

SONGBIRD ESTATES PLC

Refinancing and Dividend

Songbird Estates plc ('Songbird') announces that it has agreed terms for the refinancing of the term and revolving credit facilities put in place in November 2005 ('the Existing Facilities'). The sole investment of Songbird is its 60.8% stake in the equity share capital of Canary Wharf Group plc ('CWG').

On completion of this refinancing the existing approximately £692 million term and £45 million revolving credit facilities will be replaced by new facilities, which have been arranged by Citigroup. These new facilities comprise a term facility of £800 million and a revolving interest and working capital facility of £80 million ('the New Facilities'). The new term facility has a 3 year term and has an initial cost of debt of 3 month LIBOR + 120 bps which could increase to LIBOR + 170 bps depending on the financial condition of the Group. The current cost of debt under the Existing Facilities is LIBOR + 228.5 bps.

The New Facilities are fully pre-payable. If the New Facilities are fully drawn on 21 May 2007, the combined LTV for Songbird would be 74.8%. Subject to certain limits and requirements, the New Facilities provide greater flexibility as regards the payment of dividends providing cash flows allow distributions, there are sufficient reserves and the directors deem it appropriate. Following the completion of an internal restructuring and the subsequent filing of relevant financial statements, it is the Songbird board's intention to make a further announcement within the next month regarding the payment of dividends.

The New Facilities contain certain change of control provisions that are broadly consistent with the terms of the Existing Facilities and relate, inter alia, to the continuing control of Songbird by the members of the original consortium which acquired control of CWG in 2004, including Morgan Stanley Real Estate Funds and their affiliates ('MSREF'), and MSREF continuing to maintain its current representation on the CWG board.

David Pritchard, Chairman of Songbird said "Songbird continues to manage actively its balance sheet and funding in order to generate competitive returns for its

investors, both capturing the significant growth in the value of Canary Wharf and tapping attractive debt capital markets for real estate.”

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