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IN OR INTO THE UNITED STATES (OR SPECIFICALLY TARGETED AT U.S. CITIZENS
OUTSIDE THE UNITED STATES), CANADA, AUSTRALIA, SOUTH AFRICA, NEW ZEALAND
OR JAPAN***

23 September 2010

Songbird Estates plc (“Songbird” or the “Company”)

**PROPOSED OPEN OFFER OF 109,375,000 NEW ORDINARY SHARES AT 128 PENCE PER
NEW ORDINARY SHARE TO RAISE £140 MILLION**

The Board of Songbird today announces its intention to raise approximately £140 million (before expenses) by the issue of 109.375 million New Ordinary Shares through the Open Offer at an issue price of 128 pence per Ordinary Share (representing a discount of 19.0 per cent. to the Closing Price of 158 pence on 22 September 2010) on the basis of 0.16685¹ New Ordinary Shares for every one Ordinary Share.

On 24 September 2009, the Company announced the details of a fundraising to raise £1,030 million. This fundraising included a £135 million Facility provided by the Majority Shareholders or their affiliates, to take advantage of an opportunity to acquire an additional 8.45 per cent. stake in CWG and to fund certain future working capital requirements.

The Facility was due to mature today unless Songbird Finance exercised its option under the Facility Agreement to extend it for up to a further 364 days. The Independent Directors, along with their advisers, undertook a thorough process of assessing a full range of options available to the Company to deal with the maturity of the Facility on 23 September 2010, including the extension of the Facility, the conditions of which could have been met without the Open Offer. Having considered those options, the Independent Directors have approved the Open Offer, the proceeds of which will be used to repurchase the Facility.

The repurchase of the Facility will result in the removal of external borrowings of the Songbird Entities, which the Independent Directors believe will improve the Company’s balance sheet position given ongoing constraints in debt markets. These debt constraints apply in particular to Songbird as a result of the holding company structure where there are significant minority interests in CWG. As such, the Independent Directors believe that the repurchase of the Facility through the Open Offer is in the best interests of the Company and its Shareholders as a whole.

The Company will also receive £51.9 million from CWG representing its share of the CWG Dividend as announced today.

In particular the Independent Directors believe that the proposals outlined above will:

¹ This figure is presented to five decimal places. The actual figure is 0.166847444.

- as noted above, improve the Company's balance sheet and remove all external borrowings of the Songbird Entities;
- avoid Songbird Finance having to refinance a short term debt since, if the extension option had been exercised, the Facility would have become repayable by 22 September 2011 (or sooner, if extended for less than the maximum 364 day period);
- avoid Songbird Finance being obliged to pay the full 1 per cent. extension fee under the Facility Agreement;
- avoid Songbird Finance being exposed to an increased interest rate of 8.5 per cent. per annum under the Facility for an extended period of up to 364 days; and
- allow the Company to simplify further its capital structure.

Following Admission, the only capital interests in the Company will be the Ordinary Shares, increased in number by the Open Offer, the Warrants and the existing Preference Shares. In addition, pursuant to the terms of the Warrant Instrument and as a result of the Open Offer, the number of Ordinary Shares into which Warrants are convertible will increase to account for the dilutive effect of the Open Offer.

David Pritchard, Chairman of Songbird, said:

"I am pleased to announce today a fully underwritten pre-emptive open offer to shareholders which will further simplify the capital structure and remove all external borrowings at the Songbird level. The Company's interim results further reflect the resilient performance of the underlying Canary Wharf Group and with a high quality estate portfolio and strong development pipeline the group is well positioned for the future."

This summary should be read in conjunction with, and is subject to, the full text of this announcement, the appendix hereto as well as the Prospectus which is to be published by the Company and will be available on the Company's website at www.songbirdestates.com. Part VI contains definitions of certain terms used in this summary and in this announcement.

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The defined terms set out in Part VI apply to this announcement. Unless otherwise stated, references to time contained in this announcement are to UK time.

This announcement is an advertisement and does not constitute a prospectus. Nothing in this announcement should be interpreted as a term or condition of any offer of securities. Any decision to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities in the Company must be made only on the basis of the information contained in and incorporated by reference into the Prospectus. A copy of the Prospectus relating to the Open Offer will be available from the registered office of the Company during business hours and on the Company's website, except that the Prospectus will not be available (whether through the website or otherwise) to Restricted Shareholders, subject to certain exceptions.

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23 September 2010

Songbird Estates plc ("Songbird" or the "Company")

**PROPOSED OPEN OFFER OF 109,375,000 NEW ORDINARY SHARES AT 128 PENCE PER
NEW ORDINARY SHARE TO RAISE £140 MILLION**

PART I: SUMMARY

1. INTRODUCTION

The Board announces today that it proposes to raise approximately £140 million (before expenses) by the issue of 109,375,000 New Ordinary Shares through the Open Offer at an issue price of 128 pence per Ordinary Share on the basis of 0.16685² New Ordinary Shares for every one Ordinary Share.

Songbird's interim results for the six months ended 30 June 2010 have been released today in a separate announcement.

2. BACKGROUND TO AND REASONS FOR THE OPEN OFFER

On 24 September 2009, the Company announced the details of a fundraising to raise £1,030 million. This fundraising included a £135 million Facility provided by the Majority Shareholders, or their affiliates, to take advantage of an opportunity to acquire an additional 8.45 per cent. stake in CWG and to fund certain future working capital requirements.

The Facility was due to mature today unless Songbird Finance exercised its option under the Facility Agreement to extend it for up to a further 364 days. The Independent Directors, along with their advisers, undertook a thorough process of assessing a full range of options available to the Company to deal with the maturity of the Facility on 23 September 2010, including the

² This figure is presented to 5 decimal places. The actual figure is 0.166847444.

extension of the Facility, the conditions of which could have been met without the Open Offer. Having considered those options, the Independent Directors have approved the Open Offer, the proceeds of which will be used to repurchase the Facility.

The repurchase of the Facility will result in the removal of all external borrowings of the Songbird Entities, which the Independent Directors believe will improve the Company's balance sheet position given ongoing constraints in debt markets. These debt constraints apply in particular to Songbird as a result of the holding company structure where there are significant minority interests in CWG. As such, the Independent Directors believe that the repurchase of the Facility through the Open Offer is in the best interests of the Company and its Shareholders as a whole.

Songbird Finance will also receive £51.9 million from CWG representing its share of the CWG Dividend as announced today.

In particular the Independent Directors believe that the proposals outlined above will:

- as noted above, improve the Company's balance sheet and remove all external borrowings of the Songbird Entities;
- avoid Songbird Finance having to refinance a short term debt since, if the extension option had been exercised, the Facility would have become repayable on 22 September 2011 (or sooner, if extended for less than the maximum 364 day period);
- avoid Songbird Finance being obliged to pay the full 1 per cent. extension fee under the Facility Agreement;
- avoid Songbird Finance being exposed to an increased interest rate of 8.5 per cent. per annum under the Facility for an extended period of up to 364 days; and
- allow the Company to simplify further its capital structure.

Following Admission, the only capital interests in the Company will be the Ordinary Shares, increased in number by the Open Offer, the Warrants and the existing Preference Shares. In addition, pursuant to the Warrant Instrument and as a result of the Open Offer, the number of Ordinary Shares into which Warrants are convertible will increase to account for the dilutive effect of the Open Offer.

3. SUMMARY OF THE OPEN OFFER

Qualifying Shareholders (other than, subject to certain exceptions, Restricted Shareholders) are invited to apply at a price of 128 pence per Ordinary Share for:

0.16685³ New Ordinary Shares for every one Ordinary Share

³As above This figure is presented to 5 decimal places. The actual figure is 0.166847444.

held and registered in the name of the Qualifying Shareholder on the Record Date. The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Ordinary Shares.

The Open Offer is subject to satisfaction of the following conditions:

- (i) the Bank Agreement having become unconditional in all respects and not having been terminated in accordance with its terms;
- (ii) Songbird Finance having received its share of the CWG Dividend in accordance with the Dividend Deed Poll; and
- (iii) Admission having become effective by 8.00 a.m. on 11 October 2010 (or such later time and/or date as the Company and the Banks may decide).

Certain of the Majority Shareholders have provided irrevocable undertakings to the Company pursuant to the terms of the Subscription and Repurchase Agreement to take up their respective Open Offer Entitlements, being in aggregate 73,804,332 New Ordinary Shares.

Excluding the Open Offer Entitlements of certain of the Majority Shareholders, for which irrevocable undertakings have been provided, the Open Offer has been underwritten by certain of the Majority Shareholders or their affiliates on the terms of the Subscription and Repurchase Agreement.

A letter from the chairman of the Board, which accompanies the Application Form, is being sent (subject to certain exceptions) to Qualifying Shareholders and is available on Songbird's website at www.songbirdestates.com.

4. CWG DIVIDEND

As announced today, the board of CWG declared an interim dividend of £75 million on 22 September 2010. Given Songbird Finance's 69.25 per cent. shareholding in CWG, Songbird Finance will receive approximately £51.9 million of the CWG Dividend, payment of which is expected to be received on 4 October 2010.

5. USE OF PROCEEDS

The Songbird Entities are proposing to use the funds raised by the Open Offer, along with Songbird Finance's £51.9 million share of the CWG Dividend, as follows:

- (i) £136.5 million as payment to the Lenders (being an affiliate of Qatar Holding, Chichester Luxembourg Sàrl (an entity controlled by the Glick Shareholders), Land Breeze (a wholly owned subsidiary of CIC) and the MSREF Funds) to repurchase the Facility, such amount being equal to the amount of principal and accrued but unpaid interest outstanding under the Facility on Admission;
- (ii) £27.6 million to pay accrued dividends to the holders of Preference Shares (being Qatar Holding and Land Breeze) up to and including 30 September 2010;

- (iii) £6.5 million as payment to GF Investments (one of the Glick Shareholders) in respect of the SG Dividend plus interest thereon;
- (iv) approximately £5 million to pay the total costs associated with the Open Offer, including £1.2 million of underwriting fees to the Underwriters (being Qatar Holding, GF Investments, Land Breeze and the MSREF Funds);
- (v) £0.6 million to pay the extension fees and legal expenses to the Lenders in connection with the short extension and repurchase of the Facility; and
- (vi) the balance for general working capital purposes.

6. IMPACT OF THE PROPOSED TRANSACTION

As at 30 June 2010 adjusted undiluted net asset value per Ordinary Share was 178 pence compared to the *pro forma* net asset value per share on the basis that the Proposed Transactions had taken place at that date of 170 pence.

Net debt as at 30 June 2010 was £3,726.7 million and “look through” LTV was 77.6 per cent. compared to the *pro forma* net debt and “look through” LTV of £3,618 million and 73.8 per cent. respectively on the basis that the Proposed Transactions had taken place at that date. “Look through” LTV is the ratio of the net debt of the Company and its subsidiaries, adjusted to reflect the Company's 69.25 per cent. stake in CWG, to the market value of the Canary Wharf Group's total property each as at 30 June 2010. Details of the *pro forma* adjustments are set out at Part IV (*Unaudited Pro Forma Statement of Net Assets*) of the Prospectus.

7. CURRENT TRADING AND PROSPECTS

The Canary Wharf Group was well placed to capitalise on improved market conditions in the latter half of 2009 and in the early part of 2010 and successfully completed a number of transactions during the six months ended 30 June 2010.

(A) Office

January 2010 was a positive month for the Canary Wharf Group which saw the completion of the sale of 5 Churchill Place for £208.0 million, reflecting a yield of 5.9 per cent., and also saw the restructuring and extension of the shorter Barclays Capital leases on the Estate. The Barclays Capital transaction involved, in aggregate, 1,152,000 sq ft comprising the extension of leases to 2032 and a commitment by Barclays Capital to new space. The Canary Wharf Group also acquired the 1 Park Place site at Canary Wharf for £17.5 million with alternative pre-existing planning consents for 0.2 million sq ft and 0.95 million sq ft.

In January, CWG also purchased the substantial majority of the Drapers Gardens loan facility for £112.8 million and the Drapers Gardens joint venture entities, of which the Canary Wharf Group is one, leased the property for a term of 25 years to BlackRock. Subsequent to the period end, the joint venture exchanged contracts for the disposal of Drapers Gardens for £242.5 million, reflecting a 5.2 per cent. yield, excluding a deduction for rent free periods.

The letting to Shell International of approximately 187,000 sq ft in 40 Bank Street for a term of 15 years (subject to a tenant break option at the expiry of year 10) was concluded in June 2010.

A number of smaller transactions for an aggregate of 31,000 sq ft were also completed in the period.

The Lehman administrator ceased paying rent on 25 Bank Street. In addition, Nomura exercised a break option to vacate, with effect from 30 September 2010, (approximately) 420,000 sq ft which it had subleased in the building. A facility with AIG provides, at the election of the Canary Wharf Group, payment of the shortfall on contracted rent for a period of four years from first drawdown. The Canary Wharf Group is currently considering all options available for this building.

In June, the Canary Wharf Group acquired the final two units on the Heron Quays West site and as a result has secured full control of this important 1.3m sq ft development site.

Among the objectives stated by Canary Wharf Group is the extension of its development activities to other commercial developments in Central London. In line with this objective, the Canary Wharf Group is in discussions with Land Securities with a view to establishing a joint venture for the development of the 20 Fenchurch Street site in the City.

(B) Construction

Construction on the new Crossrail station at Canary Wharf continues on schedule and on budget. During the period the infrastructure works were completed on the J.P. Morgan site at Riverside South and J.P. Morgan is engaged in discussions in respect of its options with a decision anticipated in the next few months.

(C) Retail

The six months to 30 June 2010 was a strong half year for retail at Canary Wharf with turnover and footfall both increasing. All seven restaurants which opened in late 2009 are now trading successfully, reflecting continuing strong demand. Progress was in part achieved by active asset management such as the expansion of retail into areas reclaimed from the Canada Square car park, which has enabled Gap to expand whilst remaining in its preferred location. Other units are now also considering the same type of expansion. Restructuring works have also enhanced the Cabot Place retail mall and new signings such as Tiffany and Aquascutum continue to improve and diversify the retail offering.

(D) Conclusion

The Board believes the Open Offer announced today further simplifies the capital structure by the removal of all external borrowings of the Songbird Entities. The underwriting by Qatar Holding, GF Investments, Land Breeze and the MSREF Funds indicates the continuing strong support of key Shareholders and reflects commitment to the future prospects of the Company.

PART II

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates set out in this timetable is indicative only and is subject to change. Please read the notes to this timetable set out below.

<i>Event</i>	<i>Time and/or date^{4,5}</i>
Record Date for entitlement under the Open Offer	5.00 p.m. on 21 September 2010
Announcement of the Open Offer	7.00 a.m. on 23 September 2010
Ex-entitlement date for the Open Offer	8.00 a.m. on 23 September 2010
Publication of Prospectus	23 September 2010
Publication of London Gazette notice and latest date of despatch of Application Forms to Qualifying Non-CREST Shareholders	24 September 2010
Open Offer Entitlements credited to stock accounts of Qualifying CREST Shareholders in CREST	24 September 2010
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 4 October 2010
Latest time and date for depositing Open Offer Entitlements into CREST	3.00 p.m. on 5 October 2010
Latest time and date for splitting Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 6 October 2010
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 8 October 2010
Announcement of results of the Open Offer through a Regulatory Information Service	11 October 2010
Admission and commencement of dealings in New Ordinary Shares	8.00 a.m. on 11 October 2010
New Ordinary Shares in uncertificated form expected to be credited to accounts in CREST	8.00 a.m. on 11 October 2010
Despatch of definitive share certificates for the New Ordinary Shares in certificated form	by 25 October 2010

⁴ The times and dates set out in the expected timetable of principal events and mentioned throughout this announcement may be adjusted by the Company in which event details of the new times and dates will be notified to AIM and, where appropriate, Qualifying Shareholders.

⁵ References to times in this announcement are to London times unless otherwise stated.

PART III

OPEN OFFER STATISTICS

Offer Price per New Ordinary Share	128 pence
Number of Ordinary Shares in issue as at 23 September 2010	655,538,962
Number of New Ordinary Shares to be issued by the Company pursuant to the Open Offer	109,375,000
Number of Ordinary Shares issued pursuant to the Open Offer as a percentage of Enlarged Share Capital	14.3 per cent.
Estimated net proceeds receivable by the Company from the Open Offer after expenses ⁶	£135 million
Gross discount of the Offer Price to the Closing Price of Ordinary Shares of 158 pence on 22 September 2010	19.0 per cent.

PART IV

INFORMATION ON THE OPEN OFFER

1. Introduction

The Board announces today that it proposes to raise approximately £140 million (before expenses) by the issue of 109.375 million New Ordinary Shares through the Open Offer at an issue price of 128 pence per Ordinary Share. The issue price represents a discount of 19.0% per cent. to the Closing Price of the Ordinary Shares on 22 September 2010. Upon completion of the Open Offer the New Ordinary Shares will represent 14.3 per cent. of the Company's Enlarged Share Capital.

2. Background to and reasons for the Open Offer

2.1 The Facility

⁶ Total expenses associated with the Open Offer, including underwriting commissions of £1.2 million of the Open Offer, are estimated to be £5 million.

On 24 September 2009, Songbird announced the details of a fundraising to raise £1,030 million in order to fund the Citi Loan Repurchase and the CWG Share Purchase. Part of this fundraising involved the Songbird Entities entering into the Facility Agreement for a £135 million term loan with the Majority Shareholders, or their affiliates, as Lenders.

The Facility was put in place, alongside the ordinary equity and preference equity issue, to finance the £112.5m acquisition price paid in respect of the CWG Share Purchase as well as to fund payments in respect of the Hedging Agreement and working capital requirements, including interest on the Facility itself. As at 20 August 2010, the Facility was fully drawn.

The Facility allowed Songbird to capitalise on an opportunity to purchase additional CWG Shares, representing 8.45 per cent. of CWG's share capital, at 208 pence per share in September 2009 as part of the wider restructuring.

The Facility had an initial term of 364 days, with the option for the Company to extend, subject to certain conditions, for up to a further 364 days. The Facility was, absent such an extension, therefore due to be repaid on 23 September 2010. The conditions to an extension include the payment to the Lenders of an extension fee of 1 per cent. of the total commitments and the payment of accrued dividends on the Preference Shares in cash for the period up to and including 30 September 2010. In addition, the Facility Agreement provides for the interest rate payable on the Facility to increase from 7 per cent. per annum to 8.5 per cent. per annum for the period of any such extension.

2.2 Reasons for the Open Offer

The Independent Directors, along with their advisers, undertook a thorough process of assessing a full range of options available to the Company to deal with the maturity of the Facility on 23 September 2010, including the extension of the Facility, the conditions of which could have been met without the Open Offer. Having considered those options, the Independent Directors have approved the Open Offer, the proceeds of which will be used to repurchase the Facility.

The repurchase of the Facility will result in the removal of external borrowings of the Songbird Entities, which the Independent Directors believe will improve the Company's balance sheet position given ongoing constraints in debt markets. These debt constraints apply in particular to Songbird as a result of the holding company structure where there are significant minority interests in CWG. As such, the Independent Directors believe the repurchase of the Facility using funds raised through the Open Offer is in the best interests of the Company and its Shareholders as a whole.

Songbird Finance will also receive £51.9 million from CWG representing its share of the CWG Dividend as announced today.

In particular, the Independent Directors believe that the repurchase of the Facility using the net proceeds of the Open Offer, and the receipt by Songbird Finance of its share of the CWG Dividend (as described in paragraph 4 below) announced today, will:

- (i) as noted above, improve the Company's balance sheet and remove all external borrowings of the Songbird Entities, with the intention that the Songbird Entities will,

going forward, be better able to respond to changes in capital markets and property market conditions, favourable or otherwise;

- (ii) avoid Songbird Finance having to refinance a short term debt since, if the extension option had been exercised, the Facility would have become repayable on 22 September 2011 (or sooner, if extended for less than the maximum 364 day period);
- (iii) avoid Songbird Finance being obliged to pay the full 1 per cent. extension fee, which would have been incurred if the extension option under the Facility Agreement had been exercised;
- (iv) avoid Songbird Finance being exposed to an increased rate of 8.5 per cent. per annum under the Facility for an extended period of up to 364 days; and
- (v) allow the Company to simplify further its capital structure.

Following Admission, the only capital interests in the Company will be the Ordinary Shares, increased in number by the Open Offer, the Warrants and the existing Preference Shares. In addition, the number of Ordinary Shares into which Warrants are convertible will be increased to account for the dilutive effect of the Open Offer. For Further details of the Warrants, see paragraph 7 below.

2.3 Implementation of the Open Offer

Under the terms of the Subscription and Repurchase Agreement, the Lenders and the Songbird Entities have agreed to extend the term of the Facility to 31 October 2010 to enable the Open Offer and the repurchase of the Facility to be completed. It was agreed that, in place of the 1 per cent. extension fee in respect of this extension, a lesser fee of 0.25 per cent. would be payable (amounting to approximately £0.3 million), but that the full 1 per cent. fee would be payable if the Facility were to be extended for the full 364 day permitted extension. In accordance with the terms for an extension under the Facility Agreement, it was also agreed that the interest rate on loans drawn under the Facility would increase from 7 per cent. to 8.5 per cent. for the period beginning on 24 September 2010, and that Songbird Finance will pay approximately £0.3 million in respect of legal expenses to the Lenders in connection with the short extension and repurchase of the Facility.

If any of the conditions to the Open Offer are not satisfied or waived by 31 October 2010, the Open Offer will not proceed. In these circumstances, the Lenders and the Songbird Entities have agreed that, provided the reason the conditions are not satisfied is not solely due to circumstances within the sole power and control of the Songbird Entities, Songbird Finance may serve notice to extend the term of the Facility to 22 September 2011, subject to the conditions set out in the Facility Agreement (with minor amendments), as summarised in paragraph 2.1 above, being satisfied or fulfilled. Subject to such conditions being satisfied or fulfilled, this extension will take effect automatically and does not require the consent of the Lenders. If the Open Offer does not proceed for reasons which are outside the control of the Songbird Entities, Songbird Finance would therefore be able to extend the Facility but would subsequently need to refinance it by 22 September 2011.

3. Open Offer

3.1 Principal terms of the Open Offer

Qualifying Shareholders (other than, subject to certain exceptions, Restricted Shareholders) are invited to apply for New Ordinary Shares under the Open Offer at the Offer Price of 128 pence per New Ordinary Share, payable in full on application and free of all expenses, *pro rata* to their existing shareholdings on the basis of:

0.16685⁷ New Ordinary Shares for every one Ordinary Share

held and registered in the name of the Qualifying Shareholder at the Record Date and so in proportion to the number of Ordinary Shares then held. Open Offer Entitlements will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements will not be allocated and will be disregarded. Accordingly, Shareholders holding fewer than six Ordinary Shares will not be invited to subscribe under the Open Offer.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares up to their maximum entitlement. No application in excess of a Qualifying Shareholder's maximum entitlement will be met and any Qualifying Shareholder so applying will be deemed to have applied for his maximum entitlement. Qualifying Shareholders with holdings of Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purposes of calculating their entitlements under the Open Offer, as will Qualifying Shareholders with holdings under different designations or in different accounts.

Application Forms are expected to be despatched to Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Shareholders with registered addresses in, or to residents of, the US or any other Restricted Jurisdiction) by 24 September 2010. Application has been made for the Open Offer Entitlements to be admitted to CREST and it is expected that they will be admitted on 24 September 2010, when CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements.

Qualifying Shareholders should note that the Open Offer is not a rights issue and that there is no compensatory element to the Open Offer. They should also be aware that in the Open Offer, unlike a rights issue or a compensatory open offer, any New Ordinary Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, and Qualifying Shareholders who do not apply to take up their New Ordinary Shares will have neither rights under the Open Offer nor receive any proceeds from it. To the extent that New Ordinary Shares are not subscribed for by Qualifying Shareholders by 11.00 a.m. on 8 October 2010, Open Offer Entitlements will lapse. Any New Ordinary Shares which are not taken up under the Open Offer will be issued to the Underwriters under the terms of the Subscription and Repurchase Agreement and, as a result, Qualifying Shareholders who do not apply to take up their New Ordinary Shares will have their shareholding diluted as described in paragraph 9 below.

⁷ As note 1 above.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements will be admitted to CREST and be enabled for settlement, the Open Offer Entitlements will not be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by CRESTCo's Claims Processing Unit. Qualifying Non-CREST Shareholders should note that their Application Forms are not negotiable documents and cannot be traded.

The New Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions declared or paid thereon following Admission of the New Ordinary Shares. No temporary documents of title will be issued.

3.2 Conditions of the Open Offer

The Open Offer is subject to the satisfaction of the following conditions:

- (i) the Bank Agreement having become unconditional in all respects and not having been terminated in accordance with its terms;
- (ii) Songbird Finance having received its share of the CWG Dividend in accordance with the Dividend Deed Poll; and
- (iii) Admission having become effective by 8.00 a.m. on 11 October 2010 (or such later time and/or date as the Company and the Banks may decide).

If the Open Offer does not become unconditional in all respects, no New Ordinary Shares will be issued under the Open Offer and all monies received by the Receiving Agent will be returned to applicants without interest and at their risk as soon as possible thereafter.

3.3 Underwriting of the Open Offer

Qatar Holding, GF Investments, Land Breeze and the MSREF Funds have each provided irrevocable undertakings to the Company pursuant to the terms of the Subscription and Repurchase Agreement (in their capacity as subscribers) to take up their respective Open Offer Entitlements, being in aggregate entitlements to 73,804,332 New Ordinary Shares.

Excluding the Open Offer Entitlements of Qatar Holding, GF Investments, Land Breeze and the MSREF Funds, for which irrevocable undertakings have been provided, the Open Offer has been underwritten by Qatar Holding, GF Investments, Land Breeze and the MSREF Funds, on the terms of the Subscription and Repurchase Agreement (in their capacity as the Underwriters). The Bank Agreement provides, among other things, that each of the MSREF Funds' underwriting commitments under the Subscription and Repurchase Agreement may be terminated at any time prior to three Business Days before the date of Admission, on notice by the relevant MSREF Fund to the Company. If so terminated, the relevant MSREF Funds' underwriting commitments will be taken up by Morgan Stanley on the terms of the Bank Agreement. The Bank Agreement governs the relationship between the Banks and the Company in respect of the Open Offer.

Any Non-Accepted Shares will be issued to Qatar Holding, GF Investments, Land Breeze and the MSREF Funds in the following priority:

- (i) up to the first 707,305 Non-Accepted Shares (less the number, if any, of New Ordinary Shares which are subscribed for by any Glick Shareholder other than GF Investments under the Open Offer) to GF Investments;
- (ii) up to the next following 11,168,149 Non-Accepted Shares (less the number, if any, of New Ordinary Shares which are subscribed for by MSSS under the Open Offer) to Land Breeze;
- (iii) up to the next following 15,298,278 Non-Accepted Shares shall be divided equally between Qatar Holdings and GF Investments:
- (iv) up to the next following 7,749,673 Non-Accepted Shares shall be allocated on the following basis (or, if there are fewer than 7,749,673 Non-Accepted Shares remaining, in the same proportions as the numbers in (a), (b) and (c) below bear to each other):
 - (a) 2,819,647 Non-Accepted Shares shall be allocated to Qatar Holding;
 - (b) 2,818,914 Non-Accepted Shares shall be allocated to GF Investments; and
 - (c) 2,111,112 Non-Accepted Shares shall be allocated to Land Breeze; and
- (v) (provided each MSREF Fund does not terminate its underwriting obligation) up to 647,257 Non-Accepted Shares shall be allocated to MSREF on the following basis (or, if there are fewer than 647,257 Non-Accepted Share remaining, in the same proportions as the numbers in (a), (b) and (c) and (d) below bear to each other):
 - (a) 212,482 Non-Accepted Shares shall be allocated to MSREF-T;
 - (b) 283,709 Non-Accepted Shares shall be allocated to MSREF-TE;
 - (c) 128,825 Non-Accepted Shares shall be allocated to MSREF Special; and
 - (d) 22,241 Non-Accepted Shares shall be allocated to MSREI.

If any of the MSREF Funds elects to terminate its individual underwriting obligation under the terms of the Subscription and Repurchase Agreement, the shares allocated to the relevant MSREF Fund shall be allocated to Morgan Stanley under the terms of the Bank Agreement.

The obligations of the Underwriters to subscribe on Admission for Non-Accepted Shares are conditional upon the Bank Agreement becoming unconditional in all respects, save for any condition in the Bank Agreement relating to the Subscription and Repurchase Agreement having become unconditional.

The Company has provided customary warranties under the Subscription and Repurchase Agreement. The Underwriters have committed not to (other than to affiliates) sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the Subscription and Repurchase Agreement for a period of three months from Admission.

4. CWG Dividend

As announced today, the board of CWG resolved on 22 September 2010 to pay an interim dividend of £75 million. On the same date, CWG entered into the Dividend Deed Poll under which CWG is unconditionally and irrevocably contractually obliged to pay the CWG Dividend to its shareholders by 4 October 2010. Given Songbird Finance's 69.25 per cent. shareholding in CWG, Songbird Finance will receive approximately £51.9 million of the CWG Dividend.

5. Use of proceeds

The Company is expecting to raise £140 million (before expenses) through the Open Offer, with the expected net proceeds being £135 million. The Songbird Entities are proposing to use this £140 million, along with Songbird Finance's £51.9 million share of the CWG Dividend, as follows:

- (i) £136.5 million as payment to the Lenders (being an affiliate of Qatar Holding, Chichester Luxembourg Sàrl (an entity controlled by the Glick Shareholders), Land Breeze (a wholly-owned subsidiary of CIC) and the MSREF Funds) to repurchase the Facility, such amount being equal to the amount of principal and accrued but unpaid interest outstanding under the Facility on Admission;
- (ii) £27.6 million to pay accrued dividends to the holders of Preference Shares (being Qatar Holding and Land Breeze) up to and including 30 September 2010;
- (iii) £6.5 million as payment to GF Investments (one of the Glick Shareholders) in respect of the SG Dividend plus interest thereon;
- (iv) approximately £5 million to pay the total costs associated with the Open Offer, including £1.2 million of underwriting fees to the Underwriters (being GF Investments, Land Breeze, the MSREF Funds and Qatar Holding);
- (v) £0.6 million to pay the extension fees and legal expenses to the Lenders in connection with the short extension and repurchase of the Facility; and
- (vi) the balance for general working capital purposes.

6. Impact of the Proposed Transaction

As at 30 June 2010 adjusted net asset value per Ordinary Share was 178 pence compared to the *pro forma* adjusted net asset value per Ordinary Share on the basis that the Proposed Transactions had taken place at that date of 170 pence.

Net debt as at 30 June 2010 was £3,726.7 million and "look through" LTV was 77.6 per cent. compared to the *pro forma* net debt and "look through" LTV of £3,618.0 million and 73.8 per cent. respectively on the basis that the Proposed Transaction had taken place at that date. "Look Through" LTV is the ratio of the net debt of the Company and its subsidiaries, adjusted to reflect to the Company's 69.25 per cent. stake in CWG, to the market value of the Canary Wharf Group's total property, each as at 30 June 2010. Details of the *pro forma* adjustments are set out in Part IV (*Unaudited Pro Forma Statement of Net Assets*) in the Prospectus.

7. Warrants

The Warrants (currently convertible, in aggregate, into 28,366,666 Ordinary Shares, representing 4.33 per cent. of the Ordinary Shares currently in issue) have been issued under the Warrant Instrument, with each 100 Warrants being convertible into one Ordinary Share at an exercise price of £0.015 per Warrant.

Pursuant to the terms of the Warrant Instrument and as a result of the Open Offer, the number of Ordinary Shares into which the Warrants are convertible will be increased to account for the dilutive effect of the Open Offer.

8. Share capital following Admission

Immediately following Admission, the total number of Shares in issue will be 1,039,913,962, comprising 764,913,962 Ordinary Shares and 275,000,000 Preference Shares.

9. Ownership of Songbird following Admission

Following Admission, Qualifying Shareholders who do not take up (or are deemed not to have taken up) any of their Open Offer Entitlements will experience, as a result of the Open Offer, a dilution of 14.3 per cent. to their interests in the Company which, following the exercise of the Warrants in full, would be further diluted.

Immediately following Admission, the shareholding of each person who, directly or indirectly, is expected to be interested in three per cent. or more of the Company's share capital, and the amount of each such person's interest, is as follows:

Holder of Ordinary Shares	Assuming full take up under the Open Offer ⁸		Assuming no take up by Shareholders other than Majority Shareholders under the Open Offer ^{10,9,10}	
	Number of ordinary shares ¹²	% of issued Ordinary Share capital	Number of ordinary shares ¹²	% of issued Ordinary Share capital

⁸ Assuming no exercise of the Warrants. Following Admission, pursuant to the terms of the Warrant Instrument and as a result of the Open Offer, the numbers of Ordinary Shares over which such Warrants are held will increase to account for the dilutive effect of the Open Offer.

⁹ The Open Offer Entitlement of the Majority Shareholders will either be taken up by the relevant Majority Shareholders directly or by their affiliates through the underwriting described in paragraph 3 above.

¹⁰ In addition, Qatar Holding currently holds Warrants over 8,404,938 Ordinary Shares, Land Breeze holds Warrants over 10,716,296 Ordinary Shares, an affiliate of the Glick Shareholders holds Warrants over 8,404,938 Ordinary Shares and the MSREF Funds holds Warrants over 840,493 Ordinary Shares.

Qatar Holding	183,245,730	24.0	193,714,516	25.3
Land Breeze	116,107,690	15.2	125,867,941	16.5
Glick Shareholder Group	183,198,080	24.0	193,666,133	25.3
MS Shareholder Group ¹¹	63,551,500	8.3	64,198,757	8.4

Holder of Preference Shares	Number of Preference Shares	% of issued Preference Share capital
Qatar Holding	150,000,000	55
Land Breeze	125,000,000	45

Qatar Holding

Qatar Investment Authority is an authority of the State of Qatar. It was founded in 2005 to strengthen the country's economy by diversifying into new asset classes. For further information please refer to Qatar Investment Authority's website at www.qia.qa.

Qatar Holding is a wholly-owned subsidiary of Qatar Investment Authority. Qatar Holding was established in the Qatar Financial Centre in Doha, Qatar on 4 April 2006 under registration number 00004. Qatar Holding is the prime vehicle for Qatar Investment Authority's strategic and direct investments.

Land Breeze

Land Breeze, a société à responsabilité limitée incorporated in Luxembourg, is an indirect wholly owned subsidiary of CIC. CIC, established on 29 September 2007, is an investment institution established as a wholly state-owned company under the Company Law of the People's Republic of China and headquartered in Beijing.

CIC's fundamental approach is to hold, manage, and invest its mandated assets to maximise shareholder value. It operates with independence and its investment decisions are based on the pure economics of each deal. While every investment is unique, CIC believes in the importance of having a long-term vision and, as a result, it is committed to investing for the long-term. As a

¹¹ FIC, a wholly-owned subsidiary of CIC, is a limited partner in one of the funds comprising the MS Shareholder Group accounting for an interest attributable to FIC in 21,091,186 Ordinary Shares assuming full take up under the Open Offer and up to 21,091,186 Ordinary Shares assuming no take up by Shareholders other than the Majority Shareholders under the Open Offer. This interest is accounted for in the figures for the MS Shareholder Group

commercial investment institution, CIC seeks high financial returns within its accepted risk tolerance.

Glick Shareholder Group

The Glick Shareholders are investment vehicles and trusts connected with Simon Glick and his family. Simon Glick is a New York based professional investor who has invested both his and his family's capital for over four decades. Areas in which Mr. Glick invests include risk arbitrage, statistical arbitrage, special situations, undervalued securities, private equity, bank debt and real estate. Mr Glick first invested in the Canary Wharf Group in 1995 when CWG was purchased by a consortium of international property investors. He subsequently invested in the Company, as part of another international consortium (including the MSREF Funds and MSRESS Funds) in 2004.

MS Shareholder Group

The MS Shareholder Group consists of entities managed by Morgan Stanley Real Estate Investing. Morgan Stanley Real Estate Investing is one of the largest real estate investment managers globally. Since 1991, it has acquired \$174 billion of real estate assets worldwide and currently manages \$43.6 billion in real estate assets on behalf of its clients.

One of the entities within the MS Shareholder Group is MSSS. MSSS is a limited partnership whose general partner is an affiliate of the MSRESS Funds and whose limited partner is FIC. The voting of the Ordinary Shares held by MSSS is a matter for its general partner subject to prior consultation with FIC.

PART V

RELATED PARTY TRANSACTIONS

Qatar Holding, the Glick Shareholder Group and Land Breeze are direct or indirect shareholders of Songbird who each hold more than 10 per cent. of the voting rights attached to the total issued share capital of the Company. As such, the transactions documented in the Subscription and Repurchase Agreement, to which they are all party, constitute related party transactions under the AIM Rules for Companies. The Directors, other than those associated with any of the related party shareholders, having consulted with J.P. Morgan Cazenove (in its capacity as the Company's nominated adviser pursuant to the AIM Rules for Companies), consider that they are satisfied that the terms of the transactions described above are fair and reasonable insofar as the shareholders are concerned.

PART VI

DEFINITIONS

“2009 Placing and Compensatory Open Offer”	the Placing of 43,025,116,080 Ordinary Shares (prior to the consolidation of Ordinary Shares of 0.1 pence each into Ordinary Shares of 10 pence each) pursuant to the terms and conditions of the placing agreement entered
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	into between the Company, J.P. Morgan Cazenove Limited, J.P. Morgan Cazenove, Morgan Stanley & Co. International plc and Rothschild on 24 September 2009 and the compensatory open offer of 18,974,938,930 Ordinary Shares by the Company pursuant to the terms and conditions described in the 2009 Prospectus;
“2009 Prospectus”	the Prospectus relating to the 2009 Placing and Compensatory Open Offer published by the Company on 24 September 2009;
“Admission”	the admission of the New Ordinary Shares to trading on AIM;
“AIM Rules for Companies”	the rules for AIM companies published by the London Stock Exchange;
“Application Form”	the personalised application form by which Qualifying Non- CREST Shareholders (other than, subject to certain exceptions, Restricted Shareholders) may take up and apply for New Ordinary Shares under the Open Offer;
“Articles”	the articles of association of the Company, the details of which are set out in paragraph 4 of Part XI (Additional Information) of the 2009 Prospectus;
“Bank Agreement”	the agreement dated 22 September 2010 between the Company and the Banks relating to the Open Offer;
“Banks”	J.P. Morgan Cazenove, Morgan Stanley and Rothschild;
“Board”	the board of directors of the Company;
“Business Day”	any day (excluding Saturdays and Sundays) open in London for normal banking business Stock Exchange is open for trading;
“Canary Wharf Group”	CWG and its subsidiaries;
“Capita Registrars”	Capita Registrars Limited;
“CCSS”	the CREST Courier and Sorting Office established by Euroclear to facilitate, among other things, the deposit and withdrawal of securities;
“certificated” or “in certificated form”	not in uncertificated form;
“Chairman”	the chairman of the Board;

“CIC”	China Investment Corporation;
“Citi”	Citibank, N.A., London Branch;
“Citi Facility Agreement”	the facility agreement dated 17 May 2007 entered into between the Company, Songbird Finance, Citigroup Global Markets Limited, Citibank N.A., London Branch and Morgan Stanley Mortgage Servicing Limited;
“Citi Loan Repurchase”	the repurchase of Citi’s interests under the Citi Facility Agreement in accordance with the terms of the Citi Purchase Agreement;
“Citi Purchase Agreement”	the purchase agreement dated 28 August 2009 entered into between Songbird, Songbird Finance and Citi relating to the Citi Facility Agreement;
“City”	the City of London (post codes EC1 (excluding EC1N), EC2(excluding EC2A), EC3, EC4 (excluding EC4A and EC4Y), SE1 and E1);
“Closing Price”	the closing middle market quotation of Ordinary Shares;
“Company” or “Songbird”	Songbird Estates plc;
“Controlled Subsidiary”	means any subsidiary of the Company where the Controlled Shareholder(s) of that subsidiary holds, or together hold, at least 75 per cent. of the voting rights generally exercisable at general meetings of that subsidiary and, for these purposes, “Controlled Shareholder” means, in relation to any subsidiary of the Company, a shareholder in, or member of, that subsidiary which is either the Company or is itself a Controlled Subsidiary;
“CREST”	the relevant systems (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST Manual”	the rules governing the operation of CREST consisting of the CREST Reference Manual, the CREST International Manual, the CREST Central Counterpart Service Manual, the CREST Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedures and the CREST Glossary of Terms (as updated in November 2001);

“CREST member”	a person who has been admitted to CREST as a system-member (as defined in the CREST Manual);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001/3755), as amended from time to time;
“CWG”	Canary Wharf Group plc;
“CWG Dividend”	the £75 million dividend declared by the board of CWG on 22 September 2010;
“CWG Share Purchase”	the purchase by the Company of the 54,007,620 CWG Shares from Commerzbank AG for a consideration of £112.5 million pursuant to the terms of the CWG Share Purchase Agreement;
“CWG Share Purchase Agreement”	the agreement entered into between the Company and Commerzbank AG on 17 September 2009 in respect of the CWG Share Purchase;
“CWG Shares”	54,007,620 ordinary shares of one penny each in the capital of CWG held by Commerzbank;
“Directors”	the directors of the Company as at the date of this document and “Director” means any one of them;
“Dividend Deed Poll”	the deed poll entered into by CWG in favour of all its shareholders under which it is contractually obliged to pay the CWG Dividend;
“Enlarged Share Capital”	the ordinary share capital of the Company following completion of the Open Offer;
“Estate”	the Canary Wharf Group’s estate, being the mixed office and retail development on or adjacent to the two wharfs formerly known as Canary Wharf together with North Quay, Riverside South and Heron Quays West;
“Euroclear”	Euroclear UK and Ireland Limited;
“Facility”	the £135 million loan provided by certain of the Majority Shareholders or their affiliates to Songbird Finance pursuant to the terms of the Facility Agreement;
“Facility Agreement”	the agreement dated 24 September 2009 (as amended and restated pursuant to an amendment and restatement agreement dated 13 October 2009 and as amended pursuant to an amendment letter dated 24 August 2010) between the Company and the Lenders;

“FIC”	Fullbloom Investment Corporation, a limited liability company incorporated in the People’s Republic of China with registered number 100000000041765(4-2) and a wholly-owned subsidiary of CIC and, where the context requires, its permitted successors or assigns;
“FSA”	the Financial Services Authority of the United Kingdom;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Glick Lender”	Chichester Luxembourg Sàrl;
“Glick Shareholder Group”	all the Glick Shareholders taken together as a group;
“GF Investments”	GF Investments II, L.L.C.;
“Glick Shareholders”	GF Investments, Daniel Sklarin as sole trustee of the Louis and Simon Glick New Jersey 1987 Trust, Daniel Sklarin as sole trustee of the Louis Glick and Seymour Pluchenik New Jersey 1987 Trust and Chichester Fund Limited, and any associate of any Glick Shareholder to whom shares in the Company are transferred or issued, in each case for so long as such person holds Shares in the Company;
“Hedging Agreement”	the ISDA master agreement schedule and confirmation relating to an interest rate swap and cap transaction entered into between Songbird Finance and Citi on 25 May 2007 (with a trade date of 21 May 2007);
“Independent Director”	an independent director of the Company appointed pursuant to the Articles;
“J.P. Morgan Cazenove”	J.P. Morgan Securities Ltd of 125 London Wall, London EC2V 7RF, United Kingdom (which conducts its UK investment banking business as J.P. Morgan Cazenove);
“Land Breeze”	Land Breeze Sàrl, a wholly owned subsidiary of CIC;
“Land Securities”	Land Securities Group PLC;
“Lenders”	the lenders under the Facility Agreement;
“London Stock Exchange”	London Stock Exchange plc;
“LTV”	loan to value;
“Majority Shareholders”	the MS Shareholders, the Glick Shareholders, Qatar

	Holding and FIC and each a “Majority Shareholder”;
“Morgan Stanley”	Morgan Stanley Securities Limited, a company incorporated in England and Wales (with registered number 02068221) and having its offices at 25 Cabot Square, London, E14 4QA;
“MSREF Funds”	the real estate private equity funds managed by MSREF IV International – G.P., L.L.C., consisting of MSREF-TE, MSREF-T, MSREI and MSREF Special and “MSREF Fund” means any of MSREF-TE, MSREF-T, MSREI or MSREF Special;
“MSREF Special”	Morgan Stanley Real Estate Fund IV Special International, L.P., a limited partnership organised under the laws of Delaware and having its offices at 1585 Broadway, 37th Floor, New York, New York 10036;
“MSREF-T”	Morgan Stanley Real Estate Fund IV International-T, L.P., a limited partnership organised under the laws of Delaware and having its offices at 1585 Broadway, 37th Floor, New York, New York 10036;
“MSREF-TE”	MSREF IV TE Holding, L.P., a limited partnership organised under the laws of the Cayman Islands and having its offices at P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, BWI;
“MSREI”	Morgan Stanley Real Estate Investors IV International, L.P., a limited partnership organised under the laws of Delaware and having its offices at 1585 Broadway, 37th Floor, New York, New York 10036;
“MS Shareholder Group”	all of the MS Shareholders, acting together as a group;
“MS Shareholders”	one or more (as the case may be) of (i) the MSREF Funds, (ii) the MSRESS Funds and MSSS, and/or any of their successors and permitted assigns;
“MSSS”	MSRESS II Co-Investment Partnership, L.P., a limited partnership organised under the laws of the Cayman Islands and having its offices at P.O. Box 309, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, acting by its general partner MSRESS II GP Co-Investment Ltd.;
“New Ordinary Shares”	Ordinary Shares to be issued by the Company pursuant to the Open Offer;

“Non-Accepted Shares”	any New Ordinary Shares which are not (or are deemed not to have been) taken up under the Open Offer (excluding any New Ordinary Shares offered to GF Investments, Qatar Holding, Land Breeze and the MSREF Funds Pursuant to their Open Offer Entitlements);
“Offer”	the recommended offer made by Morgan Stanley & Co Limited and NM Rothschild & Sons Limited on behalf of Songbird Acquisition (and in the United States by Songbird Acquisition), on the terms and subject to the conditions set out in the offer document dated 23 April 2004, to acquire all the shares in CWG not already owned by Songbird Acquisition;
“Offer Price”	128 pence per New Ordinary Share;
“Open Offer”	the open offer of 109,375,000 New Ordinary Shares by the Company to Qualifying Shareholders, pursuant to the terms and conditions described in Part III (Terms and Conditions of the Open Offer) and, in the case of Qualifying Non-CREST Shareholders, in the Application Form;
“Open Offer Entitlements”	entitlements to subscribe for New Ordinary Shares allocated to a Qualifying Shareholder pursuant to the Open Offer;
“Ordinary Shares”	ordinary shares of 10 pence each in the capital of the Company, in each case having the rights and subject to the restrictions set out in the Articles;
“Preference Shares”	the preference shares of £1 each in the capital of the Company having the rights and subject to the restrictions set out in the Articles;
“Princes Gate Investors”	Princes Gate Investors III, L.P., BPEF 2 Princes G III Partners, L.P., Hasso Plattner, and Originators Investment Plan, L.P. and/or their respective successors and assigns;
“Proposed Transactions”	the Open Offer, payment of the CWG Dividend, payment of accrued dividends on the Preference Shares and payment of the SG Dividend as described in this announcement and the Subscription and Repurchase Agreement (pursuant to which the Facility is repurchased) as described in the Appendix;
“Prospectus”	the prospectus and AIM admission document published by the Company in connection with the Open Offer and the admission to trading of the New Ordinary Shares on AIM;

“Qatar Holding”	Qatar Holding LLC, established in the Qatar Financial Centre in Doha with registration number 0004 and a wholly-owned subsidiary of Qatar Investment Authority, and where the context requires, its permitted successors and assigns;
“Qatar Lender”	Qatar Luxembourg II Sàrl;
“Qualifying CREST Shareholders”	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;
“Qualifying Non-CREST Shareholders”	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in certificated form;
“Qualifying Shareholders”	holders of Ordinary Shares on the register of members of the Company on the Record Date;
“Receiving Agent”	Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
“Record Date”	5.00 p.m. on 21 September 2010;
“Regulatory Information Service”	a regulatory information service that is approved by the FSA and that is on the list of regulatory information service providers maintained by the FSA;
“Remaining Shares”	those New Ordinary Shares for which payment in cleared funds has not been received by 5.00 p.m. on 15 October 2010 (or such later date as the parties to the Subscription and Repurchase Agreement may agree);
“Restricted Jurisdiction”	the United States, Canada, Australia, Republic of South Africa, New Zealand and Japan and any other jurisdiction where the extension or availability of the Open Offer (and any other transaction contemplated thereby) would breach any applicable law;
“Restricted Shareholder”	subject to the exception as set out in paragraph 7 of Part III (Terms and Conditions of the Open Offer) Qualifying Shareholders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in, the United States or any other Restricted Jurisdiction;
“Rothschild”	NM Rothschild & Sons Limited, a company incorporated in England and Wales with registered number 925279 whose registered office is New Court, St Swithin’s Lane,

London EC4P 4DU;

“SG Dividend”	the dividend to be paid to the holders of shares which, prior to 14 October 2009 were designated as “SG Shares” pursuant to an agreement dated 24 September 2009 between the Company and the Glick Shareholders;
“Shareholders”	the holders of any issued shares in the capital of the Company from time to time and “Shareholder” means any one of them;
“Shares”	the issued shares in the capital of the Company including the Preference Shares, where the context so requires;
“Songbird Acquisition”	Songbird Acquisition Limited, a company incorporated in England and Wales with registered number 5075686 and whose registered office is at One Canada Square, Canary Wharf, London E14 5AB;
“Songbird Entities”	Songbird and its wholly-owned subsidiaries being Songbird Acquisition, Songbird Finance and Songbird Finance Two;
“Songbird Finance”	Songbird Finance Limited, a company incorporated in England and Wales with registered number 6208721 and whose registered office is at One Canada Square, Canary Wharf, London, E14 5AB;
“Songbird Finance Two”	Songbird Finance (Two) Limited, a company registered in England and Wales with registered number 7020675 and whose registered office is at One Canada Square, Canary Wharf, London, E14 5AB;
“Subscription and Repurchase Agreement”	the agreement dated 22 September 2010 between the Company, the Lenders and certain of the Majority Shareholders relating to the subscription for New Ordinary Shares and commitment to underwrite the Offer by the Majority Shareholders and the repurchase of the Facility by the Company;
“subsidiary”	a “subsidiary undertaking” as that term is defined in the 2006 Act;
“Underwriters”	Qatar Holding, Land Breeze, Chichester Fund Limited and MSREF, in their capacity as underwriters pursuant to the terms of the Subscription and Repurchase Agreement;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;

“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“Warrants”	the warrants exercisable into Ordinary Shares in the share capital of the Company issued to Majority Shareholders pursuant to the terms of the Warrant Instrument; and
“Warrant Instrument”	the warrant instrument executed by the Company on 24 September 2009;

All references to “**pounds**”, “**pounds sterling**”, “**sterling**”, “**£**”, “**pence**”, “**p**” and “**penny**” are to the lawful currency of the United Kingdom.

All references to “**Euros**” and “**€**” are to the lawful currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

All references to “**US dollars**” and “**\$**” are to the lawful currency of the United States.

All references in this document to times are, unless the context otherwise requires, references to the time in London, United Kingdom.

All references to the singular include the plural and *vice versa*; and all references to one gender necessarily include the other gender.

All references to “**paragraph**” and “**Part**” in this document are references to the paragraphs and Parts of this document unless otherwise stated.

APPENDIX SUMMARY OF SUBSCRIPTION AND REPURCHASE AGREEMENT

On 22 September 2010, the Songbird Entities, Qatar Holding, the Qatar Lender, GF Investments, the Glick Lender, Land Breeze and the MSREF Funds entered into the Subscription and Repurchase Agreement.

The Subscription and Repurchase Agreement extended the term of the Facility Agreement until 31 October 2010. The interest rate payable under the Facility was increased to 8.5 per cent. per annum during the extended term.

Also under the terms of the Subscription and Repurchase Agreement, and conditional on the Bank Agreement becoming unconditional in accordance with its terms (save for any term in the Bank Agreement relating to the Subscription and Repurchase Agreement becoming unconditional):

- (A) Qatar Holding undertook to subscribe for its entitlement under the Open Offer of 26,202,295 New Ordinary Shares for a total consideration of approximately £33.5 million;

- (B) GF Investments undertook to subscribe for its entitlement under the Open Offer of 25,488,176 New Ordinary Shares for a total consideration of approximately £32.6 million;
- (C) Land Breeze undertook to subscribe for its entitlement under the Open Offer of 16,099,048 New Ordinary Shares for a total consideration of approximately £20.6 million;
- (D) the MSREF Funds undertook to subscribe for their entitlement under the Open Offer of 6,014,813 New Ordinary Shares for a total consideration of approximately £7.7 million;
- (E) the Company undertook to acquire the Facility from the Lenders;
- (F) the Qatar Lender and the Glick Lender directed the Company to make payment of amounts due in respect of the repurchase of the Facility to Qatar Holding (in the case of the Qatar Lender) and to GF Investments (in the case of the Glick Lender);
- (G) the Underwriters undertook to subscribe for Non-Accepted Shares in the following priority:
 - (i) up to the first 707,305 Non-Accepted Shares (less the number, if any, of New Ordinary Shares which are subscribed for by any Glick Shareholder other than GF Investments under the Open Offer) to GF Investments;
 - (ii) up to the next following 11,168,149 Non-Accepted Shares (less the number, if any, of New Ordinary Shares which are subscribed for by MSSS under the Open Offer) to Land Breeze;
 - (iii) up to the next following 15,298,278 Non-Accepted Shares shall be divided equally between Qatar Holding and GF Investments;
 - (iv) up to the next following 7,749,673 Non-Accepted Shares shall be allocated on the following basis (or, if there are fewer than 7,749,673 Non-Accepted Shares remaining, in the same proportions as the numbers in (a), (b) and (c) below bear to each other):
 - (a) 2,819,647 Non-Accepted Shares shall be allocated to Qatar Holding;
 - (b) 2,818,914 Non-Accepted Shares shall be allocated to GF Investments; and
 - (c) 2,111,112 Non-Accepted Shares shall be allocated to Land Breeze; and
 - (v) (provided each MSREF Fund does not terminate its underwriting obligation) up to 647,257 Non-Accepted Shares shall be allocated to

MSREF on the following basis (or, if there are fewer than 647,257 Non-Accepted Shares remaining, in the same proportions as the numbers in (a), (b) and (c) and (d) below bear to each other):

- (a) 212,482 Non-Accepted Shares shall be allocated to MSREF-T;
- (b) 283,709 Non-Accepted Shares shall be allocated to MSREF-TE;
- (c) 128,825 Non-Accepted Shares shall be allocated to MSREF Special; and
- (d) 22,241 Non-Accepted Shares shall be allocated to MSREI,

In addition, any Remaining Shares are allocated in accordance with the priority set out above if they were additional Non-Accepted Shares.

If any of the MSREF Funds elects to terminate its individual underwriting obligation under the terms of the Subscription and Repurchase Agreement, the shares allocated to the relevant MSREF Fund (including Remaining Shares) shall be allocated to Morgan Stanley under the terms of the Bank Agreement.

- (H) the Company undertook to pay underwriting commissions in the following amounts:
 - (i) £401,973.24 to GF Investments;
 - (ii) £402,001.38 to Qatar Holding;
 - (iii) £374,793.64 to Land Breeze; and
 - (iv) £8,159.31 to MSREF-T;
 - (v) £10,894.43 MSREF-TE;
 - (vi) £4,946.88 to MSFEF Special; and
 - (vii) £854.05 to MSREI.
- (I) Songbird Finance undertook to pay the extension fees and legal expenses to the Lenders in connection with the short extension and repurchase of the Facility in an aggregate amount of £633,750;
- (J) the Company undertook to pay the accrued dividend on the Preference Shares for the period up to and including 30 September 2010;
- (K) the Company undertook to pay the SG Dividend to GF Investments; and
- (L) Qatar Holding, GF Investments, Land Breeze and the MSREF Funds and Songbird agreed that their obligations as set out above shall be satisfied by

setting-off amounts owed by Songbird to Qatar Holding, GF Investments, Land Breeze and the MSREF Funds in respect of the repurchase of the Facility and in respect of dividends and underwriting commission against Qatar Holding's, GF Investment's, Land Breeze's and the MSREF Fund's obligations to make payments to Songbird in connection with their subscription for Ordinary Shares under the Open Offer and in respect of their underwriting commitments.

If the Subscription and Repurchase Agreement has not become unconditional by 5.00 pm on 31 October 2010:

- (A) the Subscription and Repurchase Agreement will terminate; and
- (B) provided that:
 - (i) the reason the Subscription and Repayment Agreement has not become unconditional is not solely due to circumstances within the sole power and control of the Songbird Entities;
 - (ii) the accrued dividend on the Preference Shares for the period up to and including 30 September 2010 has been paid;
 - (iii) the extension fee of 1 per cent. of amounts outstanding under the Facility has been paid; and
 - (iv) certain other conditions (including the LTV ratio test and there being no outstanding default) are satisfied,

Songbird Finance may elect that the Facility is automatically (and without any further action by the Songbird Entities or the Lenders) extended to 22 September 2011.

The Company has provided customary warranties under the Subscription and Repurchase Agreement. The Underwriters have committed not to (other than to affiliates) sell, transfer or grant an encumbrance over any New Ordinary Shares subscribed for under the Subscription and Repurchase Agreement for a period of three months from Admission.