

...to deliver growth

Highlights

- Revenue up 17% to £605.5m.
- Operating margins on a comparable basis improved to 5.3%³ from 5.0%.
- Profit before tax from continuing operations and continuing Joint Ventures (excluding the results of the Metronet Enterprise) up 18% to £31.3m.
- Staff numbers up by over 1,000 since 31 March 2006.
- Substantial growth in the Middle East including the establishment of a rail business in the region; continued recovery in the UK rail market and significant organic growth in Design and Engineering Solutions.
- Work in hand strong with 88% of full year forecast revenue secured (2005: 87%).
- Metronet Enterprise results impacted by operational issues and continued delays in the stations capital programme. Conclusions of Arbiter's report were as expected, and we are working with all of Metronet's stakeholders to enable Metronet to become economic and efficient overall.
- Net funds have reduced by £41.0m from 31 March 2006 which is primarily the result of the normal seasonality of cash flows, further pension payments, growth in the business and acquisitions.
- Interim dividend up 33% to 6.0p per share.

	Six months to 30 Sept 2006	Six months to 30 Sept 2005
Revenue	£605.5m	£516.1m
Operating profit	£29.9m	£25.9m
Operating margin	4.9%	5.0%
Profit before taxation	£30.9m	£28.2m
Profit after taxation	£22.0m	£21.2m
Fully diluted earnings per share	21.5p	21.0p
Staff numbers ¹	15,922	14,424
Dividend ²	6.0p	4.5p
Cash (used in)/generated from operations	£(7.3)m	£29.3m
Net funds	£135.6m	£127.2m

Notes:

1. Staff numbers are shown on a full time equivalent basis.
2. Interim dividend proposed for six months to 30 September.
3. Comparable operating margin restates the 2006 margins to a comparable basis to 2005 figures in respect of IAS 19 pension costs.