

11 November 2009

Panther Securities PLC
("Panther" or "Group")

Interim management statement for the three month period ended 30 September 2009

Panther is pleased to publish its Interim Management Statement for the three month period ended 30 September 2009.

The main highlights of the period have been:

- Financial derivatives show a combined liability of £7.8 million as at 30 September 2009. This is compared to the combined liability of £12.0 million as at 31 December 2008 and £6.2 million as at 30 June 2009. 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 and have changed dramatically over short periods. However, the combined financial derivative liability reduction since 31 December 2008 is expected to contribute significantly to the profits for the year ending 31 December 2009 (if the reduction is maintained). The Board believes that these are an effective hedge for the majority of the borrowings of the Group and that it is unlikely that the Group would willingly pay any premium to exit these financial instruments.
- In July 2009 the Group purchased a small group of companies from GNE Group Limited (previously GNE Group PLC). This group contained five properties, being two investment properties and three land sites with planning permission; all former petrol stations. The group of companies was purchased for £1.4 million (by purchasing the debt from the parent company at a discount and the share capital for a nominal value). Post period end the Group exchanged contracts to sell the two investment properties for a total consideration of £1.3 million. The Directors are pleased with the outcome of this transaction and when the remaining three sites are sold or let, the entire transaction will generate significant profits for Panther. For further details see the announcements dated 15 July 2009 and 29 October 2009.
- During the period, Panther also completed the acquisition of a company which owns a 70,000 sq ft modern purpose built leisure complex in East Sussex. The equity in the company was purchased for a nominal amount and the debt due, still owed to the original developer, was purchased at a discount for £0.47 million. For the purposes of the transaction the property was valued at £2.2 million and the company also included a bank term loan of approximately £1.7 million. The current annual rental is £0.24 million with one vacant unit providing an opportunity to increase the rental income.
- The Group's share portfolio had a market value at 30 September 2009 of approximately £7.3 million (£5.4 million at 30 June 2009). Post period end the Group realised £2.4 million of cash from selling its holding in Rugby Estates Investment Trust PLC, being a profit of £0.77 million based on the written down net book value of the investment as shown in Panther's results for the six months ended 30 June 2009, but a loss of £1.03 million based on the original cost. The remaining share portfolio consists of a selection of shares in listed property companies and Elektron PLC (an AIM listed electronics company).
- As at 30 September 2009, the Group had cash balances of approximately £10.6 million, which excludes half of the £0.29 million frozen deposit with Kaupthing Singer and Friedlander (£13.8 million as at 30 June 2009 (excluding half of the £0.29 million frozen deposit)). This excludes the additional funds of £2.4 million received after the period on the sale of investment shares and

£1.3 million to be received on the completion of the sale of investment properties (both mentioned above)

General trading update

Rental income and profits from actual trading are consistent with the same period last year. The write-ups on the Group's financial instruments and investment shares (equities), if maintained, will assist to counterbalance any property writedowns, if required, on revaluations for the full year.

The property market appears to be over the worst of the economic cycle with some segments of the property investment market achieving near peak values at auction, however this may ultimately be a false dawn. Either way the Group is well positioned financially to weather any further corrections in the market and also is in good shape to make further profitable transactions with its substantial cash funds. As ever we remain upbeat about Panther's future prospects.

Other than as stated above, there has been no significant change in the Group's financial position since 31 December 2008.

Andrew Perloff
Chairman

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