

3 June 2014

**LONDONMETRIC PROPERTY PLC  
LONDONMETRIC CONTINUES TO CRYSTALISE GAINS  
AND RECYCLE INTO DISTRIBUTION**

LondonMetric Property Plc ("LondonMetric") announces the disposal of its completed retail development at Berkhamsted and further sales from its Odeon and DFS portfolios. It also announces the purchase of the Royal Mail distribution centre in Rotherham.

- At Berkhamsted, LondonMetric has completed the disposal of the M&S Simply Food (22,500 sq ft) for £12.45 million to Lothbury Property Trust ("Lothbury"). The disposal reflects a net initial yield of 4.5% on letting of the remaining vacant unit. LondonMetric acquired the former post office site in April 2013, pre-letting 84% to M&S Simply Food on a 20-year lease simultaneous with the purchase. The remaining space is let to Costa Coffee on a 10-year lease, with an additional 3,000 sq ft restaurant unit to be let.
- At Huddersfield, LondonMetric has exchanged on the sale of the Odeon Multiplex cinema for £15.2 million to TIAA Henderson Real Estate, reflecting a net initial yield of 6.1%. The nine screen 54,436 sq ft cinema is let to Odeon Cinemas Limited for a remaining term of 24.2 years with no breaks. The lease is subject to annual fixed uplifts linked to the RPI index of between 1% and 5%. The property formed part of a portfolio of ten Odeon Multiplex Cinemas acquired by LondonMetric in November 2013 for £80.7 million, reflecting an overall net initial yield of 7.2%. Following this disposal and the previous sale of the Odeon in Dudley, LondonMetric now owns a portfolio of eight Odeon Multiplexes with a rent roll of £4.4 million.
- On behalf of its DFS joint venture (the "Joint Venture"), LondonMetric has exchanged on the sale of three DFS warehouse units to Hawkeye Properties Limited for £17.1 million, reflecting a net initial yield of 7.8%. The assets are located in Ashby, Bury St Edmunds and Droitwich and were part of the original 27 DFS asset portfolio acquired by the Joint Venture in March 2014 for £175.0 million, reflecting an overall net initial yield of 9.3%. Following this disposal and the previous sale of ten DFS assets announced in March, the Joint Venture now owns a portfolio of 14 DFS assets with a rent roll of £11.6 million (LondonMetric share £3.5 million).
- Finally, LondonMetric has exchanged on the purchase of the Royal Mail distribution unit (152,000 sq ft) at Magna 34, Rotherham for £10.3 million, reflecting a net initial yield of 6.0%. The unit was let in its entirety to Royal Mail Group on a 15-year lease from 2013 at a rental of £650,000 per annum with fixed rental uplifts of 1.75% per annum compound in 2018 and 2023.

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

"Over the last few years we have successfully acquired well priced investment and development opportunities.

"We have now completed our development at Berkhamsted where we have regenerated an obsolete building into a vibrant new M&S Simply Food and Costa and its sale has delivered a very attractive return within a 14-month period.

"Our portfolio acquisitions of Odeon and DFS units at the end of last year have allowed us to right-size these portfolios and crystallise gains on some of the units, capitalising on the increased institutional demand for long leases and delivering an attractive yield arbitrage over a very short period of time.

"We will continue to realise those investments where we have optimised value and do not expect them to benefit further from our asset management expertise. We will look to recycle the capital into other opportunities within our core sectors and are extremely pleased to have secured our second Royal Mail distribution centre. This will further strengthen our relationship with them as well as delivering a long, strong and growing income."

Fawcett Mead advised LondonMetric on the sale of Berkhamsted and Knight Frank advised Lothbury. Savills and Allsop advised LondonMetric on the DFS sales. CBRE advised LondonMetric on the Royal Mail purchase.

**-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 and predominantly retailer led Distribution properties. 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).