



Year-end Trading Update & Notice of Results

Released : 19/07/2017

RNS Number : 4359L
Town Centre Securities PLC
19 July 2017

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Town Centre Securities PLC ('The Company' or 'TCS')

Year-end Trading Update & Notice of Results

Town Centre Securities PLC, the Leeds based property investor and car park operator, today announces an update for its financial year ended 30 June 2017 and its notice of results.

Overview

The Board is pleased to report that TCS ended its year strongly with significant development, asset management and capital recycling activity completed and ongoing. Since the half year results reported on 23 February 2017, we have completed three key transactions whilst our Ibis Styles hotel and Merrion House developments are on schedule and are contributing to trading profits.

Principal highlights are set out below:

Trading

- Overall occupancy level 99% (June 2016: 96%)
- 178 management transactions during the financial year (2016: 141)
- Like-for-like passing rent up by 2.3% (2016: 2.8%)
- Trading in the Merrion Centre remains strong and we are continuing to grow its rental income
- Car Parking continues to grow its revenues and profits

Good progress with developments

We anticipate an increase in future underlying trading profits flowing from our Leeds developments and completion is on schedule as follows:

- Premier Inn at Whitehall Road successfully completed and handed over in March 2017. The hotel has a 25 year lease with an initial annual rent of £680,000 with RPI uplifts;
- Obtained detailed consent for office and car parking scheme at Whitehall Road;
- Ibis Styles Merrion Hotel opened on 8 April 2017 and initial trading has been better than expected. Previously stated expectations are for annual trading profits of over £600,000;
- Merrion House development on track to complete in early 2018, and is expected to result in an increase in annual rent of c.£900,000.

Intensive asset management

We recently agreed an innovative swap deal with Evans of Leeds ("Evans") on 5 June 2017 in relation to our Piccadilly Basin (Manchester) and Buckley House (Leeds) holdings:

- **Sale of Dakota site for £2.775m to Evans**
 - 0.6 acre site which forms part of our Piccadilly Basin ownership sold to Evans, who have obtained planning permission for a 137 bedroom 5 star Dakota Deluxe Hotel;
 - On site car parking revenues foregone will not have a significant impact on TCS revenues;
 - The Dakota hotel is a further component of the on-going development opportunities:
 - TCS is currently on site with a 91 unit residential development and has obtained detailed consent for a further 126 unit development;
 - TCS intends to retain the completed residential investments as part of an ongoing programme - the Strategic Planning Framework for the site has a total of 850 residential units with an expected value of £250m.
- **Acquisition of remainder of Leeds JV from Evans for £1.8m**
 - TCS has purchased Evans' joint venture shares to take 100% ownership of Buckley House on Vicar Lane, Leeds, where TCS already holds adjacent buildings and now controls the full island site at the front of the Victoria Gate (John Lewis) shopping centre;
 - This purchase will allow TCS to push ahead with asset management plans for this prime piece of property in Leeds city.

Substantial capital recycling disposal

- Sale of Empire House, Sauchiehall Street, Glasgow, completed on 8 June 2017 for a headline price of £17.5m and an exit yield of 6.8%, which is ahead of the previous valuation;
- We expect to achieve further sales in Scotland in the future, in line with our strategy of re-investing in higher growth opportunities, principally in the South East of England.

Growing our car parking business, CitiPark, with our 16th car park acquired

- 140 space multi-storey freehold car park next to Rickmansworth station in London purchased on 8 June 2017, for a total of £2.3m, having previously managed the car park for 12 months as a tenant. We will be looking to bring forward redevelopment plans for the investment.
- We have continued our investment in technology and have rolled out the Tesla destination charging network across our portfolio.

Notice of results

The Company expects to issue its final results for the financial year ended 30 June 2017 on 13 September 2017.

Edward Ziff, Chairman and Chief Executive, commented:

"We are very pleased with the outcome for the financial year and look forward to reporting good results in September. We have made strong progress with our development programme, alongside continued capital recycling and asset management.

"In the new financial year we anticipate further acquisition and investment opportunities to grow TCS. We look forward to the future with confidence."

-Ends-

For further information, please contact:

Town Centre Securities PLC

Edward Ziff, Chairman and Chief Executive
Mark Dilley, Group Finance Director

www.tcs-plc.co.uk/ @TCS PLC

0113 222 1234

MHP Communications

Reg Hoare/Gina Bell

0203 128 8100

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