



## WATERMAN GROUP PLC INTERIM MANAGEMENT STATEMENT

Waterman Group plc (“Waterman” or “the Group”), the international engineering and environmental consultant, today releases its Interim Management Statement for the period from 23<sup>rd</sup> February 2009 to date.

The Group has continued to respond to worsening markets in the second half of this financial year following the rapidly deteriorating global economic environment. As mentioned in the Group interim results announcement on 23<sup>rd</sup> February 2009, as utilisation rates have reduced the board has implemented further staff and cost reductions during the second half.

Within the global property markets, we have continued to experience extremely difficult and challenging trading conditions, particularly in Russia, UAE and Ireland. Whilst for the most part cash collection across the Group has been good, we have seen a very small number of instances of projects being suspended and clients suffering financial difficulties. This may require exceptional provisions for bad debts and a work in progress impairment to be made by the Group in respect of the current financial year. No decision will be made in this regard until the full year results, but the current view is that the maximum amount of such provisions could be approximately £4 million. Discussions are currently ongoing with the specific clients concerned to actively progress and resolve fee issues.

In the UK, investment in the public sector, transportation, education and healthcare is still creating new opportunities for Waterman and we have recently been appointed for several projects including:-

- M62 Managed Motorway design for the Highways Agency between Junctions 18 and 20.
- Network Rail’s National Centre in Milton Keynes.
- Ansty regeneration technology centre for Nottingham, Loughborough and Birmingham universities sponsored by the West Midland Regional Development Agency.

The Group is currently trading at the lower end of the Board’s expectations for the year before the exceptional provisions for bad debts and work in progress impairment as noted above.

The economic environment is difficult and is likely to remain challenging for some time. However, the Board continues to explore new opportunities in diverse markets and geographic locations to broaden further the client base for the company and to position itself for the future stabilisation of market conditions.

**-ENDS-**

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