

There follows the text of an announcement which was released by the Company on 1 October 2003:

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QUAYLE MUNRO HOLDINGS PLC

Transfer to the Alternative Investment Market ("AIM")

It was announced on 18 September 2003, along with the release of the preliminary results of Quayle Munro Holdings PLC ("Company") for the year ended 30 June 2003, that the Board felt it was appropriate to transfer the Company's listing from the Official List to AIM, which they believed would be more suitable for the Company. The Directors consider that a transfer to AIM is in the interests of the Company and Shareholders as a whole. As a result, the listing of the Ordinary Shares of the Company will be cancelled and the Company has made application for its entire issued share capital to be admitted to trading on AIM.

There are potentially significant tax advantages available to non-corporate shareholders in holding AIM listed shares. AIM listed shares are currently treated as unquoted shares for most provisions of the Taxes Acts.

This means that, with regard to Inheritance Tax, to the extent that shares in an AIM listed company qualify as relevant business property (ie., they are shares in a trading company or shares in the holding company of a trading group) they will be exempt from a charge to tax on death if they have been owned for a period of two years. In addition, lifetime transfers made within seven years of the death of the donor are also exempt from Inheritance Tax if the transferee continues to hold the shares throughout the period between date of transfer and the death of the donor. The status of AIM listed shares also benefits the individual shareholder in relation to Capital Gains Tax. For example, the gifting of shares is usually a chargeable event. However, any gain on unquoted shares that are the subject of a gift may be held over and passed with the gift to the transferee to the extent that Quayle Munro Holdings satisfies certain conditions at the time of the gift. Any such held-over gain will crystallise when the transferee makes a subsequent disposal. The unquoted status is also important in qualifying the shares for business asset taper relief upon their sale. Business asset taper relief differs from standard taper relief in that it reduces significantly the proportion of a gain on sale that is chargeable to tax. Shareholders are advised to consult their own tax advisers concerning these matters.

The Board is aware that there are circumstances which can prohibit Shareholders from investing in shares quoted on AIM. The shares of a company quoted on AIM cannot be held in Personal Equity Plans or Individual Savings Accounts. Shareholders are advised to review their position in this respect as soon as possible.

The AIM Rules require that the Company appoint a nominated adviser and broker before its Ordinary Shares are admitted to trading on AIM. KBC Peel Hunt has been appointed to act as nominated adviser and broker to the Company.

Application has been made for the existing Ordinary Shares to be admitted to trading on AIM and for the cancellation of the listing of the Company's existing Ordinary Shares on the Official List. It is expected that the listing of the existing Ordinary Shares on the Official List will be cancelled from 8.00am on 29 October 2003 (being 20 business days from the date of this announcement), and that the entire issued share capital of the Company will be admitted to trading on AIM and dealings will commence at 8.00am on 29 October 2003. Existing share certificates in issue in respect of existing Ordinary Shares will remain valid following Admission.

Further information required to be available in respect of the Company's proposed admission to trading on AIM can be sourced at: www.quayle.co.uk.

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