PRESS RELEASE
14th AUGUST 2002

FLETCHER KING PLC
PRELIMINARY RESULTS

Fletcher King PLC announces today its preliminary results for the 12 months ended 30th April 2002.

Key points:

- Turnover: £5 million (2001: £6.255 million).
- PBT: £25,000 (2001: £461,000).
- Total dividend: 1p per share (2001: 4p).
- Results adversely affected by market conditions and a £130,000 write off of two bad debts at Fletcher King Howard.

David Fletcher, Chairman of Fletcher King, commented:

"Following our Trading Statement on 3rd May 2002, it should come as no surprise that this set of results is disappointing. Turnover and profitability have been hit as a result of the slowdown that has affected the whole market plus the £130,000 write off of two bad debts at Fletcher King Howard.

Whilst the market in which we operate is unlikely to be much easier in the coming year, we have experienced and talented teams running all the divisions within the company and I am confident we will be able to grow profits by exploiting all opportunities that present themselves in the coming year."

END

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CHAIRMAN'S STATEMENT - RESULTS

Following our Trading Statement on 3rd May 2002 it will come as no surprise to shareholders that the results for the year ending 30th April 2002 are disappointing. Turnover and profitability are down as a result of the slowdown in the market. Profitability has been further affected by the exceptional item in the accounts of Fletcher King Howard of £130,000 write off of two bad debts.

Turnover for the year was £5 million (2001 £6.255 million) and profits before tax £25,000 (2001 £461,000). The Board is proposing a final dividend of 0.75p (2001 2.5p) which, subject to shareholders approval at the Annual General Meeting, will be paid on 23 September 2002 to shareholders on the register at the close of business on 23 August 2002.

With an interim dividend already paid the total dividend for the year will amount to 1p per share (2001 4p per share)

THE COMMERCIAL PROPERTY MARKET

Last year the market was characterised by conflicting economic indicators and uncertain conditions. Demand for well let commercial property investments grew, and values rose as property continued to deliver performance well above gilts and equities.

Conversely the letting markets became more difficult as the year progressed and demand eased. Offices in Central London and the Western approaches were hardest hit as the financial services and high technology industries down sized

Owners of vacant property, who were prepared to be realistic in pricing their product and to act quickly in doing so, achieved lettings.

As interest rates remained low, the debt driven purchasers of investment property continued to be active, and they were joined later in the year by some of the institutions, who increased their allocation to property.

OUTLOOK FOR 2002/03

As predicted in my Report last year, the supply of good investment property continues to be restricted. The trend is for investors to be buyers rather than sellers, and this is likely to continue for some time to come, with the resultant increase in values.

Interest rates are predicted to remain stable for some time to come and the 5 and 10 year swap rates have been falling recently. The debt driven sector of the investment market should therefore continue to be strong with returns at acceptable levels compared to those likely from equities and gilts.

We believe the occupational market will continue to be steady with demand at similar levels to last year. If owners are to be successful in achieving lettings they will have to be realistic on quoting terms, and if they are, the rewards will come.

We have not yet launched our commercial property investment vehicle. Most of our potential small institutional investors were not prepared to liquidate their equities in a falling market in order to invest in property. We have therefore reconfigured the scheme to make it more suitable for high net worth individuals and hope to report positive progress in my Interim Report.

The market in which we are involved will not be much easier in the coming year but we are building our core property fund and asset management activities. Fletcher King Howard have cut costs and are forecasting a profitable year.

We have experienced and ambitious teams managing all divisions of the company and I am confident that they will exploit all avenues to grow profits from the opportunities that occur during the coming year. I therefore look forward to seeing a recovery in the Group's fortunes next year with a resultant increase in the dividend payment.

DAVID FLETCHER
CHAIRMAN

14 August 2002

DIVISIONAL REVIEW

FLETCHER KING LONDON

Investment and Fund Management

In a year when institutional buyers were relatively quiet, the market was driven largely by debt financed property companies, overseas buyers and high net worth individuals who had become disillusioned with the equity market.

With interest rates continuing at historically low levels, properties securely let and yielding 7% plus became very attractive. The existence of more buyers than sellers, combined with a severe lack of good quality stock, has resulted in fewer transactions and the turnover of the department was lower.

However, the department has been active during the year and has sold landmark office buildings in Bristol and Edinburgh of approximately 100,000 sq.ft each with a combined capital value of £45 million.

During the year there was a bias towards transactions in office buildings, four of which were in Central London. Further significant buildings were in Wokingham and Reigate together with a 75,000sq.ft office property in Camberley, the values of which approached £20 million. We also dealt with industrial investments in Windsor, Bristol, and Chandlers Ford, together with retail warehouses in Falkirk, Brislington and Arbroath. The wide geographical spread of these properties is a good indication of our national presence.

In the forthcoming year it is likely that the investment market will continue very much as it did last year, with the lack of buying opportunities remaining a concern.

We have a good pipeline of sales instructions which include a regional shopping centre in East Anglia, a department store in Newport, Isle of Wight, and a number of well let market town shops for which there is a very strong demand.

Asset Management

Our existing clients generally continue to expand their portfolios and we were successful in securing a number of major new instructions during the year.

In particular we have taken on the management of a portfolio of eight industrial estates with a rental income in excess of £500,000 per annum and a portfolio of nine, predominantly retail properties in the east of England with a rental income approaching £750,000. We have also won the management of 100,000 sq.ft prime office building in Edinburgh.

Towards the end of the year we were appointed to manage the property portfolio of a significant Family Trust and, in addition to managing the properties, we are tasked with rebalancing and expanding the portfolio.

We currently have a number of potential instructions for which we are bidding and expect the current year to show sustainable growth within the Department.

Rating and Valuation

The financial year was a busy and successful one for the department with over 300 appeals negotiated. Notable successes were gained for Standard Bank, London where a saving of over £300,000 in rate payments was achieved on Canon Bridge House in the City. A renegotiation of the tone in Bracknell resulted in over £400,000 saving in rate payments for Avis Europe on their Headquarters and £350,000 for GMAC on their 60,000 sq. ft. office building.

The volume of valuation instructions continued to grow throughout the year and over 60 were undertaken, for loan security purposes, for Barclays Bank alone with a total value of over £330m. The strength of the residential market has generated many instructions particularly in London and the South East where the clearing banks remain the main lenders.

The commercial lending market has had a quieter year, despite very low interest rates. However we have undertaken notable valuations for all the clearers and many of the building societies and foreign banks including the valuation of a portfolio of High Street shops for the Cheshire Building Society, the valuation of a large headquarters office building in St James's Square for Barclays Bank and the appraisal and valuation of Phase I of a 90,000 sq. ft. call centre in Wellingborough for NatWest.

There remain outstanding a large number of appeals under the April 2000 Rating List and we therefore expect an active year to come. The level of valuation instructions is buoyant and we expect to be as busy this year as last so that overall the department should have an excellent year.

Agency and Development

As already mentioned in this report, the market has been difficult during the last twelve months with much lower demand than seen in previous periods.

Clients have generally taken our advice on pricing and, during the first four months of this calendar year, we have achieved some notable success in the Central London market, which is one of the most difficult. Lettings have been achieved in Cassini House, St James’s, Greville Street, EC1 and in Piccadilly, W1 at rents close to, but below 2001 peaks.

Out of town successes include the disposal of over 70,000 sq.ft in Guildford for BP International, and a 30,000 sq.ft freehold sale for SAAB at Globe Park, Marlow.

The coming financial year will, we believe, be characterised by a slowing in the pace of enquiries as prospective tenants and purchasers take longer to make decisions. The quality of the enquiries in the market has improved, as has the department's market share. We have a good order book and are currently budgeting to improve the department's performance over last year.

FLETCHER KING HOWARD

Our wholly owned construction services subsidiary continued to have a difficult year although it traded profitably during the second half. Despite its difficulties it still completed some significant projects which included Scantruck's £3.5million headquarters office and workshop facility at Purfleet, Northampton Saints Rugby Club's £3 million stand (completed in just 16 weeks), a 300,000 sq.ft distribution park in Thurrock and Computacenter's £2million fit-out at Hatfield.

The forward order book has improved significantly over the previous year and the company is also winning orders in new industry sectors, such as pharmaceuticals where it is currently building a £10 million manufacturing facility for Ivax Pharmaceuticals in Cheshire.

Developer work continues with an 80,000 sq.ft retail development for City and County Developments in Bedford . The company's work in the educational sector is expanding with the start of a sports complex for Berkhamstead School and a £13 million project on the City Academy in Hornsey. Other notable new commissions are a £7 million Call Centre in Wellingborough, and a £10 million cold storage facility, for Christian Salvesen, in Lincolnshire.

Instructions have also been won from NatWest, Barclays and Investec to provide loan monitoring valuations on development sites.

FLETCHER KING BRAITHWAITE

Fletcher King Braithwaite in Manchester have enjoyed another good year and benefited from the cross selling between divisions in the Group, by acquiring a site in Runcorn for the new Ivax Pharmaceuticals facility that will be construction managed by Fletcher King Howard.

A 200,000 sq.ft multi-storey mill complex on the edge of the City sold for a new residential development and one of the final industrial plots in North Warrington was acquired for a 70,000 sq.ft speculative industrial scheme. The company will arrange both the lettings and the financing of this project.

The largest pre-letting in Haydock last year was achieved on a multi-unit development on which the company has also been instructed to arrange the financing.

The company's long involvement on Trafford Park continues with a 60,000 sq.ft four-unit scheme for Green Property Plc.

The market in the North-West continues to be comparatively strong and our office has a good pipeline of work for the coming year.

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 30 APRIL 2002

	2002 £'000	2001 £'000
TURNOVER	5,000	6,255
Staff costs	(3,014)	(3,976)
Depreciation	(120)	(143)
Other operating charges	(1,904)	(1,767)
OPERATING (LOSS) / PROFIT	(38)	369
Share of results of associated undertakings	23	-
Loss on disposals of shares in associated undertakings	(2)	-
Interest receivable and similar income	47	94
Interest payable and similar charges	(5)	(2)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	25	461
Tax charge on profit on ordinary activities	(24)	(177)
PROFIT FOR THE FINANCIAL YEAR	1	284
Dividends	(88)	(352)
AMOUNT DEDUCTED FROM RESERVES	(87)	(68)
Earnings per share - basic	0.01p	3.2p
- diluted	0.01p	3.1p

The basic earnings per share is based on the profit for the financial year ended 30 April 2002 of £1,000 (2001: £284,000) and on 8,807,279 (2001: 8,807,279) ordinary shares in issue throughout the year. The diluted earnings per share is based on the profit for the financial year ended 30 April 2002 of £1,000 (2001: £284,000) and on 8,926,473 (2001: 8,926,619) ordinary shares in issue during the year adjusted for the weighted average number of options outstanding at the end of each period.

CONSOLIDATED BALANCE SHEET as at 30 APRIL 2002

	2002 £'000	2001 £'000
FIXED ASSETS		
Tangible assets	294	390
Investment in associated undertakings	39	49
Other investments	3	903
	336	1,3
CURRENT ASSETS		
Debtors	1,9	1,9
Cash at bank and in hand	1,3	1,0
	3,2	3,0
CREDITORS: amounts falling due within one year	(1,1	(1,8
NET CURRENT ASSETS	2,1	1,1
TOTAL ASSETS LESS CURRENT LIABILITIES	2,4	2,5
CREDITORS: amounts falling due after one year	(38)	-
PROVISION FOR LIABILITIES AND CHARGES	(1)	(12)
NET ASSETS	2,4	2,4
CAPITAL AND RESERVES		
Called up share capital	881	881
Share premium account	76	76
Profit and loss account	1,4	1,5
EQUITY SHAREHOLDERS' FUNDS	2,4	2,4

CASH FLOW STATEMENT for the year ended 30 APRIL 2002

	2002 £'000	2001 £'000
Net cash (outflow)/inflow from operating activities	(297)	506
Dividends received from associated undertakings	21	-
Returns on investments and servicing of finance	43	92
Taxation	(163)	(202)
Capital expenditure and financial investment	893	(880)
Equity dividends paid	(242)	(352)
Cash inflow/(outflow) before financing	255	(836)
Financing	(16)	(16)
Increase/(decrease) in cash in the year	239	(852)