

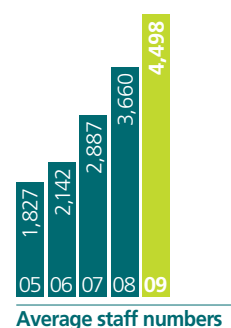
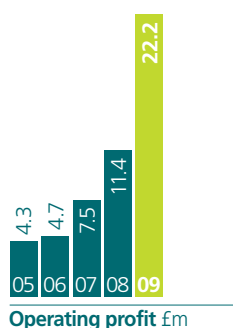
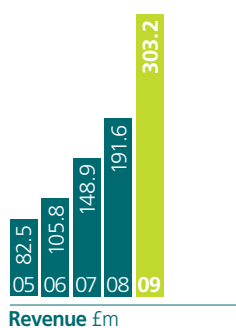
Business Review

Segmental performance

Continued

Middle East, China and Europe

| Key performance indicators | 2009 | 2008 | change |
|----------------------------|----------------|---------|--------|
| Financial metrics | | | |
| Revenue | £303.2m | £191.6m | +58.2% |
| Operating profit | £22.2m | £11.4m | +94.7% |
| Operating margin | 7.3% | 5.9% | +1.4pp |
| Work in hand | | | |
| | 53% | 50% | +3pp |
| People | | | |
| Staff numbers at 31 March | 4,565 | 4,076 | +12.0% |
| Average staff numbers | 4,498 | 3,660 | +22.9% |



The Middle East, China and Europe segment recorded significant growth in all three regions. On a constant currency basis, revenue increased by 36% and operating profit by 57%. The remaining increase in revenue and operating profit was as a result of foreign exchange translation due to the weakness of sterling with an average exchange rate for the US dollar, the principal currency in which our overseas activities are denominated, in 2008/09 of \$1.74:£1 (2007/08: \$2.01:£1).

Middle East

| Key performance indicators | 2009 | 2008 | change |
|----------------------------|----------------|---------|--------|
| Financial metrics | | | |
| Revenue | £186.0m | £112.2m | +65.8% |
| Operating profit | £17.3m | £9.5m | +82.1% |
| Operating margin | 9.3% | 8.5% | +0.8pp |
| Work in hand | | | |
| | 53% | 51% | +2pp |
| People | | | |
| Staff numbers at 31 March | 2,824 | 2,470 | +14.3% |
| Average staff numbers | 2,823 | 2,119 | +33.2% |

Our Middle East business delivered further significant growth in revenue and operating profit up 82% to £17.3m. The first half of the year saw continued strong growth in what were booming economies across the region. During that time our staff numbers grew by 650 to a peak of over 3,100.

However, the region did not escape the global liquidity crisis and trading conditions worsened in the second half of the year, which particularly impacted the property sector where a number of projects were cancelled or deferred at short notice. As a result, we reduced our staff numbers by 500 of which 200 left by the year-end and the remaining 300 during April and May. The cost of these staff cuts, including associated rationalisation of office space, was approximately £3m.

With the cancellation of projects, we also experienced a significant slowdown in payments by a number of our clients. Cash flow remains a priority and we are working with our clients to manage a satisfactory outcome for the business.

Despite the slowdown, a number of projects were completed during the year including the 360m-tall Al Mas Tower housing the region's first diamond exchange and the 306m-high Address Hotel, Dubai's latest winner of the best new hotel award. Our major involvement delivering the Dubai Metro continued with a 250-person team remaining busy throughout the year.

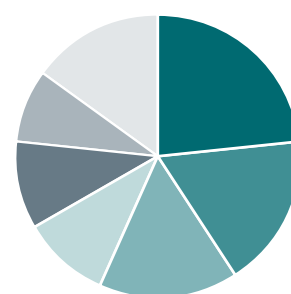
The building market in Dubai has been particularly affected by the liquidity crisis, but our policy of diversifying the business

away from building design and towards infrastructure has mitigated the impact of the downturn in property. We have also been able to protect key resources by redeploying them in other areas, such as Abu Dhabi and Oman, which have been less affected by the downturn.

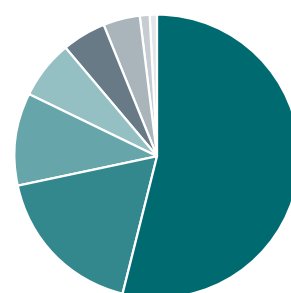
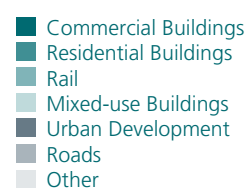
Our strong capability and market presence as leading providers of large-scale infrastructure, heavy civil engineering, utilities, transportation planning and engineering, continue to provide us with good opportunities. Project wins in this area include ongoing restoration work following cyclone Gonu in Oman, complex elevated roadways and bridge design in Abu Dhabi, the 'Abra' water taxi and ferry stations in Dubai and work on sanitation and transportation masterplans in Kuwait.

Outlook

Despite the slowdown in the third quarter, £45m of good quality new work was secured in the fourth quarter and work in hand represents 53% of budgeted revenue for 2009/10 (2008: 51%). The oil-rich countries, such as Abu Dhabi, Qatar, Kuwait and Saudi Arabia, are continuing to invest, albeit at a slower pace, particularly in enhancing their infrastructure, and there are good opportunities for our business. The markets in Dubai and Bahrain have less activity and the timing of confidence returning is uncertain. The very high wage inflation experienced in the early part of the year has now reversed and accordingly we have instigated a 10% pay cut across the region in June 2009. Longer term, we are optimistic of a resurgence of activity in the region.



Revenue by market



Revenue by geography



Business Review

Segmental performance

Continued

China

| Key performance indicators | 2009 | 2008 | change |
|----------------------------|---------------|--------|---------|
| Financial metrics | | | |
| Revenue | £46.1m | £29.8m | +54.7% |
| Operating profit | £2.7m | £0.3m | +800.0% |
| Operating margin | 5.9% | 1.0% | +4.9pp |
| Work in hand | 71% | 47% | +24pp |
| People | | | |
| Staff numbers at 31 March | 933 | 861 | +8.4% |
| Average staff numbers | 890 | 859 | +3.6% |

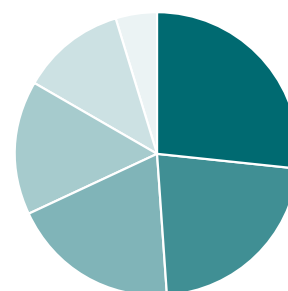
We continue to make progress in China and the region as a whole performed ahead of expectations recording a significant improvement in operating profit over the prior year.

Demand for the services of our 300-strong Hong Kong infrastructure business contributed to better than expected performance from that business. The Hong Kong railway market is buoyant following the merger of the two major railway corporations in December 2007 and we are working on five major rail assignments for MTR Corporation.

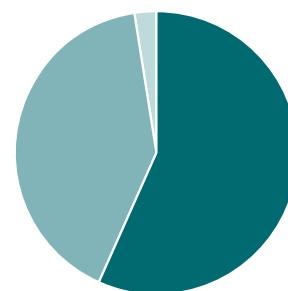
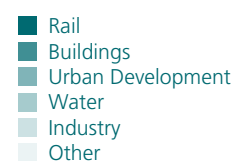
Our business in mainland China recorded a much improved result, following the closure of underperforming activities and focusing on the core areas of architecture and urban design. We employ just over 400 staff in mainland China which is broadly in line with last year and positions us well for growth as the market matures.

Outlook

The business enters the new financial year with 71% of budgeted 2009/10 revenue secured (2008: 47%). Our Hong Kong office is particularly busy with work on MTR projects and our business on the Mainland is positioned to benefit from emerging opportunities.



Revenue by market



Revenue by geography



Europe

| Key performance indicators | 2009 | 2008 | change |
|----------------------------|---------------|--------|--------|
| Financial metrics | | | |
| Revenue | £71.1m | £49.6m | +43.3% |
| Operating profit | £2.2m | £1.6m | +37.5% |
| Operating margin | 3.1% | 3.2% | -0.1pp |
| Work in hand | 42% | 47% | -5pp |
| People | | | |
| Staff numbers at 31 March | 808 | 745 | +8.5% |
| Average staff numbers | 785 | 682 | +15.1% |

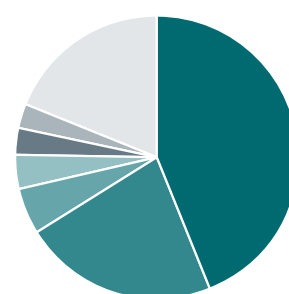
As a whole, the Europe portfolio performed in line with expectations, delivering a further improvement over the prior year.

There have, however, been mixed results across the portfolio. Our Danish business, which now employs 335 staff (2008: 280 staff) principally in the rail market, continues to perform well. Successes during the year include appointment to the project to upgrade the capacity of the Danish main lines network in connection with the coming Femern Belt project to provide a fixed rail link to Germany. The severe recession in Ireland has adversely impacted our Irish business but we have taken action to reduce costs with staff numbers reducing from 190 to 155 (18 left the business before the year-end and a further 17 in May).

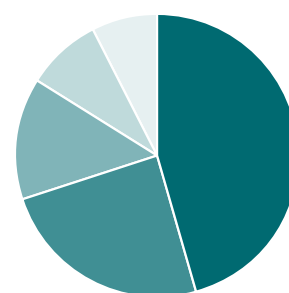
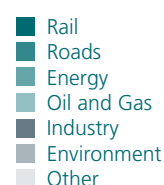
Sweden, which employs 130 staff, had another disappointing year but we are optimistic that the actions we have taken will ensure that the business performs better in the year ahead. The rest of the portfolio, in Poland and Portugal, performed in line with expectations.

Outlook

The outlook for the Europe portfolio is mixed with work in hand for the region as a whole representing 42% of budgeted revenue for 2009/10 (2008: 47%). The outlook in Denmark is good with the rail market strong but the two key challenges for the year ahead will be successfully managing through the recession in Ireland, where we have reduced pay by 10%, and stabilising our business in Sweden at a profitable level.



Revenue by market



Revenue by geography

