

Segro plc

Company profile

5 June 2013



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EXECUTIVE SUMMARY

NATURE OF BUSINESS: Segro plc is a UK REIT. Its portfolio comprises £4.7bn (31 December 2012) of predominantly industrial and warehouse assets of predominantly industrial and warehouse assets concentrated in and around major business centres and transportation hubs such as ports, airports and motorway intersections. Segro lets, develops and invests in property in the UK and Continental, mainly France, Germany and Poland.

FINANCIAL RESULTS

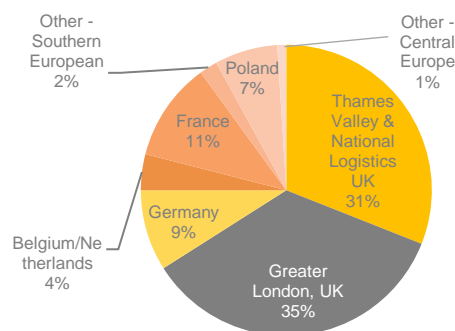
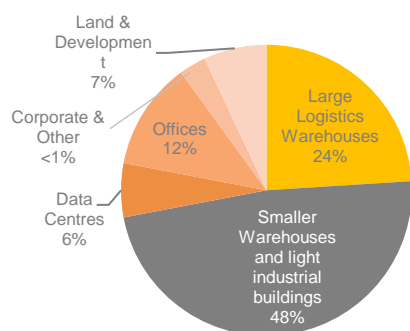
FY12 (ending 31 December 2012)

Gross Rental Income	£305m	+ 6.3%
Profit before tax	(£202m)	FY11: (£54m)
Property Return	-0.1%	FY11: 0.8%

1Q13 (to 22 April 2013)

50 new lettings were completed representing 72,100 sq m of space and generating £5.2m of new annualised rental income, a 6% increase on 1Q12.

FY12



STRATEGY HIGHLIGHTS

Segro is in the progress of addressing historical underperformance and trying to deliver better returns by divesting non-core assets and by reshaping its portfolio to improve returns.

- **Non-core assets** with a value of £1.4bn (at 31 December 2011) were identified for disposal. During FY13 the target is to dispose of between £300m-£500m of assets, including £152m of disposals completed after the year end.
- **New developments.** Segro is looking to shift away from large industrial assets towards high quality modern warehousing, light industrial and data centre assets. It believes it can benefit from the growth in e-retailing, local distribution and electronic data storage requirements. During FY12 Segro invested, or committed, £218m of capital expenditure into 21 projects totalling 190,000 sq m and it has 14 developments totalling 155,200 sq m approved, contracted or under construction. It has a further 573 hectare land bank earmarked for future development.
- In FY12 the Group completed two significant portfolio acquisitions to strengthen its logistics platform –13 fully let logistics buildings in the Ile de France and Lyon for €160.8m and a 50% stake in the UK Logistics Fund for £65.7m.
- **Geographic focus.** Segro wants France, Germany and Poland to represent an equal share of the portfolio value to the UK.

STRENGTHS

- **Disposal programme ahead of target.** Segro has made significant progress with its portfolio reshaping programme with a target to dispose of a further £300m to £500m of assets in 2013.
- **Industrial property performs better.** According to Segro, for the last 25 years, total returns from industrial property, as measured by the UK IPD Index, have been higher than from retail and office sectors.
- **Growth of online sales.** Segro wants to benefit from the growth in online sales. IMRG and Capgemini are forecasting that the online UK retail market will grow by 12% in 2013 to £87bn.

CHALLENGES

- **UK logistics market.** According to JLL the total take-up of larger warehouse units in 2012 was just 11.9 million sq ft, 26% below the average over the last six years of 16 million sq ft.
- **Growing losses.** Segro's loss before tax widened to £202m in FY12, compared to a loss of £54m in FY11.
- **Asset value down.** Since announcing disposals of £1.4bn (November 11) the underlying value of these assets has been steadily marked down by £350m over the past 18 months.

BUSINESS DESCRIPTION

Segro plc ('Segro' or 'the Group'), founded in 1921, is a UK Real Estate Investment Trust (REIT). Segro's portfolio comprises of £4.7bn of predominantly industrial and warehouse assets (as at 31 December 2012) concentrated in and around major business centres and transportation hubs such as ports, airports and motorway intersections. Segro lets, develops and invests in property located in the UK and Continental Europe.

Business Line	REIT
Main Offices	Cunard House, 15 Regent Street, London SW1Y 4LR, UK
Status/Exchange/Index	Public/ London Stock Exchange/ FTSE 250 Market cap: £1.9bn (1 March 2013)
Advisers	Auditor: Deloitte Broker: Bank of America Merrill Lynch and UBS Investment Bank Financial Advisor: UBS Investment Bank and Lazard & Co Bankers: Barclays, Royal Bank of Scotland and HSBC Property Advisor: Jones Lang LaSalle Limited Main Solicitor: Slaughter and May Insurance Agent: Aon Ltd
Staff	276 (FY11)
Last Year End	31 December 2012

OPERATING SEGMENTS

In July 2012 Segro changed its reportable segments. The re-segmentation followed previously announced changes to its management structure. This included the appointment of Andy Gulliford to the newly created role of Chief Operating Officer to manage the operational property teams in both the UK and Continental Europe. Gulliford is supported by five regional directors. Segro has changed its reportable segments across the UK and Continental Europe to the following five segments:

- Greater London
- Thames Valley and the Regions
- Germany and Northern Europe
- France and Southern Europe
- Poland and Central Europe

PRODUCTS

Segro works with the following asset classes:

Multi-let industrial	Multi-occupier light industrial estates of varying size located in and around growing and supply-constrained conurbations. Segro estates supports a variety of activities including light manufacturing, showrooms, urban distribution and storage. Segro focuses on: Greater London, the Thames Valley and South East of England, Paris and the Ile de France, Düsseldorf and Frankfurt.
Logistics	Larger distribution warehouses of, typically, 10,000 sq m, located in and around major ports and airports and along transportation networks to serve varied distribution needs. Segro's primary markets for logistics are: UK (the Midlands and the South of England); France (Paris, Ile de France and Lyon); Germany (Düsseldorf, Frankfurt and Hamburg); Benelux (Amsterdam, Rotterdam and Belgian triangle); Poland (Warsaw, Poznan, Lodz and Silesia); and the Czech Republic (Prague).
Higher value uses	Within its multi-let industrial markets the Group seeks to develop higher value uses to deliver enhanced rents and returns. These uses include: data centres, suburban offices, trade counters, car showrooms, research facilities and self-storage units.

FINANCIALS

ANNUAL FINANCIAL PERFORMANCE – SEGRO PLC

12 months ending 31 December (£m)	2012	2011	2010
Revenue	371.0	400.1	433.6
Gross rental income ¹	305.4	326.1	344.6
Operating profit	(101.0)	2.4	304.0
Profit/(loss) before tax	(202.2)	(53.6)	197.2
Total property return (%)	(0.1)	0.8	6.8
Total Assets	4,647.4	5,193.7	N/A
Cash flows from operating activities	205.1	239.0	N/A

FY12 GROUP OVERVIEW

Gross Rental income

£305m -6%

Property return

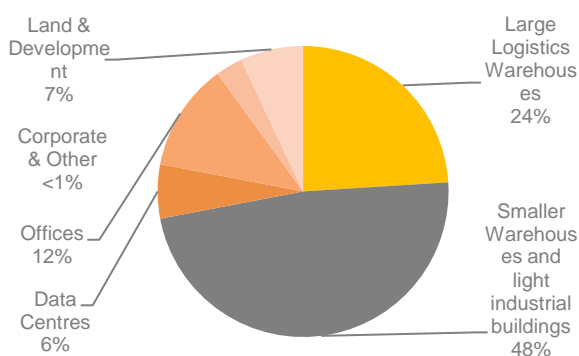
-0.1%

Property portfolio

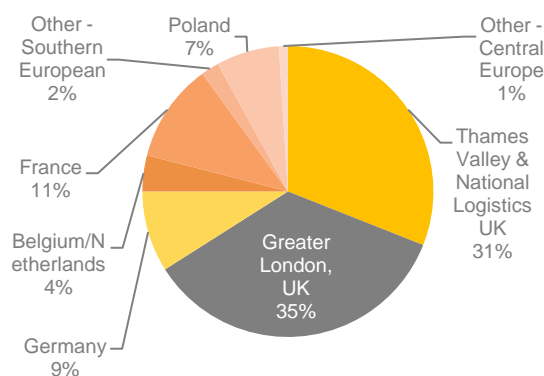
£4.7bn

- **Gross rental income** of £305m decreased 6.3% over FY11 due to the impact of disposals. During FY12 Segro secured 262 new lettings totalling 486,500 sq m which generated £35.3m of new annualised rental income (FY11: £33.5m).
- **Developments.** 21 developments were completed during FY12; 14 developments are currently in progress.
- **Total property return²** was a negative 0.1% in FY12 compared to a positive return of 0.8% at the end of FY11. This reflects an income return of 6.5% (FY11: 5.7%), offset by a negative capital return of 6.2% (FY11: 4.9%). The improved income return reflects the benefit of a lower vacancy rate, a reduction in non-income producing assets and improved like for like net rental income. The higher negative capital return in FY12 was driven by an unrealised valuation decline, principally in relation to its large non-strategic assets and its UK office portfolio.

Property Portfolio by Asset Type




Property Portfolio by Region



¹ Contracted rental income recognised in the period, including surrender premiums and interest receivable on finance leases.

² Total property return is a measure of the combined income and capital return from the Group's property portfolio, excluding land.

Divisional Performance

Greater London	<ul style="list-style-type: none"> Gross rental income (GRI) totalled £77.7m in FY12, down 4% on FY11. Segro completed 85 new lettings totalling 95,400 sq m. Total directly owned property assets were valued at £1.2bn, down 7% on FY11. 	 GRI: 4%
Thames Valley and National Logistics	<ul style="list-style-type: none"> GRI was £110.1m, down 15%. Segro completed 82 new lettings totalling 81,300 sq m. Total directly owned property assets were valued at £1.3bn, down 28%. 	 GRI: 15%
Germany and Northern Europe	<ul style="list-style-type: none"> GRI was £53.5m, down 3%. Segro completed 61 new lettings totalling 140,200 sq m. Total directly owned property assets were valued at £564.5m, down 21%. 	 GRI: 3%
France and Southern Europe	<ul style="list-style-type: none"> GRI was £40.5m, up 5%. Segro signed 16 lettings representing 57,600 sq m. Total directly owned property assets were valued at £574.2m, up 22%. 	 GRI: 5%
Poland and Central Europe	<ul style="list-style-type: none"> GRI was £23.6m, up 10%. Segro signed 18 lettings totalling 111,900 sq m. Total directly owned property assets were valued at £390.1m, up 10% 	 GRI: 10%

INTERIM RESULTS – THREE MONTHS ENDING 22 APRIL 2013 (1Q13)

- Net rental income.** 50 new lettings were completed representing 72,100 sq m of space and generating £5.2m of new annualised rental income, a 6% increase on 1Q12.
 - Vacancy** increased to 10.4% versus 8.2% at the end of FY12. This was largely due to the departure of Neckermann from Frankfurt (see Strategy and SWOT) and the sale of the fully let Thales and MPM sites (see Strategy).
 - Land bank.** Segro continued to develop with four new schemes approved or signed during the quarter which will produce £1m of annualised rental income when delivered.
- Disposals/capital recycling** continued with the Group selling £152m of non-core assets to date. This includes Thales in the UK and MPM in Germany (see Strategy).
- Net debt** fell by 6% to £2bn since the end of FY12.

OUTLOOK

Group Outlook

In February 2013, David Sleath, Chief Executive, said: “Our portfolio is well-positioned to perform in 2013 both operationally and from an investment perspective. We are seeing a good level of occupier demand in our core markets and we expect to continue to benefit from the growth in e-retailing, local distribution and electronic data storage requirements. We are targeting [a] further £300m to £500m of disposals in 2013.”

Analysts’ Outlook

Analysts estimated FY13 Gross Rental Income will fall 6.8% over FY12 to £285m. For FY14 analysts estimate Gross Rental Income will fall 3.2% over FY13 to £275.6m.

STRATEGY

CEO, David Sleath, was appointed in April 2011 having previously been Chief Financial Officer. Justin Read started in August 2011 as Chief Financial Officer. In November 2011 the new executive management team set out a new strategy to address areas of historical underperformance and deliver better returns. In order to achieve that vision Segro plans to:

- Reshape the existing portfolio by divesting non-core assets and reducing non-income producing assets as a proportion of the total portfolio.
- Seek profitable growth by reinvesting in core markets and asset types by taking advantage of development and acquisition opportunities.

Against these strategic priorities the Group made considerable progress in the first full year of its 3 to 5-year plan.

RESHAPING THE EXISTING PORTFOLIO

The first of the Group's strategic priorities is to reshape the portfolio and focus on high quality modern warehousing, light industrial and data centre assets. Segro says it expects to continue to benefit from the growth in e-retailing, local distribution and electronic data storage requirements.

Divestments to Date

- The Group identified non-core assets for disposal with a value of £1.4bn at 31 December 2011 including six large non-strategic assets with a combined value of £515m.
 - These are a combination of mainly older more secondary and higher vacancy estates, as well as investments in sub-scale or weaker markets, which Segro does not believe have the right characteristics to contribute to its objective of delivering better future returns.
- Since that time, Segro has made significant progress with its portfolio reshaping programme, completing the sale of £700m of non-core assets, exceeding its target of completing £300m to £500m of disposals in FY12.
 - Since January 2012 the Group completed the sale of £700m of non-core assets (of which £152m occurred after the year-end), including £228m from the sale of three of the six large non-strategic assets previously identified.
 - At the end of 1Q13 the Group had completed £152m of disposals. This includes Thales in the UK and MPM in Munich, two of the largest non-strategy assets, and four smaller assets and land holdings in the UK and Continental Europe.
- The disposal proceeds helped the Group to reduce net borrowings and provide funds for reinvestment in acquisition and development opportunities, as explained below.

Remaining Non-core Assets

Based on the portfolio valuation at 31 December 2012, and excluding disposals completed before 1Q13, the Group had circa £583m of its original non-core assets remaining. This includes £177m relating to three remaining large non-strategic assets, £353m relating to other mainly smaller industrial assets and £53m to land holdings.

During FY13 the Group aims to dispose of between £300m and £500m of assets, including the £152m of disposals completed after the year end.

- The three large non-strategic assets are all located in Continental Europe: Pegasus Park, an established office park near to Brussels Airport; Segro's part-developed office site, Energy Park at Vimercate in Italy; and the former Neckermann site in Frankfurt (see SWOT). Whilst Segro will continue to evaluate options for divestment, it anticipates that it may take some years to reach the optimum point at which the Group will fully exit from these properties.
- In contrast, the remaining £406m of non-core assets and land (comprising £169m in the UK and £237m in Continental Europe), whilst secondary in nature, generally represent more liquid lot sizes. The Group expects the majority of these assets to be sold over the next two years, in line with the timeframes it set out for its strategy in November 2011.
- In April 2013 the Group announced that it is looking to sell the IQ Winnersh business park near Reading for more than £200m. Segro appointed Jones Lang LaSalle to manage the transaction and plans to use the proceeds of the disposal for the acquisition of logistics assets around major European ports and airports.

GROWTH THROUGH DEVELOPMENT

The second strategic priority is to seek profitable growth by reinvesting in core markets and asset types by taking advantage of attractive development and acquisition opportunities.

- Historically, Segro's main investment focus was on industrial space but this focus has reduced in recent years in line with the de-industrialisation of the UK economy and is now more focused on modern warehousing, light industrial and data centre assets.
- In terms of geographic focus, CEO David Sleath said: "We want to get critical mass in the European markets we are focused on: France, Germany and Poland. In time, those markets could collectively represent an equal share of the portfolio value to the UK." Thus, Segro's move to expand in Europe runs counter to the direction of commercial property industry, where companies are increasingly focused on retrenching to specialist sub-sectors and regions.

Development

During FY12 the Group invested, or committed, £218m of capital expenditure to 21 projects totalling 190,000 sq m, its largest since FY09. These included major developments for leading companies such as DB Schenker, Rolls-Royce and Decathlon, and into its current development pipeline, which comprises 14 projects approved, contracted or under construction.

Projects completed:

- **Slough Trading Estate (UK).** On the Slough Trading Estate this included two data centres, for Savvis and Infinity, industrial and R&D facilities for Ragus and Lonza, respectively, and a retail unit for Family Bargains. The Group also completed two speculative buildings, one of which Gyron took a 20-year lease shortly after completion in June 2012 for a 2,900 sq m data centre.
- **At the Portal site, Heathrow (UK).** Segro completed two facilities for DB Schenker and Rolls-Royce, totalling 18,900 sq m, in August and December 2012 respectively.
- **Poland.** One of its most active pre-let markets recently has been Poland, where the Group completed six pre-let developments totalling 77,100 sq m. The largest of these was a new 32,100 sq m logistics facility for sports retailer Decathlon which Segro completed in August 2012.
- **In Germany,** the Group completed two partly pre-let logistics developments, for Pro-Tex and WIR Packens, and two fully speculative light industrial schemes in Berlin and Dusseldorf.
- **In the Ile de France,** Segro completed an 8,500 sq m speculative scheme at La Courneuve in September 2012.

At the end of 1Q13, the Group had completed four developments including a 2,300 sq m unit for Karl Storz Endoscopy, together with 1,800 sq m of speculatively developed space, at the Slough Trading Estate; 900 sq m at Park Royal in addition to 2,300 sq m of speculatively developed space. These four projects will contribute £1.7m to annualised rental income when fully let.

Active development projects:

At the end of 1Q13, Segro had 13 developments approved, contracted or under construction, representing £9.9m of future annualised rental income and £54.5m of future capital expenditure. The Group's development pipeline is currently 83% let, and Segro says a number of further projects are in advanced stages of discussion.

- **Slough Trading Estate (UK).** As well the 2,300 sq m unit let to Karl Storz Endoscopy (see above) the development will form part of a larger 4,100 sq m scheme including 1,800 sq m of speculative space which is due to complete in 1Q13. Segro has also approved a separate 3,300 sq m speculative development on the Estate, which commenced in 1Q13 and is due to complete in 1Q14.
- **Park Royal (UK).** At Park Royal the Group is building 900 sq m of warehouse and office space for Warmup on a 15-year lease to complement its existing 1,000 sq m facility on the Estate. This facility will form part of a larger 3,200 sq m scheme, which is due to complete in 1Q13. Segro's plans to commence the speculative development of a three building, 15,000 sq m scheme at the Origin site in Park Royal, is currently under review following the site having been identified as a potential HS2 construction site.
- **Heathrow (UK).** In April 2013 work begun on an 85,700 sq ft development of two new facilities at the North Feltham Trading Estate at London's Heathrow Airport (see below) as part of the Airport Property Partnership which comprises Segro and Aviva Investors,
- **North Feltham (UK).** In North Feltham, Segro signed a 6,500 sq m pre-let logistics facility for a freight forwarder, with a further 1,500 sq m of speculative space adjacent to the site, which is due to complete in 4Q13.
- **Edmonton (UK).** The Group has also approved a 7,800 sq m speculative development in Edmonton, which is due to commence in the second half of 2013.
- **Enfield (UK).** Segro agreed a 44,100 sq ft pre let development with Premier Inn involving the construction of a five storey, 96 bedroom hotel and restaurant. The Group will also undertake the speculative development of 84,150 sq ft of space adjacent to the hotel to create a business park comprising 15 units ranging from 2,300 sq ft to 13,000 sq ft. Construction is due to commence in July 2013 with speculative development completing in March 2014. The hotel is scheduled to open in May 2014.
- **In Poland** the Group has six pre-let logistics developments in progress totalling 69,700 sq m. This includes a 23,800 sq m facility in Warsaw for Poland's largest convenience store chain, Zabka, which is expected to complete in 3Q13. Other large projects in Poland include 18,400 sq m for a car parts manufacturer in Tychy and 10,600 sq m for Valeo and CAT in Strykow.
- **In Germany,** Segro started the development of a 17,300 sq m speculative logistics scheme in Alzenau, near Frankfurt, and it is also developing 11,900 sq m of speculative logistics space in Krefeld, near Dusseldorf, which is the second phase of this scheme. The second phase is due to complete in 3Q13.
- **Italy.** Segro's 34,000 sq m pre-let office development for Alcatel-Lucent in Vimercate, Milan, remains on track to complete in 1Q14.
- Also see Other Key Events.

Potential projects:

As of 31 December 2012, Segro had a 573 hectare land bank including 296 hectares of predominantly well located sites earmarked for future development projects with the potential to generate £84m of new annualised rental income. These sites include land at the Slough Trading Estate and Heathrow, in the UK, land around Dusseldorf in Germany and in key markets in Poland.

ACQUISITIONS

During FY12 the Group completed two significant portfolio acquisitions which will strengthen its logistics platform in its target markets in the UK, Poland and France. These acquisitions grew Segro's logistics platform from £0.8bn in FY11 to £1.1bn in FY12 delivering on its commitment to grow the logistics portfolio. The Group continued this trend into the first quarter of FY13 as well.

- In April 2013 Segro completed the acquisition of warehouses in Warsaw, Poland. Segro acquired Zeran Park II in Warsaw from AREA Property Partners and Apollo-Rida Poland for €43.2m, representing a net initial yield of 7.5%. The 85%-occupied property comprises warehouses for urban distribution and a small office, totaling 49,900 sq m of leasable space.
- In September 2012 the Group bought the Ozarow Business Centre in Warsaw for €14.1m and renamed it SEGR Business Park Warsaw. The 36,600 sq m property comprises four warehouses and is 92% occupied.
- In September 2012 Segro completed the acquisition of a portfolio of 13 fully let modern logistics buildings in the Ile de France and Lyon for €160.8m from Foncière Europe Logistique. The five estates in the Ile de France are located in close proximity to Segro's existing logistics assets, with the remaining three estates well positioned to take advantage of the growing logistics market in Lyon.
- In January 2012 Segro completed the acquisition of a 50% stake in the UK Logistics Fund (subsequently renamed the Logistics Property Partnership) in partnership with Moorfield, for which Segro contributed equity of £65.7m. The portfolio comprises 14 modern logistics warehouses, predominantly located in the Midlands and South of England.

SWOT

STRENGTHS	<ul style="list-style-type: none"> • Significant progress on portfolio reshaping. Segro has made significant progress with its portfolio reshaping programme with a target to dispose of a further £300m to £500m of assets in 2013. • Market position. Segro is the largest UK industrial REIT by market cap and claims to be the largest industrial property company in Europe.
WEAKNESSES	<ul style="list-style-type: none"> • Growing loss. Segro's loss before tax widened to just over £202m in FY12, from a loss of nearly £54m in FY11. These losses compare to a profit before tax of some £197m at the end of FY10. Moreover, property return was negative 0.1% in FY12. • Neckermann insolvency. In July 2012, Segro was hit by the collapse of one of its biggest tenants, the German mail-order company Neckermann. The Group said that there was "a significant risk" that, from the beginning of 2013, it would be unable, "at least in the short-term", to replace the £12m of rent generated by Neckermann. Segro owns a 3.3m sq ft facility in Frankfurt, of which 3.1m sq ft is occupied by Neckermann. At 31 December 2011, the site was valued at £86m. But Segro said that, assuming Neckermann would vacate the site, CBRE had indicated that the value would halve to £43m as at 30 June 2012.
OPPORTUNITIES	<ul style="list-style-type: none"> • UK commercial property market bottoms. Deloitte sees investors in 2013 expanding their scope outside strictly prime property that has dominated over the past few years, providing a boost to the broader UK property market and marking the bottom of the current cycle. Further supportive trends include alternative lending streams, and further inflows of foreign investment, which Deloitte forecasts to exceed 2012 volumes at more than £20bn. • Industrial property performances better. According to Segro, for the last 25 years, total returns from industrial property, as measured by the UK IPD Index, have been higher than from retail and office sectors, principally due to the higher income returns (i.e. yields) typically available. • Online retailing. Updating the market on its FY12 results, Segro said the Group was growing its share of warehouses and logistics parks close to London to meet demand driven by online retailing. It said: "There is a lot of uptake of space by parcel companies wanting a base from which to deliver goods bought over the internet – it's the one area of retail that is really growing." The UK consumer parcel market is worth £1.5bn and is forecast to grow by between a tenth and a quarter annually. <ul style="list-style-type: none"> ○ Value of online shopping market. IMRG and Capgemini are forecasting that the online retail market will grow by 12% in 2013, with consumers spending £87bn online.
THREATS	<ul style="list-style-type: none"> • UK logistics market. The UK logistics property market is struggling to pick up speed. Research from Jones Lang LaSalle shows that total take-up of larger warehouse units in 2012 was just 11.9 million sq ft, less than half the 24.9 million sq ft recorded in 2010, and lower than take-up in 2007, 2008 and 2011, and 26% below the average over the last six years of 16 million sq ft. Only 2009 saw a worse performance. • Asset values down. Since the Group's November 2011 announcement that it would dispose of £1.4bn in non-core assets, the underlying value of these assets has been steadily marked down by £350m over the past 18 months. Segro acknowledges that it may take some years to reach the optimum point at which the Group will fully exit from some properties.

OTHER KEY EVENTS

PEOPLE

- In April 2013 Segro announced it would appoint Chief Operational Officer Andy Gulliford and Chief Investment Officer Phil Redding as executive directors, effective 1 May.
- In September 2012 Segro appointed Christopher Fisher and Baroness Ford as non-executive directors. Andrew Palmer, Senior Independent Director, and Chris Peacock, Chairman of the Remuneration Committee, will be retiring from the Board on 23 April 2013, following nine years of service.

OTHER

In June 2012 Segro appointed CBRE as valuers to its wholly owned portfolio. Valuations for the major joint venture properties within Segro's portfolio continue to be carried out by Jones Lang La Salle for Airport Property Partnership and UK Logistics Fund and by CBRE for Big Box Industrial Partnership.

DEVELOPMENT PROJECTS COMPLETED IN 2012

Project	Customer	Asset class	Space completed sq m	Let space sq m	Complete d
UK					
Heathrow -The Portal (JV) (1)	DB Schenker	Logistics	5,036	5,036	Aug-12
Heathrow -The Portal (JV) (1)	Rolls-Royce	Light industrial	4,437	4,437	Dec-12
Slough Trading Estate - Farnham Road	Family Bargains	Retail	1,186	1,186	May-12
Slough Trading Estate - Yeovil Road	Ragus Sugars	Light industrial	3,299	3,299	May-12
Slough Trading Estate -Ajax Road	Gyron	Data centre	2,882	2,882	Jun-12
Slough Trading Estate -Bath Road	Lonza	Laboratories	5,835	5,835	Jun-12
Slough Trading Estate -Ajax Avenue	Data centre operator	Data centre	5,694	5,694	Sep-12
Slough Trading Estate -Ajax Avenue	Speculative development	Light industrial	3,077	-	Sep-12
Slough Trading Estate - Liverpool Road	Infinity	Data centre	11,699	11,699	Dec-12
Total UK			43,145	40,068	
% Let - UK				93%	
CONTINENTAL EUROPE					
France, Paris -La Courneuve	Chateau d'Eau SAS/ courier company	Light industrial	8,530	6,619	Sep-12
Germany, Berlin - Schoenefeld	Multi tenanted	Light industrial	11,655	8,508	May-12
Germany, Dusseldorf, Krefeld	Wir Packen's/ Spec	Logistics	11,275	9,020	Aug-12
Germany, Dusseldorf - Rhinepark	Multi tenanted	Light industrial	13,082	6,865	Aug-12
Germany, Frankfurt -Alzenau	Pro-Tex/ AEP	Logistics	14,328	14,328	Aug-12
Italy, Milan -Vimercate	Multi tenanted	Offices	10,966	8,787	Dec-12
Poland, Tychy	Zabka	Logistics	18,857	18,857	Jan-12
Poland, Poznan	Eurocash	Offices	1,235	1,235	Feb-12
Poland, Lodz -Rokicinska	Fedex	Logistics	7,749	7,749	Aug-12
Poland, Poznan -Komorniki	Flexlink	Logistics	12,211	12,211	Aug-12
Poland, Silesia -Gliwice	Decathlon	Logistics	32,098	32,089	Aug-12
Poland -Strykow	Investa	Logistics	4,919	4,919	Nov-12
Total Continental Europe			146,905	131,187	
% Let - Continental Europe				89%	
Group Total			190,050	171,255	
Total % Let				90%	

(1) JV data shown at share

DEVELOPMENT PIPELINE (AS OF 31 DECEMBER 2012)

Project	Customer	Asset class	Space to be built sq m	Expected start	Expected completion
UK					
Slough Trading Estate -Montrose Avenue	Karl Storz/ Spec	Light industrial	4,075	Mar-12	Mar-13
Slough Trading Estate - Cambridge Avenue	Speculative development	Light industrial	3,274	Feb-13	Feb-14
London NW10 -Tudor Estate	Warmup/ Spec	Light industrial	3,199	Aug-12	Mar-13
London, Feltham -Southern Approach (JV) (1)	Freight forwarder/ Spec	Light industrial	3,984	Apr-13	Nov-13
London, Edmonton -Advent Way	Speculative development	Light industrial	7,818	Jul-13	Jun-14
Total UK			22,350		
Continental Europe					
Germany, Dusseldorf -Krefeld	Speculative development	Logistics	11,859	Oct-12	Apr-13
Germany, Frankfurt -Alzenau	Speculative development	Logistics	17,299	Jan-13	Jul-13
Italy, Milan -Vimercate	Alcatel	Offices	33,984	Sep-11	Jan-14
Poland, Wroclaw	DPD	Logistics	6,886	Feb-12	Feb-13
Poland, Strykow	Valeo/ CAT	Logistics	10,639	May-12	Apr-13
Poland, Gdansk	DB Schenker	Logistics	5,206	Jul-12	Feb-13
Poland, Lodz -Strykow	Azymut	Logistics	4,844	Aug-12	May-13
Poland, Nadarzyn -Warsaw	Zabka	Logistics	23,804	Jan-13	Aug-13
Poland, Tychy	Car parts manufacturer	Logistics	18,350	Apr-13	Sep-13
Total Continental Europe			132,871		
Group Total			155,221		
% Let (at 31 December 2012)			70%		

(1) JV data shown at share

DISPOSALS (AS OF 28 FEBRUARY 2013)

Month	Portfolio/Asset	Acquirer	Disposal proceeds (£m)	Net initial yield (%)
2012				
February	Four regional UK estates	Ignis	71.2	6.3
April	IQ Farnborough	Harbert/XLB	92.1	6.4
June	Four regional UK estates	Harbert	204.5	6.7
July	10 regional UK estates	UK Institution	111.0	8.4
Various	Other UK non-core assets	Various	43.6	10.9
Various	Other CE non-core assets	Various	25.7	7.7
Sub total			548.1	
2013				
January	Thales in Crawley, UK	L&G Property	80.0	5.9
February	MPM in Munich, Germany	Private investor	56.0	7.9
Various	Other non-core assets	Various	16.3	7.7
Total			700.4	7.2

ACQUISITIONS

Month	Portfolio/Asset	Seller	Acquisition price (£m)	Net initial yield (%)
2012				
January	LPP, UK (formerly UKLF)	UK Institutions	65.7	6.3
September	13 logistics assets in France	Foncière Europe Logistique	129.7	8.4
September	Ozarow Business Park, Poland	Endurance Real Estate Fund	11.5	8.1
Total			206.9	7.7

Committee following the conclusion of the Company's 2013 AGM.

KEY PEOPLE

Nigel Rich CBE – Chairman

Appointed as a Non-Executive Director on 1 July 2006 and became Chairman on 1 October 2006. He is a Non-Executive director of Bank of the Philippine Islands (Europe) plc, Matheson & Co Ltd, and Pacific Assets Trust. He was previously Chairman of Xchanging plc, Exel PLC, CP Ships and Hamptons Group Ltd. In his career he was Managing Director of Hongkong Land and then Jardine Matheson. He is an Alternate Member of The Takeover Panel. He is a Fellow of the Institute of Chartered Accountants in England and Wales. Aged 66. He is the Chairman of the Nomination Committee.



Elizabeth Blease – General Counsel

Experience

- 2008–present: General counsel and company secretary
- 2005–08: Solicitor and company secretary, Marshalls
- 1997–2005: Solicitor and company secretary, Brammer

Education

- College of Law, Chester - CPE and LSF - 1988 – 1990
- University of East Anglia - 1985 – 1988



EXECUTIVE COMMITTEE

David Sleath - Chief Executive Officer

Appointed as Chief Executive Officer on 28 April 2011 having joined the Company as Finance Director on 1 January 2006. Previously, he was Finance Director of Wagon plc, the international automotive engineering group from 1999 to 2005. From 1982 to 1999 he worked for Arthur Andersen, latterly as a partner and Head of Audit and Assurance for the Midlands. He is a Non-Executive director of Bunzl plc, a Board member of the European Public Real Estate Association and a member of the London regional board of Royal & Sun Alliance. He is a Fellow of the Institute of Chartered Accountants in England and Wales. Aged 50. He is a Member of the Nomination Committee.



Justin Read - Finance Director

Appointed as Finance Director on 30 August 2011. He joined the Company as Finance Director on 30 August 2011. Between April 2008 and August 2011 he was Group Finance Director at Speedy Hire Plc. Prior to that, he spent 13 years in a variety of roles at Hanson Plc, as well as working at Euro Disney SCA and Bankers Trust Company. Aged 50.



Non-Executive Directors

- Andrew Palmer - Member of the Audit, Nomination and Remuneration Committees.
- Chris Peacock - Chairman of the Remuneration Committee and a member of the Nomination Committee.
- Thom Wernink - Member of the Audit and Nomination Committees.
- Doug Webb - Chairman of the Audit Committee.
- Mark Robertshaw - Member of the Remuneration Committee.
- Christopher Fisher - Member of the Audit and Remuneration Committees.
- Baroness Ford - She will become the Senior Independent Director and Chair of the Remuneration

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