

3 February 2016

LONDONMETRIC PROPERTY PLC

Trading and dividend update

LondonMetric Property Plc ("LondonMetric" or the "Company") today provides a trading update on activity since 30 September 2015 and announces details of a second interim dividend.

HIGHLIGHTS

- Investment activity of £142.1 million (LondonMetric share: £106.7 million), comprising:
 - £92.7 million of disposals across the retail and leisure portfolio
 - £31.2 million of distribution acquisitions
 - £18.2 million distribution disposal
- At Bedford, the Local Authority has approved planning for a new 700,000 sq ft distribution development
- Income growth of £0.9 million pa from lettings across 70,000 sq ft
- Total portfolio of £1.5 billion with 99.6% occupancy and a 13 year WAULT
- Payment in April of a covered second interim dividend of 3.75 pence per share taking the full year dividend to 7.25 pence, a 3.6% increase on the previous year

Andrew Jones, Chief Executive of LondonMetric, commented:

"We have continued to sell assets which have delivered on their business plans and have reinvested into other investment and development opportunities that will deliver stronger income growth and value creation.

"The UK retail market continues to undergo structural shifts and so our investment activity remains focused on those sectors that will be the key beneficiaries of these changes and which will also benefit from our active management approach.

"Retailer feedback from Christmas trading confirms the increasing amount of retail sales that are migrating online and this is having a profound impact on their logistics and distribution requirements as well as the number and size of physical stores that they now require.

Our focus on retailer distribution and convenience stores is perfectly in line with this change in shopping behaviour and has delivered material income growth which will allow us to progress the dividend with certainty."

TRADING

Investment activity focused on retail disposals

- Investment activity since 30 September 2015 totals £142.1 million (LondonMetric share: £106.7 million)
- Disposals of £110.9 million (LondonMetric share: £75.6 million) at a NIY of 5.7%:
 - Retail and leisure disposals of £92.7 million, including a recent sale by MIPP of its retail park in Maldon for £7.2 million
 - One distribution disposal in Birmingham for £18.2 million
- Acquisition of two distribution warehouses totalling £31.2 million at a NIY of 6.0%

Continued income growth from asset management

- Lettings across 70,000 sq ft at an average lease length of 13.6 years delivering additional income of £0.9 million at materially above ERV. Key lettings include:
 - 21,000 sq ft at Kings Lynn let to B&M for 15 years
 - 12,000 sq ft at Kirkstall let to Iceland for 10 years
- Eight further lettings in legals across 57,000 sq ft expected to generate a further £0.8 million of additional income by the year end
- Near-term rent reviews across 1.0 million sq ft on distribution assets where we are seeing evidence of rental growth

Development activity across 1.8m sq ft

- At Wakefield, our 524,000 sq ft distribution development for Poundworld is on track for completion in September 2016
- At Bedford, the local authority has resolved to approve our planning application for a new distribution development of c700,000 sq ft
- At Warrington, our 356,000 sq ft distribution development is due to receive detailed planning consent this month with completion expected by the end of 2016
- At Stoke, demolition work is programmed to commence this month

High quality portfolio

- £1.5 billion portfolio with 52% in distribution assets
- WAULT of 13 years and only 6.3% of income due to expire in next five years
- 99.6% occupancy rate
- 49% of contracted rental income subject to uplifts

Financing

- Gross debt, including joint ventures, now stands at £612.0 million compared to £629.0 million at 30 September 2015 as net divestment is broadly offset by capital expenditure on developments
- £106.2 million of undrawn facilities available
- The average cost of debt is 3.6% and the term to maturity is 5.8 years
- Net debt is £560.1 million and our loan to value is 38%, after allowing for cash balances and deferred sales receipts.

DIVIDEND

In line with previous guidance, LondonMetric intends to increase its next dividend payment and to accelerate timing of this payment ahead of changes to dividend taxation which will take effect on 6 April 2016.

A second interim dividend of 3.75 pence per share is, therefore, expected to be paid at the start of April 2016 and a further announcement setting out timing of payment will be made in due course.

The total dividend for the year ending 31 March 2016 would therefore be 7.25 pence per share.

-Ends-

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About LondonMetric Property Plc

LondonMetric (ticker: LMP) aims to deliver attractive returns for shareholders through a strategy of increasing income and improving capital values. It invests across the UK in retail led distribution, out of town and convenience retail properties. It employs an occupier-led approach to property with a focus on strong income, asset management initiatives and short cycle development. Its portfolio is broadly split between distribution and retail with a total of 11 million sq ft under management. LondonMetric works closely with retailers, logistics providers and leisure operators to help meet their evolving real estate requirements.

Further information on LondonMetric is available at www.londonmetric.com