

News Release



9 July 2010

TRADING UPDATE

Interserve, the international services, maintenance and building group, today provides a trading update in advance of announcing half-year results on 10 August 2010.

Trading performance

Trading in the first half has been in line with the Board's expectations. As detailed in our Interim Management Statement on 10 May 2010, we expect that the second half weighting of profits will be more pronounced than usual.

The Group continues to benefit from its exposure to international markets. The Middle East construction and services businesses are performing well and have improved their future workload since the year end. Recent new awards include a multi-year highways maintenance contract in Dubai, where we are the exclusive provider of planned and reactive maintenance services to the Dubai Roads and Transport Authority.

As previously highlighted, the equipment services operation in the Gulf is performing behind last year's exceptionally strong level, as it returns to a more balanced hire: sale mix. However, we are encouraged by our recent entry into Saudi Arabia and remain excited about the pipeline of opportunities in this market. Elsewhere, Australia continues to benefit from a buoyant mining and infrastructure sector, mitigating the challenging trading conditions currently being experienced in several of our other international markets.

In the UK, the public sector is in a period of transition following the election of the new coalition government. Our construction business is on track to have a strong year having entered this year with a record future workload, giving it good revenue visibility for the remainder of 2010 and 2011. Our facilities management businesses which face the public sector have continued to grow revenues, benefiting from the contracts won over the past eighteen months. As previously indicated, several of

these contracts have impacted performance to date due to significant mobilisation and transition costs. We are well advanced in taking the actions necessary to achieve planned levels of profitability on these contracts. Consequently, we would anticipate that this will drive an improvement in performance as the year progresses.

Whilst we are encouraged by some attractive new contracts, the UK private sector environment continues to be competitive, impacting trading particularly in the former specialist services businesses, where performance has deteriorated and additional restructuring measures are being taken.

Outlook

Given the uncertainties in our markets, 2010 is a challenging year. However, we are confident that through an improvement in second half performance we will achieve the Board's expectations.

Looking forward, we have a significant international exposure and a future workload¹ of approximately £6 billion, despite uncertainties regarding the impact of planned cuts in UK public sector spending. This affords the Group strong visibility of around 90 per cent and 60 per cent of 2010 and 2011 anticipated² revenues respectively. We remain confident in the long-term prospects of the Group.

An electronic copy of this Trading Update is available to download from the Company's website, www.interserve.com.

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For further information please contact:

Adrian Ringrose, Chief Executive	0118 932 0123
Tim Jones, Group Finance Director	0118 932 0123
Matt Jones, Head of Investor Relations	0118 960 2280
Elizabeth Morley	020 7379 5151
Maitland	

About Interserve

Interserve's vision is to be the Trusted Partner of all our stakeholders. We are one of the world's foremost support services and construction companies, operating in the public and private sectors in the UK and internationally. We offer advice, design, construction and facilities management services for society's infrastructure and provide a range of plant and

equipment in specialist fields. Interserve is based in the UK. It has revenue of £1.9 billion and a workforce of over 50,000 people worldwide.

Footnote

1. Including the Group's share of Middle East associates.
2. Based on 2010 consensus revenues of £1.91bn, 2011 consensus revenues of £1.91bn.