

# Half Year Results to September 2012

9<sup>th</sup> November 2012



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# Half Year 2013 Financial Highlights

- NAV flat at 107p (H1-12: 104p, up 3%)
- Underlying EPRA PBT, up 35% to £3.5m (H1-12: £2.6m)
  - Including H1-12 £1.3m surrender premium, EPRA PBT down 11% (H1-12: £3.9m)
- Underlying EPRA EPS 1.8p, up 35% (H1-12: 1.4p)
  - Including H1-12 surrender premium 0.7p, EPRA EPS down 11% (H1-12: 2.1p)
- DPS up 80% to 1.8p (H1-12: 1.0p)
- New £75m MIPP debt facility, total facilities stand at £189.7m (£139.7m at share)
  - LTV 22%, cost of debt 3.7%<sup>(1)</sup>

(1) Weighted average cost of debt once fully drawn

# Half Year 2013 Operational Highlights

- Occupancy over 99% (FY-12: 97.5%),  
WAULT 11.5 years (10.8 years to first break)
- Portfolio valued at £266.2m across 25 retail properties
  - Valuation surplus £0.7m or 0.3%
    - Development portfolio revaluation surplus £3.3m (+11.8%)
    - Investment portfolio revaluation deficit £2.6m (-1.1%), 15bps outward market yield shift
- Rental income up 13.1% to £17.3m (FY-12: £15.3m), like-for-like up 2.8%
- 11 occupier transactions, including 6 new lettings across 53,000 sq ft
- Development completions: Cannock, Sheffield, Bishop Auckland phase 1
  - Planning gains: 92,000 sq ft; Planning submissions pending approval: 113,000 sq ft

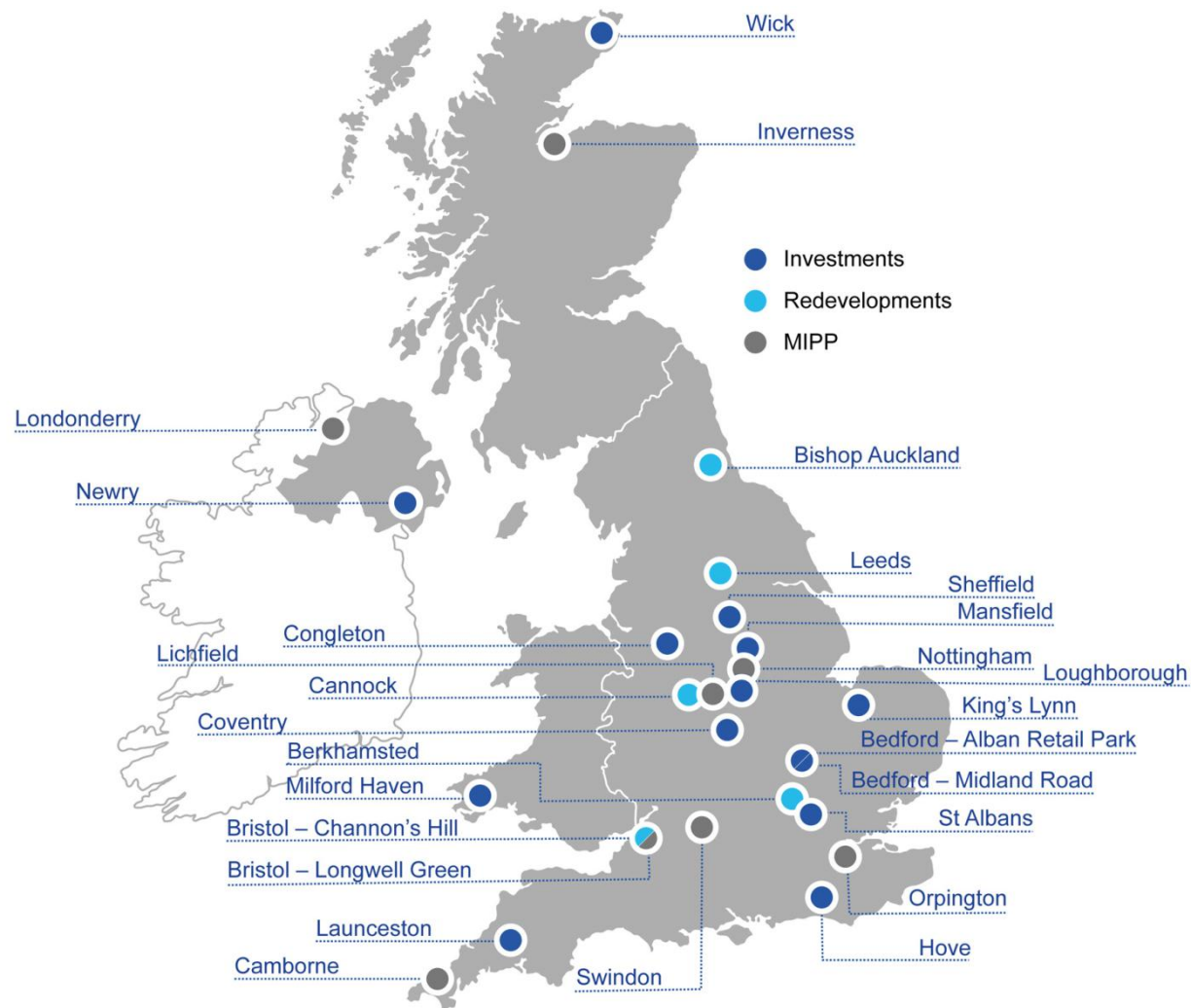
# Strong Returns Relative to IPD

(At 30 September 2012)

Portfolio total return (%)			
	Metric	IPD <sup>(1)</sup> Outperformance	
Capital return	0.5	-2.3	2.8
Income return	2.6	2.9	-0.3
Total	3.1	0.5	2.6

(1) IPD All Retail Quarterly Benchmark

# Geographic Diversification Across the UK



(1) The investment portfolio represents the valuation as at 30 September 2012 of £266.2m including post period end acquisitions totalling £14.9m for MIPP (Metric's one-third share £5.0m), comprising Lichfield Retail Park, Lichfield for £11.0m (Metric's share £3.7m) and Mansfield Road, Nottingham for £3.9m (Metric's one-third share £1.3m).

£271m<sup>(1)</sup> portfolio across 27 retail schemes

# Portfolio Diversification Through Three Silos

## INVESTMENTS

### Investment Value: £5 - 40m

#### Alban Retail Park, Bedford



**12 YEARS**  
WAULT

**Key tenants**  
Dunelm, Jollies, B&M

#### Midland Road, Bedford



**11 YEARS**  
WAULT

**Key tenants**  
Next, Iceland

#### Longford Island, Cannock



**19 YEARS**  
WAULT

**Key tenants**  
DFS

#### Congleton Retail Park, South Manchester



**9 YEARS**  
WAULT

**Key tenants**  
M&S Simply Food, Boots, Laura Ashley

#### Airport Retail Park, Coventry



**8 YEARS**  
WAULT

**Key tenants**  
Currys PC World Megastore, Halfords, Dunelm

#### PC World, Old Shoreham Road, Hove



**13 YEARS**  
WAULT

**Key tenants**  
Hobbycraft, PC World

#### Pierpoint Retail Park, Kings Lynn



**3 YEARS**  
WAULT

**Key tenants**  
Homebase, Next, DFS

#### Launceston Retail Park, Cornwall



**12 YEARS**  
WAULT

**Key tenants**  
New Look, Pets at Home, S9p Stores, B&Q, Argos

#### Morrisons Supermarket, Loughborough



**6 YEARS**  
WAULT

**Key tenants**  
Morrisons

#### Nottingham Road Retail Park, Mansfield



**13 YEARS**  
WAULT

**Key tenants**  
Currys PC World Megastore

#### Havens Head Retail Park, Milford Haven



**13 YEARS**  
WAULT

**Key tenants**  
Tesco, Home Bargains, Peacocks, Boots

#### Damolly Retail Park, Newry



**13 YEARS**  
WAULT

**Key tenants**  
B&Q, Mothercare, Lidl, Next

#### DFS, St Mary's Road, Sheffield



**15 YEARS**  
WAULT

**Key tenants**  
DFS, Wren Kitchen

#### Dunelm, Alban Park, St Albans



**8 YEARS**  
WAULT

**Key tenants**  
Dunelm

#### Wick Retail Park, Scotland



**11 YEARS**  
WAULT

**Key tenants**  
Homebase, Argos, New Look, Pets at Home

## MIPP

### Investment Value: £2 - 20m

#### Longwell Green, Bristol



**18 YEARS**  
WAULT

**Key tenants**  
DFS, Carpetright

#### B&Q, Camborne



**15 YEARS**  
WAULT

**Key tenants**  
B&Q

#### DFS, Milburn Road, Inverness



**16 YEARS**  
WAULT

**Key tenants**  
DFS, Carpetright

#### Lichfield Retail Park, Lichfield



**15 YEARS**  
WAULT

**Key tenants**  
Wickes, Pets at Home, Halfords, Carpetright

#### Faustina, Londonderry



**18 YEARS**  
WAULT

**Key tenants**  
B&Q, Dunelm

#### Sevenoaks Way, Orpington



**14 YEARS**  
WAULT

**Key tenants**  
Carpetright

#### Flemingway Retail Park, Swindon



**19 YEARS**  
WAULT

**Key tenants**  
The Range, Halfords

#### Mansfield Road, Nottingham



**18 YEARS**  
WAULT

**Key tenants**  
Wickes

## REDEVELOPMENTS

### Investment Value: £5 - 40m

#### M&S, Berkhamsted



**20 YEARS**  
WAULT

**Key tenants**  
M&S Simply Food

#### Tindale Crescent, Bishop Auckland



**12 YEARS**  
WAULT

**Key tenants**  
Boots, Next, M&S, Brantano, Pets at Home

#### Channons Hill Retail Park, Bristol



**7 YEARS**  
WAULT

**Key tenants**  
Currys, B&M, Iceland

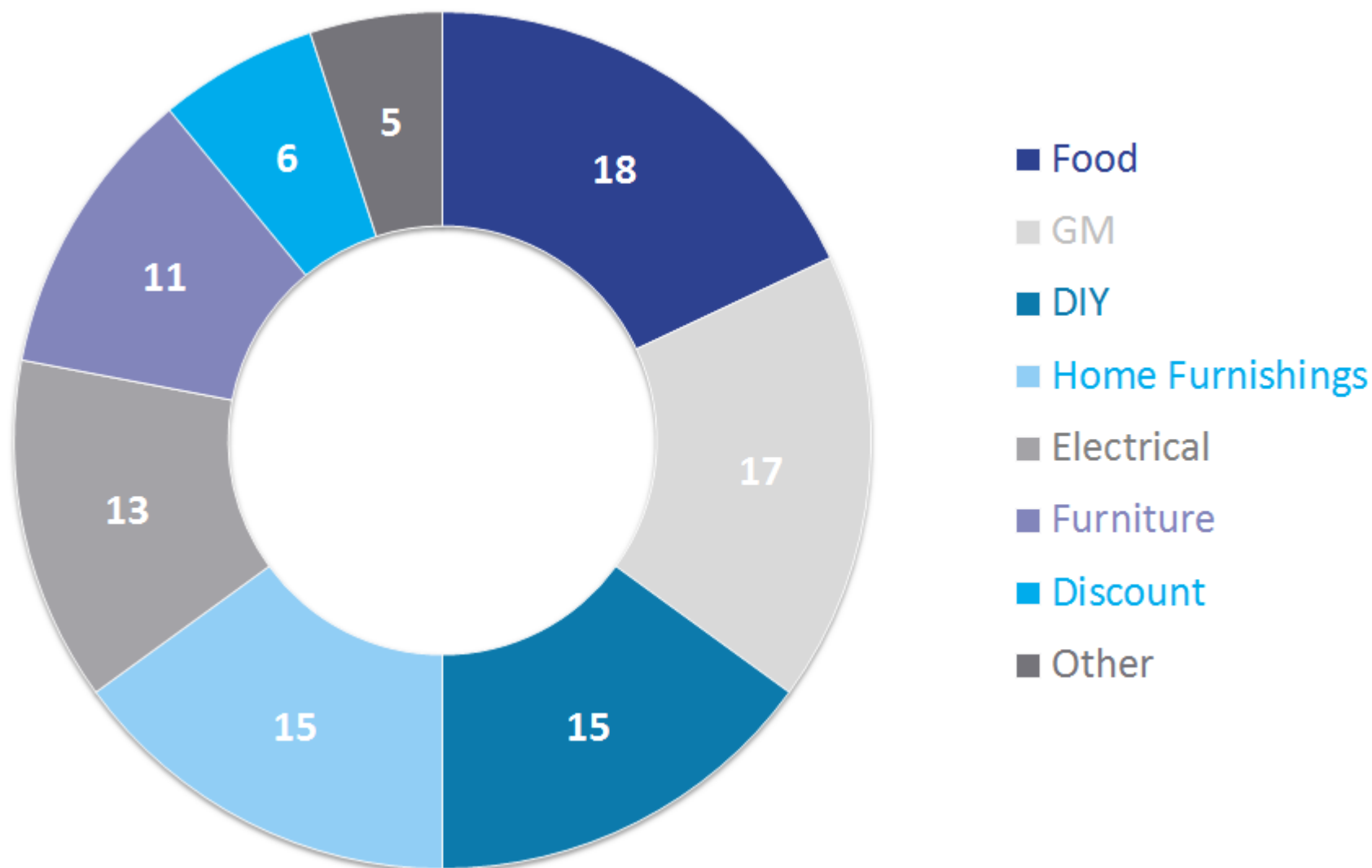
#### Bhs, Kirkstall, Leeds



**2 YEARS**  
WAULT

**Key tenants**  
Bhs, M&S, Outfit

# Broad Sector Exposure



16% of investment portfolio income subject to fixed uplifts

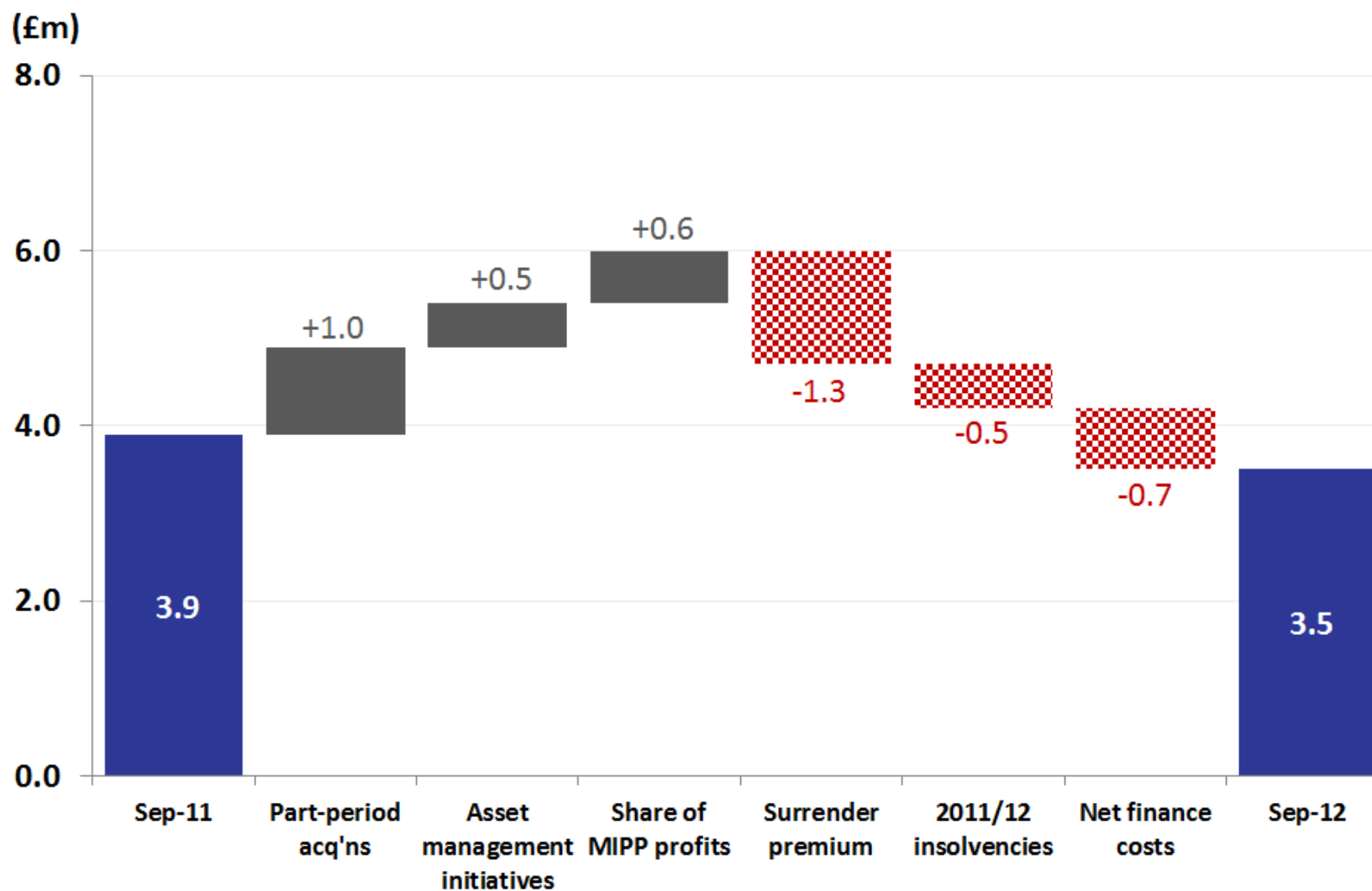
# Income Statement

## Half year to 30 September (£m)

	2012	2011	Change (%)
Net rental income - excluding surrender premium	6.2	5.2	21
Surrender premium (one-off)	-	1.3	
Net rental income	6.2	6.5	(4)
Administrative expenses	(2.1)	(2.1)	-
Net interest	(1.2)	(0.5)	138
Share of MIPP EPRA profit	0.6	-	
EPRA PBT	3.5	3.9	(11)
Underlying EPRA PBT	3.5	2.6	35
EPRA EPS (p)	1.8	2.1	(11)
Underlying EPS (p) - excluding surrender premium	1.8	1.4	35
DPS (p)	1.8	1.0	80

(1) After deducting property operating costs of £0.1m (2011: £0.1m)

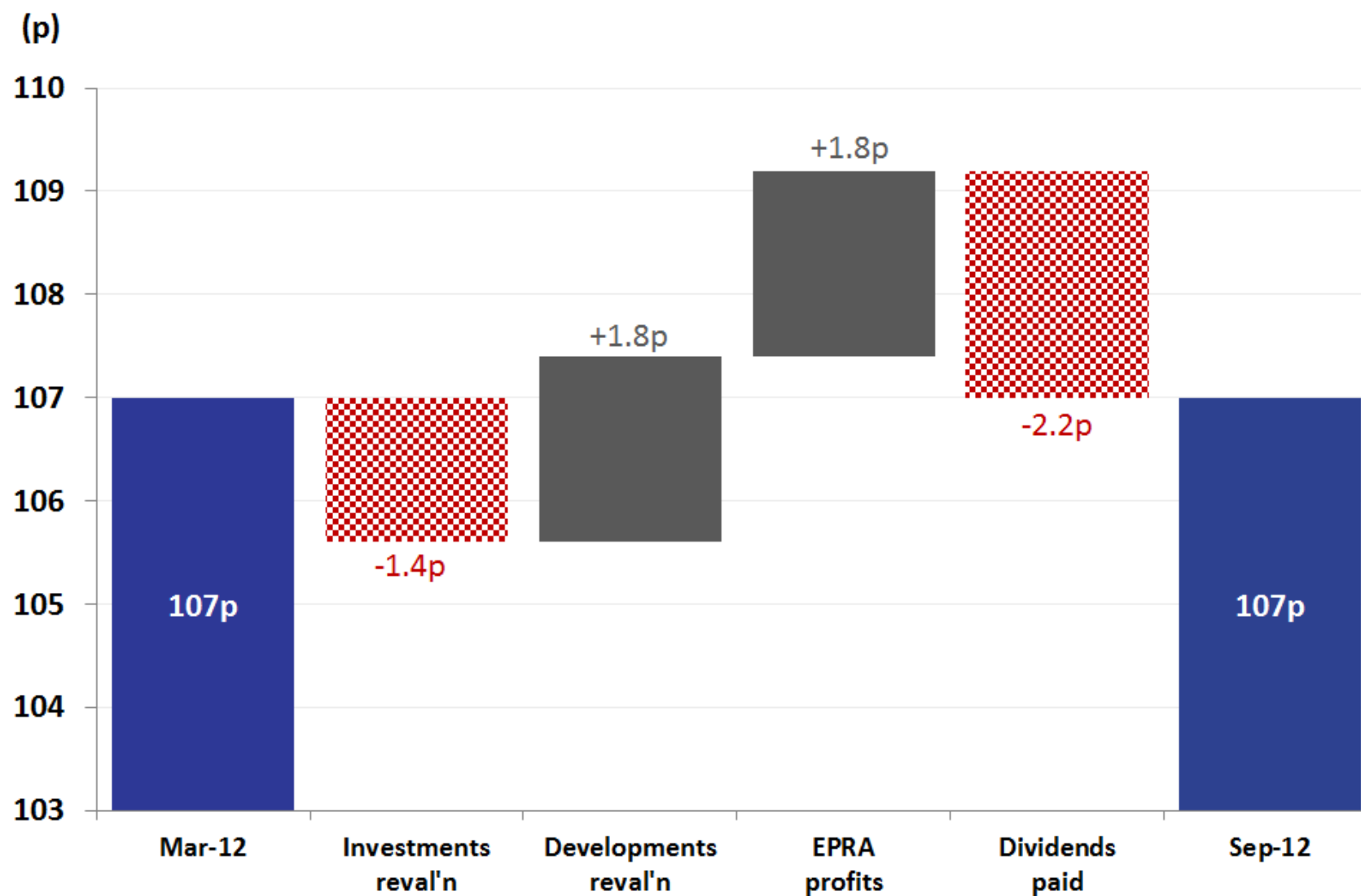
# Movement in EPRA PBT (to 30 September 2012)



# Balance Sheet

(£m)	Sep 2012	Mar 2011	Change
<b>Portfolio value</b>	<b>266.2</b>	<b>237.5</b>	<b>28.7</b>
Investments	205.3	191.5	13.8
Developments	40.8	34.4	6.4
MIPP joint venture	20.1	11.6	8.5
Net current assets	(8.2)	(5.7)	(2.5)
Net debt	(57.9)	(30.5)	(27.4)
<b>Net assets</b>	<b>200.1</b>	<b>201.3</b>	<b>(1.2)</b>
FV adj of derivative financial instruments	2.7	1.6	1.1
<b>EPRA net assets</b>	<b>202.8</b>	<b>202.9</b>	<b>(0.1)</b>
EPRA NAV per share (p)	107	107	
LTV (%)	22	13	

# Movement in NAV (to 30 September 2012)



# Recent Acquisitions

Investments



**Dunelm, Alban Park, St Albans**

Total capex £4.6m, yoc 7.75%

Fully let to Dunelm

Trading from 25,300 sq ft

MIPP



**Faustina RP, Londonderry**

Total capex £17.4m, yoc 7.5%

Fully let to B&Q and Dunelm

Trading from 102,400 sq ft

MIPP



**Lichfield Retail Park, Lichfield**

Total capex £10.95m, yoc 6.6%

63% of income RPI-linked

45,000 sq ft anchored by Wickes

Investments



**Midland Road, Bedford**

Total capex £5.7m, yoc 7.0%

Let to Next & Iceland

MIPP



**B & Q Camborne, Cornwall**

Total capex £8.2m, yoc 7.3%

Fully let to B&Q

MIPP



**Mansfield Road, Nottingham**

Total capex £3.9m, yoc 7.3%

23,600 sq ft fully let to Wickes

- Income security & longevity is the key pricing metric
- Vendor refinancing pressures are creating more opportunities
  - Banks now unloading assets and debts
  - Receivership opportunities rising
- Financing is harder and is more expensive
  - Debt buyers retreating
- Looking ahead:
  - Impending Fund expiries
  - Retail funds (redemptions/over exposure)
  - More 'short cycle' redevelopment opportunities
  - Increasing distressed/motivated vendors (debt/CMBS refinance pressures)

Receivership opportunities on the rise

## Asset management activity

	1H-12	2H-12	1H-13
Occupancy (%)	96.9	97.5	99.2
Number of occupier transactions	9	16	11
Like-for-like rental uplift (%)	-3.2	6.5	2.8
New lettings (sq ft)	83,700	125,200	53,100
Lease re-gears/rent reviews (sq ft)	59,500	10,900	29,900
Annualised income secured (£m)	1.3	2.1	1.3

**As at 30 September 2012**

<b>Average rent (£ psf)</b>	<b>14.75</b>
<b>Average rent at purchase (£ psf)</b>	<b>13.75</b>
<b>Rents subject to fixed uplifts (%)</b>	<b>15.7</b>
<b>Rents expiring over next 3 years (%)</b>	<b>5.6</b>

<b>Initial yield (%)</b>	<b>6.4</b>
<b>Topped up yield (%)</b>	<b>6.8</b>
<b>WAULT to expiry (years)</b>	<b>11.5<sup>(1)</sup></b>
<b>Planning - Open A1 (%)</b>	<b>47.0</b>

(1) Weighted average unexpired lease term to first break 10.8 years

**As at 30 September 2012**

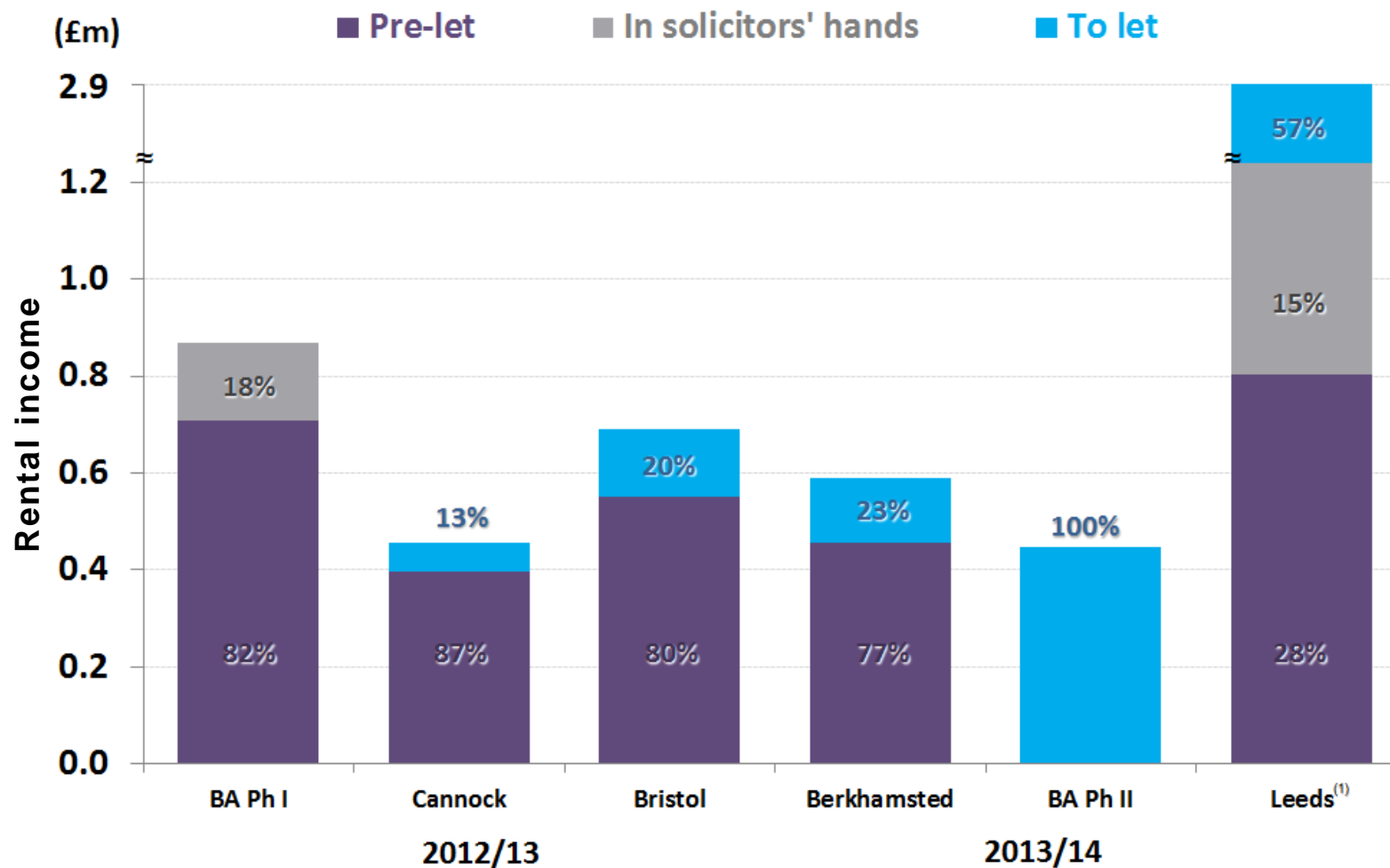
	No.	Sq ft	Rent (£ psf)	WAULT (years)	
				To expiry	To 1st break
Lettings	6	53,100	16.20	14.4	12.3
Rent reviews	5	29,900	16.10	na	na
<b>Total</b>	<b>11</b>	<b>83,000</b>	<b>16.15</b>	<b>14.4</b>	<b>12.3</b>

- Occupancy over 99%, up from 97.5% at year-end
- Like-for-like rental growth 2.8%, average portfolio rents £1.00 psf higher than at purchase
- Post period end only 1 Comet unit in administration (£110,200 annual rent or 0.6% of rent roll)



- Conditionally acquired 90 acres on the outskirts of St Austell
- Planning application submitted
- Propose to develop a new 103,000 sq ft retail park
  - Anchored by 68,000 sq ft Sainsbury's supermarket (pre sold)

# Generating Alpha Through Redevelopments



(1) Anticipated rental income at Kirkstall, Leeds of £2.9m, of which To let comprises £1.7m or 57%

# Redevelopments – Planning Gains

Scheme	Sq ft	Comment	Status	
			Planning	Construction
Bishop Auckland (BA)	49,000	New Open A1 retail park development	Received	PC Imminent
Cannock	24,500	New 3-unit redevelopment	Received	PC Imminent
Bristol	40,000	Subdivision of 30,000 sq ft ex-Focus unit and 10,000 sq ft smaller unit	Received	Onsite, due to complete early 2013
Berkhamsted	22,500	Food store development	Received	To start spring 2013
Leeds	105,000	New Open A1 shopping park development	Received	To start late spring 2013
BA Ph 2	27,000	New Open A1 retail park development	Received	Pre-letting underway
<b>Total</b>	<b>268,000</b>			
Newry	9,700	Relaxation of existing use	Pending	Conditional on planning
St Austell	103,000	New Open A1 shopping park development	Pending	Conditional on planning
	<b>112,700</b>	<b>Planning applications pending consent</b>		

# Timing & Cost to Complete of Developments

Scheme	Timing <sup>(1)</sup>		Rent roll (£m)	CTC <sup>(2)</sup> YOC on PC <sup>(3)</sup>	
	Onsite	PC		(£m)	(%)
Cannock	Q1-13	Imminent	0.5	1.9	7.7
Bishop Auckland (BA) Ph 1	Q1-13	Imminent	0.9	5.4	7.3
Leeds	Q1-14	Q2-15	2.9	21.0	8.4
Bristol - Channon's Hill	Q2-13	Q4-13	0.6	1.4	7.5
Berkhamsted	Q1-14	Q4-14	0.6	4.6	7.8
BA Ph 2	Q1-14	Q3-14	0.4	3.9	9.7
<b>Total</b>			<b>5.9</b>	<b>38.3</b>	<b>8.1</b>

(1) Based on financial year ended 31-Mar

(2) CTC = estimated cost to complete

(3) YOC on PC = estimated yield on cost on practical completion

# Top 10 Tenant Exposure (weighted by gross income %)<sup>(1)</sup>

Retailer	Rent (£m pa)	% of total rent	Market cap (£m) <sup>(2)</sup>
	2.1	12.0	873
	1.7	9.8	6,883 <sup>(3)</sup>
	1.3	7.2	Private
	1.1	5.9	1,357
	1.0	5.7	6,368
	0.9	4.9	455
	0.9	4.9	6,183
	0.8	4.2	5,890
	0.6	3.5	921 <sup>(4)</sup>
	0.5	2.9	25,920
<b>Top 10 customers</b>	<b>10.9</b>	<b>61.0</b>	
<b>Other</b>	<b>6.9</b>	<b>39.0</b>	
<b>Total</b>	<b>17.8</b>	<b>100.0</b>	

(1) Gross rental income includes £0.4m of rental income from post year end and acquisitions, deals in solicitors' hands and outstanding rent reviews

(2) Market capitalisation as at 7 November 2012

(3) Market cap of owner Kingfisher plc

(4) Market cap of owner Home Retail Group plc

# Retail Market Outlook

## Growing



John Lewis at home

Homesence



pets at home

hobbycraft



little Waitrose

Sainsbury's Local



TESCO Express



The RANGE  
Home, Leisure & Garden

home bargains

Dunelm  
mill

## Rightsizing



Arcadia



Dreams plc

Harveys  
The Furniture Store

Carpet RIGHT

SPORTS DIRECT.COM  
24HR DELIVERY

Currys PC World



HOME BASE

## Structurally Challenging

OHMV.co.uk

Thorntons  
the Art of the Chocolatier



waterstone's



STAPLES

COMET



Blacks  
THE OUTDOOR EXPERTS

GAME

ALEXON

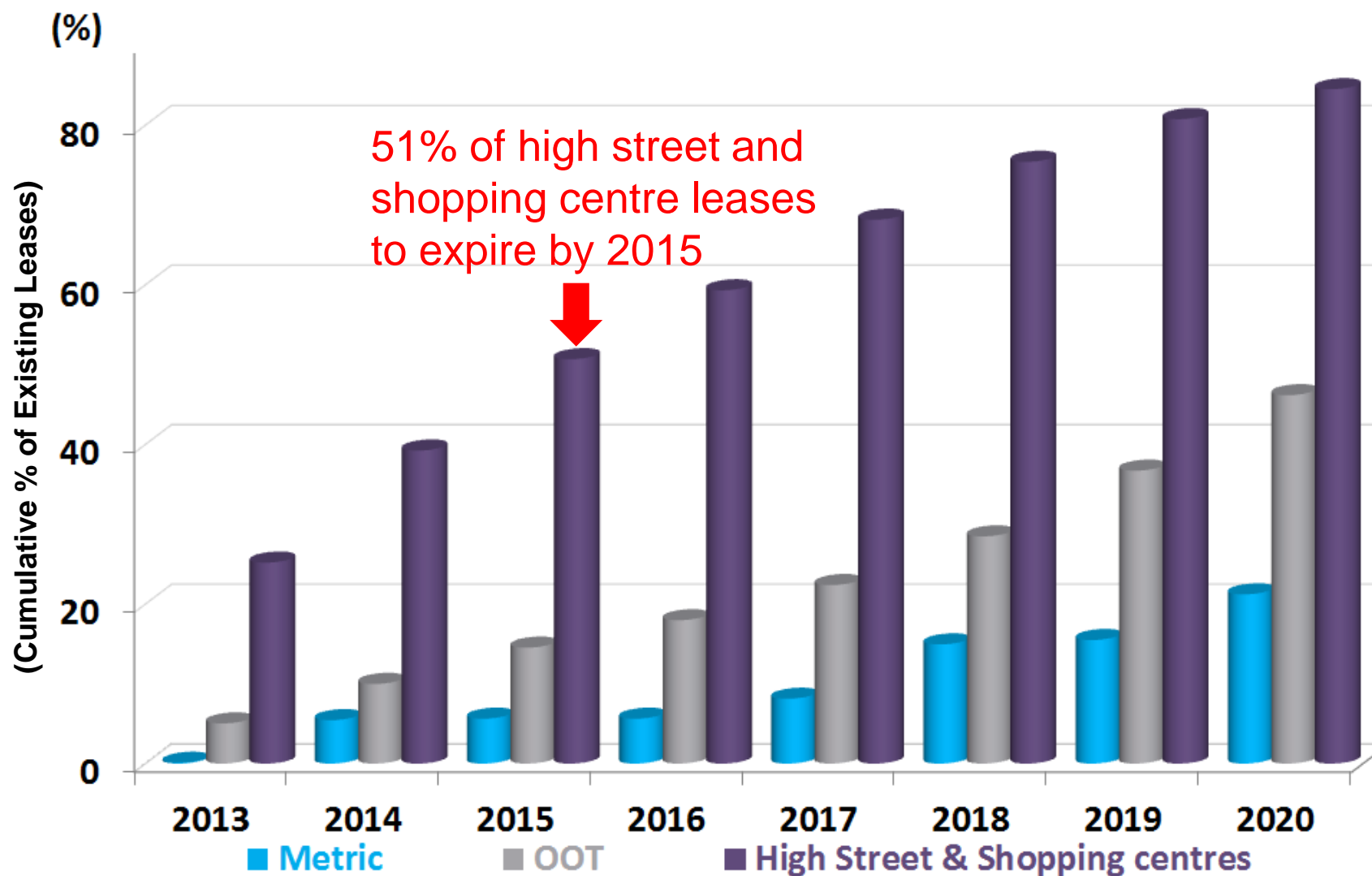


Clinton  
CARDS

PEACOCKS

Allied CARPETS

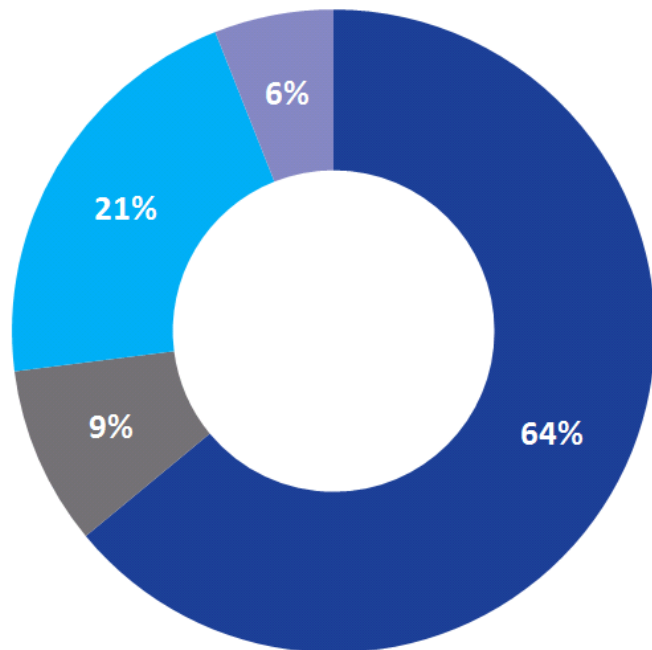
# Only 6% of Metric's leases expire by 2015



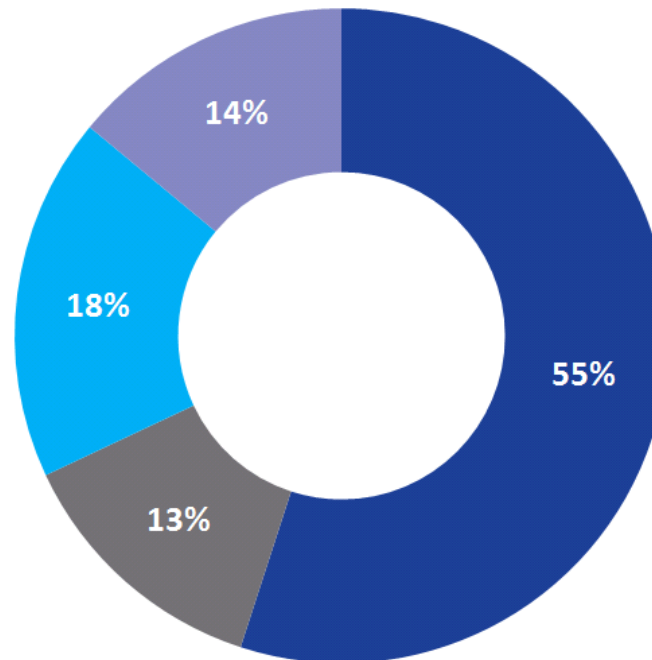
Source: Jones Lang LaSalle, Metric

# UK comparison goods - distribution of sales

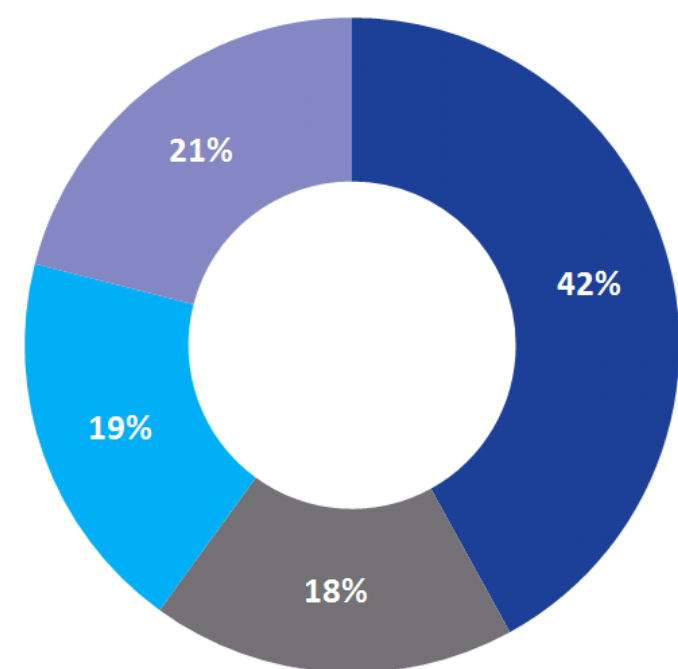
2005



2010



2020



● Town centres    ● Supermarkets    ● Out of town    ● Internet

# Portfolio Metrics<sup>(1)</sup>

Location	Date acquired	Area (sq ft)		Purchase Price (£mn)	WAULT <sup>(2)</sup> (years)	Rent roll (£m)		Avg rent (£ psf)		% Change from acq'n	Sustainable rent <sup>(3)</sup> (£ psf)
		At Purchase	Current			At Purchase	Current	At Purchase	Current		
Investments											
Newry	07-Jul-10	148,000	164,000	31.5	13.3	1.9	2.4	13.65	14.65	7.3%	20.00
Launceston	04-Aug-10	78,100	78,100	15.0	10.5	0.9	1.0	11.20	13.20	17.9%	18.00
Loughborough	17-Sep-10	51,200	51,200	16.8	6.0	1.0	1.0	16.50	16.50	0.0%	20.00
Coventry	24-Sep-10	102,500	102,500	18.0	8.5	1.1	1.3	12.10	12.45	2.9%	18.00
Mansfield	28-Sep-10	47,100	47,100	7.3	13.5	0.4	0.8	13.30	17.00	27.8%	17.00
Congleton	24-Jun-11	64,600	64,600	14.9	9.5	0.9	1.0	14.75	15.10	2.4%	20.00
Wick	16-Nov-10	60,700	60,700	10.3	10.7	0.7	0.7	11.10	11.25	1.4%	14.00
Bedford - Alban Retail Park	26-Nov-10	65,000	64,300	9.2	12.1	0.6	0.9	9.40	13.40	42.6%	16.00
Milford Haven	13-Dec-10	85,700	85,700	14.4	12.1	1.0	1.0	11.50	11.65	1.3%	14.50
Hove	19-Jan-11	19,300	28,280	8.1	13.0	0.5	0.7	25.00	26.45	5.8%	30.00
Sheffield	10-May-11	-	28,600	2.3	14.5	-	0.6	-	20.00	n/a	21.00
King's Lynn	14-Sep-11	66,300	66,300	15.1	3.0	1.0	1.0	15.20	15.20	0.0%	20.00
Cannock	06-Feb-12	-	24,250	1.8	18.5	-	0.4	-	18.95	n/a	21.00
Bedford - Midland Rd	11-Jun-12	19,356	19,356	5.7	11.1	0.4	0.4	21.95	21.95	0.0%	22.00
St Albans	21-Aug-12	25,333	25,333	4.6	7.9	0.4	0.4	14.80	14.80	0.0%	15.00
MIPP <sup>(1)</sup>											
Inverness	15-May-12	6,667	10,000	3.2	15.5	0.2	0.2	21.20	21.65	2.1%	21.65
Swindon	22-Sep-11	19,200	19,200	3.4	19.3	0.3	0.3	13.45	13.45	0.0%	14.00
Orpington	30-Nov-11	16,100	16,100	2.1	14.2	0.2	0.2	10.50	10.50	0.0%	25.00
Bristol - Longwell Green	02-Mar-12	6,800	7,627	1.9	17.7	0.2	0.2	30.00	30.40	1.3%	32.00
Londonderry	16-May-12	34,150	34,150	5.8	17.7	0.5	0.5	13.50	13.50	0.0%	13.50
Camborne	29-Jun-12	16,167	16,167	2.7	15.5	0.2	0.2	13.00	13.00	0.0%	13.00
Lichfield	31-Oct-12	14,935	14,935	3.7	14.7	0.3	0.3	17.05	17.05	0.0%	18.50
Nottingham	Exchanged	7,855	7,855	1.3	18.1	0.1	0.1	14.65	14.65	0.0%	16.50
Total - Investment & MIPP		955,062	1,036,353	199.1	11.5	12.7	15.5	13.75	14.75	7.0%	18.40

(1) Investment and MIPP retail portfolios as at 30-Sep-12 including post period end acquisitions. All figures based on net exposure.

(2) Weighted average unexpired lease term to expiry (10.8 years to first break)

(3) Management view of sustainable rent - not tied to valuer's ERV - sustainable rent only provided on standing investments



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