

20 December 2013

**LONDONMETRIC PROPERTY PLC**  
**LONDONMETRIC ACQUIRES ROYAL MAIL'S MAIN DISTRIBUTION CENTRE FOR**  
**£36.0 MILLION AND SELLS CONGLETON RETAIL PARK FOR £16.4 MILLION**

LondonMetric Property Plc ("LondonMetric" or the "Group") announces that it has exchanged on the acquisition of the Royal Mail Distribution Centre in Daventry the disposal of Congleton Retail Park in Congleton.

In an off-market deal, LondonMetric has exchanged on the acquisition of Royal Mail's main distribution centre at Daventry International Rail Freight Terminal (DIRFT) from Meghraj Properties Limited ("Meghraj") for £36.0 million, reflecting a net initial yield of 6.7%.

The unit is let at a rental of £2.5 million per annum with annual RPI-linked uplifts, capped at 3%, and an unexpired lease term of 9.7 years. The purchase will be funded from existing resources.

The 272,600 sq ft distribution centre is situated adjacent to the M1 motorway and is strategically located at DIRFT in Northamptonshire, one of the UK's primary distribution locations.

Separately, LondonMetric has exchanged on the sale of Congleton Retail Park, Congleton, for £16.39 million to Lothbury Investment Management ("Lothbury"), reflecting a net initial yield of 5.85%. The retail park comprises 64,500 sq ft and is let to tenants including M&S Simply Food, Brantano, Laura Ashley, Carphone Warehouse and Boots with a WAULT of 7.0 years. It was acquired in June 2011 for £14.9 million. Completion is expected later today.

Following these transactions, LondonMetric's portfolio totals £1,073 million, with a WAULT of 12.7 years and 99.4% occupancy. The distribution portfolio now totals £249 million, representing 23% of the enlarged Group's portfolio.

**Andrew Jones, Chief Executive of LondonMetric, commented:**

"The Royal Mail distribution centre represents an attractive off-market acquisition that is in line with our strategy of increasing our ownership of key distribution assets that will continue to benefit from the growth in online retail spending. This is a strategic asset for both the Royal

Mail and its customers, with both Asos and Amazon accounting for over 10% of daily throughput.

"Congleton has benefited from several value accretive asset management initiatives during our ownership, and we have attracted some high quality retailers, which has improved the rent roll by over 5% p.a.

"These transactions, taken together with our acquisition of the DFS portfolio announced yesterday and our disposal of Unilever House in Leatherhead earlier in the week, highlights the yield arbitrage between our purchases and sales which we anticipate will continue as the investment market gains momentum, particularly within the retail warehouse sector.

"We expect this week's portfolio repositioning to increase our net rental income, after interest, by over £1.2m per annum as well as adding a further £26.2m to existing reserves for future investment."

Bushe Gower and CBRE advised LondonMetric on the Royal Mail Distribution Centre. Savills advised LondonMetric and Morgan Williams advised Lothbury on Congleton Retail Park.

**-Ends-**

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**About LondonMetric Property Plc**

LondonMetric (ticker: LMP) is a UK REIT admitted on the Official List and to trading on the Main Market of the London Stock Exchange on 28 January 2013 as a result of the merger between London & Stamford Property Plc (LSP) and Metric Property Investments plc (METP).

LondonMetric aims to deliver attractive returns for shareholders through a strategy of increasing income and improving capital values. It invests across the UK in Retail and Distribution properties as well as Greater London real estate opportunities. It employs an occupier-led approach to property investments through opportunistic acquisitions, joint ventures, active asset management and short cycle developments. The asset focus is on properties with enduring occupier appeal providing opportunities to improve both rental values and the security and longevity of income; and limited risk redevelopments with the aim of enhancing shareholder returns.

Further information on LondonMetric is available at [www.londonmetric.com](http://www.londonmetric.com).