

SEGRO TO DEVELOP MAJOR BUSINESS & LOGISTICS PARK AT THE NEW BERLIN AIRPORT

18th January 2008

SEGRO today announces it has signed a major partnership agreement with the Berlin Airport Authorities to develop a business and logistics park of up to 230,000 m² on a 38 hectare land site in the immediate vicinity of the new Berlin Brandenburg International Airport (BBI) terminal in Schönefeld - currently under construction.

Inès Reinmann, SEGRO's Chief Operating Officer for Continental Europe said:

"This is an outstanding opportunity for SEGRO and reflects the Group's growing strength in Continental Europe and Germany in particular. It enables us to take a leading position at such an important European infrastructure project right at its launch stage."

From 2011, BBI will be the only airport serving Berlin following the closure of Berlin-Tempelhof in October 2008, and the subsequent closure of Berlin Tegel when the new airport opens. BBI is expected to cater for 22 million passengers in 2011. The airport can be expanded to accommodate up to 40 million passengers. Currently the combined figure for all Berlin airports is 20.04 million. Separately BBI will also develop direct airport related projects such as hotels, retail and on airport offices – further enhancing the attractiveness of the area.

The new airport lies south of the centre of Berlin and SEGRO's site is and will remain the only site with direct access to the airport complex. SEGRO will pay €34m for the cost of the 38 hectare land site – payments to be phased up to the completion of the infrastructure. Under the scope of the agreement and in exchange for a share of the profits, the Airport Authorities will provide the zoning plan for the site and the main estate roads and infrastructure. Approximately a further €120m of investment is expected for the construction and related costs of the development. SEGRO expects project returns at least in line with its previously published risk adjusted targets.

The superb site location has easy access to the new A113 motorway, Berlin city centre and the A10-A12, one of Europe's most important East-West links running from Hanover to

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Warsaw. In addition the park will benefit from the comprehensive public transport infrastructure which will be built to cater for the airport. SEGRO already has properties in the Berlin area and has recently been achieving increasing levels of new lettings.

The site will be developed with the Berlin Airport Authorities in three phases, with preparatory infrastructure work on the first phase commencing mid-2008. It is planned to consist of a 86,000 m² logistics park, 82,000 m² of Flexible Business Space and a 60,000 m² office park / warehouse service space. An element of the project will be built speculatively but the intention is that most of it will be built to suit.

In addition the agreement also gives SEGRO the option to purchase a further 24 hectares up to the end of 2011. The additional phases of development would coincide with the further expansion of the airport and would not take place until there is the critical mass and demand to support the scheme.

Dr Udo Titz, General Manager Germany said:

“A key objective for the Group was to expand our presence in Germany outside our historical heartland in the Ruhr Valley and into new strategic locations with attractive business growth drivers. We have already made significant acquisitions in Frankfurt and in Munich which will now be complemented by this flagship investment in Berlin. The German economy is currently performing strongly and we are confident of strong demand as Berlin continues to expand and grow.”

Walter Hens, SEGRO’s Group Business Development Director said:

“SEGRO’s strategy is to develop locations in specific areas with high economic growth potential at key transport infrastructure inter modal hubs close to airports and major road intersections. This landmark site exemplifies this strategy and is a very exciting opportunity for the Group, adding to our existing European airport property portfolio at Heathrow, Paris Charles de Gaulle, Lyon, Schiphol, Brussels, Prague and Budapest. It also has the potential to significantly enhance our footprint in Europe’s largest economy.”

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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 investment property assets of £5.1 billion (including trading properties and development assets) and around 3.9 million sq m of business space, SEGRO has an annual rental income in excess of £200 million. www.segro.com

For Information about Airport Berlin Brandenburg International BBI
<http://www.berlin-airport.de/EN/BBI/>