

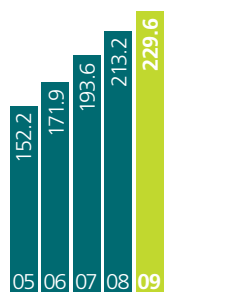
# Business Review

## Segmental performance

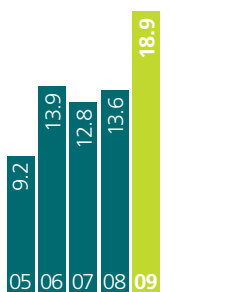
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# Management and Project Services

| Key performance indicators   | 2009           | 2008    | change |
|------------------------------|----------------|---------|--------|
| <b>Financial metrics</b>     |                |         |        |
| Revenue                      | <b>£229.6m</b> | £213.2m | +7.7%  |
| Operating profit             | <b>£18.9m</b>  | £13.6m  | +39.0% |
| Operating margin             | <b>8.2%</b>    | 6.4%    | +1.8pp |
| Share of post-tax JV profits | <b>£0.2m</b>   | –       | –      |
| <b>Work in hand</b>          |                |         |        |
|                              | <b>44%</b>     | 48%     | -4pp   |
| <b>People</b>                |                |         |        |
| Staff numbers at 31 March    | <b>2,294</b>   | 2,461   | -6.8%  |
| Average staff numbers        | <b>2,405</b>   | 2,394   | +0.5%  |



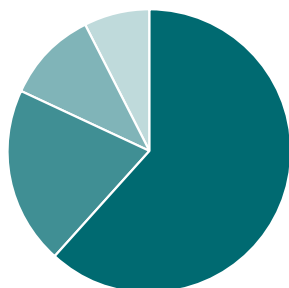
Revenue £m



Operating profit £m



Average staff numbers



Revenue by client type

- Private Sector
- Public Sector: National Government
- Public Sector: Local Government
- Regulated



Revenue by market

- Energy
- Defence
- Industry
- Education
- Financial Services
- Transportation
- Pharmaceutical
- Residential Buildings
- Government Buildings
- Commercial Buildings
- Water
- Other

The Management and Project Services segment delivered an improved performance this year, with operating margin up 1.8 percentage points to 8.2%. The Faithful+Gould business, which represents approximately 70% of the segment, had a good year, despite tough trading in some market areas, and the Management Consultants business continued its recovery.

Faithful+Gould, with operations in the UK, USA and Asia Pacific, provides project management and cost consultancy services across a broad range of market sectors. The result for the year was in line with expectations with a slight shortfall in the UK business, which accounts for over 60% of revenue, offset by improvements in our North America and Asia Pacific businesses. Early action was taken to right-size our business to compensate for some softness in the private sector, mainly in commercial property development which accounts for less than 10% of revenue.

We remain focused on our other key markets. In the USA we continue to develop the energy markets through instructions in nuclear new-build for Exelon and programme management of power transmission lines for PacifiCorp. In the UK we have been reappointed to the government's Building Schools for the Future programme and have secured a new framework contract with a major UK financial services group. In Asia Pacific we have been awarded a commission for Johnson & Johnson in China and have also been engaged on a new solar panel manufacturing plant in Singapore.

The results for the year in our Management Consultants business were, as expected, much improved and in the fourth quarter we were appointed to two framework contracts to provide strategic and business change consultancy and project and programme management services to the UK Department for Work and Pensions. The overall market remains stable but the slowdown in the private sector has increased competition in our public sector markets where we focus on strategy, design and programme management for technology-enabled business change.

#### Outlook

The outlook for the segment as a whole is good with work in hand at 31 March 2009 representing 44% of budgeted revenue for 2009/10 (2008: 48%).

Faithful+Gould is a diverse business which delivers services to a wide range of markets. While the UK market is relatively mature, the USA will provide opportunities for us to develop further into energy and government, particularly infrastructure and defence, and in Asia Pacific opportunities will arise from continued inward investment across the region.

Our Management Consultants business currently has a small share of a large addressable market and, with its refocused services and strategy, is actively pursuing a number of opportunities to add to a pipeline underpinned by existing framework contracts with established clients.