

4 February 2013

LONDONMETRIC PROPERTY PLC
("LondonMetric", or the "Group")
INTERIM MANAGEMENT STATEMENT

LondonMetric Property Plc announces today its first Interim Management Statement following the completion of the merger between London & Stamford Property Plc ("London & Stamford") and Metric Property Investments plc ("Metric"). The statement covers the period 1 October 2012 to 1 February 2013 and represents substantially the pre-merger trading performances of both companies.

HIGHLIGHTS

- Completion of the merger of London & Stamford and Metric announced on 25 January 2013, to create a new top 10 REIT with a high quality property portfolio of circa £1.04 billion
- Exchanged contracts to acquire a portfolio of six retail warehouse assets for £92.4 million reflecting a net initial yield of 7.8%
- Disposal of our 15.7% share in Meadowhall Shopping Centre realising £95.8 million (net of debt) at a net initial yield of 5.1%
- Completion of the acquisition of 107 residential units at Seward Street, Islington, EC1 for £45.7 million
- Acquisition on behalf of Metric Income Plus Partnership ("MIPP") of three retail parks for £20.7 million (LondonMetric share: £6.9 million)
- Nine retailer transactions completed across 95,000 sq ft at average rents 11% above previous rental levels
- 102 new lettings and renewals concluded across the residential investment portfolio at 2.75% above previous passing rents
- Completed retail developments at Bishop Auckland Phase I and Cannock with 100% and 87% occupancy, respectively.

Andrew Jones, Chief Executive of LondonMetric, said:

"We are excited to have announced the £92.4 million retail portfolio acquisition so soon after completing the merger, as well as the value enhancing asset management activity that has been undertaken across the portfolio, while the merger was being progressed.

"We are also looking at capitalising on our strong retailer relationships to provide real estate solutions in the distribution sector. This is a sector where demand from retailers is now dominating space requirements as they continue to respond to the growth in multi-channel retailing.

"Deep occupier demand for our buildings is a critical ingredient in assessing where we choose to invest and will ultimately allow us to deliver superior returns. We will continue to adopt our disciplined approach of focusing on assets that are well let at sustainable rents to good covenants, with high occupier contentment.

"There is compelling evidence that more attractive opportunities across the market are becoming available as the world continues to deleverage and a much broader range of vendor is beginning to appear. We are pursuing a number of opportunities to utilise our firepower as the spread between the cost of funding and property yields continues to offer attractive cash-on-cash yields.

"We have launched a £100 million tender offer for almost 88.6 million shares or circa 12.4% of our issued share capital. The tender offer price is 112.9p. To the extent that the tender offer is not fully taken up, we are confident that we will be able to invest the additional firepower to enhance shareholder value."

INVESTMENTS

We have exchanged contracts on our first post-merger transaction with the acquisition of a portfolio of six retail warehouse assets. The portfolio was acquired from clients of Aviva Investors for a total consideration of £92.4 million (net of acquisition costs), reflecting a net initial yield of 7.8%. The portfolio has an unexpired lease term of over nine years, and approximately 50% of the income subject to fixed uplifts. Occupancy is 98% and a number of asset management initiatives have been identified which offer the opportunity for future income and capital growth.

In October 2012 we completed the sale of our 15.7% interest in the Meadowhall Shopping Centre to Norges Bank Investment Management for a gross asset price of £1.5 billion, reflecting a net initial yield of 5.1%, with the LondonMetric share of net proceeds £95.8 million.

We completed the acquisition of 107 residential units at Seward Street, Islington, EC1 for £45.7 million.

MIPP, our retail joint venture with USS, has acquired three properties over the period in Lichfield, Nottingham & Haverhill for £20.7 million (LondonMetric share: £6.9 million). These acquisitions reflect an average net initial yield of 6.8% with average lease terms of 15.2 years.

The current make-up of the Investment Portfolio, including our share of Joint Ventures is Retail 33%, London Residential 25%, Offices 24% and Distribution 18%. Occupancy is 95% with an average unexpired lease terms of 10.8 years (10.1 years to first break).

ASSET MANAGEMENT

Retail

We completed nine occupier transactions over the period with a further seven in solicitors' hands. The nine occupier transactions included six new lettings on average unexpired leases terms of 12 years (c. nine years to first break) and three rent reviews reflecting a blended income growth of 15%.

We successfully navigated the recent retail failures with only one unit (Comet, Kings Lynn) impacted; we have subsequently obtained planning permission to extend the unit and are now in detailed negotiations with a potential occupier.

Occupancy across the retail investment portfolio is 99%.

Residential

We have concluded 102 lettings and renewals across our residential investment portfolio and have achieved rents 2.75% above previous passing rent.

Occupancy across the wholly-owned residential investment portfolio is 96%.

At Moore House, we have let 64 of the available apartments increasing occupancy to 43%. Moore House is held in our Central London Residential Joint Venture with Green Park and PSP (LondonMetric share: 40%).

DEVELOPMENT

Retail

At Bishop Auckland, the retail terrace is now fully let and open for trade, with only a small catering unit remaining available. We anticipate commencing on site with the development of Phase II later in the year having obtained planning consent for an additional 27,000 sq ft. Cannock also completed in the period, and opened to trade with letting of the remaining unit in detailed negotiations.

At Berkhamsted, construction will commence in early February on a new 18,000 sq ft M&S Simply Food with completion due in Q4 2014.

At St Austell, we have submitted a planning application for a 103,000 sq ft shopping park and an adjacent 68,000 sq ft Sainsbury's food store. Determination is expected in June 2013.

Office

In the City, we have successfully negotiated the dilapidations liability and taken early vacant possession with Goldman Sachs at Carter Lane. A planning application for a minor refurbishment will be submitted shortly. We have already received encouraging expressions of interest from potential new occupiers.

At Unilever House, Leatherhead, planning consent has been received for a decked car park to provide an additional 136 car parking spaces, furthering occupier contentment and enhancing future asset management potential.

FINANCING

Net debt post the tender offer will stand at £376 million with a further £177 million of committed undrawn debt facilities and average debt maturity of 3.5 years. LTV including the Group's share of Joint Ventures is 36%. The Group has hedged 67% of its committed facilities. The all-in-cost of debt today, assuming the facilities were fully drawn, would be 3.5% based on current LIBOR and swap rates.

In the period we signed a new £75 million (LondonMetric share: £25 million) five year debt facility for our MIPP Joint Venture, with an anticipated all in cost of debt below 4%, based on current LIBOR and swap rates.

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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 ("LSE") 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.

Disclaimer

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Overseas shareholders

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