

WATERMAN GROUP PLC INTERIM MANAGEMENT STATEMENT

Waterman Group plc (“Waterman” or “the Group”), a leading international engineering and environmental consultant, today announces its Interim Management Statement in respect of current trading in the first half of its financial year ending 30 June 2009.

Trading during the period has been in line with the Board’s expectations and our International business has continued to see growth in its turnover which achieves our strategy for increasing the percentage of Group turnover generated from overseas projects.

In the UK, certain areas of the private sector have become more challenging. Consequently, we have decided to minimise capital expenditure and defer recruitment until the economy improves. Within the property group, public sector commissions have been secured to supplement the reducing workload in the retail and commercial markets. The Board is monitoring actively the economy and the Group’s forward workload, to align costs with expected revenue should such action be deemed necessary.

Following our appointment in July 2008 as lead engineering consultant on the 582,000m² mixed use Abu Dhabi Plaza development in Kazakhstan which is being developed by Aldar Properties PJSC from the UAE, design work has commenced on the project with the predominantly UK based design team.

Our gearing remains low and the Group’s strong balance sheet provides stability and the ability to continue to invest in organic growth and selective earnings enhancing strategic acquisition opportunities in the future.

The Group is not immune from the turmoil in the financial markets and challenges remain. Public sector work in the UK and economies in developing countries where Waterman is already present, however, continue to grow and these will provide opportunities for Waterman’s diverse range of consultancy services.

-ENDS-

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