

11 May 2011

Highcroft Investments PLC - Interim Management Statement in respect of the period 1 January 2011 to 10 May 2011

The board of Highcroft Investments PLC today approved the following statement in respect of the current trading period which will end on 30 June 2011.

Commercial Property

In our Annual Report, dated March 23rd 2011, we commented that since the year end we had agreed a lease on our formerly vacant property in Yeovil. Refurbishment works required under the Agreement for Lease are well in hand and the new tenant should take possession at the beginning of Q3. Consequently, the only void in our commercial property portfolio is the ground floor unit at Willow House, Victoria, whilst arrears remain at very modest levels and we have incurred no new bad debts.

Schemes intended to enhance the values of Willow House and our properties on the High Street, Oxford are currently being considered.

We are actively engaged with our advisers in assessing several potential commercial property acquisitions which fit our portfolio criteria, one of which is under offer. We are hopeful that the continued subdued conditions in the property market will create attractive purchasing opportunities.

Residential Property

We also noted in the Annual Report that, since the year end, we had completed the sale of two residential properties. We can now report that we are in advanced negotiations for the sale of a further residential unit and, additionally, that one of our apartments in Newcastle House, Marylebone, has become vacant and will be brought to the market in the coming months.

The total gross proceeds from these completed and potential sales, along with premia received on residential lease extensions, are anticipated to be approximately £2.0m

Equity Investments

Our equity portfolio has provided a higher level of dividend receipts so far this year compared to the same period in 2010. Generally, however, we think growth in the economy will continue to disappoint, especially as quantitative easing, which ends in June, has created bubble conditions in some markets, so we are maintaining a cautious investment stance.

Financial position

As at 10th May, our cash balances stand at £3.3m and our equity portfolio at £5.9m. There are no borrowings.

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