

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take you are recommended to seek your own financial advice immediately from an independent financial adviser who specialises in advising on shares or other securities and who is authorised under the Financial Services and Markets Act 2000.

This Prospectus comprises a prospectus relating to Metric Property Investments plc prepared in accordance with the Prospectus Rules. This Prospectus has been approved by the Financial Services Authority and has been filed with the Financial Services Authority in accordance with Rule 3.2 of the Prospectus Rules.

Application has been made to the UK Listing Authority and the London Stock Exchange for all of the ordinary share capital of the Company (issued and to be issued) to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities respectively. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 24 March 2010. Conditional dealings in the Ordinary Shares are expected to commence on 19 March 2010. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be at the sole risk of the parties concerned.

The Company and each of the Directors, whose names appear on page 23 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the entire Prospectus and, in particular, the section headed "Risk Factors" beginning on page 7 when considering an investment in the Company.

Metric Property Investments plc



(Incorporated and registered in England and Wales with number 7172804)

Placing and Offer for Subscription of Ordinary Shares of 1 pence each at 100 pence per share and Admission to the Official List and trading on the London Stock Exchange

Joint sponsors, financial advisers and bookrunners

Oriel Securities Limited and J.P. Morgan Cazenove

The Company is targeting raising gross proceeds of approximately £150 million through the Issue (assuming no exercise of the Over-allotment Option)

The Offer for Subscription will remain open until 12 noon on 18 March 2010. The procedure for application for persons wishing to participate in the Offer for Subscription is set out in the paragraph headed "The Issue" on page 42 of this document and in the Application Form set out at the end of this Prospectus. To be valid, Application Forms must be completed and returned with the appropriate remittance so as to reach Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH by post, or by hand (during business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE as soon as possible and in any event no later than 12 noon on 18 March 2010.

The Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933 as amended (the "Securities Act"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The Company has not been, and will not be, registered under the US Investment Company Act of 1940, as amended from time to time (the "Investment Company Act"). Accordingly, the offer and sale of Ordinary Shares to US persons (as defined in Regulation S under the Securities Act) is subject to further restrictions. See "Notice to investors in the United States" and

“Selling Restrictions” in Part 8 of this document. The Ordinary Shares have not been, and will not be, registered under the securities laws or with any securities regulatory authority of any province or territory of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from Canada, Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in Australia, Canada, the Republic of South Africa or Japan. This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves of and observe any restrictions.

In connection with the Issue, J.P. Morgan Cazenove as stabilising manager or any of its agents may, to the extent permitted by law, over-allot Ordinary Shares with an aggregate value (at the Issue Price) of up to 10 per cent. of the total amount to be raised and/or effect other transactions with a view to stabilising or supporting the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market. Such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. There is no obligation on J.P. Morgan Cazenove or any of its agents to undertake stabilisation transactions. Stabilising measures, if commenced, may be discontinued at any time, may be taken up at any time on or after the commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange, and will end no more than 30 days thereafter. Save as required by law or regulation, neither J.P. Morgan Cazenove nor any of its agents intend to disclose the extent of any over-allotments and/or stabilisation transactions in connection with the Issue. In undertaking such stabilisation transactions, J.P. Morgan Cazenove may act as principal.

For the purposes of allowing J.P. Morgan Cazenove to cover short positions resulting from any such over-allotments made by it during the stabilising period, the Company has granted J.P. Morgan Cazenove an Over-allotment Option, pursuant to which J.P. Morgan Cazenove may require the Company to issue additional Ordinary Shares with an aggregate value (at the Issue Price) up to a maximum of 10 per cent. of the total amount to be raised under the Issue (before exercise of the Over-allotment Option) at the Issue Price. The Over-allotment Option is exercisable, in whole or in part, upon notice by J.P. Morgan Cazenove, at any time on or after the date of commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange and will expire no more than 30 days thereafter. Any Ordinary Shares issued by the Company pursuant to the Over-allotment Option will rank *pari passu* with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on Ordinary Shares, will be issued on the same terms and conditions as the other Ordinary Shares and will form a single class for all purposes with all the other Ordinary Shares.

Oriel Securities and J.P. Morgan Cazenove, each of which is authorised and regulated in the United Kingdom by the Financial Services Authority, are acting exclusively for the Company and for no one else in relation to Admission and the Issue and the arrangements referred to in this Prospectus. Neither Oriel Securities nor J.P. Morgan Cazenove will regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to Admission and the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing any advice in relation to Admission or the Issue, the contents of this Prospectus or any transaction or arrangement referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Oriel Securities or J.P. Morgan Cazenove by the FSMA or the regulatory regime established thereunder, neither Oriel Securities nor J.P. Morgan Cazenove makes any representation express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares or the Issue. Each of Oriel Securities and J.P. Morgan Cazenove accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of the Prospectus or any other statement.

Notice to investors in the United States

The Ordinary Shares have not been, and will not be, registered under the Securities Act. The Ordinary Shares cannot be offered, re-sold, pledged or otherwise transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person, except pursuant to an exemption from, or in transaction not subject to, the registration requirements of the Securities Act. The Ordinary Shares

are being offered and sold outside the United States in reliance on Regulation S, and within the United States under the Placing pursuant to an exemption from the registration requirements of the Securities Act. Prospective Investors are hereby notified that sellers of Ordinary Shares may be relying on Rule 144A or other exemption from the registration requirements of the Securities Act.

The Company has not been, and will not be registered, under the Investment Company Act, in reliance on section 3(c)(7) thereof, and investors will not be entitled to the benefits of the Investment Company Act. Accordingly, Ordinary Shares are only being offered under the Placing to US Persons that are “qualified institutional buyers” (“QIBs”) (as defined in Rule 144A under the Securities Act) and are also “qualified purchasers” (“QPs”) (as defined in Section 2(a)(51) of the Investment Company Act).

Prospective investors should note that, except with the express consent of the Company given in respect of an investment in the Placing, the Ordinary Shares may not be acquired by investors using assets of any employee benefit plan or plan that is subject to Part 4 of Title 1 of the ERISA, or Section 4975 of the Code, or by investors subject to Similar Law.

The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the “SEC”), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

If, at any time, the Company is neither subject to section 13 or section 15(d) of the US Securities Exchange Act of 1934, as amended from time to time (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will furnish, upon request, to any holder or beneficial holder of the Shares, or any prospective purchaser or acquirer designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. In such cases, the Company will also furnish to each such owner all notices of general shareholders’ meetings and other reports and communications that the Company generally makes available to shareholders.

Notice to New Hampshire residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE ACQUIRER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

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SUMMARY

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO AND IN CONJUNCTION WITH, THE FULL TEXT OF THIS PROSPECTUS.

Any decision by an investor to invest in the Ordinary Shares should be based on consideration of this document as a whole. Where a claim relating to information contained in this document is brought before a court, a plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read with the other parts of this Prospectus.

THE COMPANY

The Company is a newly established, internally managed, UK-incorporated specialist retail property investment company, with an unlimited life and is targeting raising gross proceeds of approximately £150 million.⁽¹⁾ The Company will be listed on the Official List and the Ordinary Shares will be traded on the main market of the London Stock Exchange. The Company will elect to become a Real Estate Investment Trust (REIT) on the day of Admission.

THE INVESTMENT PROPOSITION

The Directors believe that an opportunity has been created in the UK quoted property sector by the withdrawal and consolidation of a number of key specialist retail property companies and the Company intends to fill that gap. The Company's strategy is to create a retail property investment portfolio in the UK which aims to deliver rental growth and attractive returns to Shareholders through an occupier-led approach, by delivering the right space in profitable locations.

The Company is internally managed by a specialist team, led by Andrew Jones (previously an executive director and head of retail at British Land), Valentine Beresford (previously European director at British Land), Mark Stirling (previously asset management director at British Land) and Sue Ford (formerly finance director of Ingenious Media and the Channel 4 Group). The Property Directors have a track record of assembling retail investment portfolios, which consistently outperformed relevant IPD benchmarks. The Board intends to leverage upon the Property Directors' extensive experience in the retail property sector, in particular their strong property investor, retailer and banking relationships to assist in delivering attractive returns for the Company's Shareholders. The Property Directors have worked together for approximately 15 years and have concentrated their focus on the retail sector, during which time they have been responsible for running two of the largest UK retail property portfolios by value. At Pillar, they ran the UK's largest retail warehouse portfolio and, following its takeover by British Land in 2005, they became responsible for running British Land's entire retail portfolio within the UK and Europe.

The Executive Directors have, in aggregate, subscribed or agreed to subscribe at Admission for 5,625,000⁽²⁾ Ordinary Shares at the Issue Price on pari passu terms which will be subject to lock-up arrangements for a period of three years following Admission.

In addition to the Executive Directors, the Board includes independent non-executive directors with significant experience, namely Andrew Huntley (non-executive director of Liberty International) (Chairman), Alec Pelmore (member of the supervisory board of Unibail-Rodamco) (Senior Independent Director), Andrew Varley (an executive director of NEXT) and Philip Watson (chief investment officer of Mirabaud). They have committed to acquire 325,000 Ordinary Shares in the Issue, which will be subject to lock-up arrangements for a period of two years following Admission.

THE OPPORTUNITY AND BUSINESS STRENGTHS

The Company's strategy will be to take advantage of the significant opportunities for value creation that the Directors believe exist in the retail sector as a result of the current cyclical downturn and structural repricing. The Company's objective is to generate attractive returns with sustainable income and strong capital appreciation through its occupier-led, active management strategy and the Property Directors' strong retailer, property investor and banking relationships.

(1) Assuming no exercise of the Over-allotment Option.

(2) Including members of their families/family trusts.

Property markets in the UK have undergone a period of structural re-pricing and prices are now close to levels not seen since 1999. According to IPD, there was a “peak-to-trough” fall of approximately 46 per cent. in property values between June 2007 and June 2009. According to IPD, yields have begun to contract and, since July 2009, the IPD All Retail Index has shown positive returns each month and this has narrowed the decline from the “peak” to 39 per cent. as at January 2010. UK retail warehousing pricing has begun to rebound, although prime initial yields were still approximately 250 basis points below the June 2007 “peak” as at January 2010.

The Directors believe that the Company has the following key business strengths:

- *the Property Directors are one of the most experienced UK retail property management teams with a track record of delivering attractive returns and a previously demonstrated ability to outperform portfolio benchmarks;*
- *each of the Property Directors has over 20 years’ experience in the retail sector developing strong and extensive relationships and pro-actively managing assets together with experience in building and running portfolios and large scale joint ventures through on market and off market transactions; and*
- *the Executive Directors have subscribed or agreed to subscribe at Admission for 5,625,000⁽³⁾ Ordinary Shares, firmly aligning their interests with those of the Shareholders. Through this investment in the Company and a remuneration structure strongly linked to long-term Shareholder value, the Executive Directors’ interests will be further aligned to those of the Shareholders.*

The Company currently is, and will in the future be, engaged in negotiations with vendors regarding potential investment opportunities. The current negotiations, which involve several vendors, relate to the possible acquisition of a number of properties in the Company’s preferred subsectors in the UK. In a number of these cases, prospective vendors have agreed to negotiate on an exclusive basis for a limited period. At the date of this Prospectus, the Company has not yet undertaken substantive due diligence nor reached agreement on principal terms nor signed binding agreements to acquire any of these properties. The current negotiations may not result in the execution of binding acquisition agreements nor result in any investment by the Company in these properties.

SUMMARY OF INVESTMENT POLICY

The Company aims to assemble a portfolio of freehold and long leasehold retail properties throughout the UK. The Company will invest principally in the retail property markets, but may also consider investing in multi-let leisure schemes.

The Company will employ an occupier-led approach with a view to extracting long-term value from investment properties through opportunistic acquisitions, joint ventures, active asset management, limited risk development and timely disposals. The Company will focus on assets that the Property Directors believe have enduring occupier appeal and that provide opportunities for management to improve rental values, longevity and security of income.

The Company may choose to invest in properties indirectly in a variety of structures with other investors.

The Company will seek to use gearing to enhance returns over the long-term. Gearing, represented by borrowings as a percentage of the Company’s total assets, will not exceed 65 per cent., at the time of any investment.

The Company may manage other investment companies or funds within the retail property sector. However, the focus of the Company’s investment will be the ownership and active management of retail property.

The Company is permitted to invest cash held by it for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

Risk diversification and management

The Company will seek to spread its investment risks through investing in a range of properties across the retail sub-sectors. The Company will seek to further manage risk by focusing on the covenants and quality of tenants, the terms of leases and the length of income streams.

(3) Including members of their families/family trusts.

The Company also intends to hedge its interest rate exposure through the use of forward contract options, swaps or other forms of derivative instruments.

The Company will focus on the UK.

INVESTMENT STRATEGY

Whilst the Company has the small investment portfolio described below, at Admission the Company will not own any retail properties and therefore does not have portfolio legacy issues that might otherwise dilute performance. The Company will source investment opportunities primarily through the Property Directors' extensive network of relationships within the retail commercial property market. The Company expects that its investments will primarily be made via a combination of the following five core avenues: open market purchases; off market purchases; sales motivated by refinancing pressures and banks' efforts to reduce their property sector exposure; joint ventures; and sale and leaseback transactions.

The Company will initially target investments in certain subsectors of the retail property market: retail parks, large space retail units, shopping centres and convenience shopping stores which it believes will benefit from its occupier-led strategy. Within the chosen sub-sectors the Property Directors will seek to target those assets that benefit from:

- underlying retailer demand;
- low levels of obsolescence;
- limited capital expenditure requirements unless value enhancing;
- the ability to create high levels of occupier contentment;
- long, secure and sustainable income flows;
- a demand/supply imbalance resulting from a restrictive planning regime; and
- active asset management which will result in a positive yield shift.

FINANCING

The Company intends to secure debt financing on an asset by asset (or portfolio) basis and via a revolving corporate facility. Notwithstanding the investment policy limit of 65 per cent., it is the Directors' current intention that the Company's borrowings will have an LTV of approximately 50 per cent.

DIVIDEND POLICY

The Directors intend the Company's dividend policy to reflect the Directors' view on the outlook for sustainable recurring earnings with a prudent level of dividend cover. The Company will be required to distribute to Shareholders at least 90 per cent. of the income profits arising from the Tax-exempt Business.

STRUCTURE AS A REAL ESTATE INVESTMENT TRUST

As a REIT, the Company will have a tax efficient corporate structure. The Company has acquired 30 small investment properties for an aggregate purchase price of £107,474 which will enable it to satisfy the criteria to be a REIT on Admission. Having been given clearance on specific interpretations of parts of the relevant tax legislation by HMRC, the Company will elect to become a REIT on the day of Admission. The properties acquired are freehold reversionary interests with an aggregate rent roll of £4,360 per annum.

PROPERTY DIRECTORS' TRACK RECORD

The Property Directors each have over 20 years' experience in the retail property sector. At British Land they were responsible for managing one of the UK's largest retail portfolios (valued at £4.8 billion as at 30 September 2009).⁽⁴⁾ They have been involved in approximately £8 billion worth of retail property disposals and acquisitions and were responsible for a total of 4.8 million sq. ft. of new lettings and lease renewals, in the last five years.⁽⁵⁾ Both of the portfolios that they were responsible for at Pillar and subsequently at British Land consistently outperformed relevant IPD benchmarks from March 2001 to September 2009 and April 2005 to September 2009, respectively.

(4) British Land Investor Presentation for the period to September 2009.

(5) British Land Annual Reports and Accounts 2005/6 to 2008/9 and British Land Interim Report for the period to September 2009.

Pillar was acquired by British Land in July 2005 for £811 million and at that time it was recognised as the leading investment manager and owner of retail parks in the UK with six million sq. ft. valued at £4.6 billion, either owned or under management.⁽⁶⁾ Pillar achieved average annual returns for its shareholders of approximately 22 per cent. during the 10 year period to 31 December 2004, which was significantly higher than the average returns from the FTSE 350 property sector of 11.9 per cent. over the same period.⁽⁷⁾

Whilst at Pillar and British Land, the Property Directors were responsible for the investment management of HUT, which was launched in September 2000. As at 30 September 2009, it was valued at £1.33 billion.⁽⁸⁾

The Directors believe that the Property Directors have strong and extensive relationships with leading operators such as Arcadia, Asda, Boots, DSGi, Marks & Spencer, NEXT, Primark, River Island, Tesco and Sports World.

UK RETAIL PROPERTY MARKET OPPORTUNITY

The UK commercial property market's emergence from its "peak-to-trough" decline into a more restrictive lending environment has led banks to offer property loans with more restrictive covenants and to raise the margin on loans in line with the general repricing of credit risk. The recent modest increase in property pricing has been led by a limited supply of stock and strong investor demand. The Directors believe that distressed and highly motivated sellers will emerge from a range of sources and that, with an estimated £280 billion of debt secured against property, borrowers will have difficulty refinancing, particularly in the short term where over £150 billion of debt is due to mature before the end of 2012.⁽⁹⁾

The retail sector witnessed a significant imbalance resulting from, historic strong occupier demand for limited available out of town retail space which historically caused a rapid rise in rents. However over the last 24 months considerable "over renting" (whereby current market rent achievable would be less than currently contracted rent) has occurred. Despite this, the Directors believe that the retail sector remains dynamic and whilst some retailers are contracting, others are expanding or "right-sizing" and new entrants continue to emerge and seek representation in profitable locations. It is the dynamic nature of the retail sector that attracts the Directors, as they believe that their occupier-led approach enables them to identify retailers seeking to expand their store numbers and those who wish to rightsize. The Directors believe this also enables them to clearly target property schemes where retailers trade profitably and where there remains enduring occupier appeal.

THE ISSUE

The Company is targeting raising gross proceeds of approximately £150 million through the Issue (assuming no exercise of the Over-allotment Option). Up to a maximum of 10 per cent. of the total amount to be raised under the Issue will be subject to the Over-allotment Option, which may be exercised in whole or part by J.P. Morgan Cazenove as stabilising manager at any time within 30 calendar days after the commencement of conditional dealings in Ordinary Shares. In the event that the Net Proceeds from commitments under the Placing and valid applications under the Offer for Subscription total less than £50 million,⁽¹⁰⁾ the Issue will not proceed.

REMUNERATION

To support the Company's business strategy, the Board has established a remuneration and retention structure to align the interests of the Executive Directors and key members of the senior management team and Shareholders. Consequently, a high proportion of the Executive Directors' remuneration package will be in the form of Ordinary Shares, which will vest subject to stretching performance criteria over the medium term.

(6) British Land presentation "Proposed Acquisition of Pillar Property PLC" 23 May 2005.

(7) London & Stamford, admission document, 2 November 2007.

(8) British Land press release, 23 October 2009.

(9) CBRE Real Estate Finance ViewPoint, Winter 2009.

(10) Excluding the Over-allotment Option.

RISK FACTORS

The Company's business, financial condition or results of operations could be materially and adversely affected by the risks described below.

- The Company is newly formed and has a limited operating history.
- The Company is reliant on the performance and retention of key personnel.
- There can be no assurance that the Executive Directors will be successful in implementing the Company's investment objectives.
- The past performance of the Property Directors is not a guarantee of future performance of the Company.
- Reputational risk relating to the Board may adversely affect the Company.
- There may be circumstances where Directors have conflicts of interest.
- Market conditions may delay/prevent the Company from making appropriate investments that generate attractive returns.
- Competition may affect the Company's ability to make appropriate investments.
- Delays in deployment of proceeds of the Issue may have an impact on the Company's results of operations.
- Costs associated with potential investments that do not proceed to completion may affect the Company's performance.
- Political, economic and other factors may adversely affect the Company's business.
- The Company's investment strategy is to leverage its investments, exposing the Company to associated risks.
- The Company's incurrence of floating rate debt will expose it to risks associated with movements in interest rates.
- The Company's assets may include securities in listed closed-ended investment funds, exposing the Company to associated risks.
- The Company's due diligence may not identify all risks/liabilities in respect of an acquisition.
- Property valuation is inherently subjective and uncertain.
- Property investments are relatively illiquid.
- Any change in the Company's tax status or taxation legislation may affect the Company's ability to provide returns.
- The Company's ability to pursue growth through acquisitions may be limited by its ability to incur additional debt.
- Distribution requirements may limit the Company's flexibility in executing its acquisition plans.
- Property disposals may have negative implications.
- The Company's REIT status may restrict business consolidation and distribution opportunities.
- If the Company fails to remain qualified as a REIT, its rental income/gains will be subject to UK taxation.
- The market price of the Ordinary Shares may fluctuate; the Company may not repurchase Ordinary Shares.
- A liquid market for the Ordinary Shares may fail to develop.
- Sales of shares by Board members may adversely affect the market price of the Ordinary Shares.
- The interests of any significant investor may conflict with those of other Shareholders and future sales of Ordinary Shares may cause the share price to fall.
- The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings.

- The Company has not registered and will not register as an investment company under the Investment Company Act.
- The Ordinary Shares are subject to certain provisions that may cause the Board to refuse registration/require the transfer of Ordinary Shares.
- The Company's assets could be deemed to be "plan assets" under ERISA.
- The Company may be treated as a PFIC.
- There may be difficulty in effecting service of process on the Company or the Directors in the US or enforcing US judgments in the UK.

The Company's performance will depend:

- on general property/investment market conditions;
- on the success of the retail property sector; and
- on its ability to manage its property assets.

The Company may:

- be forced to dispose of its investments at a time when it will not be able to obtain best value for them;
- suffer delays in locating/acquiring suitable investments;
- be subject to liability following the disposal of its investments;
- invest in types of property assets other than UK retail properties and be subject to associated risks;
- suffer material losses in excess of insurance proceeds or from uninsurable events;
- be dependent on the performance of third party contractors;
- not acquire 100 per cent. control of its investments and may be subject to risks associated with joint ventures; and
- in the future issue new shares, diluting Shareholders' equity.

RISK FACTORS

The Company's business, financial condition or results of operations could be materially adversely affected by the risks described below. In such cases, the market price of the Ordinary Shares may decline due to any of these risks and investors may lose all or part of their investment. An investment in the Company is subject to a number of risks, including in part because of the nature of the property market and the current market conditions. Although the Directors consider the following risks to be the material risks for prospective investors in the Company, the following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Company's Ordinary Shares. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company. In all such cases, the market price of the Ordinary Shares may decline and prospective investors may lose all or part of their investment. Prospective investors should review this Prospectus carefully and in its entirety and consult with professional advisers before deciding to invest in the Ordinary Shares.

There can be no assurance that Shareholders will realise a profit or will avoid a loss on their investment. The Ordinary Shares are only suitable for investors who understand, or who have been advised of, the potential risk of capital loss from an investment in the Ordinary Shares, for whom an investment in the Ordinary Shares is part of a diversified investment portfolio and who fully understand, and are willing to assume, the risks involved with such an investment.

The Prospectus also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Company, described below and elsewhere in the Prospectus.

Risks relating to the Company's business

The Company is newly formed and has a limited operating history

The Company was incorporated on 1 March 2010, and intends to invest primarily in the UK retail property markets although it is also permitted to invest in the Irish retail market. Although the Company owns 30 small investment properties which it acquired prior to the date of this Prospectus for an aggregate purchase price of £107,474, the Company currently owns no retail properties and will not do so until after Admission. Although the Company is negotiating with vendors regarding potential retail investment opportunities, the negotiations may not result in the execution of binding acquisition agreements, or result in any further investments being made. As a consequence, prior to Admission, prospective investors in the Company will have no opportunity to evaluate the terms of any potential investment opportunities or actual significant investments, or financial data to assist them in evaluating the prospects of the Company and the related merits of an investment in the Ordinary Shares. Following Admission, Shareholders will only have a role in approving any investments the Company makes to the extent required under the Listing Rules.

The Company is reliant on the performance and retention of key personnel

The Company is internally managed and will rely on the Property Directors, and their experience, skill and judgment, in identifying, selecting and negotiating the acquisition of suitable investment opportunities. The Company will also rely on the Executive Directors to manage the day-to-day affairs of the Company. There can be no assurance as to the continued service of these individuals as directors and employees of the Company. The departure of any of these individuals from the Company without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations.

Delays in deployment of the proceeds of the Issue may have an impact on the Company's results of operations and cash flows

As at the date of this Prospectus, the Company has no retail properties, and pending deployment of the Net Proceeds intends to invest cash held in cash deposits, gilts and money market funds. Although the Company is negotiating with vendors regarding potential investment opportunities, the negotiations may not result in the execution of binding acquisition agreements, or result in any retail property investments being made. Interim cash management is likely to yield lower returns than the expected returns from real-estate investment. There can be no assurance as to how long it will take for the Company to invest any or all of the Net Proceeds of the Issue, if at all, and the longer the period the greater the likelihood that the Company's results of operations will be materially adversely affected.

There can be no assurance that the Executive Directors will be successful in implementing the Company's investment objectives

The Company will be dependent upon the Executive Directors' successful implementation of the Company's investment policy and investment strategies, and ultimately on their ability to create a retail property investment portfolio capable of generating attractive returns. This implementation in turn will be subject to a number of factors, including market conditions and the timing of investments relative to market cycles, many of which are beyond the control of the Company and difficult to predict. If, for example, property values rise significantly between the publication of this Prospectus and the time when the funds available to the Company following Admission (including borrowings) are invested, or if property values were to experience a further or prolonged decline in values, the Company's ability to achieve its investment objectives and generate potential returns for Shareholders may be materially adversely affected.

The past performance of the Property Directors is not a guarantee of the future performance of the Company

The Company has presented certain information in this Prospectus regarding the past performance of the Property Directors in respect of other companies and funds, including British Land, Pillar and HUT. The past performance of the Property Directors is not indicative, or intended to be indicative, of future performance or results of the Company for several reasons. For example:

- other companies and funds managed by the Property Directors were well-established, while the Company is newly-formed;
- the structure, term, strategies and investment objectives and policies of the Company, on the one hand, and the previous companies and funds with which the Property Directors were associated, on the other hand, may affect their respective returns;
- other companies and funds with which the Property Directors were associated involved teams and human resources that are different from those of the Company;
- conditions in the UK commercial property, investment and credit markets prevailing when the Property Directors managed such other companies and funds may be different from those conditions that will be relevant to the Company; and
- the future performance and results of the Company will be subject to fluctuating market conditions, changes in macro-economic factors and the availability of financing.

Accordingly, there can be no assurance that the Company will have the same opportunities to invest in assets that generate similar returns to such other companies and funds.

Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns

Market conditions may have a negative impact on the Company's ability to identify and execute investments in suitable assets that generate acceptable returns. As evident during the recent market downturn, market conditions have had a significant negative impact on the availability of credit, property pricing and liquidity levels. Lenders have also tightened their lending criteria, lending lower multiples of income and lowering LTVs. Depressed market conditions may also restrict the supply of suitable assets that may generate acceptable returns and adverse market conditions may lead to increasing numbers of tenant defaults. Adverse market conditions and their consequences may have a material adverse effect on the Company's business, results of operations and cash flows.

The Company's performance will depend on general property and investment market conditions

The Company's performance will be affected by, amongst other things, general conditions affecting the commercial rental market, or the retail rental market, as a whole or specific to the Company's investments, including decrease in capital values and weakening of rental yields. The value of commercial real estate in the UK declined sharply as a result of economic recession, the credit crisis and reduced confidence in global financial markets caused by the failure, or near-collapse, of a number of global financial institutions. From a June 2007 "peak" in UK commercial property values to June 2009 there was a fall of approximately 46 per cent. according to IPD. Although there have been recent signs that UK commercial property values have begun to recover, according to IPD, there is no assurance that any recovery will continue or be

sustainable. UK commercial property values could decline further and those declines could be substantial, particularly if the economy were to suffer a “double-dip” recession.

The Company’s ability to dispose of its properties, and the price realised in any such disposals, will also depend on the general conditions affecting the investment market at the time of the disposal. The Company’s business and results of operations may be materially adversely affected by a number of factors outside of its control, including but not limited to:

- a general commercial or retail property market contraction;
- a decline in commercial or retail rental values; and
- changes in laws and governmental regulations in relation to property, including those governing permitted and planning usage, taxes and government charges, health and safety and environmental compliance.

Such changes in laws and regulations may lead to an increase in capital expenditure or running costs to ensure compliance which may not be recoverable from tenants. Rights related to particular properties may also be restricted by legislative actions, such as revisions to existing laws or the enactment of new laws.

If conditions affecting the investment market negatively impact the price at which the Company is able to dispose of its assets, or if the Company suffers a material increase in its operating costs, this may have a material adverse effect on the Company’s business and results of operations.

The Company’s performance will depend on the success of the retail property sector

The Company will focus on the retail property sector and as such will be subject to risks tied to the retail sector. Retail is a dynamic sector and whilst some retailers may continue to trade profitably and expand their store portfolios in profitable locations, there has been and may in the future continue to be decreased tenant demand because of a change in consumer behaviour, which could lead to a decrease in demand for retail units. The Company could, for example, be adversely affected by consumers’ changes in preferred shopping locations and sites and/or use of alternative retail supply methods (such as the internet or catalogues).

In particular, the UK retail sector has been affected by significant declines in consumer confidence and spending as a result of depressed economic conditions and limited availability of credit. If a material number of retail tenants, or significant individual tenants, were to experience a downturn in their business, refinancing pressures, a restructuring, insolvency or bankruptcy in the future, it could lead to payment or other defaults on lease terms, failure to renew leases or other developments, which could result in a loss of rental income, an increase in bad debts and a decrease in the value of the property. The UK retail sector is also subject to seasonality effects on earnings and faces competition from other forms of retailing, such as retail parks, supermarkets, discount shopping centres and clubs, outlet malls, catalogues, video and home shopping networks, direct mail, telemarketing and shopping via the internet, all of which may impact the demand for retail property. A weakness in the UK retail sector generally, a geographic area in which the Company’s investments are concentrated or the business of a material number of retail tenants, or significant individual tenants, may have a material adverse effect on the Company’s results of operation, financial condition and business prospects.

The Company may suffer from delays in locating and acquiring suitable investments

The Company’s business strategy is to create a retail investment portfolio in the UK. Locating suitable properties and negotiating acceptable purchase contracts, conducting due diligence and ultimately investing in a property typically requires a significant amount of time. The Company may face delays in locating and acquiring suitable investments and, once the properties are identified, there could also be delays in obtaining the necessary approvals. Furthermore, in the event the Company invests in projects through joint ventures (which could include joint ventures with sellers of properties), it will need to negotiate suitable arrangements with each of its proposed investment partners, which can also prove to be time-consuming. The Company’s inability to select and invest, alone or as co-owner, in properties on a timely basis may have a material adverse effect on the potential returns to Shareholders and delay or limit distributions to Shareholders by the Company.

Competition may affect the ability of the Company to make appropriate investments

The Company expects to face competition from other property investors. Competitors may have greater financial resources than the Company and a greater ability to borrow funds to acquire properties. Competition in the property market may also lead either to an over-supply of retail properties through over-development or higher prices for existing properties being driven up through competing bids by potential purchasers. There can be no assurance that the Company will be successful in sourcing suitable investments or that the Company will make any investments in property assets at all. The existence and extent of competition in the property market may have a material adverse effect on the Company's ability to secure tenants for its properties at satisfactory rental rates and on a timely basis.

Any costs associated with potential investments that do not proceed to completion will affect the Company's performance

The Company expects to incur certain third-party costs, including in connection with financing, valuations and professional services associated with the sourcing and analysis of suitable assets. There can be no assurance as to the level of such costs, and given that there can be no guarantee that the Company will be successful in its negotiations to acquire any given property, the greater the number of deals that do not reach completion, the greater the likely impact of such costs on the Company's results of operations and financial condition.

The Company may invest in types of property assets other than UK retail properties and may be subject to risks associated with such investments

Whilst the Company was formed for the purpose of investing principally in retail properties in the UK, the Company may consider investing in multi-let leisure schemes and it may invest in retail properties in Ireland. To the extent that the Company invests in other types of property assets outside the UK retail property sector, the Company may be subject to other risks associated with such investments including that such investments may not (as a class and/or in terms of geographical situation) be as familiar to the Property Directors as the UK retail sector or may not provide the type of returns that the Property Directors would normally expect would be generated by the UK retail sector.

The Company's performance will depend on its ability to manage its property assets successfully

Revenues earned from, and the capital value and disposal value of, properties held by the Company and the Company's business may be materially adversely affected by a number of factors inherent in property investment, including, but not limited to:

- decreased demand by potential tenants for properties;
- inability to recover operating costs such as local taxes and service charges on vacant space;
- exposure to the creditworthiness of tenants, including the inability to collect rent and other contractual payments from tenants (which includes the risk of tenants defaulting on their obligations and seeking the protection of bankruptcy laws), which could result in delays in receipt of rental and other contractual payments, inability to collect such payments at all, the re-negotiation of tenant leases on terms less favourable to the Company, or the termination of tenant leases;
- material declines in rental values;
- defaults by a number of tenants with material rental obligations (including pre-let obligations) or a default by a significant tenant at a specific property that may hinder or delay the sale of such property;
- material litigation with tenants;
- material expenses in relation to the construction of new tenant improvements and re-letting a relevant property, including the provision of financial inducements to new tenants such as rent free periods;
- reduced access to financing for tenants, thereby limiting their ability to alter existing operations or sites or to undertake expansion plans; and
- increases in operating and other expenses or cash needs without a corresponding increase in turnover or tenant reimbursements, including as a result of increases in the rate of inflation if it exceeds rental

growth, property taxes and other statutory charges, insurance premiums and other void costs, and unforeseen capital expenditure affecting the properties which cannot be recovered from tenants.

If the Company's revenues earned from tenants, or the value of its properties are adversely impacted by the above or other factors, the Company's business prospects, results of operations and cash flows may be materially adversely affected.

Reputational risk in relation to the Board may materially adversely affect the Company

The Board may be exposed to reputational risks. In particular, litigation, allegations of misconduct or operational failures by, or other negative publicity and press speculation involving the Directors, whether or not accurate, will harm the relevant Director's reputation. Any damage to the reputation of the Board could result in potential counterparties and other third parties such as occupiers, landlords, joint venture partners, lenders or developers being unwilling to deal with the Company. This may have a material adverse effect on the ability of the Company to successfully pursue its investment strategy.

There may be circumstances where Directors have a conflict of interest

There may be circumstances in which a Director has, directly or indirectly, a material interest in a transaction being considered by the Company. Any of the Non-executive Directors and/or any person connected with them may from time to time act as director, investor or be otherwise involved in other investment vehicles (including vehicles that may have investment strategies similar to the Company's) which may also be purchased or sold by the Company, subject at all times to the provisions governing such conflicts of interest both in law and in the Articles. Although procedures have been put in place to manage conflicts of interest, it is possible that any of the Non-executive Directors and/or their connected persons may have potential conflicts of interest with the Company. The Executive Directors and their connected persons may, however, only invest in assets that may also be purchased or sold by the Company and/or act as director, investor or be otherwise involved in other investment vehicles which may also be purchased or sold by the Company with the prior approval of the Board.

The Company may be forced to dispose of its investments at a time when it will not be able to obtain the best value for its investments

Whilst the Company is not a limited life company, and is under no obligation to sell its assets within a fixed time frame, there can be no assurance that, at the time the Company seeks to dispose of its assets, conditions in the relevant market will be favourable or that the Company will be able to maximise the returns on such disposed assets. As property assets are relatively illiquid, such illiquidity may affect the Company's ability to dispose of or liquidate its portfolio in a timely fashion and at satisfactory prices. To the extent that market conditions are not favourable, the Company may not be able to dispose of property assets at a gain. If the Company were required to dispose of or liquidate an investment on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in Net Asset Value. As a result of the foregoing, there can be no assurances that the Company's portfolio can generate attractive returns for its Shareholders.

Further, in acquiring a property, the Company may agree to restrictions that prohibit the sale of that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. In addition, in circumstances where the Company purchases properties when capitalisation rates are low and purchase prices are high, the value of its properties may not increase over time. This may restrict the Company's ability to sell its properties, or in the event that it is able to sell such property, may lead to losses on the sale.

The Company may be dependent on the performance of third-party contractors

In circumstances where the Company seeks to create value by undertaking refurbishment of its property assets, it will typically be dependent on the performance of third-party contractors who might undertake the management or execution of such development on behalf of the Company. The Company may also rely on third-party contractors to assist in the management of its properties. In such circumstances, the Company would be exposed to various risks, including:

- failure by such third-party contractors in performing their contractual obligations;
- insolvency of such third-party contractors;

- the inability of the third-party contractors to retain key members of staff;
- cost overruns in relation to the services provided by the third-party contractors;
- fraud or misconduct by an officer, employee or agent of a third-party contractor, which may result in losses to the Company and damage to the Company's reputation;
- disputes between the Company and third-party contractors, which may increase the Company's expenses and distract the Board from implementing the investment strategy of the Company; and
- liability of the Company for the actions of the third-party contractors.

Any of the foregoing factors may materially adversely impact the Company's business prospects and results of operations.

Political, economic and other factors may adversely affect the Company's business

It is expected that the Company's investment portfolio will consist primarily of direct or indirect interests in commercial property assets in the UK. Accordingly, the Company's performance may be significantly affected by events beyond its control, such as a further general downturn in the economy, changing demand for commercial property, changing supply within a particular geographic location, the attractiveness of property relative to other investment choices, changes in regulatory requirements and applicable laws and regulations (including in relation to taxation and planning), political conditions, the condition of financial markets, the availability of credit, the financial condition of tenants, potentially adverse tax consequences, interest rate and inflation rate fluctuations, higher accounting and control expenses and other developments. Such events could reduce the rental and/or capital values of the Company's property assets and, consequently, may have a material adverse effect on the Company's business prospects and results of operations.

The Company's investment strategy is to leverage its investments, which exposes the Company to risks associated with borrowings

The Company's strategy is to fund the acquisition of investments, in part, through borrowings. Since the summer of 2007, domestic and international financial markets have experienced significant disruptions that have been driven by failures in the banking system. These disruptions have severely impacted the availability of credit and have contributed to rising costs associated with obtaining credit.

Prior to agreeing the terms of any debt financing, the Company will comprehensively consider its potential debt servicing costs and all relevant financial and operating covenants and other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders in the light of 24 month cash flow projections. The Company will not enter into any borrowings if it believes that there is insufficient headroom between required and available funding to cover reasonable alternative scenarios within a 12 month period. However, if certain extraordinary or unforeseen events occur, including breach of financial covenants relating to interest cover and LTV ratios, the Company's bank borrowings may be repayable prior to the date on which they would otherwise fall due for repayment. Following any acquisitions made by the Company, the Company will own a portfolio of disposable assets. In circumstances where an unforeseen or extraordinary event has occurred, to meet any repayment obligations, the Company's assets may have to be sold at depressed prices to repay borrowings and pre-payment penalties may be payable.

In addition, in the event that the rental income of the Company's portfolio falls (for example, due to tenant defaults), the use of borrowings will increase the impact of such a fall on the net income of the Company and accordingly, will have an adverse effect on the Company's ability to pay dividends to Shareholders. Moreover, in circumstances where the value of the Company's assets is declining, the use of borrowings by the Company may depress its Net Asset Value.

The Company may also find it difficult or costly to refinance indebtedness as it matures, and if interest rates are higher when the indebtedness is refinanced, the Company's income could be reduced.

Each of the foregoing events could have a material adverse effect on the Company's results of operations, financial condition and ability to make distributions to Shareholders.

The Company's incurrence of floating rate debt will expose it to risks associated with movements in interest rates

The Company anticipates incurring debt with interest payable based on LIBOR or other fluctuating base rates. Whilst the Company intends to hedge its interest rate exposure on such borrowings, such measures may not be sufficient to protect the Company from risks associated with movements in prevailing interest rates, to the extent that the interest rate risk on such borrowings is unhedged or such hedges are inadequate to fully protect against interest rate fluctuations. In addition, hedging arrangements expose the Company to credit risk in respect of the hedging counterparty. Increased exposure to interest rate movements may have a material adverse effect on the Company's results of operations.

The Company may be subject to liability following the disposal of investments

The Company may be exposed to future liabilities and/or obligations with respect to disposal of investments. The Company may be required or may consider it prudent to set aside provisions for warranty claims or contingent liabilities in respect of property disposals. The Company may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties that it had given to a purchaser prove to be inaccurate or to the extent that it has breached any of its covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that any representations and warranties incorrectly given could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Company may become involved in disputes or litigation in connection with such disposed investments. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as certain environmental liabilities. Any such claims, litigation or obligations, and any steps which the Company is required to take to meet these costs, such as sales of assets or increased borrowings, may have a material adverse effect on the Company's results of operations, financial condition and business prospects.

The Company may suffer losses in excess of insurance proceeds, if any, or from uninsurable events

The Company's properties may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated for by insurance, or at all. In addition, there are certain types of losses, generally of a catastrophic nature, that may be uninsurable or are not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, might also result in insurance proceeds being insufficient to repair or replace a property. Should an uninsured loss or a loss in excess of insured limits occur, the Company may lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Company could be liable to repair damage caused by uninsured risks. The Company might also remain liable for any debt or other financial obligations related to that property. Any material uninsured losses may have a material adverse effect on the Company's business prospects, results of operations and financial condition.

The Company may not acquire 100 per cent. control of its various investments and may be subject to the risks associated with joint venture investments

Pursuant to the Company's investment strategy, the Company may enter into a variety of investment structures in which the Company acquires less than a 100 per cent. interest in a particular asset or entity and the remaining ownership interest is held by one or more third parties. These joint venture arrangements may expose the Company to the risk that:

- third-party owners become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required;
- third-party owners may have economic or other interests that are inconsistent with the Company's interests and are in a position to take or influence actions contrary to the Company's interests and plans (for example, in implementing active asset management measures), which may create impasses on decisions and affect the Company's ability to implement its strategies and/or dispose of the asset or entity;
- disputes develop between the Company and third parties who have an interest in the asset or entity in question, with any litigation or arbitration resulting from any such disputes increasing the Company's expenses and distracting the Executive Directors from their other managerial tasks;
- third-party owners do not have enough liquid assets to make cash advances that may be required in order to fund operations, maintenance and other expenses related to the property, which could result

in the loss of current or prospective tenants and may otherwise adversely affect the operation and maintenance of the property;

- a co-owner breaches agreements related to the property, which may cause a default under such agreements and result in liability of the Company and otherwise materially adversely affect the co-ownership arrangement;
- the Company may, in certain circumstances, be otherwise liable for the actions of third-party owners; and
- a default by any co-owner constitutes a default under the applicable mortgage loan financing documents, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the co-owner.

Any of the foregoing may subject a property to liabilities in excess of those contemplated by the Company and thus reduce amounts available for distribution to the Company's Shareholders.

The Company's assets may include securities in listed closed-end investment funds, which may expose the Company to investment risk that differs from risks associated with direct investment in real estate

The Company may invest in listed closed-end investment funds. The market prices of securities in listed funds may be volatile and are likely to fluctuate due to a number of factors beyond the Company's control, which factors may, but need not be, the same as those that bear on the value of direct investments in real estate. If the market prices of these securities decrease, the Company's financial condition may be materially adversely affected.

The Company's due diligence may not identify all risks and liabilities in respect of an acquisition

Prior to entering into an agreement to acquire any property, the Company will perform due diligence on the proposed investment. In doing so, it would typically rely in part on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that the Company or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the Company may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or the Company may be unable to obtain necessary permits.

If there is a due diligence failure, there may be a risk that properties are acquired that are not consistent with the Company's investment strategy or that properties are acquired that fail to perform in accordance with projections. In particular, environmental liabilities may result in significant investigation, removal, or remediation costs. Investigation, removal, or remediation required by governmental authorities under environmental regulations, or in connection with a change in use or redevelopment, may impose substantial costs on the Company regardless of whether the Company originally caused the contamination. In addition, such environmental liabilities could adversely affect the Company's ability to sell, lease or redevelop the property, or to borrow using the property as security. Laws and regulations, which may be amended over time, may also impose liability for the release of certain materials, including asbestos, into the air or water from a property investment, and such release can form the basis for liability to third persons for personal injury or other damages. Other environmental laws and regulations limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species. In the event the Company's due diligence fails to uncover material defects or liabilities, including environmental liabilities, which are not covered by insurance proceeds, this may have a material adverse effect on the Company's results of operations and, financial condition.

Property valuation is inherently subjective and uncertain

The valuation of property and property-related assets is inherently subjective, in part because all property valuations are made on the basis of assumptions which may not prove to be accurate, and, in part because of the individual nature of each property. This is particularly so, as has been the case in the previous 24-month period, where there has been more limited transactional activity in the market against which property valuations can be benchmarked by the Company's independent third-party valuation agents. Valuations of the Company's investments may not reflect actual sale prices even where any such sales occur shortly after the relevant valuation date.

The Company may invest in properties through investments in various property-owning vehicles, and may in the future utilise a variety of investment structures for the purpose of investing in retail properties, such

as joint ventures. Where a property or an interest in a property is acquired through a company or investment structure, the value of the company or investment structure may not be the same as the value of the underlying property due, for example, to tax, environmental, contingent, and contractual or other liabilities, or structural considerations. As a result, there can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying property.

Real estate investments are relatively illiquid

Investments in property are relatively illiquid. Such illiquidity may affect the Company's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, property market or other conditions. This may have a material adverse effect on the Company's financial condition and results of operations.

Risks relating to structure and taxation

Any change in the Company's tax status or in taxation legislation may affect the Company's ability to provide returns to Shareholders

Statements in this Prospectus concerning the taxation of investors in Ordinary Shares are based on current tax law and practice that is subject to change. The taxation of an investment in the Company depends on the individual circumstances of investors. Further, any change (including a change in interpretation) in the legislative provisions relating to REITs or in tax legislation more generally, either in the United Kingdom or in any other country in which the Company operates, could have a material adverse effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in the United Kingdom or elsewhere. All of these matters could have a material effect on the Company's business, financial condition, results of operations, future prospects or the price of the Ordinary Shares. In particular, an increase in the rates of stamp duty land tax could have a material impact on the price at which UK land can be acquired, and therefore on asset values.

As described in Part 1 of this Prospectus the Company will elect to become a REIT on the day of Admission. The basis of taxation of any investor's holding in the Company will change fundamentally if the Company ceases to maintain its REIT status.

The Company's ability to pursue growth through acquisitions may be limited by its ability to incur additional debt

The Company will not be able to pursue asset growth through acquisitions solely from cash provided from its operating activities because of its obligation to distribute at least 90 per cent. of the Company's rental income as calculated for tax purposes each year to Shareholders in order to enjoy the full exemption from tax on rental income afforded by the UK REIT regime. Consequently, the Company may be forced to rely on the availability of debt or equity capital to fund future acquisitions.

Distribution requirements may limit the Company's flexibility in executing its acquisition plans

The Company's business model contemplates growth through acquisitions. However, the REIT distribution requirements limit the Company's ability to fund acquisitions and capital expenditures through retained income earnings. To obtain full exemption from UK tax on the Tax-exempt Business, the Company is required, amongst other things, to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distribution, or PID. The Company would be required to pay tax at regular corporate rates on any shortfall to the extent that it distributes as a PID less than the amount required to meet the 90 per cent. distribution test each year. Therefore, the Company's ability to grow through acquisitions would be limited if the Company were unable to obtain further debt or equity financing.

In addition, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT rules and the effect of any potential debt amortisation payments could require the Company to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status could limit the Company's flexibility to make investments.

Disposal of properties may have negative implications, including unfavourable tax consequences

Although the Company is not a trading entity, if the Company disposes of a property in a manner indicative of a company that is trading in property rather than investing, the property may be treated as having been disposed of in the course of a trade, and any gain will be subject to corporation tax at regular corporate rates. For example, acquiring a property with a view to sale followed by a disposal on completion of the development would indicate a trading activity, whereas disposal of a property as part of a normal variation of a property rental portfolio after development with a view to retention as part of that portfolio, would not. Further, where development of a property has occurred following acquisition and the cost of development exceeds 30 per cent. of the fair value of the property at the later of the date of the acquisition of the property or the date the Company qualified as a REIT, the proceeds will be taxable if a disposal takes place within three years of completion of the development. Whilst the Company does not intend to dispose of property in the course of a trade, there can be no assurance that HMRC will not deem a disposal to have been in the course of a trade with the consequence that corporation tax will be payable in respect of any profits from the disposal of such property.

The Company's status as a REIT may restrict business consolidation opportunities and distribution opportunities to Shareholders

If the Company is acquired by an entity that is not a REIT, the Company is likely in most cases to fail to meet the requirements for being a REIT. If so, the Company will be treated as leaving the REIT regime at the end of the accounting period preceding the takeover and ceasing from the end of that accounting period to benefit from the regime's tax exemptions. In addition, a REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a Substantial Shareholder. This additional tax charge will not be incurred if the REIT has taken reasonable steps to avoid paying dividends to a Substantial Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to a Substantial Shareholder and these provisions are summarised at paragraph 7.3(d) of Part 7 of this Prospectus. These provisions provide the Directors with powers to identify Substantial Shareholders and to prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding, unless certain conditions are met. The Articles also allow the Board to require the disposal of Ordinary Shares forming part of a Substantial Shareholding in certain circumstances where the Substantial Shareholder has failed to comply with the above provisions. Accordingly, while there is no prohibition on the Company being acquired, there might be potentially negative tax consequences of such an acquisition if made by an entity which itself is not a REIT might make it less likely than would be the case for other types of companies.

If the Company fails to remain qualified as a REIT, its rental income and gains will be subject to UK taxation

The Company will elect for REIT status under the Finance Act on Admission. The requirements for maintaining REIT status, however, are complex. While minor breaches of the UK REIT regime may only result in additional tax being payable or will not be punished if remedied within a given period of time, provided that the regime is not breached more than a certain number of times, a serious breach of these regulations may lead to the Company losing its qualification as a REIT. If the Company fails to meet certain of the statutory requirements to maintain its status as a REIT, it and its subsidiaries may be subject to corporation tax on some or all of their property rental income and chargeable gains on the sale of properties and if the Company is required to leave the REIT regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed (before and after it leaves the REIT regime). This could substantially reduce the Company's reserves available to make distributions to Shareholders and the yield on the Ordinary Shares. In addition, incurring a tax liability might require the Company to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. Moreover, if the Company's REIT status is withdrawn altogether because of its failure to meet one or more REIT qualification requirements, it may be disqualified from being a REIT from the end of the accounting period preceding that in which the failure occurred until such time as it is able to re-qualify as a REIT during which time it would be subject to corporation tax on its operations. Were it subsequently to re-enter the REIT regime, the Company would be required to pay an entry charge of up to 2 per cent. of the market value of its relevant properties. The Company could therefore lose its REIT status as a result of, amongst other things, the actions of third parties.

The Company may be treated as a passive foreign investment company

It is possible that the Company will be treated as a passive foreign investment company (often referred to as a “PFIC”) for US federal income tax purposes with respect to the current taxable year and thereafter. A non-US corporation generally will be considered a PFIC for any taxable year in which 75 per cent. or more of its gross income is passive income, or 50 per cent. or more of the average value of its assets are considered “passive assets” (generally, assets that generate passive income). This determination is highly factual. If the Company is classified as a PFIC for any taxable year, holders of Shares who are US taxpayers would be subject to adverse US federal income tax consequences. See paragraph 6.2 of Part 6 of this Prospectus for further details on the tax consequences if the Company is a PFIC. US Holders are urged to consult their tax advisers about the possible applicability of the PFIC rules.

Risks relating to the Ordinary Shares

The market price of the Ordinary Shares may fluctuate widely in response to different factors and there can be no assurance that the Ordinary Shares of the Company will be repurchased by the Company even if they trade materially below their Net Asset Value

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, amongst other things, variations in the Company’s operating results, additional issuances or future sales of the Company’s shares or other securities exchangeable for, or convertible into, its shares in the future, the addition or departure of Board members, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the property sector as a whole, the Company or any of its assets, a perception that other market sectors may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company’s sector and other events and factors within or outside the Company’s control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company’s underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

Although the Company has Shareholder approval, conditional on Admission, to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue immediately following Admission (and the Directors intend to seek annual (or, if required, more frequent) renewal of this authority from Shareholders) and subject to the requirements of the Listing Rules, the Companies Act, the Articles and other applicable legislation, the Company may thus purchase Ordinary Shares in the market with the intention of, amongst other things, enhancing the Net Asset Value per Ordinary Share. The Company may decide to make any such purchases (and the timing of such purchases), however, at the absolute discretion of the Directors and there can be no assurance that such purchases will take place or that they will have the effect of narrowing any discount to Net Asset Value at which the Ordinary Shares may trade.

A liquid market for the Ordinary Shares may fail to develop

Admission should not be taken as implying that there will be a liquid market for the Ordinary Shares. Prior to Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active trading market will develop or be sustained after Admission. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares may be adversely affected. Even if an active trading market develops, the market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company.

The Company may in the future issue new Shares, which may dilute Shareholders’ equity

If the Company elects to increase its capital it may require further equity financing, which may be dilutive to the Company’s existing Shareholders. The Company may also issue new Shares in the future pursuant to a share option plan, which may dilute Shareholders’ equity.

Sales of Ordinary Shares by members of the Board or the possibility of such sales, may affect the market price of the Ordinary Shares

Sales of Ordinary Shares or interests in Ordinary Shares by the Board could cause the market price of the Ordinary Shares to decline. Whilst the Executive Directors and Non-Executive Directors may, following the expiry of a three year or a two year, respectively, lock-up period (subject to certain limitations), sell their Ordinary Shares in the market, a substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could cause the market price of the Ordinary Shares to decline. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

The interests of any significant investor may conflict with those of other Shareholders and future sales of Ordinary Shares by any other significant investor in the public market may cause the share price to fall

It is possible that, in the future, investors may have significant holdings of Ordinary Shares. Accordingly, they will potentially possess sufficient voting power to have a significant influence on matters requiring Shareholder approval. The interests of a significant investor may accordingly conflict with those of other holders of Ordinary Shares. In addition, any significant investor, may make investments in other businesses in the UK property market that may be, or may become, competitors of the Company.

The Company's ability to pay dividends will depend upon its ability to generate sufficient earnings and certain legal and regulatory restrictions

All dividends and other distributions paid by the Company will be made at the discretion of the Board. The Company will be required to distribute to Shareholders at least 90 per cent. of the income profits arising from its Tax-exempt Business. The payment of any such dividends or other distributions will in general depend on the Group's ability to generate realised profits and cash flow and its ability to pass such profits and cash flows to the Company on a timely basis.

The Company has not registered and will not register as an investment company under the Investment Company Act

The Company is not, and does not intend to become, registered in the United States as an investment company under the Investment Company Act and related rules and regulations. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of or redeem Ordinary Shares held by a person to whom the sale or transfer of Shares may cause the Company to be classified as an investment company under the Investment Company Act. These procedures may materially affect certain Shareholders' ability to transfer their Shares.

The Ordinary Shares are subject to certain provisions that may cause the Board to refuse to register, or require the transfer of Ordinary Shares

Although the Ordinary Shares are freely transferable, there are certain circumstances in which the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of, or redeem, the Ordinary Shares. In addition to the provision relating to Substantial Shareholders, these circumstances include where a transfer of Ordinary Shares would cause, or is likely to cause, (i) the assets of the Company to be considered "plan assets" under the Plan Asset Regulations; (ii) the Company to be required to register under the Investment Company Act, or members of the senior management of the Company to be required to register as "investment advisers" under the US Investment Advisers Act of 1940, as amended from time to time (the "Investment Advisers Act"); or (iii) the Company to be required to register under the Exchange Act or any similar legislation, amongst others.

The assets of the Company could be deemed to be "plan assets" that are subject to the requirements of ERISA or Section 4975 of the Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities

Under the current Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be "significant" within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may

be deemed to be “plan assets” within the meaning of the Plan Asset Regulations. After the Issue, the Company may be unable to monitor whether Benefit Plan Investors or investors acquire Ordinary Shares and therefore, there can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company’s assets will not otherwise constitute “plan assets” under Plan Asset Regulations. If the Company’s assets were deemed to constitute “plan assets” within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under ERISA or the Code, resulting in excise taxes or other liabilities under ERISA or the Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the Plan’s investment in the Ordinary Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.

Shareholders may have difficulty in effecting service of process on the Company or the Directors in the United States, in enforcing US judgments in the UK or in enforcing US securities laws in UK courts

All of the Company’s Directors are residents of countries other than the United States and the Company’s assets are located outside the United States. As a result, it may not be possible for Shareholders to effect service of process within the United States upon all of the Directors and officers or on the Company, or to obtain discovery of relevant documents and/or the testimony of witnesses. US Shareholders may have difficulties enforcing in courts outside the United States judgments obtained in US courts against any of the Directors or the Company (including actions under the civil liability provisions of the US securities laws). Shareholders may also have difficulty enforcing liabilities under the US securities laws in legal actions originally brought in jurisdictions located outside the United States.

IMPORTANT INFORMATION

Forward Looking Statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors concerning, amongst other things, the investment strategy, financing strategies, investment performance, results of operations, prospects for relationships with tenants and occupiers, financial condition, liquidity of the Company’s individual assets or portfolio, prospects, the condition of the UK property market, dividend policy of the Company and the UK retail property markets in which it will operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions and in the UK property market specifically, legislative or regulatory changes, changes in taxation regimes or development planning regimes, the Company’s ability to invest its cash and the proceeds of the Issue in suitable investments on a timely basis, the Company’s ability to manage its property assets by identifying and retaining appropriate retailers on satisfactory terms, the availability and cost of capital for future investments and the availability of suitable financing.

Potential investors are advised to read this Prospectus in its entirety, and, in particular, the section of this Prospectus entitled “Risk Factors” for a further discussion of the factors that could affect the Company’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur or may not occur as foreseen.

These forward-looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the Listing Rules, the Prospectus Rules, the DTRs and the Takeover Code), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Presentation of financial information

The Company is newly formed and as at the date of this Prospectus has only commenced limited operations and has no assets or liabilities which will be material in the context of the Issue, and therefore no statutory financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company and the Group is intended to be prepared in accordance with IFRS as adopted by the European Union and, unless otherwise indicated, the financial information in this Prospectus has been prepared in accordance with IFRS as adopted by the European Union. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time, the terms of the Issue and the financial information in this Prospectus.

Presentation of industry, market and other data

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to the Company’s business and the track record of the Property Directors contained in this Prospectus consists of estimates based on data and reports compiled by professional organisations and analysts, information made public by investment vehicles previously managed by the Property Directors, on data from other external sources and on the Company’s and the Property Directors’ knowledge of the UK property market. Information regarding the macroeconomic environment in the UK has been compiled from publicly available sources. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company takes responsibility for compiling, extracting and reproducing market or other industry data from external sources, including third parties or industry or general publications, but none of the Company, J.P. Morgan Cazenove and Oriel Securities has independently verified that data. The Company

gives no assurance as to the accuracy and completeness of, and takes no further responsibility for, such data. Similarly, while the Company believes its and the Executive Directors' internal estimates to be reasonable, they have not been verified by any independent sources and the Company cannot give any assurance as to their accuracy.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to “**GBP**”, “**pounds sterling**”, “**£**”, “**pence**” or “**p**” are to the lawful currency of the UK and all references to “**Euro**”, “**euro**” or “**€**” denotes the single currency of the participating member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time, and all references to “**US\$**” are to the lawful currency of the US.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2010
Latest time and date for applications under the Offer for Subscription* . .	12 noon on 18 March
Latest time and date for commitments under the Placing*	4.00 p.m. on 18 March
Publication of results of the Placing and Offer for Subscription	8.00 a.m. on 19 March
Expected date of commencement of conditional dealings in Ordinary Shares**	8.00 a.m. on 19 March
Admission and unconditional dealings in Ordinary Shares commence	8.00 a.m. on 24 March
CREST accounts credited with uncertificated shares	24 March
Where applicable, definitive share certificates despatched by post week commencing	29 March

All references to times in this Prospectus are to London times unless otherwise stated.

- * The Directors may, with prior approval of J.P. Morgan Cazenove and Oriel Securities, extend such date and thereby extend the Placing and Offer periods, to a time and date no later than 4.00 p.m. on 30 April 2010. If the Placing and Offer periods are extended, the Company will notify investors of such change by the publication of an RNS Announcement.
- ** Times and dates are subject to change. All dealings in the Ordinary Shares prior to the commencement of unconditional dealings will be on a “conditional basis”, will be of no effect if Admission does not take place and will be at the sole risk of the parties concerned.

ISSUE STATISTICS

Target size of the Placing and Offer (excluding any proceeds received pursuant to the Over-Allotment Option) ⁽¹¹⁾⁽¹²⁾	approximately £150 million
Issue price per Ordinary Share	100 pence
Target estimated net proceeds receivable by the Company ⁽¹³⁾	approximately £144 million

- (11) The actual number of Ordinary Shares, in issue upon Admission will depend on how demand is satisfied. It is expected that a Placing and Offer statement containing the final number of shares issued will be published on or about 19 March 2010.
- (12) Assuming gross proceeds of the Issue of £150 million, additional proceeds of up to £15 million may be received pursuant to the exercise of the Over-allotment Option. In any event, the total gross proceeds of the Placing and Offer will not exceed £220 million, including any proceeds from exercise of the Over-allotment Option.
- (13) Assuming gross proceeds of £150 million.

DIRECTORS AND ADVISERS

Directors

Andrew Huntley	(Non-executive Chairman)
Andrew Jones	(Chief Executive Officer)
Valentine Beresford	(Investment Director)
Mark Stirling	(Retail Director)
Sue Ford	(Finance Director and Company Secretary)
Alec Pelmore	(Non-executive and Senior Independent Director)
Andrew Varley	(Non-executive Director)
Philip Watson	(Non-executive Director)

Registered office and Directors' business address

67-68 Grosvenor Street, London W1K 3JN

Website

www.metricproperty.co.uk

Joint sponsors, financial advisers and bookrunners

Oriel Securities Limited 125 Wood Street London EC2V 7AN	J.P. Morgan Securities Ltd. 125 London Wall London EC2Y 5AJ
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Legal advisers to the Company as to English law

Travers Smith LLP
10 Snow Hill
London EC1A 2AL

Legal advisers to the joint sponsors, financial advisers and bookrunners

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2HS

Legal advisers to the Company as to US law

Paul, Weiss, Rifkind, Wharton & Garrison LLP,
Alder Castle
10 Noble Street
London EC2V 7JU

Auditors and Reporting Accountants

Deloitte LLP
Hill House
1 Little New Street
London EC4A 3TR

Receiving Agents

Computershare Investor Services PLC
Corporate Actions Projects
Bristol BS99 6AH

Registrars

Computershare Investor Services PLC
The Pavilions
Bristol BS99 6ZZ

PART 1

THE COMPANY

1.1 THE INVESTMENT PROPOSITION

The Company is a newly established, internally managed, UK-incorporated specialist retail property investment company, with an unlimited life and is targeting raising approximately £150 million.⁽¹⁴⁾ The Company will be listed on the Official List and the Ordinary Shares will be traded on the main market of the London Stock Exchange. The Company will elect to become a Real Estate Investment Trust (REIT) on the day of Admission.

The Company believes that an opportunity has been created in the UK quoted property sector by the withdrawal and consolidation of a number of key specialist retail property companies and the Company intends to fill that gap. The Company's strategy is to create a retail investment portfolio in the UK which aims to deliver rental growth and attractive returns to Shareholders through an occupier-led approach by delivering the right space in profitable locations.

The Company is internally managed by a specialist team led by Andrew Jones (previously an executive director and head of retail at British Land), Valentine Beresford (previously European director at British Land), Mark Stirling (previously asset management director at British Land) and Sue Ford (formerly finance director of Ingenious Media and the Channel 4 Group). The Property Directors have a track record of assembling retail investment portfolios which consistently outperformed relevant IPD benchmarks in terms of capital growth, estimated rental values, vacancy rates and average lease lengths. The Board intends to leverage upon the Property Directors' extensive experience in the retail property sector, in particular their strong property investor, retailer and banking relationships, to assist in delivering attractive returns for the Company's Shareholders. The Property Directors have worked together for approximately 15 years and have concentrated their focus on the retail sector, during which time they have been responsible for running two of the largest UK retail property portfolios by value.

The Executive Directors have, in aggregate, subscribed or agreed to subscribe at Admission for 5,625,000⁽¹⁵⁾ Ordinary Shares at the Issue Price on pari passu terms which will, with certain limited exceptions, be subject to lock-up arrangements for a period of three years following Admission. Through this investment in the Company and a remuneration structure strongly linked to long-term Shareholder value, the Executive Directors' interests will be firmly aligned to those of the Shareholders.

In addition to the Executive Directors, the Board includes independent non-executive directors with significant experience, namely Andrew Huntley as Chairman (non-executive director of Liberty International), Alec Pelmore as Senior Independent Director (member of the supervisory board of Unibail-Rodamco), Andrew Varley (an executive director of NEXT) and Philip Watson (chief investment officer of Mirabaud). They have personally committed to acquire 325,000 Ordinary Shares in the Issue, which will, with certain limited exceptions, be subject to lock-up arrangements for a period of two years following Admission. Part 2 of this Prospectus contains further details of the Company's Directors.

1.2 THE OPPORTUNITY AND BUSINESS STRENGTHS

The Company's strategy will be to take advantage of the significant opportunities for value creation that the Directors believe exist in the retail sector as a result of the current cyclical downturn and structural repricing. The Company's objective is to generate attractive returns with sustainable income and strong capital appreciation through its occupier-led, active management strategy and the Property Directors' strong retailer, property investor and banking relationships.

Property markets in the UK have undergone a period of structural re-pricing and prices are now close to levels not seen since 1999. There was a "peak-to-trough" fall of approximately 46 per cent. in property values according to IPD between June 2007 and June 2009. According to IPD, yields have begun to contract and, since July 2009, the IPD All Retail Index has shown positive returns each month and this has narrowed the decline from the "peak" to 39 per cent. as at January 2010. UK retail warehousing pricing has begun to rebound, although prime initial yields were still approximately 250 basis points below the June 2007 "peak" as at January 2010.

(14) Assuming no exercise of the Over-allotment Option.

(15) Including members of their families/family trusts.

The Company currently is, and will in the future be, engaged in negotiations with vendors regarding potential investment opportunities. The current negotiations, which involve several vendors, relate to the possible acquisition of a number of properties in the Company's preferred subsectors which are located in the UK. Some of these opportunities involve the purchase of multiple properties, while others involve individual properties. In a number of cases, prospective vendors have agreed to negotiate on an exclusive basis for a limited period. These investment opportunities will be evaluated in accordance with the policies and procedures of the Company and will be subject to due diligence, as described in this Prospectus. At the date of this Prospectus, the Company has not yet undertaken substantive due diligence on these properties nor reached agreement on principal terms nor signed binding agreements to acquire any of these properties. The current negotiations may not result in the execution of binding acquisition agreements nor result in any investment by the Company in these properties.

The Directors believe that the Company has the following key business strengths:

The Property Directors are one of the most experienced UK retail property management teams with a track record of delivering attractive returns and a previously demonstrated ability to outperform portfolio benchmarks.

Andrew Jones was executive director and head of retail at British Land until recently. Andrew, along with Mark Stirling and Valentine Beresford, have each been involved in the retail property market for over 20 years and have worked together for approximately 15 years. The Directors believe that the Property Directors have built a complementary set of skills whilst working together and have a record of anticipating and taking advantage of opportunities which was demonstrated, in particular, during their involvement with Pillar and at British Land, two LSE listed companies where the Property Directors gained significant experience at both board and senior management level.

At British Land the Property Directors were responsible for managing one of the UK's largest retail portfolios and they have been involved in approximately £8 billion worth of retail property disposals and acquisitions, and have been responsible for a total of 4.8 million sq. ft. of new lettings and lease renewals in the last five years. At Pillar, they ran the UK's largest retail warehouse portfolio and, following its takeover by British Land in 2005, became responsible for running British Land's entire retail portfolio within the UK and Europe. Both of these portfolios consistently outperformed relevant IPD benchmarks from September 2000 to September 2009⁽¹⁶⁾ and April 2005 to September 2009,⁽¹⁷⁾ respectively.

Pillar was acquired by British Land in July 2005 for £811 million and at that time it was recognised as the leading investment manager and owner of retail parks in the UK with approximately 6.0 million sq. ft. valued at £4.6 billion either owned or under management.⁽¹⁸⁾ Pillar achieved average annual returns for its shareholders of approximately 22 per cent. during the 10 year period to 31 December 2004, which was significantly higher than the average returns from the FTSE 350 property sector of 11.9 per cent. over the same period.⁽¹⁹⁾

Whilst at Pillar and British Land, the Property Directors were responsible for the investment management of the Hercules Unit Trust (HUT), which was launched in September 2000. As at 30 September 2009, HUT was valued at £1.3 billion and its portfolio comprised 24 retail and shopping parks totalling 4.4 million sq. ft. of retail accommodation.⁽²⁰⁾ Including HUT, the Property Directors were responsible at British Land for a retail portfolio that was valued at £4.8 billion as at 30 September 2009.

At British Land and Pillar, the portfolios managed by the Property Directors built a track record of consistently outperforming relevant IPD benchmarks:

- from September 2000 to September 2009, HUT delivered capital growth of 20.7 per cent. versus that reported by the IPD Retail Warehousing UK (Quarterly) Index (excluding HUT) of (2.9) per cent. During this same period, HUT delivered average annualised equivalent rental value growth of 6.3 per cent. against 2.4 per cent. reported by the IPD Retail Warehousing UK (Quarterly) Index, respectively (equating to an outperformance of 3.9 per cent. over 9.0 years against this IPD benchmark);⁽²¹⁾

(16) Schroders' HUT marketing presentation, December 2009.

(17) British Land Annual Reports & Accounts and investor presentations 2005 to 2009.

(18) British Land presentation "Proposed Acquisition of Pillar Property PLC", 23 May 2005.

(19) London & Stamford admission document, 2 November 2007.

(20) British Land press release, 23 October 2009, "Hercules Unit Trust makes first acquisition for 18 months".

(21) Schroders' HUT marketing presentation, December 2009.

- vacancy rates in the British Land retail portfolio as at 30 September 2009 were 2.3 per cent. against 7.0 per cent. as reported by the IPD All Retail Index;⁽²²⁾
- average lease lengths to first break for the British Land retail portfolio as at 30 September 2009 were 14.4 years against the 11.0 years reported by the IPD All Retail Index;⁽²³⁾ and
- from 1 April 2005 to 30 September 2009, British Land's retail portfolio delivered equivalent rental value growth of 8.2 per cent. against 1.5 per cent. reported by the IPD All Retail UK (Quarterly) Index and its retail warehouse portfolio delivered equivalent rental value growth of 11.3 per cent. against 0.8 per cent. reported by the IPD Retail Warehousing UK (Quarterly) Index.⁽²⁴⁾

Each of the Property Directors has over 20 years' experience in the retail sector developing strong and extensive relationships and pro-actively managing assets together with experience in building and running portfolios and large scale joint ventures, through on market and off market transactions.

The Property Directors have built extensive relationships with leading retailers such as Arcadia, Asda, Boots, DSGi, Marks & Spencer, NEXT, Primark, River Island, Tesco and Sports World, and will adopt an occupier-led approach to managing the Company's assets. The Directors regard retailer contentment as key to driving rental values and expect this approach to play a significant role in their aim to deliver attractive returns. The Directors believe that the Company has the potential to outperform as a result of:

- careful asset selection and right-pricing;
- their occupier-led insight into strengths, weaknesses and opportunities within potential acquisitions;
- their experience and track record in creating value through active asset management (including right-sizing, extensions, refurbishments, enhancing tenant mix, actively managing vacancies, regearing leases, securing additional space and improving planning consents);
- their ability to exploit the arbitrage between retail performance and affordable rental values; and
- making timely disposals of "ex-growth" assets.

The Property Directors have led many high profile transactions over their careers and have been involved in a number of sizeable UK retail property investment transactions. For example, whilst at Pillar they led the acquisition of the Chartwell Land Portfolio (£700 million in 2003) and Glasgow Fort Retail Park (£195 million in 2004) and the disposal of Fosse Shopping Park (£308 million in 2005). After joining British Land in July 2005, the Property Directors concluded transactions totalling over £8 billion of which £5.7 billion were sales against £2.4 billion of acquisitions,⁽²⁵⁾ including the sale of a 50 per cent. interest in Meadowhall Shopping Centre (£588 million in 2009). They were active in the market up to the announcement of their recent departure from British Land and consequently are well known to many property owners and leading retail investment agents from whom they expect to continue to source investment opportunities for the Company. Similarly, they have established relationships with investors who may wish to joint venture either their existing retail assets or new purchases to benefit from the Property Directors' asset management skills. They have considerable experience in previous joint ventures with partners such as Aviva, Caisse de dépôt et placement du Québec, Hermes, LaSalle, London & Stamford, Schroders, Tesco and Universities Superannuation Scheme.

The Property Directors have considerable development experience and have worked closely with several prominent developers and structured forward funding/commitment type transactions as well as carrying out direct developments, which as a result brought many successful retail schemes to fruition. Examples include the 320,500 sq. ft. Gallions Reach Shopping Park, Beckton, the 300,000 sq. ft. Manchester Fort Shopping Park, the 350,000 sq. ft. Glasgow Fort Shopping Park, and the 115,000 sq. ft. Orpington Shopping Park.

(22) British Land investor presentation for half year to September 2009.

(23) British Land investor presentation for half year to September 2009.

(24) British Land Annual Report and Accounts 2005/6 to 2008/9 and Half Year Report to September 2009 and IPD.

(25) British Land Annual Report and Accounts 2005/6 to 2008/9 and Half Year Report to September 2009.

The Executive Directors have subscribed or agreed to subscribe at Admission for 5,625,000⁽²⁶⁾ Ordinary Shares in the Issue firmly aligning their interests with those of the Shareholders.

The Executive Directors have subscribed or agreed, in aggregate, to subscribe at Admission for 5,625,000⁽²⁶⁾ Ordinary Shares, on pari passu terms, thereby firmly aligning their interests with those of the other Shareholders and the Non-executive Directors have committed to acquire 325,000 Ordinary Shares. The Ordinary Shares acquired by the Executive Directors pursuant to the Issue, subject to certain limited exceptions, will be subject to lock-up arrangements for a period of three years following Admission. The Ordinary Shares acquired by the Non-executive Directors will, subject to certain limited exceptions, be subject to lock-up arrangements for a period of two years following Admission.

The Company will have a remuneration structure for the Executive Directors and senior management linked to long-term performance and total Shareholder returns and (subject to certain exceptions) there will be a continuing prohibition on each of the Property Directors disposing of any Ordinary Shares to the extent such disposal would result in a Property Director holding less than 300 per cent. of his base salary in Ordinary Shares.

The Company's Board and independent Directors have significant relevant experience.

The Executive Directors are supported by independent non-executive directors. The Non-executive Directors have considerable experience in the property industry, retail industry and financing. The Board is chaired by Andrew Huntley, who was Chairman of Richard Ellis from 1993-2002. Andrew is currently a non-executive director of Liberty International.

The other Non-executive Directors include Alec Pelmore (Senior Independent Director), a non-executive director of one of Europe's largest property companies, Unibail-Rodamco, and a former award-winning property research analyst; Andrew Varley who is an executive director of NEXT and is responsible for NEXT's property portfolio; and Philip Watson who is the chief investment officer of Mirabaud.

1.3 INVESTMENT POLICY

The Company aims to assemble a portfolio of freehold and long leasehold retail properties throughout the UK and Ireland. The Company will invest principally in the retail property markets, but may also consider investing in multi-let leisure schemes. Leisure uses may also form part of larger retail schemes.

The Company will employ an occupier-led approach with a view to extracting long-term value from investment properties through opportunistic acquisitions, joint ventures, active asset management, limited risk development and timely disposals. The Company will focus on assets that the Property Directors believe have enduring occupier appeal and which provide opportunities for management to improve both rental values and the longevity and security of income. The Company may undertake limited re-development of properties (e.g. extending, reconfiguring and refurbishing existing schemes) with the aim of enhancing Shareholder returns.

The Company may choose to invest in properties indirectly in a variety of structures with other investors. These may include joint ventures with property vendors who wish to retain an interest in a property, co-investors (in order to allow the Company to undertake property investments that otherwise would be too large) and partners where the Company is bidding for properties as part of a consortium. In selected situations the Company might also invest in other investment companies or funds, such as property investment trusts or other investment vehicles that the Company manages, or as a means of facilitating property acquisition opportunities. In any event, the Company will not invest more than 10 per cent. in aggregate, of the value of the total assets of the Company, at the time of the relevant investment, in other listed closed-ended investment funds save for those that have published investment policies to invest no more than 15 per cent. of the total assets in other listed closed-ended investment funds. The focus of the Company's investment will be the ownership and active management of retail property.

The Company will seek to use gearing to enhance returns over the long-term. The level of gearing will be governed by careful consideration of the cost of borrowing and the Company will seek to use hedging to mitigate the risk of interest rate increases. Gearing, represented by borrowings as a percentage of the Company's total assets, will not exceed 65 per cent., at the time of any investment.

The Company may manage other investment companies or funds within the retail property sector. The Company will receive the benefit of any management and performance fees generated from managing such

(26) Including members of their families/family trusts.

other investment companies or funds. However, the focus of the Company's investment will be the ownership and active management of retail property.

The Company may invest in a limited number of properties outside of the retail and leisure sectors provided that the aggregate cost of any such investments at the time of any acquisition is less than £110,000.

The Company is permitted to invest cash held by it for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

Risk diversification and management

The Company will seek to spread its investment risks through investing in a range of retail properties across the retail sub-sectors and through targeting low-risk tenants with strong covenants. No property investment will exceed 20 per cent. of the Company's total assets (including cash) at the time of acquisition and the Company will not invest in direct long-cycle retail developments. Once the Company is fully invested, it is also intended that no more than 20 per cent. of the Company's rental income will be derived from any one occupant of the property portfolio.

The Company will further manage risk by focusing on the covenants and quality of tenants, the terms of the leases, length of income stream and tenancy agreements.

The Company will focus on the UK retail market although it may invest in the Irish retail market. The Company will only invest in properties or property portfolios in the retail or leisure sectors.

The Company also intends to hedge its interest rate exposure through the use of forward contract options, swaps or other forms of derivative instruments.

Material changes to the Investment Policy set out above may only be made by ordinary resolution of the Shareholders in accordance with the Listing Rules.

1.4 INVESTMENT STRATEGY

At Admission, the Company will not own any retail properties and therefore does not have portfolio legacy issues that might otherwise dilute performance. The Company currently owns 30 small investment properties that were acquired prior to the date of this Prospectus for an aggregate purchase price of £107,474 and are therefore not significant investments. The Company will source new investment opportunities primarily through the Property Directors' extensive network of relationships within the retail commercial property market. The Property Directors intend to focus on both sustainable income and strong capital returns and believe that retailer contentment is the key to exploiting the arbitrage between retailer affordability and rental values.

Investment sourcing

The Company will initially target investments in certain subsectors of the retail property market: retail parks, large space retail units, shopping centres and convenience shopping stores which it believes will benefit from its occupier-led strategy. Within the chosen subsectors the Property Directors will seek to target those assets that benefit from:

- underlying retailer demand;
- low levels of obsolescence;
- limited capital expenditure requirements unless value enhancing;
- the ability to create high levels of occupier contentment;
- long, secure and sustainable income flows;
- a demand/supply imbalance resulting from a restrictive planning regime; and
- active asset management which will result in a positive yield shift.

It is expected that the Company's investments will primarily be sourced via a combination of the following five core avenues:

Open market purchases

The Property Directors have a track record of being able to secure investments on the open market and are confident of being able to secure product via this route due to their extensive acquisition experience, established relationships and what the Property Directors consider is a reputation for delivery within defined timescales.

Off market purchases

The Property Directors have historically sourced numerous opportunities through off market purchases. Off market purchases will be sought going forward by approaches to owners with whom the Property Directors have established relationships and who are seeking discreet disposals to a reliable purchaser. These approaches have often been prompted by retailers that are looking for a pro-active landlord to assist with gaining representation on a scheme and/or deliver their preferred trading configuration.

Sales motivated by refinancing pressures/banks

Refinancing pressures for geared property companies (both public and private) are expected to create new investment opportunities for the Company. An estimated £280 billion of commercial debt is currently secured against UK property, of which £150 billion is due to mature before 2012⁽²⁷⁾ as banks are seeking to reduce their real estate exposure. The Directors believe that the debt markets face a shortage of equity to re-finance these commitments, which they believe will create an opportunity for the Company to source product and implement its investment strategy.

Joint venture opportunities

The Company anticipates that joint venture opportunities could arise in a number of ways, including:

- by identifying specific assets that require asset management input and are owned by vendors who lack the specialist "in house" capability but wish to participate in the potential upside, and therefore will retain an interest in the asset whilst selling the remainder to the Company;
- where potential investments are too large a size for a company to take 100 per cent. of such potential investment on its balance sheet, and thus require a partner;
- by participation in consortium purchases where banks/institutions are looking to sell a large portfolio of assets in a tight timescale; and
- by partnering with developers and providing forward commitments to purchase and/or interim funding, to enable developers to secure and progress development opportunities with the strength of the Company as financial backer. The developer will take on the development risk of such opportunities at all times, not the Company.

The Company also anticipates that opportunities may arise to invest through property investment trusts or other investment vehicles that may be managed by the Company however, the focus of the Company's investment strategy will be the ownership and active management of retail properties.

Sale and leaseback transactions

Sale and leaseback transactions will be sourced primarily via direct discussion with retailers who wish to realise capital from their owner occupied portfolio.

Investment property characteristics

The Property Directors expect that the characteristics of the investment properties being sourced by the Company will largely (though not exclusively) fall into the following categories:

- ***Latent value growth potential*** — assets that have not been properly worked/asset managed (i.e. assets that have lagging ERVs or a tired appearance).

(27) CBRE Real Estate Finance ViewPoint, Winter 2009.

- **Transformational assets** — assets that can be transformed to a superior level of retailing (i.e. improving planning and the tenant mix).
- **Reconfiguration assets** — assets requiring refurbishment, re-configuration and/or limited redevelopment.
- **Development sites** — where the Company would be unlikely to enter into, or be liable for, direct development risk but would partner with developers on a forward commitment/funding basis.

1.5 FINANCING STRATEGY

Proceeds of the Issue

The Directors intend to use the Net Proceeds of the Issue to fund future property investments in retail property as well as to fund the Company's operational expenses consistent with the investment policy of the Company disclosed at Paragraph 1.3 of this Prospectus.

Sources of cash, liquidity needs and cash uses

The Company's principal use of cash (including the Net Proceeds of the Issue) will be to fund acquisitions sourced by the Property Directors. Over time and in accordance with its investment policy and strategy, the Company expects to make distributions to Shareholders in accordance with the Company's dividend policy. Following Admission and in addition to using cash to make acquisitions and distributions to Shareholders, the Company will incur day-to-day expenses that will need to be funded. Initially, the Company expects these expenses will be principally funded through Net Proceeds of the Issue. Such expenses include (i) costs in connection with debt financings; (ii) acquisition costs and expenses (such as due diligence costs, legal, tax advice and taxes); (iii) Directors' fees and the compensation paid to the Executive Directors; and (iv) other operational costs and expenses.

Later on, it is expected that the Company's day-to-day expenses, the payment of interest on its borrowings, as well as transaction costs will be paid with income generated from its investments and on uninvested cash and, if the Company considers it appropriate or desirable for flexibility, through borrowings.

The Company intends to finance part of its acquisitions by employing the use of debt finance. The Company may also use cash from disposals to fund new acquisitions consistent with the Company's investment policy.

As substantially all of the cash raised will be used in connection with the Company's acquisitions, the Company's future liquidity will depend primarily on: (i) the collection of rents demanded on its investment portfolio; (ii) the timing and sale of the properties and businesses it acquires; (iii) the Company's management of available cash; and (iv) the use of borrowings, if any, to fund short-term liquidity needs.

Borrowings

In addition to capital raised from new equity, the Company may choose to finance all or a portion of certain acquisitions with debt financing. The Company intends to secure debt financing via a corporate revolving credit facility and against single or multiple assets. The Company has negotiated the outline terms of a revolving corporate credit facility for up to £80 million with a leading UK-lending bank but the heads of terms in respect of such facility remain subject to credit committee and Board approval. In addition the Company has established strong relationships with a number of property lending banks with a view to securing single or multiple asset specific financing. It is the Directors' current intention that the Company's borrowings will have an LTV of approximately 50 per cent. The Company's gearing, if any, across its portfolio will not exceed 65 per cent. LTV at the time of any investment.

Debt financing for acquisitions will be assessed on a deal-by-deal basis with reference to the capacity of the Company to support gearing. Financing could be secured on single assets or a portfolio of related assets.

Key performance indicators ("KPIs")

The Directors will regularly review reported KPIs and expect that they will include EPS and NAV as presented within the Company's audited IFRS consolidated financial statements. Where the Directors believe that additional measures will assist in measuring the Company's performance, they intend to report supplemental KPIs using the EPRA methodology where relevant.

In addition, in managing its assets, and reporting its financial and operating results, the Company intends to present certain key operational metrics, such as passing rent, ERV and vacancy rates as a means of monitoring performance.

Reporting

The Company will have a financial year end of 31 March.

The Company intends to publish its first set of unaudited interim financial statements by November 2010 for the period ending 30 September 2010 and its first set of audited financial statements will be published by July 2011, for the period ending 31 March 2011.

The Company will publish its KPIs semi-annually, the first such disclosure being as at 30 September 2010.

1.6 TREASURY POLICY

Until such time as funds are required for investment in retail opportunities, the Company intends to manage the Net Proceeds of the Issue in accordance with its treasury policy.

The Company is permitted to invest cash held by it for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

The Company intends to ensure that surplus cash will be managed with the following objectives: (i) to ensure efficient cash and liquidity management; (ii) to deliver appropriate returns on all cash balances having regard to the Company's policy not to expose cash balances to significant risk; and (iii) to limit risk exposures through counterparty diversification.

The Company also intends to hedge its interest rate exposure through the use of forward contracts options, swaps or other forms of derivative instruments.

1.7 DIVIDEND POLICY

The Directors intend to maintain a dividend policy which has due regard to sustainable levels of dividend cover and reflects the Directors' view on the outlook for sustainable recurring earnings. The Company will be (as a REIT) required to distribute to Shareholders at least 90 per cent. of the income profits arising from its Tax-exempt Business. The Directors intend to reinvest proceeds from disposals in assets in accordance with the Company's investment policy.

The Company may in the future, complying with all relevant criteria, and with the approval of the Shareholders by ordinary resolution, choose to offer Shareholders a scrip dividend alternative or may establish a scrip dividend scheme that would allow Shareholders to receive Ordinary Shares instead of a cash dividend.

1.8 STRUCTURE AS A REAL ESTATE INVESTMENT TRUST

As a REIT, the Company will have a tax efficient corporate structure with the consequences for UK Shareholders described in Part 6 of this Prospectus. The Company has acquired 30 small investment properties for an aggregate purchase price of £107,474 which will enable it to satisfy the criteria to be a REIT on Admission. Having been given clearance on specific interpretations on parts of the relevant tax legislation by HMRC, the Company will elect to be a REIT on the day of Admission. The properties acquired are freehold reversionary interests with an aggregate rent roll of £4,360 per annum.

As a REIT:

- the Company will not pay UK corporation tax on profits and gains from its UK Qualifying Property Rental Business; and
- the Company will be required to distribute to Shareholders at least 90 per cent. of the income profits arising from the Tax-exempt Business.

Under the REIT regime, a tax charge may currently be levied on the Company if it were to make a distribution to a Substantial Shareholder. The Articles contain provisions relating to Substantial Shareholders as set out in paragraph 7.3 of Part 7 of this Prospectus.

PART 2

THE MANAGEMENT TEAM AND CORPORATE GOVERNANCE

2.1 THE EXECUTIVE DIRECTORS

The Company's senior management team comprises the four Executive Directors, details of whom are set out below.

Andrew Jones (age 41) (Chief Executive Officer)

Andrew Jones (BSc Hons, MRICS) was, until recently, an executive director and head of retail at British Land. Andrew joined British Land in July 2005 following the acquisition of Pillar, where he was on the main board with responsibilities for shopping centres, retail park investment and asset management. At British Land, Andrew was responsible for its entire retail portfolio of shopping centres, retail parks, food stores and department stores. He was also managing director of British Land Fund Management Limited with responsibility for the company's fund advisory roles in relation to vehicles including HUT (a specialist retail warehouse fund) and HIF (which invests in smaller UK retail parks and clusters of retail park property). Andrew was appointed to British Land's executive committee in 2005.

Valentine Beresford (age 44) (Investment Director)

Valentine Beresford (Dip Est Man) was, until recently, the European director of British Land. Valentine joined British Land in July 2005 following the acquisition of Pillar where he had been on the main board since 2001, having joined Pillar in 1991. At Pillar, Valentine was responsible for the company's out-of-town UK retail investment activities. At British Land, Valentine was principally responsible for British Land's European retail and leisure developments and investments, and was chairman and chief executive officer of British Land European Fund Management LLP, the entity that advised PREF, a fund specialising in investing in out-of-town retail investments in Europe. In addition, Valentine was Chairman of PREF Management Company S.A., the company responsible for the management of PREF. Valentine was appointed to British Land's executive committee in 2006.

Mark Stirling (age 46) (Retail Director)

Mark Stirling (FRICS) was, until recently, the asset management director of British Land. Mark joined British Land in July 2005 following British Land's acquisition of Pillar where he was a managing director of Pillar Retail Parks Limited from 2002 until 2005, having joined Pillar in 1993. At British Land he had responsibility for planning, development and asset management of British Land's retail portfolio. Mark was appointed to British Land's executive committee in 2009.

Sue Ford (age 49) (Finance Director and Company Secretary)

Sue Ford (BSc Hons, ACA) was the group finance director of Ingenious Media from 2005 until 2008. In the three years prior to joining Ingenious Media, Sue worked at Channel 4 Group, initially as finance director of its commercial arm, 4 Ventures Limited, before becoming finance director for the Channel 4 Group in 2003. Between 1997 and 2002, Sue was director of strategy at Deloitte and was European finance director of Deloitte's strategy consulting division, Braxton Associates between 1994 and 1997. Sue is a Chartered Accountant, having qualified with Deloitte.

2.2 THE NON-EXECUTIVE DIRECTORS

Andrew Huntley (age 70) (Chairman)

Andrew Huntley is a former Chairman of Richard Ellis and a former non-executive director of Pillar. He is currently a non-executive director of Liberty International, a non-executive director of Miller Group Limited and a non-executive director of AIM-quoted Real Office Group plc. Andrew is one of the UK's most experienced property advisers. After qualifying in 1958, Andrew joined Richard Ellis in 1965, where he became a partner in 1968. He was made head of the investment department of Richard Ellis in 1972, created Richard Ellis Inc. USA in 1975 and set up Richard Ellis Financial Services Limited in 1984. In 1985, he moved to head up the City division of Richard Ellis before returning to the West End in 1992 and becoming Chairman in 1993, a position he held until 2001. Between 2002 and 2005 Andrew was a non-executive director of Pillar. During his extensive career, he has also served as Deputy Chairman of Beckwith Property Fund Management, as a director of OIL Property Holdings, a director of Atlantic Fund

Management, a member of the board of COIF, as Chairman of New Sadlers Wells Development and as Chairman of Panceltica Holdings Limited.

Alec Pelmore (age 56) (Senior Independent Director)

Alec Pelmore has been, since 29 April 2008, a member of the supervisory board of one of Europe's largest property companies, Unibail-Rodamco, and is a member of its audit committee. Alec held positions as an equity investment analyst specialising in property companies from 1981 to 2007. The majority of his career as an investment analyst was spent at Dresdner Kleinwort Benson (from 1990 to 1997) and Merrill Lynch (from 1997 to 2007). Alec's team at Dresdner Kleinwort Benson and Merrill Lynch was voted number one for property in Europe by the Institutional Investor European Property Research Survey for 12 out of 13 years from 1995 to 2007.

Andrew Varley (age 59)

Andrew Varley is group property director and an executive director of NEXT. He is the main board member with the responsibility for property, franchise, corporate responsibility and code of practice related issues. Andrew joined NEXT in 1985 and was appointed to the board of NEXT in 1990. His previous experience includes 12 years in retail and commercial property. From 1999 to 2007, Andrew was a non-executive member of the British Heart Foundation's shops committee.

Philip Watson (age 61)

Philip Watson is the chief investment officer of Mirabaud Investment Management. Philip joined Hill Samuel in 1971 and then Robert Fleming in 1972 on the UK desk, where he worked as an investment analyst and fund manager. Philip left Robert Fleming's in 1982 to found TWH Asset Management Limited (now Mirabaud Investment Management) in which he and his partners sold a controlling interest to Mirabaud Pereire Holdings Limited in 1991.

2.3 CORPORATE GOVERNANCE

The Company complies with the relevant requirements of the Combined Code. The Combined Code provides that both the audit and remuneration committees of UK public companies should consist exclusively of independent non-executive directors and that the majority of members of the nomination committee should also be independent non-executive directors. To this end, the Board has established audit, remuneration and nomination committees composed of Non-executive Directors. The Board will hold at least four meetings each year.

The Audit Committee will be chaired by Alec Pelmore and will consist of all of the Non-executive Directors excluding the Chairman. It will meet at least twice each year and on additional dates as and when required. The Audit Committee is responsible for ensuring that the financial performance of the Group is properly monitored, controlled and reported on. The Audit Committee will also meet the auditors without the Executive Directors being present and review reports from the auditors relating to accounts and internal control systems to comply with the relevant requirements of the Combined Code. Further details of the Company's corporate governance are set out in paragraph 7.9 of Part 7 of this Prospectus.

The Remuneration Committee is chaired by Philip Watson and its other members are the other Non-executive Directors of the Company (including Andrew Huntley). It will meet at least once each year and at additional dates as and when required. This committee has responsibility for determining, within agreed terms of reference, the Company's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors, including pension rights and compensation payments. It is also responsible for making recommendations for awards under the Share Plans.

2.4 INVESTMENT APPROVAL AND MANAGEMENT PROCESS

Set out below is a summary of the intended investment approval and management process that will be generally applied by the Company (to the extent appropriate given the nature of a relevant investment opportunity):

Initial analysis

The Property Directors will conduct an initial high-level review of potential investment opportunities. The high-level review will focus on (without limitation) the strength and reputation of the vendor and the

reason for sale; a site visit; a review of tenancy schedules (identifying length of leases), strength of covenants, an assessment of rental values and longevity of income; an assessment of competing schemes; a catchment analysis; a planning overview; a discussion with key tenants as to their level of trade, rent affordability and contentment with the scheme; an assessment of likely tenant demand; an assessment of possible asset management opportunities; a review (if available) of public footfall numbers/car numbers; an assessment of appropriate gearing levels and financing costs and a desktop valuation/yield analysis and a cashflow/IRR analysis.

A full review of the results will be undertaken by the Executive Directors to determine whether the investment opportunity presents sufficiently attractive characteristics. Only after there has been unanimous approval from all of the Executive Directors can a formal offer be made to the vendor, which would result in a full in-depth analysis following vendor acceptance of such formal offer.

If the in-depth analysis confirms that the investment opportunity is sufficiently robust, and once terms are finalised with a vendor, the Executive Directors will prepare an Acquisition Report Proposal which will be distributed to the Board for discussion and (if determined appropriate) approval.

Control of the investment process is key for managing risk within the Company and there will be a two-tier approval process for acquisitions and disposals:

- for potential/current investments that represent less than 10 per cent. of the current portfolio value of the Company (including cash) at the time of such transactions, the unanimous approval of the Executive Directors will be required prior to the approval of the relevant disposal/acquisition. If the Executive Directors do not reach unanimous agreement, the relevant investment will be referred to the full Board for approval;
- for potential/current investments that: (i) represent more than 10 per cent. of the current portfolio value of the Company (including cash) at the time of such transactions; or (ii) would represent a sale/acquisition to or from a related vehicle the approval of the Board will be required for a transaction to proceed.

Due diligence, documentation and execution

Once terms have been agreed with a vendor, and prior to contracting to purchase any investment, the Company will undertake a detailed due diligence process including (where appropriate):

- instructing a reputable independent valuer/agent to prepare a detailed purchase report and supporting valuation, including supporting cashflows and an IRR analysis;
- instructing its solicitors to review the legal title of the asset(s), as well as to negotiate and report on the sale and purchase agreement. This report will also contain a detailed planning review on each asset, as well as a report on all occupational leases;
- commissioning appropriate structural and environmental reports in relation to the property;
- ensuring all third-party reports are supported by appropriate professional indemnity insurance levels;
- negotiating and obtaining appropriate financing (if required) with a reputable bank on favourable terms; and
- confirming that adequate insurances are in place for the property from exchange of contracts.

The Company will consider all information received during due diligence and cross reference that information against its original Acquisition Proposal Report, in particular the valuation and title reports. Any material changes will be referred back to the Board or the Executive Directors (as appropriate) who will review such changes and determine whether to proceed with the relevant investment in line with the Company's investment policy and objectives.

The Company's ongoing management process

Once an investment is completed, the Company will continue to monitor it regularly at Board level, through quarterly reviews of the portfolio, and will measure its performance against those measures originally targeted (including (where appropriate) on an asset by asset basis). The Executive Directors will, in addition, meet on a monthly basis to review the Company's portfolio and the performance of individual assets and consider each asset's future performance in the context of the market environment (including the regular monitoring of covenant strength through ongoing research and diligence).

Active asset management

The Company intends to enhance Shareholder returns by continually focusing on improving income profiles and adding value to its property portfolio by:

- adapting investment property to the Company's retail customer requirements;
- enhancing tenant mix by replacing poorer performing retailers with those capable of generating enhanced footfall, greater sales densities and who in turn have a greater propensity to pay higher rents. The Property Directors believe that continually improving the tenant mix in the Company's investment sites will also maintain and sometimes improve the relative position of the retail asset in the local retail hierarchy;
- extending the amount of time that people spend on a particular scheme ("dwell times"). This can improve the levels of spend from shoppers which, in turn, can lead to greater retail turnover. The addition of food and beverage restaurants can deliver extended dwell times and can be introduced to improve tenant mix and also offer profitable development opportunities on land adjacent to the asset;
- improving planning consents through the broadening of any restrictive user consents, extending floor areas, removing unit size restrictions, changing users;
- reducing service charge costs by focusing on efficiencies and reducing occupational costs;
- improving the physical attractiveness of buildings and common areas by way of innovative and cost efficient refurbishment programmes;
- restructuring property tenure;
- improving access for customers through implementing better signage, car park configuration and traffic management to deliver optimal car park solutions; and
- adopting a creative and adaptive leasing approach having regard to void space, tenant covenant, lease expiry and break options and the cost of maintaining empty space (through empty rates, insurance and service charge).

2.5 REMUNERATION

Share incentive plans

To support the business strategy of the Company and to further align the interests of the Executive Directors and key members of the senior management team and Shareholders, the Board has established the Management Incentive Plan (MIP) and the Matching Share Plan (MSP). Under the MIP and the MSP, participants can receive Ordinary Shares in the Company based on the achievement of stretching performance targets. In addition to the MIP and the MSP the Company has constituted the Company Share Option Plan (CSOP). The CSOP will not provide additional value to the Executive Directors over and above the value of the awards made to them under the MSP and the MIP. As outlined in paragraph 7.10.3 of this Prospectus, the CSOP is intended to enable some of the value of awards granted to Executive Directors under the MSP and MIP to be provided on a tax efficient basis. It may also be used in the future to grant awards to other employees of the Company.

A discretionary trust will be established which may satisfy awards granted under the MIP, MSP and CSOP and any other discretionary share plans established by the Company.

Awards

The MIP and the MSP are targeted at the Executive Directors (and, by invitation, certain other key employees of the Company).

Under the MIP, awards will be granted over a number of Ordinary Shares (comprising 75 per cent. of the aggregate award value) and a right to receive a cash payment (comprising 25 per cent. of the aggregate award value). Under the MIP, the maximum payment to one individual is capped at 35 per cent. of the available award pool and the award pool for any one financial year cannot exceed 1.75 per cent. of the Plan Net Asset Value for that year. The share awards will vest subject to stretching performance criteria as further outlined at paragraph 7.10 of Part 7 of this Prospectus and will be subject to clawback provisions.

MSP participants are required to reinvest 50 per cent. of their annual bonus (after tax and national insurance contributions) in Ordinary Shares (“bonus shares”). Participants may then receive two matching share awards for each bonus share acquired, the entitlement to the matching shares will be subject to a performance target measured over three years. Awards vest where the specified performance targets have been met.

The number of unissued Ordinary Shares in respect of which awards may be granted under the MIP, MSP and CSOP in any rolling 10 year period is restricted to 10 per cent. of the Company’s issued Ordinary Shares calculated at the relevant time.

Further details of the Company’s share incentive plans are contained in paragraph 7.10 of Part 7 of this Prospectus.

PART 3
THE UK RETAIL PROPERTY MARKET OPPORTUNITY

3.1 THE UK PROPERTY MARKET

Since peaking in June 2007, the UK commercial property market saw a severe correction in values with a “peak-to-trough” decline of 46 per cent. until June 2009 according to IPD. The impact of the credit crunch on the retail property market has been considerable, leading to a strong cyclical downturn and structural re-pricing. However, according to IPD, yields have begun to contract from July 2009 and the “all property total return” has turned positive each month since then.

The start of this decline coincided with the beginning of the credit crunch, following which there was a significant fall in both the number and value of property transactions. During this period there was a withdrawal of lending and a tightening of credit standards by banks, a fall in confidence by institutional investors and a weakening of the global and UK economies. These factors depressed occupier markets which ultimately support property values. The Directors believe that this fall in retail values will create opportunities for value add purchases.

Reflecting this more restrictive lending environment, banks have offered property loans with more restrictive covenants, such as lower LTVs, and higher interest cover ratios. In addition, lenders have raised the margin on loans, in line with the general repricing of credit risk.

Despite the recent increase in pricing which has been led by a limited supply of stock and strong investor demand, the Directors believe that distressed and highly motivated sellers will continue to emerge from a range of sources and that with an estimated £280 billion of debt secured against property, borrowers will have difficulty refinancing loans, particularly in the short term where over £150 billion of debt is due to mature before the end of 2012 and banks are seeking to reduce their real estate exposure. Furthermore breaches of covenant have created forced sellers, with an estimated £10.1 billion of secondary shopping centres at risk as a result.⁽²⁸⁾ To put this in context investment activity in the UK retail property market was £8.2 billion in 2009.⁽²⁹⁾ The Directors believe this will lead to opportunities to acquire properties that are capable of being improved and that this will be a key area of acquisition and asset management focus, particularly as “less prime property” has not benefited to the same extent from the recent yield compression as “prime property”.

The Directors believe that the improvement of investor demand since the bottom of the market in June 2009 is based on a number of factors, including:

- that market repricing has created a positive yield gap over the cost of debt;
- the perception that the UK market has bottomed out;
- a relatively attractive cash-on-cash yield compared with bank deposits and bonds;
- pension funds and institutions increasing their property allocations; and
- positive inflows into institutional and retail funds.

The Directors believe that there are indications of recovery in the UK commercial property market which reflect improving sentiment in the financial markets at large.

However, these signs of an upturn in the property investment market are ahead of trends in the occupier market. The credit crunch has kept demand below normal levels, rents have fallen, and vacancy rates have risen and tenant failures have inflicted further pressure on landlords’ income levels.

Whilst the rate of rental decline may ease, any positive trend in the occupational markets is likely to lag a general upturn in the economy and in particular a return to growth in employment and business investment. The Directors believe that the UK economy remains in the early stages of recovery and the prospects for consumer spending growth remain challenging, although there is currently little expectation that high profile retail tenant failures will take place.

(28) British Council of Shopping Centres.

(29) Propertyweek.com as at February 2010.

3.2 TIMING AND OPPORTUNITY IN THE UK RETAIL PROPERTY MARKET

The Directors believe that today's market represents an opportune time to invest in the retail property market. According to IPD/CBRE, initial yields for all sectors widened from 4.6 per cent. in July 2007 to 7.9 per cent. in June 2009. The Directors believe that current pricing is attractive and is now close to 1999 levels. The Directors believe that (i) this outlook combined with the Property Directors' established investment and occupier relationships should enable the Company to identify value enhancing investments in their target markets, (ii) the Company's occupier-led approach will help to determine stock selection and identify value enhancing asset management opportunities and (iii) recent yield compression is converting reticent sellers into motivated ones.

The retail sector witnessed a significant imbalance resulting from historic strong occupier demand for limited space, particularly in out of town locations, which historically caused a rapid rise in rents. However, over the last two years, due to numerous retailer failures (such as Allied Carpets, Borders, Land of Leather, MFI, Woolworths and Zavvi) and others (such as Blacks, Focus(DIY), Stylo Barratts and JJB Sports) who have entered into arrangements with their creditors and have been released from their lease obligations on unprofitable stores, considerable "over renting" (whereby current market rent achievable would be less than currently contracted rent) on many schemes has become prevalent as vacancy rates have risen and occupier demand reduced, particularly in weaker locations.

However, the Directors believe that the retail sector remains dynamic with retailers constantly wishing to "right-size" their space requirements in response to changing customer needs and trends as well as new concepts entering and exiting the sector. Many retailers continue to trade profitably and expand their store portfolios in profitable locations where they can secure the right space, in the right configuration at affordable rental levels. The Directors intend to implement the Company's investment strategy around this occupier-led approach by delivering the right space in profitable locations and thus rental growth and attractive returns.

The Company will continue to closely monitor this dynamic market to identify those retailers who are seeking to expand their store numbers and those who choose to right-size or downsize. This is similar to the approach adopted by the Property Directors, which has been successful in delivering attractive returns when managing previous retail portfolios. The Company's preferred subsectors include retail parks, large space retail units, shopping centres, and convenience shopping stores. The Property Directors will seek to identify sites where existing retailers trade profitably and where there remains enduring occupier appeal and contentment, which they believe are key to driving rental growth.

In the Company's preferred subsectors the Directors intend to enhance income by closing the gap between retailer affordability and rental values through the execution of asset management initiatives including:

- right-sizing retailers into their most efficient trading formats;
- extending schemes in response to retail occupier demand;
- leasing vacant space;
- undertaking value enhancing refurbishment schemes to improve occupier appeal;
- enhancing tenant mix to make the sites more appealing;
- broadening planning uses to open up schemes to a wider range of occupiers; and
- improving longevity/security of income.

The Directors believe that, as a result of implementing these asset management initiatives, there is also likely to be a positive yield shift.

PART 4
FINANCIAL INFORMATION

Section A:

Accountants' report on the historical financial information of the Company

The Board of Directors
on behalf of Metric Property Investments plc
67-68 Grosvenor Street
London
W1K 3JN

Oriel Securities Limited
125 Wood Street
London
EC2V 7AN

J.P. Morgan Securities Ltd.
125 London Wall
London
EC2Y 5AJ

8 March 2010

Dear Sirs

Metric Property Investments plc

We report on the financial information set out in Part 4 Section B of the prospectus dated 8 March 2010 of Metric Property Investments plc (the "Company") (the "Prospectus"). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in Note 1 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with IFRS as adopted by the EU.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the date stated in accordance with the basis of preparation set out in Note 1 and in accordance with IFRS as adopted by the EU.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f), we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 and Annex III item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte LLP

Chartered Accountants

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu ("DTT"), a Swiss Verein, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTT and its member firms.

Section B:
Historical financial information of the Company

The financial information as at 1 March 2010, the date of incorporation, of Metric Property Investments plc is set out below. The Directors are responsible for the preparation of this financial information set out below in accordance with International Financial Reporting Standards (“IFRS”) adopted by the European Union and the accounting policies set out in the Note below.

The balance sheet of the Company at 1 March 2010 is as follows:

	<u>Notes</u>	<u>£</u>
Current assets		
Cash		50,000
		<u>50,000</u>
Represented by		
Share capital	2	500
Share premium	2	49,500
Shareholders’ funds		<u>50,000</u>

Notes to the financial information

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with IFRS as adopted by the European Union. The financial statements are prepared in pounds sterling and have been prepared on the historical cost basis. As at 1 March 2010 the Company had not traded and no dividend had been paid. Accordingly, no income statement, statement of comprehensive income or cash flow statement had been presented.

2. SHARE CAPITAL

The Company was incorporated under the Companies Act with an issued share capital of £50,000 comprising 50,000 Ordinary Shares of 1 penny each, each of which were subscribed fully paid and with a premium of 99 pence.

3. EVENTS AFTER THE BALANCE SHEET

On 3 March 2010, the Company’s existing Shareholders subscribed for a further 63,000 Ordinary Shares for an issue price of 100 pence per Ordinary Share.

On 3 March 2010, the Company acquired a freehold reversionary interest for 30 leasehold properties comprised within one freehold title for an aggregate purchase price of £107,474.

On 8 March 2010 the Company entered into a conditional share sale agreement pursuant to which the Company agreed to acquire the entire issued share capital (being 2 ordinary shares) of Metric Property Start-up Limited for a cash consideration of £2 (conditional on Admission). Prior to Admission, Metric Property Start-up Limited was advanced (in aggregate) £81,941.52 by the Property Directors in order to fund its working capital expenses and also entered into a lease in respect of the Company’s registered office. It is anticipated that the funds advanced by the Property Directors will be repaid following the acquisition of Metric Property Start-up Limited by the Company.

PART 5
INFORMATION ON THE ISSUE

5.1 THE ISSUE

The Company is targeting raising approximately £150 million through the Issue, but could raise up to a maximum of £200 million (excluding any New Shares issued pursuant to the Over-allotment Option).

Oriel Securities and J.P. Morgan Cazenove have agreed to use their reasonable endeavours to procure Places pursuant to the Placing for such New Shares on the terms and subject to the conditions set out in the Placing and Offer Agreement. Details of the Placing and Offer Agreement are set out in paragraph 7.11 of Part 7 of this Prospectus.

Furthermore, the Company has also agreed to make an offer to the public pursuant to the Offer for Subscription. Ordinary Shares are being made available under the Offer for Subscription at the Issue Price, subject to the terms and conditions of application under the Offer for Subscription. These terms and conditions should be read carefully before an application is made. The Offer for Subscription will close at 12 noon on 18 March 2010 (or such later date, not being later than 30 April 2010, as the Company, Oriel Securities and J.P. Morgan Cazenove may agree). The Company, Oriel Securities and J.P. Morgan Cazenove have discretion to accept (i) applications pursuant to the Offer which arrive later than 12 noon on 18 March 2010 and (ii) applications pursuant to the Offer which are received for less than £25,000.

Applications under the Offer for Subscription must be for Ordinary Shares with a minimum subscription amount of £25,000 and thereafter in multiples of £1,000.

Completed application forms accompanied by a cheque or banker's draft in relation to the Offer for Subscription must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or delivered by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE so as to be received as soon as possible and, in any event, no later than 12 noon on 18 March 2010.

The Net Proceeds, assuming target gross proceeds of £150 million (excluding proceeds from any exercise of the Over-allotment Option), to the Company will amount to approximately £144 million, after the deduction of commissions relating to the Issue and the other fees and expenses payable by the Company which are related to the Issue. The Issue is conditional, inter alia, on:

- (i) the Placing and Offer Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission;
- (ii) Admission occurring by 8:00 a.m. on 24 March 2010 (or such later date, not being later than 30 April 2010, as the Company, Oriel Securities and J.P. Morgan Cazenove may agree); and
- (iii) the Issue raising in aggregate at least £50 million after the deduction of the Issue commissions and the other fees and expenses payable by the Company which are related to the Issue.

New Shares have been made available primarily to institutional investors and high net worth individuals in the UK, the EEA and/or the US. The terms and conditions governing the Placing are set out in Part 8 of this Prospectus. A supplementary prospectus in respect of the Issue would be required to be produced if the condition set out above at (iii) is waived. If the Issue lapses any monies received in respect of the Issue will be returned to applicants without interest.

The Ordinary Shares are being offered and sold outside the United States to investors that are not US Persons in offshore transactions as defined in, and in reliance on, Regulation S, and within the United States pursuant to an exemption from the registration requirements of the Securities Act. The Company has not been, and will not be, registered under the Investment Company Act in reliance on section 3(c)(7) thereof. Accordingly, the Ordinary Shares are only being offered to US Persons that are QIBs and are also QPs. An initial purchaser of the Ordinary Shares that is located in the United States or that is a US Person will be required to undertake, in the form of the investor letter set out in the appendix to this document, (a) that any resales of Ordinary Shares will be made only outside the United States, and (b) to notify the Company of any such resale, amongst other things. See paragraph 8.7 of Part 8 of this Prospectus, under the heading "Terms and Conditions of the Placing—Selling Restrictions—Sales in the United States or to US Persons" for further details.

Except with the express consent of the Company given in respect of an investment in the Placing, the Ordinary Shares are not being offered to, and are not eligible for investment by, any Benefit Plan Investor, or plan, individual retirement account or other arrangement that is subject to Similar Law, and any such plan that buys Ordinary Shares is subject to provisions requiring compulsory transfer of the Ordinary Shares as provided in the Articles.

Pricing

All Ordinary Shares subscribed for by the Property Directors have been, and all Ordinary Shares issued pursuant to the Placing and the Offer for Subscription will be, issued at the Issue Price.

If applications are received in respect of the Issue for an amount which is greater than £150 million then J.P. Morgan Cazenove, Oriel Securities and the Company (at their sole discretion) will decide the extent of scaling back of applications pursuant to the Placing and the Offer.

Issue arrangements

The Placing and Offer Agreement contains provisions entitling Oriel Securities and J.P. Morgan Cazenove to terminate the Placing and Offer for Subscription (and the arrangements associated with them) at any time prior to Admission in certain circumstances. If this right is exercised, the Issue and these arrangements will lapse and any monies received in respect of the Issue will be returned to applicants without interest.

The Placing and Offer Agreement provides for Oriel Securities and J.P. Morgan Cazenove to be paid commissions in respect of the Ordinary Shares to be allotted pursuant to the Issue. Any commissions received by Oriel Securities and J.P. Morgan Cazenove may be retained, and any Ordinary Shares subscribed for by Oriel Securities and J.P. Morgan Cazenove may be retained, or dealt in, by them for their own benefit.

Further details of the terms of the Placing and Offer Agreement are set out in paragraph 7.11 of Part 7 of this Prospectus.

Over-allotment arrangements and stabilisation

In connection with the Issue, J.P. Morgan Cazenove, or any of its agents, may, to the extent permitted by applicable law, over-allot Ordinary Shares with an aggregate value (at the Issue Price) up to a maximum of 10 per cent. of the total amount to be raised under the Issue and effect other transactions with a view to stabilising or maintaining the market price of the Ordinary Shares at a level higher than that which might otherwise prevail in the open market.

For the purposes of allowing J.P. Morgan Cazenove to cover short positions resulting from any such over-allotments by it during the stabilising period, the Company has granted J.P. Morgan Cazenove an Over-allotment Option pursuant to which J.P. Morgan Cazenove may require the Company to issue additional Ordinary Shares at the Issue Price with an aggregate value (at the Issue Price) up to a maximum of 10 per cent. of the total amount to be raised under the Issue (before the exercise of the Over-allotment Option). The Over-allotment Option is exercisable, in whole or in part, upon notice by J.P. Morgan Cazenove, at any time on or after the date of commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange and will expire no more than 30 calendar days thereafter. Any Ordinary Shares issued by the Company pursuant to the Over-allotment Option will rank *pari passu* with the Ordinary Shares, including for all dividends and other distributions declared, made or paid on Ordinary Shares, will be acquired on the same terms and conditions as the other Ordinary Shares and will form a single class for all purposes with all the other Ordinary Shares.

J.P. Morgan Cazenove is not required to enter into such stabilising transactions. Such stabilising measures, if commenced, may be discontinued at any time, may only be taken up at any time on or after the commencement of conditional dealings in the Ordinary Shares on the London Stock Exchange, and will end no more than 30 days thereafter. Save as required by law or regulations, neither J.P. Morgan Cazenove nor any of its agents intend to disclose the extent of any over-allotments and or stabilisation transactions.

5.2 ADMISSION, DEALINGS AND CREST

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 24 March 2010. Conditional dealings on the

London Stock Exchange are expected to commence at 8am on 19 March 2010 and will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

Where applicable, definitive share certificates in respect of the Ordinary Shares are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week commencing 29 March 2010. The Ordinary Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Upon Admission, the Articles will permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Issue may, elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the Regulations) in relation to CREST.

5.3 USE OF PROCEEDS

The Directors intend to use the Net Proceeds of the Issue, in aggregate after firstly paying the expenses (including the Issue commissions) of the Issue secondly to fund future property investments in retail property as well as to fund the Company's operational expenses. Such expenses include (i) costs in connection with debt financings; (ii) acquisition costs and expenses (such as due diligence costs, legal, tax advice and taxes); (iii) Directors' fees and the compensation paid to the Executive Directors; and (iv) other operational costs and expenses. Suitable acquisition opportunities may not be immediately available. It is likely, therefore, that for a period following Admission and at certain other times (for example, following the disposal of an acquired business), the Company will have surplus cash.

The Directors expect that the annual running costs of the Company will initially be approximately £3 million per annum excluding costs relating to running companies and assets held as a result of future acquisitions. The Company will use the Net Proceeds of the Issue to initially meet its running costs as necessary prior to making any property investments.

5.4 LOCK-UP ARRANGEMENTS

Each of the Directors, who together are expected to hold 5,950,000 Ordinary Shares following Admission, has undertaken to the Company, Oriel Securities and J.P. Morgan Cazenove that, following Admission, he or she will, subject to certain limited exceptions, not sell or otherwise dispose of, or agree to sell or otherwise dispose of, any shares (or any interest therein) in the capital of the Company held by him or her, except with the prior written consent of the Company, Oriel Securities and J.P. Morgan Cazenove.

These restrictions apply to disposals of such shares for a period of three years from Admission in respect of the Executive Directors and for a period of two years from Admission in respect of the Non-executive Directors.

The limited exceptions referred to above include circumstances where the disposal of any Ordinary Shares would be made to a family trust of a Director, as a result of a scheme of reconstruction or reorganisation where required by law, or as a result of a takeover.

5.5 FURTHER INFORMATION

Prospective investors should carefully consider the additional information set out in the other parts of this Prospectus and in particular the section entitled **RISK FACTORS** set out at the beginning of this Prospectus.

PART 6

TAXATION

6.1 UK TAXATION

This section sets out the United Kingdom tax treatment of Shareholders under the REIT regime.

Introduction

The following paragraphs are intended as a general guide only and are based on the Company's understanding of current UK tax law and HMRC practice, each of which is subject to change, possibly with retrospective effect. They are not advice.

Under the REIT regime, corporate entities with a UK Qualifying Property Rental Business no longer pay UK direct taxes on income and capital gains from their Qualifying Property Rental Businesses in the UK and elsewhere (the Tax-exempt Business) provided that certain conditions are satisfied. Instead, distributions relating to the Tax-exempt Business (as determined by the legislation), and in particular distributions required to meet the minimum distributions requirement under the REIT rules, are treated for UK tax purposes as UK property income in the hands of Shareholders. However, corporation tax is still payable in the normal way in respect of income and gains from the Company's business (generally including any property trading business) not included in the Tax-exempt Business. Dividends relating to this business (as determined by the legislation) are treated for UK tax purposes as normal dividends. A dividend paid by the Company relating to profits or gains of the Tax-exempt Business of the members of the Group is referred to in this section as a Property Income Distribution ("PID"). Any normal dividend paid by the Company is referred to as a Non-PID Dividend.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of PIDs and Non-PID Dividends paid by the Company, and to disposals of Ordinary Shares in the Company, in each case after the Company becomes a REIT. They apply only to Shareholders who are the absolute beneficial owners of both the Ordinary Shares in and dividends from the Company and hold their Ordinary Shares as investments and, except where otherwise indicated, they apply only to Shareholders who are both resident and ordinarily resident for tax purposes solely in the United Kingdom. They do not apply to Substantial Shareholders. Nor do they apply to certain categories of Shareholders, such as dealers in securities or distributions, persons who have or are deemed to have acquired their Ordinary Shares by reason of their or another's employment, persons who hold their Ordinary Shares by virtue of an interest in any partnership, collective investment schemes, insurance companies, life assurance companies, mutual companies, or Lloyds members. They apply to charities, trustees, pension scheme administrators or persons who hold their Ordinary Shares in connection with a UK branch, agency or permanent establishment only where indicated at paragraph 6.1(d)(iv) below.

Prospective investors who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities on PIDs, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

UK taxation of PIDs

(a) UK taxation of Shareholders who are individuals

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any property income distribution from any other company to which Part 4 of the Finance Act applies, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business. No dividend tax credit (equal to one ninth of the amount of the dividend) will be available in respect of PIDs. However, a tax credit will be available in respect of the basic rate tax withheld by the Company (where required) on the PID.

Please see also paragraph 6.1(d) (Withholding tax), below for further detail.

(b) UK taxation of corporate Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a property business (as defined in Part 4 of Corporation Tax Act 2009 (“Part 4 property business”). A PID is, together with any property income distribution from any other company to which Part 4 of the Finance Act applies, treated as a separate Part 4 property business from any other Part 4 property business (a “different Part 4 property business”) carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder’s different Part 4 property business cannot be offset against a PID as part of a single calculation of the Shareholder’s Part 4 property business profits.

Please see also paragraph 6.1(d) (Withholding tax) below.

(c) UK taxation of Shareholders who are not resident for tax purposes in the UK

Where a Shareholder who is resident for tax purposes outside the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding.

Please see also paragraph 6.1(d) (Withholding tax) below.

(d) Withholding tax

(i) General

Subject to certain exceptions summarised at paragraph 6.1(d)(iv) below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs. The Company will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

(ii) Shareholders solely resident and ordinarily resident in the UK

Where tax has been withheld at source, Shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their PID at their applicable marginal rate, incur no further liability on their PID, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are corporates will generally be liable to pay corporation tax on their PID (see paragraph 6.1(b) above) and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax or income tax which they are required to withhold in the accounting period in which the PID is received.

(iii) Shareholders who are not resident for tax purposes in the UK

It is not possible for a Shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double tax convention between the UK and the country in which the Shareholder is resident.

(iv) Exceptions to requirement to withhold income tax

Prospective investors should note that in certain circumstances the Company must not withhold income tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or a charity or a company resident for tax purposes outside the UK with a permanent establishment in the UK which is required to bring the PID into account in computing its chargeable profits. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an Individual Savings Account (ISA), the plan manager of a Personal Equity Plan (PEP), or the account provider for a Child Trust Fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant fund, scheme, account or plan.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Company’s registrars, Computershare). Shareholders should note that the Company may seek

recovery from Shareholders if the statements made in their claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

UK taxation of Non-PID Dividends

Non-PID Dividends paid by the Company will be taxed in the same way as dividends paid by a Company which has not elected for REIT status, whether in the hands of individual or corporate Shareholders and regardless of whether the Shareholder is resident for tax purposes in the UK.

(e) Non-PID Dividends—UK resident Shareholders

The Company will not be required to withhold tax at source when paying a Non-PID Dividend.

An individual Shareholder who is resident in the UK (for tax purposes) and who receives a Non-PID Dividend from the Company will generally be entitled to a tax credit which such Shareholder may set off against his total income tax liability on the dividend. The tax credit will be equal to ten per cent. of the aggregate of the Non-PID Dividend and the tax credit (the “gross dividend”), which is also equal to one-ninth of the cash dividend received. A UK resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of ten per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder’s liability to income tax on the Non-PID Dividend.

A UK resident individual Shareholder who is liable to income tax at the higher rate will be liable to tax on the gross dividend at the rate of 32.5 per cent. From April 2010, a UK resident individual Shareholder who is liable to tax at the new “additional” rate will be liable to tax on the gross dividend at the rate of 42.5 per cent. The gross dividend will be regarded as the top slice of the Shareholder’s income. After taking into account the 10 per cent. tax credit, a higher rate tax payer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which is also equal to 25 per cent. of the net cash dividend received). From April 2010, an individual paying “additional” rate income tax will have to account, after taking into account the 10 per cent. tax credit, for tax equal to 32.5 per cent. of the gross dividend (which is also equal to approximately 36 per cent. of the net cash dividend received).

It will not be possible for UK resident Shareholders to claim repayment of the tax credit in respect of Non-PID Dividends.

Shareholders who are within the charge to UK corporation tax will be subject to corporation tax on Non-PID Dividends paid by the Company, unless the Non-PID Dividends fall within an exempt class and certain other conditions are met. Whether an exempt class applies and whether the other conditions are met will depend on the circumstances of the particular Shareholder, although it is expected that the Non-PID Dividends paid by the Company would normally be exempt. Such Shareholders will not be able to claim repayment of tax credits attaching to Non-PID Dividends.

(f) Non-PID Dividends—non-UK resident Shareholders

Non-UK resident Shareholders holding their shares directly will not be liable to UK income tax on Non-PID Dividends received from the Company.

The right of a Shareholder, who is not resident for tax purposes in the UK, to a tax credit in respect of a Non-PID Dividend received from the Company and to claim payment of any part of that tax credit will depend on the existing terms of any double taxation convention between the UK and the country in which the holder is resident. Shareholders who are not solely resident in the UK should consult their own tax adviser concerning their tax liabilities on dividends received, whether they are entitled to claim any part of that tax credit and, if so, the procedure for doing so.

UK taxation of chargeable gains, stamp duty and stamp duty reserve tax in respect of Ordinary Shares in the Company

(g) UK taxation of chargeable gains

For the purpose of UK tax on chargeable gains, the amount paid by a Shareholder for Ordinary Shares will constitute the base cost of his holding. If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost

which can be allocated against the proceeds, the Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate Shareholders, indexation allowance will apply to the amount paid for the shares.

The current rate of tax is 18 per cent. for individuals, trustees and person representatives and up to 28 per cent. for corporate Shareholders.

Shareholders who are not resident in the UK for tax purposes may not, depending on their personal circumstances, be liable to UK taxation on chargeable gains arising from the sale or other disposal of their Ordinary Shares (unless they carry on a trade, professional or vocation in the UK through a branch or agency with which their Ordinary Shares are connected).

Individual Shareholders who are temporarily neither UK resident nor ordinarily resident may be liable to UK capital gains tax on chargeable gains realised on their return to the UK.

Shareholders who are resident for tax purposes outside the UK may be subject to foreign taxation on capital gains depending on their circumstances.

(h) UK stamp duty and UK stamp duty reserve tax ("SDRT")

A conveyance or transfer on sale or other disposal of Ordinary Shares may give rise to liabilities to UK stamp duty or SDRT.

6.2 UNITED STATES TAXATION

Material US Federal Income Tax Consequences

(a) Introduction

The following general discussion describes the anticipated material US federal income tax consequences of the Issue and the ownership of the Ordinary Shares that are generally applicable to US holders (as defined below). However, this discussion does not address all aspects of taxation that may be relevant to particular US holders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. In particular, the information set forth below deals only with US holders that will hold Ordinary Shares as capital assets for US federal income tax purposes (generally, property held for investment) and that do not own, and are not treated as owning, at any time, 10 per cent. or more of the total combined voting power of all classes of Ordinary Shares entitled to vote. In addition, this discussion does not address the tax treatment of special classes of US holders, such as banks, insurance companies, tax-exempt entities, financial institutions, broker-dealers, persons holding Ordinary Shares as part of a hedging, conversion, constructive sale, straddle, or other integrated transaction, US expatriates, persons subject to the alternative minimum tax, regulated investment companies, REITs, individual retirement accounts and other tax-deferred accounts, persons holding Ordinary Shares through the exercise or cancellation of compensatory stock options or otherwise as compensation, dealers or traders in securities or currencies, holders whose functional currency is not the US dollar, and non-US holders. This discussion of US federal income tax matters does not address any other tax consequences under any state, local or foreign laws other than as provided in the section entitled "United Kingdom Taxation." **All potential US investors are urged to consult their own tax advisers as to the specific tax consequences of the Issue and the ownership of Ordinary Shares, including the applicable US federal, state, local and foreign tax consequences of the Issue and the ownership of the Ordinary Shares.**

As used in this discussion of US federal income tax consequences of the Issue, a "US holder" is for US federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation organized under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate the income of which is subject to US federal income taxation regardless of its source, (iv) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more US persons have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a US person, or (v) any person that is subject to US federal income tax on its worldwide income. As used herein, a "non-US holder" refers to any holder of Ordinary Shares (other than a partnership) who is not a "US holder."

If a partnership or other pass-through entity (including any entity or arrangement treated as a partnership or pass-through entity for US federal income tax purposes) is a beneficial owner of the Ordinary Shares, the tax treatment of a partner or other owner in the partnership or pass-through entity will generally

depend upon the status of the partner or other owner and the activities of the partnership or pass-through entity. A partner or other owner of a partnership or pass-through entity that acquires the Ordinary Shares should consult an independent tax adviser regarding the tax consequences of acquiring, owning and disposing of the Ordinary Shares.

This discussion set forth herein is based on the Code, applicable Treasury Regulations, judicial authority, and administrative rulings and practice, and any applicable tax treaty, all as in effect as of the date hereof, as well as representations and covenants (including representations and covenants regarding the absence of changes in existing facts and that the Issue will be completed in accordance with this document). Neither this discussion nor the discussion under the heading “Material US Federal Income Tax Consequences of Owning Ordinary Shares” is binding on the IRS or the courts. Future legislative, judicial, or administrative changes or interpretations, which may or may not be retroactive, or the failure of any such factual representation to be true, correct and complete in all material respects, or the breach of any of the covenants, may adversely affect the accuracy of the statements and conclusions described in this document.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of the Ordinary Shares and no opinion or representation with respect to the US federal income tax consequences to any such holder or prospective holder is made. Prospective purchasers should consult their tax advisers as to the particular consequences to them under US federal, state and local, and applicable foreign, tax laws of the acquisition, ownership and disposition of the Ordinary Shares.

To ensure compliance with Treasury Department Circular 230, each holder and/or purchaser of the Ordinary Shares is hereby notified that: (a) any discussion of US federal tax issues herein is not intended or written to be relied upon, and cannot be relied upon, by a holder and/or purchaser for the purpose of avoiding penalties that may be imposed on such holder and/or purchaser under applicable tax law; (b) such discussion is included herein in connection with the promotion or marketing (within the meaning of Circular 230) of the offer to sell the Ordinary Shares by the Company; and (c) a holder and/or purchaser of any Ordinary Shares should seek advice based on its particular circumstances from an independent tax adviser.

Material US Federal Income Tax Consequences of Owning Ordinary Shares

(b) Taxation of Dividends

Subject to the discussion of “Passive Foreign Investment Company Considerations” rules described below, the gross amount of any distributions of cash or property that are actually or constructively received by a US holder with respect to the Ordinary Shares will constitute a dividend includible in gross income of such US holder as ordinary income to the extent paid out of current or accumulated earnings and profits of the Company, as determined under US federal income tax principles. Distributions in excess of the Company’s current and/or accumulated earnings and profits, as determined for US federal income tax purposes, will be treated first as a non-taxable return of capital to the extent of the US holder’s tax basis in the Ordinary Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits under US federal income tax principles. Therefore, a US holder should expect that a distribution will generally be treated as a dividend, even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The amount of any distribution of property other than cash will be the fair market value of the property on the date of the distribution.

Dividends in respect of Ordinary Shares paid to certain non-corporate US holders (including individuals) currently are taxed at a maximum rate of 15 per cent. provided that (a) the dividends are not paid in respect of a taxable year for which the Company is a PFIC, or was treated as a PFIC in the prior taxable year and (b) either (i) the Ordinary Shares are readily tradeable on an established securities market in the United States, or (ii) the Company is eligible for the benefits of the income tax treaty between the United Kingdom and the United States (the “US-UK Income Tax Treaty”) (and, in either case, provided that certain other requirements, including with respect to a US holder’s holding period for the Ordinary Shares, are satisfied). Although the Company believes that it is currently not a PFIC eligible for such treaty benefits, there can be no assurance that this will be the case for any taxable year. Corporate US holders will be taxed on dividends received from the Company at a 35 per cent. tax rate. Dividends generally will be income from sources outside of the United States for foreign tax credit limitation purposes, and generally will not be eligible for the dividends-received deduction that is allowed to US corporations in respect of dividends received from other US corporations.

The amount of the dividend includible in the income of a US holder will be the US dollar value of the dividend determined at the spot rate on the date that dividend is includible in the income of the US holder, regardless of whether the payment is in fact converted into US dollars at such time. A US holder will have a basis in any GBP distributed by the Company equal to the US dollar value of the GBP on the date it is actually or constructively received by the US holder. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date that payment is converted into US dollars will be treated as ordinary income or loss, and will generally be income or loss from sources within the US for foreign tax credit limitation purposes.

(c) Foreign Tax Credit

As discussed in paragraph 6.1(d) above, dividends that are PIDs paid to shareholders who are not resident for tax purposes in the United Kingdom will generally be subject to withholding. Only certain types of US holders will be eligible to claim repayment of some of the tax that is withheld from PIDs that are paid by the Company. HMRC has published a form for use by certain US investors to claim the difference between the tax that the Company is required to withhold from the PIDs (currently at rate of 22 per cent.) and the tax rate of 15 per cent. applicable to dividends under the current US-UK Income Tax Treaty. US holders are urged to consult their own tax advisers regarding their eligibility to make a claim for repayment.

US holders may claim a deduction or a foreign tax credit for such withholding taxes, subject to applicable limitations, which depend, among other things, on the extent to which income of the US holder is treated as US or foreign source income. The credit is available, however, only for tax withheld at the appropriate rate net of any repayment to which the taxpayer is entitled. US holders will not be allowed a foreign tax credit for withholding tax for any portion of the tax that could have been avoided by claiming benefits under the US-UK Income Tax Treaty. Dividends in respect of Ordinary Shares will be income from sources outside of the United States for foreign tax credit limitation purposes. The rules governing the foreign tax credit are complex and involve the application of rules that depend upon each US holder's particular circumstances. Accordingly, all potential US investors are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

(d) Sale, Exchange or Other Taxable Disposition of Ordinary Shares

Subject to the discussion of "Passive Foreign Investment Company Considerations" below, upon a sale, exchange or other disposition of the Ordinary Shares, a US holder will generally recognize gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realized and the US holder's adjusted tax basis, determined in US dollars, in the Ordinary Shares. Generally, such gain or loss recognized will be long-term capital gain or loss with respect to the Ordinary Shares held for more than 12 months at the time of the sale, exchange or other disposition and any gain recognized generally will be income from sources within the United States for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations under the Code.

The amount realized on a sale, exchange or other disposition of Ordinary Shares for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, the US holder will recognize US-source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. In the case of cash basis and electing accrual basis taxpayers, the amount realized on a sale, exchange or other disposition of Ordinary Shares for an amount in foreign currency will be the US dollar value of this amount on the settlement date.

A gain or loss, if any, that a US holder realizes upon a sale, exchange or other taxable disposition of Ordinary Shares will be treated as having a United States source for US foreign tax credit limitation purposes.

(e) Passive Foreign Investment Company Considerations

A corporation organized outside the US generally will be classified as a passive foreign investment company ("PFIC") for US federal income tax purposes in any taxable year in which either: (a) at least 75 per cent. of its gross income is "passive income," or (b) on average at least 50 per cent. of the gross value of its assets is attributable to assets that produce "passive income" or are held for the production of passive income, including cash. Passive income for this purpose generally includes dividends, interest,

royalties, rents and gains from commodities and securities transactions. In determining whether it is a PFIC, a foreign corporation is required to take into account a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25 per cent. interest. For these purposes, rental income that is treated as derived in the active conduct of a real property leasing business is not treated as passive income. Moreover, a foreign corporation is not a PFIC for its first taxable year in which it has gross income if (i) it has no predecessor that was a PFIC, (ii) it is established to the satisfaction of the IRS that such corporation will not be a PFIC for either of the first two taxable years following the start-up year, and (iii) it is in fact not a PFIC for either of the first two taxable years following the start-up year. This exception from the definition of a PFIC is referred to in the rest of this discussion as the “start-up exception”.

If the Company were classified as a PFIC for any taxable year during which US holders hold Ordinary Shares, US holders would be subject to special adverse rules unless, as described below, they are eligible to make and do make a “mark-to-market” election with respect to their Ordinary Shares. Absent such election, a US holder’s gain from the sale or other disposition of Ordinary Shares and “excess distributions” received from the Company would be ordinary income. Such income would be taxed as if the gain or excess distribution had been realised ratably over the US holder’s holding period and would be increased by an interest charge with respect to underpayments of tax as if the rateable portion of the gain or excess distribution with respect to a given prior taxable year had been subject to tax in such year. An excess distribution generally would be any distribution to a US holder with respect to Ordinary Shares during a single taxable year that is greater than 125 per cent. of the average annual distributions received by such US holder with respect to Ordinary Shares during the three preceding taxable years or, if shorter, during his or her holding period with respect to the Ordinary Shares. For these purposes, gifts, exchanges pursuant to corporate reorganisations, and pledges of Ordinary Shares for use as a security for a loan may be treated as taxable dispositions. The Company will be a PFIC for its first taxable year (as determined for US tax purposes) ending 31 March 2010, unless it is eligible for the start-up exception. Although the Company may hold sufficient active business assets and generate sufficient rental income in the active conduct of a real property leasing business for its year ending 31 March 2011 so as not to be treated as a PFIC for such year and subsequent years (thereby allowing its initial year to qualify for the start-up exception), PFIC status is fundamentally factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually (the average value of assets for each year being the average of the fair market values of the assets determined as of the end of each quarter). Consequently, the Company can provide no assurance that it will not be a PFIC for either its initial taxable year or for any subsequent taxable year. If the Company is classified as a PFIC in any year that a US holder is a holder of the Ordinary Shares, in the absence of a mark-to-market election, the Company generally will continue to be treated as a PFIC for that US Holder in all succeeding years, regardless of whether the Company continues to meet the income or asset test described above.

(f) Mark-to-Market Election

If Ordinary Shares are considered to be “regularly traded” on a “qualified exchange or other market,” US holders would in general not be subject to the foregoing PFIC taxation rules if they made a mark-to-market election with respect to their Ordinary Shares. A “qualified exchange or other market” is defined in the US Treasury Regulations as including a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located and which has (a) trading volume, listing, financial disclosure, surveillance, and other requirements designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open, fair and orderly market, and to protect investors (and the laws of the country in which the exchange is located and the rules of the exchange ensure that such requirements are actually enforced) and (b) rules that effectively promote active trading of listed stocks. Shares are considered “regularly traded” if, among other requirements, they are traded in more than de minimis quantities on at least 15 days during each calendar quarter of the year, with special rules for the year in which an initial public offering occurs.

Although there is no specific authority that designates certain non-US exchanges as “qualified exchanges” it is generally believed that the London Stock Exchange, where the Ordinary Shares will be listed, will so qualify. In addition, although the Company expects trading in the Ordinary Shares to satisfy the regular trading requirement, compliance with that rule will depend on actual trading. Accordingly, if the Company is a PFIC, it is uncertain whether US holders of Ordinary Shares will be able to make an effective mark-to-market election. If a mark-to-market election were effective, electing US holders generally would

include as ordinary income in each year during which the election is in effect and during which the Company is a PFIC the excess, if any, of the fair market value of Ordinary Shares at the end of the taxable year over their adjusted basis in such Ordinary Shares. US holders also would be allowed to take an ordinary loss in respect of the excess, if any, of their adjusted basis in Ordinary Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income that was previously included as a result of the mark-to-market election). A US holder's tax basis in Ordinary Shares would be adjusted to reflect any income or loss amounts resulting from a mark-to-market election. If made and if effective, a mark-to-market election would be effective for the taxable year for which the election was made and for all subsequent taxable years in which the Company is a PFIC unless the Ordinary Shares were not considered to be traded on a "qualified exchange or other market" or the IRS consented to the revocation of the election. For any year for which the Company is not a PFIC, the mark-to-market election would be inoperative. US holders make the mark-to-market election on IRS Form 8621, which must be filed along with their tax return for the taxable year for which the election is to take effect on or before the due date for such return (including extensions). Note that even if it is possible to make a mark-to-market election with respect to the Ordinary Shares, such election will not be effective in any case for any corporate subsidiary that is a PFIC, other than a subsidiary that is treated as fiscally transparent for US federal income tax purposes. To the extent possible, the Company intends to make check-the-box elections with respect to any corporate subsidiaries to treat each such subsidiary as fiscally transparent for US federal income tax purposes.

US holders who do not make an effective mark-to-market election will be required to file an IRS Form 8621 if they own Ordinary Shares in any year in which the Company is a PFIC and they receive a distribution from the Company or dispose of their Ordinary Shares (and will also be required to file this form to make certain elections with respect to their Ordinary Shares).

BECAUSE OF THE UNCERTAINTY AS TO THE COMPANY'S PFIC STATUS, PROSPECTIVE US INVESTORS ARE URGED TO CONSULT THEIR TAX ADVISERS BEFORE MAKING AN INVESTMENT IN THE COMPANY.

(g) Backup Withholding and Information Reporting

Payments of dividends and other proceeds with respect to the Ordinary Shares, by a US paying agent or other US intermediary, will be reported to the IRS and to the US holder as may be required under applicable regulations. Backup withholding may apply to these payments if the US holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its US federal income tax returns. Certain US holders (including, among others, corporations) are not subject to backup withholding. US holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the US Holder's US federal income tax liability, provided that the required information is furnished to the IRS.

(h) Transfer Reporting

A US holder that purchases Ordinary Shares by transferring cash to the Company will in general be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such US holder owns, directly or indirectly, immediately after the purchase at least 10 per cent. by vote or value of the Company or (ii) the purchase when aggregated with all related purchases made by the US holder, or any related person thereto, within the preceding 12 months period (as prescribed under applicable regulations) exceeds US\$100,000. If a US holder fails to file the required form, the US holder could be required to pay a penalty equal to 10 per cent. of the gross amount paid for the Ordinary Shares, subject to a maximum penalty of US\$100,000 (or more in cases involving intentional disregard). **Accordingly, all potential US holders should consult their own tax advisers for advice regarding this or any other reporting requirement which may apply to their acquisition of Ordinary Shares.**

PART 7

ADDITIONAL INFORMATION

7.1 THE COMPANY

- (a) The Company was incorporated and registered in England and Wales on 1 March 2010 with registered number 7172804 as a public company limited by shares with the name Metric Property Investments plc. The principal legislation under which the Company operates and under which the Ordinary Shares will be issued is the Companies Act; the Company does not require further regulatory authorisation to carry out its business.
- (b) The registered office of the Company is at 67-68 Grosvenor Street, London W1K 3JN.
- (c) The Company was founded by Andrew Jones, Valentine Beresford and Mark Stirling. The registrars of the Company are Computershare. They will be responsible for maintaining the register of members of the Company. The ISIN of the Ordinary Shares is GB00B3PQND71. The telephone number of the Company is +44 (0) 207 355 6230.

7.2 SHARE AND LOAN CAPITAL OF THE COMPANY

- (a) The following is a summary of the changes in the issued share capital of the Company from incorporation to the date of this Prospectus.

<u>Date of Issue</u>	<u>Number of Ordinary Shares Issued</u>	<u>Price (pence)</u>	<u>Nature of issue</u>
1 March 2010	50,000	100	subscriber shares
3 March 2010	63,000	100	placing to subscribers

- (i) On 1 March 2010 16,666 Ordinary Shares were allotted and issued to each of Valentine Beresford and Mark Stirling and 16,668 Ordinary Shares were allotted to Andrew Jones, at an issue price of 100 pence per Ordinary Share.
- (ii) On 3 March 2010 21,000 Ordinary Shares were allotted and issued to each of Valentine Beresford, Mark Stirling and Andrew Jones, at an issue price of 100 pence per Ordinary Share.
- (b) At a general meeting held on 3 March 2010 it was resolved:
 - (i) that the issued share capital of the Company be increased to £113,000 by the allotment and issue of 63,000 Ordinary Shares that rank *pari passu* in all respects with the existing issued Ordinary Shares;
 - (ii) to authorise the Directors generally and unconditionally to exercise all powers of the Company to allot Ordinary Shares, as are contemplated in sections 551(1)(a) of the Companies Act up to a maximum nominal amount of £630 to such persons and at such times and on such terms as they think proper during the period expiring 7 March 2010; and
 - (iii) to empower the Directors to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority referred to in paragraph 7.2(b)(ii) above up to a maximum nominal value of £630 as if section 561(1) of the Companies Act did not apply at any time or times.
- (c) At a general meeting held on 4 March 2010 it was resolved, conditionally upon Admission occurring on or before 30 April 2010:
 - (i) to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act up to an aggregate nominal amount of (A) £1,198,870 pursuant to the Issue and (B) £200,000 or, if less, an amount equal to 10 per cent. of the ordinary share capital of the Company following the allotment of Ordinary Shares pursuant to the Issue, such authority to expire, unless sooner revoked or varied by the Company in general meeting immediately following Admission, but so as to enable the Company before the expiry of such authority to make offers or agreements which would or might require shares or rights to be allotted or granted after such expiry and to enable the Directors to allot shares or rights in pursuance of such offers or agreements as if the authority

conferred thereby had not expired, such authority to be in substitution for all existing authorities granted to the Directors in respect of the allotment of shares or rights;

- (ii) on the expiry of the authority described in paragraph 7.2(c)(i) above, to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Companies Act up to an aggregate nominal amount equal to the lower of £755,333.33 and an amount equal to (A) one third of the allotted and fully paid up share capital immediately following Admission plus (B) one third of the allotted and paid up share capital issued pursuant to the Over-allotment Option plus (C) the amount of share capital which has been reserved for the issue of shares under the Share Plans, to such persons and at such times and on such terms as they think proper, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company, but so as to enable the Company before such date to make offers or agreements which would or might require shares or rights to be allotted or granted after such date and to enable the Directors to allot shares or rights in pursuance of such offers or agreements as if the authority conferred thereby had not expired, such authority together with the authority contained within paragraph 7.2(c)(iii) below to be in substitution (with effect from Admission) for all existing authorities granted to the directors in respect of the allotment of shares or rights, without prejudice to any allotments made pursuant to the terms of such authorities;
- (iii) in addition to the authority described in paragraph 7.2(c)(ii) above, to authorise the Directors generally and unconditionally to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Companies Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to an aggregate nominal amount equal to the lower of £755,333.34 and (A) one third of the allotted and fully paid up share capital immediately following Admission plus (B) one third of the allotted and paid up share capital issued pursuant to the Over-allotment Option plus (C) the amount of share capital which has been reserved for the issue of shares under the Share Plans, during the period expiring at the conclusion of the next annual general meeting of the Company, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory but so as to enable the Company to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and so as to enable the Directors to allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution.
- (iv) to empower the Directors until the earlier of the conclusion of the next annual general meeting of the Company or 3 September 2012 to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authorities referred to in paragraphs 7.2(c)(i), 7.2(c)(ii) and 7.2(c)(iii) above as if section 561(1) of the Companies Act did not apply to any such allotment, such power being limited to:
 - (aa) the allotment of equity securities pursuant to the Issue;
 - (bb) the allotment of equity securities in connection with an issue or offer by way of rights in favour of holders of equity securities and any other person entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may deem fit to deal with fractional entitlements or problems arising under the laws of any overseas territory or the requirements of any regulatory authority or any stock exchange; and
 - (cc) the allotment (other than pursuant to the power referred to in paragraphs 7.2(c)(iv) (aa) and (bb) above) of equity securities up to an aggregate nominal amount of the lower of

£110,000 or (A) five per cent. of the allotted and fully paid up share capital immediately following Admission plus (B) five per cent. of the allotted and paid up capital issued pursuant to the Over-allotment Option,

save that the Company may, before expiry of that authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offers or agreements as if such authority had not expired;

- (v) to authorise the Company generally and unconditionally for the purpose of section 701 of the Companies Act to make market purchases (as defined in section 693 of the Companies Act) of Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:
 - (aa) the maximum number of Ordinary Shares authorised to be purchased under the authority is the lower of 32,978,000 or 14.99 per cent. of the number of issued Ordinary Shares following Admission;
 - (bb) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 1 pence per share, being the nominal amount thereof;
 - (cc) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares is an amount equal to the higher of (i) five per cent. above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the price stipulated by Article 5(1) of the Buyback and Stabilisation Regulations;
 - (dd) the authority will (unless previously renewed or revoked) expire on the earlier of the end of the next annual general meeting of the Company and the date which is 18 months after the date on which the resolution was passed; and
 - (ee) the Company may make a contract to purchase its own Ordinary Shares under the authority conferred by the resolution prior to the expiry of the authority, and such contract will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own Ordinary Shares in pursuance of any such contract; and
- (vi) conditionally upon the issue of Ordinary Shares pursuant to the Issue and the payment up in full thereof that the capital of the Company be reduced by the cancellation of its share premium account in order to create distributable reserves.
- (d) In accordance with the authority referred to in paragraph 7.2(c)(i) above, it is expected that Ordinary Shares in respect of the Offer and the Placing will be allotted pursuant to a resolution of the Board to be passed on or around 18 March 2010, conditional upon Admission on or before 30 April 2010 for cash at the Issue Price.
- (e) The Company's issued share capital, at the date of this Prospectus is:

Issued	
Nominal Value	Number
£1,130	113,000

of which £113,000 is paid up.

- (f) Immediately following Admission, the Company's issued share capital (assuming the Company raises its target gross proceeds and no exercise of the Over-allotment Option) is expected to be:

Issued and fully paid	
Nominal Value	Number
£1,500,000	150,000,000

- (g) Shareholder authority has been obtained for the Company to issue an amount of Ordinary Shares up to 10 per cent. of the issued share capital of the Company to satisfy awards under the Share Plans.
- (h) The provisions of section 561(1) of the Companies Act (to the extent not disapplied pursuant to sections 570-571 of the Companies Act) confer on Shareholders certain rights of pre-emption in

respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash and, upon Admission, will apply to any shares to be allotted by the Directors, except to the extent disapplied by the resolution referred to in paragraph 7.2(c)(iv) above.

- (i) Save as disclosed in paragraph 7.2(h) above, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- (j) The Ordinary Shares will be listed on the Official List and will be traded on the main market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on, any other stock exchange or securities market.
- (k) With effect from Admission, all of the Ordinary Shares will be in registered form and, subject to the Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form. No temporary documents of title will be issued.
- (l) Ordinary Shares are being issued pursuant to the Issue at a price of 100 pence per Ordinary Share which represents a premium of 99 pence over their nominal value of one pence each. No expenses are being charged to any subscriber or purchaser.
- (m) Subject to the Companies Act, any equity shares issued by the Company for cash other than pursuant to the Share Plans must first be offered to existing Shareholders in proportion to their holdings of Ordinary Shares. Both the Companies Act and the Listing Rules allow for disapplication of pre-emption rights which may be waived by a special resolution of the Shareholders, either generally or specifically, for a maximum period not exceeding five years. As set out in 7.2(c)(iv) above, the Company has disapplied these pre-emption rights for a period which will expire on the earlier of the end of the next annual general meeting of the Company and the date which is 18 months after the date on which the resolution was passed.
- (n) Each new Ordinary Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise pari passu in all respects with each existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set out in the Articles. The new Ordinary Shares will be denominated in Pounds Sterling.

7.3 ARTICLES OF ASSOCIATION

The Articles contain provisions, inter alia, to the following effect:

(a) Voting rights

Subject to any special terms as to voting upon which any shares may be issued, or may for the time being be held and any restriction on voting referred to below, every Shareholder present in person, by proxy or by a duly authorised corporate representative at a general meeting of the Company shall have one vote on a show of hands and, on a poll, every Shareholder present in person, by proxy, or by a duly authorised corporate representative shall have one vote for every Ordinary Share of which he is the holder.

A Shareholder is not entitled to vote unless all calls or other sums due from him have been paid.

Unless the Board determines otherwise, a Shareholder is also not entitled to attend or vote at meetings of the Company in respect of any shares held by him in relation to which he or any other person appearing to be interested in such shares has been duly served with a notice under section 793 of the Companies Act and, having failed to comply with such notice within the period specified in such notice (being not less than 28 days from the date of service of such notice (or, where the default shares represent at least 0.25 per cent. of their class, 14 days)), is served with a disenfranchisement notice. Such disenfranchisement will apply only for so long as the notice from the Company has not been complied with or until the Company has withdrawn the disenfranchisement notice, whichever is the earlier.

(b) General meetings

The Company must hold an annual general meeting each year in addition to any other general meetings held in the year. The Directors can call a general meeting at any time.

At least 21 clear days' written notice must be given for every annual general meeting. For all other general meetings, not less than 14 days' written notice must be given. The notice for any general meeting must state: (i) whether the meeting is an annual general meeting or general meeting; (ii) the date, time and place of the meeting; (iii) the general nature of the business of the meeting; (iv) any intention to propose a resolution as a special resolution; and (v) that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him and that a proxy need not also be a member. All members who are entitled to receive notice under the Articles must be given notice.

Before a general meeting starts, there must be a quorum, being two members present in person or by proxy.

Each Director may attend and speak at any general meeting.

Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

(c) Dividends

Subject to the Companies Act, the Company may, by ordinary resolution, declare dividends to be paid to members of the Company according to their rights and interests in the profits of the Company available for distribution, but no dividend shall be declared in excess of the amount recommended by the Board.

Subject to the Companies Act, the Board may from time to time pay to the Shareholders of the Company such interim dividends as appear to the Board to be justified by the profits available for distribution and the position of the Company, on such dates and in respect of such periods as it thinks fit.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide (no such shares presently being in issue), all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid up (other than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed after a period of 12 years from the date of declaration shall be forfeited and shall revert to the Company.

The Board may, if authorised by an ordinary resolution, offer the holders of Ordinary Shares the right to elect to receive additional Ordinary Shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend.

The Board may withhold dividends payable on shares representing not less than 0.25 per cent. by number of the issued shares of any class (calculated exclusive of treasury shares) after there has been a failure to comply with any notice under section 793 of the Companies Act requiring the disclosure of information relating to interests in the shares concerned as referred to in paragraph 7.3(i) below.

(d) Substantial Shareholders

The Articles contain provisions relating to Substantial Shareholders. The Company will on Admission be a company to which Part 4 of the Finance Act applies (a REIT). Under the REIT Regime a tax charge may be levied on the Company if it makes a distribution to a company beneficially entitled (directly or indirectly) to 10 per cent. or more of the Ordinary Shares or dividends of the Company or which controls (directly or indirectly) 10 per cent. or more of the voting rights of the Company. If, however, the Company has taken "reasonable steps" to prevent the possibility of such a distribution being made, then this tax charge may not arise. The Articles:

- (i) provide the Directors with powers to identify Substantial Shareholders (including giving notice to a Shareholder requiring him to provide such information as the Directors may require to establish whether or not he is a Substantial Shareholder;
- (ii) provide the Directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of a Substantial Shareholding, unless certain conditions are met;
- (iii) allow dividends to be paid on Ordinary Shares that form part of a Substantial Shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares;

- (iv) seek to ensure that if a dividend is paid on Ordinary Shares that form part of a Substantial Shareholding and arrangements of the kind referred to in 7.3(d)(iii) are not met, the Substantial Shareholder concerned does not become beneficially entitled to that dividend; and
- (v) provide the Directors with powers if certain conditions are met, to require (i) a Substantial Shareholder; or (ii) a Shareholder who has not complied with a notice served in accordance with the power referred to in 7.3(d)(i); or (iii) a Shareholder who has provided materially inaccurate or misleading information in relation to the Substantial Shareholder provisions of the Articles, to dispose of such number of their shares as the Directors may specify, or to take such other steps as will cause the Directors to believe the Shareholder is no longer a Substantial Shareholder.

Ordinary Shares held as nominee are disregarded for this purpose.

(e) Return of capital

On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act and the Insolvency Act 1986 (as amended), divide amongst the Shareholders of the Company in specie the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine.

(f) Transfer of Shares

The Articles provide for shares to be held in a system for holding shares in uncertificated form (for example CREST), such shares being referred to as “Participating Securities”. The Ordinary Shares are freely transferable although they are subject to such of the restrictions in the Articles relating to Substantial Shareholders, ERISA and the Investment Company Act.

In the case of shares represented by a certificate (“Certificated Shares”), the transfer shall be made by an instrument of transfer in the usual form or in any other form which the Board may approve. A transfer of a Participating Security need not be in writing, but shall comply with such rules as the Board may make in relation to the transfer of such shares, a CREST transfer being acceptable under the current rules.

The instrument of transfer of a Certificated Share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee, and the transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register of members.

The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any instrument of transfer of shares, all or any of which are not fully paid.

The Board may also refuse to register a transfer unless:

- (i) in the case of a Certificated Share, the instrument of transfer, duly stamped (if required) is lodged at the registered office of the Company or at some other place as the Board may appoint accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;
- (ii) in the case of a Certificated Share, the instrument of transfer is in respect of only one class of share; and
- (iii) in the case of a transfer to joint holders of a Certificated Share, the transfer is in favour of not more than four such transferees.

The Board may decline to register the transfer of Certificated Shares where the transfer of Certificated Shares would cause or is likely to cause either: (i) the assets of the Company to be considered “plan assets” under the Plan Asset Regulations; (ii) the Company to be required to register under the Investment Company Act, or members of the senior management of the Company to be required to register as “investment advisors” under the Investment Advisers Act of 1940; (iii) whose ownership of shares may cause the Company to register under the US Exchange Act or any similar legislation; (iv) whose ownership of shares may cause the Company not being considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the Exchange Act; (v) whose ownership may result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time, in connection with any increase in the

Company's share capital; (vi) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the Code); or (vii) whose ownership of shares may cause the Company to be required to comply with any registration or filing requirements in any jurisdiction with which the Company would not otherwise be required to comply.

Save as otherwise set out in this paragraph 7.3(f) the Board will not have the power to decline to register the transfer of Participating Securities. However, the Board will have the right to require, upon notice, that a holder of Participating Securities transfers the Participating Securities to an eligible transferee within 14 days of the notice, among other things if the continued holding of such Participating Securities by such holder may cause or is likely to cause either: (i) the assets of the Company to be considered "plan assets" under the Plan Asset Regulations; (ii) the Company to be required to register under the Investment Company Act, or members of the senior management of the Company to be required to register as "investment advisors" under the Investment Advisers Act of 1940; (iii) whose ownership of shares may cause the Company to register under the US Exchange Act or any similar legislation; (iv) whose ownership of shares may cause the Company not being considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the Exchange Act; (v) whose ownership may result in a person holding shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time, in connection with any increase in the Company's share capital; (vi) whose ownership of shares may cause the Company to be a "controlled foreign corporation" for the purposes of the Code, or may cause the Company to suffer any pecuniary disadvantage (including any excise tax, penalties or liabilities under ERISA or the Code); or (vii) whose ownership of shares may cause the Company to be required to comply with any registration or filing requirements in any jurisdiction with which the Company would not otherwise be required to comply. Failing any such transfer, the Board shall have the right to instruct that the relevant shares are converted into certificated form in order to allow the Company to transfer such shares.

In the case of Participating Securities, the Board may refuse to register a transfer if the Uncertificated Securities Regulations 2001 (as amended) allow it to do so, and must do so where such regulations so require.

The Board may also decline to register a transfer of shares if they represent not less than 0.25 per cent. by number of their class and there has been a failure to comply with a notice requiring disclosure of interests in the shares (as referred to in paragraph 7.3(i) below) unless the Shareholder has not, and proves that no other person has, failed to supply the required information. Such refusal may continue until the failure has been remedied, but the Board shall not decline to register:

- (i) a transfer in connection with a bona fide sale of the beneficial interest in any shares to any person who is unconnected with the Shareholder and with any other person appearing to be interested in the share;
- (ii) a transfer pursuant to the acceptance of an offer made to all the Company's Shareholders or all the Shareholders of a particular class to acquire all or a proportion of the shares or the shares of a particular class; or
- (iii) a transfer in consequence of a sale made through a recognised investment exchange or any stock exchange outside the UK on which the Company's shares are normally traded.

(g) Variation of rights

Subject to the Companies Act, all or any of the rights attached to any class of share may (unless otherwise provided by the terms of issue of shares of that class) be varied (whether or not the Company is being wound up) either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of such holders. The quorum at any such general meeting is two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) and at an adjourned meeting the quorum is one holder present in person or by proxy, whatever the amount of his shareholding. Any holder of shares of the class in question present in person or by proxy may demand a poll. Every holder of shares of the class shall be entitled, on a poll, to one vote for every share of the class held by him. Except as mentioned above, such rights shall not be varied.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the Articles or the conditions of issue of such shares, be deemed to be varied by the creation or issue of new shares ranking *pari passu* therewith or subsequent thereto.

(h) Share capital and changes in capital

Subject to and in accordance with the provisions of the Companies Act, the Company may issue redeemable shares. Without prejudice to any special rights previously conferred on the holders of any existing shares, any share may be issued with such rights or such restrictions as the Company shall from time to time determine by ordinary resolution.

Subject to the provisions of the Articles and the Companies Act, the power of the Company to offer, allot and issue any shares lawfully held by the Company or on its behalf (such as shares held in treasury) shall be exercised by the Board at such time and for such consideration and upon such terms and conditions as the Board shall determine.

The Company may by ordinary resolution alter its share capital, in accordance with the Companies Act. The resolution may determine that, as between holders of shares resulting from a sub-division any of the shares may have any preference or advantage or be subject to any restriction as compared with the others.

Subject to the Companies Act, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

Subject to the Companies Act and the Listing Rules and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its own shares of any class (including any redeemable shares). The Company may only purchase Ordinary Shares out of distributable reserves or the proceeds of a new issue of shares made for the purpose of funding the repurchase.

(i) Disclosure of interests in shares

Section 793 of the Companies Act provides a public company with the statutory means to ascertain the persons who are, or have within the last three years been, interested in its relevant share capital and the nature of such interests. When a Shareholder receives a statutory notice of this nature, he or she has 28 days (or 14 days where the shares represent at least 0.25 per cent. of their class) to comply with it, failing which the Company may decide to restrict the rights relating to the relevant shares and send out a further notice to the holder (known as a “disenfranchisement notice”). The disenfranchisement notice will state that the identified shares no longer give the Shareholder any right to attend or vote at a Shareholders’ meeting or to exercise any other right in relation to Shareholders’ meetings.

Once the disenfranchisement notice has been given, if the Directors are satisfied that all the information required by any statutory notice has been supplied, the Company shall, within not more than seven days, withdraw the disenfranchisement notice.

The Articles do not restrict in any way the provisions of section 793 of the Companies Act.

(j) Non-UK Shareholders

Shareholders with addresses outside the United Kingdom are not entitled to receive notices from the Company unless they have given the Company an address within the United Kingdom at which such notices shall be served.

(k) Untraced Shareholders

Subject to various notice requirements, the Company may sell any of a Shareholder’s shares in the Company if, during a period of 12 years, at least three dividends (either interim or final) on such shares have become payable and no cheque or warrant or other method of payment for amounts payable in respect of such shares sent and payable in a manner authorised by the Articles has been cashed or effected and no communication has been received by the Company from the member or person concerned.

(l) Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertaking, property and assets (present and future) and uncalled capital and, subject to any relevant statutes, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligations of the Company or any third party provided

that the Board shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company, so as to secure (so far as the Board is able) that the aggregate amount for the time being of all borrowings by the Group (excluding any money owed between members of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 80 per cent. of the Company's total assets.

These borrowing powers may be varied by an alteration to the Articles which would require a special resolution of the Shareholders.

(m) Directors

Subject to the Companies Act, and provided he has made the necessary disclosures, a Director may be a party to or otherwise directly or indirectly interested in any transaction or arrangement with the Company or in which the Company is otherwise interested or a proposed transaction or arrangement with the Company.

The Board has the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under section 175 of the Companies Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with, the interests of the Company. Any such authorisation will only be effective if the matter is proposed in writing for consideration in accordance with the Board's normal procedures, any requirement about the quorum of the meeting is met without including the Director in question and any other interested director and the matter was agreed to without such directors voting (or would have been agreed to if the votes of such directors had not been counted). The Board may impose terms or conditions in respect of its authorisation.

Save as mentioned below, a Director shall not vote in respect of any matter in which he has, directly or indirectly, any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of material interests other than those indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:

- (i) the giving of any guarantee, security or indemnity to him or any other person in respect of money lent to, or an obligation incurred by him or any other person at the request of or for the benefit of, the Company;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of an obligation of the Company for which he himself has assumed any responsibility in whole or in part alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning his being a participant in the underwriting or sub-underwriting of an offer of shares, debentures or other securities by the Company;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or Shareholder or otherwise, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any corporate third party through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances);
- (v) any arrangement for the benefit of employees of the Company (and/or the members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share plan) which does not accord to any Director any privilege or advantage not generally accorded to the employees to which such arrangement relates; and
- (vi) any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for the benefit of any of the Directors or for persons who include Directors, provided that for that purpose "insurance" means only insurance against liability incurred by a Director

in respect of any act or omission by him in the execution of the duties of his office or otherwise in relation thereto or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of any groups of persons consisting of or including, Directors.

The Directors shall be paid such remuneration by way of fees for their services as may be determined by the Board, save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate amount of such fees of all Directors shall not exceed £3 million, such cap to increase annually in line with the increase in RPI over the previous 12 months. The Directors shall also be entitled to be repaid by the Company all hotel expenses and other expenses of travelling to and from board meetings, committee meetings, general meetings or otherwise incurred while engaged in the business of the Company. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Company may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, to or for the benefit of past directors who held executive office or employment with the Company or a predecessor in business of any of them or to or for the benefit of persons who are or were related to or dependants of any such Directors.

The Directors and officers of the Company are entitled to be indemnified against all losses and liabilities which they may sustain in the execution of the duties of their office, except to the extent that such an indemnity is not permitted by sections 232 or 234 of the Companies Act. Subject to sections 205(2) to (4) of the Companies Act, the Company may provide a Director with funds to meet his expenditure in defending any civil or criminal proceedings brought or threatened against him in relation to the Company. The Company may also provide a Director with funds to meet expenditure incurred in connection with proceedings brought by a regulatory authority.

The Directors are obliged to retire by rotation and are eligible for re-election at the third annual general meeting after the annual general meeting at which they were elected. Any non-executive Director who has held office for nine years or more is subject to re-election annually. Any Director appointed by the Board holds office only until the next annual general meeting, when he is eligible for re-election.

There is no age limit for Directors.

Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall not be less than six nor more than 12 in number.

(n) Redemption

The Ordinary Shares are not redeemable.

(o) Electronic communication

The Company may communicate electronically with its members in accordance with the provisions of the Companies Act.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 7.17 below.

7.4 MANDATORY BIDS AND COMPULSORY ACQUISITION RULES RELATING TO THE ORDINARY SHARES

(a) Mandatory bid

The City Code on Takeovers and Mergers applies to the Company. Under Rule 9 of the City Code, if:

- (i) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- (ii) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquiror or its concert parties during the previous 12 months.

(b) Compulsory Acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7.5 INFORMATION ON THE DIRECTORS

- (a) Details of the names of companies and partnerships (excluding directorships of the Company) of which the Directors are or have been members of the administrative, management or supervisory bodies or partners at any time in the five years preceding the date of this Prospectus:

<u>Name</u>	<u>Current directorships/partnerships</u>	<u>Past directorships/partnerships</u>
Andrew Huntley	Miller Group Limited Real Office Group plc Liberty International plc Ashfern Developments Limited	Ashfern Services Limited British Land Fund Management Limited Catella UK Panceltica Holdings Limited Rock Capital Group plc
Andrew Jones		<i>UK Companies</i> 1 & 4 & 7 Triton Limited 122 Leadenhall Street Limited 175 Bishopsgate Limited 2 Plantation Place Limited 201 Bishopsgate Limited 338 Euston Road Limited 35 Basinghall Street First Limited 35 Basinghall Street Limited 35 Basinghall Street Second Limited 51 Lime Street 8/10 Throgmorton Avenue Limited Adamant Investment Corporate Limited Adshilta Limited Apartpower Limited B.L.Holdings Limited Balsenia Limited Barstep Limited Bayeast Property Co Limited Bexile Limited BF Propco (No. 10) Limited BF Propco (No. 11) Limited BF Propco (No. 12) Limited BF Propco (No. 13) Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		BF Propco (No. 14) Limited BF Propco (No. 15) Limited BF Propco (No. 16) Limited BF Propco (No. 17) Limited BF Propco (No. 18) Limited BF Propco (No. 19) Limited BF Propco (No. 2) Limited BF Propco (No. 20) Limited BF Propco (No. 21) Limited BF Propco (No. 22) Limited BF Propco (No. 23) Limited BF Propco (No. 3) Limited BF Propco (No. 4) Limited BF Propco (No. 5) Limited BF Propco (No. 6) Limited BF Propco (No. 7) Limited BF Propco (No. 8) Limited BF Propco (No. 9) Limited BF Propco (No. 1) Limited BL (SP) Investment (1) Limited BL (SP) Investment (2) Limited BL (SP) Investment (3) Limited BL (SP) Investment (4) Limited BL City Offices Holding Company Limited BL Crawley BL Davidson Limited BL Department Stores Holding Company Limited BL European Holdings Limited BL Guaranteeco Limited BL High Street and Shopping Centres Holding Company Limited BL Holdings Limited BL Intermediate Holding Company Limited BL Leisure and Industrial Holding Company Limited BL Meadowhall Holdings Limited BL Meadowhall Limited BL Meadowhall No. 4 Limited BL Office (Non-City) Holding Company BL Office Holding Company Limited BL Osnaburgh St Residential Ltd BL Properties Limited BL Residual Holding Company Limited BL Retail Holding Company Limited BL Sainsbury Superstores Limited BL Superstores (Funding) Ltd BL Superstores Finance Plc BL Superstores Holding Company Limited BL Universal Limited BL West (1 Fleet Place) Limited BL West (10 Fleet Place) Limited BL West (100 New Bridge Street) Limited BL West (Watling House) Limited Blackglen Limited Blaxmill (Thirty) Limited Blaxmill (Twenty-Nine) Limited BLD (A) Limited BLD (Ebury Gate) Limited BLD (SJ) Investments Limited BLD (SJ) Limited BLD (Standard House) Limited BLD Land Limited BLD Properties Limited BLD Property Holdings Limited BLD UK Limited BLSSP (Cash Management) Limited BLSSP (Lending) Limited BLSSP (PHC 1) Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		BLSSP (PHC 10) Limited BLSSP (PHC 11) Limited BLSSP (PHC 12) Limited BLSSP (PHC 13) Limited BLSSP (PHC 14) Limited BLSSP (PHC 15) Limited BLSSP (PHC 16) Limited BLSSP (PHC 17) Limited BLSSP (PHC 18) Limited BLSSP (PHC 19) Limited BLSSP (PHC 2) Limited BLSSP (PHC 20) Limited BLSSP (PHC 21) Limited BLSSP (PHC 22) Limited BLSSP (PHC 23) Limited BLSSP (PHC 24) Limited BLSSP (PHC 25) Limited BLSSP (PHC 26) Limited BLSSP (PHC 27) Limited BLSSP (PHC 28) Limited BLSSP (PHC 29) Limited BLSSP (PHC 3) Limited BLSSP (PHC 30) Limited BLSSP (PHC 31) Limited BLSSP (PHC 32) Limited BLSSP (PHC 33) Limited BLSSP (PHC 34) Limited BLSSP (PHC 35) Limited BLSSP (PHC 4) Limited BLSSP (PHC 5) Limited BLSSP (PHC 6) Limited BLSSP (PHC 7) Limited BLSSP (PHC 8) Limited BLSSP (PHC 9) Limited BLSSP Property Holdings Limited BLT Barnstaple Limited BLT Finance Limited BLT Newport Limited BLT Nottingham Limited BLT Pontypridd Limited BLT Properties Limited Blu Estates Limited Blu Holdings Limited Blu Property Management Limited Blu Securities Limited Boldswitch (No. 1) Limited Boldswitch Limited British Land (Joint Ventures) Limited British Land Acquisitions Limited British Land Aqua Partnership (2) Limited British Land Aqua Partnership Limited Euston Tower Limited British Land Broadgate British Land Broadgate 2005 Limited British Land City British Land City 2005 Limited British Land City Offices Limited British Land Company Public Limited Company (The) British Land Construction Limited British Land Department Stores Limited British Land Fund Management Limited British Land Hercules Limited British Land Hercules No. 1 Limited British Land Hercules No. 3 Limited British Land Hercules No. 4 Limited British Land HIF Limited British Land in Town Retail Limited British Land Industrial Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		British Land Investment Management Limited British Land Leisure Limited British Land Offices (Non-City) No. 2 Limited British Land Offices Limited British Land Offices No. 1 Limited British Land Properties Limited British Land Property Advisers Limited British Land Property Management Limited British Land Regeneration Limited British Land Retail Warehouses British Land Superstores (Non Securitised) Number 2 Limited British Land Superstores (Non-Securitised) Broadgate City Limited Broadgate Court Investments Limited Broadgate Investment Holdings Limited Broadgate Phase 12 Limited Broadgate Properties Limited Broadgate Square Ltd Brunswick Park Limited Bustoni Limited Buyunite Limited BVP Financing Limited BVP Holdings Limited BVP Investments Limited BVP Plot G Limited BVP Properties Limited Caseplane Limited Cavat II Limited Cavendish Geared II Limited Cavendish Geared Limited Caymall Limited Cheshire Properties Limited Chrisilu Nominees Limited City Wall (Holdings) Limited Clarendon Property Company Clivara Limited Cornish Residential Properties Trading Limited Cornish Residential Property Investments Derby Investment Holdings Limited Dinwell Limited Diomedes Property No. 1 Limited Diomedes Property No. 2 Limited Diomedes Property No. 3 Limited Diomedes Property No. 4 Limited Diomedes Property No. 5 Limited Diomedes Property No. 6 Limited Diomedes Property No. 7 Limited Diomedes Property No. 8 Limited Eastgate Shopping Centre Basildon Limited Edgecool Limited Elementvirtue Limited Exchange House Holdings Limited Fibblings Limited Finsbury Avenue (Phase 3) Limited Finsbury Avenue Estates Limited Focusjust Limited Four Broadgate Limited FRP Group Limited Gallions Reach Limited Gallions Reach Trustee Limited Garamead Properties Limited Gibraltar General Partner Limited Gibraltar Nominees Limited Giltbrook Retail Park Nottingham Limited Glenway Limited Grantchester Nominees (Torbay 1) Limited Grantchester Nominees (Torbay 2) Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Grantchester Nominees (Wren Torquay 1) Limited
		Grantchester Nominees (Wren Torquay 2) Limited
		Great Western General Partner (Holdings) Limited
		Hercules Property UK Holdings Limited
		Hercules Property UK Limited
		Hyfleet Limited
		Industrial Property Limited
		Insistmetal 2 Limited
		Ivorydell Limited
		Ivorydell Subsidiary Limited
		Ivoryhill Limited
		Jason Estates
		Jetbloom Limited
		Kingsmere Productions Limited
		L & H Developments Limited
		Leamouth Construction Company Limited
		Limited BL Retail Warehousing Holding Company Limited
		Limited Broadgate Circle Management Limited
		Limited Parinv Northern Limited
		Linestair Limited
		Liverpool Exchange Company Limited (The)
		Lonebridge UK Limited
		Ludgate Investment Holdings Limited
		Ludgate Services Limited
		Ludgate West Limited
		Meadowbank Retail Park Edinburgh Limited
		Meadowhall (MLP) Limited
		Meadowhall Centre (1999) Limited
		Meadowhall Centre Limited
		Meadowhall Contracts Limited
		Meadowhall Finance Plc
		Meadowhall Holdco Limited
		Meadowhall Holdings Limited
		Meadowhall Nominee 1 Limited
		Meadowhall Nominee 2 Limited
		Meadowhall Opportunities Nominee 1 Limited
		Meadowhall Opportunities Nominee 2 Limited
		Meadowhall Shopping Centre Limited
		Meadowhall Shopping Centre Property Holdings Limited
		Meadowhall Subco Limited
		Mercari Holdings Limited
		Minhill Investments Limited
		Moorage (Property Developments) Limited
		MSC (Cash Management) Limited
		MSC (Funding) Limited
		MSC Property Intermediate Holdings Limited
		Nugent Shopping Park Limited
		Number 80 Cheapside Limited
		Orbital Shopping Park Swindon Limited
		Osnaburgh Street Limited
		Pardev (Broadway) Limited
		Pardev (Luton) Limited
		Pencilescreen Limited
		Pillar (Beckton) Limited
		Pillar (Birstall) Limited
		Pillar (Cricklewood) Limited
		Pillar (Dartford) Limited
		Pillar (Fulham) Limited
		Pillar (Kirkcaldy) Limited
		Pillar (Preston) Limited
		Pillar (York) Limited
		Pillar Auchinlea Limited
		Pillar Broadway Limited
		Pillar Cheetham Hill Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Pillar City PLC Pillar Dartford No. 1 Limited Pillar Denton Limited Pillar Developments Limited Pillar Estates Limited Pillar Estates No. 2 Limited Pillar Europe Management Limited Pillar Farnborough Limited Pillar Fort Limited Pillar Fulham No. 2 Limited Pillar Gallions Reach Limited Pillar Glasgow 1 Limited Pillar Glasgow 2 Limited Pillar Glasgow 3 Limited Pillar Hercules No. 2 Limited Pillar Kinnaird Limited Pillar Nugent Limited Pillar Parks Limited Pillar Projects Limited Pillar Property Developments Limited Pillar Property Group Limited Pillar Retail No. 1 Limited Pillar Retail Parks Limited Pillar Speke Limited Pillar Wimbledon Limited Pillarcaisse (Banbury) Limited Pillarcaisse Management Limited Pillarman Limited Pillarstone Limited Pillarstone No. 3 Limited Plantation House Limited Rackhams Birmingham Limited Priory Park Merton Limited Project Sunrise Investments Limited Project Sunrise Limited Project Sunrise Properties Limited Real Property and Finance Corporation Limited Reboline Limited Regis Property Holdings Limited Rigphone Limited Rohawk Properties Limited Selected Land Property Company Shandwick Square Developments Limited Shandwick Square Limited Six Broadgate Limited Soluland Limited Sprint 1118 Limited St James Retail Park Northampton Limited St Stephens Shopping Centre Limited Stockton Retail Park Limited Tailress Limited Tartan Holding Company (No. 1) Limited Tartan Holding Company (No. 2) Limited TBL (Brent Park) Limited TBL (Bromley) Limited TBL (Bursledon) Limited TBL (Bury) Limited TBL (Ferndown) Limited TBL (Lisnagelvin) Limited TBL (Maidstone) Limited TBL (Milton Keynes) Limited TBL (Peterborough) Limited Ten Fleet Place The Beehive Centre Cambridge Limited The British Land Corporation Limited The Mary Street Estate Limited The Retail & Warehouse Company Limited TPP Investments Limited

Name	Current directorships/partnerships	Past directorships/partnerships
Valentine Beresford		<p> Tweed Premier 1 Limited Tweed Premier 2 Limited Tweed Premier 3 Limited Tweed Premier 4 Limited Union Property Corporation Limited Union Property Holdings (London) Limited United Kingdom Property Company Limited Urban Estates Management Limited Vanuden (General Partner) Limited Vintners' Place Limited Vyson Wates City of London Properties Limited Wates City Point Limited Wates City Property Management Limited West London Leaseholds Limited Westgate Retail Park Wakefield Limited Whiteapple Developments Limited WK (Austral House) First Limited WK (Austral House) Limited WK (Austral House) Second Limited WK Holdings Limited Yankgold Limited York House W1 Limited </p> <p><i>Irish Companies</i></p> <p> Alipore British Land Arch Properties Limited British Land Firmout Limited British Land Silver Mood Limited Rathmines Properties Limited </p> <p> 35 Basinghall Street First Limited 35 Basinghall Street Limited 35 Basinghall Street Second Limited Auchinlea Limited BL European Holdings Limited British Land European Holding B.V. British Land Hercules Limited British Land Hercules No. 1 Limited British Land Hercules No. 4 Limited British Land HIF Limited British Land Murcia Holdings B.V. British Land Offices Limited British Land Offices No. 1 Limited British Land Properties Limited British Land Property Advisers Limited British Land St Just Holding B.V. British Land Zaragoza Holding B.V. Broughton Retail Park Limited City Place House Limited Dinwell Limited Diomedes Property No. 1 Limited Diomedes Property No. 2 Limited Diomedes Property No. 3 Limited Diomedes Property No. 4 Limited Diomedes Property No. 5 Limited Diomedes Property No. 6 Limited Diomedes Property No. 7 Limited Diomedes Property No. 8 Limited Dreamclose Limited (Company has been sold) Edgecool Limited Gallions Reach Limited Gallions Reach Trustee Limited Grantchester Nominees (Torbay 1) Limited Grantchester Nominees (Torbay 2) Limited Grantchester Nominees (Wren Torquay 1) Limited Grantchester Nominees (Wren Torquay 2) Limited Great Western General Partner (Holdings) Ltd </p>

Name	Current directorships/partnerships	Past directorships/partnerships
		Hercules Property UK Holdings Limited Hercules Property UK Limited Ivorydell Subsidiary Limited Ivoryhill Limited Jetbloom Limited Ivorydell Limited Number 80 Cheapside Limited Pardev (Broadway) Limited Pardev (ChurchLee) Limited Pardev (Luton) Limited Pardev (Weston Favell) Limited Parinv (Bilston) Limited Parinv Northern Limited Pillar (Beckton) Limited Pillar (Birstall) Limited Pillar (Cricklewood) Limited Pillar (Dartford) Limited Pillar (Fulham) Limited Pillar (Kirkcaldy) Limited Pillar (Preston) Limited Pillar (York) Limited Pillar Auchinlea Limited Pillar Brent Cross Limited Pillar Broadway Limited Pillar Cheetham Hill Limited Pillar City Plc Pillar Coignieres SAS Pillar Corbeil SAS Pillar Estates Limited Pillar Estates No. 2 Limited Pillar Europe Management Limited Pillar Farnborough Limited Pillar Fort Limited Pillar Fulham No. 2 Limited Pillar Gallions Reach Limited Pillar Glasgow 1 Limited Pillar Glasgow 2 Limited Pillar Glasgow 3 Limited Pillar Hercules No. 2 Limited Pillar Kinnaird Limited Pillar Leisure Limited Pillar Navile SPA Pillar Netherlands 2 B.V. Pillar Netherlands B.V. Pillar Northern Limited Pillar Nugent Limited Pillar Parks Limited Pillar Projects Limited Pillar Property Developments Limited Pillar Property Investments Limited Pillar Retail No. 1 Limited Pillar Speke Limited PillarCaisse (Banbury) Limited PillarCaisse Management Limited Pillarlux Bretigny SARL Pillarlux Corbeil SARL Pillarlux Holdings 2 SARL Pillarlux Holdings SARL Pillarlux Montgeron SARL Pillarlux Roeselare SARL Pillarlux Sintra SARL PillarStore Limited PillarStore No. 3 Limited Safeshare—Consultoria SA Savepost Limited SCI Pillar Montgeron The British Land Corporation Limited Vintners' Place Limited W.H. (Cannon Street) Limited

Name	Current directorships/partnerships	Past directorships/partnerships
Mark Stirling		Wates City Development Management Limited
		Wates City of London Properties Limited
		Wates City Point First Limited (Company has been sold)
		Wates City Point Limited
		Wates City Point Second Limited (Company has been sold)
		Wates City Property Management Limited
		Wavegrange Limited (Company has been sold)
		WK (Austral House) First Limited
		WK (Austral House) Limited
		WK (Austral House) Second Limited
		WK Holdings Limited
		Yankgold Limited
		35 Basinghall Street First Limited
		35 Basinghall Street Limited
		35 Basinghall Street Second Limited
		BL European Holdings Limited
		BLT Barnstaple Limited
		BLT Finance Limited
		BLT Newport Limited
		BLT Nottingham Limited
		BLT Pontypridd Limited
		BLT Properties Limited
		Boldswitch (No 1) Limited
		British Land Fund Management Limited
		British Land Hercules Limited
		British Land Hercules No. 1 Limited
		British Land Hercules No. 3 Limited
		British Land Hercules No. 4 Limited
		British Land HIF Limited
		British Land Offices Limited
		British Land Offices No. 1 Limited
		British Land Properties Limited
		British Land Property Advisers Limited
		Dinwell Limited
		Diomedes Property No. 1 Limited
		Diomedes Property No. 2 Limited
		Diomedes Property No. 3 Limited
		Diomedes Property No. 4 Limited
		Diomedes Property No. 5 Limited
		Diomedes Property No. 6 Limited
		Diomedes Property No. 7 Limited
		Diomedes Property No. 8 Limited
		Edgecool Limited
		Fibblings Limited
		Gallions Reach Limited
		Gallions Reach Trustee Limited
		Gibraltar General Partner Limited
		Gibraltar Nominees Limited
		Gibraltar Retail Park Nottingham Limited
		Grantchester Nominees (Torbay 1) Limited
		Grantchester Nominees (Torbay 2) Limited
		Grantchester Nominees (Wren Torquay 1) Limited
		Grantchester Nominees (Wren Torquay 2) Limited
		Great Western General Partner (Holdings) Limited
		Hercules Property UK Holdings Limited
		Hercules Property UK Limited I
		Ivorydell Limited
		Ivorydell Subsidiary Limited.
		Ivoryhill Limited
		Jetbloom Limited
		Meadowhall (MLP) Limited
		Meadowhall Centre (1999) Limited
		Meadowhall Centre Limited
		Meadowhall Contracts Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Meadowhall Finance Plc Meadowhall Holdco Limited Meadowhall Holdings Limited Meadowhall Nominee 1 Limited Meadowhall Nominee 2 Limited Meadowhall Opportunities Nominee 1 Limited Meadowhall Opportunities Nominee 2 Limited Meadowhall Shopping Centre Limited Meadowhall Shopping Centre Property Holdings Limited Meadowhall Subco Limited MSC (Cash Management) Limited MSC (Funding) Limited MSC Property Intermediate Holdings Limited Nugent Shopping Park Limited Number 80 Cheapside Limited Pardev (Broadway) Limited Pardev (Luton) Limited Parinv Northern Limited Pillar (Beckton) Limited Pillar (Birstall) Limited Pillar (Cricklewood) Limited Pillar (Dartford) Limited Pillar (Fulham) Limited Pillar (Kirkcaldy) Limited Pillar (Preston) Limited Pillar (York) Limited Pillar Auchinlea Limited Pillar Broadway Limited Pillar Cheetham Hill Limited Pillar City Plc Pillar Dartford No. 1 Limited Pillar Denton Limited Pillar Developments Limited Pillar Estates Limited Pillar Estates No. 2 Limited Pillar Europe Management Limited Pillar Farnborough Limited Pillar Ford Limited Pillar Fulham No. 2 Limited Pillar Gallions Reach Limited Pillar Glasgow 1 Limited Pillar Glasgow 2 Limited Pillar Glasgow 3 Limited Pillar Hercules No. 2 Limited Pillar Kinnaird Limited Pillar Nugent Limited Pillar Parks Limited Pillar Projects Limited Pillar Property Developments Limited Pillar Property Group Limited Pillar Retail No. 1 Limited Pillar Retail Parks Limited Pillar Speke Limited Pillar Wimbledon Limited Pillarcaisse (Banbury) Limited Pillarcaisse Management Limited Pillarman Limited Pillarstore Limited Pillarstore No. 3 Limited Shandwick Square Developments Limited Shandwick Square Limited TBL (Brent Park) Limited TBL (Bromley) Limited TBL (Bursledon) Limited TBL (Bury) Limited TBL (Ferndown) Limited TBL (Lisnagelvin) Limited TBL (Maidstone) Limited

Name	Current directorships/partnerships	Past directorships/partnerships
Sue Ford	Ingenious Film Partners 2 LLP Metric Property Start-Up Limited	TBL (Milton Keynes) Limited TBL (Peterborough) Limited Tesco Aqua (Finco) Limited Tesco Aqua (GP) Limited Tesco Aqua (Nominee 1) Limited Tesco Aqua (Nominee 2) Limited Tesco Aqua (Nominee Holdco) Limited Tesco BL Holdings Limited Tesco BL Properties Limited The British Land Corporation Limited Vintners' Place Limited Wates City of London Properties Limited Wates City Point Limited Wates City Property Management Limited WK (Austral House) First Limited WK (Austral House) Limited WK (Austral House) Second Limited WK Holdings Limited Yankgold Limited
		124 Facilities Limited 4 Ventures Limited Aldford Production Limited Alma Production Limited Amber Film Partner 1 Limited Amber Film Partner 2 Limited Aries Film Partner 1 Limited Aries Film Partner 2 Limited Ashland Production Limited Atherton Production Limited Bayham Production Limited Beach Production Limited Beaufort Production Limited Beaumont Production Limited Berkeley Production Limited Bernard Production Limited Berners Production Limited Bidborough Production Limited Big Screen Productions 2 Limited Big Screen Productions 3 Limited Big Screen Productions 4 Limited Binney Production Limited Birkenhead Production Limited Bixley Production Limited Blenheim Production Limited Bronze Film Partner 1 Limited Bronze Film Partner 2 Limited Burghley Production Limited Cairo Film Partner 1 Limited Cairo Film Partner 2 Limited Cambridge Production Limited Channel Four Learning Limited Channel Four Racing Limited Channel Four Television Company Limited Chrome Film Partner 1 Limited Chrome Film Partner 2 Limited Copper Film Partner 1 Limited Copper Film Partner 2 Limited Corinth Film Partner 1 Limited Corinth Film Partner 2 Limited Crofters Production Limited Dalehead Production Limited Deanery Production Limited Delphi Film Partner 1 Limited Delphi Film Partner 2 Limited Devon Production Limited Diamond Film Partner 1 Limited Diamond Film Partner 2 Limited Dramley Production Limited E4 Television Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		E4.COM Limited Ebony Film Partner 1 Limited Ebony Film Partner 2 Limited Electra Film Partner 1 Limited Electra Film Partner 2 Limited Enviga Limited Fern Production Limited Film Four Limited Film On Four Limited Fleet Film Partners 1 Limited Fleet Film Partners 2 Limited Four Ventures Limited Frith Production Limited Gallipoli Film Partner 1 Limited Gallipoli Film Partner 2 Limited Gemini Film Partner 1 Limited Gemini Film Partner 2 Limited Gemstone Film Partner 1 Limited Gemstone Film Partner 2 Limited Gilbert Production Limited Glaston Production Limited Goldington Production Limited Gowering Production Limited Granby Production Limited Grayfield Production Limited Great Titchfield Production Limited Greek Production Limited Greening Park Production Limited Greenland Production Limited Grosvner Production Limited Gt. Marlborough Production Limited Guildford Production Limited Gurney Production Limited Hanover Production Limited Hargreaves Production Limited Harrington Production Limited Harrison Production Limited Hastings Games 1 Limited Hastings Games 2 Limited Hastings Production Limited Havelock Production Limited Haymarket Production Limited Hays' Mews Production Limited Henniker Production Limited Herbrand Production Limited Heyworth Production Limited Holles Production Limited Howland Production Limited Huddleston Production Limited IB Partner 1 Limited IB Partner 2 Limited IB Partner 3 Limited Ingenious Asset Management Limited Ingenious Bond Services Limited Ingenious Broadcasting 10 PLC Ingenious Broadcasting 11 PLC Ingenious Broadcasting 12 PLC Ingenious Broadcasting 13 PLC Ingenious Broadcasting 14 PLC Ingenious Broadcasting 15 PLC Ingenious Broadcasting 16 PLC Ingenious Broadcasting 17 PLC Ingenious Broadcasting 18 PLC Ingenious Broadcasting 19 PLC Ingenious Broadcasting 2 PLC Ingenious Broadcasting 20 PLC Ingenious Broadcasting 21 PLC Ingenious Broadcasting 22 PLC Ingenious Broadcasting 23 PLC

Name	Current directorships/partnerships	Past directorships/partnerships
		Ingenious Broadcasting 24 PLC
		Ingenious Broadcasting 25 PLC
		Ingenious Broadcasting 26 PLC
		Ingenious Broadcasting 27 PLC
		Ingenious Broadcasting 28 PLC
		Ingenious Broadcasting 29 PLC
		Ingenious Broadcasting 3 PLC
		Ingenious Broadcasting 30 PLC
		Ingenious Broadcasting 31 PLC
		Ingenious Broadcasting 32 PLC
		Ingenious Broadcasting 33 PLC
		Ingenious Broadcasting 34 PLC
		Ingenious Broadcasting 35 PLC
		Ingenious Broadcasting 36 PLC
		Ingenious Broadcasting 37 PLC
		Ingenious Broadcasting 38 PLC
		Ingenious Broadcasting 39 PLC
		Ingenious Broadcasting 4 PLC
		Ingenious Broadcasting 40 PLC
		Ingenious Broadcasting 41 PLC
		Ingenious Broadcasting 42 PLC
		Ingenious Broadcasting 43 PLC
		Ingenious Broadcasting 44 PLC
		Ingenious Broadcasting 45 PLC
		Ingenious Broadcasting 46 PLC
		Ingenious Broadcasting 47 PLC
		Ingenious Broadcasting 48 PLC
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		Ingenious Broadcasting 5 PLC
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		Ingenious Broadcasting 55 PLC
		Ingenious Broadcasting 56 PLC
		Ingenious Broadcasting 57 PLC
		Ingenious Broadcasting 58 PLC
		Ingenious Broadcasting 59 PLC
		Ingenious Broadcasting 6 PLC
		Ingenious Broadcasting 60 PLC
		Ingenious Broadcasting 61 PLC
		Ingenious Broadcasting 62 PLC
		Ingenious Broadcasting 63 PLC
		Ingenious Broadcasting 64 PLC
		Ingenious Broadcasting 65 PLC
		Ingenious Broadcasting 7 PLC
		Ingenious Broadcasting 8 PLC
		Ingenious Broadcasting 9 PLC
		Ingenious Broadcasting plc
		Ingenious Broadcasting Temporary Limited
		Ingenious Consulting Associates Limited
		Ingenious Consulting Network Limited
		Ingenious Corporate Finance Limited
		Ingenious Distribution 2 Limited
		Ingenious Distribution Services Limited
		Ingenious Entertainment VCT 1 PLC
		Ingenious Entertainment VCT 2 PLC
		Ingenious Film Distribution Finance Limited
		Ingenious Film Distribution Limited
		Ingenious Film Partners 2 Limited
		Ingenious Film Partners 3 Limited
		Ingenious Film Partners Limited
		Ingenious Film Ventures Limited
		Ingenious Film Ventures Limited
		Ingenious Films Limited
		Ingenious Financial Services Limited
		Ingenious Games 2 Limited
		Ingenious Games Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Ingenious Games Services Limited Ingenious Holdings Limited Ingenious Live VCT 1 PLC Ingenious Live VCT 2 PLC Ingenious Media Consulting Limited Ingenious Media Consulting Limited Ingenious Media Holdings PLC Ingenious Media Investments Limited Ingenious Media Limited Ingenious Media Services Limited Ingenious Music Limited Ingenious Music VCT 2 plc Ingenious Music VCT plc Ingenious Nominees Limited Ingenious Partners Limited Ingenious Resources Limited Ingenious Securities Limited Ingenious Television plc Ingenious Trade Holdings Limited Ingenious Treasury Services Limited Ingenious Ventures Limited Ingenious Wealth Management Limited Ingenious World Cinema Limited Ivory Film Partner 1 Limited Ivory Film Partner 2 Limited Jade Film Partner 1 Limited Jade Film Partner 2 Limited Janson Production Limited Jasper Film Partner 1 Limited Jasper Film Partner 2 Limited Jermyn Production Limited Jewel Film Partner 1 Limited Jewel Film Partner 2 Limited Judd Production Limited Kelvedon Production Limited Keogh Production Limited Kingly Production Limited Landmere Production Limited Langholme Production Limited Larkhill Production Limited Leo Film Partner 1 Limited Leo Film Partner 2 Limited Leverage Production Limited Lexington Production Limited Libra Film Partner 1 Limited Libra Film Partner 2 Limited Little John Production Limited Lodestone Film Partner 1 Limited Lodestone Film Partner 2 Limited Lomeshaye Production Limited Luxor Film Partner 1 Limited Luxor Film Partner 2 Limited Malachite Film Partner 1 Limited Malachite Film Partner 2 Limited Malet Production Limited Malham Production Limited Maple Production Limited Mars Film Partner 1 Limited Mars Film Partner 2 Limited Marshall Production Limited Maryland Production Limited McGrath Production Limited Melton Production Limited Merchant Production Limited Mercury Film Productions (Agata) Limited Mercury Film Productions Limited Middleton Production Limited Midway Film Partner 1 Limited Midway Film Partner 2 Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Milan Film Partner 1 Limited Milan Film Partner 2 Limited Millbank Broadcasting Film Partner 1 Limited Millbank Broadcasting Film Partner 2 Limited Millbank Broadcasting Partner 1 Limited Millbank Broadcasting Partner 2 Limited Mollinson Production Limited Molton Production Limited Moxon Production Limited Nassau Production Limited Neptune Film Partner 1 Limited Neptune Film Partner 2 Limited Nottingham Production Limited Nutford Production Limited Oakley Production Limited Old Bond Production Limited Onyx Film Partner 1 Limited Onyx Film Partner 2 Limited Opal Film Partners 1 Limited Opal Film Partners 2 Limited Orchard Production Limited Padstow Production Limited Pardoe Production Limited Pearl Film Partner 1 Limited Pearl Film Partner 2 Limited Penryn Production Limited Percell Production Limited Percy Production Limited Perspective Associates Limited Petra Film Partner 1 Limited Petra Film Partner 2 Limited Phoenix Music Partners (OM) Limited Phoenix Music Partners Limited Porting Production Limited Portland Production Limited Poseidon Film Partner 1 Limited Poseidon Film Partner 2 Limited Pratt Production Limited Protagonist Pictures Limited Quartz Film Partner 1 Limited Quartz Film Partner 2 Limited Quinley Production Limited Ramsay Production Limited Ranelagh Production Limited Reel Film Partner 1 Limited Reel Film Partner 2 Limited Riding House Production Limited Ringwood Production Limited Rochester Production Limited Rome Film Partner 1 Limited Rome Film Partner 2 Limited Romney Production Limited Sandling Production Limited Sapphire Film Partner 1 Limited Sapphire Film Partner 2 Limited Saturn Film Partner 1 Limited Saturn Film Partner 2 Limited Seddon Production Limited Seymour Production Limited Shelton Production Limited Sirius Film Partner 1 Limited Sirius Film Partner 2 Limited Slam Digital Limited South Audley Production Limited Sport on Four Limited St Michaels Production Limited Stanhope Production Limited Stanworth Production Limited Steele Production Limited

Name	Current directorships/partnerships	Past directorships/partnerships
		Stretting Production Limited Sunfield Production Limited Swinton Production Limited Tabor Production Limited Taurus Film Partner 1 Limited Taurus Film Partner 2 Limited Tavistock Production Limited Taviton Production Limited Temple Film Partner 1 Limited Temple Film Partner 2 Limited Thanet Production Limited The Fairways Production Limited Thebes Film Partner 1 Limited Thebes Film Partner 2 Limited Thornham Production Limited Tonbridge Production Limited Topaz Film Partner 1 Limited Topaz Film Partner 2 Limited Torrington Production Limited Trafalgar Film Partner 1 Limited Trafalgar Film Partner 2 Limited Trevelyan Production Limited Trieste Film Partner 1 Limited Trieste Film Partner 2 Limited Trumpington Production Limited Turin Film Partner 1 Limited Turin Film Partner 2 Limited Upper Brook Production Limited Varndell Production Limited Vaughan Production Limited Venus Film Partner 1 Limited Venus Film Partner 2 Limited Verona Film Partner 1 Limited Verona Film Partner 2 Limited Vienna Film Partner 1 Limited Vienna Film Partner 2 Limited Virgo Film Partner 1 Limited Virgo Film Partner 2 Limited Wandle Production Limited Waterloo Film Partner 1 Limited Waterloo Film Partner 2 Limited Wellington Production Limited Wendell Production Limited Werrington Production Limited Wesley Production Company Limited Weymouth Production Limited Wharfedale Production Limited Whitfield Production Limited Woburn Production Limited Worbeck Production Limited Worsley Production Limited Wynford Production Limited Zinc Film Partner 1 Limited Zinc Film Partner 2 Limited
Alec Pelmore	Unibail-Rodamco SE (Supervisory Board Member)	
Andrew Varley	Next Distribution Limited Next Group plc Next Near East Limited Next Plc Next Retail Limited Paige Group Limited (THE) Next Asia Limited Next Retail Limited Dresden Branch Next Sweden AB Next Hemple Shanghai Fashion Company Limited	British Council of Shopping Centres British Heart Foundation, Shops Committee

Name	Current directorships/partnerships	Past directorships/partnerships
Philip Watson	Mirabaud Investment Management Limited Member, unitholder advisory committee, Pillar European Retail Park Fund	Mirabaud Asset Management A.G. (Zurich)

(b) None of the Directors:

- (i) has any convictions in relation to fraudulent offences for at least the previous five years; or
- (ii) has been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company or a senior manager of a company at the time of any receivership or liquidation for at least the previous five years; or
- (iii) has been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company for at least the previous five years.

7.6 DIRECTORS' AND OTHERS' INTERESTS

- (a) The interests (all of which are or will be beneficial unless otherwise stated) of the Directors in the ordinary share capital of the Company are as follows:

	As at 8 March 2010			Immediately following Admission*		
	Number of Ordinary Shares	Total issue price (£)	Percentage of issued share capital (%)	Number of Ordinary Shares	Total issue price (£)	Percentage of issued share capital** (%)
Andrew Huntley	—	—	—	100,000	100,000	0.06
Andrew Jones	37,668	37,668	33.34	2,000,000***	2,000,000	1.21
Valentine Beresford . .	37,666	37,666	33.33	2,075,000****	2,075,000	1.26
Mark Stirling	37,666	37,666	33.33	1,500,000	1,500,000	0.91
Sue Ford	—	—	—	50,000	50,000	0.03
Alec Pelmore	—	—	—	75,000	75,000	0.05
Andrew Varley	—	—	—	50,000	50,000	0.03
Philip Watson	—	—	—	100,000	100,000	0.06

* Minimum amounts, assuming each of the Directors subscribes for the Ordinary Shares for which he or she has indicated an intention to subscribe.

** Assuming target gross proceeds of £150 million and the Over-allotment Option is exercised in full.

*** Of which 1,000,000 Ordinary Shares are held by his wife.

**** Of which 150,000 Ordinary Shares are held by his wife and 150,000 Ordinary Shares are held by the Trustees of Colonel Silcock deceased (a trust of which Valentine Beresford is a beneficiary).

- (b) The Ordinary Shares held by the Directors are subject to the lock-up arrangements described in paragraph 5.4 of Part 5 of this Prospectus.
- (c) Save as disclosed in paragraph 7.6(a) above, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- (d) The voting rights of the Company's Shareholders are the same in respect of each Ordinary Share held.
- (e) The Company is not aware of any person who will, immediately following Admission, hold three per cent. or more of the voting rights in the Company as a Shareholder or through a direct or indirect holding of financial instruments (in each case for the purposes of Chapter 5 of the Disclosure and Transparency Rules of the FSA). The Company is not aware of any person who, directly or indirectly owns or controls the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.
- (f) The Non-executive Directors and Sue Ford (Finance Director and Company Secretary) are in addition to the Company, directors/partners of the companies listed in paragraph 7.5 of this Part 7. The Articles contain provisions whereby a Director shall not vote inter alia in respect of any matter in which he has, directly or indirectly, any material interest. Save, in relation to the directorships listed in paragraph 7.5 of this Part 7, there are no potential conflicts of interest between any duties owed by the Directors to the Company and their private interests and/or other duties.

7.7 DIRECTORS' SERVICE AGREEMENTS

- (a) On 4 March 2010, each of Andrew Jones, Valentine Beresford, Mark Stirling and Sue Ford entered into a service agreement with the Company which is conditional upon Admission occurring on or before 30 April 2010. Each agreement is terminable by either the Director or the Company on not less than 12 months' prior written notice. Under their respective employment agreements, Andrew Jones, Valentine Beresford, Mark Stirling and Sue Ford are each entitled to receive an annual salary of £295,000, £225,000, £225,000 and £195,000 respectively. The agreements contain customary non-compete/non-solicitation restrictive covenants which apply to each Executive Director for a period of 12 months following termination of employment.

Pursuant to the employment agreements, each of the Executive Directors is entitled to a bonus of up to 150 per cent. (175 per cent. for Andrew Jones) of his/her annual salary as determined by the Remuneration Committee. In each year in which a bonus is awarded, 50 per cent. of the bonus (after the deduction of applicable taxes and national insurance contributions) will be applied on the Executive Director's behalf to acquire Ordinary Shares. These shares will be subject to an award under the terms of the Metric Property Investments Plc Matching Share Plan as detailed in paragraph 7.10 of this Part 7.

Employee Benefits

The Executive Directors will receive pension contributions from the Company of 20 per. cent. of their annual salaries. The Executive Directors may have the option to elect to have their pension contributions paid as a cash allowance equal to the amount and instead of the contributions. The Executive Directors will each be eligible to participate in all private health, life assurance and other types of insurance policies or arrangements maintained by the Company for its employees generally. In addition, the Executive Directors will each be eligible to receive: (i) a car allowance of £20,000 per annum, (ii) reimbursement of deductible amounts paid under the health insurance plan maintained by the Company, (iii) short term and long term disability insurance, and (iv) reimbursement of expenses incurred in the course of their employment.

- (b) Save as set out in paragraph 7.7 (a) above, on Admission there will be no existing or proposed service agreements between the Executive Directors and the Company.
- (c) Under the terms of their appointments as Non-executive Directors, Andrew Huntley, Alec Pelmore, Andrew Varley and Philip Watson are entitled to annual fees of £60,000, £45,000, £40,000 and £45,000 respectively. The Non-executive Directors may elect to receive up to 100 per cent. of their net annual fees in Ordinary Shares in lieu of such fees at market value upon serving notice to the Company Secretary in respect of the same. The Non-executive Directors hold their office in accordance with the Articles. The retirement, disqualification and removal provisions relating to the Directors (in their capacity as directors) are summarised in paragraph 7.3(m) of this Part 7. The fees of Alec Pelmore and Philip Watson include an additional £5,000 fee which is paid to them in respect of their appointments as Chairmen of the Audit Committee and the Remuneration Committee respectively.
- (d) Each agreement with the Non-executive Directors referred to in paragraph 7.7(c) above was entered into on 4 March 2010 and is conditional upon Admission taking place on or before 30 April 2010. Each agreement has a fixed term of three years and is terminable by three months' notice in writing by either party at any time. The Company may also terminate the appointment of any of the Non-executive Director and his right to receive director's fees without any notice, payment in lieu of notice, or other compensation if such Non-executive Director (i) materially or persistently breaches the terms of his appointment, (ii) is subject to a bankruptcy order or enters into a voluntary arrangement with his creditors, (iii) is disqualified from holding office as a director, (iv) is removed as a director by the Shareholders, or (v) fails to be reappointed as a Director for any reason.

7.8 EMPLOYEES

The Company is a newly incorporated company. The number of employees who work for the Company at Admission is expected to be 7, all of whom will work in London.

7.9 CORPORATE GOVERNANCE

(a) Board of Directors

The Company complies with the relevant requirements of the Combined Code. Upon Admission, the Board will comprise eight members, four of whom will be Non-executive Directors. The Company considers that the Chairman will be independent at the time of his appointment for the purposes of the Combined Code and that on Admission all of the other Non-executive Directors will be independent for the purposes of the Combined Code.

The Board intends to meet regularly throughout the year and all necessary information will be supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings. Certain matters are reserved for consideration by the Board (with other matters delegated to Board committees). The Board is responsible for leading and controlling the Company and in particular for formulating, reviewing and approving the Company's strategy, budget, major terms of capital expenditure and acquisitions and disposals in line with the Company's investment strategy outlined in Part 1.4 of this Prospectus.

The Board will delegate specific responsibilities to the committees described below.

(b) The Audit Committee

The Audit Committee is chaired by Alec Pelmore and its other members are Philip Watson and Andrew Varley. It will meet at least twice each year and at additional dates where necessary as and when required. The Company's auditors, the Chairman, the Chief Executive or the Finance Director may attend and speak at meetings of the Audit Committee. The committee has responsibility for, among other things, the planning and reviewing of the Company's annual and interim financial statements and the supervision of its auditors in the review of such financial statements. The Audit Committee will focus particularly on the Company's compliance with legal requirements, accounting standards and the Listing Rules and on ensuring that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and interim statements will remain with the Board.

(c) The Remuneration Committee

The Remuneration Committee is chaired by Philip Watson and its other members are the other Non-executive Directors of the Company (including Andrew Huntley). It will meet at least once each year and at additional dates as and when required. This committee has responsibility for determining, within agreed terms of reference, the Company's policy on the remuneration of senior executives and specific remuneration packages for Executive Directors, including pension rights and compensation payments. It is also responsible for making recommendations for grants of awards under the Share Plans.

(d) The Nomination Committee

The Nomination Committee is chaired by Andrew Huntley and its other members are the other Non-executive Directors of the Company. This committee has responsibility for considering the size, structure and composition of the Board, the retirement and appointment of Directors, and will make appropriate recommendations to the Board in relation to these matters.

7.10 SHARE INCENTIVE PLANS

7.10.1 The Metric Property Investments plc Management Incentive Plan (MIP)

On 4 March 2010 the Board adopted the MIP conditional on Admission.

(a) Eligibility

All bona fide employees and Executive Directors of the Group are eligible to participate in the MIP at the discretion of the grantor (being either the Board or the trustee of the Employee Trust) after consultation with the Remuneration Committee.

(b) Grant of awards

Awards will be granted where the Company's Plan Net Asset Value performance exceeds 125 per cent. of the growth in the IPD All Retail (Quarterly) Index at the end of a performance period of 12 months. Each performance period will equate to a financial year of the Company.

In addition, Awards will only be granted where at the end of each performance period: (i) the Company's total shareholder return is positive (ii) the Company's Plan Net Asset Value during the performance period increases by 12 per cent. and (iii) the Company's property total return performance exceeds 115 per cent. of the growth in the IPD All Retail (Quarterly) Index.

Awards will be provided in the form of cash and Ordinary Shares. The cash payment will comprise 25 per cent. of the aggregate award value and the Ordinary Shares will comprise 75 per cent. of the aggregate award value. The cash payment will be made at the date of grant, with the Ordinary Shares delivered as an award of shares (or such other award structure which the Remuneration Committee deems appropriate) vesting over three years, subject to performance conditions. The number of Ordinary Shares subject to the award will be fixed at the date of grant.

Awards may be granted during the period of (i) 42 days following the announcement of the Company's final or interim results for any financial period, (ii) within 42 days following the occurrence of an event which the Remuneration Committee considers to be an exceptional event relating to or affecting the Group, (iii) within 42 days following any changes to legislation affecting employee share plans or (iv) within 42 days of an eligible employee commencing employment with the Group. If any of the above periods is a "close period" as a result of the application of the Model Code (or as a result of the Company's equivalent internal share dealing rules) then awards may be granted within 42 days of the end of the close period. No awards may be granted more than 10 years after the adoption of the MIP.

Except to the extent required by foreign laws, awards under the MIP will not form part of a participant's pensionable earnings. Awards are not transferable (other than on death). No payment will be required for the grant of an award.

Share awards may be granted over newly issued Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

(c) Individual limits

The maximum value of an award granted to any one individual cannot exceed 35 per cent. of the available award pool in relation to a financial year.

(d) Plan limits

The award pool for any financial year will be equal to 20 per cent. of the Company's Plan Net Asset Value performance which is in excess of 125 per cent. of the growth in the IPD All Retail (Quarterly) Index for that year.

In addition, the award pool for any one financial year cannot exceed 1.75 per cent. of the Company's Plan Net Asset Value for that year.

The number of unissued Ordinary Shares in respect of which awards may be granted under the MIP on any date shall be limited so that the total number of Ordinary Shares issued and issuable pursuant to options or awards granted under the MIP and any other share plan operated by the Company (including the MSP and the CSOP) in any rolling 10 year period is restricted to 10 per cent. of the Company's issued Ordinary Shares calculated at the relevant time.

No account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Treasury shares will be treated as newly issued shares for the purposes of these limits, but (for the avoidance of doubt) Ordinary Shares acquired in the market will not.

(e) Vesting of awards

The award will vest in four equal tranches. The first tranche (comprising the cash award) will vest at the award date, following the end of the period over which the performance condition is measured and to the extent to which the performance condition has been satisfied. The remaining three

tranches (comprising the share award) will then vest on the second, third and fourth anniversaries of the performance period start date if the Company's property total return exceeds the growth of the IPD All Retail (Quarterly) Index for that year. In the event that a tranche does not vest in relation to a particular year, then no further tranches may vest in respect of that award (the unvested tranches) until the fourth such anniversary in which case the unvested tranches will only vest if the Company's average property total return over the previous three year period (i) exceeds the growth of the IPD All Retail (Quarterly) Index and (ii) is positive. To the extent that this average performance test has failed, the unvested awards shall lapse.

The appropriate number of Ordinary Shares will be issued or transferred to the participant on the vesting of their award.

(f) Manner of vesting

Within 30 days of vesting subject to the participant providing a payment (or entering into arrangements to pay) any income tax and employee national insurance contributions due, the Ordinary Shares in respect of which the award has vested must be issued by the Company or the Company must procure their transfer (which for the purposes of the MIP includes the transfer of shares out of treasury) to the participant and shall issue a definitive certificate in respect of the Ordinary Shares allotted or transferred. Ordinary Shares issued or transferred by the Company on the vesting of awards will rank *pari passu* with existing Ordinary Shares.

(g) Termination of employment

Unvested awards granted under the MIP will normally lapse on cessation of employment. However, if a participant is a "good leaver" (i.e. if he dies or leaves employment through illness, injury or disability, or because his employing company or business is sold out of the Company's group or for any other reason determined by the Remuneration Committee (in its absolute discretion)), then the Remuneration Committee may permit that participant (or his personal representatives, as the case may be) to retain his unvested award until the relevant vesting date and/or permit early vesting of unvested awards on an accelerated basis subject to the satisfaction of the performance conditions and a pro-rata reduction for the time that has elapsed since the relevant date of cessation.

If a participant ceases employment in any circumstances other than the "good leaver" circumstances referred to above then ordinarily all his unvested awards will lapse on such cessation unless the Remuneration Committee exercises its discretion otherwise.

If the Remuneration Committee exercises its discretion to allow unvested awards to vest early, it shall take into account (i) the progress made by the Company towards achieving the performance target by reference to the relevant date of cessation; (ii) the extent to which it considers that the performance target would be met at the end of the performance period had cessation not occurred; and (iii) any other factors it considers relevant.

(h) Change of control

If a change of control event occurs, such as a takeover, scheme of arrangement, voluntary winding up or reconstruction (not being an internal reorganisation), then the Remuneration Committee will determine, in its absolute discretion, whether and to what extent subsisting unvested awards shall vest, but taking into account the factors set out in paragraph (g), above as well as the proportion of the vesting period which has elapsed.

(i) Variation of share capital

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction, or other variation of the Company's capital, or the payment of a special dividend or a demerger, the number of Ordinary Shares which are the subject of an award may be adjusted in such manner as the Remuneration Committee shall, in its opinion, consider fair and reasonable.

(j) Amendments and general

The MIP may be amended by the Remuneration Committee in any way provided that:

- (i) no amendment, addition or deletion may be made to the MIP which would materially prejudice the interests of participants in relation to awards already granted to them unless the sanction of at least 75 per cent. of the participants (by value of subsisting awards) has been obtained; and
- (ii) all amendments to the advantage of participants to the provisions relating to:
 - 1. the definition of eligible employee;
 - 2. the limits on the number of Ordinary Shares subject to the plan;
 - 3. the maximum entitlement for any one participant;
 - 4. the basis for determining a participant's entitlement to Ordinary Shares and cash under an award;
 - 5. the adjustment of awards, in the event of a variation of capital as set out in sub-paragraph (i), above; or
 - 6. the rule relating to the amendment of the MIP,

will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the Group.

The Board may amend the MIP by way of separate schedules to enable it to be operated overseas, provided that the terms of the separate schedules are not overall more favourable than the terms of the MIP.

7.10.2 The Metric Property Investments plc Matching Share Plan (MSP)

On 4 March 2010 the Board adopted the MSP conditional on Admission.

(a) Eligibility

All bona fide employees, including Executive Directors, are eligible to participate in the MSP at the discretion of the Remuneration Committee. However, it is initially intended that only Executive Directors and certain senior managers will be selected to participate in the MSP.

(b) Grant of awards

As noted at paragraph 7.7(a) above, participants will be required to take 50 per cent. of their annual bonus (after tax and national insurance) in the form of Ordinary Shares. The Ordinary Shares acquired are referred to as "bonus shares".

Participants will receive a Matching Share Award (an "MSA") delivered as an award of shares (or such other award structure which the Remuneration Committee deems appropriate). MSAs may be granted by either the Board or the trustee of the Employee Trust over new or existing Ordinary Shares equal to two times the number of bonus shares acquired. The MSA will vest subject to the satisfaction of a performance target measured over three years. MSAs vest where the performance target has been met. The number of Ordinary Shares subject to an MSA will be fixed at the date of grant.

MSAs may be granted during the period of (i) 42 days following Admission, (ii) 42 days following the announcement of the Company's final or interim results for any financial period, (iii) within 42 days following the occurrence of an event which the Remuneration Committee considers to be an exceptional event relating to or affecting the Group, (iv) within 42 days following any changes to legislation affecting employee share plans, or (v) within 42 days of an eligible employee commencing employment with the Group. If any of the above periods is a "close period" as a result of the application of the Model Code (or as a result of the Company's equivalent internal share dealing rules) then MSAs may be granted within 42 days of the end of the close period. No MSAs may be granted more than 10 years after the adoption of the MSP.

MSAs may be granted over newly issued Ordinary Shares, treasury shares or Ordinary Shares purchased in the market.

Except to the extent required by foreign laws, MSAs will not form part of a participant's pensionable earnings. MSAs are not transferable (other than on death).

(c) Individual limits

As noted above, participants will receive an MSA equal to two times the number of bonus shares acquired.

(d) Plan limits

The number of unissued Ordinary Shares over which (or in respect of which) MSAs may be granted under the MSP on any date shall be limited so that the total number of Ordinary Shares issued and issuable pursuant to options or awards granted under the MSP and any other share plan operated by the Company (including the MIP and the CSOP) in any rolling 10 year period is restricted to 10 per cent. of the Company's issued Ordinary Shares calculated at the relevant time.

No account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Treasury shares will be treated as newly issued shares for the purposes of these limits, but (for the avoidance of doubt) Ordinary Shares acquired in the market will not.

(e) Vesting of awards

The Remuneration Committee will determine at the date of grant when MSAs under the MSP will vest. Ordinarily, MSAs will vest subject to (i) the bonus shares being held by the participant for a three year period, (ii) the participant remaining an employee or officer of a member of the Group at the end of that time and (iii) the satisfaction of a total shareholder return based performance condition.

The Company's total shareholder return performance will be measured against the performance of a selected peer group (the members of which will be selected by the Remuneration Committee in its absolute discretion) of companies in the FTSE Real Estate Sector.

30 per cent. of an MSA will vest if the Company achieves median performance relative to the peer group with 100 per cent. of an MSA vesting if the Company achieves upper quartile performance relative to the peer group. Straight-line vesting of an MSA will occur between these two points.

(f) Manner of vesting

Within 30 days of vesting, subject to the participant providing a payment (or entering into arrangements to pay) for any income tax and employee national insurance contributions due, the Ordinary Shares in respect of which the MSA has vested must be issued by the Company or the Company must procure their transfer (which for the purposes of the MSP includes the transfer of Ordinary Shares out of treasury) to the participant and shall issue a definitive certificate in respect of the Ordinary Shares allotted or transferred. Ordinary Shares issued or transferred by the Company on the vesting of MSAs will rank *pari passu* with existing Ordinary Shares.

(g) Termination of employment

Unvested MSAs will normally lapse on cessation of employment. However, if a participant is a "good leaver" (i.e. if he dies or leaves employment through illness, injury or disability, or because his employing company or business is sold out of the Group or for any other reason determined by the Remuneration Committee (in its absolute discretion)), then the Remuneration Committee may permit that participant (or his personal representatives as the case may be) to retain his unvested MSA until the relevant vesting date and/or permit early vesting of unvested MSAs on an accelerated basis subject to the satisfaction of the performance targets and a pro-rata reduction for the time that has elapsed since the relevant date of cessation.

If the Remuneration Committee exercises its discretion to allow unvested MSAs to vest early, it shall take into account (i) the progress made by the Company towards achieving the performance target by reference to the relevant date of cessation; (ii) the extent to which it considers that the performance target would be met at the end of the performance period had cessation not occurred; and (iii) any other factors it considers relevant.

(h) Change of control

If a change of control event occurs, such as a takeover, scheme of arrangement, voluntary winding up or reconstruction (not being an internal reorganisation), then the Remuneration Committee will determine, in its absolute discretion, whether and to what extent subsisting unvested MSAs vest, but taking into account the factors set out in paragraph (g) above, as well as the proportion of the vesting period which has elapsed.

(i) Variation of share capital

In the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, or the payment of a special dividend or a demerger the number of Ordinary Shares which are the subject of an MSA and/or the exercise price (if any) may be adjusted in such manner as the Remuneration Committee shall, in its opinion, consider fair and reasonable.

(j) Amendments and general

The MSP may be amended by the Remuneration Committee in any way provided that:

- (i) no amendment, addition or deletion may be made to the MSP which would materially prejudice the interests of participants in relation to MSAs already granted to them unless the sanction of at least 75 per cent. of the participants (by value of subsisting MSAs) has been obtained; and
- (ii) all amendments to the advantage of participants to the provisions relating to:
 - 1. the definition of eligible employee;
 - 2. the limits on the number of Ordinary Shares subject to the plan;
 - 3. the maximum entitlement for any one participant;
 - 4. the basis for determining a participant's entitlement to Ordinary Shares under an MSA; and
 - 5. the adjustment of MSAs, in the event of a variation of capital as set out in paragraph (i) above, or
 - 6. the rule relating to the amendment of the MSP,

will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the Group.

The Board may amend the MSP by way of separate schedules to enable it to be operated overseas, provided that the terms of the separate schedules are not overall more favourable than the terms of the MSP.

7.10.3 The Metric Property Investment plc Company Share Option Plan (CSOP)

On 4 March 2010 the Board adopted the CSOP conditional on Admission.

The CSOP is intended to enable participants in the MIP and the MSP to receive value from MIP and MSP awards on a tax efficient basis, not to provide any further share based entitlement in addition to those awards.

The CSOP is also intended to enable eligible individuals who are not participants in the MIP and/or MSP (i.e. senior executives and other employees who are not Executive Directors) to receive tax efficient share based incentives, on a discretionary basis.

Part I of the CSOP is approved by HMRC under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and provides for the grant of HMRC approved options (the “Approved Part”). Part II of the CSOP provides for the grant of unapproved options (the “Unapproved Part”).

(a) Eligibility

All employees, including Executive Directors, are eligible to participate in the CSOP at the discretion of the Board, following consultation with the Remuneration Committee. Under the Approved Part, only those Executive Directors who work 25 hours or more per week for a participating company are eligible to participate.

(b) Grant of awards

Awards granted under the CSOP will take the form of an option to acquire Ordinary Shares in the Company.

Awards may be granted during the period of (i) 42 days following Admission, (ii) 42 days following the announcement of the Company’s final or interim results for any financial period, (iii) within 42 days following the occurrence of an event which the Remuneration Committee considers to be an exceptional event relating to or affecting the Group, (iv) within 42 days following any changes to legislation affecting HMRC approved share option plans, or (v) within 42 days of an eligible employee commencing employment with the Group. If any of the above periods is a “close period” as a result of the application of the Model Code (or as a result of the Company’s equivalent internal share dealing rules) then options may be granted within 42 days of the end of the close period. No awards may be granted more than 10 years after the adoption of the CSOP.

Awards may be granted over newly issued Ordinary Shares, treasury shares or Ordinary Shares purchased in the market. Awards may also be granted by the trustee of the Employee Trust. Except to the extent required by foreign laws, awards under the CSOP will not form part of a participant’s pensionable earnings. Awards are not transferable (other than on death). No payment will be required for the grant of an award.

(c) Exercise price

The price at which an option holder may acquire Ordinary Shares on the exercise of an award shall be determined by the Board on the date of grant, but shall not be less than the greater of (i) the market value of an Ordinary Share at the time of grant and (ii) its nominal value. For the purposes of calculating market value, it is intended that reference will be made to the middle market quotation of an Ordinary Share in the Company on the dealing day preceding the relevant date of grant.

(d) Individual limits

No award may be granted to an eligible employee under the Approved Part of the CSOP if it would result in the aggregate exercise prices of Ordinary Shares comprised in all outstanding options granted to him under the Approved Part of the CSOP, when aggregated with outstanding options held under any other HMRC approved executive share option plan established by the Company, exceeding the specified HMRC limit (currently £30,000).

In addition, (both under the Approved and Unapproved Part) the aggregate exercise price of options/awards granted to an individual under the CSOP in any financial year when added to awards granted to that individual under the MSP and MIP in that financial year shall not cause the limits in relation to the MSP and MIP to be exceeded. Otherwise, the aggregate exercise price of options granted to an eligible employee under the CSOP in any financial year shall not exceed 100 per cent. of relevant earnings under normal circumstances and 200 per cent. in exceptional circumstances (as determined by the Remuneration Committee). The Remuneration Committee may exceed this limit, if it sees fit, in order to facilitate the recruitment of an eligible employee.

(e) Plan limits

The number of unissued Ordinary Shares over which (or in respect of which) awards may be granted under the CSOP on any date shall be limited so that the total number of Ordinary Shares issued and issuable pursuant to options or awards granted under the CSOP and any other share plan operated

by the Company (including the MSP and the MIP) in any rolling 10 year period is restricted to 10 per cent. of the Company's issued Ordinary Shares calculated at the relevant time.

For the purposes of these limits no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Treasury shares will be treated as newly issued shares for the purposes of these limits, but (for the avoidance of doubt) Ordinary Shares acquired in the market will not.

(f) Exercisability

The Board will determine, at the date of grant, when awards under the CSOP will vest. Ordinarily, awards will vest after a period of three years and, in the case of options granted under the Approved Part, this is the minimum vesting period required. If the Board (taking into account the recommendations of the Remuneration Committee) sees fit, awards under the CSOP may be granted on terms that their exercise will be subject to the satisfaction of objective performance conditions, although it is currently intended that only awards granted to Executive Directors will be subject to performance conditions. Where performance conditions are applicable the Remuneration Committee will ensure that they are sufficiently stretching and challenging and subject to a performance period not normally less than three years. Where awards are granted to enable participants in the MIP and the MSP to receive value from MIP and MSP awards on a tax efficient basis, the performance condition will replicate the performance condition relating to the MIP and/or MSP award as appropriate.

(g) Manner of exercise

Within 30 days of the receipt of a notice of exercise of an award, together with a payment (or arrangements to pay) for the aggregate exercise price due and a payment (or arrangements to pay) for any income tax and employee national insurance contributions due, the Ordinary Shares in respect of which the award has been exercised must be issued by the Company or the Company must procure their transfer (which for the purposes of the CSOP includes the transfer of Ordinary Shares out of treasury) to the option holder and shall issue a definitive certificate in respect of the Ordinary Shares allotted or transferred. Ordinary Shares issued or transferred by the Company on the exercise of options will rank *pari passu* with existing Ordinary Shares.

(h) Termination of employment

Options granted under the CSOP (both vested and unvested) will normally cease to be exercisable on cessation of employment. However, if a participant is a "good leaver" (i.e. if he dies or leaves employment through injury, disability, redundancy or retirement on or after reaching the age of 65, or where a participant leaves employment of the Group by reason of his employing company ceasing to be a member of the Group, or if the undertaking in which he is employed is sold outside the Group or for any other reason approved by the Remuneration Committee (in its absolute discretion)), then the participant (or his personal representatives, if appropriate) may exercise his award (both vested and unvested) within a period of six months from the relevant date of cessation subject to the satisfaction of the performance conditions (if any) and in the case of an unvested award subject to a pro-rata reduction for the time that has elapsed since the relevant date of grant.

If a participant ceases employment in any circumstances other than the "good leaver" circumstances referred to above then ordinarily all his unvested awards will lapse on such cessation unless the Remuneration Committee exercises its discretion otherwise.

(i) Change of control

If a change of control event occurs, such as a takeover, scheme of arrangement, voluntary winding up or reconstruction (not being an internal reorganisation), then the Remuneration Committee will determine, in its absolute discretion, whether and to what extent subsisting unvested awards shall vest and become exercisable during a period of six months (except in the case of a takeover by means of a compulsory acquisition of minority shareholders where the period will be one month), but taking into account all relevant facts and circumstances including, but not limited to, the performance of the Company (where applicable) and the period of time which has elapsed since the relevant date of grant.

(j) Variation of share capital

In the case of awards granted under the Approved Part, in the event of a capitalisation issue or offer by way of rights (including an open offer), or upon any consolidation, subdivision or reduction or other variation of the Company's capital, the number of Ordinary Shares which are the subject of an award and/or the exercise price may, subject to prior approval of HMRC, be adjusted in such manner as the Board, taking into account the recommendation of the Remuneration Committee) shall, in its opinion, consider fair and reasonable.

In the case of awards granted under the Unapproved Part, in the event of a capitalisation issue, or offer by way of rights (including an open offer), or upon any consolidation, subdivision, or reduction or other variation of the Company's capital, or the payment of a special dividend or a demerger, the number of Ordinary Shares the subject of an award and/or the exercise price may be adjusted in such manner as the Board (taking into account the recommendation of the Remuneration Committee) shall, in its opinion, consider fair and reasonable.

(k) Amendments and general

The CSOP may be amended by the Board (following consultation with the Remuneration Committee) in any way provided that:

- (i) no alteration may be made to the CSOP which would materially prejudice the interests of participants in relation to awards already granted to them unless the sanction of at least 75 per cent. of the participants (by value of subsisting awards) has been obtained;
- (ii) all amendments to the advantage of participants to the provisions relating to:
 - 1. the definition of eligible employee;
 - 2. the limits on the number of Ordinary Shares subject to the plan;
 - 3. the maximum entitlement for any one participant;
 - 4. the basis for determining a participant's entitlement to awards;
 - 5. the adjustment of awards, in the event of a variation of capital as set out in paragraph (j) above, or
 - 6. the rule relating to modification of the CSOP,will require the prior consent of the Company in general meeting unless they are minor amendments to benefit the administration of the plan or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants, the Company or a member of the Group; and
- (iii) while the Approved Part of the CSOP remains approved by HMRC, no amendment of a key feature of the Approved Part of the CSOP shall take effect without the prior approval of HMRC.

The Board may amend the CSOP by way of separate schedules to enable it to be operated overseas, provided that the terms of the separate schedules are not overall more favourable than the terms of CSOP.

7.10.4 The Metric Property Investment plc Employee Benefit Trust

(a) Constitution

The Employee Trust will be a discretionary trust constituted by a trust deed between the Company and an independent off shore professional trustee company. The Employee Trust is constituted as an employees' share scheme within the meaning of section 1166 of the Companies Act, with the purpose of encouraging and facilitating the holding of shares by bona fide employees of the Company (which, for these purposes includes Executive Directors) and its subsidiaries, former employees and certain of their relatives or for their benefit.

(b) Power and funding

The trustee will have full discretion with regard to the application of the trust fund. Whilst under the terms of the trust deed they are required to consult with a liaison committee appointed by the Company in certain circumstances, the views expressed by the liaison committee are in no respect binding upon them.

The trustee has the power to acquire Ordinary Shares in the Company and any Ordinary Shares so acquired may be used for the purposes of any employees' share scheme operated by the Company, including the grant of awards or options under the MIP, the MSP and the CSOP. The trustee may also agree, in their absolute discretion, to satisfy the employer national insurance contributions liabilities arising on the vesting or exercise of awards or options, by acquiring Ordinary Shares at the same price per share as the relevant awards or options, so as to enable the trustee to realise a gain equal to the aggregate national insurance liability.

The Employee Trust may be funded by way of loan or gift to acquire Ordinary Shares either in the market or by subscription.

(c) Limits to holdings and dividend waiver

Any Ordinary Shares issued to the Employee Trust in order to satisfy options or awards it has granted will be treated as counting towards the dilution limits that apply to the MIP, the MSP and the CSOP. For the avoidance of doubt, any Ordinary Shares acquired by the Employee Trust in the market in order to satisfy options or awards it has granted will not count towards these limits. In addition, without prior shareholder approval, the Employee Trust will not, at any one time, hold more than five per cent. of the ordinary share capital of the Company (other than for the purposes of satisfying awards/options that it has granted). Unless directed otherwise the trustee will waive any dividends paid on the Ordinary Shares settled in the Employee Trust.

7.11 MATERIAL CONTRACTS AND RELATED PARTY TRANSACTIONS

- (a) The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation and which are or may be material to the Company or have been entered into by the Company at any time and contain a provision under which the Company has any obligation or entitlement which is material to the Company at the date of this Prospectus:

- (i) A placing and offer agreement dated 8 March 2010 (the "Placing and Offer Agreement") entered into by the Company, each of the Directors, Oriel Securities and J.P. Morgan Cazenove pursuant to which, subject to certain conditions, Oriel Securities and J.P. Morgan Cazenove have agreed to use their reasonable endeavours to procure purchasers for the Ordinary Shares to be issued pursuant to the Placing.

The Placing and Offer Agreement is conditional on, among other things, Admission occurring by 8.00 a.m. on 24 March 2010 (or such later date, not being later than 30 April 2010 as the Company, Oriel Securities and J.P. Morgan Cazenove may agree).

The Placing and Offer Agreement is further conditional upon the Net Proceeds of the Issue, totalling not less than £50 million (or such higher amount as may be agreed between the Company and Oriel Securities and J.P. Morgan Cazenove). In the event that any of the conditions in the Placing and Offer Agreement are not met, Oriel Securities and J.P. Morgan Cazenove shall, amongst other things, not be under any obligation to complete the Placing, the Company shall withdraw its application for Admission (making such announcement as reasonably required by Oriel Securities and J.P. Morgan Cazenove) and appropriate arrangements for the return of Issue monies received shall be made.

In consideration for their services under the Placing and Offer Agreement, Oriel Securities and J.P. Morgan Cazenove will receive from the Company fees and commissions up to 3.5 per cent. of gross proceeds and reimbursement for all out-of-pocket expenses incurred by them in connection with the Issue.

The Company and the Directors have in the Placing and Offer Agreement given certain customary representations and warranties subject (in the case of the Directors, to certain agreed caps, and the Company and the Property Directors have agreed to provide customary

indemnities, to Oriel Securities and J.P. Morgan Cazenove (subject (in the case of the Property Directors) to certain agreed caps).

- (ii) An agreement (“Registrar Agreement”) dated 8 March 2010 between the Company and Computershare whereby Computershare is appointed to act as registrar of the Company. Computershare shall be entitled to receive an annual registration fee from the Company based on activity, subject to an annual minimum charge of approximately £2,850. Computershare shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company. The Registrar Agreement may be terminated by either party on six months’ notice and may be immediately terminated by either party in certain circumstances such as a persistent or material breach which is not remedied. The Registrars Agreement contains customary indemnities in favour of Computershare.
- (iii) A share sale agreement dated 8 March 2010 between the Company, Mark Young and Aaron Stocks (the “Sale Agreement”) pursuant to which the Company agreed to acquire the entire issued share capital (being 2 ordinary shares) of Metric Property Start-up Limited for a cash consideration of £2 conditional on Admission.
- (b) Prior to Admission, Metric Property Start-Up Limited was advanced (in aggregate) £81,941.52 by the Property Directors in order to fund the working capital expenses of Metric Property Start-Up Limited. It is anticipated that the funds advanced by the Property Directors will be repaid following the acquisition of Metric Property Start-up Limited. Metric Property Start-Up Limited also entered into a lease in respect of the Company’s registered office and agreements in relation to certain start-up assets and services.
- (c) Other than entering into the Sale Agreement and issuing 63,000 Ordinary Shares to the Property Directors at the Issue Price, the Company has not been a party to any related party transaction since its incorporation.

7.12 WORKING CAPITAL

Taking into account the Minimum Net Proceeds, the Company is of the opinion that, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

7.13 CAPITALISATION AND INDEBTEDNESS

At the date of this Prospectus, the Company:

- (i) does not have any secured, unsecured or unguaranteed indebtedness, including direct and contingent indebtedness;
- (ii) has not granted any mortgage or charge over any of its assets; and
- (iii) does not have any contingent liabilities or guarantees.

If Admission and the acquisition of the Properties had taken place prior to the date of the balance sheet of the Company at 1 March 2010 then the balance sheet of the Company would change as follows (on the basis that the Company had not yet invested the proceeds of the Issue):

- (iv) the cash held by the Company would increase to the total amount subscribed for the Ordinary Shares by the Property Directors prior to Admission (less £107,474 being the purchase price of the Properties and the Ordinary Shares) plus the amount subscribed for pursuant to the Issue (less any fees and expenses paid by the Company on Admission) being the Net Proceeds;
- (v) total assets of the Company would increase by the book value of the Properties (prior to Admission) and the amount of the Net Proceeds on Admission;
- (vi) called up share capital would increase by the aggregate nominal amount of Ordinary Shares issued both prior to and following Admission.

If the acquisition of the investment properties described in 7.16(k) had taken place prior to the date of the financial information relating to the Company set out in Part 4 of this Prospectus then the Company’s earnings would be impacted by the receipt of the pro rata annual rent receivable in respect of the Properties (£4,360 per annum) less applicable expenses. If Admission had taken place prior to the date of the financial information relating to the Company set out in Part 4 of this Prospectus then any impact on

the Company's earnings would have been to enhance earnings with the precise level being dependent on any return made on the Net Proceeds received by the Company.

7.14 NO SIGNIFICANT CHANGE

As set out in Note 3 to Part 4(b) of this Prospectus:

- (i) on 3 March 2010, the Company's existing Shareholders subscribed for a further 63,000 Ordinary Shares for an issue price of 100 pence per Ordinary Share; and
- (ii) the Company acquired a freehold reversionary interest for 30 leasehold properties comprised within one freehold title for an aggregate purchase price of £107,474; and
- (iii) on 8 March 2010 the Company entered into a conditional share sale agreement pursuant to which the Company agreed to acquire issued share capital (being 2 ordinary shares) of Metric Property start-up Limited for a cash consideration of £2 (conditional on Admission).

The changes set out above decreased the Company's cash to less than £6,000, increased its assets by over £60,000 and commenced the Company's trading operations. Other than as set out above, there has been no significant change in the financial or trading position of the Company since incorporation.

7.15 LITIGATION

The Company is not and has not at any time since its incorporation been, involved in any governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Group, nor of any such proceedings having been pending or threatened at any time since its incorporation, in each case which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

7.16 GENERAL

- (a) The total costs (including fees and commissions) (exclusive of recoverable VAT) payable by the Company in connection with the Issue and Admission are estimated to amount to £5.8 million assuming gross proceeds of £150 million. The estimated net cash proceeds accruing to the Company from the Issue (on the same basis and assuming no exercise of the Over-allotment Option) are £144.2 million.
- (b) IPD statistics in this document have been sourced from Investment Property Databank, an independent research company with company number 1879480 and registered address 1 St John's Lane, London EC1M 4BL, England. Where information has been sourced from British Land, except where otherwise indicated, the information has been sourced from British Land annual, half year or quarterly reports and results presentations for the periods 2004/2005 to 2009/2010 (inclusive). To the extent that information in this document has been sourced from a third party, the Company confirms that the information has been accurately reproduced and so far as the Company is aware, and is able to ascertain from information published by that party, no facts have been omitted that would render the information reproduced inaccurate or misleading.
- (c) Deloitte LLP of Hill House, 1 Little New Street, London EC4A 3TR, a member firm of the Institute of Chartered Accountants in England and Wales, has given and not withdrawn its written consent to the inclusion of its report included within Part 4 of this Prospectus in the form and context in which it appears. As the Ordinary Shares have not been and will not be registered under the Securities Act, Deloitte has not filed a consent under the Securities Act.
- (d) The Company has no subsidiaries but, as described in paragraph 7.11(a)(iii) above will acquire Metric Property Start-Up Limited conditional on Admission.
- (e) Save as described at paragraph 7.16(l) below, the Company has no existing interests in real property and has no tangible fixed assets which are material to its business.
- (f) The Directors are not aware of any environmental issues which may affect the Company's utilisation of its tangible fixed assets (if any).
- (g) The financial information set out in this Prospectus relating to the Company does not constitute statutory accounts within the meaning of section 434 of the Companies Act. The Company intends to publish its first set of interim financial statements at 30 September 2010 and the first annual report of

the Company will be published as at 31 March 2011. Part 4 of this Prospectus contains details of post balance sheet events that have occurred since incorporation. The receipt by the Company of the Net Proceeds of the Issue will constitute a significant change to the assets of the Company.

- (h) The Company will put a keyman life assurance policy in place in respect of Andrew Jones. The sum assured will be £5,000,000.
- (i) There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- (j) The Issue will result in the existing Ordinary Shares being diluted by over 1,000 per cent. (assuming target gross proceeds of £150 million).
- (k) The Company owns the following investment properties under title number MS517702 acquired on 3 March 2010 for an aggregate purchase price of £107,474.

<u>Locations</u>	<u>Description</u>	<u>Type of Interest</u>	<u>Current Annual Rent</u>
2, 3, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 26, 30, 32, 38, 52, 56, 58, 60, 62, 68, 72 Telford Drive, St Helens, Merseyside WA9 3GR and 101, 101A and 103 Hoghton Road, St Helens, Merseyside WA9 3HX	30 houses	Freehold reversionary interests	£4,360

Prior to acquiring the freehold title to the estate comprising the Properties, the Company's advisers verified ownership and completed appropriate searches of the Land Registry and Companies House. The Directors confirm that the leases granted out of the estate created no material obligations or liabilities on the part of the Company.

- (l) CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under CREST. The Directors have applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Admission has occurred. CREST is a voluntary system and Shareholders who wish to receive and retain a share certificate will be entitled to do so.
- (m) The Directors are not aware of any patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.
- (n) Since incorporation, the Company has not made up any financial statements or published any financial information save for the information contained in part 4 of this Prospectus.
- (o) For so long as and to the extent that the Listing Rules require, the Company will:
 - (i) at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its investment policy set out on page 27 of this Prospectus;
 - (ii) not conduct any trading activity which is significant in the context of the Company and its group as a whole;
 - (iii) not invest more than 10 per cent., in aggregate, of the value of its total assets, at the time of the relevant investment, in other listed closed-ended investment funds (other than listed closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds); and
 - (iv) if at any time the Company principally invests its funds in another company or fund that invests in a portfolio of investments ensure that such fund's investment policies are consistent with the Company's published investment policy and provide for spreading investment risk; and ensure that such fund in fact invests and manages its investments in a way that is consistent with the Company's published investment policy and spreads investment risk.

In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the remedial actions to be taken by the Company through an RNS Announcement.

- (p) The Company expects a typical investor in the Company will be an institutional investor or high net worth individual based in the UK, the EEA and/or the US.

7.17 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL for so long as this Prospectus remains valid:

- (a) the statement of capital of the Company and the Articles;
- (b) the service agreements and letters of appointment referred to in this Part 7;
- (c) the letter of consent referred to in paragraph 7.16(c) above;
- (d) the rules of the Share Plans; and
- (e) this Prospectus.

PART 8
TERMS AND CONDITIONS OF THE PLACING

8.1 INTRODUCTION

These terms and conditions apply to persons making an offer to subscribe for Placing Shares under the Placing (which may include Oriel Securities, J.P. Morgan Cazenove or their nominee(s)).

Each person to whom these conditions apply, as described above, who confirms its agreement to Oriel Securities and J.P. Morgan Cazenove (on behalf of themselves and the Company) to subscribe for Placing Shares (an “Investor”) hereby agrees with each of Oriel Securities, J.P. Morgan Cazenove and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be subscribed under the Placing. An Investor shall, without limitation, become so bound if Oriel Securities and/or J.P. Morgan Cazenove confirm to the Investor its allocation.

8.2 AGREEMENT TO PURCHASE ORDINARY SHARES

Conditional on (i) Admission occurring and the Placing and Offer Agreement becoming unconditional and not having lapsed or been terminated in each case on or prior to 24 March 2010 (or such later date as Oriel Securities, J.P. Morgan Cazenove and the Company may agree (not being later than 30 April 2010)) and (ii) the confirmation mentioned under paragraph 8.1 above, an Investor agrees to subscribe for, as more particularly described below, at the Issue Price, the number of Placing Shares allocated to such Investor under the Placing in accordance with the arrangements described in this Part 8. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights such Investor may have.

8.3 PAYMENT FOR ORDINARY SHARES

Each Investor undertakes to pay the Issue Price for the Placing Shares issued to such Investor in such manner as shall be directed by Oriel Securities and J.P. Morgan Cazenove. Liability for stamp duty and stamp duty reserve tax is as described in Part 6 of this Prospectus.

In the event of any failure by any Investor to pay as so directed by Oriel Securities and J.P. Morgan Cazenove, the relevant Investor shall be deemed hereby to have appointed Oriel Securities and J.P. Morgan Cazenove or any nominee of Oriel Securities and J.P. Morgan Cazenove as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as directed by Oriel Securities and J.P. Morgan Cazenove and to indemnify Oriel Securities and J.P. Morgan Cazenove and their respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such Placing Shares shall not release the relevant Investor from the obligation to make such payment for Placing Shares to the extent that Oriel Securities and J.P. Morgan Cazenove or their nominee have failed to sell such Placing Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, exceeds the Issue Price per Placing Share.

8.4 REPRESENTATIONS AND WARRANTIES

By receiving this Prospectus and making the confirmation in paragraph 8.1 above, each Investor who confirms its agreement to subscribe for and/or to purchase Ordinary Shares confirms, represents, warrants and undertakes to Oriel Securities, J.P. Morgan Cazenove and the Company) on the terms and subject to the conditions set out in this Prospectus:

- (a) that the exercise by Oriel Securities and J.P. Morgan Cazenove of any rights or discretion under the Placing and Offer Agreement shall be within the absolute discretion of Oriel Securities and J.P. Morgan Cazenove and Oriel Securities and J.P. Morgan Cazenove need not have any reference to the Investor and shall have no responsibility or liability to the Investor whatsoever in connection with any decision to exercise or not to exercise any such right. Each Investor agrees that they have no rights against Oriel Securities and J.P. Morgan Cazenove or any of their affiliates, the Company and any of their respective directors and employees under the Placing and Offer Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;

- (b) that in agreeing to subscribe for Placing Shares under the Placing, each Investor is relying on this Prospectus only, and not on any other information or representation or warranty concerning the Company, any of its shares or the Placing (provided that nothing in these terms and conditions shall exclude the liability of any person for fraudulent misrepresentation);
- (c) that the Investor and, as the case may be, its clients, acknowledge that Oriel Securities and J.P. Morgan Cazenove have no duties or responsibilities to the Investor similar or comparable to the duties of “best execution” and “suitability” imposed by The Conduct of Business Source Book contained in The Financial Services Authority’s Handbook of Rules and Guidance, and that Oriel Securities and J.P. Morgan Cazenove are not acting for the Investor or its clients, and that Oriel Securities and J.P. Morgan Cazenove will not be responsible to the Investor or its clients for providing the protections afforded to their respective customers;
- (d) that, save in the event of fraud on the part of Oriel Securities or J.P. Morgan Cazenove (and to the extent permitted by the Rules of the Financial Services Authority), none of Oriel Securities or J.P. Morgan Cazenove, their respective ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to the Investor or any of its clients for any matter arising out of Oriel Securities and/or J.P. Morgan Cazenove’s roles as joint sponsors, financial advisers and bookrunners or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Investor and, if relevant, its clients, will immediately waive any claim against any of such persons which the Investor or any of its clients may have in respect thereof;
- (e) that in the case of a person who confirms to Oriel Securities and/or J.P. Morgan Cazenove on behalf of an Investor an agreement to subscribe for and/or purchase (as applicable) Placing Shares, that person represents and warrants that he has the authority to do so on behalf of the relevant Investor and that:
 - (i) such person has complied with the customer due diligence measures required by the Money Laundering Regulations in relation to the Investor (and any beneficial owner);
 - (ii) such person has complied fully with his obligations pursuant to the Money Laundering Regulations; and
 - (iii) such person will provide Oriel Securities and/or J.P. Morgan Cazenove on demand with any information they might require for the purposes of verification under the Money Laundering Regulations;
- (f) that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- (g) that they are not and are not applying as nominee or agent for a person who is, or may be, mentioned in any of the sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- (h) if the Investor is located in the United States or is a US Person it will be required to make certain undertakings in the form of the Investor Letter set out in the appendix to this Prospectus;
- (i) that the Investor is not a national or resident of Canada, Australia, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, the Republic of South Africa or Japan and that the Investor will not offer, sell, renounce, transfer or deliver directly or indirectly any of the Placing Shares in or into Canada, Australia, the Republic of South Africa or Japan or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation or to or for the benefit of any person resident in the United States, Canada, Australia, the Republic of South Africa or Japan or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation and the Investor acknowledges that the Placing Shares are not being offered for sale and may not be, directly or indirectly, offered, sold, transferred or delivered in Canada, Australia, the Republic of South Africa or Japan or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation;
- (j) that the Investor is entitled to subscribe for the Placing Shares in its allocation under the laws of all relevant jurisdictions which apply to such Investor and that such Investor has fully observed such

laws, obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities; and

- (k) that the Investor, if in the UK, is a person of a kind described in paragraph 5 of Article 19 or paragraph 2 of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

8.5 SUPPLY AND DISCLOSURE OF INFORMATION

If the Company, Oriel Securities, J.P. Morgan Cazenove or any of their agents request any information about an Investor or its agreement to subscribe for Placing Shares, such Investor must promptly disclose it to them.

8.6 MISCELLANEOUS

The rights and remedies of Oriel Securities, J.P. Morgan Cazenove and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Investor may be asked to disclose, in writing or orally, to Oriel Securities and J.P. Morgan Cazenove:

- (a) if he is an individual, his nationality; or
- (b) if it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to Oriel Securities and J.P. Morgan Cazenove.

Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares which such Investor has agreed to subscribe for have been issued to such Investor.

The contract to subscribe for Placing Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Oriel Securities, J.P. Morgan Cazenove and the Company, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of the matters referred to in this Part 8. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to subscribe for Placing Shares, references to an Investor in these terms and conditions are to each such Investor and the Investors' liability is joint and several.

Monies received from applicants pursuant to the Placing will be held in accordance with the terms and conditions of the Placing until such time as the Placing and Offer Agreement becomes unconditional in all respects. If the Placing and Offer Agreement does not become unconditional in all respects by 30 April 2010, application monies will be returned without interest at the risk of the applicant.

8.7 SELLING RESTRICTIONS

United Kingdom

Before Admission becomes effective, Investors may only offer or sell any Placing Shares in EEA States:

- (a) to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business; or
- (b) otherwise in circumstances which will not result in an offer to the public in the United Kingdom within the meaning of the FSMA.

United States

Due to the following restrictions, purchasers of Ordinary Shares in the United States, or who are US persons, are advised to consult legal counsel prior to making any offer for, resale, pledge or other transfer of the Ordinary Shares.

Sales in the United States or to US Persons

Each purchaser of the Ordinary Shares offered in reliance on Rule 144A or another available exemption from the registration requirements of the Securities Act who is located in the United States, or is a

US Person, will be required to represent and agree by executing and delivering an investor letter in the form attached in the appendix (the “Investor Letter”) that, amongst other things, it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- (a) it is a QIB and also a QP;
- (b) it is aware and understands that (i) the Ordinary Shares are being offered in a transaction not involving any public offering in the United States, (ii) the Ordinary Shares have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, (iii) that the Company has not been registered, and does not intend to register, as an “investment company” under the Investment Company Act (as such term is defined in the Investment Company Act and related rules and (iv) the offer and sale of the Ordinary Shares is being made (A) within the United States on the basis of the exemption from the registration requirements of the Securities Act provided by Rule 144A and (B) to any US Person on the basis of an exemption from the definition of investment company provided by Section 3(c)(7) of the Investment Company Act and that the Ordinary Shares may not be transferred except as permitted in this Letter) and (vi) the Company has elected to impose transfer and offering restrictions with respect to persons in the United States and US Persons so that the Company will qualify for an exemption under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company even if it were otherwise determined to be an investment company;
- (c) it is not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers;
- (d) it is not a participant-directed employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A;
- (e) any Ordinary Shares purchased will be for its own account (or for the account of a QIB/QP as to which it exercises sole investment discretion and has authority to make the statements contained in the Investor Letter) for investment purposes, and not with a view to resale or distribution within the meaning of the US federal securities laws, subject to the understanding that the disposition of our property shall at all times be and remain within its control;
- (f) it agrees that it is not taking up the Ordinary Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act);
- (g) it understands that the Ordinary Shares will be “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and it agrees that such securities may not be deposited into any unrestricted depository facility established or maintained by any depository bank;
- (h) it agrees that it will not re-offer, resell, pledge or otherwise transfer the Ordinary Shares except in a transaction executed in, on or through the facilities of a designated offshore securities market as defined in Regulation S (including, for the avoidance of doubt, a bona fide sale on the London Stock Exchange’s market for listed securities);
- (i) it acknowledges that it either (a) it is not a Benefit Plan Investor or a plan, an individual retirement account or other arrangement that is subject to Similar Law, or (b) it has received the express consent of the Company in respect of an investment in the Placing;
- (j) it agrees that, prior to transferring its Ordinary Shares or any interest therein, it must sign and deliver to the Company an offshore transaction letter in the form of Annex A of the Investor Letter;
- (k) it understands that (i) the Company will not be required to accept for registration of transfer any Ordinary Shares acquired by it that are not being acquired by a QP, except as provided in paragraph (h) above; (ii) the Company may, under the Articles, serve a notice upon any person to whom a sale or transfer of Ordinary Shares may cause the Company to be classified as an investment company under the Investment Company Act requiring such person to transfer the Ordinary Shares to an eligible transferee within 14 days of such notice; and (iii) if the obligation to transfer is not met, the Company may compulsorily transfer or redeem the Ordinary Shares;
- (l) it acknowledges that (i) the Company may, under the Articles, serve a notice upon any person to whom a sale or transfer of Ordinary Shares would be for, or on behalf of, a Benefit Plan Investor or a plan, individual retirement account or other arrangement that is subject to Similar Law, or that may cause the Company’s assets to be deemed to be “plan assets” under ERISA, requiring such person to

transfer the Ordinary Shares to an eligible transferee within 14 days of such notice; and (ii) if the obligation to transfer is not met, the Company may compulsorily transfer or redeem the Ordinary Shares;

- (m) it acknowledges that no agency of the United States or any state thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the Shares; and
- (n) that no agency of the United States or any agency thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or enforcement in respect of, the Shares.

Sales outside the United States to Non-US Persons

Each purchaser of the Ordinary Shares offered in reliance on Regulation S will be deemed to represent and agree as follows:

- (a) it and any person, if any, for whose account it is acquiring the Ordinary Shares, is not a US Person (as defined in Regulation S of the Securities Act) or to a person known by us to be a US Person and is purchasing the Ordinary Shares outside the United States in an offshore transaction meeting the requirements of Regulation S (including, for the avoidance of doubt, a bona fide sale on a market of the London Stock Exchange for listed securities), and the transaction was not pre-arranged with a buyer in the United States or a US Person;
- (b) it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Ordinary Shares;
- (c) it is aware that the Ordinary Shares have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S;
- (d) it is not acquiring the Ordinary Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Ordinary Shares into the United States or any jurisdiction referred to in (b) above;
- (e) it has received, carefully read and understands this Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (f) that the Company, J.P. Morgan Cazenove and Oriel Securities, their affiliates and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations or agreements made by it are no longer accurate or have not been complied with, it will immediately notify the Company and, if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, until 40 days after commencement of the Placing, an offer or sale of the Ordinary Shares within the United States by a dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Prospective investors are hereby notified that sellers of Ordinary Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

In addition, until the closing of the Over-allotment Arrangement or other stabilisation procedures, any offer or sale of the Ordinary Shares within the United States by a dealer (whether or not participating in the Placing) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

ERISA considerations

As described below, investors that are subject to Part 4 of Title I of ERISA or Section 4975 of the Code or investors subject to Similar Law will be prohibited from acquiring any Ordinary Shares unless they have received the express consent of the Company in respect of an investment under the Placing.

General

ERISA and Section 4975 of the Code impose certain restrictions on (a) employee benefit plans subject to Part 4 of Title I of ERISA (b) plans (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts and annuities or Keogh plans, (c) any entities whose underlying assets include plan assets by reason of an investment by a plan described in (a) or (b) in such entities (each of (a), (b) and (c), a “Plan”) and (d) persons who have certain specified relationships to Plans (“Parties in Interest” under ERISA and “Disqualified Persons” under the Code). Moreover, based on the reasoning of the US Supreme Court in *John Hancock Life Ins. Co. v. Harris Trust and Sav. Bank*, 510 US 86 (1993), an insurance company’s general account may be deemed to include assets of the Plans investing in the general account (e.g., through the purchase of an annuity contract), and such insurance company might be treated as a Party in Interest with respect to a Plan by virtue of such investment. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA, and ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest or Disqualified Persons with respect to such Plan. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

The US Department of Labor (the “DOL”) has promulgated regulation 29 C.F.R. §2510.3-101, effectively modified by Section 3(42) of ERISA (as so effectively modified, the “Plan Asset Regulation”), describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of the fiduciary responsibility provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an “equity interest” of an entity that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets are deemed to include both the equity interest itself and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or that equity participation by “benefit plan investors” is not “significant”.

The Ordinary Shares will constitute equity interests in the Company for purposes of the Plan Asset Regulation; the Company will not be registered under the Investment Company Act; the Ordinary Shares are not “publicly offered securities” for the purposes of the Plan Asset Regulation; and it is not likely that the Company will qualify as an “operating company” for purposes of the Plan Asset Regulation.

Therefore, if equity participation in the Ordinary Shares by Benefit Plan Investors (as defined below) is significant within the meaning of the Plan Asset Regulation, the assets of the Company could be deemed to be the assets of Plans investing in the Ordinary Shares. If the assets of the Company were deemed to constitute the assets of an investing Plan (i) transactions involving the assets of the Company could be subject to the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code; (ii) the assets of the Company could be subject to ERISA’s reporting and disclosure requirements; (iii) the fiduciary causing the Plan to make an investment in the Ordinary Shares could be deemed to have delegated its responsibility to manage the assets of the Plan; (iv) it is not clear whether Section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a Plan outside the jurisdiction of the district courts of the United States, would be satisfied or any of the exceptions to this requirement set out in 29 CFR Section 2550.404b-1 would be available; and (v) the fiduciary making an investment in the Company on behalf of a Plan could be deemed to have delegated its ERISA fiduciary asset management responsibilities to the Company.

Under the Plan Asset Regulations, equity participation in an entity by Benefit Plan Investors is significant on any date if, immediately after the most recent acquisition of any equity interest in the entity 25 per cent. or more of the value of any class of equity interest in the entity is held by Benefit Plan Investors (the “25 per cent. Threshold”).

The term “Benefit Plan Investor” is defined to include (i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of Section 4975 of the Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in Section 3(42) of ERISA or regulations promulgated by the US Department of Labor.

Restrictions on purchase by Benefit Plan Investors and by other employee benefit plans

The purchase or acquisition of any Ordinary Shares by investors that are Benefit Plan Investors or plans, individual retirement accounts or other arrangements that are subject to Similar Law is prohibited unless they have received the express consent of the Company in respect of an investment in the Placing.

Accordingly, except for those investors that have received the express consent of the Company in respect of an investment in the Placing, Benefit Plan Investors or plans, individual retirement accounts or other arrangements that are subject to Similar Law will not be permitted to acquire the Ordinary Shares and each such investor will be required to represent, or will be deemed to have represented, by virtue of its acquisition of Ordinary Shares, as applicable, that it is not a Benefit Plan Investor or a plan, individual retirement account or other arrangement that is subject to Similar Law. Each purchaser of a Share admitted to settlement by means of CREST or otherwise will be required to represent, or will be deemed to have represented and warranted, that it is not a Benefit Plan Investor or a plan, individual retirement account or other arrangement that is subject to Similar Law, or that such purchaser has received express consent of the Company in respect of an investment in the Placing. In addition, the Company may, under the Articles, serve a notice upon any person to whom a sale or transfer of Ordinary Shares would be for, or on behalf of, a Benefit Plan Investor or a plan, individual retirement account or other arrangement subject to Similar Law, or that may cause the Company's assets to be deemed to be "plan assets" under ERISA, requiring such person to transfer the Ordinary Shares to an eligible transferee within 14 days of such notice. If within 14 days the notice has not been complied with, the Company may compulsorily transfer or redeem the Ordinary Shares. Each transferee of a Share in uncertificated form and admitted to settlement by means of the CREST system, if any, will be deemed to represent and warrant that it is not a Benefit Plan Investor or a plan, individual retirement account or other arrangement that is subject to Similar Law or that such transferee has received express consent of the Company in respect of an investment in the Placing.

PART 9

TERMS AND CONDITIONS OF APPLICATIONS UNDER THE OFFER

INTRODUCTION

Applications to acquire Ordinary Shares under the Offer for Subscription must be made on the Application Form attached at Appendix 2 at the end of this Prospectus or otherwise published by the Company.

9.1 OFFER TO ACQUIRE SHARES

By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of Ordinary Shares at the Issue Price per Ordinary Share, specified in Box 1 on your Application Form or any smaller number for which such application is accepted at the Offer Price on the terms, and subject to the conditions, set out in the Prospectus, including these Terms and Conditions of Application and the Articles;
- (b) agree that, in consideration of the Company agreeing that it will not offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Application Form;
- (c) undertake to pay the subscription amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Ordinary Shares applied for in certificated form or be entitled to commence dealing in Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name from which they were first received at your risk of any proceeds of the remittance which accompanied your Application Form, without interest);
- (d) agree, that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST Account (i) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds) and (ii) the Receiving Agent or the Company may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of the number of Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Application Form;
- (e) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph (d) of this Part 9.1 to issue Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph (d) above (and any monies returnable to you) may be retained by the Receiving Agent:
 - (i) pending clearance of your remittance,
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 9.5(a), (b), (f), (h), (m), (o) or (p) below or any other suspected breach of these Terms and Conditions of Application, or

- (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of The Money Laundering Regulations and any other regulations applicable thereto, and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- (g) agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Ordinary Shares and, in such case, the Ordinary Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name on which the payment accompanying the application was first drawn without interest and at your risk;
- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 9.2 below if the remittance accompanying your Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed section 2B on your Application Form, but subject to paragraph 9.1(d) above, to deliver the number of Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by a cheque drawn on a branch of a United Kingdom clearing bank to the bank account name from which such monies were first received without interest and at your risk;
- (l) confirm that you have read and complied with paragraph 9.6;
- (m) agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of Computershare re MPI plc opened by the Receiving Agent;
- (n) agree that your Application Form is addressed to the Company and the Receiving Agent; and
- (o) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

9.2 ACCEPTANCE OF YOUR OFFER

The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by Oriel Securities and J.P. Morgan Cazenove in consultation with the Company and the Receiving Agent. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company, Oriel Securities and J.P. Morgan Cazenove reserve the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received through the post by not later than 12 noon on 18 March 2010.

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the

payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

9.3 CONDITIONS

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) admission of the Ordinary Shares, issued and to be issued pursuant to the Issue, to listing on the Official List and to trading on the London Stock Exchange in accordance with the rules of the UK Listing Authority by 8.00 a.m. on 24 March 2010 (or such later time or date, as the Company and Oriel Securities and J.P. Morgan Cazenove may agree (not being later than 30 April 2010)); and
- (b) the Placing and Offer Agreement referred to in paragraph 7.11 of Part 7 of this Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual representations) at any time after acceptance. This does not affect any other right you may have.

9.4 RETURN OF APPLICATION MONIES

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

9.5 WARRANTIES

By completing an Application Form, you:

- (a) undertake and warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the United Kingdom in connection with the Offer for Subscription in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;

- (e) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company Oriel Securities, J.P. Morgan Cazenove or the Receiving Agent;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 9.7 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or complied with the provisions therein;
- (i) agree that, in respect of those Ordinary Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the share registry;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) irrevocably authorise the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or the Receiving Agent to execute any documents required therefore and to enter your name on the register of members of the Company;
- (l) agree to provide the Company with any information which it may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with The Money Laundering Regulations;
- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, J.P. Morgan Cazenove, Oriel Securities or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- (n) agree that J.P. Morgan Cazenove, Oriel Securities and the Receiving Agent are acting for the Company in connection with the Offers for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- (o) warrant that you are not subscribing for the Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the Ordinary Shares;
- (p) warrant that the information contained in the Application Form is true and accurate; and
- (q) agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such Ordinary Shares on a different date.

9.6 MONEY LAUNDERING

You agree that, in order to ensure compliance with The Money Laundering Regulations, the Receiving Agent may at its absolute discretion require verification of identity of you as the applicant lodging an Application Form and further may request from you and you will assist in providing identification on:

- (a) the owner(s) and/or controller(s) (the “payor”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

Failure to provide the necessary evidence of identity may result in your application being rejected or delays in the despatch of documents.

Without prejudice to the generality of this paragraph 9.6, verification of the identity of holders and payors will be required if the value of the Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000 (approximately £13,500). If, in such circumstances, you use a building society cheque or banker’s draft you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker’s draft and adds its stamp. If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and payer an original or copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents, no more than 3 months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressee’s risk) together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the United Kingdom’s money laundering regulations a holder making an application for Ordinary Shares will not be considered as forming a business relationship with either the Company or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.

The holder(s) submitting an application for Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000 (approximately £13,500) you should endeavour to have the declaration contained in section 6 of the Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000 (approximately £13,500) then you must provide with the Application Form the identity documentation detailed in section 7 of the Application Form for each underlying beneficial owner.

9.7 NON-UNITED KINGDOM INVESTORS

If you receive a copy of the Prospectus or an Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom and wish to make an application for Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

The Ordinary Shares have not been, and will not be, registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. The Company has not been, and will not be, registered under the Investment Company Act. Accordingly, the offer and sale of Ordinary Shares to US persons (as defined in Regulation S under the Securities Act) is subject to further restrictions. See “Notice to investors in the United States” and “Selling Restrictions” in Part 8 of this Prospectus. Moreover, the Ordinary Shares have not been, and will not be, registered under the securities laws or with any securities regulatory authority of any province or territory of Canada, Australia, the Republic of South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not, directly or indirectly, be offered, sold, taken up or delivered in, into or from Canada,

Australia, the Republic of South Africa or Japan or to or for the account or benefit of any national, resident or citizen or any person resident in these countries. If you subscribe for Ordinary Shares you will, unless the Company and the Registrar agree otherwise in writing, be deemed to represent and warrant to the Company that (i) if you are located in the United States or you are a US Person you will comply with certain undertakings in the form of the Investor Letter sent out in the appendix to this Prospectus; and (ii) you are not a national or resident of Canada, Australia, the Republic of South Africa or Japan or a corporation, partnership or other entity organised under the laws of Canada, Australia, the Republic of South Africa or Japan; and that (iii) you will not offer, sell, renounce, transfer or deliver directly or indirectly the Ordinary Shares in or into Canada, Australia, the Republic of South Africa or Japan or any other jurisdiction where to do so would be in breach of any applicable law and/or regulation or to or for the benefit of any person resident in the United States, Canada, Australia, the Republic of South Africa or Japan. Subject to the above, no application will be accepted if it shows the applicant, payor or a holder having an address in the United States, Canada, Japan, South Africa or Australia.

9.8 THE DATA PROTECTION ACT

Pursuant to The Data Protection Act 1998 (the “DP Law”) the Company and/or the Registrar, may hold personal data (as defined in the DP Law) relating to past and present Shareholders.

Such personal data held is used by the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and other distributions to Shareholders and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

By becoming registered as a holder of Ordinary Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

9.9 MISCELLANEOUS

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Ordinary Shares and the Offer for Subscription.

The rights and remedies of the Company, J.P. Morgan Cazenove, Oriel Securities and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company, Oriel Securities and J.P. Morgan Cazenove reserves the right to extend the closing time of the Offer for Subscription from 12 noon. on 18 March 2010 by giving notice to the London Stock Exchange. In this event, the Company will notify investors of such change through a publication of a notice through an RNS Announcement.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that J.P. Morgan Cazenove, Oriel Securities and the Receiving Agent are acting for the Company in connection with the Issue and no-one else and that none of J.P. Morgan Cazenove, Oriel Securities and the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or otherwise in relation to the Issue or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as where used in the Prospectus.

Dated: 8 March 2010

DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise:

“Acquisition Proposal Report”	an acquisition report proposal prepared in accordance with the Company’s policies from time to time as appropriate
“Admission”	the admission of the Ordinary Shares to the Official List and to trading on the London Stock Exchange’s main market for listed securities
“Application Form”	the application form used in accordance with the terms and conditions of application under the Offer set out at Part 9 of this Prospectus
“Arcadia”	Arcadia Group Limited
“Articles”	the articles of association of the Company (as adopted conditionally on Admission)
“Asda”	Asda Stores Limited
“Audit Committee”	the audit committee of the Company
“Aviva”	Aviva plc
“Benefit Plan Investor”	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the US Department of Labor
“Board”	the directors of the Company whose names are set out on page 23 of this Prospectus
“Boots”	Alliance Boots GmbH
“Braxton Associates”	formerly the strategy consulting division of Deloitte
“British Land”	as the context requires, The British Land Company plc, and other companies that comprise the British Land REIT Group
“British Land REIT Group”	British Land REIT Group and the other companies in its group for the purposes of section 134 of the Finance Act
“Buy-back and Stabilisation Regulation”	Commission Regulation (EC) of 22 December 2003 implementing the Market Abuse Directive as regards exemptions for buy-back programmes and stabilisation of financial instruments
“Caisse de depot et placement du Québec”	the fund created in 1965 by an act of the National Assembly of Québec to manage the funds contributed to the province’s newly created universal pension plan, the Régime de rentes du Québec
“CBRE”	CB Richard Ellis Group, Inc. and other companies that comprise the CBRE group of companies

“Channel 4 Group”	Channel Four Television Corporation and its subsidiary undertakings from time to time
“Code”	the United States Internal Revenue Code of 1986 as amended from time to time
“Combined Code”	the code of best practice including the principles of good governance published by the Financial Reporting Council in June 2008, as amended from time to time (as replaced by the UK Corporate Governance Code, from the date of its issue)
“Companies Act”	the Companies Act 2006, as amended from time to time
“Companies House”	the official UK government register of UK companies
“Company” or “Metric”	Metric Property Investments plc
“Computershare”	Computershare Investor Services PLC
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK and Ireland is the operator (as defined in the Regulations)
“CREST Account”	an account in the name of the relevant holder in CREST
“CSOP” or “Company Share Option Plan”	the Metric Property Investments plc Company Share Option Plan
“Deloitte”	Deloitte LLP, the Company’s auditors and reporting accountants
“Directors”	the directors of the Company whose names are set out on page 23 of this Prospectus
“Dresdner Kleinwort Benson”	Commerzbank AG (and its predecessor bodies)
“DSGi”	DSG International plc
“DTR”	the disclosure and transparency rules made by the FSA under Part VI of the FSMA
“EEA States”	the states which comprise the European Economic Area
“Employee Trust”	the Metric Property Investments plc employee benefit trust to be established following Admission
“EPRA”	European Public Real Estate Association (and any successor body)
“EPS”	earnings per Ordinary Share
“ERISA”	the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
“ERV”	the estimated rental values calculated in accordance with the valuation policies of the Company from time to time as appropriate
“Euroclear UK and Ireland”	Euroclear UK and Ireland Limited, the operator of CREST
“Exchange Act”	the US Securities Exchange Act of 1934, as amended from time to time
“Executive Directors”	Andrew Jones, Valentine Beresford, Mark Stirling and Sue Ford

“Finance Act”	the Finance Act 2006, as amended from time to time
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time
“FTSE 100”	an index, containing the 100 largest companies by market capitalisation traded on the London Stock Exchange
“FTSE 250”	an index, containing the 101 to 350 largest companies by market capitalisation traded on the main market of the London Stock Exchange
“FTSE 350”	an index combining the FTSE 100 and FTSE 250 constituents
“Group”	the Company and following Admission, its subsidiary undertakings from time to time
“Hermes”	Hermes Property Asset Management
“HIF”	Hercules Investment Fund Limited
“HMRC”	HM Revenue and Customs
“HUT”	Hercules Unit Trust
“IFRS”	International Financial Reporting Standards, as adopted by the European Union, as amended from time to time
“Ingenious Media”	Ingenious Media plc
“Investment Advisers Act”	the United States Investment Advisers Act of 1940, as amended from time to time
“Investment Company Act” or “ICA”	the US Investment Company Act of 1940, as amended from time to time
“Investor Letter”	as defined in Part 8 of this Prospectus
“IPD”	Investor Property Databank Limited
“IPD All Retail Index”	the all retail index prepared and produced by IPD on a monthly basis
“IPD Retail Warehousing UK (Quarterly) Index”	the all retail warehousing index prepared and produced by IPD on a quarterly basis
“Ireland”	the Republic of Ireland
“IRR”	internal rate of return on an investment calculated in accordance with the policies of the Company from time to time as appropriate
“IRS”	the US Internal Revenue Service
“Issue”	the issue of Ordinary Shares pursuant to the Placing and the Offer and, save where the context otherwise requires, the subscriptions prior to the date of this Prospectus
“Issue Price”	100 pence per Ordinary Share
“J.P. Morgan Cazenove”	J.P. Morgan Securities Ltd., the Company’s joint sponsor, financial adviser and bookrunner

“Land Registry”	HM Land Registry
“LaSalle”	LaSalle Investment Management
“Liberty International”	Liberty International plc
“LIBOR”	the London interbank offered rate from time to time
“Listing Rules”	the Listing Rules made by the FSA under Part VI of the FSMA, as amended from time to time
“London & Stamford”	London and Stamford Property Limited
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“LTV”	loan to value calculated in accordance with the accounting and valuation policies of the Company from time to time as appropriate
“Marks & Spencer”	Marks & Spencer plc
“Merrill Lynch”	Merrill Lynch & Co., Inc.
“MIP” or “Management Incentive Plan”	the Metric Property Investments plc Management Incentive Plan
“Minimum Net Proceeds”	the minimum net proceeds of the Issue being £50 million
“Mirabaud” or “Mirabaud Investment Management”	Mirabaud Investment Management Limited
“Model Code”	the Model Code as set out in Annex 1 of Listing Rule 9
“Money Laundering Regulations”	the Money Laundering Regulations 2007
“MSP” or “Matching Share Plan”	the Metric Property Investments plc Matching Share Plan
“Net Asset Value” or “NAV”	the net asset value of the Group calculated in accordance with the valuation policies of the Company from time to time as appropriate
“Net Proceeds”	the aggregate value of all of the Ordinary Shares issued pursuant to the Placing and the Offer, but excluding any Ordinary Shares issued pursuant to the Over-allotment Option and after the deduction of expenses relating to the Issue
“New Shares”	the new Ordinary Shares to be allotted and issued by the Company pursuant to the Placing, the Offer and the Over-allotment Option
“NEXT”	NEXT Group plc
“Non-executive Directors”	the Directors of the Company who are not the Executive Directors
“Non-PID Dividends”	a dividend paid by the Company which is not a PID
“Offer” or “Offer for Subscription”	the offer for subscription of Ordinary Shares at the Issue Price, as described in this Prospectus
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 1 pence each in the share capital of the Company

“Oriel Securities”	Oriel Securities Limited, the Company’s joint sponsor, financial adviser and bookrunner
“Over-allotment Arrangements”	the over-allotment arrangements in connection with the Over-allotment Option described in paragraph 5.1 of Part 5 of this Prospectus pursuant to which Shares issued pursuant to the Over-allotment Option will be made available
“Over-allotment Option”	the over-allotment option granted by the Company to J.P. Morgan Cazenove
“PFIC”	a passive foreign investment company for US federal income tax purposes
“PIDs”	a dividend or distribution paid by the Company in respect of profits or gains of the Tax-exempt Business of the Company arising at a time when the Company is a REIT insofar as they derive from its Qualifying Property Rental Business
“Pillar”	Pillar Property PLC, a UK listed property investment company acquired by British Land in 2005
“Placing”	the conditional placing of the Placing Shares by Oriel Securities and J.P. Morgan Cazenove, at the Issue Price pursuant to the Placing and Offer Agreement
“Placing and Offer Agreement”	the Placing and Offer Agreement dated 8 March 2010 and entered into between the Company, the Directors, Oriel Securities and J.P. Morgan Cazenove, as described in paragraph 5.1 of Part 5 of this Prospectus and paragraph 7.11 of Part 7 of this Prospectus
“Placing Shares”	the New Shares to be allotted and issued pursuant to the Placing
“Plan Asset Regulations”	the US Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA
“Plan Net Asset Value”	the Company’s net asset value calculated as set out by EPRA plus any dividends and/or distributions made during the relevant period, excluding the effect of (a) those shares potentially deliverable under the Share Plans and (b) any other share capital changes during the year (whether resulting from capital issues, reorganisations, schemes of reconstruction or arrangement or otherwise) other than share capital reductions from buybacks implemented within the limits of the Company’s annual buyback authority
“Plans”	a tax qualified annuity plan described in section 405 of the Code and an individual retirement account or individual retreat annuity as described in section 408 of the Code
“PREF”	Pillar Retail Europark Fund
“Primark”	Primark Stores Limited
“Property Directors”	Andrew Jones, Valentine Beresford and Mark Stirling
“Properties”	the properties listed in 7.16(k)
“Prospectus Rules”	the Prospectus Rules made by the FSA under Part VI of the FSMA

“Qualifying Property Rental Business”	a qualifying rental business fulfilling the conditions in section 107 of the Finance Act
“QIBs”	qualified institutional buyers (as defined in Rule 144A under the Securities Act)
“QPs”	qualified purchasers (as defined in section 2(a)(51) of the Investment Company Act)
“Regulation S”	means Regulation S under the US Securities Act of 1933
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“REIT”	a company to which Part 4 of the Finance Act 2006 applies
“Remuneration Committee”	the remuneration committee of the Board
“Richard Ellis”	Insignia Richard Ellis (now part of CBRE)
“River Island”	River Island Clothing Co. Limited
“RICS”	Royal Institution of Chartered Surveyors
“RNS announcement”	an announcement by a regulatory news service
“RPI”	the monthly retail prices index in the UK that demonstrates the movement of retail prices
“Schroders”	Schroders plc
“Securities Act”	the US Securities Act of 1933, as amended from time to time
“Shareholder”	a holder of Ordinary Shares in the Company
“Share Plans”	the share option plans of the Company, further details of which are set out in Part 7 of this Prospectus
“Similar Law”	any US federal, state, local or foreign law that is similar to provision 406 of ERISA or section 4975 of the Code
“Sports World”	Sports Direct International plc
“Substantial Shareholder”	a company or body corporate that is beneficially entitled, directly or indirectly, to 10 per cent. or more of the dividends and/or share capital that controls, directly or indirectly, 10 per cent. or more of the voting rights of the Company
“Substantial Shareholding”	the holding of Ordinary Shares by a Substantial Shareholder
“Takeover Code”	the City Code on Takeovers and Mergers
“Tax-exempt Business”	the Company’s Qualifying Property Rental Business
“Tesco”	Tesco PLC
“Treasury Regulations”	the US Department of Treasury Regulations
“Trustee”	the trustee of the Employee Trust from time to time
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FSA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of Admission to the Official List

“Unibail-Rodamco”	Unibail-Rodamco SE
“Universities Superannuation Scheme”	Universities Superannuation Scheme Limited
“US” or “United States”	the United States of America (including the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction
“US Person”	a “US Person” as defined in Regulation S of the Securities Act
“VAT”	UK Value Added Tax

APPENDIX 1—US INVESTOR LETTER

Instructions

As the Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), the Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S, and within the United States pursuant to an exemption from the registration requirements of the Securities Act and the Company has not been, and will not be, registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Accordingly, the Ordinary Shares are only being offered to US persons (as defined in Regulation S of the Securities Act) that are “qualified institutional buyers” (each a “**QIB**”) as defined in Rule 144A under the Securities Act, and are also “qualified purchasers” (each a “**QP**”) as defined in section 2(a)(51) of the Investment Company Act (a “**QIB/QP**”), provided such QIBs/QPs execute and deliver to us certifications in the form of letter (an “**Investor Letter**”) as set out below.

When signing and returning your Investor Letter, please fill in all of your relevant contact details. If you do not provide full contact details, you may not be able to participate in the Placing. If possible, the Investor Letter should be printed on your own letterhead.

An electronic form of the Investor Letter can be obtained by contacting Kit Atkinson at J.P. Morgan Securities Ltd. (whose contact details are set out below). You are requested to (i) return the Investor Letter to the Company; (ii) return the Investor Letter to Kit Atkinson and (iii) send a copy of such Investor Letter to your nominee. The Company, J.P. Morgan Securities Ltd. and your nominee must receive your Investor Letter by fax, with originals to follow to be received by mail by each of the Company and J.P. Morgan Securities Ltd.

Mail/Fax/Email Information for Investor Letter

To the Company:

By Mail: Metric Property Investments plc
 67-68 Grosvenor Street
 London W1K 3JN

By Fax: +44 (0)20 7355 6231

To J.P. Morgan Securities Ltd.:

By Mail: J.P. Morgan Securities Ltd.
 10 Aldermanbury
 London EC2V 7RF

By Fax: +44 (0)20 7325 8274

US Investor Letter

Metric Property Investments plc
67-68 Grosvenor Street
London W1K 3JN
Facsimile No.: +44 (0)20 7355 6231
Attn: Company Secretary

J.P. Morgan Securities Ltd.
10 Aldermanbury
London EC2V 7RF
Facsimile No.: +44 (0)20 325 8274
Attn: Kit Atkinson

Solely on behalf of itself, J.P. Morgan Securities Ltd. (the “**Bank**”).

[date] 2010

Ladies and Gentlemen

In connection with our participation in the placing (the “**Placing**”) of ordinary shares (the “**Ordinary Shares**”) at 100 pence per share of Metric Property Investments plc (the “**Company**”), we represent, warrant, agree and confirm that:

1. We are an institution that, in the normal course of business, invests in or purchases securities similar to the Ordinary Shares and we, and any accounts for which we are acting, (a) are a highly sophisticated investor that has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of our investments in the Ordinary Shares and (b) are able to bear the economic risk, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to its investment and the ordinary shares, and is able to sustain a complete loss, of such investment in the Ordinary Shares. We will not look to the Company, the Bank or any of its respective affiliates or any other person for all or part of any loss we may suffer and have no need for liquidity with respect to our investment in the Ordinary Shares, and we have no reason to anticipate any change in our circumstances, financial or otherwise, which may cause or require any sale or distribution by us of all or any part of the Ordinary Shares. We are acquiring Ordinary Shares in an amount at least equal to the sterling equivalent of US\$250,000.
2. We are a “qualified institutional buyer” (a “**QIB**”) (within the meaning of Rule 144A (“**Rule 144A**”) under the US Securities Act of 1933, as amended (the “**Securities Act**”), and also a “qualified purchaser” as defined in section 2(a)(51) of the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”) (a “**QIB/QP**”), and we are aware and understand (and any investor for whom we are purchasing Ordinary Shares is aware and understands) (a) the Ordinary Shares are being offered in a transaction not involving any public offering within the United States, (b) that the Ordinary Shares have not been, and will not be, registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States, (c) that the Company has not registered, and does not intend to register, as an “investment company” under the Investment Company Act (as such term is defined in the Investment Company Act and related rules), (d) the offer and sale of the Ordinary Shares is being made (i) within the United States on the basis of the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act (“**Rule 144A**”) and (ii) to any “US Person” (as defined in Regulation S under the Securities Act) (“**US Person**”) on the basis of an exemption provided by Section 3(c)(7) of the Investment Company Act and that the Ordinary Shares may not be transferred except as permitted in this Letter, and (e) the Company has elected to impose transfer and offering restrictions with respect to persons in the United States and US Persons so that the Company will qualify for an exemption under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company even if it were otherwise determined to be an investment company.
3. We are not a broker-dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers.

4. We are not a participant-directed employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A.
5. We have received a copy of the Company's prospectus dated 8 March 2010 relating to the offer of the Ordinary Shares described therein, (the "**Prospectus**") and understand and agree that the Prospectus speaks only as of its date and that the information contained therein may not be correct or complete as of any time subsequent to that date. We are aware that there are substantial risks related to the purchase of the Ordinary Shares including those summarised under "Risk Factors" in the Prospectus.
6. We acknowledge and agree that we became aware of the offer of the Ordinary Shares solely by means of (a) the Prospectus, (b) by direct contact between us and the Company or (c) by direct contact between us and the Bank and that we are not taking up the Ordinary Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act).
7. We will base our investment decision on a copy of the Prospectus. We acknowledge that neither the Company nor any of its affiliates nor any other person (including the Bank) or any of its affiliates named therein) has made any representations or warranties, express or implied, to us with respect to the Company, the Placing, the Ordinary Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Ordinary Shares, other than (in the case of the Company and its affiliates only) the information contained in the Prospectus, which is the sole responsibility of the Company. We acknowledge that we have not relied on and will not rely on any investigation by, or any information contained in any research reports prepared by, the Bank or any of its affiliates or any person acting on its or their behalf. We acknowledge that the Bank makes any representation as to the availability of an exemption under the Securities Act for the transfer of Ordinary Shares. We understand that the Prospectus has been prepared in accordance with UK format, style and content requirements, which differ from US format, style and content requirements. In particular, but without limitation, the financial information contained in the Prospectus has been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial statements of US companies prepared in accordance with US generally accepted accounting principles.
8. We have conducted our own independent investigation and appraisal of the business, results, financial condition, prospects, creditworthiness, status and affairs of the Company, have received all information believed necessary or appropriate in connection with our purchase of the Ordinary Shares, and will make our own investment decision to acquire the Ordinary Shares. We understand that there may be certain consequences under US and other tax laws resulting from an investment in the Ordinary Shares, and we will make such investigation and consult such tax and other advisers with respect thereto as we deem appropriate. We will satisfy ourselves concerning, without limitation, the effects of United States federal, state and local income tax laws and foreign tax laws on our investment in the Ordinary Shares.
9. Any Ordinary Shares we acquire for our own account (or for the account of a QIB/QP as to which we exercise sole investment discretion and have authority to make the statements contained in this Investor Letter) are for investment purposes, and not with a view to resale or distribution within the meaning of the US federal securities laws, subject to the understanding that the disposition of our property shall at all times be and remain within our control.
10. We understand that the Ordinary Shares will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, and we agree that such securities may not be deposited into any unrestricted depository facility established or maintained by any depository bank.
11. We agree, on our own behalf and on behalf of any accounts for which we are acting, that we will not re-offer, resell, pledge or otherwise transfer the Ordinary Shares, except in a transaction executed in, on or through the facilities of a designated offshore securities market as defined in Regulation S under the Securities Act (including, for the avoidance of doubt, a bona fide sale on the London Stock Exchange's market for listed securities).
12. We acknowledge that our acquisition of the Ordinary Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Investor Letter and the Prospectus.

13. We acknowledge that we are not a Benefit Plan Investor (as defined below) or a plan, an individual retirement account or other arrangement that is subject to any US federal, state, local or foreign law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“**Similar Law**”).

The term “**Benefit Plan Investor**” is defined to include (i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of Section 4975 of the Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in Section 3(42) of ERISA or regulations promulgated by the US Department of Labor.

14. We agree that, prior to transferring our Ordinary Shares or any interest therein, we must sign and deliver to the Company an offshore transaction letter in the form of Annex A hereto (or in a form otherwise acceptable to the Company).
15. We understand and acknowledge that the Company shall have no obligation to recognise any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Company may make notation on its records or give instructions to any transfer agent or registrar of the Ordinary Shares.
16. We understand and acknowledge that (a) the Company will not be required to accept for registration of transfer any Ordinary Shares acquired by us that are not being acquired by a QP, except as provided in paragraph 11 of this Investor Letter; (b) the Company may, under the Articles of Association, serve a notice upon any person to whom a sale or transfer of Ordinary Shares may cause the Company to be classified as an investment company under the Investment Company Act requiring such person to transfer the Ordinary Shares to an eligible transferee within 14 days of such notice; and (c) if the obligation to transfer is not met, the Company may compulsorily transfer or redeem the Ordinary Shares, in a manner consistent with the restrictions set forth in this Investor Letter and the Articles of Association.
17. We understand and acknowledge that the (a) Company may, under the Articles of Association, serve a notice upon any person to whom a sale or transfer of Ordinary Shares would be for, or on behalf of, a Benefit Plan Investor or a plan, individual retirement account or other arrangement that is subject to Similar Law, or that may cause the Company’s assets to be deemed to be “plan assets” under ERISA requiring such person to transfer the Ordinary Shares to an eligible transferee within 14 days of such notice; and (b) if the obligation to transfer is not met, the Company may compulsorily transfer the Ordinary Shares, in a manner consistent with the restrictions set forth in this Investor Letter.
18. We understand and acknowledge that the Bank is assisting the Company in respect of the Placing and that the Bank is acting solely for the Company and no one else in connection with the Placing and, in particular, is not providing any service to us, making any recommendations to us, advising us regarding the suitability of any transactions we may enter into to subscribe, acquire, purchase or transfer any Ordinary Shares nor providing advice to us in relation to the Company, the Placing or the Ordinary Shares. Further, we waive any and all claims, actions, liabilities, damages or demands we may have against the Bank (or any of its affiliates) arising from their engagement with the Company.
19. We understand that the foregoing representations, warranties, agreements and acknowledgements are required in connection with US and other securities laws and that the Company, its affiliates, the Bank and its affiliates, and others are entitled to rely upon the truth and accuracy of the representations, warranties, agreements and acknowledgements contained herein. We agree that if any of the representations, warranties, agreements and acknowledgements made herein are no longer accurate, we shall promptly notify the Company and the Bank in writing. All representations, warranties, agreements and acknowledgements we have made in this Investor Letter shall survive the execution and delivery hereof.
20. We confirm that, to the extent we are purchasing the Ordinary Shares for the account of one or more other persons, (a) we have been duly authorized to sign this Investor Letter and make the confirmations, acknowledgements and agreements set forth herein on their behalf and (b) the

provisions of this Investor Letter constitute legal, valid and binding obligations of us and any other person for whose account we are acting enforceable in accordance with its terms.

21. We understand that if we subscribe for Ordinary Shares and fail to return an executed copy of this Investor Letter to you, we will be deemed to have made for the benefit of the Bank and its affiliates all such representations, warranties and covenants contained herein.
22. We irrevocably authorise the Company, its affiliates, the Bank and its affiliates and any person acting on their behalf to produce this Investor Letter or a copy hereof to any interested party in any administrative or legal proceedings, dispute or official inquiry with respect to the matters covered hereby.
23. This Investor Letter shall be governed by, and construed in accordance with, the laws of the State of New York.

We understand that no agency of the United States or any state thereof has made any funding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the Shares.

Yours truly,

Signed

Date

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Name

Telephone

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Position

Organisation

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Signed

Date

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Name

Telephone

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Position

Organisation

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Financial Intermediary

Signed

Date

.....

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Name

Telephone

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Position

Organisation

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Annex A—Offshore Transaction Letter

Metric Property Investments plc
67-68 Grosvenor Street
London W1K 3JN
Facsimile No.: +44 (0)20 7355 6231
Attn: Company Secretary

[date] 2010

Ladies and Gentlemen

This letter (an “**Offshore Transaction Letter**”) relates to the sale or other transfer by us of ordinary shares (the “**Ordinary Shares**”) of Metric Property Investments plc (the “**Company**”) in an offshore transaction pursuant to Regulation S (“**Regulation S**”) under the US Securities Act of 1933, as amended (the “**Securities Act**”).

Terms used in this Offshore Transaction Letter are used as defined in Regulation S, except as otherwise stated herein.

We acknowledge (or if acting for the account of another person, such person has confirmed that it acknowledges) that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that the Company has not registered as an investment company under the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”), in reliance on section 3(c)(7) thereof.

We hereby certify:

1. The transaction in the Ordinary Shares was executed in, on or through the facilities of a designated offshore securities market within the meaning of Regulation S (including, for the avoidance of doubt, a bona fide sale on the London Stock Exchange’s market for listed securities), and the transaction was not pre-arranged with a buyer in the United States or a US Person.
2. We have no reason to believe that any portion of the assets used by the person to whom we are transferring the Ordinary Shares to purchase, and no portion of the assets used by such purchaser to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of a Benefit Plan Investor (as defined below) or a plan, an individual retirement account or other arrangement that is subject to any US federal, state, local or foreign law that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (“**Similar Law**”).

The term “**Benefit Plan Investor**” is defined to include (i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of the ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of Section 4975 of the Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in Section 3(42) of ERISA or regulations promulgated by the US Department of Labor.

3. Neither we nor our affiliates, nor any person acting on our behalf, nor their affiliates, has made any directed selling efforts in the United States with respect to the Ordinary Shares.
4. Neither the Company nor any of its agents participated in the sale of the Ordinary Shares.

5. We agree that the Company and its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. Where there are joint transferors, each must sign this Offshore Transaction Letter. An Offshore Transaction Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (evidence of such authority may be required).

Yours truly,

Signed

Date

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Name

Telephone

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Position

Organisation

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Date

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Name

Telephone

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Position

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APPENDIX 2—APPLICATION FORM

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned as soon as possible and, in any event, so as to be received no later than 12 noon on 18 March 2010

HELP DESK: If you have a query concerning completion of this Application Form please call the Receiving Agent, Computershare Investor Services PLC on 0870 889 3147 or from outside the UK +44 870 889 3147

1. Application

Fill in (in figures) in Box 1 the amount of money being subscribed for Ordinary Shares. The amount being subscribed must be for a minimum of £25,000 and thereafter in multiples of £1,000. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

Money Laundering Notice—Important Procedures for Applications of the Sterling equivalent of €15,000 (approximately £13,500) or more.

The verification requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in your application being treated as the applicant may be required. Failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delay of confirmation.

If the application is for the Sterling equivalent of €15,000 or more (or is one of a series of linked subscriptions the value of which exceeds that amount) and:

A is made through a regulated person then verification of the subscriber's identity may be provided by means of a "Letter of Introduction", from a regulated person (such as a solicitor or accountant) who is required to comply with the Money Laundering Regulations 2007 or a UK or EC financial institution (such as a bank). Computershare Investor Services PLC supply specimen wording on request;

or

B is made direct, you must ensure that the following documents are enclosed with the Subscription Form:

1. a certified copy of either your passport or driving licence; and
2. a recent (no more than 3 months old) original bank or building society statement, or utility bill, or recent tax bill, in your name.

Copies should be certified by a solicitor or bank. Original documents will be returned by post at your risk. If a cheque is drawn by a third party, the above will also be required from that third party.

2A. Holder Details

Fill in (in block capitals) the full name and address of each holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 3.

2B. CREST

If you wish your Ordinary Shares to be deposited in a CREST Account in the name of the holders given in section 2A, enter in section 2B the details of that CREST Account. Where it is requested that Ordinary Shares be deposited into a CREST Account please note that payment for such Ordinary Shares must be made prior to the day such Ordinary Shares might be allotted and issued. It is not possible for an applicant to request that Ordinary Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

3. Signature

All holders named in section 2A must sign section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power

of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of two duly authorised officials or one duly authorised official and a company seal. Any person signing on behalf of a corporation should state their capacity under their signature.

4. Cheque/Banker's Draft, Payment

Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in section 1 of your Application Form.

Your cheque or bankers draft must be made payable to Computershare re MPI plc and crossed "A/C Payee" If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Where an application is accompanied by a cheque or banker's draft drawn by someone other than the holder(s), any monies returned will be sent by the Receiving Agent to the account on which the cheque or payment was drawn. Your payment must relate solely to this application. No receipt will be issued.

5. Reliable Introducer Declaration

Applications with a value greater than €15,000 (approximately £13,500) will be subject to the United Kingdom's verification of identity requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

6. Identity Information

Applicants need only consider section 6 of the Application Form if the declaration in section 5 cannot be completed. Notwithstanding that the declaration in section 5 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/ or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

7. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5 the Registrar or Receiving Agent will contact the regulated person.

INSTRUCTIONS FOR DELIVERY OF COMPLETED APPLICATION FORMS

Completed Application Forms should be returned, by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours), to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE as to be received as soon as possible and, in any event, no later than 12 noon on 18 March 2010, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.

APPLICATION FORM

Please send this completed form by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible and, in any event, **so as to be received no later than 12 noon on 18 March 2010.**

FOR OFFICIAL USE ONLY
Log No.

Important before completing this form, you should read the accompanying notes.

The Directors may, with prior agreement of J.P. Morgan Securities Limited and Oriel Securities Limited, extend the Placing and Offer periods, to a time and date no later than 30 April 2010. If the Placing and Offer periods are extended, the Company will notify investors of such change through a regulatory information service provider to the London Stock Exchange, which will include a revised timetable for Admission.

Box 1 (minimum of £25,000 and then in multiples of £1,000)

£

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for Ordinary Shares subject to the Terms and Conditions set out in Part 9 of the Prospectus dated 8 March 2010 and subject to the articles of association of the Company.

Box 2 (maximum 3 per cent. or NONE)

£

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED (BLOCK CAPITALS)

1:

Mr, Mrs, Miss or Title:

Forenames (in full):

Surname/Company name:

Address (in full):

Post Code:

Designation (if any):

ATTACH CHEQUE HERE

Cheques should be made payable to: Computershare re MPI plc

2:

Mr, Mrs, Miss or Title:

Forenames (in full):

Surname/Company name:

Address (in full):

Post Code:

3:

Mr, Mrs, Miss or Title:

Forenames (in full):

Surname/Company name:

Address (in full):

Post Code:

4:	Mr, Mrs, Miss or Title:	Forenames (in full):
Surname/Company name:		
Address (in full):		
Post Code:		

2B. CREST DETAILS

(Only complete this section if Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID:								
CREST Member Account ID:								

3. SIGNATURE(S) ALL HOLDERS MUST SIGN

First holder signature: <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>	Second holder signature: <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>
Third holder signature: <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>	Fourth holder signature: <div style="border: 1px solid black; height: 100px; margin-top: 5px;"></div>
Dated: <div style="border: 1px solid black; height: 40px; width: 100%; margin-top: 5px;"></div>	

4. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form your cheque or banker's draft (where indicated) for the exact amount shown in section 1 made payable to Computershare: re MPI plc and cross "A/C Payee". Cheques and banker's payments must be drawn in sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of this form.

The declaration below may only be signed by a person or institution (such as a government approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom.

DECLARATION: To the Company and the Receiving Agent

With reference to the holder(s) details in section 2A, all persons signing at section 3 and the payor identified in section 6 if not also a holder (collectively “the subjects”) **WE HEREBY DECLARE:**

1. we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at Section 2B that the owner thereof is named in section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its official.

Signed:	Name:	Position:

having authority to bind the firm.

Name of regulatory authority:	Firm's licence number:

Website address or telephone number of regulatory authority:

STAMP of firm giving full name and business address:

6. IDENTITY INFORMATION

Only complete this section if the declaration in section 5 cannot be signed and the value of your application is greater than €15,000 (approximately £13,500).

In accordance with internationally recognised standards for the prevention of money laundering the undermentioned documents and information must be provided:

Tick here for documents provided				
Holders				Payor
1	2	3	4	

A. For each holder being an individual enclose:

- (1) an original or a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport, Government or Armed Forces identity card, driving licence; and
- (2) an original or certified copies of at least two of the following documents no more than 3 months old which purport to confirm that the address given in section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council tax bill, or similar document issued by a recognised authority; and
- (3) if none of the above documents show the person's date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary.

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B. For each holder being a company (a "holder company") enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the name and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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C. For each person named in B(7) as a beneficial owner of a holder company enclose for each other person documents and information similar to that mentioned in A(1) to (4).

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D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

Tick here for documents provided				
Holders				Payor
1	2	3	4	

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and
- (4) a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

The Receiving Agent reserves the right to ask for additional documents and information.

7. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Registrar or the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are provided here but a regulated person is identified in section 5, the Receiving Agent will contact the regulated person. If no details are entered here and no regulated person is named in section 5 and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	
E-mail address:	
Contact address:	
Post Code:	
Telephone No:	Fax No:

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