

CHFP025

COMPANIES FORM No. 155(6)a

Declaration in relation to assistance for the acquisition of shares

155(6)a

Please do not
write in this
margin

Pursuant to section 155(6) of the Companies Act 1985

**Please complete
legibly, preferably
in black type, or
bold block lettering**

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

	-	T	-	T	-	
L	-	+	-	+	-	

3767885

Note
Please read the notes
on page 3 before
completing this form.

Name of company

* The Malmaison Hotel (Birmingham) Limited

* insert full name
of company

XWe 0 See continuation sheet page 1

Ø insert name(s) and address(es) of all the directors

† delete as appropriate

~~XXXXXXXXXXXX~~ [the sole director] [all the directors][†] of the above company do solemnly and sincerely declare that:

The business of the company is:

§ delete whichever
is inappropriate

XX

(a) that of a recognised bank licensed institution within the meaning of the Banking Act 1978.

[illegible]

~~in the United States and the United Kingdom.~~

(c) something other than the above\$

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXX~~ [company's holding company] Malmaison Limited

The assistance is for the purpose of ~~XXXXXXXXXX~~ [reducing or discharging a liability incurred for the purpose of that acquisition].†

The number and class of the shares acquired or to be acquired is:

26,962,147 ordinary shares of 1p each.

Presentor's name address and reference (if any) :

SJ Berwin
222 Gray's Inn Road
London
WC1X 8XF

DX255 London
Ref:641/M9208.164/CP2:82525/aaar

For official Use
General Section



A13 **#AUK**
COMPANIES HOUSE

0642
25/05/02

82525

The assistance is to be given to: (note 2) MWB Malmaison Holdings Limited (Registered No. 3917393)
whose registered office is at 179 Great Portland Street, London W1W 5LS.

Please do not
write in this
margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

See Annexure 1.

The person who [has acquired] ~~[will acquire]~~ the shares is:

† delete as
appropriate

MWB Malmaison Holdings Limited (Registered Number 3917393) (formerly known as MWB Hotel
Properties Limited) whose registered office is at 179 Great Portland Street, London W1W 5LS.

The principal terms on which the assistance will be given are:

See Annexure 2.

The amount of cash to be transferred to the person assisted is £ Nil.

The value of any asset to be transferred to the person assisted is £ Nil.

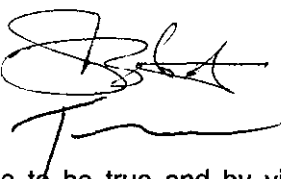
The date on which the assistance is to be given is within 8 weeks of the date hereof

The Malmaison Hotel (Birmingham) Limited

Form 155(6)a

Continuation page 1

1. Ian Bruce Cave, 82 Park Street, Thame, Oxfordshire, OX9 3HX
2. Jagtar Singh, 163 Hempstead Road, Hertfordshire WD1 3HF



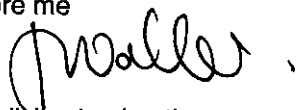
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of this Statutory Declarations Act 1835.

Declared at 1 West Garden Place, Kendal Street, London W2 2AQ

the 7 day of May 2002

JULIET WALLER, Solicitor
46 Blandford Street
London W1U 7HT

before me



A Solicitor having the powers conferred on a Commissioner for Oaths.

THE MALMAISON HOTEL (BIRMINGHAM) LIMITED

Company No. 3767885

(the "Company")

Annexure 1 - Form 155(6)a

Definitions

In this Statutory Declaration (including Annexures 1 & 2) the following expressions shall have the following meanings:

"Borrower" means MWB Malmaison Holdings Limited (Company Number 03917393)

"BoS" means the Governor and Company of the Bank of Scotland plc.

"BoS Facility Letter" means the facility letter dated on or about the date hereof between BoS and the Borrower whereby the maximum aggregate sum of £110,000,000 is to be advanced, comprising term loan facilities of up to £110,000,000, revolving credit facilities of up to £36,400,000 and revolving credit facilities of up to £17,400,000. The proceeds of the term loan facilities are to be used to refinance borrowings advanced under a credit agreement dated 3 November 2000 entered into between Société Générale (in various capacities) and MWB Hotel Properties Limited (now known as MWB Malmaison Holdings Limited) the proceeds of which were, inter alia, used by it to acquire the entire issued share capital of Malmaison Limited and the Company.

"BoS Debenture" Means the debenture dated on or about the date hereof, to be granted by the Company in favour of BoS to secure all monies and liabilities due, owing or incurred by the Company to BoS, whereby the Company:

- (a) covenants that it will on demand pay or discharge such sums due, owing or incurred, more particularly referred to in the BoS Debenture as the "Secured Obligations"; and
- (b) grants legal, fixed and floating charges and mortgages over its assets and undertakings in favour of BoS as continuing security and with full title guarantee for the payment and discharge of such Secured Obligations.

"BoS Guarantee" means the corporate guarantee dated on or about the date hereof to be granted by (inter alios) various group companies, including the Company in favour of BoS

guaranteeing payments of monies due and owing by the "Principal" (as defined in the BoS Guarantee) to BoS, including under the BoS Facility Letter.

"BoS Charge over Agreement for Lease"

means the charge over agreement for lease dated on or about the date hereof, to be granted by the Company in favour of BoS to secure all monies and liabilities due, owing or incurred to BoS by the Company whether actually or contingently, solely or jointly, as principal or surety, whereby the Company:

- (a) will on demand pay such sums, more particularly referred to as the "Secured Liabilities" therein; and
- (b) grants (inter alia) fixed charges over the benefit of the Company's interest in the Agreement for Lease dated 23 June 1999 made between Birmingham Mailbox Limited and the Company and the "Lease" and "Property" (as therein defined), as continuing security and with full title guarantee for the payment and discharge of such Secured Liabilities.

"Intra-Group Loan Agreement"

means the intra-group loan agreement to be granted by various group companies (including the Company) as lenders to the Borrower as borrower, pursuant to which such group companies may lend money to the Borrower to service interest costs and repay advances and make other payments due under the BoS Facility Letter

"Mezzanine Loan Agreement"

means the Mezzanine Loan Agreement dated 3 November 2000 between Hotel Invest UK A/S (as lender) and the Borrower whereby the maximum sum of £18,000,000 was advanced for the purpose (inter alia) of the acquisition of the entire issued share capital of Malmaison Limited and The Malmaison Hotel (Birmingham) Limited.

"Subordination and Priority Deed"

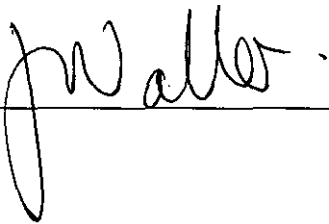
means the subordination and priority deed dated on or about the date hereof between (inter alios) the Company and various other of the Malmaison Group Companies whereby any amounts owing to BoS pursuant to the terms of the BoS Facility Letter and pursuant to any security granted in favour of BoS by the Company, and any Group Company (as defined therein) shall rank in priority to all sums due to the Subordinated Creditors (as defined therein) and in particular, any monies owing by the Company to (inter alia) MWB Malmaison Holdings Limited are subordinated until all the monies owing to BoS under the Facility Letter are paid.

The assistance will take the form of:

1. The BoS Debenture
2. The BoS Guarantee
3. The BoS Charge over Agreement for Lease
4. The Subordination and Priority Deed
5. The Intra-Group Loan Agreement

This is Annexure 1 referred to in Form 155(6)a declared by the directors of the Company on 17 May 2002.

Signed

A handwritten signature in black ink, appearing to read 'J Waller', is written over a horizontal line.

Solicitor

JULIET WALLER, Solicitor
46 Blandford Street
London W1U 7HT

THE MALMAISON HOTEL (BIRMINGHAM) LIMITED

Company No. 3767885

(the "Company")

Annexure 2 - Form 155(6)a

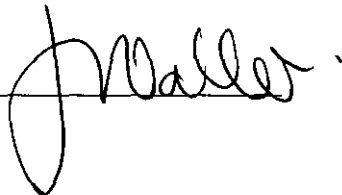
All capitalised terms in this Annexure 2 shall have the meanings given to them in Annexure 1.

The principal terms on which the assistance will be given are as follows:

1. The BoS Debenture under which the Company:
 - (a) covenants that it will on demand pay or discharge such sums due, owing or incurred, more particularly referred to in the BoS Debenture as the "Secured Obligations"; and
 - (b) grants legal, fixed and floating charges and mortgages over its assets and undertakings in favour of BoS as continuing security and with full title guarantee for the payment and discharge of such Secured Obligations.
2. The BoS Guarantee under which (inter alios) the Company guarantees payments of monies due and owing by the "Principal" (as defined therein) to BoS including under the BoS Facility Letter.
3. The BoS Charge over Agreement for Lease under which the Company:
 - (a) will on demand pay such sums, more particularly referred to as the "Secured Liabilities" therein; and
 - (b) grants (inter alia) fixed charges over the benefit of the Company's interest in the Agreement for Lease dated 23 June 1999 made between Birmingham Mailbox Limited and the Company and the "Lease" and "Property" (as therein defined), as continuing security and with full title guarantee for the payment and discharge of such Secured Liabilities.
4. The Subordination and Priority Deed whereby any amounts owing to BoS pursuant to the terms of the BoS Facility Letter and pursuant to any security granted in favour of BoS by the Company, and any Group Company (as defined therein) shall rank in priority to all sums due to the Subordinated Creditors (as defined therein) and in particular, any monies owing by the Company to (inter alia) MWB Malmaison Holdings Limited are subordinated until all the monies owing to BoS under the Facility Letter are paid.
5. The Intra-Group Loan Agreement under which various group companies (including the Company) as lenders will lend monies to the Borrower as borrower to service interest costs and repay advances and make other payments due under the BoS Facility Letter.

This is Annexure 2 referred to in Form 155(6)a declared by the Directors of the Company on 17 May 2002.

Signed


Solicitor

JULIET WALLER, Solicitor
46 Blandford Street
London W1U 7HT