Sale of Dacre House

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McKAY SECURITIES PLC

PRESS RELEASE

McKay Securities PLC sells Dacre House, London SW1

McKay Securities PLC is pleased to announce completion of the sale of Dacre House, Dacre Street, London SW1 for £12.7 million to Hammer Investments NV. The sale price exceeds book value as at 30th September 2007, and represents a net initial yield of 5.16%.

Dacre House, constructed in the late 1970's, consists of 13,177 sq ft of offices on lower ground and five upper floors and two retail units on lower ground and ground floors. It was acquired by McKay in 1996 for £3.65 million, at which time it was over rented and yielding 11.5%. The office floor space was comprehensively refurbished at lease expiry at the end of 2006, when surplus plant rooms were converted into additional office floor space, and the reception area was enlarged. On completion of this upgrade the office floor space was marketed on a floor by floor basis, and on sale was fully let to four tenants.

Commenting on the sale, Simon Perkins, Managing Director of McKay Securities PLC, said "the price achieved was agreed in October and reflects the high quality of the refurbishment. The sale realises a significant gain for reinvestment, which is tax free due to our REIT status".

Mellersh and Harding LLP acted for McKay Securities PLC and Alexander Reece Thomson Braham Good acted for the purchaser.

Background Information

McKay Securities PLC is a Real Estate Investment Trust specialising in the development and refurbishment of quality commercial buildings within established and emerging growth areas of Central London and the South East of England. Completed projects are retained and managed for long term growth within the Group's portfolio, valued in excess of £348m (at 30th September 2007).

Contacts

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