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If you have sold or otherwise transferred all your Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. Such documents should not however be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, you should retain these documents and contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

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, Sundays and public holidays excepted) from the date of this document for a period of one month. A copy of this document is also available on the Company's website (www.reiple.com).

This document is not an offer of securities, or the solicitation of an offer to acquire securities in any jurisdiction. This document is not a prospectus or equivalent document. The Placing Shares referred to in this document have not been and will not be registered or qualified for distribution to the public under the securities legislation of any jurisdiction. The information about the Placing in this document is provided solely for the information of Shareholders in connection with the EGM and not to any other person or for any other purpose.

The Placing Shares referred to in this document have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or transferred in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the Securities Act. The Placing Shares may not be offered, sold or transferred, directly or indirectly, in or into Australia, Canada, Japan, New Zealand, South Africa or Switzerland, or any province or territory thereof, or any other jurisdiction in which it would be unlawful to do so.

This document should be read in conjunction with the accompanying Form of Proxy and the definitions set out in this document. The whole of this document should be read and, in particular, your attention is drawn to the letter from the Chairman of Real Estate Investors PLC which contains the unanimous recommendation by the Directors to Shareholders to vote in favour of the Resolutions to be proposed at the EGM.

Real Estate Investors PLC

(incorporated in England and Wales with registered number 5045715)

Placing of new Ordinary Shares Adoption of new Articles of Association Approval of revised Investing Policy and Notice of Extraordinary General Meeting

The EGM to consider the Resolutions will be held at 12.00 noon on 22 February 2010 at the Company's registered office, 8th Floor, West Plaza, 144 High Street, West Bromwich, West Midlands, B70 6JJ. The notice convening the EGM is set out on pages 18 to 20 of this document. **The action to be taken in respect of the EGM is set out in Part II of this document. Whether or not you plan to attend the EGM, please complete the enclosed Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post during normal business hours, by hand, to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by 12.00 noon on 20 February 2010 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).** Alternatively, if you hold Ordinary Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual ensuring that it is received by Capita Registrars (under CREST participant ID: RA10) by no later than 12.00 noon on 20 February 2010 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). **The completion and return of a Form of Proxy or using the CREST electronic proxy appointment service will not prevent you from attending, speaking and voting at the EGM, or any adjournment thereof, in person should you wish to do so.**

If you require assistance in completing the Form of Proxy or require additional Forms of Proxy, please call Capita Registrars, the Company's registrars, on 0871 664 0300 (calls cost 10p per minute plus network charges and lines are open Monday to Friday, 8.30 a.m.-5.30 p.m.) (or, from outside the UK, on +44 20 8639 3399). For legal reasons, Capita Registrars will not be able to give advice on the merits of the Resolutions or to provide legal, financial or taxation advice, and accordingly for such advice you should consult your stockbroker, solicitor, accountant, bank manager or other independent professional adviser.

Smith & Williamson, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as nominated adviser for the purposes of the AIM Rules exclusively for the Company in connection with Admission and the Placing. Smith & Williamson is not acting for any other person and will not be responsible to any other person for providing the protections afforded to clients of Smith & Williamson, or for advising any other person in connection with Admission and the Placing. The responsibilities of Smith & Williamson as nominated adviser are owed solely to the London Stock Exchange and not to the Company or to any Director or any person in respect of any decision to acquire Placing Shares in reliance on any part of this document.

Singer, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as lead manager and broker exclusively for the Company in connection with the Placing. Singer is not acting for any other person and will not be responsible to any other person for providing the protections afforded to clients of Singer, or for advising any other person in connection with the Placing.

No representation or warranty, express or implied, is made by Smith & Williamson or Singer or any of their respective directors, officers, employees, advisers or agents as to any of the contents of this document and, without limiting the statutory rights (if any) of any person to whom this document is issued, no liability whatsoever is accepted by Smith & Williamson or Singer or any of their respective directors, officers, employees, advisers or agents for the accuracy of any information or opinions contained in this document or for the omission of any material information.

Date: 26 January 2010

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TIMETABLE OF PRINCIPAL EVENTS

	<i>2010</i>
Posting of this document	26 January
Latest date for receipt of Forms of Proxy for EGM	12.00 noon on 20 February
EGM	12.00 noon on 22 February
Admission and commencement of dealings in the Placing Shares	25 February

PART I

LETTER FROM CHAIRMAN

Real Estate Investors PLC

(incorporated in England and Wales with registered number 5045715)

Directors:

Peter Lewin (*Chairman*)

John Jack (*Deputy Chairman*)

Paul Bassi (*Chief Executive*)

Marcus Daly (*Finance Director and Secretary*)

Registered Office:

8th Floor

West Plaza

144 High Street

West Bromwich

West Midlands

B70 6JJ

26 January 2010

Dear Shareholder

PLACING OF NEW ORDINARY SHARES, ADOPTION OF NEW ARTICLES OF ASSOCIATION, APPROVAL OF REVISED INVESTING POLICY AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Introduction

The Company announced earlier today that it proposes to raise funds for expansion by way of a placing of 155,309,834 new Ordinary Shares at a price of 6.5 pence per new Ordinary Share, raising approximately £9.7 million (net of expenses). The Placing is conditional upon, amongst other things, the approval of Shareholders at the EGM and the Placing Agreement becoming unconditional in all respects.

The Company also announced earlier today that it proposes to adopt new Articles of Association in a form which is in line with the changes to company law brought about by the Companies Act 2006 and to implement a more comprehensive investing policy in line with the guidelines set out in the AIM Rules.

The purpose of this document is to explain the background to and reasons for the Placing and the other proposals set out in this document and why the Directors consider the Placing and such other proposals to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the EGM, notice of which is set out at the end of this document.

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 Part II “Action to be Taken” below, as soon as possible.

Background to and reasons for the Placing

The UK commercial real estate market has become increasingly stressed since mid 2007, with acquisition opportunities emerging from a range of sources including:

- banks and building societies seeking to asset manage and reduce their distressed loan book;
- local government, regional development agencies and other government bodies, e.g. the NHS, seeking to release capital;
- distressed vendors looking to sell to cash buyers on discounted terms; and
- vendors who have waited for, and expect, the investment markets to stabilise in early 2010 and who may prefer cash buyers.

In addition, the Company expects acquisition opportunities to arise from property companies seeking equity partners to fund acquisitions.

Throughout the recent financial crisis, the Company has pursued an active strategy of repositioning properties and recycling and conserving capital, whilst generating cash flow, maximising occupancy rates and crystallising reversions. We believe that this strategy has been effective in placing the Company in a strong competitive position. We also believe that our proven track record, with the Company's established market reputation and profile, together with available cash resources, should facilitate significant growth opportunities for REI.

The Board believes that the market is now at, or close to, the bottom of the current economic cycle, and that accordingly the present conditions in the UK commercial property market offer REI an attractive opportunity to expand its property asset base through opportunistic acquisitions and active asset management. In addition, the Board believes that the Executive Directors' considerable regional experience and extensive market contacts in the West Midlands, including acquiring and managing real estate through the last significant property downturn of the early 1990s, position the Company well to source, finance and structure transactions that should be resilient to any further weakness during this cycle.

The Board anticipates an increase, in early 2010, in the availability of attractive acquisition opportunities at valuations that should place REI in a position to generate above average returns for Shareholders. The Company's focus remains firmly on value.

In order to maximise REI's ability to respond quickly to opportunities and to benefit from price advantages available to cash buyers, the Directors are seeking to raise approximately £10.1 million (before expenses) by way of a Placing of new Ordinary Shares.

Use of Proceeds

The Company will seek to acquire assets at attractive valuations, which would be expected to deliver accretive internal rates of return and future net asset value growth. The Board is proposing to raise approximately £10.1 million of additional equity (before expenses) by means of the Placing, in order to provide additional resources to take advantage of depressed values in the West Midlands property market. REI will continue to invest in acquisition opportunities in line with its established investing policies, focusing on assets which have:

- high running yields or short- to medium-term asset management opportunities; and
- opportunities to generate rental value growth from active asset management, refurbishment, redevelopment, change of use and planning gains.

Based on some of the attractive valuations we are now starting to see for acquiring certain commercial properties and our broader view of the opportunities that we expect to be forthcoming, it is the expectation of the Board that we should be able to deploy the proceeds of the Placing before the end of 2010. It is the Board's aim, within the next 18 months, to create a portfolio worth approximately £100 million which can benefit from direct asset management and will not be reliant on yield compression, although the Directors believe that the continuing yield compression currently being experienced in the market should benefit the portfolio.

Current Trading and Prospects

On 5 September 2009, the Company announced its interim results for the six months to 30 June 2009, confirming a profit before tax of £1.3 million (including a gain on our interest rate swaps of £1.2 million), with rental income up 55 per cent. to £1.7 million compared to £1.1 million for the same period in 2008 and contracted annual rental income of £3.5 million. The level of contracted annual rental income represents yields of between 8.5 per cent. and just over 10 per cent. per annum. The Directors believe that there is still a significant differential between ERV and current contracted rental income, presenting prospects for organic growth with ERVs starting to be achieved on new lettings.

The total property portfolio valuation, as at 30 June 2009, was £49 million, based on Directors' estimates, with a net asset value per Ordinary Share of 7.33 pence.

Since the publication of the interim results for the six months to 30 June 2009, the Directors believe that there has been further stabilisation in the property markets. It is expected that REI's results for the year ended 31 December 2009 will be announced in the first week of March 2010. Having conducted an informal review of its real estate portfolio, where appropriate in consultation with external valuers, the Board is confident that the net asset value per Ordinary Share that will be announced will be ahead of current market expectations.

REI remains conservatively financed with debt of approximately £40 million and available cash of approximately £13.8 million, with a net debt loan to value ratio across the portfolio of 55 per cent. as at 30 June 2009. It is the Board's intention that the loan to value ratio across the Company's portfolio will not exceed a level of 65 per cent. at any time.

In addition, the Board intends taking a more proactive approach to ensuring the share price adequately reflects the value created in the Company. We hope to achieve this through a combination of increased market profile and the ability to manage the discount of share price to net asset value through, *inter alia*, the buy back of Ordinary Shares, when appropriate.

Portfolio and pipeline

The property portfolio, based principally in the West Midlands and central England, comprises a diverse range of properties and is not reliant on or over-exposed to specific sub-sectors or tenants. The Directors believe that they can build on this portfolio through their network of agents and established relationships which provide introductions to prospective investments where the Company's cash resources facilitate quick execution on competitive terms. Further, the Directors believe that REI's well-established banking relationships, with institutions such as the Lloyds Banking Group, Santander and Handelsbanken, will provide access to new credit facilities, allowing it to recycle its equity investments, as well as participate in distressed asset work-outs in the region where we have been selected as a potential partner to one of the major UK banks.

REI has been in discussions in relation to an identified pipeline of opportunities with an aggregate value of almost £100 million including:

- a retail and office investment worth an estimated £9 million;
- a real estate investment in partnership with a major bank worth up to £50 million;
- the acquisition of early build units from a national housebuilder with a view to letting and subsequent sale, valued at approximately £10 million;
- a completed development being sold on a distressed basis, with the potential for immediate cash profits on resale, valued at approximately £9 million;
- the acquisition of sites from breweries providing the opportunity for obtaining new planning permission and sale at auction; and
- a town centre retail development potentially being sold on a distressed basis, worth up to £10 million.

Overall, it is the Directors' intention to achieve capital growth through asset management coupled with revenue growth through the capture of reversionary income from the current portfolio and immediate revenue enhancement from pipeline acquisitions.

Details of the Placing

The Company is proposing to issue 155,309,834 Placing Shares at a price of 6.5 pence per Placing Share pursuant to the Placing, raising £9.7 million (net of expenses). The Placing Price represents a premium of 0.375 pence (6.1 per cent.) to the closing middle market price of an Ordinary Share on 22 January 2010, the latest practicable date prior to the publication of this document.

The Placing has been undertaken pursuant to the Placing Agreement. Under the terms of the Placing Agreement, Singer, as agent for the Company, has agreed to use its reasonable endeavours to seek to procure subscribers for the Placing Shares.

The Placing Agreement is conditional on, amongst other things:

- (i) the passing of the Resolutions (without amendment) at the EGM;
- (ii) the delivery by the Company to Smith & Williamson and Singer of certain documents and letters;
- (iii) there having arisen no circumstances which would require notification to the London Stock Exchange of any change to information previously disclosed to it in accordance with the AIM Rules and/or would require publication of a supplement to certain documents issued by the Company in connection with the Placing on or prior to Admission in relation to any matter which is material in the context of Admission and/or the Placing; and
- (iv) Admission becoming effective by not later than 8.00 a.m. on 25 February 2010 (or such later time and/or date as the Company, Smith & Williamson and Singer may agree (being not later than 8.00 a.m. on 11 March 2010)).

The Placing Agreement contains certain warranties given by the Company in favour of Smith & Williamson and Singer as to, amongst other things, certain matters relating to the Company and its business. In addition, the Company has given certain undertakings to Smith & Williamson and Singer relating to, amongst other things, the despatch of public communications concerning the Company following Admission and the issue and allotment of Ordinary Shares following Admission. The Placing Agreement also contains indemnities given by the Company in favour of Smith & Williamson and Singer in relation to certain liabilities they may respectively incur in respect of the Placing and/or Admission. Each of Smith & Williamson and Singer has the right to terminate the Placing Agreement prior to Admission in certain circumstances, including: (i) in the event of a material breach of the warranties or undertakings in the Placing Agreement by the Company; (ii) in the event of certain *force majeure* events or other events involving certain material adverse changes relating to the Company; and (iii) in the event of Smith & Williamson or Singer becoming aware of any material inaccuracies in certain documents (or any of them) issued by the Company in connection with the Placing.

In consideration for the services to be provided to the Company by Smith & Williamson and Singer in connection with Admission and the Placing, the Company has agreed to pay Smith & Williamson and Singer certain fees and commissions and certain other costs and expenses incidental to Admission and/or the Placing.

The expenses of and incidental to the Placing, including the fees and commissions payable to Smith & Williamson and Singer, are estimated to amount to approximately £357,000 (including VAT), and will be payable by the Company.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. Subject to, amongst other things, the Resolutions being duly passed by the requisite majority at the EGM, it is expected that Admission will become effective and dealings in the Placing Shares on AIM will commence on 25 February 2010.

If Admission does not take place on or before 8.00 a.m. on 25 February 2010 (or such later time and/or date as the Company, Smith & Williamson and Singer may agree (being not later than 8.00 a.m. on 11 March 2010)), the Placing will not proceed.

The Placing Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares, including the right to receive all dividends and other distributions declared, paid or made after Admission.

The Placing is not being underwritten.

The Directors are seeking authority from Shareholders to allot Ordinary Shares pursuant to the Placing and to disapply statutory pre-emption rights in respect of such Ordinary Shares.

Director's intention

Paul Bassi, the Company's Chief Executive, has subscribed for 6,600,507 new Ordinary Shares pursuant to the Placing. As a result, his total beneficial interest in the Company, following completion of the Placing, will be in respect of 90,000,000 Ordinary Shares, representing 18.1 per cent. of the Company's enlarged issued share capital following the Placing.

Paul Bassi's investment is held personally and through Bond Wolfe Assets Limited, of which he is chairman and sole shareholder.

At the time of their appointment as Directors, the Panel on Takeovers and Mergers deemed Paul Bassi, Marcus Daly and certain other individuals who invested in REI at the same time to be members of a concert party. Following completion of the Placing, this concert party will have an aggregate interest of 21.0 per cent. in the enlarged issued share capital of the Company.

Related party transaction

As at 22 January 2010 (being the latest practicable date prior to the publication of this document) Caledonia holds 29.62 per cent. of the existing issued Ordinary Shares. 38,827,459 Placing Shares will be issued to Caledonia pursuant to the Placing and, because Caledonia's holding is in excess of 10 per cent. of the existing issued Ordinary Shares, this will constitute a related party transaction under Rule 13 of the AIM Rules.

The Board, having consulted with Smith & Williamson, considers that the terms of this related party transaction are fair and reasonable insofar as the Shareholders are concerned. In providing its advice to the Board, Smith & Williamson has taken into account the Directors' commercial assessment of this related party transaction.

Dividend policy

It is the Board's present intention that the Company's funds will principally be applied towards its investment strategy and that, accordingly, dividends will not be paid in respect of the year ending 31 December 2009. Thereafter, the Board intends to begin paying dividends commencing in respect of the year ending 31 December 2010 as existing portfolio and accretive acquisitions begin to produce surplus cashflow for the Company, subject always to the Directors' judgment of market conditions and the Company's cash and financial position at the relevant time.

Board composition

Given the expansion of the Company, the Board believes that the Company would benefit from the appointment of a prominent, regionally focused non-executive director to boost the profile of REI in the West Midlands region. In addition, Caledonia will propose a nominee director as its representative on the Board. The Company anticipates announcing the appointment of suitable candidates in due course.

Management incentives

Following completion of the Placing, we intend to consult Shareholders regarding the introduction of an appropriate incentivisation scheme for the Executive Directors, designed to reward strong, long term growth in net asset value. Such a scheme will be subject to Shareholder approval and details will be provided at the appropriate time.

Adoption of new Articles of Association

The Company's Articles of Association were adopted on 4 June 2004. Since then, there has been a number of changes in company law and practice, including the implementation of the Companies Act 2006, which have resulted in certain provisions of the Company's Articles of Association being out of date or inappropriate. The Company is therefore proposing to adopt new Articles of Association. A summary of the principal differences between the existing and proposed new Articles of Association is set out in Part III of this document.

Implementation of a comprehensive investing policy

The Company's investing policy has developed in line with its growth and transformation since REI was first established in 2004. Following the implementation of the new AIM Rules for investing companies, the Directors believe it is prudent to implement a more comprehensive investing policy. As

the proposed investing policy contains additional parameters on, *inter alia*, gearing, the Company is seeking the approval of Shareholders in accordance with Rule 8 of the AIM Rules. The proposed investing policy is set out in Part IV of this document.

Extraordinary General Meeting

As noted above, the Directors are seeking authorities to allot authorised but unissued Ordinary Shares to implement the Placing. Notice of the EGM is set out at the end of this document. The EGM will be held at the Company's registered office, 8th Floor, West Plaza, 144 High Street, West Bromwich, West Midlands, B70 6JJ on 22 February 2010 at 12.00 noon.

In addition, a Form of Proxy for use at the EGM is enclosed with this document (see Part II below headed "Action to be Taken").

Shareholders have the right to attend, speak and vote at the EGM (or, if they are not attending the meeting, to appoint someone else as their proxy to vote on their behalf) if they are on the Register at the Voting Record Time (namely 6.00 p.m. on 20 February 2010). Changes to entries in the Register after the Voting Record Time will be disregarded in determining the rights of any person to attend and/or vote at the EGM. If the EGM is adjourned, only those Shareholders on the Register at 6.00 p.m. on the day which is two days before the date of the adjourned EGM will be entitled to attend, speak and vote or to appoint a proxy.

The number of Ordinary Shares a Shareholder holds as at the Voting Record Time will determine how many votes a Shareholder or his/her proxy will have in the event of a poll.

Explanation of the Resolutions to be proposed at the Extraordinary General Meeting

The notice convening the EGM sets out the Resolutions to be proposed at the EGM. An explanation of these Resolutions is set out below:

Authority to allot shares (Resolution 1)

The Directors need the authority of Shareholders to allot new Ordinary Shares and Resolution 1 provides such authority by granting the Directors the authority to allot shares in the capital of the Company for the purpose of the Placing up to a maximum nominal amount of £1,553,098.34 (representing, as at 22 January 2010 (being the latest practicable date before the publication of this document), 45.6 per cent. of the Company's issued share capital). This authority, if granted, would last until 11 March 2010. If, however, the Company makes an offer or enters into an agreement requiring the issue of Ordinary Shares prior to that date, the allotment will be valid even if the allotment occurs after the expiry of this authority. The passing of Resolution 1 will require more than 50 per cent. of the votes cast voting in favour. This authority, if granted, will be in addition to any existing authorities to allot Ordinary Shares granted to the Directors prior to the date of this document which will continue in full force and effect whether or not the Placing is effected.

Disapplication of pre-emption rights (Resolution 2)

Section 561 of the Act requires that on an allotment of "equity securities" for cash, such equity securities must first be offered to existing Shareholders in proportion to the number of Ordinary Shares they each hold at that time. This is known as a shareholder's pre-emption right. The Ordinary Shares are "equity securities" for the purposes of Section 561 of the Act. Accordingly, the Ordinary Shares cannot be allotted for cash on a non pre-emptive basis unless the Shareholders have first waived their pre-emption rights and Resolution 2 requests Shareholders to do so for the purpose of the Placing. If the authority is granted, the Directors will be able to allot Ordinary Shares for cash on a non pre-emptive basis, to the extent authorised, without further authority from the Shareholders. As with Resolution 1, the authority is sought for the purpose of the Placing and is intended to last until 11 March 2010. The passing of Resolution 2 will require not less than 75 per cent. of the votes cast voting in favour. This authority, if granted, will be in addition to any existing authorities to disapply pre-emption rights granted to the Directors prior to the date of this document which will continue in full force and effect whether or not the Placing is effected.

Adoption of new Articles of Association (Resolution 3)

The adoption of the proposed new Articles of Association requires a special resolution, the passing of which will require not less than 75 per cent. of the votes cast voting in favour.

Approval of Investing Policy (Resolution 4)

The approval of the Investing Policy requires an ordinary resolution, the passing of which will require more than 50 per cent. of the votes cast voting in favour.

Authority to buy back shares (Resolution 5)

In line with many listed and AIM companies the Directors are seeking general authority to make market purchases of Ordinary Shares. The passing of Resolution 5 will require not less than 75 per cent. of the votes cast voting in favour. The authority will be limited to 10 per cent. of the issued share capital of the Company (after the Placing) and the minimum price at which an Ordinary Share may be purchased is 1 pence (exclusive of expenses) and the maximum price (exclusive of expenses) is 105 per cent. of the average of the market price of an Ordinary Share on the five business days prior to the date of such purchase. The authority will expire at the next Annual General Meeting of the Company.

Recommendation

Your Board believes the Placing and the other proposals set out in this document to be in the best interests of the Company and the Shareholders taken as a whole. Accordingly, the Directors unanimously recommend you to vote in favour of the Resolutions to be proposed at the EGM as they have irrevocably undertaken to do in respect of their beneficial holdings, amounting, in aggregate, to 98,099,493 Ordinary Shares, representing 28.8 per cent. of the existing issued share capital of the Company.

Yours faithfully

Peter Lewin
Chairman

PART II

ACTION TO BE TAKEN

Shareholders may appoint a proxy, that is, someone who will attend the EGM on their behalf and vote, by completing and returning the accompanying Form of Proxy or, if you hold your Ordinary Shares in uncertificated form, by using the CREST electronic proxy appointment service.

Enclosed with this document is a Form of Proxy for use in connection with the EGM. For Shareholders' convenience, the appointment of the chairman of the EGM as proxy has already been included, although Shareholders may appoint someone else as their proxy if they so wish. A proxy need not be a Shareholder.

CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the EGM and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

To be valid, the Form of Proxy should be signed and returned to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so as to be received not later than 12.00 noon on 20 February 2010 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). Accordingly, whether or not you intend to attend the EGM, you are requested to complete and return the Form of Proxy to Capita Registrars, so as to be received by not later than that time. For this purpose, you can return the Form of Proxy by post or by hand.

In order for a proxy appointment made by means of CREST to be valid, the CREST Proxy Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The CREST Proxy Instruction must be transmitted so as to be received by Capita Registrars (ID: RA10) by 12.00 noon on 20 February 2010 (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). 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 Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST Members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST Members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

The completion and return of a Form of Proxy or making use of the CREST electronic proxy appointment service will not prevent Shareholders from attending and voting at the EGM should they so wish.

PART III

SUMMARY OF PRINCIPAL CHANGES TO ARTICLES OF ASSOCIATION

The notes on the following pages give an explanation of the proposed Resolution to adopt new Articles of Association.

It is proposed to adopt new Articles of Association (“**New Articles**”) in order to update the Company’s current Articles of Association (the “**Current Articles**”), primarily to take account of changes in English company law brought about by the Act, the Companies (Shareholders’ Rights) Regulations 2009 (the “**Shareholders’ Rights Regulations**”) and certain amendments to the Uncertificated Securities Regulations 2001.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature, and also some more minor changes which merely reflect changes made by the Act, the Shareholders’ Rights Regulations or the Uncertificated Securities Regulations 2001, or conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Innovation and Skills, have not been noted. The New Articles are available for inspection at the registered office of the Company from the date of the Notice of EGM until the date of the EGM and for at least 15 minutes prior to the EGM and during the EGM, as noted on page 20 of this document.

Principal changes introduced in the New Articles

1. *Articles which duplicate statutory provisions*

Provisions in the Current Articles which replicate provisions contained in the Act are in the main to be removed in the New Articles. This is in line with the approach advocated by the Government that statutory provisions should not be duplicated in a company’s constitution. Certain examples of such provisions include articles as to the form of resolutions and the variation of class rights.

2. *The Company’s objects*

The provisions regulating the operations of the Company are currently set out in the Company’s memorandum and Current Articles. The Company’s memorandum contains, amongst other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Act significantly reduces the constitutional significance of a company’s memorandum. The Act provides that a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the company. Under the Act the objects clause and all other provisions which are currently contained in a company’s memorandum, for existing companies at 1 October 2009, will be deemed to be contained in a company’s articles of association, but the company can remove these provisions by special resolution.

Further, the Act states that, unless a company’s articles of association provide otherwise, a company’s objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Act, are to be treated as forming part of the Company’s articles of association as of 1 October 2009. As the effect of this resolution will be to remove the statement currently in the Company’s memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of the shareholders.

3. *Change of the Company’s name*

Under the Companies Act 1985 (“**CA 1985**”), a company could only change its name by special resolution. Under the Act a company will be able to change its name by other means provided for by its articles of association. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company’s name.

4. *Authorised share capital and unissued shares*

The Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this. The Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act, save in respect of employee share schemes.

5. *Redeemable shares*

Under the CA 1985, if a company wished to issue redeemable shares, it had to include in its articles of association the terms and manner of redemption. The Act enables directors to determine such matters instead provided they are so authorised by the articles of association. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need shareholders' authority to issue new shares in the usual way.

6. *Suspension of registration of share transfers*

The Current Articles permit the Directors to suspend the registration of transfers. Under the Act share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

7. *Authority to purchase own shares, consolidate and sub-divide shares and reduce share capital*

Under the CA 1985 a company required specific enabling provisions in its articles of association to purchase its own shares, to consolidate or sub-divide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Act a company will only require shareholder authority to do any of these things and it will no longer be necessary for articles of association to contain enabling provisions. Accordingly the relevant enabling provisions have been removed in the New Articles.

8. *Convening general and annual general meetings*

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are to be removed in the New Articles on the basis that this is dealt with in the Act.

9. *Votes of members*

Under the Act proxies are entitled to attend, speak and vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment of a proxy have been altered by the Act so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. The New Articles reflect all of these new provisions.

10. *Proxy appointments*

Detailed provisions have been included in the New Articles, which set out what will happen if shareholders deliver multiple forms of proxy to the Company. The Shareholders' Rights Regulations have amended the Act so that it now provides that each proxy appointed by a shareholder has one vote on a show of hands unless the proxy is appointed by more than one shareholder in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more shareholders to vote for the resolution and by one or more shareholders to vote against the resolution. The New Articles remove provisions in the Current Articles dealing with proxy voting on the basis that these are dealt with in the Act and contain a provision clarifying how the provision of the Act giving a proxy a second vote on a show of hands should apply to discretionary authorities. The New Articles also make provision that at a general meeting, two proxies appointed to exercise the rights attached to different shares held by one shareholder will be a quorum.

11. *Voting by corporate representatives*

The Shareholders' Rights Regulations have amended the Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on a show of hands and a poll. The New Articles remove provisions in the Current Articles dealing with voting by corporate representatives on the basis that these are dealt with in the Act.

12. *Electronic conduct of meetings*

Amendments made to the Act by the Shareholders' Rights Regulations specifically provide for the holding and conducting of electronic meetings. The Current Articles have been amended to reflect more closely the relevant provisions.

13. *Vacation of office by Directors*

The Current Articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Innovation and Skills.

14. *Provision for employees on cessation of business*

The Act provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are authorised by the company's articles of association or by the company in general meeting. The New Articles provide that the Directors may exercise this power.

15. *Conflicts of interest*

The Act sets out directors' general duties which largely codify the existing law but with some changes. Under the Act, since 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the position under the previous legislation. There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. Firstly, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate. The New Articles contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

16. *Execution of Documents*

The New Articles provide an alternative option for execution of documents (other than share certificates), so that when the seal is affixed to a document it can also be signed by one Director in the presence of a witness, whereas previously the requirement was for signature by either a Director and the secretary or two Directors.

17. *Use of seals*

Under the CA 1985, a company required authority in its articles of association to have an official seal for use abroad. Under the Act such authority will no longer be required. Accordingly the relevant authorisation has been removed in the New Articles.

18. *Directors' indemnities and funding*

The Current Articles enable the Company to indemnify the Directors against liability in certain limited circumstances. The Companies (Audit, Investigations and Community Enterprise) Act 2004 (“CAICE”) amended the CA 1985 to broaden the scope of permitted indemnities which a company may grant to a director. In broad terms, the changes introduced by CAICE enable a company to indemnify its directors against any liability incurred by a director to any person (other than the Company or any associated company) in connection with any negligence, default, breach of duty or breach of trust in relation to the company (which was previously prohibited under section 310 of the CA 1985), and to provide its directors with funds to cover the costs incurred by a director in defending legal proceedings against him or her. Previously, a company was only able to fund a director’s defence costs once final judgment in their favour had been reached. The Act has in some areas widened further the scope of the powers of a company to indemnify its directors and to fund expenditure incurred in connection with certain actions against directors. The exemption afforded by CAICE allowing a company to provide money for the purpose of funding a director’s defence costs now expressly covers regulatory proceedings and applies to associated companies. As directors are increasingly being added as defendants in legal actions against companies, and litigation is often very lengthy and expensive, the board believes that the risk of Directors being placed under significant personal financial strain is increasing. Further, the board believes that the ability to provide appropriate indemnities and to fund Directors’ defence costs as they are incurred, as permitted by the Act, afford the Directors reasonable protection, and are important to ensure that the Company continues to attract and retain the highest calibre of directors. The New Articles reflect this. Individual Directors of the Company would still be liable to pay damages awarded to the Company in an action against them by the Company, and to repay their defence costs (to the extent funded by the Company) if their defence is unsuccessful.

19. *Language*

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles.

PART IV

PROPOSED INVESTING POLICY

The Company seeks to provide investors with capital growth through asset management, coupled with revenue growth through the capture of reversionary income from its current portfolio of properties and future investments, providing a competitive income yield.

Investment Focus

The Company invests in retail, commercial and residential property principally in the West Midlands and Central England, targeting vacant or part vacant, short leased, single, multi-let and distressed property assets that:

- have high running yields or short to medium term asset management opportunities;
- may be priced below replacement cost;
- have opportunities to generate rental value growth from active asset management, refurbishment, redevelopment, change of use and planning gains;
- provide attractive value attributes arising from the nature of the vendors who may be motivated sellers; and
- are likely to have individual building values of between £1 million and £10 million per lot.

The Company's niche areas of activity include:

- non-core "orphan" disposals by institutions;
- assets not easily acquired by private or smaller investors; and
- distressed and deadline purchases.

Investment Strategy

The Directors will endeavour to build the Company's portfolio through leveraging their network of agents and established relationships which provide introductions to prospective investments where the Company's strong banking relationships and cash resources facilitate quick execution on competitive terms.

The Directors will look to "create" investments rather than "buy" investments, through an active strategy of repositioning properties and recycling and conserving capital, whilst generating cash flow, maximising occupancy rates and crystallising reversions.

The Company will maintain a portfolio comprising a diverse range of properties which is not reliant on or over-exposed to specific sub-sectors or tenants.

Gearing

The Directors intend to use the Company's cash resources to make ungeared acquisitions but, thereafter, once asset management initiatives have been carried through, the Company will introduce leverage on secured assets in order to recycle the equity. The Directors' intention is that loan to value gearing will not exceed 65 per cent. at any time. This ratio, however, is subject to review by the Board in light of prevailing market conditions.

DEFINITIONS

“Act”	the Companies Act 2006
“Admission”	the admission of the Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM Rules”	the rules for companies whose shares are traded on AIM, and their nominated advisers, and issued by the London Stock Exchange from time to time
“AIM”	a market operated by the London Stock Exchange
“Board” or “Directors”	the directors of the Company, whose names appear on page 3 of this document
“Caledonia”	Caledonia Investments PLC
“Company” or “REI”	Real Estate Investors PLC
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as subsequently amended)
“CREST Member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST Proxy Instruction”	an appropriate and valid CREST message appointing a proxy by means of CREST
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
“CREST sponsor”	a CREST Participant admitted to CREST as a CREST sponsor
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
“EGM”	the extraordinary general meeting of the Company convened for 22 February 2010 (and any adjournment thereof), notice of which is set out at the end of this document
“ERV”	Estimated Rental Value, being the estimate of the rental which a property is likely to command in the open market at a given time
“Euroclear”	Euroclear UK & Ireland Limited (formerly CRESTCo Limited), the operator of CREST
“Executive Directors”	Paul Bassi and Marcus Daly

“Form of Proxy”	the form of proxy accompanying this document for use at the EGM
“Investing Policy”	the proposed investing policy for the Company as set out in Part IV of this document to be approved at the EGM
“London Stock Exchange”	London Stock Exchange plc
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Placing”	the proposed placing of the Placing Shares
“Placing Agreement”	the placing agreement dated 26 January 2010 between (1) the Company, (2) Singer and (3) Smith & Williamson
“Placing Price”	6.5 pence per Placing Share
“Placing Shares”	the 155,309,834 new Ordinary Shares to be issued pursuant to the Placing
“Register”	the register of members of the Company
“Resolutions”	the resolutions set out in the notice of EGM at the end of this document
“Shareholders”	holders of Ordinary Shares
“Singer”	Singer Capital Markets Limited, 1 Hanover Street, London W1S 1YZ
“Smith & Williamson”	Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY
“Voting Record Time”	in relation to the EGM, 6.00 p.m. on 20 February 2010 or if the EGM is adjourned, 6.00 p.m. on the day which is two days before the date of the adjourned meeting

Real Estate Investors PLC

("Company")

(Registered in England and Wales No. 5045715)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the Company's registered office, 8th Floor, West Plaza, 144 High Street, West Bromwich, West Midlands, B70 6JJ, on 22 February 2010 at 12.00 noon for the purpose of considering and, if thought fit, passing the following resolutions, resolutions numbered 1 and 4 as Ordinary Resolutions and resolutions numbered 2, 3 and 5 as Special Resolutions:

- (1) THAT pursuant to section 551 of the Companies Act 2006 (the "Act"), the directors of the Company (the "Directors") be and they are hereby generally and unconditionally authorised to exercise all or any of the powers of the Company to allot shares in the capital of the Company or grant rights to subscribe for, or to convert any security into, shares in the Company ("Relevant Securities") to such persons and at such times and on such terms as they think proper for the purpose of a placing of shares (the "Placing") as described in the circular to Shareholders dated 26 January 2010 (a copy of which is produced to the meeting and, for the purpose of identification only, marked "A" by the Chairman (the "Circular")) up to a maximum nominal amount of £1,553,098.34 provided that this authority shall, unless previously revoked, varied or renewed by the Company in general meeting, expire on 11 March 2010, save that the Company may before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired, and such authority conferred hereby shall be in addition to any authority conferred upon the Directors in accordance with the said section prior to the passing of this resolution, which authorities (to the extent they remain in force and unexercised) shall continue in full force and effect.
- (2) THAT subject to the passing of the resolution numbered 1 above, pursuant to section 571 of the Act, the Directors be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the general authority conferred by such resolution 1 as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment for the purpose of the Placing of equity securities up to an aggregate nominal amount of £1,553,098.34, provided that this power shall, unless previously revoked, varied or renewed by the Company in general meeting, expire on 11 March 2010 save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired, and such power conferred hereby shall be in addition to any power conferred upon the Directors of the Company in accordance with the said section prior to the passing of this resolution, which powers (to the extent they remain in force and unexercised) shall continue in full force and effect.
- (3) THAT:
 - (a) the Articles of Association of the Company be amended by deleting all of the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act are to be treated as provisions of the Company's Articles of Association; and
 - (b) the Articles of Association that are produced to the meeting and marked "X" and initialled by the Chairman for the purposes of identification, be adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association with immediate effect.
- (4) THAT the investing policy of the Company (as defined in the Circular) be approved.

- (5) THAT the Company is generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases of ordinary shares of 1 pence each in the capital of the Company (“**Ordinary Shares**”) within the meaning of section 693 of the Act provided that:
- (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 49,602,416 (which represents approximately 10 per cent. of the issued share capital of the Company following the Placing);
 - (b) the minimum price which may be paid for an Ordinary Share is 1 pence (exclusive of expenses) being the nominal value of each share; and
 - (c) the maximum price at which an Ordinary Share may be purchased is an amount (exclusive of expenses) equal to 105 per cent. of the average of the middle market quotations for such shares as derived from the AIM Appendix to the Official List of the London Stock Exchange plc for each of the five business days immediately preceding the date on which the purchase is made,

and shall, unless it is (prior to its expiry) duly revoked or renewed, expire at the conclusion of the next Annual General Meeting of the Company, save that the Company may make a contract to purchase Ordinary Shares under this authority before such expiry which will or may be executed wholly or partly after such expiry, and may make purchases of Ordinary Shares pursuant to any such contract as if such authority had not expired.

By Order of the Board
Marcus Daly
Company Secretary

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

Dated: 26 January 2010

Notes:

1. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. A member entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you may photocopy the form of proxy. The proxy need not be a member of the Company. Details of how to appoint the Chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes to the form of proxy. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
2. The notes to the form of proxy explain how to direct your proxy how to vote on each resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting. Completion of the form of proxy will not preclude a member from attending and voting in person.
3. A form of proxy is enclosed with this notice. To be valid, the form must be deposited at the offices of the Company’s Registrars, Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 12.00 noon on 20 February 2010 or not less than 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) before the time fixed for holding any adjourned meeting.
4. Subject to the following principles, where more than one proxy is appointed, where a form of proxy does not state the number of shares to which it applies (a “**blank proxy**”), then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the member’s “**entire holding**”). In the event of a conflict between a blank proxy and a form of proxy which does state the number of shares to which it applies (a “**specific proxy**”), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (pro rata if there is more than one).
5. Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares. When considering conflicting proxies, later proxies will prevail over earlier proxies, and which proxy is later will be determined on the basis of which proxy is last delivered. Proxies in the same envelope will be treated as sent and delivered at the same time, to minimise the number of conflicting proxies.

6. If conflicting proxies are sent or delivered at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
7. Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or delivered (or they were all sent or delivered at the same time), the number of votes attributed to each proxy will be reduced pro rata (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares). Where this gives rise to fractions of shares, such fractions will be rounded down.
8. If you appoint a proxy or proxies and then decide to attend the meeting in person and vote, on a poll, using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last delivered proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
9. In relation to paragraph 8 above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
11. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut-off time for receipt of proxy appointments (see note 3) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you would like to change the proxy instructions, please contact Capita Registrars Limited at the address set out in note 3.
12. In order to revoke a proxy instruction you will need to inform the Company by sending a signed notice clearly stating your intention to revoke your proxy appointment to Capita Registrars Limited at the address set out in note 3. The revocation notice must be received by Capita Registrars Limited no later than 10.00 a.m. on 20 February 2010. If you attempt to revoke your proxy appointment but the revocation is received after the time specified, then your proxy appointment will remain valid.
13. In the case of a member which is a company, the form of proxy and any revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the form of proxy and any revocation notice is signed (or a duly certified copy of such power or authority) must be included with the form of proxy and any revocation notice.
14. Pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 6.00 p.m. on 20 February 2010 (being not more than 48 hours prior to the time fixed for the meeting), or, if the meeting is adjourned, 48 hours (excluding, in the calculation of such time period, any part of a day that is not a working day) prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.
15. The following documents will be available for inspection at the Company's registered office address from the date of this Notice of Extraordinary General Meeting until the time of the meeting and for at least 15 minutes prior to the meeting and during the meeting:
 - (a) copies of contracts of service of executive directors with the Company;
 - (b) copies of the letters of appointment of the non-executive directors of the Company; and
 - (c) copies of the proposed new Articles of Association.
16. Except as provided above, members who have general queries about the meeting should call our shareholder helpline on 0871 664 0300 (calls cost 10p per minute plus network charges and lines are open Monday to Friday, 8.30 a.m.-5.30 p.m.) (or from outside the UK, on +44 20 8639 3399). You may not use any electronic address provided either:
 - (a) in this Notice of EGM; or
 - (b) any related documents (including the form of proxy), to communicate with the Company for any purposes other than those expressly stated.