

WARNER ESTATE HOLDINGS PLC

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 as soon as possible. If you have sold or otherwise transferred all your shares in Warner Estate Holdings PLC (the "Company"), please pass this document and the accompanying Form of Proxy to the person who arranged the sale or transfer, for transmission to the purchaser or transferee.

WARNER ESTATE HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 870816)

DIRECTORS

P C T WARNER (*Chairman and Chief Executive*)

P W COLLINS, MBA, BSc, FCA (*Finance*)

M J STEVENS, BSc, FRICS, CEnv Flnt CPD (*Property*)

W R BRODERICK, BSc, FBCS, CEng (*Non-executive Director*)

J R AVERY, LLB (*Non-executive Director*)

G A COOKE, BSc, MRICS (*Non-executive Director*)

R H WARNER, ACA (*Non-executive Director*)

REGISTERED OFFICE

Nations House
103 Wigmore Street
London W1U 1AE

28 July 2008

To Shareholders and participants in the AESOP and, for information only, to participants in the Warner Estate Share Schemes

Dear Shareholder,

ANNUAL GENERAL MEETING 2008

I am pleased to announce that the Company's Annual General Meeting will be held at Claridge's, Brook Street, London W1K 4HR on 10 September 2008 at 12 noon. Set out in this document is a notice convening the Annual General Meeting. Accompanying the Notice are explanatory notes on the business of the meeting. Your Board believes that all the proposals to be put to you at this year's Annual General Meeting are in the best interests of the Company and all shareholders.

Details of how shareholders will be able to vote by proxy at the forthcoming Annual General Meeting are included in the notes to the notice of Annual General Meeting and on the Form of Proxy, which is enclosed with this document. Similarly, if you are a participant in the AESOP, a letter from Capita Trustees Limited and a Voting Direction Form are enclosed with this document.

ANNUAL REPORT AND ACCOUNTS

Please also accept this document as notification that the Company's Annual Report and Accounts for the year ended 31 March 2008 has now been published on the Company's website at www.warnerestate.co.uk in the Investor Relations section. To access this document you will need to have Adobe Acrobat Reader installed.

If you have elected to receive a printed copy of the Company's Annual Report and Accounts or are a new shareholder, that document is enclosed with this document.

If you would like to receive general communications from the Company via e-mail rather than paper notifications, please visit the Investor Relations section of the Company's website and register your e-mail address. The Company will donate £5 to Trees For Cities for every shareholder that registers an e-mail address for electronic communications through the website. Trees For Cities is an independent charity set up in 1993 to work with local communities on tree planting projects.

Please note that you will still have the right to request (at no extra charge) printed copy versions of shareholder information sent to you by means of a website and should you subsequently wish to change your election or receive documents or information in printed copy form you can do so at any time by contacting the Company's Registrars. If you wish to receive a printed copy of the Annual Report and Accounts for the year ended 31 March 2008, please write to the Company Secretary.

DIVIDEND PAYMENTS

Following the Company's conversion to a Real Estate Investment Trust (REIT) on 1 April 2007, the Company may pay two types of dividend. You will receive a Property Income Distribution (PID) that is derived from income generated from the Company's qualifying property rental business and you may also receive a Non-Property Income Distribution (Non-PID) that is derived from residual business activity. The PID and Non-PID will be paid separately due to their different tax treatment. Withholding Tax will normally be deducted from the PID, but some shareholders may qualify for gross payment in respect of the PID.

The shareholders who qualify for gross payment are broadly UK resident companies, UK public bodies, UK pension funds, and the managers of ISAs, PEPs and Child Trust Funds. Details regarding the tax treatment of dividends are included on the Company website and are reproduced at the back of this document. Also available on the website for download are the appropriate forms that would need to be completed to make a claim for the PID to be paid gross. Alternatively, you can request copies of the forms by writing to the Company Secretary. The forms should be lodged with the Company's Registrars by 20 August 2008 in order to be applied to the next dividend payment, which will be paid on 19 September 2008.

NEW ARTICLES OF ASSOCIATION

We are asking shareholders to adopt new Articles of Association, primarily to reflect certain changes in the law governing Directors' conflicts of interest. An explanation of the changes is set out in the explanatory notes of the business to be considered at this year's Annual General Meeting which appear on pages 5 to 7 of this document.

OTHER SHAREHOLDER SERVICES

Finally, I would like to take this opportunity to advise you of the other services that are available to shareholders via the Company's website. These include access to your shareholding and dividend history and the ability to amend your dividend mandate details and address online. Please visit the Company website at www.warnerestate.co.uk and follow the link in the Investor Relations Section for further information on these services.

Yours faithfully,

PHILIP WARNER
CHAIRMAN

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-third Annual General Meeting of Warner Estate Holdings PLC (the "Company") will be held at Claridge's, Brook Street, London W1K 4HR on 10 September 2008 at 12 noon (the "Meeting") for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolutions:

- 1 That the Reports of the Directors and Auditors and the Accounts for the year ended 31 March 2008 be received.
- 2 That the Directors' Remuneration Report for the year ended 31 March 2008 be approved.
- 3 That a final dividend on the issued Ordinary shares of 11.25p per share in respect of the year ended 31 March 2008 be declared and be paid on 19 September 2008 to shareholders on the register at the close of business on 22 August 2008.
- 4 That Mr P C T Warner be re-elected a Director of the Company.
- 5 That Mr J R Avery be re-elected a Director of the Company.
- 6 That Mr W R Broderick be re-elected a Director of the Company.
- 7 That Mr G A Cooke be re-elected a Director of the Company.
- 8 That Mr R H Warner be re-elected a Director of the Company.
- 9 That PricewaterhouseCoopers LLP be re-appointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and that the Directors be authorised to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions, of which those numbered 10 and 11 will be proposed as Ordinary Resolutions and those numbered 12 to 15 will be proposed as Special Resolutions:

- 10 That the Directors of the Company are authorised to:
 - (I) exercise the power conferred upon them by article 130 of the Company's Articles of Association (as from time to time varied) so that, to the extent and in the manner determined by the Directors as permitted by article 130, the holders of Ordinary shares may elect to receive new Ordinary shares credited as fully paid, instead of cash in respect of the whole or part of any future dividend (including any interim dividend) paid by the Directors or declared by the Company in general meeting (as the case may be) in respect of any financial period of the Company ending prior to the date of the annual general meeting of the Company to be held in 2013 to the extent that the Directors decide, at their discretion, to offer a scrip dividend alternative in respect of such dividend; and
 - (II) capitalise an amount equal to the nominal value of the new Ordinary shares of the Company to be allotted pursuant to any elections made as aforesaid out of the amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), as the Directors may determine, to apply such sum in paying up such Ordinary shares in the Company in full and to allot such Ordinary shares to the shareholders of the Company validly making such elections in accordance with their respective entitlements.
- 11 That the authorised share capital of the Company be and is hereby increased from £3,000,000 to £4,000,000 by the creation of 20,000,000 Ordinary shares of 5p each ranking pari passu in all respects with the existing Ordinary shares of 5p each in the capital of the Company.
- 12 That:
 - (I) the Company be and is hereby generally and unconditionally authorised to purchase on the London Stock Exchange (by way of market purchases as defined in Section 163(3) the Companies Act 1985) not more than 8,420,012 Ordinary shares of 5p each in the capital of the Company at a price not exceeding 5% above the average of the middle market quotations for an Ordinary share derived from The London Stock Exchange Daily Official List for the five business days immediately preceding the day of purchase nor less than 5p per share for a period expiring (unless previously renewed, varied or revoked by the Company in General Meeting) 15 months after the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution, whichever first occurs; and
 - (II) the Company may, before the expiry of this authority, make a contract to purchase Ordinary shares under this authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Ordinary shares in pursuance of any such contract.

13 That the Directors be and are hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 (the "Act") to exercise all or any of the powers of the Company to allot relevant securities (within the meaning of Section 80(2) of the Act) up to an aggregate nominal amount of £191,456.75 for a period expiring (unless previously renewed, varied or revoked by the Company in General Meeting) 15 months after the passing of this resolution or on the conclusion of the next Annual General Meeting of the Company following the passing of this resolution or on the date on which the adoption of new Articles of Association pursuant to Resolution 15 takes effect, whichever first occurs, save that the Company may prior to such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

14 That subject to the passing of Resolution 13 set out in the notice of this meeting, the Directors be and are hereby generally empowered pursuant to Section 95 of the Companies Act 1985 (the "Act") to allot equity securities (within the meaning of Section 94(2) of the Act) of the Company for cash pursuant to the authority conferred by the said Resolution 13 as if Section 89(1) of the Act did not apply to such allotment provided that this power:

(I) shall expire 15 months after the passing of this resolution or on the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or on the date on which the adoption of new Articles of Association pursuant to Resolution 15 takes effect, whichever first occurs, save that the Company may prior to such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power conferred by this resolution had not expired; and

(II) shall be limited to:

(a) any allotment of equity securities in connection with a rights issue or other offer of equity securities to holders of equity securities in proportion (as nearly as may be) to their then holdings subject only to the Directors having a right to make such exclusions or arrangements in connection with such offer as they deem necessary or expedient:

(i) to deal with equity securities representing fractional entitlements and

(ii) to deal with legal or practical problems arising in any overseas territory or the requirements of any recognised regulatory body or any stock exchange, or any other matter whatsoever; and

(b) any other allotments of equity securities for cash up to an aggregate nominal amount of £140,427.16.

The power conferred on the Directors by this Resolution 14 shall also apply to a sale of treasury shares, which is an allotment of equity securities by virtue of Section 94(3A) of the Act, but with the omission of the words "pursuant to the authority conferred by the said Resolution 13".

15 That the new Articles of Association of the Company in the form produced to the Meeting and initialled by the Chairman of the Meeting for the purpose of identification, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association, with effect from 1 October 2008, or any later date on which Section 175 of the Companies Act 2006 comes into effect.

By Order of the Board

D J LANCHESTER
SECRETARY

Nations House
103 Wigmore Street
London W1U 1AE
28 July 2008

NOTES

1. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. Completion of a form of proxy does not prevent a member from attending and voting at the Meeting in person.

2. A form of proxy is enclosed. To be valid, forms of proxy, completed in accordance with the instructions printed on them, must be lodged with the Company's Registrars, Capita Registrars, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time fixed for holding the Meeting. Alternatively, you may submit your proxy vote electronically using the share portal service at www.capitashareportal.com.

3. A person who is not a member of the Company, but has been nominated by a member of the Company (the "relevant member") under section 146 of the Companies Act 2006 to enjoy information rights (the "nominated person"), does not have the right to appoint any proxies under note 2 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the meeting. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights. It is important to remember that a nominated person's main contact in terms of their investment remains the relevant member (or perhaps the custodian or broker who administers the investment) and a nominated person should continue to contact them (and not the Company) regarding any changes or queries relating to their personal details and holding (including any administration thereof). The only exception to this is where the Company writes to a nominated person directly for a response.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment may do so for the Annual General Meeting to be held on 10 September 2008 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CREST specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at close of business on 8 September 2008 shall be entitled to attend and/or vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after close of business 8 September 2008 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

6. At 25 July 2008 (being the last business day prior to the publication of this notice) the issued share capital of the Company consists of 56,170,865 Ordinary shares, carrying one vote each. Of these, 250,000 Ordinary shares are held in treasury. Therefore, the total voting rights in the Company as at 25 July 2008 are 55,920,865.

7. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

8. The following documents will be available for inspection at the Company's registered office at Nations House, 103 Wigmore Street, London W1U 1AE during normal business hours on any business day (excluding Saturdays and public holidays) from 28 July 2008 until the time of the Annual General Meeting, and also for a least 15 minutes prior to, and during, the Meeting:

(i) copies of the service contracts and letters of appointment of the Directors of the Company;

(ii) the register of interests of directors and their connected persons in the shares of the Company; and

(iii) a copy of the proposed new Articles of Association of the Company, and a copy of the existing Articles of Association marked to show the changes proposed to be made to the existing Articles of Association.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The Directors believe the proposed resolutions are in the best interests of the Company and its members and unanimously recommend members vote in favour of the proposed resolutions, as the Directors intend to do in respect of their own beneficial shareholdings.

Resolutions 1 to 11 (inclusive) are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 12 to 15 (inclusive) are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The following pages contain explanatory notes regarding the proposed resolutions that the Board believe may require specific explanation.

RESOLUTION 2 – DIRECTORS' REMUNERATION REPORT

Shareholders are given the opportunity by law to vote on whether or not they approve the Remuneration Report and this vote will be in respect of the content of the Remuneration Report and not specific to any Director's level or terms of remuneration.

The Remuneration Report is contained in the Annual Report and Accounts 2008, printed copies of which have been sent to those who elected to receive them and are obtainable from the Company Secretary or can be accessed on the Company's website at www.warnerestate.co.uk.

RESOLUTION 3 – DIVIDEND

The Board recommends a final dividend of 11.25p per share. This will be split between a Property Income Distribution (PID) of 6.25p and a Non-PID of 5p.

RESOLUTIONS 4 TO 8 – RE-ELECTION OF DIRECTORS

The Articles of Association of the Company require a certain number of Directors to retire each year by rotation and to stand for re-election. Messrs. P C T Warner, G A Cooke, and J R Avery are retiring by rotation this year and offer themselves for re-election. In addition, Messrs W R Broderick and R H Warner, having served as Directors for more than nine years, are subjecting themselves to re-election at the Annual General Meeting in accordance with the provisions of the Combined Code. Each reappointment will be proposed as a separate resolution. Biographical details of the Directors standing for re-election are given below. The Board recommends their re-appointment at the Annual General Meeting.

P C T WARNER *(Chairman and Chief Executive)*

Age 57, joined the Board in May 1979 and was appointed Chairman in March 1993. A barrister, a non-executive director of Stonemartin PLC and a director of several private companies. Chairman of the Nomination Committee. Has a service agreement terminable by the Company giving twelve months notice.

J R AVERY, LLB *(Non-executive Director)*

Age 62, joined the Board in July 2004. A non-executive director of IAG UK Holdings Ltd. Former Chairman of Equity Insurance Group until January 2007 and previously Chief Executive of Wellington Underwriting plc, where he spent 11 years until his retirement in 2004. Prior to joining Wellington, was employed in senior management positions in the investment and international banking divisions of the Lloyds Bank Group for 20 years. Also Chairman of Invesco Perpetual AiM VCT plc and a former non-executive director of Aspen Insurance Holdings Ltd and East Surrey Holdings plc. Has a three year service agreement terminable by the Company giving six months notice.

W R BRODERICK, BSc, FBCS, CEng *(Non-executive Director)*

Age 67, joined the Board in May 1991, working in information technology strategy with business interests in software development and publishing. Senior Independent Director and Chairman of the Remuneration Committee. Has an annual service agreement terminable by the Company giving six months notice.

G A COOKE, BSc, MRICS *(Non-executive Director)*

Age 59, joined the Board in July 1993. Chairman of Atisreal Limited and a member of the British Council of Offices. Has an annual service agreement terminable by the Company giving six months notice.

R H WARNER, ACA *(Non-executive Director)*

Age 51, joined the Board in March 1994. From 1992 to 2002, Finance Director and Company Secretary of Aukett Group Plc. Finance Director of Neptune Investment Management and a director of several private companies. Chairman of the Audit Committee. Has an annual service agreement terminable by the Company giving six months notice.

RESOLUTION 10 – AUTHORITY TO OFFER SHAREHOLDERS SCRIP DIVIDENDS

The Board has taken note of the choice offered to shareholders of many listed companies to elect to receive all or part of their dividend in shares instead of cash. Consequently the Board is seeking authority in accordance with the Company's Articles of Association to offer shareholders scrip dividends in the form of fully paid ordinary shares in the Company as an alternative to receiving dividends in cash. Although no decision has been taken to offer shareholders a scrip dividend scheme, the Board would like to have the flexibility to do so, should this be in the Company's best interests. If this authority was granted, then the earliest time any such scrip dividend scheme would be introduced would be in relation to the Company's interim dividend that may be paid later this year. If a scrip dividend scheme was to be introduced, then the Board would write to all shareholders in advance setting out further details of the scrip dividend scheme and its implications.

RESOLUTION 11 – INCREASE IN AUTHORISED SHARE CAPITAL

Section 121 of the Companies Act 1985 requires shareholders' authority for the authorised share capital of the Company to be increased. It is proposed that the authorised share capital of the Company be increased by 33 % by the creation of 20,000,000 additional Ordinary shares of 5p each.

Whilst the Directors have no present intention to issue further shares in the Company, they believe that the authorised share capital should be increased in order to provide the Directors with the necessary flexibility in the future should they decide that it would be in the best interests of the Company to issue new shares (subject to their authority to allot and, unless excluded, to statutory pre-emption rights), particularly as the authorised but unissued share capital of the Company currently stands at only 3,829,135 shares with an aggregate nominal value of £191,456.75. The increase in authorised share capital will be particularly beneficial if the Directors decide to offer scrip dividends in the form of fully paid Ordinary shares in the Company, should resolution 10 be passed by shareholders.

RESOLUTION 12 – AUTHORITY TO PURCHASE OWN SHARES

The Company is seeking authority to purchase up to 14.99% of its Ordinary shares at, or between the minimum and maximum prices specified in this resolution. The Directors consider that purchases of Ordinary shares in the capital of the Company are in the Company's and shareholders' interests when the purchase of Ordinary shares at a price below the value of the net assets attributable to each share increases the value of the net assets attributable to the remaining Ordinary shares.

Under the Companies Act 1985, the Company is allowed to hold its own shares in treasury following a buyback, instead of cancelling them as previously required. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Board exercises the authority conferred by Resolution 12, the Company will have the option of holding repurchased shares in treasury.

The total number of options to subscribe for Ordinary shares that were outstanding as at 28 July 2008 was 515,636 representing approximately 0.92% of the issued share capital at that date and 1.08% if the authority to purchase shares under this resolution is used in full.

The authority sought at the Annual General Meeting will expire at the conclusion of the next Annual General Meeting or 15 months after the passing of the resolution, whichever is the earlier.

RESOLUTION 13 – ALLOTMENT OF SHARES

This resolution authorises the Directors to allot ordinary shares up to a maximum nominal amount equal to the authorised but unissued share capital of the Company as at 28 July 2008. Having regard to the equity securities presently in issue, if Resolution 13 is passed, the Directors will have the authority to allot up to 3,829,135 Ordinary shares representing 6.82% of the issued share capital (as at 28 July 2008).

This power will expire on the earlier of the date of the next Annual General Meeting or 15 months after the passing of the Resolution or on the adoption of new Articles of Association, whichever is the earlier. The reason the power will expire upon the adoption of new Articles of Association proposed to be adopted under Resolution 15 is because the new Articles of Association contain the same authority as granted under this resolution. There is no present intention by the Board to exercise this power, but the Board considers that it is in the best interests of the shareholders as a whole to have such an authority in place and recommends that you vote in favour of the Resolution 13.

RESOLUTION 14 – DISAPPLICATION OF PRE-EMPTION RIGHTS

It is proposed to renew the authority to the Directors to allot equity securities for cash without first being required to offer such securities to existing shareholders. The authority relates to up to £140,427.16 of nominal capital, being 5% of the issued ordinary share capital of the Company as at 28 July 2008 and the authority will expire on the earlier of the date of the next Annual General Meeting or 15 months after the passing of the Resolution or on the date on which the adoption of new Articles of Association pursuant to Resolution 15 takes effect, whichever is the earlier. The new Articles of Association proposed to be adopted under Resolution 15 contain the same authority as granted under this resolution. Having regard to the equity securities presently in issue, if Resolution 14 is passed, the Directors' power to make allotments for cash, without a pre-emptive offer, will be limited to 2,808,543 Ordinary shares, representing 5% of the issued share capital.

RESOLUTION 15 – NEW ARTICLES OF ASSOCIATION

The Companies Act 2006 (the "2006 Act") received Royal Assent in November 2006, but is being implemented by the Government in stages. It is proposed that at this year's Annual General Meeting, the Company adopts new Articles of Association to reflect certain changes in the law governing Directors' conflicts of interest, which is due to come into force under section 175 of the 2006 Act on 1 October 2008. Although the only material change to the Articles of Association is to Article 105 in respect of Directors' conflicts of interest, the Company is proposing to adopt new Articles of Association to take the opportunity to amend the interpretation section of the Articles of Association to refer to the 2006 Act and include the same authorities as granted under Resolutions 13 and 14.

The new Articles of Association are expressed to be adopted from 1 October 2008, or any later date on which section 175 of the 2006 Act comes into effect. Until that date, the existing provisions on conflicts of interests will remain effective. A copy of the proposed new Articles of Association of the Company, and a copy of the existing Articles of Association marked to show the changes proposed to be made to the existing Articles of Association, will be available for inspection at the Company's registered office at Nations House, 103 Wigmore Street, London W1U 1AE during normal business hours on any business day (excluding Saturdays and public holidays) from 28 July 2008 until the time of the Annual General Meeting, and also for a least 15 minutes prior to, and during, the Meeting.

The 2006 Act sets out directors' general duties, which largely codify the existing law, but with some changes. Under the 2006 Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.

The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts where appropriate, provided that the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The new Articles of Association give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards that will apply when Directors decide whether to authorise a conflict or potential conflict. Firstly, only Directors who have no interest in the matter being considered will be able to take the relevant decision and, secondly, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the new Articles of Association should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors.

It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers to authorise conflicts are operated effectively.

Due to the phased nature of implementation of the 2006 Act, it is likely that further related changes to the Articles of Association will be required. Over the coming year the Company (in conjunction with its legal advisers) intends to conduct a further review of the Articles of Association, incorporating any further changes which are necessary or desirable following the full implementation of the 2006 Act. Any proposed amendments will be put to shareholders at the next Annual General Meeting.

REITS – TAX CONSEQUENCES FOR SHAREHOLDERS

IMPORTANT NOTE

This summary of tax consequences for shareholders is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional tax advice. Warner Estate Holdings PLC accepts no responsibility for any loss arising from any action taken or not taken by any person using this material. If you are in any doubt as to your tax position or if you may be subject to tax in jurisdiction other than the UK, you should consult your own professional advisor.

1 BACKGROUND

Following conversion to REIT status on 1 April 2007, Warner Estate Holdings PLC expects that future dividend payments, although made on the same date, may comprise either a mixture of both Property Income Distribution (PID) and non-PID dividends or solely a PID, depending on the circumstances at the time. The amount of the PID and any non-PID elements of the dividend will be shown on the associated tax vouchers.

2 NON-PID DIVIDEND PAYMENTS

The non-PID element of dividends will be treated in exactly the same way as Warner Estate Holdings PLC dividends prior to becoming a REIT and in the same way as dividends received for non-REIT companies. Accordingly a tax credit of 10% will be deemed to have been deducted from the non-PID dividend payment.

3 PID DIVIDEND PAYMENTS

- a. PIDs are taxable as property letting income in the hands of shareholders who pay tax, but will be treated separately from any other property letting business which shareholders may carry on.
- b. From the 2007/08 tax year onwards, Her Majesty's Revenue & Customs (HMRC) tax returns will contain a separate box and explanatory notes to enable individual tax payers to declare amounts received in the form of PID dividend payments.
- c. PID dividend payments will generally be paid out after deductions of withholding tax at the basic rate. At present this is 20% for 2008/09. Basic rate tax may vary after 2008/09. However, certain classes of shareholder may be able to claim exemption from deduction of withholding tax. Examples of such classes of shareholder are:-

UK Resident Companies
UK Charities
UK Public Bodies
UK Pension Funds
Managers of PEPs, ISAs and Child Trust Funds

NOTE: It is expected that overseas non-UK resident shareholders and individual private shareholders will not be eligible to claim exemption from deduction of withholding tax.

- d. Shareholders who wish to claim exemption from withholding tax on PID dividends payments should complete one of the forms included in the REIT section of Warner Estate's website (there are separate forms for use by shareholders and intermediaries acting on behalf of shareholders). The completed forms should be submitted to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Kent, BR3 4TU. Exemption claim forms should generally be sent so as to arrive at the Registrars by the record date prior to the next dividend payment date, usually about four weeks before. More detail on dividend payment dates are set out in the Financial Calendar section of our website. Please note that exemption claim forms are "evergreen" – i.e. once submitted they will apply for all future PID dividends payments until revoked by the shareholder.
- e. Withholding tax is credited against a shareholder's own tax liability on the PID. Shareholders whose rate of tax is less than 20% or who do not pay tax at all, perhaps because of personal allowances or other reliefs, may reclaim the difference from HMRC.
- f. Non-resident shareholders in countries with double tax treaties with the UK, which provide for withholding tax on dividends at lower rates than 20%, may be able to make claims for repayment of the difference from HMRC.