

SEGRO

2024

FULL YEAR
PROPERTY ANALYSIS
REPORT



3 Overview

4 Combined property portfolio and yield reconciliation

5 Combined property portfolio

6 Top 10 Assets

7 Analysis of portfolio

11 Supplementary data

14 Customer types

15 Development pipeline

18 Glossary of terms

ABOUT SEGRO

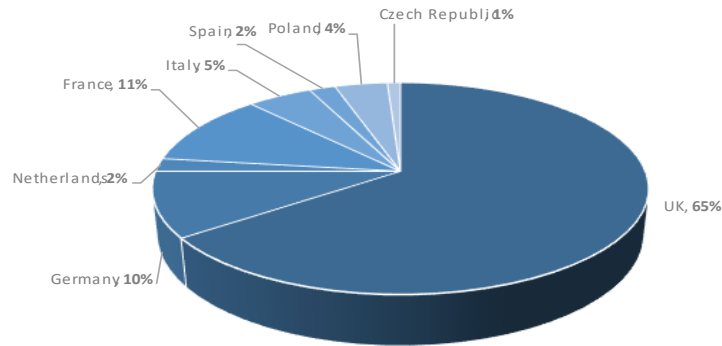
SEGRO is a UK Real Estate Investment Trust (REIT), listed on the London Stock Exchange and Euronext Paris, and is a leading owner, manager and developer of modern warehouses and industrial property. It owns or manages 10.3 million square metres of space (111 million square feet) valued at £20.3 billion serving customers from a wide range of industry sectors. Its properties are located in and around major cities and at key transportation hubs in the UK and in seven other European countries.

For over 100 years SEGRO has been creating the space that enables extraordinary things to happen. From modern big box warehouses, used primarily for regional, national and international distribution hubs, to urban warehousing (including data centres) located close to major population centres and business districts, it provides high-quality assets that allow its customers to thrive.

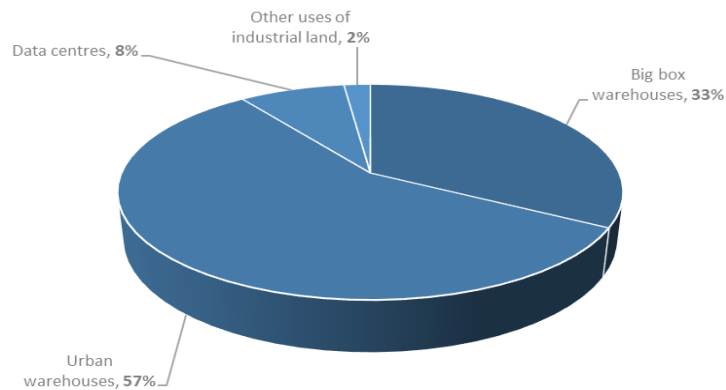
OVERVIEW

THE BUILDINGS WE PROVIDE

Geographical split by value (SEGRO share)



Asset type by value (excluding land) (SEGRO share)



URBAN WAREHOUSES

Urban warehouses are located in, or close to, population centres and business districts and provide flexible space suitable for a wide range of activities. They are used by businesses which need rapid access to end customers, as well as labour and are therefore generally situated close to main roads and public transport.



BIG BOX WAREHOUSES

Big box warehouses are typically used for storage and processing of goods for regional, national and international distribution and are much larger than urban warehouses. They are often located far from the end customer but are situated in key logistics hubs or along major transport routes (mainly motorways, ports, rail freight terminals and airports) to allow rapid transit.



DATA CENTRES

Data centres house IT infrastructure for building, running and delivering applications and services, including the Cloud and Artificial Intelligence. They are often located close to densely populated areas and major financial centres and create clusters known as Availability Zones. SEGRO's data centres are all powered shells which means the fitout and operation is managed by the customer which leases the space.



OTHER USES OF INDUSTRIAL LAND

Industrial land used for non-warehouse purposes. Car showrooms, self-storage facilities, 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 which benefit from a location with high visibility to passing trade.

COMBINED PROPERTY PORTFOLIO AND YIELD RECONCILIATION AS AT 31 DECEMBER 2024

	UK £m	Continental Europe £m	Total £m
<i>Combined property portfolio (including share of joint ventures)</i>			
COMBINED PROPERTY PORTFOLIO PER FINANCIAL STATEMENTS	11,491	6,344	17,835
Add valuation surplus not recognised on trading properties and other items	-	2	2
Less capitalisation of leasehold obligations under IFRS 16	-	(67)	(67)
COMBINED PROPERTY PORTFOLIO PER EXTERNAL VALUERS' REPORTS	11,491	6,279	17,770
Less land and development properties (investment, trading and joint ventures)	(1,452)	(865)	(2,317)
NET VALUATION OF COMPLETED PROPERTIES	10,039	5,414	15,453
Add notional purchasers' costs	682	294	976
GROSS VALUE OF COMPLETED PROPERTIES INCLUDING NOTIONAL PURCHASERS' COSTS	10,721	5,708	16,429
	A		

<i>Rental income</i>	£m	£m	£m
Gross passing rent ¹	407	273	680
Less irrecoverable property costs	(1)	(11)	(12)
NET PASSING RENT	406	262	668
Adjustment for notional rent in respect of rent free periods	39	23	62
TOPPED UP NET RENT	445	285	730
Including future fixed/minimum uplifts ³	9	1	10
TOTAL TOPPED UP NET RENT	454	286	740
	B	C	

<i>Yields</i>		%	%	%
EPRA net initial yield ²	B/A	3.8	4.6	4.1
EPRA topped up net initial yield ²	C/A	4.1	5.0	4.4
Net true equivalent yield		5.3	5.6	5.4

Exchange Rate £1:€1.21

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). Further detail on page 12.

COMBINED PROPERTY PORTFOLIO AS AT 31 DECEMBER 2024

	Value at 31 December 2024 £m					
	UK	Valuation movement ¹ %	Continental Europe	Valuation movement ¹ %	Group	Valuation movement ¹ %
Analysis of unrealised valuation movements						
Properties held throughout the year	9,393	1.8	4,988	(0.8)	14,381	0.9
Properties acquired during the year	157	(3.2)	244	(6.9)	401	(5.5)
Development completed during the year	489	15.9	182	14.5	671	15.5
COMPLETED PROPERTIES	10,039	2.4	5,414	(0.6)	15,453	1.3
Buildings under construction	301	29.3	271	6.7	572	17.5
Land ²	1,151	(5.1)	594	(5.2)	1,745	(5.2)
WHOLE PORTFOLIO	11,491	2.1	6,279	(0.8)	17,770	1.1

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 year, opening valuation is acquisition cost including notional purchasers' costs which are not recognised under IFRS accounting standards.

Asset values by type and country, £m	UK	France	Italy	Spain	Poland	Czech Republic	Germany	Netherlands	Total
Big box warehouses	1,707	609	812	190	521	90	729	392	5,050
Urban warehouses	6,723	921	92	68	157	3	750	45	8,759
Data centres	1,284	-	-	-	-	-	-	-	1,284
Other uses of industrial land ²	325	2	11	16	3	-	-	3	360
COMPLETED SEGRO PROPERTIES (SEGRO SHARE)	10,039	1,532	915	274	681	93	1,479	440	15,453
COMPLETED PROPERTIES (AUM)	10,067	1,966	1,246	441	1,206	186	2,143	636	17,891

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

² "Other uses" include offices and retail uses such as trade counters, car showrooms and self storage facilities.

TOP 10 ASSETS

TOP 10 ESTATES (BY VALUE, SEGRO SHARE)	Ownership %	Location	Lettable area (100%) sq m	Asset type
Slough Trading Estate	100	Slough	606,080	Multi-let urban warehouse estate, including datacentres
SEGRO Logistics Park East Midlands Gateway	100	Midlands	456,684	Big box warehouse park
SEGRO Park Premier Road	100	Park Royal	62,827	Multi-let urban warehouse estate
SEGRO Park Heathrow, Shoreham Road	100	Heathrow	93,704	Multi-let cargo facility
SEGRO Park Greenford Ockham Drive and Auriol Drive	100	Park Royal	79,615	Multi-let urban warehouse estate
SEGRO Airport Park Berlin	50 / 100	Germany	154,545	Multi-let urban warehouse and Big box estate
SEGRO Logistics Park Northampton	100	Midlands	-	Big box warehouse park
SEGRO Park Coventry	100	Midlands	114,477	Big box warehouse park
SEGRO Park North Feltham	100	Heathrow	57,947	Multi-let urban warehouse estate
SEGRO Parc des Petits Carreaux	100	France	136,488	Multi-let urban warehouse estate

ANALYSIS OF PORTFOLIO BY ASSET TYPE AS AT 31 DECEMBER 2024

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management ³ £m	Valuation Movement ¹
			Investment & trading properties £m	Joint ventures £m	Land & development ² £m	Held throughout %			
UK									
Big box warehouses	939,457	939,457	1,707	-	-	1,707	1,707	3.3	
Urban warehouses	1,512,051	1,506,772	6,695	28	-	6,723	6,751	1.9	
Data centres	229,521	229,521	1,284	-	-	1,284	1,284	1.0	
Other uses of industrial land ⁴	89,334	89,334	325	-	-	325	325	(2.1)	
	2,770,363	2,765,084	10,011	28	1,452	11,491	11,519	1.8	
CONTINENTAL EUROPE									
Big box warehouses	6,116,046	3,549,568	995	2,348	-	3,343	5,691	(1.5)	
Urban warehouses	1,365,421	1,325,108	1,977	59	-	2,036	2,095	0.3	
Data centres	-	-	-	-	-	-	-	-	
Other uses of industrial land ⁴	5,241	5,241	32	3	-	35	38	0.0	
	7,486,708	4,879,917	3,004	2,410	865	6,279	8,777	(0.8)	
GROUP									
Big box warehouses	7,055,503	4,489,025	2,702	2,348	-	5,050	7,398	(0.0)	
Urban warehouses	2,877,472	2,831,880	8,672	87	-	8,759	8,846	1.5	
Data centres	229,521	229,521	1,284	-	-	1,284	1,284	1.0	
Other uses of industrial land ⁴	94,575	94,575	357	3	-	360	363	(1.8)	
	10,257,071	7,645,001	13,015	2,438	2,317	17,770	20,296	0.9	

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

² Land and development valuations (including joint ventures at share) by asset type are not available as land sites are not categorised by asset type.

³ AUM totals include land & developments at 100%.

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 2024

	Lettable area (100%) sq m	Lettable area (share) sq m	Passing rent ¹ £m	Headline rent ¹ £m	Headline rent ¹ £ per sq m	ERV ² £m	Occupancy by ERV %	Topped-up net initial yield ³ %	Net true equivalent yield %
UK									
Big box warehouses	939,457	939,457	62	81	90	99	95.6	4.7	5.5
Urban warehouses	1,512,051	1,506,772	260	272	200	366	90.4	3.9	5.1
Data centres	229,521	229,521	49	55	239	76	100.0	4.2	5.4
Other uses of industrial land ⁴	89,334	89,334	21	22	277	26	91.0	6.4	7.6
	2,770,363	2,765,084	392	430	168	567	92.6	4.1	5.3
CONTINENTAL EUROPE									
Big box warehouses	6,116,046	3,549,568	169	184	53	211	97.4	5.0	5.7
Urban warehouses	1,365,421	1,325,108	102	111	89	120	94.5	5.0	5.5
Data centres	-	-	-	-	-	-	-	-	-
Other uses of industrial land ⁴	5,241	5,241	2	2	544	2	94.1	6.2	5.9
	7,486,708	4,879,917	273	297	63	333	96.3	5.0	5.6
GROUP									
Big box warehouses	7,055,503	4,489,025	231	265	61	310	96.8	4.9	5.6
Urban warehouses	2,877,472	2,831,880	362	383	147	486	91.4	4.1	5.2
Data centres	229,521	229,521	49	55	239	76	100.0	4.2	5.4
Other uses of industrial land ⁴	94,575	94,575	23	24	289	28	91.2	6.4	7.4
	10,257,071	7,645,001	665	727	100	900	94.0	4.4	5.4

¹ In respect of occupied space only; SEGRO share.

² On a fully occupied basis; SEGRO share.

³ In relation to SEGRO's share of completed properties.

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 2024

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation Movement ¹
			Investment & trading properties £m	Joint ventures £m	Land & development ² £m	Held throughout %			
BY OWNERSHIP									
Wholly owned	5,032,931	5,032,931	13,015	-	2,229	15,244	15,244	1.4	
Joint ventures	5,224,140	2,612,070	-	2,438	88	2,526	5,052	(1.5)	
GROUP TOTAL	10,257,071	7,645,001	13,015	2,438	2,317	17,770	20,296	0.9	

	Passing rent £m	Headline rent ³ £m	Headline rent ³ £ per sq m	ERV ⁴ £m	Occupancy by ERV %	Topped-up net initial yield ⁵ %	Net true equivalent yield
							%
BY OWNERSHIP							
Wholly owned	546	595	125	747	93.6	4.3	5.3
Joint ventures	119	132	52	153	95.9	5.0	5.6
GROUP TOTAL	665	727	100	900	94.0	4.4	5.4

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

² Land and development valuations (including joint ventures at share) by asset type are not available as land sites are not categorised by asset type.

³ In respect of occupied space only; SEGRO share.

⁴ On a fully occupied basis; SEGRO share.

⁵ In relation to SEGRO's share of completed properties.

ANALYSIS OF PORTFOLIO BY GEOGRAPHY AS AT 31 DECEMBER 2024

	Lettable area (100%) sq m	Lettable area (share) sq m	Valuation (SEGRO share)				Total £m	Assets under management £m	Valuation Movement ¹	
			Investment & trading properties £m	Joint ventures £m	Land & development £m				Held throughout %	Whole Portfolio %
UK	2,770,363	2,765,084	10,011	28	1,452	11,491	11,519	1.8	2.1	
<i>Germany</i>	1,717,344	1,098,151	815	664	319	1,798	2,475	(2.3)	(2.4)	
<i>Netherlands</i>	542,339	394,331	244	196	8	448	646	2.9	(2.8)	
<i>France</i>	1,487,645	1,076,178	1,098	434	371	1,903	2,344	0.9	0.7	
<i>Italy</i>	1,466,872	1,055,874	584	331	45	960	1,291	(2.1)	(2.4)	
<i>Spain</i>	339,858	203,992	107	167	65	339	555	(0.6)	5.9	
<i>Poland</i>	1,762,754	966,443	156	525	53	734	1,272	(0.7)	(0.1)	
<i>Czech Republic</i>	169,896	84,948	-	93	4	97	194	0.2	0.1	
Continental Europe	7,486,708	4,879,917	3,004	2,410	865	6,279	8,777	(0.8)	(0.8)	
GROUP TOTAL	10,257,071	7,645,001	13,015	2,438	2,317	17,770	20,296	0.9	1.1	

	Passing rent ² £m	Headline rent ² £m	Headline rent ² £ per sq m	ERV ³ £m	ERV Growth %	Occupancy by ERV %	Topped-up net initial yield ⁴ %	Net true equivalent yield ⁴ %
UK	392	430	168	567	3.7	92.6	4.1	5.3
<i>Germany</i>	67	73	69	83	2.7	96.5	4.5	5.2
<i>Netherlands</i>	23	24	60	29	6.5	99.3	4.5	5.5
<i>France</i>	76	82	81	93	2.0	94.9	4.9	5.5
<i>Italy</i>	52	54	52	59	0.6	98.5	5.4	5.7
<i>Spain</i>	12	15	73	15	0.3	100.0	5.1	5.3
<i>Poland</i>	40	44	49	48	4.0	93.0	6.2	6.8
<i>Czech Republic</i>	3	5	60	6	0.1	98.1	5.3	6.1
Continental Europe	273	297	63	333	2.3	96.3	5.0	5.6
GROUP TOTAL	665	727	100	900	3.2	94.0	4.4	5.4

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

² In respect of occupied space only; SEGRO share.

³ On a fully occupied basis; SEGRO share.

⁴ In relation to SEGRO's share of completed properties.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2024

LEASING DATA FOR YEAR TO 31 DECEMBER

		2024	2023
Take-up of existing space ¹ (A)	£m	32	16
Space returned ² (B)	£m	(32)	(21)
Net absorption of existing space¹ (A-B)	£m	-	(5)
Other rental movements (rent reviews, renewals, indexation) ¹ (C)	£m	38	35
Rent roll growth from existing space	£m	38	30
Take-up of pre-let developments completed in the year -- signed in prior years ¹ (D)	£m	28	39
Take-up of speculative developments completed in the past two years ¹ (D)	£m	3	12
Total take-up² (A+C+D)	£m	101	102
Less take-up of space signed in previous years ¹	£m	(30)	(41)
Pre-lets signed in the year for delivery in later years ¹	£m	20	27
Rental income contracted in the year¹	£m	91	88
Take-back of space for re-development	£m	(3)	(1)
Retention rate ³	%	80	81

RECONCILIATION BETWEEN PASSING RENT AND ERV

	UK £m	Continental Europe £m	Group £m
PASSING RENT PER VALUATION	407	273	680
Valuation adjustments (incl outstanding rent reviews, rent in arrears)	(14)	-	(14)
SEGRO PASSING RENT	392	273	665
Adjustment for notional rent in respect of rent-free periods	38	24	62
SEGRO CONTRACTED HEADLINE RENT	430	297	727
ERV of vacant properties (incl short term lettings)	43	12	55
Reversion to ERV for properties occupied	94	24	118
ERV OF COMPLETED PORTFOLIO	567	333	900

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

¹Headline rent.

²Headline rent, excluding space taken back for redevelopment.

³Headline rent retained as a percentage of total headline rent at risk from break or expiry during the year.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2024

PORTFOLIO RENT REVIEW CLAUSE SPLIT

Headline Rent	UK %	Continental Europe %	Group %
Market Rent Review	36	-	36
Index Linked ¹	10	40	50
Fixed Uplifts/Other	12	2	14

RENT CHANGE ON RENT REVIEW, LEASE RENEWALS AND RE-GEARS DURING THE YEAR

	UK	Continental Europe ²	Group
Headline rent of leases subject to review, renewal or re-gear £m	59.8	20.6	80.4
New headline rent agreed £m	85.6	22.0	107.7
Change ³	43%	7%	34%

¹Majority linked to CPI.

²Continental Europe leases do not have rent review clauses so this data is for lease renewals only.

³Percentage change based on actual, rather than rounded numbers.

SUPPLEMENTARY DATA AS AT 31 DECEMBER 2024

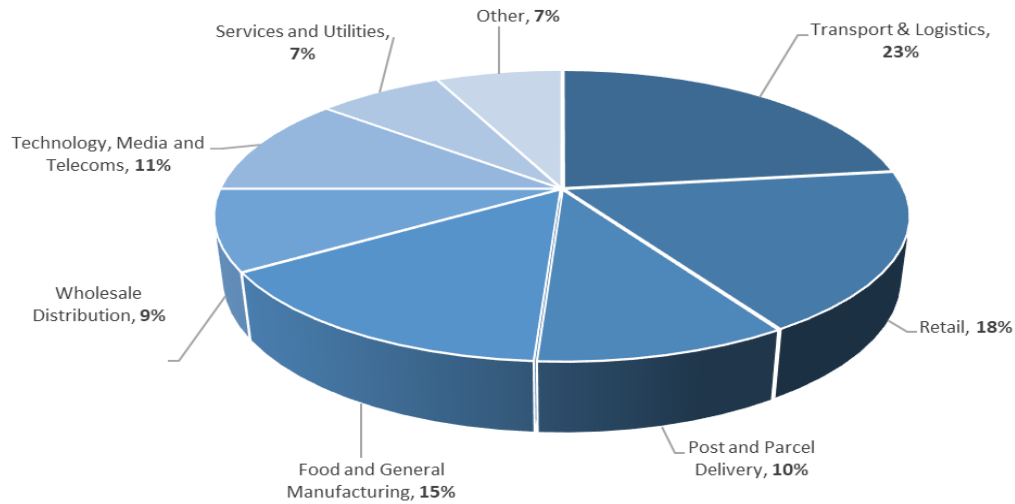
LEASE EVENT SCHEDULE AND UPLIFT OPPORTUNITY

	2025	2026	2027	2028	2029	> 5 years	Total
	£m	£m	£m	£m	£m	£m	£m
Headline rent (SEGRO share)							
UK rent reviews ¹	37	36	24	44	27	1	169
UK rent at risk (due to expiry/break)	55	32	28	23	30	94	262
Continental Europe rent at risk (due to expiry/break)	30	24	40	36	33	133	296
TOTAL HEADLINE RENT	122	92	92	103	90	228	727
Estimated Rental Value (ERV; SEGRO share)							
UK rent reviews ¹	55	49	28	48	27	1	208
UK rent at risk (due to expiry/break)	71	40	32	23	31	120	317
Continental Europe rent at risk (due to expiry/break)	33	26	43	40	36	142	320
TOTAL ERV	159	115	103	111	94	263	845
TOTAL POTENTIAL UPLIFT	37	23	11	8	4	35	118

¹ Rent subject to review is only applicable to the UK portfolio due to Open Market Rent Review lease structures. Rent subject to both review and expiry/break has been removed from the review section.

CUSTOMER TYPES AS AT 31 DECEMBER 2024

Customer type by headline rent



WEIGHTED AVERAGE LEASE LENGTH¹

By geography	Break years	Expiry years
UK	8.5	9.8
Continental Europe	5.3	6.3
GROUP TOTAL	7.2	8.4

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

TOP 20 CUSTOMERS

CUSTOMER (BY HEADLINE RENT)

CUSTOMER TYPE

Amazon	Retail
Deutsche Post DHL	Transport & Logistics / Post & Parcel Delivery
Virtus	Technology, Media and Telecoms
Royal Mail	Post & Parcel Delivery
Federal Express	Post & Parcel Delivery
Worldwide Flight Services	Transport & Logistics
GXO	Transport & Logistics
British Airways	Other
GTR	Technology, Media and Telecoms
Equinix	Technology, Media and Telecoms
Maersk	Transport & Logistics
CEVA	Transport & Logistics
Tesco	Wholesale Distribution
La Poste (DPD)	Post & Parcel Delivery
Iron Mountain	Technology, Media and Telecoms
Evri	Post & Parcel Delivery
DP World Logistics	Transport & Logistics
Ocado	Retail
Swissport Cargo Services	Transport & Logistics
SDA	Post & Parcel Delivery

The top 20 customers represent headline rent of £238 million in aggregate, 33% of the Group's total headline rent at 31 December 2024 (SEGRO share).

DEVELOPMENT PIPELINE AS AT 31 DECEMBER 2024

	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	24	137,106	301	22	19	16	8.8%
Continental Europe — wholly-owned	46	212,556	257	121	25	5	7.5%
Continental Europe — joint ventures	9	50,811	36	2	2	2	7.0%
	79	400,473	594	145	46	23	8.0%
FUTURE DEVELOPMENT PIPELINE (B)							
UK	577	1,214,405	1,144	1,996	234	-	7.5%
Continental Europe — wholly-owned	266	1,098,995	460	1,108	119	-	7.6%
Continental Europe — joint ventures	184	842,915	45	256	23	-	7.7%
	1,027	3,156,315	1,649	3,360	376	-	7.5%
TOTAL DEVELOPMENT PIPELINE (A+B)	1,106	3,556,788	2,243	3,505	422	23	
Other land	62	-	74				
TOTAL DEVELOPMENT PIPELINE AND OTHER LAND	1,168		2,317				

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 2024.

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.

CURRENT DEVELOPMENT PROJECTS

	Space to be built (100%) sq m	Period of completion			Estimated costs to completion £m	Period of completion				
		Total	2025 H1	2025 H2		2026 H1	Total	2025 H1	2025 H2	2026 H1
UK	137,106	120,005	17,101	-	22	8	14	-		
Continental Europe - Wholly-owned	212,556	24,885	130,747	56,924	121	12	75	34		
Continental Europe – Joint Ventures	50,811	50,811	-	-	2	2	-	-		
CURRENT DEVELOPMENT PIPELINE	400,473	195,701	147,848	56,924	145	22	89	34		

	ERV when complete £m	Period of completion			Pre-let (ERV) £m	Period of completion				
		Total	2025 H1	2025 H2		2026 H1	Total	2025 H1	2025 H2	2026 H1
UK	19	13	6	-	16	11	5	-		
Continental Europe - Wholly-owned	25	3	19	3	5	1	4	-		
Continental Europe – Joint Ventures	2	2	-	-	2	2	-	-		
CURRENT DEVELOPMENT PIPELINE	46	18	25	3	23	14	9	-		

DEVELOPMENT PROJECTS COMPLETED IN 2024

	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	188,370	27	22	228	7.1%
Continental Europe - Wholly Owned	103,567	7	6	80	6.5%
Continental Europe - Joint Ventures	82,749	3	3	31	6.3%
TOTAL COMPLETED PROJECTS	374,686	37	31	338	6.9%

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 year, completed developments and properties acquired during the year.

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 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.

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.

SEGRO

SEGRO plc

1 New Burlington Place
London
W1S 2HR

T +44 (0) 20 7451 9100
F +44 (0) 20 7451 9150
[SEGRO.com/investors](https://www.segro.com/investors)