

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, it is recommended that you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

If you have sold or otherwise transferred all of your ordinary shares in Capital Shopping Centres Group PLC, please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the ordinary shares.

Capital Shopping Centres 

Capital Shopping Centres Group PLC

(incorporated and registered under the laws of England and Wales with registered No. 3685527)

**Proposed Transactions with the Peel Group
and
Notice of General Meeting**

This document should be read as a whole. Your attention is drawn to the letter to shareholders from the Chairman of Capital Shopping Centres Group PLC ("**CSC**" or "**the Company**"). This document contains a recommendation that you vote in favour of the resolutions to be proposed at the General Meeting referred to below.

Notice of a general meeting of CSC to be held at 40 Broadway, London SW1H 0BT at 11 am on Friday 17 February 2012 (the "**General Meeting**") is set out at the end of this document. A Form of Proxy to be used in connection with the General Meeting is enclosed and, to be valid, should be completed, signed and returned following the procedures described in note 1 of the Notice of General Meeting so as to be received by the Company's registrars as soon as possible but, in any event, so as to arrive no later than 11 am on Wednesday 15 February 2012 (or, in the case of an adjourned meeting, at least 48 hours before the time appointed for holding the adjourned meeting). Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

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Letter from the Chairman of Capital Shopping Centres Group PLC

(incorporated and registered under the laws of England and Wales with registered No. 3685527)

Directors:

Patrick Burgess MBE, Chairman
John Whittaker, Deputy Chairman
David Fischel, Chief Executive
Matthew Roberts, Finance Director
John Abel
Richard Gordon
Ian Henderson CBE
Andrew Huntley
Lady Patten
Rob Rowley
Neil Sachdev
Andrew Strang

Registered Office:

40 Broadway
London SW1H 0BT

25 January 2012

Dear Shareholder

Proposed transactions with the Peel Group and Notice of General Meeting

I Introduction

1.1 Announcements

On 25 January 2012, the Company announced two proposed transactions with the Peel Group:

- a proposal to acquire, through CSC's wholly owned subsidiary Braehead Park Estates Limited, a 30.96 acre site known as King George V Docks (West) ("**KGV West**") from Clydeport Properties Limited ("**Clydeport**") for a total cash consideration of £4,674,000 (the "**KGV Acquisition**"); and
- a proposal to acquire an option (the "**Option**") to purchase certain land in the province of Malaga, Spain, from subsidiaries of Peel Holdings Limited ("**Peel Holdings**"). The price for the grant of the Option would be €2.5 million alongside a refundable deposit of €7.5 million. The availability of this opportunity was pursuant to a provision in the original documentation relating to the acquisition of The Trafford Centre, which was signed in November 2010,

together, the "**Transactions**".

1.2 Purpose of this document

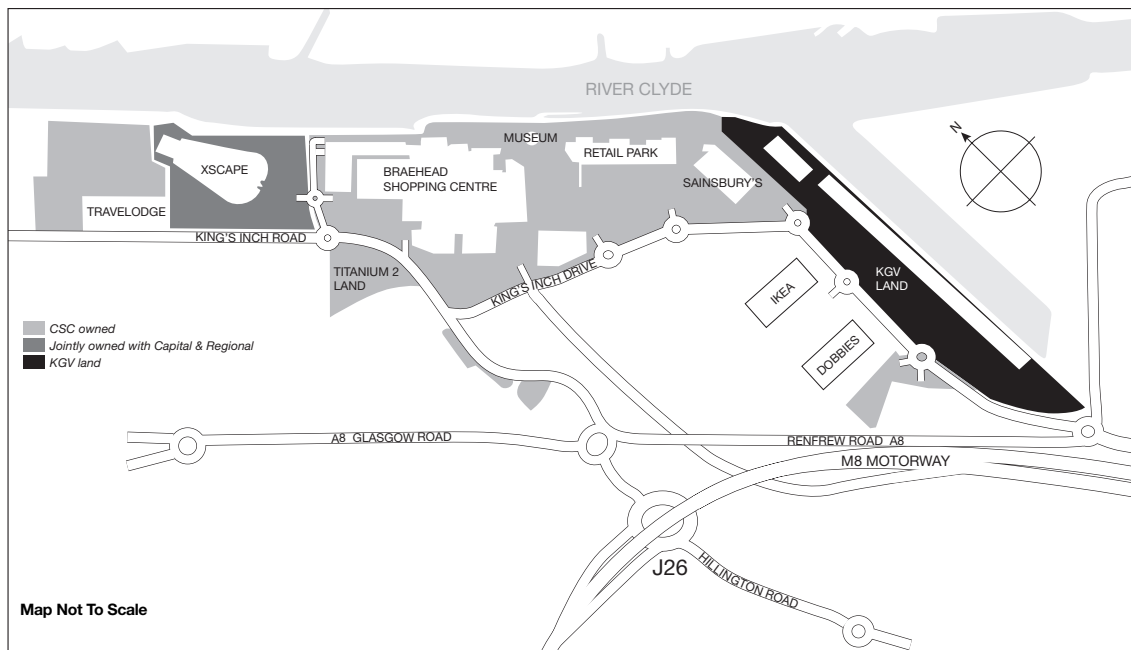
The purpose of this document is to provide you with further details about the Transactions and to explain why the board of CSC (the "**Board**" or the "**CSC Board**") believe they are in the best interests of the Company and shareholders as a whole. We recommend that you vote in favour of the resolutions to be proposed at the General Meeting, as further set out in paragraph 10 below.

The General Meeting will be held on Friday 17 February 2012 at 11 am at 40 Broadway, London SW1H 0BT. The notice convening the General Meeting can be found at the end of this document and a Form of Proxy accompanies this document.

1.3 The KGV Acquisition

KGV West is a dock, quayside and general yard with a rental income of £414,000 per annum. It is adjacent to CSC's Braehead shopping centre at Braehead, Glasgow (as shown on the map below) and the Board believes that KGV West offers opportunities for future development in relation to the shopping centre and leisure activities at Braehead. KGV West has an established infrastructure with excellent road links, a waterfront location, and is in close proximity to some large retail occupiers.

CSC believes that there is considerable opportunity for Braehead to develop as a strategic centre and CSC continues to work constructively with the local authority on a master plan for the area which should lead over time to increased economic and social activity.

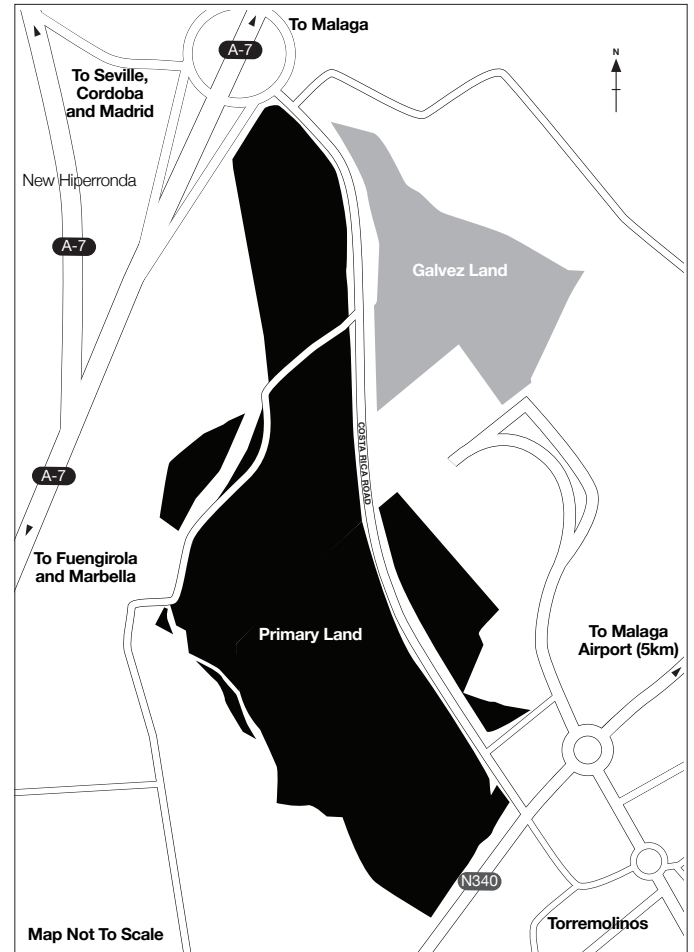
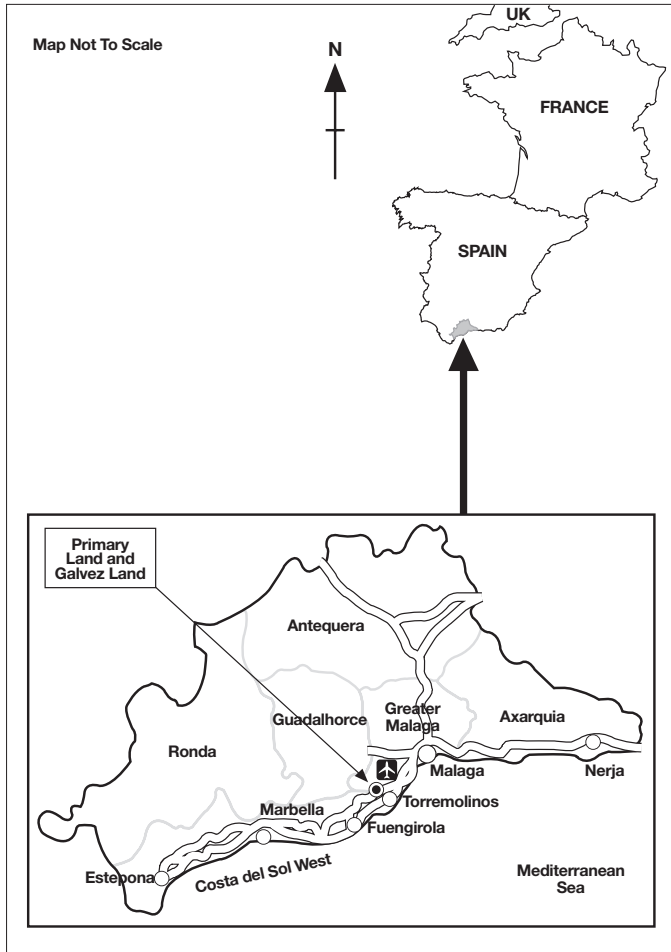


1.4 The Option

The Option relates to a site comprising two adjacent parcels of land in the province of Malaga, Spain (as shown on the maps below). One parcel (the "**Primary Land**") covers approximately 60 acres and has initial planning consents for the construction of a high class regional shopping centre. The second parcel (the "**Galvez Land**") is an adjacent approximately 14 acre area earmarked for possible future development.

The initial planning consent is for a shopping centre with a total floor area of over 80,000 sq.m. comprising retail, bars and restaurants and a multi-screen cinema. In addition, initial planning consent exists for a residential development, a petrol filling station, 5,000 car parking spaces and a luxury 250 bedroom hotel. The shopping centre would occupy a major strategic position accessible to an estimated population of 1.6 million people, together with 6 million tourists annually, within a 45 minute drive time. The centre would have direct access to the A7, the major regional coastal motorway for the whole of the Costa del Sol, the recently completed outer ring road of Malaga and the N340, the main coast road running through Torremolinos, and would benefit from its proximity to both Torremolinos and Malaga.

When CSC purchased The Trafford Centre from the Peel Group in January 2011, it was agreed that CSC would have an eighteen month period to consider participation in the development of the centre. Having undertaken such review, the CSC Board now believes that the Option will give CSC access to a considerable opportunity to secure a prominent site, exclusively available to CSC, at a relatively low cost and with minimal risk. CSC would have up to a three year period to assess the opportunity and monitor market conditions both there and in Spain generally, with the benefit of input from the existing local professional team and advisers involved on the project.



The Option can be exercised at CSC's discretion. If market conditions have not improved during the three year period to support an acceptable return for CSC, then CSC may choose not to exercise the Option. If the development proceeds, the aim would be for the centre to become a regional shopping centre destination in the Andalucia region.

1.5 Related party issues

Both Transactions are with members of the Peel Group, of which John Whittaker, Deputy Chairman and Non-Executive Director of CSC, is the chairman and which, through associated companies, is CSC's largest beneficial shareholder. Both Transactions are related party transactions under the Financial Services Authority rules pertaining to listed companies (the "Listing Rules") but, on account of their small size, including when aggregated, and the fact that the Company can comply with the provisions of Listing Rule 11.1.10 (which relates to smaller related party transactions), they fall below the threshold for shareholder approval under the Listing Rules. However, both the KGV Acquisition and the acquisition of the Option constitute substantial property transactions with a person connected with a director of the Company under Section 190 of the Companies Act 2006 and certain of the financial arrangements relating to the Option will technically constitute loan or quasi loan transactions with a person connected with a director of the Company under Section 200 of the Companies Act 2006, and both are therefore conditional upon the approval of shareholders, which is to be sought at a General Meeting of the Company to be held on Friday 17 February 2012.

In accordance with the Board's governance arrangements, John Whittaker did not take part in the Board's discussions on the resolutions having declared his interest as chairman of the Peel Group.

The exercise of the Option would also be a related party transaction for the purposes of the Listing Rules, and would also be a substantial property transaction with a person connected with a director for the purposes of Section 190 of the Companies Act 2006. As a result, should CSC wish to exercise the Option, CSC would expect, subject to applicable law and regulation in force at the time, to be required to seek further approval from shareholders at that time.

2 Summary information on CSC

CSC is a specialist developer, owner and manager of pre-eminent UK regional shopping centres. Excluding Broadmarsh, Nottingham, acquired by CSC on 1 December 2011, CSC owns 14 regional shopping centres amounting to 16.0 million sq. ft. of retail space and externally valued at £6.9 billion as at 30 June 2011.

CSC's strategy is to be the landlord of choice for retailers, to provide compelling destinations for shoppers and to offer clarity and transparency to investors. CSC focuses on the creation of long term and sustainable growth in net rental income with a view to generating superior shareholder returns through dividend growth and capital appreciation.

3 Summary information on the Peel Group

The Peel Group is one of the leading infrastructure, transport and real estate enterprises in the UK, with assets owned and under management of in excess of £5 billion. Founded by John Whittaker in 1971, the Peel Group has grown through a philosophy of recycling capital and long-term investment, predominantly in the North West of England. The Peel Group holds significant investments in a number of growing businesses including ports, media, energy, land, developments, investment property, environmental assets, airports, hotels, utilities and advertising, as well as a portfolio of investments in quoted companies.

The Peel Group is controlled by the Billown Trust. The Billown Trust (of which John Whittaker is a discretionary beneficiary) is based in the Isle of Man and owns 73.2 per cent of the Peel Group. The remainder of the Peel Group is owned by the Olayan Group which is a private multinational enterprise comprising 50 companies and affiliated businesses engaged in distribution, manufacturing, services and investment in Saudi Arabia. It operates or actively participates in more than 40 countries, often in partnership with leading multinationals. Internationally it is a global investor, with emphasis on both public and private equities and on fixed income securities.

In January 2011, CSC acquired The Trafford Centre and £67.4 million in cash from the Peel Group in exchange for consideration comprising the issue to the Peel Group of 167.3 million new ordinary shares in CSC and an aggregate nominal amount of £154.3 million 3.75 per cent convertible bonds (the "**Convertible Bonds**"). Following completion of The Trafford Centre acquisition, and subsequent market purchases of shares in CSC, the Peel Group holds, as at 24 January 2012 (being the latest practicable date prior to publication of this document), 172.4 million ordinary shares in CSC representing 20.0 per cent of current voting rights in CSC. If the full aggregate nominal amount of the Convertible Bonds were to be converted into ordinary shares, the Peel Group would hold a total of 211.0 million ordinary shares representing 23.5 per cent of CSC's then issued share capital.

4 Background to and reasons for the KGV Acquisition

4.1 Background

CSC believes there is considerable opportunity for Braehead to develop as a strategic centre and CSC continues to work constructively with the local authority on a master plan for the area which should lead over time to increased economic and social activity.

4.2 Strategic rationale

KGV West is a 30.96 acre dock, quayside and general yard with a rental income of £414,000 per annum. It is adjacent to CSC's Braehead shopping centre at Braehead, Glasgow. The Board believes that KGV West offers opportunities for future development in relation to the shopping centre and leisure activities at Braehead. KGV West has an established infrastructure with excellent road links. It has a waterfront location and is in close proximity to some large retail occupiers.

4.3 Information about Braehead, Glasgow

The shopping centre at Braehead opened in September 1999 and is one of Scotland's premier shopping and leisure destinations and, combined with the retail park, offers approximately 1.1 million sq. ft. of retail and leisure space. Braehead is accessible to 2.4 million people within a 45 minute drive and attracts an estimated 18 million customer visits per annum. The Braehead shopping centre and retail park are at the heart of the successful regeneration area led by CSC, which

now also includes the Xscape leisure destination, Ikea, business parks, new homes, flagship car dealerships and a Dobbies garden centre.

Braehead offers a combination of retail, with 112 shops, and leisure activities in a riverfront location on the River Clyde, including skating, curling, an arena which plays host to national and international events and a business park. The centre and the retail park combine to provide leading names in fashion, lifestyle and household shopping.

Braehead is situated between Glasgow Airport and Glasgow city centre and has direct access from the M8 motorway to its 6,500 free parking spaces. The centre is served by local and regional bus routes and water taxis in the summer.

In addition to Braehead, CSC also owns an adjacent retail park of 11 units including Next at Home, Curry's PC World and Laura Ashley, as well as a nearby 33,000 sq. ft. multi-occupied office building.

4.4 Risks relating to the KGV Acquisition

Any future development at KGV West will be subject to the receipt of applicable planning and other consents and to prevailing market conditions at the relevant time. There is no certainty that such consents will be granted or that market conditions will be appropriate for the development of KGV West at the relevant time.

5 Terms of the KGV Acquisition

To effect the KGV Acquisition, CSC and Clydeport have entered into an acquisition agreement (the "**KGV Acquisition Agreement**") under which CSC will acquire, through its wholly owned subsidiary Braehead Park Estates Limited (the "**KGV Purchaser**"), absolute ownership of the site at KGV West in exchange for a total cash consideration of £4,674,000.

Under the terms of the KGV Acquisition, CSC has also entered into an overage agreement (the "**KGV Overage Agreement**") which provides that if CSC were to (i) dispose of all or any part of the site, or (ii) obtain planning consent to develop the site and commence such development, in either case, within 10 years from the date of the KGV Acquisition Agreement, Clydeport would be entitled to participate in 20 per cent of any valuation uplift in respect of the site. For these purposes, the valuation uplift would be calculated as the disposal value or the enhanced valuation (a valuation of the site with planning consent as procured and after deduction of all development costs) less in each case the base line valuation of £160,000 per acre (which includes all acquisition costs, professional fees, stamp duty land tax, registration dues etc.). The maximum overage payable to Clydeport is capped under the KGV Overage Agreement at £60 million.

If the KGV Acquisition is completed, the KGV Purchaser and Clydeport will enter into a management agreement (the "**KGV Management Agreement**") under which Clydeport will continue to manage the KGV West site prior to any redevelopment for a fee of £20,000 per annum.

The KGV Acquisition is conditional upon, *inter alia*:

- CSC being satisfied on legal title and all tenancy documentation;
- Clydeport surrendering all explosive licences for KGV West; and
- the approval of CSC shareholders at the General Meeting.

If the approval of CSC shareholders is obtained, CSC expects the KGV Acquisition to be completed by the end of February 2012.

6 Background to and reasons for entering into the Option

6.1 Background

When CSC purchased The Trafford Centre in January 2011, it was agreed that CSC would have an eighteen month period to consider participation in the development of a shopping centre on the Primary Land. CSC has undertaken such review and has entered into a three year option arrangement, conditional upon CSC shareholder approval, which ensures the opportunity is exclusively available to CSC for that period.

6.2 Strategic rationale

The Board believes that the Option gives CSC access to a considerable opportunity at a relatively low cost and with minimal risk. CSC would have up to a three year period to fully investigate the opportunity and to monitor market conditions both there and in Spain generally with the benefit of input from the existing local professional team and advisers involved on the project.

The Option can be exercised at CSC's discretion. If market conditions have not improved during the three year period to support an acceptable return for CSC, then CSC would expect to choose not to exercise the Option.

As set out in "Exercise of the Option and further shareholder consent" below, if the CSC Board decides to exercise the Option, it would expect to return to shareholders for further approval at that stage to the extent required under the Listing Rules and the Companies Act 2006.

The site of the Primary Land offers the potential for development of a super-prime shopping centre in southern Spain in a prime location with excellent transport links. The Galvez Land, an approximately 14 acre land parcel adjacent to the Primary Land, provides potential for future development.

6.3 Information about the potential development

If the development proceeds, the aim would be for the centre to become a regional shopping centre destination in the Andalusia region, providing compelling retail and leisure offerings to local residents, expatriates and tourists.

Under existing initial planning consents for the Primary Land, the shopping centre would have a total floor area of over 80,000 sq.m. comprising retail, bars and restaurants, and a multi-screen cinema. In addition, initial planning consent exists for a residential development, a petrol filling station, 5,000 car parking spaces and a luxury 250 bedroom hotel. The centre would be accessible to an estimated population of 1.6 million people, together with 6 million tourists annually, within a 45 minute drive time. The site has excellent road links due to its location adjacent to a major junction between the A7, the main regional coastal motorway for the Costa del Sol, and the recently completed "Hiperronda de Malaga" (the City of Malaga's outer ring road), with direct access to the site. The Primary Land and Galvez Land are separated by the "Costa Rica Road", a major gateway into the City of Torremolinos, and there is also direct access from the N340, the main coast road running through Torremolinos. The site is within 5km of Malaga Airport and within 15 minutes walking distance of the centre of Torremolinos.

6.4 Risks relating to the Option

Any future development of the Primary Land or the Galvez Land will be subject to the receipt of additional planning and other consents and to prevailing market conditions at the relevant time. There is no certainty that such additional consents will be granted, that market conditions will be appropriate for the development of a shopping centre on the Primary Land or that it will be appropriate to exercise the Option.

If the Option is not exercised, the Option Fee (as defined below) will not be refunded to CSC, except in certain limited circumstances outlined below. In addition, CSC will only receive reimbursement or repayment of €2.5 million of Pre-Construction Project Costs (as defined below) funded by CSC. No Pre-Construction Project Costs funded by CSC above this amount will be recoverable, except in certain limited circumstances outlined below.

7 Terms of the Option

7.1 General

CSC and Peel Holdings entered into an option agreement (the "**Option Agreement**") on 24 January 2012, conditional upon CSC shareholder approval. At present, the Primary Land is held by Peel Developments Espana S.L. ("**Peel Espana**"). The Galvez Land is divided into two plots, one owned by Peel Developments Andalucia S.L. ("**Peel Andalucia**") and the other by Peel Espana. Both Peel Espana and Peel Andalucia are wholly owned subsidiaries of Peel Holdings. Under the Option Agreement, CSC will be granted an option to acquire the Peel Group's interests in the Primary Land and the Galvez Land for an initial fee of €2.5 million (the "**Option Fee**"). In addition, CSC will pay a refundable deposit to the Peel Group of €7.5 million (the "**Deposit**"). If the Option is not exercised, or is terminated by CSC, the Deposit will be refunded to CSC.

7.2 Option period

The Option has a term of twenty-four months from the date of any approval by CSC shareholders at the General Meeting (the "**Option Period**"), after which it will expire. The Option Period is capable of being extended, at the sole discretion of CSC, for a further twelve months at no further cost. During the Option Period, CSC and the Peel Group will work together to progress the development plans for the centre and, during this period, no commitments will be entered into, nor will any additional governmental and planning consents be sought, in relation to the Primary Land or the Galvez Land, without CSC's prior consent. The Option can be terminated by CSC at any time during the Option Period if it believes it will no longer be feasible to carry out the development.

7.3 Pre-Construction Project Costs

Costs relating to progressing the project will be incurred by the Peel Group during the Option Period (including certain agreed liabilities already accrued by the Peel Group) (together, "**Pre-Construction Project Costs**"). Under the Option Agreement, CSC will lend or reimburse an amount equal to 50 per cent of any such Pre-Construction Project Costs arising before the exercise of the Option, any such loan being limited to €2.5 million. CSC estimates that the total Pre-Construction Project Costs will amount to approximately €5.0 million and will ensure that its share of Pre-Construction Project Costs will not exceed €10 million without seeking further approval from shareholders. Upon exercise, expiry or termination of the Option, the full amount of the Pre-Construction Project Costs will be borne by the eventual owner of the land:

- If the Option is exercised, CSC will pay or reimburse Peel Holdings for the Pre-Construction Project Costs incurred by the Peel Group during the Option Period, and any loan made by CSC will be repaid by the Peel Group.
- If the Option is not exercised or is terminated, Peel Holdings will reimburse or repay CSC for CSC's half of the Pre-Construction Project Costs up to a maximum of €2.5 million (plus CSC's half of certain planning related payments should they have to be made during the Option Period). In such circumstances the Option Fee will not be refunded to CSC.

In addition, where the Option cannot be exercised and completed for reasons relating to the Peel Group's financing arrangements or any adverse right, and such issue cannot be remedied within 20 working days, Peel Holdings will refund or repay all CSC's other costs (plus interest) relating to the development, including the Option Fee and CSC's share of any Pre-Construction Project Costs above €2.5 million.

All Pre-Construction Project Costs are subject to CSC's prior approval.

7.4 Exercise of the Option and further shareholder consent

The exercise of the Option is at CSC's sole discretion.

The exercise of the Option would be a related party transaction for the purposes of the Listing Rules, and would also be a substantial property transaction with a person connected with a director for the purposes of Section 190 of the Companies Act 2006. As a result, should CSC wish to exercise the Option, CSC would expect, subject to applicable law and regulation in force at the time, to be required to seek further approval from shareholders at that time.

7.5 Consideration

Upon the completion of the Option, the €7.5 million Deposit would cease to be refundable and would form part of the purchase price for the Primary Land. In addition, €30 million would be payable by CSC to Peel Espana, and CSC will pay or reimburse Peel Holdings for the Pre-Construction Project Costs incurred by the Peel Group during the Option Period (as outlined above).

In addition to the above, an overage payment could be due in relation to the Primary Land if the shopping centre is opened within ten years of exercise of the Option, based on 10 per cent of any valuation surplus (less development costs) of the shopping centre calculated on the fifth anniversary of the centre opening.

Upon completion of the Option, CSC will acquire the Galvez Land for €8,075,000 in cash.

7.6 Share subscription

In addition, as part of completion of the Option, where the 30-day average of the volume weighted average price of CSC's ordinary shares (the "**VWAP**") is greater than or equal to 350 pence and is more than 90 per cent of CSC's most recently reported adjusted, diluted net asset value per CSC ordinary share, Peel Espana or another member of the Peel Group will subscribe €30 million for CSC ordinary shares (the "**Subscription Shares**"). The number of Subscription Shares to be issued will be determined by dividing the amount of €30 million (converted into Pounds Sterling) by the VWAP. Where the VWAP is less than 350 pence or is less than 90 per cent of CSC's most recently reported adjusted, diluted net asset value per CSC ordinary share, CSC can elect to pay in cash or require the Peel Group to subscribe for CSC ordinary shares. The Peel Group will not be required to subscribe for CSC ordinary shares to the extent that it would be required to make a mandatory takeover offer for CSC under the City Code on Takeovers and Mergers.

8 General Meeting

As explained in Section 1 above, the Transactions each constitute transactions with a person connected with a director of the Company which are required to be approved by shareholders for the purposes of the Companies Act 2006 and are therefore subject to shareholder approval. You will find set out at the end of this document a notice convening a General

Meeting of the Company to be held on Friday 17 February 2012 at 11 am at 40 Broadway, London SW1H 0BT. This General Meeting is being held for the purpose of considering and, if thought fit, passing resolutions to approve the Transactions and related arrangements. The resolutions are set out in full in the Notice of General Meeting. The resolutions are proposed as ordinary resolutions.

9 Action to be Taken

Whether or not shareholders propose to attend the General Meeting, it is important that they complete, sign and return a Form of Proxy or vote electronically as set out below. The completion and return of a Form of Proxy in hard copy or voting electronically will not prevent you from attending and voting at the General Meeting in person if you wish.

To be valid, the Form of Proxy must be lodged with the Company's registrars by not later than 11.00 am GMT on Wednesday 15 February 2012.

Shareholders receiving hard copies of this document or a postal alert will also have received a Form of Proxy for voting at the General Meeting. For other shareholders, a Form of Proxy is available for download from the Capital Shopping Centres Group website (www.capital-shopping-centres.co.uk).

Shareholders registered on the United Kingdom section of the register should return the Form of Proxy to the reply-paid address shown on the Form of Proxy or as instructed on the downloaded proxy or, for personal delivery, to Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or alternatively may give their instructions electronically via the registrar's website: www.capitashareportal.com. If their shares are held in CREST, they may if preferred give instructions electronically via CREST as detailed in the notes to the Notice of General Meeting on pages 9 to 11.

Shareholders registered on the South African section of the register should return the Form of Proxy to the reply-paid address shown on the Form of Proxy or as instructed on the downloaded proxy or, for personal delivery, to Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001, South Africa, unless the shares are held through a Central Securities Depository Participant (CSDP) or broker, in which case the proxy voting instruction is to be provided to the CSDP or broker (as applicable) in sufficient time to permit the CSDP or broker to advise the registrar no later than 11.00 am GMT on Wednesday 15 February 2012. Please contact your CSDP or broker for advice as to any earlier final dates for lodgement.

If you are a shareholder holding shares through a CSDP or broker and wish to attend the General Meeting in person, you must request the necessary letter of representation from your CSDP or broker prior to the meeting.

The record date for the General Meeting is Wednesday 15 February 2012. Transfers of ordinary shares between the principal CSC UK register and the CSC South African register will be prohibited, and the registration of transfers of share certificates of CSC ordinary shares on the South African register will be suspended, from the close of business on Wednesday 8 February 2012 until the record date.

10 Recommendation

In the Board's opinion, the KGV Acquisition and the Option are in the best interests of the Company and shareholders as a whole and the CSC Board recommends that shareholders vote in favour of the resolutions as those directors with beneficial shareholdings in the Company intend to do in respect of their own shares amounting in aggregate to 178,934,745 CSC ordinary shares representing approximately 20.80 per cent of the existing issued ordinary share capital of CSC. In addition, Sir Donald Gordon, his family and related trusts have declared their intention to vote in favour of the resolutions, representing an additional 10.08 per cent of the existing share capital.

The CSC Board urges you to complete, sign and return your Form of Proxy or vote electronically as soon as possible, and in any event, by no later than such time as is necessary to ensure receipt of your votes by the Company's registrars by 11 am GMT on Wednesday 15 February 2012.

Yours faithfully



Patrick Burgess MBE
Chairman

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Capital Shopping Centres Group PLC (the “**Company**”) will be held at 40 Broadway, London SW1H 0BT on Friday 17 February 2012 at 11 am GMT to consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary resolutions.

1. That the acquisition by Braehead Park Estates Limited, a subsidiary of the Company, of the 30.96 acre site known as King George V Docks (West) from Clydeport Properties Limited and related arrangements as described in the Company’s circular to Shareholders dated 25 January 2012 and as amended from time to time by the Directors be and are hereby approved, including for the purposes of chapter 4 of part 10 of the Companies Act 2006.
2. That the acquisition of an option relating to the approximately 60 acre site known as the Primary Land and the approximately 14 acre site known as the Galvez Land with Peel Holdings Limited and related financial and other arrangements as described in the Company’s circular to Shareholders dated 25 January 2012 and as amended from time to time by the Directors be and are hereby approved, including for the purposes of chapter 4 of part 10 of the Companies Act 2006.

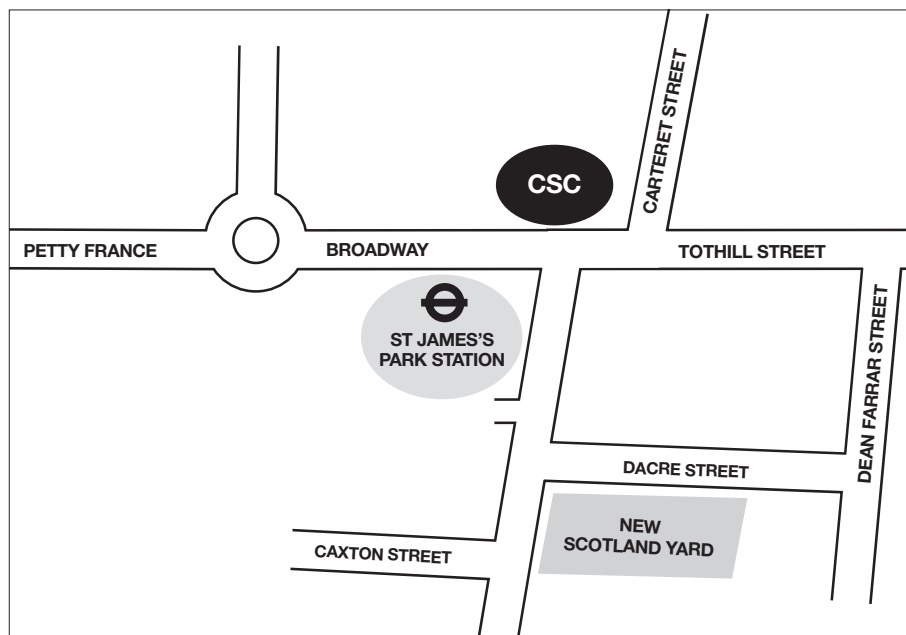
Registered Office:

40 Broadway
London SW1H 0BT

By order of the Board,

Susan Marsden
Secretary

25 January 2012



Capital Shopping Centres Group PLC General Meeting

40 Broadway, London SW1H 0BT, United Kingdom
Friday 17 February 2012 at 11.00 am GMT

Notes:

1 A member entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote instead of the member. A proxy need not be a member of the Company but must attend the General Meeting to represent the member. If the member appoints more than one proxy, each proxy must be appointed to exercise the right attached to a different share or shares held by the member. A Form of Proxy is enclosed for use by Shareholders. In order to be valid, a Form of Proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be returned by one of the following methods:

- in hard copy form by post, by courier or by hand to the appropriate Company registrar; in the case of members on the Company's UK register, to Capita Registrars Limited, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom and, in the case of members on the Company's South African register, to Computershare Investor Services (Pty) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107, South Africa); or
- electronically for members on the Company's UK register through the UK registrar's website www.capitashareportal.com; or
- for members on the Company's South African register only, to the South African registrar by fax to +27 (0)11 688 5238 or by email to proxy@computershare.co.za; or
- in the case of CREST members, by utilising the procedure set out below under the heading "FOR CREST MEMBERS ONLY"; or
- in the case of SA Shareholders holding their shares through a CSDP or broker, by providing the proxy voting instruction to the CSDP or broker (as applicable).

SA Shareholders holding their shares through a CSDP or broker must advise their CSDP or broker if they wish to attend the General Meeting or send a proxy to represent them at the General Meeting. Their CSDP or broker will issue them with the necessary letter of representation to attend or be represented at the General Meeting. If they do not wish to attend the General Meeting, but wish to cast their votes, they should provide their CSDP or broker with their voting instructions. In the absence of such instructions, their CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker.

To be valid, proxies must be received no later than 48 hours before the time of the General Meeting or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting. Where shares are held by a CSDP or broker, proxy voting instructions must be provided in sufficient time to permit the CSDP or broker to advise the registrar no later than 48 hours before the time of the General Meeting or any adjournment thereof. Please contact your CSDP or broker for advice as to any earlier final dates for lodgement. Appointment of a proxy does not preclude a Shareholder from attending the General Meeting and voting in person.

- 2 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered on the register of members of the Company as at 6.00 pm on the day that is two days before the day of the General Meeting shall be entitled to attend and vote at the aforesaid General Meeting in respect of the number of shares registered in their name at that time or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- 3 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 4 Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. On a vote by show of hands every member who is present has one vote. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he or she is the holder. The total number of issued Ordinary Shares in the Company, being the total number of votes exercisable on 24 January 2012, which is the latest practicable date before the publication of this document, is 860,347,169.
- 5 Any corporation which is a member can appoint one or more corporate representatives who may exercise on such corporation's behalf all of its powers as a member provided that they do not do so in relation to the same shares. All corporate representatives should bring evidence of their appointment to the General Meeting in the form of a resolution of the relevant corporation's board of directors (or other governing body) or other evidence of authority.
- 6 Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if (a) to do so would interfere unduly with preparation for the General Meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or good order of the General Meeting that the question be answered.

- 7 Subject to note 2 above, members may attend, speak and vote at the General Meeting by presenting themselves at the above place at the stated time. Doors to the venue open at 10.00 am GMT and members are encouraged to arrive before 10.45 am in order for them to register and be seated by the time the General Meeting is convened. Please allow time for registration and security checks.
- 8 A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at www.capital-shopping-centres.co.uk and will be available for inspection by members at the Company's registered office from the date of this notice until the date of the General Meeting.
- 9 Members may not use any electronic address provided in either this notice of General Meeting or any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

FOR CREST MEMBERS ONLY

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting to be held on Friday 17 February 2012 and any adjournment(s) thereof by utilising 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 by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message (regardless of whether it relates to the appointment of a proxy or to 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 Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of General 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 Applications Host) from which the Company'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 a proxy appointed through CREST should be communicated to it by other means.

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.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that EUI 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 or 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.



www.capital-shopping-centres.co.uk

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