

Enterprise Group Holdings Limited ("Enterprise" or "the Group" or "the company")

Preliminary Results for the year ended 31 December 2008

Enterprise, the UK infrastructure maintenance support services company, today announces its preliminary results for 2008.

Group Highlights

- Continued success in creating a large company with the size and scale to work on major long term infrastructure maintenance projects and deliver them at the least cost
- The Group Revenue is almost exclusively from Utility and Public Sector organisations in the UK; stable customer base
- Financially secure with no debt repayments until 2015 and cash resources for growth
- Pipeline of bids in excess of £10bn and order book of £4.2bn, both at record levels
- Well positioned on many large scale maintenance contract bids and recent major contract wins including Staffordshire County Council, Transport for London (TfL), National Grid (£500m) and Severn Trent (£600m)
- Significant progress in partnering with customers, integration of services, asset management, value for money through least cost and continued development of corporate responsibility programmes
- Increased training and recruitment to improve performance; graduate intake of 60 people in 2008; 114 apprentices currently and over 600 staff trained to NVQ level by Enterprise. Highly skilled workforce throughout the operations
- Board and senior management strengthened to create capacity for further growth
- Support areas to the business upgraded and operations improved to sustain least cost position while further improving the quality of delivery and customer satisfaction

Owen McLaughlin, Chief Executive of Enterprise stated "The prospects for the business are very good. The size and scale of the work we are producing for our customers is unprecedented and the pipeline and order book are the largest in the company's history".

"The achievements of the business since it was de-listed from the London Stock Exchange in June 2007 have exceeded the expectations of all stakeholders, despite the well publicised economic conditions. We are working closely with our customers so that they can deliver very high levels of satisfaction at the least cost to their consumers, combined with a positive contribution to the broader social agendas".

"My confidence in the ability of Enterprise to expand and prosper in the future continues to grow and that extends to the opportunities for our customers and employees to benefit from our success".

Enterprise

maintaining the infrastructure of the UK

To provide a meaningful comparison, this report for the year ended 31 December 2008 makes reference to the proforma results of the Group for the year ended 31 December 2007. The proforma income statement (un-audited) includes the performance of Enterprise plc for the period ended 31 December 2007 and the performance of Accord from 20 September 2007 when that acquisition was completed. The actual 2007 results reported reflect a shorter period of trading for the Company from the date of the Management Buy Out ("MBO") of Enterprise plc on 11 May 2007 to 31 December 2007 since the Company had been dormant from incorporation until the MBO. The pre-MBO performance of Enterprise plc has been used to enable a reference to longer term trends.

All references in this document are defined as follows:

- revenue** - revenue including share of jointly controlled entities (see reconciliation below)
- adjusted operating profit** - operating profit before exceptionals, amortisation of intangible fixed assets and share of jointly controlled entities taxation (see reconciliation below)
- operating cashflow** - cashflows from operating activities before exceptional items (2008 £52.3m:2007 £36.2m) plus dividends from jointly controlled entities (2008 £3.4m:2007 £3.2m)

Neil Kirkby Group Managing Director Enterprise 01772 819342

Peter Ahye Group Finance Director Enterprise 01772 819467

Stephen Rawlinson Communications Director Enterprise 07785 326727

Nick Osborne Weber Shandwick 0207 067 0700

Notes to editors

Enterprise is a UK based support services company that has revenue in excess of £1bn and, over 13,000 people either directly employed or operating through its DSP model. The Group has been serving the UK public sector for over 20 years and the utility markets for over 40 years. It provides maintenance support on a national basis for a range of UK customers almost exclusively within the utility industry and the public sector. The company uses its unique IT systems, WorkManager, to ensure that it provides best value to all of its customers.

Its main customers include, BT, MoD, Severn Trent Water, Thames Water, Highways Agency, Transport for London, Liverpool City Council, Wolverhampton City Council and Solihull MBC. It is owned by a consortium of investors, including the management and 3i, the leading UK private equity company and is backed by major UK and international banks. The Group places a high priority on its Corporate Responsibility agenda, particularly Health and Safety and supporting community well-being through local projects via its Joint Venture, the Enterprise Foundation.

BUSINESS REVIEW

Chairman's Statement

Introduction

This is the first full year that we have reported on the business since the de-listing of Enterprise plc from the London Stock Exchange in June 2007 when the business became a privately owned company, subsequently acquiring Accord in September of the same year. The Board and I have great confidence in the potential of the business for continued and further growth.

At the time of the initial investment the Board and 3i, our main investor, believed that there was an opportunity for Enterprise to grow profits and revenue swiftly in both divisions of the business given their leading positions in the utility and public sectors in the UK. We also recognised that to maximise value for all stakeholders from our continued growth, the Board and management of the company required development.

On behalf of the Board I am privileged to report that during 2008, substantial progress was made in the growth of our operations, including laying the foundations for further development, and in broadening and deepening our management teams. The acquisition of Accord, a company previously well known to 3i, has reinforced the position of Enterprise as the largest dedicated maintenance services provider in the UK.

2008 was a year of significant progress and consolidation within the company. Most of all it was a year in which we demonstrated that our strategy provides the business with very secure profits and cash flow, combined with significant growth potential.

Financial stability and growth

We continued our progress to create a large company with stability in terms of services, customers, management and financial standing. The financial structure of the business is highly secure. The earliest of our debt repayments is due in 2015 and in 2008 our EBITDA of £82m was nearly twice the amount needed to pay the net cash interest charge. We have substantial covenant headroom and considerable facility headroom to fund growth.

I am very pleased, given the turbulence in the financial world, that Enterprise has such a secure financial position.

New work and strong bid pipeline

The year started with the award and mobilisation of contracts with existing customers in Liverpool and Solihull and ended with positive news about contract extensions and upgrades for Staffordshire County Council and National Grid, also existing customers. During the year we were awarded work with new customers throughout the UK, most notably those based in Manchester and in London.

The level of bid activity remains high with some £10bn of long term maintenance projects in the pipeline and the order book now stands at £4.2bn. The order book has improved since the year end following the award of additional work by Severn Trent and TfL. The five year regulatory cycle in the power and water markets has an impact on these figures and the order book would be higher if we were not in the later stages of the regulatory period.

Our ability to bid for and perform successfully large scale projects has been enhanced during the year. We expect to retain a substantial bid pipeline in the future based on long term, large, maintenance projects.

Board and management developments

As part of the management development agenda referred to above, Neil Kirkby, our former Finance Director, has been promoted to the new post of Group Managing Director. We welcomed a new Group Finance Director to the company in November, Peter Ahye. A number of other senior management appointments were made during the year, as we strengthened the organisation and equipped it for future growth.

Peter joined Neil, Owen McLaughlin, the Group Chief Executive, Keven Parker, my 3i colleague and myself on the Board of Enterprise Group Holdings Ltd. Peter joins the Board after a successful career at Littlewoods Shop Direct Group, Next plc and PricewaterhouseCoopers.

We are also pleased to announce that Alan Fletcher joined the Board on 13 March 2009. Alan will, in due course, take up the Chairmanship of Enterprise Group Holdings Limited. He brings invaluable management and corporate development experience from his roles in companies such as Pennon plc, Viridor and Shepherd Group. We are confident that Alan will make a major contribution to the business during this exciting period of growth.

During 2009 we shall continue to strengthen the Board so that it has the size, scale and breadth of experience required to support and sustain the rate of growth of the company.

Least cost model generates growth

The revenues of the business are relatively predictable and the cost structure is flexible. The services we provide are based on long term contracts for activities that are determined by regulatory spend or are essential and required by statute. Our fixed cost base is kept as low as possible, consistent with the requirements of each contract and the needs of every customer. Our methods of working with customers and our use of technology and innovation create the least cost approach to service delivery in the utility and public sectors.

Growth will be achieved mainly by increasing revenue in our chosen markets and continuous improvement of the services we supply. Our operations in the UK utility industry and the public sector are faced with the daily challenge of improving efficiency and delivering at least cost to consumers; this requirement is increased by the "credit crunch". The pressure for improved performance is creating a demand for services to be integrated and bundled together in large, long term contracts that create stability and partnerships. Long term partnerships make possible the innovation and radical improvement that Enterprise has delivered to many customers.

As a consequence of our unique strengths we are growing. Enterprise is being awarded more work in contracts that cover long time periods and an increased range of services. Our revenue increased by 29% in 2008, compared with 2007 proforma and by 70% on the 2006 level. We expect to see further growth in 2009 and in the longer term based on our current contracts and the known and expected pipeline of work.

We have increased substantially our bidding resource to support growth and in recognition of the level and scale of enquiries the business now creates.

Corporate Responsibility

During 2008 we continued to develop our profile in Corporate Responsibility. Health and Safety is, and will remain, the first agenda item at all company Board meetings throughout the Group. I was delighted that we were awarded the Gold Medal Award by the Royal Society for the Prevention of Accidents (RoSPA) once again which is good evidence of the importance we place on Health and Safety.

Management throughout the company signed up to a Code of Ethics during the year. The Code outlines in one document the ethical basis on which we have worked for many years. It confirms to customers that the management teams throughout Enterprise shall work to the highest ethical standards. All of the conditions within the Code are part of the way in which the company has operated for many years. The exercise, reminded our directors and employees of their responsibilities and now our customers know formally, through the code, how we behave.

We play an important role in delivering the broader community social agenda that we support for ourselves and in conjunction with our customers. The work of the Enterprise Foundation illustrates our commitment to communities and sustainability. The Foundation supports our goals of helping customers to create community well being and a sustainable environment.

We act responsibly and seek to have a positive impact on the environment. We endeavour to make continual improvements in the impact we have on the environment through innovation and embracing different processes such as increasing recycling and our use of sustainable materials.

Prospects are excellent

On behalf of the Board I offer my thanks and gratitude to all of the management, staff, suppliers and customers of Enterprise. During the year I was delighted to see the co-operation within our service teams and the growth in the partnerships with our customers that ensure we succeed together.

I am increasingly confident about the ability of Enterprise management to create a business that will grow, that is stable and that generates profits and cash that will secure its future and that of its employees and generate appropriate financial returns.

CEO Statement

Introduction

Enterprise performed very strongly in 2008. It was another record year for revenue and adjusted operating profit and we increased our capacity for creating future profitable growth. Our ability to deliver essential services at the least cost through long term partnerships with customers was once again proven in the year. We have developed our experience and methods for integrating services and delivering a comprehensive asset management service on behalf of our customers.

The company culture, which ensures that customers are supported fully to achieve their goals, within a commercial framework, is about achieving success. Our monthly revenue in 2008 was almost the same, at around £90-100m, as our annual turnover when the Enterprise plc Group was first created in 2000, just over eight years ago. Our management teams have shown that they are capable of combining growth with exceptional profit and cash performance.

Developing our people

During the year I was especially pleased that we increased our workforce to deliver rapid growth and to ensure we do so at low risk. Recruitment was made at all levels in the business with a strong emphasis on experienced staff in commercial development, IT, and training and on graduates and apprentices.

At the local level we ensure that training is supplied to all of our staff. Many are highly skilled technicians with years of experience in maintaining complex utility networks. Those skills are improved and kept up to date in our training academies. We have over 600 staff trained to NVQ level on tasks that support Local Authorities. By creating a skilled and experienced workforce we contribute to our customers getting the best value, make sure that we achieve a very high standard of Health and Safety and support the broader community agenda.

In the fourth quarter of 2008 we recruited a record number of 60 graduates with a range of skills and from a variety of backgrounds. We currently have 114 apprentices working in the company. The graduates and the apprentices, along with many other well qualified employees, help to form the basis of our future growth and they have significant career opportunities with Enterprise.

2008 Performance

Revenue increased by 29% in 2008 versus the prior year pro forma figure of £847m reaching a record £1,090m. Of the growth in revenue of £243m some £202m was due to corporate activity and £41m to net organic growth. The level of organic revenue growth lifted strongly towards the end of 2008 and will have a positive impact in 2009.

We saw additional revenue commence during the year from long term customers such as the councils in Liverpool, Solihull and Islington, the Highways Agency and National Grid. We started to work with a number of new customers, one of the most significant being Manchester City Council, with whom we have established the EnterpriseManchester Partnership.

Adjusted operating profit rose by 37% to £74.4m and was in line with our expectations. The increase in profit was due to the growth of the operations, cost synergies arising from the acquisition of Accord and improved overhead recovery.

There is good opportunity to grow profits and cashflow in the UK, in activities that make the best use of our unique IT and our approach to efficiency improvement and least cost. We search continuously for opportunities to increase profitability and improve levels of customer service in areas that are close to the existing operations.

Operating cashflow, was £55.7m, some 75% of adjusted operating profit. Cash generated by the operations is being used primarily to grow the business; our organisation requires minimal capital to do this and most of what is needed is in working capital; our operations do not use major items of capital equipment.

Secure financial structure

The level of cash pay debt in the company is unchanged from the 2007 level and the net cash interest cost of £45.5m in 2008, is more than adequately covered by our EBITDA. The stable nature of the business with its long term contracts and predictable costs and revenues make it an ideal structure to carry debt.

Our financial structure is resilient and our funding is secure

- We are not required to repay any debt until 2015 at the earliest
- We have strong operating cashflow and the funds available to support our growth
- We are currently operating ahead of our funding model put in place following the Accord acquisition

Our long term contracts combined with our flexible and low cost base make net cash inflow predictable. Enterprise is in a strong financial position.

Corporate Activity

During 2008 we completed the integration of Accord. The task was carried out in an extremely efficient way by all concerned and the team was led in a very professional manner. Absorbing some 20 new contracts, each with its own history and set of relationships, in such a short space of time was commendable.

There is much evidence that the integration went well. Within 12 months of the Accord transaction the London Borough of Islington awarded Enterprise a long term, £4m a year, grounds maintenance contract which is additional to the £20m a year waste collection contract we inherited. Enterprise demonstrated to Islington it's ability to deliver best value through efficient work practices and through combining workstreams under one management team.

Larger scale work projects

We are now being asked by customers to bid for work the size and scale of which is unprecedented for our Group. The level of enquiries from customers which might involve us in large scale projects that are vital to the success of their operations has already brought us some very important work.

Our achievements on existing large contracts, the needs of our customers and the acquisition of Accord have made a significant difference to the external perception of Enterprise and underpin our confidence in our ability to handle very large workloads in partnership with customers.

Streamlining the business

In early 2008 we made the decision to sell, or withdraw from, activities that are non-core or where there is no realistic prospect of obtaining growth and predictable margins in the long term. That process, once started, proceeded more rapidly than our initial expectations. During the year we sold our shareholdings in a number of small, non-core operations and rationalised some others. The process helped the organisation by re-confirming our focus and creating better value for the shareholders.

To assist the process of streamlining the business we now work almost exclusively for the Utilities and Public sector in the UK. We have very little work outside the UK and virtually no work in the private sector.

Support Teams

To achieve the growth and sustainability to which the Chairman has referred, we need to have extremely well structured Operations and Information Technology, Human Resources, Business Development and Marketing functions. During 2008 we made substantial progress in each of these areas.

Operations and Information Technology

Since 1995 we have had a very effective, bespoke IT system, WorkManager and employment and pay structures that reward good performance, especially the Direct Service Provider (DSP) model. Those have been developed and refined and this improvement process will continue.

We have made a major investment in the development of WorkManager II. This is now being rolled out to new and existing customers in a phased way. Its main innovations are its modular form, which allows swift installation, the increase in the number of applications it covers, and flexibility. The system can now be adapted more easily for each customer.

Operational efficiency is the foundation of achieving the least cost for our customers. We work with all customers to streamline the methods by which we shall operate jointly in the future. The outcome is designed to deliver value for money for the customer and its consumers as well as satisfy the broader environmental, corporate and sustainability agendas.

Human Resources

The HR team has done a great deal of additional work to support the operations. The updates to our Management Development schemes and succession planning, made in 2007, have already started to yield benefits. Retention rates are very high at the senior and middle management levels; stability is important for us as it provides, among other things, continuity with customers.

We are working closely with a number of external organisations, including Sandhurst Military Academy, to provide practical training in all aspects of management. The Sandhurst training programme is used for leadership development.

Enterprise works with its customers to establish the most advantageous employment model. In the Utility sector Enterprise uses frequently its Direct Service Provider (DSP) model which captures the benefits of direct employment with the advantages of flexible costs and working arrangements. In the DSP model the operative is self employed or part of a small third party company.

Where appropriate we use the Retained Employment Model in which employees remain as directly employed staff of our customer but are managed and rewarded based on performance with Enterprise. Some 13,000 people are currently employed directly or indirectly or through our DSP model by Enterprise split 65/35 at present.

The optimum employment arrangement depends upon the needs of the customer. Enterprise has the experience of over 120 TUPE transfers and they have been into a variety of employment situations.

The annual Employee Opinion Survey was carried out in the middle of the year. This important survey guides us strongly to the actions we need to take to ensure we have the right people doing appropriate work and that the organisation is effective. The survey highlighted that over 90% of employees were clear regarding how they contribute to the business and indicated that they could manage the demands of their role.

Marketing and Business Development

In the Marketing and Business Development area we have increased our efforts significantly. The improvements range from establishing the fully operational Customer Relationship Management system right through to reviewing and redesigning our bid processes.

We made a number of senior appointments to the bid teams centrally and in each Division designed to improve further the quality of our bids. The new and existing managers were instrumental in the recent successes we announced with Staffordshire, National Grid, TfL and Severn Trent.

During the year we upgraded our case studies showing examples of how we work and the outcomes. These are available on the Enterprise website.

We are conducting an overhaul of our Corporate Responsibility (CR) processes. This area has always been very important for us and our customers. To ensure that CR is even more integrated in the way we operate we are upgrading our methods of measurement, establishing a company wide approach to implementing our programmes and creating improved monitoring procedures so we can measure improvements.

Human Resources, Operations and Business Development are vital to the future of the business and we are allocating the resource needed into these areas to obtain profitable growth that has minimal risk to all stakeholders.

Public Sector operational review

Background

Our maintenance activities in the public sector are split into three customer areas

- Local Government and Social Housing
- Central Government and MoD
- Transport

In the Local Government and Social Housing segment we maintain properties, street lighting, grounds and parks and gardens and we also collect domestic and trade waste and clean streets. For Central Government we manage assets, via our Joint Ventures (JVs), including some 8,000 buildings and 45,000 military dwellings within long term contracts for the MoD. We maintain buildings and manage assets for Police Forces, Fire and Ambulance Services, Schools and Universities throughout the UK. In our transport business we maintain the strategic roads for the Highways Agency in certain geographies, the county roads for several authorities including Staffordshire and some London boroughs and we work for Transport for London (TfL) on highways and on the underground.

Operational performance

Revenue in the public sector area grew by 49% to £729.6m compared with the pro forma revenue for the year ended 31 December 2007. The divisional operating profit increased by 78% to £45.1m.

Segmental Performance

Local Government and Social Housing maintenance revenue rose by 41% to over £300m in 2008. The main reason was the additional revenue from the acquisition of Accord. There was strong organic growth with the City of Manchester as a new customer and, among others, the councils in Liverpool and Solihull awarded us contracts for additional services. We also achieved growth over the prior year revenue in a number of the contracts we acquired through Accord, the most significant being additional work in Islington.

Our two joint ventures with the MoD, Central Region Prime and the Housing Prime, enjoyed 16% growth in revenue, most of which was organic. During the year we increased our shareholding in the joint venture responsible for the Housing Prime contract from 25% to 33%. Overall revenue from essential property maintenance in Central Government is around £200m. We continue to work extremely closely with the MoD and our partners to maximise the value for money delivered by these JVs.

In Transport we had an excellent year. Our work with the Highways Agency (HA) in Area 1 and 3 has gone well, especially the successful mobilisation of the latter. We are active with the preparation for bids on other HA projects. Our work with TfL is progressing strongly. We are one of seven strategic partners to TfL. Metronet works orders are returning to expected levels, following the period of Administration and we have been awarded the first phase of the London Underground power upgrade project.

We have established a collaborative arrangement with Staffordshire County Council called the Staffordshire Highways Partnership. Our relationship with Staffordshire is growing and we are working closely with the Highways Directorate to sustain its Four Star status and improve further the delivery of services to consumers in the county. The arrangement will increase significantly our revenue from £35m a year as well as generate valuable benefits for the council taxpayers in the county.

While there was substantial growth of revenue in the Public Sector operations we were able during the year to streamline parts of the business. Several small stand-alone consultancy operations were sold and there may be further small disposals. We have withdrawn from some contracts that were unlikely to contribute fully to the value of the business in the future. The impact of these changes in the Public Sector area is a reduction in the annualised revenue of some £10m compared with 2007 levels.

Prospects

The prospects for the Public Sector operations are excellent. The pressure on our customers' budgets is high. Our experience is that interest in using our services and the drive for making the innovative and radical improvements we can support rises when the twin pressures for lower costs and greater efficiency increase. Customers obtain the full benefit in terms of efficiency by integration and bundling of services which permits improved co-ordination and reduces operational and overhead costs. Customers in the public sector share our view of the need to fulfil the broader social agenda and place a high value on community well being.

Utilities operational review

Background

In the Utility sector we work on behalf of the major providers of gas, water, power and telecoms. Our role in ensuring efficiency and least cost is to perform maintenance tasks such as fixing water leaks, repairing gas mains, installing utility supplies, designing and installing power substations and repairing broken connections. Nearly all of the work we do is essential and must happen in order for the infrastructure to operate.

Operational performance

The year saw revenues slightly up on 2007. Good growth in both water and gas on a number of projects was off-set by reduced volumes, in line with other suppliers, in the telecoms business. The division created an adjusted operating profit of £29.3m in line with the prior year. Underlying the strong financial performance of the division was a shift towards customer's areas of work that will enable us to improve growth and the quality of our revenue from 2009 onwards.

Segmental Performance

The highlight of the year in the gas operations was winning a contract from National Grid (NG) to work with them for up to ten years in the west side of England. We started to work with NG on the gas transmission network in 2005 on a small contract valued at £5m a year. Due to our performance on that contract in August 2007 we were asked to take over the Midlands area and to mobilise a workforce of some 250 people within a month.

Successful delivery on that contract since 2007 and a competitive tendering process that showed us to be closely aligned with NG, were two of the main reasons we were awarded this new contract worth at least £500m over the 10 year period.

Our gas operations will continue to grow strongly in the UK. There is significant opportunity in many areas for additional revenue. From April 2009, when the NG contract starts, we shall have on-going revenue of around £100m a year. In Ireland we withdrew from a gas contract with Bord Gais. This contract was started in late 2006. The level of work within the contract has been below expectations and, in conjunction with Bord Gais, we assisted the transfer of the work to a locally based organisation.

In the power sector we are developing our operations significantly and preparing for the next Regulatory period. The current workload in this area is predominantly in substations and overhead lines. We are working with our existing customers to develop other areas of work to add to the existing business. The success of that approach came through towards the end of the year and is shown in the recent award of the power upgrade project for London Underground. That award, which used the knowledge and skills of the management in the Power, Transport and Local Authority areas of the Group demonstrated also the level of mutual support that exists across the divisions.

In telecoms our workload reduced last year as BT, our main customer, reduced spend overall on the network and on outsourced services. Our working arrangements with BT incorporate a high level of variable costs and a low overhead base which assisted us to minimise the impact of the reduced volumes. We remain the largest UK supplier of maintenance services to BT for its fixed line network and our market share of the work that is outsourced is unchanged.

Water services revenue rose last year by some 5% to £134m. The industry is approaching the end of Asset Management Plan 4 (AMP4) and we are extremely busy tendering for AMP5. To enable a smooth transition

from one AMP period to the next we have been in dialogue since summer 2008 with many water companies. The scale of the work that may be released to outside suppliers is considerable and we are optimistic that we shall see an increased workload in AMP5. In February 2009, we were announced preferred bidder for £600m of AMP5 activity for Severn Trent Water.

In the year we disposed of the Subterra systems business which came to us via an acquisition from Thames Water in 2003. We are pleased that the collaboration deal we signed as part of the sale with its new owners, is providing benefit to both parties.

Prospects

The prospects for the Utilities operations in Enterprise are extremely good. Currently we are very active with a large number of bids. We have assisted many of our customers to develop a response to the Regulators' requirements, especially in power and water, due to the timings of the next Regulatory periods. The bid pipeline in Utilities is around £3bn, a large proportion of which is work for the five year period from 2010.

Health and Safety

Each year I have written about the importance of Health and Safety (H&S) and that will continue. The whole of the business has a culture of H&S which guides our activities. It is our first concern in all of our operations.

The increased efforts applied during the year to our TargetZero campaign have been valuable. For eight consecutive years RoSPA has awarded our operations its highest accolades for our excellence in accident reduction and safety systems. We have won a number of Considerate Contractor awards, the latest was in December 2008 for work carried out in conjunction with Severn Trent Water; H&S is an important aspect of these awards.

Improving Health and Safety is continuous. Towards the end of 2008 we commenced projects to review fully the impact of TargetZero and conduct further research into "Best Practice" wherever it may be found.

Driving principles

We believe that it is vital for us to describe to customers how we will work with them in order to deliver our joint objectives. Aligning our values and ways of working with those of our customers is essential to achieve success. By describing the things that are important to us about the way we operate we encapsulate the strengths of the business and how it works in partnership with customers.

The Group adopted formally a set of Driving Principles some three years ago. They were new to the business at that time only insofar as they were a formal expression of how we worked over many years. Our driving principles have been examined and tested by many customers who seek to work with a partner that shares their aims and values. The outcome of those exercises is very positive, especially so in some of our recent contract wins.

The Driving Principles for the business are
Health and Safety
Partnership and People
Information technology and Innovation
Performance Improvement and Best value
Corporate Responsibility

On the Enterprise website and in our bids we have adapted our case studies to show how these principles have been used to deliver higher levels of efficiency and lower costs to individual customers. They help us in our mission which is to satisfy our customers and their consumers better than all competition.

Environment

Environmental issues relating to emissions, use of resources and the environment impact of our work are priorities for Enterprise and our customers. We strive to enhance the environment through our work. A comprehensive Environmental Management System ensures that the Group's measurement of environmental factors, such as the carbon management programme, are consistent and controlled.

Our innovative approach to trenchless excavation within the utilities operations reduces environmental impacts by minimising replacement material. We encourage the use of recycled materials where possible, for example in paths and highways resurfacing, using recycled tyres for kerbstones and by promoting recycling initiatives with residents and schools. We also have fleets of bio-fuel and electric vehicles on certain contracts.

Enterprise Foundation

The Enterprise Foundation is an important aspect of our Corporate Responsibility work. It assisted a large number of customers in 2008 with schemes to train disadvantaged groups, including the long term unemployed and ex-offenders.

This joint venture with EDS (NW) Limited has been established for some two years. It has helped many of our customers to strengthen and support the measures they take to encourage local employment and job training. It has special expertise in the development of social enterprise and has assisted many of them with business plans and the allocation of funding.

Enterprise is aware fully of its social obligations. We work closely with all of the communities in which we operate to support and assist the development of sustainability and, in these more difficult economic times, wealth creation and jobs.

The Foundation is playing a key role in the renewal of our Corporate Responsibility programmes.

Group Prospects

2008 was a year for consolidation and laying more and improved foundations for the future.

The acquisition of Accord has proven to be highly successful; not only did it bring some good contracts and management and staff, all of whom have adjusted well to the Enterprise culture but it also raised significantly our profile with important customers and gave us critical mass in the south east and west of England. Following its integration we shall henceforth not identify separately the results of the acquired Accord operations however, it is clear from the 2008 performance that they are already generating a substantial return on our investment and we expect them to continue to do so.

The size of the bid pipeline, at some £10bn, is the largest in the company's history. We have invested extensively in the structure to support the increased level of bidding and the resulting operational activity.

I remain extremely positive about the future of the Group. I have led the Group for some time and around me there are some very talented people, many of whom have been with us for over 10 years and some for very much longer. Their knowledge and experience combined with the skills of our new colleagues will ensure we have the right calibre of people for the next stages of growth.

We have ambitious but highly credible and achievable growth plans and the financial resources to maintain our success. The markets in which we operate are growing and our position in them is such that we will receive a high level of enquiries for large scale projects. I continue to grow more confident each year about the future of Enterprise.

Finance Director's Review

Background

The financial results reported are for the first full twelve month period since the MBO and the Accord acquisition. As well as the audited statutory information for 2008 we have reported unaudited pro forma information for 2007 to enable a comparison of some of the key financial numbers relating to operational performance.

The statutory information for 2007 in these financial statements covers the period from 31 October 2006 until 31 December 2007. Enterprise Group Holdings Ltd was dormant until 11 May 2007 at which time it became the main legal entity for the companies that had been within Enterprise plc (since re-registered as Enterprise Limited), following the MBO.

Revenue and Operating Profit

Group revenue broke through the £1bn mark for the first time reaching £1,090m in 2008, compared with pro forma revenue of £847m in 2007 and the statutory reported figure for Enterprise plc of £643m in 2006. The £447m increase in revenue since 2006 comprises 60% due to corporate activity and 40% due to net organic growth.

Organic growth over the last two years was created by the build up of revenue under the MoD contracts, increased workloads from the councils in Liverpool, Manchester, Solihull and Islington and the award of Area 3 to our JV by the Highways Agency. That was partly offset by our decision to withdraw from certain areas of work and the disposal of non-core activities that were unlikely to add significantly to shareholder value in the future.

The acquisition of Accord was the driver of the growth in revenue from corporate activity. The contribution from Accord is partially offset by the disposal of certain businesses and a planned rationalisation of some of the Accord contracts.

Adjusted operating profit of £74.4m for the year is in line with the Board's expectations and was 37% higher than in the prior year.

£m	2008	2007 Pro forma	2007 Statutory Accounts	2006
Revenue	1,090	847	580	643
Adjusted operating Profit	74	54	41	42
Net cash finance cost	45	-	23	5

Exceptional costs

There were no exceptional income statement costs during the period. There were certain costs related to disposals that were one-off, but these were small in terms of the scale of the business and therefore taken as operating expenditure.

There were certain cash items that were one-offs that are shown in the cashflow statement as exceptional. These relate primarily to a £4.0m payment to the Accord pension schemes agreed at the time of the acquisition and £2.6m which is the cash cost of restructuring items taken to the income statement in 2007.

Result for the year

The group made a profit of £26.3m (2007: £17.7m) before amortisation of intangibles, non cash finance costs and tax. The retained loss for the year, after amortisation of intangibles non cash finance costs and tax, was £47.9m (2007: £30.4m).

Cashflow

The primary measure of performance given our capital structure is cashflow. The operating cash flow for 2008 was £55.7m and EBITDA was £82.2m. Cash conversion from adjusted operating profit was 75%. The movement in working capital was an increase of £19m which is consistent with the growth of the operations.

The purchase of an additional 8% stake in our Joint Venture Modern Housing Solutions for £1.3m increased our shareholding to 33%. The proceeds from disposals were £0.9m relating mainly to the sale of some small non core operations.

Capital expenditure was £6.6m. The assets acquired were specialist vehicles, equipment for buildings and IT equipment.

There were dividends from our Joint Ventures of £3.4m compared with £3.2m in 2007.

Acquisition accounting

In accordance with IFRS 3 "Business Combinations" during 2008 the fair value review exercise which started in 2007 was completed and final adjustments were made to the fair value of the assets and liabilities acquired to reflect conditions which existed at the acquisition date. This resulted in adjustments of £52m. In addition management has reviewed the valuation methodology, and in particular the assumptions in respect of discount rates, growth rate and assumed margins used to calculate the value of intangibles acquired with the Enterprise and Accord businesses and as a consequence have adjusted the value of these relevant assets acquired by £145m (net of tax).

Working Capital

The amount of working capital required by the Group's operations is closely monitored on a regular basis and reported to the Board monthly. The current assets are principally trade receivables. As a result of our strategy to focus on customers in the public and regulated sectors, the incidence of bad debts is negligible.

Capital structure

The Group's capital structure at the end of the year was broadly unchanged from the end of 2007. The business is financed by senior debt of £540m on which cash interest is payable (cash pay debt). The remainder of the debt and financing comprises, £75m of PIK notes, preference shares of £49m and shareholder financing of £172m on which all interest is deferred (non cash pay debt) and payable between 2017 and 2018. The Group has a Revolving Credit Facility of £110m of which circa £30m has been used during the period for bond and guarantee purposes. The cash balance stood at £69m at the end of 2008 compared with £82m in 2007.

The net cash interest cost for 2008 was £45m. The Group's funding arrangements were put in place during 2007 prior to the significant reductions in interest rates during 2008. Those arrangements are still in place and no debt is due to be repaid until 2015 at the earliest. Hedging instruments in equal proportions are in place for 90% of our cash pay debt with the swap due to expire at the end of 2009 and the cap at the end of 2010.

The Group has debt covenant arrangements in place. Throughout the year the Group operated with significant headroom on both the Interest cover and Leverage covenants. For Enterprise, the key drivers for its capital structure are to generate i) sufficient cash to cover the cash pay interest and ii) increase EBITDA in relation to its cash pay debt.

The capital structure of the Group is designed to ensure that there are sufficient earnings to cover cash pay debt and support our growth and not to generate net assets. In a services business the requirement for capital expenditure is low and the tangible asset base is not significant.

Presentation of the Balance Sheet

The Board has reviewed the presentation of the balance sheet as at 31 December 2007. As a consequence certain tranches of the Group's debts totalling £230.6m are shown as shareholder interests as the Board

believe this presentation more accurately reflects the capital structure of the Group and the nature of these items, being owed to the shareholders of the Company, not repayable until 2018 and accruing interest dividends throughout their lives rather than being paid in cash.

The balance sheet at the end of 2008 shows total shareholder interests of £194.3m compared with £210.2m at the end of 2007. The Group remains in a highly robust financial position in relation to its ability to finance and perform its operational responsibilities.

Financial Risks

As part of its ordinary activities, the Group is exposed to a number of financial risks, including liquidity, credit, interest rate and currency risks. The Group has adequate policies and procedures in place to monitor and manage these risks.

Liquidity risk relates to the Group's ability to meet the cash flow requirements of the operations, while avoiding excessive levels of debt and/or breach of its debt covenants. The Group's borrowings are principally medium term loans which were drawn down fully to fund the MBO and Accord acquisitions. In addition, the Group has a revolving credit facility.

Credit risk relates principally to trade receivables from customers. We assess all customers before trading commences and have detailed policies and procedures to monitor each situation. The nature of our customer base is such that we have limited exposure to bad debts.

Interest rate risk is a key factor monitored by management. To mitigate this risk 90% of the Groups cash pay debt, has been hedged by way of swap and cap agreements. These instruments enable management to improve forecasting the cash outflow in respect of interest over the medium term.

Currency risk is limited in its impact due to the relatively low level of transactions which we undertake outside of the UK.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman and Chief Executives Reviews. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described above.

The Group has considerable secured financial resources through to March 2015 together with contracts of a long term nature with a significant number of its customers who are principally blue chip utility companies or government authorities. The services which the Group delivers are primarily essential maintenance in nature. As a consequence the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook and the potential impact on the Group's customers.

The Directors, in the light of FRC guidelines on going concern, have reviewed the Group's future cash flow forecasts and profit projections and based on those believe that it is appropriate to prepare the financial statements of the Group on the going concern basis.

The Directors are of the opinion that the Group's forecasts and projections show that the Group should be able to operate within its available facilities and comply with its banking covenants. The Group has committed facilities through to March 2015 and there is no repayment of debt until that time.

Taxation

No Corporation Tax is expected to be payable in respect of the reporting period.

Pensions

The Group operates two defined benefit schemes in respect of Brophy Grounds Maintenance and Accord. At 31 December 2008 these schemes had a combined total deficit of £0.7m (2007 - £3.6m). The Group has limited unprovided exposure to the under funding of its pension schemes as nearly all of its schemes are based on defined contributions.

Pro forma Financial Information – unaudited

Basis of preparation

The pro forma financial information has been prepared using accounting policies stated in the company's annual report and financial statements for the period ending 31 December 2008.

The financial information in this statement relating to the year ended 31 December 2007 includes the full year Enterprise plc results together with the results from Accord from the date of acquisition on 20 September 2007. This information is unaudited and does not constitute full statutory accounts within the meaning of section 240 of the Companies Act 1985. The results shown for the year ended 31 December 2006 have been derived from the full annual report and full statutory accounts of Enterprise plc which received an unqualified auditors' report and did not contain any statements under section 27 (2) or (3) of the Companies Act 1985 and have been delivered to the Registrar of Companies.

Pro forma unaudited income statement extract

For the year ended 31 December 2008

	2008 £m	2007 £m
Revenue		
Revenue including share of jointly controlled entities	1,090.2	846.9
Less share of jointly controlled entities	(188.7)	(137.3)
<hr/> Group revenue - continuing operations	<hr/> 901.5	<hr/> 709.6
Operating profit before exceptionals and amortisation		
Continuing operations	65.2	50.0
Share of results of jointly controlled entities before tax	9.2	4.3
<hr/> Adjusted operating profit - continuing operations	<hr/> 74.4	<hr/> 54.3
Depreciation	7.8	4.0
<hr/> Earnings before interest, tax, depreciation and amortisation (EBITDA)	<hr/> 82.2	<hr/> 58.3

	Revenue		Adjusted Operating Profit	
	2008	2007	2008	2007
	£m	£m	£m	£m
Segmental analysis				
Utility services	360.6	358.1	29.3	28.9
Public sector services (including share of jointly controlled entities)	729.6	488.8	45.1	25.4
<hr/>				
Total continuing operations	1,090.2	846.9	74.4	54.3

ENTERPRISE GROUP HOLDINGS LIMITED

For the year ended 31 December 2008

GROUP INCOME STATEMENT

	Year ended 31 December			Period from incorporation to 31 December 2007			
	2008	2008	2008	2007	2007	2007	2007
	Pre amortisation of intangible fixed assets £m	Amortisation of intangible fixed assets £m	Total £m	Restated Pre- exceptional items £'m	Exceptional items £'m	Amortisation of intangible fixed assets £m	Total Restated £'m
Revenue							
Continuing operations	1,090.2	-	1,090.2	580.0	0.0	0.0	580.0
Group continuing operations and share of jointly controlled entities	1,090.2	-	1,090.2	580.0	0.0	0.0	580.0
Less share of jointly controlled entities	(188.7)	-	(188.7)	(94.1)	0.0	0.0	(94.1)
Group revenue - continuing operations	901.5	-	901.5	485.9	0.0	0.0	485.9
Operating profit							
Continuing operations	65.2	(30.4)	34.8	38.5	(7.0)	(17.6)	13.9
Share of operating profits of jointly controlled entities	9.2	-	9.2	2.8	0.0	0.0	2.8
Share of tax of jointly controlled entities	(2.6)	-	(2.6)	(0.9)	0.0	0.0	(0.9)
Share of results of jointly controlled entities	6.6	-	6.6	1.9	0.0	0.0	1.9
Total operating profit - continuing operations	71.8	(30.4)	41.4	40.4	(7.0)	(17.6)	15.8
Investment revenue	5.2	-	5.2	4.4	0.0	0.0	4.4
Finance costs - payable in cash	(50.7)	-	(50.7)	(27.1)	0.0	0.0	(27.1)
Profit/(loss) after net cash pay interest	26.3	(30.4)	(4.1)	17.7	(7.0)	(17.6)	(6.9)
Other non cash gains and losses	(7.3)	-	(7.3)	(3.3)	0.1	0.0	(3.2)
Finance costs - deferred interest and amortisation	(50.1)	-	(50.1)	(26.6)	0.0	0.0	(26.6)
Loss before tax	(31.1)	(30.4)	(61.5)	(12.2)	(6.9)	(17.6)	(36.7)
Tax	5.1	8.5	13.6	1.3	0.0	5.0	6.3
Loss for the year/period from continuing operations	(26.0)	(21.9)	(47.9)	(10.9)	(6.9)	(12.6)	(30.4)
Attributable to:							
Equity shareholders of the parent			(47.9)				(30.4)

ENTERPRISE GROUP HOLDINGS LIMITED
AS AT 31 DECEMBER 2008
GROUP BALANCE SHEET

	2008	2007
	£'m	Restated £'m
Non-current assets		
Goodwill	580.3	580.3
Other intangible assets	225.4	253.7
Property, plant and equipment	22.6	19.7
Interest in jointly controlled entities	4.5	1.7
Deferred tax asset	5.1	2.7
Other investments	0.0	0.0
	837.9	858.1
Current assets		
Inventories	5.6	6.1
Trade and other receivables	175.4	177.0
Cash and cash equivalents	68.7	82.5
Other financial assets	5.7	130.8
Derivative financial instruments	0.3	0.9
	255.7	397.3
Creditors: amounts falling due within one year		
Borrowings	1.4	8.1
Bank guaranteed loan notes	1.5	126.3
Derivative financial instruments	9.3	2.9
Obligations under finance leases	3.3	2.9
Tax liabilities	2.3	4.3
Provisions	19.5	12.2
Trade and other payables	160.0	171.0
	197.3	327.7
Net current assets	58.4	69.6
Total assets less current liabilities	896.3	927.7
Creditors: amounts falling due after more than one year		
Borrowings	624.5	610.7
Retirement benefit obligation	0.7	3.6
Trade and other payables	5.3	3.6
Obligations under finance leases	5.7	5.2
Deferred tax liabilities	63.9	72.0
Provisions	1.9	22.4
	702.0	717.5
Total shareholder interests	194.3	210.2
Shareholder interests		
Shareholder financing	216.6	187.8
Preference share capital	49.4	42.8
	266.0	230.6
Share capital	10.0	10.0
Investment in own shares	(0.2)	(0.2)
Retained earnings	(81.5)	(30.2)
Capital and reserves	(71.7)	(20.4)
Total shareholder interests	194.3	210.2

ENTERPRISE GROUP HOLDINGS LIMITED

For the year ended 31 December 2008

GROUP STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Year ended 31 December	Period ended 31 December Restated
	2008	2007
	£'m	£'m
Exchange difference on retranslation of foreign branches	0.4	0.0
Actuarial losses on defined benefit pension schemes (net of tax)	(2.1)	(0.6)
Share of actuarial (losses)/gains in jointly controlled entities (net of tax)	(1.7)	0.8
Net (expense)/income recognised directly in reserves	(3.4)	0.2
Loss for the year/period	(47.9)	(30.4)
Total recognised income and expense for the year/period	(51.3)	(30.2)
Attributable to:		
Equity holders of the parent	(51.3)	(30.2)

ENTERPRISE GROUP HOLDINGS LIMITED

For the year ended 31 December 2008

GROUP CASH FLOW STATEMENT

	Year ended 31 December	Period ended 31 December Restated 2007
	2008 £'m	2007 £'m
Reconciliation of operating profit to cash generated from operations		
Cash flow from operating activities		
Operating profit	41.4	15.8
Adjustments for:		
Depreciation of property, plant and equipment	7.8	4.0
Amortisation of intangible assets	30.4	17.6
Exceptional items	0.0	7.0
Profit on disposal of property, plant and equipment	(0.6)	-
Share of results in jointly controlled entities	(6.6)	(1.9)
Operating charge for defined benefit pension scheme	(1.4)	(0.3)
Movement in provisions	(10.6)	(6.9)
(Increase)/decrease in receivables	(0.5)	18.4
Decrease in inventories	0.5	0.3
Decrease in payables	(8.1)	(17.8)
Cash flows from operating activities before exceptional cashflows	52.3	36.2
Cash flow in respect of exceptional pension contributions	(4.4)	-
Cash outflow in respect of exceptional items	(2.6)	(2.8)
Net cash generated by operations	45.3	33.4
Tax received	0.4	0.3
Net cash from operating activities	45.7	33.7
Investing activities		
Issue of shares	0.0	(0.2)
Acquisitions of subsidiaries net of cash acquired	0.0	(523.3)
Cash transferred from/(to) restricted account	124.8	(126.3)
Purchase of property, plant and equipment	(6.5)	(1.9)
Proceeds on disposal of property, plant and equipment	0.7	0.3
Proceeds on sale of subsidiary	0.9	0.4
Proceeds on sale of associate	0.0	0.2
Investment in intangible fixed assets	(2.4)	-
Acquisition of share in jointly controlled entities	(1.3)	-
Dividends received from jointly controlled entities	3.4	3.2
Net cash generated/(used) in investing activities	119.6	(647.6)
Financing activities		
Finance costs paid	(51.5)	(26.6)
Interest received	7.7	1.9
Proceeds on issue of ordinary shares	0.0	10.0
New bank loans raised	0.0	812.4
Bank loans repaid	0.0	(107.5)
Other loans repaid	(125.1)	-
Principal payments under finance leases	(3.3)	(1.5)
(Decrease)/increase in bank overdrafts	(6.9)	7.7
Net cash (paid)/from financing activities	(179.1)	696.4
Net (decrease)/increase in cash and cash equivalents	(13.8)	82.5
Cash and cash equivalents at start of the period	82.5	-
Cash and cash equivalents at end of the period	68.7	82.5

ENTERPRISE GROUP HOLDINGS LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2008
NOTES TO THE PRELIMINARY ANNOUNCEMENT
1. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Group is currently organised by the following two divisions: Utility Services and Public Sector Services. These divisions are the basis on which the Group reports its primary segment information.

The segmental results for the year ended 31 December 2008 (period from incorporation to 31 December 2007) were as follows:

	Revenue 2008	2007	Operating Profit 2008	2007 Restated
	£m	£m	£m	£m
Continuing operations pre exceptional items and amortisation of intangibles				
Utility Services	360.6	232.7	29.3	22.3
Public Sector Services	540.9	253.2	35.9	16.2
Total continuing operations	<u>901.5</u>	<u>485.9</u>	<u>65.2</u>	<u>38.5</u>
Exceptional items				
Utility Services			-	(0.3)
Public Sector Services			-	(6.7)
			<u>-</u>	<u>(7.0)</u>
Amortisation of intangible fixed assets			(30.4)	(17.6)
Continuing operations post exceptional items and amortisation of intangible fixed assets				
Utility Services			29.3	22.0
Public Sector Services			35.9	9.5
Amortisation of intangible fixed assets			<u>(30.4)</u>	<u>(17.6)</u>
			34.8	13.9
Share of results of jointly controlled entities (before tax)			9.2	2.8
Tax of jointly controlled entities			<u>(2.6)</u>	<u>(0.9)</u>
Share of results of jointly controlled entities (after tax)			<u>6.6</u>	<u>1.9</u>
Total operating profit			<u>41.4</u>	<u>15.8</u>
Investment income			5.2	4.4
Finance costs - payable in cash			<u>(50.7)</u>	<u>(27.1)</u>
Loss after net cash pay interest			<u>(4.1)</u>	<u>(6.9)</u>
Other gains and losses			(7.3)	(3.2)
Finance costs - deferred interest and amortisation			<u>(50.1)</u>	<u>(26.6)</u>
Loss before tax			<u>(61.5)</u>	<u>(36.7)</u>
Tax			13.6	6.3
Loss for the year/period from continuing operations			<u>(47.9)</u>	<u>(30.4)</u>

ENTERPRISE GROUP HOLDINGS LIMITED
AS AT 31 DECEMBER 2008
NOTES TO THE PRELIMINARY ANNOUNCEMENT
2. Analysis of cash and cash equivalents and reconciliation
to net debt

The analysis of cash and cash equivalents and reconciliation to net debt
as at 31 December 2008 is:

	At start of the year	Acquisitions	Non cash movements	Cash flow	At end of period
	£m	£m	£m	£m	£m
Cash and cash equivalents	82.5	0.0	0.0	(13.8)	68.7
Overdrafts	(7.7)	0.0	0.0	6.9	(0.8)
	74.8	0.0	0.0	(6.9)	67.9
Other financial assets (see note 21)	130.8	0.0	0.0	(125.1)	5.7
Bank guaranteed loan notes	(126.3)	0.0	0.0	124.8	(1.5)
Borrowings due in greater than one year	(610.7)	0.0	(13.8)	0.0	(624.5)
Borrowings due in less than one year	(0.4)	0.0	(0.6)	0.4	(0.6)
Shareholder interests - due in greater than one year	(230.6)	0.0	(35.4)	0.0	(266.0)
Finance leases less than one year	(2.9)	0.0	(3.7)	3.3	(3.3)
Finance leases greater than one year	(5.2)	0.0	(0.5)	0.0	(5.7)
Net debt (including shareholder interests)	(770.5)	0.0	(54.0)	(3.5)	(828.0)

The non cash movements represent the roll up of interest on the PIK facility, the shareholder interests, the amortisation of arrangement fees in the year and inception of finance leases.

The analysis of cash and cash equivalents and reconciliation to net debt as at 31 December 2007 is:

	At Incorporation	Acquisitions	Non cash movements	Cash flow	At end of period
	£m	£m	£m	£m	£m
Cash and cash equivalents	0.0	0.0	0.0	82.5	82.5
Overdrafts	0.0	0.0	0.0	(7.7)	(7.7)
	0.0	0.0	0.0	74.8	74.8
Other financial assets (see note 21)	0.0	4.5	0.0	126.3	130.8
Bank guaranteed loan notes	0.0	0.0	0.0	(126.3)	(126.3)
Borrowings due in greater than one year	0.0	(110.2)	(7.4)	(493.1)	(610.7)
Borrowings due in less than one year	0.0	(0.4)	0.0	0.0	(0.4)
Shareholder interests	0.0	0.0	(18.8)	(211.8)	(230.6)
Finance leases less than one year	0.0	(3.6)	(0.8)	1.5	(2.9)
Finance leases greater than one year	0.0	(6.0)	0.8	0.0	(5.2)
Net debt (including shareholder interests)	0.0	(115.7)	(26.2)	(628.6)	(770.5)

The non cash movements represent the roll up of interest on the PIK facility, the shareholder interests and the amortisation of arrangement fees in the period.

ENTERPRISE GROUP HOLDINGS LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2008

NOTES TO THE PRELIMINARY ANNOUNCEMENT

3. Statutory financial statements

The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year ended 31 December 2008 as detailed in section 240 of the Companies Act 1985, but is derived from those financial statements. The statutory financial statements for 2008 will be delivered following the Company's annual general meeting. The auditors have reported on these financial statements: their reports were unqualified and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS), this announcement does not in itself contain sufficient information to comply with IFRS. The accounting policies used in the preparation of this preliminary announcement are consistent with those in the full financial statements which have yet to be published. The preliminary results for the year ended 31 December 2008 were approved by the Board of Directors on 20 March 2009.