

**THIS DOCUMENT SHOULD BE READ AS A WHOLE. YOUR ATTENTION IS DRAWN TO THE LETTER FROM THE CHAIRMAN OF SIRIUS REAL ESTATE LIMITED CONTAINING THE UNANIMOUS RECOMMENDATION OF THE BOARD THAT YOU VOTE AGAINST ALL OF THE REQUISITIONED RESOLUTIONS 1 TO 5, TO BE TABLED AT THE REQUISITIONED GENERAL MEETING TO BE HELD ON 30 JULY 2010.**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom (the "UK") or, if not, another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your ordinary shares in the capital of the Company ("Ordinary Shares") please immediately forward this document together with the accompanying forms of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

However, these documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws and restrictions of such jurisdiction. Persons into whose possession this document and any accompanying documents should come, should inform themselves about and observe any such laws and restrictions. If you have sold only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute a prospectus and has not been and will not be examined or approved by the London Stock Exchange or the Financial Services Authority or delivered to the Registrar of Companies in England and Wales for registration.

No offer, invitation or inducement to acquire shares or other securities in the Company is being made by or in connection with this document. Certain statements made in this document are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected further results or performances, express or implied, by the forward looking statements.

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## **SIRIUS REAL ESTATE LIMITED**

*(Incorporated in Guernsey under the Companies (Guernsey) Laws 2008, as amended, under number 46442)*

### **Notice of Extraordinary General Meeting as requisitioned on behalf of Weiss Asset Management LP**

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Notice of the Requisitioned General Meeting, to be held at the offices of Intertrust Fund Services (Guernsey) Limited at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, Channel Islands is set out on page 9 of this document. You will find enclosed a form of proxy for use at the Requisitioned General Meeting. To be valid, the form of proxy should be completed and returned to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU as soon as possible in the pre paid envelope provided and in any event so as to be received no later than 9 a.m. on 28 July 2010. A facsimile of this form of proxy will be acceptable (with the original form to follow) and should be sent to the Company's registered address on the following fax number: +44 (0)1481 211 001. **EVERY SHAREHOLDER'S VOTE IS IMPORTANT – PLEASE COMPLETE AND RETURN THE FORM OF PROXY AS SOON AS POSSIBLE, WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE REQUISITIONED GENERAL MEETING.** Completion and return of a form of proxy will not prevent a shareholder in the Company ("**Shareholder**") from attending and voting in person at the Requisitioned General Meeting should they wish.

The contents of this document are not to be construed as legal, financial or tax advice. If necessary, each recipient of this document should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

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**Sirius Real Estate Limited**  
**(the “Company”)**

*(A company incorporated in Guernsey with company number 46442)*

*Directors:*

Dick Kingston *(Non-executive Chairman)*  
Christopher Fish *(Non-executive Director)*  
Walter Hens *(Non-executive Director)*  
Brian Myerson *(Non-executive Director)*  
Robert Sinclair *(Non-executive Director)*

*Registered office:*

PO Box 119  
Martello Court  
Admiral Park  
St. Peter Port  
Guernsey GY1 3HB  
Channel Islands

9 July 2010

Dear Shareholder

Further to the Company’s announcement of 21 June 2010, the Board of the Company (the “**Board**”) hereby gives notice of an extraordinary general meeting of the Company (the “**Requisitioned General Meeting**”) to be held at the offices of Intertrust Fund Services (Guernsey) Limited at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, Channel Islands.

**Requisitioned General Meeting**

The Requisitioned General Meeting has been called by the Directors of the Company, as required under section 203 of the Companies (Guernsey) Law 2008, as amended, in order that Shareholders may consider and vote on those resolutions proposed by the Requisitioner (as defined below).

This follows receipt of a requisition notice on 18 June 2010 (the “**Requisition**”) sent on behalf of Weiss Asset Management LP (the “**Requisitioner**”). The Requisition sets out ordinary resolutions 1-5 for the removal as Directors of the Company of Dick Kingston (Non-Executive Chairman) and Walter Hens (Non-executive Director), and for the appointment as Directors of Rolf Elgeti, Michael Neubürger and Eitan Milgram (the “**Requisitioned Resolutions**”). The Requisitioner is interested in 20.7 per cent. of the Company’s issued share capital. Biographical information on the proposed Directors the subject of the Requisitioned Resolutions (as provided by the Requisitioner) is set out in Schedule 1 to this circular.

**Board Recommendation**

**The Board unanimously recommends that Shareholders vote AGAINST all of the Requisitioned Resolutions. The Board considers the Requisitioned Resolutions to be directly against the best interests of the Company and its Shareholders as a whole.**

**This letter sets out the Requisitioned Resolutions, gives reasons why your Board unanimously believes they are AGAINST the best interests of the Company and its Shareholders as a whole and sets out what actions you should take to exercise your vote.**

**Please return the proxy form (duly completed with an “X” for each relevant resolution) as soon as possible in the pre paid envelope provided and in any event by 9 a.m. on 28 July 2010 (see “ACTION TO BE TAKEN”, below).**

The Board’s comments on the Requisition are outlined below:

## **Recent trading performance of the Company**

### *Full year results*

Commenting on the full year results on 8 June 2010, Dick Kingston, Chairman of the Company said, *inter alia*, the following:

“The first nine months of the period under review were challenging for the business, however the last quarter saw a number of structural and operational changes, designed to improve performance, implemented across the business. The initial indications from these have been very positive, but it is anticipated that the full benefit will not be seen until the next financial year<sup>1</sup>. Sirius’s improved penetration into the existing market is the key factor behind the improved sales performance during the last quarter. The management team remains focused on driving occupancy and efficiency through the existing portfolio, initially towards and past 80%, and looks forward to providing an update on its initiatives during the remainder of 2010.”

On 8 June 2010, the Company published its final results for the year ended 31 March 2010. Gross rental income for the year was EUR44.0m (2009: EUR43.7m). As at 31 March 2010, the annualised gross rent roll was EUR41.9m (2009: EUR42.0m), over a total lettable area of 1.15m sqm (2009: 1.1m sqm). As at 31 March 2010 occupancy was 71.4% (31 March 2009: 74.0%). This reflected an encouraging recovery from 1 January 2010, when occupancy stood at 68.5%.

The Company confirmed that with the initial development phase now complete it is focusing on increasing occupancy and driving cost efficiencies and recoverability in costs, under the direction of the recently appointed CEO of Sirius Facilities GmbH, Andrew Coombs. Total employee headcount was reduced from 182 to 152, whilst doubling the size of the lettings team; these actions are expected to lead to an annual cost saving of €1m in the year ending March 2011 and resulted in a strong increase in lettings during Q4. Sales enquiries have increased from 437 per month over Q1 to Q3 to 847 per month in Q4. Similarly, website traffic is averaging 8,000 hits per month in Q4 up from 6,000 per month in the previous periods. Further measures relating to improved tenant leases, more efficient metering of utilities and optimisation of facility management are all expected to flow through to an enhanced financial performance over the latter part of this financial year and into the next financial year.

As at 31 March 2010, the portfolio was valued independently by DTZ Zadelhoff Tie Leung GmbH at EUR500m (31 March 2009: EUR500.4m). The adjusted net asset value per share, which excludes the provisions for deferred tax and derivative financial instruments, was 73.6c as at 31 March 2010 (31 March 2009: 83.5c).

### *Update on current trading for June 2010*

The Board still expects to deliver continued improvement over 2010 and 2011 and is pleased to announce its June 2010 trading update. As announced at the full year results, during April and May the Company achieved new lettings of 20,556 sqm. In June, the Company continued this good progress with new lettings of 15,218 sqm taking total lettings for Q1 to 35,774 sqm (2009 Q1: 15,008 sqm), with net lettings of circa 15,000 sqm for Q1 2010. As a result, the sales performance in 2010 has created a good base towards achieving the Group’s occupancy targets even after taking into account known moveouts. The improved momentum behind the business continues with both sales enquiry levels and website traffic remaining strong.

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<sup>1</sup> Refers to the financial year commencing 1 April 2010.

## **Background to Dick Kingston and Walter Hens**

The Board believes Dick Kingston has been instrumental in guiding the business through a successful flotation and more recently steering the business during a very challenging period for all property companies. That the Company has now entered another period of renewed growth is certainly in large part due to his leadership as Chairman. His experience gained from 19 years at Slough Estates, latterly as Finance Director, a leading European property developer of business parks quoted on the main market of the London Stock Exchange, has meant he is ideally qualified for the role of Chairman of the Company.

In February 2010, Walter Hens was appointed as a Non-Executive Director of the Company. Walter's recent appointment added further significant experience of the German real estate market to the Group. He has over 37 years' experience in the European real estate sector, including 20 years with SEGRO Plc where he most recently held the positions of European Managing Director, and Group Executive Director. Walter was responsible for SEGRO's European operations from 2003 to 2007 during which time the company built up a major pan-European portfolio, including a number of major acquisitions in Germany. Walter has already proven to be a valuable addition to the Board, in the short time he has been with the Company.

## **Effect of the Requisitioned Resolutions on the application of the City Code on Takeovers and Mergers**

As an AIM quoted company which is incorporated in Guernsey, the City Code on Takeovers and Mergers (the "**Code**") only applies to the Company if the Panel on Takeovers and Mergers (the "**Panel**") determines that the place of central management and control of the Company is in Guernsey, Jersey, the Isle of Man or the UK. The Company has received confirmation from the Panel that the Code currently applies to the Company because the place of central management and control of the Company is in Guernsey. The Panel has indicated to the Company that an important factor in determining that the place of central management and control of the Company is in Guernsey, Jersey, the Isle of Man or the UK (and therefore that the Code applies) is whether a majority of the Directors of the Company are resident in the UK, Jersey, Isle of Man or Guernsey.

The Board currently comprises a majority of UK and Guernsey resident Directors, being Dick Kingston (UK), Chris Fish (Guernsey) and Robert Sinclair (Guernsey).

The Panel has further confirmed that, were all of the Requisitioned Resolutions to be passed, it is highly likely that the Code will no longer apply to the Company because with only two Guernsey resident Directors and no UK, Isle of Man or Jersey resident Directors on a board of six directors, the Panel is unlikely to view the place of central management and control of the Company as being in Guernsey, Jersey, Isle of Man or the UK.

In addition, the Panel has confirmed that if some but not all of the Requisitioned Resolutions are passed, and the result is that the Board comprises a minority of UK, Isle of Man, Jersey or Guernsey resident directors, it is highly likely the Panel will take the view that the Code will no longer apply to the Company. The Panel has further confirmed that if the result of the Requisitioned Resolutions is that the Board comprises an equal number of Guernsey and UK, Isle of Man, Jersey or Guernsey resident directors and an equal number of non-UK or Isle of Man, Jersey or Guernsey resident directors, it is also possible that the Panel will take the view that the Code will no longer apply to the Company.

The country of residence of the current Directors is as follows:

- Dick Kingston (UK)
- Christopher Fish (Guernsey)

- Walter Hens (Belgium)
- Brian Myerson (Switzerland)
- Robert Sinclair (Guernsey)

The country of residence of the proposed Directors the subject of the Requisitioned Resolutions is as follows:

- Rolf Elgeti (Germany)
- Michael Neubürger (Germany)
- Eitan Milgram (United States of America)

The Board believes that it would not be in the best interests of the Company or its Shareholders for the Code, which has been designed to ensure equivalent treatment of all Shareholders, to no longer apply to the Company. A summary of the protections afforded to Shareholders by the Code is set out in Schedule 2 to this circular.

If under the Code, all or some of the Requisitioned Resolutions are passed, the Board intends to seek confirmation from the Panel as to the application of the Code to the Company and will announce the Panel's decision following receipt of such confirmation.

In addition, if a single Shareholder acquires more than 25% of the issued share capital of the Company then this could, in certain circumstances, cause the underlying subsidiaries to lose a pro-rata proportion of their German tax losses. A shareholding of more than 50% could in certain circumstances result in a loss of all German tax losses. As at 31 March 2010 the Company and its subsidiaries had German tax losses of €53,995,447. The Board believes that a loss of tax losses could materially impact on returns to Shareholders and if the Code no longer applies to the Company this could increase the risk of Shareholders increasing their shareholdings in the Company which could in certain circumstances result in the loss of tax losses without that Shareholder being required to make a mandatory offer to other Shareholders under the Code.

### **Effect of the Requisitioned Resolutions on the tax position of the Company**

In order to support its status as a Guernsey resident company, the Board currently has two Guernsey Directors and no more than one director in any other territory. Whilst the Board composition does not, of itself, determine tax residency it is, along with other factors such as the location of board meetings, one of the initial factors that tax authorities would consider when assessing tax residency. The replacement of existing UK and Belgian Directors with two German Directors could increase the chances that the German tax authorities may review the tax residency of the Company and its subsidiaries. A successful challenge by the German tax authorities would be expected to materially increase the overall effective tax rate of the Company and its subsidiaries.

### **Proposed terms of appointment of the proposed Directors**

The Requisitioner has informed the Company that the proposed Directors should be remunerated no differently than the Company's other Non-Executive Directors.

### **Relationship of the proposed Directors with Weiss**

Corporate governance guidance for AIM companies published by the Quoted Companies Alliance states that a company quoted on AIM should have at least two independent non-executive directors (one of whom may be the chairman) and that the board should not be dominated by one person or group of people. Furthermore, the "*Note For Investing Companies*" contained in the AIM Rules states that the London Stock Exchange expects the board of directors of investing companies as a whole to be independent of any substantial shareholders or investments (and any associated investment manager) comprising over 20% of the gross assets of the company.

In terms of the current composition of the Board, only Brian Myerson as CEO of Principle Capital Sirius Real Estate Asset Management, the Company's investment manager, is deemed not to be an independent director.

The Board is of the view that Eitan Milgram would not be independent given his position as Executive Vice President of the Requisitioner (given that it is a substantial shareholder of the Company).

The following are the connections, known to the Board, between the other proposed Directors and the Requisitioner:

- Rolf Elgeti is a Non-Executive Director of Treveria plc (which invests in German commercial real estate) of which the Requisitioner is a 25.8% shareholder (although the Board notes that his appointment as a Director preceded the Requisitioner being a substantial shareholder in Treveria plc).
- Michael Neubürger is CEO of TAM GmbH, which is a 100%-owned subsidiary of Treveria plc (linked to the Requisitioner as described above).

The Requisitioner has confirmed to the Board in writing that it considers Rolf Elgeti and Michael Neubürger to be independent of the Requisitioner.

If the Requisitioned Resolutions were passed, the Board believes that it will be less independent than it currently is, with two non-independent Directors rather than one.

## **Conclusion**

In light of the recent improvements in the trading performance of the Company under its current management, the Board believes that now is a highly inappropriate time to change the composition of the Board. Further, the Board believes that the Requisitioned Resolutions, if passed in full or in part, would have adverse consequences for Shareholders if the Code no longer applies to the Company and that there are potential negative tax implications in certain circumstances as outlined above. The Board also believes that the serving of the Requisition itself, through the uncertainty and distraction to the Board that it may cause, and on account of the cost involved, is an act which damages the interests of Shareholders.

For these reasons, the Board is proposing to hold the Requisitioned General Meeting as soon as reasonably practicable in order that, if the Requisitioned Resolutions are rejected, the Board may concentrate without distraction on delivering further value to Shareholders as soon as possible.

Neither the Requisitioner, nor the proposed new Directors, have properly communicated to the Company how the appointment of the proposed new Directors would result in a new strategy for the Company, with a clear plan for delivery, that would result in superior value compared to the actions currently being undertaken by your existing Board.

## **Summary**

- The Board unanimously believes it is acting in the best interests of ALL Shareholders. The Board made clear to the market on 8 June 2010 that it is expecting improved financial results over the course of the current financial year. The timing of the Requisition is therefore highly inappropriate. The Board has ensured that the Company's management team remains focussed on the running of the Company's business, however, the serving of the Requisition risks distracting the attention of the Board.
- The Board further believes that if the Code ceased to apply to the Company this would result in a significant loss of protection for the Shareholders.

- There is a lack of clarity as to the reasons for the Requisition and the intentions of the Requisitioner and/or the Requisitioner's proposed Directors.
- All current Directors recommend that Shareholders vote AGAINST the Requisitioned Resolutions 1 to 5.

### **ACTION TO BE TAKEN**

#### **Requisitioned General Meeting**

Set out on page 9 of this document is the Notice of Requisitioned General Meeting to be held at the offices of Intertrust Fund Services (Guernsey) Limited at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, Channel Islands. A proxy form is enclosed with this document for this meeting. Whether or not you intend to be present at the Requisitioned General Meeting, you are asked to complete the proxy form so it is received by the Company's Registrar, Capita Registrars, as soon as possible but in any event not later than 9 a.m. on 28 July 2010.

**Your Directors believe that the Requisitioned Resolutions are AGAINST the best interests of the Company and its Shareholders as a whole.**

ACCORDINGLY, THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST ALL THE REQUISITIONED RESOLUTIONS 1 TO 5.

Yours faithfully



Dick Kingston  
*Chairman*

## INDEPENDENT DIRECTORS' RECOMMENDATION

We believe that it is in the best interests of Shareholders that the existing Board of the Company should remain unchanged.

We strongly urge you to vote **AGAINST** all the Requisitioned Resolutions 1 to 5. Should all the Requisitioned Resolutions be carried against our recommendation, it is our intention to reconsider our position as Directors of the Company.

Yours faithfully



*Robert A.G. Sinclair*

**Chris Fish and Robert Sinclair**

*Non-Executive Directors*

## **Sirius Real Estate Limited (the “Company”)**

### **Notice of an Extraordinary General Meeting as requisitioned on behalf of Weiss Asset Management LP in accordance with section 203 of the Companies (Guernsey) Law 2008 (as amended)**

The Board of the Company hereby gives notice of an extraordinary general meeting of the Company (the “Requisitioned General Meeting”) to be held at the offices of Intertrust Fund Services (Guernsey) Limited at Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, Channel Islands on 30 July 2010 at 9 a.m. to consider and, if thought fit, to pass the following resolutions as ordinary resolutions of the Company.

**Your Board unanimously recommends that you vote AGAINST resolutions 1 to 5**

**The enclosed proxy form relates to this Meeting**

#### **REQUISITIONED RESOLUTIONS**

1. THAT, pursuant to Article 20.9 of the Articles of Association of the Company, Rolf Elgeti (a person not resident in the United Kingdom) be appointed as a director of the Company with immediate effect.
2. THAT, pursuant to Article 20.9 of the Articles of Association of the Company, Michael Neubürger (a person not resident in the United Kingdom) be appointed as a director of the Company with immediate effect.
3. THAT, pursuant to Article 20.9 of the Articles of Association of the Company, Eitan Milgram (a person not resident in the United Kingdom) be appointed as a director of the Company with immediate effect.
4. THAT, pursuant to Article 20.8 of the Articles of Association of the Company, Dick Kingston be removed as a director of the Company with immediate effect.
5. THAT, pursuant to Article 20.8 of the Articles of Association of the Company, Walter Hens be removed as a director of the Company with immediate effect.

By Order of the Board

**Intertrust Fund Services (Guernsey) Limited**  
*Company Secretary*

*Registered Office:*  
PO Box 119  
Martello Court  
Admiral Park  
St. Peter Port  
Guernsey GY1 3HB

Date: 9 July 2010

## Notes

1. A Shareholder entitled to attend and vote at the Requisitioned General Meeting is entitled to appoint one or more persons as proxies in the alternative, but only one of such proxies may attend as such and vote instead of such Shareholder. A proxy need not also be a Shareholder of the Company. The delivery of an appointment of proxy shall not preclude a Shareholder from attending and voting at the General Requisitioned Meeting or at any adjournment thereof. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Registrars helpline on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines open between 8:30 a.m. to 5:30 p.m., Mon-Fri) or +44 208 639 3399 from overseas.
2. To be valid a proxy form (and any power of attorney or other authority (if any) under which the proxy form is signed (or a certified copy thereof)) must be lodged by post or (during normal business hours only) by hand at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours (excluding non-working days) before the time for holding the Requisitioned General Meeting (namely by 9 a.m. on 28 July 2010) or any adjournment thereof. A facsimile of this form of proxy will be acceptable (with the original form to follow) and should be sent to the Company's registered address on the following fax number: +44 (0)1481 211 001.
3. The quorum for the Requisitioned General Meeting is not less than two Shareholders present either in person or by proxy. The majority required for the passing of any ordinary resolution is over fifty per cent. (50%) of the total number of votes cast on each such ordinary resolution.
4. At the Requisitioned General Meeting the votes may be taken by a show of hands or on a poll, at the option of the Chairman. On a show of hands every Shareholder present, in person or by proxy, shall have one vote. On a poll every Shareholder who is present, in person or by proxy, shall have one vote for every Ordinary Share held by him. On a poll votes may be given either personally or by proxy. A Shareholder entitled to more than one vote need not use all of his votes or cast all of the votes he uses in the same way.
5. If, within fifteen minutes from the appointed time for the Requisitioned General Meeting, a quorum is not present, then the Requisitioned General Meeting will be adjourned to the same time on 6 August 2010 at the same address. At the adjourned Requisitioned General Meeting, those Shareholders present, in person or by proxy, will form a quorum whatever their number and the number of Ordinary Shares held by them. Again, a majority of not less than fifty per cent. (50%) of the total number of votes cast is required to pass any ordinary resolutions.
6. Where there are joint registered holders of any Ordinary Share such persons shall not have the right of voting individually in respect of such Ordinary Share, but shall elect one of their number to represent them and to vote, either in person or by proxy, in their name.
7. No Shareholder shall be entitled to be present or take part in any proceedings or vote, either in person or by proxy, at the Requisitioned General Meeting unless all calls due from him have been paid. No Shareholder shall be entitled to vote in respect of any Ordinary Shares unless he has been registered as their holder. For the purposes of determining which persons are entitled to attend or vote at the Meeting and how many votes such person may cast the Shareholder must be entered on the register of Shareholders, as at 9 a.m. on 28 July 2010.

## Schedule 1

Biographical information on the proposed Directors the subject of the Requisitioned Resolutions 1-3, as provided by the Requisitioner is set out below:

### **Biography of Rolf Elgeti**

Rolf Elgeti is currently CEO of TAG Immobilien AG and Bau-Verein zu Hamburg AG, a German listed real estate group focused on residential and commercial real estate business in German metropolitan regions. Before joining as CEO in July 2009 he was already Member of the Supervisory Board of TAG Immobilien AG. Mr Elgeti also currently serves as a non-executive Director of Treveria plc, a German retail focused real estate investment company. He was appointed in February 2009. Before his time at TAG, he worked as an independent real estate fund manager and co-founded Elgeti Ashdown Advisers Limited, a London-based property fund manager specialising in German property. Prior to Elgeti Ashdown, Mr Elgeti was founding and administrating many small German real estate investment firms. Before that he gained experience as a European macro analyst and equity strategist focusing on Germany, at UBS, Commerzbank Securities and ABN Amro. He was twice top-ranked for European Equity Strategy in the Extel survey among institutional equity investors. Mr Elgeti graduated with an MBA from the University of Mannheim, Germany, and received an MBA from ESSEC, Paris, in 1999.

### **Biography of Michael Neubürger**

Michael Neubürger is an independent real estate financing and transaction consultant and CEO of Treveria Asset Management, the Asset Manager of Treveria plc, prior to which, from 2001 to 2007, he held senior positions at, and was latterly Chief Financial Officer on the Board of Deutsche Wohnen AG, Germany's second largest listed residential property company. He was responsible for financing, sales, portfolio management, accounting and risk management. Before joining Deutsche Wohnen, he held various senior financial control positions at Deutsche Bank from 1995 to 2000. Mr Neubürger has a Diplom-Kaufmann in Economics from the University of Cologne.

### **Biography of Eitan Milgram**

Eitan Milgram is Executive Vice President of Weiss Asset Management LP, an investment manager in Boston. He graduated summa cum laude from Boston University where he won the Prize for Excellence in Economics. Eitan has worked at Weiss Asset Management LP since April 2000 as a Portfolio Manager, Head of Trading and Head of Operations. He is currently an Executive Vice President. Over the last ten years, he has served on the board of Directors of ten publicly traded corporations and has advised numerous corporations on reorganizations and restructurings. Eitan currently serves as a Non-Executive Director for The Ottoman Fund Limited, Indochina Capital Vietnam Holdings Ltd, and Clean Energy Brazil PLC.

## Schedule 2

The Code currently applies to the Company. **Shareholders should note that, if the Requisitioned Resolutions become effective in full or in part, may not receive the protections afforded by the Code in the event that there is a subsequent offer to acquire their shares in the Company.**

Brief details of the Panel, the Code and the protections given by the Code are described below. **Before giving your consent to the Requisitioned Resolutions, you may want to take independent professional advice from an appropriate independent financial adviser.**

### The Code

The Code is issued and administered by the Panel. The Company is currently a company to which the Code applies and its Shareholders are accordingly entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

### The General Principles of the Code

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. The General Principles apply to all transactions with which the Code is concerned. They are expressed in broad general terms and the Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of Rules, of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

For your information these General Principles are set out below:

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company's places of business.
3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.

5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.

6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

### **Detailed application of the Code**

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies. **You should note that, by agreeing to all or some of the Requisitioned Resolutions in full, you may be giving up the protections afforded by the Code.**

#### *Equality of treatment*

General Principle 1 of the Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16 requires that, except with the consent of the Panel, special arrangements may not be made with certain Shareholders in the Company if there are favourable conditions attached which are not being extended to all Shareholders.

#### *Information to shareholders*

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

#### *The opinion of the offeree board and independent advice*

The board of the offeree company is required by Rule 3.1 of the Code to obtain competent independent advice on an offer and the substance of such advice must be made known to its shareholders. Rule 25.1 requires that the board of the offeree company must circulate its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: the effects of implementation of the offer on all the company's interests, including, specifically, employment; and on the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that information about the companies involved in the offer must be made equally available to all offeree company shareholders as nearly as possible at the same time and in the same manner.

