









Financial highlights

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

	2003	Annual change
Turnover	£28.0m	▼ 6.8%
Profit before tax	£7.3m	▼ 0.4%
Underlying profit before tax	£4.5m	▲ 19.1%
Earnings per share	4.6p	4.5%
Interim dividend	2.75p	-

	2003	Change since year end
Net asset value per share	349p	△ 0.3%

	2003	2002
Capital expenditure	£12m	£110m*
Proceeds from investment property sales	£33m	£54m
Gearing	60%	69%

^{*2002} includes the acquisition of the Wembley Complex for £48m.

FRONT COVER

Arena Square Wembley Imperial Court Learnington Spa

Wembley Park Boulevard Wembley

Valley Park Croydon



"The inherent potential within the portfolio, strengthened management and robust underlying earnings are conducive to outperformance and we therefore continue to look to the future with confidence."

Once again, I am pleased to report good progress across all areas of the Company during the last six months. The financial results are more than satisfactory, the sales programme is ahead of schedule and great advances are occurring at both the Wembley and Meridian Delta projects.

Gross profits increased 21% to £19.3m (2002: £16.0m) incorporating a 14% uplift in rental income to £19.8m (2002: £17.4m). Underlying profits have increased by 19% to £4.5m (2002: £3.7m). Administrative expenses, however, have increased by 85%. The additional costs mainly relate to the operational business at Wembley being included for the entire period under review (2002: two months), but also reflected the Company's decision to appoint some highly skilled individuals to strengthen and expand the property team in order to progress the major urban regeneration projects and develop new business.

Earnings per share have risen by 4.5% to 4.6p per share (2002: 4.4p). In light of this and in spite of the unsettled economic climate, the Board has good reason to feel optimistic regarding the future. Quintain pursues a progressive dividend policy but, in line with past practice, we have decided to maintain the interim dividend at 2.75p per share.

Regarding the property portfolio, as in previous years, we have not carried out a formal revaluation at the half year. Subject to market conditions, we anticipate an uplift at the year end.

Gearing has reduced from 63% at the year end to 60% at 30 September 2003 (2002: 69%). This reflects the Company's decision to take advantage of current market pricing to dispose of certain assets and will support the ongoing requirement to fund its major urban regeneration projects.

PORTFOLIO REVIEW

We have deliberately slowed our acquisition programme as yields have fallen to levels that would not sustain our total return requirement. However, we have purchased one property for £5.8m with an initial yield of 9% (Imperial Court, Leamington Spa). Sales were £33.1m in the first half, at around or in excess of book value, with a further £26.7m exchanging since the period end.

Having achieved the resolution to grant planning permission for the development of 14 million sq ft at the Greenwich Peninsula in April of this year, we have agreed the percentage of affordable housing and significant progress is being made on the infrastructure and s106 negotiations. We remain on target to be on site next year.

Since the period end, we have bought a 12.6 acre site across the Thames from the Greenwich Peninsula in a joint venture with the London Development Agency. The land is safeguarded for a third Blackwall Crossing and is leased back to Carlsberg-Tetley for a minimum of three years. This acquisition, strategic in the context of both the Olympics and our ongoing involvement on the Peninsula, is in line with our regeneration policy of buying assets early that have an existing income stream, thereby underwriting the planning risk.

We have now consolidated our landholding at Wembley through the acquisition of York House, a 118,000 sq ft office building, for £15.3m, reflecting an initial yield of 8.7%. As a result of this, the acquisition of Wembley (London) Limited last year and the subsequent purchase of the Palace of Industries site, we now own 58 acres at Wembley. Of this, 42 acres were incorporated within a planning application for 5 million sq ft of mixed use development which was submitted at the end of October. Two public consultations took place during the first half of this financial year and a third is planned for December.

Chairman's statement continued



New Wembley

42 acres at Wembley were incorporated within a planning application for 5 million sq ft of mixed use development which was submitted at the end of October.

We are working very closely with the London Borough of Brent, the Greater London Authority and the London Development Agency to secure a successful planning application and to be on-site to deliver the first elements of the scheme by the time Wembley Stadium opens in late 2005.

At Merton Abbey Mills, London SW19, Quintain has signed a joint venture agreement with Countryside Properties PLC for an £89m mixed use development comprising improvements to the existing speciality market, 283 apartments, a pre-let hotel and health and fitness centre and two restaurants.

Building of the first phase has commenced and 25% of these 124 residential units have already been reserved.



During the period, lettings have taken place at our completed development The Parishes, Scunthorpe and, with rent free periods falling away, its income receivable has increased by £0.9m to £1.8m. A surrender premium was taken in the year to 31 March 2002 on 33,000 sq ft of office space handed back at Smallbrook Queensway, Birmingham. This has now been refurbished and a recent letting of 14,000 sq ft to Mortgage Masters means the building is now 97% let.

The works at Neathouse Place, London SW1 are complete and negotiations continue with the tenant on settling the outstanding rent review.

Quintain's strategy has always been to focus on the UK property market. We have therefore taken advantage of a

strong retail market in the United States to sell Hanford Mall, our shopping centre in California. Our share of proceeds was £14.2m, giving a £2.4m profit over book value. Our only remaining asset in the US, the shopping centre in Hialeah, Florida, is being marketed with the intention of it being sold by the year end.



Merton Abbey Mills

MANAGEMENT

Regarding the Board, we were sorry that Pam Alexander, who joined us in July of this year as a non-executive director with strong public sector experience, has announced her intention to resign as a result of her appointment as Chief Executive of the South East England Development Agency. We will miss her contribution and wish her all the best. With our growing portfolio of inner city regeneration projects, we feel that the Company does benefit from having a board member with experience of the public sector and are therefore seeking a replacement. We hope to have good news on this front in the near future.

OUTLOOK

The inherent potential within the portfolio, strengthened management and robust underlying earnings are conducive to outperformance and we therefore continue to look to the future with confidence

Nigel Ellis Chairman
November 2003

Independent review report

TO THE MEMBERS OF QUINTAIN ESTATES AND DEVELOPMENT PLC

INTRODUCTION

We have been instructed by the Company to review the attached financial information and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

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 Listing Rules of the Financial Services Authority. 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 interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

REVIEW WORK PERFORMED

We conducted our review in accordance with guidance contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

REVIEW CONCLUSION

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2003.

KPMG Audit Plc Chartered Accountants, London 25 November 2003

Consolidated profit and loss account

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

	Notes	Unaudited Six months ended 30 Sept 2003 £000	Unaudited Six months ended 30 Sept 2002 £000	Audited Year ended 31 March 2003 £000
Turnover		30,717	32,548	62,660
Less – share of joint ventures' turnover		(2,680)	(2,477)	(5,055)
Group turnover	2	28,037	30,071	57,605
Cost of sales	2	(8,742)	(14,080)	(21,030)
Gross profit		19,295	15,991	36,575
Administrative expenses	3	(7,528)	(4,060)	(10,377)
Group operating profit		11,767	11,931	26,198
Share of operating profit in joint ventures		1,977	2,198	4,421
Share of operating profit (loss) in associates		105	(5)	278
Profit on sale of investment properties		2,699	1,229	841
Net interest payable		(9,209)	(7,983)	(17,770)
Profit on ordinary activities before taxation		7,339	7,370	13,968
Tax on profit on ordinary activities	4	(1,468)	(1,474)	(1,647)
Profit on ordinary activities after taxation		5,871	5,896	12,321
Equity minority interests		(60)	(199)	(288)
Profit for the financial period		5,811	5,697	12,033
Dividends	5	(3,540)	(3,499)	(10,183)
Retained profit for the period		2,271	2,198	1,850
Earnings per share:	6			
Basic		4.6p	4.4p	9.4p
Diluted		4.5p	4.4p	9.3р

	Unaudited Six months ended 30 Sept 2003 £000	Unaudited Six months ended 30 Sept 2002 £000	Audited Year ended 31 March 2003 £000		
Consolidated statement of total recognised gains and losses					
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003					
Profit for the financial period	5.811	5.697	12.033		

Profit for the financial period	5,811	5,697	12,033
Unrealised (deficit) surplus on revaluation	(429)	33	49,147
Currency translation movements	(135)	(146)	190
	5,247	5,584	61,370

Consolidated note of historical cost profits and losses				
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003				
Profit on ordinary activities before taxation	7,339	7,370	13,968	
Realisation of property revaluation gains of previous periods	493	2,812	2,325	
Historical cost profit on ordinary activities before taxation	7,832	10,182	16,293	
Historical cost profit for the period retained after taxation,				
minority interests and dividends	2,764	5,010	4,175	

Reconciliation of movements in equity shareholders' funds				
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003				
Profit for the financial period	5,811	5,697	12,033	
Dividends	(3,540)	(3,499)	(10,183)	
	2,271	2,198	1,850	
Other recognised gains and losses relating to the period	(564)	(113)	49,337	
Negative goodwill	-	1,555	1,555	
Issue of shares less costs	641	959	2,377	
Purchase of own shares	_	(4,190)	(6,166)	

2,348

443,316

445,664

Net addition to equity shareholders' funds

Opening shareholders' funds

Closing shareholders' funds

409

394,363

394,772

48,953

394,363

443,316

Consolidated balance sheet

AS AT 30 SEPTEMBER 2003

	Notes	Unaudited As at 30 Sept 2003 £000	Unaudited As at 30 Sept 2002 £000	Audited As at 31 March 2003 £000
Fixed assets				
Investment properties	7	714,529	666,458	722,545
Other fixed assets		454	397	430
Investment in joint ventures				
Share of gross assets		69,803	60,519	61,589
Share of gross liabilities		(31,610)	(31,027)	(31,055)
		38,193	29,492	30,534
Investment in associates		4,501	4,722	4,512
Other fixed asset investments		188	266	188
		757,865	701,335	758,209
Current assets				
Trading properties		559	1,449	1,750
Debtors		31,688	40,505	48,729
Short term investments		19	18	14
Cash at bank and in hand		12,883	13,697	22,119
		45,149	55,669	72,612
Creditors: amounts falling due within one year		(56,225)	(77,735)	(63,149)
Net current (liabilities) assets		(11,076)	(22,066)	9,463
Total assets less current liabilities		746,789	679,269	767,672
Creditors: amounts falling due after more than one year		(290,772)	(274,044)	(314,346)
Provisions for liabilities and charges		(8,993)	(7,837)	(8,659)
Equity minority interests		(1,360)	(2,616)	(1,351)
Net assets		445,664	394,772	443,316
Capital and reserves				
Called up share capital	9	31,948	31,813	31,825
Share premium account		43,805	40,736	42,623
Other capital reserves		112,330	110,553	112,330
Revaluation reserve		202,156	153,966	202,148
Profit and loss account		55,425	57,704	54,390
Equity shareholders' funds		445,664	394,772	443,316
Net asset value per share:	10			
Basic		349p	310p	348p
Diluted		342p	304p	342p

Consolidated cash flow statement

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

	Notes	Unaudited Six months ended 30 Sept 2003 £000	Unaudited Six months ended 30 Sept 2002 £000	Audited Year ended 31 March 2003 £000
Net cash inflow from operating activities	lla	6,722	8,425	39,514
Dividends from joint ventures and associates		894	-	1,381
Return on investments and servicing of finance				
Net interest paid		(9,175)	(7,411)	(17,052)
Issue costs of loans		(41)	(319)	(431)
Net cash outflow from return on investments				
and servicing of finance		(9,216)	(7,730)	(17,483)
Corporation tax paid		(61)	-	(1,193)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(17,091)	(50,914)	(90,663)
Proceeds from disposal of tangible fixed assets		40,173	50,813	66,401
Loans to joint ventures and associates		(5,032)	(2,261)	(2,261)
Net cash inflow (outflow) from capital				
expenditure and financial investment		18,050	(2,362)	(26,523)
Acquisitions and disposals				
Purchase of subsidiary companies		-	(27,577)	(27,335)
Net cash acquired with subsidiary companies		-	956	956
Net cash outflow from acquisitions and disposals		-	(26,621)	(26,379)
Equity dividends paid		(6,709)	(6,099)	(9,599)
Net cash inflow (outflow) before management			(z	(
of liquid resources and financing		9,680	(34,387)	(40,282)
Management of liquid resources	ПР	2,905	18,250	18,953
Financing				
Issue of ordinary shares for cash		641	959	3,079
Loans drawn down		7,499	88,337	161,088
Loan repayments		(27,051)	(74,669)	(132,548)
Purchase of own shares		-	(4,190)	(6,869)
Net cash (outflow) inflow from financing		(18,911)	10,437	24,750
(Decrease) increase in cash	ПР	(6,326)	(5,700)	3,421

Notes to the accounts

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

I BASIS OF PREPARATION

The half year figures for 2003 and 2002 are unaudited and have been prepared on the basis of accounting policies adopted in the accounts to 31 March 2003. The comparative figures for the financial year ended 31 March 2003 are not the Company's statutory accounts for that financial year. These accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2 TURNOVER AND COST OF SALES

	Unaudited Six months ended 30 Sept 2003 £000	Unaudited Six months ended 30 Sept 2002 £000	Audited Year ended 31 March 2003 £000
Gross rents receivable	19,825	17,440	37,367
Proceeds from sale of trading properties	1,439	11,074	12,115
Income from leisure operations	5,485	876	5,950
Other income	1,288	681	2,173
Total turnover	28,037	30,071	57,605
Rents payable and other property outgoings	4,367	3,981	8,210
Cost of sales of trading properties	1,254	9,427	9,657
Expenditure on leisure operations	3,121	672	3,163
Total cost of sales	8,742	14,080	21,030

3 ADMINISTRATIVE EXPENSES

	Unaudited Six months ended 30 Sept 2003 £000	Unaudited Six months ended 30 Sept 2002 £000	Audited Year ended 31 March 2003 £000
Directors' remuneration	1,475	1,261	2,066
Staff costs	3,675	1,778	4,520
Legal and professional fees	895	263	1,298
Office costs	843	528	1,851
Depreciation	167	126	253
Profit on disposal of fixed assets	(9)	-	(40)
General expenses	482	104	429
	7,528	4,060	10,377

In 2002, legal and professional fees included a recovery of £754,000 relating to amounts reflected in that period and in earlier periods.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The effective rate of taxation on profit on ordinary activities of 20% (2002: 20%) reflects the benefit of available losses, capitalised interest and permanent timing differences in relation to capital allowances.

5 DIVIDENDS

The interim dividend of 2.75p (2002: 2.75p) per ordinary share is payable on 19 December 2003 to members on the register as at 12 December 2003. A final dividend of 5.25p per ordinary share in respect of the year to 31 March 2003 was paid during the period.

6 EARNINGS PER SHARE

Basic	Unaudited Six months ended 30 Sept 2003	Unaudited Six months ended 30 Sept 2002	Audited Year ended 31 March 2003
Profit for the financial period (£000)	5,811	5,697	12,033
Weighted average number of shares (000)	127,597	128,438	127,660

Earnings per share on a diluted basis have been calculated on an adjusted profit of £5,895,000 (2002: £5,781,000) and an adjusted weighted average number of shares of 131,084,000 (2002: 132,146,000).

7 INVESTMENT PROPERTIES

Investment properties are valued annually at the end of each financial year and are shown in the Balance Sheet as at 30 September 2003 at the previous year end valuations adjusted for subsequent expenditure and disposals.

8 BORROWINGS

As at 30 September 2003, J C Rathbone Associates estimated that the fair value of the Group's financial liabilities exceeded their carrying value by £13,476,000 (2002: £13,427,000). As at 31 March 2003, the excess was £17,084,000.

9 CALLED UP SHARE CAPITAL

	Number of shares 000	Nominal value £000
Shares in issue as at 1 April 2003	127,301	31,825
Issue of shares under Staff Share Option Schemes	491	123
Shares in issue as at 30 September 2003	127,792	31,948

10 NET ASSET VALUE PER SHARE

Basic net asset value per share as at 30 September 2003 has been based on net assets of £445,664,000 (2002: £394,772,000) and 127,792,000 (2002: 127,254,000) ordinary shares. Net asset value per share on a diluted basis has been calculated on adjusted net assets of £448,664,000 (2002: £397,772,000) and 131,279,000 (2002: 130,962,000) ordinary shares.

Notes to the accounts continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2003

II NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months ended 30 Sept 2003 £000	Unaudited Six months ended 30 Sept 2002 £000	Audited Year ended 31 March 2003 £000
a) Reconciliation of operating profit to net cash inflow			
from operating activities			
Operating profit	11,767	11,931	26,198
Depreciation charge	762	567	1,124
Profit on disposal of fixed assets	(9)	-	(40)
Increase in debtors	(6,813)	(10,713)	(2,646)
(Decrease) increase in creditors	(176)	575	7,438
Decrease in trading stock	1,191	6,065	7,440
	6,722	8,425	39,514
b) Reconciliation of net cash movement to net debt			
(Decrease) increase in cash during period	(6,326)	(5,700)	3,421
Cash outflow (inflow) from debt and lease financing	19,923	(13,668)	(28,540)
Cash inflow from decrease in liquid resources	(2,905)	(18,250)	(18,953)
Change in net debt resulting from cash flows	10,692	(37,618)	(44,072)
Costs of issue of non-equity finance	41	319	431
Amortisation of issue costs	(315)	(415)	(743)
Other non-cash movements	(57)	660	290
Movement in net debt during period	10,361	(37,054)	(44,094)
Net debt at beginning of period	(275,874)	(231,780)	(231,780)
Net debt at end of period	(265,513)	(268,834)	(275,874)
c) Analysis of net debt			
Liquid resources	466	4,074	3,371
Cash	12,436	9,641	18,762
Debt due after more than one year	(278,364)	(243,945)	(297,819)
Debt due within one year	(51)	(38,604)	(188)
	(265,513)	(268,834)	(275,874)

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INTERIM REPORT 2003



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