

SEGRO agrees sale of Great Western Industrial Park for £110.4 million

SEGRO, Europe's leading provider of flexible business space has today announced the sale of Great Western Industrial Park in Southall, West London to Universities Superannuation Scheme Ltd (USS) for a total consideration of £110.4m, representing a net initial yield of 6.9%, which rises to over 7% once outstanding reviews are settled.

Great Western Industrial Park covers 773,379 sq ft and comprises 27 production and warehouse units. Its tenants include food and beverage companies Noon Products Ltd and Delifrance (UK) Ltd. The weighted average lease length for the sale of the estate is 10.2 years to earliest termination.

As part of the sale, SEGRO has pre-sold a future development of 36,575 sq ft at Western Point which forms part of the industrial park. SEGRO has entered into an agreement with GeoPost UK Ltd to develop a cross docking warehouse on a 20 year lease at an annual rent of £621,775.

The sale price of Great Western Industrial Park represents a 10% premium over the book value at June 2009 after allowing for the capital expenditure to be incurred in connection with the GeoPost pre-let, and also a 34% increase over the implied valuation at the time of the offer to acquire Brixton.

Commenting on these disposals, Ian Coull, SEGRO's Chief Executive said, 'When we bought the Brixton portfolio, we knew there would be opportunities for us to pursue our strategy of pro-actively recycling assets. This sale confirms the attractive price at which we acquired the whole of the Brixton portfolio.'

'The Brixton portfolio has been successfully integrated within SEGRO's UK business and despite the challenging markets we are currently facing we believe that a number of further positive opportunities will emerge from the combination of such high quality and well located UK industrial portfolios.'

Graham Burnett, USS Limited's Head of Property, said, 'We are pleased to have completed this latest acquisition. The fund has now invested in excess of £450m into UK property so far in 2009. We continue to actively pursue other opportunities of similar quality.'

USS is the second largest private pension scheme in the UK with property assets totalling approx £1.8bn. Recent deals have included Prologis Park, Bromley by Bow (£48m), Marsh Mills Retail Park, Plymouth (£27.5m), Great Cambridge Retail Park, Enfield (£38m) and the Equiton Industrial Portfolio (£196m).

King Sturge advised USS and Savills advised SEGRO.

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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, serving a diversified base of 2,300 customers operating in a wide range of sectors, representing both small and large businesses, from start-ups to global corporations. SEGRO has property assets of £5.1 billion, 6.2m sq m of built business space and a passing cash rent roll of £338m as at 30 June 2009. (Note: these metrics exclude the Group's share of joint ventures). www.SEGRO.com