

13 October 2011

Panther Securities PLC
(“Panther” or “Group”)
Interim management statement for the three month period ended 30 September 2011

Panther is pleased to publish its Interim Management Statement for the three month period ended 30 September 2011. The results for the six months ended 30 June 2011 were announced on 23 August 2011 and posted to shareholders shortly thereafter. These interim results included extensive information on post balance sheet events which overlap with the period we are now reporting upon (as all material post items were already announcement). For clarity we are repeating this information but in a slightly abbreviated version.

The main transactions and events of the period have been:

Finance

- ⌚ In July 2011 we finally completed our refinancing package. This is a new 5 year club loan facility of £75,000,000 provided equally both by HSBC and Santander. This replaced a facility of £42,500,000 with HSBC with whom we have had an excellent banking relationship for over 30 years.
- ⌚ The additional finance has already allowed us to expand and make several purchases.
- ⌚ Financial derivatives show a combined liability of £17.5 million as at 30 September 2011. This is compared to the combined liability of £9.3 million as at 31 December 2010 being the last audited results and £10.0 million as shown in our half year accounts ended 30 June 2011. As mentioned previously by the Board, the valuations of financial derivatives are based on market estimations of future interest rates, which have in recent times been very erratic over short periods. It has been considerably more volatile in the last few months due to the economic outlook across Europe. The Board believes that these are an effective ‘cash’ hedge for the £60 million drawn borrowings of the Group. It is unlikely that the Group would willingly pay the estimated premium to exit these financial instruments.

These Purchases

- ⌚ **Five Department Stores.** In July 2011, we purchased five freehold properties which were owned and formerly occupied by the Anglia Regional Co-operative Society (“ARCS”) Limited trading as Westgate Stores. The majority of the trade and assets of Westgate Stores were recently acquired by Beale PLC, a fully listed department store group in which Panther holds just under 20 per cent. of the issued share capital. The Company paid approximately £7,330,000 (including stamp duty) for the following five properties. **80 Newgate Street, Bishop Auckland, County Durham; 49 Low Street, Keighley, West Yorkshire; 53-57 High Street, St Neots, Cambs; Market Place/Bridge Street, Spalding, Lincolnshire; and 8 Market Place, Diss, Norfolk.**
- ⌚ Apart from 80 Newgate Street, Bishop Auckland which as a one year rent free period (ends on 21 May 2012), these four other stores have a two year rent free period which ends on 21 May 2013. The total rent to be received from Beale PLC on the expiration of the rent free periods will be £675,000 per annum.
- ⌚ **Templegate House, 115-123 High Street, Orpington.** This property was purchased in July 2011 and is a long leasehold (94 years remaining at a peppercorn) modern building which contains five

shops and 17,000 sq ft of office space over the three floors above. The property is almost fully let and produces rent of £276,000 per annum. The price we paid of £1,300,000 (including stamp duty) reflects the fact that two of the larger tenants' leases expire towards the end of this year. The property was purchased from an LPA receiver.

- ⌚ **79/97 Commercial Street, Batley.** This freehold property also purchased in July 2011 is well positioned in the town and was purchased for £1,380,000 (including stamp duty). The property currently produces £143,000 per annum, excluding the potential income from two vacant shops. The tenants include Boots, the Card Factory, Coral Estates, TUI UK and Kirkwood Hospice.
- ⌚ **The Mill and Warehouse, Upper Mills Trading Estate, Bristol Road, Stonehouse.** In August 2011, we purchased this 13,000 sq ft office, with adjoining 12,000 sq ft warehouse building for our 75% owned subsidiary MRG Systems Ltd for £489,000 (including stamp duty).
- ⌚ **Bentalls Complex, Colchester Road, Heybridge, Maldon, Essex.** In August 2011, we purchased via a sale and lease back this 200,000 sq ft freehold industrial building set on 8.5 acres for £3,900,000 (including stamp duty). The property is let for 10 years to Wyndeham Group Ltd for £500,000 per annum, with a one year rent free period.
- ⌚ **Lyceum Building, Bold Street, Liverpool.** In August 2011, we completed the acquisition of this prime, iconic listed building let to the Post Office with 3.5 years remaining on their lease. The rent reserved is £500,000 per annum. The tenant is not in occupation but has sublet part of the building to the Co-operative Building Society. The purchase price was £2,964,000 (including stamp duty).
- ⌚ **34 Marine Terrace, Margate, Kent.** This freehold property was purchased in August 2011 for £190,000 (including stamp duty). The property has food use and is let for £21,000 a year.

General trading update

The Group has been very busy organising its refinancing and evaluating likely property investments in the first half of the year, which created a backlog of properties that were mainly completed in July and August 2011 (as described above). We now have a good base for rental income of £10.5 million going forward (even though £1.2 million of this is subject to rent free periods of between one and two years), this is compared to annual rents of £7.7 million reported in the prior year, to cover the larger loan with its increased costs as well as fund future investment.

Of our new financing package of £75 million, following the above acquisitions, we have an undrawn revolving facility of £15 million. This element of our financing is un-hedged and whilst rates remain low, if this can be invested in high yielding properties, it provides the opportunity to obtain healthy margins above our borrowing costs.

As ever we remain upbeat about Panther's future prospects.

I believe that a long term investment in property has always protected the holder against inflation and I see no reason why despite the present economic uncertainty it will not remain so.

Other than as stated above, there has been no significant change in the Group's financial position since 30 June 2011.

Andrew Perloff
Chairman

For further information contact:
Panther Securities PLC
Andrew Perloff - Chairman
Simon Peters - Finance Director

01707 667 300