



Quintain Estates & Development plc

Half Year Report to 30 September 2009

Chief Executive's Statement

The fundamental strength of Quintain's underlying business and the Group's skill at responding successfully to the evolving market were clearly demonstrated during the six months to 30 September 2009, as the Board continued to improve the financial position of the Company despite the challenging economic and market conditions.

Whilst maintaining our commitment to the Group's long term value-creation strategy, over the last 16 months the Board's focus has been on managing the business in line with the priorities stated in our August 2008 Interim Management Statement. These are:

- Firm management of risk
- Strengthened focus on preserving cash
- Selective exploitation of the strongest value-creating opportunities

A programme of measures has been successfully undertaken to reinforce the Group progressively against the full impact of the economic decline:

- £152.8m of cash has been repatriated to date since 1 April 2008;
- A 25% reduction in administrative expenses against budget for 2009 has been achieved; and
- The development pipeline has been re-aligned to reflect the market conditions.

These measures have ensured the Group continues to operate within its original banking covenants. However, it was considered prudent to extend these, to provide confidence to the market and greater flexibility in case conditions deteriorate beyond expectations. This was successfully achieved with the support of our relationship banks.

The management's short-term focus on these protective measures has significantly strengthened the financial position of the Company whilst keeping all major strategic interests intact.

PERFORMANCE

During the period under review, the Group's property assets saw a marginal increase of 1.7%, and the value of gross assets at 30 September 2009 was £1.2bn (March 2009: £1.2bn), reflecting evidence of management actions and stabilisation in some sectors of the property market. Basic NAV also stabilised at 356p (March 2009: 348p).

Gearing, as calculated for our banking covenants, stood at 94% at 30 September 2009 (March 2009: 105%), and the Company continues to operate without recourse to the extended gearing facility of up to 150% that remains available.

On an operational basis, the Group's gross profit fell by 6.3%, due mainly to loss of rental income from disposals made during the period. Revenue rose by 26.6% over the six months to £26.2m, compared with £20.7m in the same period last year, predominantly reflecting the disposal of units within W04 at Wembley to Registered Social Landlords.

BUSINESS DELIVERY

During the period, the business continued to deliver a good operational performance, with progress achieved on all major schemes and distributions from funds under management increasing despite the pressures in the wider market.

Within the Urban Regeneration business the first commercial building was opened at Greenwich Peninsula and fully occupied during the period, with an additional pre-let to London Borough of Greenwich completed on 21,000 sq ft of the second building this week. At Wembley, finance has been offered for the new hotel within the Quintain / Summit joint venture, announced in April, and construction is expected to begin before the end of the year. Contractors have now started work on supporting infrastructure relating to the retail core and W05, which is the hotel and student accommodation plot. We have also achieved progress on our regional schemes during the period, most particularly with the grant of outline planning consent for the 16 acre Beverley scheme and the first phase of residential apartments now completed at One Brighton, where sales have been good.

Our Fund Management business continues to prosper. Excluding the investment properties used to seed our new SeQuel Fund at the end of the period, funds under management fell only marginally by 1.7% to £964.1m in the six months to 30 September 2009. Three new student accommodation schemes have now opened within our iQ fund, increasing the portfolio by 48.5% to 3,618 income-producing beds. Quercus continues to deliver excellent relative performance, showing a property level return for the six months of 2.1% relative to its IPD benchmark of 0.5%.

BOARD

During the reporting period we were pleased to announce the appointment of William Rucker, Chief Executive of Lazard London, as Chairman of the Board with effect from 1 October 2009. William brings to the Group considerable financial expertise and strategic capability at a time of great opportunity and we welcome him to the Board. William succeeds John Plender, who has been with Quintain since 2002. We are delighted that John will remain a non-executive director until the end of the financial year, enabling us to continue to benefit from his insight and wise counsel.

With regret, I announce today the forthcoming departure of Tonianne Dwyer, who will be returning with her family to her native Australia next spring. Since her arrival in 2003, Tonianne has, with energy and skill, built and led the team that grew the fund management business into a resilient income-generator for Quintain. She has been a tremendous asset to the Group and her involvement in identifying the right successor will help to ensure continuity of the programme after her departure at the end of the financial year.

STRATEGY AND OUTLOOK

The measures we have taken over the last 16 months to guide Quintain through turbulent market conditions were carefully considered and have delivered the primary objective of achieving stability without undue sacrifice. Although some evidence of market stabilisation is beginning to emerge, our primary consideration is to safeguard the firm financial platform that we have secured, whilst positioning the Group to take full advantage of our existing pipeline and the opportunities presented by the market as conditions begin to improve.

We will therefore continue to manage the business in a considered manner, remaining vigilant on costs and focused on income-producing activities. Our priorities for the near-term are to:

1. Achieve a cashflow-positive position for the Group
2. Invest selectively to produce maximum value from our urban regeneration schemes and accelerate the growth of fund management
3. Secure best in class joint venture partners.

The Rights Issue announced today will transform the landscape in which we operate, providing not only the means with which to reduce our debt still further and cushion the Group against a possible further period of economic deterioration, but concurrently enable us to drive momentum in our major schemes through the bottom of the cycle and grow our Fund Management business.

In recent years we have made clear our intention to accelerate the growth of funds under management, which currently stand at £1.1bn, and today we announce our intention of doubling this figure within the next three years. This is an aggressive programme, but one that acknowledges the proven resilience of the specialist sectors on which we focus and their positive demographic characteristics.

We will continue to be visionary, agile and rigorously analytical with regard to risk and we are confident that our underlying strategy remains the right route to create and unlock significant future value for our shareholders.

Adrian Wyatt
Chief Executive
5 November 2009

Business Review

Urban Regeneration

68% of the Group's assets are managed within the Urban Regeneration business. Our two largest schemes are in London at Wembley and Greenwich and we hold a range of smaller regional projects, all of which are mixed use.

Wembley City

Quintain owns 85 acres around the National Stadium at Wembley. The business plan for this scheme is to create value through planning and development gain whilst building into the scheme the service infrastructure that will deliver robust income from future residents, employees and visitors to the site. Prior to development, income is derived from our land holdings through events and commercial deals.

Over the six months to 30 September 2009, the value of the scheme rose marginally to £492.5m (March 2009: £481.4m), reflecting management initiatives to increase value and more stable conditions in the property sector. Revenue from Wembley City has also increased slightly during the period to £9.9m, compared with £9.3m over the same period last year.

Tangible progress has been made onsite throughout the reporting period. Finance has been offered for the construction of a hotel at the northern gateway to the scheme within the Summit / Quintain joint venture, which was announced in April. Construction of the new building is expected to begin before the end of the year. It is anticipated that the hotel will be completed well before the 2012 Olympics, for which the National Stadium to the south of Quintain's scheme is a venue.

Construction continues of the second residential block, W04, of which 62.1% by value was sold prior to construction to Registered Social Landlords. The building is scheduled to complete in March 2010. Infrastructure work is scheduled to begin later this month on the site of the Western Core, preparing the way for future development in phase one.

Sales of the 145 private homes within Forum House continue, with 67 now complete and 17 reserved. Our lettings business has secured private rental deals on 67 units to date, at an average yield of 5.2%.

140 residents within Forum House have subscribed to Velocity1, our 100mbs broadband, IP telephony and digital TV platform. Revenue per user stands at £38.47 per month and the platform now offers Sky content, including premium products, taking the total number of channels on offer to over 100.

The progress made regarding the agreement of heads of terms with a major operator for Wembley City's ten screen cinema has already stimulated expressions of interest from associated restaurant brands. Completion of the cinema deal is anticipated during this financial year.

We also announced in July that the London Borough of Brent had adopted the revised masterplan for the wider Wembley Regeneration Area, within which Quintain is the major landowner. Specifically, it supports all the Company's key aspirations for the second and third phases of the Wembley City scheme. It endorses Quintain's plan to create a new retail street running north from Wembley Arena to Wembley Park tube station and the location of a new Civic Centre on Quintain's land at the heart of the Company's scheme. It also supports the creation of further hotels, conferencing facilities, cafes, bars and offices as well as new large scale visitor attractions and the location of coach parking for the Stadium to the east of the scheme. This is a major step forward in the scheme's evolution and clears the way for an application from Quintain for outline planning consent for Phase Two, which is expected to be submitted during the summer of 2010.

Greenwich Peninsula

Momentum continues to build at Greenwich Peninsula, to which Quintain holds the development rights in joint venture with Lend Lease Europe Ltd.

After capital expenditure, the valuation of Quintain's interest in this scheme rose 9.8% during the period to £271m (March: £230m), reflecting the progress achieved.

The first commercial building, 14 Pier Walk, was completed and opened during the period, bringing 1,800 Transport for London (TfL) employees to the Peninsula. The environmental credentials of this building are strong, with a BREEAM rating of Excellent. The entire building is subject to a 20 year lease, and we have now also agreed a ten year pre-let of 21,000 sq ft of the adjacent second commercial building, Mitre Passage, to the London Borough of Greenwich.

The construction of Ravensbourne College, which is located between The O2 and Pier Walk, continues and is on schedule to open prior to the start of the next academic year. This will bring 1,400 students to Greenwich Peninsula and, with them, further animation to the centre of the scheme.

Work is now underway on the first of the 10,000 homes consented for development across the Peninsula. We announced in July that the Homes and Communities Agency had committed £2m of funding to the Bellway residential plot in the south east of the Peninsula. Bellway subsequently started construction on the site. We are currently undertaking the infrastructure work that will support this first plot and three additional buildings in this district, adjacent to Greenwich Millennium Village.

In October, Quintain and Lend Lease announced the sale for £24.0m of their shares in Meridian Delta Dome Ltd, which held the 999 year head lease to the land on which the former Millennium Dome is located. The disposal to Trinity College Cambridge, which unlocked £11.8m of capital for Quintain, introduces another respected institution to this growing scheme. The operation of the venue by AEG is not effected by this sale.

Regional Schemes

The first phase of our zero carbon development at Brighton reached practical completion in September. 51 homes within this phase have been handed over to Moat Housing Association, and the sale of 27 private homes are complete, with contracts exchanged on a further 26 homes and 14 more reserved.

The Flemingate regeneration scheme in Beverley, of which we own 19%, reached an important milestone during the period with outline planning consent granted by the Secretary of State. Several housebuilders have shown significant interest in purchasing the residential component of the scheme and we are now working towards the submission of an application for detailed planning consent for phase one.

Agreement to sell Plot 4 at our Birmingham scheme, City Park Gate, to La Tour Hotels was reached in May. Planning consent, on which the sale depends, is expected to be determined in November. We are now actively marketing Island House, a period building on the site that is non-core to the overall scheme and offers a good stand-alone re-development proposition. Having secured planning consent for a car park on our land at this site, terms are now being agreed with operators.

Investment Portfolio

In line with our corporate strategy of growing our Fund Management business, towards the end of the reporting period £83.3m of secondary assets that had been incubated within the Investment Portfolio were used to seed a new fund of secondary properties called SeQuel. This leaves a residual £34.1m of directly held properties within the Investment Portfolio.

The role of this business within the Group is tactical and its size will continue to wax and wane in line with market conditions and the opportunities presented in urban regeneration and fund management. Over the last five years we have been net sellers, reducing the portfolio as value in this sector became scarce. Over the next few years, as liquidity allows, we intend to target very specific high yielding properties to add to this portfolio, which may in time be transferred to seed further funds or augment our urban regeneration schemes.

Quintain Fund Management

29% of the Group's assets are administered through the Fund Management business, which creates value from four alternative asset classes that benefit from prevailing social trends such as an ageing population, increasing student numbers and government focus on research and development.

During the period, as part of the corporate cash repatriation programme, Quintain sold Quercus units at book cost, reducing the Group's interest in this fund to 16.0%. Funds under management, excluding the assets within the new SeQuel Fund which was established at the end of September, fell 1.7% during the reporting period from £980.3m at March 2009 to £964.1m. Gross profit from fund management fees increased marginally from £2.5m to £2.6m.

SeQuel

At the end of the reporting period we seeded a new fund with £83.3m of high yielding property assets from our Investment Portfolio.

In the UK, the value of commercial property has fallen by 44% since its peak in 2007. This material correction in the market and the recent levelling of values indicates that the sector has significant potential for value-creation in the near term and the SeQuel fund seeks to capitalise on this dynamic.

The fund consists predominantly of secondary office properties, alongside some industrial and retail assets. Over the six month period these properties saw a 0.5% increase in value, contrasting with the 18.4% decrease during the preceding six months. The initial yield was 10.2%, reversionary yield 10.9% and net rental income from the assets amounted to £9.5m against an ERV of £10.2m.

Our strategy for this fund is to invest in high yielding assets where there is the potential to create substantial capital uplift from active management. We intend to bring new equity partners into the fund and there will be a focus on recovery opportunity in secondary markets where re-pricing potential exists.

Quercus

Our healthcare fund, Quercus, once again delivered a robust performance relative to the market over the six months. It produced a total return of 2.1% against its IPD benchmark for the period of 0.5%, although the impact of gearing and fees reduced fund level returns to 1.4%.

At investment level, the net initial yield on the fund moved out by 10 basis points over the period to 8.2% and rents remained strong, due to the 3% minimum uplifts.

Operators continue to report strong occupancy rates. However, we are monitoring tenants closely as public sector spending is likely to come under pressure due to the economic conditions. The impact on the healthcare sector is likely to be moderate as the underlying demographic trend of an ageing population remains strong.

27 care homes were sold during the period, 23 of them in the second quarter, realising a total of £58.8m at prices on average 2.4% below latest valuations. 26 of these sales were made to existing tenants, indicating that many operators in the fund are in a strong position to secure bank debt despite the difficult economic conditions: a positive indicator of the strength of the underlying business. The proceeds of these sales have been used to reduce gearing, which at 30 September 2009 stood at 51.2% against a covenant of 60%. Since the quarter end a further £13.5m of sales have been completed, reducing gearing further.

During the period, Quercus and Care Village Group (the operator of the Fund's assisted living scheme at Westbury) entered into a lease of 13 one bed rental units at the development. This transaction, which reflects a net initial yield of 8.5%, converts units held for sale into investment properties. To date, three tenants have moved into the leased apartments and two deposits have been taken on other units for sale, with the barn conversion under offer at £0.4m (£360 per sq ft).

The acquisition of Southlands Care Home near Beverley for £3.8m, to which the Fund committed early in 2008, took place, reflecting a net initial yield of 7.9%. The home provides nursing care for the elderly mentally ill with 46 registered beds and is currently fully occupied.

At the end of the period three of the 242 homes within the fund were in administration, and all three are now being managed by a respected operator known to the fund. Regulatory bodies have reported that they are highly satisfied with the new operator and this has been reflected in increased occupancy levels.

Alongside Aviva Investors, we are considering raising new equity for the fund in the new year, with a view to taking advantage of attractive opportunities in the healthcare market.

iQ

Income from our student accommodation fund, iQ, continues to grow, with 1,182 beds in three new schemes added to the operational portfolio over the reporting period.

At 30 September 2009, iQ had gross property assets of £187.4m, compared with £145.7m at 31 March 2009. The net initial yield of the portfolio rose 25bps to 6.65%, however, this was more than offset by rental growth. The loan to value ratio reduced over the period from 61.0% to 56.9%, against a covenant of 65% and we continue to monitor this closely.

Several years of successive growth in student numbers have combined with tighter regulations regarding accommodation and the ageing of housing stock held by universities to support rental price growth in this sector and, despite the relative immaturity of all our schemes, iQ has delivered year on year average rental growth of 5.5%.

The portfolio now totals nine schemes containing 3,618 beds, an increase of 48.5% year on year. Occupancy levels at the end of October in the six established schemes were strong at 96.8% and the three new buildings are also showing a good performance, with occupancy across the total portfolio at 88.8% to date. We are still taking bookings and expect second semester courses, which start in January, to increase occupancy.

We are pleased to report that our new scheme at Bristol has been pre-wired with Quintain's Velocity1 digital platform and has 257 student customers within the block, demonstrating not only the strength of the product but also the opportunities for growth provided within the Quintain portfolio alone.

Two further schemes, both in Edinburgh, are currently under construction and due to complete in good time for marketing prior to the start of the 2010 academic year. These will add 634 beds to the operational portfolio and, with them, another significant rise in rental income.

As stated in June, site preparation works are underway to permit the start of construction on the Corsham Street building in the new year. The Zone 1 location of the scheme, excellent transport links and significant undersupply of purpose built student accommodation in London mean that we continue to experience strong interest from universities.

Quantum

Funds under management within Quantum remained stable over the period and there were no acquisitions or disposals.

The major asset within Quantum is the right to develop the 54 acre Bristol and Bath Science Park. We expect to agree shortly with the South West Regional Development Agency heads of terms to provide additional capital support for the first phase of development on the site. The arrangements are subject to SWRDA and Treasury approvals, following which we would expect to announce a date for work to start on the site.

Our property at Cambridge is undergoing refurbishment prior to marketing in the new year. At Edinburgh we have successfully renewed the lease of a significant occupier on improved terms and have completed a lease to a new tenant ahead of business plan.

Finance Review

Headline Results

The basic net asset value per share at 30 September 2009 was 356p, an increase of 2.3% from 348p at 31 March 2009. On a diluted basis, the net asset value per share rose 2.3% from 346p to 354p. Adjusted diluted net asset value per share, the measure recommended by The European Public Real Estate Association (“EPRA”), rose by 2.2% to 413p per share (31 March 2009: 404p).

	30 September 2009	31 March 2009	% change
NAV per share basic	356p	348p	2.3
NAV per share diluted	354p	346p	2.3
NAV per share EPRA ¹	413p	404p	2.2
Total return per share ²	2.3%	(39.0)%	

¹ The EPRA NAV per share excludes the fair value adjustments for debt and related derivatives and deferred taxation on revaluations and is calculated on a diluted basis.

² The total return is calculated by the increase in net assets per the Consolidated Balance Sheet adding back the dividend paid.

Operating Performance

Gross profit for the six months fell by 6.3% to £14.1m (30 September 2008: £15.1m). Within this, gross rental income from directly owned properties was £10.5m, down £0.3m compared with the same period last year. Despite this, cost of sales rose marginally from £2.2m to £2.4m reflecting increased void costs, particularly arising from the maintenance costs at Hudson House, where 19% of space is un-let, and a higher level of bad debts of £0.2m, mainly in relation to Wembley Retail Park.

	30 September 2009 £m			31 March 2009 £m		
	Directly owned properties	Within joint ventures	Total	Directly owned properties	Within joint ventures	Total
Gross rental income	10.5	10.5	21.0	22.1	23.0	45.1
Contracted annualised rent	20.8	20.1	40.9	20.6	21.3	41.9
ERV*	26.9	24.6	51.5	26.8	22.0	48.8

*ERV is the estimated rental value

The contracted annualised rent and ERV within joint ventures fell marginally with the loss of income from sale of units within Quercus more than offsetting the additional rent from our share of the three new student accommodation schemes.

Sales of affordable units in Quadrant Court (W04), Wembley gave rise to proceeds of £6.3m, but were profit neutral. In the same period last year there were no disposals of directly owned trading properties.

Income from hotel operations relates to the Plaza hotel at Wembley. Gross profit was in line with the prior period at £2.2m before charging administration expenses of £1.3m (30 September 2008: £1.3m). Performance held up

despite the difficult economic environment as the hotel benefited from events being held at the Stadium and Arena.

Net fees from fund management for the period fell slightly to £3.0m (30 September 2008: £3.2m) reflecting lower gross assets within Quercus and the end of the development management agreement at Forum House, Wembley, following completion of this building.

Net other income fell by £0.3m to £0.7m for the period, with higher abortive project fees.

Administration expenses fell by 16.3% to £10.8m for the six months with the largest saving being made in staff salaries and related costs. The provision for Employers' National Insurance on share schemes was significantly higher than in the same period last year because of the increase in the share price over the six months. Legal costs were substantially reduced as a £1m settlement had been made in the equivalent period last year.

Loss on Sale of Non-Current Assets

Sales of investments in the period with proceeds of £40.8m gave rise to a profit on historic cost of £2.2m and a loss against valuation of £10.1m predominantly relating to the disposal of Quercus units. There were no sales in the same period last year. Lack of liquidity during the period for most property classes meant that it was a buyers' market. This trend has now started to reverse for prime properties.

Revaluation Surpluses and Deficits

The net revaluation surplus arising from directly held properties was £27.9m. This is all recognised in the Income Statement as, from 1 April 2009, development properties are accounted for under IAS 40 'Investment Property'. For the same period last year the deficit was £215.5m split between £33.4m reflected in the Income Statement and £182.1m in equity. The revaluation movements on joint venture investments are incorporated within the share of profit from joint ventures which is discussed in more detail below.

Share of Loss from Joint Ventures

The loss from joint ventures in the six months was £5.9m (30 September 2008: loss £8.9m). Before revaluation movements, tax and losses on disposals this would have been a profit of £3.5m (30 September 2008: profit £4.3m). The reduction in profits is mainly attributable to lower profits on the sale of residential units at Forum House (W01), Wembley and the disposal of an interest in a joint venture in the previous period at a profit. This excludes net fees receivable of £3.0m (30 September 2008: £3.2m) in relation to managing the funds. A summarised income statement split by joint venture is included in note 11i to the accounts.

Impairment of Other Non-Current Investments

There were no charges for impairment of other non-current investments in the period. (30 September 2008: £7.8m).

Finance Expenses

Net finance expenses for the period were £5.8m (30 September 2008: £3.5m). Interest payable has reduced to £15.6m (30 September 2008: £19.5m) reflecting in particular a lower average cost of debt for the six months of 4.7%, compared with 6.3% for the same period last year. The rate is likely to increase in the near future with debt being paid down limiting the advantage we take of floating rate debt. At 30 September 2009, whilst 100% of our debt was hedged, 25% was floating with caps, so benefiting from lower rates.

Interest capitalised in the period of £6.6m (30 September 2008: £7.4m) relates to Wembley (£5.7m) and Greenwich Peninsula (£0.9m). Interest receivable was £2.5m (30 September 2008: £5.4m). The higher level of interest receivable in the prior period came from a third party loan that was repaid in September 2008.

	30 September 2009 £m	30 September 2008 £m
Interest payable	(15.6)	(19.5)
Interest capitalised	6.6	7.4
Interest receivable	2.5	5.4
Change in fair value of ineffective interest rate swaps and caps	0.7	(0.1)
Profit on termination of interest rate swaps	-	3.3
Total net finance expenses	(5.8)	(3.5)

Taxation

A tax charge of £2.0m, of which £1.9m is deferred, has been reflected in the Income Statement (30 September 2008: credit £7.8m). This has arisen because of revaluation movements in the period.

Balance Sheet

At 30 September 2009, investment and development properties were valued at £825.1m after a net revaluation surplus of £27.9m. For Wembley and Greenwich, the two largest assets in the portfolio, a greater analysis of the valuations and sensitivities is set out below.

Wembley City

	£m
As at 1 April 2009	481.4
Capital expenditure on investment and development assets	5.3
Disposals	(5.0)
Capitalised interest	5.7
Valuation surplus	5.1
As at 30 September 2009	492.5

The valuation was broadly neutral for the six months. On the investment properties leased on long term lets to robust businesses at the Stadium Retail Park yields reduced by 100bps. Elsewhere, lets with shorter leases to more susceptible organisations, yields rose by between 50 and 130bps. The impact of this combined with a reduction in ERVs was largely offset by a reduction in costs and progress on site.

On the development properties, whilst the valuation is a view of what the market may pay at any point in time, it is supported by a discounted cashflow model. The discount rate was unchanged at 15%. Average base rates for residential fell in line with expectations to £457 per square foot from £526 in March 2009. Growth rates on residential prices were unchanged except for a further six month delay in the regeneration uplift. There still remains incorporated within these growth rates an uplift in addition to market movements to re-set base prices at a higher level, as Wembley is transformed as a location.

The model is based on many assumptions and the table below is included to provide shareholders with a better understanding of the dynamics relating to some of these assumptions. It is a sensitivity analysis and is not necessarily an indication of the Company's view.

Valuation £m		Discount Rate		
		13.5%	15%	16.5%
Annualised residential price inflation	+2%	648	574	511
	0%	555	492.5	439
	-2%	478	425	379

It is important to note that there is a strong correlation over time between growth rates and construction cost inflation so the impact of movements in growth rates may be largely neutralised by changes in cost inflation.

Greenwich Peninsula

The valuation below relates to Quintain's interests at Greenwich Peninsula as developer and landowner.

	£m
As at 1 April 2009	230.0
Capital expenditure	15.9
Capitalised interest	0.9
Valuation surplus	24.2
As at 30 September 2009	271.0

The valuation of Greenwich, which is shown partly in development properties and partly within joint ventures, rose by £24.2m to £271m. Key factors in this were a 50bps hardening of yields in Pier Walk at Greenwich, which is let for 20 years to TfL and average base rates for residential, of £347 to £609 per square foot, holding up against previous forecasts of deflation. This is obviously contrary to Wembley and reflects the differing nature of the locations.

As with Wembley, the valuation is supported by a discounted cash flow model. The discount rate remained unchanged at 15.7% as did the residential growth rate. Commercial yields moved out 25bps.

On a similar basis to Wembley, varying the discount and growth rates gives the following valuation sensitivities:

Valuation £m		Discount Rate		
		14.2%	15.7%	17.2%
Annualised residential	+2%	360	324	296
price inflation	0%	300	271	249
	-2%	248	227	208

Joint Ventures

As at 30 September 2009, Quintain had net investment in joint ventures totalling £197.8m (31 March 2009: £215.0m). The main contributor to the reduction was the sale of units in Quercus in September for proceeds of £31.3m. The summarised balance sheets of the joint venture investments are available in note 11i to the accounts.

Capital Commitments

The table below sets out Quintain's contractual capital commitments including our share of any commitments within joint ventures. All these commitments will be funded from existing corporate and joint venture facilities.

	30 September 2009
	£m
<i>Group:</i>	
Wembley	19.2
City Park Gate, Birmingham	6.9
Others	0.6
<i>Joint ventures:</i>	
iQ	5.8
BioRegional Quintain	2.8
Wembley – Quintessential	0.4
Quantum	12.2
Greenwich – N0204 / infrastructure	8.6
Total	56.5

Financing Strategy

Our financial strategy in the medium term is to manage a level of debt that balances the risks to the business with the higher returns on equity that, over time, will accrue due to the lower cost of debt. Gearing levels, being the proportion of debt compared with equity, will vary depending on the profile of operational risks, the capital that is currently committed or expected to be committed in the future and the cyclical high or low of property valuations. As the economy deteriorated over the last year the balance sheet became highly geared. In order to respond to this, from August 2008 the Company implemented a series of measures focusing on cash repatriation, such as the disposal of selected assets. The target of delivering £150m by 31 March 2010 has already been achieved with £152.8m secured to date.

Whilst the absolute level of debt for these markets was high, the structure of the debt has supported the business. Our financing structure needs to be flexible and cost effective. This has been achieved through securing funding at the corporate level, giving us the scope to fund efficiently all areas of the portfolio some of which would otherwise have been more challenging, such as infrastructure works at Wembley and Greenwich. It also provides us with liquidity and operational flexibility.

In response to falling property values, in March we negotiated an increase in the maximum gearing covenant from 110% to 150% in a structure that allowed us to pay additional costs only where we needed the headroom. The bank margin remains as before unless gearing rises above the original covenant of 110%. At that point it would ratchet up to a maximum of 3.5% over LIBOR for gearing levels over 140%. The Company has the option to apply this amendment each year for three years by the payment of an annual amendment fee of 1%. Once the option has expired the underlying bank margin will increase permanently by 25 basis points.

During the period we reached agreement with one of our lending banks regarding a £95m facility, removing the option for the bank to require repayment by April 2010, resulting in a maturity of April 2013, in return for the commitment being reduced to £50m, amortising to £35m by April 2011. This means the first material maturity is now 2013. We also reached agreement with all drawn banks that, alongside the gearing amendment, the Company could - at its election - remove any losses on disposals from the interest cover covenant calculation in return for the net proceeds being used to repay and pro-rata cancel facilities.

	Covenant	30 September 2009	31 March 2009
Net borrowings		£534.9m	£533.3m
Weighted average debt maturity		4 years	4.5 years
% of net debt hedged		100%	100%
<i>Undrawn committed facilities</i>			
Group		£165.2m	£134.5m
Joint ventures		£86.8m	£96.0m
<i>Banking covenants</i>			
Gearing per banking covenants ¹	150%	94%	105%
Interest cover ²	1.25 times	2.3 times	1.7 times

¹Gearing as per our banking covenants is defined as net borrowings not subject to joint arrangements, divided by shareholders funds, excluding the impact of deferred tax and marking to market of debt

²Interest cover, per our banking covenants, is defined as operating profit before net finance expenses plus realised surpluses on disposals divided by net finance costs excluding marking to market adjustments.

Hedging

At 30 September 2009, Quintain's interest rate was 100% hedged (31 March 2009: 100%). The fair value adjustment on these interest rate hedging instruments was a surplus of £4.8m (30 Sept 2008: surplus £2.4m). Of the movement during the period £0.7m was credited to the Income Statement, being the element relating to non-cashflow hedges and £4.1m credited directly to equity.

In relation to joint ventures, the fair value adjustment on these interest rate hedging instruments was a surplus of £0.5m (30 September 2008: £0.7m) which was credited directly to equity.

Cashflow

Net cash inflow from operating activities was an outflow of £16.6m (30 September 2008: inflow £7.5m), of which £8.6m was an increase in trading properties.

The purchase and development of property assets of £4.2m and loans to joint ventures and associates of £24.6m was more than offset by proceeds of £40.2m from the sales of non-current assets. This resulted in a net cash inflow from investing activity of £16.5m.

Key Performance Indicators

Our key performance indicators are as set out in the Group's annual report and accounts for the year ended 31 March 2009.

Financial Outlook

Whilst valuations have stabilised over the period, the economic outlook remains uncertain. The actions taken in repatriating cash and reducing costs alongside the additional flexibility delivered on the banking covenants, has significantly improved the financial security of the business. At 30 September 2009 valuations would have to fall by a further 17% to breach the revised gearing covenant. The Rights Issue announced today, if approved by shareholders, will result in an additional net £183.5m of cash. This will initially be used to reduce debt further, increasing the headroom discussed above to 43%.

Part of the proceeds will be set aside to further enhance the stable financial position that has been secured. It is intended that the balance will be deployed to achieve two objectives:

- Ensure momentum at Wembley City and Greenwich Peninsula with investment in planning, infrastructure and the next phase of key development.
- Invest in income producing opportunities, particularly within our specialist areas, to deliver a positive recurring income position

Risk Management

In addition to those general economic, security and regulatory risks faced by a wide range of companies that are part of the general commercial environment, we consider there to be the following specific risks faced by our Company.

Market conditions

The Group's business is dependent on the general economic and property market conditions in the United Kingdom. A deterioration in residential and commercial property markets could lead to further declines in the value of the Group's property portfolio, tenant default and a reduction in income from these properties. Whilst values have stabilised in the period, there remains the threat of a 'double dip'.

Valuation risk

In addition to the inherent difficulty in valuing real estate investments and consequent uncertainty, values are subject to short term fluctuations. This is more acute in development properties. As the Group's debt facilities include a corporate gearing covenant, falls in value could lead to a potential banking default. In addition the estimates resulting from the valuation process may not reflect actual sales prices, even were such sales to occur shortly after the valuation date.

Development risks

The Group is on site with three developments (and associated infrastructure), two of which are in joint venture. Property development involves certain risks including construction cost inflation, cost overruns and delays to the completion of projects. These and other factors could give rise to losses on individual development projects. To control these risks, Quintain's in-house project management team transfers risk to contractors where possible. The supply chain management programme is creating increased visibility into costs and opportunities for cost reduction, whilst standardisation across Quintain's projects is increasing predictability. The economic recession is reducing pressure on construction costs and we may see construction cost deflation in the near term.

Whilst the Group has a substantial pipeline, we have limited further obligations, and will only enter into future commitments where, in the judgement of the Board, it is financially prudent to do so.

Debt funding

Lack of availability of debt generally in the market can reduce the number of purchasers, which will make it more difficult to sell assets and potentially result in a reduction in the price that the buyer would be willing to pay. Lack of availability of funds for the regeneration projects could give rise to delays with a follow-on impact on both values and the ability to capitalise interest against these sites, so worsening the interest cover ratio for our corporate banking covenants.

Key judgements

Properties are externally valued twice a year by independent valuers. There is currently less direct evidence of property values because of a lower level of transactions than usual, giving rise to an increased level of uncertainty with respect to the values. This uncertainty is more acute in the case of our large scale urban regeneration projects where there are no direct comparables.

Counterparty risk

The Group engages in contractual relationships with third parties in the ordinary course of business. The failure of third parties to fulfil their contractual responsibilities, for example, a bank, contractor, joint venture partner or purchaser defaulting, could place the Group or its projects at risk.

Tenant default

Tenants are likely to be facing difficult operating conditions and there is therefore an increased risk that some may default on their rent payments. However, the large number of tenants and the diversity of their businesses and geographical spread would reduce the likely impact on the Group.

Dependence on key personnel

The loss of key personnel could affect delivery of the business strategy. This risk is currently increased because share incentive packages have very little value or no value, although partially offset by a poor employment market. As highlighted in the March 2009 accounts the intention is to implement a new share incentive plan during 2010.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Adrian Wyatt
Chief Executive

Rebecca Worthington
Finance Director

Forward looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "projects", "assumes", "expects", "intends", "may", "will", "would" or "should", or in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Group's result of operations, financial condition, liquidity, prospects, growth strategies and the sectors in which the Group operates. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the market, market position of the Group, earnings, financial position, cash flows, return on capital, anticipated investments and capital expenditures, changing business or other market conditions and general economic conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to the Company's continuing obligations under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.

INDEPENDENT REVIEW REPORT TO QUINTAIN ESTATES AND DEVELOPMENT PLC**Introduction**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cashflow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Stephen Bligh
for and on behalf of KPMG Audit Plc

Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

5 November 2009

Consolidated Income Statement
for the six months ended 30 September 2009

	Notes	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Revenue	2	26,163	20,719	66,019
Cost of sales	2	(12,031)	(5,643)	(30,986)
Gross profit		14,132	15,076	35,033
Administrative expenses before exceptional expenses	4	(10,828)	(12,936)	(24,109)
Exceptional administrative expenses	4	-	-	(2,336)
Operating profit before recognition of results from non-current asset sales and revaluation		3,304	2,140	8,588
(Loss) profit from sale of non-current assets	5	(10,071)	19	(4,821)
Gain (deficit) on revaluation of investment and development properties		27,868	(33,380)	(68,249)
Share of loss from joint ventures	11i	(5,932)	(8,944)	(47,291)
Share of profit (loss) from associate		175	(107)	86
Impairment of other non-current investment	11ii	-	(7,790)	(7,790)
Operating profit (loss) before net finance expenses		15,344	(48,062)	(119,477)
<i>Interest payable</i>		<i>(9,008)</i>	<i>(12,060)</i>	<i>(21,163)</i>
<i>Change in fair value of derivative financial instruments</i>		<i>660</i>	<i>3,165</i>	<i>1,912</i>
<i>Finance expenses</i>		<i>(8,348)</i>	<i>(8,895)</i>	<i>(19,251)</i>
<i>Finance income</i>		<i>2,553</i>	<i>5,362</i>	<i>9,662</i>
Net finance expenses	6	(5,795)	(3,533)	(9,589)
Profit (loss) before tax		9,549	(51,595)	(129,066)
<i>Current tax</i>		<i>(92)</i>	<i>(83)</i>	<i>11,362</i>
<i>Deferred tax</i>		<i>(1,900)</i>	<i>7,837</i>	<i>11,474</i>
Tax (charge) credit for the period	7i	(1,992)	7,754	22,836
Profit (loss) for the financial period attributable to equity shareholders		7,557	(43,841)	(106,230)
Earnings per share (pence):	8i			
basic		5.9	(34.3)	(83.0)
diluted		5.9	(34.3)	(83.0)

**Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2009**

	Notes	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Foreign currency translation differences		(28)	(4)	250
Deficit on revaluation of development properties		-	(182,083)	(212,062)
Deficit on revaluation of other non-current investments		(80)	(175)	(364)
Recycling of revaluation movement on other non current investment		-	2,159	2,159
Effective portion of changes in fair value of cashflow hedges, net of recycling		4,092	2,522	(29,712)
Share of other comprehensive income in joint ventures, net of tax	11i	343	321	(12,125)
Tax on other comprehensive income	7ii	(1,146)	53,493	66,139
Other comprehensive income for the financial period, net of tax		3,181	(123,767)	(185,715)
Profit (loss) for the financial period		7,557	(43,841)	(106,230)
Total comprehensive income for the financial period, net of tax		10,738	(167,608)	(291,945)

**Consolidated Balance Sheet
as at 30 September 2009**

	Notes	Unaudited As at 30 Sept 2009 £000	Unaudited As at 30 Sept 2008 £000	Audited As at 31 March 2009 £000
Non-current assets				
Investment properties	10	825,135	189,043	143,452
Development properties	10	-	680,030	656,688
Owner-occupied properties, plant and equipment		3,754	2,667	4,135
Investment in joint ventures	11i	197,788	288,884	214,995
Investment in associate		1,418	1,050	1,243
Other non-current investments	11ii	4,055	11,008	10,820
Total non-current assets		1,032,150	1,172,682	1,031,333
Current assets				
Trading properties		33,989	30,280	26,601
Trade and other receivables	12	17,141	26,192	15,658
Current investments		4	4	4
Cash and cash equivalents		8,626	7,677	9,215
Total current assets		59,760	64,153	51,478
Total assets		1,091,910	1,236,835	1,082,811
Current liabilities				
Bank loans and other borrowings	14	(6,200)	-	-
Trade and other payables	13	(42,862)	(37,822)	(46,913)
Current tax liability		(1,273)	(7,373)	-
Total current liabilities		(50,335)	(45,195)	(46,913)
Non-current liabilities				
Bank loans and other borrowings	14	(530,091)	(560,647)	(533,490)
Deferred tax liability	7iii	(29,071)	(42,308)	(26,025)
Obligations under finance leases		(11,152)	(11,723)	(11,156)
Other payables		(14,657)	(8,849)	(20,382)
Total non-current liabilities		(584,971)	(623,527)	(591,053)
Total liabilities		(635,306)	(668,722)	(637,966)
Net assets		456,604	568,113	444,845
Equity				
Issued capital	16	32,515	32,511	32,511
Share premium account		51,527	51,518	51,518
Revaluation reserve		(95)	201,460	174,588
Other capital reserves		108,136	108,136	108,136
Cashflow hedge reserve		(36,762)	1,815	(41,727)
Translation reserve		540	314	568
Retained earnings		311,275	184,299	131,191
Own shares held reserve		(10,755)	(11,940)	(11,940)
Equity shareholders' funds		456,381	568,113	444,845
Non-controlling interest	20	223	-	-
Total equity		456,604	568,113	444,845
Net asset value per share (pence):				
basic	8ii	356	443	348
diluted		354	439	346

**Consolidated Statement of Changes in Equity
for the six months ended 30 September 2009**

	Share capital	Share premium account	Revaluation reserve	Other capital reserves	Cashflow hedge reserve	Translation reserve	Retained earnings	Own shares held reserve	Unaudited Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Equity shareholders' funds									
Balance 1 April 2009	32,511	51,518	174,588	108,136	(41,727)	568	131,191	(11,940)	444,845
Transfer on change in accounting policy relating to development properties (note 1)	-	-	(174,603)	-	-	-	174,603	-	-
Total comprehensive income for the period, net of tax	-	-	(80)	-	4,965	(28)	5,881	-	10,738
Issue of shares less costs	4	9	-	-	-	-	(9)	-	4
Purchase of own shares as treasury shares	-	-	-	-	-	-	-	(36)	(36)
Cost relating to share-based payment schemes	-	-	-	-	-	-	830	-	830
Shares awarded to employees under share-based bonus schemes	-	-	-	-	-	-	(1,221)	1,221	-
Balance 30 Sept 2009	32,515	51,527	(95)	108,136	(36,762)	540	311,275	(10,755)	456,381
Non-controlling interest									223
Total equity									456,604

**Consolidated Statement of Changes in Equity
for the six months ended 30 September 2008**

	Share capital	Share premium account	Revaluation reserve	Other capital reserves	Cashflow hedge reserve	Translation reserve	Retained earnings	Own shares held reserve	Unaudited Equity shareholders' funds
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance 1 April 2008	32,483	51,343	327,360	108,136	(322)	318	238,805	(12,422)	745,701
Total comprehensive income for the period, net of tax	-	-	(125,900)	-	2,137	(4)	(43,841)	-	(167,608)
Issue of shares less costs	28	175	-	-	-	-	(71)	-	132
Cost relating to share-based payment schemes	-	-	-	-	-	-	760	-	760
Shares awarded to employees under share-based bonus schemes	-	-	-	-	-	-	(482)	482	-
Dividends paid in period	-	-	-	-	-	-	(10,872)	-	(10,872)
Balance 30 Sept 2008	32,511	51,518	201,460	108,136	1,815	314	184,299	(11,940)	568,113

Consolidated Statement of Changes in Equity
for the year ended 31 March 2009

	Share capital	Share premium account	Revaluation reserve	Other capital reserves	Cashflow hedge reserve	Translation reserve	Retained earnings	Own shares held reserve	Audited Equity shareholders' funds
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance 1 April 2008	32,483	51,343	327,360	108,136	(322)	318	238,805	(12,422)	745,701
Total comprehensive income for the year, net of tax	-	-	(152,772)	-	(41,405)	250	(98,018)	-	(291,945)
Issue of shares less costs	28	175	-	-	-	-	(71)	-	132
Cost relating to share-based payment schemes	-	-	-	-	-	-	1,829	-	1,829
Shares awarded to employees under share-based bonus schemes	-	-	-	-	-	-	(482)	482	-
Dividends paid in year	-	-	-	-	-	-	(10,872)	-	(10,872)
Balance 31 March 2009	32,511	51,518	174,588	108,136	(41,727)	568	131,191	(11,940)	444,845

**Consolidated Cashflow Statement
for the six months ended 30 September 2009**

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Operating activities			
Profit (loss) for the financial period	7,557	(43,841)	(106,230)
Adjustments for:			
Depreciation of plant and equipment	395	399	726
Cost relating to share-based payment schemes	830	760	1,829
Net finance expenses	5,795	3,533	9,589
Loss (profit) on sale of properties held as non-current assets	10,071	(19)	4,821
(Gain) deficit on revaluation of investment and development properties	(27,868)	33,380	68,249
Share of loss from joint ventures	5,932	8,944	47,291
Share of (profit) loss from associate	(175)	107	(86)
Profit from sale of plant and equipment	-	(4)	(4)
Impairment of other non-current investment	-	7,790	7,790
Tax on continuing operations	1,992	(7,754)	(22,836)
	4,529	3,295	11,139
(Increase) decrease in trade and other receivables	(2,162)	9,203	19,746
(Decrease) increase in trade and other payables	(1,290)	10,946	(4,209)
Increase in trading properties	(8,602)	(8,925)	(4,462)
	(7,525)	14,519	22,214
Cash generated from operations	(7,525)	14,519	22,214
Interest paid	(11,624)	(14,045)	(29,708)
Interest received	777	2,990	8,561
Tax recovered	1,779	3,986	2,625
Net cashflow from operating activities	(16,593)	7,450	3,692
Investing activities			
Purchase and development of property assets	(4,226)	(20,753)	(23,594)
Purchase of plant and equipment	-	(387)	(2,104)
Proceeds from sales of non-current assets	40,166	6,519	39,057
Tax paid on sales of non-current assets	-	(4,048)	-
Loans to joint ventures and associate	(24,590)	(61,010)	(64,113)
Distributions received from joint ventures	5,167	2,751	5,921
Acquisition of other investments	-	(1,618)	(1,619)
Proceeds from non-current receivable	-	43,081	43,081
Net cashflow from investing activities	16,517	(35,465)	(3,371)
Financing activities			
Issue of shares	4	132	132
Investment in own shares	(36)	-	-
Proceeds from new borrowings	179,950	217,000	440,000
Repayment of borrowings	(179,000)	(197,600)	(441,600)
Payment of loan issue costs	(1,006)	(537)	(6,787)
Payment of finance lease liabilities	(386)	(409)	(796)
Equity dividends paid	-	(10,872)	(10,872)
Net cashflow from financing activities	(474)	7,714	(19,923)
Net decrease in cash and cash equivalents	(550)	(20,301)	(19,602)
Cash and cash equivalents at start of period	9,215	27,982	27,982
Effect of exchange rate fluctuations on cash held	(39)	(4)	835
Cash and cash equivalents at end of period	8,626	7,677	9,215

**Notes to the accounts
for the six months ended 30 September 2009**

1. Accounting policies

The comparative figures for the financial year ended 31 March 2009 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified but included an emphasis of matter paragraph on the material uncertainty arising from the impact on loan covenants of the continuing fall in property values which appeared to cast a significant doubt on the Group's and Company's ability to continue as a going concern. The audit report did not contain statements under section 237(2) or (3) of the Companies Act 1985. These accounts are available on the Company's website (www.quintain-estates.com).

The improving outlook for the Group's properties, as evidenced by the positive revaluation movement in the period, and the results of the programme for the repatriation of funds through the disposal of properties and non-current investments, have reduced the gearing ratio, as defined within the banking loan documentation, and increased the headroom in relation to the maximum gearing level.

As at 30 September 2009, the Group had headroom of some 17% to accommodate any further falls in the valuation of its properties should these arise. While the directors continue to explore various options to increase this headroom, they consider that the actions taken to date and the changed conditions under which the Group operates enable the directors to conclude that there is no longer a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern. The directors consider it appropriate to prepare the financial statements on a going concern basis.

The interim statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in particular, with IAS 34, 'Interim Financial Reporting', and apply the significant accounting policies set out on pages 74 to 78 of the 2009 Annual Report and Accounts with the exceptions listed below.

IAS 1 (revised) requires the presentation of a Statement of Changes in Equity as a primary statement, separate from the Income Statement and Statement of Comprehensive Income. As a result, a Consolidated Statement of Changes in Equity has been included in the primary statements, showing changes in each component of equity for each period presented.

One of the amendments which forms part of the International Accounting Standards Board annual improvements project and has effect for accounting periods commencing on or after 1 January 2009 relates to the accounting treatment for development properties, previously accounted for under IAS 16, 'Property, Plant and Equipment'. Under the amendment, such properties are now accounted for under IAS 40, 'Investment Property', with revaluation movements recognised in the Income Statement rather than through equity. This change has had no impact upon the Group's net assets or cashflows and prior periods' results have not been restated. The cumulative balance of £174,603,000 included within the revaluation reserve in respect of development properties as at 1 April 2009 has been transferred to retained earnings in the current period.

The Group has also applied IFRS 2 (amendment), 'Share-based Payments' and IFRS 8, 'Operating Segments', both of which are effective for accounting periods beginning on or after 1 January 2009. Neither has had a material impact upon the financial statements. In particular, the segmental disclosure in prior periods already reflected the structure upon which the management of the Group's business and the allocation of its resources is based.

The preparation of the interim financial statements under IFRS requires the Board to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements that are not readily apparent from other sources. However, the actual results may differ from these estimates.

The measurement of fair value constitutes the main area of judgement exercised by the Board in respect of the Group's results. In relation to the Group's investment and development properties the Board has relied upon the external valuations carried out by professionally qualified valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. The principal valuers of the Group's investment and development properties are Savills Commercial Limited and Jones Lang LaSalle Limited while Colliers CRE plc, Knight Frank LLP and Christie + Co have valued the investment and development properties within Quercus, the Group's healthcare joint venture. The changes in the market values of properties are disclosed in notes 10 and 11 and discussed in the Risk Management section of the Financial Review.

The Group has also exercised its judgement in relation to the recognition of deferred tax assets, the estimation of the tax rate for the six month period using the tax rate expected to apply to the full year's results, the measurement of fair value of derivative financial instruments, for which it has relied on the valuation carried out by JC Rathbone Associates Limited, and in assessing the recoverability of trade receivables by reference to their age and the ability of debtors to pay. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revisions affect both current and future periods.

There have been no material changes in reportable contingent liabilities since 31 March 2009 and the Group's financial performance does not suffer materially from seasonal fluctuations.

Notes to the accounts (continued)

2. Revenue, cost of sales and gross profit

	Unaudited Six months ended 30 Sept 2009 Revenue £000	Unaudited Six months ended 30 Sept 2009 Cost of sales £000	Unaudited Six months ended 30 Sept 2009 Gross profit £000	Unaudited Six months ended 30 Sept 2008 Revenue £000	Unaudited Six months ended 30 Sept 2008 Cost of sales £000	Unaudited Six months ended 30 Sept 2008 Gross profit £000	Audited Year ended 31 March 2009 Revenue £000	Audited Year ended 31 March 2009 Cost of sales £000	Audited Year ended 31 March 2009 Gross profit £000
Rental income	10,502	(2,405)	8,097	10,828	(2,221)	8,607	22,074	(5,348)	16,726
Income from sale of trading properties	6,336	(6,336)	-	-	-	-	19,381	(19,381)	-
Income from hotel operations	4,039	(1,795)	2,244	3,975	(1,773)	2,202	7,332	(3,384)	3,948
Fees from fund management and other services provided to related parties	3,490	(441)	3,049	4,062	(827)	3,235	14,007	(1,069)	12,938
Other income	1,796	(1,054)	742	1,854	(822)	1,032	3,225	(1,804)	1,421
	26,163	(12,031)	14,132	20,719	(5,643)	15,076	66,019	(30,986)	35,033

The analysis of rental income and the related cost of sales (direct operating expenses) between investment and development properties was as follows:

	Unaudited Six months ended 30 Sept 2009 Revenue £000	Unaudited Six months ended 30 Sept 2009 Cost of sales £000	Unaudited Six months ended 30 Sept 2009 Gross profit £000	Unaudited Six months ended 30 Sept 2008 Revenue £000	Unaudited Six months ended 30 Sept 2008 Cost of sales £000	Unaudited Six months ended 30 Sept 2008 Gross profit £000	Audited Year ended 31 March 2009 Revenue £000	Audited Year ended 31 March 2009 Cost of sales £000	Audited Year ended 31 March 2009 Gross profit £000
Investment properties	10,502	(2,405)	8,097	7,073	(934)	6,139	14,321	(2,946)	11,375
Development properties	-	-	-	3,755	(1,287)	2,468	7,753	(2,402)	5,351
	10,502	(2,405)	8,097	10,828	(2,221)	8,607	22,074	(5,348)	16,726

Other income related to:

	Unaudited Six months ended 30 Sept 2009 Revenue £000	Unaudited Six months ended 30 Sept 2009 Cost of sales £000	Unaudited Six months ended 30 Sept 2009 Gross profit £000	Unaudited Six months ended 30 Sept 2008 Revenue £000	Unaudited Six months ended 30 Sept 2008 Cost of sales £000	Unaudited Six months ended 30 Sept 2008 Gross profit £000	Audited Year ended 31 March 2009 Revenue £000	Audited Year ended 31 March 2009 Cost of sales £000	Audited Year ended 31 March 2009 Gross profit £000
Surrender premiums	107	-	107	119	-	119	194	-	194
Management fees and commissions	979	(205)	774	1,164	(275)	889	1,778	(782)	996
Car parking income	454	(107)	347	449	(133)	316	941	(274)	667
Abortive project costs	-	(429)	(429)	-	(258)	(258)	-	(359)	(359)
Sundry income	256	(313)	(57)	122	(156)	(34)	312	(389)	(77)
	1,796	(1,054)	742	1,854	(822)	1,032	3,225	(1,804)	1,421

Notes to the accounts (continued)

3. Operating segments

The Group has three reporting segments by which the Board monitors the business and allocates resources. All activities are based in the United Kingdom and Channel Islands.

	Unaudited Six months ended 30 Sept 2009 Revenue £000	Unaudited Six months ended 30 Sept 2009 Gross profit £000	Unaudited Six months ended 30 Sept 2009 Profit (loss) before tax £000	Unaudited Six months ended 30 Sept 2008 Revenue £000	Unaudited Six months ended 30 Sept 2008 Gross profit £000	Unaudited Six months ended 30 Sept 2008 Loss before tax £000	Audited Year ended 31 March 2009 Revenue £000	Audited Year ended 31 March 2009 Gross profit £000	Audited Year ended 31 March 2009 Loss before tax £000
Investment Portfolio	6,118	4,623	3,701	6,748	5,422	(14,850)	13,250	9,888	(38,364)
Urban Regeneration Fund	16,722	6,705	34,527	10,259	6,833	(8,125)	39,081	12,693	(28,314)
Management	3,323	2,804	(12,056)	3,712	2,821	(12,151)	13,688	12,452	(26,354)
	26,163	14,132	26,172	20,719	15,076	(35,126)	66,019	35,033	(93,032)
Administrative expenses			(10,828)			(12,936)			(24,109)
Exceptional administrative expenses			-			-			(2,336)
Operating profit (loss)			15,344			(48,062)			(119,477)
Net finance expenses			(5,795)			(3,533)			(9,589)
Profit (loss) before tax			9,549			(51,595)			(129,066)

	Unaudited 30 Sept 2009 Investment properties £000	Unaudited 30 Sept 2009 Joint ventures and associate £000	Unaudited 30 Sept 2009 Trading properties £000	Unaudited 30 Sept 2008 Investment and development properties £000	Unaudited 30 Sept 2008 Joint ventures and associate £000	Unaudited 30 Sept 2008 Trading properties £000	Audited 31 March 2009 Investment and development properties £000	Audited 31 March 2009 Joint ventures and associate £000	Audited 31 March 2009 Trading properties £000
Investment Portfolio	34,056	-	-	159,159	-	-	117,853	-	-
Urban Regeneration Fund	656,597	92,866	33,989	691,979	99,578	30,280	631,237	77,929	26,601
Management	134,482	106,340	-	17,935	190,356	-	51,050	138,309	-
	825,135	199,206	33,989	869,073	289,934	30,280	800,140	216,238	26,601

	Unaudited 30 Sept 2009 Total revaluation movement £000	Unaudited 30 Sept 2008 Total revaluation movement £000	Audited 31 March 2009 Total revaluation movement £000	Unaudited 30 Sept 2009 Capital expenditure £000	Unaudited 30 Sept 2008 Capital expenditure £000	Audited 31 March 2009 Capital expenditure £000
Investment Portfolio	(933)	(20,736)	(47,180)	62	601	852
Urban Regeneration Fund	28,904	(188,414)	(288,090)	664	18,477	23,820
Management	(7,632)	(23,764)	(18,117)	110	-	254
	20,339	(232,914)	(353,387)	836	19,078	24,926

Notes to the accounts (continued)

4. Administrative expenses

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Directors' remuneration	1,022	1,853	2,328
Staff costs	5,846	5,858	12,016
Total staff costs	6,868	7,711	14,344
Legal and other professional fees	1,073	2,099	3,347
Office costs	1,754	1,912	4,110
Profit on sale of plant and equipment	-	(4)	(4)
Depreciation of tangible fixed assets	310	399	712
Operating lease payments	541	535	1,178
General expenses	282	284	422
Total administrative expenses (before exceptional expenses)	10,828	12,936	24,109

The exceptional administrative expenses incurred in the year ended 31 March 2009 related to fees incurred in respect of an abortive fund raising exercise.

5. (Loss) profit from sale of non-current assets

The loss in the period arose primarily from the disposal of units in the Quercus Healthcare Property Unit Trust at below book value but in terms of the historic cost of this investment, the result of the sale was neutral.

6. Net finance expenses

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Interest payable on bank loans and overdrafts	15,094	18,679	32,311
Interest payable on other loans	113	402	596
Interest on obligations under finance leases	383	406	790
Interest capitalised	(6,582)	(7,427)	(12,534)
Interest payable	9,008	12,060	21,163
Profit realised on termination of derivative financial instruments	-	(3,297)	(3,297)
Change in fair value of derivative financial instruments	(660)	132	1,385
Finance expenses	8,348	8,895	19,251
Finance income: interest receivable	(2,553)	(5,362)	(9,662)
Net finance expenses	5,795	3,533	9,589

Of interest capitalised in the period, the amount capitalised to investment properties under development was £6,291,000 (six months ended 30 September 2008: £7,110,000 and the year ended 31 March 2009: £11,851,000) and trading properties £291,000 (six months ended 30 September 2008: £317,000 and the year ended 31 March 2009: £683,000). The average interest rate used for capitalisation was 5.4 % (six months ended 30 September 2008: 6.3% and the year ended 31 March 2009: 5.6%).

7. Tax

i) Tax charge (credit) on profit (loss)

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
UK current tax at 28% (six months ended 30 September 2008 and year ended 31 March 2009: 28%)	-	-	-
Adjustments to prior years' UK corporation tax	-	-	(11,393)
Overseas tax	92	83	31
Total current tax charge (credit)	92	83	(11,362)
Deferred tax (note 7iii)	1,900	(7,837)	(11,474)
Tax charge (credit)	1,992	(7,754)	(22,836)

Notes to the accounts (continued)

7. Tax (continued)

ii) Tax recognised directly in equity

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Deferred tax credit on revaluation	-	(54,199)	(57,820)
Deferred tax charge (credit) on effective element of interest rate swaps	1,146	706	(8,319)
	1,146	(53,493)	(66,139)

iii) Deferred tax movements

	Audited 31 March 2009 £000	Recognised in income £000	Recognised in equity £000	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000
Capital gains less capital losses	37,576	6,860	-	44,436	43,172
Capital allowances	7,081	749	-	7,830	6,738
Derivative financial instruments	(8,770)	185	1,146	(7,439)	665
Other temporary differences	(573)	(3,678)	-	(4,251)	402
Revenue tax losses	(9,289)	(2,216)	-	(11,505)	(8,669)
Deferred tax provision	26,025	1,900	1,146	29,071	42,308

8. Earnings per share and net asset value per share

i) Earnings per share

	Unaudited Six months ended 30 Sept 2009 Profit after tax £000	Unaudited Six months ended 30 Sept 2009 Weighted average number of shares 000	Unaudited Six months ended 30 Sept 2009 Earnings per share pence	Unaudited Six months ended 30 Sept 2008 Loss after tax £000	Unaudited Six months ended 30 Sept 2008 Weighted average number of shares 000	Unaudited Six months ended 30 Sept 2008 Earnings per share pence	Audited Year ended 31 March 2009 Loss after tax £000	Audited Year ended 31 March 2009 Weighted average number of shares 000	Audited Year ended 31 March 2009 Earnings per share pence
Basic	7,557	128,074	5.9	(43,841)	127,871	(34.3)	(106,230)	127,927	(83.0)
Adjustment: Employee share-based payment schemes	-	547		-	-		-	-	
Diluted	7,557	128,621	5.9	(43,841)	127,871	(34.3)	(106,230)	127,927	(83.0)

Notes to the accounts (continued)

8. Earnings per share and net asset value per share (continued)

ii) Net asset value per share

	Unaudited As at 30 Sept 2009 Equity shareholders' funds £000	Unaudited As at 30 Sept 2009 Number of shares 000	Unaudited As at 30 Sept 2009 Net asset value per share pence	Unaudited As at 30 Sept 2008 Equity shareholders' funds £000	Unaudited As at 30 Sept 2008 Number of shares 000	Unaudited As at 30 Sept 2008 Net asset value per share pence	Audited As at 31 March 2009 Equity shareholders' funds £000	Audited As at 31 March 2009 Number of shares 000	Audited As at 31 March 2009 Net asset value per share pence
Basic	456,381	128,163	356	568,113	128,212	443	444,845	127,983	348
Adjustment: Employee share-based payment schemes	673	942		3,474	1,878		-	435	
Diluted	457,054	129,105	354	571,587	130,090	439	444,845	128,418	346

The number of shares in issue has been adjusted for the 1,896,057 (30 September 2008: 2,059,388 and 31 March 2009: 2,059,388) shares held by ESOP Trusts and by the Group as treasury shares.

Entitlements under the Executive Directors' Performance Share Plan have been excluded from the calculation in both i) and ii) above as the commitments relate to contingently issuable shares where the conditions had not been met at the Balance Sheet date.

9. Dividends

The Board does not propose to pay an interim dividend (six months ended 30 September 2008 and year ended 31 March 2009: nil pence).

10. Investment and development properties

The movements in the period in investment and development properties were as follows:

	Unaudited 30 Sept 2009 Investment properties £000	Unaudited 30 Sept 2009 Development properties £000	Unaudited 30 Sept 2008 Investment properties £000	Unaudited 30 Sept 2008 Development properties £000	Audited 31 March 2009 Investment properties £000	Audited 31 March 2009 Development properties £000
Opening balance	143,452	656,688	220,624	843,536	220,624	843,536
Reclassification (note 1)	656,688	(656,688)	-	-	-	-
Transfer to trading properties	-	-	-	(5,812)	-	(5,812)
Additions	836	-	600	18,478	784	24,142
Interest capitalised	6,291	-	-	7,110	-	11,851
Disposals	(10,000)	-	-	-	(14,674)	-
Revaluation surplus (deficit)	27,868	-	(32,181)	(183,282)	(63,282)	(217,029)
Closing balance	825,135	-	189,043	680,030	143,452	656,688

All of the Group's properties were externally valued as at 30 September 2009 on the basis of market value by professionally qualified valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

The Group's land holdings at Greenwich and Wembley have been valued by Savills Commercial Limited. The discount rates which have been applied in relation to these developments were 15.7% for the Greenwich interests and 15% for the Wembley development. Other properties in the United Kingdom have been valued by Jones Lang LaSalle Limited and Christie + Co. Properties in the Channel Islands have been valued by Guy Gothard & Co.

Notes to the accounts (continued)

10. Investment and development properties (continued)

A reconciliation of the valuations carried out by the external valuers to the carrying values shown in the Balance Sheet was as follows:

	Unaudited 30 Sept 2009 Investment properties £000	Unaudited 30 Sept 2008 Investment properties £000	Unaudited 30 Sept 2008 Development properties £000	Audited 31 March 2009 Investment properties £000	Audited 31 March 2009 Development properties £000
Investment and development properties at market value as determined by valuers	815,646	187,615	670,427	143,225	647,317
Adjustment in respect of rent-free periods and other tenant incentives	(1,693)	(538)	(178)	(1,174)	(410)
Adjustment in respect of minimum payments under head lease separately included as a liability in the Balance Sheet	11,182	1,966	9,781	1,401	9,781
As shown in the Balance Sheet	825,135	189,043	680,030	143,452	656,688

11. Non-current investments

i) Investment in joint ventures

a) The movement in investment in joint ventures was as follows:

	30 Sept 2009 Share of net assets £000	30 Sept 2009 Advances £000	Unaudited 30 Sept 2009 Total £000	30 Sept 2008 Share of net assets £000	30 Sept 2008 Advances £000	Unaudited 30 Sept 2008 Total £000	31 March 2009 Share of net assets £000	31 March 2009 Advances £000	Audited 31 March 2009 Total £000
Opening balance	(17,229)	232,224	214,995	71,974	167,366	239,340	71,974	167,366	239,340
Additions	1,379	-	1,379	-	-	-	41	-	41
Amounts advanced	-	31,443	31,443	-	61,010	61,010	-	64,858	64,858
Disposals	(39,779)	-	(39,779)	-	-	-	(23,250)	-	(23,250)
Distributions	(4,661)	-	(4,661)	(2,843)	-	(2,843)	(6,578)	-	(6,578)
Share of losses, net of tax	(5,932)	-	(5,932)	(8,944)	-	(8,944)	(47,291)	-	(47,291)
Share of other comprehensive income, net of tax	343	-	343	321	-	321	(12,125)	-	(12,125)
Closing balance	(65,879)	263,667	197,788	60,508	228,376	288,884	(17,229)	232,224	214,995

b) The Group's interest in its principal joint ventures was as follows:

	% of share capital held	Country of incorporation	Principal joint venture partners
Quercus Healthcare Property Unit Trust (Quercus)	15.99	Channel Islands	Aviva Life & Pensions UK Limited
Greenwich Peninsula Regeneration Limited (GPRL)	50.00	United Kingdom	Lend Lease Europe Limited
Meridian Delta Dome Limited (MDDL)	49.00	United Kingdom	Lend Lease Europe Limited
Greenwich Peninsula N0204 Block A&B Unit Trusts (Greenwich Peninsula N0204)	50.00	Channel Islands	Lend Lease N0204 Block A Limited/ Lend Lease N0204 Block B Limited
iQ Unit Trust (iQ)	49.98	Channel Islands	Wellcome Trust Investment Limited Partnership
Quantum Unit Trust (Quantum)	50.00	Channel Islands	Aviva Life & Pensions UK Limited
Quintessential Homes (Wembley) LLP (Quintessential)	50.02	United Kingdom	Geninvest Limited/ Family Housing Development Company Limited
BioRegional Quintain Limited (BioRegional)	49.90	United Kingdom	BioRegional Properties Limited
Wembley City HIX Limited (Wembley Hotel)	49.00	United Kingdom	Summit Hotels Limited

Notes to the accounts (continued)

11. Non-current investments (continued)

i) Investment in joint ventures (continued)

c) The Group's share of the results of its joint venture operations was as follows:

**Summarised income statements
for the six months ended 30 September 2009**

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Unaudited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Rental income	7,455	391	498	1,944	110	52	-	-	10,450
Proceeds from sale of trading properties	-	-	-	-	-	1,733	-	-	1,733
Other income	-	264	-	-	-	-	109	-	373
Revenue	7,455	655	498	1,944	110	1,785	109	-	12,556
Cost of sales	-	-	(5)	(1,041)	(37)	(1,708)	(45)	(78)	(2,914)
Gross profit (loss)	7,455	655	493	903	73	77	64	(78)	9,642
Administrative expenses	(1,038)	(54)	(35)	(564)	(15)	(3)	(201)	-	(1,910)
Operating profit (loss) before results from non-current asset sales and revaluation	6,417	601	458	339	58	74	(137)	(78)	7,732
Loss from sale of non-current property assets	(2,210)	-	-	-	-	-	-	-	(2,210)
(Deficit) gain on revaluation of investment properties	(5,725)	(3,884)	4,383	(3,077)	(155)	-	-	754	(7,704)
Share of profit from joint ventures	-	-	-	-	-	-	230	-	230
Operating (loss) profit	(1,518)	(3,283)	4,841	(2,738)	(97)	74	93	676	(1,952)
Finance expenses	(2,363)	(9)	(320)	(1,384)	-	(16)	(805)	-	(4,897)
Finance income	393	6	-	-	-	2	28	-	429
(Loss) profit before taxation	(3,488)	(3,286)	4,521	(4,122)	(97)	60	(684)	676	(6,420)
Taxation	422	792	(1,333)	754	38	-	-	(185)	488
(Loss) profit after taxation	(3,066)	(2,494)	3,188	(3,368)	(59)	60	(684)	491	(5,932)

**Share of other comprehensive income
for the six months ended 30 September 2009**

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Unaudited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Share of effective portion of changes in fair value of cashflow hedges, net of tax	230	-	(187)	300	-	-	-	-	343

Notes to the accounts (continued)

11. Non-current investments (continued)

i) Investment in joint ventures (continued)

Summarised balance sheets
as at 30 September 2009

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Unaudited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Investment properties	115,989	11,780	50,000	93,611	5,108	-	-	6,000	282,488
Investment in joint ventures	-	1,170	-	-	-	-	3,805	-	4,975
Trading properties	-	57,667	-	-	-	10,988	2,115	-	70,770
Other assets	8,648	8,140	1,154	1,953	338	383	6,691	2,331	29,638
Gross assets	124,637	78,757	51,154	95,564	5,446	11,371	12,611	8,331	387,871
Current liabilities:									
Trade and other payables	(4,990)	(14,935)	(2,816)	(2,361)	(314)	(4,345)	(959)	(554)	(31,274)
Current tax liability	-	(101)	-	-	(28)	-	-	(25)	(154)
Non-current liabilities:									
Bank loans and other borrowings	(57,247)	-	(44,180)	(53,544)	-	-	-	-	(154,971)
Deferred tax (liability) asset	(2,052)	(3,359)	6,216	8,222	403	-	-	(201)	9,229
Other liabilities	-	-	(3,220)	(8,814)	-	-	(879)	-	(12,913)
Net external assets	60,348	60,362	7,154	39,067	5,507	7,026	10,773	7,551	197,788
Represented by:									
Capital	(43,209)	9,214	(16,204)	(20,390)	(1,086)	6,143	(2,425)	2,078	(65,879)
Loans	103,557	51,148	23,358	59,457	6,593	883	13,198	5,473	263,667
Total investment	60,348	60,362	7,154	39,067	5,507	7,026	10,773	7,551	197,788

The valuation of investment properties held within Quercus as at 30 September 2009 was performed by Colliers CRE, Christie + Co and Knight Frank LLP on the basis of market value and in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. Properties within the Greenwich joint ventures and the iQ Unit Trust were valued by Savills Commercial Limited and those within the Quantum Unit Trust by CB Richard Ellis Limited on a similar basis.

Notes to the accounts (continued)

11. Non-current investments (continued)

i) Investment in joint ventures (continued)

Summarised income statements
for the six months ended 30 September 2008

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Unaudited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Rental income	8,982	427	-	1,314	160	-	-	-	10,883
Proceeds from sale of trading properties	-	-	-	-	-	15,724	-	-	15,724
Other income	-	244	-	-	-	-	41	-	285
Revenue	8,982	671	-	1,314	160	15,724	41	-	26,892
Cost of sales	-	(165)	-	(608)	(61)	(15,062)	-	-	(15,896)
Gross profit	8,982	506	-	706	99	662	41	-	10,996
Administrative expenses	(1,374)	(308)	(12)	(808)	(32)	(18)	(174)	-	(2,726)
Operating profit (loss) before results from non-current asset sales and revaluation	7,608	198	(12)	(102)	67	644	(133)	-	8,270
Loss from sale of non- current property assets	(155)	-	-	-	-	-	-	-	(155)
(Deficit) gain on revaluation of investment and development properties	(14,551)	3,724	-	(6,396)	(85)	-	-	-	(17,308)
Share of loss from joint venture	-	-	-	-	-	-	(117)	-	(117)
Operating (loss) profit	(7,098)	3,922	(12)	(6,498)	(18)	644	(250)	-	(9,310)
Finance expenses	(3,523)	-	-	(863)	-	(73)	(192)	(972)	(5,623)
Finance income	362	9	-	73	50	32	16	1,380	1,922
(Loss) profit before taxation	(10,259)	3,931	(12)	(7,288)	32	603	(426)	408	(13,011)
Taxation	3,598	(1,137)	-	1,581	21	-	-	4	4,067
(Loss) profit after taxation	(6,661)	2,794	(12)	(5,707)	53	603	(426)	412	(8,944)

Share of other comprehensive income
for the six months ended 30 September 2008

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Unaudited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Share of effective portion of changes in fair value of cashflow hedges, net of tax	270	-	(86)	137	-	-	-	-	321

Notes to the accounts (continued)

11. Non-current investments (continued)

i) Investment in joint ventures (continued)

Summarised balance sheets
as at 30 September 2008

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Unaudited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Investment and development properties	253,759	19,600	29,275	84,363	5,935	-	-	-	392,932
Investment in joint ventures	-	922	-	-	-	-	2,261	-	3,183
Trading properties	-	42,407	-	-	-	15,311	2,318	-	60,036
Other assets	13,398	24,129	-	5,836	439	1,915	6,205	3,646	55,568
Gross assets	267,157	87,058	29,275	90,199	6,374	17,226	10,784	3,646	511,719
Current liabilities:									
Trade and other payables	(735)	(16,842)	(12,689)	(2,720)	(342)	(6,213)	(1,994)	-	(41,535)
Bank loans and other borrowings	-	-	-	-	-	(4,219)	-	(444)	(4,663)
Current tax liability	(1,338)	(163)	-	-	(28)	-	-	(299)	(1,828)
Non-current liabilities:									
Bank loans and other borrowings	(115,151)	-	-	(48,467)	-	-	-	-	(163,618)
Deferred tax (liability) asset	(5,830)	(5,566)	34	1,200	62	-	-	(16)	(10,116)
Other liabilities	-	-	-	(1,075)	-	-	-	-	(1,075)
Net external assets	144,103	64,487	16,620	39,137	6,066	6,794	8,790	2,887	288,884
Represented by:									
Capital	40,546	15,145	(96)	(2,341)	(260)	6,254	(1,251)	2,511	60,508
Loans	103,557	49,342	16,716	41,478	6,326	540	10,041	376	228,376
Total investment	144,103	64,487	16,620	39,137	6,066	6,794	8,790	2,887	288,884

Notes to the accounts (continued)

11. Non-current investments (continued)

i) Investment in joint ventures (continued)

Summarised income statements
for the year ended 31 March 2009

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Audited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Rental income	17,493	843	-	4,256	390	8	-	-	22,990
Proceeds from sale of trading properties	-	-	-	-	-	18,687	-	-	18,687
Other income	-	-	-	-	-	-	120	-	120
Revenue	17,493	843	-	4,256	390	18,695	120	-	41,797
Cost of sales	-	(65)	-	(1,682)	(156)	(18,113)	(13)	-	(20,029)
Gross profit	17,493	778	-	2,574	234	582	107	-	21,768
Administrative expenses	(5,666)	(400)	(30)	(1,370)	(49)	(51)	(317)	-	(7,883)
Operating profit (loss) before results from non-current asset sales and revaluation	11,827	378	(30)	1,204	185	531	(210)	-	13,885
Loss from sale of non- current property assets	(122)	-	-	-	-	-	-	-	(122)
Deficit on revaluation of investment and development properties	(27,904)	(976)	(23,712)	(19,059)	(1,094)	-	-	-	(72,745)
Share of loss from joint venture	-	-	-	-	-	-	(260)	-	(260)
Operating (loss) profit	(16,199)	(598)	(23,742)	(17,855)	(909)	531	(470)	-	(59,242)
Finance expenses	(6,148)	-	-	(6,136)	(33)	(130)	(469)	(972)	(13,888)
Finance income	393	18	-	94	-	33	19	1,380	1,937
(Loss) profit before taxation	(21,954)	(580)	(23,742)	(23,897)	(942)	434	(920)	408	(71,193)
Taxation	8,298	53	7,476	7,920	324	-	-	(169)	23,902
(Loss) profit after taxation	(13,656)	(527)	(16,266)	(15,977)	(618)	434	(920)	239	(47,291)

Share of other comprehensive income
for the year ended 31 March 2009

	Quercus	GPRL/ MDDL	Greenwich Peninsula N0204	iQ	Quantum	Quintessential	BioRegional	Other joint ventures	Audited Group share in joint ventures
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Share of deficit on revaluation of development properties, net of tax	-	-	-	(325)	-	-	-	-	(325)
Share of effective portion of changes in fair value of cashflow hedges, net of tax	(4,590)	-	(2,960)	(4,250)	-	-	-	-	(11,800)
	(4,590)	-	(2,960)	(4,575)	-	-	-	-	(12,125)

Notes to the accounts (continued)

11. Non-current investments (continued)

i) Investment in joint ventures (continued)

Summarised balance sheets
as at 31 March 2009

	Quercus £000	GPRL/ MDDL £000	Greenwich Peninsula N0204 £000	iQ £000	Quantum £000	Quintessential £000	BioRegional £000	Other joint ventures £000	Audited Group share in joint ventures £000
Investment and development properties	205,418	15,000	34,000	72,836	5,159	-	-	-	332,413
Investment in joint ventures	-	989	-	-	-	-	3,400	-	4,389
Trading properties	-	52,071	-	-	-	12,520	2,058	-	66,649
Other assets	10,663	11,989	4,305	3,897	341	339	7,041	1,536	40,111
Gross assets	216,081	80,049	38,305	76,733	5,500	12,859	12,499	1,536	443,562
Current liabilities:									
Trade and other payables	(3,363)	(17,164)	(5,301)	(6,102)	(352)	(4,796)	(1,797)	(767)	(39,642)
Bank loans and other borrowings	-	-	-	-	-	(1,255)	-	-	(1,255)
Current tax liability	-	(185)	-	-	(28)	-	-	(324)	(537)
Non-current liabilities:									
Bank loans and other borrowings	(100,113)	-	(37,053)	(48,496)	-	-	-	-	(185,662)
Deferred tax (liability) asset	(2,384)	(4,310)	7,476	7,584	365	-	-	(16)	8,715
Other liabilities	(2,843)	-	(1,780)	(5,563)	-	-	-	-	(10,186)
Net external assets	107,378	58,390	1,647	24,156	5,485	6,808	10,702	429	214,995
Represented by:									
Capital	3,821	11,881	(19,223)	(17,322)	(968)	6,085	(1,746)	243	(17,229)
Loans	103,557	46,509	20,870	41,478	6,453	723	12,448	186	232,224
Total investment	107,378	58,390	1,647	24,156	5,485	6,808	10,702	429	214,995

ii) Other non-current investments

The movement in other non-current investments, all of which have been classified as available for sale, was as follows:

	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
Opening balance	10,820	15,196	15,196
Additions	-	1,618	1,619
Impairment as charged in the Income Statement	-	(7,790)	(7,790)
Disposals	(6,685)	-	-
Recycling of revaluation movement from earlier periods	-	2,159	2,159
Revaluation deficit	(80)	(175)	(364)
Closing balance	4,055	11,008	10,820

During the period, the Group disposed of its holding in The Iceberg Alternative Real Estate II Fund. The remaining investment under this heading is shown at the value at which it is quoted on AIM.

The impairment loss recognised in the six months ended 30 September 2008 and the year ended 31 March 2009 related to the whole of the Group's investment in Serrastone SA following a revision of cashflow forecasts as a result of current economic conditions.

Notes to the accounts (continued)

12. Trade and other receivables

	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
Trade receivables	6,392	14,133	5,837
Other receivables	7,075	7,831	6,288
Trade and other receivables	13,467	21,964	12,125
Tax recoverable	-	-	596
Prepayments and accrued income	3,674	4,228	2,937
	17,141	26,192	15,658

13. Trade and other payables

	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
Trade payables	3,674	3,208	2,918
Other payables	10,976	13,107	10,778
Accruals	16,828	21,507	23,841
Interest rate swaps	11,384	-	9,376
	42,862	37,822	46,913

14. Bank loans and other borrowings

	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
Current liabilities:			
Bank loans	6,200	-	-
Non-current liabilities:			
Bank loans	535,250	561,500	540,500
10% first mortgage debenture stock 2011	2,093	2,093	2,093
	537,343	563,593	542,593
Amortised borrowing costs	(7,252)	(2,946)	(9,103)
	530,091	560,647	533,490
Total bank loans and borrowings	536,291	560,647	533,490

The loans are secured by floating charges over assets owned by subsidiary undertakings.

The 10% first mortgage debenture stock 2011 issued by Estates Property Investment Company Limited is secured by a cash deposit of £3,362,000 and has a redemption value of £2,017,000. The premium over par arising from fair valuing the debenture on acquisition is amortised over its remaining life.

a) The maturity profile of the Group's debt was as follows:

	30 Sept 2009 Bank loans and overdrafts £000	30 Sept 2009 Other loans £000	Unaudited 30 Sept 2009 Total debt £000	Unaudited 30 Sept 2008 Total debt £000	Audited 31 March 2009 Total debt £000	Unaudited 30 Sept 2009 Undrawn facilities £000	Unaudited 30 Sept 2008 Undrawn facilities £000	Audited 31 March 2009 Undrawn facilities £000
Within one year	6,200	-	6,200	-	-	-	-	-
From one to two years	6,600	2,093	8,693	75,000	95,000	5,000	20,000	-
From two to five years	486,300	-	486,300	177,093	447,593	158,500	50,000	134,500
From five to 25 years	42,350	-	42,350	311,500	-	1,722	83,500	-
	541,450	2,093	543,543	563,593	542,593	165,222	153,500	134,500

Notes to the accounts (continued)

14. Bank loans and other borrowings (continued)

b) After taking account of interest rate swaps and caps, the risk profile of the Group's borrowings was as follows:

	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
Fixed or capped	543,543	552,093	542,593
Floating	-	11,500	-
	543,543	563,593	542,593

c) The interest rate profile of the Group's fixed or capped rate debt was as follows:

Percent	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
4.0 – 5.0	105,500	-	100,000
5.0 – 6.0	28,000	-	-
6.0 – 7.0	350,000	350,000	350,000
7.0 – 8.0	50,000	50,000	50,000
8.0 – 9.0	7,950	150,000	40,500
9.0 – 10.0	2,093	2,093	2,093
	543,543	552,093	542,593

d) The weighted average rate and the weighted average period of the Group's fixed or capped rate debt were as follows:

Unaudited 30 Sept 2009 %	Unaudited 30 Sept 2008 %	Audited 31 March 2009 %	Unaudited 30 Sept 2009 years	Unaudited 30 Sept 2008 years	Audited 31 March 2009 years
6.0	6.3	6.1	4	5	4

Notes to the accounts (continued)

15. Financial instruments

The Group's policy is to finance its activities with equity and long term debt, the proportions depending on the profile of the operational and financial risks to the business. The Group does not speculate in treasury products but uses these only to limit potential interest rate fluctuations. It usually borrows at floating rates of interest based on LIBOR and uses hedging to achieve an interest rate profile where the majority of borrowings are fixed or capped. As at 30 September 2009, 100% (30 September 2008: 99.8% and 31 March 2009: 100%) of the Group's net debt was fixed or capped.

i) Effective cashflow hedges

As at 30 September 2009, the fair value adjustments on the Group's interest rate swaps were as follows:

Amount £000	Maturity date	Swap rate %	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
100,000	05.05.10	3.02	178	-	(1,581)
75,000	22.04.13	4.96	833	659	(6,743)
75,000	22.04.13	4.99	841	582	(6,816)
50,000	03.01.14	4.94	740	421	(4,851)
50,000	03.01.14	4.97	746	426	(4,859)
50,000	03.01.14	5.00	754	434	(4,862)
400,000			4,092	2,522	(29,712)

These interest rate swaps have been classified as effective and fair value adjustments reflected in equity.

ii) Ineffective cashflow hedges

As at 30 September 2009, the fair value adjustments on the Group's interest rate caps were as follows:

Amount £000	Maturity date	Strike rate %	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
25,000	03.01.13	5.50	92	149	(222)
25,000	03.01.13	5.75	70	149	(137)
150,000	22.04.13	7.50	435	(567)	(852)
50,000	22.07.13	6.50	194	(23)	(304)
250,000			791	(292)	(1,515)

These interest rate caps have been classified as ineffective and fair value adjustments reflected in the Income Statement.

iii) Financial instruments held in joint ventures

As at 30 September 2009, the Group's share of fair value adjustments on interest rate swaps held within Quercus, a joint venture in which the Group has a 15.99% interest (30 September 2008: 29.74% and 31 March 2009: 25.42%), were as follows:

Amount £000	Maturity date	Swap rate %	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
40,000	22.01.09	4.86	-	-	(45)
50,000	22.10.09	4.84	128	21	(298)
25,000	22.10.09	5.02	80	(136)	(282)
25,000	24.10.11	2.95	(92)	-	-
30,000	23.07.12	3.10	(106)	-	-
80,000	22.01.13	5.11	142	224	(1,764)
100,000	22.01.13	4.99	168	266	(2,229)
350,000			320	375	(4,618)

These swaps were classified as effective and the Group's share of the fair value adjustments reflected in equity.

Notes to the accounts (continued)

15. Financial instruments (continued)

iii) Financial instruments held in joint ventures (continued)

As at 30 September 2009, the Group's share of the fair value adjustments on interest rate caps and collars shown within iQ, a joint venture in which the Group has a 49.98% interest (30 September 2008 and 31 March 2009: 49.98%), were as follows:

Amount £000	Maturity date	Strike rate Floor %	Strike rate Cap %	Unaudited Six months ended 30 Sept 2009 Income Statement £000	Unaudited Six months ended 30 Sept 2009 Equity £000	Unaudited Six months ended 30 Sept 2008 Income Statement £000	Unaudited Six months ended 30 Sept 2008 Equity £000	Audited Year ended 31 March 2009 Income Statement £000	Audited Year ended 31 March 2009 Equity £000
12,951	04.10.12	5.08	6.00	-	91	112	-	-	(1,969)
12,951	04.10.12	5.28	5.75	-	258	-	190	(42)	(2,146)
12,951	04.10.12	4.89	6.25	-	67	87	-	(1,850)	-
12,952	04.10.12	4.69	6.50	45	-	62	-	(1,744)	-
51,805				45	416	261	190	(3,636)	(4,115)

As at 30 September 2009, the Group's share of the fair value adjustments on the interest rate swap within Greenwich Peninsula N0204, a joint venture in which the Group has a 50.00% interest (30 September 2008 and 31 March 2009: 50.00%), were as follows:

Amount £000	Maturity date	Swap rate %	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
29,301	30.12.11	5.28	(260)	(120)	(2,960)

This swap was classified as effective with the fair value adjustment reflected in equity.

16. Share capital

	Unaudited Number of shares 000	Unaudited Nominal value £000
Authorised as at 30 September 2009 Ordinary shares at 25p each	200,000	50,000
Allotted, called up and fully paid: In issue as at 1 April 2008	129,930	32,483
Issue of shares under share-based payment schemes at between 25p and 155.3p	112	28
In issue as at 30 September 2008 and 31 March 2009 Issue of shares under share-based payment schemes at 25p	130,042 17	32,511 4
In issue as at 30 September 2009	130,059	32,515

As at 30 September 2009, share capital included 1,890,823 (30 September 2008 and 31 March 2009: 2,054,154) shares held by ESOP Trust. At that date, these shares had a market value £3,990,000 (30 September 2008: £4,134,000 and 31 March 2009: £173,000), a cost of £10,722,000 (30 September 2008 and 31 March 2009: £11,908,000) and a nominal value of £472,706 (30 September 2008 and 31 March 2009: £513,539).

As at 30 September 2009, the Company also held 5,234 (31 March 2009 and 30 September 2008: 5,234) of its own shares which had a market value of £11,000 (30 September 2008: £11,000 and 31 March 2009: £440), a cost of £32,000 (30 September 2008 and 31 March 2009: £32,000) and nominal value of £1,309 (30 September 2008 and 31 March 2009: £1,309).

Notes to the accounts (continued)

17. Revaluation movements

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Recognised in Income Statement:			
Gains (deficits) on revaluation of investment properties	27,868	(33,380)	(68,249)
Deficits on revaluation of investment and development properties in joint ventures	(7,704)	(17,308)	(72,745)
Gain (deficit) on revaluation of investment properties in associate	175	(143)	120
Recognised directly in equity:			
Deficits on revaluation of development properties	-	(182,083)	(212,062)
Deficits on revaluation of development properties in joint ventures	-	-	(451)
	20,339	(232,914)	(353,387)

As from 1 April 2009, revaluation movements on development properties held as investment properties are recognised through the Income Statement rather than through equity (note 1).

18. Capital commitments

As at 30 September 2009, the Group had capital commitments of £28,353,000 (30 September 2008: £27,734,000 and 31 March 2009: £32,488,000) in relation to the development of its own investment properties and £99,000 (30 September 2008: £63,000 and 31 March 2009: £56,000) in respect of contractual commitments for repairs, maintenance and enhancement in relation to its investment properties.

In respect of commitments relating to investment properties under development, the Group is entitled to receive £1,738,000 (30 September 2008: £nil and 31 March 2009: £8,074,000) in contracted payments from third parties for work to be carried out on their behalf.

In addition, the Group has entered into a conditional contract for £91,000,000 in respect of the purchase of a student accommodation scheme. The conditions relate to planning and financing, the former of which has, since the year end, been satisfied while the latter remains outstanding.

The Group's share of capital commitments in relation to its joint ventures was £29,804,000 (30 September 2008: £86,625,000 and 31 March 2009: £36,139,000).

19. Related party disclosures

During the period, the Group received the following fees in respect of services provided to its joint ventures:

	Unaudited Six months ended 30 Sept 2009 £000	Unaudited Six months ended 30 Sept 2008 £000	Audited Year ended 31 March 2009 £000
Quercus Healthcare Property Partnership	1,754	2,084	10,610
iQ Property Partnership	1,228	1,263	2,335
Greenwich Peninsula Regeneration Limited	368	421	556
BioRegional Quintain Limited	100	154	326
Quintessential Homes (Wembley) LLP	30	130	160
Quantum Property Partnership	10	10	20
	3,490	4,062	14,007

The Group also received interest on loan notes amounting to £829,000 (six months ended 30 September 2008: £1,757,000 and year ended 31 March 2009: £3,108,000) from Greenwich Peninsula Regeneration Limited, £280,000 (six months ended 30 September 2008: £472,000 and year ended 31 March 2009: £865,000) from Greenwich Peninsula N0204, £905,000 (six months ended 30 September 2008: £520,000 and year ended 31 March 2009: £1,323,000) from BioRegional Quintain Limited and £221,000 (six months ended 30 September 2008 and year ended 31 March 2009: £nil) from Wembley City HIX Limited, which are included in finance income.

Notes to the accounts (continued)**19. Related party disclosures (continued)**

The following amounts due from related parties are included in Trade and other receivables in note 12:

	Unaudited 30 Sept 2009 £000	Unaudited 30 Sept 2008 £000	Audited 31 March 2009 £000
Quercus Healthcare Property Partnership	27	3,175	57
iQ Property Partnership	691	813	693
Greenwich Peninsula Regeneration Limited	272	726	100
BioRegional Quintain Limited	2,018	1,209	1,722
Quintessential Homes (Wembley) LLP	7	201	303
Quantum Property Partnership	103	89	44
South East Properties (Redhill) Limited	-	2,023	-
	3,118	8,236	2,919

20. Non-controlling interest

On 30 September 2009, the Group disposed of a 1.5% stake in a subsidiary entity, the sole assets of which were a number of investment properties valued in these accounts at £88,557,000.

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