Songbird Estates plc
Refinancing

Songbird Estates plc ('Songbird') announces that it has completed the refinancing of the senior and mezzanine credit facilities ('the Initial Facilities') put in place at the time of the acquisition of the Songbird stake in Canary Wharf Group plc.

Following the prepayment of £248 million of the Initial Facilities in September 2005, an aggregate payment of approximately £434 million will be made to discharge the Initial Facilities which are to be replaced by facilities that in aggregate provide maximum funding of approximately £737 million. These new facilities comprise a term facility of approximately £692 million and a revolving interest and working capital facility of approximately £45 million. Following a competitive tender exercise both of these facilities are being provided by Hypo Real Estate Bank and Morgan Stanley. The new term facility has a 2 year term with a 6 month extension option and has an initial weighted average cost of debt of 3 month LIBOR + 180 bps which is subject to adjustment in accordance with a pre-agreed pricing grid based on a loan to value ratio. The weighted cost of debt under the Initial Facilities was 8.2%.

The new facilities are fully pre-payable and are expected to provide greater investment flexibility. Subject to certain requirements dividend payments may be made during the facility term prior to the repayment of debt where cash flows may allow and the directors deem it appropriate.

The directors believe that this refinancing places the financial structure of Songbird on a more cost effective and flexible footing which should assist Songbird in reaching its strategic goals.

Enquiries:

John Garwood
Songbird Estates plc

Tel: +44 20 7477 1000