

**Interior Services Group PLC
AGM Statement and Trading Update**

At the Annual General Meeting of Interior Services Group PLC, which will be held today at 3.00pm, the Chairman, Roy Dantzic, will make the following statement.

“ I am delighted to inform shareholders that we have had an encouraging start to the current financial year. Turnover and profits in the first half will be ahead of this time last year. As we have experienced in the previous three years, profitability will be biased towards the second half due to the anticipated timing of the completion of a number of projects.

“ We are benefiting from our strategy of strengthening and diversifying our business with contributions from ISG Asia and Cathedral, acquired in the last financial year, and IASA and Pearce acquired since June, and from strong organic growth particularly in our London New Build and Refurbishment divisions. All recent acquisitions are trading in line with our expectations.

“ Demand for the Group’s services remains strong. Not only have volumes increased but the Group’s order book currently stands at a record £980m (June 2007 £843m). Importantly we have already secured £360m for the year 08/09, compared to £300m this time last year. In addition, we now have a further £150m of allocated work arising from framework agreements expected to be delivered in the next calendar year by our Retail and Regional businesses which are not yet included in the order book.

“ Over the last two years we have significantly changed the shape of the business. To complement the organic growth within our market leading London based business and to reduce our dependence on the London office market, we have:

- developed a £180m national retail business through Pearce, Cathedral and Dean and Bowes***
- built a £300m regional construction business with a delivery capability across the country***
- established a £100m international fit out and project management capability with 10 offices in Europe and Asia***

I am delighted to report that this strategy will see projects outside the London office market contributing approximately 65% of our business this year. With a promising start to the year we look forward to updating shareholders on the progress we are making at the interim results in March 2008.”

- ends -

Date: 17 December 2007

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