

Highcroft Investments PLC

Interim Management Statement in respect of the period 1 July 2011 to 15 November 2011

The board of Highcroft Investments PLC today approved the following statement in respect of the current trading period which will end on 31 December 2011.

Commercial Property

In our interim statement, we announced that contracts had been exchanged for the purchase of an industrial unit in Andover. This £2.7m purchase is expected to be completed on 30 November 2011 and is currently let to a strong covenant with an unexpired term of 23 years generating a yield of 6.4%. We have researched a number of other properties and are still in discussions which may or may not result in purchases. Having let our previously vacant Yeovil property, an offer was accepted for it last month and the transaction has completed today for a sales price of £0.8m.

We are continuing to examine ways of enhancing the value of major investments in Oxford High St, Central London, and Bristol. I can also report that we have agreed letting terms, subject to contract, for the only vacant unit in our portfolio.

Residential Property

As referred to in our Interim Report for the six months ended 30 June 2011, further to the completion of three residential sales in the first half of the year, a fourth was completed in September and there are two lease extensions at Newcastle House in progress.

Financial Position

Our financial position continues to be strong and we expect still to have cash at the end of the year even after completion of the purchase of the industrial unit in Andover. Our current cash position is £4.4m. We are in discussion with bankers in relation to securing facilities in the event of suitable properties becoming available. While equity markets remain nervous and volatile, following our modest net investment since the beginning of the year, we are pleased to report that our portfolio valued at £5.5m has outperformed the FTSE All Share index over this period.

Shareholders will need no reminding that the economic outlook remains worryingly fragile. We continue our cautious stance - and draw comfort from our strong financial position and the quality of our investment portfolios.

For further information, contact:

Highcroft Investments PLC John Hewitt/Roberta Miles	01865 840023
Charles Stanley Securities Dugald Carlean / Karri Vuori	0207 149 6000

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