

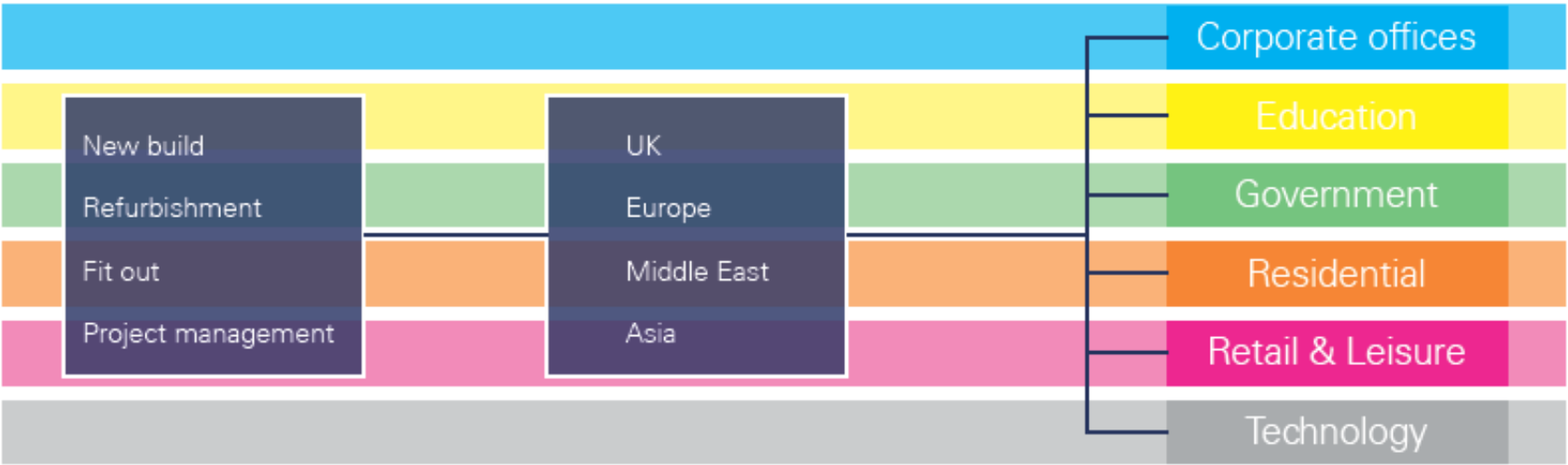


Preliminary results for 12 months to 30 June 2007

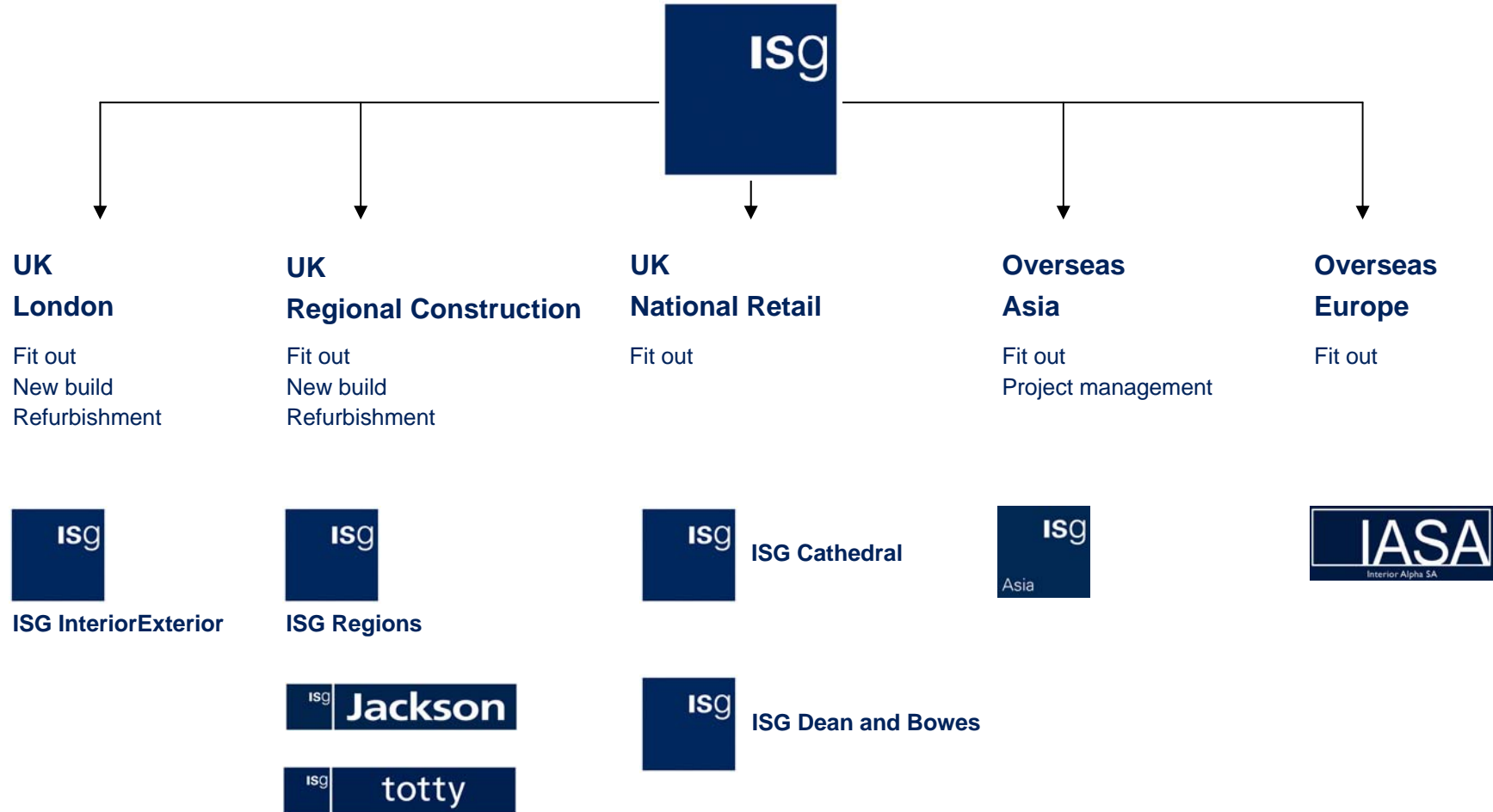
September 2007



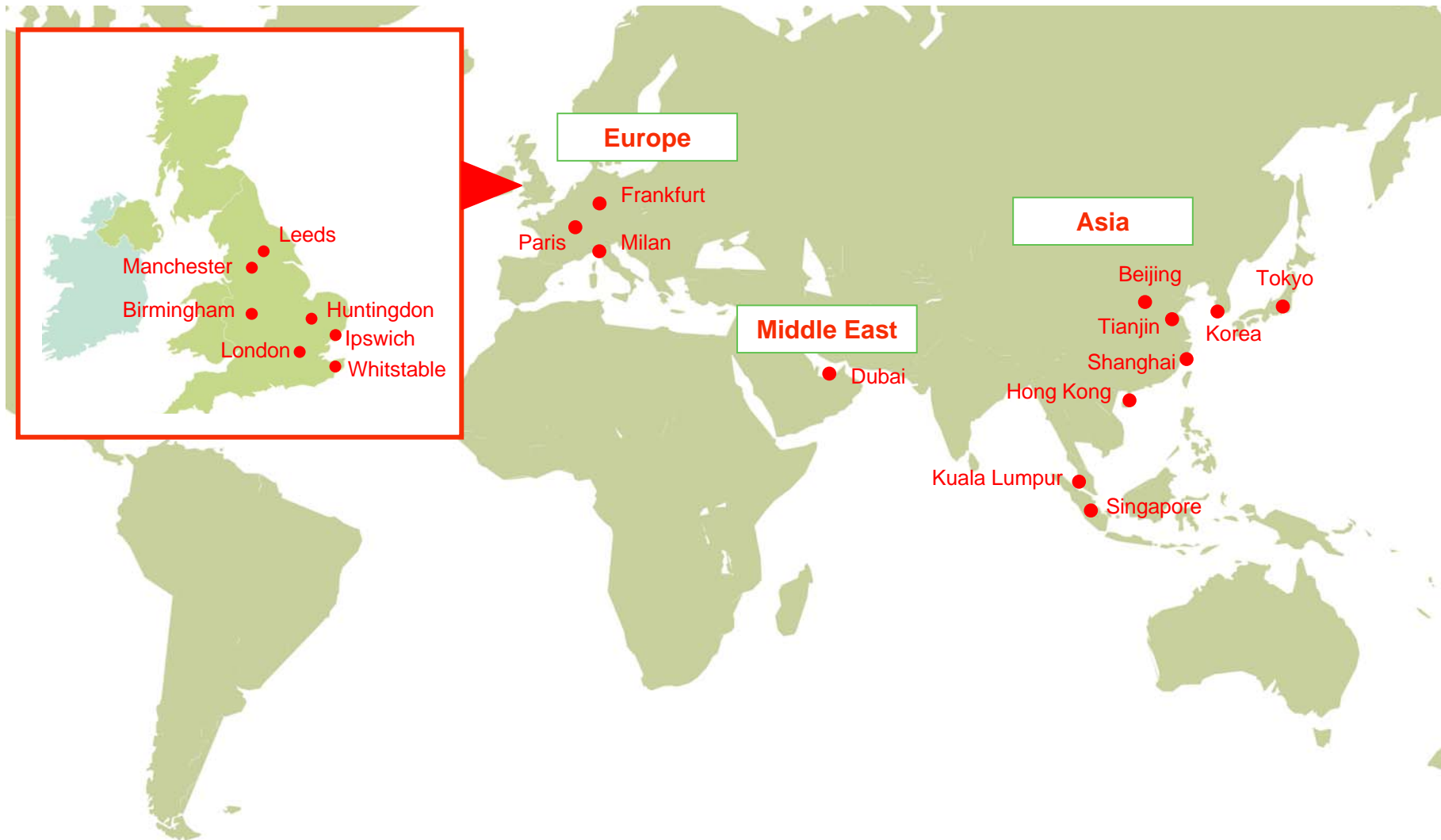
Capability



Services & brands



Where we are





Vision

“to be a leading brand delivering award winning New build, Refurbishment and Fit out services internationally”

Financial highlights



Results for 12 months to June

	2007	2006	+/-
Gross Value of Work Performed	£833m	£746m	12%
Fee Income	£106.4m	£81.7m	30%
Adjusted PBT (pre goodwill)	£10.6m	£8.2m	30%
PBT (after goodwill)	£8.4m	£6.5m	28%
EPS - Basic	21.58p	19.33p	12%
- Adjusted	30.11p	25.49p	18%
DPS	11.50p	10.00p	15%
Net Cash	£22.3m	£25.8m	(13)%

Strategic priority and direction

- **Key strategic priority:**
 - organic and acquisitive growth outside London
- **Three strategic directions:**
 - provide to our global commercial office customers a wider geographic offering
 - establish a retail fit out offering
 - extend our new build and refurbishment construction services to our UK customers outside of London

Strategic developments

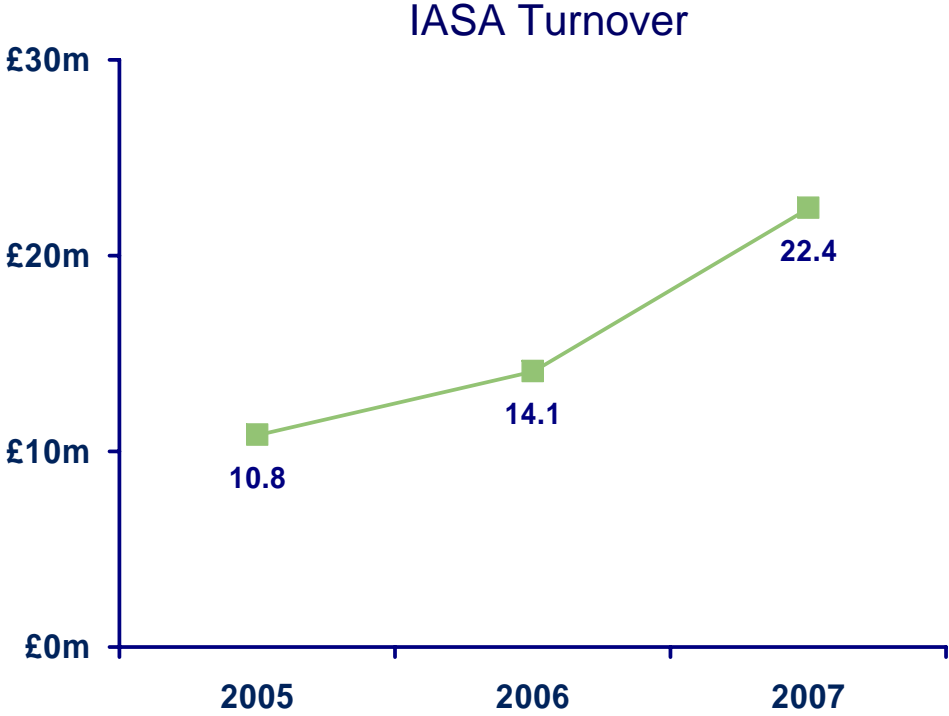
- **Overseas growth - Asia**
 - Acquisition of ISG Asia completed October 2006
 - cost £4.8m for 100%; net assets acquired £1.8m including cash of £3.3m
 - profit contribution for 8-month period of ownership £0.8m
 - Acquisition of Commtech Asia in May 2007
 - technical consultancy firm headquartered in Hong Kong
 - cost £1.2m, with 20% deferred; net assets acquired £0.6m including cash of £0.4m
 - Further acquisitions being pursued
 - Opportunity to significantly grow the Asian business in the next 3 years

Strategic developments

- **Overseas growth - Europe**
 - Acquisition of IASA to complete September 2007
 - involvement since 1999 – currently 20% stake
 - offers commercial office, hotel, leisure and retail fit out services across Europe
 - offices in Paris, Milan and Frankfurt
 - serviced clients also in Amsterdam, Copenhagen, Geneva, Zurich, Luxembourg and Barcelona in the last 12 months
 - audited 12 months results to 30 June 2007 of profit before tax of £3.5m on turnover of £22.4m
 - results included a number of one-off beneficial final account settlements
 - earnings enhancing in this financial year
 - acquisition cost total of £13.4m with £3.0m deferred and dependent on achieving annual profits of £3.5m in 2 years
 - net assets to be acquired of £1.7m with estimated cash of £2.7m

Strategic developments

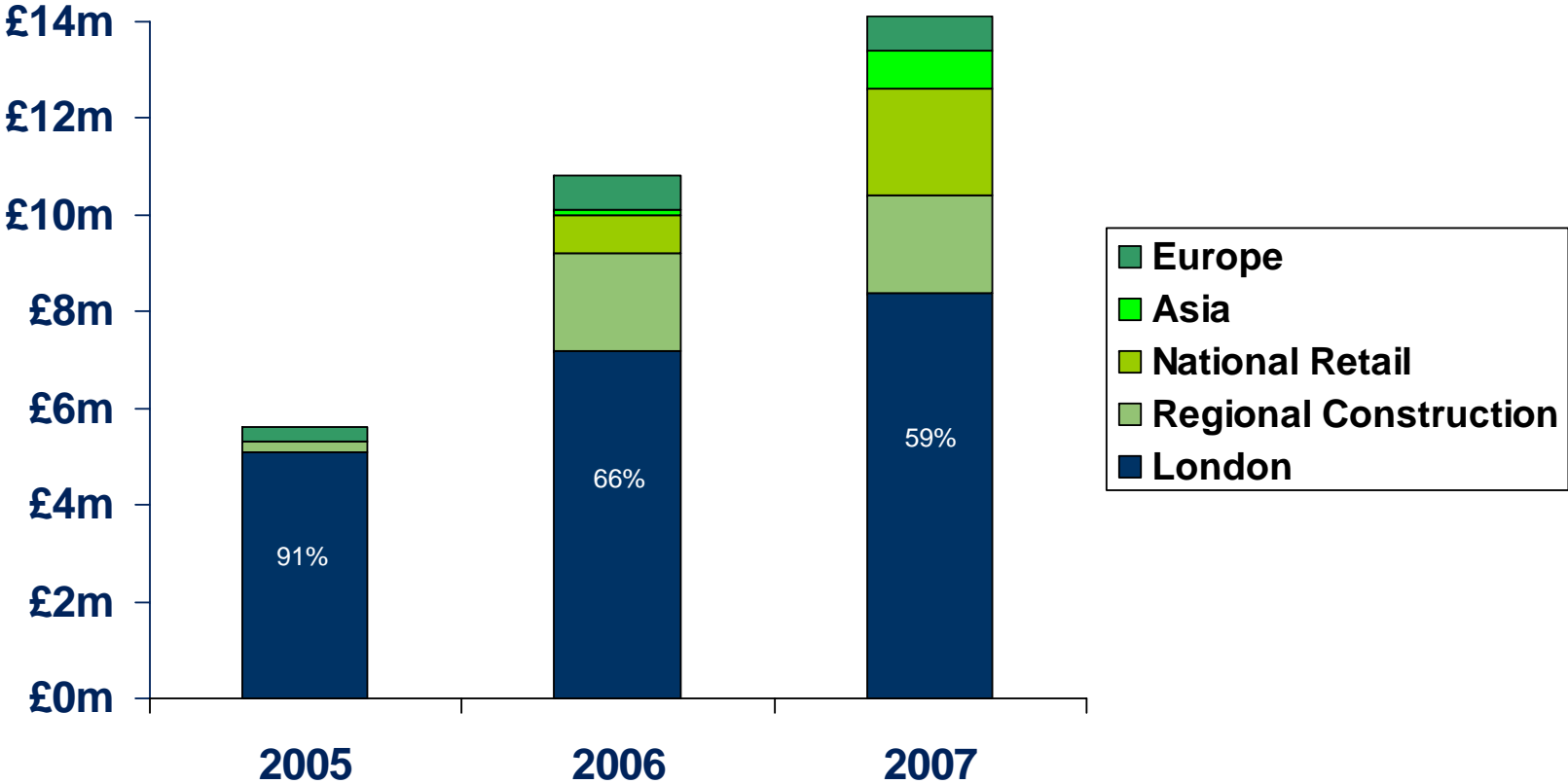
Overseas growth – Europe



Strategic developments

- **Retail growth**
 - Acquisition of Cathedral Contracts completed April 2007
 - doubling of group's exposure to retail fit out
 - cost of £12.3m, of which £1.9m deferred. Net assets acquired £2.4m including cash £2.7m
 - profit contribution for eleven-week period of ownership £0.4m
 - integration proceeding well
- **Reorganisation of Regional Construction**
 - ISG Regions integrates ISG Totty
 - ISG Totty reorganisation costs of £0.5m
 - ISG Totty 1st half trading loss £0.7m as pipeline rebuilt; 2nd half trading profit of £0.4m
 - ISG Regions now covers group businesses based in Manchester, Birmingham and Bradford
 - Heads of terms signed to acquire a southern England construction business

Profit before tax - trading entities pre exceptionals

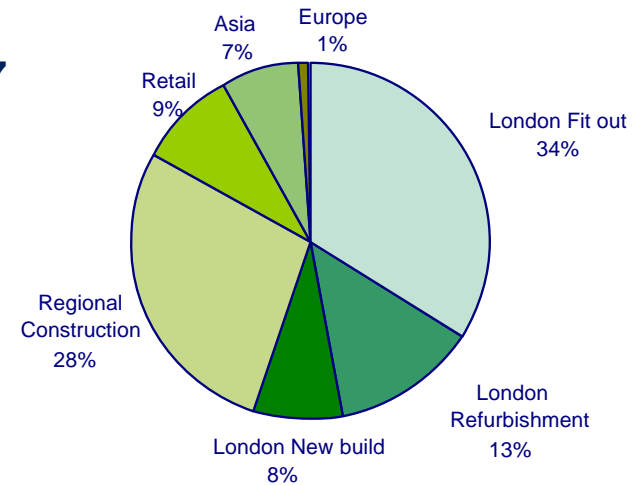


Trading 12 months to June

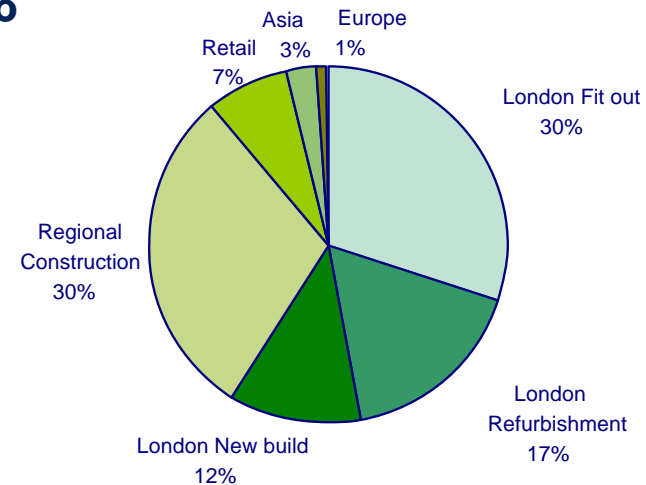
Fee income split

	2007	2006
London	£m	£m
• Fit out	35.5	24.7
• Refurb	13.6	13.8
• New build	8.6	9.6
Sub total	57.7	48.1
Regional Construction	29.9	24.5
National Retail	9.8	6.0
Overseas		
• Asia	7.7	2.1
• Europe	1.3	1.0
Group Total	106.4	81.7

2007



2006



Trading 12 months to June

	2007		2006	
	PBT £m	Margin on fee income %	PBT £m	Margin on fee income %
London	8.4	14.6%	7.2	15.0%
Regional Construction	1.5	5.0% ⁽¹⁾	2.0	8.2%
National Retail	2.2	22.4%	0.8	13.3%
Asia	0.8	10.4%	0.1	4.8%
Europe	0.7		0.7	
Group Activities	(2.3)		(2.2)	
External Acquisition Interest	(0.6)		(0.4)	
Adjusted PBT	10.6	10.0%	8.2	10.0%

⁽¹⁾ Excluding ISG Totty 12%

London trading



ISG Headquarters



Allen & Overy



IPC

London fit out

- Strong market driven by financial and support services
- Fee income up 44%
- Key projects: Allen & Overy, Norton Rose, Shell, Nomura, IPC Media
- St. Pancras Eurostar Terminal fit out – on a fast track
- Midscale fit out on track; now accounts for 16% of activity
- Order book £208m (2006 - £269m) – impact of current lack of large scale new build office spaces in the City
- Key recent wins: Standard Chartered, Eversheds, Transport for London

London trading



Royal Festival Hall



180 Great Portland Street



UBS

London Refurbishment

- Demand still strong from developers / owners
- Fee income down 1%
- Key project: Royal Festival Hall delivered
- Order book grown by 58% from £103m to £163m
- Key recent wins: Standard Life, Tishman Speyer, Grafton Advisors

London trading



Lawn Tennis Association, Roehampton



TAG Farnborough Enterprises, Dakota Hotel



Haberdashers' Aske's Hatcham College,
Knights Academy

London New build

- Hit by cancelled projects in last quarter of prior year
- Fee income down 10% - pick up in activity in 2nd half
- Key projects: Knights Aske Academy and new LTA training facilities in Roehampton
- Order book increased from £143m to £155m
- Key recent wins: TAG, PPG Metro, Volkswagen and UK and European Investments

Regional construction trading



University of Cambridge



Bradford Community Fire Station



Skinners Court

ISG Regions, incorporating Manchester, Birmingham and Bradford offices (latter being ISG Totty), ISG Jackson

- Strong demand from public and private sectors
- ISG Totty successfully refocused and fully integrated into ISG Regions
- Fee income up 22%
- Rebuilding of the Doncaster Racecourse opened on time despite heavy rain
- Benefit of social housing frameworks (8 in total) to come in 2008 onwards
- Key recent wins: further De Vere Hotels, Johnson Matthey, Morrisons
- Order book £234m, up 18%

National retail



HSBC



Pendle Wavelengths, Pendle Leisure Trust



Argos

- Strong performance during the year
- Fee income up 63%
- Key customers: RBS/Natwest, Lloyds TSB, HSBC, Monsoon, Argos, Primark, T Mobile, Virgin Active
- New recent wins: Marks & Spencer, UCL, Nokia, Uniqlo, Barclays
- Order book up 21% at £51m
- ISG Cathedral recently awarded “Customer Excellence” RBS supplier of Excellence Award

Overseas trading



Nokia



Ogilvy & Mather



Standard Chartered Bank

Asia

- All markets growing; continuing strong demand for services
- Fee income £7.7m
- Volumes up 81% on a like for like basis
- Key projects: Deutsche Bank, new regional centre in Singapore, and Standard Chartered in China
- Order book grown from £23m at date of acquisition to £32m at end of June
- Recent wins include fit out of new offices for UBS in Singapore, restaurant areas of the Venetian Casino in Macau and new offices for Morgan Stanley in Hong Kong

Overseas trading



Financial Institution, Paris



Software solution provider



Financial Institution, Paris

Europe

- Increasing demand for services across Europe
- Volumes and fee income up 72% and 30% respectively
- Profit contribution of £0.7m (prior year IASA of £0.3m)
- Key clients: RBS, Google, Adobe, Right Management
- Expanding offering outside Paris; new office opened in Milan

Financials – P&L account

	June 2007 £m	June 2006 £m	+/-
Gross Value of Work Performed	833	746	12%
Fee Income	106.4	81.7	30%
Margin on Fee Income excluding exceptionals	10.5%	10.0%	-
Adjusted Operating Profit before exceptionals	10.3	6.8	51%
InteriorExterior / ISG	6.0	4.4	37%
Jackson, Dean and Bowes and Totty	2.4	2.0	20%
Asia	0.8	0.1	629%
Cathedral	0.4	-	-
IASA (Associate)	0.7	0.3	142%

Financials – P&L account continued...

	June 2007 £m	June 2006 £m	+/-
Adjusted Operating Profit, before exceptionals	10.3	6.8	51%
Exceptionals – Totty restructuring cost	(0.5)	-	-
Net Interest Income	0.8	1.4	(38)%
Adjusted profit before tax	10.6	8.2	30%
Profit on Disposal of Subsidiary	0.1	-	-
Goodwill	(2.4)	(1.6)	46%
Tax	(2.7)	(1.5)	82%
Profit for the period	5.7	5.1	12%

Financials – Balance sheet

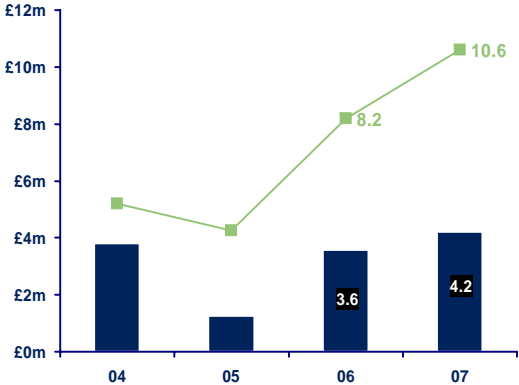
	June 2007 £m	June 2006 £m
Fixed Assets – Tangible	6.5	3.8
Fixed Assets – Intangible	49.3	38.2
Total Fixed Assets	55.8	42.0
Working Capital	(56.0)	(47.7)
Gross Cash	40.3	36.9
Acquisition financing	(18.0)	(11.1)
Net Shareholders' Funds	22.1	20.1

Financials – Cash flow

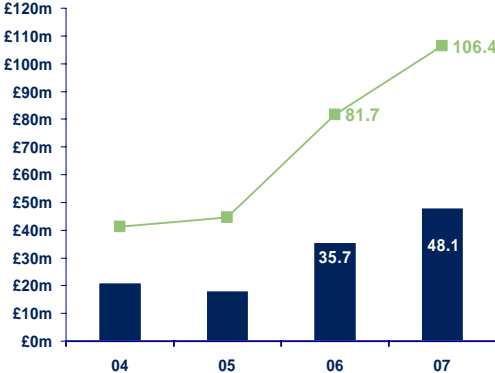
	June 2007 £m	June 2006 £m
Cash flow from Operating Activities	12.8	7.8
Dividends from Associates	0.1	0.2
Net Interest Received	0.9	1.4
Tax	(1.6)	(1.3)
	<hr/> 12.2	<hr/> 8.1
Dividend Paid	(2.7)	(2.5)
Fixed Assets Acquired	(3.8)	(0.6)
Own Shares Purchased	(1.2)	-
Acquisition of Subsidiary	(9.7)	(15.2)
Proceeds from Sale of Subsidiary/Associate	3.4	2.2
Cash outflow before financing	<hr/> (1.7) <hr/>	<hr/> (8.1) <hr/>

Key performance indicators

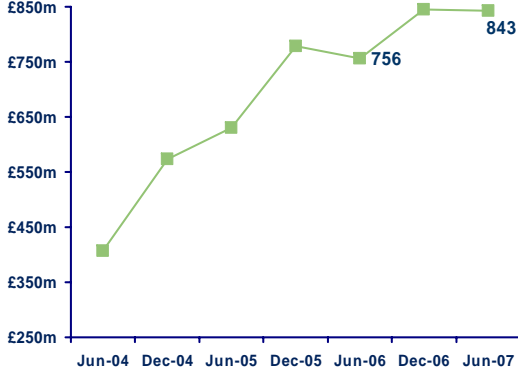
Profit before tax & goodwill



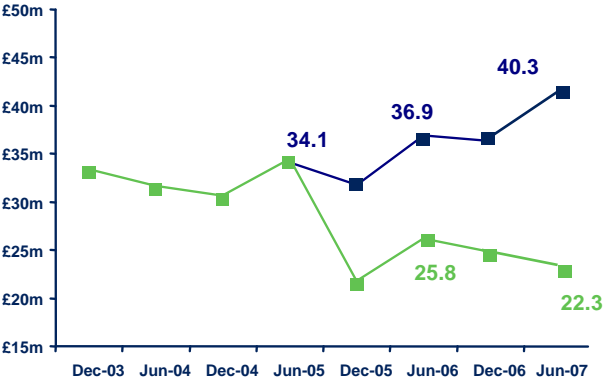
Fee income



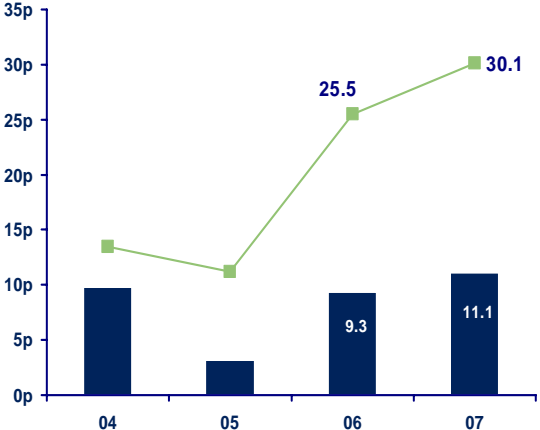
Order book



Gross & Net cash



Adjusted earnings per share (before goodwill)



Prospects

- Order book up to £843m – in year order book at record level of £696m (£604m)
- Continued robust demand for our services particularly overseas
- London set fair to > 2010 with new towers in City and Olympic programme
- Continued profit and margin improvement
- Strong cash position
- Organic & acquisitional growth
- Expect earnings upgrade post IASA acquisition completion

