



MEMBERS NEWS RELEASE

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Dear Members

The recent Sun-Herald article entitled *Mighty Panthers Declawed* contains information that really requires clarification.

The very top line response to this article is our budget expectations for the 2008-09 financial year was an \$11m loss. It was not news to us but it is unfortunate that it came out in a way that is not constructive for Panthers Group.

A fact missing from the article is that from a *Profit before Tax* point of view, we finished the year better than forecast.

The loss is certainly a concern for us all but we should be aware of some mitigating facts and also aware of the actions that are being taken to turn the loss around.

- The high level of depreciation makes an enormous contribution to the loss. In fact, depreciation was at \$18.4m which means that we are ahead of the game from a cash point of view.
- Our flagship venue - **Panthers World of Entertainment** - was under construction for almost the entire period. This created a significant drop in revenue.
- We have invested heavily in the Penrith flagship, providing us with a great springboard for the future.
- We have conducted a review of all our properties with a view to make the Group more sustainable.
- We have developed a new 5 year strategic plan. This plan takes into account the losses for the year ending October 09 and was developed with a view to return to profitability in 2012.
- We have completed a concept master plan to take advantage of our property holdings, particularly at Penrith.
- Remember, across the Group we have assets valued at \$216m.

It is really important to understand the real situation as opposed to the headlines. I encourage you to ask for a copy of the Annual Report, or download it from the website www.panthersgroup.com.au and also attend the Annual General Meeting. This way you can get a full understanding of the current situation and the planned way forward.

Regards,

Glenn Matthews
CEO Panthers Group