

NES Holdings Limited

29 January 2009

Results for the year ended 31 October 2008

NES Group Limited (“NES” or the “Group”), the global, specialist engineering and technical recruitment company, is pleased to announce its results for the year ended 31 October 2008.

Financial Highlights

- **Turnover £252.8m** (2007: £217.1m) up 16%
- **Net Fee Income £31.3m** (2007: £26.4m) up 19%
- **Adjusted operating profit * £12.0m** (2007: £9.7m) up 24%
- Operating profit £9.5m (2007: £6.7m) up 42%
- Net assets increased by £0.8m
- Operating profit cash conversion of 96% (2007:106%)
- Conversion of group net fee income to adjusted operating profit of 38% (2007: 37%)

* 2007 and 2008 adjusted operating profits exclude operating exceptional items and goodwill amortisation

Operating Highlights

- Strong organic growth across both the UK and Global Technical business units
- Global Technical revenues increasing from 33% to 41% of Group revenues, with the Global business now producing 43% (2007: 36.5%) of Group profits
- New offices opened in Australia, China, India and Nigeria
- Further offices opened since year end in Angola, Canada, USA, UK, Australia and Papua New Guinea. The Group now has 26 offices across 16 different countries and will continue to open new operations in the forthcoming financial year.
- Continuing focus on the core strategic area of engineering and technical staffing, with a deliberate reduction in our exposure to the UK IT sector, which now only forms 7.5% (2007: 14.7%) of Group profits.
- Improved performance on permanent placement NFI of £5.6m (17.7% of net fee income), compared to £4.2m (16.0% of net fee income) in 2007, but still maintaining the strategic intention of being a 75% to 80% contract NFI operation across the world.
- Further significant investment in Group IT support systems and engineering/technical recruitment consultants, with capital expenditure of £461k and staff numbers growing from 279 to 344
- Increasing number of contract placements featuring candidates who move from project to project, and country to country, whilst maintaining contractual loyalty with NES.

Commenting on the results, Neil Tregarthen, Chief Executive of NES said:

“Last year I commented that, “our strategy is clear and has at its heart the intention of being ever more global and specialist.” Our performance in 2008 has been further

evidence that this strategy is correct and our increasing portfolio strength of geography and sectors, positions us well to react to changes in global markets brought about by current economic uncertainty. Whilst we are mindful of these external factors, we intend to keep our nerve and continue to invest in the areas of our business that are performing well, such that our increasing client base can be confident of first class service and support, wherever they need it from us across the world.

For further information please contact:

NES Group Limited

Neil Tregarthen, Group Chief Executive
Stephen Buckley, Group Finance Director

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Background on NES

NES specialises in the provision of contract and permanent staff in the Technical, Engineering, IT and Rail sectors globally.

It was established in 1978 and has grown organically to become one of the UK's largest technical and engineering recruitment specialists and one of the UK's largest recruitment companies.

The Group operates from 26 offices across the UK, US, Africa, the Middle East, the Far East and Australia, with a head office in Altrincham, near Manchester. NES provides predominantly professionally-qualified candidates, to clients in a focused range of sectors, principally, Oil and Gas, Infrastructure, Rail, Power, Life Sciences and IT. The NES Group comprises four business units: NES UK, NES Global, NES IT, and NES Track.

NES Group Limited was acquired by Graphite Capital Partner Funds in September 2006.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31st October 2008

	2008	2007
	£'000	£'000
TURNOVER	252,768	217,142
Cost of Sales	(221,431)	(190,743)
NET FEE INCOME	31,337	26,399
Other operating expenses	(21,865)	(19,732)
ADJUSTED OPERATING PROFIT	12,003	9,733
Operating exceptional items	(320)	(536)
Amortisation of goodwill	(2,211)	(2,530)
OPERATING PROFIT	9,472	6,667

CONSOLIDATED BALANCE SHEETSAs at 31st October 2008

	2008	2007
	£'000	£'000
FIXED ASSETS		
Goodwill	38,657	41,761
Tangible assets	1,162	1,191
	39,819	42,952
CURRENT ASSETS		
Debtors	47,231	37,662
Cash at bank and in hand	4	5
	47,235	37,667
CREDITORS		
Amounts falling due within one year	(42,406)	(39,171)
NET CURRENT ASSETS	4,829	(1,504)
TOTAL ASSETS LESS CURRENT LIABILITIES	44,648	41,448
CREDITORS		
Amounts falling due after one year	(44,844)	(42,459)
NET ASSETS	(196)	(1,011)
CAPITAL AND RESERVES		
Called-up equity share capital	1,010	985
Profit and loss account	(1,206)	(1,996)
SHAREHOLDERS' FUNDS	(196)	(1,011)

CONSOLIDATED CASH FLOW STATEMENTFor the year ended 31st October 2008

	2008
	£'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	11,557
RETURNS ON INVESTMENTS & SERVICING OF FINANCE	(6,159)
TAXATION	(1,187)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(447)
CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING	3,76
FINANCING	(1,975)
INCREASE IN CASH IN THE YEAR	1,789