

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

Trading update and Contract wins

Enterprise, the infrastructure maintenance support services company, today provides an update on trading in 2008 and news of important contracts

Trading update

Enterprise delivered a strong performance during 2008, the first full year following the Management Buy-Out (MBO) in May 2007 and the acquisition of Accord in September 2007. Revenue grew by 27% to around £1.1bn due to the acquisition and organic growth, most notably on the contracts with Liverpool City Council, Severn Trent Water, National Grid, Islington Council and the Highways Agency.

The group has adequate financial headroom within its existing debt facilities to support the current business and significant further growth. Around £80m of undrawn funding is available. Borrowed funds are fully secure until early 2015 when the first tranche of debt repayment is due. Debt interest payable during 2008 was covered 2x by operating cashflow and the company operates well inside its debt covenants.

During 2008 the group completed the integration of Accord and made further improvements to the business. The integration was completed on schedule and the benefits are already exceeding the initial expectations. The acquisition provided, among other things, a broader range of reference sites and the ability to demonstrate further the positive impact that integration of services can bring, especially to the public sector. Enterprise now has a Transportation Division, due mainly to the acquisition, with annual revenue of over £200m and significant growth prospects.

The Company has developed further all areas of the business that are core to its unique approach for service delivery. WorkManager has been improved with the addition of more applications and it can now be adapted more easily and swiftly to each customer's needs. The Management Development programme has been improved to ensure the rapid progress of the talented teams employed within the company. The Group has increased further its collaborative work with the Enterprise Foundation, so that it is able to support fully numerous projects to improve the environment and encourage sustainability, as well as increase the employment prospects for people within the communities in which it works.

The Company continues to develop its partnering approach with its customers. Enterprise is helping its customers to provide a more fully integrated and, therefore, efficient service for their consumers. During 2008 the partnerships with the councils in Liverpool, Manchester, Islington and Solihull in particular but also with many others, showed the benefits of Enterprise providing integrated services within long term contracts.

Staffordshire

The Company has reached an agreement with Staffordshire County Council to develop further the Staffordshire Highways Partnership, a collaborative arrangement that maintains and improves the roads and other facilities in the county. Enterprise has held the highways maintenance contract in Staffordshire since 2004 and, through working closely with the Council's Highways Directorate, has helped the Authority to achieve Four Star status, the highest possible level.

The work of the Staffordshire Highways Partnership includes transforming the way in which services are provided. Improvements in performance and costs will be achieved through integrating the different services which lowers overhead costs and raises operational efficiency. The new agreement will lead to a significant increase in revenue for the Partnership compared with the current run rate of £35m pa.

Enterprise

maintaining the infrastructure of the UK

National Grid

National Grid has awarded Enterprise preferred bidder status for a five-year contract, with the potential for a five year extension, to maintain and improve its gas distribution networks.

National Grid has rationalised its geographic split for this work to two areas, East and West. From April 2009, in an integrated alliance relationship, Enterprise will work in the West area.

Our current term contract with National Grid has existed since 2005. As a result of organic growth aided by the successful delivery of regulatory and performance objectives, the contract, which was initially valued at £5m pa, generated an annual turnover of some £30m in 2008. The new contract, when awarded, will have a total potential value of £500m.

Customer recognition

The work of the Utilities Division was recognised in December 2008 by an award at the Considerate Contractors annual ceremony in Birmingham. Enterprise was judged to be the Best Utility Contractor by Birmingham City Council for work carried out in the city, in collaboration with Severn Trent Water.

Working in conjunction with Anglesey County Council and locally based supply partners, Enterprise won the Green Dragon Award for its Environmental Management System and the 2008 Wales Business and Sustainability Award for Resource Efficiency. These awards helped the Company recently to gain renewal, for a further five years, of its £4m a year Highways Maintenance contract on the island.

Outlook

Owen McLaughlin, Group Chief Executive of Enterprise stated "We are very pleased to announce these contracts and the progress we made during 2008. The business has developed rapidly, much more than I expected at the time of the MBO. Our management teams have responded well to the opportunities that growth has created"

"We have a very strong bid pipeline of over £10bn, including many long term contracts in the water sector and the order book stands at £3.5bn. The size and scale of the work in which we are involved is shown in the contracts announced today. These demonstrate our ability to work jointly, on a long term basis, in the utility industry and the public sector. I am extremely confident about the future of Enterprise and the success it can bring to its customers and employees"

Enquiries

Stephen Rawlinson, Enterprise, 07785 326727
Nick Osborne, Weber Shandwick, 020 7067 0700

Notes for Editors

Enterprise is a UK based support services company that has annualised revenue in excess of £1bn and employs, directly and indirectly, over 15,000 people. The company 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 venture capital company and is backed by major UK and international banks.