



METRIC
PROPERTY INVESTMENTS PLC

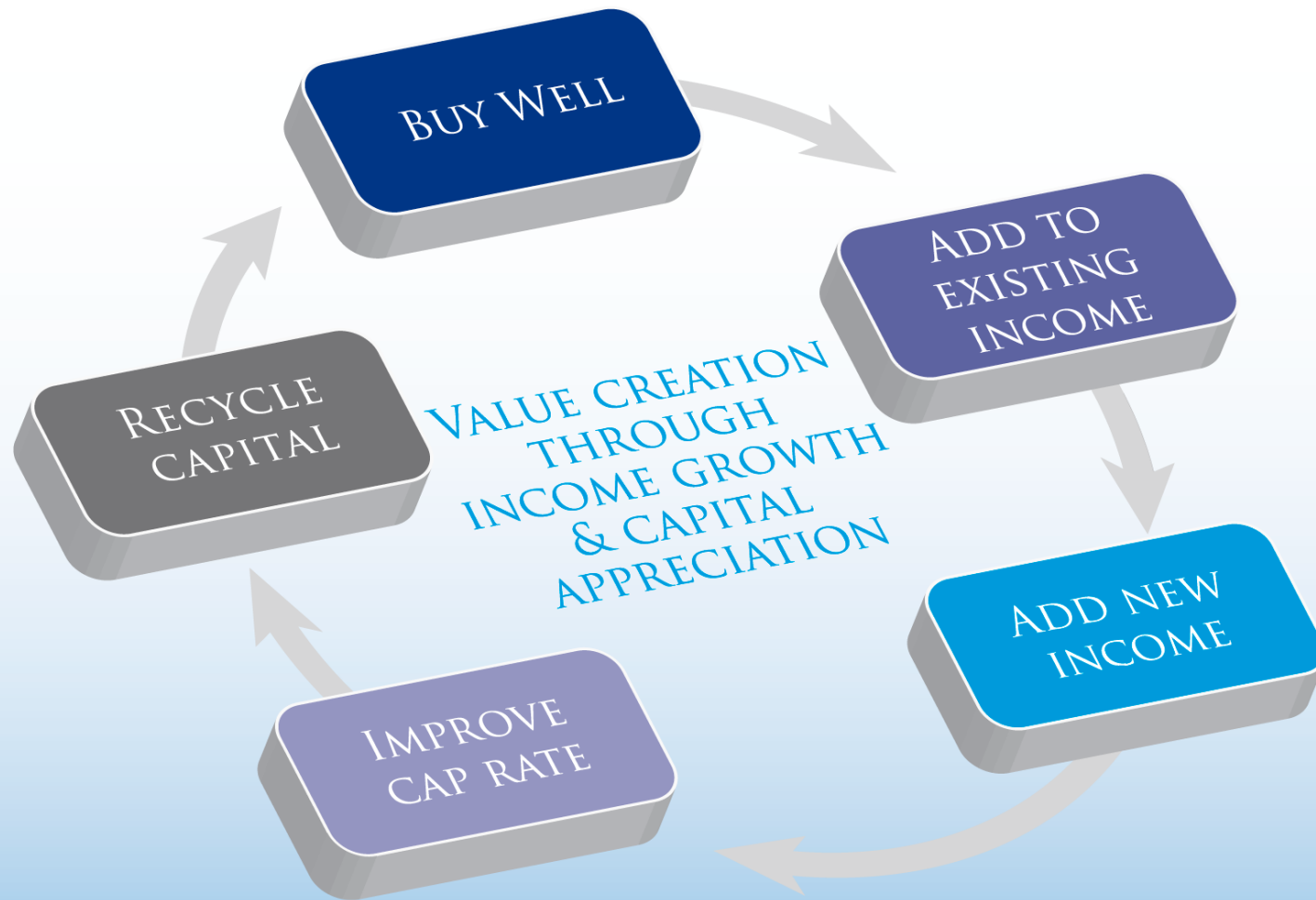
Full-year results to March 2011

19 May 2011

Business Highlights since IPO

- Nimble specialist REIT investing across all retail subsectors
- Purchased £176m in 14 acquisitions across retail parks and foodstores
- Committed £9m of capex to accretive asset management initiatives
- Valuation uplift £16.6m (+9.5%) or £7.6m (+4.1%) after acquisition costs
 - Total return 16.5% vs IPD Retail at 11.7%
 - 80% of valuation uplift comes from direct management actions
- Rental income uplift £1.5m (+14.5%)
 - Generating yield on marginal capex of 13.5%
 - Underlying rental income up 10.4%
- Expect continued flow of buying opportunities over the next 12 months
 - £160m of firepower remaining, plus equity released from asset recycling

Delivering on Our Strategy to Create Value



Financial Results

Adjusted Profit

- Net rental income reflects average ownership less than five months
- Annualised rent roll £12m
- Administrative expenses includes one off costs of £350,000

Net Asset Value

- Revaluation generated 4p uplift in NAV
- NAV per share of 101p – absorbed 8.5p of share issue and property acquisition costs

Dividend

- Maiden dividend of 0.6p in line with PID requirement

Income Statement

Net rental income (£m)	4.6
Administrative expenses (£m)	(4.4)
Net Interest income (£m)	0.9
Adjusted profit (£m)	1.1
EPS (p)	4.4
Adjusted EPS (p)	0.5

Movement in NAV

pence

Gross IPO proceeds	100
Share issue costs	(4)
Adjusted earnings	1
Revaluation surplus	4
NAV per share at 31 March 2011	101

Dividend

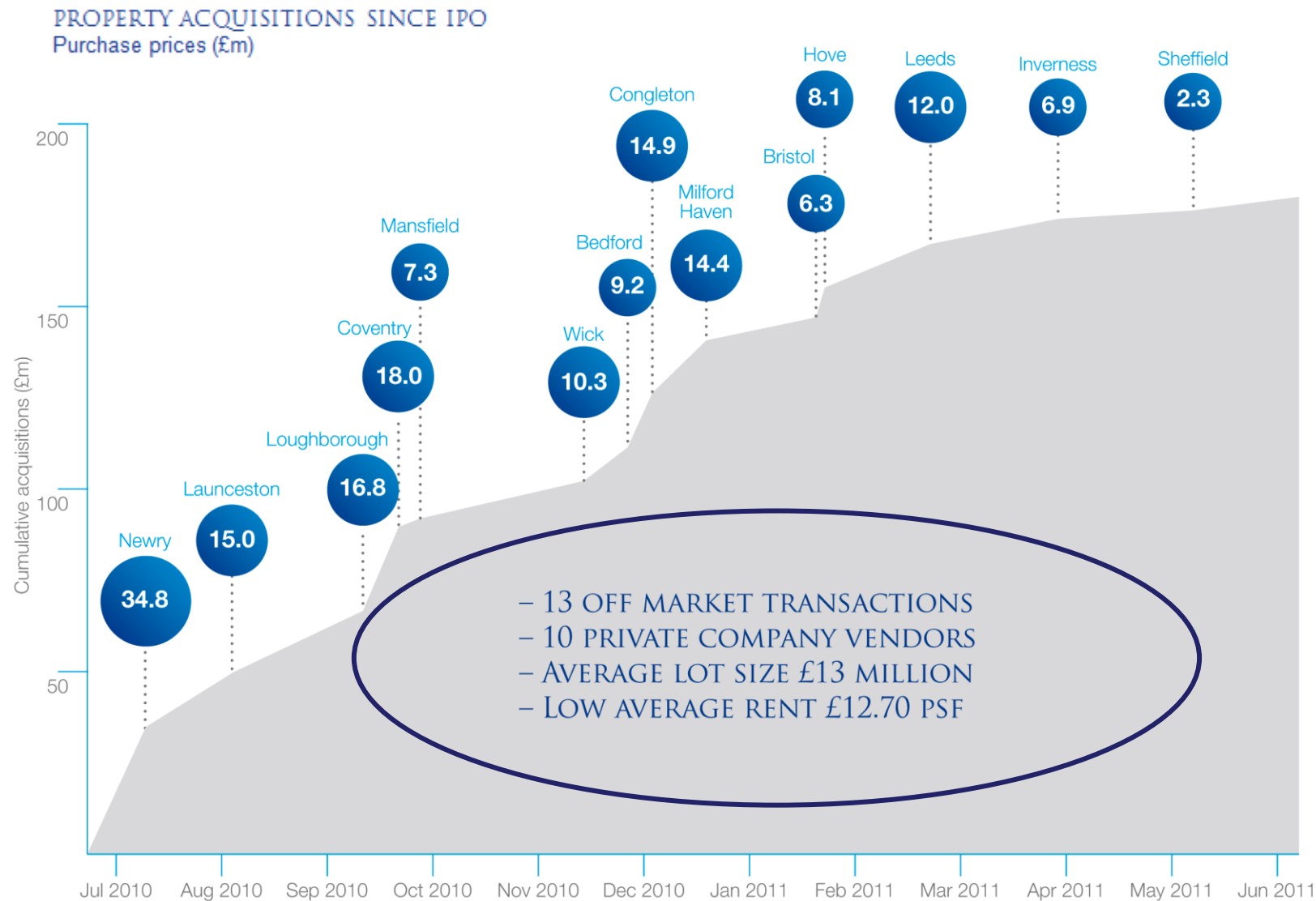
Total (£m)	1.1
Per share (p)	0.6

Financing

- All acquisitions to date financed from cash resources
- Cash on deposit as at 31 March 2011 of £28m against commitments of £36m
- New Eurohypo facility of £34.7m
- £84.7m unutilised committed facilities (secured)
- Conservative approach to hedging
 - mixture of caps and swaps
 - flexibility to minimise over hedging risk
 - benefit if rates stay low
- Pre hedged 80% Eurohypo facility
 - spot all in cost of debt 4.2%

	Royal Bank of Scotland	Eurohypo
	5 year Revolving Credit facility	5 year term facility
Amount	£50m	£34.7m
Margin	170 – 180 bps	180bps
Covenants		
-Loan to value	<65%	<70%
-Interest rate cover	≥1.75x	≥ 2.0 x
Hedging	≥60%	≥ 80%

£176m of acquisitions to date across 14 assets



Shape of Portfolio

Partnering

- Retailer initiated
- Asset management opportunities to:
 - Extend
 - Re-gear
 - Redevelop
 - Refurbish
- Limited risk
- Pre-let with long income
- Target geared IRR: 15%+

Investments

- Well let – long and strong income
- Passing rents < £15 psf
- High occupier contentment
- Asset management initiatives:
 - Lease re-gear
 - Improve tenant mix
 - Extension potential
 - Unit sub-division
- Target geared IRR: 12-15%





Redevelopments

- Favourable planning outlook
- Advantageous demand / supply balance
- Risk mitigation:
 - Pre-let with long income
 - Detailed planning consent
 - Fixed price contract
- Target geared IRR: 20%+

Property Portfolio

PARTNERING

Investment value: £5-15 million

	PC World, Old Shoreham Road, Hove 14 YEARS <small>WAULT</small> 19,300 <small>Sq ft</small> £27.00 <small>Average rent psf</small> Key tenants PC World
	DFS, Milburn Road, Inverness 18 YEARS <small>WAULT</small> 30,000 <small>Sq ft</small> £21.15 <small>Average rent psf</small> Key tenants DFS, Carpetright
	Nottingham Road Retail Park, Mansfield 15 YEARS <small>WAULT</small> 47,100 <small>Sq ft</small> £17.00 <small>Average rent psf</small> Key tenants Currys, PC World, Megastore
	DFS, St Mary's Road, Sheffield 20 YEARS <small>WAULT</small> 28,000 <small>Sq ft</small> £18.75 <small>Average rent psf</small> Key tenants DFS







INVESTMENTS

Investment value: £10-40 million

	Congleton Retail Park, South Manchester 14 YEARS <small>WAULT</small> 64,600 <small>Sq ft</small> £15.20 <small>Average rent psf</small> Key tenants M&S Simply Food, Boots, Laura Ashley
	Airport Retail Park, Coventry 10 YEARS <small>WAULT</small> 102,500 <small>Sq ft</small> £12.50 <small>Average rent psf</small> Key tenants Currys, PC World, Megastore, Dunelm, Halfords
	Launceston Retail Park, Cornwall 13 YEARS <small>WAULT</small> 78,100 <small>Sq ft</small> £13.05 <small>Average rent psf</small> <small>(Includes phase II acquisition)</small> Key tenants New Look, Peacocks, Pets at Home, Focus
	Morrisons Supermarket, Loughborough 7 YEARS <small>WAULT</small> 51,200 <small>Sq ft</small> £16.50 <small>Average rent psf</small> Key tenants Morrisons

REDEVELOPMENT

Investment value: £5-15 million

	Havens Head Retail Park, Milford Haven 14 YEARS <small>WAULT</small> 85,700 <small>Sq ft</small> £11.55 <small>Average rent psf</small> Key tenants Tesco, Littlewoods, Peacocks, BeWise		Channons Hill Retail Park, Bristol 1 YEAR <small>WAULT</small> 63,000 <small>Sq ft</small> £9.30 <small>Average rent psf</small> Key tenants Currys
	Damolly Retail Park, Newry 15 YEARS <small>WAULT</small> 161,500 <small>Sq ft</small> £14.50 <small>Average rent psf</small> Key tenants B&Q, Mothercare, Lidl, Next		Bhs, Kirkstall, Leeds 4 YEARS <small>WAULT</small> 120,000 <small>Sq ft</small> £4.15 <small>Average rent psf</small> Key tenants Bhs
	Wick Retail Park, Scotland 12 YEARS <small>WAULT</small> 60,700 <small>Sq ft</small> £11.10 <small>Average rent psf</small> Key tenants Homebase, Argos, New Look, Pets at Home		Alban Retail Park, Bedford 3 YEARS <small>WAULT</small> 65,000 <small>Sq ft</small> £11.00 <small>Average rent psf</small> Key tenants Focus, Dunelm

WAULT – Weighted average unexpired lease term of 11.8 years to expiry (11.1 years to first break)

Outlook

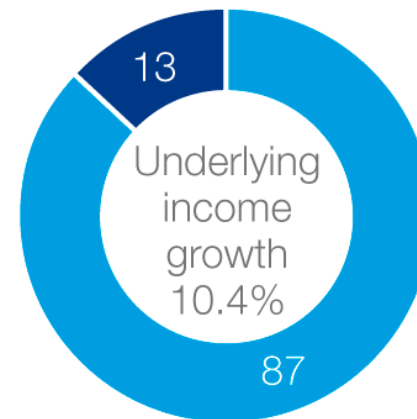
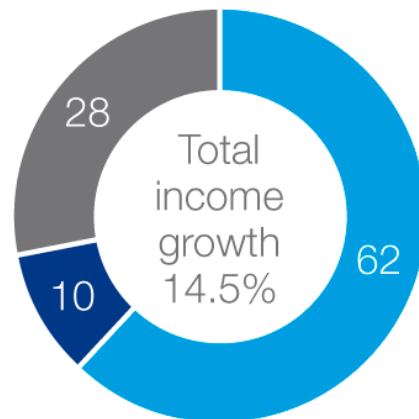
- Vendor refinancing pressures creating opportunities
 - Private property companies will become 'motivated' vendors
 - Expiring swaps will 'release' sales
- Continuous flow of shopping centre opportunities
- Limited retail park investment activity
 - Retail Partnering growing
 - Redevelopment opportunities remain
- Significant institutional equity available/considerable competition
- Remain disciplined with bottom up approach to acquisitions
- Interesting pipeline

Delivering on Asset Management Initiatives

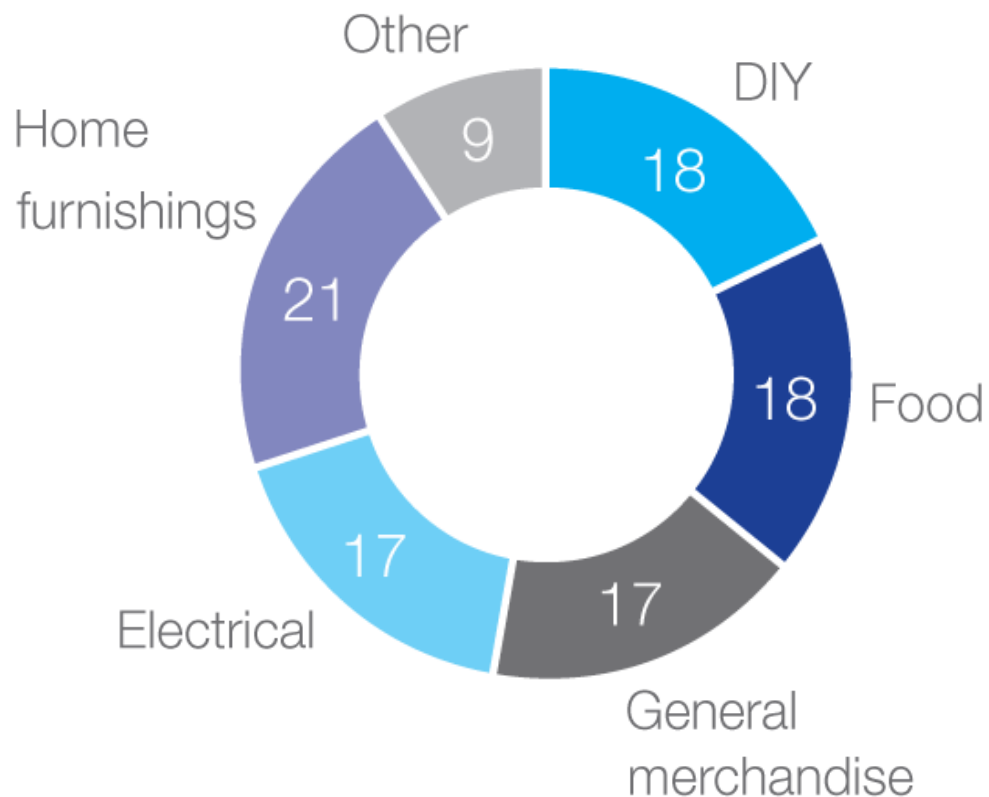
- 20 transactions with 14 retailers across 11 properties and 385,000 sq ft
 - new lettings lease terms > 15 years
 - new lettings > £5.50 psf above previous passing rent
 - re-gears > £3.50 psf above previous passing rent
 - rent reviews achieved 15% above previous passing rent
 - 150,000+ sq ft of new planning consents granted over 4 properties
- Total income growth of 14.5% (underlying up 10.4%)

Contributors to growth:

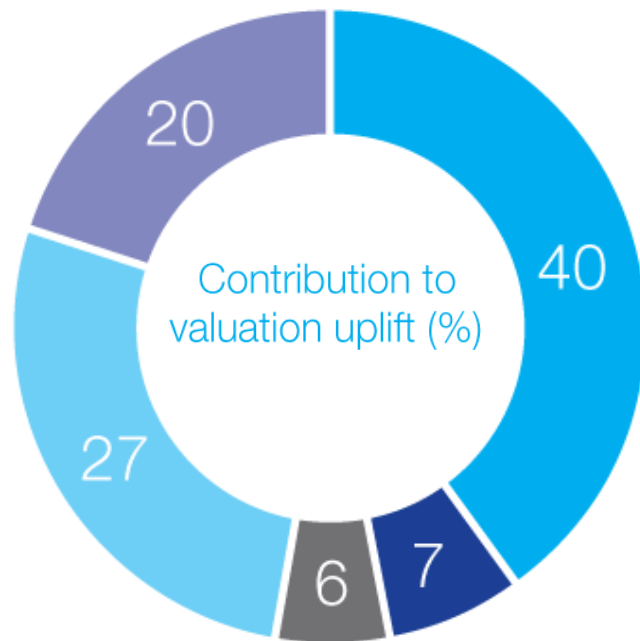
- New letting and re-gears
- Rent reviews
- New space



Broad Sector Exposure (weighted by income %)



Valuation: +9.5% or £16.6m on underlying property values ⁽¹⁾



● Lettings   
Launceston, Coventry, Congleton, Leeds, Inverness

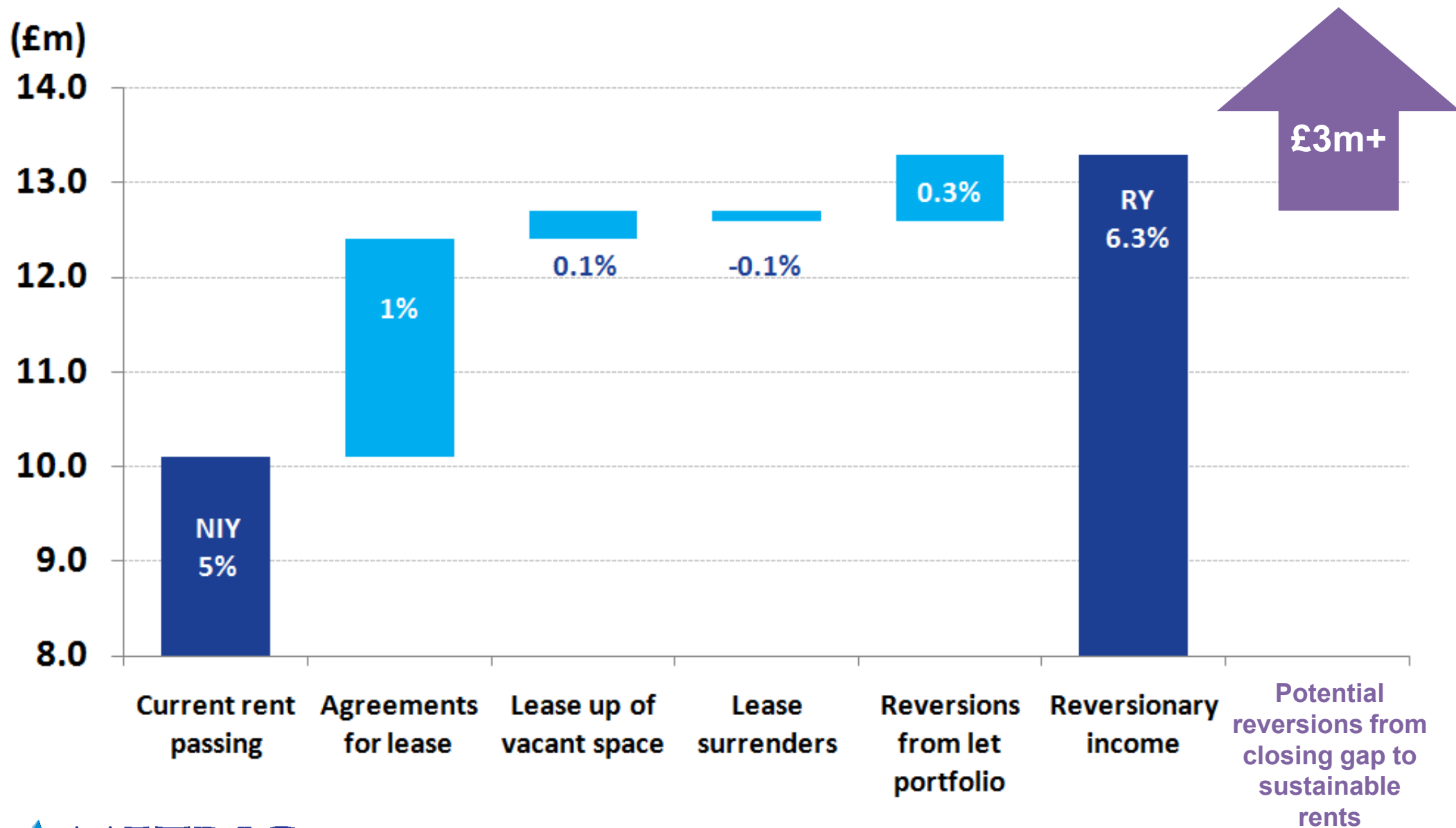
● Rent reviews  
Newry, Bedford, Hove

● New space
Bedford, Congleton, Hove

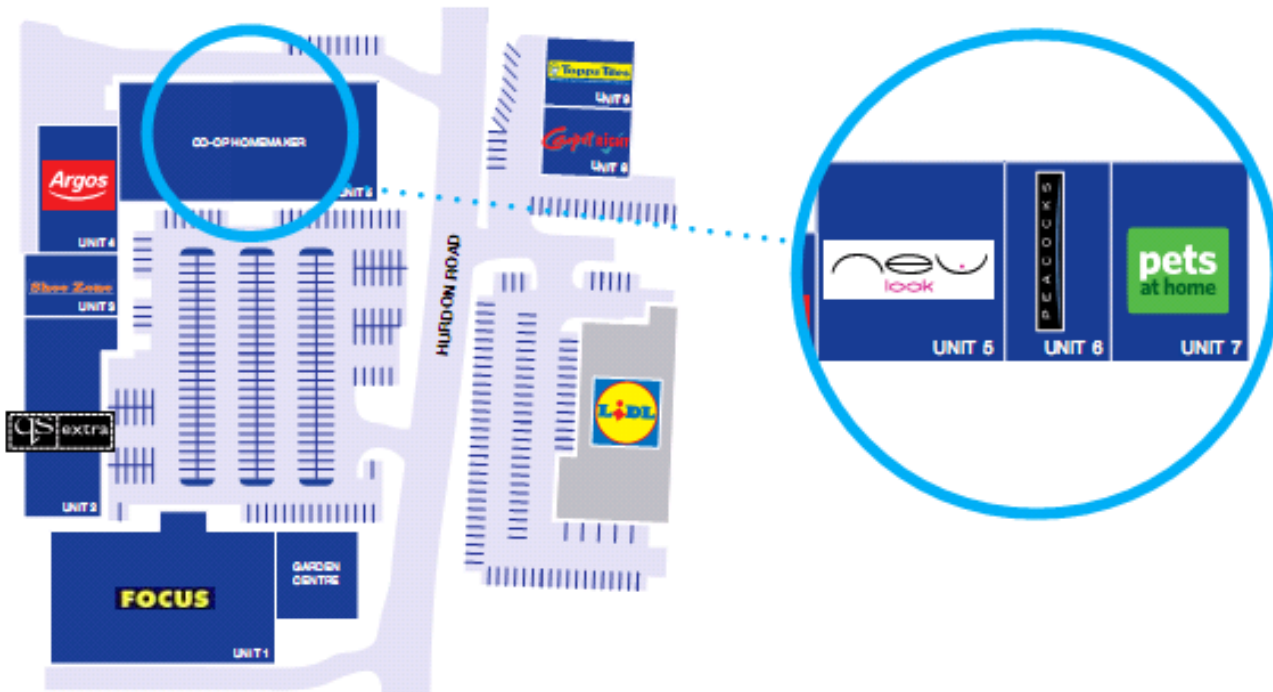
● Asset management yield shift  
Congleton, Launceston, Newry

● Market yield shift  
Milford Haven, Loughborough

Reversions captured – income yield rising



Launceston Case Study



- Acquired Aug-10 for £13.5m
- Open A1 planning consent, except for Focus unit
- Average rent £11.20 psf
- Surrender of Co-op unit, received £250,000 reverse premium

- Planning achieved to sub-divide Co-op unit into 3 units and upgrade elevation
- New leases completed with New Look, Peacocks and Pets at Home
 - £16.35 psf vs previous passing at £10.20 psf
- Average rent across the scheme increased to £13.20 psf +18%

Portfolio Metrics

- c. 1 million sq ft across retail park and foodstore subsectors
- Low average passing rent £12.70 psf (£14.50 psf on investments)
 - average sustainable rent £18.65 psf on investments
- High occupancy at 97%
- Annualised rent roll £12m
 - 14% of rent roll is subject to guaranteed uplifts
- Value add opportunities:
 - further asset management initiatives
 - new Retail Partnering
 - exciting Redevelopment opportunities

Market Outlook

- Dislocation between investment market and occupational market
 - Some yields unsupported by property fundamentals
- Retailer trading is tough – best operators seem to be winning
 - Demand for new space is polarised
 - Occupier mobility is becoming a real issue as leases begin to expire
- Future performance will be driven by ‘management induced’ income growth
- No longer a case of prime vs secondary
 - It’s more asset specific than that

Summary and Prospects

- Operate in sectors where we have a clear competitive advantage
 - Capitalise on asset management opportunities and accretive capital expenditure
 - Exploit the arbitrage between current and sustainable rents
 - Income growth is key to future outperformance
 - Retailer profitability and occupier contentment
- ➔ **Well positioned to take advantage of current market conditions**



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Current Portfolio Metrics ⁽¹⁾

Location	Date acquired	Inves'mt Area portfolio ⁽²⁾ (sq ft) (£mn)		Yield (%)	WAULT ⁽³⁾ (years)	Rent roll (£mn)	Average rent (£ psf)	Sustainable rent ⁽⁴⁾ (£ psf)	Future asset management angles
Newry	07-Jul-10	161,500	34.9	6.4%	14.4	2.3	14.50	22.00	Broaden planning consent, new pods
Launceston	04-Aug-10	78,100	16.1	6.2%	13.3	1.0	13.05	18.00	Surrender/subdivision, RRs
Loughborough	17-Sep-10	51,200	16.8	5.7%	7.4	1.0	16.50	20.00	Expansion/regear
Coventry	24-Sep-10	102,500	18.3	6.8%	9.9	1.3	12.50	18.00	Development site, car park extension
Mansfield	28-Sep-10	47,100	9.5	8.1%	14.8	0.8	17.00	17.00	Complete refurbishment
Congleton	Jun-11 ⁽⁵⁾	64,600	15.2	5.7%	13.5	0.9	15.20	18.50	Development site/pod
Wick	16-Nov-10	60,700	10.3	6.5%	12.1	0.7	11.10	13.00	Upsize/regear, RRs, tenant mix
Milford Haven	13-Dec-10	85,700	14.4	6.8%	13.5	1.0	11.55	14.00	RR, extension, tenant mix
Hove	19-Jan-11	19,300	8.1	6.1%	13.6	0.5	27.00	30.00	Planning, extension, reconfigure
Inverness	18-Apr-11	30,000	8.4	7.2%	18.3	0.6	21.15	21.15	Developing new unit
Sheffield	10-May-11	28,000	5.6	9.0%	19.9	0.4	18.75	20.00	Planning, subdivision
Sub-total - investment portfolio		728,700	157.4	6.6%	13.2	10.6	14.50	18.65	
Redevelopments									
Bedford	26-Nov-10	65,000	9.2	7.3%	3.1	0.7	11.00	na ⁽⁶⁾	RR, regear/downsize, tenant mix, pods
Bristol	18-Jan-11	63,000	6.3	7.2%	1.2	0.5	9.30	na ⁽⁶⁾	Reconfigure, refurbishment, tenant mix
Kirkstall	18-Feb-11	120,000	12.0	3.9%	3.8	0.5	4.15	na ⁽⁶⁾	Redevelopment
Sub-total - redevelopments		248,000	27.5	5.8%	2.8	1.7	7.15	na	
Total		976,700	185.0	6.5%	11.8	12.3	12.70	na	

(1) Retail portfolio as at 18-May-11, excluding residential at Loughborough and Coventry and PFS at Loughborough

(2) Purchase price plus committed capital

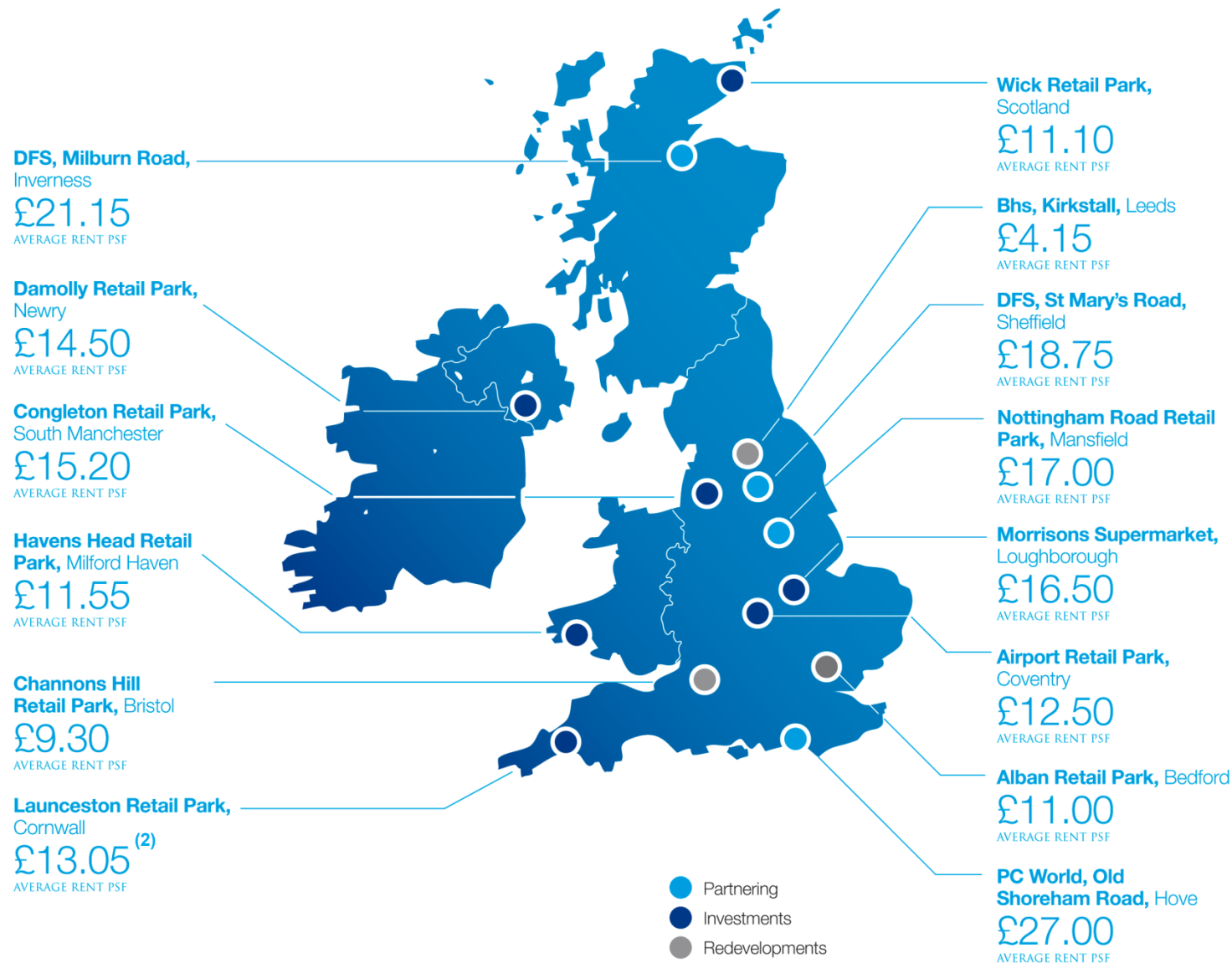
(3) Weighted average unexpired lease term – to expiry (11.1 years to first break)

(4) Management view of sustainable rent - not tied to valuer's ERV

(5) Completion scheduled for June 2011

(6) Sustainable rent only provided on standing investments

£195m⁽¹⁾ Investment Portfolio Across 14 Retail Schemes

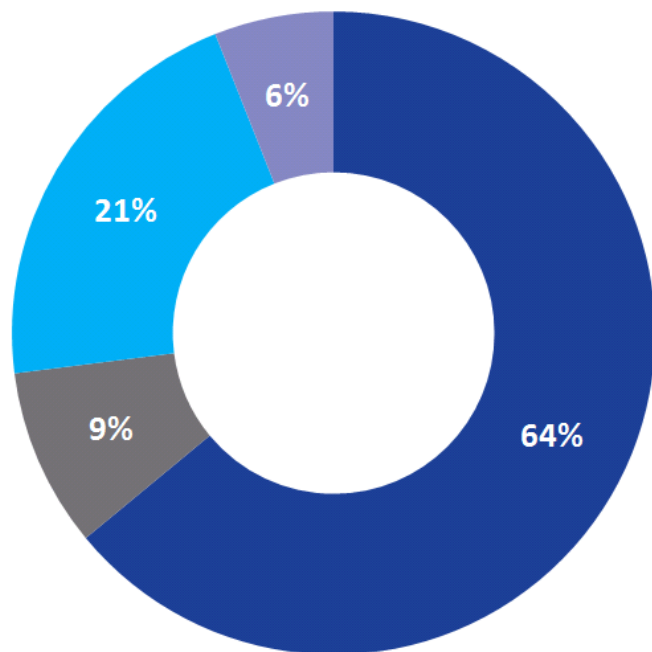


Notes

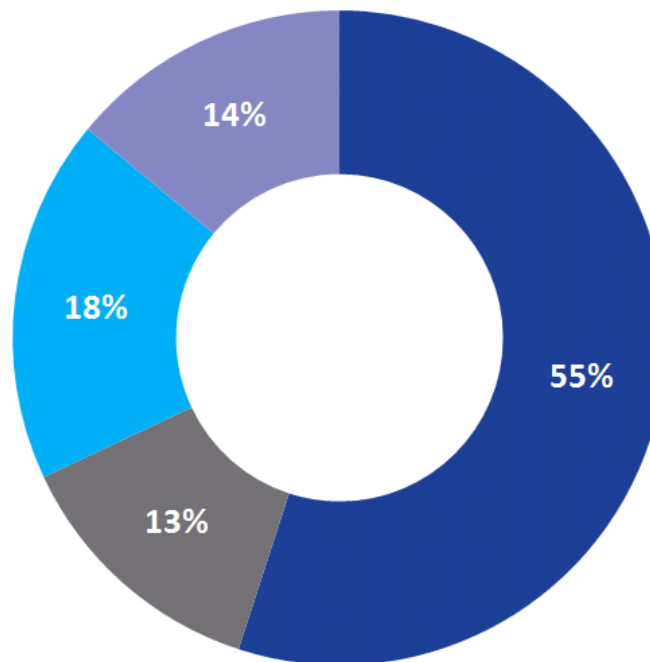
- 1 Portfolio valuation as at 31 March 2011 of £192.4m plus post balance sheet acquisition of Sheffield for £2.3m
- 2 Includes subsequent acquisition of adjoining site

UK comparison goods - distribution of sales

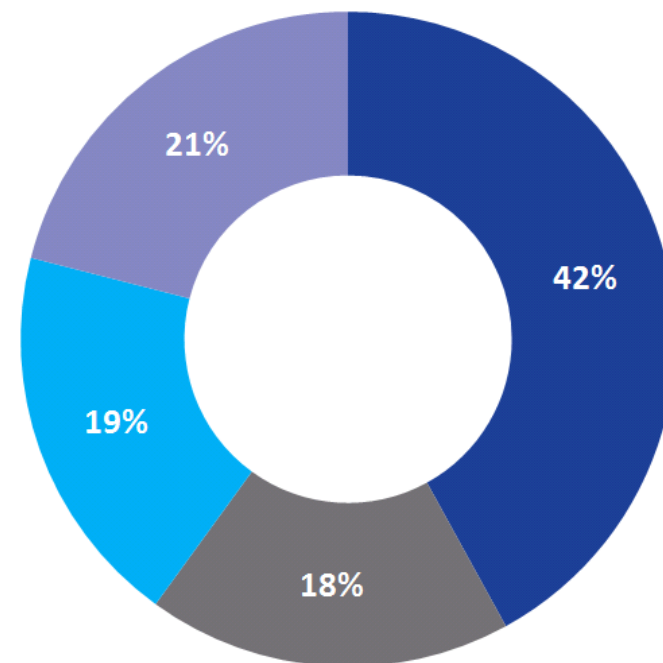
2005



2010



2020



● Town centres ● Supermarkets ● Out of town ● Internet

Out of Town – Dynamic Retail Market

Expanding

ASDA

COSTA

HOBBYCRAFT

The Arts & Crafts Superstore



BRANTANO

Sainsbury's



next

dfs

SPORTS DIRECT.COM

PEACOCKS

DEBENHAMS

H&M M&S

JD

pets at home

Contracting

OHMV.co.uk

Blacks
THE OUTDOOR EXPERTS

FOCUS
diy & gardening

Allied CARPETS

COMET



Rightsizing

Arcadia Group Limited

currys



HOME BASE

PC World

mothercare



Carpet RIGHT

New Entrants

next
HOME

ASDA
LIVING

M&S
SIMPLY
FOOD

John Lewis

Waitrose

home bargains



The **R**ange
Home, Leisure & Garden

SMYTHS