

14 October 2010

Dear Shareholder,

We give here under a copy of an announcement that we made through the Stock Exchange on 12 October which we feel would be of interest to you.

"Interim management statement for the three month period ended 30 September 2010"

Panther is pleased to publish its Interim Management Statement for the three month period ended 30 September 2010.

The main highlights of the period have been:

- Financial derivatives show a combined liability of £13.0 million as at 30 September 2010. This is compared to the combined liability of £10.8 million as at 30 June 2010. 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. 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 July 2010, the company purchased 204/205 High Street, Burton-upon-Trent from the receivers, being a freehold double unit with a basement and two self contained floors above in a prime pedestrianised retail position at a cost of £295,000, excluding costs of acquisition. This unit will be occupied under a lease by our joint venture shoe retailer Tunnel Shoes and is awaiting fit out.
- In August 2010 the company purchased from the receivers a freehold island site in Darlington Street, Wolverhampton of mixed use (retail, office and leisure) property of approximately 70,000 sq ft on 1.2 acres of land, at a cost of £1,500,000, excluding incidental costs of acquisition. It is currently producing a rental of £278,000 per annum gross (net approximately £195,000) from 16 tenants.
- In August 2010 the Group purchased 79 High Street, Ramsgate, a freehold vacant retail unit with upper parts, in the sum of £78,000. This is adjacent to 81-85 High Street, which we already own, and which has full planning permission for 20 flats. This acquisition should enable us to improve the total site development capability.
- In September 2010, the Group purchased 60 High Street, Sittingbourne, being a vacant freehold for £230,000, from receivers. The property is a former bank and is in the main shopping area in the centre of the town and benefits from a rear storage building which was formerly a cottage.
- The Company recently announced that it has exchanged contracts with FremantleMedia Limited to acquire the freehold site at Merton Studios, Bosun House, South Wimbledon, SW19, which encompasses 200,000 sq ft of brick built warehouses on slightly over 4 acres of land. Until recently this building was used as a film studio for the television series "The Bill". The entire contents of the property are included with the deal, which includes numerous sets and all related equipment. The purchase price for the freehold site and all stock equipment and fixed assets contained within is £4,750,000 in cash.
- The Group has also invested £150,000 for a minority interest in the equity of a separate company (outside the Group) which will run the Merton Studios business as independent film studios. The other equity shareholders include myself, the management team of the film studios and other outside investors. It is proposed that the management company will take a 10 year lease on the Merton Studios building at a rent of £490,000, with one year rent free, and also lease the stock and fixed assets contained within the building. The Group believes the Merton Studios is a good long term property investment, with potential additional benefits if the independent film studios are successful.

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- Post period, in October 2010, the Group exchanged on the purchase 59/61 High Street, Sittingbourne for £222,500, a freehold double frontage retail shop and upper parts, in the main shopping area of the town from the mortgagee in possession. This was purchased vacant and will be suitable for lease to our joint venture retailer Tunnel Shoes.
- Post period end, in October 2010, we have completed on a purchase of a freehold/ feuhold multi-let retail and leisure building in Union Street, Glasgow for £540,000 (including costs of purchase), also from a receiver. The gross rental is £71,000 and the net rental is approximately £65,000.
- In addition, post period end, in October 2010, the Group exchanged on the purchase of a long-leasehold of 49/61 High Street, Croydon from the receiver for £562,000 (including purchase costs). This is a large leisure unit used as a bar with 12,000 sq ft in total over three floors, including 7,350 sq ft on the ground floor. This has been purchased vacant and could be let to one user or split into 4 or 5 retail units.
- In August 2010 Panther sold 1,751,597 ordinary shares in Elektron PLC (an AIM listed electronics company) for 30p per share, with total net sale proceeds of £523,000 and a profit of £396,000 based on original cost and profit of £168,000 based on the valuation in our books at 30 June 2010. We still have a large residual holding of 9,598,000 ordinary shares in Elektron PLC.
- The Group's share portfolio had a market value at 30 September 2010 of approximately £8.8 million (£8.6 million at 30 June 2010). The share portfolio consists of a selection of shares in several listed property companies, Beale PLC and Elektron PLC. The entire share portfolio is uncharged.
- As at 30 September 2010, the Group had cash balances of approximately £8 million, compared to £11 million as at 30 June 2010. The cash balances will reduce significantly in the next few months as we make further purchases including the £5 million required for Merton Studios.

General trading update

Rental income and profits from actual trading has marginally improved when compared to the same period last year.

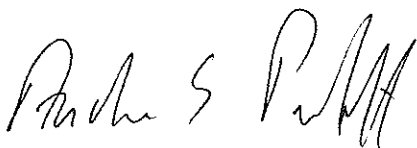
The Group has been very busy evaluating likely investments and believes the purchases made this year meet its investment criteria of high rental returns, or the potential for higher returns, and have been available mainly due to the Group's ability to use cash for purchases.

The Group is continuing to see good opportunities to add to value with new acquisitions of properties it is being offered and 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 30 June 2010.

We have started to be able to acquire real estate at very realistic prices which we hope and anticipate will provide high returns for the long term future benefit of the Group."

Yours sincerely



Chairman

Panther Securities PLC
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Andrew Perloff - Chairman
Simon Peters - Finance Director