SEGRO

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR IMMEDIATE RELEASE.

This is not a prospectus but an advertisement. Investors should not subscribe for the securities referred to in this advertisement except on the basis of information in the Prospectus (defined below). The Prospectus will be published today in connection with the proposed Right Issue (defined below). Copies of the Prospectus will, following publication, be available at the offices of Equiniti Limited. A list of defined terms used herein is set out at Appendix 3 to this announcement (this "Announcement").

PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.

10 March 2017

SEGRO plc

FULLY UNDERWRITTEN 1 FOR 5 RIGHTS ISSUE AT 345 PENCE PER NEW ORDINARY SHARE

SEGRO plc ("**SEGRO**" or the "**Company**") today announces the launch of a 1 for 5 rights issue to raise £573 million in proceeds (£556 million net of expenses).

Highlights

- Fully underwritten 1 for 5 rights issue of 166,033,133 ordinary shares of 10 pence each in the capital of the Company at a price of 345 pence per New Ordinary Share (the "**Rights Issue**").

- The issue price of 345 pence per New Ordinary Share represents a discount of approximately 28.9 per cent. to the closing price (based on the Dividend Adjusted Closing Price) for an Ordinary Share of 485 pence on 9 March 2017 (being the last business day prior to the release of this Announcement) and a 25.3 per cent. discount to the theoretical ex-rights price based on the Dividend Adjusted Closing Price for an Ordinary Share of 485 pence on 9 March 2017.

- The net proceeds of the Rights Issue of £556 million will be used:

  - to finance the cash consideration of £216 million for the acquisition of 50 per cent. of the Airport Property Partnership ("**APP**"), which on completion was funded from the Group's internal resources;

  - to invest approximately £165 million to progress the development projects within the Current Development Pipeline (approximately £34 million) and Near-Term Development Projects (approximately £131 million), which have been identified since the time of the Group's £325 million placing in September 2016; and

  - in relation to the balance of approximately £175 million, to fund additional projects associated with the development of the Group's land bank and/or land held under option.

- The Directors have previously stated that their aim is to keep Group leverage below the mid-cycle target loan to value ("**LTV**") ratio of 40 per cent. The Directors expect that once the proceeds from the Rights Issue are fully deployed, SEGRO's LTV ratio will be consistent with this level at approximately 35 per cent.

- The Directors expect the Acquisition and capital expenditure associated with the Current Development Pipeline and Near-Term Development Projects for which proceeds from the Rights Issue are expected to be used to be accretive on an Adjusted EPS and EPRA NAV basis upon completion and leasing of the expanded development programme and following the adjustment for the New Ordinary Shares issued pursuant to the Rights Issue[1]. Further benefits are expected to be generated on deployment of the remaining proceeds of the Rights Issue on additional development projects.

- The Rights Issue is to be fully underwritten by BofA Merrill Lynch, UBS Investment Bank, Barclays, BNP PARIBAS and HSBC, to provide certainty as to the amount of capital to be raised.

David Sleath, CEO, the Company said:

"The new capital we are seeking to raise will allow us to further progress the implementation of our development and income growth strategy, taking advantage of a very favourable occupier market backdrop. In addition to refinancing the acquisition of the 50 per cent. stake in APP we have announced today, the proceeds will fund further attractive development projects over and above those we funded with the proceeds of the placing in September last year.

"Our Heathrow portfolio is one of the jewels in our crown and by acquiring full ownership of the assets within APP we are able to add further scale in this supply-constrained market. We see a number of opportunities to realise further value from this unique portfolio in the short and long term and we look forward to pursuing our development plans, taking advantage of strong occupier demand for facilities around Heathrow from customers needing rapid access both to the airport and to Central London. This puts us in a strong position for the future."

Summary

The Company is proposing to raise approximately £556 million (net proceeds) by way of the Rights Issue, pursuant to which it proposes to issue 166,033,133 New Ordinary Shares. The Rights Issue is fully underwritten pursuant to the Underwriting Agreement. The price at which Qualifying Shareholders will be invited to subscribe for New Ordinary Shares will be 345 pence which represents a 25.3 per cent. discount to the theoretical ex-rights price based on the Dividend Adjusted Closing Price for an Ordinary Share of 485 pence on 9 March 2017. Under the Rights Issue, the New Ordinary Shares will be offered by way of rights to all Qualifying Shareholders. Subject to certain exceptions, Shareholders with a registered address, resident, or otherwise believed to be, in the United States, South Africa or any other Excluded Territory will not be entitled to participate in the Rights Issue.

Acquisition of full ownership of the Airport Property Partnership

Today, SEGRO announced that it had acquired full ownership of the Airport Property Partnership ("**APP**") by purchasing the 50 per cent. stake in APP which it did not already own from the Aviva Group Entities. APP owns a well-positioned portfolio of warehouse properties and land at and around London's major airports, of which 87 per cent. by value at 31 December 2016 is situated at, or close to, Heathrow Airport. SEGRO acquired the Aviva Group Entities' stake for a total consideration of £365 million, which comprised £216 million in cash and a portfolio of five wholly-owned properties for a consideration totalling £149 million, in line with their book value at 31 December 2016, adjusted for deferred income and tenant deposits (the "**Acquisition**"). Following the Acquisition, APP has become a wholly-owned subsidiary of SEGRO. The proceeds of the Rights Issue are expected to be used to repay the £215 million drawn under the HSBC, BNP and RBS Facilities to finance the cash consideration paid for the Acquisition.

[1] This statement does not constitute, and should not be construed as, a profit forecast.

Development projects identified since the Placing in September 2016

Since the Placing in September 2016, the Directors have identified a number of new development projects, in which they plan to invest the proceeds from the Rights Issue. The gross proceeds of the Placing, which totalled £325 million, are being used (consistent with their planned use announced in September 2016) to part fund £456 million of capital expenditure associated with development projects identified at the time of the Placing. At 31 December 2016, the Group had already invested or allocated approximately £342 million (approximately 75 per cent.) of such capital expenditure and projects comprising the remaining £114 million (approximately 25 per cent.) of such capital expenditure continue to progress as planned. Since the time of the Placing, occupier demand in the markets in which the Group operates has continued to be strong and the Directors have already approved, or believe that they are likely to approve for development in the next 6 to 12 months, a further £165 million in respect of development projects which are additional to those identified at the time of the Placing for which proceeds from the Rights Issue are to be allocated.

Additional development projects

The balance of approximately £175 million of the net proceeds from the Rights Issue will be reserved to fund additional projects associated with the development of the Group's land bank and/or land held under option.

Should such development projects fail to materialise, the balance would be used for the Group's general corporate purposes, which might include potential acquisitions which fulfil the Group's strategic objectives. In the unlikely event that the Near-Term Development Projects fail to commence, any net proceeds from the Rights Issue which would have been used to fund the Near-Term Development Projects will also be used in this manner.

This summary should be read in conjunction with the full text of this Announcement (which includes a summary of the expected timetable of events at Appendix 1). Defined terms used herein have the meanings given to them in Appendix 3.

The Rights Issue is conditional upon:

(a) Admission (nil paid) having occurred by not later than 8.00 a.m. on 13 March 2017 (or such later time and/or date as the parties to the Underwriting Agreement may agree, being not later than 17 March 2017); and

(b) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms.

Indicative abridged timetable

All references to times in the timetable below are to UK time.

	2017
Record Date for entitlements under the Rights Issue	close of business on Wednesday 8 March
Date of publication of Prospectus	Friday 10 March
Admission of New Ordinary Shares, nil paid, and start of subscription period	8.00 a.m. on Monday 13 March
Dealings in New Ordinary Shares, nil paid, commence on the London Stock Exchange	8.00 a.m. on Monday 13 March
Existing Ordinary Shares marked “ex-rights” by the London Stock Exchange	8.00 a.m. on Monday 13 March
Latest time and date in the UK for acceptance and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on Monday 27 March
Dealings in New Ordinary Shares, fully paid, commence on the London Stock Exchange	8.00 a.m. on Tuesday 28 March
New Ordinary Shares credited to CREST accounts (uncertificated holders only)	by no later than Tuesday 28 March
Settlement in respect of rump shares	Thursday 30 March

CONFERENCE CALL FOR INVESTORS AND ANALYSTS

A conference call facility will be available at 08:00 (UK time) on the following number:		An audio recording of the conference call will be available until 17 March 2017 on:	
Dial-in:	+44 20 3059 8125	UK & International:	+44 121 260 4861
Access code:	Participants should state they wish to join the **SEGRO** conference call. No password required.	Access code:	5526651#

A copy of the presentation will be available at www.SEGRO.com/investors.

This Announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notices" section of this Announcement.

The person responsible for arranging release of this Announcement on behalf of SEGRO is Elizabeth Blease.

For further information on this Announcement, please contact

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Notes to Editors

About SEGRO
SEGRO is a UK Real Estate Investment Trust (REIT), and a leading owner, manager and developer of modern warehouses and light industrial property. It owns or manages over six million square metres of space valued at £8 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 nine other European countries.

See www.SEGRO.com/investors for further information.

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The information contained in this Announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy or completeness. The information in this Announcement is subject to change.

This Announcement is not a prospectus but an advertisement. Any offer to acquire the Company's securities pursuant to the offering referred to in these materials will be made, and any investor should make his investment, solely on the basis of information that will be contained in the Prospectus to be made generally available in the United Kingdom in connection with such offering. When made generally available, copies of the Prospectus may be obtained at no cost from the Company or through the website of the Company at www.segro.com/investors, provided that the Prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to Shareholders in the United States, South Africa and the other Excluded Territories. The Prospectus will give further details of the New Ordinary Shares, the Nil Paid Rights and the Fully Paid Rights (the "**Securities**") being offered pursuant to the Rights Issue.

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The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The offering of the Securities is only being made in Canada pursuant to exemptions from the prospectus and registration requirements that otherwise apply to a distribution of securities under applicable Canadian securities legislation. Any offer or solicitation in Canada must be made through a dealer that is appropriately registered under the laws of the applicable province or territory of Canada, or pursuant to an exemption from that requirement. Any resale of the Securities in Canada must be made under available statutory exemptions.

Merrill Lynch International and UBS Limited are acting as Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors for the Company, and Barclays Bank PLC, BNP Paribas and HSBC Bank plc are acting as Co-Bookrunners for the Company (collectively the "**Bookrunners**"). Each of the Bookrunners is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for the Company and no one else in connection with the Rights Issue, and will not regard any other person (whether or not a recipient of this Announcement) as its client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in connection with the Rights Issue or any other matters referred to in this Announcement.

In connection with the Rights Issue, each of the Bookrunners, and any of their respective affiliates, acting as investor for its own account, may take up the Securities and/or related instruments in the Rights Issue and in that capacity may retain, purchase or sell for its own account such securities and any New Ordinary Shares or related investments and may offer or sell such New Ordinary Shares or other investments otherwise than in connection with the Rights Issue. Accordingly, references in this Announcement to New Ordinary Shares being offered or placed should be read as including any offering or placement of New Ordinary Shares to any of the Bookrunners or any of their respective affiliates acting in such capacity. None of the Bookrunners intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. In addition the Bookrunners or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which the Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of New Ordinary Shares. The Company also intends to use a portion of the net proceeds of the Rights Issue to repay facilities provided by certain of the Bookrunners, as noted below.

This Announcement is being issued by and is the sole responsibility of the Company. No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability whatsoever is or will be accepted by the Bookrunners nor any of their respective affiliates or agents (or any of their respective directors, officers, employees or advisers) for the contents of the information contained in this Announcement, including its accuracy, completeness, fairness or verification or regarding the legality of any investment in the Securities or any other written or oral information made available to or publicly available to any interested party or its advisers, or any other statement made or purported to be made by or on behalf of any Bookrunner or any of their respective affiliates in connection with the Company, the New Ordinary Shares or the Rights Issue and nothing in this Announcement is or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future and any responsibility therefor is expressly disclaimed. The Bookrunners and each of their respective affiliates accordingly disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise in respect of this Announcement or any such statement and no representation or warranty, express or implied, is made by any Bookrunner or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information contained in this Announcement.

This Announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Securities. Any investment decision to buy Securities in the Rights Issue must be made solely on the basis of publicly available information, which has not been independently verified by the Bookrunners. The contents of this Announcement are not to be construed as legal, business, financial or tax advice. None of the Company, the Bookrunners, or any of their respective representatives, is making any representation to any offeree or purchaser of the Securities regarding the legality of an investment in the Securities by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the purchase of the Securities. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved.

This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan" "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. These statements are subject to unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, neither the Company nor the Bookrunners assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. Any indication in this Announcement of the price at which New Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares. Past performance is no guide for future performance.

The New Ordinary Shares to be issued pursuant to the Rights Issue will not be admitted to trading on any stock exchange other than the London Stock Exchange.

The most recent Annual and Interim Reports and other information are available on the SEGRO website at www.segro.com/investors. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

This Announcement does not constitute a recommendation concerning the Rights Issue.

1 FOR 5 RIGHTS ISSUE AT 345 PENCE PER NEW ORDINARY SHARE

1. Introduction

Today, SEGRO announced that it had acquired full ownership of APP by purchasing the 50 per cent. stake in APP which it did not already own from the Aviva Group Entities. APP owns a well-positioned portfolio of warehouse properties and land at and around London's major airports, of which 87 per cent. by value at 31 December 2016 is situated at, or close to, Heathrow Airport. SEGRO acquired the Aviva Group Entities' stake for a total consideration of £365 million, which comprised £216 million in cash and a portfolio of five wholly-owned properties for a consideration totalling £149 million, in line with their book value at 31 December 2016, adjusted for deferred income and tenant deposits (the "**Acquisition**"). Following the Acquisition, APP has become a wholly-owned subsidiary of SEGRO.

Since the Placing in September 2016, the Directors have identified a number of new development projects, in which they plan to invest the proceeds from the Rights Issue. The gross proceeds of the Placing, which totalled £325 million, are being used (consistent with their planned use announced in September 2016) to part fund £456 million of capital expenditure associated with development projects identified at the time of the Placing. At 31 December 2016, the Group had already invested or allocated approximately £342 million (approximately 75 per cent.) of such capital expenditure and projects comprising the remaining £114 million (approximately 25 per cent.) of such capital expenditure continue to progress as planned. Since the time of the Placing, occupier demand in the markets in which the Group operates has continued to be strong and the Directors have already approved, or believe that they are likely to approve for development in the next 6 to 12 months, a further £165 million in respect of development projects which are additional to those identified at the time of the Placing for which proceeds from the Rights Issue are to be allocated.

In light of the Acquisition and additional opportunities within the Company's development pipeline which have arisen since the time of the Placing, on 10 March 2017, SEGRO announced that it intends to raise £556 million (net of estimated expenses) by way of a fully underwritten Rights Issue of 166,033,133 New Ordinary Shares at 345 pence per share on the basis of 1 New Ordinary Share for every 5 Existing Ordinary Shares.

2. Information on SEGRO

SEGRO is a real estate investment trust whose Ordinary Shares are admitted to the premium segment of the Official List and trading on the London Stock Exchange's main market for listed securities and is a leading owner, manager and developer of modern warehouses and light industrial property. The Group owns or manages a property portfolio totalling over six million square metres of space, which was valued at £8.0 billion (£6.3 billion based on SEGRO's wholly-owned assets and its share of assets held within joint ventures) at 31 December 2016. Its portfolio comprises mainly modern big box and urban warehouses which the Directors consider to be well specified and located, with good sustainability credentials, and which should benefit from a low structural void rate and relatively low-intensity asset management requirements. Its assets are concentrated in strong sub-markets across the UK and nine Continental European countries which, the Directors believe, have attractive property market characteristics, including good growth prospects and limited supply availability and where the Group already has, or can achieve, critical mass.

SEGRO's strategy is to create a portfolio which generates attractive, low-risk, income-led returns with above-average rental and capital growth when market conditions are positive, and which is resilient in a downturn. It seeks to enhance returns through development, while ensuring that the short-term income 'drag' associated with holding land does not outweigh the long-term potential benefits.

3. Update on the use of the proceeds from the Placing

On 2 September 2016, the Directors launched the Placing which raised approximately £325 million of gross proceeds for the Group to part-fund £456 million of capital expenditure on: (i) development projects which were already approved and underway at the time of the Placing; (ii) development projects which had been approved by the Directors at the time of the Placing, but which were subject to final pre-let agreements from customers or were conditional on being granted planning permission; and (iii) speculative developments which the Directors had identified at the time of the Placing and which they believed may be approved within 6 to 12 months of the Placing subject to market conditions.

At 31 December 2016, £342 million (approximately 75 per cent.) of the expected capital expenditure of £456 million to develop projects in the Group's pipeline identified at the time of the Placing had been invested or allocated to such projects.

The following provides an update at 31 December 2016 as to the development programme identified at the time of the Placing:

- *Projects forming part of current pipeline at time of Placing*: out of the £199 million of investment which was identified by the Directors as required to be used to complete projects approved and underway at the time of the Placing, £75 million was invested in projects which had been completed by 31 December 2016, £86 million had been invested in projects still underway at 31 December 2016, and a further £38 million of funds had been allocated by the Group to complete projects.
- *Near-term pre-let development projects at time of Placing*: out of the £140 million of investment identified at the time of the Placing to be used for development projects associated with pre-let agreements with potential customers which were subject to planning or were in the advanced stages of negotiation at the time of the Placing, £63 million (or 45 per cent.) had been allocated by the Group to projects; and
- *Near-term potential speculative development projects*: out of £117 million of investment identified at the time of the Placing to be used for speculative urban warehouse development projects, £80 million (or 68 per cent.) had been invested or allocated by the Group to projects. This figure

includes £28 million which had been invested by the Group in relation to land acquisitions associated with speculative urban warehouse projects.

Projects comprising the remaining £114 million of funding identified at the time of the Placing, which had not been invested or allocated at 31 December 2016 continue to progress as planned and the Directors continue to expect that such projects will commence development within the timetable set out in the Placing Announcement, subject to outstanding conditions being met. The Directors intend that these projects will be funded using borrowings under the Group's existing debt facilities and operating cash flow.

4. Use of proceeds of the Rights Issue

The Rights Issue is expected to raise £556 million (net of expenses). The Directors propose to use the proceeds of the Rights Issue as follows:

(i) to finance the cash consideration of £216 million for the Acquisition, which on completion was funded from the Group's internal resources;

(ii) to invest approximately £165 million to progress the development projects within the Current Development Pipeline (approximately £34 million) and Near-Term Development Projects (approximately £131 million), which have been identified since the time of the Placing; and

(iii) to reserve the balance of approximately £175 million to fund additional projects associated with the development of the Group's land bank and/or land held under option. Should such development projects fail to materialise, the balance would be used for the Group's general corporate purposes, which might include potential acquisitions which fulfil the Group's strategic objectives.

In the event that one or more of the development projects referenced in point (ii) above fail to commence, any proceeds from the Rights Issue which would have been used to fund such relevant development projects would be expected to be used in the manner described in point (iii) above.

The Directors have previously stated that their aim is to keep Group leverage below the mid-cycle target LTV ratio of 40 per cent. The Directors expect that once the proceeds from the Rights Issue are fully deployed, SEGRO's LTV ratio will be consistent with this level at approximately 35 per cent.

(i) The Acquisition

SEGRO acquired a 50 per cent. stake in APP from the Aviva Group Entities pursuant to an agreement signed with such entities on 9 March 2017. Prior to the Acquisition, SEGRO owned a 50 per cent. stake in APP meaning that, as a result of the Acquisition, SEGRO now owns 100 per cent. of the share capital in APP.

SEGRO acquired the Aviva Group Entities' 50 per cent. stake in APP for consideration totalling £365 million, which comprised of: (i) £216 million in cash; and (ii) a portfolio of five mature or recently completed properties for a consideration totalling £149 million (in line with book value at 31 December 2016, adjusted for deferred income and tenant deposits), consisting of four light industrial estates in London and a manufacturing facility in Portsmouth, all of which were wholly-owned by the Group (the "**Disposal Assets**"). The total consideration for the Acquisition was broadly in line with 50 per cent. of the net asset value ("**NAV**") of APP at 31 December 2016.

SEGRO intends to use a portion of the net proceeds from the Rights Issue to repay £215 million drawn under the HSBC, BNP and RBS Facilities to finance the cash consideration for the Acquisition.

(ii) Current Development Pipeline and Near-Term Development Projects

In addition to, and distinct from, the projects associated with capital expenditure of £456 million which were identified in connection with the Placing, the Directors have identified a number of new development projects which form part of the Current Development Pipeline and the Near-Term Development Projects.

From the proceeds of the Rights Issue, the Directors propose to invest:

(a) approximately £34 million to progress development projects within the Current Development Pipeline, which, in each case, are distinct from projects and opportunities identified at the time of the Placing; and

(b) approximately £131 million to finance projects which form part of the Near-Term Development Projects (comprising £110 million for development projects which have been approved by the Directors, but which are subject to final pre-let agreements from customers or conditional on being granted planning permission and £21 million for speculative developments which the Directors have identified and which they believe may be approved in the next 6 to 12 months), which, in each case, are distinct from projects and opportunities identified at the time of the Placing.

(iii) Additional development projects

At 31 December 2016, the Group owned a land bank of undeveloped land which the Directors believe is capable of supporting 2.15 million square metres of warehouse development, which is in addition to undeveloped land associated with the Near-Term Development Projects (being 520,000 square metres), and controlled land through option agreements which the Directors believe is capable of supporting 0.7 million square metres of additional warehouse space in Italy and in the Midlands and South East regions of the UK, including in London. The Directors believe that the land bank is capable of generating headline rent of £101 million per annum at current market rent levels following its development, based on currently estimated capital expenditure of £0.9 billion.

Accordingly, the balance of approximately £175 million from the net proceeds from the Rights Issue will be reserved to fund additional projects associated with the development of the Group's land bank and/or land held under option.

Should such development projects fail to materialise, the balance would be used for the Group's general corporate purposes, which might include potential acquisitions which fulfil the Group's strategic objectives. In the unlikely event that the Near-Term Development Projects fail to commence, any net proceeds from the Rights Issue which would have been used to fund the Near-Term Development Projects will also be used in this manner.

5. Information on the Rights Issue

The Company is proposing to offer 166,033,133 New Ordinary Shares by way of a Rights Issue. The New Ordinary Shares will be offered to all Qualifying Shareholders other than to Shareholders with a registered address, or resident in, subject to certain exceptions, the United States, South Africa or any of the other Excluded Territories. The Rights Issue will be made on the following basis:

1 New Ordinary Share at 345 pence each for every 5 Existing Ordinary Shares

held and registered in the name of Qualifying Shareholders at the close of business on the Record Date. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue, as will holdings under different designations, in different accounts and on different registers. Entitlements to New Ordinary Shares will be rounded down to the nearest whole number and resulting fractions of New Ordinary Shares will not be allotted to any Qualifying Shareholders, but will instead be aggregated and sold in the market ultimately for the benefit of the Company.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* with the Existing Ordinary Shares and will rank in full for all dividends and distributions thereafter declared, made or paid on the share capital of the Company, save in respect of any dividend or distribution with a record date falling before the date of the issue of the New Ordinary Shares, including the recommended final dividend for the year ended 31 December 2016.

Application has been made to the UK Listing Authority for the New Ordinary Shares (nil and fully paid) to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Ordinary Shares (nil and fully paid) to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the New Ordinary Shares, nil paid, will commence on the London Stock Exchange at 8.00 a.m. on 13 March 2017 with dealings in the New Ordinary Shares, fully paid, expected to commence at 8.00 a.m. on 28 March 2017.

The Issue Price of 345 pence per New Ordinary Share represents a discount of approximately:

(i) 28.9 per cent. to the Dividend Adjusted Closing Price for an Ordinary Share of 485 pence on 9 March 2017, the last business day prior to the date of this Announcement; and

(ii) a 25.3 per cent. discount to the theoretical ex-rights price based on that Dividend Adjusted Closing Price.

If a Qualifying Shareholder does not take up the offer of New Ordinary Shares in any way, his/her/its proportionate shareholding will be diluted by 16.7 per cent. The Rights Issue is expected to raise £556 million (net of expenses).

The Company has arranged for the Rights Issue to be fully underwritten by the Underwriters to provide certainty as to the amount of capital to be raised. The Underwriting Agreement is not subject to any right of termination after Admission (including in respect of any statutory withdrawal rights).

The terms of the Underwriting Agreement are summarised in Section 11.1 of Part XX (*Additional Information*) of the Prospectus. The Rights Issue is conditional, inter alia, upon:

(a) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms; and

(b) Admission (nil paid) having occurred by not later than 8.00 a.m. on 13 March 2017 (or such later time and/or date as the parties to the Underwriting Agreement may agree, being not later than 17 March 2017).

6. Financial position, current trading and prospects

On 17 February 2017, the Group announced its results for the year ended 31 December 2016.

The financial highlights of the year ended 31 December 2016 are set out below:

(a) Adjusted EPS up 7.1 per cent. to 19.7 pence (2015: 18.4 pence), underpinned by a 4.0 per cent. increase in like-for-like net rental income (including 6.0 per cent. growth in the UK and a 0.7 per cent. decrease in Continental Europe), a continued low vacancy rate of 5.7 per cent. and a strong contribution from development completions;

(b) Reported (IFRS) EPS of 53.9 pence (2015: 91.7 pence), which includes the impact of unrealised capital gains on the portfolio and reflects continued capital growth, but at a slower rate than in 2015;

(c) EPRA NAV per share up 8.0 per cent. to 500 pence, driven by a 4.8 per cent., like-for-like increase in the value of the portfolio (2015: 11.1 per cent.), reflecting UK rental growth and asset management activities, development gains and an uplift in the value of two industrial sites to be sold for residential development;

(d) At 31 December 2016, IFRS net assets attributable to Shareholders were £4,182.1 million (31 December 2015: £3,489.9 million), reflecting 502 pence per share (31 December 2015: 468 pence) on a diluted basis; and

(e) £45 million of new rent contracted (14 per cent. ahead of prior year) including £23 million from new development pre-let agreements and lettings of speculatively developed space prior to completion.

Future prospects

The Directors believe that occupier demand is holding up well and that there is little evidence of over-supply in any of the Group's markets, meaning that the prospects are good for further rental growth in the UK and stable or improving rents in Continental Europe. The Directors consider that the persistent low interest rate environment continues to cast warehouse yields in a favourable light and believe that they see evidence of a healthy appetite for modern, well located assets among investors. While the Directors believe that scope for further yield compression is limited, they expect that both rental growth and development profits should provide support for the value of the Group's portfolio in 2017.

The Directors welcome the UK government's decision to support a third runway at Heathrow Airport, which will enhance the Group's business case for the long-term re-development plans for the airport's cargo centres which are owned by APP, which is now a wholly-owned subsidiary of the Group.

The Directors acknowledge that the UK's decision to leave the European Union has undoubtedly caused uncertainty for the property industry generally. The Directors believe that it is likely to take months, if not years, for occupier demand to adjust to the new situation and are not complacent about the impact the "Brexit" vote could have on the Group's business. Indeed, the work done to reposition the Group's portfolio over the past five years was designed to ensure it would be resilient in times of market uncertainty or weakness. The Directors believe that the early signs are encouraging and have seen little, if any, impact on occupier and investor demand for the Group's warehouse properties since the referendum result.

While the Directors are aware that there are a number of broader economic and geopolitical uncertainties, they remain confident that the Group's portfolio is well positioned to be able to outperform the wider property market.

The Directors reported an active start to 2017 and that they continue to see opportunities to grow the business and intend to do so through further disciplined investment, matched by a prudent approach to financing.

7. Dividend and dividend policy

The Directors target a payout ratio of 85 to 95 per cent. of Adjusted Profit After Tax and aim to deliver a progressive and sustainable dividend.

Under the UK REIT rules, SEGRO is required to distribute 90 per cent. of UK-sourced, tax-exempt rental profits as a property income distribution ("**PID**"). Given that SEGRO also receives income from its properties in Continental Europe, the total dividend has historically exceeded this minimum level.

The Directors have recommended a final dividend of 11.2 pence per Existing Ordinary Share, bringing the total aggregate amount paid and payable by way of dividend in respect of the year ended 31 December 2016 to 16.4 pence per Existing Ordinary Share. New Ordinary Shares issued pursuant to the Rights Issue will not be entitled to this final dividend because such dividend was declared before the date of allotment and issue of the New Ordinary Shares.

The Company also currently operates a scrip dividend scheme, which provides Shareholders with an opportunity to receive new Ordinary Shares instead of cash in respect of any dividend and PID for which the Directors choose to offer the scrip dividend alternative. The UK tax implications of the Company's scrip dividend scheme are considered in the scrip dividend scheme booklet available in the "Investors // Dividend Information" section of the Company's website and are not further addressed in this Announcement.

Applying the indicative bonus factor element of the Rights Issue to the total aggregate amount paid and payable by way of dividend in respect of the year ended 31 December 2016 shows that, following the Rights Issue, the dividend of 16.4 pence per share would equate to approximately 15.6 pence per Existing Ordinary Share. Subject to performance and available resources, the Directors would seek to increase that level of dividend over the medium term.

8. Financial impact of the Acquisition and the Rights Issue

The Directors expect the Acquisition and capital expenditure associated with the Current Development Pipeline and Near-Term Development Projects for which proceeds from the Rights Issue are expected to be used to be accretive on an Adjusted EPS and EPRA NAV basis upon completion and leasing of the expanded development programme and following the adjustment for the New Ordinary Shares issued pursuant to the Rights Issue[2]. Further benefits are expected to be generated on deployment of the remaining proceeds of the Rights Issue on additional development projects.

9. SEGRO Share Plans

In accordance with the rules of the SEGRO Share Plans (save in respect of the SIP, for which, see below), the Directors propose to make adjustments to the terms of outstanding options and awards to take account of the Rights Issue, subject to any necessary approvals. Where options and awards are subject to performance conditions, adjustments will, if appropriate, be made subject to those conditions. Participants in the SEGRO Share Plans will be contacted separately in due course with detailed information on how their options and awards will be affected by the Rights Issue.

Participants in the tax-advantaged SIP beneficially own their Ordinary Shares which are held on their behalf by the trustees of the plan. The participants will be able to instruct the trustees how to act or vote in relation to the Rights Issue on their behalf.

10. Action to be taken

On the basis that dealings in New Ordinary Shares (nil paid) commence on 13 March 2017, the latest time for acceptance by Qualifying Shareholders under the Rights Issue will be 11.00 a.m. on 27 March 2017. The procedure for acceptance and payment is set out in Part IX (*Terms and Conditions of the Rights Issue*) of the Prospectus. Further details will also be sent to all Qualifying Non-CREST Shareholders (other than, subject to certain exceptions, Qualifying Non-CREST Shareholders with a registered address in an Excluded Territory).

New Ordinary Shares will be provisionally allotted (nil paid) to all Shareholders on the register at the Record Date, including Overseas Shareholders. However, Provisional Allotment Letters will not be sent to Qualifying Non-CREST Shareholders with registered addresses in, or who are resident or located (as applicable) in, subject to certain exceptions, the United States, South Africa or any of the other Excluded Territories, nor will the CREST stock accounts of Qualifying CREST Shareholders with registered addresses in, or who are resident or located (as applicable) in, subject to certain exceptions, the United States, South Africa or any of the other Excluded Territories, be credited.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

[2] This statement does not constitute, and should not be construed as, a profit forecast.

11. Directors' intentions

The Directors currently beneficially own, in aggregate, 997,852 Ordinary Shares, representing approximately 0.12 per cent. of the Company's share capital at 9 March 2017, being the latest practicable date prior to the publication of this document. Each of the Directors intends, to the extent that he or she is able, either to take up his or her rights to subscribe for the New Ordinary Shares under the Rights Issue or to sell sufficient of his or her Nil Paid Rights during the nil paid dealing period to meet the cost of taking up the balance of his or her entitlements to New Ordinary Shares.

Appendix 1
Expected timetable of principal events

Each of the times and dates in the table below is indicative only and may be subject to change. Please read the notes to this timetable set out below.

All references to times in the timetable below are to UK time.

	2017
Record Date for entitlements under the Rights Issue	close of business on Wednesday 8 March
Announcement of the Rights Issue	Friday 10 March
Date of publication of Prospectus	Friday 10 March
Despatch of Provisional Allotment Letters (to Qualifying non-CREST Shareholders only) [1]	Friday 10 March
Admission of New Ordinary Shares, nil paid, and start of subscription period	Monday 13 March
Dealings in New Ordinary Shares, nil paid, commence on the London Stock Exchange	8.00 a.m. on Monday 13 March
Existing Ordinary Shares marked "ex-rights" by the London Stock Exchange	8.00 a.m. on Monday 13 March
Nil Paid Rights credited to stock accounts in CREST (Qualifying CREST Shareholders only)[1]	As soon as practicable after 8.00 a.m. on Monday 13 March
Nil Paid Rights and Fully Paid Rights enabled in CREST	As soon as practicable after 8.00 a.m. on Monday 13 March
Recommended latest time for requesting withdrawal of Nil Paid Rights or Fully Paid Rights from CREST (i.e. if your Nil Paid Rights or Fully Paid Rights are in CREST and you wish to convert them into certificated form)	4.30 p.m. on Tuesday 21 March
Recommended latest time and date for depositing renounced Provisional Allotment Letters, nil paid or fully paid, into CREST or for dematerialising Nil Paid Rights or Fully Paid Rights into a CREST stock account (i.e. if your Nil Paid Rights or Fully Paid Rights are represented by a Provisional Allotment Letter and you wish to convert them into uncertificated form)	3.00 p.m. on Wednesday 22 March
Latest time and date for splitting Provisional Allotment Letters, nil paid or fully paid, for rights traded on the London Stock Exchange	3.00 p.m. on Thursday 23 March
Latest time and date in the UK for acceptance and payment in full and registration of renounced Provisional Allotment Letters	11.00 a.m. on Monday 27 March
Dealings in New Ordinary Shares, fully paid, commence on the London Stock Exchange	8.00 a.m. on Tuesday 28 March
Announcement of results of Rights Issue (including rump placement, if any)	Tuesday 28 March
New Ordinary Shares credited to CREST accounts (uncertificated holders only)	by no later than Tuesday 28 March
Settlement in respect of rump shares	Thursday 30 March
Expected date of despatch of definitive share certificates for New Ordinary Shares in certificated form	by no later than Thursday 6 April

Notes:

(1) Subject to certain restrictions relating to Shareholders with registered addresses outside the UK, details of which are set out in Part IX (*Terms and Conditions of the Rights Issue*) of the Prospectus.

(2) Each of the times and dates set out in the above timetables and mentioned in this document, the Provisional Allotment Letter and in any other document issued in connection with the Rights Issue is subject to change and may be adjusted by SEGRO in consultation with the Banks, in which event details of the new times and dates will be notified to the UK Listing Authority, the London Stock Exchange, and, where appropriate, Qualifying Shareholders.

(3) If you have any questions relating to the Rights Issue or completion and return of your Provisional Allotment Letter, please contact the Shareholder Helpline on 0333 207 6530 (from inside the UK) or +44 121 415 0915 (if calling from outside the UK). The Shareholder Helpline is open from 8.30 a.m. to 5.30 p.m. (UK time) Monday to Friday (excluding English and Welsh public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that for legal reasons, the Shareholder Helpline cannot provide advice on the merits of the Rights Issue nor give financial, tax, investment or legal advice.

Appendix 2
Rights Issue indicative statistics

Number of Existing Ordinary Shares as at the Record Date	830,165,669
Number of New Ordinary Shares available under the Rights Issue	166,033,133
Number of Ordinary Shares in the Enlarged Share Capital	996,198,802
Issue Price per New Ordinary Share	345 pence
New Ordinary Shares as a percentage of the Enlarged Share Capital	16.7 per cent.
Estimated gross proceeds of the Rights Issue	£572,814,309
Estimated net proceeds of the Rights Issue	£555,814,309

Appendix 3
Definitions and glossary technical terms

"Acquisition"	the acquisition by SEGRO of the Aviva Group Entities' 50 per cent. stake in APP for a total consideration of £365 million, which comprised £216 million in cash and a portfolio of five wholly-owned properties for a consideration totalling £149 million, in line with their book value at 31 December 2016, adjusted for deferred income and tenant deposits;
"**Adjusted EPS**"	the reflection of adjusted profit after tax on a per share basis. Adjusted profit after tax, which is a non-IFRS measure, represents profit after tax in accordance with IFRS as adjusted in accordance with the Best Practices Recommendations Guidelines of EPRA and to exclude non-recurring items;
"Admission"	the admission of the New Ordinary Shares, nil paid, to the premium segment of the Official List becoming effective in accordance with the Listing Rules and the admission of the New Ordinary Shares, nil paid, to trading on the London Stock Exchange's main market for listed securities, becoming effective in accordance with the Admission and Disclosure Standards;
"APP"	the Airport Property Partnership, a limited partnership established under the laws of England and Wales;
"Aviva"	Aviva Life & Pensions UK Limited, a company incorporated in England and Wales with registered number 03253947 whose registered office is Wellington Row, York, North Yorkshire, England, YO90 1WR;
"Aviva Group Entities"	Aviva, acting on its own behalf, as nominee of A/C A214, and for and on behalf of Aviva Linked Property Fund; Quarryvale; and NUGP
"BofA Merrill Lynch"	Merrill Lynch International, a company incorporated in England and Wales with registered number 02312079 whose registered office is 2 King Edward Street, London EC1A 1HQ, United Kingdom;
"Banks" or "Bookrunners"	BofA Merrill Lynch, UBS, Barclays, BNP Paribas and HSBC;
"Barclays"	Barclays Bank PLC, a company incorporated in England and Wales with registered number 01026167, whose registered office is at 1 Churchill Place, London, E14 5HP;
"BNP PARIBAS"	BNP Paribas, a company incorporated under the laws of France with registered number 662042449 and whose registered office is at 16 Boulevard des Italiens, 75009 Paris, France;
"Board"	the board of directors of the Company;
"Business Day"	any day on which banks are generally open in London for the transaction of business other than a Saturday or Sunday or public holiday in England and Wales;

"capital expenditure"	expenditure for additions to properties and acquisitions of investment and trading properties but does not include tenant incentives, letting fees and rental guarantees;
"certificated" or "in certificated form"	where a share or other security is not in uncertificated form (that is, not in CREST);
"Co-Bookrunners"	Barclays, BNP PARIBAS and HSBC;
"Continental Europe"	the continuous continent of Europe, excluding surrounding islands;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended, operated by Euroclear;
"Current Development Pipeline"	development projects which have been approved by the Directors and which were underway at 31 December 2016;
"Directors"	the directors of the Company at the date of this Announcement, and "**Director**" means any one of them;
"Disposal Assets"	a portfolio of five mature or recently completed properties which have a disposal value of £149 million (in line with their book value at 31 December 2016, adjusted for deferred income and tenant deposits), consisting of four light industrial estates in London (Uxbridge, Merton, Heathrow and Southall) and a manufacturing facility in Portsmouth, which are wholly-owned by the Group and which will be transferred to Aviva in part consideration for the Acquisition;
"Dividend Adjusted Closing Price"	the closing, middle market quotation in Pounds Sterling of an Existing Ordinary Share as published in the daily official list of the London Stock Exchange, less the 2016 final dividend of 11.2 pence per Existing Ordinary Share which will not be payable on the New Ordinary Shares;
"Enlarged Share Capital"	the issued ordinary share capital of the Company following the issue of the New Ordinary Shares pursuant to the Rights Issue;
"EPRA"	European Public Real Estate Association, the publisher of Best Practice Recommendations intended to make financial statements of public real estate companies in Europe clearer, more transparent and comparable;
"EPS" or "earnings per share"	earnings per Ordinary Share adjusted to exclude valuation movements, exceptional items and related tax;
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST;
"Excluded Territories"	the United States, Canada, South Africa, the People's Republic of China (excluding Hong Kong), South

	Korea, Taiwan, Thailand, New Zealand, Bahrain, the Bahamas, Bermuda, Brazil, Djibouti, Malaysia, Monaco, Oman, Pakistan, Israel, India, Jordan, Turkey, the United Arab Emirates, the West Indies and any other jurisdiction outside the United Kingdom where the Company is advised that the allotment or issue of New Ordinary Shares pursuant to the Rights Issue would or may infringe the relevant laws and regulations for such jurisdiction or would or may require the Company to obtain any governmental or other consent or to effect any registration, filing or other formality which, in the opinion of the Company, it would be unable to comply with or is unduly onerous, and "**Excluded Territory**" means any one of them;
"Existing Ordinary Shares"	the Ordinary Shares at the Record Date;
''Ex-Rights Date''	13 March 2017;
"FCA" or "Financial Conduct Authority"	the Financial Conduct Authority of the United Kingdom and, where applicable, includes any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
"FSMA"	the Financial Services and Markets Act 2000, as amended;
"Fully Paid Rights"	rights to acquire the New Ordinary Shares, fully paid;
"Group"	the Company and, where appropriate, its subsidiaries from time to time;
"headline rent"	annualised cash rental income receivable on a property after expiry of rent free periods;
"HSBC"	HSBC Bank plc, a company incorporated in England and Wales with registered number 00014259, whose registered office is at 8 Canada Square, London E14 5HQ;
"HSBC, BNP and RBS Facilities"	the (i) €610 million syndicated revolving credit facility dated 10 May 2016 with HSBC as agent; (ii) €100 million bilateral revolving credit facility dated 10 May 2016 with BNP Paribas; and (iii) €70 million bilateral revolving credit facility dated 9 May 2016 with Royal Bank of Scotland PLC, each with the Company as borrower;
"IFRS"	International Financial Reporting Standards as adopted for use in the EU;
"Issue Price"	345 pence per New Ordinary Share;
"Joint Bookrunners"	BofA Merrill Lynch and UBS;
"Listing Rules"	the listing rules made under Part VI of FSMA (as set out in the FCA Handbook), as amended from time to time;

"London Stock Exchange"	London Stock Exchange plc or its successor(s);
"LTV"	loan to value;
"Near-Term Development Projects"	both (i) development projects which at 31 December 2016 had been approved by the Directors, but which are subject to final pre-let agreements from customers or conditional on being granted planning permission; and (ii) speculative developments which the Directors have identified and which they believe may be approved in the 6 to 12 months following 31 December 2016, subject to market conditions;
"New Ordinary Shares"	the Ordinary Shares to be allotted and issued by the Company pursuant to the Rights Issue;
"Nil Paid Rights"	New Ordinary Shares in nil paid form provisionally allotted to Qualifying Shareholders pursuant to the Rights Issue;
"NUGP"	Norwich Union (Shareholder GP) Limited, a company incorporated in England and Wales with registered number 03783750 whose registered office is St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ;
"Official List"	the official list of the UK Listing Authority;
"Ordinary Shares"	ordinary shares of 10 pence each in the capital of the Company;
"Overseas Shareholders"	Qualifying Shareholders who have registered addresses outside the United Kingdom or who are citizens, residents or nationals of, or located in, jurisdictions outside the United Kingdom;
"PID"	property income distribution;
"Placing"	the placing of 74,770,950 Ordinary Shares of SEGRO on 2 September 2016 pursuant to the terms of the placing agreement entered into between SEGRO, Merrill Lynch International and UBS Limited on 2 September 2016;
"Prospectus"	the prospectus dated 10 March 2017;
"Provisional Allotment Letter"	the renounceable provisional allotment letter to be sent to certain Qualifying Non-CREST Shareholders in respect of the New Ordinary Shares to be provisionally allotted to them pursuant to the Rights Issue;
"Qualifying CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company in uncertificated form (that is, through CREST);
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders holding Ordinary Shares on the register of members of the Company in certificated form (that is, not through CREST);

"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date;
"Quarryvale"	Quarryvale One Limited, a company incorporated in England and Wales with registered number 03118888 whose registered office is at St Helen's, 1 Undershaft, London, United Kingdom, EC3P 3DQ;
"RBS"	Royal Bank of Scotland PLC, a company incorporated in Scotland with registered number SC090312, whose registered office is at 36 St Andrew Square, Edinburgh, EH2 2YB;
"Record Date"	close of business on 8 March 2017;
"Rights Issue"	the issue by way of rights of New Ordinary Shares to Qualifying Shareholders, on the terms and conditions set out in the Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter;
"Securities"	the Nil Paid Rights, the Fully Paid Rights or the New Ordinary Shares
"SEGRO Share Plans"	the LTIP; the DSBP; the SAYE; the SIP; and the GSIP;
"Shareholder(s)"	shareholders whose Ordinary Shares are registered on the register of members of the Company;
"SIP"	the SEGRO plc Share Incentive Plan;
"Sponsors"	BofA Merrill Lynch and UBS;
"stock account"	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
"UBS"	UBS Limited, a company incorporated in England and Wales with registered number 02035362 whose registered office is at 5 Broadgate, London EC2M 2QS;
"UK Listing Authority"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of FSMA;
"uncertificated" or "in uncertificated form"	a share or other security recorded in the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which by virtue of the CREST Regulations, may be transferred by means of CREST;
"Underwriters"	each of BofA Merrill Lynch, UBS, Barclays, BNP Paribas and HSBC; and
"Underwriting Agreement"	the underwriting agreement dated 10 March 2017 between the Company and the Underwriters, as amended from time to time.

IMPORTANT NOTICE

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This is not a prospectus but an advertisement. Investors should not subscribe for the securities referred to in this advertisement except on the basis of information in the Prospectus. A prospectus will be published today in connection with the proposed Rights Issue.

THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT. NOTHING IN THIS ANNOUNCEMENT SHALL CONSTITUTE AN OFFER OR INVITATION TO UNDERWRITE, BUY, SUBSCRIBE, SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SELL, ACQUIRE, DISPOSE OR SUBSCRIBE FOR THE NEW ORDINARY SHARES OR ANY OTHER SECURITIES. NOTHING IN THIS ANNOUNCEMENT SHOULD BE INTERPRETED AS A TERM OR CONDITION OF THE RIGHTS ISSUE. ANY DECISION TO PURCHASE, OTHERWISE ACQUIRE, SUBSCRIBE FOR, SELL OR OTHERWISE DISPOSE OF ANY SECURITIES MUST BE MADE ONLY ON THE BASIS OF THE INFORMATION CONTAINED IN AND INCORPORATED BY REFERENCE INTO THE PROSPECTUS. COPIES OF THE PROSPECTUS WILL BE AVAILABLE ON PUBLICATION FROM SEGRO'S REGISTERED OFFICE AND THE OFFICES OF EQUINITI LIMITED AND SEGRO'S WEBSITE: WWW.SEGRO.COM/INVESTORS.

The information contained in this Announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this Announcement or its accuracy or completeness. The information in this Announcement is subject to change.

This Announcement is not a prospectus but an advertisement. Any offer to acquire the Company's securities pursuant to the offering referred to in these materials will be made, and any investor should make his investment, solely on the basis of information that will be contained in the Prospectus to be made generally available in the United Kingdom in connection with such offering. When made generally available, copies of the Prospectus may be obtained at no cost from the Company or through the website of the Company at www.SEGRO.com/investors, provided that the Prospectus will not, subject to certain exceptions, be available (whether through the website or otherwise) to Shareholders in the United States, South Africa and the other Excluded Territories. The Prospectus will give further details of the Securities being offered pursuant to the Rights Issue.

The information contained herein is not for distribution or publication, whether directly or indirectly and whether in whole or in part, in or into the United States, South Africa or any of the other Excluded Territories. The distribution of this Announcement and/or the Prospectus and/or the Provisional Allotment Letter and/or the transfer of the Securities into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this Announcement and/or the Prospectus and/or the Provisional Allotment Letter comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, the Prospectus and the Provisional Allotment Letter should not be distributed, forwarded to or transmitted in or into the United States, South Africa or any of the other Excluded Territories. There will be no public offer of Securities in the United States, South Africa or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The offering of the Securities is only being made in Canada pursuant to exemptions from the prospectus and registration requirements that otherwise apply to a distribution of securities under applicable Canadian securities legislation. Any offer or solicitation in Canada must be made through a dealer that is appropriately registered under the laws of the applicable province or territory of Canada, or pursuant to an exemption from that requirement. Any resale of the Securities in Canada must be made under available statutory exemptions.

Merrill Lynch International and UBS Limited are acting as Joint Global Co-ordinators, Joint Bookrunners and Joint Sponsors for the Company, and Barclays Bank PLC, BNP Paribas and HSBC Bank plc are acting as Co-Bookrunners for the Company (collectively the "**Bookrunners**"). Each of the Bookrunners is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for the Company and no one else in connection with the Rights Issue, and will not regard any other person (whether or not a recipient of this Announcement) as its client in relation to the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in connection with the Rights Issue or any other matters referred to in this Announcement.

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This Announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan" "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. These statements are subject to unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Statements contained in this Announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this Announcement is subject to change without notice and, except as required by applicable law, neither the Company nor the Bookrunners assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Announcement. Any indication in this Announcement of the price at which New Ordinary Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. The price of shares and the income from them may go down as well as up and investors may not get back the full amount invested on disposal of the shares. Past performance is no guide for future performance.

The New Ordinary Shares to be issued pursuant to the Rights Issue will not be admitted to trading on any stock exchange other than the London Stock Exchange.

The most recent Annual and Interim Reports and other information are available on the SEGRO website at www.segro.com/investors. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

This Announcement does not constitute a recommendation concerning the Rights Issue.