

18 December 2014

LONDONMETRIC PROPERTY PLC
LONDONMETRIC TO PURCHASE AND FUND THE DEVELOPMENT
OF THE HUT GROUP'S RETAIL DISTRIBUTION WAREHOUSE FOR £47.5 MILLION

LondonMetric Property Plc ("LondonMetric" or the "Company") announces that it has agreed to purchase, via a forward funding contract with Omega Warrington Ltd (a Miller Developments' joint venture), a new 690,000 sq ft retail distribution centre in Warrington for £47.5 million, reflecting a net initial yield of 7.5%. The acquisition will be financed from the Company's existing resources.

The warehouse has been pre-let to The Hut Group ("The Hut"), a specialist on-line retailer and brand owner, selling high repeat purchase goods direct to consumers across the Health and Beauty sectors, on a new 15 year lease at a rent of £3.77 million pa, equating to £5.46 psf. Construction is due to commence in January 2015 with practical completion targeted for the autumn.

The 41 acre site is located on the Omega South distribution park at junction 8 of the M62. The unit is being constructed in order to consolidate The Hut's four existing UK distribution units. The facility will be used to satisfy both its domestic and rapidly growing international operations.

As part of the transaction LondonMetric has agreed that The Hut has the option to acquire the freehold investment 12 months from practical completion, at a price that guarantees LondonMetric a minimum ungeared return on equity of 13.5% p.a.

Following this acquisition, LondonMetric's distribution portfolio totals £534.2 million, comprising 20 distribution centres with a WAULT of 15.1 years, 100% occupancy and with 53.0% of the portfolio subject to fixed uplift or RPI income. The distribution portfolio now represents 43% of the Group's portfolio.

Andrew Jones, Chief Executive of LondonMetric, commented:

"This transaction is another step forward in LondonMetric's ambition to extend its investment and development exposure into prime distribution warehousing, whilst providing further evidence that we continue to be the partner of choice for many of the UK's leading retailers.

"Our distribution development pipeline alone now extends to circa 2.5 mill sq ft of which 1.7 mill sq ft will be delivered during the course of 2015. This is 100% pre-let and will deliver a total rent of over £9 million per annum off average leases of over 20 years."

LondonMetric was advised by Jones Lang LaSalle.

-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

About The Hut Group

The Hut Group is a specialist on-line retailer and brand owner, selling high repeat purchase goods direct to consumers across the Health and Beauty sectors specifically sports nutrition and vitamins; cycling and endurance; prestige hair and skin care; weight management; prestige clothing, footwear and accessories. In June 2011, the Group launched a new division (Technology Services), focused on the provision of business to business software and ecommerce platform services with media and brand partners.

The Hut Group launched its first website in 2004 and focuses on product categories which share specific defining product characteristics: non-perishable, high repeat purchase, one-man delivery and low levels of customer returned products. The Group now operates individually branded websites including:

- **Health:** including www.Myprotein.com, www.Myvitamins.com, www.ProBikeKit.com, www.Mass.fi

- **Beauty:** including www.Lookfantastic.com, www.Mankind.co.uk, www.HQHair.com, www.BeautyExpert.co.uk, www.allsole.com, www.mybag.com, www.TheHut.com, www.ExanteDiet.com, www.Coggles.com

The Group's proprietary technology platform is central to the business model, facilitating highly effective data-driven retailing through optimised website content and bespoke marketing content, generating high levels of consumer loyalty, choice, repeat purchase and satisfaction.

For further information, please visit www.thehutgroup.com

About Omega Warrington Ltd

Omega Warrington Ltd is a joint venture between Miller Developments and KUC Properties Ltd, in partnership with landowner, the Homes and Communities Agency and supported by Warrington Borough Council and the Cheshire and Warrington LEP.