



30 September 2010

Quintain Estates & Development plc
(“Quintain” / “Company” / “Group”)

PRE-CLOSE STATEMENT

Quintain Estates & Development plc sets out below a trading update for the six months to 30 September 2010, ahead of the interim results announcement on 26 November.

Milestones Update

Strong progress has been made during the period regarding the nine milestones for the financial year, which were announced on 3 June 2010. As reported on 10 August, the first two have been achieved with the significant expansion of operational beds within iQ and the sale of Pier Walk at Greenwich. Good progress has also been made regarding six of the remaining milestones, and the Board is confident of further delivery during the current calendar year.

Fund Management News

Quercus Fund

Over the last six months, £57m of assets have been acquired by the Quercus Healthcare Fund using a combination of the equity raised at a 5% premium to NAV in February from the Fund’s existing investors and new debt funding from Santander. The new assets, which comprise elderly care facilities, are all let on 30 or 35 year leases and expand the operator base of the Fund to 37. Contracts regarding the acquisition of an additional eight care homes at a total cost of £29m were also exchanged during September, which will increase further the rental income of the Fund on completion.

iQ Fund

Prior to the start of the academic year, our student accommodation fund achieved 97% occupancy across the expanded portfolio. This compares with 86% at the same point in the previous academic year. The combination of this high level of occupancy and the 20% expansion in beds is anticipated to deliver an increase of over £2 million in Quintain’s share of the annualised rent roll.

Urban Regeneration News

Wembley City

Plans for the London Designer Outlet (“LDO”) at Wembley City were unveiled this month to the retail sector. The 350,000 sq ft centre will be the only one of its kind within the M25 as well as the closest designer outlet for six million people in the south east. Comprising 85 retail units, 15 restaurants and a nine screen, 1,800-seat cinema, the centre will also benefit from the current footfall of nine million people per annum to the site and the 780,000 people living within 20 minutes’ travel time. The launch of the LDO opportunity was undertaken from a very strong base with seven of the 15 restaurant units already in lawyers’ hands.

In addition, during the period, detailed planning consent was secured for a small plot beyond the main site to the south of the scheme, on which we intend to locate a portion of the off-site affordable family housing required within the Section 106 agreement.

Greenwich Peninsula

Strong prices have been achieved by Bellway on the sale of private homes in the first residential building at Greenwich Peninsula, to the extent that an overage to Quintain and its joint venture partner is anticipated. 85% of the homes within the building, which will be completed in 2011, have been sold off-plan.

Ravensbourne, the digital, design and communication college, opened its new 180,000 sq ft facility located between The O2 and Pier Walk this month, bringing 1,400 students to the centre of the scheme.

The first four retail concessions at Greenwich Peninsula will be opened this December to support the 3,200 people now based at the Peninsula. Costa Coffee, Chiquitos, a pharmacy and Wagamama have all taken space around Peninsula Square. Control of all the retail units is retained by Greenwich Peninsula Regeneration Ltd to ensure the ongoing quality of services at the Peninsula.

Dorset House, Oxford

Contracts were exchanged in September regarding the sale of a plot of land in Oxford known as Dorset House. The disposal for £5m demonstrates a premium to valuation of £1.3m and is in line with our strategy of releasing capital when advantageous from non-core assets to recycle into our major schemes.

Strategy

Good progress towards the fulfilment of the 2013 business plan is being achieved with the progressive delivery of the 2010/11 milestones. Given that a strategic partner for the Group is not fundamental to the fulfilment of the 2013 business plan and that creating such a partnership in current market conditions would not be conducive to delivering best value for shareholders, Quintain is not negotiating with any organisations in this respect. The Group's long term strategy of initiating opportunities and securing suitable equity partners at a plot level continues effectively to support progress and build momentum.

Board

As announced on 20 September 2010, the Board has been strengthened by the appointment of Christopher Bell, formerly Chief Executive of Ladbrokes plc, as Non-Executive Director and the Company's Senior Independent Director. He has also been appointed to the Nominations, Audit and Remuneration Committees. Chris replaces David Pangbourne whose retirement came into effect on 7 September this year. He brings extensive experience of the retail and entertainment sectors to the Company at a time when Quintain is accelerating the development of these components within its major schemes.

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Notes

2010/11 Milestones

The operational targets within Quintain's three year business plan are to grow funds under management to £2bn and complete the Western Core of Wembley City. Both actions will increase recurring income to a material extent, cementing a long term and sustainable financial footing for the Group.

Within this three year business plan, there are nine clear operational targets for the current financial year.

These are to:

	Milestone	Business	Completed
1	Expand income producing beds in iQ by 20% at 3% year on year rental growth	Fund Management	July 2010
2	Conclude the sale of Pier Walk	Urban Regeneration	August 2010
3	Introduce equity partner to Corsham St scheme	Fund Management	
4	Start construction of Hilton and progress student block at Wembley	Urban Regeneration	
5	Create the next fund	Fund Management	
6	Invest the remaining designated cash from rights issue in income-producing assets	Fund Management	
7	Secure anchor tenants for Wembley retail outlet	Urban Regeneration	
8	Start construction of the next building at Greenwich	Urban Regeneration	
9	Achieve growth in FUM of approximately £250m	Fund Management	