

EPRA INDUSTRIALS INVESTOR EVENT

24 APRIL 2018



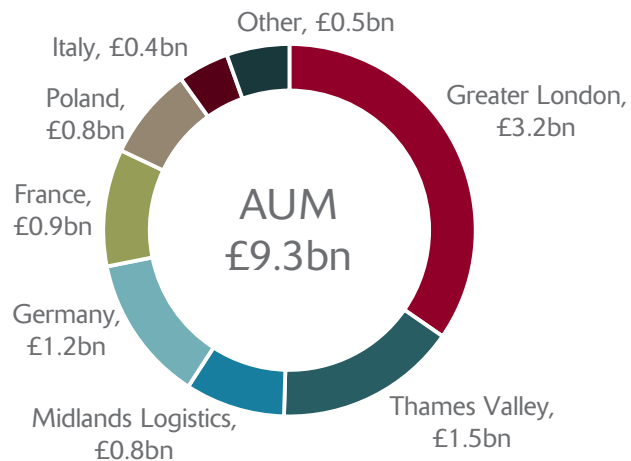
Pan-European portfolio of prime big box and urban warehouses

Exposure to modern, urban warehousing in Europe's major cities

Significant growth potential from development pipeline

Strong balance sheet

- A leading owner-manager and developer of modern big box and urban warehousing
- £9.3 billion of assets under management in the UK and nine Continental Europe countries
- A FTSE 100 Real Estate Investment Trust (REIT)



Big box warehouses

Serving national and international logistics supply chains



Single-let urban warehouses

Most commonly used for urban distribution



Multi-let urban warehouses

Generic warehouse space to cater for multiple uses

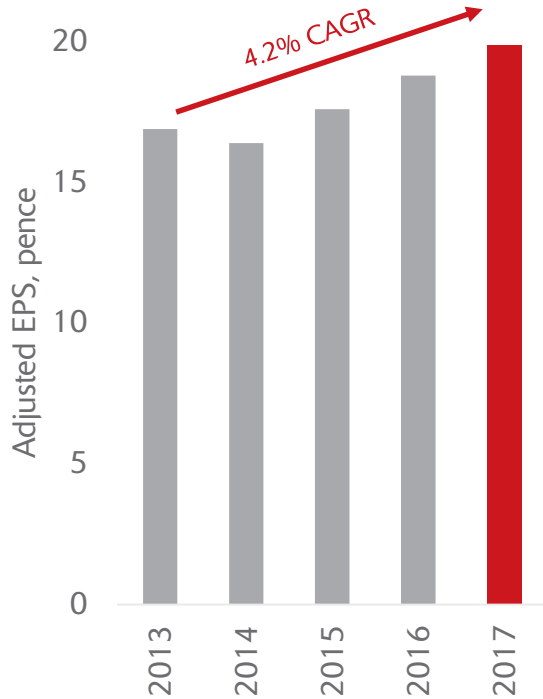


41% of portfolio

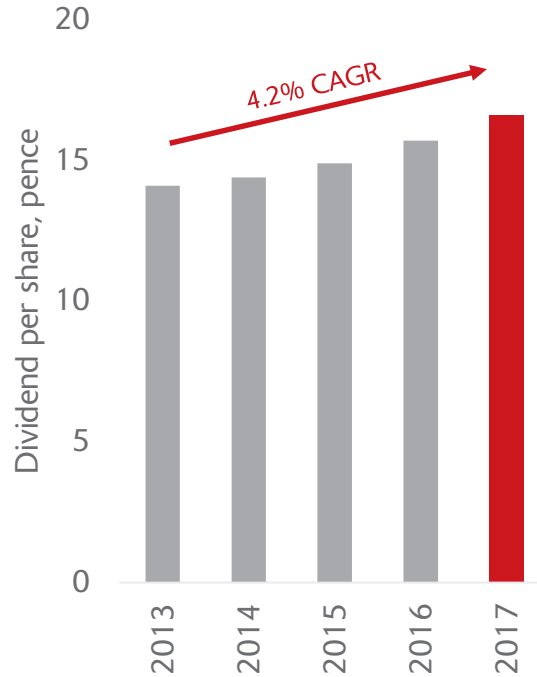
55% of portfolio

Delivering strong total returns for shareholders

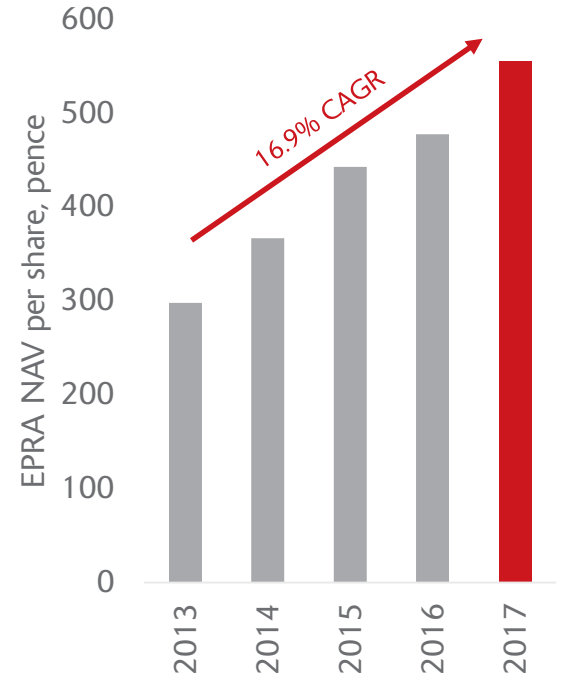
Adjusted earnings per share



Dividend per share

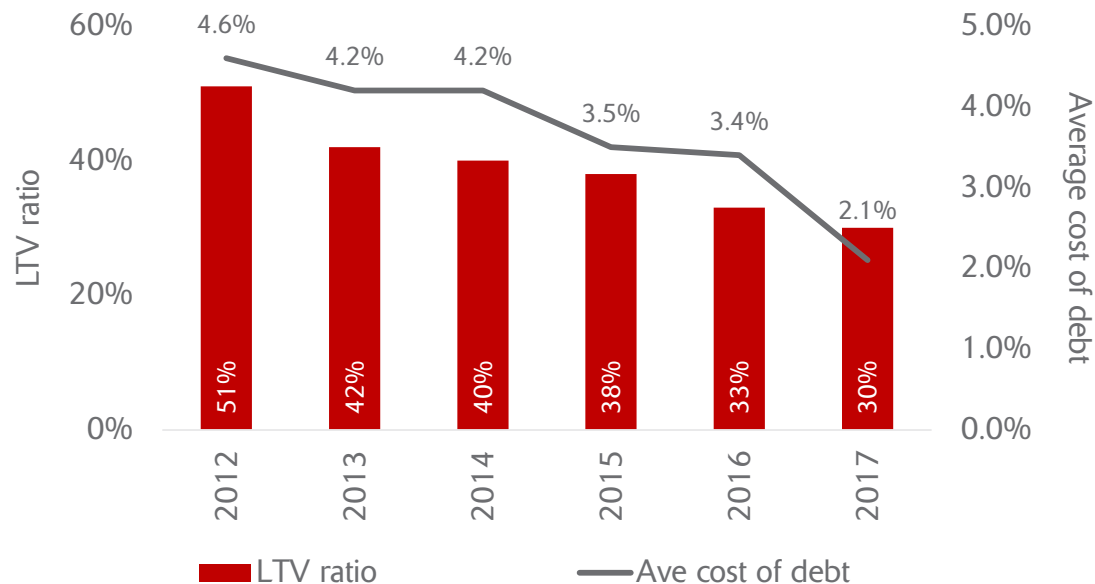


EPRA NAV per share



Average total accounting return of 17.5% pa

LTV ratio and average cost of debt (incl share of joint ventures), 2012-17

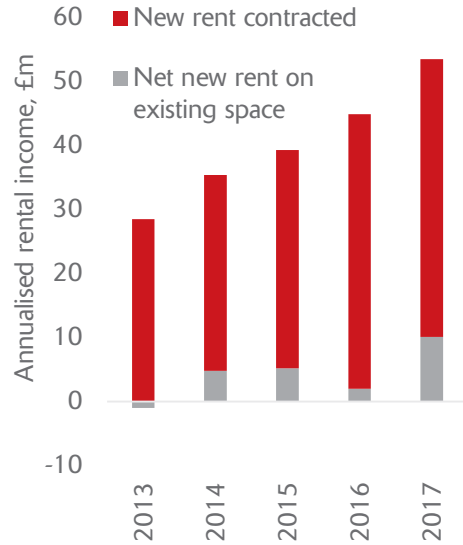


- Debt maturity improved to 10.8 years (from 6.2 years at end-2016)

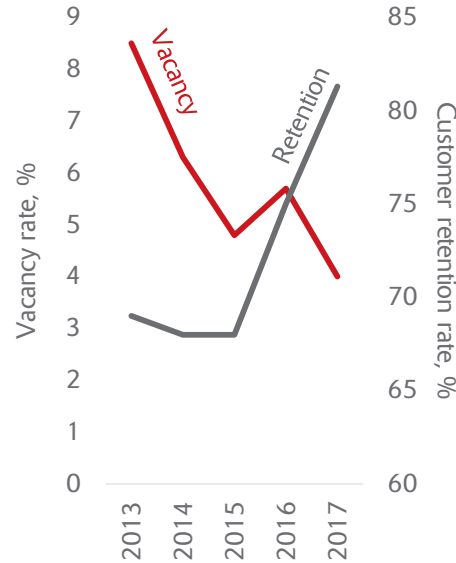
- 2018: £350m+ estimated development capex (and further c£50m of infrastructure capex)

- 2018: c£200m estimated disposals

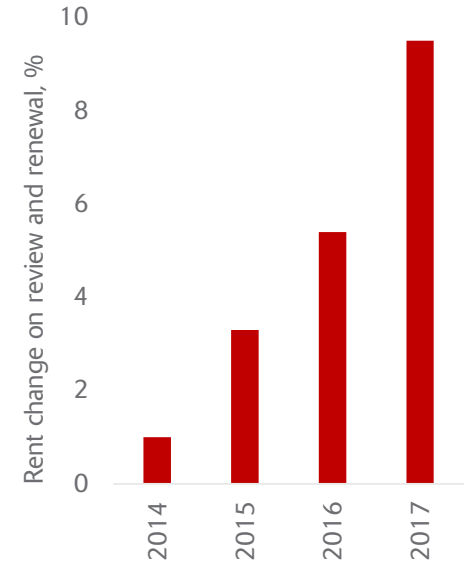
Strong leasing success in 2017...¹



...high levels of occupancy and customer retention...²



... and capturing reversion from renewals and reviews³



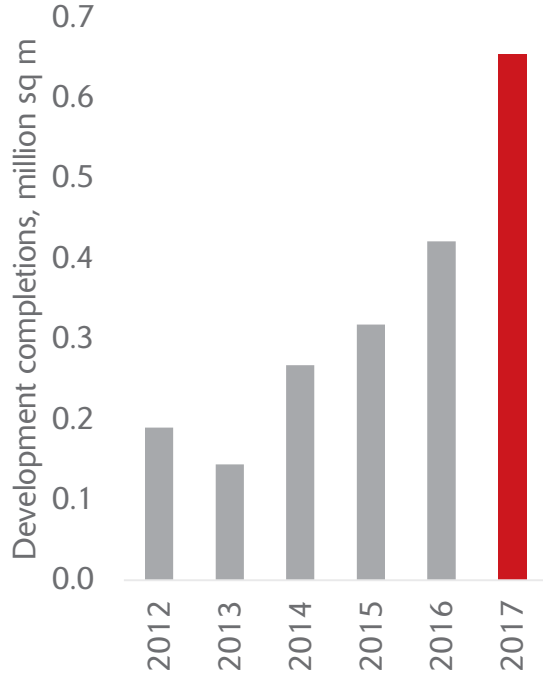
¹ Net new rent on existing space reflects headline rent agreed on new leases less passing rent lost from space taken back during the year; new rent contracted is total headline rent secured or (in the case of developments) agreed in the year.

² Vacancy rate based on ERV at 31 December; customer retention rate based on headline rent retained in the same or alternative SEGRO premises.

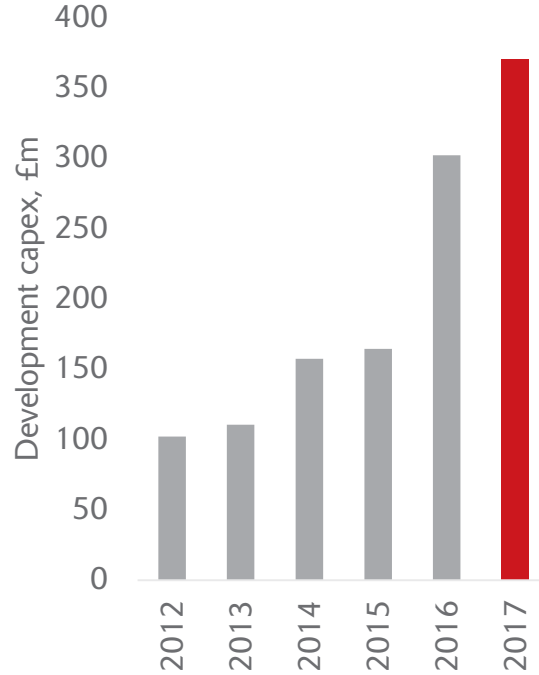
³ Headline rent agreed on lease renewals, reviews and re-gears compared to previous headline rent.

Development — a major source of growth in recent years

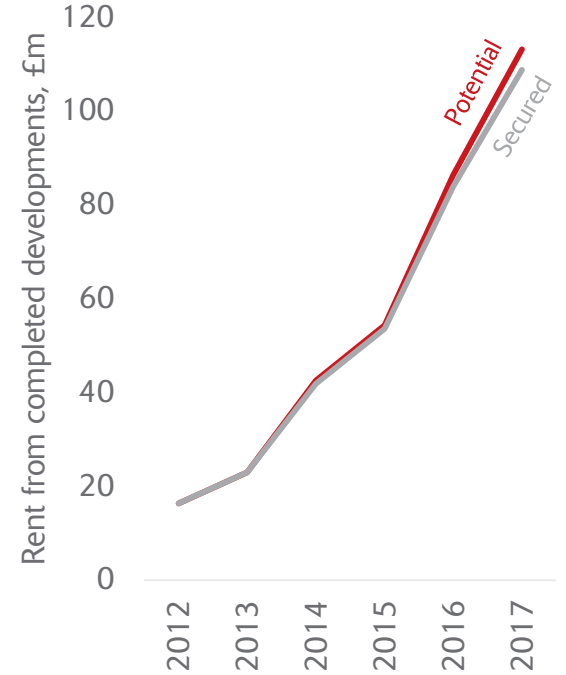
Development completions,
million sq m (at 100%)



Capex on developments,
£m (SEGRO share)



Cumulative gross rent from completed
developments, £m (SEGRO share)



Urban warehouses



Fedex, Paris



Amazon, Munich



City Park, Düsseldorf



Spaceway, Heathrow

Big box warehouses



Rieck, Berlin



Mitry Mory, Paris



Arvato, Strykow



Tiesse, Milan



Completed developments



Potential rent — 93% secured



Yield on cost



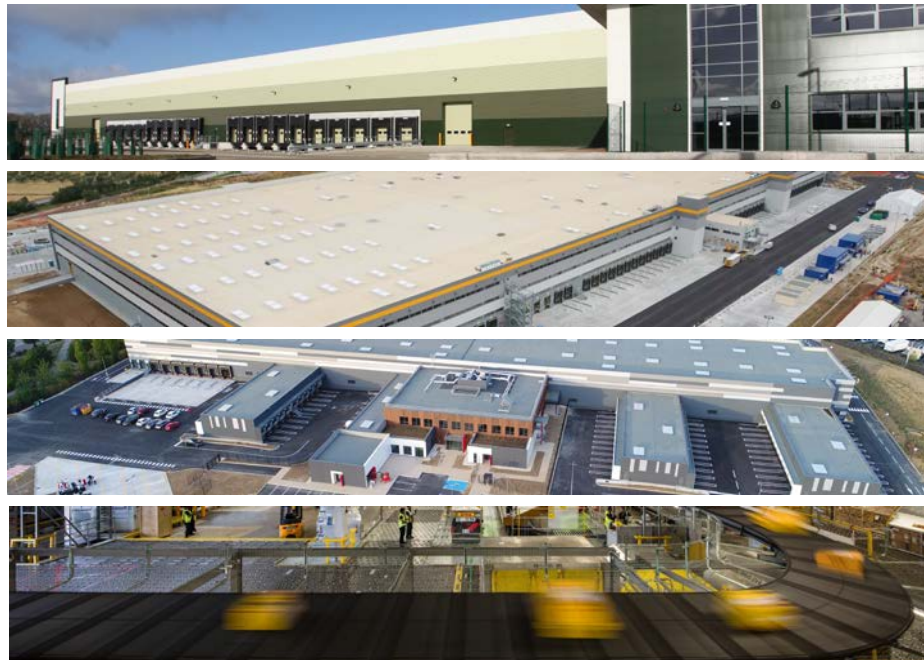
Uplift on development



Second carbon-neutral development delivered

50% increase in solar energy capacity in 2017

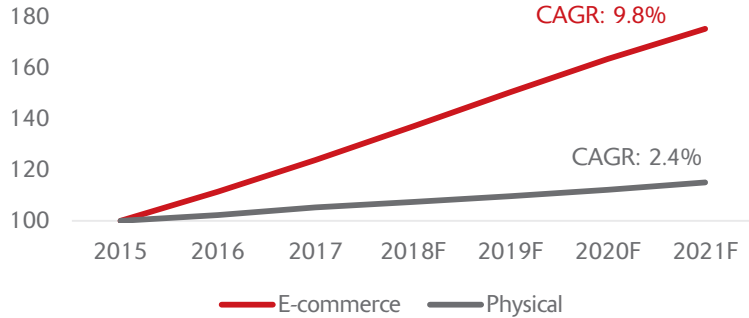
80% construction waste recycled or re-used



**DRIVING FUTURE
GROWTH**

E-commerce sales growth eclipses physical sales growth

(Pan-European retail sales growth index (2015=100); source: Colliers International)



- Supportive economic backdrop

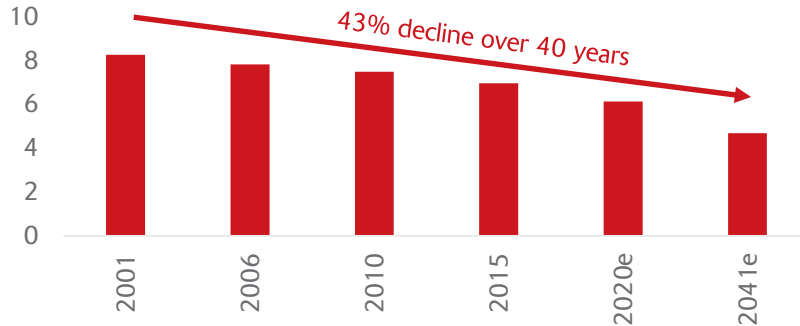
- E-commerce growing market share across Europe

- Big box supply-demand dynamics remain favourable

- Supply response potential limited, especially in urban areas

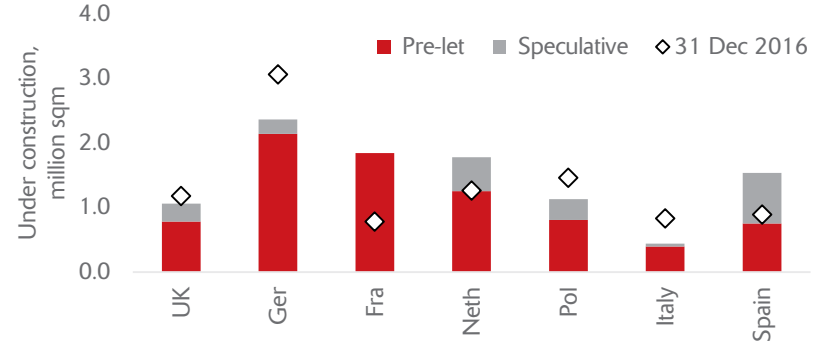
London's industrial land expected to decline by a further 33%

(Land zoned for industrial use, thousand hectares; source: Greater London Authority)



European warehouse development remains substantially pre-let

(Logistics space under construction; source: JLL)



Positive expectations for rental value growth across our markets

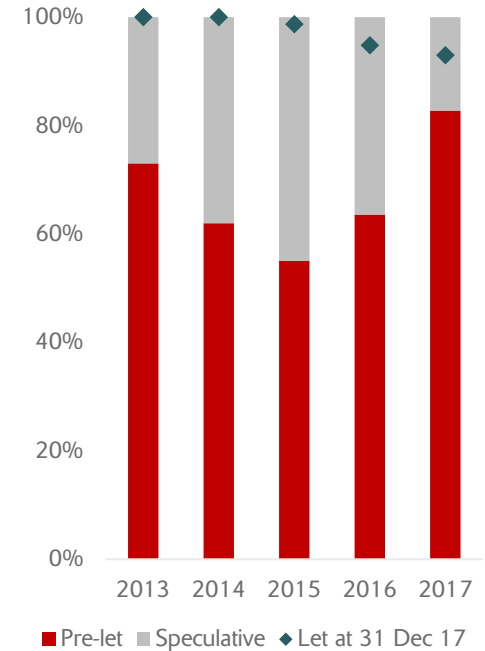
Geography or Property Type	Demand conditions	Supply conditions	SEGRO ERV growth 2017	SEGRO ERV growth expectations
Greater London	STRONG	LIMITED	4.6%	5% 2%
Slough Trading Estate / Thames Valley	STRONG	LIMITED	3.5%	
Midlands / South East Big Box Warehousing	STRONG	LIMITED	1.7%	
Continental Europe Urban Warehouses	STRONG	LIMITED	2.1%	3% 1%
Continental Europe Big Box Warehousing	STRONG	MODERATE	0.6%	

...with £25m of reversionary potential to capture

Current development pipeline¹: £43m rent, 37 projects, 0.7m sq m space



Rapid leasing of speculative space¹
(Letting status of development completions in 2012-17, %)

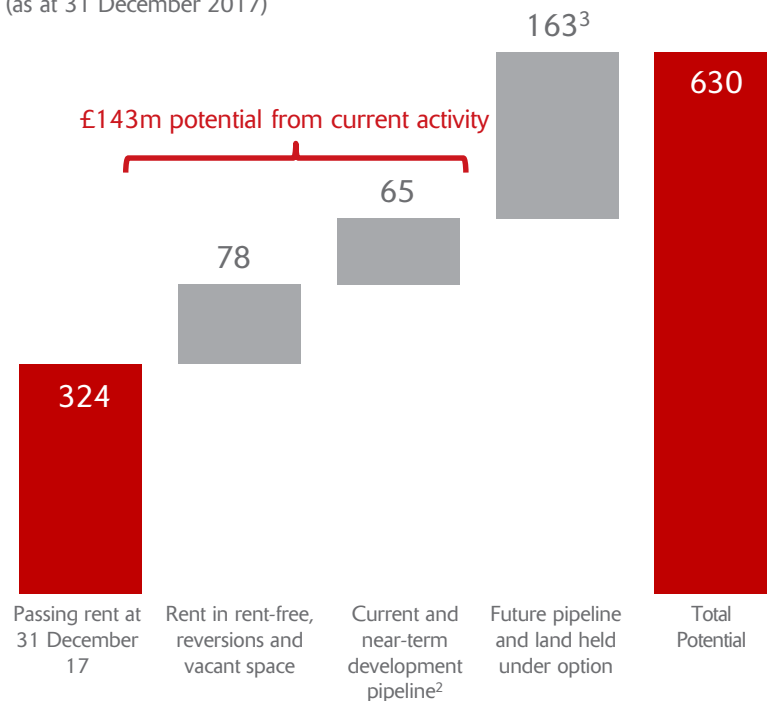


¹ Data as at 31 December 2017



OneExpress, Bologna

Annualised gross cash passing rent¹, £ million
(as at 31 December 2017)



¹ Including JVs at share

² Near-term development opportunities include pre-let agreements subject to final conditions such as planning permission, and speculative developments subject to final approval, which are expected to commence within the next 12 months

³ Estimated. Excludes rent from development projects identified for sale on completion and from projects identified as "Near-term opportunities"



Pan-European portfolio of prime big box and urban warehouses

Exposure to modern, urban warehousing in Europe's major cities

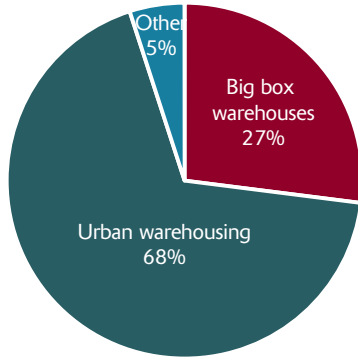
Significant growth potential from development pipeline

Strong balance sheet

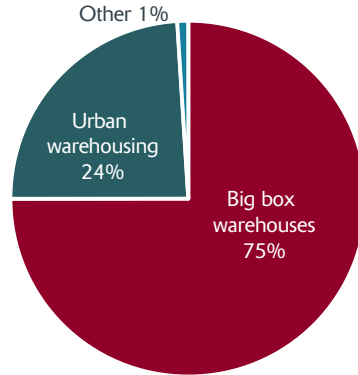


APPENDIX

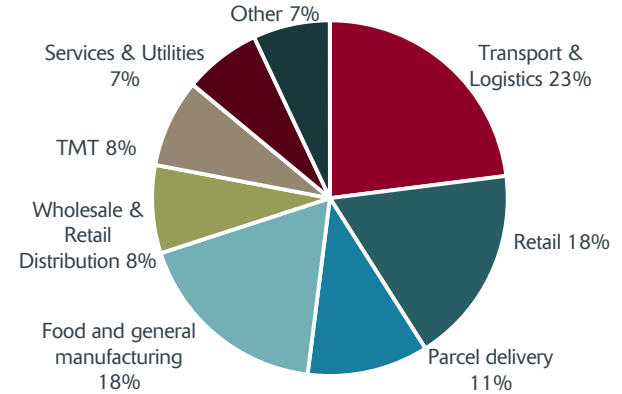
Portfolio by type: UK
(valuation, SEGRO share)



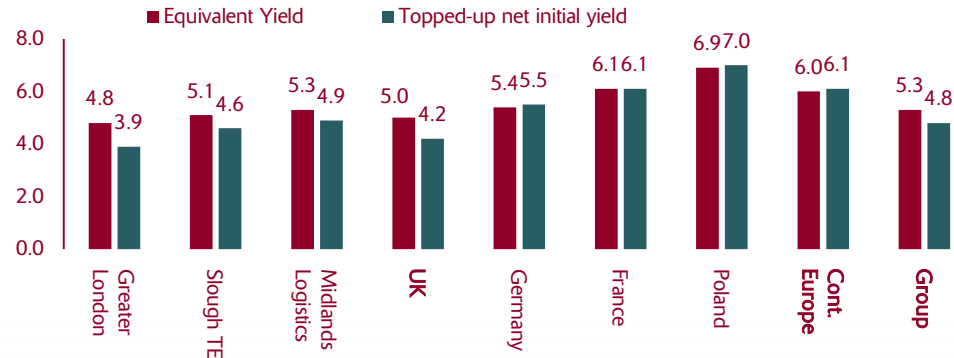
Portfolio by type: Cont Europe
(valuation, SEGRO share)



Customer sectors (headline rent, SEGRO share)

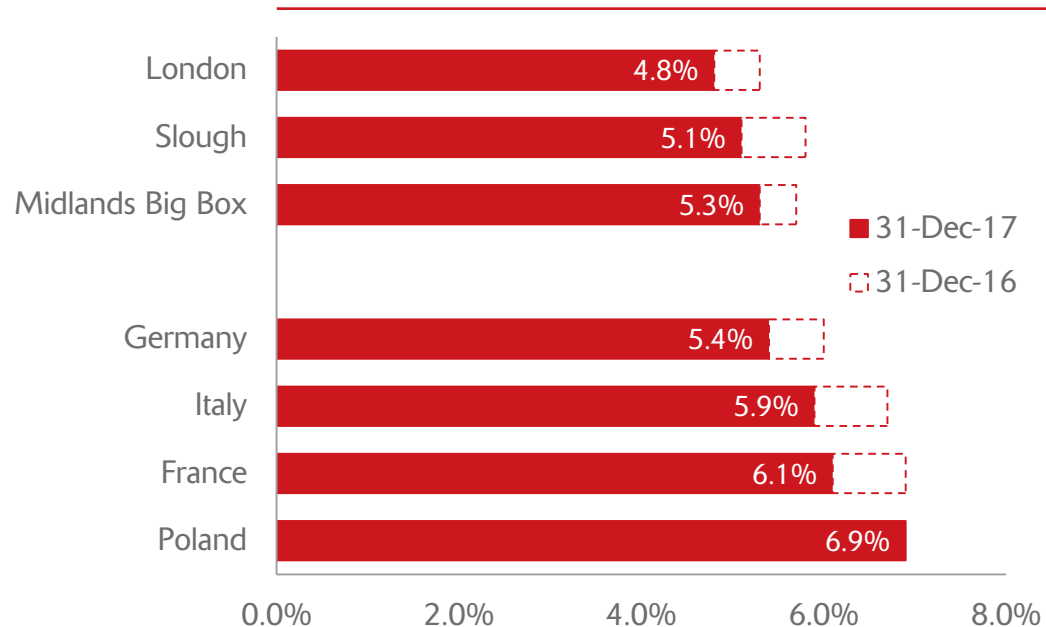


Portfolio yield profile (yields, %)



SEGRO portfolio yield and rental profile¹

Equivalent yield²



ERV growth: 3.1%

+4.6%

+3.5%

+1.7%

+1.9%

+1.9%

+1.4%

+0.1%

UK:
+3.9%

Cont.
Eur.
+1.2%

London	ERV
Heathrow	+2.1%
Park Royal	+7.1%
N&E London	+9.0%

By owner	ERV
SEGRO	+2.1%
SELP	+0.6%

¹ Yield on standing assets at 31 December 2017; ERV growth based on assets held throughout 2017.

² Net true equivalent yield

■ Earnings growth

- Capturing rental growth in reviews and renewals
- Development completions in 2016 and 2017
- Reduced financing costs

+25.7%

Adjusted pre-tax profit

+5.9%

Adjusted EPS¹,
19.9p

+2.6%

Like-for-like net rental income growth

■ Strong balance sheet

- 13.6% portfolio value growth
- £2.7 billion of financing, including rights issue and inaugural US private placement

+16.3%

EPRA NAV per share¹
556p

30%

Loan to Value ratio
(FY 2016: 33%)

■ 2017 final dividend increased by 6.1%

- Total 2017 dividend increased by 5.7%

11.35p

Final dividend per share¹
(2016: 10.7p)

16.6p

Total dividend per share¹
(2016: 15.7p)

¹ Historic per share metrics have been adjusted for the Rights Issue bonus adjustment factor of 1.046

APP acquisition: scale position in supply-constrained Heathrow market



At acquisition

At 31 December 2017



+11%

Portfolio value



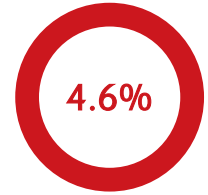
-30bp

Equivalent yield



-2.9%

Vacancy rate



+2.7%¹

ERV



¹ ERV growth excluding Heathrow Cargo Centre assets.



Terminal 5

Central Terminal Area

Terminal 4

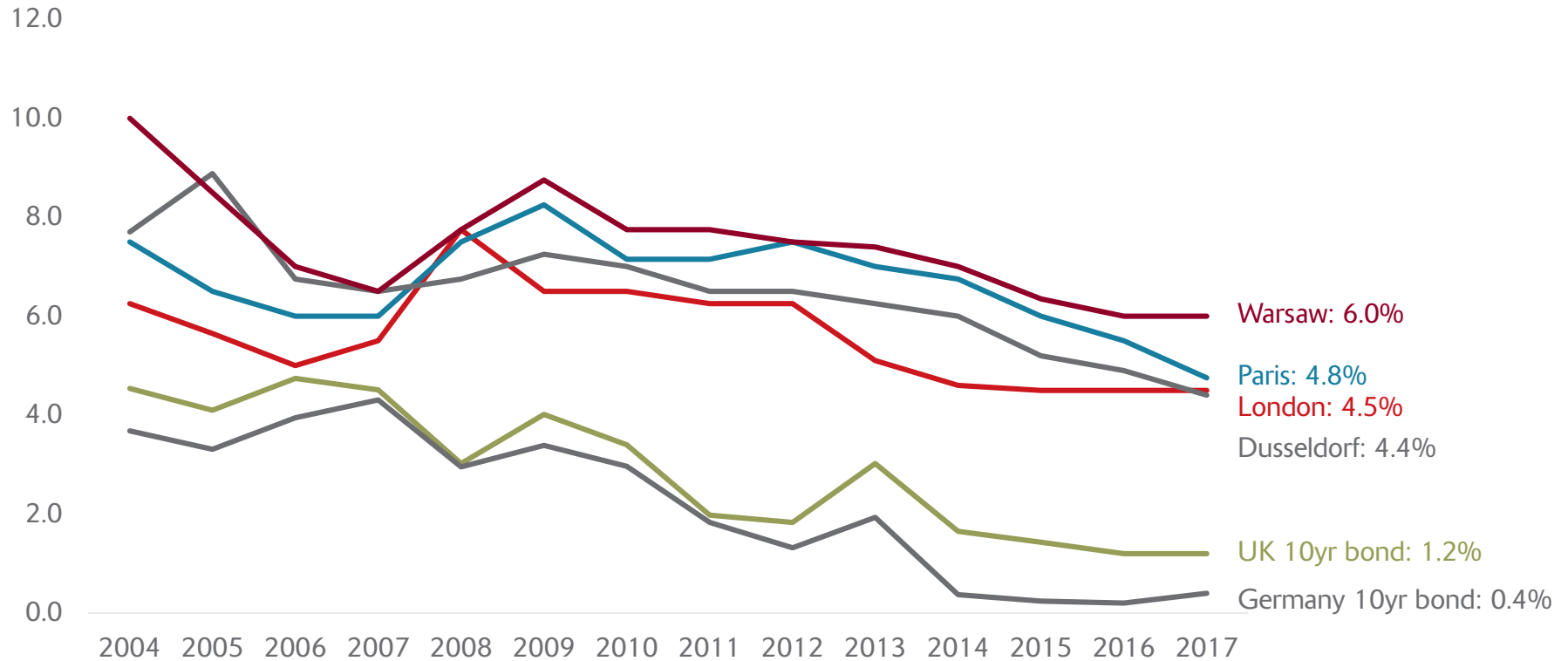
BA World Cargo

Sandringham Road

'Zulu'
Cul-de-sac

Shoreham Road
(The Horseshoe)

Prime logistics yields vs 10 year bond yields



Source: CBRE, Bloomberg (data correct at 31 December 2017)

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