

SLOUGH ESTATES plc

**INTERIM RESULTS
JUNE 2003**



**SLOUGH
ESTATES**

Interim Results Summary

	2003*	2002*
	Half	Half
Core property income	£71.9m	£68.5m
Profit before tax	£71.1m	£76.1m
Earnings per share	13.9p	15.1p
Dividends per share	5.8p	5.45p
		Dec 2002
Diluted net assets per share	514p	519p

* Adjusted to exclude FRS19 deferred tax and investment property disposals (FRS3)

Rental Income – Half Year

		<u>Turnover</u>		<u>Net</u>	
		2003	2002	2003	2002
		£m	£m	£m	£m
UK		<u>81.9</u>	<u>79.5</u>	<u>74.8</u>	<u>74.9</u>
Overseas	- USA	24.6	21.5	24.4	21.6
	- Canada	1.0	1.1	1.5	0.8
	- Europe	<u>10.8</u>	<u>9.6</u>	<u>10.7</u>	<u>9.3</u>
Total Overseas		<u>36.4</u>	<u>32.2</u>	<u>36.6</u>	<u>31.7</u>
Total		<u>118.3</u>	<u>111.7</u>	111.4	106.6
Share of Joint Ventures				<u>7.5</u>	<u>7.4</u>
				<u>118.9</u>	<u>114.0</u>

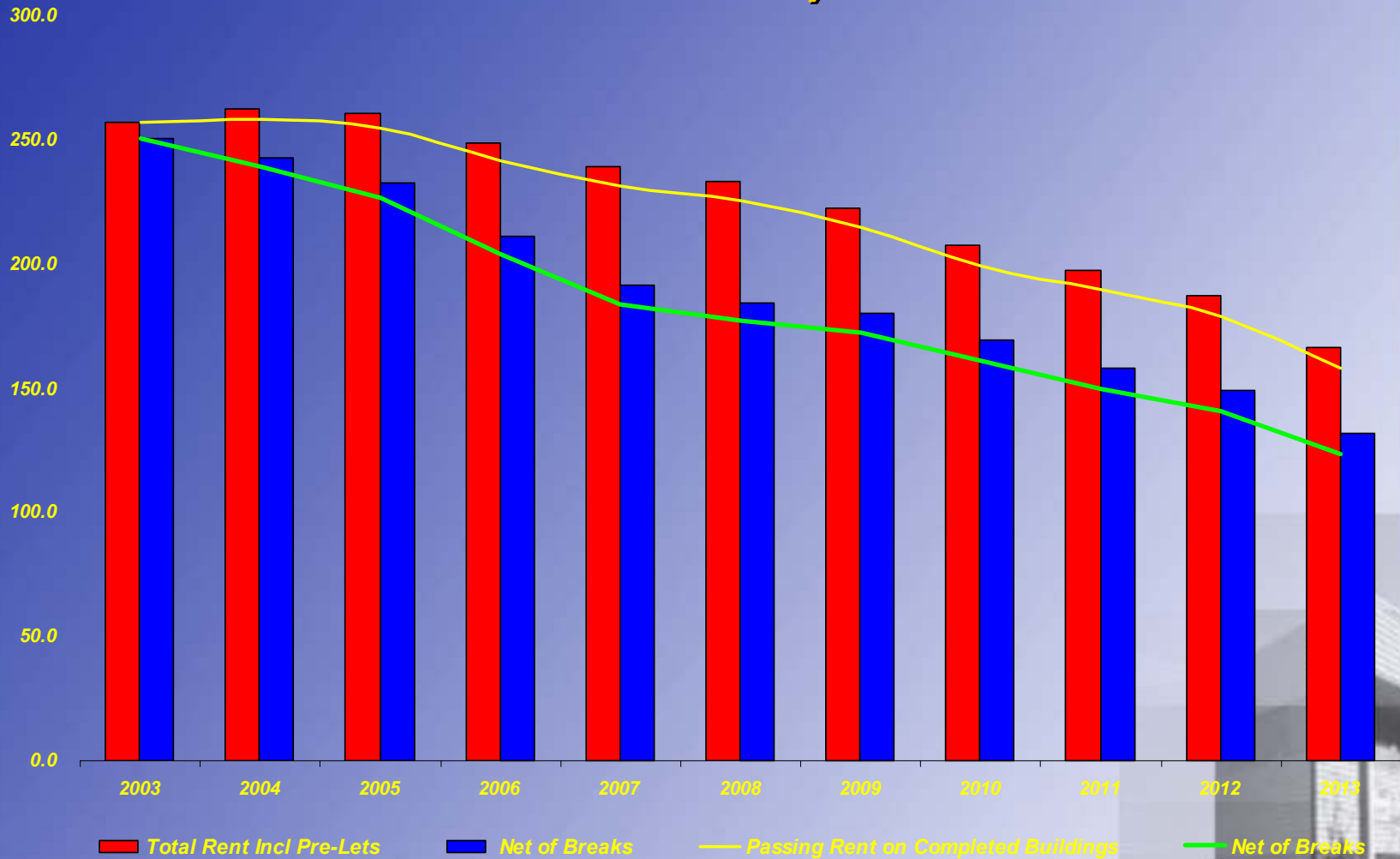
Income Statement

	Half 2003 £m	First Half 2002 £m	Year 2002 £m
Net rental income	118.9	114.0	231.7
Administration	(7.5)	(6.6)	(14.9)
Interest Net	<u>(39.5)</u>	<u>(38.9)</u>	<u>(76.5)</u>
Core property income	71.9	68.5	140.3
Utilities	(1.5)	(1.9)	(4.5)
Trading property	(0.9)	1.4	2.8
Other income	<u>1.6</u>	<u>8.1</u>	<u>4.9</u>
* Adjusted pre-tax	<u>71.1</u>	<u>76.1</u>	<u>143.5</u>
* Adjusted EPS pre FRS19	13.9p	15.1p	28.8p
* Adjusted EPS post FRS19	11.4p	11.0p	20.8p
* Adjusted to exclude investment property sales.			

Cashflow/Net Borrowings

	2003	2002
	Half	Half
	£m	£m
Cash generation	109.8	106.0
Interest and dividends (net)	(92.8)	(86.4)
Tax paid (net)	(3.6)	(12.9)
	13.4	6.7
Investment property expenditures	(62.1)	(77.0)
Investment property sales	58.3	0.5
Other net investment	(16.8)	0.9
Working capital changes	(5.0)	(18.4)
Net payments	(12.2)	(87.3)
31.12.02 net borrowings	(1,489.6)	(1,365.2)
Exchange rate changes	(0.9)	7.2
30.6.03 net borrowings	(1,502.7)	(1,445.3)

Worldwide Security of Income



■ Total Rent Incl Pre-Lets

■ Net of Breaks

— Passing Rent on Completed Buildings

— Net of Breaks

Balance Sheet

Dec 2002		June 2003
£3,868m	Total investment properties	£3,832m
£1,490m	Net borrowings	£1,503m
£2,429m	Shareholders' funds	£2,407m
61%	Gearing: $\frac{\text{Net Borrowings}}{\text{Equity}}$	62%
551p	Net assets per share	545p
519p	- basic	514p
	- diluted	

Shareholders funds, gearing and net assets per share exclude the effects of FRS19 deferred tax.

Revaluation (Deficits)/Surpluses

		June 2003 £m	June 2003 %
UK	- Industrial	(2.4)	(0.2)
	- Office	(47.3)	(9.2)
	- Retail	13.7	4.2
	- Land	<u>(27.5)</u>	<u>(14.4)</u>
	Total UK	<u>(63.5)</u>	<u>(2.4)</u>
Overseas	- USA	(7.6)	(1.1)
	- Canada	(0.2)	(0.7)
	- Europe	1.2	0.4
	Total Overseas	<u>(6.6)</u>	<u>(0.7)</u>
Total		<u>(70.1)</u>	<u>(1.9)</u>
Excludes Associates			

UK Valuation

	June 2003 %	Dec 2002 %
Excluding Land & Associates		
Running yield including voids	6.5	6.4
Running yield excluding voids	7.3	7.2
Reversionary yield	7.9	8.0
Capital Growth		
Industrial	(0.2)	1.3
Office	(9.2)	(8.6)
Retail	4.2	6.7
All property	(2.4)	(1.2)
Rental Growth		
Industrial	(0.3)	0.5
Office	(10.0)	(6.0)
Retail	2.7	2.7
All property	(1.9)	(0.5)

Reversions UK

		June 2003 £m	December 2002 £m
On Leased buildings			
Rent passing		158.1	162.2
ERV		168.7	173.7
Reversion		<u>10.6</u>	<u>11.5</u>
Reversion	£m	%	%
Industrial	6.5	5.9	5.8
Office	0.4	1.6	6.5
Retail	3.7	18.1	13.6
All properties	<u>10.6</u>	<u>6.7</u>	<u>7.1</u>

Excludes Joint ventures

Construction Programme

	Under Construction	
000's m2	30.06.03	31.12.02
UK	10.9	18.8
Belgium	3.9	3.9
France	3.2	3.2
USA	41.9	86.6
	<hr/>	<hr/>
	59.9	112.5
% let, committed or sold	77%	81%

Occupancy

2003 Completed Area 000s Metres ²	Based on area	Excluding Construction in Progress		Including Construction in Progress	
		2003 %	2002 %	2003 %	2002 %
1,886	UK	90.0	90.4	89.5	89.9
71	Canada	69.6	68.9	69.6	68.9
400	USA	91.2	94.1	92.1	93.5
508	Europe	93.4	86.7	92.9	86.3
<u>2,865</u>	<u>Total</u>	<u>90.3</u>	<u>89.6</u>	<u>90.0</u>	<u>89.3</u>

Includes Associates

Investment Portfolio at Valuation

	UK £m	USA £m	Canada £m	Belgium £m	France £m	Total £m
Industrial	1,561	89	-	53	83	1,786
R & D	81	437	-	-	-	518
Office	459	38	26	102	9	634
Retail	539	-	-	2	9	550
	2,640	564	26	157	101	3,488
Land & construction	176	143	1	24	-	344
TOTAL	2,816	707	27	181	101	3,832

Includes Share of Joint Ventures

Excludes trading properties

Worldwide Principal Tenants

		Annual Rent £m				Annual Rent £m	
1	Pfizer	USA	7.7	11	Agere Systems	UK	2.6
2	Mars UK	UK	6.8	12	Geodis	Europe	2.6
3	Cisco	Europe	3.7	13	NTL	UK	2.5
4	mmO2	UK	3.7	14	Robert Half International	USA	2.5
5	Tesco	UK	3.6	15	Fibrogen	USA	2.4
6	Sugen	USA	3.6	16	Aradigm	USA	2.4
7	Fujitsu ICL	UK & USA	3.1	17	SkyPharma	USA	2.3
8	Exelixis	USA	2.7	18	ProBusiness Services	USA	2.2
9	Tularik	USA	2.7	19	Computer Associates	UK & Europe	2.2
10	Celltech	UK	2.6	20	Millennium Pharmaceuticals	USA	1.9