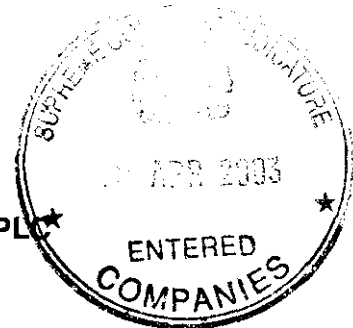


IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
THE HON. MR JUSTICE BLACKBURNE
Thursday the 10th day of April 2003

No. 709 of 2003



IN THE MATTER OF SIX CONTINENTS PLC

- and -

IN THE MATTER OF THE COMPANIES ACT 1985

UPON THE PETITION of the above-named Six Continents PLC (the "**Company**"), whose registered office is situate at 20 North Audley Street, London W1K 6WN, presented to this Court in the above matters on 18 March 2003

AND UPON HEARING Counsel for the Company being also, for the purpose referred to below, Counsel for Mitchells & Butlers PLC referred to in the Scheme of Arrangement hereinafter sanctioned

AND UPON READING the said Petition and the evidence

AND the said Mitchells & Butlers PLC by Counsel for the Company, being its Counsel for this purpose, submitting to be bound by the Scheme of Arrangement hereinafter sanctioned and undertaking to execute and do and 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/them for the purpose of giving effect thereto

THIS COURT HEREBY SANCTIONS the Scheme of Arrangement substantially in the form set out in the Schedule to the said Petition as set out in the First Schedule hereto

AND THIS COURT ORDERS that the reduction of the capital of the Company from 1,148,800,286.54 to £906,134,077.58 resolved on and effected by a Special Resolution passed at an Extraordinary General Meeting of the Company held on 12 March 2003 be and the same is hereby confirmed in accordance with the provisions of the above-mentioned Act

AND THIS COURT APPROVES the Minute set forth in the Second Schedule hereto

AND IT IS ORDERED:

- 1 that this Order be produced to the Registrar of Companies and that an office copy hereof be delivered to him together with a copy of the said Minute; and



- 2 that notice of the registration by the Registrar of Companies of this Order (insofar as it confirms the reduction of capital of the Company) and of the said Minute be published once in the Financial Times newspaper within 21 days after such registration

AND THIS COURT DIRECTS pursuant to Section 139(2) of the said Act that the Registrar of Companies do register this Order (insofar as it confirms the reduction of capital of the Company) notwithstanding that it has the effect of bringing the nominal value of the allotted share capital of the Company below the authorised minimum

**The First Schedule Before Referred To
THE SCHEME OF ARRANGEMENT**

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT

No. 709 of 2003

IN THE MATTER OF SIX CONTINENTS PLC

and

IN THE MATTER OF THE COMPANIES ACT 1985

SCHEME OF ARRANGEMENT

(under section 425 of the Companies Act 1985)

BETWEEN

SIX CONTINENTS PLC

AND

THE HOLDERS OF ITS SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

"Articles of Association"	the articles of association of the Company as proposed to be amended by the Special Resolution
"business day"	a day (excluding Saturday or Sunday) on which banks generally are open in the City of London for the transaction of normal banking business
"Britvic Business"	the Britvic soft drinks business in the holding company of which Six Continents indirectly holds a majority stake

"certificated form"	recorded on the relevant register as being held in certificated form and title to which may be transferred by means of stock transfer form
"Company" or "Six Continents"	Six Continents PLC, a public company incorporated in England and Wales with registered number 913450
"Court"	the High Court of Justice in England and Wales
"Court Meeting"	the meeting of the holders of Six Continents Shares convened by Order of the Court pursuant to section 425 of the Companies Act 1985 to consider and, if thought fit, approve this Scheme, including any adjournment thereof
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo Limited in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
"Deferred Share"	the deferred share of 28 pence in the capital of the Company described in Preliminary (B) below
"Explanatory Statement"	the explanatory statement sent to shareholders of the Company with this Scheme pursuant to Section 426 of the Companies Act 1985
"Hotels Business"	the hotels business of the Six Continents Group
"holder"	includes any person entitled by transmission
"IHG"	InterContinental Hotels Group PLC, a public company incorporated in England and Wales with registered number 4551528
"IHG Shares"	ordinary shares in IHG
"M and B Group Transfer"	the proposed transfer by the Company of the companies conducting the Retail Business to M and B following the Scheme Effective Time and prior to the Separation Record Time, as described in the Explanatory Statement
"M and B Reduction of Capital"	the proposed reduction of the capital of M and B under Section 135 of the Companies Act 1985, as described in the Explanatory Statement
"M and B Share Consolidation"	the proposed consolidation of M and B Shares on a 50 for 59 basis, to be effected by an extraordinary general meeting of M and B to be held prior to the Scheme Effective Time and to be effected following the Scheme Effective Time and prior to the Separation Record Time, as described in the Explanatory Statement

"M and B Shareholder"	a holder of M and B Shares
"M and B Shares"	ordinary shares in the capital of M and B, the nominal value of which is to be adjusted at an extraordinary general meeting of M and B to be held prior to the Scheme Effective Time
"M and B"	Mitchells & Butlers PLC, a public company incorporated in England and Wales with registered number 4551498
"Proposals"	the recommended proposals for the Separation including the Scheme, the M and B Group Transfer, the M and B Share Consolidation and the M and B Reduction of Capital
"Retail Business"	the retail business of the Six Continents Group
"Scheme"	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court
"Scheme Effective Time"	the time at which this Scheme becomes effective in accordance with Clause 6 of this Scheme
"Scheme Record Time"	4.30 pm on the date on which this Scheme becomes effective
"Scheme Shares"	<ul style="list-style-type: none"> (i) the Six Continents Shares in issue at the date of this Scheme; (ii) any Six Continents Shares issued after the date of this Scheme and prior to 6.00 pm (London time) on the day two days before the day of the Court Meeting or any adjournment thereof; and (iii) any Six Continents Shares issued at or after the passing of the Special Resolution and prior to 6.00 pm (London time) on the day two business days prior to the confirmation by the Court of the reduction of capital pursuant to Clause 1 of this Scheme in respect of which the original or any subsequent holders thereof shall be bound or shall have agreed in writing by such time to be bound by this Scheme
"Separation"	means the proposed separation of the Hotels Business and the Britvic Business from the remainder of the Six Continents Group pursuant to the M and B Reduction of Capital as described in the Explanatory Statement
"Separation Effective Time"	the time at which the Separation becomes effective

"Separation Record Time"	6.00 am (London time) on the day on which the M and B Reduction of Capital becomes effective
"Six Continents Group"	the Company and its subsidiaries
"Six Continents Shares"	ordinary shares of 28 pence each in the capital of the Company
"Six Continents Shareholder"	a holder of Six Continents Shares
"Special Resolution"	the first resolution set out in the notice convening the Extraordinary General Meeting of the Company set out in Part VI of the document dated 17 February 2003 addressed to Six Continents Shareholders
"uncertificated" or "in uncertificated form"	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST

- (B) The authorised share capital of the Company is £1,148,800,287 divided into 888,343,756 non-cumulative redeemable preference shares of 95½ pence each and 1,072,971,427 Ordinary Shares of 28 pence each, of which 866,641,320 Ordinary Shares have been issued and are credited as fully paid and the remainder are unissued. Prior to the Scheme Effective Time, it is proposed that one of the Ordinary Shares in the Company is reclassified as a Deferred Share and allotted and issued to M and B and credited as fully paid.
- (C) M and B was incorporated as a public limited company on 2 October 2002. The authorised share capital of M and B at the date of this Scheme is £10,000,050,000 divided into 999,999,999,998 M and B Shares of 1 penny each, 200 of which have been allotted or issued, one redeemable preference share of £50,000, which has been allotted and issued, and two redeemable deferred shares of 1 penny each, both of which have been allotted and issued. M and B obtained a trading certificate under section 117 of the Companies Act on 7 February 2003.
- (D) It is proposed that prior to the Scheme Effective Time, the issued and unissued M and B Shares will be consolidated into shares of a nominal value per share to be determined just prior to such consolidation. Further M and B Shares of 1 penny each may be allotted and issued prior to such consolidation in order to ensure that the M and B Shares in issue can be consolidated into whole M and B Shares and so as to ensure that each M and B Shareholder will hold two M and B Shares at the Scheme Record Time as a result of such consolidation.
- (E) The Directors of Six Continents propose that, subject to the passing of the Special Resolution prior to the sanctioning of this Scheme by the Court, Six Continents will issue to M and B one deferred share of 28 pence.
- (F) The purpose of this Scheme is to provide for the cancellation of the Scheme Shares and the issue to M and B of Six Continents Shares in consideration of such cancellation and the allotment by M and B of M and B Shares to the holders of the Schemes Shares and the payment by M and B of 81 pence per Six Continents Share to them.

(G) Subject to the passing of the Special Resolution, if, in respect of any holder of Scheme Shares with a registered address outside the United Kingdom or who the Company reasonably believes is a citizen, resident or national of a jurisdiction outside the United Kingdom, the Company is advised that the allotment and issue of the M and B Shares pursuant to Clause 2 of this Scheme would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require the Company or M and B to observe any governmental or other consent or any registration, filing or other formality with which the Company or M and B cannot comply or compliance with which the Company or M and B considers unduly onerous, the Company will (unless such shareholder satisfies the Company that no such infringement or requirement would apply) be authorised by the Articles of Association to appoint any person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such holder to a nominee to hold such Scheme Shares on trust for that holder, on terms that the nominee shall sell:

- (i) the Scheme Shares prior to the Scheme Effective Time; or
- (ii) if it does not sell the Scheme Shares prior to the Scheme Effective Time, subject to delay until after the admission of the M and B Shares and the IHG Shares to the Official List of the Financial Services Authority acting in its capacity as United Kingdom Listing Authority and to trading on the London Stock Exchange plc's market for listed securities, sell:
 - (a) the M and B Shares, if any, that it receives pursuant to the Scheme in respect of such Scheme Shares as soon as practicable following the Scheme Effective Time; and
 - (b) the IHG Shares, if any, that it receives pursuant to the Separation in respect of the M and B Shares referred to in (a) as soon as practicable following the Separation Effective Time,

in each case at the best price which can reasonably be obtained at the time of sale and that (subject to instructions from M and B in relation to M and B's obligations pursuant to Clause 3.1 of this Scheme) the proceeds of such sale (net of the expenses of sale including commissions and value added tax) shall be paid to such shareholder by delivering a cheque to, or crediting the CREST account of, such shareholder in accordance with the provisions of Clauses 3.1 and 3.2 of this Scheme.

(H) Subject to certain conditions being fulfilled, including this Scheme becoming effective (with or without any modification, alteration or condition which the Court may approve or impose), it is proposed that, following the transfer of the companies carrying on the Retail Business to M and B, the Hotels Business and the Britvic Business be demerged from the Retail Business by transferring Six Continents to IHG pursuant to a reduction of capital by M and B under which M and B will reduce the nominal value of each M and B Share pursuant to a special resolution of M and B Shareholders passed prior to the date of this Scheme.

(I) M and B has agreed to appear by Counsel on the hearing of the petition to sanction this Scheme and to consent thereto and to undertake to the Court to be bound thereby and to execute and do and 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 this Scheme.

THE SCHEME

1 Cancellation of Scheme Shares

- 1.1** The capital of the Company shall be reduced by cancelling the Scheme Shares.
- 1.2** Subject to and forthwith upon the said reduction of capital taking effect,
- 1.2.1** the authorised share capital of the Company shall be increased to its former amount by the creation of such number of Six Continents Shares as is equal to the number of Scheme Shares; and
 - 1.2.2** the reserve arising in the books of account of the Company as a result of the said reduction of capital shall be capitalised and applied in paying up in full at par the Six Continents Shares created pursuant to Clause 1.2.1 of this Scheme, which shall be allotted and issued credited as fully paid to M and B as holder of the Deferred Share or its nominee.

2 Consideration for the Cancellation of the Scheme Shares

- 2.1** In consideration of the cancellation of the Scheme Shares and the allotment and issue of Six Continents Shares as provided in Clause 1.2 of this Scheme, M and B shall (subject to the remaining provisions of this Clause):
- 2.1.1** allot and issue to the holders of Scheme Shares (as appearing in the register of members of the Company at the Scheme Record Time) M and B Shares, credited as fully paid, on the following basis:

For every Scheme Share then held	One M and B Share
and	
 - 2.1.2** pay 81 pence per Scheme Share to such holders in accordance with the provisions of Clauses 3.1 and 3.2 of this Scheme.
- 2.2** The M and B Shares to be issued pursuant to this Clause 2 shall rank pari passu in all respects with all other fully paid M and B Shares in issue at the Scheme Effective Time.
- 2.3** The provisions of this Clause 2 shall be subject to any prohibition or condition imposed by law.

3 Allotments and Payment

- 3.1** Not later than 14 days after the Scheme Effective Time, M and B shall:
- 3.1.1** allot and issue all M and B Shares which it is required to allot and issue to give effect to this Scheme and:
 - (i) in the case of any such shares issued in respect of Scheme Shares which were in certificated form at the Scheme Record Time, issue such M and B Shares in certificated form and, after (a) the M and B Share Consolidation and (b) the M and B Reduction of Capital (provided that the M and B Reduction of Capital is effective within 7 days of the Scheme Effective Time), despatch or procure the despatch of certificates to reflect the holdings of M and B Shares after the M and B Share Consolidation and, if applicable, the M and B Reduction of Capital to the persons entitled

thereto, or as they may direct, in accordance with the provisions of Clause 3.2 of this Scheme; and

- (ii) in the case of any such shares issued in respect of the Scheme Shares which were in uncertificated form at the Scheme Record Time, issue such M and B Shares in uncertificated form and, after (a) the M and B Share Consolidation and (b) the M and B Reduction of Capital (provided that the M and B Reduction of Capital is effective within 7 days of the Scheme Effective Time), procure that CRESTCo Limited is instructed to credit the appropriate stock account in CREST of the holder concerned to reflect the holdings of M and B Shares after the M and B Share Consolidation and, if applicable, the M and B Reduction of Capital; Provided that M and B may settle all or part of the share consideration to which all or any holders of Scheme Shares are entitled in the manner referred to in Clause 3.1.1(i) of this Scheme if, for any reason, it considers it appropriate to do so;

3.1.2 in the case of Scheme Shares which at the Scheme Record Time are in certificated form, despatch or procure the despatch of to the persons entitled thereto, or as they may direct, in accordance with the provisions of Clause 3.2 of this Scheme, cheques for the sums payable to them respectively in accordance with Clause 2.1 of this Scheme and, subject to the passing of the Special Resolution, Article 164(l) of the Articles of Association or, in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that an assured payment obligation in respect of the sums payable to the persons entitled thereto is created in accordance with the CREST assured payment arrangements, provided that M and B reserves the right to make payment of the said sums by cheque as aforesaid if, for any reason, it wishes to do so.

3.2 All despatches of certificates or cheques required to be made pursuant to this Scheme shall be effected by sending the same through the post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of the Company at the Scheme Record Time (or, in the case of joint holders, at the registered address as appearing in the said register at such time of that one of the joint holders whose name then stands first in the said register in respect of such joint holding) or in accordance with any special instructions regarding communications, and neither the Company, M and B nor, subject to the passing of the Special Resolution, any nominee appointed by the Company pursuant to Article 164(l) of the Articles of Association shall be responsible for any loss or delay in the transmission of any certificates or cheques sent in accordance with this sub-clause, which shall be sent at the risk of the persons entitled thereto.

3.3 All cheques shall be made payable to the holder or, in the case of joint holders, to the first named holder of the Scheme Shares concerned and the encashment of any such cheque shall be a complete discharge to the Company, M and B and, subject to the passing of the Special Resolution, any nominee appointed by the Company pursuant to Article 164(l) of the Articles of Association for the moneys represented thereby.

3.4 The provisions of this Clause shall take effect subject to any condition or prohibition imposed by law.

4 Certificates for Scheme Shares

With effect from the Scheme Effective Time:

- 4.1 all certificates representing holdings of Scheme Shares shall cease to have effect for any purpose and every holder thereof shall be bound at the request of the Company to deliver up such certificate(s) to the Company or as it may direct; and
- 4.2 CRESTCo Limited shall be instructed to cancel the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form.

5 Dividend Mandates

- 5.1 All mandates and other instructions to the Company relating to Scheme Shares in force at the Scheme Record Time shall, unless and until revoked or amended, be deemed as from the Scheme Effective Time to be valid and effective mandates and instructions to M and B in relation to the corresponding M and B Shares allotted and issued pursuant to this Scheme.
- 5.2 All mandates and other instructions to M and B applicable to M and B Shares due to the operation of Clause 5.1 of this Scheme above shall, unless and until revoked or amended, be deemed, as from the Separation Effective Time also to be valid and effective mandates and instructions to IHG in relation to the corresponding IHG Shares allotted and issued pursuant to the Separation.

6 The Scheme Effective Time

- 6.1 This Scheme shall become effective as soon as an office copy of the Order of the Court sanctioning this Scheme under section 425 of the Companies Act 1985 and confirming under section 137 of the said Act the reduction of capital provided for by this Scheme shall have been delivered to the Registrar of Companies for registration and, in the case of the confirmation of the reduction of capital, registered by him.
- 6.2 Unless this Scheme shall have become effective on or before 17 August 2003, or such later date, if any, as the Company and M and B may agree and the Court may allow, the same shall never become effective.

7 Modification

The Company and M and B may jointly consent on behalf of all concerned to any modification of or addition to this Scheme or any condition which the Court may approve or impose.

8 Financial Assistance

The Company shall be authorised and permitted following this Scheme becoming effective to dispose of the whole of the issued share capital of the companies in the Six Continents Group that are companies that conduct the Retail Business (or are holding companies of such companies) and are held directly by Six Continents to M and B at book value (a price likely to be less than market value) on terms that the price payable by M and B is left outstanding.

9 Separation

The resolution of M and B to approve the M and B Reduction of Capital required to implement the Separation (the "**Resolution**") may provide that if, in respect of any former holder of Scheme Shares who has a registered address in a jurisdiction outside the United Kingdom, or whom M and B reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, M and B is advised that the allotment and issue of IHG Shares pursuant to the Separation would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require M and B or IHG to observe any governmental or other consent or any registration, filing or other formality with which M and B or IHG cannot comply or compliance with which M and B or IHG considers unduly onerous, M and B shall (unless such shareholder satisfies M and B that no such infringement or requirement would apply) be entitled to appoint any person to execute as transferor an instrument of transfer of the relevant M and B Shares, transferring such M and B Shares to a nominee appointed by M and B, as trustee for such holder, prior to the Separation Record Time on terms that the nominee shall, as soon as practicable following the Separation Effective Time, sell the M and B Shares and the IHG Shares, if any, that it receives in respect of such M and B Shares under the Separation at the best price which can reasonably be obtained at the time of sale and that the proceeds of such sale (net of the expenses of sale including commissions and value added tax) shall be paid to such shareholder by delivering a cheque to, or crediting the CREST account of such shareholder in accordance with the Resolution. The instrument of transfer executed by such appointee of M and B shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such M and B Shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Resolution may provide that, in the absence of bad faith or wilful default, none of M and B, IHG or any nominee so appointed shall be responsible for any loss or damage to any person arising from any transaction pursuant to the Resolution or for any alleged insufficiencies of the terms or the timing of such sale and that any sale pursuant to the Resolution will be delayed until after the admission of the IHG Shares to the Official List of the Financial Services Authority acting in its capacity as United Kingdom Listing Authority and to trading on the London Stock Exchange plc's market for listed securities. In the case of M and B Shares held in uncertificated form through CREST, the aforementioned provisions of the Resolution shall be subject to any restrictions applicable under the Uncertificated Securities Regulations 2001.

Dated 17 February 2003

The Second Schedule Before Referred To
MINUTE APPROVED BY THE COURT

"The capital of Six Continents PLC was by virtue of a Special Resolution and with the sanction of an Order of the High Court of Justice dated 10 April 2003 reduced from £1,148,800,286.54 divided into 888,343,756 Non-Cumulative Redeemable Preference Shares of 95½ pence each, 1,072,971,426 Ordinary Shares of 28 pence each and one Deferred Share of 28 pence to £906,134,077.58 divided into 888,343,756 Non-Cumulative Redeemable Preference Shares of 95½ pence each, 206,306,394 Ordinary Shares of 28 pence each and 1 Deferred Share of 28 pence. By virtue of a Scheme of Arrangement sanctioned by the said Order and of the said Special Resolution the capital of the Company upon the registration of this Minute is increased to £1,148,800,286.54 divided into 888,343,756 Non-Cumulative Redeemable Preference Shares of 95½ pence each, 1,072,971,426 Ordinary Shares of 28 pence each and 1 Deferred Share of 28 pence, of which 1 Deferred Share of 28 pence has been issued and is deemed to be fully paid up and none of the remaining shares has been issued."

No. 709 of 2003

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
COMPANIES COURT
THE HON. MR JUSTICE BLACKBURNE

Re: SIX CONTINENTS PLC

- and -

Re: THE COMPANIES ACT 1985

ORDER

**Sanctioning Scheme of
Arrangement and confirming
reduction of capital**

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Ref: JLF/DSCW