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If you have sold or otherwise transferred all your ordinary shares in the Company, 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 in the Company, 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.reiplc.com).

Real Estate Investors PLC

(incorporated in England and Wales with registered number 5045715)

Registered Office:

75-77 Colmore Row
Birmingham
B3 2AP

Directors:

John Crabtree (*Chairman*)
William Wyatt (*Non Executive Director*)
Peter London (*Non Executive Director*)
Paul Bassi (*Chief Executive*)
Marcus Daly (*Finance Director and Secretary*)

10 March 2016

Dear Shareholder

PROPOSED ACQUISITION OF WEST PLAZA AND NOTICE OF GENERAL MEETING

Introduction

I am writing to you with information on the proposed acquisition of the freehold of West Plaza, 144 High Street, West Bromwich B70 6JJ from BWE, in which Paul Bassi, the Company's Chief Executive, has a majority shareholding. As Mr Bassi is a shareholder in BWE, the Acquisition is required to be approved by REI 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

West Plaza is an eleven storey, 87,929 sq ft building close to Junction 1 of the M5 motorway. It adjoins Metro Court, a 26,000 sq ft office building which is already owned by the Company (acquired in December 2008). REI has agreed, subject only to shareholder approval, to acquire West Plaza for a total consideration of £8.0 million, to be paid in cash from the Company's existing resources and facilities (no debt is being assumed by the Company under the Acquisition). The Property has been valued by an independent professional valuer, GBR Phoenix Beard Limited, at £8.1 million as at 5 February 2016.

West Plaza's current contracted annual rent is £656,050 and the ERV (estimated rental value) is estimated by GBR at £712,918, although the Company's internal ERV estimate is higher based on its assessment of the Property and the market. The largest single tenant is Premier Inn (part of Whitbread PLC) with an 85 bedroom hotel occupying 6 floors (comprising 48,551 sq ft) at a current annual rent of £310,000 (rent review due in April 2016; expiry date April 2031 with break in April 2021). The 8th floor is let to Bond Wolfe (a partnership in which Mr Bassi is the principal equity holder); this lease covers 8,555 sq ft, is at an annual rent of £112,500 and expires in September 2020. The WAULT (weighted average unexpired lease term) of the Property is 10.6 years (4.7 years to break options) and occupancy is currently 91.6% (the vacant space is currently under offer). The Acquisition is expected to enhance REI's net income and the Company believes that there is potential, in the longer term, for residential development of the Property. The Company also believes there may be additional marriage value from combining the Property with Metro Court, the adjoining property it owns. The Property falls within the Company's investment strategy and it has the necessary resources and facilities to fund the Acquisition.

Paul Bassi (who has a 65 per cent. equity interest in BWE) was informed by the other shareholders in BWE that they wished to realise their investment in West Plaza (which was acquired by BWE in October 2003). Mr Bassi intends to re-invest part of his share of the estimated net proceeds from the sale of the Property in buying shares in the Company in the market (subject to the normal AIM close period rules) in addition to the 375,000 shares he purchased in December 2015.

Due to Mr Bassi's interest in the proposed transaction, it has been reviewed by the Directors excluding Mr Bassi, and they consider, having consulted with the Company's nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

As referred to above, the Acquisition requires the approval of REI shareholders in General Meeting.

General Meeting

A notice is set out at the end of this document convening a General Meeting of the Company to be held at the Company's offices at 2nd Floor, 75/77 Colmore Row, Birmingham B3 2AP at 10.00 a.m. on 6 April 2016 for the purpose of proposing, and if thought fit, passing the resolution set out in the notice as an ordinary resolution.

Action to be Taken

You are requested to take the action set out below in relation to the resolution 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 intend 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, by hand only to Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or by post to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible and in any event so as to be received not later than 10.00 a.m. on 4 April 2016.

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

Recommendation

The Directors (with the exception of Paul Bassi, who has an interest in the Acquisition) recommend that you vote in favour of the resolution to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings, amounting in aggregate to 1,727,665 ordinary shares, representing 0.93 per cent. of the existing issued share capital of the Company.

Yours faithfully

John Crabtree
Chairman

DEFINITIONS

“Acquisition”	the proposed acquisition of the Property pursuant to the Acquisition Agreement as described in this document
“Acquisition Agreement”	the agreement dated 9 March 2016 pursuant to which the Company agreed conditionally to acquire the Property, subject only to approval by shareholders at the General Meeting
“AIM”	a market operated by the London Stock Exchange
“BWE”	Bond Wolfe Estates Limited
“Company” or “REI”	Real Estate Investors PLC
“Directors” or “Board”	the directors of the Company, whose names appear on page 1 of this document
“GBR”	GBR Phoenix Beard Limited
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 6 April 2016, notice of which is set out at the end of this document
“Property” or “West Plaza”	the property named West Plaza at 144 High Street, West Bromwich B70 6JJ and described in this document

Real Estate Investors PLC

(the “Company”)

(incorporated in England and Wales with registered number 5045715)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the Company's offices, 2nd Floor, 75-77 Colmore Row, Birmingham B3 2AP, on 6 April 2016 at 10.00 a.m. 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, the proposed acquisition by the Company of the property named West Plaza at 144 High Street, West Bromwich B70 6JJ on the terms and subject to the conditions of a conditional agreement dated 9 March 2016 between the Company and Bond Wolfe Estates Limited (the “Acquisition Agreement”) described in the Company's circular to shareholders dated 10 March 2016 (a copy of which is produced to the meeting) 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:
75-77 Colmore Row
Birmingham
B3 2AP

By Order of the Board
Marcus Daly
Company Secretary

Dated: 10 March 2016

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 received by post or, during normal business hours only, deposited by hand only at the offices of the Company's Registrars, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or in accordance with the instructions printed thereon not later than 10.00 a.m. on 4 April 2016 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 Asset Services 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 Asset Services at the address set out in note 3. The revocation notice must be received by Capita Asset Services no later than 7.00 a.m. on 6 April 2016. 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. Except as provided above, members who have general queries about the meeting should call our shareholder helpline on 0871 664 0300 (calls cost 12p per minute plus your phone company's access charge and lines are open Monday to Friday 9.00 a.m. to 5.30 p.m.) (or from outside the UK on +44 208 639 3399). You may not use any electronic address provided either: in this Notice of General Meeting; or in any related documents (including the form of proxy), to communicate with the Company for any purposes other than those expressly stated.

