

RUBICON

Rubicon Corporate Print Limited
70 Paul Street London EC2A 4NA

Telephone: 0207 012 1148

Fax: 0207 012 1138

E-mail: csd@rubicon-cpl.co.uk

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CLEAN

JOB No: R1026

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your Ordinary Shares in Real Estate Investors PLC, please send this document and accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Copies of this document are available to the public, free of charge, at the offices of Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY, during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document for a period of one month and will be available at the General Meeting.

REAL ESTATE INVESTORS PLC

Incorporated in England and Wales Registered No. 5045715

Registered Office:
8th Floor
West Plaza
144 High Street
West Bromwich
West Midlands
B70 6JJ

Directors:
Peter Lewin
John Jack
Paul Bassi
Marcus Daly

24 November 2008

Dear Shareholder

PROPOSED ACQUISITION OF METRO COURT (WB) LIMITED ("THE ACQUISITION") AND NOTICE OF GENERAL MEETING.

Introduction

I am writing to you with information on the proposed acquisition of the whole of the issued share capital of Metro Court (WB) Limited. As Paul Bassi is a shareholder in Metro Court (WB) Limited, the acquisition is required to be approved by Shareholders at a General Meeting of the Company pursuant to s190 of the Companies Act 2006.

The contents of this letter are important and I would urge you to read it carefully and to sign and return the enclosed form of proxy in accordance with the instructions given thereon and in the paragraph headed "Action to be Taken" below, as soon as possible, whether or not you intend to be present at the General Meeting.

The Acquisition

As mentioned above, REI is proposing to acquire Metro Court (WB) Limited ("Metro Court"), a special purpose vehicle, whose principal asset is a three storey office block located in West Bromwich town centre. The building has been recently renovated and new leases negotiated. Total refurbishment costs were in excess of £2.3 million.

REI has agreed, subject only to Shareholder approval, to acquire the entire issued share capital of Metro Court for a total consideration of £675,000, paid in cash. As part of the Acquisition, the Company will assume a term loan facility of £2.5 million from Yorkshire Bank, relating to the property

and will procure the repayment by Metro Court of £500,000 of loans to the shareholders (other than Paul Bassi).

The property held by Metro Court has been valued by an independent professional valuer, Gerald Eve, at £4,100,000. Metro Court has recently completed a lease of two floors to the Sandwell Mental Health NHS & Social Care Trust which provides for rental income of £221,563 per annum. The lease is for a period of 15 years from 1 July 2008, with breaks at years 5 and 10, but with the provision for a penalty of 2 and 1 years respectively of rent, service charge, business rates and rent insurance. The company is currently in advanced negotiations on a lease for the third floor. Following completion of the Acquisition and assuming the property is fully let, REI will benefit from a rental income rising to approximately £350,000 per annum.

Paul Bassi (who only has a 25 per cent. interest in Metro Court) was informed by the other shareholders that they wished to realise their investment in Metro Court in order to avoid financial pressures in the current economic climate. Since REI has cash and secured debt facilities, it is able to pursue the opportunity to acquire a valuable property with a potential high yield at a significant discount to its anticipated market value.

The Acquisition Agreement contains warranties and a tax covenant in favour of the Company. A copy of the Acquisition Agreement is available for inspection at the offices of Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY up to the time of the General Meeting and will be available at the General Meeting.

As the Acquisition is a substantial property transaction involving a director of the Company (Paul Bassi), pursuant to s190 of the Companies Act 2006, it requires the approval of Shareholders in General Meeting. The resolution seeking approval of the Acquisition is set out in the notice convening the General Meeting.

General Meeting

A notice is set out at the end of this letter convening the General Meeting of the Company to be held at the Company's offices at 8th Floor, West Plaza, 144 High Street, West Bromwich, West Midlands B70 6JJ at 11:00am on Wednesday, 10 December 2008 for the purpose of proposing, and if thought fit, passing the resolution set out in the notice.

Action to be Taken

You are requested to take the action set out below in relation to the resolutions to be proposed at the General Meeting.

You will find enclosed a form of proxy for use at the General Meeting. **Whether or not you are intending to be present at the General Meeting you are requested to complete the enclosed form of proxy in accordance with the instructions thereon and return it to the Company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to be received not later than 11:00am on Monday, 8 December 2008.**

Completion and return of the form of proxy will not prevent you from attending, speaking and voting at the meeting in person if you so wish.

Recommendation

Your Board (with the exception of Paul Bassi, who has an interest in the Acquisition) recommends you to vote in favour of the Resolution to be proposed at the General Meeting.

Yours faithfully

**Peter Lewin
Chairman**

DEFINITIONS

“Acquisition Agreement”	the agreement dated 21 November 2008 pursuant to which the Company agreed conditionally to acquire the entire issued share capital of Metro Court (WB) Limited, subject only to approval by shareholders at the GM
“Acquisition”	the acquisition of Metro Court (WB) Limited pursuant to the Acquisition Agreement as described in this document
“Act”	the Companies Act 2006
“AIM Rules”	the AIM Rules for Companies, published by the London Stock Exchange
“AIM”	a market operated by the London Stock Exchange
“Company” or “REI”	Real Estate Investors PLC
“General Meeting”	the general meeting of the Company convened for 11:00am on Wednesday, 10 December 2008, notice of which is set out at the end of this document
“Directors” or “Board”	the directors of the Company, whose names appear on page 1
“Metro Court”	Metro Court (WB) Limited, registered in England and Wales, no. 4308096

REAL ESTATE INVESTORS PLC (“Company”)

(Registered in England and Wales No. 5045715)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the Company’s offices, 8th Floor, West Plaza, 144 High Street, West Bromwich, West Midlands B70 6JJ, on Wednesday, 10 December 2008 at 11:00am for the purpose of considering and, if thought fit, passing the following resolution as an Ordinary Resolution.

THAT, pursuant to section 190 of the Companies Act 2006 as amended, the proposed acquisition by the Company of Metro Court (WB) Limited on the terms and subject to the conditions of a conditional agreement dated 21 November 2008 between the Company and the vendors of Metro Court (WB) Limited (“Acquisition Agreement”) described in the Company’s circular to shareholders dated 24 November 2008 (a draft of which has been produced to the meeting and initialled by the Chairman for the purpose of identification) be and is hereby approved, and the directors of the Company be authorised to execute and complete the Acquisition Agreement in accordance with its terms.

Registered Office:
8th Floor
West Plaza
144 High Street
West Bromwich
West Midlands
B70 6JJ

By Order of the Board:
Marcus Daly
Company Secretary

Dated: 24 November 2008

Notes:

A member of the Company entitled to attend, speak and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.

To be valid, forms of proxy and any power of attorney or other authority under which it is signed must be lodged with the Company’s registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by not later than 11:00am on 8 December 2008.

Completion and return of a form of proxy does not preclude a member from attending and voting at the Meeting or at any adjournment thereof in person.

In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy but the vote of the first named on the register of members will be accepted to the exclusion of the other joint holders.

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the General Meeting (and for the purposes of the determination by the Company of the number of votes they may cast) members must be entered on the Company’s register of members by 6:00pm on 8 December 2008.