

PRESS RELEASE



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SEGRO Completes Acquisition of 50% Stake in Airport Property Partnership and Agrees to sell £237m of assets to APP

SEGRO plc, Europe's leading provider of flexible business space, announces that it will, today, complete the acquisition of BAA's 50% interest in the Airport Property Partnership ("APP"), the joint venture with Aviva Investors. Terms of the deal are as previously announced on 27th April, and are summarised below.

SEGRO also announces it has agreed with APP and Aviva Investors to sell assets from SEGRO's existing portfolio into APP for a cash consideration of £237 million. The assets being sold to APP include North Feltham Trading Estate, Poyle 14 at Heathrow and the Gatwick International Distribution Centre at Crawley. These assets will enlarge the APP portfolio from £447 million to £684 million. The price of the assets being sold to APP represents a net initial yield of 5.1% and a net equivalent yield of 7.2%: the weighted average remaining lease length is approximately 3.8 years (to break or expiry) and the vacancy rate on the assets being sold is 16.5%.

APP will fund the acquisition through drawing on its committed debt facilities and by approximately £70 million of new equity from each partner. The transaction is expected to complete before the end of June.

Commenting on the announcement, Ian Coull, Chief Executive of SEGRO said:

"Through these two transactions, SEGRO has significantly strengthened its Heathrow portfolio, one of our core locations, created the opportunity to apply our management skills across a broader asset base and generated net disposal proceeds for the Group. We are looking forward to working with Aviva Investors and adding value to this combined portfolio."

Note:

On 27th April, SEGRO announced it had agreed to acquire a 50% stake in APP for £111.3m cash. APP is a 50/50 joint venture with Aviva Investors, focused on airport-related industrial assets in and around major UK airports. The APP portfolio includes 17 direct property assets and three indirect investments. The direct assets comprise an area of 3.5m square feet with a vacancy rate of 6.8% by ERV and an average unexpired lease length of 13.4 years. By value, 73% of the assets are located in the Heathrow market.

The acquisition price implies a property valuation of £446.6m on a 100% ownership basis (excluding indirect investments), and a net equivalent yield of 7.6%. The implied net initial yield of the direct assets is 6.0% primarily due to a number of buildings being currently let on "peppercorn" rents which will revert to market rents over the years ahead; the net reversionary yield, reflecting these potential uplifts, is 8.3%. As at 31 March 2010, APP had net debt of £229.0m.



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About SEGRO

SEGRO is Europe's leading provider of flexible business space, operating from a network of offices across 10 countries. The Group is a Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris. SEGRO's portfolio comprises £5.3 billion of predominantly industrial and warehouse assets concentrated in and around major business centres and transportation hubs such as ports, airports and motorways intersections. The Group serves over 1,900 customers spread across many geographic and different industry sectors. It has 5.9 million sq m of built space and a passing rent roll of £344 million as at 31 December 2009. For more information: www.SEGRO.com