

## **GRESHAM HOUSE plc (“the Company”)**

Interim Management Statement for the three months ended 30 September 2009  
(Unaudited)

### ***Introduction***

This Interim Management Statement (“the Statement”) has been prepared solely to provide information to meet the requirements of the UK Listing Authority’s Disclosure and Transparency Rules. The Statement covers the three month period to 30 September 2009 together with relevant information up to the date of publication.

### ***Investment Objective***

Gresham House plc is an authorised investment trust listed on the London Stock Exchange. Following the passing of an ordinary resolution at the Company’s 2008 Annual General Meeting, the Company’s objective is to realise the Group’s assets comprising primarily UK equities and commercial property over a period of approximately five years with a view to returning capital to shareholders.

### ***Material events and transactions***

As at 30 September 2009 the value of the securities portfolio had decreased by approximately 6% since 30 June 2009 compared with an increase in the FTSE All Share index of 21.3%. This movement was mainly as a result of the decrease in value of Hallin Marine Subsea International plc (“Hallin Marine”) during the period under review following a significant increase in value in the half year to 30 June 2009.

The Company’s interim results for the six months ended 30 June 2009 were announced on 28 August 2009.

The Directors are aware of the following significant events or transactions which have occurred in the period from 1 July 2009 to the date of this Statement that may have, or have had, a material impact on the financial position of the Company or Group:-

- (i) the refinancing of the Group’s total bank loan portfolio of £17.9 million at competitive rates for periods ranging between 2 and 3 years;
- (ii) the movement in the value of some equities, particularly Hallin Marine, as mentioned above, and Welsh Industrial Investment Trust plc whose share price has increased substantially since 30 September following a recent announcement;
- (iii) the increase in vacant space within the property portfolio as detailed below; and
- (iv) the increase of 1.2% in the IPD Monthly Property Index for the 3 months ended 30 September 2009.

The Company has one class of share capital: ordinary shares of 25p each. There have been no changes in the issued share capital of the Company since 31 December 2008, which as at today’s date remains at 4,881,880 shares.

**Financial Information**  
**Investments - Securities**

	30.09.09	30.06.09
	£'000	£'000
Listed securities – on the London Stock Exchange	767	551
Listed securities – on overseas markets	-	-
Securities dealt in under AIM	6,640	7,413
Securities dealt in under PLUS Market	150	175
Unlisted securities	803	878
<b>TOTAL</b>	<b>8,360</b>	<b>9,017</b>

*Largest Ten Investments at 30 September 2009*

	Market Value £'000s	% of portfolio
Hallin Marine Subsea International plc*	4,736	56.7
SpaceandPeople plc*	1,032	12.3
Welsh Industrial Investment Trust plc‡	420	5.0
Lloyds Bank plc – 13% bond ‡	258	3.1
AudioGravity Holdings Limited#	228	2.7
Gizmo Packaging Limited#	188	2.2
Portland plc*	187	2.2
Wheelsure Holdings plc†	150	1.8
PLUS Markets Group plc*	145	1.7
Byotrol plc*	129	1.6
	<b>7,473</b>	<b>89.3</b>

‡UK and Overseas Listed

\* AIM Traded Securities

† PLUS-quoted Securities

# Unlisted Securities

*Sector Analysis at 30 September 2009*

	% of net assets
Engineering	64
Property investment	13
Financial (including Investment Trusts)	11
Automobiles	3
Media and photography	2
Chemicals	2
Oil and Gas	2
Miscellaneous	2
Electrical	1
	<b>100</b>

## Investment – Properties

Rental income on the property portfolio for the three months ended 30 September 2009 was £509,000. This compares with rental income of £1,027,000 for the six months ended 30 June 2009 and £2.45 million for the year ended 31 December 2008. As a result of a lease expiry by a major distribution tenant in September 2009 the amount of vacant space has increased to 730,168 sq. ft. from 547,718 sq. ft at 31 December 2008.

Investment properties are shown in the financial statements at fair value based on current use. All investment properties were valued by King Sturge LLP, Chartered Surveyors, as at 31 December 2008 at a combined total of £25,750,000. These external valuations were carried out on the basis of Market Value in accordance with the latest edition of the Valuation Standards published by the Royal Institution of Chartered Surveyors at that time. The directors do not consider that there has been any material change in the value of these properties since the year end.

## Comparative movements

	30.09.2009	30.06.2009	% change
Basic net asset value per ordinary share	N/available	452.8p	-
Share price (pence)	332.5	202.5	+64.2
FTSE All Share index	2,634.79	2,172.08	+21.3

Further information on the Company and Group, including a copy of this Statement, can be found at [www.greshamhouse.com](http://www.greshamhouse.com).

12 November 2009

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