



## CONTENTS

---

### OVERVIEW

- 03** Overview
- 04** Combined property portfolio and yield reconciliation
- 06** Summary analysis
- 08** Analysis of completed portfolio
- 10** Supplementary data
- 12** Top 20 customers
- 13** Development pipeline
- 18** Glossary of Terms

## ABOUT SEGRO

---

SEGRO is a leading owner, asset manager and developer of modern warehousing and light industrial properties, with £4.1 billion of assets (including joint ventures at Group share) principally concentrated in London's Western Corridor (including the Thames Valley) and in key conurbations in France, Germany and Poland. We also develop and own warehouses in important distribution markets in the UK, Belgium, the Netherlands and the Czech Republic, and offices in Slough, Brussels and Milan.

The Group serves around 1,250 customers spread across a diverse range of industry sectors. It has 5.3 million square metres of built space under management and a gross passing rent roll of £258 million (SEGRO share).

## OVERVIEW

### GEOGRAPHICAL SPLIT BY VALUE (SEGRO SHARE)



UK: THAMES VALLEY AND NATIONAL LOGISTICS **32%**

UK: GREATER LONDON **39%**

GERMANY **7%**

BELGIUM/NETHERLANDS **5%**

FRANCE **8%**

ITALY **2%**

POLAND **6%**

CZECH REPUBLIC/HUNGARY **1%**

### ASSET TYPE BY VALUE (SEGRO SHARE)



LARGER LOGISTICS WAREHOUSES **26%**

SMALLER WAREHOUSES AND LIGHT INDUSTRIAL BUILDINGS<sup>1</sup> **43%**

DATA CENTRES **6%**

OFFICES **9%**

OTHER BUSINESS SPACE<sup>2</sup> **8%**

LAND AND DEVELOPMENT **8%**

1. LARGER LOGISTICS WAREHOUSES (>10,000 SQ M)
2. SMALLER WAREHOUSES AND LIGHT INDUSTRIAL BUILDINGS<sup>1</sup>
3. MANUFACTURING FACILITIES<sup>1</sup>
4. SELF STORAGE FACILITIES<sup>1</sup>
5. DATA CENTRES
6. SUBURBAN OFFICES
7. CAR SHOWROOMS<sup>2</sup>
8. TRADE COUNTERS<sup>2</sup>
9. RESEARCH AND DEVELOPMENT FACILITIES<sup>2</sup>

<sup>1</sup> COLLECTIVELY REFERRED TO AS "SMALLER WAREHOUSES AND LIGHT INDUSTRIAL BUILDINGS" IN THIS DOCUMENT.

<sup>2</sup> COLLECTIVELY REFERRED TO AS "OTHER BUSINESS SPACE" IN THIS DOCUMENT.

### THE BUILDINGS WE PROVIDE INCLUDE:



## COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2013

Combined property portfolio	UK £m	Continental Europe £m	Total £m	
Total properties per financial statements (see page 5 for analysis)	2,941.9	1,203.3	4,145.2	
Add valuation surplus not recognised on wholly owned trading properties <sup>1</sup>	–	4.2	4.2	
Other items	(0.3)	(0.4)	(0.7)	
<b>COMBINED PROPERTY PORTFOLIO PER EXTERNAL VALUERS' REPORTS</b>	<b>2,941.6</b>	<b>1,207.1</b>	<b>4,148.7</b>	
Less development properties (investment, trading and joint ventures)	(136.4)	(211.5)	(347.9)	
Owner occupied properties	(2.7)	(1.4)	(4.1)	
Net valuation of completed properties	2,802.5	994.2	3,796.7	
Add notional purchasers' costs	161.9	91.5	253.4	
<b>GROSS VALUATION OF COMPLETED PROPERTIES INCLUDING NOTIONAL PURCHASERS' COSTS</b>	<b>A</b>	<b>2,964.4</b>	<b>1,085.7</b>	<b>4,050.1</b>
<b>Income</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	
Gross passing rent <sup>2</sup>	172.1	86.2	258.3	
Less irrecoverable property costs	(2.0)	(0.7)	(2.7)	
Net passing rent	B	170.1	85.5	255.6
Adjustment for notional rent in respect of rent frees		16.8	8.2	25.0
<b>TOPPED UP NET RENT</b>	<b>C</b>	<b>186.9</b>	<b>93.7</b>	<b>280.6</b>
Including fixed/minimum uplifts in lieu of rental growth		6.9	0.4	7.3
<b>TOTAL TOPPED UP NET RENT</b>		<b>193.8</b>	<b>94.1</b>	<b>287.9</b>
<b>Yields</b>	<b>%</b>	<b>%</b>	<b>%</b>	
EPRA net initial yield <sup>3</sup>	B/A	5.7	7.9	6.3
EPRA topped up net initial yield <sup>3</sup>	C/A	6.3	8.6	6.9
Net true equivalent yield		7.2	8.7	7.6

1 Trading properties are recorded in the financial statements at the lower of cost and net realisable value, therefore valuations above cost have not been recognised.

2 Gross passing rent excludes short term lettings and licences.

3 In accordance with the Best Practices Recommendations of EPRA.

## COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2013

Analysis in financial statements		UK £m	Continental Europe £m	Total £m
Wholly owned properties:				
Investment properties	– completed	2,139.9	505.7	2,645.6
	– development	118.0	146.4	264.4
Trading properties	– completed	6.2	90.0	96.2
	– development	0.1	42.4	42.5
Owner occupied properties		2.7	1.4	4.1
Sub-total: wholly owned properties		2,266.9	785.9	3,052.8
Joint ventures:				
Investment properties	– completed	656.7	395.7	1,052.4
	– development	6.3	20.9	27.2
Trading properties	– completed	12.0	–	12.0
	– development	–	0.8	0.8
Sub-total: joint venture properties		675.0	417.4	1,092.4
<b>TOTAL</b>		<b>2,941.9</b>	<b>1,203.3</b>	<b>4,145.2</b>

Note: all references to joint ventures within this document are to the Group's share thereof.

## SUMMARY ANALYSIS AS AT 31 DECEMBER 2013

By asset type	Lettable area (100%) sq m	Lettable area (share) sq m	Completed £m	Owner occupied £m	Land & development <sup>3</sup> £m	Combined property portfolio £m	Net initial yield <sup>2</sup> %	Net true equivalent yield <sup>2</sup> %	Valuation movement <sup>2</sup> %	Vacancy by ERV <sup>4</sup> %
<b>UK</b>										
Larger logistics warehouses >10,000 sq m	800,094	554,353	578.2	–	–	578.2	5.9	6.8	6.0	4.7
Smaller warehouses and light industrial buildings	1,320,960	1,135,810	1,492.2	–	–	1,492.2	5.3	7.3	6.3	11.8
Warehouses used as data centres	136,500	119,782	249.4	–	–	249.4	6.1	6.6	20.3 <sup>5</sup>	1.1
Offices	113,772	109,862	243.4	2.7	–	246.1	7.3	8.0	4.2	8.0
Other business space <sup>6</sup>	123,986	104,790	239.3	–	–	239.3	6.0	6.5	4.0	0.0
	<b>2,495,312</b>	<b>2,024,597</b>	<b>2,802.5</b>	<b>2.7</b>	<b>136.4</b>	<b>2,941.6</b>	<b>5.7</b>	<b>7.2</b>	<b>7.0</b>	<b>8.4</b>
<b>CONTINENTAL EUROPE</b>										
Larger logistics warehouses >10,000 sq m	1,912,083	1,147,236	488.1	–	–	488.1	7.2	8.5	(3.0)	8.8
Smaller warehouses and light industrial buildings	591,824	548,742	309.8	0.5	–	310.3	8.0	8.5	(2.3)	8.3
Warehouses used as data centres	–	–	–	–	–	–	–	–	–	–
Offices	163,776	162,366	122.4	0.9	–	123.3	10.1	10.0	(1.5)	10.2
Other business space <sup>6</sup>	128,880	128,879	73.9	–	–	73.9	8.5	8.3	(9.1)	8.1
	<b>2,796,563</b>	<b>1,987,223</b>	<b>994.2</b>	<b>1.4</b>	<b>211.5</b>	<b>1,207.1</b>	<b>7.9</b>	<b>8.7</b>	<b>(3.1)</b>	<b>8.9</b>
<b>GROUP</b>										
Larger logistics warehouses >10,000 sq m	2,712,177	1,701,589	1,066.3	–	–	1,066.3	6.5	7.6	1.7	6.9
Smaller warehouses and light industrial buildings	1,912,784	1,684,552	1,802.0	0.5	–	1,802.5	5.8	7.5	4.7	11.2
Warehouses used as data centres	136,500	119,782	249.4	–	–	249.4	6.1	6.6	20.3 <sup>5</sup>	1.1
Offices	277,548	272,228	365.8	3.6	–	369.4	8.2	8.6	2.2	9.0
Other business space <sup>6</sup>	252,866	233,669	313.2	–	–	313.2	6.6	6.9	0.6	2.5
	<b>5,291,875</b>	<b>4,011,820</b>	<b>3,796.7</b>	<b>4.1</b>	<b>347.9</b>	<b>4,148.7</b>	<b>6.3</b>	<b>7.6</b>	<b>4.1</b>	<b>8.5</b>
<b>BY OWNERSHIP</b>										
Wholly owned	2,739,419	2,735,593	2,744.3	4.1	308.0	3,056.4	6.4	7.6	4.1	8.3
Joint ventures	2,552,456	1,276,227	1,052.4	–	39.9	1,092.3	5.9	7.4	4.3	9.2
<b>GROUP TOTAL</b>	<b>5,291,875</b>	<b>4,011,820</b>	<b>3,796.7</b>	<b>4.1</b>	<b>347.9</b>	<b>4,148.7</b>	<b>6.3</b>	<b>7.6</b>	<b>4.1</b>	<b>8.5</b>

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

2 In relation to the completed properties only.

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 2013 is 10.0%.

5 Data centres valuation uplift includes unrealised profit associated with a ground lease transaction involving a data centre operator. Excluding this, the uplift would be 7.6%.

6 "Other business space" includes retail uses such as trade counters, care showrooms and self storage facilities.

## SUMMARY ANALYSIS AS AT 31 DECEMBER 2013

By geography	Lettable area (100%) sq m	Lettable area (share) sq m	Completed £m	Owner occupied £m	Land & development £m	Combined property portfolio £m	Net initial yield <sup>2</sup> %	Net true equivalent yield <sup>2</sup> %	Valuation movement <sup>1,2</sup> %	Vacancy by ERV <sup>2,3</sup> %
<b>UK</b>										
<b>GREATER LONDON</b>										
London Airports (primarily Heathrow)	678,425	409,963	677.1	–	13.8	690.9	4.7	7.0	8.0	10.9
Park Royal	410,408	410,408	560.1	–	48.5	608.6	5.4	6.6	8.3	7.5
Rest of Greater London	278,411	278,411	284.2	–	21.2	305.4	6.8	7.5	3.9	5.7
	<b>1,367,244</b>	<b>1,098,782</b>	<b>1,521.4</b>	<b>–</b>	<b>83.5</b>	<b>1,604.9</b>	<b>5.3</b>	<b>7.0</b>	<b>7.3</b>	<b>8.7</b>
<b>THAMES VALLEY AND NATIONAL LOGISTICS</b>										
Slough Trading Estate	575,476	575,476	1,000.8	2.7	29.4	1,032.9	6.3	7.4	7.2	6.6
Rest of South East	148,086	148,086	116.5	–	22.3	138.8	5.6	8.3	1.8	9.3
Logistics Property Partnership JV	404,506	202,253	163.8	–	1.2	165.0	6.0	6.9	6.2	16.4
	<b>1,128,068</b>	<b>925,815</b>	<b>1,281.1</b>	<b>2.7</b>	<b>52.9</b>	<b>1,336.7</b>	<b>6.2</b>	<b>7.4</b>	<b>6.5</b>	<b>8.1</b>
<b>UK TOTAL</b>	<b>2,495,312</b>	<b>2,024,597</b>	<b>2,802.5</b>	<b>2.7</b>	<b>136.4</b>	<b>2,941.6</b>	<b>5.7</b>	<b>7.2</b>	<b>7.0</b>	<b>8.4</b>
<b>CONTINENTAL EUROPE</b>										
<b>NORTHERN EUROPE</b>										
Germany	571,393	474,175	205.1	–	70.5	275.6	7.1	8.3	(0.3)	6.9
Belgium/Netherlands	349,613	290,144	157.7	1.4	28.7	187.8	10.1	9.8	(6.4)	16.3
<b>SOUTHERN EUROPE</b>										
France	888,643	610,205	329.9	–	10.4	340.3	7.5	8.4	(8.1)	6.1
Italy	126,745	126,745	65.2	–	36.9	102.1	10.0	9.5	(1.8)	12.7
<b>CENTRAL EUROPE</b>										
Poland	784,220	444,661	216.6	–	42.7	259.3	7.0	8.4	4.2	7.4
Czech Republic/Hungary	75,949	41,293	19.7	–	22.3	42.0	6.9	8.8	8.0	0.9
<b>CONTINENTAL EUROPE TOTAL</b>	<b>2,796,563</b>	<b>1,987,223</b>	<b>994.2</b>	<b>1.4</b>	<b>211.5</b>	<b>1,207.1</b>	<b>7.9</b>	<b>8.7</b>	<b>(3.1)</b>	<b>8.9</b>
<b>GROUP TOTAL</b>	<b>5,291,875</b>	<b>4,011,820</b>	<b>3,796.7</b>	<b>4.1</b>	<b>347.9</b>	<b>4,148.7</b>	<b>6.3</b>	<b>7.6</b>	<b>4.1</b>	<b>8.5</b>

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

2 In relation to the completed properties only.

3 Vacancy rate excluding short term lettings for the Group at 31 December 2013 is 10.0%.

## ANALYSIS OF COMPLETED PORTFOLIO AS AT 31 DECEMBER 2013

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation			Total £m	Gross passing rent <sup>1</sup> £m	Topped-up gross rent <sup>1</sup> £m	ERV <sup>2</sup> £m
			Investment properties £m	Trading properties £m	Joint ventures £m				
<b>UK</b>									
<b>BY ASSET TYPE</b>									
Larger logistics warehouses >10,000 sq m	800,094	554,353	335.0	–	243.2	578.2	35.1	37.7	40.4
Smaller warehouses and light industrial buildings	1,320,960	1,135,810	1,210.6	1.5	280.1	1,492.2	87.3	97.7	117.3
Warehouses used as data centres	136,500	119,782	218.7	–	30.7	249.4	16.4	18.1	18.0
Offices	113,772	109,862	238.5	4.4	0.5	243.4	18.6	20.2	20.0
Other business space	123,986	104,790	137.1	–	102.2	239.3	14.7	15.2	13.6
	<b>2,495,312</b>	<b>2,024,597</b>	<b>2,139.9</b>	<b>5.9</b>	<b>656.7</b>	<b>2,802.5</b>	<b>172.1</b>	<b>188.9</b>	<b>209.3</b>
<b>BY GEOGRAPHY</b>									
Greater London	1,367,244	1,098,782	1,027.0	1.5	492.9	1,521.4	89.3	98.7	112.9
Thames Valley and National Logistics	1,128,068	925,815	1,112.9	4.4	163.8	1,281.1	82.8	90.2	96.4
	<b>2,495,312</b>	<b>2,024,597</b>	<b>2,139.9</b>	<b>5.9</b>	<b>656.7</b>	<b>2,802.5</b>	<b>172.1</b>	<b>188.9</b>	<b>209.3</b>
<b>CONTINENTAL EUROPE</b>									
<b>BY ASSET TYPE</b>									
Larger logistics warehouses >10,000 sq m	1,912,083	1,147,236	89.3	27.5	371.3	488.1	38.2	43.9	45.3
Smaller warehouses and light industrial buildings	591,824	548,742	234.4	53.0	22.4	309.8	27.9	29.4	28.1
Warehouses used as data centres	–	–	–	–	–	–	–	–	–
Offices	163,776	162,366	120.5	–	1.9	122.4	13.8	14.8	15.5
Other business space	128,880	128,879	61.4	12.4	0.1	73.9	6.3	6.3	6.1
	<b>2,796,563</b>	<b>1,987,223</b>	<b>505.6</b>	<b>92.9</b>	<b>395.7</b>	<b>994.2</b>	<b>86.2</b>	<b>94.4</b>	<b>95.0</b>



## ANALYSIS OF COMPLETED PORTFOLIO AS AT 31 DECEMBER 2013

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation			Total £m	Gross passing rent <sup>1</sup> £m	Topped-up gross rent <sup>1</sup> £m	ERV <sup>2</sup> £m
			Investment properties £m	Trading properties £m	Joint ventures £m				
<b>CONTINENTAL EUROPE CONTINUED</b>									
<b>BY GEOGRAPHY</b>									
<b>Northern Europe</b>									
Germany	571,393	474,175	86.3	70.3	48.5	205.1	17.6	18.5	19.3
Belgium/Netherlands	349,613	290,144	123.1	–	34.6	157.7	17.1	18.3	17.4
<b>Southern Europe</b>									
France	888,643	610,205	175.6	12.8	141.5	329.9	27.4	29.9	29.9
Italy	126,745	126,745	55.4	9.8	–	65.2	8.2	8.2	8.5
<b>Central Europe</b>									
Poland	784,220	444,661	62.1	–	154.5	216.6	14.7	17.6	18.1
Czech Republic/Hungary	75,949	41,293	3.1	–	16.6	19.7	1.2	1.9	1.8
	<b>2,796,563</b>	<b>1,987,223</b>	<b>505.6</b>	<b>92.9</b>	<b>395.7</b>	<b>994.2</b>	<b>86.2</b>	<b>94.4</b>	<b>95.0</b>
<b>GROUP</b>									
<b>BY ASSET TYPE</b>									
Larger logistics warehouses >10,000 sq m	2,712,177	1,701,589	424.3	27.5	614.5	1,066.3	73.3	81.6	85.7
Smaller warehouses and light industrial buildings	1,912,784	1,684,552	1,445.0	54.5	302.5	1,802.0	115.2	127.1	145.4
Warehouses used as data centres	136,500	119,782	218.7	–	30.7	249.4	16.4	18.1	18.0
Offices	277,548	272,228	359.0	4.4	2.4	365.8	32.4	35.0	35.5
Other business space	252,866	233,669	198.5	12.4	102.3	313.2	21.0	21.5	19.7
<b>COMPLETED PORTFOLIO</b>	<b>5,291,875</b>	<b>4,011,820</b>	<b>2,645.5</b>	<b>98.8</b>	<b>1,052.4</b>	<b>3,796.7</b>	<b>258.3</b>	<b>283.3</b>	<b>304.3</b>
By ownership									
Wholly owned	2,739,419	2,735,593	2,645.5	98.8	–	2,744.3	191.4	209.7	222.4
Joint ventures	2,552,456	1,276,227	–	–	1,052.4	1,052.4	66.9	73.6	81.9
<b>COMPLETED PORTFOLIO</b>	<b>5,291,875</b>	<b>4,011,820</b>	<b>2,645.5</b>	<b>98.8</b>	<b>1,052.4</b>	<b>3,796.7</b>	<b>258.3</b>	<b>283.3</b>	<b>304.3</b>

1 In respect of occupied space only.

2 On a fully occupied basis.

## SUPPLEMENTARY DATA AS AT 31 DECEMBER 2013

### TAKE-UP AND PRE-LETS ANALYSIS

	Area (000's sq m)				Rent pa (£m) <sup>2</sup>			
	Take-up <sup>1</sup>		Space returned		Take-up <sup>1</sup>		Space returned	
	2013	2012	2013	2012	2013	2012	2013	2012
UK	123.2	176.7	121.1	129.3	13.4	20.1	13.4	13.3
Continental Europe	359.7 <sup>3</sup>	309.8	505.3 <sup>3</sup>	169.9	15.3 <sup>3</sup>	15.2	21.9 <sup>3</sup>	8.2
<b>GROUP TOTAL</b>	<b>482.9</b>	<b>486.5</b>	<b>626.4</b>	<b>299.2</b>	<b>28.7</b>	<b>35.3</b>	<b>35.3</b>	<b>21.5</b>
Pre-lets completed					(4.5)	(14.0)		
Pre-lets signed for delivery in later periods					7.3	3.9		
<b>RENTAL INCOME CONTRACTED IN THE PERIOD</b>					<b>31.5</b>	<b>25.2</b>		

1 Take-up excludes lease renewals, break options not exercised and income from short term license agreements.

2 Annualised rental income, after the expiry of any rent free periods.

3 Data includes space returned in 2013 of 281,380 sq m (£11.2 million headline rent) relating to the Neckermann campus. Of this space, 70,472 sq m was re-let in 2013 at a headline rent of £1.9 million. The Neckermann campus was sold in December 2013.

### GROSS AND NET RENTAL INCOME IN THE PERIOD

	Gross rental income (£m) 2013	Net rental income (£m) 2013
<b>WHOLLY OWNED</b>		
Investment properties	260.8	213.2
Trading properties	13.0	10.2
	<b>273.8</b>	<b>223.4</b>
<b>JOINT VENTURES</b>		
Investment properties	46.9	39.1
Trading properties	1.6	1.4
<b>GROUP TOTAL</b>	<b>322.3</b>	<b>263.9</b>

### RECONCILIATION BETWEEN PASSING RENT AND ERV

	UK £m	Continental Europe £m	Group £m
<b>CONTRACTED GROSS PASSING RENT</b>	174.3	86.5	260.8
Less rents from short term lettings	(2.2)	(0.3)	(2.5)
Rent frees on let properties	16.8	8.2	25.0
<b>CONTRACTED GROSS TOPPED UP RENT</b>	<b>188.9</b>	<b>94.4</b>	<b>283.3</b>
Opportunities			
– ERV of vacant properties	17.6	8.4	26.0
Risks			
– Reversion to ERV for properties occupied	2.8	(7.8)	(5.0)
<b>ERV OF ENTIRE PORTFOLIO</b>	<b>209.3</b>	<b>95.0</b>	<b>304.3</b>

## SUPPLEMENTARY DATA AS AT 31 DECEMBER 2013

### WEIGHTED AVERAGE LEASE LENGTH<sup>1</sup>

By geography	Break years	Expiry years
UK	8.1	10.2
Continental Europe	4.0	6.3
<b>GROUP TOTAL</b>	<b>6.7</b>	<b>8.9</b>

<sup>1</sup> Weighted by topped up net rent.

### LEASE BREAK OPTIONS & EXPIRIES

Gross passing rent subject to break options	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m
<b>UK</b>					
Greater London	2.6	7.8	6.3	5.7	2.4
Thames Valley and National Logistics	1.1	3.2	3.3	3.2	1.5
<b>CONTINENTAL EUROPE</b>					
Northern Europe	4.7	3.4	1.8	4.8	3.9
Southern Europe	5.9	11.9	5.3	1.4	0.6
Central Europe	0.3	1.2	0.2	0.4	0.3
<b>GROUP TOTAL – BREAK OPTIONS</b>	<b>14.6</b>	<b>27.5</b>	<b>16.9</b>	<b>15.5</b>	<b>8.7</b>

Gross passing rent subject to lease expiry	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m
<b>UK</b>					
Greater London	6.5	5.7	5.2	3.7	8.6
Thames Valley and National Logistics	2.6	5.4	3.2	3.2	6.2
<b>CONTINENTAL EUROPE</b>					
Northern Europe	1.4	1.9	2.6	4.5	2.3
Southern Europe	2.3	2.8	2.3	4.3	7.7
Central Europe	0.8	1.2	3.0	2.1	2.6
<b>GROUP TOTAL – LEASE EXPIRIES ASSUMING NO BREAKS ARE EXERCISED</b>	<b>13.6</b>	<b>17.0</b>	<b>16.3</b>	<b>17.8</b>	<b>27.4</b>

Deduction assuming all breaks are exercised	–	(3.6)	(1.5)	(7.7)	(14.3)
---	---	-------	-------	-------	--------

<b>GROUP TOTAL – EXPIRIES AND POTENTIAL BREAKS</b>	<b>28.2</b>	<b>40.9</b>	<b>31.7</b>	<b>25.6</b>	<b>21.8</b>
--	-------------	-------------	-------------	-------------	-------------

## TOP 20 CUSTOMERS AS AT 31 DECEMBER 2013

### BY CUSTOMER TYPE



<b>AIRLINES &amp; AIR CARGO</b>	<b>5%</b>
<b>AUTOMOTIVE</b>	<b>2%</b>
<b>BUILDING &amp; CONSTRUCTION</b>	<b>3%</b>
<b>COMMUNICATION &amp; TECHNOLOGIES (DATA CENTRES)</b>	<b>16%</b>
<b>MANUFACTURING &amp; ENGINEERING</b>	<b>25%</b>
<b>RETAIL, MEDIA &amp; LEISURE</b>	<b>13%</b>
<b>TRANSPORT &amp; DISTRIBUTION</b>	<b>28%</b>
<b>UTILITIES &amp; SERVICES</b>	<b>8%</b>

### TOP 20 CUSTOMERS\*

CUSTOMER (BY HEADLINE RENT)	CUSTOMER TYPE
Deutsche Post	Transport & Distribution
Telefonica UK Ltd	Communications & Technology (incl Data Centres)
Tesco	Retail, Media & Leisure
Infinity	Communications & Technology (incl Data Centres)
Royal Mail Group	Transport & Distribution
Equinix	Communications & Technology (incl Data Centres)
IAG	Airlines & Air Cargo
Alcatel-Lucent Italia SPA	Communications & Technology (incl Data Centres)
Mars Chocolate UK Ltd	Manufacturing & Engineering
Sainsbury's Supermarkets	Retail, Media & Leisure
UCB SA	Manufacturing & Engineering
Antalis	Manufacturing & Engineering
Federal Express & OPEK Group	Transport & Distribution
Barclays Bank Plc	Utilities & Services
Savvis UK Limited	Communications & Technology (incl Data Centres)
Wincanton Group	Transport & Distribution
Booker Belmont Wholesale	Retail
Cisco Systems Belgium BVBA	Communications & Technology (incl Data Centres)
London City Bond Ltd	Transport & Distribution
Worldwide Flight Services	Airlines & Air Cargo

\* The top 20 customers represent annual headline rent of £75.3 million in aggregate, 25.9% of the Group's total headline rent at 31 December 2013.

\* Mory Ducros, which entered administration in November 2013, is excluded from the Top 20 customers list. Headline rent relating to this customer as at 31 December 2013 was approximately £2.1 million.

## DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2013

### SUMMARY DEVELOPMENT PIPELINE

	Hectarage (100%) ha	Space to be built (100%) sq m	Current book value <sup>1</sup> £m	Estimated cost to completion <sup>2</sup> £m	ERV when complete <sup>3</sup> £m	Pre-let (ERV) £m	Yield on cost <sup>4</sup> %
<b>CURRENT DEVELOPMENT PIPELINE (A)</b> (see pages 15 and 16)							
UK – wholly-owned	10.2	43,223	28.5	34.2	5.4	1.9	9.0
UK – joint ventures	–	–	–	–	–	–	–
Continental Europe – wholly-owned	27.7	104,481	57.5	37.5	9.4	6.6	10.5
Continental Europe – joint ventures	20.0	97,735	9.4	17.3	2.2	1.7	8.8
	<b>57.9</b>	<b>245,439</b>	<b>95.4</b>	<b>89.0</b>	<b>17.0</b>	<b>10.2</b>	<b>9.6</b>
<b>FUTURE PIPELINE (B)</b>							
UK – wholly-owned	40.2	135,628	78.5	137.9	19.4		9.0
UK – joint ventures	37.4	176,844	15.9	38.9	5.4		9.9
Continental Europe – wholly-owned	199.0	891,713	92.1	370.7	43.8		9.5
Continental Europe – joint ventures	64.6	305,040	11.2	46.4	5.6		9.7
	<b>341.2</b>	<b>1,509,225</b>	<b>197.7</b>	<b>593.9</b>	<b>74.2</b>		<b>9.4</b>
<b>TOTAL DEVELOPMENT PIPELINE (A+B)</b>							
UK – wholly-owned	50.4	178,851	107.0	172.1	24.8	1.9	8.9
UK – joint ventures	37.4	176,844	15.9	38.9	5.4	-	9.9
Continental Europe – wholly-owned	226.7	996,194	149.6	408.2	53.2	6.6	9.5
Continental Europe – joint ventures	84.6	402,775	20.6	63.7	7.8	1.7	9.2
	<b>399.1</b>	<b>1,754,664</b>	<b>293.1</b>	<b>682.9</b>	<b>91.2</b>	<b>10.2</b>	<b>9.3</b>

## DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2013

### SUMMARY DEVELOPMENT PIPELINE

	Hectarage (100%) ha	Current book value <sup>1</sup> £m
<b>LONG TERM AND RESIDUAL LAND BANK<sup>5</sup> (C)</b>		
UK – wholly-owned	16.3	11.2
UK – joint ventures	5.1	2.5
Continental Europe – wholly-owned	118.9	40.3
Continental Europe – joint ventures	6.7	0.8
	<b>147.0</b>	<b>54.8</b>
<b>TOTAL DEVELOPMENT PIPELINE &amp; RESIDUAL LAND BANK (A+B+C)</b>		
UK – wholly-owned	66.7	118.2
UK – joint ventures	42.5	18.4
Continental Europe – wholly-owned	345.6	189.9
Continental Europe – joint ventures	91.3	21.4
<b>GROUP TOTAL</b>	<b>546.1</b>	<b>347.9</b>

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

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

3 ERV based upon market rents as at 31 December 2013.

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 and estimated finance costs to completion.

5 Comprised predominantly of non-core land for disposal.

## DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2013

### CURRENT PROJECTS AS AT 31 DECEMBER 2013

	Customer	Asset class	Ownership %	Space to be built (100%) sq m	Expected start	Expected completion
<b>UK</b>						
London, Enfield - Advent Way	Premier Inn	Other business space	100	3,925	Oct-13	Aug-14
London, Enfield - Advent Way	Speculative development	Smaller warehouses and light industrial	100	7,911	Oct-13	Aug-14
London, Heathrow - Stockley Close	Speculative development	Smaller warehouses and light industrial	100	8,620	Apr-14	Nov-14
Radlett - Parkbury	Geopost	Smaller warehouses and light industrial	100	3,458	Dec-13	Oct-14
Reading - Imperial Way	Geopost	Smaller warehouses and light industrial	100	3,494	Jan-14	Jul-14
Slough Trading Estate - Cambridge Avenue	Speculative development	Smaller warehouses and light industrial	100	3,293	May-13	Apr-14
Slough Trading Estate - Fairlie Road	Fedex / Spec	Smaller warehouses and light industrial	100	5,968	Jul-13	May-14
Slough Trading Estate - Buckingham Avenue	Speculative development	Smaller warehouses and light industrial	100	6,554	Feb-14	Jan-15
				<b>43,223</b>		
Percentage let (at 31 December 2013)				<b>34%</b>		
Yield on cost <sup>1</sup>				<b>8.5%</b>		

## DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2013

### CURRENT PROJECTS AS AT 31 DECEMBER 2013

	Customer	Asset class	Ownership %	Space to be built (100%) sq m	Expected start	Expected completion
<b>CONTINENTAL EUROPE</b>						
Germany, Berlin - BBI	Speculative development	Smaller warehouses and light industrial	100	9,038	Jul-13	Mar-14
Germany, Dusseldorf - City Park	Speculative development	Other business space	100	4,790	Jan-14	Nov-14
Germany, Dusseldorf - City Park	Deutsche Post / Spec	Smaller warehouses and light industrial	100	14,550	Jan-14	Aug-14
Germany, Dusseldorf - Krefeld	ASICS / Spec	Larger Logistics	50	55,550	Jan-14	Jul-14
Germany, Dusseldorf - Krefeld	ASICS	Larger Logistics	50	36,460	Jan-15	Jul-15
Germany, Dusseldorf - Rhine Park	Speculative development	Smaller warehouses and light industrial	100	13,641	Jan-14	Aug-14
Poland, Gdansk	Zabka	Larger Logistics	100	23,873	Jun-14	Mar-15
Poland, Lodz	CWS Boco	Smaller warehouses and light industrial	50	5,725	Sep-13	May-14
Poland, Ozarow	CAT	Smaller warehouses and light industrial	100	4,605	Aug-13	Feb-14
Italy, Milan - Vimercate	Alcatel	Offices	100	33,984	Sep-11	Mar-14
				<b>202,216</b>		
Percentage let (at 31 December 2013)					72%	
Yield on cost <sup>1</sup>					9.5%	
<b>TOTAL</b>				<b>245,439</b>		
Percentage let (at 31 December 2013)					60%	
Yield on cost <sup>1</sup>					9.2%	

<sup>1</sup> 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 31 December 2013 plus future development costs and estimated finance costs to completion.



## DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2013

### DEVELOPMENT PROJECTS COMPLETED IN 2013

	Customer	Asset class	Ownership %	Space completed (100%) sq m	Let space (100%) sq m	Total ERV (share) £m	ERV of let space (share) £m	Total capital expenditure (share) £m	Completed
<b>UK</b>									
London Park Royal - Tudor Estate	Warmup / Spec	Smaller warehouses	100	3,231	920			4.0	Apr 13
London, Feltham - North Feltham Trading Estate	Williams & Hill Forwarding / Toll Global Forwarding	Smaller warehouses	100	8,096	8,096			3.5	Oct 13
Slough Trading Estate - Montrose Avenue	Karl Storz / Spec	Smaller warehouses	100	4,105	2,323			4.0	Apr 13
				<b>15,432</b>	<b>11,339</b>	<b>1.4</b>	<b>0.9</b>	<b>11.5</b>	
Percentage let (at 31 December 2013)							64%		
<b>CONTINENTAL EUROPE</b>									
Germany, Dusseldorf – Krefeld	UPS	Larger Logistics	100	11,657	11,657			3.5	May 13
Germany - Alzenau	Sauerbrei / Spec	Larger Logistics	100	17,398	5,839			5.4	Jul 13
Poland - Gdansk	DB Schenker	Smaller warehouses	100	5,202	5,202			3.3	Feb 13
Poland - Strykow	Valeo / CAT/ Geodis	Smaller warehouses	100	14,643	14,643			4.4	Jun 13
Poland - Strykow	Azymut	Smaller warehouses	100	4,844	4,844			1.2	May 13
Poland - Tychy	Dayco	Larger Logistics	100	18,474	18,474			5.7	May 13
Poland - Wroclaw	DPD	Smaller warehouses	100	6,890	6,890			3.0	Mar 13
Poland - Wroclaw	Specjal / Foundation Brakes	Smaller warehouses	100	6,653	6,653			1.8	Aug 13
Poland - Tychy	Zabka	Smaller warehouses	100	2,475	2,475			1.6	Sep 13
Poland - Poznan	Colquimica / Good Food / Gefco	Smaller warehouses	100	9,137	9,137			2.6	Oct 13
Poland - Nadarzyn	Zabka	Larger Logistics	100	24,560	24,560			8.1	Oct 13
Czech Republic - Prague	IKEA	Smaller warehouses	100	6,637	6,637			2.2	Dec 13
				<b>128,570</b>	<b>117,011</b>	<b>5.2</b>	<b>4.7</b>	<b>42.8</b>	
Percentage let (at 31 December 2013)							90%		
<b>TOTAL</b>				<b>144,002</b>	<b>128,350</b>	<b>6.6</b>	<b>5.6</b>	<b>54.3</b>	
Total percentage let (at 31 December 2013)							85%		

## GLOSSARY OF TERMS

---

### GLOSSARY OF TERMS

---

#### **Completed portfolio**

The completed investment and trading properties and the Group's share of joint ventures' completed investment and trading properties.

#### **Development pipeline**

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

#### **EPRA**

The European Public Real Estate Association, a real estate industry body, who have 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 (not to complete lettings), including attributable interest.

#### **Estimated rental value (ERV)**

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

#### **Gross rental income**

Contracted rental income recognised in the period in the income statement, including surrender premiums and interest receivable on finance leases. Lease incentives, initial costs and any contracted future rental increases are amortised on a straight line basis over the lease term.

#### **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 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.

#### **Net initial yield**

Annualised current 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.

#### **Net rental income**

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

#### **Net true equivalent yield**

Net Equivalent Yield assuming rent is received quarterly in advance.

#### **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 completion of a development.

#### **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.

## GLOSSARY OF TERMS

---

### **Speculative development**

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

### **Rent roll**

See Passing Rent.

### **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.

### **Take-back**

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

### **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.

### **Total capital expenditure**

Total capital expenditure excluding land value.

### **Total Property Return (TPR)**

Total Property Return is calculated as the change in capital value, less any capital expenditure incurred, plus net income, expressed as a percentage of capital employed over the period concerned, as calculated by IPD and excluding land.

### **Trading property**

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

### **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 31 December 2013 plus future development costs and estimated finance costs to completion.



**SEGRO plc**

Cunard House  
15 Regent Street  
London SW1Y 4LR

**T** +44(0)20 7451 9100

**F** +44(0)20 7451 9150

[www.SEGRO.com/investors](http://www.SEGRO.com/investors)