dissolved 15.01.08)
MWB (Warwick Road) Limited (dissolved 01.02.05)
MWB Argyle Street Operations Limited (dissolved 11.05.04)
MWB Baker Street Limited (dissolved 15.01.08)
MWB Business Exchange Europe Limited (dissolved 14.06.07)
MWB Business Exchange (France) Limited (dissolved 14.06.07)
MWB Business Exchange (Germany) Limited (dissolved 07.04.05)
MWB Business Exchange (Holland) Limited (dissolved 28.01.05)
MWB Business Exchange (Spain) Limited (dissolved 28.08.07)
MWB Business Exchange Trustee Limited (dissolved 26.08.03)
MWB Business Exchange UK Limited (resigned 22.08.07)
MWB Cannon Centre Lease Limited (dissolved 15.01.08)
MWB Clubhaus Prefs Limited (dissolved 28.06.05)
MWB Friar Street Lease Limited (dissolved 28.06.05)
MWB Howard Hotel No. 1 Limited (dissolved 15.01.08)
MWB Howard Hotel No. 2 Limited (dissolved 15.01.08)
MWB Howard Hotel No. 3 Limited (dissolved 17.07.07)
MWB Howard Hotel No. 4 Limited (dissolved 17.07.07)
MWB Leisure (Maidstone) Limited (resigned 24.01.03)
MWB Leisure (Maidstone (2)) Limited (resigned 24.01.03)
MWB Oxford Street Limited (dissolved 28.06.05)
MWB Pemberton Limited (dissolved 28.06.05)
MWB Select Limited (dissolved 27.04.04)
MWB West End Limited (dissolved 01.02.05)
MWB West India Quay Eastern Shareholder Limited (dissolved 10.05.05)
No. 1 West India Quay (Commercial) Limited (resigned 21.07.06)
No. 1 West India Quay (Residential) Limited (resigned 21.07.06)
Park Leisure Management (Poole) Limited (resigned 14.01.04)
Park-Lands (Cheltenham) Limited (dissolved 10.06.03)
Park-Lands (Estates) Ltd (dissolved 28.06.05)
Park-Lands (Holdings) Limited (dissolved 13.05.03)
Park-Lands (Islington) Limited (dissolved 13.05.03)
Park-Lands (London) Limited (dissolved 28.06.05)
Park-Lands (Securities) Limited (dissolved 11.05.04)
Park-Lands (Wood Green) Limited (dissolved 01.02.05)
PL Hotel (No. 2) Limited (resigned 31.05.06)
PL Hotel Limited (resigned 31.05.06)
Superlative Investment Services Limited (dissolved 22.01.08)
The Hospitality Asset Management Company Limited (resigned 23.09.05)
Vision Development Company Limited (resigned 23.09.05)
Vision Hotel Asset Management PLC (resigned 23.09.05)
Warwick House Kensington Limited (dissolved 06.01.04)
West India Quay Limited (resigned 14.01.04)
WGP Management Limited (dissolved 22.01.08)
X-Leisure (Bentley Bridge) Limited (resigned 24.01.03)
X- Leisure (Boldon) Limited (resigned 24.01.03)
X-Leisure (Dundee) Limited (resigned 24.01.03)

Andrew Blurton *(continued)*

Current

MWB Retail Holdings No. 2 Limited
MWB Retail Stores Shareholder Limited
MWB Serviced Office Holdings Limited
MWB Serviced Offices No. 1 Limited
MWB Serviced Offices No. 2 Limited
MWB Watford Limited
MWB West India Quay (Northern) Limited
MWB West India Quay (Warehouses) Limited
Out of the Box Catering Limited
Queen's Hotel Aberdeen Limited
Retail Stores Property Holdings Limited
Retail Stores Property Holdings No. 1 Limited
Retail Stores Property Holdings No. 2 Limited
Retail Stores Property Holdings No. 3 Limited
Rysbridge Estates Limited
Startland Limited
ServCo Limited Partnership
Symbol Offices Limited
The Banbury Collection Limited
The Malmaison Company (Edinburgh) Limited
The Malmaison Hotel (Birmingham) Limited
The Malmaison Hotel (Glasgow) Limited
The Malmaison Hotel (Leeds) Limited
The Malmaison Hotel (Manchester) Limited
The Malmaison Hotel (Newcastle) Limited
The Waterside Apartments (Princes Dock Management Company) Limited
Wealthcomet Limited
West India Quay Development Company (Eastern No. 2) Limited
West India Quay Development Company Limited
WGP (Two) Limited

Jagtar Singh

Current

140 Park Lane (No.3) Limited
140 Park Lane (No.4)
175 Limited
AHG Hotel Holdings Limited
AHG Management Services Limited
AHG Management Services Venice Limited
AHG Venice Finance No.1 Limited
AHG Venice Finance No.2 Limited
AHG Venice Finance No.3 Limited
AHG Venice Land Limited
AHG Venice Limited
AHG Venice Newco 1 Limited
AHG Venice Newco 2 Limited
AHG Venice Newco 3 Limited
AHG Venice Newco 4 Limited
AHG Venice Newco 5 Limited
AHG Venice Newco 6 Limited
AHG Venice Newco 7 Limited
AHG Venice Newco 8 Limited
AHG Venice SPV No.1 Limited
AHG Venice SPV No.2 Limited
AHG Venice SPV No.3 Limited
AHG Venice SPV No.4 Limited
Arnlink Limited
Avanta Business Centres Limited
Avanta MWB (Bracknell) Limited

Past

X-Leisure (Edinburgh) Limited (resigned 24.01.03)
X-Leisure (Guildford) Limited (resigned 24.01.03)
X-Leisure (Maidstone) Limited (resigned 24.01.03)
X-Leisure Management Limited (resigned 14.01.04)
X-Leisure (Poole) Limited (resigned 24.01.03)
Zilclare Limited (dissolved 01.07.03)

Past

1 Radlett Place Limited (dissolved 30.05.06)
140 Park Lane (No.2) Limited (resigned 21.10.05)
140 Park Lane Limited (resigned 08.05.06)
140 Park Lane Residential No.1 Limited (dissolved 17.07.07)
140 Park Lane Residential No.2 Limited (dissolved 17.07.07)
33/34 Onslow Gardens No.1 Limited (dissolved 31.10.06)
33/34 Onslow Gardens No.2 Limited (dissolved 14.11.06)
Bickville Limited (dissolved 24.05.07)
Bondcrest Investments Limited (dissolved 13.05.03)
Budget Offices Limited (dissolved 19.10.07)
Cadbury House Limited (dissolved 28.10.03)
Capital & Regional (Leisure II GP) Limited (resigned 24.01.03)
Capital & Regional (Leisure GP) Limited (resigned 24.01.03)
Cedar Mansions Limited (dissolved 11.05.04)
Centre Heights Limited (dissolved 28.06.05)
Comprehensive Resources Limited (dissolved 28.06.05)
Eagercatch Limited (dissolved 28.06.05)
Fleetplan Limited (dissolved 13.05.03)
Grenville Nominees No.1 Limited (resigned 15.06.04)
Hobcan Limited (dissolved 28.06.05)
Hotel Fund (General Partner) Limited (dissolved 01.07.03)
James Thornton Consulting Limited (resigned 07.09.04)
Leisure II (O2 LP) Shareholder Limited (resigned 24.01.03)
Leisure II (O2 Manager) Shareholder Limited (resigned 24.01.03)
Leisure Box Limited (resigned 22.12.06)

Jagtar Singh (continued)

Current

Bellsite Limited (in voluntary liquidation)
Belton Woods Hotel and Country Club Limited
Belton Woods Resort Ownership Limited
Branwell Wines Limited
BS Mineral Waters Limited
Cambrian Soft Drinks Limited
Cameron House Loch Lomond Limited
Cave Du Vin Limited
Chainrange Limited
Chester Northgate Brewery Company Limited
China Lane Limited
Cornish Brewery Company Limited
Davenport Brewery (Holdings) Limited
Davenport Brewery Limited
De Vere (Blackpool) Limited
De Vere (CR) Limited
De Vere (Southampton) Limited
De Vere Credit Limited
De Vere Golf & Leisure Limited
De Vere Group Investments Limited
De Vere Group Limited
De Vere Hotels & Leisure Limited
De Vere Hotels (Management) Limited
De Vere Hotels and Leisure CLG Limited
De Vere Hotels and Restaurants Limited
De Vere Hotels Limited
De Vere Hotels No 1 Limited
De Vere Hotels No 2 Limited
De Vere Hotels No 3 Limited
De Vere Hotels No 4 Limited
De Vere Leasing Limited
De Vere Oulton Hall Finance Lease Unlimited
De Vere Oulton Hall Limited
De Vere Resort Ownership Limited
De Vere Swindon Finance Lease Unlimited
De Vere Swindon Limited
Devenish Brewery Limited
Drew & Co (Wine Cellars) Limited
Dunston Hall Limited
DV Leisure Limited
Flowcart Limited
Gableworth Limited
Gilbert and John Greenall Limited
Glowfine Limited
Greenall Whitley Limited
Greenalls (Pelican) Limited
Greenalls Brewery Limited
Greenalls Leasing Limited
Greenalls Leisure Developments Limited
Greenalls Leisure Holdings Limited
Greenalls Leisure Limited
Greenalls Management Limited
Greenalls Midlands Limited
Greens Health And Fitness Limited
Groves & Whitnall Limited
GW Group Property Development Limited
Harvey Prince & Company Limited
Health Du Vin Limited
Hey (UK) Limited
Hotel 123 Limited
Hotel Des Arts Limited
Hotel Du Vin (Birmingham) Limited

Past

Leisure II (West India Quay LP) Shareholder Limited (resigned 14.01.04)
Leisure Park Management (Bentley Bridge) Limited (resigned 14.01.04)
Leisure Park Management (Boldon) Limited (resigned 14.01.04)
Leisure Park Management (Maidstone) Limited (resigned 14.01.04)
Leisure Park Management (Stockton) Limited (resigned 28.07.03)
Leisure Parks (General Partners) Limited (resigned 24.01.03)
Leisure Parks (General Partners II) Limited (resigned 24.01.03)
Liberty & Co (Investment 1946) Limited (dissolved 01.07.03)
Liberty (Regent and Tudor) Limited (dissolved 18.09.07)
Liberty (Regent and Tudor) No.1 Limited (dissolved 18.09.07)
Liberty Lasenby Property Limited (dissolved 14.08.07)
Liberty Lasenby Property No.2 Limited (dissolved 17.07.07)
Liberty of London Dot Com Limited (dissolved 13.05.03)
Liberty Regent Property Limited (dissolved 17.07.07)
Liberty Regent Property No.2 Limited (dissolved 17.07.07)
Liberty Retail Limited (dissolved 13.05.03)
Ludgate House Limited (dissolved 28.06.05)
Malmaison (Birmingham II) Limited (dissolved 26.08.03)
Malmaison (Charterhouse II) Limited (dissolved 26.08.03)
Malmaison (Edinburgh II) Limited (dissolved 03.02.04)
Malmaison (ELL) Limited (dissolved 13.06.03)
Malmaison (Glasgow II) Limited (dissolved 26.08.03)
Malmaison (Leeds II) Limited (dissolved 26.08.03)
Malmaison (Manchester II) Limited (dissolved 26.08.03)
Malmaison (Newcastle II) Limited (dissolved 26.08.03)
Marylebone Warwick Balfour Management Limited (resigned 23.09.05)
MWB (Bishopsgate) Limited (dissolved 08.02.05)
MWB (Chelsea) Limited (dissolved 13.05.03)
MWB (Facilities Management) Limited (dissolved 29.04.03)
MWB (Kensington Village Pembroke) Limited (dissolved 15.01.08)
MWB (Lancaster Gate) Limited (dissolved 14.10.03)
MWB (Leisure II Carried Interest) Limited (dissolved 15.01.08)
MWB (Leisure II LP Shareholder) Limited (dissolved 15.01.08)
MWB (Mount Vernon Two) Limited (dissolved 28.06.05)
MWB (Mount Vernon) Limited (dissolved 05.07.05)
MWB (Old Bailey Developments) Limited (dissolved 12.08.03)
MWB (Queensway Properties) Limited (dissolved 15.01.08)
MWB (Rossetti) Limited (dissolved 10.06.03)
MWB (Royal Victoria Dock Management) Limited (dissolved 29.04.03)
MWB (Tower Park) Limited (dissolved 15.01.08)
MWB (Warwick Road) Limited (dissolved 01.02.05)
MWB Argyle Street Operations Limited (dissolved 11.05.04)
MWB Baker Street Limited (dissolved 15.01.08)
MWB Business Exchange Europe Limited (dissolved 14.06.07)
MWB Business Exchange (France) Limited (dissolved 14.06.07)
MWB Business Exchange (Germany) Limited (dissolved 07.04.05)
MWB Business Exchange (Holland) Limited (dissolved 28.01.05)
MWB Business Exchange (Spain) Limited (dissolved 28.08.07)
MWB Business Exchange Trustee Limited (dissolved 26.08.03)
MWB Cannon Centre Lease Limited (dissolved 15.01.08)
MWB Clubhaus Prefs Limited (dissolved 28.06.05)
MWB Friar Street Lease Limited (dissolved 28.06.05)
MWB Howard Hotel No.1 Limited (dissolved 15.01.08)

Jagtar Singh *(continued)*

Current

Hotel Du Vin (Brighton) Limited
Hotel Du Vin (Bristol) Limited
Hotel Du Vin (Cambridge) Limited
Hotel Du Vin (Cheltenham) Limited
Hotel Du Vin (Glasgow) Limited
Hotel Du Vin (Harrogate) Limited
Hotel Du Vin (Henley) Limited
Hotel Du Vin (Tunbridge Wells) Limited
Hotel Du Vin (Winchester) Limited
Hotel Du Vin (York) Limited
Hotel Du Vin Europe LP Limited
Hotel Du Vin Limited
Inn Leisure (South West) Limited
Inn Leisure Group Limited
Inn Leisure Limited
JA Devenish Limited
James Shipton & Sons Limited
Jermcam Limited
Kay's Wine & Spirits (Worsley) Limited
L&W (Wholesale) Limited
Langcharm Limited
Lawread Limited
Liberty (Regent and Tudor) Holdings Limited
Liberty (Regent and Tudor) Holdings No.1 Limited
Liberty (RSPH) No.4 Limited
Liberty Centres Limited
Liberty Export Services Limited
Liberty Fabric Limited
Liberty Investment Limited
Liberty of London Limited
Liberty Plc
Liberty Prints Limited
Liberty Properties Link Owner Limited
Liberty Properties Link Owner No.2 Limited
Liberty Regent Street Limited
Liberty Regent Street No 2 Limited
Liberty Retail Plc
Liberty Tudor Property Limited
Liberty Tudor Property No.2 Limited
Licat Supplies Limited
Limewood Developments Limited
Liquid Assets Group Limited
Liquid Assets Limited
Londinium Investments Limited
London Cellars Limited
Magee Marshall and Company Limited
Malmaison (Belfast) Limited
Malmaison (Chart Square) Limited
Malmaison (Liverpool) Limited
Malmaison (Oxford) Limited
Malmaison (Reading) Limited
Malmaison Brand Limited
Malmaison Europe General Partner Limited
Malmaison Europe LP Limited
Malmaison Hotels Limited
Malmaison Limited
Malmaison Resources Limited
Manchester Trading Company Limited
Manorcall Limited (in voluntary liquidation)
Marylebone Warwick Balfour Finance Limited
Marylebone Warwick Balfour Holdings Limited
Marylebone Warwick Balfour Structuring Limited

Past

MWB Howard Hotel No.2 Limited (dissolved 15.01.08)
MWB Howard Hotel No.3 Limited (dissolved 17.07.07)
MWB Howard Hotel No.4 Limited (dissolved 17.07.07)
MWB Konnect Limited (dissolved 28.08.07)
MWB Leisure (Maidstone) Limited (resigned 24.01.03)
MWB Leisure (Maidstone (2)) Limited (resigned 24.01.03)
MWB Oxford Street Limited (dissolved 28.06.05)
MWB Pemberton Limited (dissolved 28.06.05)
MWB Select Limited (dissolved 27.04.04)
MWB West End Limited (dissolved 01.02.05)
MWB West India Quay Eastern Shareholder Limited (dissolved 10.5.05)
No.1 West India Quay (Commercial) Limited (resigned 21.07.06)
No.1 West India Quay (Residential) Limited (resigned 21.07.06)
Park Leisure Management (Poole) Limited (resigned 14.01.04)
Park-Lands (Cheltenham) Limited (dissolved 10.06.03)
Park-Lands (Estates) Ltd (dissolved 28.06.05)
Park-Lands (Holdings) Limited (dissolved 13.05.03)
Park-Lands (Islington) Limited (dissolved 13.05.03)
Park-Lands (London) Limited (dissolved 28.06.05)
Park-Lands (Securities) Limited (dissolved 11.05.04)
Park-Lands (Wood Green) Limited (dissolved 01.02.05)
PL Hotel (No.2) Limited (resigned 31.05.06)
PL Hotel Limited (resigned 31.05.06)
The Alternative Hotel Company Limited (dissolved 03.10.06)
Superlative Investment Services Limited (dissolved 22.01.08)
The Hospitality Asset Management Company Limited (resigned 23.09.05)
TP Properties Limited (dissolved 28.06.05)
Vision Development Company Limited (resigned 23.09.05)
Vision Hotel Asset Management Plc (resigned 23.09.05)
Warwick House Kensington Limited (dissolved 16.01.04)
West India Quay (Eastern) Limited (resigned 21.07.06)
WGP Management Limited
X-Leisure (Bentley Bridge) Limited (resigned 24.1.03)
X-Leisure (Baldon) Limited (resigned 24.1.03)
X-Leisure (Dundee) Limited (resigned 24.1.03)
X-Leisure (Edinburgh) Limited (resigned 24.1.03)
X-Leisure (Guildford) Limited (resigned 24.1.03)
X-Leisure (Maidstone) Limited (resigned 24.1.03)
X-Leisure Management Limited (resigned 14.01.04)
X-Leisure (Poole) Limited (resigned 24.1.03)

Jagtar Singh *(continued)*

Current

Middlemas of Kelso Limited
ML Cooper (Food Distributors) Limited
Mont Blanc Limited
Moorston Capital Limited
MWB (Cannon Centre) Limited
MWB (GMAC Finance) Limited
MWB (Industrial) Limited
MWB (Kensington Village Warwick) Limited
MWB (Kensington Village) Limited
MWB (Maidstone) Limited
MWB (Marble Arch Tower No.1) Limited
MWB (Marble Arch Tower) Limited
MWB (Old Bailey) Limited
MWB (Pall Mall) Limited
MWB (Premier) Limited
MWB (Queensway) Limited
MWB (Royal Victoria Dock) Limited
MWB (West India Quay) Limited
MWB Argyle Street Limited
MWB Asset Management Holdings Limited
MWB Business Exchange (Belgium) Limited
MWB Business Exchange (Birmingham) Limited
MWB Business Exchange (Canary Wharf) Limited
MWB Business Exchange Cannon Centre Limited
MWB Business Exchange Centres Limited
MWB Business Exchange City Tower Limited
MWB Business Exchange Leadenhall Limited
MWB Business Exchange Plc
MWB Business Exchange UK Limited
MWB Commercial Property Holdings Limited
MWB Congleton Limited
MWB Exchange Pall Mall Court Limited
MWB Executive Centres (Castle Square) Limited
MWB Executive Centres (Northampton) Limited
MWB Executive Centres (Solly Street) Limited
MWB Executive Centres Limited
MWB Friar Street Limited
MWB Fund Management Holdings Limited
MWB Fund Management Limited
MWB Group Holdings Plc
MWB Hayes Gate Limited
MWB Hotel Holdings Limited
MWB Howard Hotel Limited
MWB Investments Limited
MWB Kensington Village (Gloucester) Limited
MWB Liberty Investments Limited
MWB Malmaison Brand Limited
MWB Malmaison Holdings Limited
MWB Management Services Limited
MWB Mitcham Limited
MWB Park Lane Investments Limited
MWB Project Management Holdings Limited
MWB Retail Holdings Limited
MWB Retail Holdings No.1 Limited
MWB Retail Holdings No.2 Limited
MWB Retail Stores Shareholder Limited
MWB Serviced Office Holdings Limited
MWB Serviced Offices No.1 Limited
MWB Serviced Offices No.2 Limited
MWB Watford Limited
MWB West India Quay (Northern) Limited

Jagtar Singh *(continued)*

Current

MWB West India Quay (Warehouses) Limited
Ogden Wade Limited
Oldtop Limited
Out of the Box Catering Limited
Pendarves Arms Gwithian Limited
Phoenix Securities (Bishops Stortford) Limited
Phoenix Securities (Harborne) Limited
Port East Apartments (Management) Limited
Premiere Inns Limited
Principality Beers & Minerals Limited
Queen's Hotel Aberdeen Limited
Retail Stores Property Holdings Limited
Retail Stores Property Holdings No.1 Limited
Retail Stores Property Holdings No.2 Limited
Retail Stores Property Holdings No.3 Limited
Royal Bath Hotel Bournemouth Limited
Rysbridge Estates Limited
Sablehurst Limited
Searcy Tansley and Company Limited
Searcy Toptable Limited
ServCo Limited Partnership
Slaley Hall Co-Ownership Club Limited
Smartwarden Limited
Speed 8014 Limited
Springbrook Landscapes Limited
St David's Hotels Limited
Startland Limited
Staverton Park Golf Club Limited
Stretton Leisure Clubs Limited
Symbol Offices Limited
Tavern (1993) Limited
The Alternative Hotel Group Limited
The Banbury Collection Limited
The Belfry (North Warwickshire) Limited
The Greenalls Group Pension Trustees Limited
The Malmaison Company (Edinburgh) Limited
The Malmaison Hotel (Birmingham) Limited
The Malmaison Hotel (Glasgow) Limited
The Malmaison Hotel (Leeds) Limited
The Malmaison Hotel (Manchester) Limited
The Malmaison Hotel (Newcastle) Limited
The Shrewsbury and Wem Brewery Company Limited
The Waterside Apartments (Princes Dock
Management Company) Limited
The Wrekin Brewery Company Limited
TOB Restaurants Limited
University Arms Hotel Limited
Vallances Nominees Limited
Vector Venue Holdings Limited
Venuesolve Limited
Verve Conferences Limited
Verve Venues Limited
Verve Venues Properties Limited
Village Hotels & Leisure Limited
Village Leisure Hotels Limited
Warwick Balfour Group Limited
Warwick Balfour Investments Limited
Warwick Balfour Limited
Warwick Balfour Management Limited
Warwick Balfour Properties Limited
Wealthcomet Limited
West India Quay Development Company
(Eastern No.2) Limited

Jagtar Singh *(continued)*

Current

West India Quay Development Company
(Warehouses No.2) Limited
West India Quay Development Company
(Warehouses) Limited
WGP (Two) Limited
X Est Catering Limited

Michael Bibring

Current

140 Park Lane Limited
20 Heathside Court Limited
59/60 Belsize Park Management Company Limited
AHG Hotel Holdings Limited
AHG Management Services Limited
AHG Management Services Venice Limited
AHG Venice Finance No 1 Limited
AHG Venice Finance No.2 Limited
AHG Venice Finance No.3 Limited
AHG Venice Land Limited
AHG Venice Limited
AHG Venice Newco 1 Limited
AHG Venice Newco 2 Limited
AHG Venice Newco 3 Limited
AHG Venice Newco 4 Limited
AHG Venice Newco 5 Limited
AHG Venice Newco 6 Limited
AHG Venice Newco 7 Limited
AHG Venice Newco 8 Limited
AHG Venice SPV No.1 Limited
AHG Venice SPV No.2 Limited
AHG Venice SPV No.3 Limited
AHG Venice SPV No.4 Limited
B.S. Mineral Waters Limited
Belton Woods Hotel and Country Club Limited
Belton Woods Resort Ownership Limited
Branwell Wines Limited
Cambrian Soft Drinks Limited
Cameron House Loch Lomond Limited
Cave Du Vin Limited
Chester Northgate Brewery Company Limited
China Lane Limited
Cornish Brewery Company Limited
Coys Limited
Davenports Brewery (Holdings) Limited
Davenports Brewery Limited
De Vere (Blackpool) Limited
De Vere (C.R.) Limited
De Vere (Southampton) Limited
De Vere Credit Limited
De Vere Golf & Leisure Limited
De Vere Group Investments Limited
De Vere Group Limited
De Vere Hotels & Leisure Limited
De Vere Hotels (Management) Limited
De Vere Hotels and Leisure CLG Limited
De Vere Hotels and Restaurants Limited
De Vere Hotels Limited
De Vere Hotels No 1 Limited
De Vere Hotels No 2 Limited
De Vere Hotels No 3 Limited
De Vere Hotels No 4 Limited

Past

1 Radlett Place Limited (dissolved 30.05.06)
140 Park Lane Residential No.1 Limited (dissolved 17.07.07)
140 Park Lane Residential No.2 Limited (dissolved 17.07.07)
33/34 Onslow Gardens No.1 Limited (dissolved 31.10.06)
33/34 Onslow Gardens No.2 Limited (dissolved 14.11.06)
Cadbury House Limited (dissolved 28.10.03)
Capital & Regional (Leisure GP) Limited (resigned 23.01.03)
Centre Heights Limited (dissolved 28.06.05)
Fleetplan Limited (dissolved 13.05.03)
Grenville Nominees No.1 Limited (resigned 15.06.04)
Grenville Nominees No.2 Limited (resigned 15.06.04)
Hotel Du Vin Europe LP Limited (resigned 28.06.06)
Hotel Fund (General Partner) Limited (dissolved 01.07.03)
Leisure Box Limited (resigned 22.12.06)
Leisure II (West India Quay LP) Shareholder Limited
(resigned 14.01.04)
Liberty & Co (Investment 1946) Limited (dissolved 01.07.03)
Liberty Lasenby Property Limited (dissolved 14.08.07)
Liberty Lasenby Property No.2 Limited (dissolved 17.07.07)
Liberty of London Dot Com Limited (dissolved 13.05.03)
Liberty Regent Property Limited (dissolved 17.07.07)
Liberty Regent Property No.2 Limited (dissolved 17.07.07)
Liberty Retail Limited (dissolved 13.05.03)
Ludgate House Limited (dissolved 28.06.05)
Malmaison (Birmingham II) Limited (dissolved 26.08.03)
Malmaison (Charterhouse II) Limited (dissolved 26.08.03)
Malmaison (Edinburgh II) Limited (dissolved 03.02.04)
Malmaison (ELL) Limited (dissolved 13.06.03)
Malmaison (Glasgow II) Limited (dissolved 26.08.03)
Malmaison (Leeds II) Limited (dissolved 26.08.03)
Malmaison (Manchester II) Limited (dissolved 26.08.03)
Malmaison (Newcastle II) Limited (dissolved 26.08.03)
Marylebone Warwick Balfour Management Limited
(resigned 28.10.03)
MWB (Bishopsgate Residential) Limited (dissolved 23.11.04)
MWB (Bishopsgate) Limited (dissolved 08.02.05)
MWB (Chelsea) Limited (dissolved 13.05.03)
MWB (Facilities Management) Limited (dissolved 29.04.03)
MWB (Kensington Village Pembroke) Limited
(dissolved 15.01.08)
MWB (Lancaster Gate) Limited (dissolved 14.10.03)
MWB (Leisure II Carried Interest) Limited (dissolved 15.01.08)
MWB (Leisure II LP Shareholder) Limited (dissolved 15.01.08)
MWB (Mount Vernon Two) Limited (dissolved 28.06.05)
MWB (Mount Vernon) Limited (dissolved 05.07.05)
MWB (Old Bailey Developments) Limited (dissolved 12.08.03)
MWB (Queensway Properties) Limited (dissolved 15.01.08)
MWB (Rossetti) Limited (dissolved 10.06.03)
MWB (Royal Victoria Dock Management) Limited
(dissolved 29.04.03)
MWB (Tower Park) Limited (dissolved 15.01.08)
MWB (Warwick Road) Limited (dissolved 01.02.05)

Michael Bibring (continued)

Current

De Vere Leasing Limited
De Vere Oulton Hall Finance Lease Unlimited
De Vere Oulton Hall Limited
De Vere Resort Ownership Limited
De Vere Swindon Finance Lease Unlimited
De Vere Swindon Limited
Devenish Brewery Limited
Drew & Co (Wine Cellars) Limited
Dunston Hall Limited
DV Leisure Limited
Gilbert and John Greenall Limited
Glowfine Limited
Greenall Whitley Limited
Greenalls (Pelican) Limited
Greenalls Brewery Limited
Greenalls Leasing Limited
Greenalls Leisure Developments Limited
Greenalls Leisure Holdings Limited
Greenalls Leisure Limited
Greenalls Management Limited
Greenalls Midlands Limited
Greens Health and Fitness Limited
Groves & Whitnall Limited
GW Group Property Development Limited
Harvey Prince & Company Limited
Health Du Vin Limited
Hey (UK) Limited
Hotel 123 Limited
Hotel Des Arts Limited
Hotel Du Vin (Birmingham) Limited
Hotel Du Vin (Brighton) Limited
Hotel Du Vin (Bristol) Limited
Hotel Du Vin (Cambridge) Limited
Hotel Du Vin (Glasgow) Limited
Hotel Du Vin (Harrogate) Limited
Hotel Du Vin (Henley) Limited
Hotel Du Vin (Tunbridge Wells) Limited
Hotel Du Vin (Winchester) Limited
Hotel Du Vin Limited
Inn Leisure (South West) Limited
Inn Leisure Group Limited
Inn Leisure Limited
J.A. Devenish Limited
James Shipstone & Sons Limited
Jermcam Limited
Kay's Wine & Spirits (Worsley) Limited
L & W (Wholesale) Limited
Lawread Limited
Liberty Export Services Limited
Liberty Fabric Limited
Liberty Investment Limited
Liberty Properties Link Owner Limited
Liberty Properties Link Owner No.2 Limited
Liberty Regent Street Limited
Liberty Retail Plc
Liberty Tudor Property Limited
Liberty Tudor Property No.2 Limited
Licat Supplies Limited
Limewood Developments Limited
Liquid Assets Group Limited
Liquid Assets Limited
Londinium Investments Limited

Past

MWB Argyle Street Operations Limited (dissolved 11.05.04)
MWB Baker Street Limited (dissolved 15.01.08)
MWB Business Exchange Europe Limited (dissolved 14.06.07)
MWB Business Exchange (France) Limited (dissolved 14.06.07)
MWB Business Exchange (Germany) Limited (dissolved 07.04.05)
MWB Business Exchange (Holland) Limited (dissolved 28.01.05)
MWB Business Exchange (Spain) Limited (dissolved 28.08.07)
MWB Business Exchange Trustee Limited (dissolved 26.08.03)
MWB Business Exchange UK Limited (resigned 22.08.07)
MWB Cannon Centre Lease Limited (dissolved 15.01.08)
MWB Clubhaus Prefs Limited (dissolved 28.06.05)
MWB Friar Street Lease Limited (dissolved 28.06.05)
MWB Howard Hotel No.1 Limited (dissolved 15.01.08)
MWB Howard Hotel No.2 Limited (dissolved 15.01.08)
MWB Howard Hotel No.3 Limited (dissolved 17.07.07)
MWB Howard Hotel No.4 Limited (dissolved 17.07.07)
MWB Oxford Street Limited (dissolved 28.06.05)
MWB Pemberton Limited (dissolved 28.06.05)
MWB Select Limited (dissolved 27.04.04)
MWB West End Limited (dissolved 01.02.05)
No.1 West India Quay (Commercial) Limited (resigned 21.07.06)
No.1 West India Quay (Residential) Limited (resigned 21.07.06)
O2 (General Partner) Limited (resigned 23.01.03)
O2 Manager Limited (resigned 23.01.03)
Park Leisure Management (Poole) Limited (resigned 14.01.04)
Park-Lands (Cheltenham) Limited (dissolved 10.06.03)
Park-Lands (Estates) Ltd (dissolved 28.06.05)
Park-Lands (Holdings) Limited (dissolved 13.05.03)
Park-Lands (Islington) Limited (dissolved 13.05.2003)
Park-Lands (London) Limited (dissolved 28.06.05)
Park-Lands (Securities) Limited (dissolved 11.05.2004)
Park-Lands (Wood Green) Limited (dissolved 01.02.05)
Superlative Investment Services Limited (dissolved 22.01.08)
T P Properties Limited (dissolved 28.06.05)
Tadema Road Limited (resigned 09.02.07)
The Alternative Hotel Company Limited (dissolved 03.10.06)
The Hospitality Asset Management Company Limited (resigned 23.09.05)
The Waterside Apartments (Princes Dock Management Company) Limited (resigned 11.06.07)
Vision Development Company Limited (resigned 23.09.05)
Vision Hotel Asset Management Plc (resigned 23.09.05)
Warwick House Kensington Limited (dissolved 06.01.04)
West India Quay (Eastern) Limited (resigned 21.07.06)
West India Quay (Warehouse Property) Limited (resigned 30.09.04)
West India Quay Development Company (Eastern) Limited (resigned 21.07.06)
West India Quay Management Company Limited (resigned 21.07.06)
WGP Management Limited (dissolved 15.01.08)

Michael Bibring *(continued)*

Current

London Cellars Limited
M. L. Cooper (Food Distributors) Limited
Magee, Marshall and Company Limited
Malmaison (Belfast) Limited
Malmaison (Liverpool) Limited
Malmaison (Oxford) Limited
Malmaison (Reading) Limited
Malmaison Europe General Partner Limited
Malmaison Europe LP Limited
Malmaison Hotels Limited
Malmaison Resources Limited
Manchester Trading Company Limited
Marylebone Warwick Balfour Finance Limited
Marylebone Warwick Balfour Holdings Limited
Marylebone Warwick Balfour Management Limited
Marylebone Warwick Balfour Structuring Limited
Middlemas of Kelso Limited
Mont Blanc Limited
Moorston Capital Limited
MWB (Cannon Centre) Limited
MWB (GMAC Finance) Limited
MWB (Industrial) Limited
MWB (Kensington Village Warwick) Limited
MWB (Kensington Village) Limited
MWB (Maidstone) Limited
MWB (Marble Arch Tower No.1) Limited
MWB (Marble Arch Tower) Limited
MWB (Old Bailey) Limited
MWB (Pall Mall) Limited
MWB (Queensway) Limited
MWB (Royal Victoria Dock) Limited
MWB (West India Quay) Limited
MWB Argyle Street Limited
MWB Asset Management Holdings Limited
MWB Business Exchange (Belgium) Limited
MWB Business Exchange (Birmingham) Limited
MWB Business Exchange (Canary Wharf) Limited
MWB Business Exchange Leadenhall Limited
MWB Commercial Property Holdings Limited
MWB Congleton Limited
MWB Executive Centres (Northampton) Limited
MWB Executive Centres Limited
MWB Friar Street Limited
MWB Fund Management Holdings Limited
MWB Fund Management Limited
MWB Hayes Gate Limited
MWB Group Holdings Plc
MWB Hotel Holdings Limited
MWB Howard Hotel Limited
MWB Investments Limited
MWB Kensington Village (Gloucester) Limited
MWB Liberty Investments Limited
MWB Malmaison Holdings Limited
MWB Management Services Limited
MWB Mitcham Limited
MWB Park Lane Investments Limited
MWB Project Management Holdings Limited
MWB Retail Holdings Limited
MWB Retail Holdings No.1 Limited
MWB Retail Holdings No.2 Limited
MWB Serviced Office Holdings Limited

Michael Bibring *(continued)*

Current

MWB Serviced Offices No.1 Limited
MWB Serviced Offices No.2 Limited
MWB Watford Limited
MWB West India Quay (Northern) Limited
MWB West India Quay (Warehouses) Limited
Ogden Wade Limited
Oldtop Limited
Out of the Box Catering Limited
Pendarves Arms, Gwithian Limited
Phoenix Securities (Bishops Stortford) Limited
Phoenix Securities (Harborne) Limited
Port East Apartments (Management) Limited
Premiere Inns Limited
Principality Beers & Minerals Limited
Queen's Hotel Aberdeen Limited
Retail Stores Property Holdings No.1 Limited
Retail Stores Property Holdings No.2 Limited
Retail Stores Property Holdings No.3 Limited
Royal Bath Hotel Bournemouth Limited
Rysbridge Estates Limited
Sablehurst Limited
Searcy Tansley and Company Limited
Searcy Toptable Limited
ServCo Limited Partnership
Slaley Hall Co-Ownership Club Limited
Smartwarden Limited
Speed 8014 Limited
Springbrook Landscapes Limited
St. David's Hotels Limited
Staverton Park Golf Club Limited
Stretton Leisure Clubs Limited
Tavern (1993) Limited
The Alternative Hotel Group Limited
The Banbury Collection Limited
The Belfry (North Warwickshire) Limited
The Malmaison Company (Edinburgh) Limited
The Shrewsbury and Wem Brewery Company Limited
The Wrekin Brewery Company Limited
TOB Restaurants Limited
Totalbroad Limited
University Arms Hotels Limited
Vallances Nominees Limited
Vector Venue Holdings Limited
Venuesolve Limited
Verve Central Limited
Verve City Limited
Verve Conferences Limited
Verve Metropolis Limited
Verve Venues Limited
Verve Venues Properties Limited
Village Hotels & Leisure Limited
Village Leisure Hotels Limited
West India Quay (Block A) Limited
West India Quay Development Company
(Eastern No.2) Limited
West India Quay Development Company
(Ledger) Limited
West India Quay Development Company
(Northern) Limited
West India Quay Development Company
(Warehouses No.2) Limited
West India Quay Development Company
(Warehouses) Limited

Michael Bibring *(continued)*

Current

West India Quay Development Company Limited
West India Quay Management Company
(Car Park) Limited
West India Quay Management Company
(Museum) Limited
West India Quay Management Company
(Northern) Limited
WGP (Two) Limited
X Est Catering Limited

Robert Burrow

Current

224 KHS Developments Limited
Camden market Estates Arches Limited
CGL Acquisitions Limited
Chelsfield Limited
Chelsfield Properties Limited
Cycleshield Limited
Control Components Limited
Dave Autos (UK) Limited
Floorwing Limited
Glebe Holdings Limited
Langdale Overseas Property Services Limited
Littlecastle Limited
London & Newcastle Group Limited
Lockdeck Limited
Mission Capital PLC
MWB Group Holdings Plc
Nightpearl Limited
Oval (2001) Limited
Property Derivatives Limited
Property Index Limited
Stanley Sidings Ltd.

Past

Basetown Limited (resigned 30.06.04)
Birds Hill Oxshott Estate Company Limited (resigned 12.01.04)
Chelsfield Limited (dissolved 02.10.07)
Hillbrook Ventures Limited (dissolved 11.12.07)
L'ecluse Limited (dissolved 11.12.07)
Lambourne Assured Tenancies Limited (dissolved 23.03.04)
Plumtree Services Limited (resigned 30.12.04)
S.J. Berwin Services (resigned 10.08.07)
SJ Berwin (Europe) Limited (resigned 10.08.07)
SJ Berwin (Nominees) Limited (resigned 10.08.07)

David Marshall

Current

Chateau Gateaux Limited
City Group Asset Management Ltd
City Group P.L.C.
Condor Gold Mines Limited
Creston Plc
Dougalston Limited
Finsbury Food Group Plc
Global Coffee Exports (UK) Limited
Halogen Holdings P.L.C.
Housestaple Limited
Humberstone Holdings P.L.C.
Industrial & Commercial Holdings P.L.C.
London Finance & Investment Group P.L.C.
Lonfin Investments Limited
MWB Group Holdings Plc
Monteagle Consumer Group (UK) Limited
Monteagle Properties (UK) Limited
Northbridge Industrial Services Plc
Registered Offices Limited
Tennyson Investments (UK) Limited
Western Selection Plc

Past

Bunhill Plc (resigned 24.05.05)
Daleded Limited (dissolved 02.05.06)
Fullers Investments Limited (dissolved 17.01.08)
MWB (Industrial) Limited (resigned 15.06.05)
Registered Offices Investments Limited (dissolved 20.04.04)
The Sanctuary Group Limited (resigned 31.07.03)

- (C) In the opinion of the Directors, there are no potential conflicts of interest between any duties of the Directors to MWB and their private interests and/or other duties. For the year ended 30 June 2004 and each subsequent financial period of MWB, the Board has constituted a conflicts committee (the "Conflicts Committee"). The Conflicts Committee comprises solely Non-Executive Directors of the Company, who monitor and control appointments and deal with potential conflicts of interest.
- (D) Richard Balfour-Lynn, Jagtar Singh, Michael Bibring and Andrew Blurton were directors of:
- (i) MWB Business Exchange Europe Limited (company 3195480) which was put into creditors' voluntary liquidation pursuant to a court order dated 14 December 2005 and dissolved on 14 June 2007;
 - (ii) MWB Business Exchange (France) Limited (company number 3917388) which was put into liquidation pursuant to directors' and shareholder resolutions passed on 23 July 2003;
 - (iii) MWB Business Exchange (Germany) Limited (company 3917390) which was put into creditors' voluntary liquidation pursuant to directors' and shareholder resolutions passed on 23 July 2003 and dissolved on 7 April 2005; and
 - (iv) MWB Business Exchange (Holland) Limited (company 3917380) which was put into creditors' voluntary liquidation pursuant to directors' and shareholder resolutions passed on 23 July 2003 and dissolved on 28 January 2005.

The aggregate net liabilities of these companies on these liquidations amounted to approximately £34 million, of which approximately £21 million was owed to MWB.

- (E) Each of the Executive Directors is a partner of ServCo.
- (F) Save as disclosed in this paragraph 5, none of the Directors, or senior executives as at the date of this document:
- (i) has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years of any company or partnership, or is still a member of the administrative, management or supervisory bodies or partner of any company or partnership;
 - (ii) has any convictions in relation to fraudulent offences incurred during the previous five years;
 - (iii) has been associated with any bankruptcies, receiverships or liquidations while acting as a member of the administrative, management or supervisory bodies or member of senior management of a company and/or partnership for the previous five years prior to the date of this document;
 - (iv) has been subject to any official public incrimination and/or sanction by a statutory or regulatory authority (including designated professional bodies) or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer during the previous five years; or
 - (v) has any family relationship with any other Director or senior executive.

6. Details of major shareholder interests

At 6 February 2008 (being the latest practicable date prior to publication of this document), so far as MWB is aware, the interests, direct or indirect, of persons (other than interests of the Directors notifiable solely as a result of their office) in MWB's issued share capital which are notifiable under English law were as follows:

Shareholder	Number of Existing Ordinary Shares	Percentage holding of Existing Ordinary Shares
Mercury Real Estate Advisors LLC	9,585,020	11.9
Deutsche Bank AG and Tilney Investment Management ⁽¹⁾	8,875,600	11.0
R.G. Balfour-Lynn ⁽²⁾	7,533,655	9.4
J. S. Shashou	6,116,402	7.6
Bank of New York Nominees Ltd and Chase Nominees Ltd	5,406,222	6.7
Principle Capital Investment Trust plc	5,095,268	6.3
J. W. Harrison	4,366,999	5.4
Goldman Sachs & Co	2,787,978	3.5

(1) Deutsche Bank of AG has advised the Company that this holding may relate in part or in whole to hedging arrangements for transactions with customers of the bank.

(2) Director of the Company.

7. Loan Stock

(A) Background

The Loan Stock was created by MWB on 28 June 2005 pursuant to a trust deed (the "Loan Stock Trust Deed") entered into between (1) MWB and (2) the Loan Stock Trustee as trustee for the holders of the Loan Stock ("Stockholders" and each a "Stockholder"). The Loan Stock has been and is at the date of this document an unsecured obligation of MWB and is due for settlement by MWB between June 2009 and June 2012. The Loan Stock was listed on the Official List and to trading on the London Stock Exchange market for listed securities on 28 June 2005.

(B) Novation

The conditions of the Loan Stock set out in the Loan Stock Trust Deed provide that "In circumstances where—(ii) a de-merger of any material assets, business or business division of the Group (defined as MWB and its subsidiaries) from the Group (whether by way of distribution in specie, liquidation, scheme of arrangement or three way transfer or otherwise) to a person or persons (other than to the Company (i.e. MWB) or a subsidiary of the Company) is proposed to take place (a "de-merger"), the Company may, but is not required to, exercise rights of novation of the Stock."

The Scheme will constitute a "de-merger" as defined above and therefore the Scheme will enable, but not require, MWB to exercise rights to novate the Loan Stock into New MWB. A novation would require the approval of the Loan Stock Trustee as trustee of the Loan Stock, or failing such approval, the passing of an ordinary resolution of the Stockholders (an ordinary resolution being a resolution passed at a meeting of Stockholders duly convened and held and carried by a majority consisting of not less than half the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than half of the votes on such poll (and each Stockholder who is present in person or by proxy shall have one vote for every £1 nominal of Loan Stock they hold)).

The Board has obtained irrevocable undertakings from Pendragon Capital LLP ("Pendragon"), on behalf of the funds that it manages, and from all of the Directors holding Loan Stock, to procure that those holders of Loan Stock shall vote in favour of any resolution to approve a novation of all rights and obligations of MWB in relation to the Loan Stock to New MWB (such novation to take effect following the Scheme becoming effective and the New MWB Reduction of Capital being approved). Funds managed by Pendragon hold £15 million in nominal value of Loan Stock, which represents 50 per cent. of the £30 million in nominal value of issued Loan Stock, and Pendragon is therefore the manager of the major holding of Loan Stock (the "Major Holder").

The novation will result in, amongst other things, the obligations to make repayments and payments of interest being assumed by New MWB and in MWB being released from its obligations to make any such payments. The effect of this novation is that the interests of the holders of Loan Stock after the Scheme will be the same as they are before the Scheme. These irrevocable undertakings would be sufficient to pass an ordinary resolution of the holders of Loan Stock to approve a novation of the Loan Stock to New MWB at a meeting of holders of Loan Stock.

The irrevocable undertaking from the Major Holder is conditional upon: (i) the resolutions to be passed by holders of Existing Ordinary Shares at the Court Meeting and the EGM being passed on the first occasion that such resolutions are proposed; and (ii) the Scheme being approved in all material respects by the High Court prior to 30 April 2008.

New MWB has undertaken to the Major Holder, conditional on the Loan Stock being novated to New MWB, to make an offer, by private treaty, to purchase, the outstanding Loan Stock held by the Major Holder within 6 months following the disposal of the hotel business trading under the name 'Malmaison' or by 31 December 2008 (whichever is the later). If such an offer is made, the offer price for the outstanding Loan Stock held by the Major Holder will be in cash at par plus accrued interest thereon (at the rate of 9.75 per cent. per annum) and, if the offer is prior to 30 June 2009, early payment interest which is equivalent to 50 per cent. of the difference between 9.75 per cent. and 12 month sterling LIBOR for the period between the date of purchase and 30 June 2009.

The Board of New MWB has also resolved that, if and when an offer is made to the Major Holder in the manner described above, New MWB will also make an offer to purchase, by private treaty, all of the other outstanding Loan Stock not held by the Major Holder on similar terms.

The novation of the Loan Stock is intended to take effect at a time when MWB is a wholly owned subsidiary of New MWB. To effect the novation of the Loan Stock, MWB and New MWB will enter into a novation agreement, the principal terms of which will provide that MWB will pay New MWB an amount equal to the outstanding principal and interest accrued on the Loan Stock at the date of the novation as consideration for the assumption by New MWB of the liabilities and obligations of MWB pursuant to the terms of the Loan Stock. This amount will remain outstanding on an inter-company loan account. The novation agreement shall also confirm that all references to "MWB" or "the Company" in the Loan Stock Trust Deed shall be construed as being a reference to New MWB.

The terms of the Loan Stock will remain governed by the Loan Stock Trust Deed, the terms of which shall be unchanged save for certain consequential amendments (i) to reflect the assumption of the rights and obligations of the Loan Stock by New MWB by all references to MWB being amended so as to be references to New MWB; and (ii) updating certain references to reflect the introduction of the Companies Act 2006.

The Loan Stock will, after novation, remain an unsecured obligation of New MWB. The Loan Stock will be in registered form and will be credited as fully paid and free from all liens charges and encumbrances. The Loan Stock will rank in point of security *pari passu* in all respects with any other unsecured loan stock of New MWB. The nominal yield on the Loan Stock will be 9.75 per cent. per annum.

The novation referred to above combined with the re-listing of the Loan Stock in the name of New MWB (as described in paragraph (C) below), if approved and effected, would ensure the Loan Stock remains an obligation of a listed company, namely New MWB.

(C) *Listing and De-Listing; Dealings and Settlement*

Application will be made to the UK Listing Authority for the Loan Stock to be admitted to the Official List and to the London Stock Exchange's market for listed securities in the name of New MWB. The ISIN number of the Loan Stock will be GB00B2PFCW91. The Loan Stock will be issued in either certificated or uncertificated form through CREST (as requested by Loan Stock holders) to the holders of the Loan Stock by 15 April 2008.

The last day of dealings in Loan Stock issued in the name of MWB is expected to be 11 April 2008. The last time for registration of transfers of Loan Stock issued in the name of MWB is expected to be 6:00 p.m. on 11 April 2008. Admission of the Loan Stock issued in the name of MWB is expected to become effective on 14 April 2008.

The opening price of the Loan Stock with New MWB as the issuer is expected to be the closing price of the Loan Stock with MWB as the issuer on the day of its de-listing.

Registered holders of the Loan Stock will be issued new certificates for Loan Stock of New MWB but otherwise all rights and obligations they have in respect of the Loan Stock will remain in full force and effect, save that these rights and obligations will be enforceable by and against, New MWB.

The Directors will also apply for the Loan Stock to be held in CREST with effect from Admission and expect CREST to agree to this request. Accordingly, it is anticipated that settlement of transactions in the Loan Stock following admission may take place within the CREST system if the individual Stockholders so wish. CREST is a voluntary system and holders of Loan Stock who wish to receive and retain certificates for the Loan Stock will be able to do so.

(D) *Taxation*

A summary of the taxation consequences of the novation of the Loan Stock for certain categories of Stockholders resident in the United Kingdom and in the US is set out in paragraph 9 of this Part III below.

8. Material Contracts

Set out below is a summary of each contract (not being contracts entered into in the ordinary course of business) entered into by any member of the Group (i) within the two years immediately preceding the date of this document which are, or may be, material to the Group; or (ii) which contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group at the date of this document:

8.1 On 27 March 2002, (1) MWB and (2) ServCo Limited Partnership, formerly known as Asset and Property Services Limited Partnership (an entity controlled by the Executive Directors) entered into an agreement for the provision by ServCo of administrative, operational and head office outsourced services to the MWB Group. Pursuant to this agreement, MWB pays management fees and rental payments as agreed between the parties but subject to adjustment for any increase or decrease in the cost to ServCo of providing such services to the MWB Group. This adjustment (whether an increase or a decrease) is to be as agreed between the parties and failing agreement, by an expert appointed in accordance with the dispute resolution mechanism contained in the agreement

8.2 On 5 June 2003, MWB and a wholly owned subsidiary, now known as MWB Investments Limited ("MWB Investments"), entered into an agreement with RECP Business Exchange Holdco L.L.C. ("RECP") which became unconditional and was completed on 27 June 2003, pursuant to which RECP sold to MWB Investments (i) its entire shareholding in MWB Business Exchange Europe Limited, (formerly known as MWB Business Exchange Limited), which was put into creditors' voluntary liquidation pursuant to directors' and shareholder resolutions passed on 23 July 2003 ("Business Exchange Europe"), comprising all of the 18,312,090 issued First A Preference Shares of £1 each (together with rights to accrued dividends on such shares) and its 242 ordinary shares of £1 each in Business Exchange Europe (representing approximately a 20 per cent. holding of ordinary shares) and (ii) a loan made by RECP to Business Exchange Europe of £5,000,000 (together with accrued interest).

The aggregate consideration paid or payable (which was apportioned as to £1,700,000 to the ordinary shares in Business Exchange Europe, £5,500,000 to the loan (including accrued interest) and the balance to the First A Preference Shares) was:

8.2.1 £7,500,000 which was paid in cash at completion on 27 June 2003;

- 8.2.2 £8,500,000 which is a loan from RECP to MWB at a rate of 9 per cent. per annum, repayable by 30th June 2009, which is guaranteed by certain of MWB's subsidiaries; and
- 8.2.3 up to a further £9,500,000 by way of deferred consideration if the Group and certain associated and connected persons ("MWB Parties") receive distributions from Business Exchange Europe or from the serviced office business of Business Exchange Europe (including, but not limited to, value received from dividends, distributions, external sales of assets, refinancings, capital repayments and the proceeds of external sales of Business Exchange Europe or its serviced office business) at any time up to June 2018 or (if earlier) the sale of Business Exchange Europe or of its serviced office business to a third party which is unconnected to any MWB Party.
- 8.3 On 25 July 2005, MWB Hotel Holdings Limited ("Hotel Holdings") and MWB Malmaison Holdings Limited ("Malmaison Holdings"), until then wholly owned subsidiaries of MWB, entered into a subscription and shareholders agreement with Royal Bank of Scotland Plc ("RBS") whereby RBS agreed to subscribe a total of £30 million in return for the allotment and issue to it of 17,500 preferred ordinary shares in Malmaison Holdings, carrying a priority return of 5 per cent. per annum and an equity interest of 17.5 per cent. in the enlarged issued share capital of Malmaison Holdings. £28.28 million of these monies have been subscribed at the date of this document, with a commitment from RBS to subscribe for the balance as and when needed for the purposes of meeting the development plans of Malmaison Holdings. The shareholders' agreement entitles RBS to appoint a director and an observer to the board of Malmaison Holdings, it contains certain covenants and undertakings from Malmaison Holdings relating to the provision of financial and other information concerning Malmaison Holdings and its subsidiaries, and includes certain provisions dealing with the administration of Malmaison Holdings and regulation of the relationship between Hotel Holdings and RBS which are normal for a transaction of this nature. The agreement contains certain customary warranties (subject to customary limitations) given by Malmaison Holdings (and guaranteed by Hotel Holdings) in favour of RBS relating to the business of Malmaison Holdings and its subsidiaries. The agreement includes provisions allowing Hotel Holdings to require RBS to participate in a subsequent sale, flotation or realisation of value in Malmaison Holdings, provided the sums receivable by RBS in that event are at least equal to the amount of its investment and its priority return of 5 per cent. per annum. MWB is entitled to receive the next £47.5 million (or a higher sum, depending on the level of the proceeds on sale or market capitalisation on flotation), with any remaining balance being shared 82.5 per cent. to Hotel Holdings and 17.5 per cent. to RBS.
- 8.4 On 9 May 2006, 140 Park Lane Limited, a 70 per cent. owned subsidiary of MWB, ("140 Park Lane") entered into a contract to sell the entire issued share capital of its subsidiary, MWB Park Lane Hotel Limited ("PLH"), and various debts owed by PLH and its subsidiary (the "Indebtedness") to Fornax Limited ("Fornax") for a total amount of £105 million, payable in cash at completion of the sale. At the date of sale, PLH owned the freehold interest in the five-star Marriott International Hotel on Park Lane. Completion of the sale of PLH and the Indebtedness to Fornax took place on 31 May 2006. A further amount was also payable to 140 Park Lane pursuant to an assessment of realisable values of the non-property assets of PLH at 31 May 2006 that were transferred to Fornax under the agreement. The agreement contains various representations, warranties and indemnities by the parties that are usual for a transaction of this nature. MWB guaranteed the obligations of 140 Park Lane under the sale agreement.
- 8.5 On 21 July 2006, MWB (West India Quay) Limited, a wholly owned subsidiary of MWB ("MWB WIQ") entered into and completed a contract to sell the entire issued share capital of MWB West India Quay (Eastern) Limited ("MWE") to Yianis Docklands Hotels Limited ("Yianis"). The consideration for the sale of the shares by MWB WIQ was approximately £28.6 million payable in cash on completion. Under the same contract, MWB's 33.3 per cent. partner in the West India Quay project, Manhattan Loft Corporation Limited, agreed to

sell the entire issued share capital of its wholly owned subsidiary Manhattan Loft (WIQ) Hotel Limited (“MLH”) to Yianis. At the date of sale, MWE and MLH owned West India Quay Development Company (Eastern) Limited (“Eastern”) and between them or through Eastern and its subsidiaries they owned the entire freehold interest in the Marriot hotel and executive apartments at West India Quay, and had the right to receive ground rent in relation to 158 residential apartments at the same address. The consideration was subject to adjustment by reference to the aggregate net current asset value of MWE, MLH, Eastern and its subsidiaries at completion and by reference to the net operating profit of the hotel for the period from completion until 30 June 2008 totalling £3.5 million. MWB WIQ and Manhattan Loft Corporation Limited jointly and severally provided Yianis with a number of indemnities and warranties, including a cash backed indemnity in relation to matters involving Eastern and the contractor on the construction of the hotel and apartments, an indemnity relating to stamp duty in connection with the ownership of the hotel, a tax indemnity in relation to a post sale corporate reorganisation of the companies sold to Yianis and other representations, warranties and indemnities usual for a transaction of this nature. MWB guaranteed the obligations of MWB WIQ under the contract.

8.6 On 13 April 2007, Malmaison and Hotel du Vin Property Holdings Limited (“the Borrower”), an 82.5 per cent. owned subsidiary of MWB, entered into a debt facility with The Governor and Company of the Bank of Scotland (now Bank of Scotland PLC) (“BoS”) as facility agent and security trustee for itself and The Royal Bank of Scotland Plc (“RBS”). The debt facility was amended on 24 April 2007 and amended and restated on 28 September 2007 to provide a mixture of term and revolving facilities of up to an aggregate amount of £253.15 million to be repaid by 30 June 2008. These facilities were for the purpose, amongst other things, of enabling certain Group companies to pay the premium arising on grant of certain long leasehold interests over certain properties in the Malmaison and Hotel du Vin portfolio to other Group companies and to pay for acquisition and development costs associated with those properties. Under the facility, BoS (as security trustee) was provided with security documents from certain subsidiaries of MWB Malmaison Holdings Limited which included a guarantee, a legal charge over any properties which such subsidiaries held and a debenture over all their assets. From 28 September 2007 MWB guaranteed the liabilities of the Borrower under the debt facility up to a maximum of £10,000,000 (including interest and expenses). An amendment and restatement agreement is currently close to being exchanged which will provide that the revolving facility be increased so that the maximum aggregate of the debt facility will be £287,000,000, that the debt facility will be repaid by 31 December 2009 and that the guarantee from MWB will be reduced to a maximum of £5,000,000 (including interest and expenses). In addition, the amendment and restatement agreement provides that the majority of the subsidiaries of MWB Malmaison Holdings Limited are to accede to the debt facility agreement as guarantors and to provide debentures to BoS (as security trustee) by 29 February 2008.

8.7 On 28 September 2007, MWB Business Exchange Centres Limited, a subsidiary of MWB’s 67.9% owned subsidiary MWB Business Exchange Plc, (“BX Centres”), entered into a debt facility with BoS. The debt facility provides a term loan of £13,000,000 in two tranches of £9,500,000 (“Tranche A”) and £3,500,000 (“Tranche B”). The term facility is for the purpose of, in respect of Tranche A, funding BX Centres’ acquisition of the entire issued share capital of specified target companies and to make payment of the costs and expenses arising in relation to the acquisition of those target companies and their financing and, in respect of Tranche B, funding the acquisition of specified properties, to make payment of the costs and expenses arising in relation to the acquisition of those properties, and working capital purposes. Under the facility, BoS is provided with security for the facility and any other money due, owing or incurred to BoS by any other company that is a subsidiary of BX Centres, including debentures over the assets of BX Centres and other specified members of its group, a corporate guarantee by BX Centres and other specified members of its group (each as guarantor) in favour of BoS (as principal) and a guarantee from BX Centre’s parent,

MWB Business Exchange Plc, in favour of BoS. The facility agreement also provides for the creation of a legal charge over any new properties purchased with finance provided under the agreement. The facility agreement contains various representations, warranties and indemnities by the parties and also specifies a number of events of default (which include both acts and omissions of BX Centres or other members of its group) that are usual for a facility of this nature. An amendment letter dated 5 February 2008 has been issued by BoS which will, amongst other things, extend the final repayment date to 31 December 2009. The amendment letter is expected to be accepted by BX Centres imminently.

- 8.8 On 12 October 2007, Liberty Plc, MWB's 68.3% owned subsidiary ("Liberty"), entered into a debt facility with BoS. The facility provides aggregate revolving credit and ancillary facilities of £20,000,000. The revolving credit facility is for the purpose of enabling Liberty to refinance existing facilities and for restructuring and general working capital purposes in relation to brand development, and capital expenditure requirements. Under the facility, BoS is provided with security for the facility and any other money due, owing or incurred to BoS by any subsidiary of Liberty, including a legal charge given by Liberty over property in London known as Liberty's Tudor Building, debentures over the assets of Liberty and other specified members of its group and a corporate guarantee by Liberty and other specified subsidiaries of Liberty (each as guarantor) in favour of BoS (as principal). The facility agreement contains various representations, warranties and indemnities by the parties and also specifies a number of events of default (which include both acts and omissions of Liberty or other members of its group) that are usual for a facility of this nature. The maturity date for the facility is 30 September 2010. An amendment letter dated 5 February 2008 has been issued by BoS which will, amongst other things, reduce the financial covenants of the facility. The amendment letter is expected to be accepted by Liberty imminently.
- 8.9 On 5 February 2008, MWB entered into a debt facility with BoS. The debt facility provides a revolving credit facility of up to £45,000,000 to be used for general corporate purposes. The final maturity date for the facility is 31 December 2009. Under the facility, BoS is currently secured by a debenture from MWB over all of its assets together with a share pledge from MWB Retail Stores Shareholder Limited and MWB Management Services Limited over 15,447,409 ordinary shares of 25p each in Liberty, share pledges from each of MWB Investments Limited, MWB Management Services Limited and MWB Serviced Office Holdings Limited over 46,951,379 ordinary shares of 0.1p each in MWB Business Exchange PLC and a guarantee and debenture over all its assets from Marylebone Warwick Balfour Structuring Limited.

It is intended to novate, subject to and conditional upon the Proposals having become fully implemented, some of these contracts and/or rights and obligations thereunder, from MWB to New MWB.

9. Taxation

9.1 General

The following summary is intended as a general guide only and relates only to certain UK tax and US federal tax consequences of receiving the Units under the Scheme and subsequent novation and holding of the Loan Stock. It is based on (i) current UK tax law and the current practice of HM Revenue & Customs, and (ii) the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations there under, and published administrative pronouncements and court decisions, all as currently in effect and all subject to change at any time, perhaps with retroactive effect. The summary is intended to apply only to certain categories of UK and US persons, who hold the Units or Loan Stock as investments and not on trading account and who are the beneficial owners of the Units or Loan Stock. The summary is not intended to apply to certain classes of shareholders such as dealers in securities, insurance companies or collective investment schemes, or certain types of investors subject to

special treatment under the US federal income tax laws (such as banks, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, and tax-exempt organisations or other integrated investments).

The summary does not cover all aspects of UK taxation or US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of the Units or in relation to the novation of Loan Stock. The summary of US federal income taxation addresses only US federal income tax and not estate, gift, state, local or non-US taxes which may apply.

Any Shareholders, Loan Stock holders or prospective Shareholders or Loan Stock holders who are in any doubt as to their tax position regarding the acquisition, ownership and/or disposal of the Units or Loan Stock and/or who are subject to tax in a jurisdiction other than the UK should consult their tax advisers. In addition, Shareholders who are not resident in the United Kingdom or who are citizens, residents or nationals of other countries should consult their professional advisors to ascertain whether the Proposals (including, as may be relevant in each case, the holding or redemption of B Shares) will be subject to any restrictions or require compliance with any formalities imposed by the laws or regulations of, or any body or authority located in, the jurisdiction in which they are resident or to which they are subject.

For the purposes of the sections relating to United States resident shareholder a US Holder means a beneficial owner of Ordinary Shares that is (i) an individual citizen or resident of the United States for US federal income tax purposes, or (ii) a corporation or other entity treated as a corporation for US federal income tax purposes, created or organised in or under the laws of the United States or any State thereof (including the District of Columbia). The summary assumes that MWB is not a passive foreign investment company ("PFIC") for US federal income tax purposes. MWB's possible status as a PFIC must be determined annually and therefore may be subject to change. If MWB were to be a PFIC in any year, special, possible materially adverse, consequences would result for US Holders.

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that any discussion of tax matters set forth herein was written in connection with the promotion and marketing of the transactions or matters addressed herein and was not intended or written to be used, and cannot be used by any person, for the purpose of avoiding tax-related penalties under federal, state or local tax law. You should seek advice based on your particular circumstances from an independent tax advisor.

9.2 *The Proposals*

For the purposes of the UK taxation of capital gains and corporation tax on chargeable gains, the cancellation of the Existing Ordinary Shares and the issue of Units comprising New MWB Ordinary Shares and B Shares should be treated as a reorganisation of share capital. Accordingly, UK resident Shareholders should not be treated as making a disposal in respect of the cancellation of Existing Ordinary Shares or an acquisition in respect of the issue to them of the Units. The Units should be treated as having been acquired at the same time and for the same consideration as the Existing Ordinary Shares for the purposes of UK taxation of chargeable gains.

In certain circumstances, section 137 of the Taxation of Capital Gains Act 1992 may apply where a scheme of reconstruction is effected, otherwise than for bona fide commercial reasons or for the avoidance of capital gains or corporation tax. If this were successfully argued, the cancellation of Existing Ordinary Shares would be treated as a disposal by the shareholders for capital gains tax purposes. MWB has sought advice from leading Tax Counsel that these provisions should generally not apply and, as a consequence, has not sought clearance from HMRC that these provisions will not be applied. Therefore, MWB recommends that any Shareholder who is in doubt as to their personal tax position, in the light of their own particular circumstances, should take their own professional advice on this issue.

The Shareholder's original base cost in his Existing Ordinary Shares should be attributed between the New MWB Ordinary Shares and the B Shares, so only a proportion of the base cost of the original holding of Existing Ordinary Shares will be available on a redemption of the B Shares. The

attribution of the base cost of the Existing Ordinary Shares should be made on the basis of the formula $x/(x+y)$, as provided by UK tax legislation, where x is the value of the redemption of the B Shares and y is the market value of the Units, at the time of redemption of the B Shares, as reduced by the value of the redemption of the B Shares.

For the purposes of the UK taxation of capital gains and corporation tax on chargeable gains, the reduction of capital of New MWB, which will be effected by decreasing the nominal value of each B Share and should be treated as a reorganisation of share capital. Accordingly, UK resident Shareholders should not be treated as making a disposal of the New MWB Ordinary Shares for the purposes of UK taxation of chargeable gains as a result of that reduction of capital.

9.3 *Dividends and distributions*

Under current tax law, New MWB will not be required to withhold tax at source from dividend payments it makes.

(A) *Individuals*

An individual Shareholder who is resident in the UK for tax purposes and who receives a dividend from New MWB will generally be entitled to a tax credit which may be set off against his total income tax liability on the dividend. Such an individual Shareholder's liability to income tax is calculated on the aggregate of the net dividend and the related tax credit (the "gross dividend") which will be regarded as the top slice of the individual's income. The tax credit will be equal to one ninth of the cash dividend paid, or 10 per cent. of the gross dividend.

A UK resident individual Shareholder who is not liable to income tax at the higher rate will be subject to income tax on dividends paid by New MWB at the rate of 10 per cent. of the gross dividend so that the tax credit will satisfy in full such Shareholder's liability to income tax on the dividend. If and to the extent that a UK resident individual Shareholder is liable to pay income tax at the higher rate he will be subject to income tax on the gross dividend at 32.5 per cent. After taking into account the tax credit, such a Shareholder will have to account for tax at an effective rate of 25 per cent. of the net cash dividend received.

Shareholders who are not liable to income tax in respect of the gross dividend will not be entitled to reclaim any part of the tax credit.

(B) *Companies*

A corporate Shareholder resident in the UK for tax purposes will not normally be subject to corporation tax on any dividend received from New MWB. A corporate Shareholder will not be able to claim repayment of the tax credit attaching to any dividend.

(C) *US resident shareholders*

The gross amount of any distributions paid by New MWB, should generally be taxable to a US Holder as ordinary dividend income to the extent of New MWB's current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends received by corporate US Holders will not be eligible for a dividends-received deduction. Distributions in excess of current and accumulated earnings and profits will be applied first to reduce the US Holder's tax basis in the shares and thereafter may constitute a gain from the sale or other taxable disposition of the shares.

9.4 *Capital Gains – Redemption of B Shares*

On redemption of all or any of the B Shares, a Shareholder may, depending on his individual circumstances, be subject to UK tax on the amount of any chargeable gain realised, by reference to the sum received in respect of the redemption and the base cost attributed to the B Shares as described above. The proceeds of the redemption will not constitute franked investment income in the hands of a corporate Shareholder. The UK tax treatment of the redemption of B Shares described above is subject to the possible application of anti-avoidance provisions described in paragraph 9.6 below.

US Holders should seek their own advice as to whether the redemption of B shares would be treated as a distribution or disposal for US federal tax purposes.

9.5 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

Except in relation to depository receipt arrangements or clearance services where special rules apply:

- (A) no stamp duty or SDRT should be payable on the creation of New MWB Ordinary Shares or B Shares pursuant to the Scheme;
- (B) the redemption of B Shares should not give rise to a liability to stamp duty or SDRT;
- (C) an agreement to sell New MWB Ordinary Shares or B Shares will normally give rise to a liability on the purchaser to SDRT, at the rate of 0.5 per cent. of the actual consideration paid. If an instrument of transfer of the New MWB Ordinary Shares or B Shares is subsequently produced it will generally be subject to stamp duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the actual consideration paid. When stamp duty is paid, the SDRT charge will be cancelled and any SDRT already paid will be refunded.

9.6 *Anti-avoidance Provisions*

In certain circumstances, section 703 of the Income and Corporation Taxes Act 1988 (as regards corporation tax) or section 684 of the Income Tax Act 2007 (as regards income tax) may apply where a person obtains a tax advantage in consequence of a “transaction in securities”. If it were to be successfully argued that individual Shareholders had received a tax advantage falling within these provisions, then the proceeds received on a disposal of B Shares may be treated for UK tax purposes as a receipt of dividend income. This would mean that a higher rate taxpayer would be subject to income tax at an effective rate of 25 per cent. of the cash received. MWB has sought advice from leading Tax Counsel that these provisions should generally not apply and, as a consequence, has not sought clearance from HMRC that these provisions will not be applied. Therefore, MWB recommends that any Shareholder who is in doubt as to their personal tax position, in the light of their own particular circumstances, should take their own professional advice on this issue.

9.7 *PEPs and ISAs*

If existing Shareholders of MWB currently hold their Existing Ordinary Shares in a PEP or the stocks and shares component of an ISA, the New MWB Ordinary Shares and B Shares comprised in Units should qualify for inclusion in the same way (subject to the terms of the relevant PEP or ISA).

9.8 *Novation of Loan Stock*

For UK tax purposes, in principle where any loan stock has rights of novation, then the act of novation is not generally regarded by HMRC as a disposal of the debt and an acquisition of new debt by the person holding the Loan Stock. Rather, for UK tax purposes there is considered to be a continuity of rights and obligations notwithstanding the technical change of issuer. Any Loan Stock holders, including non-UK resident holders, who are in doubt as to their personal tax position, in light of their own particular circumstances in respect of the novation of the Loan Stock to New MWB, should take their own professional advice.

9.9 *Withholding tax on payment of interest due on Loan Stock*

All payments in respect of Loan Stock shall be made without withholding for or deduction of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or in the United Kingdom or any political subdivision thereof or by any authority thereof or therein, unless such withholding or deduction is required by law.

10. Documents incorporated by reference

The content of the following documents is incorporated into this circular by reference:

Information incorporated by reference	Document reference	Page number in Circular
Annual report and financial statements 2006 of the Group including: The Consolidated Financial Statements for the eighteen months ended 31 December 2006, including Chairman's Statement, Operating Reviews, Financial Review, Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Notes to the consolidated financial statements, Auditors' report and Report on remuneration of Directors.	Part 3, Additional Information	Page 37

11. Consents

PricewaterhouseCoopers LLP has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears. KBC Peel Hunt Ltd has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which it appears.

12. Documents on display

Copies of the following documents will be available for inspection at the offices of PricewaterhouseCoopers Legal LLP, 1 Embankment Place, London WC2N 6DX during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) from the date of this document until the Proposals are completed or lapse and will also be available for inspection at the Court Meeting and the Extraordinary General Meeting:

- (A) the Memorandum of Association of MWB and the MWB Articles (as currently in force, and as they will be following the proposed amendment at the Extraordinary General Meeting);
- (B) the Memorandum of Association of New MWB and the New MWB Articles;
- (C) the audited consolidated financial statements of MWB for the 18 month financial period prior to the posting of this document ended 31 December 2006 and the year ended 30 June 2005;
- (D) shareholder circulars issued by MWB within the 2 years prior to the posting of this document;
- (E) the service agreements of the Executive Directors and letters of engagement of the Non-Executive Directors referred to in paragraphs 5.2 and 5.3 above;
- (F) the consent letters referred to in paragraph 11 above; and
- (G) this document.

PART IV

THE SCHEME OF ARRANGEMENT

(Pursuant to section 425 of the Companies Act 1985)

No. 784 of 2008

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

IN THE MATTER OF MARYLEBONE WARWICK BALFOUR GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 1985

SCHEME OF ARRANGEMENT
(under Section 425 of the Companies Act 1985)

Between

MARYLEBONE WARWICK BALFOUR GROUP PLC

and

THE HOLDERS OF EXISTING ORDINARY SHARES
(as hereinafter defined)

PRELIMINARY

(A) In this scheme of arrangement, references to Clauses are references to clauses of this scheme of arrangement and the following expressions shall, unless inconsistent with the subject or context, bear the following meanings:

“Act”	the Companies Act 1985, including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;
“B Shares”	B Shares of 10p each (or such lower nominal value as the Directors may decide prior to the date on which the Court is asked to sanction the Scheme) in the capital of New MWB;
“Business Day”	any day other than a Saturday or Sunday or public holiday on which banks are generally open for business in England and Wales;
“Court”	the High Court of Justice of England and Wales;
“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations);
“CRESTCo”	Euroclear UK and Ireland Limited;
“CRESTCo Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;

“Existing Ordinary Shares”	ordinary shares of 50p each in the capital of MWB:
	(a) in issue at the date of this document and which remain in issue at the Scheme Record Time;
	(b) (if any) issued after the date of this document and prior to the Scheme Voting Record Time; and
	(c) (if any) issued at or after the Scheme Voting Record Time and at or prior to the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme;
“Holder”	a registered holder and includes any person(s) entitled by transmission;
“MWB”	Marylebone Warwick Balfour Group Plc, a public limited company, incorporated in England and Wales under company number 3125437;
“MWB Scheme Shares”	ordinary shares of 50p each to be issued by MWB to New MWB pursuant to the Scheme;
“New MWB”	MWB Group Holdings Plc, a company incorporated in England and Wales (company number 6487877) having its registered office address at 30 City Road, London EC1Y 2AG;
“New MWB Class A Ordinary Share”	the Class A ordinary share of £1 in the capital of New MWB;
“New MWB Ordinary Shares”	the ordinary shares of 0.1p each (or such lower nominal value as New MWB shall resolve prior to the date on which the Court is asked to sanction the Scheme) in the capital of New MWB to be allotted and issued pursuant to the Scheme;
“New MWB Redeemable Shares”	the 50,000 redeemable non-voting shares of £1 each in the capital of New MWB;
“Overseas Shareholder”	a holder of Existing Ordinary Shares who is a citizen, resident or national of any jurisdiction outside the United Kingdom;
“pounds” or “£” or “p”	the lawful currency of the United Kingdom;
“Relevant Number”	a number equal to the number of Existing Ordinary Shares cancelled pursuant to the Scheme;
“Scheme”	this scheme of arrangement in its present form or with any modification thereof or addition thereto or condition approved or imposed by the Court;
“Scheme Effective Date”	the date on which the Scheme becomes effective in accordance with Clause 6.1;
“Scheme Record Date”	the later of 2 April 2008 and the Business Day immediately preceding the Scheme Effective Date;
“Scheme Record Time”	6:00 p.m. on the Scheme Record Date;
“Scheme Shareholder”	a Holder of Existing Ordinary Shares as appearing on the register of members of MWB at the Scheme Record Time, save for New MWB;

“Scheme Voting Record Time”	6.00 p.m. on 2 March 2008 or, if the Court Meeting is adjourned, 6.00 p.m. two days before the time appointed for any adjourned Court Meeting;
“uncertificated or in uncertificated form”	in relation to a share or other security, a share or other security title which is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST.

- (B) The authorised share capital of MWB at the date of this Scheme is £100,000,000 divided into 200,000,000 Existing Ordinary Shares, of which 80,522,017 are in issue and are fully paid up.
- (C) New MWB was incorporated as a public limited company on 29 January 2008 under the name MWB Group Holdings Plc. The authorised share capital of New MWB at the date of this Scheme is £214,157,001 divided into:
- (i) one New MWB Class A Ordinary Share of £1,
 - (ii) 50,000 non-voting New MWB Redeemable Shares of £1;
 - (iii) 107,000,000 New MWB Ordinary Shares of 0.1p each; and
 - (iv) 2,140,000,000 B Shares of 10p each,
- of which one New MWB Class A Ordinary Share and 50,000 New MWB Redeemable Shares have been issued.
- (D) New MWB has agreed to appear by Counsel on the hearing of the Claim Form to sanction the Scheme and to undertake to the Court to be bound thereby and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to the Scheme.

The Scheme

1. Cancellation of Existing Ordinary Shares

- 1.1 The share capital of MWB shall be reduced by cancelling and extinguishing the Existing Ordinary Shares.
- 1.2 Forthwith and contingently upon the reduction of capital taking effect:
- 1.2.1 the authorised share capital of MWB shall be increased to its former amount by the creation of the Relevant Number of MWB Scheme Shares, the aggregate nominal amount of which shall be equal to the aggregate nominal amount of the Existing Ordinary Shares cancelled in accordance with Clause 1.1; and
 - 1.2.2 MWB shall apply the credit arising in its books of account as a result of the reduction of capital pursuant to Clause 1.1 in paying up in full at par the Relevant Number of MWB Scheme Shares created pursuant to Clause 1.2.1 and shall allot and issue the same, credited as fully paid, to New MWB and/or its nominee(s).

2. Allotment and issue of the New MWB Ordinary Shares

- 2.1 In consideration of the cancellation of the Existing Ordinary Shares and the issue of the MWB Scheme Shares to New MWB and/or its nominee(s) pursuant to Clause 1, New MWB shall (subject to the provisions of Clauses 2.2 and 2.3) allot and issue (credited as fully paid) New MWB Ordinary Shares and B Shares to the Existing MWB Shareholders on the following basis:

for each Existing MWB Share held at the Scheme Record Time:	one New MWB Ordinary Share and 20 B Shares.
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- 2.2 The provisions of Clause 2.1 shall be subject to any prohibition or condition imposed by law.

- 2.3 Without prejudice to the generality of Clause 2.2, if, in respect of any Overseas Shareholder, New MWB is advised that the allotment and issue of New MWB Ordinary Shares and/or B Shares pursuant to Clause 2.1 would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require New MWB to obtain any governmental or other consent or effect any registration, filing or other formality, then New MWB may in its sole discretion determine that:
- 2.3.1 no New MWB Ordinary Shares or B Shares shall be allotted and issued to such Overseas Shareholder under this Clause, but shall instead be allotted to a nominee appointed by New MWB, as trustee for such Overseas Shareholder, on terms that they shall, as soon as reasonably practicable following the Scheme Effective Date, be sold on behalf of such Overseas Shareholder at the best price which can reasonably be obtained and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3. None of MWB, New MWB, any nominee referred to in this Clause 2.3.1 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale; or
- 2.3.2 such New MWB Ordinary Shares and B Shares shall be sold, in which event the New MWB Ordinary Shares and B Shares shall be issued to such holder and New MWB shall appoint a person to act pursuant to this Clause 2.3.2 and such person shall be authorised on behalf of such holder to procure that any shares in respect of which New MWB has made such a determination shall, as soon as practicable following the Scheme Effective Date, be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale shall (after the deduction of all expenses and commissions, including any amount in respect of value added tax payable thereon) be paid to such Overseas Shareholder by sending a cheque or warrant to such Overseas Shareholder in accordance with the provisions of Clause 3. To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give instructions and do all such things which he may consider necessary or expedient in connection with such sale. None of MWB, New MWB, any appointee referred to in this Clause 2.3.2 or any broker or agent of any of them shall have any liability (save in the case of fraud) for any loss arising as a result of the timing or terms of any such sale.

3. Certificates and payment

- 3.1 Not later than five (5) Business Days after the Scheme Effective Date, New MWB shall allot and issue all the New MWB Ordinary Shares and B Shares which it is required to allot and issue pursuant to Clause 2.1 and not later than ten (10) Business Days after the Scheme Effective Date, New MWB shall send by post to the allottees of the allotted and issued New MWB Ordinary Shares and B Shares, certificates in respect of such shares, save that where Existing Ordinary Shares are held in uncertificated form, New MWB shall procure that CRESTCo is instructed to cancel the entitlement to Existing Ordinary Shares of each of the Existing Ordinary Shares concerned and to credit to the appropriate stock account in CREST of the Scheme Shareholder concerned such Shareholder's entitlement to New MWB Ordinary Shares and B Shares.
- 3.2 Not later than five (5) Business Days after the Scheme Effective Date MWB shall arrange for the delivery to New MWB of certificates in respect of its holdings of MWB Scheme Shares.
- 3.3 Not later than five (5) Business Days following the sale of any relevant New MWB Ordinary Shares and B Shares pursuant to clause 2.3, New MWB shall procure that the nominee or appointee, as the case may be, shall account for the cash payable by despatching cheques by post to the persons respectively entitled thereto.

- 3.4 All certificates required to be sent by New MWB pursuant to Clause 3.1 and 3.2 and all cheques required to be sent pursuant to Clause 3.3 shall be sent through the post in pre-paid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of MWB at the close of business on the Scheme Record Date (or, in the case of joint holders, to the address of that one of the joint holders whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of MWB prior to the Scheme Record Date.
- 3.5 None of MWB, New MWB, any nominee referred to in Clause 2.3 or any agent of any of them shall be responsible for any loss or delay in transmission of certificates or cheques sent in accordance with this Clause.
- 3.6 Clauses 3.1 to 3.5 shall take effect subject to any prohibition or condition imposed by law.
- 3.7 All cheques shall be made payable to the holder or, in the case of joint holders, to all such holders of the Existing Ordinary Shares concerned and the encashment of any such cheque shall be a complete discharge of New MWB for the moneys represented thereby.

4. Certificates representing Existing Ordinary Shares

With effect from and including the Scheme Effective Date, all certificates representing holdings of Existing Ordinary Shares shall cease to be valid in respect of such holdings and the holders of such shares shall be bound at the request of MWB to deliver such certificates for cancellation to MWB or to any person appointed by MWB to receive the same.

5. Mandates

Each mandate in force at the Scheme Record Time relating to the payment of dividends on Existing Ordinary Shares and each instruction then in force as to notices and other communications from MWB shall, unless and until varied or revoked, be deemed as from and including the Scheme Effective Date to be a valid and effective mandate or instruction to New MWB in relation to the corresponding New MWB Ordinary Shares to be allotted and issued pursuant to the Scheme.

6. Scheme Effective Date

- 6.1 The Scheme shall become effective as soon as an office copy of the Order(s) of the Court sanctioning the Scheme under section 425 of the Act and confirming under section 137 of the Act the reduction of capital provided for under the Scheme shall have been duly delivered to the Registrar of Companies for registration and, in the case of the confirmation of the reduction of capital, been registered by him.
- 6.2 Unless the Scheme shall have become effective on or before 30 September 2008 or such later date, if any, as MWB and New MWB may agree and the Court may allow, it shall lapse.

7. Modification

MWB and New MWB may jointly consent on behalf of all persons concerned to any modification of or addition to the Scheme (subject to the approval of the Court) or to any condition which the Court may think fit to approve or impose.

8. Costs

MWB is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

Dated 7 February 2008

PART V

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE

No. 784 of 2008

**CHANCERY DIVISION
COMPANIES COURT
REGISTRAR SIMMONDS**

IN THE MATTER OF MARYLEBONE WARWICK BALFOUR GROUP PLC

AND

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that by an order dated 5 February 2008 made in the above matters the Court has directed a meeting (the "Court Meeting") to be convened of the holders of the ordinary shares of 50p each in the capital of Marylebone Warwick Balfour Group Plc (the "Company") for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of Existing Ordinary Shares expressed to be subject to that Scheme of Arrangement and that such meeting will be held at 1 West Garden Place, Kendal Street, London W2 2AQ on 4 March 2008 at 11:00 a.m.

A copy of the Scheme of Arrangement and a copy of the Explanatory Statement required to be furnished pursuant to section 426 of the Companies Act 1985 are incorporated in the document of which this Notice forms a part.

Holders of Existing Ordinary Shares may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A blue Form of Proxy for use at the Court Meeting is enclosed herewith.

It is requested that Forms of Proxy be lodged (together with any power of attorney or other authority under which they are signed or a notarially certified copy of such power or authority) with the Registrars of the Company, Capita Registrars, Proxy Department, The Registry, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR (the "Registrars") by post (faxes will not be accepted), no later than 11:00 a.m. on Sunday, 2 March 2008 or, in the event that the Court Meeting is adjourned, 48 hours before the time fixed for any adjourned meeting but, if forms are not so lodged, they may be handed to the Registrars, at the Court Meeting who will receive the Form of Proxy on behalf of the Chairman of the Court Meeting.

For the Form of Proxy to be valid, it must be clearly signed in the relevant space provided indicating the Shareholder's instruction to vote either in favour or against the Scheme of Arrangement. In the case of a corporation, for the Form of Proxy to be valid, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names appear in the register of members of the Company in respect of the joint holding.

The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Existing Ordinary Shares registered in the register of members of the Company at 6.00 p.m. on Sunday, 2 March 2008 or, in the event that the Court Meeting is adjourned, in the register of members as at 6.00 p.m. two days before the time of any adjourned meeting(s), shall be entitled to attend or vote in respect of the number of shares registered in their name at the relevant time.

Changes to entries in the register of members after 6.00 p.m. on Sunday, 2 March 2008 or, in the event that the Court Meeting is adjourned, after 6.00 p.m. two days before the time of any adjourned meeting(s), shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

By the said order, the Court has appointed Eric Fenton Sanderson or, failing him, Andrew Francis Blurton or, failing him, Richard Gary Balfour-Lynn to act as chairman of the Court Meeting and has directed the chairman to report the result thereof to the Court.

The said Scheme will be subject to the subsequent sanction of the Court.

Dated 7 February 2008

PricewaterhouseCoopers Legal LLP
1 Embankment Place
London WC2N 6DX

Solicitors for the Company

PART VI

NOTICE OF EXTRAORDINARY GENERAL MEETING

MARYLEBONE WARWICK BALFOUR GROUP PLC

(Registered in England, company number 3125437)

Notice is hereby given that an Extraordinary General Meeting of Marylebone Warwick Balfour Group Plc (the "Company") will be held at 1 West Garden Place, Kendal Street, London, W2 2AQ on 4 March 2008 at 11:15 a.m. (or, if later, immediately following the conclusion or adjournment of the meeting of the Company to be held on the same day, and at the same place, by order of the High Court of Justice of England and Wales) to consider and, if thought fit, to pass the following as special resolutions:

SPECIAL RESOLUTIONS

THAT:

- 1 the Scheme of Arrangement dated 7 February 2008, between the Company and the holders of the Company's ordinary shares of 50p each in the capital of the Company expressed to be subject to that Scheme of Arrangement, in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the "Scheme") be approved and the Directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
- 2 for the purpose of giving effect to the Scheme in the original form, or with, or subject to, any modification, addition or condition approved or imposed by the Court:
 - 2.1 the share capital of the Company be reduced by cancelling and extinguishing all of the ordinary shares in the Company subject to the Scheme (the "Existing Ordinary Shares");
 - 2.2 forthwith and contingently upon such reduction of capital taking effect:
 - 2.2.1 the authorised share capital of the Company be increased to its former amount by the creation of such number of ordinary shares of 50p each in the Company (the "MWB Scheme Shares") as is equal to the number of Existing Ordinary Shares cancelled pursuant to paragraph 2.1 of this resolution;
 - 2.2.2 the Company shall apply the credit arising in its books of account as a result of the cancellation of the Existing Ordinary Shares in paying up in full, at par, the MWB Scheme Shares created pursuant to paragraph 2.2.1 of this resolution and shall allot and issue the same, credited as fully paid, to New MWB (as defined in the Scheme) and/or its nominee or nominees;
 - 2.3 the Directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 80 of the Companies Act 1985, to allot such MWB Scheme Shares provided that:
 - 2.3.1 the maximum aggregate nominal amount of the Scheme Shares which may be allotted hereunder shall be £40,276,009;
 - 2.3.2 this authority shall expire on 30 September 2008 (or such later date by when the Court (as defined in the Scheme) has allowed the Scheme to become effective); and
 - 2.3.3 this authority shall be in addition to any subsisting authority conferred on the Directors of the Company pursuant to the said section 80;
- 3 the Articles of Association of the Company be amended by the adoption and inclusion of the following article as a new Article 176.

“SHARES NOT OTHERWISE SUBJECT TO THE SCHEME

- 176.1 For the purpose of this Article 176, references to the “Scheme” are to the scheme of arrangement proposed between the Company and the Shareholders dated 7 February 2008 under section 425 of the Companies Act 1985 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court.
- 176.2 Notwithstanding any other provisions of these Articles, if any Ordinary Shares are allotted and issued to any person (a “New Member”) other than MWB Group Holdings Plc (“New MWB”) and/or its nominee or nominees after the time at which this Article becomes effective and before 6:00 pm on the day before the date on which the Reduction of Capital provided for under the Scheme, such Ordinary Shares shall be allotted and issued subject to the terms of the Scheme and the New Member, and any subsequent holder other than New MWB and/or its nominee or nominees, shall be bound by the terms of the Scheme.
- 176.3 Subject to the Scheme becoming effective, if any Ordinary Shares are issued and allotted to a New Member at or after 6:00 pm on the day before the date on which the Reduction of Capital provided for under the Scheme (the “Post-Scheme Shares”), they will immediately be transferred to New MWB and/or its nominee in consideration of and conditional upon the issue or transfer to the New Member of one unit (“Unit”) of New MWB (comprising one New MWB Ordinary Share of 0.1p (“New MWB Ordinary Shares”) and 20 B Shares of 10p each (“B Shares”) in the capital of New MWB) for each Post-Scheme Share so transferred. Any Units issued pursuant to this Article 176.3 to the New Member will be credited as fully paid and will rank equally in all respects with all other Units respectively in issue at the time and will be subject to the memorandum and articles of association of New MWB from time to time.
- 176.4 The number of Units to be issued or transferred pursuant to Article 176.3 may be adjusted by the Directors of the Company in such manner as the Auditors may determine on any reorganisation or material alteration of the share capital of either the Company or of New MWB or any other return of value to holders of Units, provided always that any fractions of a Unit shall be disregarded and shall be aggregated and sold for the benefit of New MWB.
- 176.5 In order to give effect to any such transfer required by Article 176.3, the Company may appoint any person to execute and deliver a form of transfer on behalf of the New Member in favour of New MWB and/or its nominee or nominees and to agree for and on behalf of the New Member to become a member of New MWB. Pending the registration of New MWB as a holder of any Post-Scheme Shares to be transferred pursuant to this Article 176, New MWB shall be empowered to appoint a person nominated by the Directors of the Company to act as attorney on behalf of the holder of the Post-Scheme Shares in accordance with such directions as New MWB may give in relation to any dealings with or disposal of the Post-Scheme Shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of Post-Scheme Shares shall exercise all rights attached thereto in accordance with the directions of New MWB but not otherwise. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares.”
- 4 the proposed reduction of capital of New MWB approved by written resolutions of the current shareholders of New MWB (as described in Part II of the document containing the explanatory statement sent out with the Scheme pursuant to the provisions of Section 426 of the Companies Act 1985) be and hereby is approved.

By order of the Board
City Group P.L.C
Company Secretary

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company has specified that only those Shareholders included on the register of members of the Company as at 6 p.m. on 2 March 2008 or, if the meeting is adjourned, on the register of members by 6.00 p.m. on the day two days prior to the date of any adjourned meeting, will be entitled to attend and vote at the EGM in respect of the number of shares registered in their name at that time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.
2. A Shareholder entitled to attend and vote at the EGM convened by this Notice is entitled to appoint one or more proxies to attend, speak and vote in his or her stead. A proxy need not be a member of the Company. If a Shareholder wishes his proxy to speak on his behalf at the EGM, he or she will need to appoint his own choice of proxy (which is not the Chairman) and give instructions directly to the proxy. The completion and return of a form of proxy will enable a Shareholder to vote at the EGM without having to be present at the EGM but will not preclude him or her from attending the EGM and voting in person if he or she should subsequently decide to do so.
3. A Shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights attaching to any one share. To appoint more than one proxy, please sign and date the form of proxy and attach a schedule listing the names and addresses (in block letters) of all your proxies, the number of shares in respect of which each proxy is appointed (which, in aggregate, should not exceed the number of shares held by you) and indicating how you wish each proxy to vote or abstain from voting. If you wish to appoint the Chairman as one of your multiple proxies, insert "Chairman of the Meeting" in the box which is used to identify the name of the proxy on the relevant proxy card.
4. To be valid, the enclosed green form of proxy must be lodged with the Company's Registrars, Capita Registrars, not later than 48 hours before the time appointed for the holding of the EGM.
5. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service providers should contact their CREST sponsor or voting service providers for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and systems timings, please refer to the CREST Manual. MWB may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In all cases, for a proxy form to be valid, the CREST Voting Service Information must be received by the Company's registrars no later than 48 hours before the time appointed for the holding of the meeting.
6. Where the appointer is a corporation, the enclosed green Form of Proxy, to be valid, must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
7. In the case of joint registered holders, the signature of one holder will be accepted and the vote of the senior who tenders a vote, whether in person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand on the register of members in respect of the relevant joint holding.