



2 February 2012

**Quintain Estates & Development plc
("Quintain" / "Company" / "Group")**

Third Quarter Interim Management Statement

Highlights:

- Contracts on 45% of the London Designer Outlet ("LDO") now exchanged or in solicitors' hands (29 November 2011: 39%)
- LOCOG leasing 100,000 sq ft of space at Wembley
- Architects appointed for the design of seven residential buildings at Peninsula Quays
- Further 10,600 sq ft floor let at Mitre Passage, Greenwich Peninsula at £32 per sq ft
- Terms in negotiation on refinancing of a further £40m of corporate debt

Quintain's Chief Executive, Adrian Wyatt, commented:

"With further progress on our refinancing programme, contracts for 45% of the London Designer Outlet exchanged or with lawyers, and architects now working on the design of seven residential buildings at Greenwich Peninsula, we continue to build momentum across the Group and remain confident of our ability to build shareholder value."

London Urban Regeneration

Wembley

At Wembley, activity is focused on the completion by October 2013 of the 2m sq ft Western Core, adjacent to the Stadium, which will establish the location as a vibrant and compelling London destination.

Construction of the 361-bedroom Hilton is now in the final phase, with the scheme on budget and on schedule to open prior to this summer's Olympic Games. Six months ahead of opening, the hotel is already attracting significant interest, most notably from blue chip companies interested in using the conferencing facilities within the Stadium and requiring substantial numbers of rooms for staff accommodation.

Strong progress continues to be made with regards to marketing the retail units within the London Designer Outlet ("LDO") at Wembley. Contracts have been exchanged or are in solicitors' hands on 45% of base rent (November 2011: 39%) and groundworks on the scheme are now underway. We are announcing today the appointment of Realm Ltd, one of the UK's largest third party outlet centre operators, as asset manager of the LDO. During the construction phase, Realm will also provide consultancy to ensure the quality and success of the Outlet when it opens in October 2013.

The construction of the 660-bedroom student accommodation block next to the Hilton is advanced and remains on schedule for opening this September, at the start of the academic year. The block was forward-sold to Keystone & Partners SA ("Keystone") in June 2011 for £54.5m, with £50m due to be paid on completion this summer. Quintain's student accommodation operation will initially manage the building on behalf of Keystone. A

nominations agreement with the University of Westminster has been agreed on 481 of the bedrooms.

In preparation for the Olympic Games coming to Wembley Stadium and Wembley Arena in July, the London Organising Committee of the Olympic Games (“LOCOG”) is leasing 100,000 sq ft of space on the scheme and is now constructing its Wembley compound, which will be a temporary structure. The Wembley estate management team is working closely with LOCOG to facilitate the operation and maximise legacy benefits for the scheme.

Greenwich Peninsula

At Greenwich Peninsula, our development focus is on Peninsula Quays where the intention is to start on site this year with the construction of approximately 500 homes on the riverside overlooking Canary Wharf. The first homes will be ready for occupation in 2014.

Following agreement with the relevant authorities to reduce the affordable housing quota for the next 1,300 homes at Greenwich Peninsula from 38% to 25%, we are now progressing the detailed design of seven buildings destined for Peninsula Quays. Architects BFLS and CF Moller have been appointed to design five and two buildings, respectively, and we expect to submit applications for detailed planning consent this summer.

At Peninsula Central, adjacent to The O2, a further 10,600 sq ft floor has been let within Mitre Passage to UCi2i, a digital video business, at £32 per sq ft.

Fund Management

Student Accommodation

The portfolio is 100% let for the current academic year.

Construction of the 673-bedroom student accommodation scheme in Shoreditch, London, remains on schedule to open this September. The opening will increase the number of bedrooms within the iQ portfolio to 5,183 and has the potential to drive a 35% increase in the Fund’s rent roll to above £33m for the 2012/13 academic year.

With university tuition fees scheduled to rise substantially in September 2012, the fall of 7.4% in student applications, announced this week by UCAS, was anticipated. Despite this reduction, bookings for iQ’s schemes for 2012/13 are in line with the previous year, and this is particularly encouraging given the significant expansion of the portfolio.

Healthcare

Whilst the demographics underpinning the sector remain strong, long term healthcare operators continue to face challenges. Despite this, the dividend yield of the Quercus fund for the year to 31 December 2011 was 5.8% and we remain confident of the asset management team’s ability to manage-out the issues being faced by some tenants.

Science Parks

The take up of desks within the first phase of the Innovation Centre at the Bristol & Bath Science Park continues to be significantly ahead of forecast, with 50% of available space now occupied. We have been pleased with the response from the market since the Park opened in September last year and its recent selection by the Department for Business, Innovation and Skills as the location for their second Advanced Manufacturing Summit in February underpins our belief that the Park is increasingly being viewed as a centre of excellence.

Finance

In line with our ambition to operate with a significantly lower level of debt from April 2013, we are focused on releasing capital from selected assets where value has already been added. We

are also pro-actively managing our maturities and, as stated in November 2011, £353m has already been extended, either fully or through options, to April 2016. We are now negotiating terms to refinance a further £40m of debt, which will equip the Group with £393m of facilities to 2016. It is unlikely that extensions relating to further corporate facilities will be pursued in the near term.

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