



WHERE BUSINESS WORKS

SEGRO PLC 2008 HALF-YEAR RESULTS

27 AUGUST 2008

Pro-actively managing our business in a market downturn

Achieving a good operating performance

- Strong lettings of 283,000 sq m
- Overall vacancy rate 9.3%
- EPRA adjusted profit before tax £67.4m

Managing our financial position

- Adjusted NAV down 11.5% to 623p
- £262m generated from disposals*
- £802m of cash & available facilities

Adapting to the market conditions

- Speculative development starts significantly reduced
- Well timed disposals generating funds to pay down debt and to finance investments



MPM, Munich, Germany

* Including £110.2m announced after 30 June 2008

Agenda



FINANCIAL REVIEW

David Sleath, Finance Director

BUSINESS REVIEW & PRIORITIES

Ian Coull, Chief Executive

QUESTIONS & ANSWERS



WHERE BUSINESS WORKS

FINANCIAL REVIEW

DAVID SLEATH
Finance Director

2008 Half-year results

Good operating performance

- 23.1% growth in net rental income
- Trading profits of £19.5m
- Adjusted profit before tax £67.4m

Adjusted NAV down 11.5%

- UK valuation down 10.4%
- Continental Europe valuation up 0.7%
- UK land values down 21.4%

Financial position tightly managed

- Loan to value ratio 43%, gearing 79%
- Cash & available facilities £802m
- Unchanged interim dividend of 8.3p



Heywood Distribution Park, UK

Adjusted profit before tax*



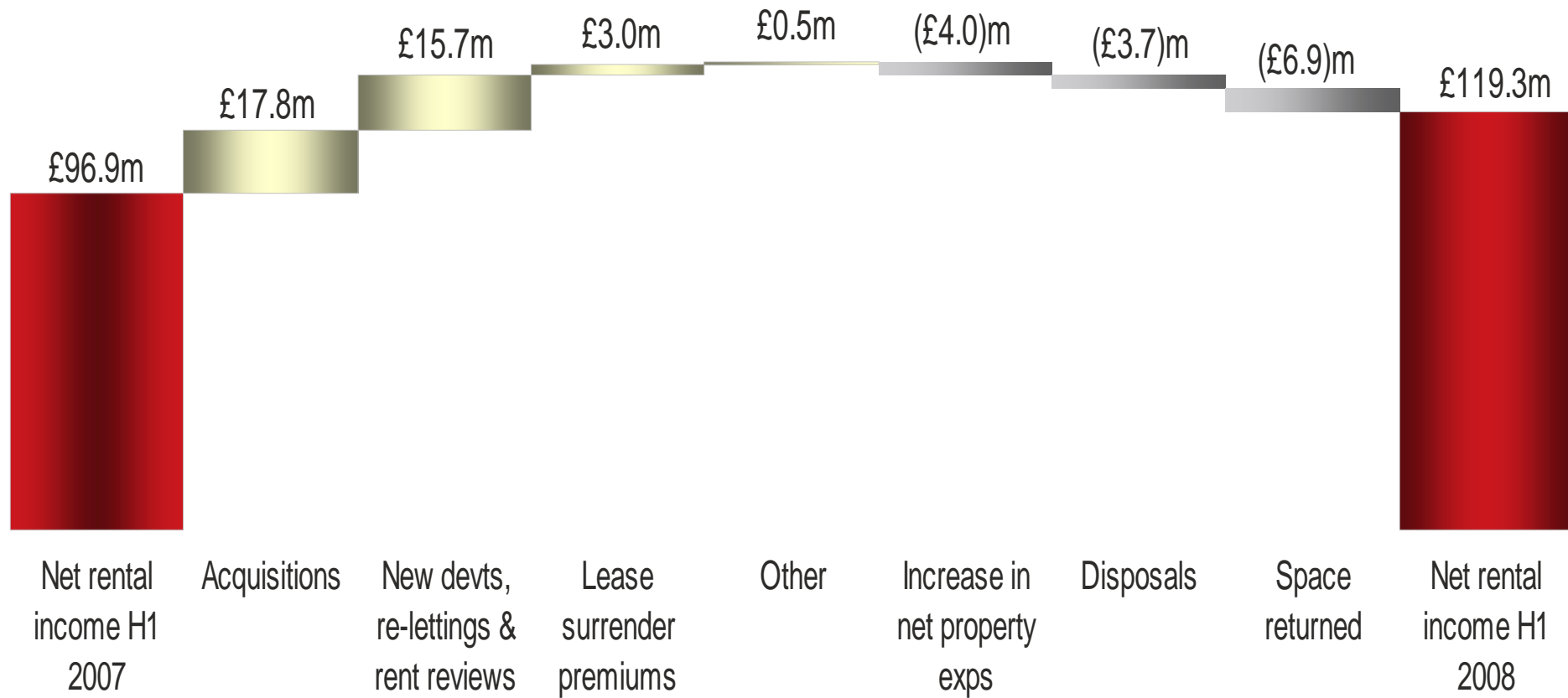
	H1 2008	H1 2007
	£m	£m**
Continuing operations		
Net rental income	119.3	96.9
Administration expenses	(17.0)	(13.4)
Joint ventures & associates – investment property	1.7	1.2
Net finance costs	(56.6)	(39.8)
Recurring property income	47.4	44.9
Trading property disposals	19.5	16.9
Joint ventures & associates – trading property	(0.7)	-
Other investment income (private equity realisations)	1.2	6.2
Other income	20.0	23.1
EPRA adjusted profit before tax	67.4	68.0
Underlying tax rate	2.9%	2.1%

* Excludes EPRA adjustments & exceptionals

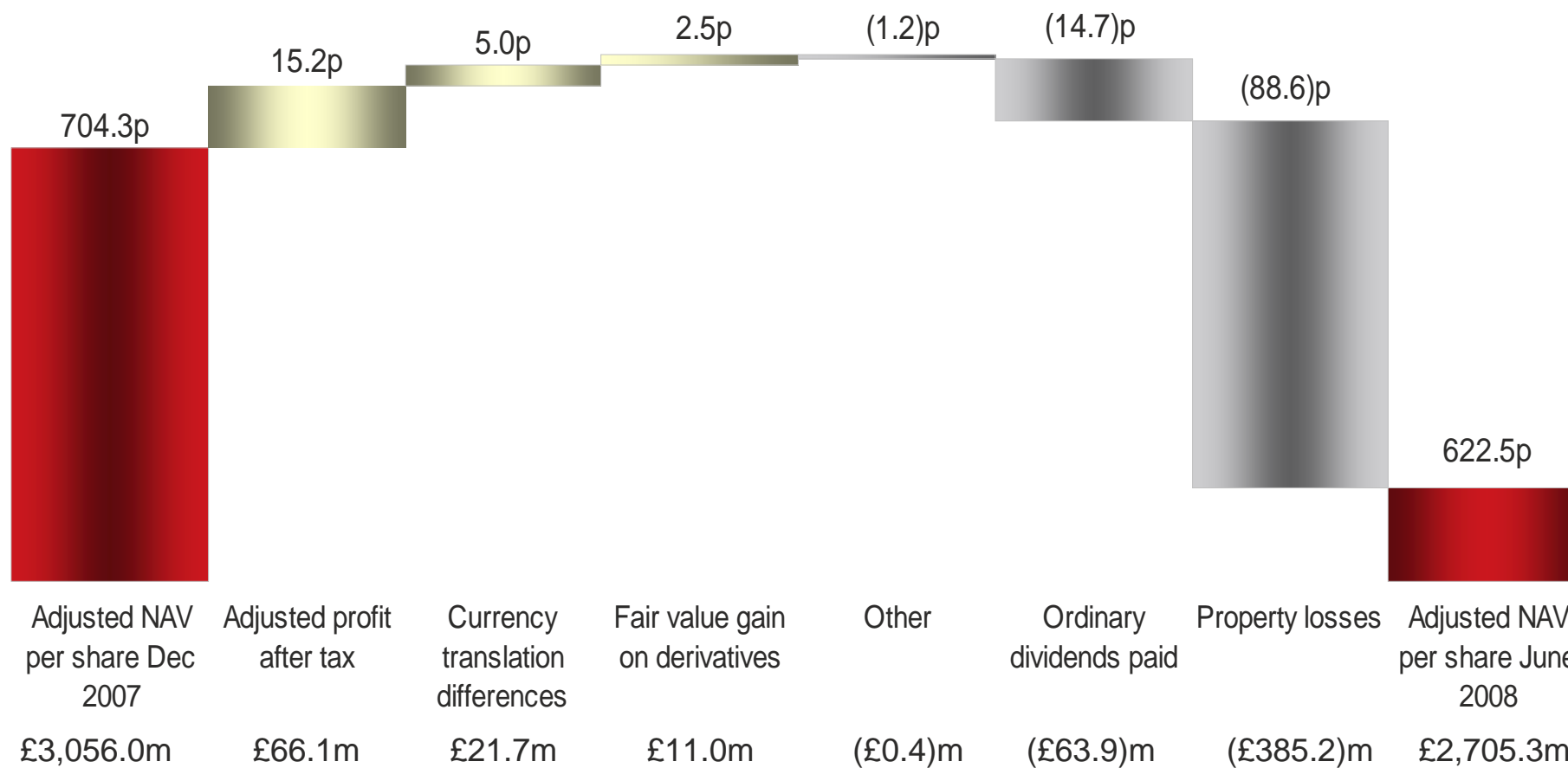
** Excludes discontinued operations

Net rental income

Up 23.1%



Adjusted diluted NAV per share
Down 11.5%



Triple Net NAV (NNNAV)
As at 30 June 2008



	£m	p
Diluted adjusted NAV	2,705.3	623
Fair value of debt, net of tax	111.6	26
Deferred tax on investment properties		
- capital allowances	(39.3)	(9)
- revaluation surpluses	(36.9)	(9)
Fair value of trading properties	52.3	12
Diluted NNNAV	2,793.0	643

Property gains and losses



	H1 2008	H1 2007
Property (losses)/gains	£m	£m
Unrealised valuation gains & losses taken through the income statement	(379.2)	115.2
Gains & losses realised on the sale of investment properties	(10.1)	3.1
	(389.3)	118.3
Gains & losses on the revaluation of JV investment properties	(6.3)	8.0
Total property (losses)/gains taken to the income statement	(395.6)	126.3
Gains & losses taken through the SORIE	10.4	10.7
Total property (losses)/gains	(385.2)	137.0

Valuation – UK



	Valuation 30.06.08 £m	Initial yield %	Surplus/ (deficit) %	Surplus/ (deficit) £m
Including Group's share of JVs				
Completed Investment properties				
Logistics warehouses	102.0	7.2	(13.3)	
Other industrial	2,263.4	6.3	(11.1)	
Offices	503.6	6.7	(7.2)	
Retail	135.2	5.0	(6.6)	
Total	3,004.2	6.3	(10.4)	(347.2)
Land & construction in progress*	315.7		(13.1)	(47.4)
Total UK	3,319.9		(10.6)	(394.6)
IPD monthly UK Industrial %			(8.4)	
IPD monthly UK All Property %			(8.6)	

*Includes owner occupied properties and lease incentives

Valuation - Continental Europe



Including Group's share of JVs	Valuation 30.06.08 £m	Initial yield %	Surplus/ (deficit) %	Surplus/ (deficit) £m
Completed Investment properties				
France	339.5	6.7	(0.1)	
Germany	326.5	7.7	0.6	
Belgium	225.9	6.3	(0.4)	
Italy	74.4	7.1	1.6	
Netherlands	57.3	7.7	4.4	
Central Europe	141.5	6.5	2.5	
Spain	1.2	8.3	0.0	
Total	1,166.3	7.0	0.7	7.9
Land & construction in progress*	256.0		4.7	11.6
Total Continental Europe	1,422.3		1.4	19.5

*Includes owner occupied properties and lease incentives

Cash flow

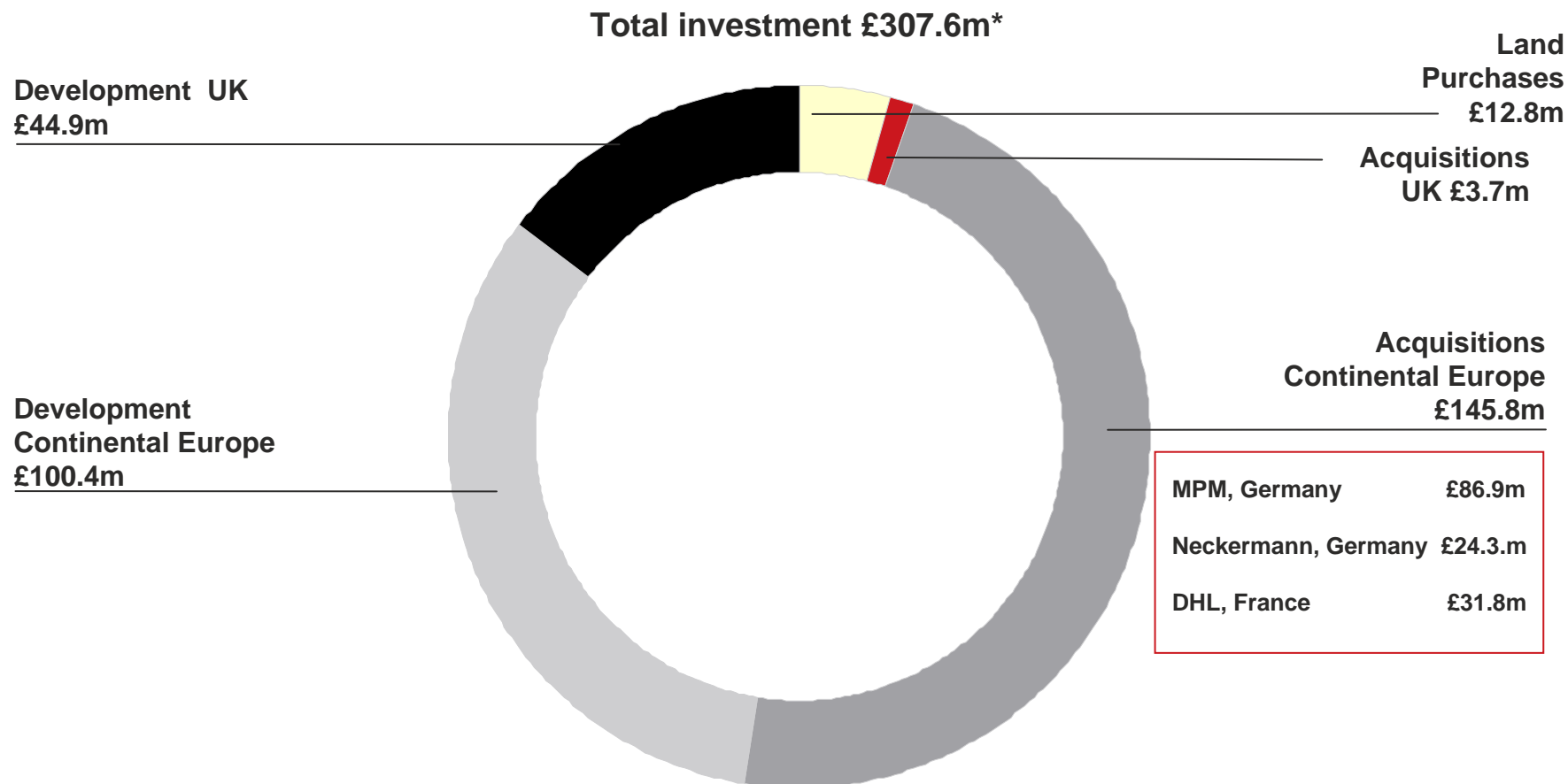


	H1 2008 £m	H1 2007 £m
Cash flow from operations	73.6	110.9
Net finance costs (excl. capitalised interest)	(52.1)	(63.8)
Dividends received	1.8	1.7
Tax on operations (net)	(3.5)	(1.7)
Free cash flow	19.8	47.1
Capital expenditure (net of property sales)	(146.0)	(62.8)
REIT conversion charge	(40.9)	-
Tax paid on sale of USA	(117.0)	-
Ordinary dividends	(66.3)	(56.9)
Other items	4.0	7.5
Net funds flow	(346.4)	(65.1)

* 2007 amounts include discontinued operations

Capital expenditure

Six months to 30 June 2008



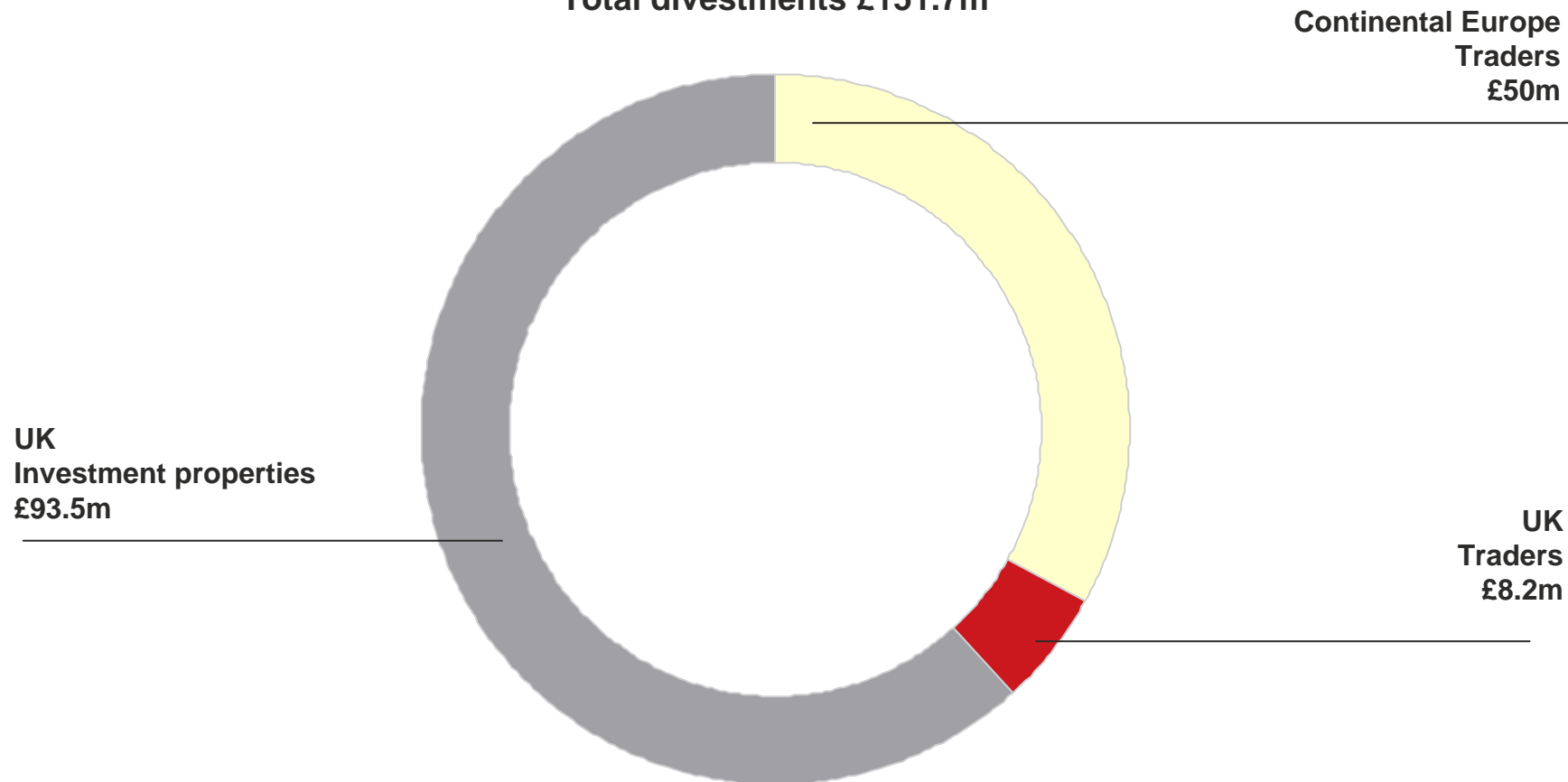
* Including investment properties, development properties, traders and share of joint ventures (and including property element of corporate acquisitions), excluding discontinued operations

Disposals

Six months to 30 June 2008



Total divestments £151.7m *



* Plus a further £110.2m disposals agreed since 30 June

Future capital expenditure plans

Balancing future expenditure with cash generation

Indicative H2 2008 capex plans* £m

Development expenditure	
- construction in progress	100
- authorised but not started	25
Land purchases in Continental Europe	80
Total potential expenditure	205
Disposals already agreed	110
Net planned expenditure	95



* Does not include additional development starts, which may be authorised in H2, nor further potential sales proceeds

Balance sheet summary

30 June 2008



Total property assets	£4,921.3m
Gross debt	£2,395.1m
- weighted average interest rate	5.5%
- at fixed rates	85%
Cash	£265.3m
Net debt	£2,129.8m
Gearing ratio	79%
Loan to value ratio	43%
Interest cover	2.2 times
Cash & undrawn facilities	£802m

Debt facilities

Weighted average period to maturity – 9.6 years



Bonds & Private Placements		
Maturity	Amount £m*	Coupon %
2010	124.7	7.125
2011	39.6	6.42
2015	148.3	6.25
2018	198.1	5.50
2020	246.9	5.625
2022	148.8	7.00
2024	220.9	6.75
2035	198.0	5.75
	<u>1,325.3</u>	

Bank debt & mortgages		
Maturity	Amount £m*	Interest margin** (bps)
Uncommitted /short term	109.4	40-100
2009	19.8	35
2010	211.7	40/50
2011	850.1	40/50
2012	297.6	35
Thereafter	117.7	40-90
	<u>1,606.3</u>	

All amounts unsecured except for mortgages & secured loan of £85.2 million

* All amounts shown in Sterling, although several facilities are drawn in Euros

** Over LIBOR or EURIBOR

2008 Half-year results

Good operating performance

- 23.1% growth in net rental income
- Trading profits of £19.5m
- Adjusted profit before tax £67.4m

Adjusted NAV down 11.5%

- UK valuation down 10.4%
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Balance sheet tightly managed

- Loan to value ratio 43%, gearing 79%
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Heywood Distribution Park, UK



WHERE BUSINESS WORKS

BUSINESS REVIEW & PRIORITIES

IAN COULL
Chief Executive

Industrial property market conditions August 2008



Market	Occupier demand	Investment demand
UK	Mostly stable	Weak
Western Europe	Mostly stable	Weakening
Central Europe	Strong	Stable

The priorities we set out in March 2008

Priorities for 2008



Poznan, Poland

- Maintain strong financial position
- Lease aggressively
- Develop selectively
- Sell opportunistically
- Acquire land in CEE
- Possibly acquire investments in UK in H2

Maintain strong financial position
 Strength of customer base
 Level of occupier insolvencies



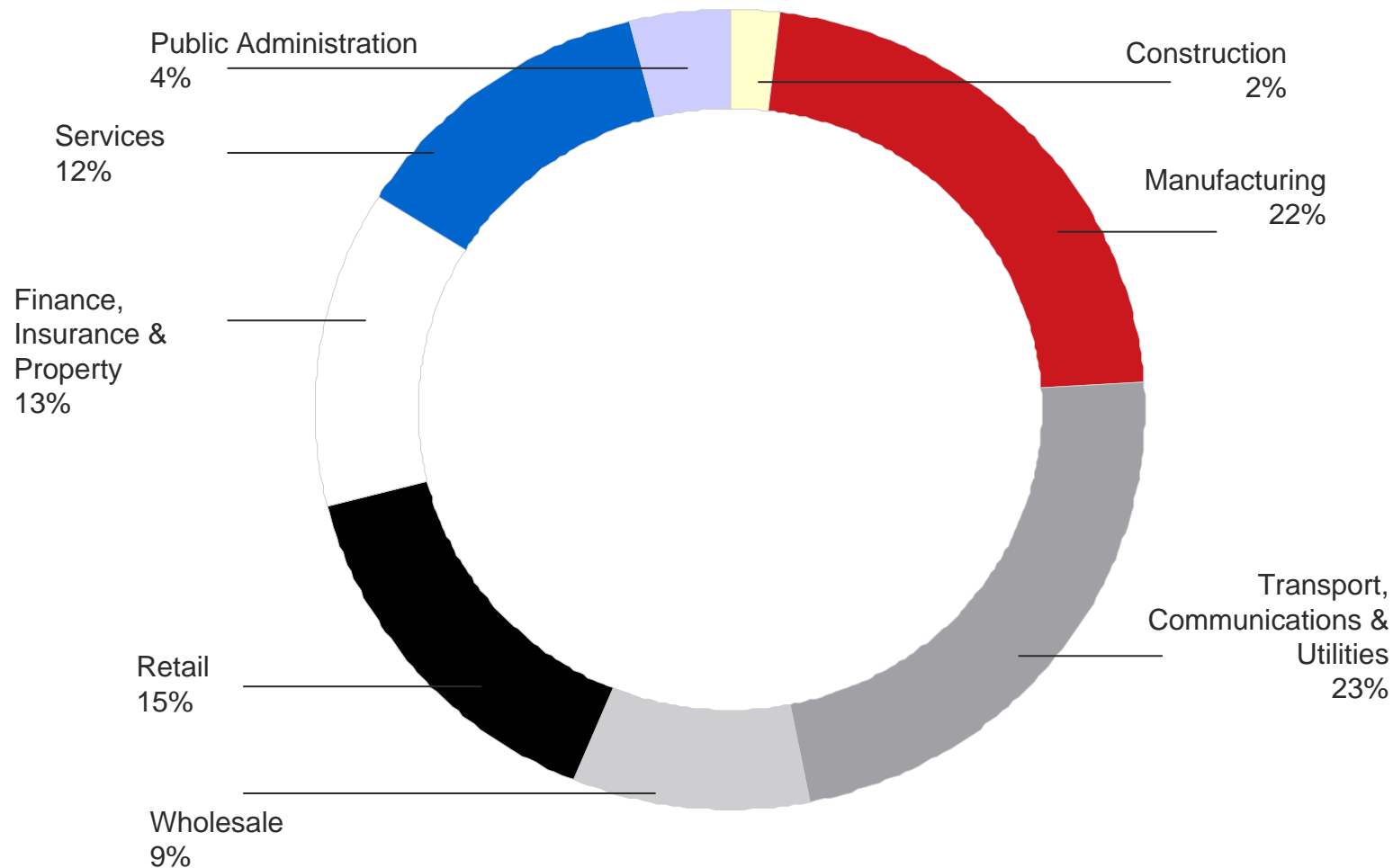
	Rent lost (£000s)			No of occupiers		
	H1	H1	H1	H1	H1	H1
	2006	2007	2008	2006	2007	2008
UK	889	1,666	847	15	20	17
Europe	66	0	1,087	2	0	2
Total	955	1,666	1,934	17	20	19
As % of Group rent roll	0.4%	0.7%	0.7%			

Maintain strong financial position

Diversified income stream, 1,700 customers, top 20 = 32% of rent



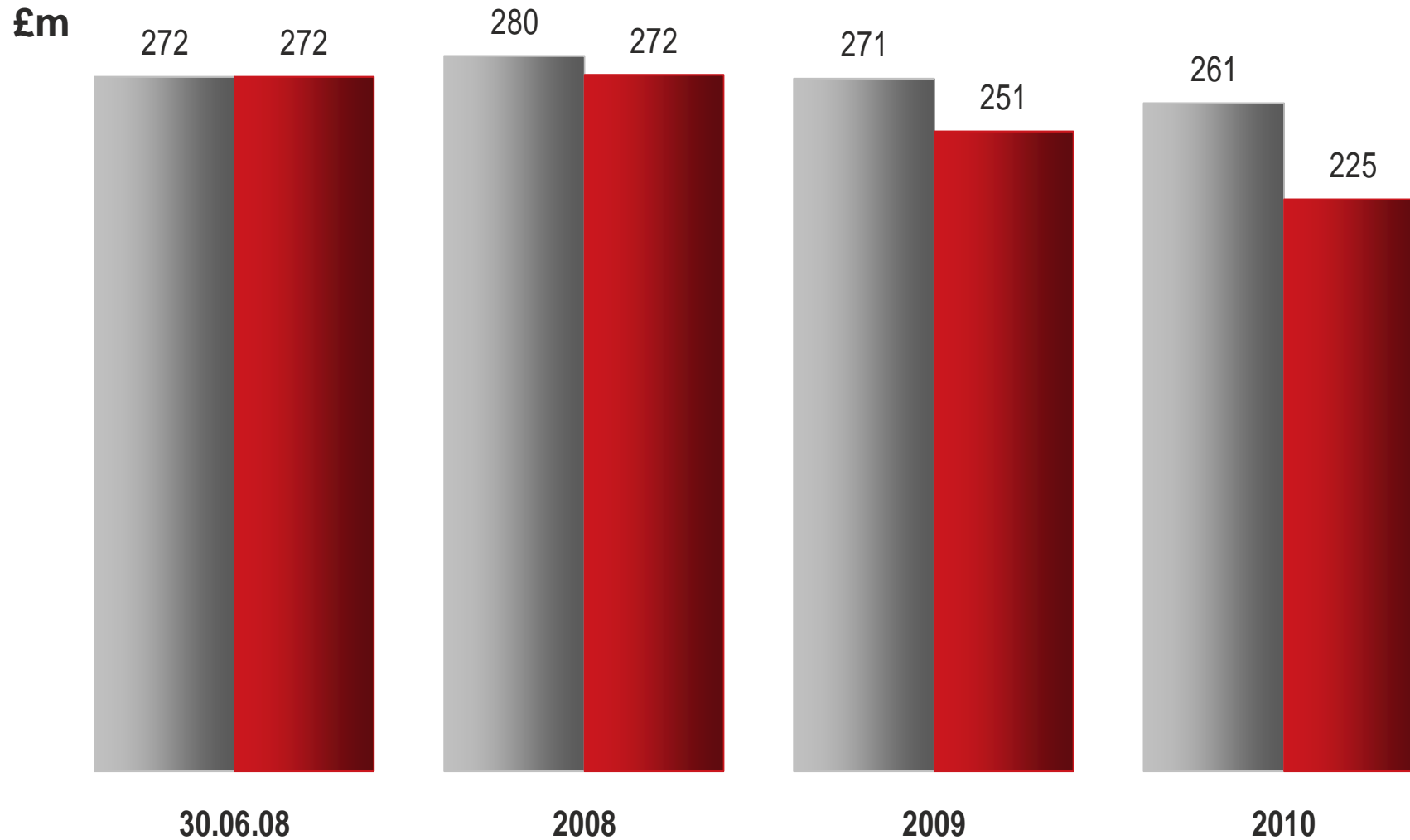
Occupier rental income - analysed by industry



Maintain strong financial position

Security of occupier income

8.6 years average lease length (6.1 years including break options)



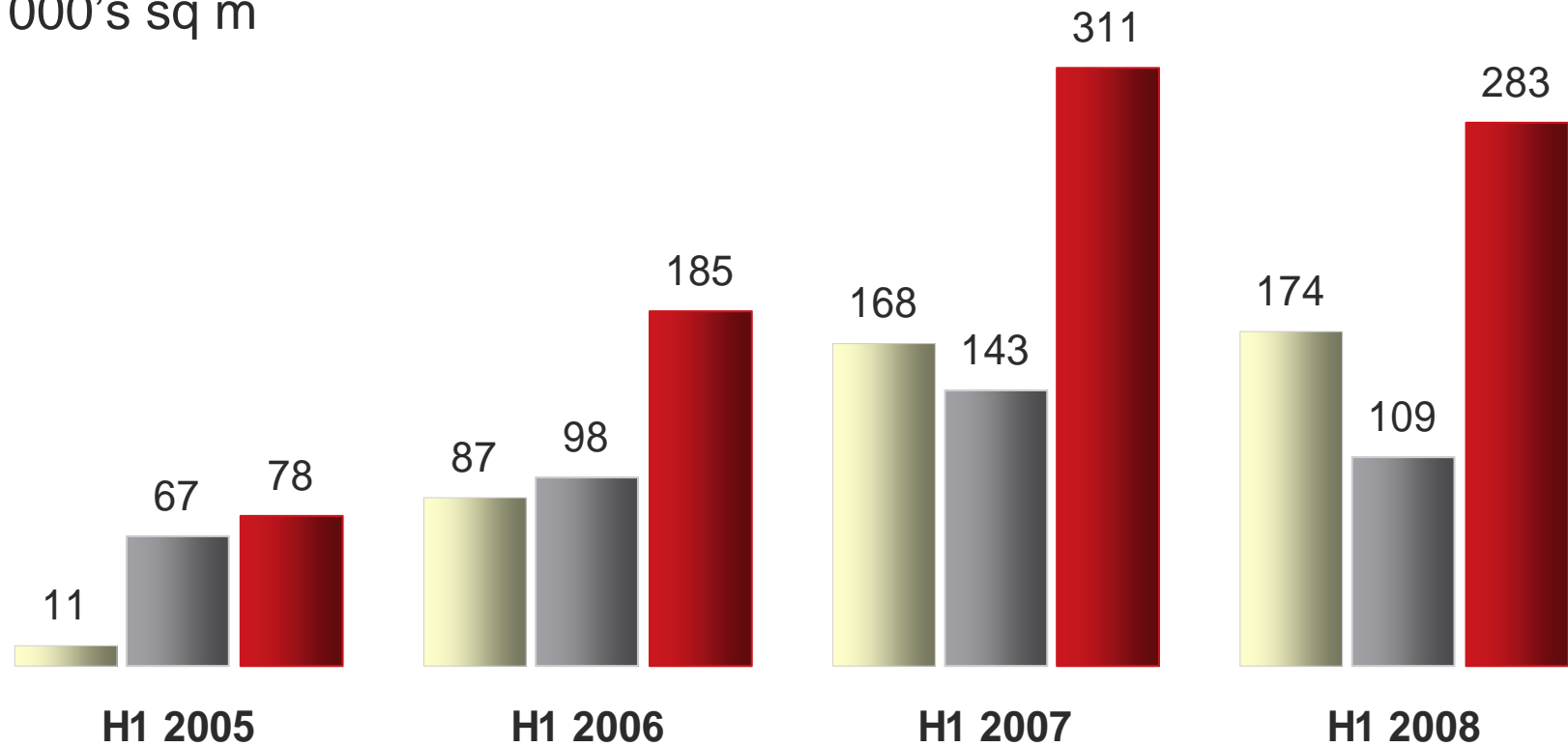
■ Total contracted cash rent - before breaks ■ Total contracted cash rent assuming breaks exercised

Leasing aggressively



Lettings*
000's sq m

■ Europe ■ UK ■ Total



*Excludes pre-lettings

Leasing aggressively
283,000 sq m
Net £4.5m new income

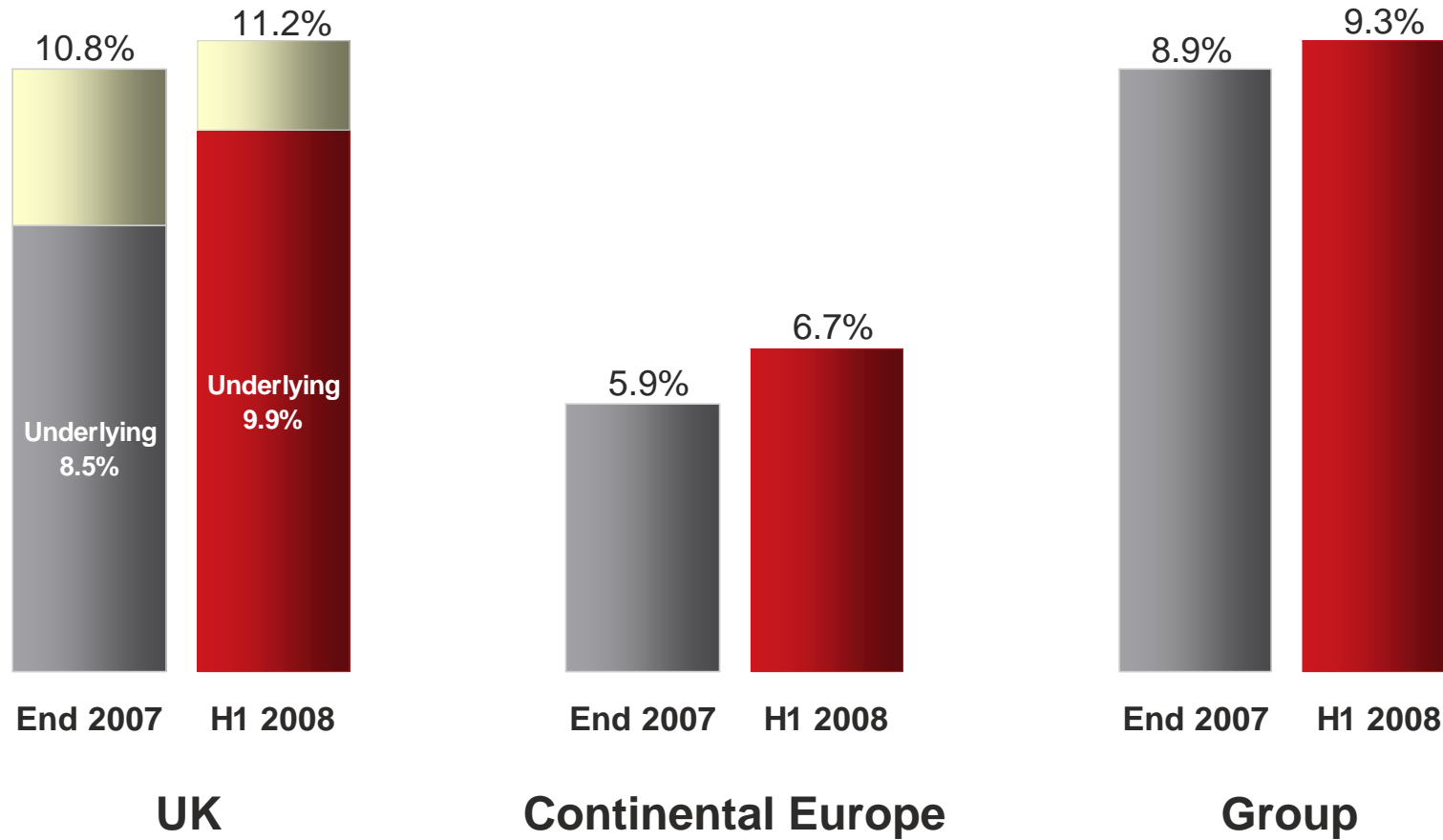


	By Area (000's sq m)				By Rent (£m)	
	Lettings ¹		Space Returned		Lettings ²	Space ² Returned
	H1 2008	H1 2007	H1 2008	H1 2007	H1 2008	H1 2008
United Kingdom						
Lettings of completed developments	15	62				
Existing properties	61	56				
Licenses	33	25				
Total UK	109	143	148	101	6.4	8.5
Continental Europe	174	168	68	28	10.0	3.4
Total Group	283	311	216	129	16.4	11.9

Plus £3.7m of income secured by pre-lettings of developments in progress

1 Excludes pre-lettings. 2 Annualised rents

Leasing aggressively Vacancy rate by space



Leasing aggressively UK rental growth & customer retention



Region	Reviews* %	Renewals %	New Lettings %	All %
Slough Trading Estate	4.5	6.2	3.0	4.2
London Markets	3.3	2.6	(0.1)	1.4
National Markets	4.5	2.4	(1.2)	(0.4)
Total (%)	4.3	2.7	(0.6)	0.8

Excellent customer retention rates:

- 86% of leases expiring by number and 95% by income were retained
- 72% of leases with break options by number and 81% by income were retained

* Excludes fixed uplifts which benefit SEGRO, but were negotiated in previous periods

Leasing aggressively
Incentives (UK) - summary of average rent free periods*



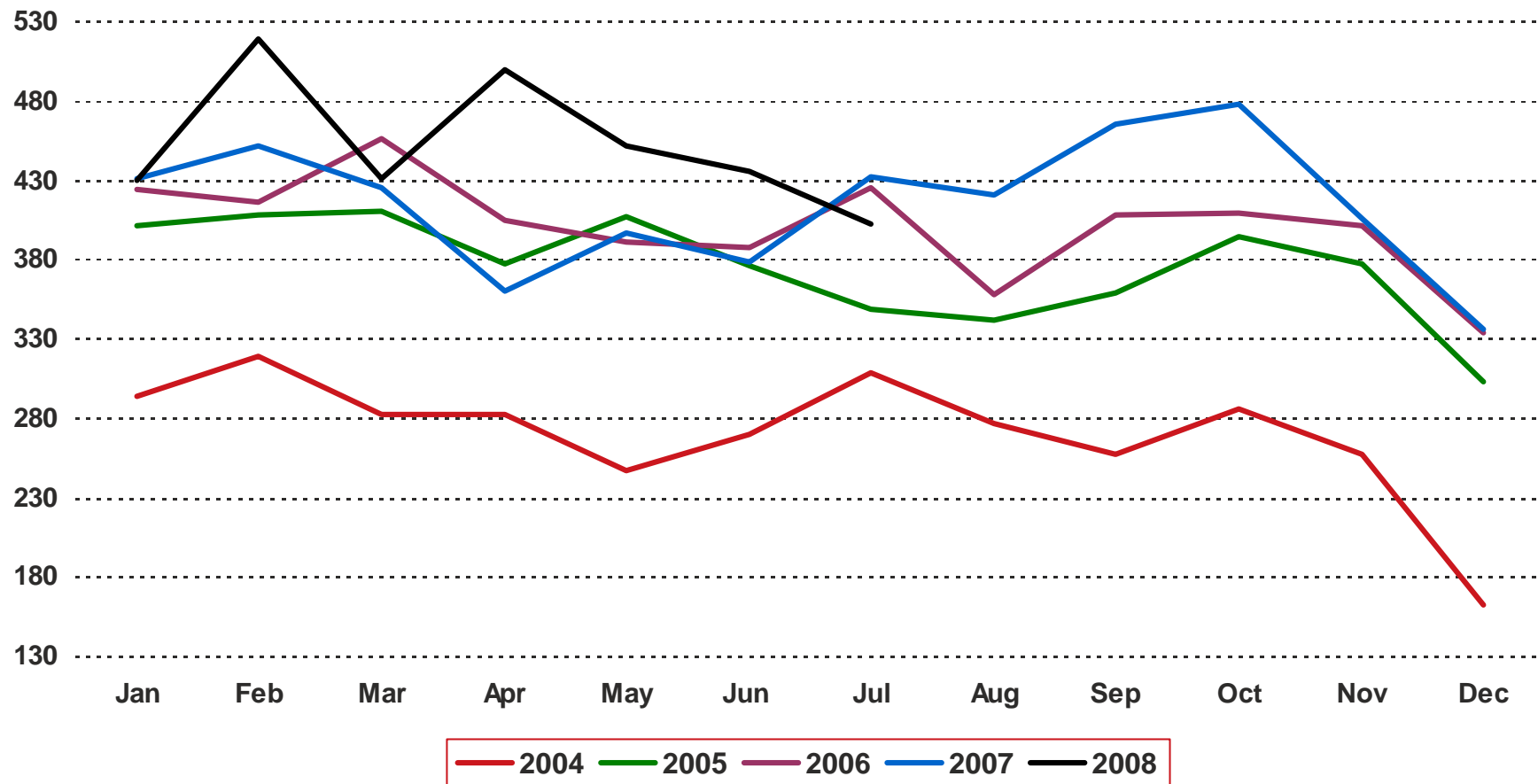
Average rent free periods	H1 2008	H1 2007
On existing buildings re-let		
- in months	1.7	2.6
- as a % of lease length	2.5%	3.0%
On new developments only		
- in months	5.4	4.4
- as a % of lease length	4.7%	3.9%
All lettings		
- in months	2.7	3.0
- as a % of lease length	3.1%	3.2%

* Excludes licenses

Leasing aggressively UK occupier enquiry levels

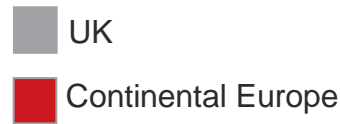


Number of UK Enquiries

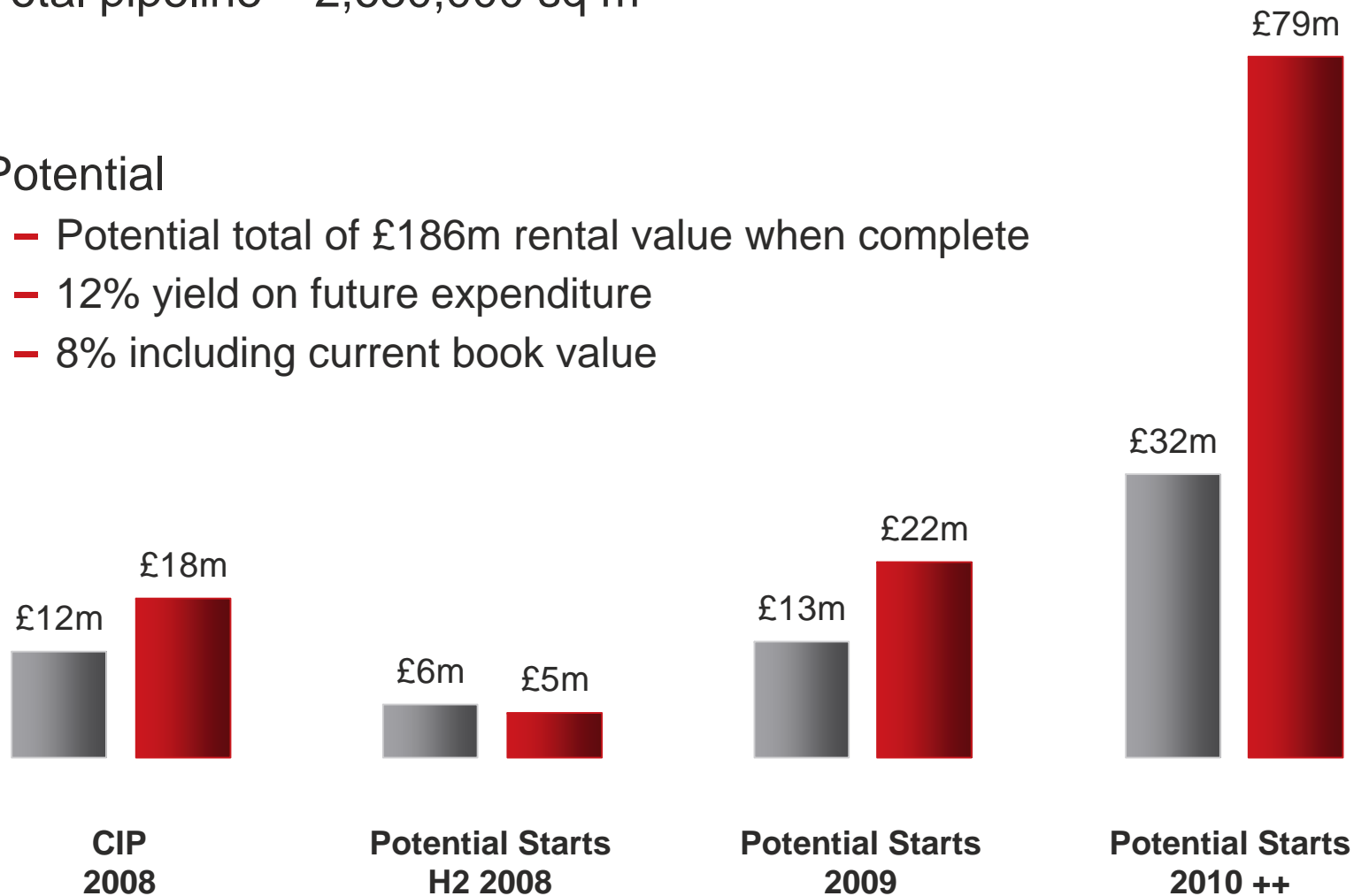


- March 2008: 465,529 sq m planned development starts in 2008
- August 2008: 370,276 sq m planned development starts in 2008
 - 20% reduction for the Group, comprised of
 - 53% reduction in the UK
 - 10% reduction in Continental Europe

Developing selectively Development pipeline By rental value



- Total pipeline – 2,680,000 sq m
- Potential
 - Potential total of £186m rental value when complete
 - 12% yield on future expenditure
 - 8% including current book value



Major land holdings & values UK



	Current book Value £m	Land area Ha	Space to be built Sq m
Farnborough - IQ Farnborough	44.3	19	22,235
Feltham - North Feltham Trading Estate	8.0	3	12,880
Crawley - London Road	15.1	3	14,000
Enfield - Ponders End	9.8	5	24,498
Slough Trading Estate (major land holdings)	74.5	9	43,679
Reading - Winnersh Triangle	25.6	4	30,758
Cambridge - Cambridge Research Park	15.8	11	0
Total	193.1	54	148,050

Major land holdings & values Continental Europe



	Current book Value £m	Land area Ha	Space to be built Sq m
Paris – Gonesse	22.2	13	56,441
Paris – La Courneuve	14.3	4	22,901
Germany – BBI, Berlin	1.5	38	183,000
Germany - Krefeld	18.2	32	138,601
Netherlands - Schiphol, De Hoek Noord (51%)	15.3	11	71,546
Poland – Strykow, Lodz	17.0	51	236,709
Belgium – Pegasus Park	54.1	11	154,700
Poland – Komorniki, Poznan	21.4	35	135,735
Poland – Nadarzn, Warsaw	13.5	36	145,318
Poland – Gliwice, Silesia	12.4	27	113,558
Czech Rep' – Hostivice, Prague	30.6	55	223,649
Hungary – Ullo, Budapest	14.8	38	152,900
Total	235.3	351	1,635,058

Selling opportunistically

- Warsaw office development sold for £46.0m, with £17.4m profit on sale
- Bath Road Retail Park, Slough, sold for £91.3m, initial yield of 5.5%
- Winnersh land sold for £2.2m
- Post 30 June – 2 multi-estate UK industrial portfolios sold for £110.2m
- c.3% down on combined June 08 book value, average yield 7.2%



Bath Road Retail Park, Slough, UK



Tulipan House, Warsaw, Poland

Acquiring land in Central Europe



Country	Site	Hectares	Price £m
Czech Republic	Tulipan 4	27.0	12.1
Czech Republic	Ostrava	4.1	1.8

What we told you we would do in March 2008

Priorities for 2008

SEGRO
SLOUGH ESTATES GROUP



Poznan, Poland

- Maintain strong financial position
- Lease aggressively
- Develop selectively
- Sell opportunistically
- Acquire land in CEE
- Possibly acquire investments in UK in H2

45

Priorities for H2 2008
Adapting strategy to the market conditions



- Maintain strong financial position
- Lease aggressively
- Develop selectively & cautiously – focus on pre-lets & Central Europe
- Sell opportunistically – Continental Europe & UK
- Acquire land in Central Europe

Pro-actively managing our business in a market downturn

Achieving a good operating performance

- Strong lettings of 283,000 sq m
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MPM, Munich, Germany

* Including £110.2m announced after 30 June 2008



SEGR
SLOUGH ESTATES GROUP

WHERE BUSINESS WORKS

APPENDICES

Flexible Business Space



Industrial locations developed to optimise value...



Industrial Parks



Warehousing & Logistics



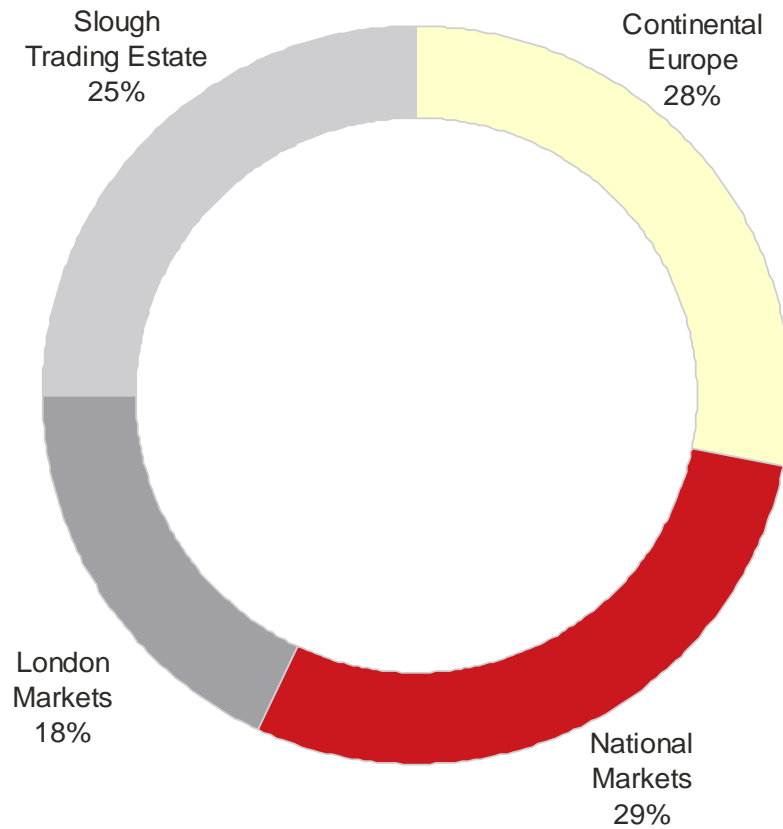
Suburban Offices



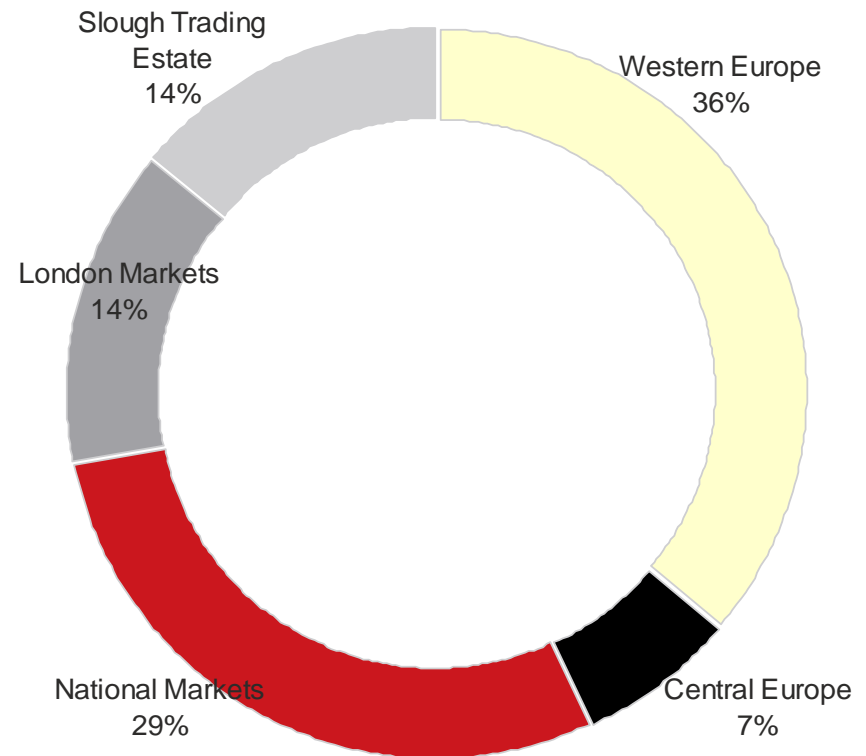
Active management
A diversified portfolio
Investment portfolio only – JV share basis



**£4.4bn investment portfolio
- by value end June 2008**



**c.4.4m sq m total portfolio
- built space end June 2008**



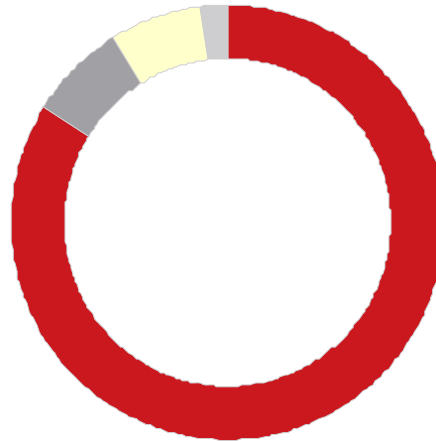
Portfolio by space

As at 30 June 2008, includes trading properties and 100% of JV properties



UK 2.6m sq m

Industrial	84%
Logistics	7%
Offices	7%
Retail	2%



Group 5.0m sq m

Industrial	56%
Logistics	36%
Offices	6%
Retail	2%

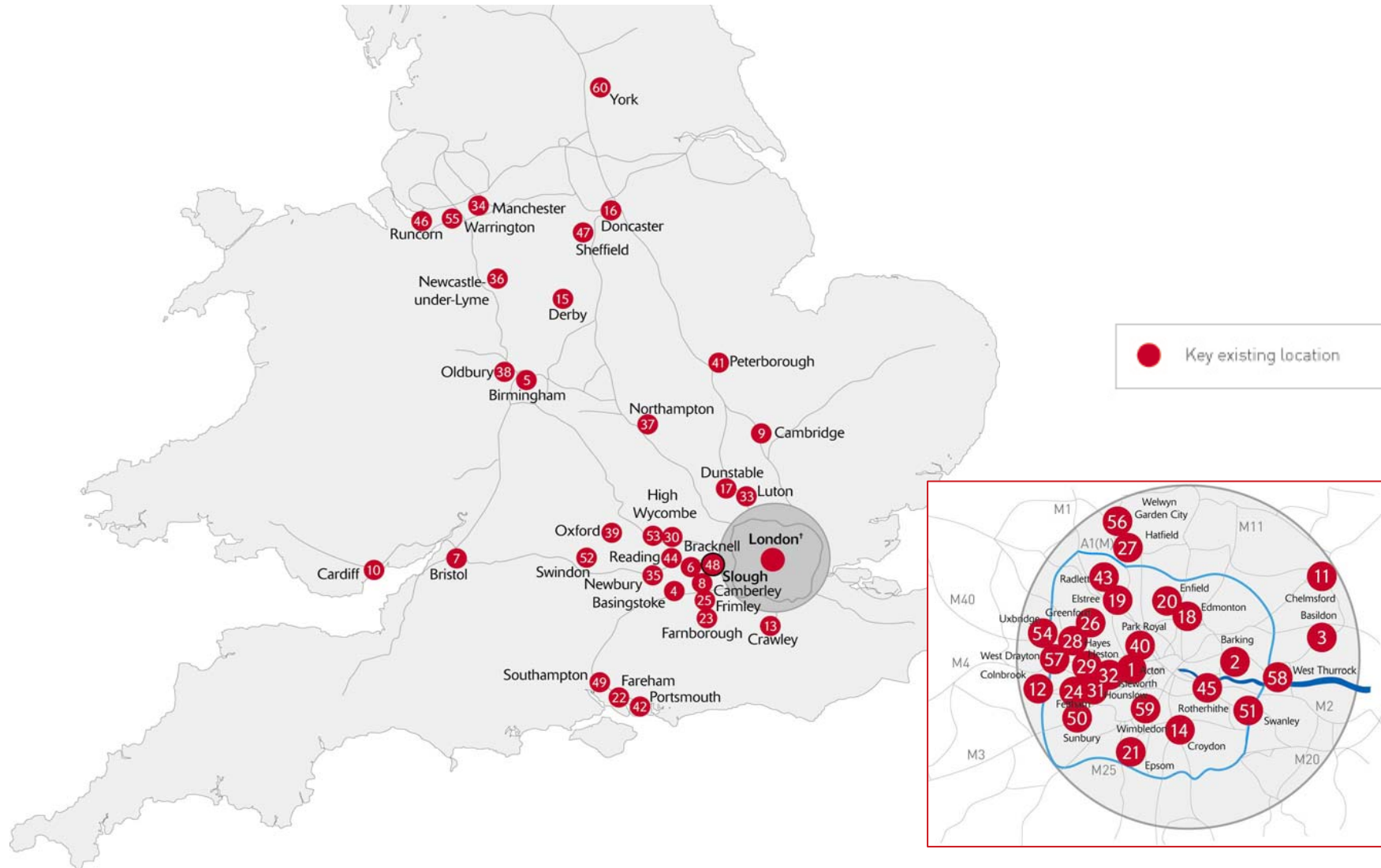


Continental Europe 2.4m sq m

Industrial	27%
Logistics	68%
Offices	4%
Retail	1%



The UK portfolio



Current and prospective markets in Continental Europe

Germany

- Düsseldorf
- Hamburg
- Frankfurt
- Berlin
- Munich

Benelux

- Brussels / Antwerp / Ghent
- Amsterdam / Rotterdam / Venlo

France

- Paris
- Lyon
- Marseille
- Lille

Spain

- Madrid
- Barcelona
- Valencia

Poland

- Warsaw
- Poznan
- Lodz (Strykow)
- Gdansk
- Wroclaw
- Katowice / Krakow

Czech Republic

- Prague

Slovakia

- Bratislava

Romania

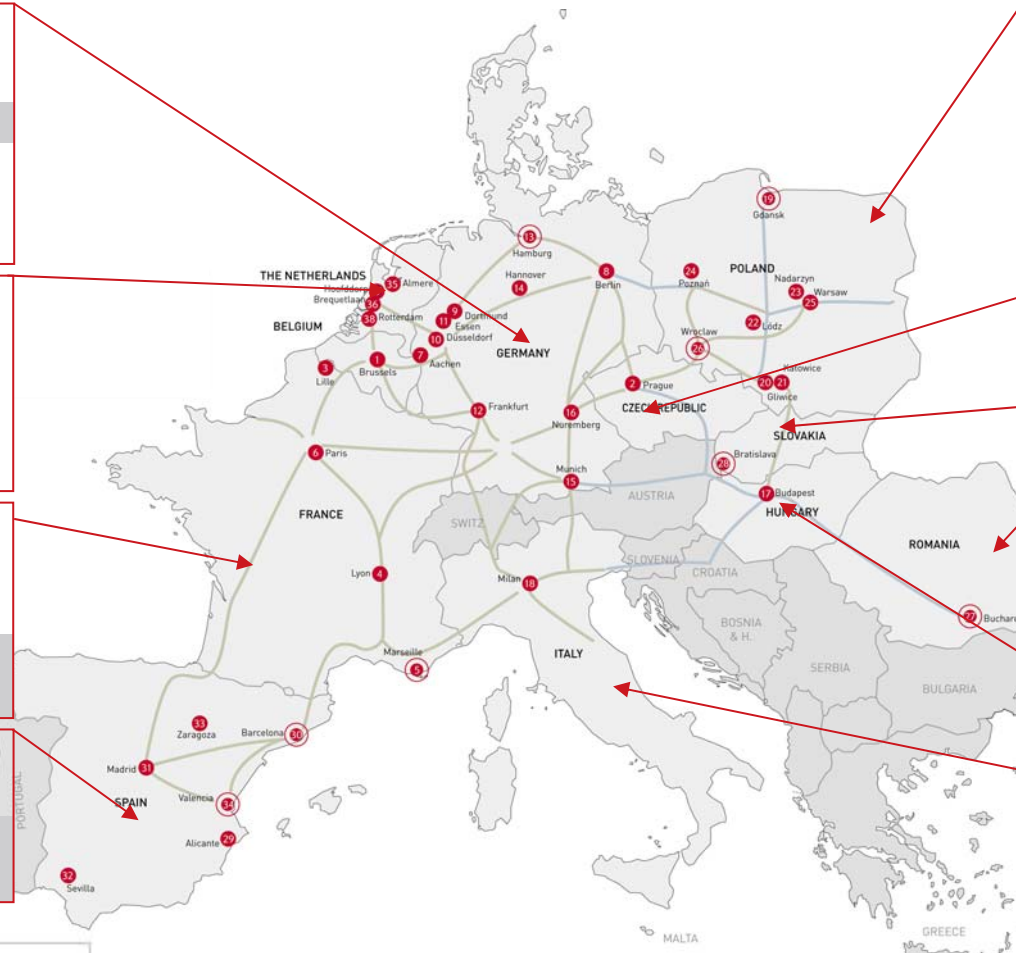
- Bucharest
- Constanta

Hungary

- Budapest

Italy

- Milan / Turin
- Bologna / Parma / Verona



Prospective markets

Quality of income & covenant Corporate occupiers

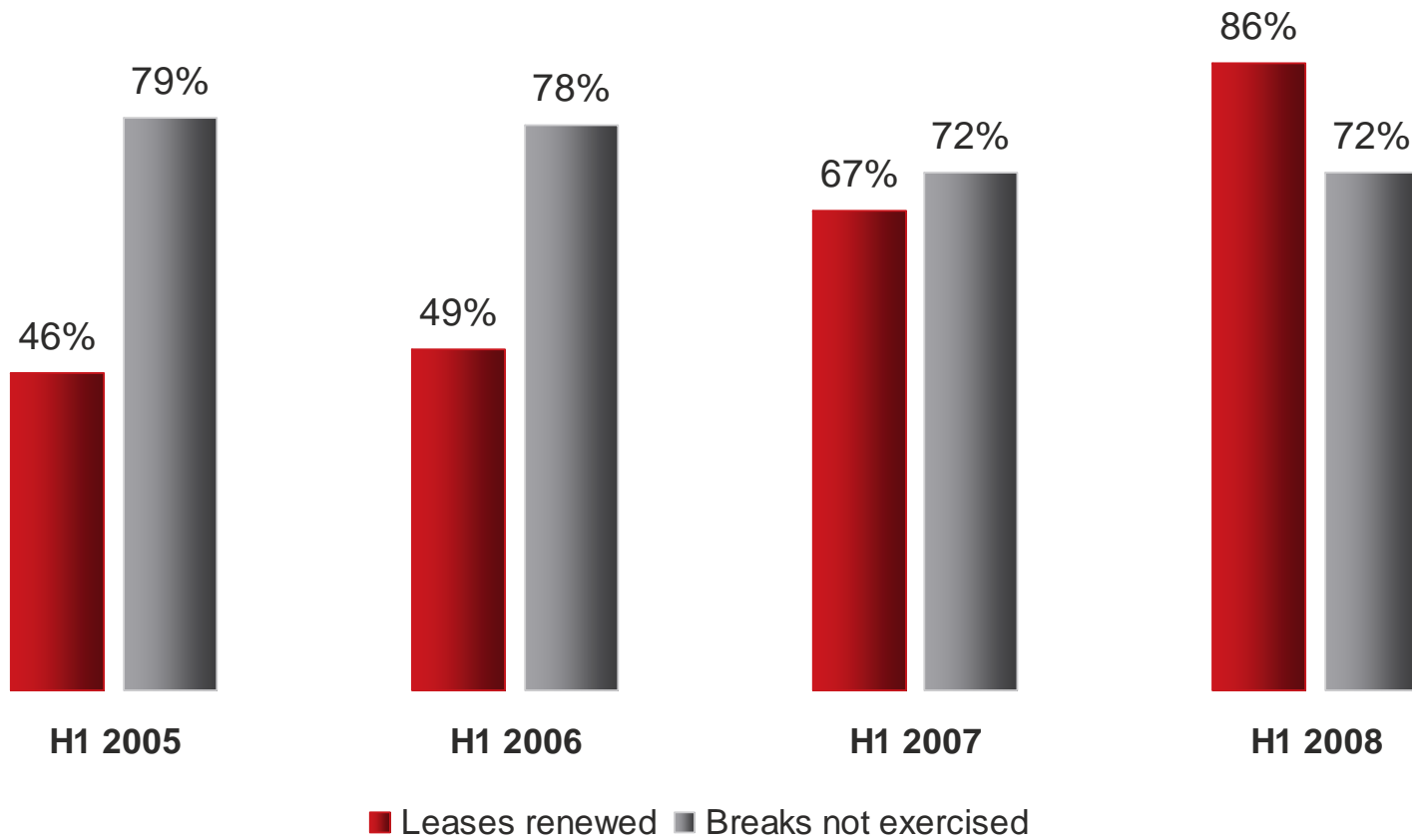


	Annual Rent £m		Annual Rent £m
1. Deutsche Post	13.5	11. O2	3.7
2. Neckermann.de	13.2	12. UCB	3.6
3. Tesco	6.7	13. UPS	2.6
4. MPM	6.4	14. Heathrow Airport	2.5
5. Antalis	6.1	15. Regus	2.2
6. Thales	5.9	16. Geodis Logistics	2.1
7. KarstadtQuelle	5.2	17. Lonza Biologics	1.8
8. Alcatel-Lucent	5.1	18. Argos	1.8
9. Mars	4.4	19. Intel	1.8
10. Cisco	3.8	20. Next	1.7

* As at 30 June 2008

UK customer retention

Leases renewed and breaks not exercised
(based on number of occupiers)



Latest IPD data related to 2007 events and indicated 64% breaks not exercised with 21% leases renewed
(Figures exclude cases where tenants relocated to SEGRO buildings, ceased trading and take backs for redevelopment)

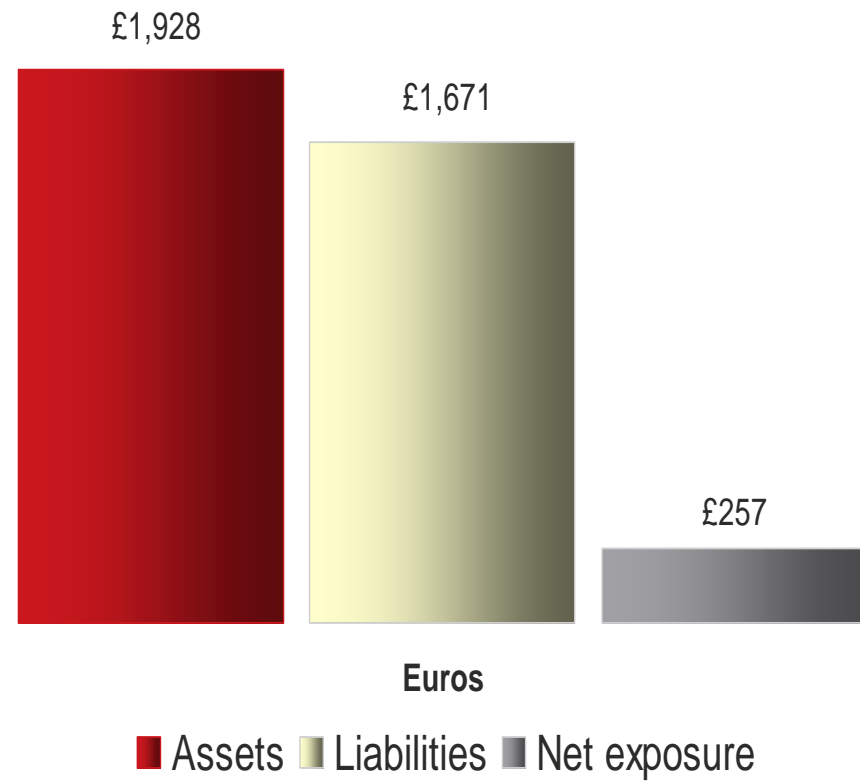
Development returns



Illustrative returns (pre-tax)	UK	France	Germany	Central Europe
	%	%	%	%
Yield on development				
- on TDC	7.0 - 7.5	8.0 - 9.0	8.0 - 9.5	8.5 – 9.5
- on future spend	12	12	12	12
‘Take-out’ yields	6.50 – 7.0	6.75 – 7.0	7.0 – 8.0	6.75 – 7.25
Development profits	10 – 15	15	15	20 – 25
Target return - IRR	10 – 12	10 -12	10 -12	11 – 13
SEGRO’s borrowing costs (5yr fixed)	5.75	5.0	5.0	5.0

TDC = Total development cost including land and financing costs

Translation exposure £m as at 30 June 2008



Net exposure of £257m represents 10% of Group Net Assets

Yield analysis



Equivalent* yields	End 2006	June 2007	End 2007	June 2008
Slough Trading Estate	5.3	5.3	6.0	6.7
West London industrial	5.2	5.1	5.5	5.8
Rest of UK industrial	5.6	5.4	6.1	6.7
France	7.3	7.2	7.1	7.0
Germany	n.a.	7.3	7.5	7.1
Netherlands	n.a.	7.4	6.9	6.6
Central Europe	n.a.	6.5	6.9	6.7

* Nominal equivalent yields

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.