

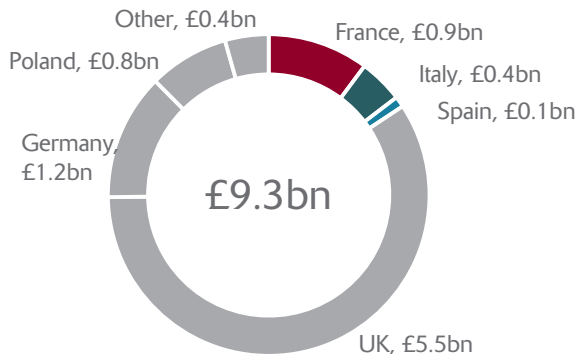


SOUTHERN EUROPE

MARCO SIMONETTI
BUSINESS UNIT DIRECTOR, SOUTHERN EUROPE

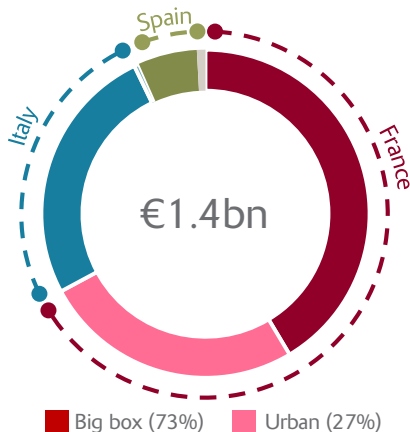
Assets under management

(Completed assets, land and developments as at 31 December 2017)



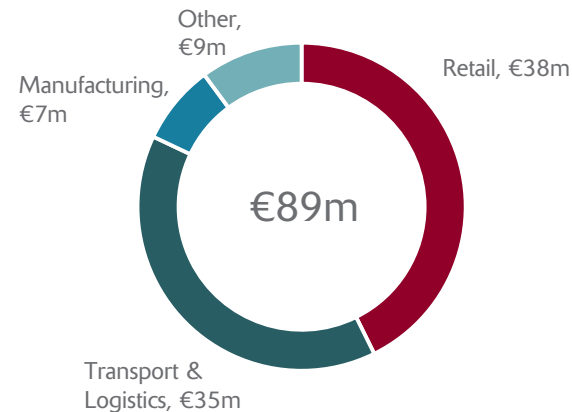
Southern Europe AUM by type

(Completed assets as at 31 December 2017)



Southern Europe AUM by customer type

(based on headline rent, as at 31 December 2017)



Significant portfolio repositioning since 2011

2011
Sale asset by asset of regional portfolio in France & Spain & Italy

2012
Purchase from FEL of 8 assets totalling 255,000 sq m (Paris & Lyon)

2014
Purchase of Clésud / Dugny / Saint-Martin-de-Crau (total of 185,000 sq m) in France

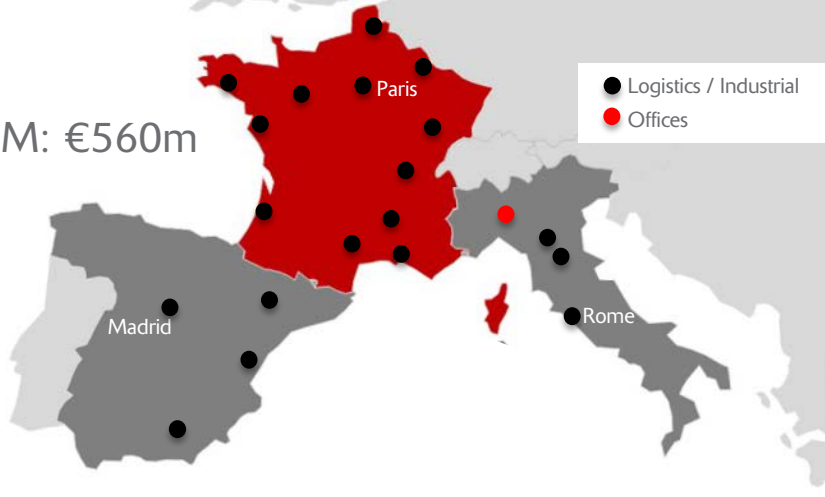
2015
SEGRO acquires 90% of Vailog

2016
Development of Amazon, METRO, etc. & purchase of Brandizzo and Trezzo

2017
Strong Development Activity (LIDL, TNT, Carrefour, Grand Frais, Chronopost, Jaguar, Amazon, Leroy Merlin)

2018
Strong Development Activity (Zalando, IKEA, Chronopost, Amazon, Leroy Merlin) – 420,000 sq m under construction

AUM: €560m



2010

AUM: €1.7bn



2017



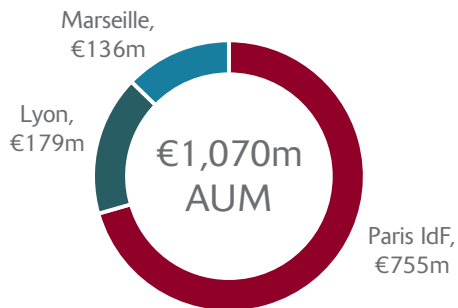
FRANCE

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Portfolio strategically placed on France's logistics "spine"

Portfolio Description – France

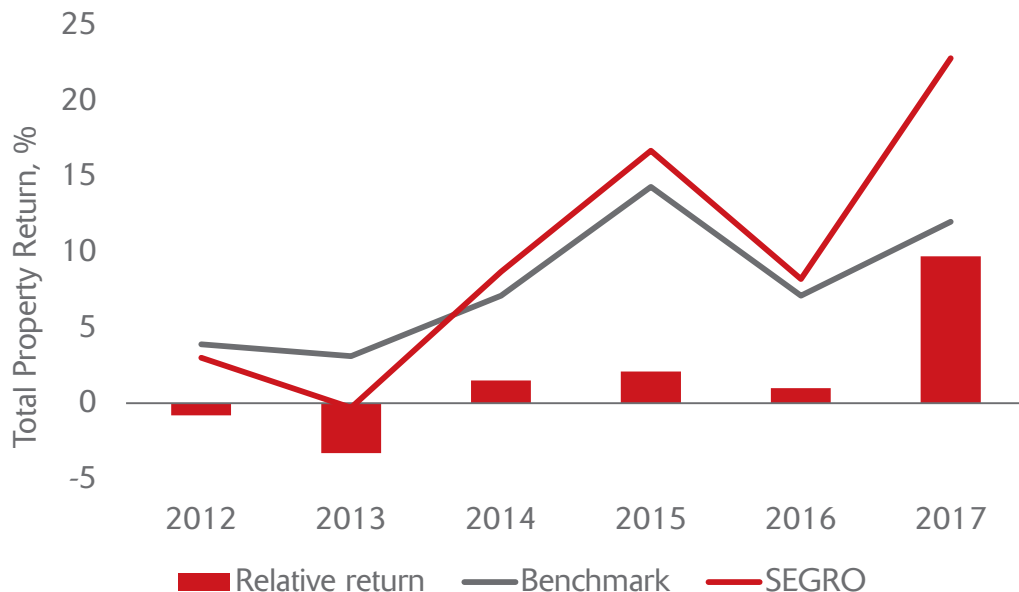
| | |
|-----------------------|--|
| Portfolio size | 1.0m sq m completed assets |
| Portfolio value (AUM) | €948m completed assets (AUM) €1,070m including land and development |
| True equivalent yield | 6.1% |
| Headline rent (AUM) | €61m pa |
| Vacancy (by ERV) | 2% |
| WAVLT to break/expiry | 4.8 / 6.4 years |



France portfolio locations focused on Paris, Lyon and Marseille



SEGRO France portfolio total property return vs MSCI-IPD benchmark, 2012-17, %



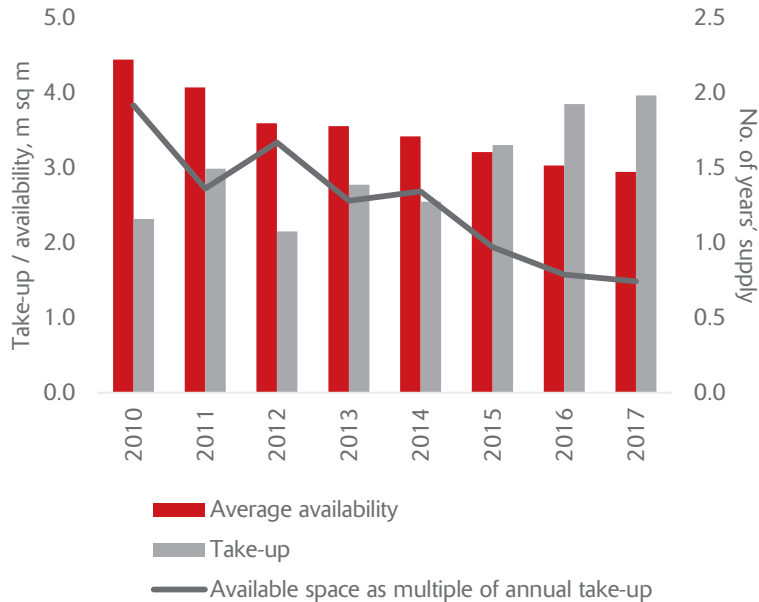
France portfolio TPR vs benchmark, 2012-17 (%)

| | Portfolio | Benchmark | Relative |
|--------|-----------|-----------|----------|
| 3 year | 15.8 | 11.1 | +4.9 |
| 5 year | 10.9 | 8.6 | +2.1 |

TPR and benchmark calculated annually by MSCI-IPD

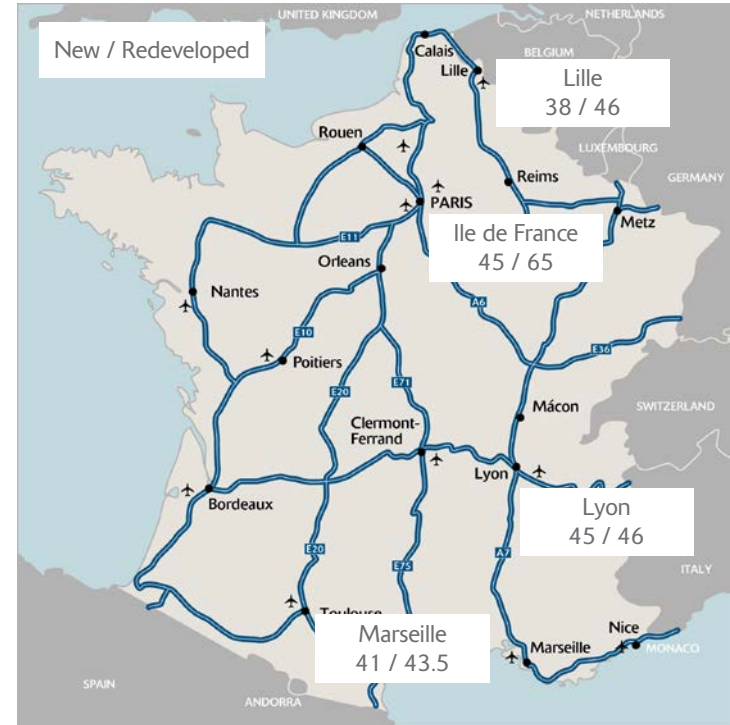
France logistics supply-demand dynamics

(m sq m)

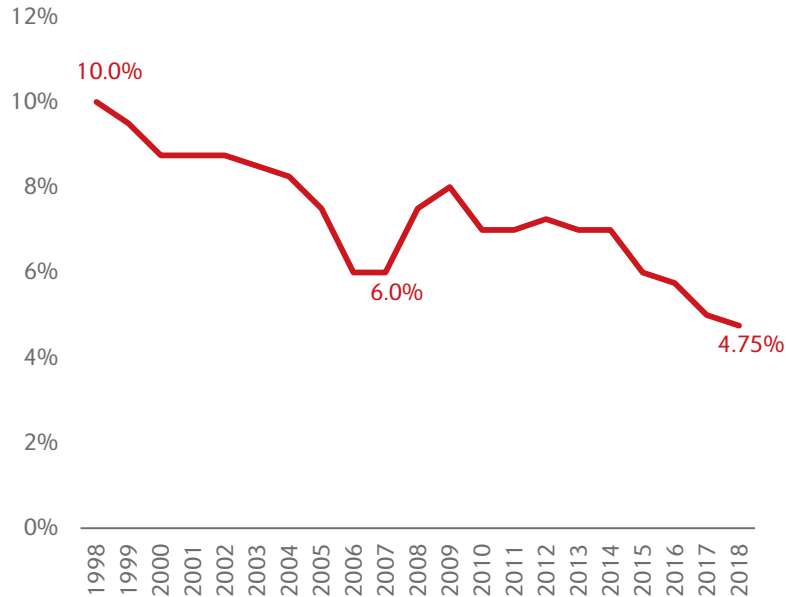


France prime big box warehouse rental values, 2017

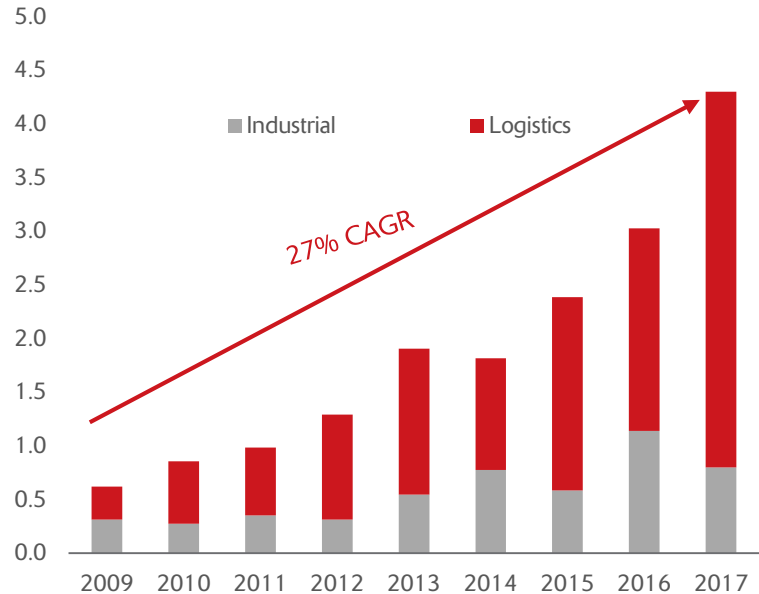
(€ per sq m per year)



France prime big box yields



France warehouse investment volumes, 2008-17 (€ billions)





€649bn

GDP: 30% of France GDP



12 million

Population: 20% of France



1 million

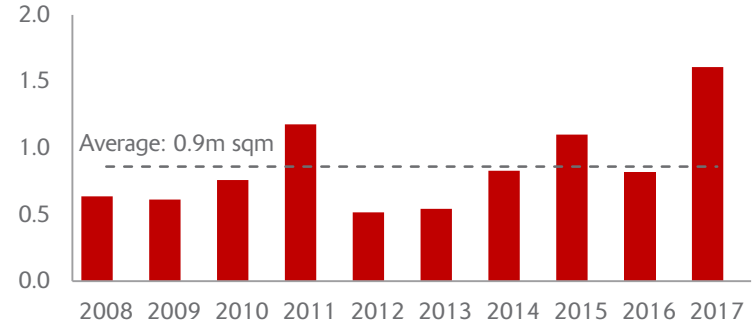
Companies, employing 6.1 m people



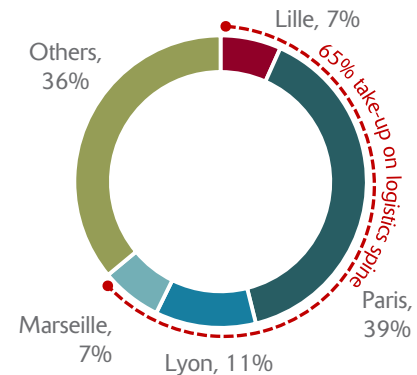
50%

Proportion of SEGRO France portfolio

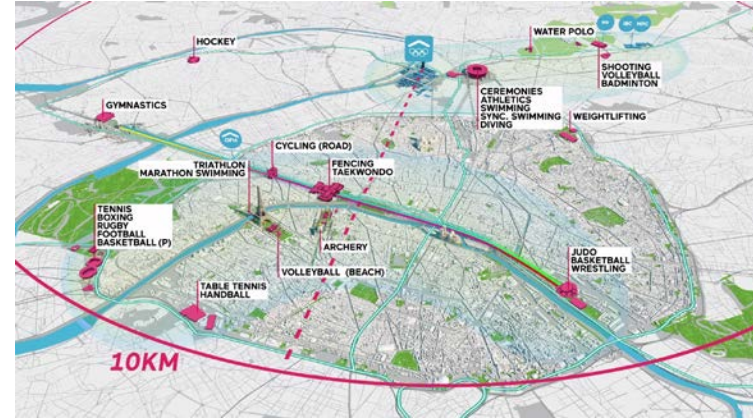
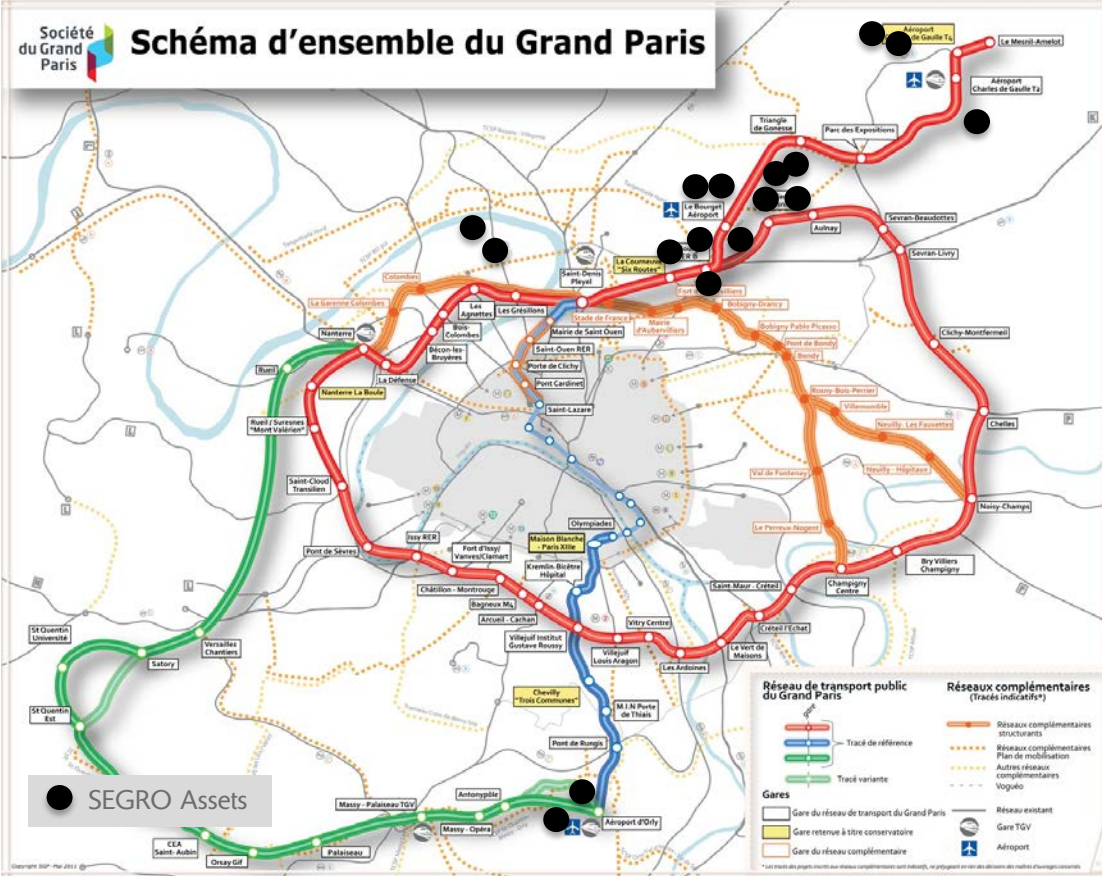
Paris region take-up, million sq m



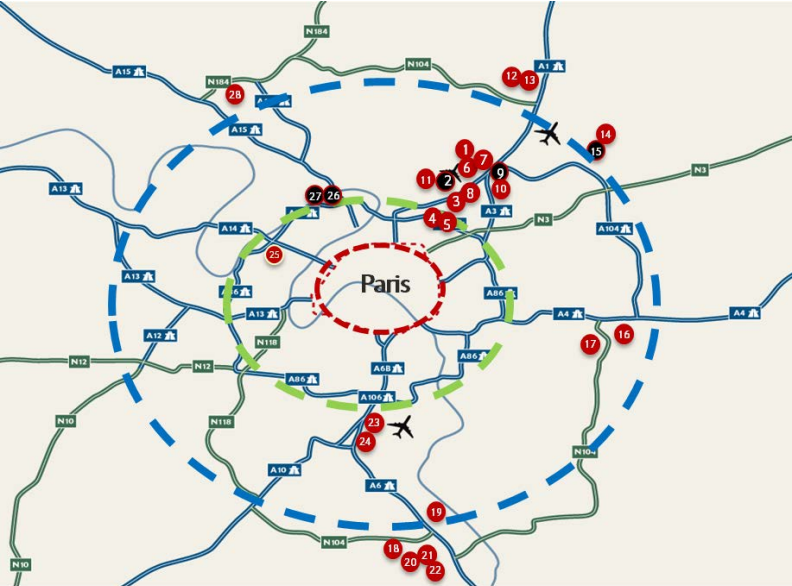
2017 take-up by region



Grand Paris and Olympics infrastructure enhance occupier demand



Portfolio of big box and urban warehousing serving Paris Ile de France

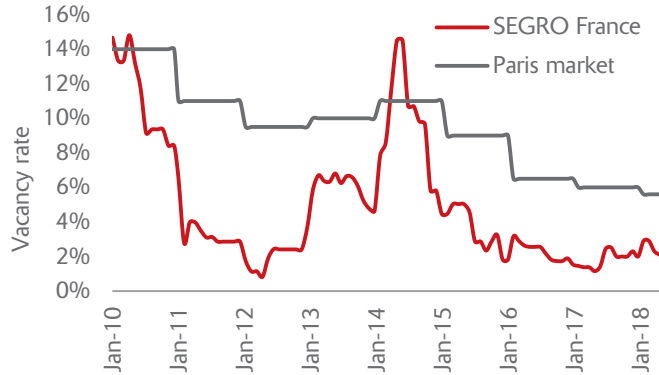


- 1st Ring Road: Périphérique
- 2nd Ring Road: Motorway A86
- 3rd Ring Road: N104
- x Completed asset
- x Under construction

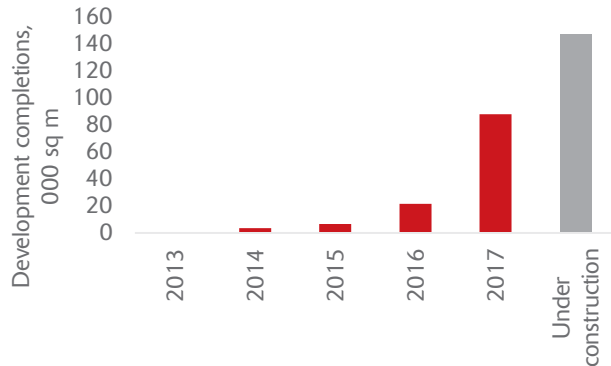




SEGRO France vacancy rate consistently below Paris market



Significant increase in SEGRO development activity



Current development pipeline (Dec 2017)



Space under development (100%)



Potential headline rent (share)



Estimated yield on cost



Potential rent from future pipeline (share)



Aulnay-Sous-Bois

65,000 sq m big box and cross dock facilities

- Building A, 26,000 sq m: Pre-let signed with Carrefour on 9 year lease – completed on March 18
- Building B, 11,000 sq m: Pre-let signed with Chronopost for a cross-dock building – under construction
- Building C: awaiting future pre-let



Gennevilliers

- 63,000 sq m two-storey big box warehouse
- 31,500 sq m ground floor and 31,500 sq m first floor
- Works started in August 2017, 20% pre-let to Leroy Merlin, 80% speculative
- Pre-let agreement signed with IKEA on all speculative space 11 months ahead of completion
- Completion expected by Dec 2018

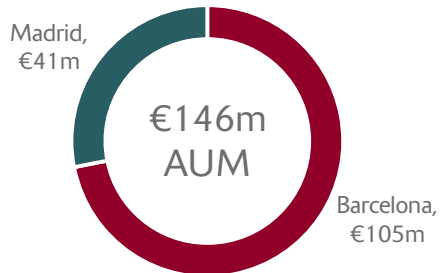


SPAIN

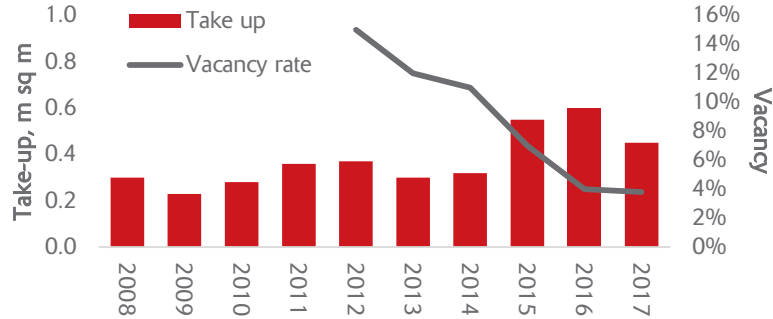
MARCO SIMONETTI
BUSINESS UNIT DIRECTOR, SOUTHERN EUROPE

Portfolio Description – Spain

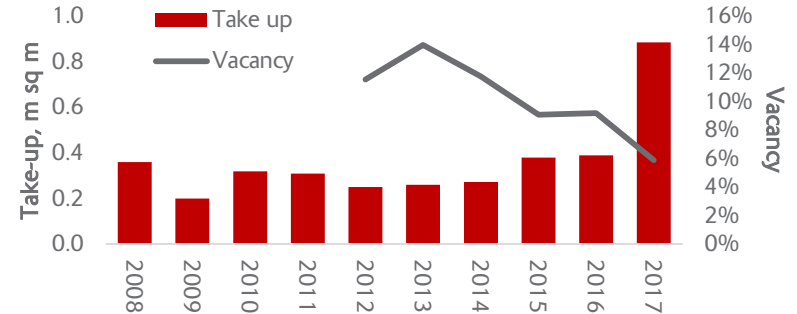
| | |
|-----------------------|---|
| Portfolio size | 99,700 sq m completed assets |
| Portfolio value (AUM) | €94m completed assets (AUM) €146m including land and development |
| True equivalent yield | 6.0% |
| Headline rent (AUM) | €5m pa |
| Vacancy (by ERV) | 3% |
| WAULT to break/expiry | 8.0 / 8.0 years |



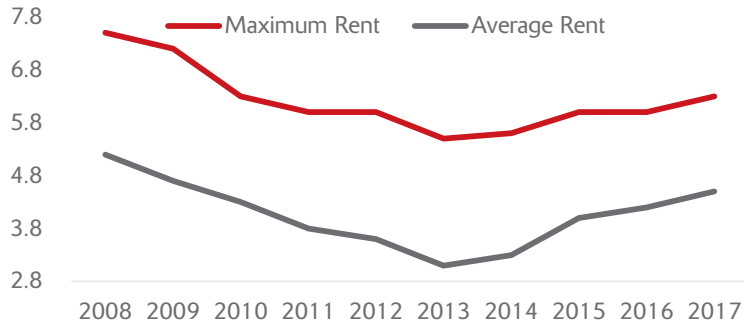
Barcelona big box warehouse take-up, million sq m and vacancy



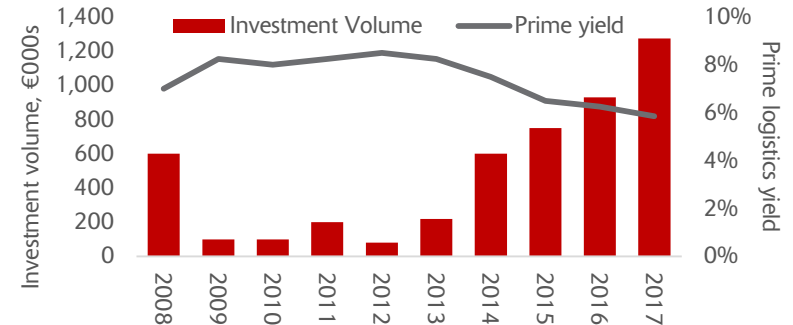
Madrid big box warehouse take-up, million sq m and vacancy



Maximum and average rent evolution – Barcelona (€/sqm/month)

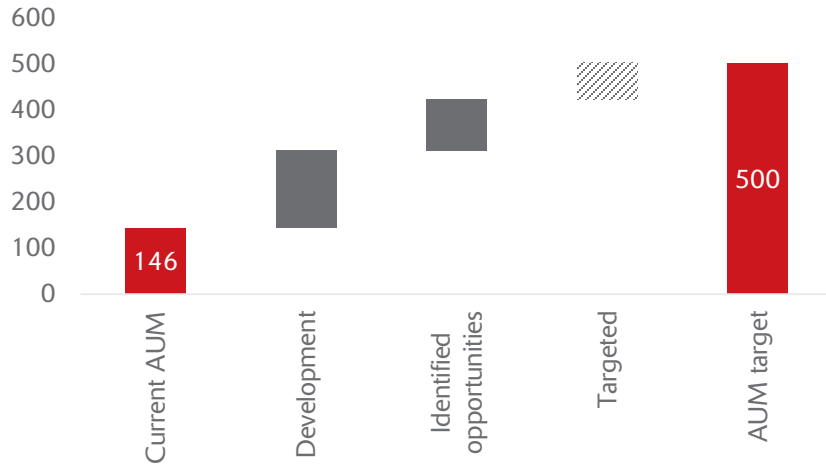


Spain logistics investment volume and yields



Creating a scale position in Spain

Pathway to scale in Spain: assets under management and growth opportunities, €m



Madrid



SEGRO Park Coslada 1 - acquisition



SEGRO Park Coslada 2 – future development



SEGRO Park San Fernando – future development

Barcelona



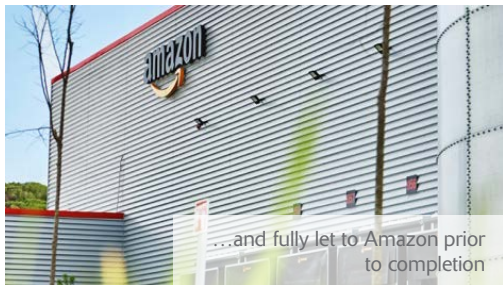
SEGRO Park Martorelles phase 1 – commenced speculatively...



SEGRO Park Martorelles phase 2 – under development



SEGRO Logistics Park Castellar – acquisition



...and fully let to Amazon prior to completion



SEGRO Park Mollet – future development



SEGRO Park Sant Esteve – under development



SEGRO Park Martorelles 2, Barcelona

- 20,000 m² big box warehouse, divisible into 2 units
- BREEAM certification: "very good"
- Free interior height of 10 to 12 meters; 25 m loading yard to front with 24 loading docks, 14m rear yard



SEGRO Park Coslada 2, Madrid

- 12,000 m² urban warehouse for development in 2019
- Divisible into 2,200 m² units
- Excellent corner location in heart of Coslada industrial area

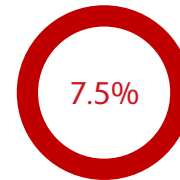
Current development pipeline (Dec 2017)



Space under development (100%)



Potential headline rent (share)



Estimated yield on cost



Potential rent from future pipeline (share)

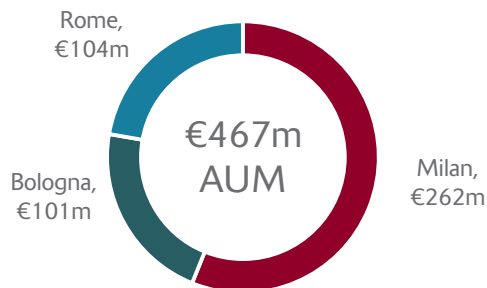


ITALY

**ERIC VERON
GENERAL MANAGER – VAILOG**

Portfolio Description – Italy

| | |
|-----------------------|--|
| Portfolio size | 569,000 sq m completed assets |
| Portfolio value (AUM) | €370m completed assets €467m including land and development |
| True equivalent yield | 5.9% |
| Headline rent (AUM) | €23m pa |
| Vacancy (by ERV) | 0% |
| WAULT to break/expiry | 10.0 / 10.5 years |

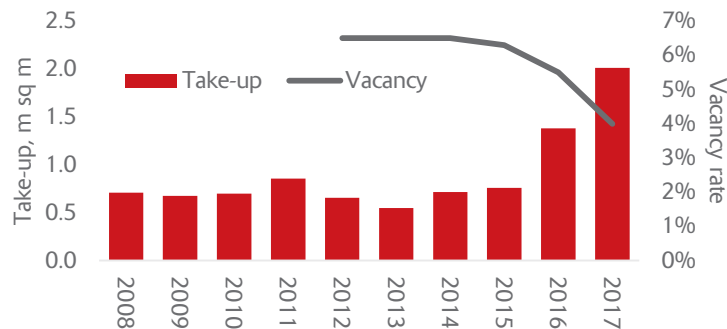


Vailog acquisition provides Italian expertise and growth opportunities

- Vailog founded in 2003
- 2m sq m of developments since inception in Italy and France
- Acquired by SEGRO in 2015
- Since acquisition, 700,000 sq m of space acquired and developed

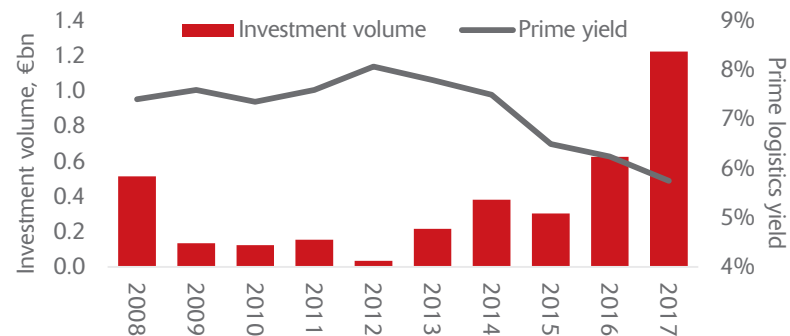


Italy big box warehouse take-up and vacancy



- 55% of 2017 take-up was of pre-let space
- Vacancy rate at all-time low of 4% (from 5.5% at end-2016)
- Prime rent in Milan now €55psqm, +6% from end-2016, reflecting shortage of modern space
- Major occupiers were 3PLs and e-commerce retailers

Italy big box investment volume and prime yield



- Significant increase in investment volumes, even excluding Logisor transaction
- 70% of investors were non-domestic
- Yields compressed to 5.75% at year-end, with further compression evident in early 2018 reflecting lack of quality supply

Diverse customer base in modern logistics parks



OVS



DECATHLON



zalando



amazon



Vailog Rome North DC1

- 158,000 sq m pre-let to Amazon
- Largest build to suit project in 2017
- Accommodating KIVA automation



Verona DC1 (under construction)

- 126,000 sq m pre-let to Zalando
- Largest build to suit project in 2018
- Accommodating 3,000 employees



Milan DS1 (acquired and refurbished)

- 10,000 sq m delivery station to service Milan, fully let to Amazon
- 4km from Milan city centre



Strong development pipeline with significant further potential



Current development pipeline (Dec 2017)



Space under
development (100%)



Potential headline
rent (share)



Estimated yield on
cost



Potential rent from
future pipeline (share)



Creating people-centric warehouses

- Centres for employment
- Integrating more services and amenity spaces

Leveraging proptech

- Building Information Modeling to improve development efficiency
- Building Management Services for effective asset management



Sustainable development

- Land bank utilized prior to development
- Target first class sustainability certification for all developments



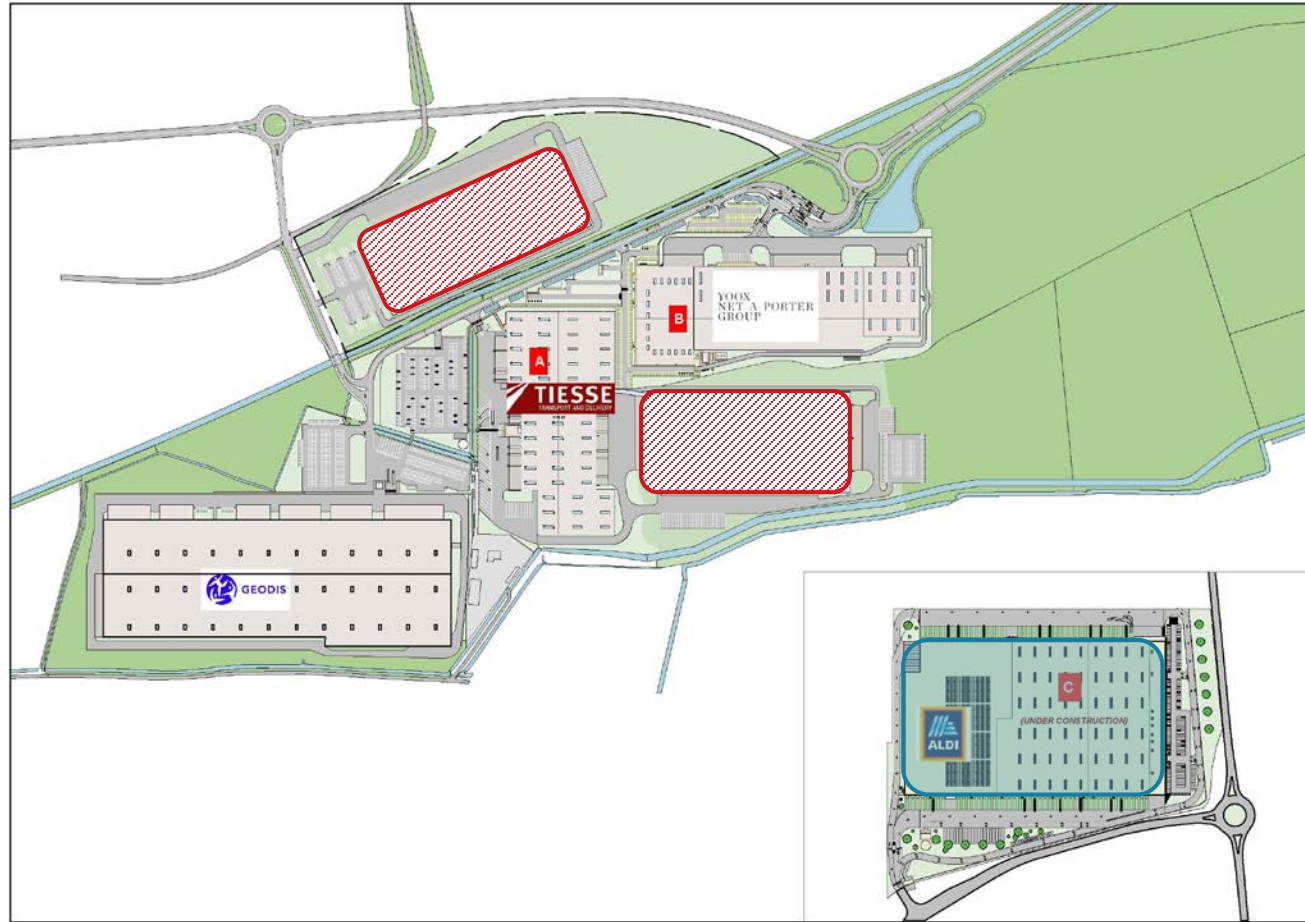
Asset Description

| | |
|-----------------------|-----------------------------|
| Description | Logistics Park |
| Ownership | SEGRO-Vailog/SELP |
| Size | 82,600 sq m (887,000 sq ft) |
| Completed | 2017 |
| Value (100%) | €60m |
| True equivalent yield | 5.9% |
| Passing rent | €1.9m pa (€3.8m pa at 100%) |
| ERV | €1.9m pa (€3.8m pa at 100%) |
| Vacancy (by ERV) | 0% |
| WAULT to break/expiry | 8.3 / 9.2 years |

Data as at 31 December 2017

- Strategically located distribution park
- The world's largest and most advanced distribution centre dedicated to fashion and luxury
- Central hub for e-commerce worldwide distribution
- High-technology equipment (oxygen-reduction, automation, digital production, RFID)
- Possible 60,000 sq m expansion

Tour 1 – Vailog Distribution Centre Milan South



Under development

For future development

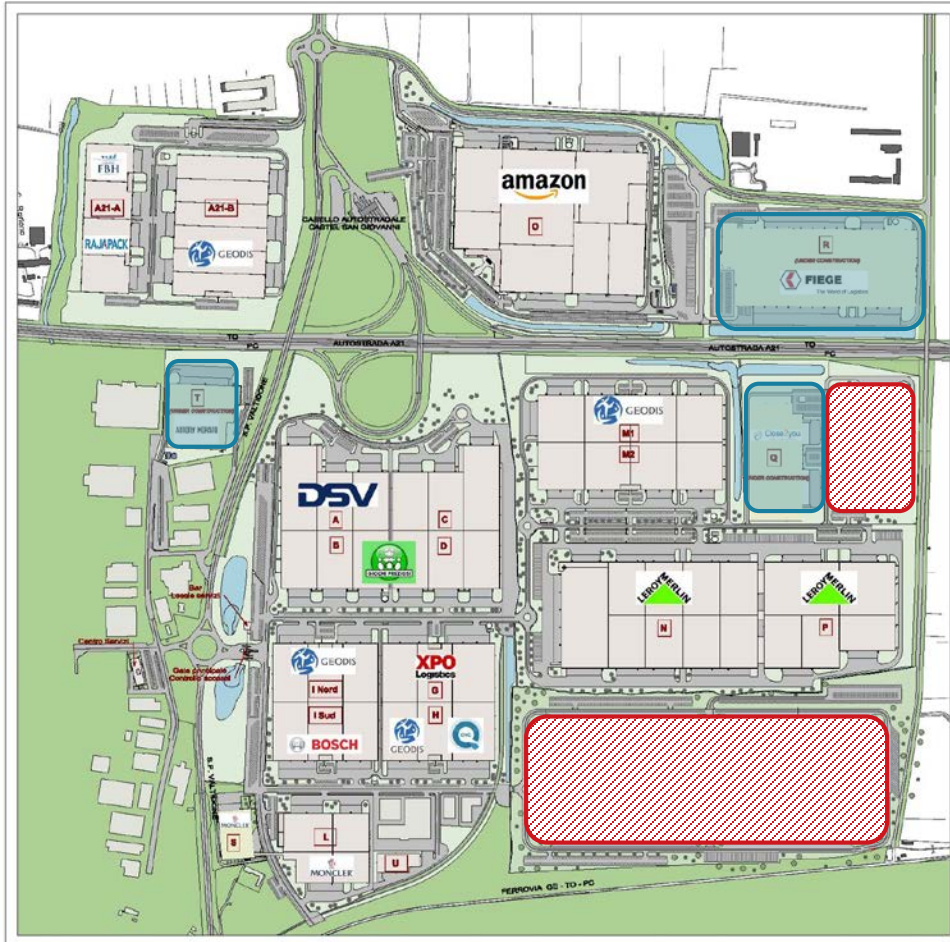




| Asset Description | |
|-----------------------|---------------------------|
| Description | Logistics Park |
| Ownership | SEGRO-Vailog/SELP |
| Size | 142,000 sq m (1.5m sq ft) |
| Completed | 2016-2017 |
| Value (100%) | €90m |
| True equivalent yield | 5.8% |
| Passing rent | €2.8m pa (€5.5m at 100%) |
| ERV | €2.8m pa (€5.5m at 100%) |
| Vacancy (by ERV) | 0% |
| WAULT to break/expiry | 10.5 / 10.5 years |

Data as at 31 December 2017

- Largest modern logistics park in Italy
- 100% developed by Vailog since 2005
- Leroy Merlin largest single customer
- Dedicated to regional, national and international distribution



Under development

For future development

Since 2005...

- 2.4 sq km developed land
- 610,000 sq m of built space, 100% leased
- 91,000 sq m under development, 100% pre-let
- 120,000 sq m future development
- 4 million kWh of solar energy produced
- on average 3,000 employees
- 23 sheep, 20 geese, 5 million bees...



APPENDIX

Southern Europe portfolio overview

| | Southern Europe | France | Italy | Spain |
|---|-----------------|-----------------|-----------------|-----------------|
| Floor space sq m (AUM) | 1,709,163 | 1,040,401 | 569,063 | 99,698 |
| No. of estates | 43 | 27 | 13 | 3 |
| No. of customers | 109 | 82 | 20 | 10 |
| Valuation (AUM / at share) | | | | |
| • Completed assets | €1.4bn / €1.0bn | €0.9bn / €0.6bn | €0.4bn / €0.3bn | €0.1bn / €0.1bn |
| • Total assets including land and development | €1.7bn / €1.3bn | €1.1bn / €0.8bn | €0.5bn / €0.4bn | €0.1bn / €0.1bn |
| Yields – completed assets | | | | |
| • Net initial | 5.2% | 5.3% | 5.4% | 4.4% |
| • True equivalent | 6.0% | 6.1% | 5.9% | 6.0% |
| Rents (based on AUM) | | | | |
| • Headline | €89m | €61m | €23m | €5m |
| • ERV | €90m | €61m | €23m | €6m |
| Vacancy rate (by ERV) | 1.6% | 2.0% | 0.2% | 3.4% |
| WAULT to break / to expiry (years) | 6.5 / 7.7 | 4.8 / 6.4 | 10.0 / 10.5 | 8.0 / 8.0 |

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