

6 January 2015

LONDONMETRIC PROPERTY PLC
LONDONMETRIC ACQUIRES TESCO "LAST MILE" DISTRIBUTION WAREHOUSE
FOR £21.1 MILLION

LondonMetric Property Plc ("LondonMetric" or the "Group") has completed on the acquisition of the Tesco.com Distribution Centre in Croydon from CBRE Global Investors. The purchase price is £21.1 million (net of acquisition costs), reflecting a net initial yield of 5.50%. The acquisition will be funded from existing resources.

The 173,000 sq ft distribution centre occupies a nine acre site off the A23 Purley Way, nine miles south of central London and six miles to the north of the M25 motorway. The unit is fully occupied by Tesco who use it as a "dark store" for its Tesco.com business and is one of only four Tesco.com distribution warehouses that serve the London market. The unit serves the south and south west portion of London, an area of c.250 square miles. As retailers continue to adopt an omni channel strategy, "last mile" distribution space is becoming an ever more important component of their logistics network.

The warehouse is let for a further 5.8 years off a rent of £6.70 psf with a reversionary rent review in October 2015. The area is dominated by retail warehousing with nearby occupiers including John Lewis, Next, Dixons and Sainsbury's as well as a Royal Mail sorting office.

Following this acquisition, LondonMetric's distribution portfolio totals £555.3 million, comprising 21 distribution centres with a WAULT of 14.7 years, 100% occupancy and with 51.3% of the portfolio subject to fixed uplift or RPI income. The distribution portfolio now represents 44% of the Group's portfolio.

Andrew Jones, Chief Executive of LondonMetric, commented:

"This is a strategically important site in a densely populated part of London which will continue to benefit from the growth in online shopping and convenience retail. Increasing occupier demand and limited supply for real estate in this location will allow us to capture the true reversionary potential of the asset at both review and expiry."

DTRE advised LondonMetric and BNP Paribas advised CBRE Global Investors.

-Ends-

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Notes to editors:

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