

NOTICE TO 2021 STOCKHOLDERS

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT IMMEDIATELY YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

THIS DOCUMENT DOES NOT COMPRISE A PROSPECTUS FOR THE PURPOSES OF ARTICLE 25(1) OF COMMISSION REGULATION 809/2004 IMPLEMENTING DIRECTIVE 2003/71/EC.

THIS NOTICE DOES NOT CONSTITUTE AN OFFER FOR SALE OF SECURITIES AND IS BEING FORWARDED TO U.S. PERSONS AND ITALIAN PERSONS SOLELY IN THEIR CAPACITY AS STOCKHOLDERS (AS DEFINED BELOW) IN CONNECTION WITH THE MEETING (AS DEFINED BELOW).

NOTICE OF MEETING
of the holders of the outstanding

£80,000,000 111/4 per cent. First Mortgage Debenture Stock 2021 (the "Stock")

issued by

Capital & Counties Limited (formerly Capital & Counties plc) (the "Company")
(incorporated with limited liability in England and Wales with registered number
00280739)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Second Schedule to the Trust Deed (as defined below) constituting the Stock and made between the Company, Kestrel Properties Limited and The Law Debenture Trust Corporation p.l.c. (the "Trustee"), a meeting of the holders of the Stock (the "Stockholders") has been convened by the Company and will be held at the offices of Linklaters at One Silk Street, London EC2Y 8HQ on 13 September 2006 at 12.00 noon (London time) for the purpose of considering and, if thought fit, passing the resolution set out below which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed.

Interpretation

Unless defined herein or the context otherwise requires, capitalised terms used in this Notice bear the meanings given to them in the Trust Deed and, to the extent not defined therein, in the consent solicitation statement dated 16 August 2006 (the "Consent Solicitation Statement") addressed by the Company to the Stockholders and the holders of the £150,000,000 9 7/8 per cent. First Mortgage Debenture Stock 2027 (the "2027 Stock").

References herein to the "Meeting" are to the meeting convened hereby of the Stockholders and references herein to the "Extraordinary Resolution" are to the Extraordinary Resolution of the Stockholders in the form set out below.

Extraordinary Resolution

In relation to the Stockholders, the following Extraordinary Resolution will be considered and, if thought fit, passed at the relevant Meeting: "THAT this meeting of the holders of the outstanding £80,000,000 11 1/4 per cent. First Mortgage Debenture Stock 2021 (the "Stockholders" and the "Stock", respectively) of Capital & Counties Limited (formerly Capital & Counties plc) (the "Company") constituted by a trust deed dated 14 March 1991 (as amended and supplemented from time to time) (the "Trust Deed") made between the Company, Kestrel Properties Limited and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the Stockholders hereby:

(A) assents to the modification of the conditions of the Stock (the "Conditions") by the addition thereto of a new provision giving the Company the right to redeem on the Settlement Date all but not some only of the Stock at the relevant Redemption Amount plus Accrued Interest and providing that such redemption may be satisfied by:

(a) the Company applying an amount equal to the Redemption Amount on the Stockholder's behalf in subscribing for First Mortgage Debenture Stock 2027 ("New Stock") to be issued by Capital & Counties Debenture PLC (the "Issuer") on the Settlement Date for delivery to the Stockholders in accordance with the provisions of the subsection headed Terms of Redemption under the Proposed Amendments of the section headed The Proposals in the Consent Solicitation Statement (as defined in paragraph (G) below), in the case of a Stockholder:

(i) who has delivered to the Registrar, together with the certificate or certificates for the relevant Stock, a valid Stockholder Instruction pursuant to which such Stockholder appoints the Chairman, or any person whom the Chairman may nominate, as its proxy to vote in respect of the Proposed Amendments (which is not subsequently validly revoked) certifying that (x) such Stockholder is an Eligible Stockholder and (y) such Stockholder has received and reviewed, and accepts the terms, conditions, risk factors and other considerations of the Proposals; or

(ii) whom the Company otherwise determines, in its sole discretion, is an Eligible Stockholder (such person having delivered to the Registrar, together with the certificate or certificates for the relevant Stock, a valid Stockholder Instruction pursuant to which such Stockholder appoints the Chairman, or any person whom the Chairman may nominate, as its proxy to vote in respect of the Proposed Amendments (which is not subsequently validly revoked) certifying that such Stockholder has received and reviewed, and accepts the terms, conditions, risk factors and other considerations of the Proposals); or

(b) delivery of cash (in the same manner as interest is currently paid to it), on the Settlement Date to the Stockholders in accordance with the provisions of the subsection headed Terms of Redemption under the Proposed Amendments of the section headed The Proposals in the Consent Solicitation Statement (as defined in paragraph (G) below) in the case of a Stockholder:

(i) who has delivered to the Registrar, together with the certificate or certificates for the relevant Stock, a valid Stockholder Instruction pursuant to which such Stockholder appoints the Chairman, or any person whom the Chairman may nominate, as its proxy to vote in respect of the Proposed Amendments (which is not subsequently validly revoked) certifying that such Stockholder is not an Eligible Stockholder, irrespective of the relevant Redemption Amount that such Stockholder would be entitled to receive pursuant to the relevant Extraordinary Resolution; or

(ii) who has not delivered to the Registrar a valid Stockholder Instruction; or

(iii) whom the Company otherwise determines, in its sole discretion, is not an Eligible Stockholder,

and subject to the Company giving not less than 2 nor more than 10 London business days' notice to the Stockholders of the Settlement Date (which shall be no later than 6 November 2006) by making an announcement of redemption (the "Announcement of Redemption") via an RIS to the Stockholders and by first-class post conditional on:

the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") approving the Prospectus as a prospectus issued in compliance with the Prospectus Directive and the UK Listing Authority and the London Stock Exchange plc (the "London Stock Exchange") respectively confirming that (subject to their issue) the New Stock will be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market on or around the Settlement Date;

and hereby agrees that if the condition set out above is not satisfied on or before the expiry of the notice period specified in the Announcement of Redemption, redemption of the Stock shall not occur pursuant to the Conditions (as so modified) and the Announcement of Redemption shall cease to be of any effect. The Company will issue a further announcement via an RIS and by first-class post to Stockholders on the expiry of the notice period specified in the Announcement of Redemption to inform the Stockholders if the Stock will not be redeemed in accordance with the Conditions (as so modified);

(B) assents to any termination, modification, amendment, variation or waiver to the terms of the Consent Solicitation made in accordance with paragraph 4.3 of the section headed The Proposals in the Consent Solicitation Statement;

(C) authorises and directs the Trustee:

(i) to concur in and execute the Supplemental Trust Deed, being supplemental to the Trust Deed, to effect the modifications to the Conditions referred to in paragraph (A) of this Extraordinary Resolution in the form of the draft produced to this Meeting and signed by the Chairman of the Meeting for the purposes of identification, with such amendments (if any) requested by the Company and approved by the Trustee in its sole discretion or required by the Trustee; and

(ii) to concur in, approve, and execute and do all such deeds, instruments, acts and things as may be necessary in the opinion of the Trustee to carry out and give effect to this Extraordinary Resolution and/or the Proposed Amendments (including, without limitation, to give all directions and/or consents under or in connection with the Trust Deed, the Conditions or otherwise in respect of the Stock or the New Stock as may be necessary, desirable or expedient in the opinion of the Trustee);

(D) sanctions and approves every modification, compromise, abrogation or arrangement in respect of the rights of the Stockholders (or any of them) against the Company or any Charging Subsidiary or against the property or assets of the Company or any Charging Subsidiary, whether such rights shall arise under the Trust Deed, the Conditions or otherwise, necessary to give effect to this Extraordinary Resolution and/or the Proposed Amendments and assents to every modification, compromise, abrogation or arrangement in respect of the Trust Deed, the Conditions or any other document involved in or inherent in or effected by the implementation of this Extraordinary Resolution and/or the Proposed Amendments;

(E) authorises, directs and requests the Trustee to take all such action as may be required to release and discharge the security granted over any and all assets of the Company or any Charging Subsidiary secured in favour of the Trustee as security in respect of the Stock on and subject to satisfaction of the condition to redemption referred to in paragraph (A) above or so much as it may be appropriate to release on and subject to satisfaction of the conditions as to redemption referred to in paragraph (A) above including, without limitation, at the cost of the Company or the Charging Subsidiary, executing and delivering to the Company and to the Charging Subsidiary such security release documents as may be appropriate and reasonably required by the Company or the Charging Subsidiary in connection therewith;

(F) discharges and exonerates the Trustee from any liability in respect of any act or omission for which it may have become responsible under the Trust Deed, the Conditions or any other document in connection with this Extraordinary Resolution, the Consent Solicitation and/or the Proposed Amendments or the implementation hereof or thereof; and

(G) acknowledges that capitalised terms used in this Extraordinary Resolution and not otherwise defined have the same meanings as given to them in or pursuant to the consent solicitation statement dated 16 August 2006 (the "Consent Solicitation Statement") addressed to Stockholders and the 2027 Stockholders published by the Company, unless the context otherwise requires."

The Company has convened the Meeting for the purpose of enabling Stockholders to consider the proposals set out in the Consent Solicitation Statement and, if they think fit, to pass the Extraordinary Resolution set out above.

NOTES:

The Trustee has not participated in the formulation of the terms of the Consent Solicitation, the Proposed Amendments, the Consent Solicitation Statement or the Extraordinary Resolution and, in accordance with normal practice, expresses no view on their merits, and nothing in this notice or the Consent Solicitation Statement should be construed as a recommendation to Stockholders from the Trustee to vote in favour of, or against, the Extraordinary Resolution. Stockholders should take their own independent financial advice on the merits of and on the consequences of voting in relation to the Extraordinary Resolution, including any tax consequences.

However, on the basis of the information contained in this Notice and the Consent Solicitation Statement, the Trustee has authorised the Company to state that the Trustee has no objection to the Extraordinary Resolution being put to Stockholders for their consideration.

A copy of the Consent Solicitation Statement will be posted to Stockholders with this Notice and further copies will be available for collection by Stockholders at the specified office of the Registrar and at the specified offices of the Solicitation Agents, in each case as set out below, on and after the date of this Notice during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the business day prior to the date of the Meeting and will be available for collection at the Meeting and for 15 minutes prior to the Meeting. A Stockholder will be required to produce evidence satisfactory to the Registrar or the relevant Solicitation Agent (in the case of an individual) of his or her status as a Stockholder or (in the case of a corporation) that he or she is a duly authorised representative of the Stockholder before (in either case) being permitted to collect a copy of the Consent Solicitation Statement.

Copies of (i) the Trust Deed and this Notice, (ii) the current draft of the Supplemental Trust Deed referred to in paragraph (B)(i) of the Extraordinary Resolution and (iii) the current drafts of the documents listed in paragraph 5 of the General Information section of the Preliminary Prospectus attached as Annex D to the Consent Solicitation Statement (the "Transaction Documents") will be available for inspection by Stockholders at the specified office of the Registrar and at the specified offices of the Solicitation Agents, in each case as set out below, on and from the date of this Notice during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the Expiration Date and will be available for inspection at the Meeting and for 15 minutes prior to the Meeting. Any revised drafts of the documents described in (ii) and (iii) above made available as described above, and marked to indicate changes to the draft made available on the date of this Notice, will supersede the previous draft of such document and Stockholders will be deemed to have notice of any changes contained therein. A Stockholder will be required to produce evidence satisfactory to the Registrar or the relevant Solicitation Agent (in the case of an individual) of his or her status as a Stockholder or (in the case of a corporation) that he or she is a duly authorised representative of the Stockholder before (in either case) being permitted to inspect the documents described in (i), (ii) and (iii) above or any drafts which supersede the documents described in (ii) and (iii) above.

The attention of Stockholders is drawn, in particular, to the quorum required for the Meeting and for any adjourned Meeting which is set out in paragraph 6 of Voting and Quorum below. Having regard to such requirements, Stockholders are strongly urged either to attend the Meeting or to take steps to be represented at the Meeting, as referred to below, as soon as possible.

Voting and Quorum

Stockholders who have delivered and not revoked valid Stockholder Instructions containing voting instructions in respect of the Extraordinary Resolution to be proposed at the Meeting and appointing the Chairman, or any person whom the Chairman may nominate, as its proxy to vote in respect of the relevant Extraordinary Resolution to be proposed at the Meeting need take no further action to be represented at the relevant Meeting. Stockholders who have not delivered, or have delivered and subsequently revoked, voting instructions contained in Stockholder Instructions should take note of the provisions set out below detailing how such Stockholders can attend or take steps to be represented at the Meeting.

A beneficial owner of Stock held through a broker, dealer, commercial bank, custodian, trust company or other intermediary must provide appropriate voting instructions to such person in order to cause Stockholder Instructions to be delivered with respect to such Stock. Beneficial owners of Stock are urged to

contact any such person promptly to ensure timely delivery of such voting instructions.

For the avoidance of doubt, any Stockholder who attends the Meeting (including any adjourned Meeting) in person or otherwise makes arrangements to be represented or vote at the Meeting other than by way of delivering a valid Stockholder Instruction will not be eligible for the Early Solicitation Fee and/or Resolution Fee, as applicable.

1. **Stockholder attendance:** A Stockholder wishing to attend and vote at the Meeting in person must produce at such Meeting (in the case of an individual) a certificate evidencing that individual's entitlement to the Stock or (in the case of a corporation) a duly authorised resolution of its directors or other governing body authorising such person to act as the corporation's representative and the certificate evidencing that corporation's entitlement to the Stock together with (in either case) satisfactory evidence of identity.

2. **Appointment of proxies:** A Stockholder not wishing to attend and vote at the Meeting may appoint a proxy to attend and vote at such Meeting in accordance with his or her instructions by depositing the instrument appointing the proxy and, if required by the Company or the Trustee, the power of attorney or other authority under which it signed (or a notarially certified or office copy of such power of attorney or other authority) together with the certificate or certificates evidencing that Stockholder's entitlement to the Stock at the registered office of the Company, not less than 48 hours before the time appointed for holding the Meeting or the taking of a poll at which the person named in the instrument proposes to vote.

3. **Voting instructions:** A Stockholder not wishing to attend the Meeting may give voting instructions in a Stockholder Instruction.

4. **Revocation of Instructions:** Voting instructions contained in a Stockholder Instruction may be revoked in the manner set out below on or prior to 12.00 noon (London time) on 6 September 2006 (in the case of voting instructions delivered on or before the Early Solicitation Deadline) or at any time not later than 12.00 noon (London time) on 11 September 2006. Any voting instructions not so revoked will continue in force in respect of the Meeting and any adjourned Meeting, as the case may be.

To be effective, any notice of revocation must be in writing and must indicate the relevant voting instructions to be revoked and must be received by the Registrar.

Stockholders holding their Stock through their broker, dealer, commercial bank, trust company or other intermediary must contact such intermediary to deliver notice of such revocation to the Registrar in accordance with the time frames set out above. Such Stockholders should give such directions to such intermediary sufficiently in advance to ensure receipt by the Registrar of any such notice of revocation within the time frames set out above.

Revoked voting instructions may be given again prior to 12.00 noon (London time) on 11 September 2006 by following the procedures described above. Any such voting instructions will be regarded as new voting instructions subject to such procedures.

5. **Interpretation:** The Company's interpretation of the terms and conditions of the Consent Solicitation shall be final and binding. No alternative, conditional or contingent Stockholder Instruction will be accepted. Unless waived by the Company, any defects or irregularities in connection with the giving of a Stockholder Instruction must be cured in time for the relevant Meeting. Neither the Company nor any other person will be under any duty to give notification of any defects or irregularities in any Stockholder Instruction nor will such entities incur any liability for failure to give such notification. Stockholder Instructions will not be deemed to have been delivered until such defects or irregularities have been cured or waived.

All questions as to the validity, form and eligibility (including timing of receipt) in relation to any Stockholder Instruction will be determined by the Company in its sole discretion, which determination shall be conclusive and binding. The Company reserves the right to reject any or all Stockholder Instructions that are not in proper form or the acceptance of which could, in the opinion of the Company or its counsel, be unlawful. The Company also reserves the right to waive any and all defects or irregularities in connection with deliveries of particular Stockholder Instructions, including, without limitation, with respect to the timing of delivery of such Stockholder Instructions, whether or not similar defects or irregularities are waived in respect of other voting instructions.

6. **Quorum Requirements:** The quorum required at the Meeting shall be a person or persons present and holding or representing by proxy a clear majority in principal amount of Stock for the time being outstanding. At any adjourned Meeting, the quorum required shall be any Stockholder or Stockholders present in person or through its representative or by proxy (whatever the principal amount of Stock held by them).

7. **Adjournment:** If within fifteen minutes (or such longer period, not exceeding 30 minutes, as the Chairman may decide to wait) from the time appointed for the Meeting a quorum is not present, the Meeting shall stand adjourned for such period, being not less than 7 days nor more than 28 days, and to such day, time and place as may be appointed by the Chairman.

8. **Voting by Show of Hands or Poll:** A resolution put to the vote

at the Meeting shall be decided in the first instance on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chairman or by three or more Stockholders present in person or by proxy or by one or more persons holding or representing by proxy at least one-twentieth part in principal amount of the Stock for the time being outstanding. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Stockholder or as a proxy.

9. Representation of Vote: On a show of hands, every Stockholder who (being an individual) is present in person or (being a corporation) is present in its duly authorised representative shall have one vote. On a poll, every Stockholder who is present in person, as representative or by proxy shall have one vote in respect of every £1.00 principal amount of Stock of which such person holds or represents.

10. Voting Majority Requirements: To be passed at the Meeting, the Extraordinary Resolution requires a majority consisting of not less than three-quarters of the votes cast thereon. If passed, and the Extraordinary Resolution becomes unconditional in accordance with its terms, the Extraordinary Resolution shall be binding upon all Stockholders whether present or not present at the Meeting.

11. This Notice is given by Capital & Counties Limited.

12. Stockholders should contact the following parties for further information:

REGISTERED OFFICE OF THE COMPANY

Capital & Counties Limited
40 Broadway
London SW1H 0BU

Any questions regarding the terms of the Consent Solicitation may be directed to the Solicitation Agents; any questions regarding completion and delivery of a Stockholder Instruction may be directed to the Registrar at the address and telephone number specified below:

THE SOLICITATION AGENTS

UBS Limited
1 Finsbury Avenue
London EC2M 2PP

Morgan Stanley & Co. International Limited
25 Cabot Square
Canary Wharf
London E14 4QA

Contact: Liability Management Group
Tel: +44 (0) 20 7567 7480

Contact: Liability Management Europe
Tel: +44 (0) 20 7677 5040
Email: liabilitymanagementeurope@morganstanley.com

THE TRUSTEE

The Law Debenture Trust Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX

THE REGISTRAR

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Tel: 0870 162 3121 (or +44 20 8639 2157 if telephoning from outside the UK)

UNDER NO CIRCUMSTANCES SHALL THIS NOTICE CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR SECURITIES.

COPIES OF THE PROSPECTUS RELATING TO THE NEW STOCK REFERRED TO ABOVE WILL BE AVAILABLE FOR INSPECTION DURING NORMAL BUSINESS HOURS ON ANY WEEKDAY (SATURDAYS, SUNDAYS AND PUBLIC HOLIDAYS EXCEPTED) AT THE OFFICES OF LINKLATERS AT ONE SILK STREET, LONDON EC2Y 8HQ ON OR AFTER THE PRICING RELATING TO SUCH NEW STOCK.