

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

12 September 2019

Dear Colleague

Announcement of a possible partial offer for and subscription for shares in Capital & Regional plc (the “Company” or “Capital & Regional”) by Growthpoint Properties Limited (“Growthpoint”)

We are writing to inform you that the board of Capital & Regional and Growthpoint are engaged in discussions regarding a possible partial offer in cash and an injection of capital in Capital & Regional through a subscription for new shares (“**Possible Offer**”).

In accordance with Rule 2.11 of the City Code on Takeovers and Mergers (the “**Code**”), we enclose a copy of the announcement released on 11 September 2019 (the “**Announcement**”) by the Company in relation to the Possible Offer. The Announcement resulted in the commencement of an “offer period” under the Code on 11 September 2019.

We will keep you informed of any further developments.

Under Rule 25.2 of the Code, the board of the Company must set out its opinion on the Possible Offer in a circular which it sends to shareholders and others. Employees of the Company should be aware that an employee representative has a right under Rule 25.9 of the Code to have published a separate opinion on the effects of the Possible Offer on employment. Provided that any such opinion is received in good time before publication of any scheme circular for the Possible Offer, such opinion will be appended to any circular on the Prospectus that may be published by the Company in accordance with the requirements of Rule 25.9 of the Code. The Company will bear the cost of publication of any opinion received from the employee representative and will be responsible for the costs reasonably incurred by the employee representatives in obtaining advice required for the verification of the information contained in that opinion.

Under Rule 8 of the Code, certain persons are required to make “opening position disclosures” and “dealing disclosures” during the offer period as part of the disclosure requirements under the Code. Pursuant to this, under Rule 8.3(a) any person who is interested in 1% or more of any class of relevant securities of Capital & Regional will be required to make such disclosures. A summary of the provisions of Rule 8.3 that may be relevant to you is set out in the Appendix to this letter.

Please note that, if there is a possible offer, or a firm offer, for Capital & Regional, details held by us in relation to you (including your address, electronic address and other information) may be provided to possible bidders (if any) during the offer period as required under Section 4 of Appendix 4 of the Code.

A copy of this letter is available on Capital & Regional’s website at <https://capreg.com/>. In accordance with Rule 26.1 of the Code, all announcements, documents and information published in relation to the Possible Offer will be made available on the Company’s website. The contents of this website are not incorporated into, and do not form part of, this letter.

Yours faithfully



Hugh Scott-Barrett
Chairman

APPENDIX

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY FIRM OFFER MIGHT BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

11 September 2019

CAPITAL & REGIONAL PLC ("Capital & Regional" or "the Company")

Statement re Possible Partial Offer and Subscription for Shares

The Board of Capital & Regional announces that it is in discussions with Growthpoint Properties Limited ("Growthpoint"), the largest real estate investment trust primary listed on the Johannesburg Stock Exchange, about Growthpoint acquiring a majority stake in the Company through a combination of a partial offer in cash for Capital & Regional shares and an injection of capital to support the Company's strategy through a subscription for new Capital & Regional shares.

There can be no certainty that a partial offer and subscription for new Capital & Regional shares will be made, nor as to the terms of any such transactions. A further announcement will be made as appropriate.

Following this announcement, the Company is now considered to be in an "offer period" as defined in the Code, and the dealing disclosure requirements listed below will apply. Rule 2.6(a) of the Code requires that Growthpoint, by no later than 5.00 p.m. on 9 October 2019, being the 28th day following the date of this announcement, either announces a firm intention to make an offer for Capital & Regional in accordance with Rule 2.7 of the Code or announces that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel, in accordance with Rule 2.6(c) of the Code.

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Further information

The person responsible for the release of this announcement on behalf of the Company is Stuart Wetherly.

This announcement is not intended to, and does not constitute, an offer to sell or the solicitation of an offer to subscribe for or buy, or an invitation to subscribe for or to purchase any securities, or the solicitation of any vote, in any jurisdiction.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA"), is acting as Joint Financial Adviser exclusively for Capital & Regional and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Capital & Regional for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority in the United Kingdom and is acting for Capital & Regional and no one else in connection with the matters set out in this announcement. In connection with such matters, J.P. Morgan Cazenove, its affiliates and their respective partners, directors, officers, employees and agents will not regard any person other than Capital & Regional as their client, nor will they be responsible to anyone other than Capital & Regional for providing the protections afforded to their clients or for providing advice in relation to the contents of this announcement or any other matter referred to in this announcement.

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Publication on Website

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at <https://capreg.com/> promptly and in any event by no later than 12 noon on the business day following this announcement. The content of this website is not incorporated into and does not form part of this announcement.

Ends