SEGRO plc

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4 March 2009

SEGRO plc – PROPOSED 12 FOR 1 RIGHTS ISSUE OF 5,241 MILLION NEW ORDINARY SHARES AT 10 PENCE EACH TO RAISE NET PROCEEDS OF £500.6 MILLION

The Board of SEGRO plc today announces a fully underwritten 12 for 1 Rights Issue to raise net proceeds of £500.6 million, through the issue of 5,240,650,704 New Ordinary Shares. The Rights Issue is subject to approval by Shareholders at a General Meeting to be held on 20 March 2009.

SEGRO has today also released audited results for the year ended 31 December 2008.

Highlights

- 12 for 1 fully underwritten Rights Issue of 5,241 million New Ordinary Shares at 10 pence per share to raise net proceeds of £500.6 million

- The net proceeds will be used to reduce SEGRO's net indebtedness and will reduce pro forma 31 December 2008 gearing from 119 per cent. to 77 per cent.

- The Rights Issue will strengthen SEGRO's financial position and reduce the risk of SEGRO breaching its revised gearing covenants in the event of further significant falls in property values

- The Rights Issue reduces the pressure on SEGRO to undertake property disposals at prices which do not represent the best interests of SEGRO and its Shareholders

- The Rights Issue will enable SEGRO to benefit from existing financing facilities
- The Rights Issue puts SEGRO in a stronger position to take advantage of a market recovery in a cautious manner

Ian Coull, Chief Executive of SEGRO, said:

"Today's Rights Issue strengthens SEGRO's balance sheet at a time when the property market and wider economy are facing significant turmoil. The Board has already implemented a number of measures to improve SEGRO's financial position, including increasing the gearing covenant on our banking facilities from 125 per cent. to 160 per cent. as announced on 25 February 2009, the reduction of our development programme and other cost reductions.

The Rights Issue, combined with the increase to our gearing covenant, will help protect SEGRO from further falls in property values. The net proceeds of the Rights Issue will be used to pay down some of SEGRO's debt facilities and will result in a reduction of SEGRO's gearing from 119 per cent. to 77 per cent. (on a pro forma basis as at 31 December 2008). SEGRO will continue its strategy of asset recycling with increased flexibility to take advantage of opportunities in a cautious manner when the market recovers."

The Rights Issue

The Rights Issue will result in the issue of 5,241 million New Ordinary Shares (representing 92.3 per cent of the enlarged issued share capital of SEGRO) at a price of 10 pence per New Ordinary Share, on the basis of:

12 New Ordinary Shares at 10 pence each for every 1 Existing Ordinary Share

The New Ordinary Shares will, when issued and fully paid, rank pari passu with the Existing Ordinary Shares, including the right to receive all dividends or distributions declared (save for the 2008 final dividend of 5.4 pence per Ordinary Share announced by SEGRO on 4 March 2009). The Issue Price of 10 pence per New Ordinary Share represents a 86.9 per cent. discount to the Dividend Adjusted Closing Price of an Existing Ordinary Share of 76.6 pence on 3 March 2009 (being the latest practicable date prior to the publication of this announcement) and a 33.9 per cent. discount to the theoretical ex-rights price based on that Dividend Adjusted Closing Price.

The Rights Issue is fully underwritten by Merrill Lynch International and UBS Limited as joint bookrunners, and by Barclays Capital, HSBC, RBS Hoare Govett and Société Générale Corporate & Investment Banking who are acting as co-lead managers for the Rights Issue. Merrill Lynch International, UBS Limited and Lazard & Co., Limited are acting as joint sponsors for the Rights Issue and Lazard and Co., Limited are acting as financial adviser to SEGRO.

A prospectus concerning the Rights Issue is being sent to Shareholders today. Further details of the Rights Issue are set out in the prospectus which will also be made available on SEGRO's website www.segro.com.

Dividend policy

The Board have reviewed the dividend policy in light of the present economic conditions, the need to preserve cash in the business and the difficulty in predicting, with any certainty, the likely level of near term property trading profits. The Directors have concluded that it would be inappropriate to distribute 2008 trading property profits and other income at this stage and that a pay-out only from recurring property rental earnings is more appropriate. Accordingly, the Board is recommending a final dividend of 5.4 pence per share. This is subject to Shareholder approval at the annual general meeting of SEGRO to be held on 30 April 2009 and will be paid to Shareholders on the register as at 3 April 2009. Accordingly the total dividend for the year will be 13.7 pence per share (compared with 23.0 pence for the year ended 31 December 2007).

Going forward, the Board's dividend policy is to balance the needs of the business with the requirement for dividend growth, taking into account prevailing property market conditions, expected future earnings and the requirement under UK REIT rules to distribute annually at least 90 per cent. of the REIT Group's tax exempt profits as a PID.

Further Information on the Rights Issue

Application will be made to the UK Listing Authority for the New Ordinary Shares (nil and fully paid) to be admitted to the Official List and to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that UK Admission will become effective and that dealings in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange at 8.00 am on 23 March 2009 with dealings in the New Ordinary Shares, fully paid, expected to commence at 8.00 am on 7 April 2009. Application will also be made to Euronext for the New Ordinary Shares to be admitted to listing and trading on Euronext Paris. It is expected that admission to listing of the New Ordinary Shares, fully paid, on Euronext Paris will become effective and dealings will commence at 9.00 am (CET) on 7 April 2009.

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Rights Issue and Annual Results presentation:

SEGRO will be holding a presentation for analysts and investors today at 9.30am GMT at:

Merrill Lynch Financial Centre
2 King Edward Street
London
EC1A 1HQ

In addition to the presentation there will be a conference call facility, the dial-in details are:

UK: 0203 003 2666
International: +44(0)203 003 2666

From 14:00 GMT the conference call will be available on a replay basis on the following number:

Replay number: +44 (0)20 8196 1998
Access code: 5114426#

Financial Calendar:

Publication of prospectus	4 March 2009
Start of subscription period	23 March 2009
Ex-dividend date	1 April 2009
Record date for the dividend	3 April 2009
General Meeting in respect of the Rights Issue	20 March 2009
Dealings in New Ordinary Shares, fully paid, commence on the London Stock Exchange	7 April 2009
Annual General Meeting	30 April 2009
Final dividend payable	6 May 2009

Background to and reasons for the Rights Issue

Market background

The continuing disruption to the global financial markets which began in the summer of 2007 has had a significant negative impact on the commercial property market. The IPD UK All Property index recorded a fall in underlying values of 38 per cent. from June 2007 to January 2009. The fourth quarter of 2008 saw a fall of 15 per cent., representing the largest quarterly fall in values since IPD records began. This compares with an average increase of 8.6 per cent. per annum over the period from June 2002 to June 2007. The unavailability of debt financing has also led to a substantial reduction in the volume of commercial property transactions, which have fallen from £53 billion in the twelve months to 31 December 2007 to £23 billion in the twelve months to 31 December 2008 in the UK and from €246 billion to €116 billion for Continental Europe over the same period (Source: CBRE).

Against the backdrop of a deteriorating macroeconomic environment, it is widely expected that property values in Europe and the UK will continue to decline in 2009 and potentially beyond. This has contributed to the significant discount to reported net asset value at which most listed European property companies currently trade.

SEGRO's strategy and strengths

SEGRO is one of the leading industrial property companies in Europe and is listed on the London Stock Exchange and on Euronext Paris. It is also a REIT in the UK and a SIIC in France. As at 31 December 2008, SEGRO's portfolio had a market value of £4.8 billion, including £2.7 billion of assets in the UK and £2.1 billion of assets in Continental Europe (including Belgium, the Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Poland and Spain). Including joint ventures at 100 per cent., the portfolio comprised 222 estates, served over 1,700 customers and had an annual rent roll of approximately £323 million (excluding the value of rent free periods) (UK: £196 million, Continental Europe £127 million). Excluding joint ventures the portfolio comprised 204 estates and had a passing rent roll of £305 million (excluding the value of rent free periods).

Over the past five years, SEGRO has reshaped its portfolio by exiting non-core markets and divesting non-core assets and has focused on the provision of flexible business space in the UK and Continental Europe. The Group has reinvested the proceeds from disposals into its core portfolio through development activities and through building critical mass in Continental Europe which accounted for 44 per cent. of SEGRO's portfolio by value at 31 December 2008. This has reduced risk by further diversifying the Group's customer base and geographic exposure. By value, the Group's portfolio of completed investment properties (excluding joint ventures at 100 per cent.) comprises 22 per cent. logistics distribution space, 58 per cent. other industrial uses (including multi-tenant industrial property and data centres), 19 per cent. suburban office parks and 1 per cent. retail properties.

This reshaping of the portfolio has allowed the Group to realise approximately £3.2 billion of proceeds from disposals and to invest approximately £3.1 billion in capital expenditure and acquisitions over the five year period to 31 December 2008. The most significant transaction undertaken by the Group during this period was the US Disposal for approximately US$2.9 billion. Following the US Disposal, an aggregate amount of £250 million, being part of the proceeds of the US Disposal, was paid to the Company's shareholders in the form of a special dividend of 53 pence per share.

The Group operates with a focused and straightforward business model designed to optimise return on shareholders' equity through careful and well timed asset selection and acquisition, adding value through asset management and selective development and crystallising the value added through selling mature assets.

The Directors believe that a key strength of the business is its operational resilience and cash flow which is important in the present economic environment. This is due to a number of factors, including the tendency of the industrial sector to perform better than other commercial property sectors, particularly in periods of economic slow-down. This is indicated by comparing the IPD annual total performance of industrial assets against other assets over the period 31 October 1989 to 31 December 1993 which was 4.9 per cent. (industrial) compared to 0.9 per cent. (non-industrial).

The Directors believe the Group's broad customer base provides diversification of risk. SEGRO serves a very broad range of industries and no one sector accounts for more than 17 per cent. of rental income. SEGRO has 1,700 customers in total and the top 10 account for approximately 25 per cent. of total passing rent roll whilst the top 50 represent approximately 43 per cent. of total passing rent roll.

In the last economic recession (broadly from 1990 through 1995) there was an increase in SEGRO's vacancy rate in the UK industrial portfolio which was mainly due to the completion by the Group of a considerable amount of speculative developments. However, the Group's vacancy rate then reduced steadily over the following three years back to the level seen at the start of the downturn. In addition, the passing rent roll on the Slough Trading Estate, which was (and remains) the Group's largest single asset, continued to grow steadily. In recent years the Group has been cautious with its development pipeline. SEGRO's UK development programme was 79 per cent. pre-let (by estimated rental value) across the portfolio as at 31 December 2008, and the Group had significantly reduced the level of speculative development ''starts'' in 2008 in anticipation of the weakening economic environment.

SEGRO's lease renewal rate in 2008 and 2007 was approximately 65 per cent. (UK investment portfolio, the majority of which is industrial) and this is significantly better than the UK industrial average (24 per cent. lease renewal rate in 2007 per the Strutt & Parker / IPD review for 2007). The Directors believe that this level of lease renewals in part reflects the Company's focus on customer service.

Further, at 31 December 2008, the void rate in SEGRO's UK industrial portfolio of 10.1 per cent. (by rental income) was significantly lower than the UK industrial average of 14.6 per cent. (source: IPD).

The Directors also believe that there to be a number of opportunities to grow income in the future, including:

- £7.6 million reversionary potential;
- £32 million of potential income from letting up vacant properties;
- £31 million of potential income from current development projects, 64 per cent. of which were already pre-leased as at 31 December 2008; and
- additional longer term potential income of £138 million through the development of SEGRO's existing land bank.

In the current economic conditions, the Group's immediate priorities are reinforcing the financing of its business, staying close to its customers, proactively recycling capital, and positioning itself to take advantage of market recovery.

Rationale for the Rights Issue

As at 30 June 2008, the Company's gearing ratio (being the value of net debt divided by equity shareholders' funds with deferred tax added back) stood at 79 per cent. against a minimum gearing covenant level of 125 per cent. Between 30 June 2008 and 31 December 008, the value of SEGRO's investment property portfolio decreased by 16.6 per cent. in the UK and 3.5 per cent. in Continental Europe respectively, resulting in a 25 per cent. increase in the Company's gearing ratio as at 31 December 2008. At the same time the decrease in the value of the pound against the euro has led to an increase in the sterling value of the Company's year end debt of £222 million to £2,496 million, resulting in a 11 per cent. increase in the Company's gearing ratio as at 31 December 2008. As a result of these two principal factors, the Company's gearing ratio increased to 119 per cent. as at 31 December 2008 from 79 per cent. as at 30 June 2008.

Over the course of the last 12 months the Board has been managing the business in a particularly cautious manner and has implemented a number of measures to improve the Group's financial position. On 25 February 2009, SEGRO announced it had reached an agreement with its lending banks and one note holder to increase the minimum gearing covenant (the ratio of total net borrowing as a percentage of share capital and reserves (after adding back deferred tax)) on all of its Facilities and its Euro Note from 125 per cent. to 160 per cent. which has provided additional headroom to accommodate further property valuation decreases of up to 13.3 per cent. in the future (assuming that no disposals are made and relative to the property valuation as at 31 December 2008). The renegotiated terms with the lending banks include an increase in the Group's overall average weighted cost of debt by 0.56 per cent. from 5.18 per cent. to 5.74 per cent. (based on SEGRO's 31 December 2008 debt position) and will result in a one-off cost of £8.3 million to the Company. The Board believes the present low interest rate environment provides an opportunity to mitigate most, if not all, of this increased cost.

SEGRO has also significantly reduced its development programme and scaled back expansion plans in Central and Eastern Europe. In addition, the Group generated approximately £1,768 million from the disposal of assets in 2007 (including approximately US$2.9 billion for the disposal of the US Segment) and £343 million in 2008, and has continued to actively monitor the number of properties being considered for disposal. It has also reduced the number of employees in central functions and in UK operations by approximately 15 per cent. in line with the new development strategy and is aiming to achieve additional overhead savings in 2009.

The combination of these measures has increased SEGRO's gearing covenant headroom significantly. However, given the continuing turmoil in financial and property markets, further falls in property values are likely, which may put pressure on the Company's gearing covenants. At the same time, the Company continues actively to pursue a number of opportunities to reduce debt further through selective asset disposals but there is no guarantee that these can be completed successfully and at acceptable prices in current market conditions.

In light of these circumstances, the Board believes that alongside the renegotiated gearing covenants in its banking facilities, the Rights Issue will significantly strengthen the Company's position. The net proceeds of the Rights Issue will be used to pay down some of SEGRO's debt facilities which will remain available to the Group to be re-drawn, if required. This will result in a reduction of debt by £500.6 million and a reduction of the Group's gearing ratio from 119 per cent. to 77 per cent. (on a pro forma basis as at 31 December 2008).

The Rights Issue therefore:

- strengthens the Group's financial position and reduces the risk of SEGRO breaching its revised gearing covenants (relating to the ratio of consolidated total net borrowings to share capital and reserves, after adding back deferred tax) in the event of further significant falls in property values;
- reduces the pressure on the Company to undertake property disposals at prices which do not represent the best interests of the Company and its Shareholders;
- enables the Company to benefit from existing financing facilities; and
- puts the Company in a stronger position to take advantage of a market recovery in a cautious manner.

Following the Rights Issue, the Company (based on 31 December 2008 pro forma figures) could withstand a 30.5 per cent. fall in the value of its portfolio before breaching its new gearing covenant of 160 per cent.

Although the Board do not believe that this level of fall is likely, or justified by reference to long term fundamental value, given the extent of the downturn in the property market experienced to date, the continuing pace of value declines and the risk that property values over-correct in the short term before recovering, the Board believes that it is in Shareholders' interests to raise equity now to help protect against the risk of breaching covenants and preserve the value in the Company's portfolio.

Summary of the principal terms of the Rights Issue

The Company is proposing to offer 5,241 million New Ordinary Shares by way of a Rights Issue. The New Ordinary Shares will be offered to all Qualifying Shareholders other than to Shareholders with a registered address, or resident in, any of the Excluded Territories or, subject to certain exceptions, the United States or Japan. The Rights Issue will be made on the following basis:

12 New Ordinary Shares at 10 pence each for every 1 Existing Ordinary Share

held and registered in the name of Qualifying Shareholders at the close of business on the Record Date. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue, as will holdings under different designations, in different accounts and on different registers. Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and resulting fractions of New Ordinary Shares will not be allotted to any Qualifying Shareholders, but will instead be aggregated and sold in the market ultimately for the benefit of the Company.

The New Ordinary Shares will, when issued and fully paid, rank pari passu with the Existing Ordinary Shares, including the right to receive all dividends or distributions declared, made or paid after the date of allotment and issue of the New Ordinary Shares (save for the 2008 final dividend of 5.4 pence per Ordinary Share announced by SEGRO on 4 March 2009).

Application will be made to the UK Listing Authority for the New Ordinary Shares (nil and fully paid) to be admitted to the Official List and to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that UK Admission will become effective and that dealings in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange at 8.00 am on 23 March 2009 with dealings in the New Ordinary Shares, fully paid, expected to commence at 8.00 am on 7 April 2009. Application will also be made to Euronext for the New Ordinary Shares to be admitted to listing and trading on Euronext Paris. It is expected that admission to listing of the New Ordinary Shares, fully paid, on Euronext Paris will become effective and dealings will commence at 9.00 am (CET) on 7 April 2009.

The Issue Price of 10 pence per New Ordinary Share represents a 86.9 per cent. discount to the Dividend Adjusted Closing Price of an Existing Ordinary Share of 76.6 pence on 3 March 2009 (being the latest practicable date prior to the publication of this document) and a 33.9 per cent. discount to the theoretical ex-rights price based on that Dividend Adjusted Closing Price. If a Qualifying Shareholder does not take up the offer of New Ordinary Shares, his/her proportionate shareholding will be diluted by 92.3 per cent. The Rights Issue is expected to raise £500.6 million (net of expenses).

The Company has arranged for the Rights Issue to be fully underwritten by the Underwriters to provide certainty as to the amount of capital to be raised. The Underwriting Agreement is not subject to any right of termination after Admission (including in respect of any statutory withdrawal rights).

The Rights Issue is conditional, inter alia, upon:

a) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms;
b) Admission (nil paid) having occurred by not later than 8.00 am on 23 March 2009 (or such later time and/or date as the parties to the Underwriting Agreement may agree, being not later than 31 March 2009); and
c) the Resolutions being passed at the General Meeting without material amendment (and not, without the written agreement of the Banks, at any adjournment thereof);

Current trading and prospects

Today SEGRO announced its financial results for the year ending 31 December 2008 including a full property valuation. SEGRO only carries out a formal property valuation for its year end (31 December) and half year (30 June) financial reports. However, in conjunction with the Rights Issue, SEGRO's portfolio was revalued as at 31 January 2009 (being the last practicable date for the purpose of the Valuation Reports). The 31 January 2009 valuation shows that SEGRO's portfolio (including trading properties and 100 per cent. of assets held in joint ventures) has fallen by approximately 3.0 per cent. (when adjusted for £14.2 million of capital expenditure) since 31 December 2008.

The Group has continued to perform in line with the Board's expectations since 31 December 2008. Lettings in the traditionally quiet month of January 2009 totalled 32,000 square metres (28,000 square metres in January 2008). Space returned amounted to 59,000 square metres in January 2009, reflecting a number of expected lease expirations (January 2008: 53,000 square metres). The overall portfolio vacancy rate (excluding joint ventures and trading properties) measured by rental value was 11.1 per cent. at 31 January 2009, compared with 9.8 per cent. at 31 December 2008. The increase was due to planned take backs and development completions in line with Directors' expectations.

Towards the end of 2008, there was a reduction in the number of new enquiries, and this has continued into January 2009, and may create some uncertainty in respect of future new lettings and vacancy rates.

As at 31 December 2008, the Group had a passing rent roll (excluding the value of rent free periods and excluding share of joint ventures) of £305 million and the weighted average lease maturity profile was 8.3 years or 6.0 years including break clauses. In addition, at that date, the Group had signed leases with an annual rental value of £6.7 million which were subject to rent free periods and which will become income producing when the rent free periods expire. Potential breaks and lease expires in 2009 (excluding joint ventures) amount to £30.1 million of passing rent roll. During 2007 and 2008, the Group retained approximately 65 per cent. (by rental income) of customers who had lease expiries or breaks during those periods and the Directors will target to maintain this level of retention in 2009.

The Group has certain development projects under construction, or subject to a pre-letting agreement and due to commence construction in 2009 which, as at 31 December 2008, is expected to result in future capital expenditure of approximately £268 million. The Directors believe that rental income associated with such projects will amount to approximately £31.4 million when built and fully let, of which 64 per cent. had already been secured under pre-letting agreements signed to date.

Dividends

Upon becoming a UK REIT on 1 January 2007, the Board made the following statement as to its intentions with regard to dividend:

> ''The precise proportion of recurring property rental income that the Group distributes may vary between years and will be flexed as appropriate, according to the needs of the business. Ordinarily, however, the Board would expect the total dividend to exceed the mandatory PID (property income distribution) element and to comprise between 85 per cent. and 95 per cent. of the aggregate of the UK and overseas sourced recurring property rental earnings, plus a proportion of taxable trading property profits and other income from non-property activities.''

The Directors have reviewed this policy in light of the present economic conditions, the need to preserve cash in the business and the difficulty in predicting, with any certainty, the likely level of near term property trading profits. The Directors have concluded that it would be inappropriate to distribute 2008 trading property profits and other income at this stage and that a pay-out only from recurring property rental earnings is more appropriate.

Accordingly, the Board is recommending a final dividend of 5.4 pence per share. This is subject to shareholder approval at the annual general meeting to be held on 30 April 2009 and will be paid to shareholders on the register as at 3 April 2009. Accordingly the total dividend for the year will be 13.7 pence per share (compared with 23.0 pence for the year ended 31 December 2007).

Applying the same approach to pro forma 2008 adjusted earnings, re-stated for the effects of the Rights Issue, would result in a pro forma dividend for 2008 of 1.41 pence per share. This takes into account the new number of shares following the Rights Issue and the interest saving on the debt which will be repaid from the proceeds of the Rights Issue. Going forward, the Board's dividend policy is to balance the needs of the business with the requirement for dividend growth and taking into account the prevailing property market conditions, expected future earnings and the requirement under UK REIT rules to distribute annually at least 90 per cent. of the REIT Group's tax exempt profits as a ''Property Income Distribution''.

This announcement has been issued by and is the sole responsibility of SEGRO plc.

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Company in any jurisdiction.

This announcement is an advertisement and does not constitute a prospectus. Nothing in this announcement should be interpreted as a term or condition of the Rights Issue. Any decision to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any Nil Paid Rights, Fully Paid Rights and/or New Ordinary Shares must be made only on the basis of the information contained in and incorporated by reference into the Prospectus. Copies of the Prospectus will be available on publication from the Company's website at www.segro.com, provided that the Prospectus will not be available (whether through the website or otherwise) to Shareholders in Excluded Territories or, subject to certain exceptions, in the United States or Japan.

This announcement and any materials distributed in connection with this announcement are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation which would require any registration or licensing within such jurisdiction. The Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares and the Provisional Allotment Letters if and when issued in connection with the Rights

Issue have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the ‘‘Securities Act’’), or under the securities legislation of any state or territory or jurisdiction of the United States and may not be offered, sold taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with state securities laws. There will be no public offer of the securities mentioned herein in the United States. Neither this announcement (including and any materials distributed in connection with this announcement) nor any part or copy of it may be transmitted into the United States territories or possessions or distributed, directly or indirectly, in the United States, its territories or possessions. Neither this announcement nor any copy of it may be taken or transmitted into United States, Japan, The Republic of South Africa, Canada, Singapore or any other such jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Any failure to comply with this restriction may constitute a violation of the securities laws of the United States, Japan, The Republic of South Africa, Canada or Singapore. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. The Ordinary Shares (including Existing Ordinary Shares and New Ordinary Shares) have not been and will not be registered under the applicable securities laws of the United States, Japan, The Republic of South Africa, Canada or Singapore and, subject to certain exemptions, may not be offered or sold within the United States, Japan, The Republic of South Africa, Canada or Singapore.

This announcement and any materials distributed in connection with this announcement may include forward-looking statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, including, without limitation, the risks and uncertainties to be set forth in the Prospectus, because they relate to events and depend on circumstances that may or may not occur in the future. Actual future results may differ materially from those expressed in or implied by these statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors such as the Company's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including inflation and consumer confidence, on a global, regional or national basis. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. The Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials. No reliance may be placed, for any purposes whatsoever, on the information contained in this announcement or on its completeness (including, without limitation, on the fairness, accuracy, completeness of the information or opinions contained herein) and this announcement should not be considered a recommendation by the Company, the Banks or any of their respective directors, officers, employees, advisers or any of their respective affiliates in relation to any purchase of or subscription for securities. No representation or warranty, express or implied, is given by or on behalf of the Company, the Banks or any of their respective directors, officers, employees, advisers or any of their respective affiliates, or any other person, as to the accuracy, fairness or sufficiency or completeness of the information or opinions or beliefs contained in this announcement (or any part hereof). None of the information contained in this announcement has been independently verified or approved by the Banks or any other person. Recipients of this announcement and/or the Prospectus should conduct their own investigation, evaluation and analysis of the business, data and property described in this announcement and/or, if and when published, in the Prospectus. Save in the case of fraud, no liability is accepted for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this announcement or its contents or otherwise in connection with this announcement.

The Banks are acting each exclusively for the Company and for no one else in relation to the Rights Issue and will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the Rights Issue and will not be responsible to any other person for providing the protections afforded to their respective clients nor for providing advice in connection with the Rights Issue, or any other matters referred to in this announcement.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Banks by the FSMA, none of the Banks accept any responsibility whatsoever, and they make no representation or warranty, express or implied, for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company, the Nil Paid Rights, the Fully Paid Rights, the New Ordinary Shares or the Rights Issue and nothing in this document shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Each of the Banks accordingly disclaims to the fullest extent permitted by law all and any liability whatsoever, whether arising in tort, contract or otherwise (save as referred to above), which any of them might otherwise have in respect of this document or any such statement.

Neither the content of SEGRO's website nor any website accessible by hyperlinks on SEGRO's website is incorporated in, or forms part of, this announcement.

Unless otherwise stated, references to time contained in this announcement are to UK time.

The definitions set out below apply throughout this announcement, unless the context requires otherwise.

"Admission"	the admission of the New Ordinary Shares, nil paid, to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange's main market for listed securities in accordance with the

	requirements contained in the publication "Admission and Disclosure Standards" dated 1 November 2007 (as amended from time to time) containing amongst other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities and the New Ordinary Shares, fully paid, to listing and trading on Euronext Paris becoming effective in accordance with the NYSE Euronext Paris Market Rules;
"Banks"	Lazard, Merrill Lynch, UBS, Barclays Capital, HSBC, RBS Hoare Govett and Société Générale Corporate & Investment Banking;
"Barclays Capital"	Barclays Bank PLC, a company incorporated in England and Wales with registered number 01026167 whose registered office is at 5 The North Colonnade, London E14 4BB
"Board"	the board of directors of the Company;
"Business Day"	any day on which banks are generally open in London for the transaction of normal business other than a Saturday or Sunday or public holiday in England and Wales;
"CBRE"	CB Richard Ellis Limited;
"CET"	Central European Time;
"Companies Act"	the UK Companies Act 1985 or, where applicable, the Companies Act 2006, as such acts may be amended, modified or re-enacted from time to time;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear UK;
"CREST Shareholder"	a shareholder holding Ordinary Shares in CREST in uncertificated form;
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor;
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member;
"Daily Official List"	the daily official list of the London Stock Exchange;

"Dealing Day"	a day on which the London Stock Exchange or Euronext is open for business in the trading of securities admitted to the Official List or Euronext;
"Deferred Shares"	the deferred shares of 17 1/12 pence each arising on the Share Sub-Division;
"Dividend Adjusted Closing Price"	the closing, middle market quotation in Pounds Sterling of an Existing Ordinary Share, as published in the Daily Official List, less the 2008 final dividend of 5.4 pence per Ordinary Share which will not be payable on the New Ordinary Shares;
"Enlarged Share Capital"	the issued ordinary share capital of the Company following the issue of the New Ordinary Shares pursuant to the Rights Issue;
"Euroclear UK"	Euroclear UK & Ireland Limited, the operator of CREST;
"Euronext Admission"	the admission of New Ordinary Shares, fully paid to listing and trading on Euronext Paris becoming effective in accordance with the NYSE Euronext Paris Market Rules;
"Euronext"	NYSE Euronext Paris;
"Euronext Paris"	Euronext Paris by Euronext, the French regulated market of NYSE Euronext;
"Excluded Territories"	The Republic of South Africa, Canada, Singapore and any other jurisdiction where the extension or availability of the Rights Issue (and any other transaction contemplated thereby) would breach any applicable law;
"Existing Ordinary Shares"	the Ordinary Shares at the date of this announcement;
"Ex-Rights Date"	23 March 2009;
"Financial Adviser"	Lazard;
"Form of Proxy"	the form of proxy for use at the General Meeting, which accompanies this document;
"FSA" or "Financial Services Authority"	the Financial Services Authority of the United Kingdom;
"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Fully Paid Rights"	rights to acquire New Ordinary Shares, fully

	paid;
“General Meeting”	the general meeting of the Company to approve the Rights Issue;
“General Meeting Notice”	the notice of the General Meeting to approve the Rights Issue;
“HSBC”	HSBC Bank plc, a company incorporated in England and Wales with registered number 00014259 whose registered office is at 8 Canada Square, London E14 5HQ;
“IPD”	Investment Property Databank;
“Issue Price”	10 pence per New Ordinary Share;
“Lazard”	Lazard & Co., Limited, a company incorporated in England and Wales with registered number 0062175 whose registered office is at 50 Stratton Street, London W1J 8LL;
“Listing Rules”	the listing rules made under Part VI of FSMA (as set out in the FSA Handbook), as amended from time to time;
“London Stock Exchange”	London Stock Exchange plc or its successor(s);
“Merrill Lynch”	Merrill Lynch International a company incorporated in England and Wales with registered number 02312079 whose registered office is at Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ;
“NAV”	Net Asset Value;
“New Ordinary Shares”	5,240,650,704 Ordinary Shares to be allotted and issued by the Company pursuant to the Rights Issue;
“Nil Paid Rights”	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue;
“Official List”	the Official List of the UK Listing Authority;
“Ordinary Shares”	ordinary shares of 27 1/12 pence each (1 pence each following the passing of the Resolutions and completion of the Share Sub-Division) in the capital of the Company (including, if the context requires, the New Ordinary Shares);
“Overseas Shareholders”	Shareholders with registered addresses outside the UK or who are citizens or

	residents of, or located in, countries outside the UK;
"Participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
"PID"	a distribution of the amounts shown in the financial statements, prepared in accordance with statutory requirements, of the Group companies as income profits (broadly, calculated using normal tax rules) of the UK resident members of the Group arising in respect of the Tax-Exempt Business in the accounting period, and the income profits of the non-UK resident members of the Group insofar as they arise in respect of such members' UK qualifying property rental business in the accounting period;
"Pounds" or "Pounds Sterling" or "£" or "Pence" or "p"	the lawful currency of the United Kingdom;
"Provisional Allotment Letter"	the renounceable provisional allotment letter expected to be sent to certain Qualifying Non-CREST Shareholders in respect of the New Ordinary Shares to be provisionally allotted to them pursuant to the Rights Issue;
"Qualified Institutional Buyer" or "QIB"	has the meaning given in Rule 144A under the US Securities Act;
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares on the UK register in uncertificated form;
"Qualifying Euroclear Shareholders"	Qualifying Shareholders holding Ordinary Shares in uncertificated form in Euroclear France;
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares on the UK register in certificated form;
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company at the close of business on the Record Date;
"RBS"	RBS Hoare Govett Limited, a company incorporated in England and Wales with registered number 02026375 whose registered office is at 250 Bishopsgate, London EC2M 4AA;

"Receiving Agent"	Computershare Investor Services PLC;
"Record Date"	close of business on 17 March 2009;
"REIT"	real estate investment trust;
"Registrars"	Computershare Investor Services PLC;
"Regulation S"	Regulation S under the US Securities Act;
"Regulatory Information Service"	one of the regulatory information services authorised by the UK Listing Authority to receive, process and disseminate regulatory information from listed companies;
"Resolutions"	the resolutions to be proposed at the General Meeting;
"Rights Issue"	the proposed offer by way of rights to Qualifying Shareholders to acquire New Ordinary Shares, on the terms and conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter;
"Rule 144A"	Rule 144A under the US Securities Act;
"SEGRO" or the "Company"	a company incorporated in England and Wales with registered number 0167591, whose registered office is at 234 Bath Road, Slough, SL1 4EE;
"SEGRO Group" or the "Group"	the Company together with its subsidiaries and subsidiary undertakings;
"SEGRO Website"	www.segro.com;
"SFA"	the Securities and Futures Act of Singapore;
"Shareholders"	Shareholders whose Ordinary Shares are registered on the Company's register of members;
"Share Sub-Division"	the sub-division and re-classification of the Existing Ordinary Shares into one New Ordinary Share and one Deferred Share on the basis to be set out in the General Meeting Notice;
"Share Sub-Division Record Date"	20 March 2009;
"SIIC"	Sociétés d'Investissements Immobiliers Cotées;
"Sponsors"	Lazard, Merrill Lynch and UBS;
"stock account"	an account within a member account in CREST to which a holding of a particular

	share or other security in CREST is credited;
“Société Générale Corporate and Investment Banking”	Société Générale, a company incorporated in France whose registered office is at 29 boulevard Haussmann, 75009 Paris, France. Société Générale is authorised by Banque de France and registered for the conduct of business in the UK by the FSA;
“subsidiary”	has the meaning given in section 1159 of the Companies Act 2006;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act 2006;
“UBS” or “UBS Investment Bank”	UBS Limited, a company incorporated in England and Wales with registered number 02035362 whose registered office is at 1 Finsbury Avenue, London EC2M 2PP;
“UK Admission”	the admission of the New Ordinary Shares, nil paid, to the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange's main market for listed securities in accordance with the requirements contained in the publication “Admission and Disclosure Standards” dated 1 November 2007 (as amended from time to time) containing amongst other things the admission requirements to be observed by companies seeking admission to the London Stock Exchange's main market for listed securities;
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for listing under Part VI of the FSMA;
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST;
“Underwriters” or “Bookrunners”	Merrill Lynch International, UBS, HSBC Bank plc, RBS Hoare Govett Limited, Barclays Bank plc and Société Générale Corporate & Investment Banking
“Underwriting Agreement”	the conditional underwriting agreement dated 3 March 2009 between the Company, Merrill Lynch, UBS, HSBC and Lazard;

"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
"US Securities Act"	the US Securities Act of 1933, as amended;