

2014

FULL YEAR PROPERTY
ANALYSIS REPORT



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
- 19 Glossary of terms

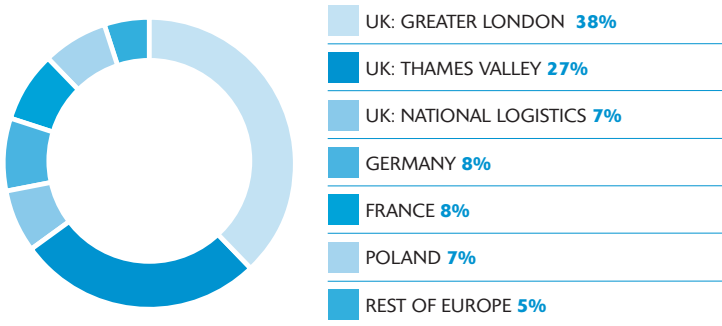
ABOUT SEGRO

SEGRO is a leading owner, asset manager and developer of modern warehousing and light industrial properties, with £6.0 billion of assets under management (£4.8 billion including joint ventures at Group share) principally concentrated in London and South-East England and in key conurbations in France, Germany and Poland. It also develops and owns logistics warehouses in important distribution markets in the UK, Belgium, the Netherlands and the Czech Republic, and offices in Slough and Milan.

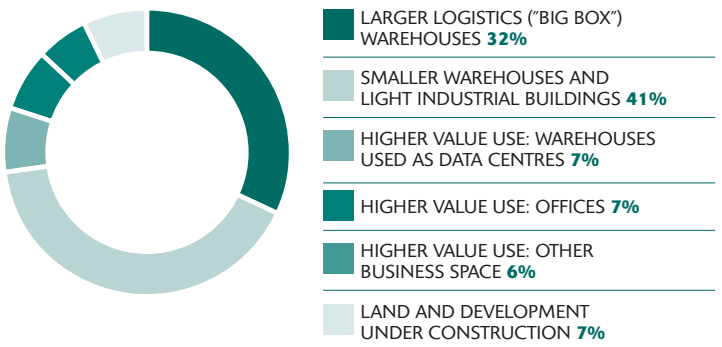
The Group serves approximately 1,200 customers spread across a diverse range of industry sectors. It has 5.7 million square metres of built space under management and a gross passing rent roll of £264 million at share.

OVERVIEW

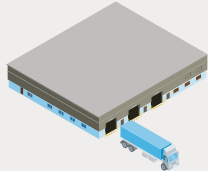

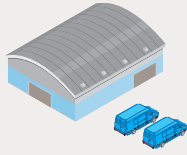

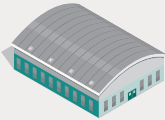





GEOGRAPHICAL SPLIT BY VALUE (SEGRO SHARE)



ASSET TYPE BY VALUE (SEGRO SHARE)



THE BUILDINGS WE PROVIDE INCLUDE:

		HIGHER VALUE USE	HIGHER VALUE USE	HIGHER VALUE USE
 <p>LARGER LOGISTICS ("BIG BOX") WAREHOUSES</p> <ul style="list-style-type: none"> Single occupier 'big box' warehouses, over 10,000 sq m Serving national and international logistics supply chains Close to major transport hubs in the UK (Midlands and South-East), France (central logistics spine), Germany and Poland 	 <p>SMALLER WAREHOUSES & LIGHT INDUSTRIAL BUILDINGS</p> <ul style="list-style-type: none"> Warehouses less than 10,000 sq m on the edge of major cities Serving wholesalers, distributors and convenience food retailers 	 <p>WAREHOUSES USED AS DATA CENTRES</p> <ul style="list-style-type: none"> A 'higher value use' of warehouses on the edge of major cities Serving financial institutions and third party providers of data storage Slough Trading Estate is a major data centre hub due to proximity to London, excellent power supply, fibre-optic cables and high security 	 <p>RETAIL USES</p> <ul style="list-style-type: none"> Retail uses are a 'higher value use' of industrial land, and include trade counters, self storage and car show-rooms which require high visibility locations, near centres of population and providing easy access for customers Retail exposure is focused on the Slough Trading Estate and our portfolios in Greater London and Paris 	 <p>OFFICES</p> <ul style="list-style-type: none"> A 'higher value use' of land on the edge of major cities Serving international businesses requiring an out of town location with easy access to cities, airports and a skilled workforce Our office portfolio is concentrated on the Slough Trading Estate 

COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2014

Combined property portfolio		UK £m	Continental Europe £m	Total £m
TOTAL PROPERTIES PER FINANCIAL STATEMENTS (see page 5 for analysis)		3,485.1	1,313.6	4,798.7
Add valuation surplus not recognised on wholly owned trading properties and other items ¹		-	2.7	2.7
COMBINED PROPERTY PORTFOLIO PER EXTERNAL VALUERS' REPORTS		3,485.1	1,316.3	4,801.4
Less land and development properties (investment, trading and joint ventures)		(132.0)	(181.4)	(313.4)
NET VALUATION OF COMPLETED PROPERTIES		3,353.1	1,134.9	4,488.0
Add notional purchasers' costs		190.8	51.2	242.0
GROSS VALUATION OF COMPLETED PROPERTIES INCLUDING NOTIONAL PURCHASERS' COSTS	A	3,543.9	1,186.1	4,730.0
Income		£m	£m	£m
Gross passing rent ²		179.9	84.0	263.9
Less irrecoverable property costs		(2.1)	(5.3)	(7.4)
Net passing rent	B	177.8	78.7	256.5
Adjustment for notional rent in respect of rent free periods		20.1	8.1	28.2
TOPPED UP NET RENT	C	197.9	86.8	284.7
Including future fixed/minimum uplifts ⁴		8.1	0.5	8.6
TOTAL TOPPED UP NET RENT		206.0	87.3	293.3
Yields		%	%	%
EPRA net initial yield ³	B/A	5.0	6.6	5.4
EPRA topped up net initial yield ³	C/A	5.6	7.3	6.0
Net true equivalent yield		6.3	7.9	6.7

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.

4 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 AND YIELD RECONCILIATION AS AT 31 DECEMBER 2014

Analysis in financial statements		UK £m	Continental Europe £m	Total £m
WHOLLY OWNED PROPERTIES:				
Investment properties	– completed	2,793.7	459.4	3,253.1
	– development	102.1	121.8	223.9
Trading properties	– completed	-	51.2	51.2
	– development	-	26.6	26.6
Sub-total: wholly owned properties		2,895.8	659.0	3,554.8
JOINT VENTURE PROPERTIES:				
Investment properties	– completed	559.3	622.1	1,181.4
	– development	17.4	32.0	49.4
Trading properties	– completed	-	-	-
	– development	12.6	0.5	13.1
Sub-total: joint venture properties		589.3	654.6	1,243.9
TOTAL PROPERTIES PER FINANCIAL STATEMENTS		3,485.1	1,313.6	4,798.7

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

SUMMARY ANALYSIS AS AT 31 DECEMBER 2014

BY ASSET TYPE	Lettable area (100%) sq m	Lettable area (share) sq m	Completed £m	Land & development ³ £m	Total property assets £m	Valuation movement ^{1,2} %	Net initial yield ² %	Net true equivalent yield ² %	Vacancy by ERV ^{2,4} %
UK									
Larger logistics warehouses > 10,000 sq m	712,660	669,171	840.7		840.7	19.9	4.7	5.9	2.3
Smaller warehouses and light industrial buildings	1,217,684	1,042,454	1,654.5		1,654.5	17.5	4.8	6.4	9.3
Warehouses used as data centres	137,470	120,752	337.7		337.7	16.3	5.7	6.0	1.0
Offices	99,772	98,805	259.8		259.8	13.2	6.8	7.3	5.9
Other business space ⁵	120,914	101,720	260.4		260.4	10.9	5.4	5.8	0.0
	2,288,500	2,032,902	3,353.1	132.0	3,485.1	17.1	5.0	6.3	6.0
CONTINENTAL EUROPE									
Larger logistics warehouses > 10,000 sq m	2,745,227	1,535,246	706.3		706.3	2.6	6.5	7.7	6.7
Smaller warehouses and light industrial buildings	540,514	488,873	289.3		289.3	0.0	6.9	8.1	10.7
Warehouses used as data centres	-	-	-		-	-	-	-	-
Offices	67,683	66,438	92.5		92.5	9.0	6.3	8.9	1.4
Other business space ⁵	70,642	70,642	46.8		46.8	(3.0)	8.1	7.2	1.6
	3,424,066	2,161,199	1,134.9	181.4	1,316.3	2.2	6.6	7.9	7.2
GROUP									
Larger logistics warehouses > 10,000 sq m	3,457,887	2,204,417	1,547.0		1,547.0	11.3	5.5	6.7	4.6
Smaller warehouses and light industrial buildings	1,758,198	1,531,327	1,943.8		1,943.8	14.5	5.1	6.6	9.5
Warehouses used as data centres	137,470	120,752	337.7		337.7	16.3	5.7	6.0	1.0
Offices	167,455	165,243	352.3		352.3	12.0	6.7	7.7	4.7
Other business space ⁵	191,556	172,362	307.2		307.2	8.5	5.8	6.0	0.3
	5,712,566	4,194,101	4,488.0	313.4	4,801.4	12.9	5.4	6.7	6.3
BY OWNERSHIP									
Wholly owned	2,675,634	2,675,634	3,306.6	251.0	3,557.6	14.4	5.3	6.6	6.8
Joint ventures	3,036,932	1,518,467	1,181.4	62.4	1,243.8	8.9	5.8	6.9	5.0
GROUP TOTAL	5,712,566	4,194,101	4,488.0	313.4	4,801.4	12.9	5.4	6.7	6.3

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 2014 is 7.7%.

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

SUMMARY ANALYSIS AS AT 31 DECEMBER 2014

BY GEOGRAPHY	Lettable area (100%) sq m	Lettable area (share) sq m	Completed £m	Land & development £m	Total property assets £m	Valuation movement ^{1 2} %	Net initial yield ² %	Net true equivalent yield ² %	Vacancy by ERV ^{2 4} %
UK									
GREATER LONDON									
London Airports (primarily Heathrow)	658,275	402,677	785.2	17.4	802.6	16.4	4.5	6.2	8.5
Park Royal	420,155	420,155	690.6	40.8	731.4	18.4	4.6	5.8	6.5
Rest of Greater London	203,595	203,595	276.2	9.0	285.2	24.9	5.1	6.3	9.0
	1,282,025	1,026,427	1,752.0	67.2	1,819.2	18.4	4.6	6.1	7.8
THAMES VALLEY AND NATIONAL LOGISTICS									
Slough Trading Estate	591,565	591,565	1,189.2	39.7	1,228.9	15.5	5.8	6.6	5.2
National Logistics	66,327	66,327	344.0	14.0	358.0	15.5	4.7	6.1	0.0
Rest of South-East England	348,583	348,583	67.9	11.1	79.0	18.1	5.8	6.9	3.4
	1,006,475	1,006,475	1,601.1	64.8	1,665.9	15.6	5.5	6.5	4.0
UK TOTAL	2,288,500	2,032,902	3,353.1	132.0	3,485.1	17.1	5.0	6.3	6.0
CONTINENTAL EUROPE									
NORTHERN EUROPE									
Germany	953,964	598,209	314.4	67.8	382.2	0.8	6.1	7.2	10.3
Belgium/Netherlands	223,005	167,363	69.4	19.0	88.4	(8.1)	7.8	8.3	10.1
SOUTHERN EUROPE									
France	1,044,828	672,154	357.3	11.6	368.9	1.3	6.7	7.9	4.5
Italy	114,666	114,666	101.2	0.8	102.0	7.3	6.0	9.0	8.0
CENTRAL EUROPE									
Poland	982,556	549,398	262.4	60.8	323.2	5.2	7.1	7.9	6.1
Czech Republic/Hungary	105,047	59,409	30.2	21.4	51.6	12.4	6.9	7.8	5.0
CONTINENTAL EUROPE TOTAL	3,424,066	2,161,199	1,134.9	181.4	1,316.3	2.2	6.6	7.9	7.2
GROUP TOTAL	5,712,566	4,194,101	4,488.0	313.4	4,801.4	12.9	5.4	6.7	6.3

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 2014 is 7.7%.

ANALYSIS OF COMPLETED PORTFOLIO AS AT 31 DECEMBER 2014

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation			Total £m	Gross passing rent ¹ £m	Topped-up gross rent ¹ £m	ERV ² £m
			Investment properties £m	Trading properties £m	Joint ventures £m				
UK									
BY ASSET TYPE									
Larger logistics warehouses > 10,000 sq m	712,660	669,171	750.2	-	90.5	840.7	42.3	49.0	52.3
Smaller warehouses and light industrial buildings	1,217,684	1,042,454	1,333.5	-	321.0	1,654.5	84.8	96.7	114.1
Warehouses used as data centres	137,470	120,752	298.8	-	38.9	337.7	19.6	19.5	19.3
Offices	99,772	98,805	259.2	-	0.6	259.8	18.9	19.7	20.2
Other business space	120,914	101,720	152.1	-	108.3	260.4	14.3	15.1	13.7
	2,288,500	2,032,902	2,793.8	-	559.3	3,353.1	179.9	200.0	219.6
BY GEOGRAPHY									
Greater London	1,282,025	1,026,427	1,192.7	-	559.3	1,752.0	87.1	99.4	113.1
Thames Valley and National Logistics	1,006,475	1,006,475	1,601.1	-	-	1,601.1	92.8	100.6	106.5
	2,288,500	2,032,902	2,793.8	-	559.3	3,353.1	179.9	200.0	219.6
CONTINENTAL EUROPE									
BY ASSET TYPE									
Larger logistics warehouses > 10,000 sq m	2,745,227	1,535,246	95.0	16.0	595.3	706.3	49.2	56.1	58.3
Smaller warehouses and light industrial buildings	540,514	488,873	227.2	37.2	24.9	289.3	23.3	24.3	24.8
Warehouses used as data centres	-	-	-	-	-	-	-	-	-
Offices	67,683	66,438	90.7	-	1.8	92.5	7.5	7.7	7.3
Other business space	70,642	70,642	46.7	-	0.1	46.8	4.0	4.0	3.3
	3,424,066	2,161,199	459.6	53.2	622.1	1,134.9	84.0	92.1	93.7

ANALYSIS OF COMPLETED PORTFOLIO AS AT 31 DECEMBER 2014

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation			Total £m	Gross passing rent ¹ £m	Topped-up gross rent ¹ £m	ERV ² £m
			Investment properties £m	Trading properties £m	Joint ventures £m				
CONTINENTAL EUROPE CONTINUED									
BY GEOGRAPHY									
NORTHERN EUROPE									
Germany	953,964	598,209	96.4	32.4	185.5	314.3	22.0	23.7	25.3
Belgium/Netherlands	223,005	167,363	35.0	-	34.4	69.4	6.3	7.7	6.9
SOUTHERN EUROPE									
France	1,044,828	672,154	163.3	11.5	182.4	357.2	27.4	30.0	30.0
Italy	114,666	114,666	92.0	9.2	-	101.2	7.8	7.9	8.3
CENTRAL EUROPE									
Poland	982,556	549,398	65.9	-	196.4	262.3	18.6	20.4	20.8
Czech Republic/Hungary	105,047	59,409	7.0	0.1	23.4	30.5	1.9	2.4	2.4
	3,424,066	2,161,199	459.6	53.2	622.1	1,134.9	84.0	92.1	93.7
GROUP									
BY ASSET TYPE									
Larger logistics warehouses >10,000 sq m	3,457,887	2,204,417	845.2	16.0	685.8	1,547.0	91.5	105.1	110.6
Smaller warehouses and light industrial buildings	1,758,198	1,531,327	1,560.7	37.2	345.9	1,943.8	108.1	121.0	138.9
Warehouses used as data centres	137,470	120,752	298.8	-	38.9	337.7	19.6	19.5	19.3
Offices	167,455	165,243	349.9	-	2.4	352.3	26.4	27.4	27.5
Other business space	191,556	172,362	198.8	-	108.4	307.2	18.3	19.1	17.0
COMPLETED PORTFOLIO	5,712,566	4,194,101	3,253.4	53.2	1,181.4	4,488.0	263.9	292.1	313.3
BY OWNERSHIP									
Wholly owned	2,675,634	2,675,634	3,253.4	53.2	-	3,306.6	192.4	211.7	228.2
Joint ventures	3,036,932	1,518,467	-	-	1,181.4	1,181.4	71.5	80.4	85.1
COMPLETED PORTFOLIO	5,712,566	4,194,101	3,253.4	53.2	1,181.4	4,488.0	263.9	292.1	313.3

1 In respect of occupied space only.

2 On a fully occupied basis.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2014

LEASING DATA¹ FOR YEAR TO 31 DECEMBER 2014

		2014	2013
Take-up of existing space ² (A)	£m	19.9	19.1
Space returned ³ (B)	£m	(16.1)	(21.0)
Net absorption of existing space (A-B)	£m	3.8	(1.9)
Other rental movements (rent reviews, renewals, indexation) ² (C)	£m	1.0	0.9
Rent roll growth from existing space	£m	4.8	(1.0)
Take-up of developments completed in the year – speculative space let and pre-lets signed in prior years ² (D)	£m	12.6	4.5
Take-up of developments completed in the year – pre-lets signed in current year ² (D)	£m	3.8	3.2
Total take-up² (A+C+D)	£m	37.3	27.7
Less take-up of pre-lets signed in previous years ²	£m	(12.6)	(4.5)
Pre-lets signed in the year for delivery in later years ²	£m	10.7	7.3
Rental income contracted in the year²	£m	35.4	30.5
Take-back of space for re-development ³	£m	(4.3)	(3.0)
Transactional rental levels vs prior December estimated rental values ⁵	%	1.3	4.0
Lease incentives ^{4,5}	%	8.5	11.0
Retention rate ⁶	%	68	69

1 All figures reflect exchange rates at 31 December and include joint ventures at share. They exclude lettings and take-backs on the Neckermann campus

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

3 Annualised rental income, excluding space taken back for redevelopment

4 The value of lease incentives as a proportion of total rent payable over the period of the lease to first break

5 Excluding lettings on developments completed during the year

6 Headline rent retained as a percentage of total headline rent at risk from break or expiry during the year

RECONCILIATION BETWEEN PASSING RENT AND ERV

	UK £m	Continental Europe £m	Group £m
CONTRACTED ANNUAL GROSS PASSING RENT	181.6	84.4	266.0
Less rents from short term lettings	(1.7)	(0.4)	(2.1)
Adjustment for notional rent in respect of rent-free periods	20.1	8.1	28.2
CONTRACTED GROSS TOPPED UP RENT	200.0	92.1	292.1
ERV of vacant properties	16.7	7.4	24.1
Reversion to ERV for properties occupied	2.9	(5.8)	(2.9)
ERV OF ENTIRE PORTFOLIO	219.6	93.7	313.3

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2014

WEIGHTED AVERAGE LEASE LENGTH¹

By geography	Break years	Expiry years
UK	7.5	9.6
Continental Europe	4.8	6.3
GROUP TOTAL	6.7	8.6

¹ Weighted by topped up net rent.

LEASE BREAK OPTIONS & EXPIRIES

Gross passing rent subject to break options	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m
UK					
Greater London	2.9	8.8	6.3	3.2	1.2
Thames Valley and National Logistics	2.6	6.8	4.0	2.8	0.4
CONTINENTAL EUROPE					
Northern Europe	2.0	1.7	1.8	2.1	0.8
Southern Europe	8.0	5.6	3.2	0.6	2.4
Central Europe	1.1	0.2	0.3	0.3	0.2
GROUP TOTAL – LEASE BREAK OPTIONS	16.6	23.1	15.6	9.0	5.0

Gross passing rent subject to lease expiry	2015 £m	2016 £m	2017 £m	2018 £m	2019 £m
UK					
Greater London	4.2	4.7	4.2	9.5	9.1
Thames Valley and National Logistics	5.4	4.0	3.9	6.6	4.7
CONTINENTAL EUROPE					
Northern Europe	3.4	2.7	1.2	2.2	1.1
Southern Europe	2.5	1.2	2.5		3.1
Central Europe	1.3	3.7	3.5	2.6	1.8
GROUP TOTAL – LEASE EXPIRIES ASSUMING NO BREAKS ARE EXERCISED	16.8	16.3	15.3	25.2	19.8

Deduction assuming all breaks are exercised	(2.8)	(1.7)	(4.8)	(6.6)	(7.6)
---	-------	-------	-------	-------	-------

GROUP TOTAL – LEASE EXPIRIES AND POTENTIAL BREAKS	30.6	37.7	26.1	27.6	17.2
--	-------------	-------------	-------------	-------------	-------------

CUSTOMER TYPES AS AT 31 DECEMBER 2014

BY CUSTOMER TYPE



MANUFACTURING	17%
TECHNOLOGY, MEDIA AND TELECOMS	14%
TRANSPORT AND LOGISTICS	13%
RETAIL	13%
POST AND PARCEL DELIVERY	10%
WHOLESALE AND RETAIL DISTRIBUTION	9%
OTHER	24%

TOP 20 CUSTOMERS*

CUSTOMER (BY HEADLINE RENT)	CUSTOMER TYPE
Deutsche Post (DHL)	Post and parcel delivery
Telefonica UK (O2)	Technology, media and telecommunications
Sainsbury's	Retail
Royal Mail	Post and parcel delivery
IAG (British Airways)	Other: airlines and air cargo
Booker Belmont	Wholesale and retail distribution
Mars Chocolate	Manufacturing
Tesco	Retail
UCB	Other: research and development
Alcatel-Lucent	Technology, media and telecommunications
Federal Express	Post and parcel delivery
Wincanton	Transport and logistics
La Poste (Geopost/DPD)	Post and parcel delivery
Primark	Retail
Staples	Retail
Airworld Airlines	Other: airlines and air cargo
Antalis	Other: Printing, publishing and paper
Bardays Bank	Other: Financial services
Infinity	Technology, media and telecommunications
London City Bond	Wholesale and retail distribution

* The top 20 customers represent annual headline rent of £78 million in aggregate, 27% of the Group's total headline rent at 31 December 2014.

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2014

SUMMARY DEVELOPMENT PIPELINE

	Hectarage (100%) ha	Space to be built (100%) sq m	Current book value ¹ £m	Estimated cost to completion ² £m	ERV when complete ³ £m	Pre-let (ERV) £m	Estimated yield on cost ⁴ %
CURRENT DEVELOPMENT PIPELINE (A) (see pages 15 and 16)							
UK – wholly-owned	17.0	60,258	56.2	71.0	9.7	2.9	8.4
UK – joint ventures	5.4	25,334	4.3	5.9	1.0	-	9.2
Continental Europe – wholly-owned	35.7	120,262	41.1	30.0	5.6	3.8	8.5
Continental Europe – joint ventures	7.4	35,524	9.6	0.9	0.8	0.8	10.5
	65.5	241,378	111.2	107.8	17.1	7.5	8.6
FUTURE PIPELINE (B)							
UK – wholly-owned	16.3	69,420	36.3	54.8	8.8	-	9.7
UK – joint ventures	28.9	137,615	24.3	33.1	5.6	-	9.7
Continental Europe – wholly-owned	167.0	834,629	82.8	320.0	37.9	-	9.4
Continental Europe – joint ventures	115.9	555,411	22.3	96.4	10.5	-	8.8
	328.1	1,597,075	165.7	504.3	62.8	-	9.4
TOTAL DEVELOPMENT PIPELINE (A + B)							
UK – wholly-owned	33.3	129,678	92.5	125.8	18.5	2.9	8.5
UK – joint ventures	34.3	162,949	28.6	39.0	6.6	-	9.7
Continental Europe – wholly-owned	202.7	954,891	123.9	350.0	43.5	3.8	9.2
Continental Europe – joint ventures	123.3	590,935	31.9	97.3	11.3	0.8	8.8
	393.6	1,838,453	276.9	608.5	79.9	7.5	9.0

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2014

SUMMARY DEVELOPMENT PIPELINE

	Hectarage (100%) ha	Current book value ¹ £m
LONG TERM AND RESIDUAL LAND BANK⁵ (C)		
UK – wholly-owned	16.5	9.5
UK – joint ventures	8.1	1.4
Continental Europe – wholly-owned	99.3	25.1
Continental Europe – joint ventures	6.0	0.5
	129.9	36.5
TOTAL DEVELOPMENT PIPELINE & RESIDUAL LAND BANK (A+B+C)		
UK – wholly-owned	49.8	102.0
UK – joint ventures	42.4	30.0
Continental Europe – wholly-owned	302.0	149.0
Continental Europe – joint ventures	129.3	32.4
GROUP TOTAL	523.5	313.4

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 2014

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 Comprising predominantly land for disposal

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2014

CURRENT DEVELOPMENT PROJECTS

	Customer	Asset class	Ownership %	Space to be built (100%) sq m	Expected start	Expected completion
UK						
Heathrow – Portal	Speculative Development	Smaller warehouse & light industrial	50	3,316	Jan-15	Aug-15
Park Royal – Tudor	Speculative Development	Smaller warehouse & light industrial	100	3,594	Apr-15	Nov-15
Park Royal – Origin (Phase 3)	Speculative Development	Smaller warehouse & light industrial	100	9,249	Jan-15	Dec-15
Park Royal – Westway	Speculative Development	Smaller warehouse & light industrial	100	4,369	Jan-15	Sep-15
Uxbridge – Riverside	Pre-let (Premier Inn) / Speculative	Higher Value Use (Hotel) Smaller warehouse & light industrial	100	6,031	Aug-14	Jul-15
Reading – Imperial Way	Pre-let – Sytner	Higher Value Use (Car showroom)	100	4,659	Feb-15	Dec-15
Rugby	Speculative Development	Larger logistics warehouse	50	22,018	Jan-15	Aug-15
Slough – 12 Liverpool Road	Speculative Development	Smaller warehouse & light industrial	100	5,528	Aug-14	May-15
Slough – 234 Bath Road	Speculative Development	Higher Value Use (Office)	100	6,708	Oct-14	Feb-16
Slough – 255-8 Ipswich Road	Speculative Development	Smaller warehouse & light industrial	100	2,659	Jul-15	May-16
Slough – 772-779 Buckingham Avenue	Speculative Development	Smaller warehouse & light industrial	100	6,554	Jan-14	Mar-15
Slough – Ajax Avenue North	Pre-let – Confidential	Larger logistics warehouse	100	10,907	Jan-15	Oct-15
				85,592		
Percentage let (at 31 December 2014)				28%		
Yield on cost				8.5%		

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2014

CURRENT DEVELOPMENT PROJECTS

	Customer	Asset class	Ownership %	Space to be built (100%) sq m	Expected start	Expected completion
CONTINENTAL EUROPE						
Germany – Dusseldorf	Pre-let – ASICS	Larger logistics warehouse	50	35,524	Jun-14	May-15
Germany – Dusseldorf	Speculative Development	Smaller warehouse & light industrial	100	4,512	Jan-14	Mar-15
Germany – Frankfurt	Pre-let – Oxid7	Larger logistics warehouse	100	19,471	Jan-15	Sep-15
Germany – Nuremberg	Pre-let – Deutsche Post	Smaller warehouse & light industrial	100	4,570	Nov-14	Jun-15
France – Paris	Pre-let – Norbert Dentressangle	Smaller warehouse & light industrial	100	6,645	Apr-15	Dec-15
France – Paris	Speculative Development	Smaller warehouse & light industrial	100	7,921	Jan-15	Oct-15
Poland – Gdansk	Pre-let – Zabka	Larger logistics warehouse	100	27,243	Jun-14	Mar-15
Poland – Poznan	Pre-let – VW	Larger logistics warehouse	100	32,069	Apr-14	Jan-15
Poland – Poznan	Pre-let – DPD	Smaller warehouse & light industrial	100	8,752	Mar-15	Aug-15
Poland – Warsaw	Pre-let – Sloane Polska / Speculative	Smaller warehouse & light industrial	100	9,079	Jan-15	May-15
				155,786		
Percentage let (at 31 December 2014)				71%		
Yield on cost				8.7%		
TOTAL				241,378		
Percentage let (at 31 December 2014)				44%		
Yield on cost				8.6%		

¹ 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 value of land at commencement of development plus future development costs to completion

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2014

DEVELOPMENT PROJECTS COMPLETED IN 2014

	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
UK									
Edmonton – Hotel	Premier Inn	Higher Value Use (Hotel)	100	4,025	4,025			6.3	Oct 14
Edmonton – Advent Way	Speculative	Smaller warehouse & light industrial	100	7,818	4,952			7.5	Oct 14
Heathrow – Stockley Close	Speculative	Smaller warehouse & light industrial	100	8,624	-			8.2	Nov 14
Park Royal – Origin	Speculative	Smaller warehouse & light industrial	100	14,652	11,260			14.2	Dec 14
Radlett	DPD	Smaller warehouse & light industrial	100	3,495	3,495			5.3	Sep 14
Reading – Imperial Way	DPD	Smaller warehouse & light industrial	100	3,518	3,518			4.1	Sep 14
Rugby	Confidential	Larger logistics warehouse	100	21,960	21,960			11.3	Dec 14
Slough Trading Estate – 7A/B Fairlie Road	FedEx / Allprint	Smaller warehouse & light industrial	100	6,011	6,011			5.1	Apr 14
Slough Trading Estate – 9 Cambridge Avenue	Speculative	Smaller warehouse & light industrial	100	3,289	-			3.0	Jun 14
Slough Trading Estate – 705 Stirling Road	Sovrin Plastics	Smaller warehouse & light industrial	100	2,530	2,530			2.3	Dec 14
Slough Trading Estate – 13 Liverpool Road	Confidential	Higher Value Use (Data centre)	100	10,405	10,405			11.1	Dec 14
				86,327	68,156	10.6	8.2	78.4	
Percentage let (at 31 December 2014)							77%		

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2014

DEVELOPMENT PROJECTS COMPLETED IN 2014

	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
CONTINENTAL EUROPE									
Germany – Berlin	Fastenal / Medico / Spec	Smaller warehouse & light industrial	100	8,561	3,163			4.5	May 14
Germany – Dusseldorf	DHL / Speculative	Smaller warehouse & light industrial	100	14,221	11,014			9.7	Dec 14
Germany – Dusseldorf	ASICS	Larger logistics warehouse	50	37,346	37,346			6.5	Sep 14
Germany – Hamburg	Takko	Larger logistics warehouse	100	22,863	22,863			3.7	Sep 14
Germany – Dusseldorf	UPS / Spec	Larger logistics warehouse	50	15,874	5,855			2.4	Sep 14
Germany – Dusseldorf	Speculative	Smaller warehouse & light industrial	100	12,993	2,206			7.0	Nov 14
France – Paris	Zodiac / Canteen	Smaller warehouse & light industrial	100	3,753	3,753			3.2	Dec 14
Italy – Milan	Alcatel / Det Norske	Higher Value Use (Office)	100	32,829	32,829			41.8	Jun 14
Czech Republic – Hostivice	ProMed / Spec	Smaller warehouse & light industrial	100	7,128	4,291			1.7	May 14
Poland – Ozarow	CAT	Smaller warehouse & light industrial	100	4,646	4,646			2.0	Feb 14
Poland – Strykow	AB Logic	Smaller warehouse & light industrial	100	3,452	3,452			0.6	Jun 14
Poland – Lodz	CWS-Boco	Larger logistics warehouse	50	5,726	5,726			1.7	Jul 14
Poland – Wroclaw	Ferdinand Gross / Spec	Smaller warehouse & light industrial	100	6,560	2,488			1.5	Jul 14
Poland – Strykow	Azymut / Investa	Smaller warehouse & light industrial	50	5,263	5,263			0.8	Sep 14
				181,215	144,895	9.0	7.2	87.1	
Percentage let (at 31 December 2014)							80%		
TOTAL				267,542	213,051	19.6	15.4	165.5	
Total percentage let (at 31 December 2014)							79%		

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, 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 attributable interest.

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.

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

Rent roll

See Passing Rent.

Speculative development

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

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)

A measure of the ungeared return for the portfolio and 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 the earlier of commencement of the development or the balance sheet date 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