

## GRESHAM HOUSE plc (“the Company”)

### Unaudited Interim Management Statement (the “Statement”)

#### *Introduction*

This Statement has been prepared in order 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 2010 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 2010 Annual General Meeting, the Company's objective is to provide shareholders with long term capital and income growth by a combination of investing in commercial property, bonds and equities.

#### *Material Events and Transactions*

The Company's interim results for the half-year ended 30 June 2010 were announced on 25 August 2010 and are available on the Company's website [www.greshamhouse.com](http://www.greshamhouse.com).

The Directors are aware of the following significant events or transactions which have occurred in the period from 1 July 2010 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 acquisition on 12 October 2010 of a further 10% investment in Memorial Holdings Limited for a sum of £1.7m financed by way of a vendor placing of 488,000 ordinary shares of 25p each and a cash sum of £89,400;
- (ii) the increase of 0.49% in the IPD Quarterly Property Index for Capital Growth for the three months ended 30 September 2010;
- (iii) the decrease in the amount of vacant space within the property portfolio principally as a result of the demolition of units at Newton-Le-Willows following receipt of outline residential planning consent; and
- (iv) as at 30 September 2010 the value of the securities portfolio had increased by approximately 0.3% since 30 June 2010 compared with an increase in the FTSE All Share Index of 12.7%.

The Company has one class of share capital: ordinary shares of 25p each. As a result of the issue of shares as noted above the issued share capital of the Company now amounts to 5,369,880 shares.

#### *Financial Information*

Set out below is an unaudited summary of the investments held by the Group which are accounted for as Non-current Assets:

	<b>As at 30 September 2010 £'000</b>	<b>As at 30 June 2010 £'000</b>
Investment Properties	24,600	24,600
Investments – Securities	10,369	10,142
TOTAL	<u>34,969</u>	<u>34,742</u>

**a) Investment Properties**

All investment properties were valued by King Sturge LLP, Chartered Surveyors, as at 31 December 2009 at a combined total of £24,600,000. 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. As per our normal policy, no independent property valuations have been undertaken since the last year end. The directors do not consider that there has been any material change in the value of these properties since the year end other than at Newton-le-Willows where outline planning permission has been obtained for residential use and discussions to sell the site, or part of it, to a national housebuilder are ongoing.

Rental income on the property portfolio for the three months ended 30 September 2010 was £274,000. This compares with rental income of £882,000 for the half-year ended 30 June 2010 which, as previously disclosed, benefited from the receipt of a £250,000 premium from a former tenant which terminated its lease in March 2010.

The amount of vacant space has decreased by 398,558 sq. ft. to 423,417 sq. ft. as at 30 September 2010 principally as a result of the demolition of units at Newton-Le-Willows.

**b) Investments - Securities**

	<b>As at 30 September 2010 £'000</b>	<b>As at 30 June 2010 £'000</b>
Listed securities – traded on the London Stock Exchange	5,939	5,909
Securities traded on AIM	1,487	1,576
Securities dealt in under PLUS Market	184	138
Unlisted securities	2,759	2,519
<b>TOTAL</b>	<b>10,369</b>	<b>10,142</b>

*The largest ten investments within the Securities Portfolio as at 30 September 2010 were:*

	<b>Market Value £'000s</b>	<b>% of Securities Portfolio £'000s</b>
Standard Chartered Bank 6% bond ‡	1,103	10.6
HSBC Bank 9.875% bond ‡	1,037	10.0
SpaceandPeople plc*	969	9.4
HSBC Bank 5.75% bond ‡	953	9.2
Scottish & Southern Energy 5.75% bond ‡	923	8.9
Abacus Land (BR) Ltd Loan notes#	875	8.4
National Grid 6.125% bond ‡	693	6.7
Memorial Holdings Limited #	686	6.6
Marks & Spencer 5.625% bond ‡	607	5.9
AudioGravity Holdings Ltd #	395	3.8
	<b>8,241</b>	<b>79.5</b>

‡UK Listed

\* AIM Traded Securities

# Unlisted Securities

As at 30 September 2010 the Securities Portfolio was invested in the following sectors:

	<b>% of Securities Portfolio</b>
Financial	36
Utilities	18
Media	14
Property investment	15
Retail	6
Engineering	7
Foods	2
Electrical	1
Information technology	1
	<hr/> 100 <hr/>

**Comparative movements**

	<b>30 September 2010</b>	<b>30 June 2010</b>	<b>% change</b>
Basic and diluted net asset value per ordinary share	N/A	468.4p	N/A
Share price (pence)	340.0	316.25	7.5
FTSE All Share index	2,867.58	2,543.47	12.7

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

Enquiries

D Lucie-Smith  
Chief Executive Officer

9 November 2010