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Panther Securities PLC
18 May 2011

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Panther Securities PLC
("Panther" or "Group")
Interim management statement for the three month period ended 31
March 2011

Panther is pleased to publish its Interim Management Statement for the three month period ended 31 March 2011. The results for the year ended 31 December 2010 were announced on 20 April and posted to shareholders shortly thereafter. These accounts included extensive information on post balance sheet events, which for clarity, we are repeating. We are also adding a small amount of extra information not available at that time.

The main highlights of the period have been:

- At 31 March 2011 financial derivatives showed a combined liability of £7.9 million. This is compared to the combined liability of £9.3 million as at 31 December 2010, being the last audited results. 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. The Board believes that these are an effective 'cash' hedge for the majority of the borrowings of the Group and unlikely that the Group would willingly pay the estimated premium to exit these financial instruments.
- In February 2011 we reacquired the derelict shops and upper parts of 25, 26 & 27 Victoria Street, Wolverhampton, for £200,000, the freehold of which we had sold in June 2006 for £333,000. We now own most of the island site which has a chance for redevelopment or refurbishment now that the Town Council's grandiose and unnecessary development scheme and the consequent compulsory purchase order has been shelved and rescinded.
- In February 2011 we secured a letting on our former market at Pencester Road, Dover to Poundland Limited on a 10 year lease without a break at £110,000 per annum.
- In March 2011 we purchased 67 High Street, Ayr, Scotland, a vacant listed freehold shop and upper part in the prime shopping position opposite Marks & Spencer and British Home Stores. Our purchase was from an LPA Receiver at £275,000.
- On 17 March 2011 a very successful party was held at the Soho Hotel for the launch of Wimbledon Studios (www.wimbledonstudios.com). Over 250 guests from the media and film production world attended, along with the CEO of Film London, Adrian Wootton, who gave a speech on the importance of films and the production facilities based in London. I

am also pleased to report that the Mayor of London, Boris Johnson, also felt the event was important enough to attend.

- In March 2011 we received approval of our longstanding outline planning application on our Holloway Head, Birmingham site. The outline approval is for a mixed use development totalling 450,000 sq ft which includes a car showroom, casino, restaurants, 100,000 sq ft offices, a 131-bedroom three star hotel and a maximum number of 303 flats plus appropriate car parking. This development site is approximately 85% owned by us and the majority of the remaining owned by the Girl Guides Association, with whom we have agreed to provide a new, larger and more suitable modern day headquarters as part of the scheme. We consider this development is probably too large for us to carry out on our own and we will probably look for a development partner with the experience, expertise and financial muscle better able to carry out this £75-100 million scheme.

Post period end

- On 15 April 2011 we exchanged contracts to acquire a freehold block of 17 shops and 21 flats at Northgate & St Aldgate Street, in Gloucester City Centre, located on a busy secondary position close to Debenhams and Marks and Spencer. The purchase price of £2,115,000 (plus costs) produces a current income of £207,000, which may rise to circa £280,000 when fully let. Completion is due to take place on 19 May 2011. This property should prove to represent excellent value and a healthy return on capital, together with various angles associated with a large, city centre block of property which is unbroken.
- In April 2011, we agreed terms and received credit committee approval for new club loan facilities with HSBC and Santander for a total of £75,000,000 where the banks are equal lenders. This will replace our existing facility of £42,500,000 with HSBC. Once the legal work is complete and Santander has carried out their valuations, we expect to have access to an extra £32,500,000 for further investment. Our resources also include a further £6,000,000 being existing cash funds we hold on deposit. Whilst the margins at 2% and 2.25% over LIBOR are higher than previously enjoyed, we feel certain we will be able to invest the funds profitably over the five years of the term loan.
- At the extraordinary general meeting of Beale PLC that was held on 17 May, shareholder approval was given to acquire 19 department stores from the East Anglian Co-operative Society. We believe this transaction should be extremely beneficial in the long term to Beale, in which we hold just under 20 per cent of the equity.

General trading update

The Group has been very busy organising its refinancing and evaluating likely investments. We are expecting to draw down on the facilities soon and take advantage of some of the good opportunities we are seeing being offered.

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

"Every Cloud has a Silver Lining" for someone!

The new government's proposal to make it easier for redundant office buildings to be converted into residential property may have been the rationale of the landlord of a large office building in Sutton only partially let to give notice to its fourteen remaining short term tenants. They were initially distressed about the situation. Fortuitously, our local agent informed

us whereupon we instantly contacted all of its tenants, offering them space in our building, Old Inn House, Carshalton Road, Sutton. No more than two hundred yards from their existing offices, three lettings have been secured with four more under offer. If all goes according to plan, this will be over £100,000 pa cash flow benefit to our company.

In my Chairman's Statement, I mentioned the deliberate dilatoriness of the valuation officers with regard to rating revaluations and also thereafter the slow repayments of the overpaid rates. I am pleased to say that on our property at Friar Lane, Nottingham, we have secured changes to the Rateable Value that will provide us with an approximate £100,000 repayment from the council, promised shortly.

Other than as stated above, there has been no significant change in the Group's financial position since 31 December 2010.

Andrew Perloff
Chairman

For further information contact:

Panther Securities PLC	01707 667 300
Andrew Perloff - Chairman	
Simon Peters - Finance Director	

City Profile	020 7448 3244
Simon Courtenay	
Sheena Khan	

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