

→ Half Year results presentation

Six months to 30 September 2009

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Essential.

Delivering essential services for our communities

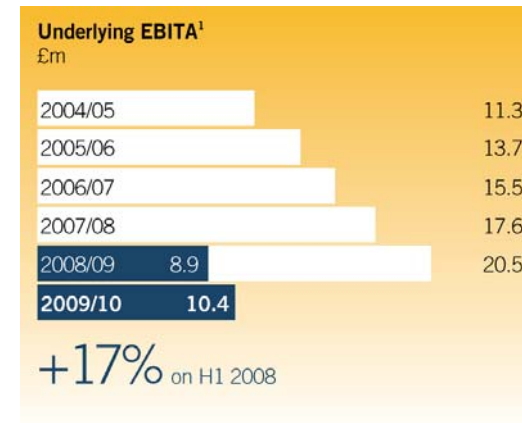
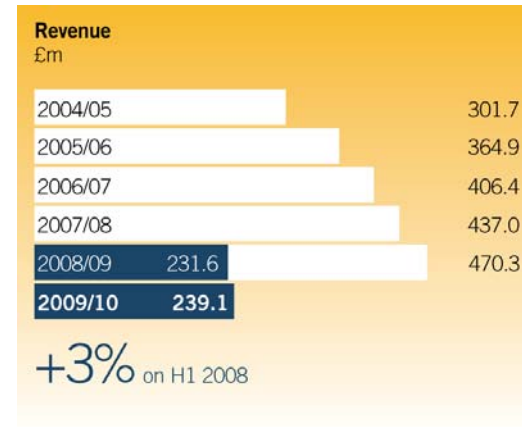


Contents

- > Highlights
- > Strategic overview
- > Business review
- > Financial results
- > Driving the business forward
- > Summary

Appendices:

- A Contract portfolio
- B Awards & recognition
- C Data sources



Highlights

Business

- > Continued growth driven by long-term provision of essential services
- > Lincolnshire County Council Highways Maintenance contract secured
- > Contract extension in Essex & scope increases in Norfolk
- > New contracts with North Somerset & Bridgend in Environmental Services
- > Strong order book in dependable, resilient markets & exciting pipeline of opportunities

Financial

- > Revenues up to £239.1 million (H1 2008: £231.6 million)
- > Underlying EBITA up by 17% to £10.4 million (H1 2008: £8.9 million)
- > Underlying EBITDA up by 17% to £13.9 million (H1 2008: £11.9 million)
- > Net cash of £24.8 million reflects continued cash generation (H1 2008: £7.7 million)
- > Interim dividend up to 1.8 pence per share (H1 2008: 1.725 pence)

Compelling investment case

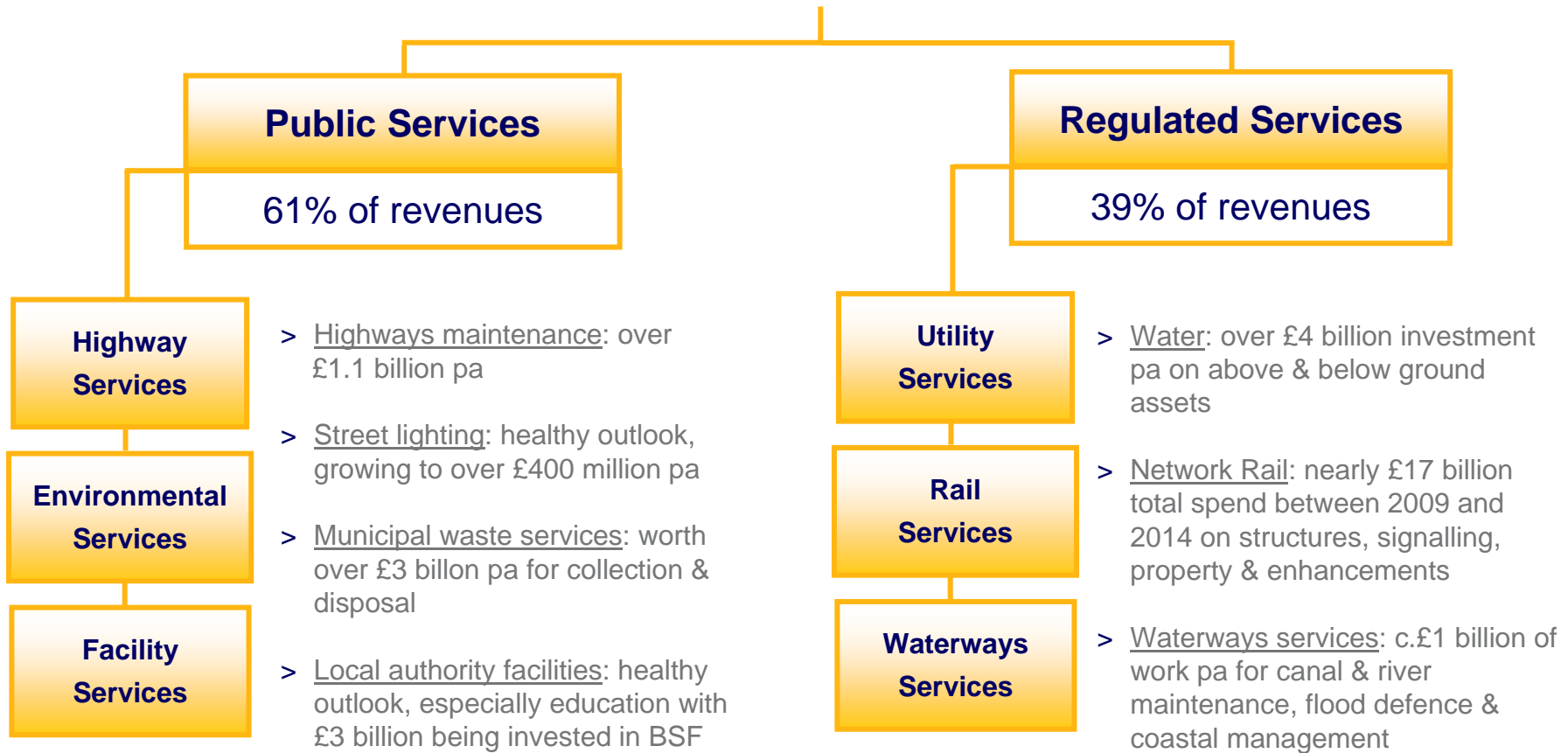
- > Over 95% of revenues from dependable long-term contracts delivering essential services to the public & regulated sectors
- > Market leading positions in highway maintenance & environmental services – new contracts & excellent growth potential
- > Proven ability to leverage relationships & provide clients with a wider service offering
- > Track record of consistent revenue and profit growth backed by a solid balance sheet
- > High visibility of future earnings: >£1.4 billion order book
- > Opportunities for wider services with public & regulated sector clients
- > Seeking strategic, value-enhancing acquisitions

Keeping the country running

- > Infrastructure services company
- > Delivering essential front-line maintenance & enhancement services:
 - Highway services
 - Environmental services
 - Facility services
 - Utility services
 - Rail services
 - Waterways services
- > More than 95% of business with public sector & regulated sector clients across the UK
- > Focused on delivering positive outcomes through long-term relationships



Targeting resilient markets



Please see Appendix C for data sources



→ Business Review

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Public Sector: Highway Services

Services include:

- > Highways maintenance
- > Street lighting
- > Surface dressing



- > Strong operational performance across all services & contracts
- > Lincolnshire County Council Highways Maintenance secured, worth up to £350 million
- > Essex extended & Norwich highways added to Norfolk
- > Strong forward order book with high visibility & extensions
- > Dependable maintenance based income streams; services provided are often safety-critical
- > Strong pipeline of opportunities in place

Public Sector: Environmental Services

Services include:

- > Recycling
- > Waste collection
- > Street cleansing
- > Household Waste Recycling Centres (HWRCs)



- > Significant wins in North Somerset & Bridgend for 'bundled' services
- > Somerset Waste Partnership – innovative 'sort it plus' scheme
- > Essex HWRC contract secured & mobilised, emphasising our long-term relationship with Essex County Council
- > Resilient growth market with strong regulatory drivers & excellent pipeline of future opportunities

Public Sector: Facility Services

Services include:

- > Education building enhancement
- > Non-PFI local authority BSF programmes
- > Local authority regional frameworks



- > North Lincolnshire BSF signed & work underway
- > Other frameworks proceeding well
- > Solid pipeline of future opportunities

Regulated Sector: Utility Services

Services include:

- > Clean & waste water improvements
- > Mechanical & electrical maintenance
- > Mobile telecommunication inspection & maintenance



- > Core clean & waste water business performing well
- > Heavily involved in AMP5 (2010 – 2015), bidding in 2009/10
- > Continuing focus on maintenance based activities positions May Gurney well for outstanding AMP5 tenders

Regulated Sector: Rail Services

Services include:

- > Structures
- > Property
- > Signalling
- > Professional services



- > Workloads remain strong
- > Refurbishment of Victoria Station roof underway & progressing well
- > Network Rail structures framework extended by two years & geographic area widened
- > Network Rail strategic plan 2009 –2014 shows increasing expenditure in May Gurney's target markets

Regulated Sector: Waterways Services

Services include:

- > Flood prevention
- > River bank maintenance
- > Canal network management



- > Increased government spending in flood prevention
- > Additional opportunities for canal & river maintenance
- > Framework with British Waterways mobilised well, potentially worth up to £80 million (up to £20 million per annum over four years with a possible two year extension)
- > Environment Agency framework gathering pace

→ Financial results

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Results summary

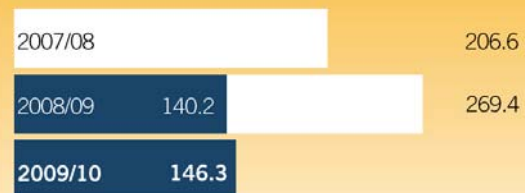
	Year to March 2009	6 months to Sep 2008	6 months to Sep 2009	<i>Change</i>
Revenue (£m)	470.3	231.6	239.1	+3%
EBITDA (£m)	27.2	11.9	13.9	+17%
EBITA (£m)	20.5	8.9	10.4	+17%
<i>Margin</i>	4.4%	3.8%	4.3%	
Net Interest (£m)	(0.3)	-	(0.3)	
Underlying PBT* (£m)	20.2	8.9	10.1	+13%
Amortisation	(3.4)	(1.9)	(1.6)	
Non-recurring items	(11.6)	-		
PBT (£m)	5.2	7.0	8.5	+21%
Tax Rate	28.7%	28.6%	28.2%	
Underlying EPS	20.50p	9.05p	10.39p	+15%

* Profit before tax, amortisation and non-recurring items

Segmental analysis: revenues

Public Sector Services Revenue

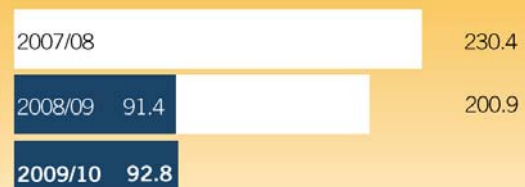
£m



+4% on H1 2008

Regulated Sector Services Revenue

£m



+1% on H1 2008

£m	6 months to Sep 2008	6 months to Sep 2009	% Change
Public Sector Services	140.2	146.3	+4%
Regulated Sector Services	91.4	92.8	+1%
Total	231.6	239.1	+3%

Segmental analysis: profit



£m	6 months to Sep 2008	6 months to Sep 2009	% Change
Public Sector Services	7.0	7.5	+7%
Regulated Sector Services	1.9	2.9	+53%
Property	-	-	-
Total	8.9	10.4	+17%

Net cash

£m	Year to March 2009	6 months to Sep 2008	6 months to Sep 2009
EBITA	20.5	8.9	10.4
Depreciation and IFRS	6.5	2.7	3.7
Net Interest	(0.5)	-	(0.3)
Tax	(4.0)	(1.8)	(2.0)
Net capex	(7.6)	(2.5)	(2.9)
Net working capital	(2.1)	(3.9)	0.1
Operating Free Cash Flow	12.8	3.4	9.0
Other/Loan note redemptions	0.8	0.2	(0.5)
Non-recurring items	2.1	-	-
Dividends	(3.2)	(2.0)	(2.3)
Acquisitions and acquired debt	(14.9)	(14.9)	-
Cash Flow After Financing	(2.4)	(13.3)	6.2
Net Cash b/f	21.0	21.0	18.6
Net Cash c/f	18.6	7.7	24.8

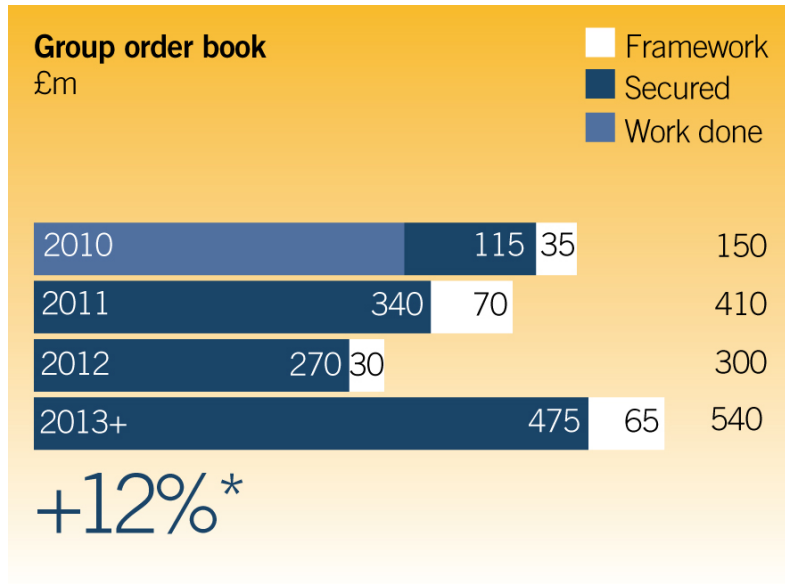
Balance sheet

£m	As at March 2009	As at Sep 2008	As at Sep 2009
Tangible Fixed Assets	21.9	22.8	21.1
Intangible Fixed Assets	44.0	54.7	42.4
Deferred Tax	(0.2)	(2.1)	1.1
Cash	34.2	20.5	41.3
Current Assets	80.8	95.6	84.0
<i>Total Assets</i>	<i>180.7</i>	<i>191.5</i>	<i>189.9</i>
Current Liabilities	(101.7)	(111.1)	(105.0)
Finance Leases	(15.6)	(12.8)	(16.5)
Pensions Asset	0.1	0.8	0.1
<i>Total Liabilities</i>	<i>(117.2)</i>	<i>(123.1)</i>	<i>(121.4)</i>
Net Assets	63.5	68.4	68.5
Share Capital & Reserves	63.5	68.4	68.5

Cost management

- > Shared Services strategy in deployment to deliver greater operational efficiency & improved service delivery. Technology & process investment to pay back 2010/11
- > Centralised Plant & Transport and Procurement provide opportunity to drive value from increasingly transactional work streams
- > Fixed cost base being actively managed to avoid any operational gearing risk should any revenue volatility arise
- > Continuing opportunities to drive operational efficiencies, reducing our clients' costs, improving our margins & extracting maximum value from new contract wins

Order book & pipeline (including contract announcements to date)



Secured order book December 2009
£1.2 billion

Order book £1.4 billion including
framework activity

In addition, a further £900 million of
contract extensions available

10/11 revenue forecast now 80% covered
by order book (H1 2008: 75%)

11/12 revenue forecast now 55% covered
by order book (H1 2008:45%)

Very strong pipeline remains

*Group order book at 30 November 2009 compared to 31 March 2009 Please see Appendix A for Contract Portfolio.

Financial summary

- > Record turnover & profits
- > Underlying margins rising
- > Cash generative
- > Strong balance sheet
- > Healthy order book
- > Interim dividend increased

→ Driving the business forward

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Delivering essential services for our communities



Growth strategy

- > Continued focus on public & regulated sectors
- > Targeting maintenance & managed services – over £15 billion per annum
- > Long-term client relationships ⇔ wider services ⇔ long-term contracts
- > Future growth will continue to be driven by increased outsourcing & the need for value solutions
- > Growth – organic & acquisitions

Delivering organic growth

Client	Activities	Value	Length	Type
 Lincolnshire COUNTY COUNCIL	Highways maintenance	£350 million	5 years + 5 year poss extension	New contract
 North Somerset COUNCIL	Recycling & refuse collection & HWRC management	£85 million	7 years + 7 year poss extension	New contract
 Bridgend County Borough Council	Recycling & refuse collection & HWRC management	£75 million	7 years + 7 year poss extension	New contract
 Essex County Council	Highways maintenance	£30 million	1 year	Contract extension
 Norfolk County Council	Highways maintenance	£16 million	2 years + 2 year poss extension	New contract with existing client
 Network Rail	Structures framework	£40- 50 million	2 years	Contract extension & service expansion
 NORTH LINCOLNSHIRE COUNCIL	BSF	£80 million (first 5 years)	10 years	Contract signed

Acquisition strategy

- > Seeking strategic, value-enhancing acquisitions:
 - in our target sectors
 - that are earnings enhancing
 - with a cultural match, including a focus on long-term relationships
 - with management teams that can be integrated into our business

- > Current target market sectors include:
 - Environmental: municipal recycling & waste
 - Utilities: M&E, electricity & telecommunications
 - Highways: service enhancement

- > Current economic climate & May Gurney's strong balance sheet create opportunities

Summary

- > Track record maintained
 - Record turnover & profits
 - Strength & depth of management team
 - Significant organic growth achieved

- > Sound financial platform
 - High visibility of earnings
 - Margin improvement
 - Cash rich, no debt

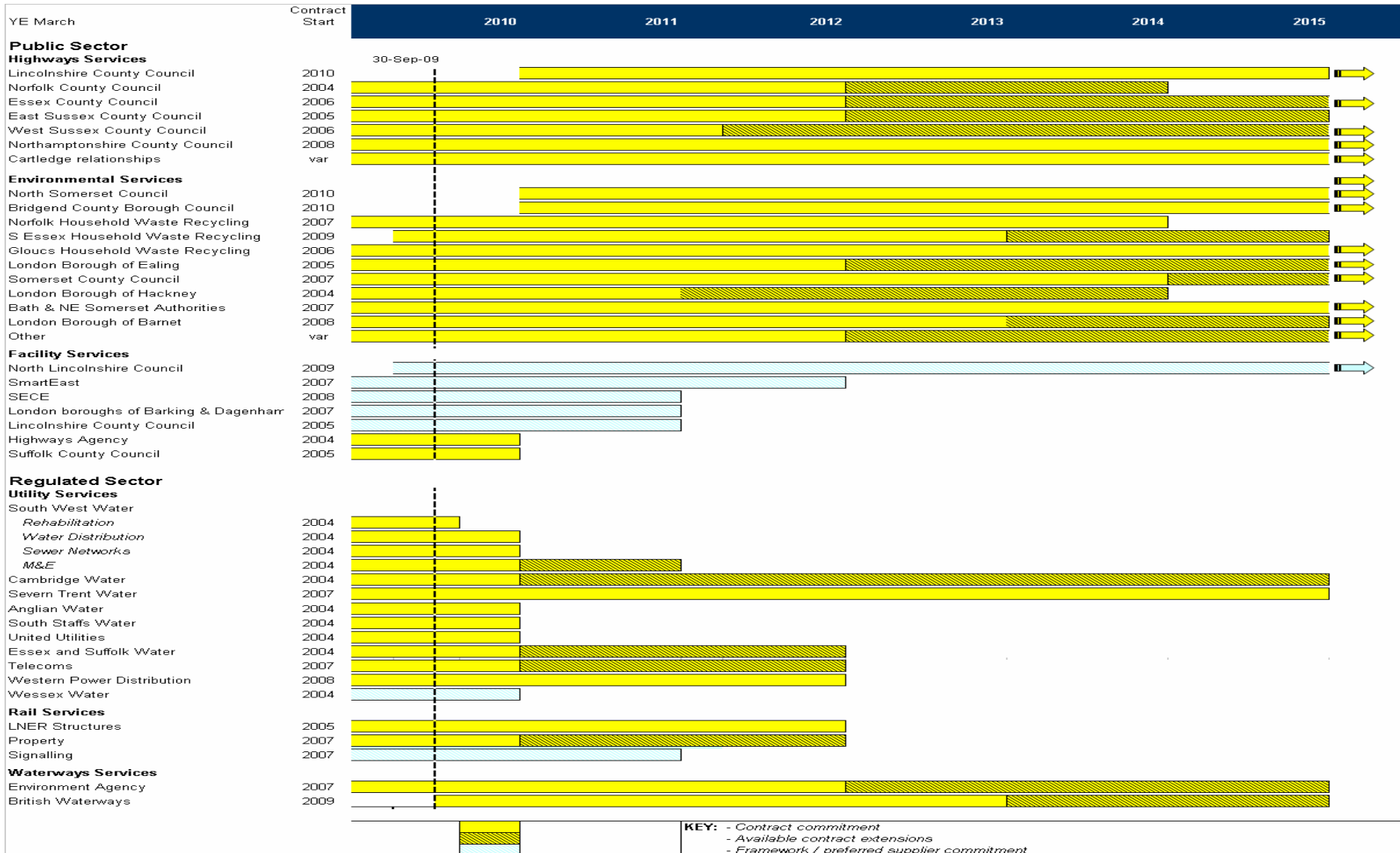
- > Opportunities for growth in delivery of essential services – organic & acquisition
 - Focused growth strategy
 - Positive market backdrop

→ Appendices

- A Contract portfolio
- B Awards & recognition
- C Data sources



Appendix A – contract portfolio



Appendix B – some of our 2009 awards

- > RoSPA Occupational Health & Safety Gold Award (5th year running)
- > Edie Awards for environmental excellence (for the Somerset Waste Partnership)
- > Best Communications award at the 2009 AIM Awards (2nd year running)
- > Investor Relations Society Awards 2009 – award for the most effective annual report, Small Cap & AIM
- > ICE Robert Stephenson Heritage Award
- > Considerate Constructors Bronze Award (InteGreat)
- > Creative East Awards – best non-broadcast programme
- > Water Industry Achievement Awards – customer satisfaction (South West Water)
- > IHT Awards – sustainability (highly commended)
- > Europa Nostra Awards – cultural heritage & grand prize
- > Severn Trent Water Corporate Responsibility Award – environment
- > RoSPA/Severn Trent Water Health & Safety Awards – gold award
- > Network Rail Partnership Awards – heritage
- > CITB Awards – apprentice of the year (Matthew Meachan)
- > Construction Industry Awards – environmental leadership
- > Ealing Council Employee Awards – favourite employee (Siad Osman)
- > South West Water 'Pure Service' Awards in recognition of excellent customer care
- > Opportunity Awards – best service provider (environmental services)
- > ASLEC Awards – employee of the year

Appendix C – data sources

Highways maintenance: over £1.1 billion pa & street lighting: healthy outlook, growing to over £400 million pa.

Source: Department of Transport, Transport Statistics for GB 2009 (November 2009).

Municipal waste services: worth over £3 billion pa for collection & disposal.

Source: Department for Communities & Local Government, Local Government Finance Statistics 2009 (May 2009).

Local authority facilities: healthy outlook, especially education with £3 billion pa being invested in BSF.

Source: HM Treasury, Comprehensive Spending Review 2007.

Water: average expenditure of over £4 billion pa on above & below ground assets.

Source: Ofwat, Future Water & Sewerage Charges 2010-2015: Final Determinations (November 2009).

Network Rail: nearly £17 billion total spend between 2009 and 2014 on structures, signalling, property & enhancements.

Source: Control Period 4 Delivery Plan 2009, Network Rail (March 2009).

Waterways services: c.£1 billion of work pa for canal & river maintenance, flood defence & coastal management.

Source: HM Treasury, Comprehensive Spending Review 2007.