

12 March 2014

LONDONMETRIC PROPERTY PLC
LONDONMETRIC ACQUIRES MARKS & SPENCER
DISTRIBUTION WAREHOUSE FOR £32.2 MILLION

LondonMetric Property Plc ("LondonMetric" or the "Group") has exchanged contracts to acquire the Marks & Spencer ("M&S") Distribution Centre in Sheffield from clients of CBRE Global Investors for a purchase price of £32.2 million (net of acquisition costs), reflecting a net initial yield of 7.6%. The acquisition will be funded from the Group's existing resources.

The asset comprises two units totalling 625,900 sq ft (unit 1: 334,800 sq ft; unit 2: 291,100 sq ft) and is sited at the Sheffield International Rail Freight Terminal (SIRFT) which is strategically located near the M1 motorway, to the east of Sheffield City Centre and within five miles of the M18/M1 intersection.

M&S recently entered into a new ten year lease expiring in November 2023 on both units, with a tenant break option on unit 2 after five years, and has made a commitment to invest in the asset as part of a drive to improve its logistics portfolio.

The property benefits from an existing rail terminal. In addition, although unit 2 is currently expected to be affected by the second phase of HS2, discussions on the exact routing are still ongoing and works on this second phase are not scheduled to commence until 2023. LondonMetric will now actively engage, alongside M&S, on discussions over the exact routing of phase 2.

Following this acquisition, the LondonMetric distribution portfolio comprises 12 distribution centres with a combined value of £294.0 million, representing 27% of the enlarged Group's portfolio. The weighted average unexpired lease term across the distribution portfolio is 12.4 years (11.4 years to first break) and the portfolio is 99.5% occupied. Fixed rental uplifts across the distribution portfolio represent 41% of total distribution rental income. Across the Group's investment portfolio fixed rental uplifts represent 33% of contracted rental income.

Andrew Jones, Chief Executive of LondonMetric, commented:

"This purchase reflects a very attractive initial yield that delivers attractive cashflow to the Group, as well as strengthening our relationship with one of the UK's leading retailers. The asset offers excellent asset management opportunities to work with M&S to secure their long term occupation of the property.

"The acquisition is consistent with our strategy to acquire high yielding assets which can benefit from our active asset management approach and strong occupier relationships."

Cushman Wakefield advised LondonMetric and CBRE advised CBRE Global Investors.

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For further information, please contact:

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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 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.