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SUBJECT: Recommended Partial Offer by Growthpoint Properties Limited for Capital & Regional – First Closing Date - 1.00 p.m. (London time) Friday 28 November 2019.

**Recommended Partial Offer
By**

Growthpoint Properties Limited

**for 219,786,924 ordinary shares, representing approximately 30.2 per cent. of
the
entire issued ordinary share capital of**

Capital & Regional plc

**Company: Capital & Regional plc
Ticker: CAL
ISIN: GB0001741544
SEDOL: 0174154**

Acceptance: First Closing Date¹ (and the latest time and date by which the Partial Offer may become unconditional as to acceptances) - 1.00 p.m. (London time) Friday 28 November 2019.

1. Growthpoint reserves the right at any time or from time to time to extend the Partial Offer after such time.

**General Meeting: 26 November 2019 at 9 am
General Meeting Venue: 110 Rochester Row, Westminster, London SW1P 1JQ**

Engagement and Information Agent: Boudicca Proxy Consultants

Dear Capital & Regional Shareholder,

You should be aware that, on 17 October 2019, Growthpoint and Capital & Regional jointly announced that they had reached agreement on the terms of the Proposed Transaction.

The Partial Offer is conditional upon, amongst other things:





- **Growthpoint (or one or more Growthpoint Nominees) receiving valid acceptances (which have not been validly withdrawn) in respect of at least 219,786,924 Capital & Regional Shares (representing approximately 30.2 per cent. of the Capital & Regional Shares in issue as at the Latest Practicable Date) (the “Acceptance Condition”);**
- **Independent Shareholders holding Capital & Regional Shares carrying over 50 per cent. of the voting rights of Capital & Regional held by Independent Shareholders approving the Partial Offer and Whitewash Resolution;**
- **the passing of the other Resolutions at the Capital & Regional General Meeting; and**
- **Admission of the Subscription Shares.**

THE PARTIAL OFFER

The Partial Offer is being implemented by means of a contractual offer under the City Code. Under the terms of the Partial Offer, which is subject to the Conditions and further terms set out in the Offer Document and, where applicable, the BLUE Form of Acceptance:

- ✓ Qualifying Capital & Regional Shareholders on the UK Register who accept the Partial Offer in respect of their Capital & Regional Shares are entitled to receive:

33 pence in cash for each Capital & Regional Share acquired in the Partial Offer

- ✓ Qualifying Capital & Regional Shareholders on the South African Register who accept the Partial Offer in respect of their Capital & Regional Shares are entitled to receive:

the equivalent of the Offer Price in South African rand based on the Applicable Exchange Rate

Further details of the settlement arrangements and the Applicable Exchange Rate are set out in paragraphs 18 and 19 of Part 1 of the Offer Document, which is available here at <http://www.growthpoint.co.za/>

The Partial Offer element of the Proposed Transaction values (i) the entire issued share capital of Capital & Regional at approximately £240.0 million and (ii) the Capital & Regional Shares subject to the Partial Offer at approximately £72.5 million.

If the Partial Offer becomes, or is declared, unconditional in all respects and the Subscription Shares are issued, Growthpoint will hold Capital & Regional Shares carrying more than 50 per cent. of the voting rights of Capital & Regional and Growthpoint will be free (subject to Rule 36.3 of the City Code) to acquire further Capital & Regional Shares without incurring any obligation under Rule 9 of the City Code to make a general offer.

Recommendation

The Capital & Regional Directors recommend unanimously that Shareholders vote (or procure the vote) in favour of the Partial Offer and Whitewash Resolution (being a single resolution to approve the Partial Offer and the Whitewash) and the other Resolutions to enable the Share Subscription to proceed at the General Meeting

One of the Resolutions at the Capital & Regional General Meeting will be the Partial Offer and Whitewash Resolution. The passing of this resolution by Independent Shareholders is a condition of the Partial Offer. For this resolution to be passed, Capital & Regional Shareholders, who are independent of Growthpoint and persons acting in concert with Growthpoint, holding more than 50 per cent. of the voting rights in Capital & Regional must vote in favour of the resolution (whether in person or by proxy). If this resolution or any of the other Resolutions are not passed, the Partial Offer will lapse. All Capital & Regional Shareholders who are in favour of the Proposed Transaction should



therefore complete and return the Form of Proxy (once received by them) in accordance with the procedures set out in the Prospectus and paragraph 15 of the Offer Document.

The Partial Offer is not conditional on the passing of the share consolidation resolution to be proposed at the Capital & Regional General Meeting.

The Panel has been consulted and has agreed to waive the requirement for Growthpoint or its concert parties to make a general offer under Rule 9 of the City Code in cash for ordinary shares in the Company which would otherwise arise as a result of the Proposed Transaction, subject to the Partial Offer and Whitewash Resolution being passed on a poll of the Independent Shareholders.

SHARE SUBSCRIPTION

The Share Subscription is conditional, amongst other things, upon: (i) the Partial Offer becoming or being declared unconditional in all respects (save only for UK Admission of the Subscription Shares); and (ii) Capital & Regional Shareholders approving the Resolutions by the requisite majority.

The Share Subscription will take place automatically upon Admission and will provide Capital & Regional with proceeds equal to £77.9 million (before costs).

Boudicca Proxy Consultants are the official Proxy Solicitation Information Agent to **Growthpoint**. Should you have any questions, or requests to engage with **Growthpoint**, please contact Boudicca on +44 (0) 207 099 2075 between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday. Alternatively, you may e-mail your enquiries to info@boudiccaproxy.com. We will follow up this email with a brief telephone call and would appreciate your cooperation with this.

Kind regards,
Boudicca team

Further information:

Further information is available here: on Growthpoint's website at www.growthpoint.co.za and on Capital & Regional's website at www.capreg.com.

The Capital & Regional Directors, whose names are set out in paragraph 2.4 of Appendix 5 of the Offer Document, accept responsibility for the information contained in this letter (including any expression of opinion) relating to Capital & Regional, themselves and their immediate families, related trusts and persons connected with them and persons acting in concert with Capital & Regional. To the best of the knowledge and belief of the Capital & Regional Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject to certain restrictions relating to persons in any Restricted Jurisdiction, Capital & Regional Shareholders may request a hard copy of this letter by contacting Boudicca Proxy Consultants at +44 (0) 207 099 2075.