PRESS RELEASE

McKAY SECURITIES PLC

INTERIM MANAGEMENT STATEMENT

This Interim Management Statement is issued by McKay Securities PLC ("McKay" or the "Group"), the specialist South East real estate investment trust (REIT), to provide an update on trading since 31st March 2010. This has been issued to coincide with the Group's Annual General Meeting to be held at midday today.

Market Review

As reported in June 2010, the letting market remains challenging, but the pick up in occupier enquiries referred to at that time for Group properties available to let has been sustained. This was seen initially in central London. Encouragingly, during the quarter there has been more evidence of enquiries converting into lettings in the Group's markets outside London. Rental values are reaching a floor in many centres, but letting incentives remain generous as tenants continue to be cost conscious. Despite the recent pick up in letting transactions, take up remains well below the five year average. In the South East office market, which accounts for 43% of the Group's portfolio by value, the combination of lease events, building obsolescence and rental values at or close to a rebased level should contribute to an improvement in letting activity. The pace of improvement will remain dependent on confidence regarding overall economic recovery.

The next valuation of the Group's portfolio, valued at £205.95 million at 31st March 2010, will be at 30th September 2010 and will be reported in the Group's Interim Results in November 2010. For the three month period from 31st March 2010, the IPD Monthly Index recorded a 1.9% increase in the value of all property. Within the market, transaction volumes remain low. Investment values for prime property have remained steady, however the value of more secondary stock is under pressure, supporting the Group's view that the market will increasingly take into account lower rental values and refurbishment costs. Potential investment opportunities continue to be monitored and analysed. The Group will look to invest funds from existing facilities in properties with growth prospects where pricing is more reflective of rebased rents and re-letting prospects.

Portfolio Review

Good progress has continued since the year end in relation to income collection, retention and generation.

In excess of 90% of the Group's contracted rent was received within seven days of the June 2010 quarter day, and tenants paying rent on an agreed monthly basis represent less than 5% of rents demanded. There were no tenant defaults or failures.

Eight lettings were completed during the period with a total annual contracted rent of £407,166. Six were open market lettings and two were lease renewals. Three short term office lettings were completed at 30-32 Lombard Street, EC3 as announced on 15th July 2010, with a combined annual contracted rent of £134,750. These lettings enable the Group to maximise income whilst retaining the flexibility to implement the consented redevelopment scheme from December 2012. Also of significance was the extension of the lease of Unit 1 (32,000 sq ft) and the letting of Unit 2 at The McKay Trading Estate, Bicester (10,300 sq ft) to the same occupier for a five year term at a combined annual contracted rent of £185,000.

After taking into account the vacation of Eastgate House, Fleet (14,000 sq ft) at lease expiry, the total Group void (by rental value) has reduced from 11.6% at 31st March 2010 to 11.3%.

Financial Review

Total loan facilities available to the Group remain unchanged at £185 million. Net debt totalled £88.81 million (31st March 2010 - £88.96 million) giving rise to headroom of £96.19 million and a loan to value ratio of 43%. The Group has no near term refinancing risk as facilities totalling £155 million extend to 2016 and beyond.

Date: 22nd July 2010

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