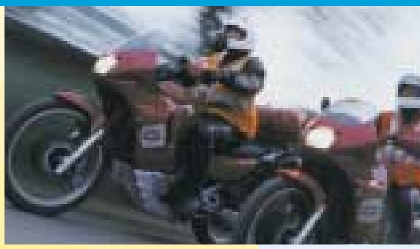

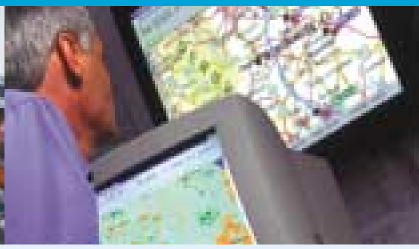

Interim results for the half year ended 1 October 2000

technology at work

Jarvis delivers high quality support services and related products for the whole life management of physical assets

Highlights

- Continuing turnover up 19% to £317 million
- Continuing operating profits up 11% to £14.4 million
- Continuing operating cash improved by £15 million
- Underlying EPS maintained at 7.5 pence
- Dividend maintained at 3.5 pence per share
- Operational benefits from internal reorganisation coming through
- Strong growth in Accommodation Services
- Winning new and converting existing Rail contracts to alliance-type basis in Infrastructure Services
- BMT programme on schedule in Systems & Technologies
- Significant contract wins in both Accommodation Services and Infrastructure Services
- Strongest ever workload £3.3 billion, including preferred bidder

Chairman's statement

In this, my first statement as Chairman of Jarvis plc, I am pleased to report good progress in the company's financial and operational performance. The Board has carried out a thorough review of the business, successfully resetting expectations. Following this review the Board is satisfied that the strategy developed over the past few years is coming to fruition, the business is operating on a sound basis and most importantly, this half-year has provided a vital springboard for future growth.

Financial results

Group turnover from continuing activities for the half year ended 30 September 2000 increased by 19% to £316.5 million (1999: £267.0 million).

Operating profit on continuing operations at £14.4 million was 11% higher than the equivalent figure for 1999 of £13.0 million. Pre-tax profits for the period were £8.7 million, compared with £12.6 million for the comparable period in 1999. This includes an exceptional loss of £0.9 million on the disposal of three non-core businesses (1999: profit on disposals of £2.8 million).

Operating cash inflow from continuing activities was £6.7 million in the period (1999: outflow of £7.8 million). Net debt was £104.6 million at the end of the period.

The Group's annual report for the year ended 31 March 2000 referred to uncertainty surrounding £15.0 million of recoveries on certain long-term contracts. Negotiations are under way but are expected to take some time to conclude. On the basis of the information currently available to them the directors remain of the opinion that the eventual settlements will not be materially different from the amounts included in the accounts.

Dividend

The board has declared an unchanged interim dividend of 3.5p per share (1999: 3.5p). The interim dividend will be paid on 6 April 2001, to shareholders on the register at 2 March 2001.

Strategic focus

The Group's new structure, based on market and industry expertise, rather than specific 'trades', is now well established and is beginning to yield benefits in terms of customer account management, economies of scale and sharing of skills and resources.

The confidence which our targeted markets have in the Group is reflected in the announcement of a number of significant contract signings, and in Jarvis' appointment as preferred bidder on several other major contracts during the period.

Infrastructure Services, which encompasses Jarvis' rail maintenance and renewals, and traffic systems businesses, has stabilised in the six months to 30 September 2000. In the light of the government's increased emphasis on integrated transport, the company has been keen to ensure that we offer a balanced and integrated portfolio of services to the transport industry. This has involved some restructuring of the existing rail and road businesses, to capitalise on potential synergies. The developments of recent weeks has shown that our investment in track renewal capability has positioned the Company to benefit from what will be, of necessity, a long term market.

In our Accommodation Services division, which provides integrated financing, construction management and facilities management services to enable public and private sector customers to build and maintain accommodation, offices and other facilities, turnover has grown significantly. In this division there is a steady pipeline of orders which will support all areas of this business. This pipeline stretches over the next thirty years.

The newly-created Systems & Technologies division will be a key component in the future growth of the business. Results for this division are currently included under Infrastructure Services for reporting purposes. Systems & Technologies is beginning to deliver significant added value to customers in areas such as IT for schools, and in supporting maintenance and major engineering contracts through the state-of-the-art control centre in York.

Jarvis continues to be acutely aware of the need to focus on safety in the high profile industries where we operate, and has reinforced controls to ensure safety is paramount, particularly in our Railway work. This focus on safety is reflected in the fact that, in this year's Annual Railway Safety Audit, Jarvis Rail was shown to have substantially improved the management of its rail operating standards and the competence of those involved.

During this reporting period, Jarvis further rationalised its non-core business interests. This involved the disposals of building products companies Laybond and Wolff, and fit-out specialists Jarvis Newman.

Management team

Since our last report, your Board has been further strengthened by the appointment of two new non-executive directors, and I am pleased to welcome Steven Norris and Lord McGowan to the Board. As a long serving former transport minister, Steven brings with him an unrivalled knowledge of this complex industry. Duncan McGowan brings extensive experience at the highest levels in the City, as a director of WestLB Panmure.

Shareholders will be aware that our Finance Director, Bill Colvin, who joined Jarvis in June 2000, was seconded back to NHP to assist with the resolution of certain issues. He was due to join Jarvis full-time in December 2000. However, he has subsequently accepted NHP's offer to become their Chief Executive and we wish him well with this appointment. In the interim, Robert Kendall has been fulfilling the position of finance director and will continue to do so until a new appointment is finalised.

I would also like to express my personal thanks to my predecessor as Chairman, Roger Payton, as well as the other board directors who stood down at the AGM, for all their work on behalf of the Group.

Future prospects

Jarvis has healthy future prospects underpinned by a growing number of long-term partnerships with customers in both the public and private sectors. The Group has an appropriate structure in place to encourage profitable growth, and a strong management team determined to achieve ambitious targets. I would like to commend everyone in Jarvis whose vision and hard work are enabling the Group to successfully adapt and evolve in fast-changing and demanding business environments, and whose skills and commitment form a strong foundation for future growth.

Colin Skellett
Chairman
12 December 2000

Chief Executive's statement

This has been a period of positive change for Jarvis, and the business is now in an excellent position to deliver high added-value services to our chosen markets in both the public and private sectors. Our emphasis is on maximising reliable, long-term revenue streams and minimising operating risk. We are increasingly in a position to provide the integrated and increasingly high technology services which will effectively differentiate us from the competition.

Accommodation Services: designing and operating top-class facilities

Our Accommodation Services business is a true one-stop-shop for customers looking for a partner to design, build and manage world-class facilities. Accommodation Services is also responsible for the remaining elements of the Jarvis property holdings, and during the period we made further progress in disposing of the remainder of our non-core property interests.

I am pleased to report that in this division, turnover has increased by 32% to £109.7 million (1999: £83.2 million). Operating profit at £4.8 million compares with £4.4 million in the equivalent period last year. These figures include an increased amount of bid costs relating to our PFI activity which have been expensed. The results for this business are weighted towards the second half-year but are impacted by the level of bid costs which are incurred more evenly in the year and therefore have a disproportionate effect in the first half.

Accommodation Services is aligning its organisation structure to focus on key markets, such as education, defence, local authorities, transport, health and hotels where we are involved in everything from schools, student accommodation and offices, to hospital facilities, court buildings, and railway stations. We continue to see significant growth in the pipeline, particularly from areas such as the Private Finance Initiative (PFI).

In education PFI, Jarvis is the recognised market leader. During the period we delivered the brand new Cardinal Heenan High School in Leeds on time, for the start of the new school year and we signed a £230 million PFI contract to upgrade and maintain eight secondary schools in the London Borough of Haringey. Other education PFI contracts at preferred bidder status include those to operate and maintain schools in Kirklees, the Wirral and Bridlington.

Our University Partnership Programme (UPP), which provides high-quality student accommodation through innovative outsourcing arrangements, continues to be successful. In the period we delivered new residential facilities in Reading and the second phase of accommodation for Plymouth, both on time for the new academic year and fully occupied. In addition, we have signed the contract to supply and operate a new £22 million residential facility for the Royal Northern College of Music and have won our first whole estate management contract for the University of Luton's student accommodation in pathfinder project, sponsored by HEFCE, which involves estate management without transfer of ownership. The joint development of our student village web sites by the Accommodation Services and the Jarvis Systems & Technologies Division has extended the high value offerings of the business into new areas and we are confident of further growth in the UPP business.

In the period we assumed responsibility for managing key services of the Army Foundation College near Harrogate as well as continuing the redevelopment of the college under a PFI contract. We have already delivered some of the new facilities, which enabled the college to take in 1,800 cadets in September, the largest single site intake to the armed forces since the Second World War.

Going forward, we foresee considerable long-term growth from facilities management. This expansion will not only come from our PFI projects but also from a range of opportunities across the public and private sectors. We are also identifying opportunities to leverage our established PFI skills into the corporate and international market places.

Infrastructure Services: offering transport solutions

Our long-term strategy positioned Jarvis as the leading company with the breadth of expertise and resources to partner rail and road operators, enabling them to meet their goals of maintaining and improving their infrastructure and services. The merger this summer of our traffic systems operations with the rail business, to form the Infrastructure Services division, will start to pay off as we achieve the anticipated synergies between the two business areas, whose core skills are strongly related. The transport sector is a very complex, specialised market, which demands from its service providers an in-depth understanding of the infrastructure, safety issues and operational constraints.

Group turnover from our Infrastructure Services division has increased by 13% to £206.8 million (1999: £183.8 million). In the rail business, turnover grew from £115.2 million to £131.6 million, whilst in the traffic systems business, turnover was £75.2 million (1999: £68.6 million). The strong revenue stream from the commencement of the West Coast Route Modernisation project was partly offset by lower revenues from rail infrastructure maintenance, following contract changes at the start of the year. The traffic systems business has been adversely affected by exceptionally wet weather in the main road marking season of spring and early summer.

The division returned an operating profit of £13.5 million for the period before goodwill amortisation (1999: £12.4 million). This is after including a loss of £0.8 million in respect of the recently-formed Systems & Technologies division which, for reporting purposes, is included within the results for Infrastructure Services.

The nature of our business in the rail industry is changing for the better, with the welcome move towards alliance contracts. These newer types of contracts involve working in close co-operation with the customer, particularly on issues such as scheduling, which are critical to the performance of the contract. This approach also streamlines the decision-making process, and therefore reduces risk both for the group and our customer.

We are the market leaders in track renewals and Jarvis is acknowledged by its clients to be the best performing renewal provider. Output records continue to be exceeded on both conventional and high output work with beneficial effects to the clients' unit costs. High output techniques developed by Jarvis, including the use of the Track Renewals Train, are exceeding expectations on the West Coast Route Modernisation Project. On this strategically vital project (valued at £520 million over 4 years) a totally integrated Jarvis/Railtrack Joint Project Team is setting the standard for the delivery of high volume track renewals in a complex railway environment.

Our Rail Projects Signalling Division has a strong order book (circa £70m over the next two years) founded on alliance contracts with Railtrack. These include the London North Eastern Level Crossing Partnership, Train Protection Warning System Installation in three zones and Line Speed Enhancements on the West Coast Main Line. Additionally, the projects division has won a contract for the 'Sunderland Direct' alliance with Alstom. In the period under review the management team in Rail recognised that the UK was suffering a shortage of the necessary specialised staff, particularly in the signals operations. To address this issue, Jarvis has entered into an exclusive partnership with 'RITES' of India to secure additional competent personnel.

A full year's experience of managing the staff rostering package is now giving the capability to respond to increased workload without the equivalent increase in headcount.

Since the period end, we have been named as preferred bidder on the IMC 2000 maintenance contract for Liverpool, North Wales and Merseyrail, worth £200 million. Negotiations with Railtrack on the conversion of the existing Track Renewals contracts for the London North Eastern and Midland Zones to cost-reimbursable 'Alliance' contracts are nearing conclusion. A favourable announcement is anticipated in the near future.

Railtrack London North Eastern Zone has shortlisted Jarvis for the IMC 2000 Contract (circa £250m for five years with a further ten year option to extend) for the maintenance of the East Coast Main Line from London to Berwick to commence in April 2001. This contract area runs through our existing IMC 2000 Central contract area and therefore should we be successful in securing this major contract, there are significant opportunities for synergies.

We are also tendering for the Project Definition Phase of two separate packages for Railtrack's Thameslink 2000 Project. This major scheme will dramatically improve north - south passenger services through central London using the existing Thameslink corridor as the core route. Jarvis is tendering separately for the Signalling and the Track Works. In each case Jarvis is among the remaining three bidders being considered for the Project Definition Phase.

Following the Infrastructure Services re-organisation our traffic systems business is now clearly focused on the two key areas of highways maintenance services and specialist surfacing, markings and signage products.

The Prismo Group, a specialist in the production and application of road markings, has continued to extend its position as market leader through extensive focus on operational improvement, the introduction of new products and the establishment of key strategic partnerships. This has ensured that Prismo Markings has won over 50% of all schemes that have been tendered in the last six months.

Prismo Markings has been accepted by the Highways Agency on the first Construction Management Pilot Scheme. This group is reviewing new ways of working between specialist contractors and the original designers of schemes. Prismo was awarded a rating of 100% quality on its submission ensuring that it was one of the 12 companies selected out of 120.

In Highways Maintenance, we have won contracts from the Royal Borough of Windsor and Maidenhead, and Bracknell Forest, and a number of our other highways maintenance contracts have been extended. The Highways Maintenance business is now moving towards profit and we are actively tendering for more work in this sector, including environmental services outsourcing contracts, in partnership with specialist waste recycling and disposal service providers.

We see potential for growth in both rail and road, both in the UK and internationally. We are part of the shortlisted consortia for two of the three London Underground Infrastructure and Rolling Stock Management 30 year Concessions and hope to be able to announce a positive outcome before the end of the financial year. Success in these major contracts would significantly broaden the client base of the Rail business.

A number of opportunities are being pursued globally. The most significant of these is the privatisation of the Estonian Freight Railways, which provide access to Russia via the ice free port of Tallinn. Appointment of preferred bidder is due in mid December 2000. Negotiations are in an advanced state with several South American railway companies with regard to infrastructure maintenance opportunities. We are also pursuing further opportunities to build on contracts to provide technical training to the Railway Administrations in Eire and Northern Ireland.

Systems and Technologies: innovation in action

Our embryonic Systems & Technologies business will form a key part of our future strategic growth and development. The division is developing innovative processes and technologies which will be at the heart of the group's future service offerings. The division is already responsible for vital added-value services, such as our IT and networking expertise for schools and UPP projects.

Our state-of-the-art control centre, based in York, is also part of this division. The control centre plays a pivotal role in tracking and scheduling our mobile maintenance crews, ensuring a rapid response to incidents on the road and rail networks, and providing security and surveillance services for our customers.

The Systems & Technologies division is also responsible for the Group's Business Management Transformation (BMT) project, announced in February 2000. BMT is a crucial investment in developing the common business process infrastructure and core competences we need to enhance the way we manage our business and create an effective e-commerce framework to support all elements of supply chain management. I am pleased to report that the BMT project is progressing as planned in terms of its timescales and objectives.

A strong management team is being developed in this Division and a number of customised projects are now in trial mode which, when proven, will lead to highly valued services to our clients.

Looking ahead

As we emerge from this important period of restructuring we are now well placed to capitalise on the strategic investments of recent years. The aftermath of the tragic events of recent months have shown that our decision to develop expertise in the maintenance and renewal of transport infrastructure has positioned the Group to address the emerging market. Our investment in PFI skills provides the Group with an engine for sustainable growth, backed by long-term income streams from the facilities management business.

Systems & Technologies will enhance existing service offerings and provide new markets for expansion. I am confident that, with everyone focused on constant improvement, Jarvis is in an excellent position to fulfil its true potential.

Paris Moayedi
Chief Executive
12 December 2000

Consolidated profit and loss account

	notes	**Half year ended 30 September 2000 (unaudited) Total £'000**	Half year ended 1 October 1999 restated (unaudited)* Total £'000	Year ended 31 March 2000 (audited) Total £'000
Turnover: group and share of joint ventures	2			
Continuing operations		**328,437**	275,085	596,813
Discontinued operations		**21,975**	39,332	72,265
		350,412	314,417	669,078
Less: share of joint ventures' turnover – continuing operations		**(11,975)**	(8,081)	(18,875)
Group turnover		**338,437**	306,336	650,203
Cost of sales		**(285,495)**	(259,132)	(543,294)
Gross profit		**52,942**	47,204	106,909
Administration expenses		**(38,145)**	(33,036)	(69,210)
Operating profit before restructuring and redundancy costs and goodwill amortisation		**22,519**	23,268	54,778
Restructuring and redundancy costs in continuing operations		**(3,446)**	(4,880)	(8,694)
Goodwill amortisation in respect of continuing operations		**(3,954)**	(3,784)	(7,589)
Goodwill amortisation in respect of discontinued operations		**(322)**	(436)	(796)
Operating profit				
Continuing operations		**14,371**	12,986	34,379
Discontinued operations		**426**	1,182	3,320
Total operating profit		**14,797**	14,168	37,699
Share of profits of joint venture undertakings		**2,326**	864	2,298
Share of profits of associated undertakings		**–**	–	157
(Loss)/gain on disposal of subsidiary undertakings		**(857)**	2,783	2,475
		16,266	17,815	42,629
Interest receivable and similar income	3	**912**	632	1,425
Interest payable and similar charges	4	**(8,463)**	(5,851)	(12,448)
Profit on ordinary activities before taxation		**8,715**	12,596	31,606
Tax on profit on ordinary activities	5	**(3,634)**	(4,023)	(9,184)
Profit on ordinary activities after taxation		**5,081**	8,573	22,422
Minority interests – equity		**(53)**	–	(303)
Profit for the financial period		**5,028**	8,573	22,119
Dividends		**(4,814)**	(4,652)	(12,863)
Retained profit for the period		**214**	3,921	9,256
Earnings per ordinary share – basic		**3.7p**	6.5p	16.6p
Earnings per ordinary share – diluted		**3.6p**	6.2p	16.1p
Earnings per ordinary share – before goodwill amortisation and exceptional item		**7.5p**	7.5p	21.0p
Earnings per ordinary share – continuing operations before goodwill amortisation		**7.1p**	6.6p	18.4p
Dividend per ordinary share		**3.5p**	3.5p	9.5p

*See note 11

The consolidated statement of total recognised gains and losses is set out in note 7.

Consolidated balance sheet

	note	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 restated* (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
Fixed assets				
Intangible assets – goodwill		**142,855**	152,764	155,746
Tangible fixed assets		**58,688**	51,398	57,205
Investment in own shares		**1,249**	1,286	1,249
Investments in joint ventures:				
Share of gross assets		**97,820**	19,031	43,715
Share of gross liabilities		**(92,449)**	(17,048)	(39,793)
		5,371	1,983	3,922
Investment in associated undertakings		**2,970**	2,231	1,570
		211,133	209,662	219,692
Current assets				
Properties held for resale and development		**4**	1,151	784
Stocks and work in progress		**35,678**	41,764	36,108
Debtors due in less than one year		**239,433**	185,857	234,327
Debtors due in more than one year		**9,724**	9,618	29,070
Debtors: subject to non-recourse financing arrangements		**50,667**	26,559	24,004
Less: non-recourse finance		**(49,842)**	(25,602)	(23,592)
		825	957	412
Investment		**–**	779	–
Cash at bank and in hand		**18,766**	47,357	26,491
		304,430	287,483	327,192
Creditors: Amounts falling due within one year		**(210,097)**	(230,721)	(223,581)
Net current assets		**94,333**	56,762	103,611
Total assets less current liabilities		**305,466**	266,424	323,303
Creditors: Amounts falling due after more than one year		**(125,811)**	(98,876)	(143,923)
Net assets		**179,655**	167,548	179,380
Equity shareholders' funds	8	**179,299**	167,548	178,664
Minority interests – equity		**356**	–	716
Total capital and reserves		**179,655**	167,548	179,380

* See note 11

Consolidated cash flow statement

	note	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 restated* (unaudited) £'000	Half year ended 1 October 1999 restated* (unaudited) £'000	Year ended 31 March 2000 (audited) £'000	Year ended 31 March 2000 (audited) £'000
Net cash inflow/(outflow) from operating activities	9						
Continuing operations			**6,708**		(7,816)		(7,097)
Discontinued operations			**(4,926)**		1,954		3,537
			1,782		**(5,862)**		**(3,560)**
Return on investments and servicing of finance							
Interest received		**306**		503		1,422	
Interest paid		**(6,009)**		(3,970)		(10,573)	
Interest paid on finance leases		**(19)**		(74)		(237)	
Net cash outflow from return on investments and servicing of finance			**(5,722)**		(3,541)		(9,388)
Taxation							
UK and overseas corporation tax (paid)/repaid			**(1,786)**		1,176		(10,818)
Capital expenditure and financial investment							
Purchase of tangible fixed assets		**(10,337)**		(2,857)		(6,686)	
Sale of tangible fixed assets		**1,124**		14,996		15,208	
Net (outflow)/inflow from capital expenditure and financial investment			**(9,213)**		12,139		8,522
Acquisitions and disposals							
Purchase of subsidiary undertakings		**–**		(286)		(893)	
Net cash acquired with subsidiary undertakings		**–**		–		576	
Payments in respect of existing subsidiaries		**(356)**		–		(299)	
Sale of subsidiary undertakings		**19,739**		21,139		20,685	
Net cash included with sale of subsidiary undertakings		**(1,042)**		(1,125)		(1,312)	
Investment in and loans to joint venture undertakings		**(1,810)**		(944)		(1,819)	
Other investments		**–**		(30)		–	
Net cash inflow from acquisitions and disposals			**(16,531)**		18,754		16,938
Equity dividends paid			**(4,727)**		(12,626)		(12,615)
Net cash inflow/(outflow) before financing			**(3,135)**		10,040		(10,921)
Financing							
Issue of ordinary share capital		**391**		85		432	
Repayment of loans		**(4,537)**		(41,066)		(162,885)	
Draw-downs on loans		**23**		15,759		137,442	
Capital element of finance lease rental payments		**(1,013)**		(900)		(1,465)	
Net cash (outflow) from financing			**(5,136)**		(26,122)		(26,476)
(Decrease)/increase in cash			**(8,271)**		(16,082)		(37,397)

* See note 11

Notes to the accounts

1 1. The figures for the half years ended 30 September 2000 and 1 October 1999 have not been audited and do not constitute statutory accounts. They have been drawn up on the basis of the accounting policies as stated in the full accounts for the year ended 31 March 2000. The figures for the year ended 31 March 2000 are extracted from the audited accounts for that period, which have been filed with the Registrar of Companies. The report of the auditors on these accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985, but was modified to reflect the uncertainty regarding recoveries on certain long term contracts as referred to in the Chairman's statement.

2 Segmental information

Analysis of profit and net assets by business segment		**Half year ended 30 September 2000 (unaudited) Turnover £'000**	**Half year ended 30 September 2000 (unaudited) Profit before tax £'000**	Half year ended 1 October 1999 restated (unaudited) Turnover £'000	Half year ended 1 October 1999 restated (unaudited) Profit before tax £'000	Year ended 31 March 2000 (audited) Turnover £'000	Year ended 31 March 2000 (audited) Profit before tax £'000
Infrastructure Services	**Group undertakings**	**206,771**	**13,525**	183,819	12,399	404,312	32,807
	Apportioned goodwill amortisation	**–**	**(3,954)**	–	(3,784)	–	(7,541)
		206,771	**9,571**	183,819	8,615	404,312	25,266
	Joint venture undertakings	**7,927**	**591**	7,553	340	16,674	490
Accommodation Services and Plant Hire	Group undertakings	**109,691**	**4,800**	83,185	4,371	173,626	9,161
	Apportioned goodwill amortisation	**–**	**–**	–	–	–	(48)
		109,691	**4,800**	83,185	4,371	173,626	9,113
	Joint venture undertakings	**4,048**	**1,735**	528	524	2,201	1,808
	Associated undertaking	**–**	**–**	–	–	–	157
Discontinued activities*		**21,975**	**748**	39,332	1,618	72,265	4,116
Apportioned goodwill amortisation		**–**	**(322)**	–	(436)	–	(796)
		21,975	**426**	39,332	1,182	72,265	3,320
(Loss)/Profit on disposal of subsidiary undertakings		**–**	**(857)**	–	2,783	–	2,475
Net interest		**–**	**(7,551)**	–	(5,219)	–	(11,023)
		350,412	**8,715**	314,147	12,596	669,078	31,606

* Discontinued activities comprise the flooring products and fit-out businesses, together with (for 1999/2000) roofing and property investment.

Notes to the accounts

2 Segmental information continued

Analysis of turnover and profit by country of origin	Half year ended 30 September 2000 (unaudited) Turnover £'000	Half year ended 30 September 2000 (unaudited) Profit before tax £'000	Half year ended 1 October 1999 restated (unaudited) Turnover £'000	Half year ended 1 October 1999 restated (unaudited) Profit before tax £'000	Year ended 31 March 2000 (audited) Turnover £'000	Year ended 31 March 2000 (audited) Profit before tax £'000
United Kingdom (including joint venture undertakings turnover £11,975,000 (1999: £8,081,000)	**315,581**	**16,889**	282,689	14,695	616,475	48,752
Apportioned goodwill amortisation	**–**	**(3,151)**	–	(3,075)	–	(6,101)
	315,581	**13,738**	282,689	11,620	616,475	42,651
Rest of Europe	**34,831**	**4,510**	31,728	4,557	52,603	2,262
Apportioned goodwill amortisation	**–**	**(1,125)**	–	(1,145)	–	(2,284)
	34,831	**3,385**	31,728	3,412	52,603	(22)
(Loss)/Profit on disposal of subsidiary undertakings	**–**	**(857)**	–	2,783	–	–
Net Interest	**–**	**(7,551)**	–	(5,219)	–	(11,023)
	350,412	**8,715**	314,417	12,596	669,078	31,606

Analysis of turnover by geographical markets supplied	Half year ended 30 September 2000 Turnover £'000	Half year ended 1 October 1999 Turnover £'000	Year ended 31 March 2000 Turnover £'000
United Kingdom (including joint venture undertakings £11,975,000 (1999: £8,081,000)	**312,266**	277,357	610,702
Europe excluding the United Kingdom	**36,920**	35,126	55,696
Rest of the world	**1,226**	1,934	2,680
	350,412	314,417	669,078

3 Interest receivable and similar income

	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
Bank interest receivable	**135**	405	1,028
Other interest	**21**	168	369
Group companies sub-total	**156**	573	1,397
Receivable by joint venture undertakings	**756**	59	–
Receivable by associated undertakings	**–**	–	28
	912	632	1,425

4 Interest payable and similar charges

	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 restated (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
On bank loans and overdrafts			
– with recourse facilities	**5,439**	5,199	9,955
– without recourse facilities of special purpose project companies	**–**	–	576
On finance leases	**36**	61	237
Other interest	**236**	1	148
Group comanies sub total	**5,711**	5,261	10,916
Payable by joint venture undertakings	**2,752**	590	1,532
	8,463	5,851	12,448

Notes to the accounts

5 The taxation charge for the six months ended 30 September 2000 has been based on the estimated effective rate for the full year.

6 The basic earnings per share are based on the profit for the period and the weighted average number of shares in issue during the period of 135,348,000 (half year ended 1 October 1999: 132,889,000; year ended 31 March 2000: 133,624,000). The diluted weighted average number of shares in issue during the period was 138,124,000 (half year ended 1 October 1999: 137,634,000: year ended 31 March 2000: 137,333,000).

7 **Consolidated statement of total recognised gains and losses**

	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 restated (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
Profit for the financial period	**5,028**	8,573	22,119
Unrealised surplus on revaluation of property	**–**	–	2,414
Currency translation differences	**30**	(418)	(1,116)
Total recognised gains and losses relating to the period	**5,058**	8,155	23,417
Effect of change in accounting policy on prior year	**–**	(1,926)	(1,926)
Total recognised gains & losses for the period	**5,058**	6,229	21,491

8 **Reconciliation of movements on equity shareholders' funds:**

	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 restated (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
Shareholders' funds at 1 April, as previously reported	**178,664**	165,892	163,966
Effect of change in accounting policy on prior period	**–**	(1,926)	–
At start of period, as stated	**178,664**	163,966	163,966
Retained profit	**214**	3,921	9,256
Other recognised gains and losses:			
Currency translation difference	**30**	(418)	(1,116)
Unrealised surplus on revaluation of property	**–**	–	2,414
Issue of shares at premium less costs of issue	**391**	79	4,144
At end of period	**179,299**	167,548	178,664

9 **Net cash flow from operating activities**

	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 restated (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
Group operating profit	**14,797**	14,168	37,699
Depreciation of trangible fixed assets	**3,260**	3,383	6,883
Goodwill amortisation	**4,276**	4,220	8,385
(Decrease)/Increase in other provisions	**(1,477)**	345	985
Gain on sale of fixed assets	**(12)**	(181)	(1,029)
Movements in working capital:			
Fixed asset/current asset reclassification	**–**	–	1,075
Decrease in properties held for resale and development	**780**	–	366
Increase in stocks and work in progress	**(2,883)**	(10,809)	(3,583)
Increase in debtors	**(20,523)**	(12,016)	(78,540)
Increase/(decrease) in creditors	**3,732**	(4,851)	24,396
Currency translation	**(168)**	(121)	(197)
	1,782	(5,862)	(3,560)
Net cash flow from operating activities			
– continuing operations	**6,708**	(7,816)	(7,097)
– discontinued operations	**(4,926)**	1,954	3,537
	1,782	(5,862)	(3,560)

Notes to the accounts

10 Analysis of net debt

	Half year ended 30 September 2000 (unaudited) £'000	Half year ended 1 October 1999 (unaudited) £'000	Year ended 31 March 2000 (audited) £'000
Decrease in cash in the period	**(8,271)**	(16,082)	(37,397)
Cash inflow from increase in debt and lease financing	**5,527**	26,209	26,908
(Increase)/decrease in net debt resulting from cashflows	**(2,744)**	10,127	(10,489)
Currency movements	**(2)**	229	214
Loans and finance leases eliminated/(acquired) on disposals/acquisitions	**16,556**	–	(3,360)
Decrease/(Increase) in net for the period	**13,810**	10,356	(13,635)
Net debt at start of period	**(118,431)**	(104,796)	(104,796)
Net debt at end of period	**(104,621)**	(94,440)	(118,431)

	1 April 2000 (audited) £'000	Non cash items £'000	Cashflow £'000	Acquisition/ Disposal £'000	30 September 2000 (unaudited) £'000	1 October 1999 (unaudited) £'000
Cash at bank and in hand	26,491		(5,178)	(2,547)	**18,766**	47,357
Overdrafts	(919)		(2,051)	1,505	**(1,465)**	(470)
			(7,229)	(1,042)		
Debt due within 1 year	(10,782)	–	5,003	–	**(5,779)**	(49,006)
Debt due after 1 year	(128,572)	(2)	(489)	16,556	**(112,507)**	(88,106)
Finance Leases	(4,649)	–	1,013	–	**(3,636)**	(4,215)
		(2)	5,527	16,556		
	(118,431)	(2)	(1,702)	15,514	**(104,621)**	(94,440)

Excluded from loans at 30 September 2000 is the sum of £49,842,000 (31 March 2000: £23,592,000; 1 October 1999: £25,602,000) which, in the balance sheet, has been linked with the related asset under the linked presentation provisions of FRS5.

Included in cash balances are collateral deposits totalling £922,000 (1 October 1999: £1,248,000; 31 March 2000: £940,000) which secure guarantees given by the Group's bankers in relation to the redemption of unsecured loan notes.

No non-recourse debt is included within the above debt amounts at 30 September 2000 (1999: nil; 31 March 2000: £16,556,000).

11 The comparative figures for half year ended 1 October 1999 have been restated to reflect the change in accounting policy with regard to the recognition of revenue during the construction of PFI assets and the adoption of the linked presentation method permitted by FRS 5 in respect of interest on debt which is linked to income generated by the secured asset. This applies where the Company enters into loans of a non-recourse nature secured solely on a specific asset and its future income. Both of these matters were reflected in the published figures for the full year ended 31 March 2000.

	Group Turnover £'000	Operating Profit £'000	Profit Before Tax £'000	Taxation £'000	Retained Profit £'000	Net Assets £'000
As previously reported	305,445	14,409	10,892	3,513	2,727	2,727
Effect of change of accounting policy	1,972	1,704	1,704	510	1,194	1,194
Effect of linked presentation of interest	(1,081)	(1,081)	–	–	–	–
As revised	**306,336**	**15,032**	**12,596**	**4,023**	**3,921**	**3,921**

12 The interim accounts were approved by the Board on 11 December 2000.

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