PRESS RELEASE
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FLETCHER KING PLC
INTERIM RESULTS

Fletcher King, the London based chartered surveyors and property asset managers, announces interim results for the six months ended 31st October 2002. The results show an improvement over the final six months of the year to April 2002 but remain lower than for the corresponding period last year. This reflects the continued slowdown and uncertainty in the UK economy and the significantly reduced level of activity in the London letting market.

Key points financial:

- Turnover £2,277,000 (2001: £2,436,000)
- Profit before tax: £71,000 (2001: £141,000)
- Earnings per share (basic): 0.62p (2001: 0.94p)
- Dividend: maintained at 0.25p (2001: 0.25p)

Key points operational:

- Stratton House Investment Property Syndicate launched successfully with 25 equity investors and £20 million available to invest and has now made its first investment
- Demand from occupiers outside London remains firm despite a slowdown in the capital
- Interest rate levels continue to strengthen the investment market
- All divisions remain active with the exception of agency, which continues to follow the downturn in the lettings market
- The property asset management team has been appointed to manage a 535,000 sq ft portfolio on behalf of Treasury Holdings Properties Limited

Commenting David Fletcher, chairman of Fletcher King said:
"Whilst the economic outlook remains uncertain, our diverse client base continues to produce a reliable revenue stream which, together with our healthy pipeline of potential new business and strong cash balance, provides us with a degree of comfort and we expect the full year to be in-line with last year's performance."

For further information:

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CHAIRMAN'S STATEMENT

RESULTS

The interim results for the six months to 31st October 2002 show an improvement over the previous six months, although they are lower than the corresponding period last year. Profit before tax was £71,000 (2001: £141,000) predominantly due to the significantly reduced level of activity in the London letting market, with earnings per share of 0.62p (2001 0.94p). Your Directors have declared a maintained interim dividend of 0.25p (2001 0.25p) per share which will be paid on the 21st February 2003 to shareholders on the register at the close of business on the 7th February 2003.

THE COMMERCIAL PROPERTY MARKET

Trading in the first six months has been mixed and continues to reflect the slowdown and uncertainty in the UK economy.

London

Demand from occupiers has slowed considerably in London and the South East, with office markets in mid-town, the City, Docklands and the western approaches being almost at a standstill. The West End office market has not been easy and rentals have fallen, but the diversity of occupiers has resulted in a reasonable level of interest and activity.

Outside London

Elsewhere in the country demand is stronger and rental growth, particularly in the industrial market, is still being achieved. As a result of low interest rates, owner-occupiers are a growing force in the market and a significant number of industrial transactions carried out by our Manchester office are to that sector.

Investment

The investment market remains buoyant for transactions that are financable in the debt market and, whilst interest rates remain at or around current levels, this market is likely to remain strong.

DIVISIONAL TRADING

Property Asset Management

Our property asset management division has performed well. Its activities have expanded with the acquisition of a number of new clients, the most significant of which is Treasury Holdings. They have appointed us to manage a portfolio with a rent roll of approximately £6.5 million per annum and a floor area in excess of 500,000 sq.ft. Total assets under management now stand at approximately £1 billion.

Investment and Fund Management

The investment and fund management department has continued to be active over the six months reported. Included in sales were two retail portfolios, each in excess of £15 million, and a shopping centre for £12 million.

Valuation and Rating

The valuation and rating department was also very active and valuation instructions are up by 10% on last year. Rating appeals have increased and we have been negotiating reductions of up to 35% on a number of significant buildings.

Agency

In line with most of the London market the level of letting activity is much reduced. We have seen a significant downturn in the level of such transactions and there is little sign of significant improvement for at least twelve months.

Manchester

Manchester continues to progress satisfactorily and significant new business was added in the first half, including instructions from Clerical Medical and Standard Life.

Fletcher King Howard

The recovery at Fletcher King Howard, our construction services division, continues with a return to profit in the first half of the year; the business is expected to continue to trade profitably for the remainder of the year.

Stratton House Investment Property Syndicate

Shareholders will recall we have been working for some time to establish a private investment vehicle. At the beginning of October, we announced the successful launch of the Stratton House Investment Property Syndicate with 25 equity investors, including ourselves. Together with debt financing, the Syndicate has approximately £20 million available to purchase suitable investment properties. The first purchase for £3.25 million was completed just before Christmas and once this Syndicate is fully invested we aim to establish further ones.

OUTLOOK

Although times are uncertain, we have the advantage of being a reasonably diverse group, with a strong client base that provides a continuous revenue stream. We have a very healthy level of potential new business and are winning new instructions. In addition, we have significant cash reserves and a strong balance sheet.

Our continued investment in IT means that we have some of the most sophisticated systems in the industry. These enable us to add significantly to the size of property portfolios under management and our property fund management business.

Reduced activity in our letting activities in London has caused us to cut significantly our income expectations from that department in the second half of the year. All other departments and divisions of the Group are expected to break even or make a reasonable contribution to profit.

Our overall expectation is that trading will be more difficult in the second half and we believe the year end outturn will be much in line with last year. Nonetheless, because of the overall strength of the Group, it is our intention to pay a final dividend of at least last year's level.

D J R Fletcher Chairman
23rd January 2003
Registered Office, Stratton House
Stratton Street, London W1J 8LA

Consolidated Profit and Loss Account
(unaudited) for the six months to 31 October 2002

	6 months to 31 Oct 2002 £000	6 months to 31 Oct 2001 **£000**	Year to 30 April **£000**
Turnover	**2,277**	2,436	5,000
Operating Profit	**61**	99	(38)
Share of results of associated undertakings	**0**	10	21
Interest Receivable (net)	**10**	32	42
Profit on ordinary activities before taxation	**71**	141	25
Taxation	**(16)**	(58)	(24)
Profit on ordinary activities after taxation	**55**	83	1
Dividends	**(22)**	(22)	(88)
Dividend per Share	**.25p**	.25p	1.00p
Retained Profit	**33**	61	(87)
Earnings per share - basic	**0.62p**	0.94p	0.01p

NOTES
1. The interim figures for the six months to 31 October 2002, which are unaudited, have been prepared
on the basis of the accounting policies set out in the Annual Report and Accounts for the year ended 30 April 2002. The financial information contained in this Interim Report does not amount to statutory accounts within the meaning of section 240 of the Companies Act 1985.

The results for the year ended 30 April 2002 have been extracted from the published accounts for that period on which the auditors gave an unqualified report and which have been delivered to the Registrar of Companies.

2. Earnings per share are calculated on 8,807,279 ordinary shares in issue during the six months (October 2001 - 8,807,279, April 2002 - 8,807,279).

3. This statement is being sent to shareholders. In addition copies are available from the Company Secretary at the Registered Office.

CONSOLIDATED BALANCE SHEET
(unaudited) for the six months to 31 October 2002

	As at 31 October 2002 £000	As at 31 October 2001 **£000**	As at 30 April 2002 **£000**
Fixed assets			
Tangible assets	**266**	373	294
Investment in associated undertakings	**39**	56	39
Other Investments	**253**	903	3
	558	1332	336
Current assets			
Debtors	**2143**	2009	1946
Cash at bank and in hand	**623**	1289	1305
	2766	3298	3251
Creditors			
(Amounts falling due within one year)	**(885)**	(2,062)	(1,178)
Net current assets	**1881**	1236	2073
Total assets less current liabilities	**2439**	2568	2409
Provisions for liabilities and charges	**0**	(12)	(1)
Net assets	**2439**	2556	2408
Capital and reserves			
Called up share capital	**881**	881	881
Share premium account	**76**	76	76
Profit and loss account	**1482**	1599	1451
	2439	2556	2408

CONSOLIDATED CASH FLOW STATEMENT
(unaudited) for the six months to 31 October 2002

	6 months to 31 October 2002 £000	6 months to 31 October 2001 **£000**	Year to 30 April 2002 **£000**
Net cash (outflow)/ inflow from operating activities	**(352)**	533	(297)
Dividends received from associated undertakings			21
Returns on investment and servicing of finance	**10**	32	43
Taxation	**0**	(107)	(163)
Capital expenditure and financial investment	**(258)**	(8)	893
Equity dividends paid	**(66)**	(220)	(242)
Cash flow before financing	**(666)**	230	255
Financing	**(15)**	(7)	(16)
(Decrease)/Increase in cash in the half year	**(681)**	223	239