Kier Group plc
Interim results
for the six months to 31 December 2005

16 March 2006

Building confidence
Interim highlights

- Pre-tax profits before exceptionals up 19.8% to £28.4m (2004: £23.7m)
- EPS before exceptionals up 22.6% to 58.0p (2004: 47.3p)
- Dividend increased by 17.1% to 8.2p (2004: 7.0p)
- £39.4m of cash generated from operating activities
- Construction and Support Services order books at strong levels
- Homes order book 50% ahead of last year with over 90% of projected unit sales secure
- Mixed-use and regeneration schemes continue to provide good opportunities for the Group
EPS record:
since 1996 (after flotation)

- Into 14th year of continuous growth since buyout
- Compound growth in EPS of 23% per annum since flotation

Record is shown after deducting amortisation of intangible assets and before exceptional profits
## Financial summary: consolidated income statement

**Six months to 31 December**

<table>
<thead>
<tr>
<th></th>
<th>2005 £m</th>
<th>2004 £m</th>
<th>Change %</th>
<th>2005 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>922.6</td>
<td>805.6</td>
<td>+14.5</td>
<td>1,623.2</td>
</tr>
<tr>
<td>Operating profit - Group</td>
<td>27.3</td>
<td>24.6</td>
<td>+11.0</td>
<td>48.1</td>
</tr>
<tr>
<td>Operating profit - joint ventures</td>
<td>3.4</td>
<td>1.9</td>
<td>+78.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Group and share of joint ventures</td>
<td>30.7</td>
<td>26.5</td>
<td>+15.8</td>
<td>53.3</td>
</tr>
<tr>
<td>Share of joint ventures - finance cost</td>
<td>(1.3)</td>
<td>(1.6)</td>
<td>-</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Share of joint ventures - tax</td>
<td>(0.8)</td>
<td>(0.3)</td>
<td>-</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>28.6</td>
<td>24.6</td>
<td>+16.3</td>
<td>49.0</td>
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<tr>
<td>Net finance cost</td>
<td>(0.2)</td>
<td>(0.9)</td>
<td>-</td>
<td>(1.2)</td>
</tr>
<tr>
<td>Profit before tax and exceptional items</td>
<td>28.4</td>
<td>23.7</td>
<td>+19.8</td>
<td>47.8</td>
</tr>
<tr>
<td>Exceptional items</td>
<td>-</td>
<td>5.9</td>
<td>-</td>
<td>6.7</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>28.4</td>
<td>29.6</td>
<td>-4.1</td>
<td>54.5</td>
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<tr>
<td>Taxation (including exceptional tax)</td>
<td>(7.8)</td>
<td>(11.3)</td>
<td>-</td>
<td>(17.9)</td>
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<tr>
<td>Profit after tax</td>
<td>20.6</td>
<td>18.3</td>
<td>+12.6</td>
<td>36.6</td>
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</table>

**Year to 30 June**
### Financial summary:
(continued)

<table>
<thead>
<tr>
<th></th>
<th>Six months to 31 December</th>
<th>Year to 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2004</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>8.2p</td>
<td>7.0p</td>
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<tr>
<td>Dividend cover</td>
<td>7.1x</td>
<td>7.4x</td>
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<tr>
<td>Underlying earnings per share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>excluding exceptional items</td>
<td></td>
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<tr>
<td>- undiluted</td>
<td>58.0p</td>
<td>47.3p</td>
</tr>
<tr>
<td>- fully diluted</td>
<td>57.5p</td>
<td>47.0p</td>
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<tr>
<td>Adjusted earnings per share</td>
<td></td>
<td></td>
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<tr>
<td>excluding exceptional items &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>amortisation of intangibles</td>
<td></td>
<td></td>
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<tr>
<td>- undiluted</td>
<td>60.0p</td>
<td>49.3p</td>
</tr>
<tr>
<td>- fully diluted</td>
<td>59.5p</td>
<td>49.0p</td>
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<tr>
<td>Basic earnings per share</td>
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<td></td>
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<tr>
<td>- undiluted</td>
<td>58.0p</td>
<td>51.8p</td>
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<tr>
<td>- fully diluted</td>
<td>57.5p</td>
<td>51.5p</td>
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### Performance by segment

#### Six months to 31 December

<table>
<thead>
<tr>
<th>Segment</th>
<th>2005 £m</th>
<th>2004 £m</th>
<th>Change %</th>
<th>2005 £m</th>
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</thead>
<tbody>
<tr>
<td>Property</td>
<td>40.8</td>
<td>38.3</td>
<td>+14.5</td>
<td>1,086.3</td>
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<tr>
<td>Corporate overhead/finance</td>
<td>-5.4</td>
<td>-7.9</td>
<td></td>
<td>225.5</td>
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<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>15.1</td>
<td>10.4</td>
<td>+15.1</td>
<td>1,086.3</td>
</tr>
<tr>
<td>Support Services</td>
<td>22.1</td>
<td>13.8</td>
<td></td>
<td>237.4</td>
</tr>
<tr>
<td>Homes</td>
<td>0.2</td>
<td>1.0</td>
<td></td>
<td>134.5</td>
</tr>
<tr>
<td>Property</td>
<td>40.8</td>
<td>27.2</td>
<td>+21.8</td>
<td>62.2</td>
</tr>
<tr>
<td>Infrastructure Investment</td>
<td>21.8</td>
<td>5.5</td>
<td></td>
<td>11.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>2004 £m</th>
<th>2004 £m</th>
<th>Change %</th>
<th>2005 £m</th>
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</thead>
<tbody>
<tr>
<td>Property</td>
<td>38.3</td>
<td>32.9</td>
<td>+30.7</td>
<td>1,086.3</td>
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<tr>
<td>Corporate overhead/finance</td>
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<td>-4.4</td>
<td>-</td>
<td>225.5</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>10.4</td>
<td>6.2</td>
<td>+15.8</td>
<td>1,086.3</td>
</tr>
<tr>
<td>Support Services</td>
<td>13.8</td>
<td>8.2</td>
<td></td>
<td>237.4</td>
</tr>
<tr>
<td>Homes</td>
<td>1.0</td>
<td>0.2</td>
<td></td>
<td>134.5</td>
</tr>
<tr>
<td>Property</td>
<td>27.2</td>
<td>19.6</td>
<td>+2.9</td>
<td>62.2</td>
</tr>
<tr>
<td>Infrastructure Investment</td>
<td>5.5</td>
<td>3.7</td>
<td></td>
<td>11.8</td>
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</table>

#### Year to 30 June

<table>
<thead>
<tr>
<th>Segment</th>
<th>2005 £m</th>
<th>2005 £m</th>
<th>Change %</th>
<th>2005 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>38.3</td>
<td>32.9</td>
<td>+30.7</td>
<td>1,086.3</td>
</tr>
<tr>
<td>Corporate overhead/finance</td>
<td>-7.9</td>
<td>-4.4</td>
<td>-</td>
<td>225.5</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>10.4</td>
<td>6.2</td>
<td>+15.8</td>
<td>1,086.3</td>
</tr>
<tr>
<td>Support Services</td>
<td>13.8</td>
<td>8.2</td>
<td></td>
<td>237.4</td>
</tr>
<tr>
<td>Homes</td>
<td>1.0</td>
<td>0.2</td>
<td></td>
<td>134.5</td>
</tr>
<tr>
<td>Property</td>
<td>27.2</td>
<td>19.6</td>
<td>+2.9</td>
<td>62.2</td>
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<tr>
<td>Infrastructure Investment</td>
<td>5.5</td>
<td>3.7</td>
<td></td>
<td>11.8</td>
</tr>
</tbody>
</table>

* Before joint venture finance costs and tax

1 After amortisation of intangible assets of £1.0m (December 2004: £1.0m, June 2005: £1.9m)
## Segmental analysis: net operating assets

<table>
<thead>
<tr>
<th></th>
<th>At 31 December</th>
<th></th>
<th></th>
<th>At 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005 £m</td>
<td>2004 £m</td>
<td>Change £m</td>
<td>2005 £m</td>
</tr>
<tr>
<td>Construction</td>
<td>(200.4)</td>
<td>(170.3)</td>
<td>-30.1</td>
<td>(186.1)</td>
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<tr>
<td>Support Services</td>
<td>1.2</td>
<td>19.6</td>
<td>-18.4</td>
<td>11.1</td>
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<tr>
<td>Homes</td>
<td>253.8</td>
<td>220.1</td>
<td>+33.7</td>
<td>245.6</td>
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<tr>
<td>Property</td>
<td>33.7</td>
<td>13.2</td>
<td>+20.5</td>
<td>24.4</td>
</tr>
<tr>
<td>Infrastructure Investment</td>
<td>(5.7)</td>
<td>(6.4)</td>
<td>+0.7</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Centre</td>
<td>(114.8)</td>
<td>(96.4)</td>
<td>-18.4</td>
<td>(98.6)</td>
</tr>
<tr>
<td>Net operating liabilities</td>
<td>(32.2)</td>
<td>(20.2)</td>
<td>-12.0</td>
<td>(5.3)</td>
</tr>
<tr>
<td>Cash, net of debt</td>
<td>87.6</td>
<td>70.2</td>
<td>+17.4</td>
<td>58.1</td>
</tr>
<tr>
<td>Net assets</td>
<td>55.4</td>
<td>50.0</td>
<td>5.4</td>
<td>52.8</td>
</tr>
</tbody>
</table>
### Balance sheet: summary

<table>
<thead>
<tr>
<th></th>
<th>At 31 December</th>
<th>Change £m</th>
<th>At 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005 £m</td>
<td>2004 £m</td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>15.7</td>
<td>17.6</td>
<td>-1.9</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>71.8</td>
<td>69.8</td>
<td>+2.0</td>
</tr>
<tr>
<td>Investment in joint ventures</td>
<td>17.4</td>
<td>20.8</td>
<td>-3.4</td>
</tr>
<tr>
<td>Inventories</td>
<td>369.1</td>
<td>296.8</td>
<td>+72.3</td>
</tr>
<tr>
<td>Other working capital</td>
<td>(383.3)</td>
<td>(314.6)</td>
<td>-68.7</td>
</tr>
<tr>
<td>Cash (net)</td>
<td>117.7</td>
<td>100.3</td>
<td>+17.4</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>(30.1)</td>
<td>(30.1)</td>
<td>-</td>
</tr>
<tr>
<td>Provisions</td>
<td>(20.1)</td>
<td>(18.4)</td>
<td>-1.7</td>
</tr>
<tr>
<td>Pensions</td>
<td>(132.9)</td>
<td>(114.0)</td>
<td>-18.9</td>
</tr>
<tr>
<td>Tax and deferred tax</td>
<td>30.1</td>
<td>21.8</td>
<td>+8.3</td>
</tr>
<tr>
<td>Net assets</td>
<td>55.4</td>
<td>50.0</td>
<td>+5.4</td>
</tr>
</tbody>
</table>

Kier Group plc interim results for the six months to 31 December 2005
## Pensions:
**IAS 19**

<table>
<thead>
<tr>
<th>Kier Group Pension Scheme:</th>
<th>At 31 December 2005 £m</th>
<th>At 30 June 2005 £m</th>
<th>Change £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of assets</td>
<td>440.8</td>
<td>393.5</td>
<td>+47.3</td>
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<tr>
<td>Present value of liabilities</td>
<td>(578.3)</td>
<td>(517.2)</td>
<td>-61.1</td>
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<tr>
<td>Deficit in the scheme</td>
<td>(137.5)</td>
<td>(123.7)</td>
<td>-13.8</td>
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<tr>
<td>Deferred tax asset</td>
<td>41.3</td>
<td>37.1</td>
<td>+4.2</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>(96.2)</td>
<td>(86.6)</td>
<td>-9.6</td>
</tr>
<tr>
<td>Net effect of Sheffield Scheme</td>
<td>3.2</td>
<td>1.3</td>
<td>+1.9</td>
</tr>
</tbody>
</table>

**Net pension liability**

<table>
<thead>
<tr>
<th></th>
<th>At 31 December 2005 £m</th>
<th>At 30 June 2005 £m</th>
<th>Change £m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(93.0)</td>
<td>(85.3)</td>
<td>-7.7</td>
</tr>
</tbody>
</table>

- Special contribution of £35m to be made by end July 2006
- Remaining deficit to be eliminated over 10 years
<table>
<thead>
<tr>
<th></th>
<th>For the six months to 31 December 2005</th>
<th>At 31 December 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Profit before tax £m</td>
<td>Net assets £m</td>
</tr>
<tr>
<td>IFRS</td>
<td>28.4</td>
<td>55.4</td>
</tr>
<tr>
<td>Retirement benefits</td>
<td>0.1</td>
<td>101.4</td>
</tr>
<tr>
<td>Sales and marketing costs</td>
<td>(0.1)</td>
<td>3.8</td>
</tr>
<tr>
<td>Deferred land payments</td>
<td>0.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Goodwill</td>
<td>(0.3)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>-</td>
<td>1.9</td>
</tr>
<tr>
<td>Share-based payments</td>
<td>(0.2)</td>
<td>-</td>
</tr>
<tr>
<td>Joint venture tax</td>
<td>0.8</td>
<td>-</td>
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<tr>
<td>Financial instruments</td>
<td>-</td>
<td>5.6</td>
</tr>
<tr>
<td>UK GAAP</td>
<td>29.5</td>
<td>168.8</td>
</tr>
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</table>
Group structure:
(revenue figures for the six months to 31 December 2005)

<table>
<thead>
<tr>
<th>Construction</th>
<th>Support Services</th>
<th>Homes</th>
<th>Property</th>
<th>Infrastructure Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional Contracting</strong></td>
<td><strong>Kier Support Services</strong></td>
<td><strong>Kier Residential</strong></td>
<td><strong>Kier Property</strong></td>
<td><strong>Kier Project Investment</strong></td>
</tr>
<tr>
<td>Mid-range construction projects delivered by locally managed business units across the UK.</td>
<td>Comprehensive facilities management, reactive and planned building maintenance, M&amp;E design and installation, plant hire and other outsourced services for both private and public sectors.</td>
<td>High quality private housebuilding.</td>
<td>Commercial property development.</td>
<td>Promotes and manages the Group’s interests in the Private Finance Initiative bringing together Kier’s expertise and resources in worldwide construction, property development, housing and facilities management.</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td><strong>Revenue</strong></td>
<td><strong>Revenue</strong></td>
<td><strong>Revenue</strong></td>
<td><strong>Revenue</strong></td>
</tr>
<tr>
<td>£603.7m</td>
<td>£139.1m</td>
<td>£134.8m</td>
<td>£38.3m</td>
<td>£6.7m</td>
</tr>
</tbody>
</table>
## Construction: performance

### Regional Contracting
Mid-range construction projects delivered by locally managed business units across the UK.

### Major Building Projects
Affordable Housing
Infrastructure & Overseas
Civil engineering & mining, projects in the UK and overseas.

### Construction performance

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£603.7m</td>
<td>£524.5m</td>
</tr>
<tr>
<td>Operating margin</td>
<td>1.4%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Cash at 31 December</td>
<td>£278.3m</td>
<td>£237.0m</td>
</tr>
<tr>
<td>Order book at 31 December</td>
<td>£1,030m</td>
<td>£600m</td>
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</table>
Kier Regional:
Regional Contracting, Building Major Projects, Affordable Housing

Six months to 31 December

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract awards for six months</td>
<td>£493m</td>
<td>£391m</td>
</tr>
<tr>
<td>Public sector awards</td>
<td>50%</td>
<td>37%</td>
</tr>
<tr>
<td>Private sector awards</td>
<td>50%</td>
<td>63%</td>
</tr>
<tr>
<td>Negotiated and two-stage bids</td>
<td>59%</td>
<td>57%</td>
</tr>
<tr>
<td>Competitive tender</td>
<td>41%</td>
<td>43%</td>
</tr>
</tbody>
</table>

Market leader in Regional Contracting
Kier Regional:
local builder with national coverage

- Average contract size £2.7m
- National frameworks and alliances:
  - Kier Health: ProCure 21 projects
  - Kier Retail: Tesco, Pillar, Waitrose, Morrison
  - Kier Custodial: HM Prisons framework
  - Kier Education: Building Schools for the Future
  - Local authority and housing association frameworks for affordable housing
  - Key account clients: DeVere, Arlington, Land Securities, Crest Nicholson, Slough Estates, Vodafone
Kier Construction:
UK civil engineering, mining & overseas

- Framework agreements with United Utilities and Network Rail are progressing well
- Developing relationship with Shanks Waste Service - second waste management facility successfully completed
- In Jamaica early works programme for Alcoa refinery expansion has begun
- Contract awarded for expansion of Norman Manley Airport in Kingston
Kier Construction

- Greenburn performing well nearly one million tonnes mined
- 58% of remaining coal forward sold at favourable fixed prices
- Further opportunities are being explored to extend the mine
- ‘Opencaster of the Year Award’
## Kier Support Services: performance

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>£139.1m</td>
<td>£113.9m</td>
</tr>
<tr>
<td><strong>Operating margin</strong>*</td>
<td>2.8%</td>
<td>2.8%</td>
</tr>
<tr>
<td><strong>Order book</strong></td>
<td>£1,309m</td>
<td>£1,137m</td>
</tr>
<tr>
<td><strong>Cash/(debt)</strong></td>
<td>£8.6m</td>
<td>(£11.7m)</td>
</tr>
</tbody>
</table>

* Before amortisation of intangible asset

**Kier Support Services**

Comprehensive facilities management, reactive and planned building maintenance, M&E design and installation, plant hire and other outsourced services for both private and public sectors.
Kier Support Services: four business streams

- **Building Maintenance:**
  - Local authority maintenance contracts and decent homes
  - Excellent opportunities for growth

- **Managed Services:**
  - Good opportunities in PFI, £128m secured in the six months to 31 December 2005
  - Opportunities to work with other Group companies

- **Building Services:**
  - M&E services capability

- **Plant:**
  - Plant hire both external and internal
## Kier Support Services: Building Maintenance

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Total value of revenue (£m)</th>
<th>Length of contract</th>
<th>Number of properties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Repairs &amp; Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheffield City Council</td>
<td>640</td>
<td>10 years</td>
<td>54,000</td>
</tr>
<tr>
<td>Leeds</td>
<td>51</td>
<td>5 years</td>
<td>23,600</td>
</tr>
<tr>
<td>Islington Borough Council</td>
<td>260</td>
<td>10 years</td>
<td>28,000</td>
</tr>
<tr>
<td>Ealing Borough Council</td>
<td>23</td>
<td>5 years</td>
<td>9,250</td>
</tr>
<tr>
<td>Greenwich Borough Council</td>
<td>20</td>
<td>5 years</td>
<td>6,400</td>
</tr>
<tr>
<td>Brighton &amp; Hove Borough Council</td>
<td>16</td>
<td>4 years</td>
<td>13,000</td>
</tr>
<tr>
<td>Other councils/housing associations</td>
<td>Various</td>
<td>Various</td>
<td>21,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td><strong>155,250</strong></td>
</tr>
<tr>
<td><strong>Decent Homes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheffield City Council</td>
<td>160</td>
<td>6 years</td>
<td>7,500</td>
</tr>
<tr>
<td>Islington Borough Council</td>
<td>40</td>
<td>6 years</td>
<td>4,000</td>
</tr>
<tr>
<td>Lincoln City Council</td>
<td>35</td>
<td>5 years</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td><strong>16,500</strong></td>
</tr>
</tbody>
</table>
Kier Residential: performance

<table>
<thead>
<tr>
<th></th>
<th>Six months to 31 December</th>
<th>Year to 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2004</td>
</tr>
<tr>
<td>Unit sales (units)</td>
<td>709</td>
<td>721</td>
</tr>
<tr>
<td>Average selling price (£)</td>
<td>185,900</td>
<td>180,500</td>
</tr>
<tr>
<td>Revenue from housing (£m)</td>
<td>131.8</td>
<td>130.1</td>
</tr>
<tr>
<td>Land sale (£m)</td>
<td>3.0</td>
<td>4.4</td>
</tr>
<tr>
<td>Total revenue (£m)</td>
<td>134.8</td>
<td>134.5</td>
</tr>
<tr>
<td>Housing operating profit (£m)</td>
<td>19.5</td>
<td>19.6</td>
</tr>
<tr>
<td>Operating margin %</td>
<td>14.8</td>
<td>15.1</td>
</tr>
</tbody>
</table>

- Exceptionally strong performance in first half of 2004/5
- Expect a shift in sales towards second half of 2005/6

Kier Residential
High quality private housebuilding.

Kier Group plc interim results for the six months to 31 December 2005
## Kier Residential: completions, average sales price & plot cost

### Six months to 31 December

<table>
<thead>
<tr>
<th>Company</th>
<th>Units 2005</th>
<th>ASP (£) 2005</th>
<th>Units 2004</th>
<th>ASP (£) 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allison Homes</td>
<td>262</td>
<td>156,200</td>
<td>251</td>
<td>163,500</td>
</tr>
<tr>
<td>Bellwinch Homes</td>
<td>132</td>
<td>196,500</td>
<td>162</td>
<td>200,900</td>
</tr>
<tr>
<td>Kier Homes</td>
<td>104</td>
<td>209,900</td>
<td>115</td>
<td>162,700</td>
</tr>
<tr>
<td>Twigden Homes</td>
<td>211</td>
<td>204,500</td>
<td>193</td>
<td>196,200</td>
</tr>
</tbody>
</table>

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>721</td>
<td><strong>180,500</strong></td>
<td><strong>721</strong></td>
<td><strong>180,500</strong></td>
</tr>
</tbody>
</table>

### Average plot cost

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>45,100</strong></td>
<td></td>
<td><strong>37,000</strong></td>
</tr>
</tbody>
</table>

### Plot cost as a % of SP

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>24.3%</strong></td>
<td></td>
<td><strong>20.5%</strong></td>
</tr>
</tbody>
</table>

### Land bank with planning

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5,600</strong></td>
<td></td>
<td><strong>5,260</strong></td>
</tr>
</tbody>
</table>

### Strategic land bank

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>11,000</strong></td>
<td></td>
<td><strong>14,400</strong></td>
</tr>
</tbody>
</table>
Kier Property

### Revenue

£38.3m

### Kier Property

Commercial property development.

### Six months to 31 December

<table>
<thead>
<tr>
<th></th>
<th>2005 £m</th>
<th>2004 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kier</td>
<td>2.9</td>
<td>2.3</td>
</tr>
<tr>
<td>Joint venture</td>
<td>2.5</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5.4</td>
<td>3.7</td>
</tr>
</tbody>
</table>

### 31 Schemes

<table>
<thead>
<tr>
<th>Schemes</th>
<th>Gross development value</th>
<th>Floor space</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 office schemes</td>
<td>£328m</td>
<td>1.4m sq ft</td>
</tr>
<tr>
<td>19 industrial schemes</td>
<td>£322m</td>
<td>2.4m sq ft</td>
</tr>
<tr>
<td>4 retail schemes</td>
<td>£93m</td>
<td>0.3m sq ft</td>
</tr>
<tr>
<td>Including over 1,300 residential units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Including over 1,300 residential units
Kier Property:
recent developments

- Acquisition of nine properties from Warner Estates - one transferred to Kier Residential for housing development
- Purchase of site in Milton Keynes for UK headquarters of EDS - Kier Regional undertaking construction
- Planning consent achieved at Western International Markets
- Planning submitted for 700 flats and 100,000sq ft commercial space in Ashford
Examples of Kier ‘Total Solution’

- Preferred bidder on Ordnance Survey site Southampton:
  - Kier Property: development of offices
  - Kier Residential: potential development of residential sites
  - Kier Regional: construction of offices
  - Kier Support Services: facilities management and M&E installation

- Acquisition of British Gas site in Uxbridge:
  - Kier Property: development of industrial units
  - Kier Residential: residential opportunities
  - Kier Construction: site remediation
  - Kier Regional: construction of industrial units
Kier Project Investment

- Creates value for the Group:
  - Negotiated construction and FM contracts

- Creates an equity portfolio:
  - Generates a stream of predictable earnings
  - Future disposal of value enhanced investments

Kier Project Investment
Promotes and manages the Group’s interests in the Private Finance Initiative bringing together Kier’s expertise and resources in worldwide construction, property development, housing and facilities management.

£6.7m
## Kier Project Investment:
### current projects

<table>
<thead>
<tr>
<th>Sector</th>
<th>Project</th>
<th>Status</th>
<th>Capital value £m</th>
<th>Kier equity/loan stock £m</th>
<th>Equity %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>Hairmyres Hospital</td>
<td>Operational</td>
<td>68</td>
<td>4.3</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>West Berkshire Hospital</td>
<td>Operational</td>
<td>25</td>
<td>1.6</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Hinchinbrooke</td>
<td>Operational</td>
<td>19</td>
<td>1.1</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Ipswich Hospital</td>
<td>Preferred bidder</td>
<td>27</td>
<td>1.5</td>
<td>50</td>
</tr>
<tr>
<td>Local authority</td>
<td>Bournemouth Library</td>
<td>Operational</td>
<td>14</td>
<td>0.7</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Oldham Library</td>
<td>Construction</td>
<td>14</td>
<td>1.0</td>
<td>50</td>
</tr>
<tr>
<td>Education</td>
<td>Tendring Schools</td>
<td>Operational</td>
<td>18</td>
<td>0.5</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Waltham Schools</td>
<td>Construction</td>
<td>51</td>
<td>2.9</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Sheffield Schools</td>
<td>Construction</td>
<td>50</td>
<td>2.6</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Norfolk Schools</td>
<td>Preferred bidder</td>
<td>39</td>
<td>1.6</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Oldham Schools</td>
<td>Preferred bidder</td>
<td>54</td>
<td>2.9</td>
<td>50</td>
</tr>
<tr>
<td>Others</td>
<td>Greenwich Care Homes</td>
<td>Operational</td>
<td>18</td>
<td>0.8</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>North Kent Police HQ</td>
<td>Preferred bidder</td>
<td>25</td>
<td>1.3</td>
<td>40</td>
</tr>
<tr>
<td><strong>Committed investment</strong></td>
<td></td>
<td></td>
<td>-</td>
<td><strong>22.8</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**Green:** Kier construction and support services contractor  
**Red:** Kier construction contractor  

**Shortlisted:** Sheffield BSF; Waltham Forest BSF; Newcastle Libraries; Newton Abbot Hospital
Prospects

- Order books for Construction and Support Services at strong levels
- Homes order book 50% ahead of last year, 90% of projected units for full year are secure
- Property Development - strong pipeline of developments
- PFI - success continues
- Value from mixed-use developments combining skills from all areas of the Group
Building confidence