

15 July 2013

LONDONMETRIC PROPERTY PLC
LONDONMETRIC BUYS ARGOS AND WH SMITH RETAIL DISTRIBUTION
WAREHOUSES FOR £61.8 MILLION

LondonMetric Property Plc ("LondonMetric" or the "Group") has exchanged on two distribution warehouses in Bedford and Birmingham for a total consideration of £61.8 million (net of acquisition costs) reflecting a combined net initial yield of 7.2%. The acquisitions will be funded from existing resources.

In Bedford, LondonMetric has exchanged on the Argos Distribution Warehouse for £51.65 million, reflecting a net initial yield of 7.0%. The 657,500 sq ft scheme is Argos' key distribution centre in the UK handling its bulky goods home delivery operations. The unexpired lease term is 9.5 years with an open market rent review is due in December 2017. Nearby occupiers include Asda and Sainsbury's.

In Birmingham, LondonMetric has exchanged contracts to acquire the WH Smith Distribution Unit for £10.1 million, reflecting a net initial yield of 7.9%. The scheme is 211,000 sq ft and is let for 11 years to WH Smith. It is one of three WH Smith distribution warehouses across the UK that supplies its UK High Street and Travel Outlet business.

Simultaneously, LondonMetric has entered into agreements to surrender the existing lease and grant a new 21 year lease to WH Smith at £3.75 psf with a fixed uplift in September 2014 to £4.75 psf, producing a yield on cost of 7.5%.

Following these acquisitions, the LondonMetric retail distribution portfolio comprises five distribution centres with a combined portfolio value of £164.8 million, representing 14% of the enlarged Group portfolio. The weighted average unexpired lease term is 14.9 years with no tenant break options and the portfolio is 100% occupied. Fixed rental uplifts across the distribution portfolio represent 40% of total distribution rental income, and 21% of the Group contracted rental income.

Andrew Jones, Chief Executive of LondonMetric, commented:

"The Argos and WH Smith Distribution Units represent the latest in a number of deals that we are working on within the retailer distribution sub-sector. These are assets that deliver not only a high income yield, but also high occupier contentment and demonstrate again the benefit of our strong occupier relationships which we believe provide us with a competitive

advantage. We continue to successfully sell down our residential investment holdings and re-invest into retail and retailer distribution sectors where we can deliver more attractive income and capital returns."

Dowley Turner Real Estate advised LondonMetric on Bedford and Burbage Realty advised LondonMetric on Birmingham.

-Ends-

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Notes to editors:

LondonMetric (ticker: LMP) is a UK REIT admitted on the Official List and to trading on the Main Market of the London Stock Exchange ("LSE") 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.