

3 February 2011

METRIC PROPERTY INVESTMENTS PLC
("Metric" or the "Group" or the "Company")

INTERIM MANAGEMENT STATEMENT

Metric Property Investments plc (LSE: METP), the UK specialist retail real estate investment trust (REIT), today announces its interim management statement for the period from 1 October 2010 to 2 February 2011.

HIGHLIGHTS:

Acquisitions

- Continued strong progress in sourcing attractive acquisitions, primarily off-market. Since 30 September 2010 a further six properties have been acquired for £63 million, five of which were off-market:
 - Congleton Retail Park, South Manchester (£14.9m)
 - Wick Retail Park, Scotland (£10.3m)
 - Alban Retail Park, Bedford (£9.2m)
 - Havens Head Retail Park, Milford Haven (£14.4m)
 - Channons Hill Retail Park, Bristol (£6.3m)
 - PC World Store, Hove (£8.1m)
- 90% of IPO net proceeds invested or committed to date.

Remaining purchasing firepower of c.£190 million (including anticipated debt) leaves Metric in a strong position to capitalise on investment opportunities arising in the market.

Asset Management

Significant progress made on value and income enhancing asset management initiatives across the portfolio. Below are key activities since 30 September 2010.

- Launceston Retail Park, Cornwall:
 - The surrender of a 23,100 sq ft unit for division into three units, subject to planning.
 - New lease to Peacocks exchanged with a further two new leases to national multiples in solicitors' hands. This will result in an uplift in the average passing rent on the park of 17.9% to £13.20 psf (up from £11.20 psf at the time of acquisition), with an average unexpired lease term of 14 years.

- Alban Retail Park, Bedford:
 - Rent review agreed with Focus, improving the average rent on the park to £10.50 psf (up from £9.40 psf at the time of acquisition), an uplift of 11.7%.
- Congleton Retail Park, South Manchester
 - Unconditionally exchanged on 3rd December having fully cleared the environmental audit with completion expected in June.
 - A new lease to a high street operator is in solicitors' hands, resulting in an increase in the average passing rent on the park to £15.20 psf (up from £14.75 psf at the time of acquisition). Surrender of the Carpetright unit.
 - Planning applications submitted for 8,000 sq ft new unit.
- Damolly Retail Park, Newry:
 - Planning application submitted for new pod development of 2,500 sq ft.

The culmination of the rental initiatives above has improved the average passing rent of the three retail parks to £12.90 psf (up from £11.70 psf at acquisition), an uplift of 10.3%.

Andrew Jones, Chief Executive of Metric, commented:

"We are pleased with the ongoing progress achieved in investing the proceeds of our IPO and delivering value over various asset management initiatives. The investment portfolio now stands at £157 million, which leaves us with significant remaining firepower to take advantage of the increasing flow of opportunities we see emerging, albeit remaining resolute in only investing in assets at prices where we see real value creating opportunities.

"Our extensive asset management programme is gaining momentum and we are capitalising on our strong retailer relationships to enhance value. Rental income is up 13% or £1.3 million from the time of acquisition, including current deals in solicitors' hands, which will not only enhance our income returns but also drive capital growth."

MARKET UPDATE

The retail occupier market continues to be challenging with recent trading results over Christmas showing negative like-for-like sales across many sectors. There has been continued migration to the internet and retailers pursuing a multi-channel approach have proved more resilient. Whilst some retail sectors have been hit harder than others, retailers generally are expecting a challenging year ahead in terms of growing sales and maintaining margins. Therefore our bottom-up occupier-led approach to acquiring investments where retailers trade profitably is critical in determining where we decide to invest and our continued ability to grow our income.

Against this backdrop, the retailer demand we are experiencing remains encouragingly strong, which reinforces the importance of our strategy of only investing in assets which exhibit the characteristics of high retailer appeal and occupier contentment.

These challenging conditions and changing retailing dynamics will invariably increase the appeal of long and strong income, we believe, and this will become more prevalent in asset pricing over the remainder of the year.

The investment market continues to be extremely competitive, especially for on-market deals. We are seeing an increase in the level of properties coming to the investment market as a result of banks tackling their loan books – both directly from banks and indirectly in response to refinancing pressures which are converting owners into motivated sellers. This theme has driven a number of our off-market opportunities to date and is a trend we anticipate will continue. Of the 11 properties acquired to date, all except one was acquired off-market.

ACQUISITIONS

In addition to the acquisition of the Congleton and Wick retail parks, announced at the half year results, four further acquisitions have been completed in the period:

	Area (sq ft)	Average rent (£ psf)	Occupancy rate	WAULT (years)
Properties acquired since 1 October 2010:				
Congleton Retail Park, South Manchester	64,600	14.75	92.3%	12.7
Wick Retail Park, Scotland	60,700	11.10	100.0%	12.4
Alban Retail Park, Bedford	65,000	10.45	100.0%	3.4
Havens Head Retail Park, Milford Haven	85,700	11.55	100.0%	11.2
Channons Hill Retail Park, Bristol	63,000	9.80	100.0%	4.5
PC World Store, Hove	19,300	25.00	100.0%	13.9
Properties as at 30 September 2010	431,800	13.20	97.3%	12.0
Current Portfolio	790,100	13.30	97.8%	11.1

Each of our acquisitions offer opportunities to substantially grow rents from a low base, currently £13.30 psf (average across the portfolio), driven by our active asset management programme. Key to delivering this growth potential is the high levels of occupier contentment and strong tenant demand that exist across all of our schemes.

In addition, the portfolio is 98% occupied and benefits from long unexpired lease lengths (average 11.1 years), satisfying our key investment criteria of being well let with income longevity and security. Following the completion of the lettings noted below the portfolio will be 99% occupied.

ASSET MANAGEMENT

The Group has continued to deliver on its programme of income enhancing asset management initiatives.

At Launceston Retail Park, Cornwall we have successfully agreed the surrender of a 23,100 sq ft unit, receiving a reverse surrender premium of £250,000 from the tenant to vacate early. The space will be sub-divided into three units (subject to concluding planning). We have exchanged a new lease to Peacocks with a further two new leases to well known national multiples in solicitors' hands. Upon exchange of these leases, the average passing rent on the park will increase to £13.20 psf, up from £11.20 at acquisition, showing an uplift of 17.9%. The park will continue to enjoy a long unexpired lease length of 14 years and the tenant line-up will be significantly softened which should improve footfall across the entire scheme.

We have also agreed a rent review with Focus at Alban Retail Park, Bedford, increasing the average rent across the park to £10.50 psf, up from £9.40 psf, an uplift of 11.7%. We are in active dialogue with both Focus and Dunelm to improve their facia and overall environment of the park.

At Congleton Retail Park, South Manchester, unconditional exchange was achieved on 3rd December and a new lease to a high street operator is in solicitors' hands. The new rental achieved will show a significant uplift over the previous passing rent on the unit, set a new rental tone for the park and attract increased footfall. This letting was achieved by agreeing a surrender of the unit to Carpetright. Once the lease has been exchanged we expect to see an uplift in the average rent across the park to £15.20 psf, up from £14.75 psf. This is the second step in our asset management programme to refocus the retailer line-up towards the high street following the arrival of Marks & Spencer on the park last year. Furthermore, a planning application for a new 8,000 sq ft unit has already been submitted and there is good occupier interest in securing pre-lets for this space.

A further planning application has been submitted at Damolly Retail Park, Newry for a 2,500 sq ft new pod development, designed to attract additional retail and catering offers.

FINANCE

The Group has used its existing cash resources to fund its acquisitions to date. With 90% of the IPO net proceeds invested or committed, the majority of the remaining firepower of £190 million, will be provided by refinancing with debt.

In addition to signing the £50 million secured revolving credit facility announced at the half year, discussions to secure further debt facilities with a number of banks who remain very receptive to the Metric proposition are ongoing.

-Ends-

For further information, please contact:

Metric Property Investments plc

+44 (0)20 7129 7000

Andrew Jones (Chief Executive)

Sue Ford (Finance Director)

Juliana Weiss Dalton (Investor Relations)

Financial Dynamics

+44 (0)20 7831 3113

Stephanie Highett

Dido Laurimore

Olivia Goodall

About Metric Property Investments

Metric Property Investments plc ("Metric") is a UK retail focused real estate investment trust (REIT) managed by a highly experienced team led by Andrew Jones, Valentine Beresford, Mark Stirling and Sue Ford. Metric was established in early 2010 and is an investor in retail assets located across the UK. By placing the occupier and their needs at the centre of its strategy, the Company seeks to generate attractive returns for shareholders led by sustainable income and capital appreciation achieved through the active management of its portfolio. Metric was listed on the Main Market of the London Stock Exchange plc (LSE ticker: METP) in March 2010.

Forward looking statements: This announcement may contain certain forward-looking statements with respect to Metric's expectations and plans, strategy, management objectives, future developments and performance, costs, revenues and other trend information. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Certain statements have been made with reference to forecast price changes, economic conditions and the current regulatory environment. Any forward-looking statements made by or on behalf of Metric speak only as of the date they are made. Metric does not undertake to update forward-looking statements to reflect any changes in Metric's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. Nothing in this announcement should be construed as a profit forecast. Past share price performance cannot be relied on as a guide to future performance.