

Slough Trading Estate

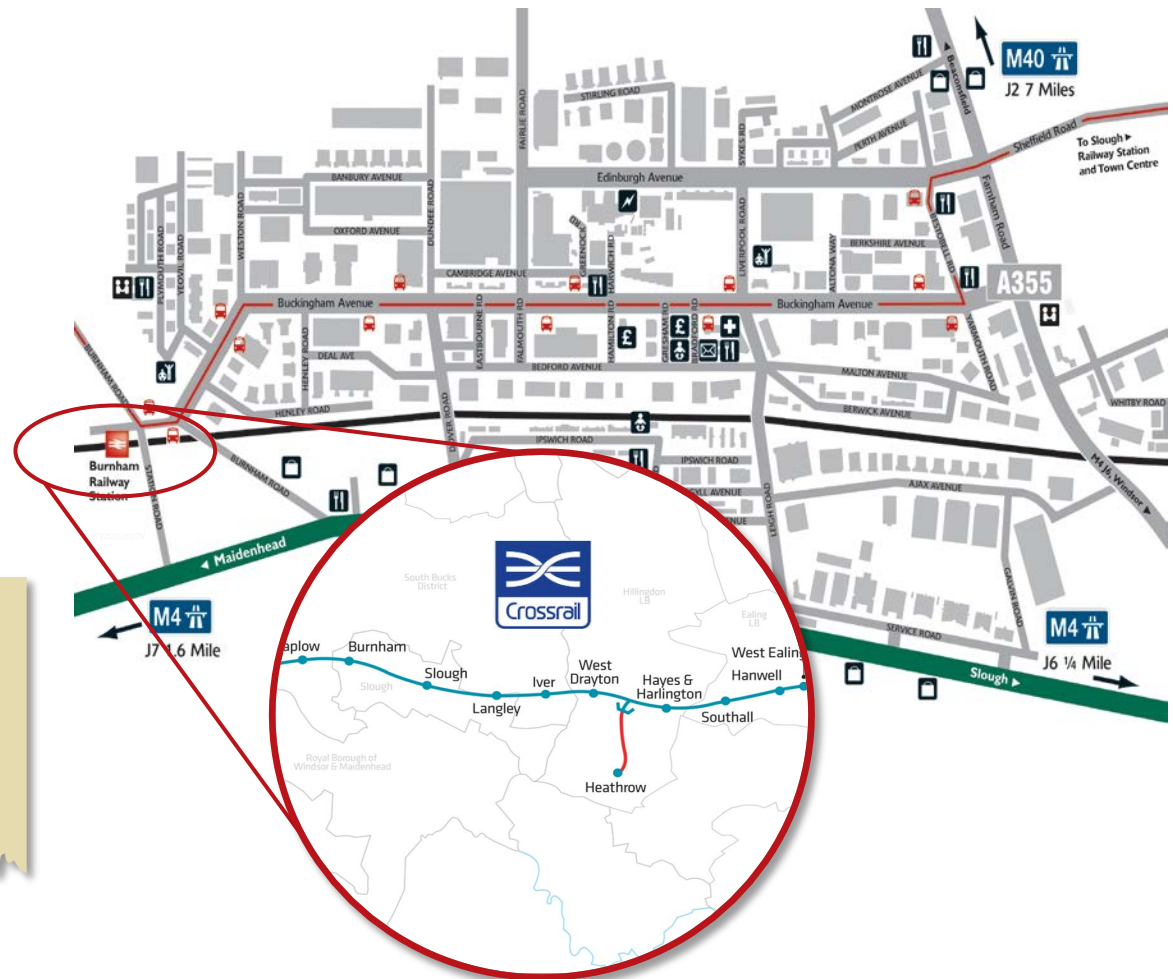
Opportunities for future value creation

slough
trading
estate

Future Value Creation

Crossrail enhances access to London

- **Crossrail:** Completing in 2019, serving Burnham Station at western edge of the Estate – 4 trains per hour; improve connectivity to central and east London
- **Heathrow link:** Western Rail Access to Heathrow completing in 2021 – journey from Slough to Heathrow Terminal 5 will be 6 minutes



“It was good enough for David Brent — now Slough is set to attract a host of businesses due to Crossrail”

Evening Standard (15 April 2014)

Future Value Creation

Faster access to Heathrow Airport

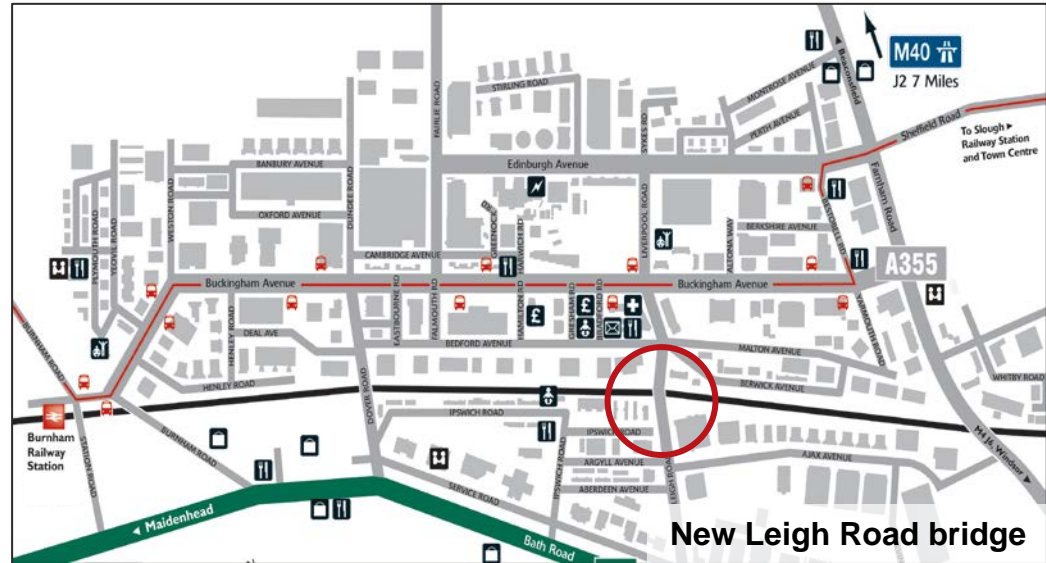
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Future Value Creation

Improving amenities for our customers

- **New Leigh Road Bridge:** Significantly improve north-south traffic flows within the Estate and improve safety for pedestrians and cyclists
- **Broadband:** Installing wireless infrastructure for customers
- **Retail regeneration:** Improving amenities for customers — introducing budget and business hotel facilities; improving retail offer for the business community
- **Business Watch:** Enhancing security of the Estate



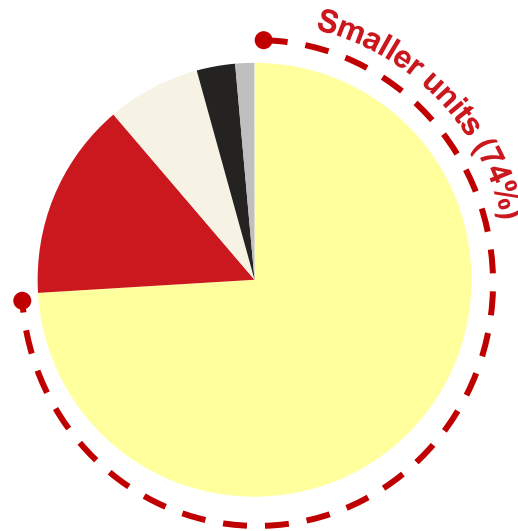
Future Value Creation

Improving management efficiency

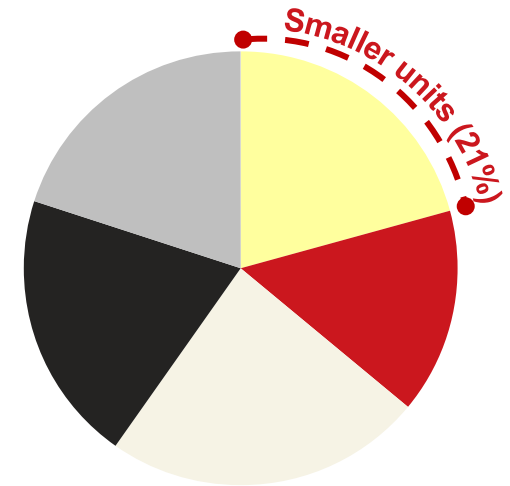
- **Maintaining range of building size:** Retain the mix of multiple unit sizes
- **Mindful of efficient management:** smaller units tend towards higher vacancy, high management-intensity
- **Increase average unit size:** Lower vacancy, longer lease terms, greater cost efficiency

Slough Trading Estate space by unit size¹

By number of units



By passing rent



■ <1,000 sqm ■ <2,500 sqm ■ <5,000 sqm ■ <10,000 sqm ■ >10,000 sqm

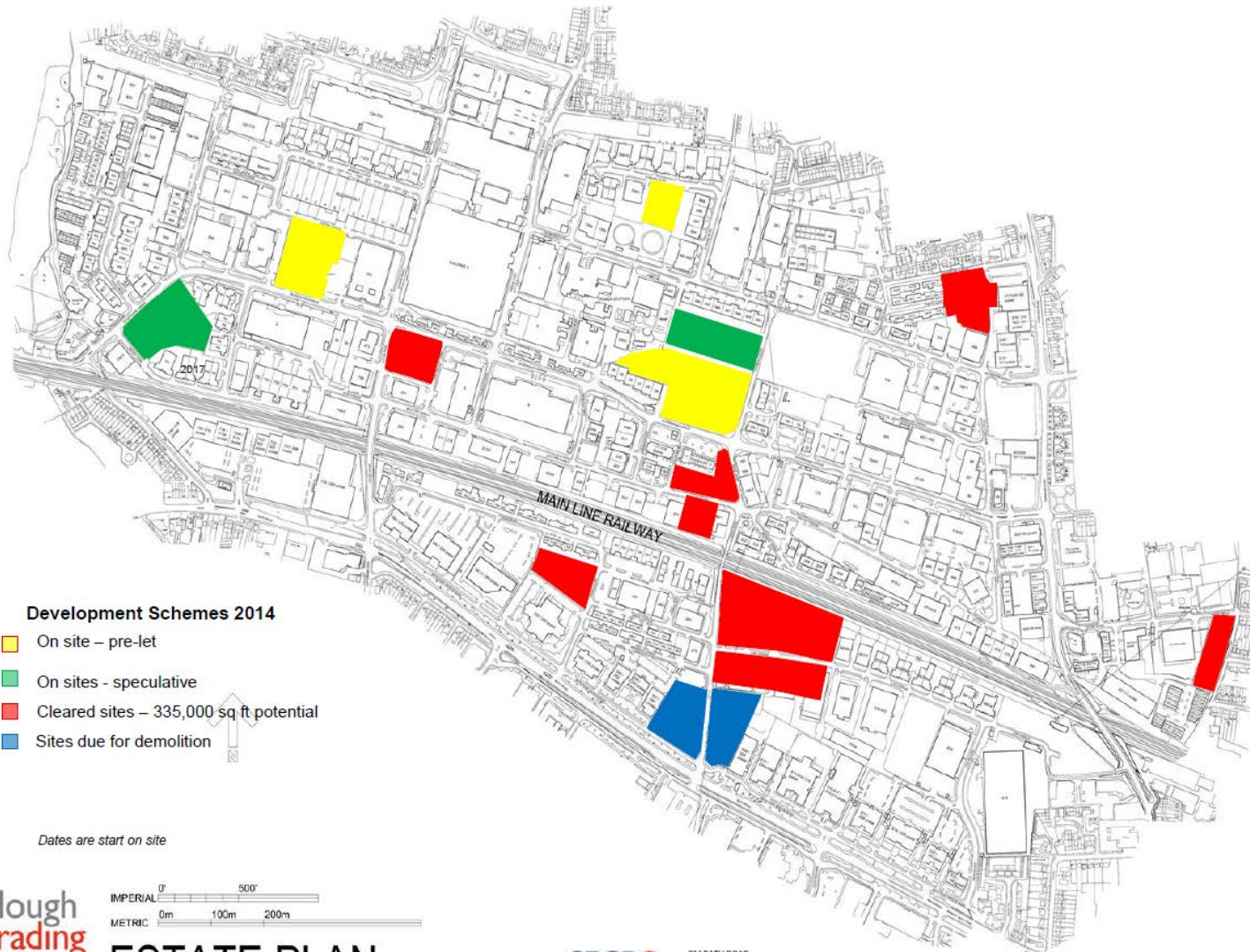
Future Value Creation

Recent developments



Future Value Creation

24% to be redeveloped over next 5 years



Future Value Creation

Current developments

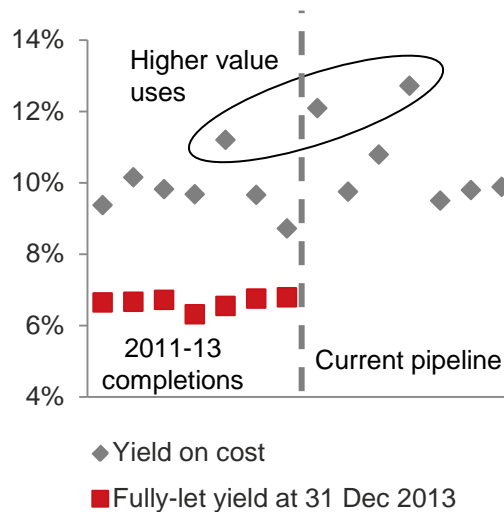


Future Value Creation

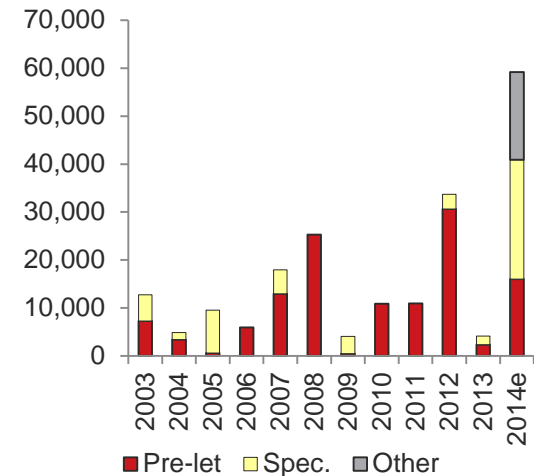
Profitable and speedy development

- **Development past:** 143,000 sq m of newly developed space over past 10 years – 22% of the Estate
- **Development present:** 43,000 sq m¹ of space under construction – 7% of the Estate
- **Development future:** 31,200 sq m from cleared sites; 74,900 sq m of future sites identified for 2015-19
- **46% of the Estate redeveloped over past 10 and next 5 years**

Development yields, %



Development completions, sq m



9.8% average yield on total development cost
Fully-let average investment yield of 6.6%

Future Value Creation

Regeneration in practice – 7 Fairlie Road

- **18 months from vacation to completion**
 - **November 2012:** Selig relocates
 - **April 2013:** Demolition complete
 - **June 2013:** Pre-let signed with FedEx
 - **July 2013:** Construction underway
 - **April 2014:** Construction complete
 - **May 2014:** FedEx takes occupation
- **Created modern, flexible space**
 - From 7,100 sq m low eaves 1930's build
 - To 6,000 sq m new 10m eaves warehousing, 52% pre-let
- **Increase rental income, retain and add to customer base**
 - Projected income from 7 Fairlie Road development 77% above previous rent
 - Selig remains on the Estate, doubling its space elsewhere
- **Improved security of income**
 - Before development 6 months
 - After development 10 years (projected)



FedEx

Future Value Creation

Looking to the future

- **Renewal of Simplified Planning Zone**
- **Retail regeneration:** Improve retail “heart” of the Estate; introduce budget and business hotels
- **Slough Aspire:** Public-private sector social enterprise to develop the skills of local people to meet the needs of Slough businesses



Slough Trading Estate

Building on the competitive advantages

Competitive Advantages

- Location
- Modern and flexible buildings
- Single ownership
- Simplified Planning Zone
- Land bank and development opportunity

Future Value Creation

- ✓ National infrastructure improvements enhances locational strengths
- ✓ Customer retention
- ✓ Low vacancy
- ✓ Grow income through asset management and customer service
- ✓ Efficient cost management
- ✓ Development speed to market
- ✓ Improving Estate infrastructure and amenities
- ✓ Grow income by utilising land bank
- ✓ Enhanced value from longer leases and Estate modernisation

Slough Trading Estate

Supporting our strategic priorities

1 Reshape the existing portfolio

- Divesting non-core assets
- Improving asset utilisation (land & vacant property)

2 Deliver profitable growth by reinvesting

- Generating attractive returns by building a high quality, modern portfolio with critical mass in target markets, through development and acquisition

3 Reduce net debt and introduce third party capital

- Reducing net debt and leverage over time
- Partnering with third party capital where appropriate

4 Drive operational performance across the business

- Greater customer focus and market knowledge
- Capitalise on favourable growth drivers
- Efficiency improvements and cost reductions

Appendix

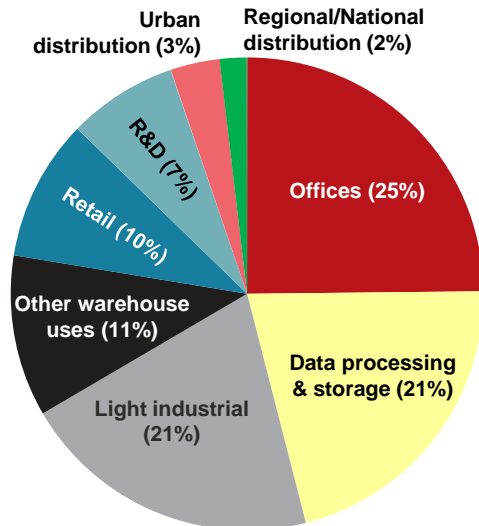
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Slough Trading Estate

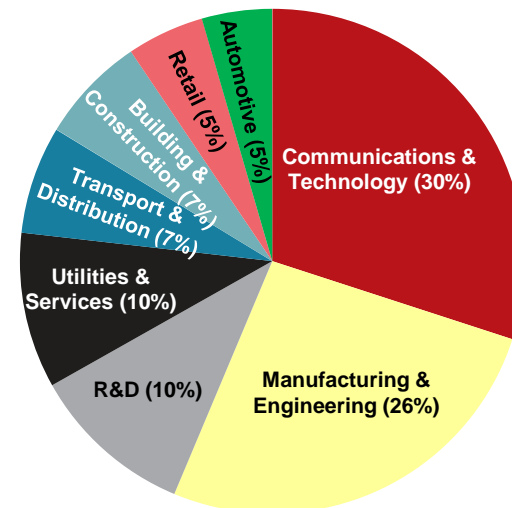
Facts and figures¹

- **Land area:** 474 acres, 192 hectares
- **Floor space:** 575,476 sq m
- **Capital value:** £1,033 million (including land value)
- **Gross passing rent:** £70.1 million
- **Initial yield:** 6.3%
- **True equivalent yield:** 7.4%
- **Vacancy:** 6.6%

Slough Trading Estate buildings by use
(31 December 2013, % of gross passing rent¹)



Slough Trading Estate customer types
(31 December 2013, % of gross passing rent¹)



¹ As at 31 December 2013, completed properties, passing rent is stated after expiry of rent-free periods

Slough Trading Estate

Development pipeline at end-March 2014

Address	Product	Space, sq m	% Let	Completion
7 Fairlie Road	Industrial	5,982	51%	2Q 2014
9 Cambridge Avenue	Industrial	3,293	Spec	2Q 2014
705 Stirling Road	Industrial	2,530	100%	4Q 2014
13 Liverpool Road	Data centre	10,405	100%	1Q 2015
772-779 Buckingham Avenue	Industrial	6,554	Spec	1Q 2015
12 Liverpool Road	Industrial	5,527	Spec	1Q 2015
234 Bath Road	Office	6,627	Spec	2Q 2015
Total		40,918	36%	

10.6% average yield on total development cost when fully let

Forward-looking statements

This presentation may contain certain forward-looking statements with respect to SEGRO's expectations and plans, strategy, management's objectives, future performance, costs, revenues and other trend information. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Nothing in this presentation should be construed as a profit forecast. Past share performance cannot be relied on as a guide to future performance.

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