

Interim Management Statement

14 May 2010

Town Centre Securities PLC
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TOWN CENTRE SECURITIES PLC

("TCS" or "The Company")

Interim Management Statement

Town Centre Securities PLC, the Leeds based property investment and development company, announces its Interim Management Statement covering the period from 1 January to 13 May 2010 ("the period").

Overview

The improvement in market conditions which we reported in our half yearly report has continued during the period. We are now in a position to take advantage of any sustained improvement in the economic environment.

We believe that our strong investment portfolio, and in particular our commitment to value for money retailing, is a distinct advantage for TCS. We also continue to look for opportunities to grow our property portfolio and car parking business. Our criteria for property acquisitions is to identify value which we can create. This relies on identifying well priced opportunities with value today, not the promise of value tomorrow.

Whilst the tenant environment continues to be challenging, we have re-let over 90% of the premises affected by a limited number of tenant failures. Our positive, long term approach has been a major driver in maintaining our overall rental income although rental negotiations inevitably continue to be impacted by current economic circumstances. Our rental collection performance has been strong and we remain ever vigilant on tenant quality.

We continue to actively manage our assets and there has been a year on year increase in the rent roll on a like-for-like basis of 5.3%. As previously reported, our overall rent roll has, however, reduced as a result of disposals over the last couple of years. We continue to reduce voids which currently stand at 6.1%.

Our next portfolio valuation will be conducted following our year end, 30 June 2010, and will be reported on at the time of our annual results in September 2010. This valuation is expected to reflect the improved market conditions.

Highlights of our activity in the period include:

Financing

As at 13 May 2010, the Company had net debt of £141.0m, (31 December 2009 £146.7m) comprising £106.0m of 5.375% debenture stock repayable in 2031, and £35m of bank loans at floating interest rates.

TCS has two term loan facilities, together £85m, with maturity dates from 2012 to 2014, and £15m of overdraft and money market facility. There is significant headroom in our facilities and we continue to operate comfortably within our loan to value and interest cover covenants.

Acquisitions and Disposals

During the period disposal proceeds have amounted to £5.65m. Of this £5.2m related to one disposal in Manchester. The proceeds were used to reduce borrowings.

Asset Management

Occupancy levels have improved further in the period from 93% at 31 December to 93.9% at 13 May 2010.

At Town Centre House the quality of this office accommodation, following refurbishment, has been demonstrated by successful lettings with only 2,500 sq ft remaining available to let out of a total of 40,000 sq ft.

Rent collection was very strong with 99% of our March quarter day rents collected within 7 days of the due date. The broad spread of our tenants (TCS has only 12 tenants with more than one lease and none with more than 3), and our focus on the value for money retail sector, has continued to insulate us from the worst of the operational problems that have faced the retail property sector.

Developments

We retain a number of high quality development sites in our portfolio. However, we do not believe that it is the right time to seek to recommence development but we continue to keep this under review.

Car Parking

Year on year car parking revenues have been stable. We continue to seek new car parks, both to own and manage, with a view to building up another meaningful car park business within TCS.

Board

On 12 April 2010 Chris Kelly joined the Company and the Board as TCS's Finance Director.

Chris, who is a Chartered Accountant, was previously a partner with the leading international professional advisory firm Ernst & Young.

Edward Ziff, Chairman, commenting, said:

“Since our half year results we have successfully focussed on increasing income from our existing portfolio in a gently improving market. We are pursuing retail and car park investment opportunities to grow our business and take advantage of our sound financial position.”

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