PRESS RELEASE

SEGRO
SLOUGH ESTATES GROUP

SEGRO PLC INTERIM MANAGEMENT STATEMENT **19 May 2008**

Ahead of its Annual General Meeting tomorrow SEGRO plc issues its first interim management statement for 2008.

CEO Ian Coull said:

“The broad market-driven trends we highlighted in early March have continued through to the end of April. Occupier demand has continued at good levels in all our markets, but continuing weakness in the credit and real estate investment markets has maintained downward pressure on UK commercial property values.”

The occupier market and SEGRO operations:

- enquiry levels continue to run at high levels, having dipped in March at the time of Easter
- although not as high as the exceptional levels achieved in early 2007, lettings are continuing at good levels in the UK and at even stronger levels on the Continent – with a group total of over 167,000 sq m let to the end of April, compared to just over 110,000 sq m of space returned
- overall rental levels in the UK are continuing to show modest growth; on the Continent a combination of occupier demand and limited supply is resulting in generally upward pressure, with rental levels stable or modestly rising in all countries
- over 115,000 sq m of developments have been completed in 2008 so far; over 70% of this space has been pre-let or sold
- over 340,000 sq m of developments are currently under construction, of which just under 50% have been pre-let or sold
- the Group’s overall headline vacancy of 9.0 per cent at the end of April is almost unchanged from the end of 2007.
- the vacancy rate in Continental Europe was unchanged at 5.9 per cent, whilst the UK vacancy increased from 10.8 per cent to 11.8 per cent, due to ‘take-backs’ but in line with our expectations
- pre-lettings in Poland have again been particularly strong, representing over 80 per cent of the Group’s 63,000 sq m of pre-lettings signed in 2008 – an additional 100,000 plus sq m of pre-lettings signed in 2007 will be recognised as and when developments are completed.

SEGRO’s strong balance sheet:

- in the four months to the end of April SEGRO has invested c.£200m in previously announced acquisitions and in its development pipeline, leaving the Group with net debt of c.£2,010m
- based on December 2007 property valuations, at the end of April 2008 SEGRO had an adjusted debt to equity ratio of 66 per cent and a loan to value ratio of 40 per cent
- cash and un-drawn debt facilities at the end of April were approximately £800m, leaving the Group well positioned to continue to fund the development pipeline
- approximately 80% of gross debt is at fixed or capped rates of interest with a weighted average cost of debt of 5.6 per cent and with approximately £600m of gross debt being at variable rates of interest.

CEO Ian Coull added:

“Since early March, the downward pressure on UK commercial property values has persisted as expected. The Industrial Property Databank (IPD) indicates that the capital values of UK industrial properties have declined by 6.3 per cent from the end of December 2007 to April 2008. Transaction volumes, however, remain low and it is likely that the ‘true market’ is somewhere below the level implied by IPD. We do not believe that there is yet a robust equivalent to the IPD in Continental Europe, but general trends in the first half point towards a modest softening in industrial values in Western Europe. SEGRO’s next property valuation will be calculated as at the end of June 2008. We are seeing some signs of investment activity returning generally and will, ourselves, be seeking to test the market in the coming months with a view to possible renewed recycling of capital – both in the UK and in Continental Europe.

“Despite the continuing negativity of sentiment in investment markets, occupier demand has held up well across all our key markets, with further healthy letting volumes achieved and our overall occupancy level sustained at over 90%.

“Nonetheless, we remain vigilant in managing our risk exposure and have adopted a more cautious approach to speculative developments, particularly in the UK and in Western Europe. In practice, however, this may not have a major effect on the level of our development activity in 2008, given the amount of pre-lettings we have in the UK and the strong demand we are continuing to experience in Central Europe.

“SEGRO’s balance sheet remains strong. SEGRO remains primed and well placed to use the current dynamic market conditions to drive value over the longer term.”

Ends.

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CONFERENCE CALL FOR INVESTORS AND ANALYSTS

There will be a conference call for investors at 9:00 AM today BST. There will be a short recap of some key points from this statement, SEGRO Chief Executive Ian Coull and Finance Director David Sleath will then move straight to any questions arising.

To participate in the call, please dial:

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About SEGRO

SEGRO is the leading provider of Flexible Business Space in Europe. Headquartered in the UK, SEGRO is listed on the London Stock Exchange and on Euronext in Paris. The company is a UK Real Estate Investment Trust ("REIT") with operations in ten countries (it completed the exit from its US business in August 2007), serving a diversified customer base of over 1,600 customers operating in a wide range of sectors, representing both small and large businesses, from start ups to global corporations. With property assets of £5.2 billion (including trading properties and development assets) and around 4.7. million sq m of business space, SEGRO has an annual rental income in excess of £249 million. www.segro.com

APPENDIX

Statistical details of recent transactions and performance in 2008 include:

UK

Lettings
- over 45,000 sq m of space has been let to the end of April
- recent new lettings typically comprised of large numbers of individually small transactions – with over 55 leases in February, March and April

Development
- c.14,000 sq m of developments have been completed so far this year of which c8,500 sq m have been pre-let or sold
- a further c.37,000 sq m of space is currently under construction of which c.75% has already been pre-let or sold

CONTINENTAL EUROPE

Lettings
- over 122,000 sq m of space has been let to the end of April
- recent new lettings included c10,000 sq m let to NEC logistics in the Netherlands, c.4,000 sq m let to Spedition Hammer in Aachen (Germany), c.8,000 sq m to Schenker in Gliwice, Silesia (Poland), c10,000 sq m to CNOS Vilmorin in Poznan (Poland), c.5,000 sq m to Autobenex at Hostivice (Czech Republic), c.8,000 sq m to DHL in Belgium and c4,000 sq m to Spedition Kleine in Kapellen (Germany)
- the year to date has also seen a lot of activity at Le Blanc Mesnil Business Park to the North of Paris where c.6,000 sq m was leased to occupiers included BOTT, FM Diffusion, Eluz, Europe Importa and Import distribution
- pre-lets signed in 2008 include over 50,000 sq m in Poland, with over 15,000 sq m let at Komorniki in Poznan and over 30,000 sq m let at Strykow in Lodz

Development
- c.100,000 sq m of developments have been completed, with c.75% already pre-let or sold
- c.310,000 sq m of additional space is under construction, of which c45% has already been pre-let or sold