

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION

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

Ordinary Shares of 10 pence each (“Ordinary Shares”)

ISIN code GB00B4MTF637

For immediate release

28 January 2015

Update on Board recommendation

On 12 January 2015, the Board published its response circular (the “Response Circular”) in connection with the final offer made by an entity jointly controlled by QIA and Brookfield to acquire the entire issued and to be issued share capital of the Company at a price of 350 pence per Songbird Share.

In the Response Circular, the Board advised Shareholders that the Company’s largest three Shareholders (excluding QIA), namely the Glick Shareholder, China Investment Corporation and the MS Shareholder (the “Major Shareholders”) had each informed the Board that they were at that time continuing to evaluate the Offer and had not reached a decision on whether or not to accept it.

The Board further stated that if one or more of the Major Shareholders were to accept the Offer, the Offer could become or be declared unconditional, leaving any remaining minority Shareholders with a high degree of uncertainty as to how and at what value they would be able to realise their investment and with a risk that Songbird could cease to be listed on AIM. Furthermore, the Board noted that if one or more of the Major Shareholders were to accept the Offer, this would be a material new fact which the Board would have to consider in determining what further recommendation to make to Shareholders.

It is now the Board’s understanding that each of the Major Shareholders intends to accept the Offer. On that basis, and assuming that all of the Songbird Shares in respect of which Brookfield and QIA have received an irrevocable undertaking or letter of intent are also accepted into the Offer and the Offer is declared wholly unconditional, QIA and Brookfield would hold, in aggregate, at least 633,769,575 Songbird Shares, representing approximately 85.60% of the existing issued ordinary share capital of Songbird.

In light of this, the Board wants to make Shareholders aware of the following factors when Shareholders consider their decision on whether or not now to accept the Offer.

Factors for consideration by Shareholders

Price

The Board, which has been so advised by Rothschild, Morgan Stanley and J.P. Morgan Cazenove, continues to believe that the Offer does not reflect the full value of the business, its unique operating platform and its prospects.

Other potential acquirors

Since the announcement of the Offer on 4 December 2014, the Board has engaged in discussions with a number of parties with a view to achieving a higher offer for the benefit of all Shareholders. No such offer has been forthcoming to date and the Board believes that none will now be forthcoming before the first closing date of the Offer on 29 January 2015.

Governance changes

In their Offer Document, QIA and Brookfield stated that a material factor in their decision as to whether or not to waive down their 90% acceptance condition would be the agreement or refusal of the Board to implement their proposed changes to the existing governance arrangements of Songbird set out in the Offer Document.

However, assuming that the Major Shareholders accept the Offer, QIA and Brookfield will have the ability to control the composition of the Board and the governance arrangements of Songbird will therefore not be an impediment to QIA and Brookfield proceeding with their Offer.

Possible de-listing and associated risks

If QIA and Brookfield receive acceptances in respect of, or otherwise acquire 90% or more of the Songbird Shares to which the Offer relates, and assuming all other conditions of the Offer have been satisfied or waived, QIA and Brookfield intend to exercise their right pursuant to the provisions of Chapter 3 of Part 28 of Companies Act 2006 to acquire compulsorily the remaining Songbird Shares.

QIA and Brookfield have said in their Offer Document that, if sufficient acceptances are not received to allow the implementation of such squeeze-out procedure, they will consider whether it is appropriate and relevant to maintain Songbird's listing on AIM subject to Songbird continuing to satisfy AIM eligibility requirements.

Consequently, there is no guarantee that Songbird's listing on AIM will be maintained and there is therefore a risk that Shareholders who do not accept the Offer could, as a result, own a minority interest in an unlisted company controlled by QIA and Brookfield and would no longer be afforded the protections available to them whilst the Company remains a listed public company.

Cancellation of the listing will significantly reduce the liquidity and marketability of the Songbird Shares and the value of Songbird Shares may therefore be significantly adversely affected.

QIA and Brookfield will also be free to increase their shareholding through individual acquisitions from Shareholders without any obligation to make a further offer to all Shareholders. This may further adversely affect the liquidity of Songbird Shares.

Recommendation

The Board believes that Shareholders should consider carefully all of the factors outlined above and, accordingly, that Shareholders should have regard to their personal circumstances and the matters set out in this announcement when considering whether or not to accept the Offer at this stage.

The Board recommends that, in the event that the Offer becomes or is declared unconditional as to acceptances, Shareholders should accept the Offer. The Directors who own Songbird Shares in their personal capacity have decided that, in those circumstances, they will do the same in respect of their own holdings.

Closing date of the Offer

The Offer will remain open for acceptance until the first closing date, which will be 1.00 pm (London time) on 29 January 2015 and then, should the Offer become or be declared unconditional as to acceptances, for at least a further 14 days after that. Full details of how to accept the Offer are set out in the Offer Document, published on 30 December 2014.

Shareholders who require assistance in accepting the Offer (or who require a replacement Form of Acceptance and Election) should telephone Computershare Investor Services PLC (the receiving agent for the Offer), on 0870 707 1288 (from within the United Kingdom) or +44 870 707 1288 (from outside the United Kingdom).

However, Shareholders should be aware that Computershare Investor Services PLC cannot provide any financial, legal or taxation advice in connection with the Offer nor any advice on the merits of the Offer. Shareholders who are in any doubt as to what action to take are recommended to seek their own personal financial advice immediately from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are resident in the United Kingdom or, if not, from another appropriately authorised financial adviser in their own jurisdiction.

Terms used in this announcement shall have the meaning given to them in the Response Circular, unless the context requires otherwise.

A copy of this announcement is available to view on Songbird's website at www.songbirdstates.com/investor_relations/offer

Enquiries:

Songbird **+44 (0) 20 7477 1000**

David Pritchard

John Garwood

Rothschild **+44 (0) 20 7280 5000**

Alex Midgen

Robert Waddingham

Peter Everest

Morgan Stanley **+44 (0) 20 7425 8000**

Guy Metcalfe

Nick White

Ian Hart

J.P. Morgan Cazenove (Nominated Adviser to Songbird) +44 (0) 20 7742 4000

Bronson Albery

Mark Breuer

John Mayne

Brunswick Group +44 (0) 20 7404 5959

Simon Sporborg

Rosheeka Field

Disclaimer

N M Rothschild & Sons Limited ("Rothschild"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Songbird and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Songbird for providing the protections offered to clients of Rothschild nor for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement.

Morgan Stanley & Co. International plc is acting as financial adviser to Songbird and no one else in connection with the matters described in this announcement. In connection with such matters, Morgan Stanley & Co. International plc, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to any possible transaction, the contents of this announcement or any other matter referred to herein.

J.P. Morgan Limited (which conducts its U.K. investment banking business as J.P. Morgan Cazenove and which is authorised and regulated by the Financial Conduct Authority in the United Kingdom), is acting exclusively for Songbird in connection with the Offer and for no one else, and is not, and will not be, responsible to anyone other than Songbird for providing the protections afforded to clients of J.P. Morgan Limited or its affiliates, or for providing advice in relation to the possible offer or any other matters referred to in this announcement.

