

Siteserv plc
Preliminary Results Announcement
Year Ended 30 April 2009

Siteserv plc (“Siteserv” or the “Group”), a leading Infrastructure and Utilities Support Services Group, announces its Preliminary Results for the year ended 30 April 2009.

Financial Highlights	30 April 2009	30 April 2008
Revenue	€228.6 m	€133.8 m
EBITDA	€29.5 m	€22.7 m
Operating Profit before Exceptional Items	€20.8 m	€18.7 m
Profit Before Tax and Exceptional Items	€9.3m	€12.3 m
Adjusted Fully Diluted EPS*	7.5 cent	10.1 cent
Cash Flow from Operating Activities	€32.2 m	€11.7 m
Exceptional Items	(€38.0m)	-
Profit After Tax and Exceptional Items	(€29.4m)	€10.3m
Net Debt	€149.5 m	€153.6 m

*Excludes amortisation of intangible assets, notional interest on deferred consideration and exceptional items.

Operational Highlights

- Strong organic growth in Ireland with the Infrastructure & Utilities support services Division producing record operating profits of €18.8m on revenues of €106.4m.
- Successful integration of Deborah Services in the UK produced full year revenues of €104.9m, doubling the size of the Group.
- Despite the significant economic downturn, the Access Division remained profitable following swift realignment of the cost base.
- Group wide cost reduction programme delivered savings of €3.0m in the financial year to 30 April 2009. The annualised impact of these savings is €3.5m.
- UK Multi-Discipline operation delivered a solid performance with revenues of €67.3m.
- Cash flow generated from operations increased by 48% to €32.2m.
- Exceptional costs included the non cash write off of goodwill in the Irish Access Division (€38.0m), the cost of breaking the fixed interest rate agreements, partly offset by a gain on sterling borrowings.
- At 30 April 2009, the Multi-Discipline business and Infrastructure & Utilities Division had secured revenue of circa 50% of the Group’s budgeted revenue for 2010 and in excess of €200m up to 2014.

Commenting on the performance for the year, Siteserv Chief Executive, Brian Harvey said:

“The Group made significant progress in 2009 across its diverse business sectors despite the very difficult economic climate and intense competitive pressures. The results reflect the full year contributions of the three acquisitions made in the previous financial year.

Our Irish Infrastructure & Utilities Services Division had a record year, well ahead of expectation, reporting revenue of €106.4m.

The UK Division reported revenue of €104.9m supported by a solid performance in the Multi-Discipline sector, partly offset by reduced activity in the Contract Scaffolding and Hire & Sales businesses. Almost 30% of the Group’s revenues are now generated from long term capital and maintenance projects by customers in the power generation, oil & gas and petrochemical industries.

Despite the economic downturn, the Irish Access Division remained profitable, following swift corrective action to realign the cost base and integrate all three businesses into a single operating unit.

Siteserv’s recent diversification by strategic acquisition and the ensuing organic growth in the Infrastructure & Utilities Division in Ireland and the Multi-Discipline sector in the UK, have provided the Group with a diverse range of services and long term contractual revenue streams that have played a key role in offsetting the impact of economic volatility on the Group’s performance”.

ENDS

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Overview

Siteserv is a leading Infrastructure and Utilities support services Group operating from 50 strategic locations in the United Kingdom and Ireland.

The Group has 3 Divisions:

1) Infrastructure & Utility Support Services Division

This division accounted for 47% of Group revenue in FY 2009 and comprises:

- a) Holgate, a market leader in the supply, design and installation of motorway crash barriers and noise barriers for the civil engineering sector;
- b) Sierra Communications provides satellite installation and maintenance services, power network maintenance, cable installation and civil engineering services. Its customers include local authorities, utility and satellite companies;
- c) RoanKabin is a leading manufacturer of modular off-site portable accommodation for the education and healthcare sectors.

2) UK Division

The UK Division, Deborah Services Limited, which was acquired in February 2008, accounted for 46% of revenue in FY 2009. Deborah has three operating units:

- a) Multi-Discipline business (64% of UK revenue) which supplies and erects access platform systems and provides multi-discipline essential support services such as insulation, asbestos removal, protective coating & industrial painting to the petrochemical, power, oil, gas, nuclear and pharmaceutical industries; (typically, contracts are for a five to seven year duration)
- b) Contract Scaffolding business supplies and erects scaffolding systems for the industrial sector, Government departments and local authorities;
- c) Hire & Sales business sells and hires scaffolding, fencing and access equipment to private contractors and national hire and sale companies.

3) Access Division

The Access Division accounted for 7% of revenue in FY 2009 and comprises:

- a) Easy Access, which provides formwork, shoring, access and scaffolding systems to commercial, agriculture and civil engineering sectors;
- b) Donohue Scaffolding hires and sells scaffolding systems, temporary fencing to private building contractors, mainly in the residential sector;
- c) Rentafence hires and sells temporary fencing, crowd control barriers and steel hoarding to residential and industrial contractors and event management companies.

Infrastructure & Utilities Support Services Division

	2009	2008
	<u>€m</u>	<u>€m</u>
Revenue	106.4	56.6
EBITDA	21.4	10.8
Operating profit	18.8	9.7

The results for 2008 include Sierra Communications for 6.5 months and RoanKabin for 5.5 months following their acquisition in October 2007 and November 2007 respectively.

The Division performed ahead of expectation with all three companies delivering record performances in the year. Sierra performed strongly whilst RoanKabin and Holgate maintained their market leadership positions in increasingly competitive markets.

UK Division

	2009	2008
	<u>€m</u>	<u>€m</u>
Revenue	104.9	36.3
EBITDA	8.9	5.2
Operating profit	4.4	3.9

The results for 2008 include Deborah Services for 3 months following its acquisition in February 2008.

The Multi-Discipline business accounted for approximately 64% of UK revenue (and 29% of Group revenue) as its specialised maintenance services remain in demand with its blue chip petrochemical, nuclear and power generation customer base. In November 2008, Deborah renewed a Multi-Discipline contract with Exxon Mobil totalling stg£50m over 7 years. This Multi-Discipline business provides Siteserv with long term maintenance contracts and future revenue and earnings visibility.

The performance of the contract scaffolding business and the hire & sales business was satisfactory in the first half of the year, although the second half saw a 38% decline in revenues in line with depressed activity levels in the UK economy. As a result of this decline, the margin in the UK Division was adversely affected.

Adverse movements in the value of Sterling since the beginning of the financial year also lowered EBITDA and operating profit by €25,000 and €305,000 respectively.

Access Division

	2009	2008
	<u>€m</u>	<u>€m</u>
Revenue	17.3	40.9
EBITDA	1.4	8.2
Operating profit before exceptional items	0.6	7.2

The Access Division experienced a significant decline in activity, especially in the second half of the year, but remained profitable following a rationalisation and efficiency programme which reduced costs by €2.0m. The annualised impact of these savings is €3.7m. The Division continues to operate in an extremely challenging economic environment and will continue to ensure its cost base is aligned with trading activity and focus on maintaining the market leadership positions of its brands.

Exceptional Items

	2009	2008
	<u>€m</u>	<u>€m</u>
Goodwill impairment	(38.0)	-
Asset impairment	(2.1)	-
Cost of breaking fixed interest rate agreements	(4.3)	-
Gain on the retranslation of sterling loans	<u>6.4</u>	-
Total	<u>(38.0)</u>	-

Goodwill impairment relates entirely to the Access Division, where the total carrying value was written off following a review of the future cash flows of the Division. The revenues and cash flows in this Division are dependent mainly on the residential, industrial, agricultural and commercial construction sectors in Ireland, where trading is expected to be depressed in the medium term. Asset impairment relates to the write off of property, plant and equipment and stocks for hire in the Access Division.

Cash Flow and Net Debt Position

Net debt reduced by €4.1m to €149.5m. Since 30 April 2008, €6.75m was repaid, whilst €1.4m was drawn down for planned capital expenditure as envisaged under our banking facilities. A gain arose on the retranslation of the sterling loans amounting to €6.4m, which more than offset the capitalised €4.3m fee associated with breaking the fixed interest rate agreements. The Group had net cash at the year end of €4.7m, having funded the debt movements above by €4m.

During the year, a total of €11.2m was paid in deferred consideration and vendor loans, whilst €1.7m was paid in fees relating to the acquisition of subsidiaries in the previous financial year.

The Group traded within its banking arrangements.

Strategy and Outlook

The outlook for 2009 /10 is extremely challenging, with trading since the year end sharply down on last year but in line with management expectations.

The Infrastructure & Utilities Division faces a significantly more demanding trading environment as the recent and substantial cuts in Government and local authority budgets take effect. The slow down in activity experienced in the latter months of the year is likely to have a more pronounced impact on the Division's full year results.

The outlook for the Access Division and the Hire and Sales business in the UK remains challenging. The inability of our customers in these sectors to raise finance will continue to depress revenues and dilute margins. These businesses will continue to focus on cost reductions and operational efficiencies. Any improvement in these markets should positively impact the Group's margin.

With the visibility of the revenues in Multi-Discipline, over 75% of the UK Division's 2010 budgeted revenue has already been secured. Approximately 46% of the Group's revenue is based in the UK and any further fluctuations in the value of sterling will impact the Group's results.

Lower financing costs will result from the renegotiated fixed interest rates and cash flow will also benefit from significantly lower deferred consideration payments and continued capital expenditure control.

In the short term, our focus will remain on protecting our market leadership positions in the infrastructure & utility sectors in Ireland and to continue to develop our long term revenue contracts throughout the Group.

Siteserv will continue to focus on cost control, cash generation and to position itself to withstand whatever trading circumstances arise. Our core business model of offering a diverse range of support services to a wide range of industry sectors and the strength of our brands in those markets will ensure that the Group is well positioned to take advantage of any upturn.

The Preliminary Results Announcement is available on the Company website, www.siteserv.ie.

Consolidated Income Statement
for the year ended 30 April 2009

	Before Exceptional Items 2009 €000	Exceptional Items 2009 €000	Total 2009 €000	2008 €000
Revenue	228,645	-	228,645	133,758
Trading Profit	21,294	-	21,294	18,927
Intangible asset amortisation and impairment	(517)	(37,945)	(38,462)	(266)
Other exceptional items	-	4,277	4,277	-
Operating Profit	20,777	(33,668)	(12,891)	18,661
Finance costs	(11,504)	(4,263)	(15,767)	(6,409)
Profit / (Loss) Before Taxation	9,273	(37,931)	(28,658)	12,252
Income tax	(936)	211	(725)	(1,986)
Profit / (Loss) After Taxation and Attributable to Equity Shareholders	8,337	(37,720)	(29,383)	10,266
Earnings Per Ordinary Share				
Basic earnings per ordinary share			(24.1) c	9.5 c
Fully diluted earnings per ordinary share			(24.1) c	9.4 c
Adjusted Earnings Per Ordinary Share				
Adjusted basic earnings per ordinary share			7.5 c	10.2 c
Adjusted fully diluted earnings per ordinary share			7.5 c	10.1 c

Consolidated Balance Sheet

as at 30 April 2009

	2009 €000	2008 €000
Non-Current Assets		
Intangible assets	99,285	145,640
Property, plant & equipment	43,437	48,125
Financial asset investments	34	34
Total Non-Current Assets	142,756	193,799
Current Assets		
Inventories	22,000	24,284
Trade & other receivables	31,947	48,187
Cash & cash equivalents	4,659	8,699
	58,606	81,170
Current Liabilities		
Trade and other payables	29,169	42,582
Provisions for liabilities and charges	1,680	1,735
Current tax liabilities	108	699
Deferred consideration	3,193	10,415
Interest bearing loans and borrowings	8,050	11,794
	42,200	67,225
Net Current Assets	16,406	13,945
Non-Current Liabilities		
Provisions for liabilities and charges	2,086	2,521
Deferred consideration	2,450	10,657
Interest bearing loans and borrowings	146,128	150,520
Deferred tax liabilities	892	568
	151,556	164,266
Net Assets	7,606	43,478
Capital and Reserves:		
Share capital	199	193
Share premium account	28,323	27,860
Share based payment reserve	718	410
Retained earnings	(21,634)	15,015
Shareholders' Equity	7,606	43,478

Consolidated Cash Flow Statement

for the year 30 April 2009

	2009 €000	2008 €000
Cashflows From Operating Activities		
(Loss) / profit before taxation	(28,658)	12,252
Impairment of goodwill, plant and equipment and inventories	40,135	-
Gain on retranslation of loans	(6,467)	-
Fixed interest rate break fee	4,263	-
Depreciation of property, plant and equipment	7,946	3,483
Amortisation of share based payments and intangibles	825	516
Interest received	(68)	(39)
Interest expenses	11,321	5,935
Discount on deferred consideration	250	513
Profit on disposal of property, plant and equipment	(100)	(89)
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Operating Cashflow Before Movement in Working Capital	29,447	22,571
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Movement in inventories	(27)	1,745
Movement in trade and other receivables	13,064	2,961
Movement in trade and other payables	(10,258)	(5,586)
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Cash Generated From Operations	32,226	21,691
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Income tax paid	(902)	(1,923)
Net Cash From Operating Activities	31,324	19,768
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Financing Costs		
Interest received	68	39
Interest paid	(11,345)	(5,912)
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	(11,277)	(5,873)
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Investing Activities		
Capital expenditure	(6,710)	(4,031)
Acquisitions of subsidiaries	(1,691)	(112,208)
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	(8,401)	(116,239)
	<hr/>	<hr/>
Financing Activities		
Other loans	(893)	1,911
Net finance lease payments	(1,359)	(2)
Net bank loan (repayments) / advances	(3,130)	112,134
Deferred consideration paid	(10,304)	(3,000)
Net Cash (Used In) / From Financing Activities	(15,686)	111,043
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(4,040)	8,699
Cash and cash equivalents at beginning of year	8,699	-
	<hr/>	<hr/>
Cash and Cash Equivalents at End of Year	4,659	8,699
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Group Statement of Recognised Income and Expense
for the year ended 30 April 2009

	2009	2008
	€000	€000
Items of (Expense) / Income Recognised Directly in Equity		
Currency translation adjustments	<u>(7,266)</u>	-
Net (Expense) Recognised Directly in Equity	(7,266)	-
(Loss) / profit for the year	<u>(29,383)</u>	10,266
Total Recognised (Expense) / Income for the Year	<u>(36,649)</u>	<u>10,266</u>

Segmental Analysis

for the year ended 30 April 2009

	Revenue		Operating Profit	
	2009	2008	2009	2008
	€000	€000	€000	€000
Infrastructure & Utilities	106,395	56,542	18,783	9,658
UK	104,917	36,290	4,386	3,871
Access	17,333	40,926	580	7,188
Head Office	-	-	(2,972)	(2,056)
Total	<u>228,645</u>	<u>133,758</u>	<u>20,777</u>	<u>18,661</u>
Finance costs			(11,504)	(6,409)
Profit Before Taxation & Before Exceptional Items			<u>9,273</u>	<u>12,252</u>

Earnings Per Ordinary Share
for the year ended 30 April 2009

	2009	2008
	€000	€000
Earnings		
(Loss) / profit after tax attributable to ordinary shareholders	(29,383)	10,266
Discount on deferred consideration	250	514
Amortisation of intangibles	517	266
Exceptional items	37,720	-
	<hr/>	<hr/>
Adjusted profit after taxation attributable to ordinary shareholders	9,104	11,046
Number of Shares		
Weighted average number of ordinary shares in issue during the year	121,803,233	107,854,000
Dilutive effect of outstanding share options	-	1,701,000
	<hr/>	<hr/>
Diluted weighted average number of ordinary shares	121,803,233	109,555,000
Earnings Per Ordinary Share		
Basic earnings per ordinary share	(24.1) cent	9.5 cent
Fully diluted earnings per ordinary share	(24.1) cent	9.4 cent
Adjusted Earnings Per Ordinary Share		
Adjusted basic earnings per ordinary share	7.5 cent	10.2 cent
Adjusted fully diluted earnings per ordinary share	7.5 cent	10.1 cent