



LETTER FROM THE CHAIRMAN OF DEVELOPMENT SECURITIES PLC

Portland House
Bressenden Place
London SW1E 5DS
Telephone 020 7828 4777
Facsimile 020 7828 4999

Registered Office:

Portland House
Bressenden Place
London SW1E 5DS

21 May 2014

To Development Securities PLC Shareholders and to persons with information rights

Dear Development Securities PLC Shareholder,

I refer to the Notice of the 29th Annual General Meeting of Development Securities PLC (the "Company"), dated 30th April 2014 (the "Notice").

Further to the business of the Annual General Meeting as set out in the Notice, I am writing to inform you of two further resolutions to be proposed in light of the acquisition of Cathedral Group (Holdings) Limited which we announced on 14 May 2014.

As announced, the Company agreed on 14 May 2014 to acquire Cathedral Group (Holdings) Limited, together with certain other entities forming part of its related business, a privately owned Greater London and South East of England property developer, for an initial consideration of £20.9 million, to be settled in cash and shares, with additional consideration to be paid at a later date under certain circumstances (the "Acquisition").

The Acquisition completed on 19 May 2014 and, pursuant to the terms of the Acquisition, two new directors have now been appointed to the board of the Company.

These directors so appointed by the board shall hold office only until the next following Annual General Meeting, in accordance with the Company's Articles of Association. The following resolutions are therefore to be added to the Ordinary Business of the Annual General Meeting:

1. To re-elect Mr B Bennett as a Director of the Company.
2. To re-elect Mr R Upton as a Director of the Company.

As the Acquisition completed after the date on which we posted the Notice, the above resolutions could not be included in the Notice.

Yours sincerely

David Jenkins
Chairman of the Board of Development Securities