TRITAX BIG BOX

Press Release

19 January 2017

TRITAX BIG BOX REIT PLC

Trading Update

The Board of Tritax Big Box REIT plc (ticker: BBOX) is pleased to announce the following update ahead of the publication of the Company's results for the year ended 31 December 2016 (currently expected to be released on or around 8 March 2017).

PORTFOLIO HIGHLIGHTS

- A portfolio of £1,877 million (including forward funded commitments)[1] invested in 35 Big Box assets let to 29 tenants
- 33 standing assets and two pre-let forward funded developments, with a combined floor space of 18.2 million sq. ft. (of which 1.1 million sq. ft. is under construction)
- Ten new investments made in 2016, with an aggregate purchase price of £524 million
- Contracts exchanged on 23 December 2016 for two forward funded developments totalling £102 million, both pre-let to Howdens Joinery Group Plc, conditional on receiving planning consent. Planning consent is expected to be obtained in March 2017, which will further enhance the portfolio value
- 80% of assets acquired off-market since inception with average purchase yield of 5.7%
- Current weighted average unexpired lease term across the portfolio of 15.3 years[2]
- Portfolio 100% let with contracted annual rental income of £99.7 million as at 31 December 2016
- All leases provide for upward only rent reviews, of which 44% are open market, 35% are fixed uplift, 14% are RPI/CPI-linked and 7% are hybrid
- High quality institutional grade tenant mix with strong financial covenants - 81% of tenants are listed PLCs (61% in the FTSE 100 or FTSE 250)[3]
- Strong price resilience observed in the industrial logistics sector with modest capital value improvement during H2 2016
- Strong pipeline of attractively priced, off-market investment opportunities identified with several properties currently under offer

FINANCIAL HIGHLIGHTS

- Progressive dividend policy with target dividend of 6.2p per share for the year ended 31 December 2016, of which 4.65p per share has been paid for the nine months ended 30 September 2016
- Share price total return of 15.1% over 2016 compared to 10.2% for the FTSE EPRA/NAREIT UK Index over the same period4
- Extension of the Investment Management Agreement ("IMA") (earliest termination date of 31 December 2021), between the Company and the Manager, Tritax Management LLP, has resulted in a reduction of the management fee at new upper bands and lowers the Company's total expense ratio.
- Successful oversubscribed £350 million equity issue in October 2016

Notes

[1] *valuation as at 30 June 2016 plus acquisition price for subsequently acquired properties*
[2] *by asset value; based on listed parent company*
[3] *including developer licence fees*
[4]*Source: Bloomberg, as at 31 December 2016, based on closing share price of 139.5 p*
[5] *Source: Bloomberg, from 1 January 2016 to 31 December 2016 and 17 October 2016 to 31 December 2016 respectively, based on closing share price of 139.5 p*

- £691.5 million of committed debt financing in place of which £541.5 million is currently drawn (30% LTV)
- Weighted average term to maturity of debt facilities of 4.8 years as at 31 December 2016, increasing to 5.6 years with extension options
- Current blended margin payable of 1.43% above three month LIBOR or the referenced GILT rate and a weighted average capped cost of borrowing of 2.82%
- Market capitalisation of £1,542 million[4]; FTSE 250, FTSE EPRA/NAREIT and MSCI index constituent
- £3.5 million average daily traded value in 2016; £5.2 million average daily traded value post the October 2016 equity raise[5]

Colin Godfrey, Partner of Tritax, said:
"Investment demand for high quality logistics assets continued unabated during 2016, notwithstanding the EU Referendum in June 2016, with yields buoyed by continued strong industrial rental growth. The high-quality, income-focused nature of our portfolio contributed to strong share price performance during a period in which UK REIT shares came under considerable pressure.

Whilst the economic backdrop looks uncertain for 2017, there are positive factors influencing our sector. According to IMRG, online retail sales on Black Friday 2016 were up 12.2% on the previous year, to £1.23 billion. New technology is also creating new channels and changing how consumers interact with retailers, with some omnichannel retailers having a need for physical, online, mobile and telephone sales ordering capabilities. Big Box logistics continues to benefit from structural change in shopping habits, with the growth in e-commerce and the economies of scale offered by these assets driving strong occupational demand in the sector, whilst significant barriers to entry result in limited supply driving solid rental growth."

DIVIDEND POLICY
Consistent with the progressive dividend policy adopted in 2016, the Directors confirm a dividend target of 6.4 pence per Ordinary Share for the year ending 31 December 2017, representing a 3.2% increase in the dividend target of 6.2 pence per Ordinary Share for 2016 and in excess of the rate of RPI inflation over the 12-month period to 31 December 2016. Dividends are expected to be fully covered by adjusted earnings from the Company's portfolio. From 1 January 2017, dividends are payable on a quarterly basis.

MARKET CONDITIONS AND OUTLOOK
According to estimates, to keep pace with an e-commerce sector which continues to grow as a percentage of UK retail, the UK/Ireland market will require c.18 million sq ft of logistics space to be built annually (source: Colliers), which is far ahead of the Savills estimate that c.3.5 million sq ft is projected to be built annually. Meanwhile, logistics availability in the UK has been decreasing since 2009 with the supply of speculatively developed Big Box assets extremely limited.

With growing occupier demand and constrained occupational supply, strong rental growth has been evidenced during the last 18 months and is expected to continue through 2017, with the Company well placed to capture this growth given the profile of rent reviews across its portfolio.

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For further information, please contact:

Tritax Group

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NOTES:

Tritax Big Box REIT plc is the only listed vehicle to give pure exposure to the "Big Box" logistics asset class in the UK and is committed to delivering attractive and sustainable returns for shareholders. Investing in and managing both standing and pre-let forward funded development assets, the Company focuses on well-located, modern "Big Box" logistics assets, typically greater than 500,000 sq. ft., let to institutional-grade tenants on long-term leases (typically at least 12 years in length) with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity in this sub-sector of the UK logistics market owing to strong tenant demand and limited stock supply.

The Company is a real estate investment trust to which Part 12 of the UK Corporation Tax Act 2010 applies ("REIT"), is listed on the premium segment of the Official List of the UK Financial Conduct Authority and is a constituent of the FTSE 250, FTSE EPRA/NAREIT and MSCI indices.

Further information on Tritax Big Box REIT is available at www.tritaxbigbox.co.uk