



BBC Birmingham

Full Year Results to 30 June 2004

Financial Highlights



	2004	2003
Gross value of work performed	£446m	£540m
Fee income	£48.9m	£57.7m
Profits (pre-amortisation, exceptional & loss on disposal of subsidiaries)	£5.2m	£7.9m
Profits (after goodwill & exceptional)	£2.3m	£(2.9)m
EPS	13.48p	20.36p
DPS	8.25p	7.5p
Net cash position	£31.3m	£33.4m
Total order book	£407m	£391m*

* Excluding Occupancy Business



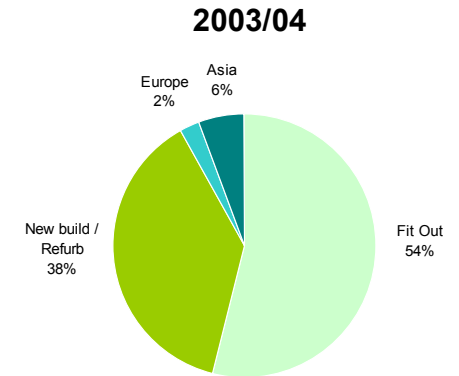
Facilities creation	UK	<ul style="list-style-type: none"> • new build • refurbishment • fit out 		
	Europe	<ul style="list-style-type: none"> • fit out • fit out 		20%
	Asia	<ul style="list-style-type: none"> • fit out • project management • facilities management 		100%

- Sale of ISG Occupancy £10m – payments to '07
- New construction services only vision
- New brand – ISG InteriorExterior
- Board & management changes – Roy Dantzic, John Barnes & John Knight
- PFI – 3 bids – 0 wins
- Shanghai office opening
- Germany – 100% → 36%

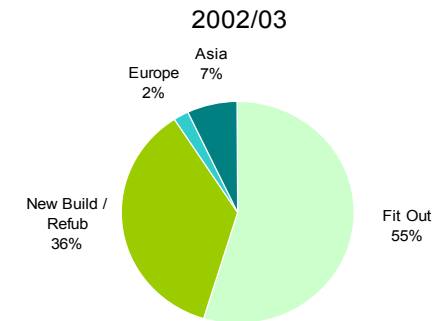
Trading Overall



FEE INCOME SPLIT (excl. Occupancy)	2004	2003
Fit out	£22.2m	£26.5m
New build	£8.8m	£8.6m
Refurb	£7.0m	£8.9m
Europe	£1.0m	£1.1m
Asia	£2.3m	£3.3m
Group Total	£41.3m	£48.4m



% PROFIT MARGIN ON FEE INCOME	2004	2003
Group Total	10.7	13.8





Marks & Spencer

Fit out

- Fewer larger contracts available – fee income ↓ 16%
- London ‘take up’ still very low
- Stronger small fit out market
- Maintained 40% win rate
- % net margins affected by reduced work load & £1.2m provision
- 04/05 order book £97m (2003 - £142m)



Tanaka Business School

New build

- Fee income £8.8m (£8.6m – 2003)
- Sector diversification – residential / retail / education
- Profit and margin budgets met
- Reducing risk profile
- 04/05 order book up to £84m (2003 - £71m)



The Zetter Hotel

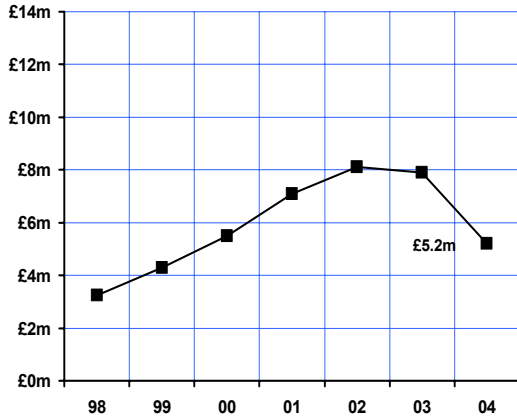
Refurbishment

- Fee income down 21%
- Margin reduction due to volume / delays / overheads
- 30% margin decline
- Market niche reputation
- 04/05 order book up to £67m (2003 - £53m)

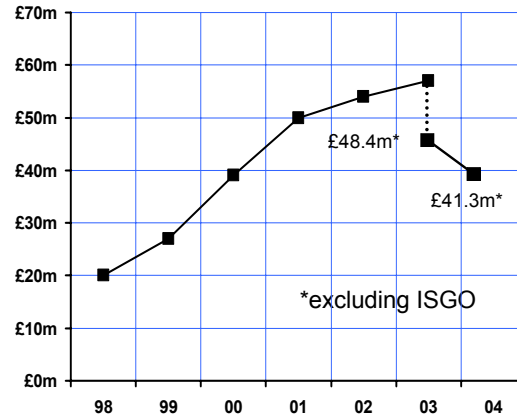
Key Performance Indicators



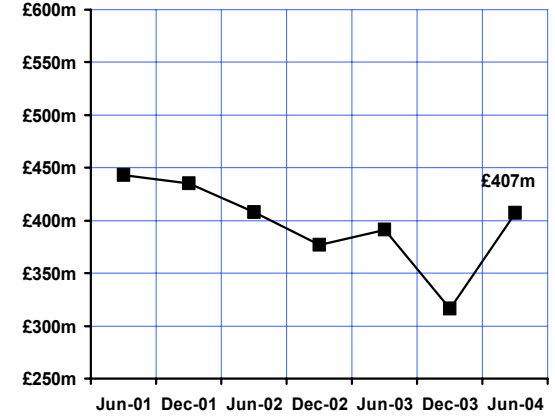
Profit before tax



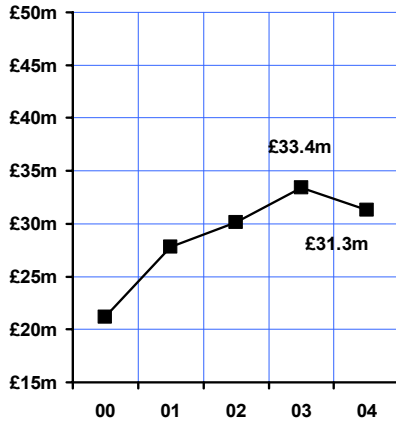
Fee income



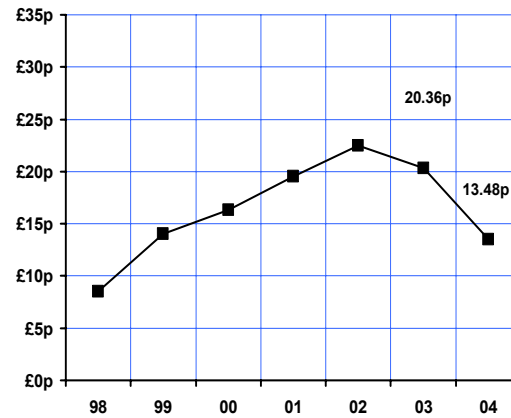
Order book



Net cash



Adjusted earnings per share



- Record order book – post year end £500m
- Improving occupier take up in London
- Strong new build & refurbishment demand – public sector
- Return of the London office market – develop led
- Improving trading conditions – Europe & Asia
- PFI opportunities
- Acquisition capacity

Appendix – Financial Analysis

Balance Sheet



	2004	2003
	£m	£m
Fixed assets – tangible	1.9	3.3
Fixed assets – intangible	<u>1.0</u>	<u>8.5</u>
	2.9	11.8
Working capital	(21.8)	(31.2)
Net cash	31.3	33.4
Creditors > 1 year	<u>-</u>	<u>(0.7)</u>
Net shareholders funds	<u>12.4</u>	<u>13.3</u>

Appendix – Financial Analysis

Movement on Shareholders Funds



	£m	£m
Disposed Operations		
- Loss on disposal	(2.3)	
- Amortisation of goodwill	(0.5)	
		(2.8)
Ongoing Activities		
- Group operations	3.3	
- Dividends	(2.1)	
- Amortisation of goodwill	(0.1)	
- Unrealised gain in Asia	0.4	
- Foreign exchange loss	(0.1)	
- Movement on own shares in trust	0.3	
- Issue of shares	0.2	
		<u>1.9</u>
Total movement		<u>(0.9)</u>

Appendix – Financial Analysis

Cash Flow Summary



	2004	2003
	£m	£m
Outflow/inflow from operating activities	(0.8)	9.2
Net interest received	1.0	1.0
Tax paid	(1.6)	(2.8)
Dividend paid	(1.9)	(1.7)
Fixed assets acquired	(0.4)	(0.7)
Purchase of subsidiary or JV	-	-
Cash from JV	-	-
Own shares utilised/acquired	0.1	(1.2)
Cash from disposal / [acquisition] of subsidiary	1.4	(0.5)
Loan notes paid	(0.4)	(0.4)
Issue of new shares	<u>0.1</u>	<u>-</u>
Total	<u>(2.5)</u>	<u>2.9</u>