

SEGRO

2018

FULL YEAR
PROPERTY ANALYSIS
REPORT



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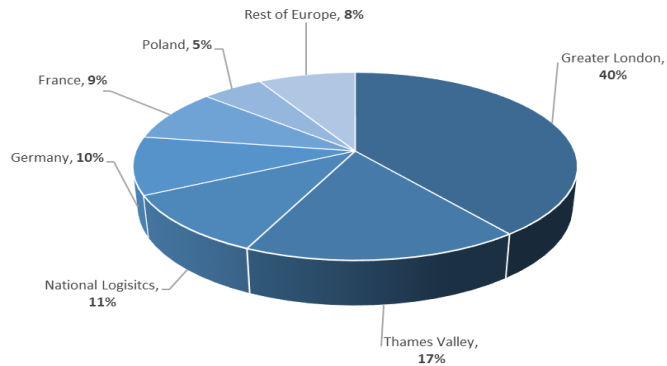
ABOUT SEGRO

SEGRO is a leading owner, asset manager and developer of modern warehousing and light industrial properties, with £11.0 billion of assets under management (£9.4 billion including SEGRO's share of joint ventures). The assets are principally concentrated in key conurbations and major distribution hubs in nine European countries.

The Group serves customers spread across a diverse range of industry sectors. It has 7.0 million square metres of built space under management and annual rental income of £350 million at share.

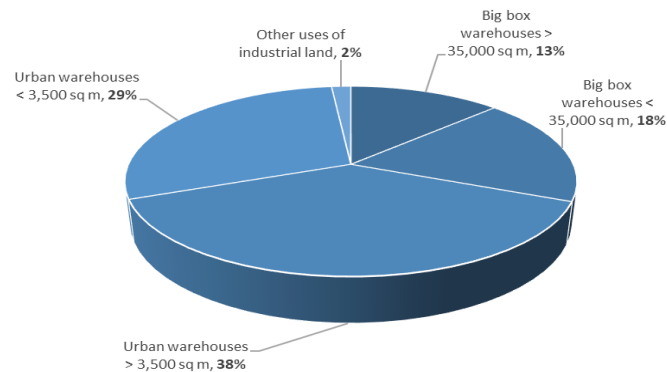
OVERVIEW

Geographical split by value (SEGRO share)



Asset type by value (excluding land)

(SEGRO share)



THE BUILDINGS WE PROVIDE



BIG BOX WAREHOUSES

Big box warehouses are typically used for storage and processing of goods for regional, national and international distribution. The requirement for large land plots means that they tend to be located some distance from the ultimate customer but on major transport routes (mainly motorways, but also ports, rail freight terminals and airports) to allow rapid transit.



URBAN WAREHOUSES

Urban warehouses are located within easy reach of population centres and business districts. They are used by a wide variety of customers who need rapid access to their own customers and to labour and are therefore close to main roads and public transport. Land supply in and around urban areas tends to be less available so urban warehouses tend to be smaller. They are often clustered in estates which can comprise multi-let terraces of smaller units (typically less than 3,500 sq m), larger detached single-let warehouses (typically larger than 3,500 sq m) or a mixture of the two.

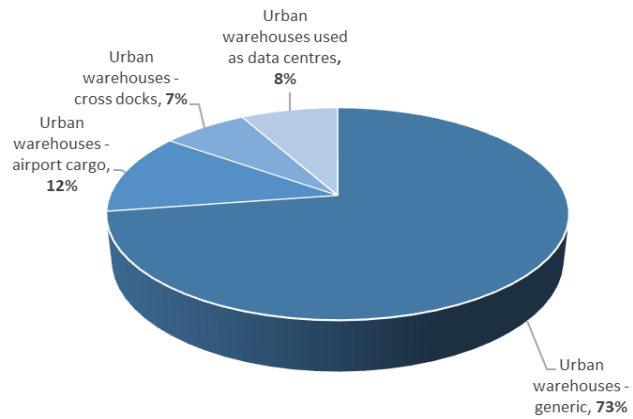


OTHER USES OF INDUSTRIAL LAND

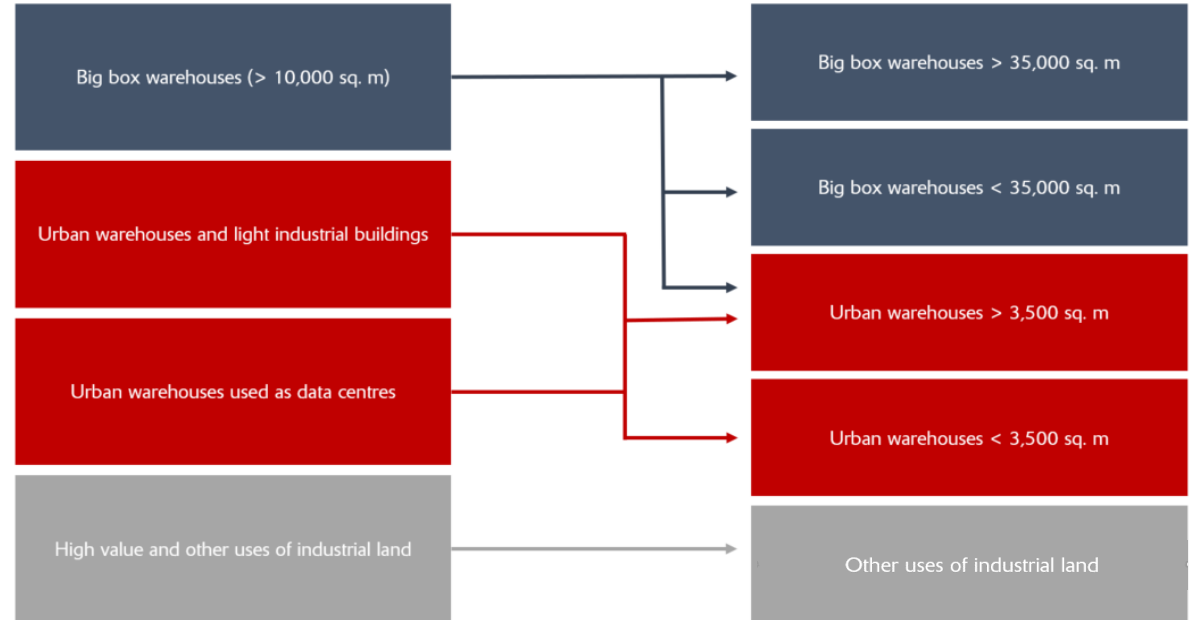
Industrial land in urban areas is often used for non-warehouse purposes. Car showrooms, self storage facilities, budget hotels and offices require similar location characteristics to urban warehouses (close to major roads, public transport and a population centre) and the frontage of urban estates is often best used by such occupiers who benefit from a location with high visibility to passing trade.

OVERVIEW

Urban warehouses split by sub-category (SEGRO share)



NEW PROPERTY CLASSIFICATIONS



During the period, we have re-classified the Group's properties to more accurately reflect the nature of the portfolio on a size and location basis.

COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2018

	UK £m	Continental Europe £m	Total £m
<i>Combined property portfolio (including share of joint ventures)</i>			
COMBINED PROPERTY PORTFOLIO PER FINANCIAL STATEMENTS	6,363.8	3,058.6	9,422.4
Add valuation surplus not recognised on trading properties and other items	2.2	0.9	3.1
COMBINED PROPERTY PORTFOLIO PER EXTERNAL VALUERS' REPORTS	6,366.0	3,059.5	9,425.5
Less land and development properties (investment, trading and joint ventures)	(592.2)	(483.9)	(1,076.1)
NET VALUATION OF COMPLETED PROPERTIES	5,773.8	2,575.6	8,349.4
Add notional purchasers' costs	390.6	141.0	531.6
GROSS VALUE OF COMPLETED PROPERTIES INCLUDING NOTIONAL PURCHASERS' COSTS	6,164.4	2,716.6	8,881.0
	A		

<i>Rental income</i>	£m	£m	£m
Gross passing rent ¹	224.4	131.0	355.4
Less irrecoverable property costs	(2.9)	(6.5)	(9.4)
NET PASSING RENT	221.5	124.5	346.0
	B		
Adjustment for notional rent in respect of rent free periods	11.8	24.4	36.2
TOPPED UP NET RENT	233.3	148.9	382.2
	C		
Including future fixed/minimum uplifts ³	9.7	1.0	10.7
TOTAL TOPPED UP NET RENT	243.0	149.9	392.9

<i>Yields</i>		%	%	%
EPRA net initial yield ²	B/A	3.6	4.6	3.9
EPRA topped up net initial yield ²	C/A	3.8	5.5	4.3
Net true equivalent yield		4.8	5.9	5.1

¹ Gross passing rent excludes short term lettings and licences.

² In accordance with the Best Practices Recommendations of EPRA.

³ Certain leases contain clauses which guarantee future rental increases, whereas most leases contain five yearly, upwards only rent review clauses (UK) or indexation clauses (Continental Europe).

COMBINED PROPERTY PORTFOLIO AS AT 31 DECEMBER 2018

Analysis of unrealised valuation movements	Value at 31 December 2018 £m					
	UK	Valuation movement ¹ %	Continental Europe	Valuation movement ¹ %	Group	Valuation movement ¹ %
Properties held throughout the period	5,617.5	12.0	2,021.9	5.1	7,639.4	10.1
Properties acquired during the period	6.5	8.9	79.5	(0.9)	86.0	(0.2)
Development completed during the period	149.8	31.4	474.2	26.1	624.0	27.4
COMPLETED PROPERTIES	5,773.8	12.4	2,575.6	8.2	8,349.4	11.1
Buildings under construction	357.5	20.9	211.8	10.2	569.3	16.7
Land ²	234.7	(0.8)	272.1	(0.5)	506.8	(0.6)
WHOLE PORTFOLIO	6,366.0	12.3	3,059.5	7.5	9,425.5	10.7

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for properties, allowing for capital expenditure, acquisitions and disposals.

² For land and properties acquired during the period, opening valuation is acquisition cost including notional purchasers' costs which are not recognised under IFRS accounting standards.

Asset values by type and location, £m	London	Thames Valley	National Logistics	France	Italy	Spain	Poland	Czech Republic	Germany/Austria	Netherlands	Total
Big box warehouses > 35,000 sq m	146.0	-	257.5	174.4	124.7	41.7	151.9	-	135.2	43.6	1,075.0
Big box warehouses < 35,000 sq m	119.9	-	404.6	296.4	88.4	18.7	167.9	64.7	348.6	19.1	1,528.3
Urban warehouses > 3,500 sq m	1,668.8	674.0	-	294.7	34.7	10.0	149.2	2.8	309.3	29.6	3,173.1
Urban warehouses < 3,500 sq m	1,611.5	684.8	-	47.2	-	3.0	-	-	6.3	-	2,352.8
Other uses of industrial land ¹	39.3	167.4	-	-	0.8	-	3.2	-	-	9.5	220.2
COMPLETED SEGRO PROPERTIES (SEGRO SHARE)	3,585.5	1,526.2	662.1	812.7	248.6	73.4	472.2	67.5	799.4	101.8	8,349.4
COMPLETED PROPERTIES (AUM)	3,585.5	1,526.2	662.1	1,152.4	425.1	92.2	806.4	135.0	1,215.2	182.2	9,782.3

¹ Includes offices and retail uses such as trade counters, car showrooms and self storage facilities.

COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2018

TOP 10 ESTATES (BY VALUE, SEGRO SHARE)	Ownership	Location	Lettable area (100%) sq m	Headline rent £m	Vacancy by ERV %	WAULT, years ¹	Asset type
UK							
Slough Trading Estate	100	Slough	510,818	67.8	2.3	8.7	Multi-let urban warehouse estate
Shoreham Road Cargo Area	100	Heathrow	86,035	10.8	0.0	4.5	Multi-let cargo facility
SLP East Midlands Gateway	100	Midlands	n/a	n/a	n/a	n/a	Development site
Premier Park	100	Park Royal	78,428	10.8	0.0	4.6	Multi-let urban warehouse estate
Greenford Park	100	Park Royal	79,509	10.0	2.0	6.2	Multi-let urban warehouse estate
North Feltham Trading Estate	100	Heathrow	65,980	7.9	11.9	4.7	Multi-let urban warehouse estate
Axis Park	100	Heathrow	61,753	8.1	0.0	9.1	Multi-let urban warehouse estate
Metropolitan Park	100	Park Royal	69,975	7.1	6.2	2.8	Multi-let urban warehouse estate
SEGRO Logistics Park Rugby Gateway	100	Midlands	113,413	8.5	0.0	9.9	Big box warehouse park
BA World Cargo Centre	100	Heathrow	n/a	Conf.	0.0	32.3	Single-let cargo facility
CONTINENTAL EUROPE							
VAILOG CSG Logistics Park	50 / 100	Italy	217,298	5.3	0.3	8.0	Big box warehouse park
SEGRO Logistics Park Krefeld-Süd	50	Germany	191,644	4.9	0.0	5.9	Big box warehouse park
SEGRO Airport Park Berlin	50 / 100	Germany	107,085	4.1	10.6	5.9	Multi-let urban warehouse and Big box estate
SEGRO Park Düsseldorf-Süd	100	Germany	79,921	5.2	0.0	7.0	Multi-let urban warehouse estate
SEGRO Park Gennevilliers	100	France	75,232	5.5	0.0	7.6	Multi-let urban warehouse estate
SEGRO Logistics Park Stryków	50	Poland	282,818	5.2	3.7	4.5	Big box warehouse park
SEGRO Logistics Park Aulnay	100	France	37,704	3.5	0.0	9.5	Big box warehouse park
SEGRO Logistics Park Prague	50	Czech Republic	169,287	4.0	3.2	4.0	Big box warehouse park
SEGRO Logistics Park Gliwice	50	Poland	237,847	4.8	8.5	4.5	Big box warehouse park
Verona DC1 Rome	100	Italy	n/a	n/a	n/a	n/a	Development site

¹Weighted average unexpired lease term to earlier of break or expiry.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)			Total £m	Assets under management £m	Valuation movement % ¹	Net initial yield %	Topped-up net initial yield % ²	Net true equivalent yield %	
			Investment & trading properties £m	Joint ventures £m	Land & development ³ £m							
UK												
Big box warehouses > 35,000 sq m	234,262	234,262	403.5	-		403.5	403.5	12.1	3.0	3.7	4.9	
Big box warehouses < 35,000 sq m	338,170	338,170	524.5	-		524.5	524.5	7.7	4.4	4.4	4.9	
Urban warehouses > 3,500 sq m	827,158	827,158	2,342.8	-		2,342.8	2,342.8	4.0	3.7	3.9	4.6	
Urban warehouses < 3,500 sq m	636,355	636,355	2,296.3	-		2,296.3	2,296.3	24.2	3.3	3.5	4.5	
Other uses of industrial land ⁴	69,023	69,023	206.7	-		206.7	206.7	-2.2	4.7	5.1	6.1	
	2,104,968	2,104,968	5,773.8	-		592.2	6,366.0	6,371.3	12.0	3.6	3.8	4.8
CONTINENTAL EUROPE												
Big box warehouses > 35,000 sq m	1,706,182	904,213	78.3	593.2		671.5	1,264.8	6.5	4.5	5.4	5.5	
Big box warehouses < 35,000 sq m	2,248,311	1,202,437	205.1	798.7		1,003.8	1,795.2	5.4	4.4	5.2	5.6	
Urban warehouses > 3,500 sq m	839,498	801,592	789.2	41.1		830.3	880.1	3.5	4.8	5.8	6.0	
Urban warehouses < 3,500 sq m	37,179	37,179	56.5	-		56.5	55.0	4.4	4.5	5.0	6.0	
Other uses of industrial land ⁴	50,633	50,633	13.5	-		13.5	13.5	6.7	10.2	11.2	7.0	
	4,881,803	2,996,054	1,142.6	1,433.0		483.9	3,059.5	4,628.0	5.1	4.6	5.5	5.9
GROUP												
Big box warehouses > 35,000 sq m	1,940,444	1,138,475	481.8	593.2		1,075.0	1,668.3	8.8	4.0	4.8	5.3	
Big box warehouses < 35,000 sq m	2,586,481	1,540,607	729.6	798.7		1,528.3	2,319.7	6.3	4.4	4.9	5.4	
Urban warehouses > 3,500 sq m	1,666,656	1,628,750	3,132.0	41.1		3,173.1	3,222.9	3.9	4.0	4.3	5.0	
Urban warehouses < 3,500 sq m	673,534	673,534	2,352.8	-		2,352.8	2,351.3	23.7	3.3	3.5	4.5	
Other uses of industrial land ⁴	119,656	119,656	220.2	-		220.2	220.2	-1.6	5.0	5.4	6.2	
	6,986,771	5,101,022	6,916.4	1,433.0		1,076.1	9,425.5	10,999.3	10.1	3.9	4.3	5.1

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties held throughout the period, allowing for capital expenditure, acquisitions and disposals.

² In relation to SEGRO's share of completed properties.

³ Land and development valuations by asset type are not available as land sites are not categorised by asset type.

⁴ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent £ per sq m ¹	ERV ² £m	Vacancy by ERV ⁵ %
UK							
Big box warehouses > 35,000 sq m	234,262	234,262	13.6	16.4	83.6	20.7	12.2
Big box warehouses < 35,000 sq m	338,170	338,170	21.5	21.5	67.2	24.5	4.7
Urban warehouses > 3,500 sq m	827,158	827,158	93.7	96.6	122.0	116.6	3.4
Urban warehouses < 3,500 sq m	636,355	636,355	77.8	83.1	142.2	108.1	6.1
Other uses of industrial land ⁴	69,023	69,023	10.1	10.9	174.8	11.8	8.0
	2,104,968	2,104,968	216.7	228.5	116.9	281.7	5.4
CONTINENTAL EUROPE							
Big box warehouses > 35,000 sq m	1,706,182	904,213	33.2	39.6	45.1	39.4	2.0
Big box warehouses < 35,000 sq m	2,248,311	1,202,437	49.2	58.4	51.5	60.7	6.5
Urban warehouses > 3,500 sq m	839,498	801,592	45.6	54.0	70.6	54.0	4.9
Urban warehouses < 3,500 sq m	37,179	37,179	3.0	3.3	102.0	3.6	13.0
Other uses of industrial land ⁴	50,633	50,633	2.2	2.3	46.1	2.2	1.6
	4,881,803	2,996,054	133.2	157.6	55.2	159.9	4.9
GROUP							
Big box warehouses > 35,000 sq m	1,940,444	1,138,475	46.8	56.0	52.1	60.1	5.5
Big box warehouses < 35,000 sq m	2,586,481	1,540,607	70.7	79.9	55.0	85.2	6.0
Urban warehouses > 3,500 sq m	1,666,656	1,628,750	139.3	150.6	96.7	170.6	3.9
Urban warehouses < 3,500 sq m	673,534	673,534	80.8	86.4	140.1	111.7	6.3
Other uses of industrial land ⁴	119,656	119,656	12.3	13.2	117.3	14.0	7.0
	6,986,771	5,101,022	349.9	386.1	80.2	441.6	5.2

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ Land and development valuations by asset type are not available as land sites are not categorised by asset type.

⁴ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

⁵ Vacancy rate excluding short term lettings for the Group at 30 June 2018 is 5.5%.

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation movement % ¹	Net initial yield %	Topped-up net initial yield % ²	Net true equivalent yield %
			Investment & trading properties £m	Joint ventures £m	Land & development ³ £m							
BY OWNERSHIP												
Wholly owned	3,215,273	3,215,273	6,916.4	-	938.9	7,855.3	7,855.3	10.9	3.7	4.1	5.0	
Joint ventures	3,771,498	1,885,749	-	1,433.0	137.2	1,570.2	3,144.0	6.0	4.9	5.5	5.6	
GROUP TOTAL	6,986,771	5,101,022	6,916.4	1,433.0	1,076.1	9,425.5	10,999.3	10.1	3.9	4.3	5.1	

	Passing rent ⁵ £m	Headline rent ⁶ £m	Headline rent £ per sq m ⁶	ERV ⁷ £m	Vacancy by ERV ⁴ %
BY OWNERSHIP					
Wholly owned	273.0	300.3	100.3	355.6	5.8
Joint ventures	76.9	85.8	47.2	86.0	3.0
GROUP TOTAL	349.9	386.1	80.2	441.6	5.2

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties held throughout the period, allowing for capital expenditure, acquisitions and disposals.

² In relation to SEGRO's share of completed properties.

³ Land and development valuations by asset type are not available as land sites are not categorised by asset type.

⁴ Vacancy rate excluding short term lettings for the Group at 31 December 2018 is 5.5%.

⁵ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

⁶ In respect of occupied space only; SEGRO share.

⁷ On a fully occupied basis; SEGRO share.

ANALYSIS OF PORTFOLIO BY HISTORIC ASSET TYPE AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation movement % ¹	Net initial yield %	Topped-up net initial yield % ²	Net true equivalent yield %
			Investment & trading properties £m	Joint ventures £m	Land & development ³ £m							
UK												
Big box warehouses (>10,000 sq m)	801,624	801,624	1,442.0	-		1,442.0	1,442.0	6.2	3.6	3.8	4.7	
Urban warehouses and light industrial buildings	1,073,057	1,073,057	3,554.4	-		3,554.4	3,554.4	16.6	3.3	3.5	4.5	
Urban warehouses used as data centres	103,127	103,127	434.1	-		434.1	434.1	7.0	4.4	4.6	4.9	
Other uses of industrial land ⁴	127,160	127,160	343.3	-		343.3	343.3	-0.6	5.0	5.2	5.7	
	2,104,968	2,104,968	5,773.8	-	592.2	6,366.0	6,371.3	12.0	3.6	3.8	4.8	
CONTINENTAL EUROPE												
Big box warehouses (>10,000 sq m)	4,152,691	2,346,173	557.7	1,374.9		1,932.6	3,307.5	5.2	4.4	5.4	5.6	
Urban warehouses and light industrial buildings	722,577	643,346	579.4	58.1		637.5	695.6	4.9	5.2	5.8	6.1	
Urban warehouses used as data centres	-	-	-	-		-	-	-	-	-	-	
Other uses of industrial land ⁴	6,535	6,535	5.5	-		5.5	5.5	0.1	1.9	4.2	8.7	
	4,881,803	2,996,054	1,142.6	1,433.0	483.9	3,059.5	4,628.0	5.1	4.6	5.5	5.9	
GROUP												
Big box warehouses (>10,000 sq m)	4,954,315	3,147,797	1,999.7	1,374.9		3,374.6	4,749.5	5.7	4.1	4.7	5.2	
Urban warehouses and light industrial buildings	1,795,634	1,716,403	4,133.8	58.1		4,191.9	4,250.0	14.9	3.6	3.9	4.8	
Urban warehouses used as data centres	103,127	103,127	434.1	-		434.1	434.1	7.0	4.4	4.6	4.9	
Other uses of industrial land ⁴	133,695	133,695	348.8	-		348.8	348.8	-0.6	5.0	5.2	5.8	
	6,986,771	5,101,022	6,916.4	1,433.0	1,076.1	9,425.5	10,999.3	10.1	3.9	4.3	5.1	

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties held throughout the period, allowing for capital expenditure, acquisitions and disposals.

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⁴ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

ANALYSIS OF PORTFOLIO BY HISTORIC ASSET TYPE AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent £ per sq m ¹	ERV ² £m	Vacancy by ERV ⁵ %
UK							
Big box warehouses (>10,000 sq m)	801,624	801,624	55.6	58.5	78.4	71.6	5.1
Urban warehouses and light industrial buildings	1,073,057	1,073,057	125.1	132.0	133.4	169.8	6.2
Urban warehouses used as data centres	103,127	103,127	17.9	19.1	185.3	19.9	-
Other uses of industrial land ⁴	127,160	127,160	18.1	18.9	162.2	20.4	4.8
	2,104,968	2,104,968	216.7	228.5	116.9	281.7	5.4
CONTINENTAL EUROPE							
Big box warehouses (>10,000 sq m)	4,152,691	2,346,173	95.2	115.7	51.4	117.3	3.9
Urban warehouses and light industrial buildings	722,577	643,346	37.6	41.4	68.5	41.8	7.2
Urban warehouses used as data centres	-	-	-	-	-	-	-
Other uses of industrial land ⁴	6,535	6,535	0.4	0.5	165.0	0.8	35.6
	4,881,803	2,996,054	133.2	157.6	55.2	159.9	4.9
GROUP							
Big box warehouses (>10,000 sq m)	4,954,315	3,147,797	150.8	174.2	58.1	188.9	4.4
Urban warehouses and light industrial buildings	1,795,634	1,716,403	162.7	173.4	108.8	211.6	6.4
Urban warehouses used as data centres	103,127	103,127	17.9	19.1	185.3	19.9	0.0
Other uses of industrial land ⁴	133,695	133,695	18.5	19.4	162.2	21.2	6.0
	6,986,771	5,101,022	349.9	386.1	80.2	441.6	5.2

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ Land and development valuations by asset type are not available as land sites are not categorised by asset type.

⁴ "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

⁵ Vacancy rate excluding short term lettings for the Group at 31 December 2018 is 5.5%.

ANALYSIS OF PORTFOLIO BY GEOGRAPHY AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation movement % ¹	Net initial yield %	Topped-up net initial yield % ²	Net true equivalent yield %
			Investment & trading properties £m	Joint ventures £m	Land & development ³ £m							
London Airports (primarily Heathrow)	491,730	491,730	1,730.0	-	63.6	1,793.6	1,793.6	15.0	3.3	3.6	4.7	
Park Royal	432,175	432,175	1,421.1	-	6.0	1,427.1	1,427.1	15.0	3.1	3.3	4.1	
Rest of Greater London	155,605	155,605	434.4	-	69.4	503.8	503.8	23.7	3.1	3.2	4.5	
GREATER LONDON	1,079,510	1,079,510	3,585.5	-	139.0	3,724.5	3,724.5	15.8	3.4	3.4	4.6	
Slough Trading Estate	510,818	510,818	1,479.2	-	90.7	1,569.9	1,569.9	8.0	4.3	4.5	4.9	
Rest of South-East England	16,713	16,713	47.0	-	21.6	68.6	68.6	1.4	2.9	2.9	5.5	
THAMES VALLEY	527,531	527,531	1,526.2	-	112.3	1,638.5	1,638.5	7.8	3.0	4.5	5.0	
NATIONAL LOGISTICS	497,927	497,927	662.1	-	340.9	1,003.0	1,008.3	2.9	4.4	4.4	5.2	
UK TOTAL	2,104,968	2,104,968	5,773.8	-	592.2	6,366.0	6,371.3	12.0	3.6	3.8	4.8	
Germany/Austria	1,236,377	763,243	383.6	415.8	140.7	940.1	1,407.4	4.5	4.2	4.7	5.3	
Netherlands	241,565	156,971	21.3	80.5	19.6	121.4	209.9	0.4	5.1	5.9	5.9	
NORTHERN EUROPE	1,477,942	920,214	404.9	496.3	160.3	1,061.5	1,617.3	4.1	4.9	4.8	5.5	
France	1,213,615	809,738	473.0	339.7	32.9	845.6	1,195.3	7.3	4.0	5.4	5.5	
Italy/Spain	706,204	439,043	126.7	195.3	256.0	578.0	814.9	7.4	4.6	5.5	5.7	
SOUTHERN EUROPE	1,919,819	1,248,781	599.7	535.0	288.9	1,423.6	2,010.2	7.3	5.1	5.4	5.7	
Poland	1,314,756	742,416	138.0	334.2	23.1	495.3	849.5	2.2	6.3	6.9	6.7	
Czech Republic/Hungary	169,286	84,643	-	67.5	11.6	79.1	151.0	8.5	3.4	5.8	6.0	
CENTRAL EUROPE	1,484,042	827,059	138.0	401.7	34.7	574.4	1,000.5	2.9	6.0	6.8	6.7	
CONTINENTAL EUROPE TOTAL	4,881,803	2,996,054	1,142.6	1,433.0	483.9	3,059.5	4,628.0	5.1	4.6	5.5	5.9	
COMPLETED PORTFOLIO	6,986,771	5,101,022	6,916.4	1,433.0	1,076.1	9,425.5	10,999.3	10.1	3.9	4.3	5.1	

¹ The valuation movement percentage is based on the difference between the opening and closing valuations for SEGRO's share of properties held throughout the period, allowing for capital expenditure, acquisitions and disposals.

² In relation to SEGRO's share of completed properties.

³ Land and development valuations by asset type are not available as land sites are not categorised by asset type.

ANALYSIS OF PORTFOLIO BY GEOGRAPHY AS AT 31 DECEMBER 2018

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent £ per sq m ¹	ERV ² £m	Vacancy by ERV ⁴ %
London Airports (primarily Heathrow)	491,730	491,730	61.0	66.8	141.2	88.3	3.0
Park Royal	432,175	432,175	46.9	48.8	120.6	61.5	5.6
Rest of Greater London	155,605	155,605	13.5	13.9	104.4	20.2	13.8
GREATER LONDON	1,079,510	1,079,510	121.4	129.5	128.1	170.0	5.2
Slough Trading Estate	510,818	510,818	64.1	67.8	137.4	73.1	2.3
Rest of South-East England	16,713	16,713	1.5	1.5	174.5	2.5	38.2
THAMES VALLEY	527,531	527,531	65.6	69.3	116.9	75.6	3.5
NATIONAL LOGISTICS	497,927	497,927	29.7	29.7	67.2	36.1	10.2
UK TOTAL	2,104,968	2,104,968	216.7	228.5	116.9	281.7	5.4
Germany/Austria	1,236,377	763,243	39.4	43.7	61.9	46.7	9.4
Netherlands	241,565	156,971	6.6	7.5	54.3	7.9	11.0
NORTHERN EUROPE	1,477,942	920,214	46.0	51.2	60.6	54.6	9.6
France	1,213,615	809,738	37.4	49.0	62.7	48.5	2.4
Italy/Spain	706,204	439,043	17.5	20.4	46.9	20.1	1.0
SOUTHERN EUROPE	1,919,819	1,248,781	54.9	69.4	57.0	68.6	2.0
Poland	1,314,756	742,416	29.9	33.0	46.2	32.4	3.5
Czech Republic/Hungary	169,286	84,643	2.4	4.0	48.8	4.3	3.2
CENTRAL EUROPE	1,484,042	827,059	32.3	37.0	46.5	36.7	3.5
CONTINENTAL EUROPE TOTAL	4,881,803	2,996,054	133.2	157.6	55.2	159.9	4.9
COMPLETED PORTFOLIO	6,986,771	5,101,022	349.9	386.1	80.2	441.6	5.2

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ Land and development valuations by asset type are not available as land sites are not categorised by asset type.

⁴ Vacancy rate excluding short term lettings for the Group at 31 December 2018 is 5.5%.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2018

LEASING DATA¹ FOR PERIOD TO 31 DECEMBER

		2018	2017
Take-up of existing space ² (A)	£m	12.9	13.9
Space returned ³ (B)	£m	(12.2)	(8.7)
Net absorption of existing space² (A-B)	£m	0.7	5.2
Other rental movements (rent reviews, renewals, indexation) ² (C)	£m	8.3	4.9
Rent roll growth from existing space	£m	9.0	10.1
Take-up of pre-let developments completed in the period •- signed in prior years ² (D)	£m	24.3	22.7
Take-up of speculative developments completed in the past two years ² (D)	£m	9.7	7.9
Total take-up² (A+C+D)	£m	55.2	49.4
Less take-up of space signed in previous periods ²	£m	(30.3)	(24.5)
Pre-lets signed in the period for delivery in later periods ⁴	£m	41.5	28.6
Rental income contracted in the period⁴	£m	66.4	53.5
Take-back of space for re-development	£m	(0.7)	(3.3)
Retention rate ⁴	%	89	81

RECONCILIATION BETWEEN PASSING RENT AND ERV

	UK £m	Continental Europe	Group £m
PASSING RENT PER VALUATION	224.4	131.0	355.4
Valuation adjustments (incl outstanding rent reviews, rent in arrears)	(7.2)	2.4	(4.8)
Less rents from short term lettings	(0.5)	(0.2)	(0.7)
SEGRO PASSING RENT	216.7	133.2	349.9
Adjustment for notional rent in respect of rent-free periods	11.8	24.4	36.2
SEGRO CONTRACTED HEADLINE RENT	228.5	157.6	386.1
ERV of vacant properties	16.4	8.5	24.9
Reversion to ERV for properties occupied	36.8	(6.2)	30.6
ERV OF COMPLETED PORTFOLIO	281.7	159.9	441.6

¹All figures reflect exchange rates at 31 December and include joint ventures at share.

²Headline rent.

³Headline rent, excluding space taken back for redevelopment.

⁴Headline rent retained as a percentage of total headline rent at risk from break or expiry during the period.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2018

RENT CHANGE ON RENT REVIEW AND LEASE RENEWALS DURING THE PERIOD

	Headline rent of leases subject to review or renewal £m	New headline rent agreed £m	Change %
Greater London	32.6	37.2	14.1
Thames Valley	7.9	8.6	8.9
National Logistics	4.2	4.6	9.5
UK TOTAL	44.7	50.4	12.8
Northern Europe ¹	4.7	4.7	-
Southern Europe ¹	5.6	5.5	(1.8)
Central Europe ¹	6.3	6.1	(3.2)
CONTINENTAL EUROPE TOTAL	16.6	16.3	(1.8)
GROUP TOTAL	61.3	66.7	8.8

LEASE BREAK OPTIONS & EXPIRIES

	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m
Headline rent (SEGRO share)					
UK	9.1	7.5	8.4	10.8	5.8
Continental Europe	10.0	9.0	9.7	8.9	5.2
GROUP TOTAL - LEASE BREAK OPTIONS	19.1	16.5	18.1	19.7	11.0
UK	7.2	14.1	15.8	16.6	14.9
Continental Europe	9.8	11.4	9.5	11.7	11.4
GROUP TOTAL - LEASE EXPIRIES ASSUMING NO BREAKS ARE EXERCISED	17.0	25.5	25.3	28.3	26.3
UK	(0.2)	(1.5)	(3.8)	(3.4)	(3.4)
Continental Europe	(2.4)	(2.4)	(4.0)	(5.2)	(4.4)
GROUP TOTAL - DEDUCTION ASSUMING ALL BREAKS ARE EXERCISED	(2.6)	(3.9)	(7.8)	(8.6)	(7.8)
GROUP TOTAL - LEASE EXPIRIES AND POTENTIAL BREAKS	33.5	38.1	35.6	39.4	29.5
Estimated Rental Value (ERV; SEGRO share)					
UK	27.2	23.0	21.9	25.5	19.5
Continental Europe	16.3	17.2	14.7	14.5	11.7
GROUP TOTAL - ERV OF LEASES SUBJECT TO BREAK OPTION OR EXPIRY	43.5	40.2	36.6	40.0	31.2

¹Continental Europe leases do not have rent review clauses so these data are for lease renewals only.

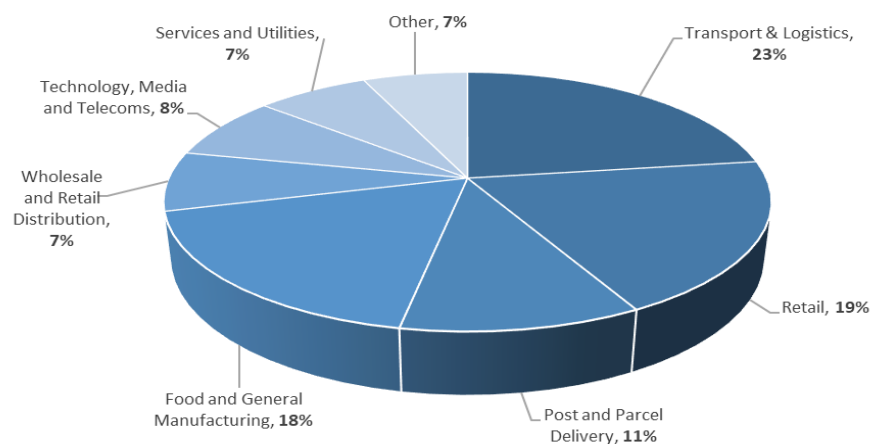
SUPPLEMENTARY DATA AS AT 31 DECEMBER 2018

RENT SUBJECT TO REVIEW

	2019	2020	2021	2022	2023
	£m	£m	£m	£m	£m
Headline rent					
Greater London	11.0	16.4	15.0	10.7	11.8
Thames Valley	6.4	4.8	9.0	4.6	4.0
National Logistics	1.6	6.8	4.9	3.6	1.1
UK TOTAL	19.0	28.0	28.9	18.9	16.9
Estimated Rental Value (ERV)					
Greater London	16.2	19.0	16.9	11.7	12.9
Thames Valley	6.8	5.0	9.3	4.7	4.0
National Logistics	1.8	7.4	5.3	3.6	1.1
UK TOTAL	24.8	31.4	31.5	20.0	18.0

CUSTOMER TYPES AS AT 31 DECEMBER 2018

Customer type by headline rent



WEIGHTED AVERAGE LEASE LENGTH¹

By geography	Break years	Expiry years
UK	8.9	10.3
Continental Europe	5.4	6.7
GROUP TOTAL	7.5	8.9

¹Weighted by headline rent (including SEGRO share of properties in joint ventures).

TOP 20 CUSTOMERS

CUSTOMER (BY HEADLINE RENT)	CUSTOMER TYPE
Deutsche Post	Post & Parcel Delivery; Transport & Logistics
Federal Express	Post & Parcel Delivery
Worldwide Flight Services	Transport & Logistics
Amazon	Retail
Royal Mail	Post & Parcel Delivery
IAG (British Airways)	Other
Equinix	Technology, Media and Telecoms
Sainsburys	Retail
LA POSTE/DPD	Post & Parcel Delivery
Tesco	Retail
DSV	Transport & Logistics
Virtus	Technology, Media and Telecoms
Mars Wrigley Confectionery UK Ltd	Manufacturing
Leroy Merlin	Retail
IKEA	Retail
ID Logistics	Transport & Logistics
Geodis	Transport & Logistics
Hermes Parcelnet Ltd	Post & Parcel Delivery
Richemont Group	Retail
Marks and Spencer	Retail

The top 20 customers represent headline rent of £119.0 million in aggregate, 31% of the Group's total headline rent at 31 December 2018 (SEGRO share).

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2018

	Hectarage (space, 100%) ha	Space to be built (100%) sq m	Current book value ¹ £m	Estimated cost to completion ² £m	ERV when completed ³ £m	Pre-let (ERV) £m	Estimated yield on cost ⁴ %
CURRENT DEVELOPMENT PIPELINE (A)							
UK — wholly-owned	51.0	273,783	315.5	103.7	23.8	21.1	6.8%
Continental Europe — wholly-owned	29.4	305,741	150.8	83.3	16.0 ⁵	9.5	7.3%
Continental Europe — joint ventures	43.9	248,212	70.2	24.4	6.1	2.8	7.4%
	124.3	827,736	536.5	211.4	45.9	33.4	7.1%
FUTURE DEVELOPMENT PIPELINE (B)							
UK — wholly-owned	147.9	417,804	232.2	267.1	34.7	-	7.0%
Continental Europe — wholly-owned	287.1	1,129,088	177.6	642.8	58.8	-	7.2%
Continental Europe — joint ventures	202.0	1,000,840	61.8	224.3	21.5	-	7.5%
	637.0	2,547,732	471.6	1,134.2	115.0	-	7.2%
TOTAL DEVELOPMENT PIPELINE (A+B)							
	761.3	3,375,468	1,008.1	1,345.6	160.9	33.4	
Land subject to sale on turnkey developments	11.3		42.0				
Other land	113.3		26.0				
TOTAL DEVELOPMENT PIPELINE AND OTHER LAND	885.9		1,076.1				

¹ Includes current value of land plus all costs incurred to date.

² Estimated costs to completion include estimated finance charges during construction which are capitalised to the end of the construction period.

³ ERV based upon market rents as at 31 December 2018.

⁴ Yield on cost is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the cost of the developments taking land at value at commencement of the developments plus total development costs to completion.

⁵ Approximately £10.5 million is associated with big box warehouses built by SEGRO/Vailog for which SELP has the option, but not the obligation, to acquire shortly after completion. Any acquisition is carried out based on the most recent valuation and the effective impact on SEGRO would be receipt of 50 per cent of the proceeds and a loss of 50 per cent of the rent.

CURRENT DEVELOPMENT PROJECTS

	Space to be built (100%) sq m	Period of completion		Estimated costs to completion £m Total	Period of completion		ERV when complete £m Total	Period of completion		Pre-let (ERV) £m Total	Period of completion	
		H1 2019	H2 2019		H1 2019	H2 2019		H1 2019	H2 2019		H1 2019	H2 2019
UK — Big Box wholly owned	203,622	199,423	4,199	43.1	36.7	6.4	12.3	11.3	1.0	12.3	11.3	1.0
UK — Urban warehousing wholly-owned	66,514	8,002	58,512	51.0	1.5	49.5	10.5	1.4	9.1	8.0	1.3	6.7
UK — Other uses of industrial land wholly-owned	3,647	-	3,647	9.6	0.7	8.9	1.0	0.1	0.9	0.8	0.1	0.7
UK TOTAL	273,783	207,425	66,358	103.7	38.9	64.8	23.8	12.8	11.0	21.1	12.7	8.4
Continental Europe – Big Box	499,590	415,233	84,357	70.8	49.2	21.6	16.6	12.8	3.8	11.6	8.7	2.9
<i>Continental Europe – Big Box wholly-owned</i> ¹	251,378	167,021	84,357	46.4	24.8	21.6	10.5	6.7	3.8	8.8	5.9	2.9
<i>Continental Europe – Big Box joint ventures</i>	248,212	248,212	-	24.4	24.4	0.0	6.1	6.1	0.0	2.8	2.8	0.0
Continental Europe – Urban warehousing wholly-owned	45,460	31,140	14,320	23.3	11.7	11.6	3.9	2.6	1.3	-	0.0	0.0
Continental Europe – Other uses of industrial land wholly-owned	8,903	-	8,903	13.6	0.0	13.6	1.6	0.0	1.6	0.7	0.0	0.7
CONTINENTAL EUROPE TOTAL	553,953	446,373	107,580	107.7	60.9	46.8	22.1	15.4	6.7	12.3	8.7	3.6
CURRENT DEVELOPMENT PIPELINE	827,736	653,798	173,938	211.4	99.8	111.6	45.9	28.2	17.7	33.4	21.4	12.0

¹These developments are built by SEGRO/Vailog for which SELP has the option, but not the obligation, to acquire shortly after completion.

DEVELOPMENT PROJECTS COMPLETED IN 2018

	Completed (space, 100%) sq m	Total ERV (at share) £m	ERV of let space (at share) £m	Total capital expenditure (at share) £m	Yield on cost
UK — Big Box	-	-	-	-	N/A
UK — Urban warehousing	40,282	5.5	3.2	50.5	9.3%
UK — Other uses of industrial land	10,617	1.7	1.6	21.3	6.8%
UK TOTAL	50,899	7.2	4.8	71.8	8.6%
Continental Europe — Big Box	444,311	24.0	23.1	234.9	8.0%
Wholly-owned	276,476	15.7 ¹	15.7	156.9	8.0%
Joint Ventures	167,835	8.3	7.4	78.0	8.3%
Continental Europe - Urban warehousing wholly-owned	176,525	13.0	9.1	126.1	8.6%
Continental Europe - Other uses of industrial land wholly-owned	1,652	0.2	0.2	2.5	6.6%
CONTINENTAL EUROPE TOTAL	622,488	37.2	32.4	363.5	8.1%
TOTAL COMPLETED PROJECTS IN 2018	673,387	44.4	37.2	435.3	8.2%

¹ Since completion £9.0m has been sold to SELP (£4.5m net impact on SEGRO)

GLOSSARY OF TERMS

Completed portfolio

The completed investment properties and the Group's share of joint ventures' completed investment properties. Includes properties held throughout the period, completed developments and properties acquired during the period.

Development pipeline

The Group's current programme of developments authorised or in the course of construction at the balance sheet date (Current Pipeline), together with potential schemes not yet commenced on land owned or controlled by the Group (Future Pipeline).

EPRA

The European Public Real Estate Association, a real estate industry body, which has issued Best Practices Recommendations in order to provide consistency and transparency in real estate reporting across Europe.

Estimated cost to completion

Costs still to be expended on a development or redevelopment to practical completion, including notional finance costs.

Estimated rental value (ERV)

The estimated annual market rental value of lettable space as determined biannually by the Group's valuers. This will normally be different from the rent being paid.

Rent-free period

An incentive provided usually at commencement of a lease during which a customer pays no rent. The amount of rent free is the difference between passing rent and headline rent.

Headline rent

The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV) ignoring any rent-free period.

Hectares (Ha)

The area of land measurement used in this analysis. The conversion factor used, where appropriate, is 1 hectare = 2.471 acres.

Investment property

Completed land and buildings held for rental income return and/or capital appreciation.

Joint venture

An entity in which the Group holds an interest and which is jointly controlled by the Group and one or more partners under a contractual arrangement whereby decisions on financial and operating policies essential to the operation, performance and financial position of the venture require each partner's consent.

Net initial yield

Passing rent less non-recoverable property expenses such as empty rates, divided by the property valuation plus notional purchasers' costs. This is in accordance with EPRA's Best Practices Recommendations.

Square metres (sq m)

The area of buildings measurements used in this analysis. The conversion factor used, where appropriate, is 1 square metre = 10.7639 square feet.

Net rental income

Gross Rental Income less ground rents paid, net service charge expenses and property operating expenses.

Net true equivalent yield

The internal rate of return from an investment property, based on the value of the property assuming the current passing rent reverts to ERV and assuming the property becomes fully occupied over time. Rent is assumed to be paid quarterly in advance, in line with standard UK lease terms.

Passing rent

The annual rental income currently receivable on a property as at the balance sheet date (which may be more or less than the ERV). Excludes rental income where a rent free period is in operation. Excludes service charge income (which is netted off against service charge expenses).

Pre-let

A lease signed with an occupier prior to commencing construction of a building.

REIT

A qualifying entity which has elected to be treated as a Real Estate Investment Trust for tax purposes. In the UK, such entities must be listed on a recognised stock exchange, must be predominantly engaged in property investment activities and must meet certain ongoing qualifications. SEGRO plc and its UK subsidiaries achieved REIT status with effect from 1 January 2007.

Total capital expenditure

Total capital expenditure excluding land value.

GLOSSARY OF TERMS

Rent roll

See Passing Rent.

Take-back

Rental income lost due to lease expiry, exercise of break option, surrender or insolvency.

Trading property

Property being developed for sale or one which is being held for sale after development is complete.

Speculative development

Where a development has commenced prior to a lease agreement being signed in relation to that development.

Topped up net initial yield

Net initial yield adjusted to include notional rent in respect of let properties which are subject to a rent free period at the valuation date. This is in accordance with EPRA's Best Practices Recommendations.

Yield on cost

Yield on cost is the expected gross yield based on the estimated current market rental value (ERV) of the developments when fully let, divided by the book value of the developments at the earlier of commencement of the development or the balance sheet date plus future development costs and estimated finance costs to completion.



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