

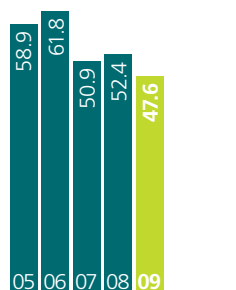
# Business Review

## Segmental performance

Continued

# Asset Management

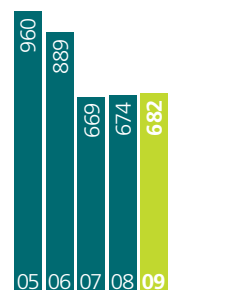
Key performance indicators	2009	2008	change
<b>Financial metrics</b>			
Revenue	<b>£47.6m</b>	£52.4m	-9.2%
Operating (loss)/profit	<b>£(6.8)m</b>	£2.8m	-342.9%
Operating margin	<b>(14.3)%</b>	5.3%	-19.6pp
Share of post-tax JV profits	<b>£0.3m</b>	£0.2m	+50%
Profit on disposal of JV	<b>£2.5m</b>	–	–
<b>Work in hand</b>			
	<b>99%</b>	99%	–
<b>People</b>			
Staff numbers at 31 March	<b>671</b>	669	0.3%
Average staff numbers	<b>682</b>	674	+1.2%



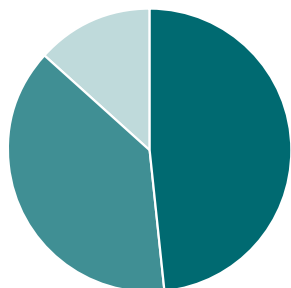
Revenue £m



Operating (loss)/profit £m

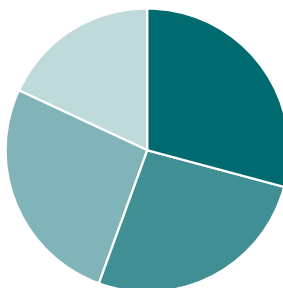


Average staff numbers



Revenue by client type

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



Revenue by market

- Financial Services
- Education
- Defence
- Health

The result for the Asset Management segment was poor, having been materially impacted by increased onerous contract provisions and remediation costs, totalling approximately £12m, associated with one of our 10 long-term legacy PFI maintenance contracts where we act as managing contractor. The remainder of the contracts are performing in line with expectations and the business also benefited from a non-recurring gain of £1.7m.

Performance in the managing agent business was ahead of expectations and the prior year. This business has recently secured a new five-year contract with a major financial services client and been invited to expand the scope of services provided to two public sector clients.

The segment also realised a profit of £2.5m on the disposal of our interest in Modern Housing Solutions (Prime) Limited at the beginning of the year.

#### **Outlook**

Our Asset Management segment is dominated by a relatively small number of long-term contracts and work in hand at 31 March 2009 represented 99% of budgeted revenue for 2009/10 (2008: 99%).