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SEGRO disposes of retail joint venture

SEGRO, Europe's leading provider of flexible business space, announces it has sold its 50% stake in its shopping centre joint venture with Tesco to British Land for £26.9m. The consideration for the 50% stake is based upon a gross asset value of approximately £174m.

SEGRO and Tesco created the joint venture twenty years ago in 1989. This deal relates to SEGRO's holdings in the two shopping centres located at Surrey Quays in Rotherhithe and Clifton Moor in York.

This sale completes SEGRO's exit from its interests in retail property. Since 2004 it has been actively divesting its retail property holdings to focus on flexible business space. In June 2008 it completed the sale of one of its major retail estates, the Bath Road Retail Park, Slough to the Crown Estate.

DTZ advised SEGRO on this transaction.

Ian Sutcliffe, SEGRO's UK Managing Director said,

'We are pleased to have completed the sale of our 50% stake in these two shopping centres to British Land. These shopping centres were developed a number of years ago and do not represent the current focus of our business. SEGRO is the largest industrial REIT in Europe and our business focus is very much on flexible business space as was highlighted by our acquisition of Brixton earlier this year.'

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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