

# Remuneration report

## Introduction

This report has been prepared in accordance with the Directors' Remuneration Report Regulations 2002. As required by the Regulations, a resolution to approve the report will be proposed at the AGM of the Company at which the financial statements will be presented for approval.

The Regulations require the auditors to report to the Company's members on the 'auditable part' of the Directors' Remuneration Report and to state whether in their opinion that part of the report has been properly prepared in accordance with the Companies Act 1985 (as amended by the Regulations). The report has therefore been divided into separate sections for audited and unaudited information.

## Unaudited information Remuneration committee

The Company's Remuneration Committee comprises Struan Robertson, James Morley and Lord Boyce, all independent Non-Executive Directors. The Committee is presently chaired by Struan Robertson who will continue in that capacity until he stands down as a Director following the AGM on 7 September 2005. Lord Boyce was appointed as a member of the Committee on 5 May 2004.

The Remuneration Committee reviews, on behalf of the Board, the remuneration policy for the Chairman and Executive Directors and, more generally, the remuneration policy of the Group. The Committee determines the level of remuneration, incentives and other benefits, compensation payments and terms of employment of the Chairman and each Executive Director. The Committee seeks to provide appropriate incentives to enhance performance and align the interests of the Executive Directors with those of shareholders. The Committee also reviews the salaries and benefits of the General Counsel and Company Secretary, the members of the Group Executive and other Senior Managers reporting directly to the Chief Executive.

In determining the Directors' remuneration for the year, the Committee consulted the Chief Executive, the Group Human Resources Director and, where required, the General Counsel and Company Secretary about its proposals. No Director or Senior Manager participates in meetings at which his own remuneration is under consideration.

The Committee appointed, and continues to use, New Bridge Street Consultants LLP to provide advice on structuring executive remuneration packages. New Bridge Street Consultants LLP do not provide any other services to the Group. Clifford Chance LLP provides legal advice on incentive schemes when required.

## Remuneration policy

The objectives of the Group's remuneration policy are to attract, retain and incentivise management with the appropriate professional, managerial and technological expertise to realise the Group's business objectives and to align their interests with those of shareholders. The Group strives to link payment to performance and thereby create a performance culture.

The Committee continues to monitor the following constituent elements to ensure that they offer the best available incentive to Executive Directors, members of the Group Executive and Senior Managers to enhance shareholder value:

- basic salary and other benefits;
- performance bonus payable for the achievement of in-year targets;
- long term share incentives; and
- retirement benefits.

The Company's bonus and long term incentive plans provide Executive Directors, members of the Group Executive and Senior Managers with the opportunity to increase overall remuneration levels to the upper quartile for comparable businesses but only following the achievement of demanding performance targets.

## Basic salary and other benefits

The Committee monitors the salary levels for the Chairman, Executive Directors and the Group Executive against those paid in the market annually, taking account of the size and range of responsibilities held.

The Committee continues to support the Chief Executive's drive towards performance based pay resolving to make below inflation salary increases for the year ended 31 March 2006 for the Executive Directors and for certain members of the Group Executive and Senior Managers, and continuing to utilise the Performance Salary Incentive (PSI).

PSI will pay a cash bonus subject to exceeding budgeted Group targets and is therefore self-funding. Potential PSI bonuses range from 0-12 per cent of basic salary depending on performance against targets. The PSI is contractual and non-pensionable.

Other benefits for Executive Directors include a car allowance or a car and payment of its operating expenses and fuel, life assurance and entitlement to a non-contributory private health care scheme.

Keith Clarke receives no remuneration for his services as Non-Executive Chairman of Metronet.

## Performance bonus payments

Executive Directors are eligible to receive a bonus of up to 60 per cent of their basic salary and PSI for achieving Group financial and individual performance targets. The targets against which bonuses are paid, which include non-financial targets relating to management of issues such as health and safety, are reviewed annually by the Remuneration Committee. In exceptional circumstances, the Committee may increase the bonus to pay out up to 80 per cent of basic salary and PSI.

Members of the Group Executive and Senior Managers are also eligible to receive a bonus for the achievement of Group, business unit and personal targets.

Executive Directors, members of the Group Executive and Senior Managers are required to take a minimum of one-third of any bonus in the form of an award over shares, under the terms of the WS Atkins Deferred Bonus Plan (DBP). The DBP is designed to aid retention, with the award being subject to forfeiture on resignation within three years from grant. There are no performance conditions once the award has been made.

Bonus awards are non-pensionable and non-contractual.

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### Long term share incentives

The WS Atkins 2003 Senior Executive and Key Employee Long Term Incentive Plan (LTIP), is a long term share incentive scheme.

The performance condition of the LTIP is total shareholder return (TSR) with an earnings per share (EPS) underpin measured over three financial years starting with the financial year beginning immediately after the award is granted. Full vesting of any award will take place for a top 20 per cent ranking against a group of up to 16 comparator companies, 30 per cent vesting for a median ranking and no award if TSR falls below the median. The EPS underpin is the UK Retail Price Index (RPI) plus 2 per cent per annum.

The Remuneration Committee chooses appropriate comparator companies for each year's grant. The comparator companies for the 2005 grant will include AEA Technology plc, Amec plc, WS Atkins plc, Balfour Beatty plc, Capita plc, Carillion plc, Interserve plc, Jarvis plc, Kier plc, McAlpine plc, Mouchel Parkman plc, Mowlem plc, RPS Group plc, Serco plc and WSP Group plc (with a discretion for the Remuneration Committee to add or remove companies to take account of change in circumstances). The Remuneration Committee reviews the comparator group of companies annually.

The Committee considers that the combination of TSR and EPS ensures that management is rewarded for delivering both absolute and relative growth performance against similar companies.

Awards made under the LTIP prior to its amendment on 16 September 2003 have a different performance condition. These awards require the increase in EPS to be more than 12 per cent per annum above the UK RPI in the relevant three year performance period to enable all of the ordinary shares to be acquired, but if the EPS growth is less than 5 per cent per annum above the UK RPI then none of the ordinary shares can be acquired. A sliding scale in relation to the number of ordinary shares that may be acquired operates for growth in EPS between 5 per cent and 12 per cent above the UK RPI.

### All-employee share plans

The Company's Inland Revenue approved Share Incentive Plan was launched during the year ended 31 March 2005. All UK employees and the Executive Directors are eligible to participate in the SIP.

The WS Atkins Share Incentive Plan replaced the UK Sharesave Scheme, which has not been operated in the year ended 31 March 2005. No grants were made under the International Sharesave Scheme for non-UK resident employees or the Employees' Stock Purchase Plan for US employees in the last financial year. It is not intended to grant options under these schemes during the year ending 31 March 2006.

### Summary of closed share plans

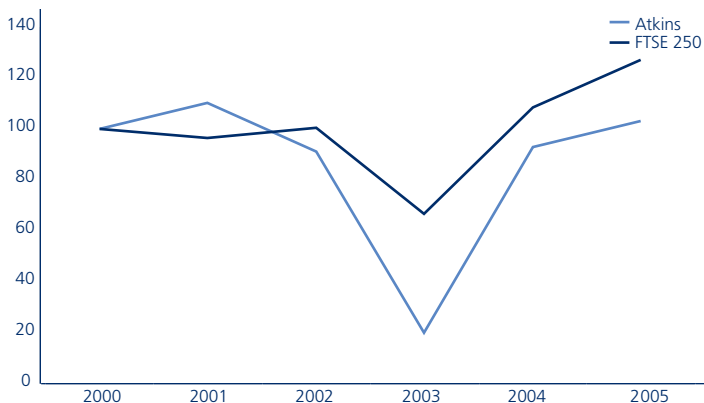
Michael Jeffries and Stephen Billingham continued to hold awards under the WS Atkins Pre-Tax Equity Participation Plan (EPP). The EPP, which was closed to new grants during 2003, was designed to encourage participants to invest in the Group by taking all or part of their bonus in the form of ordinary shares or a right to acquire ordinary shares, which if retained for a three year period, gave participants a right to obtain a matching number of ordinary shares. The right to the matching ordinary shares is subject to performance conditions identical to those in the LTIP prior to amendment on 16 September 2003.

### Retirement benefits

Pension and retirement benefits provided to the former Chairman Michael Jeffries and Executive Directors are comparable to those provided by other companies.

### Performance graph

The following graph shows the Company's performance, measured by TSR, compared with the performance of the FTSE 250 Index excluding investment trusts over the past five years. This is considered the most appropriate index against which to measure performance as the Company has been a member of the FTSE 250 for the majority of the five year period.



TSR is defined as the return shareholders would receive if they held a notional number of shares and received dividends on those shares over a period of time. Assuming dividends are re-invested into the Group's shares, it measures the percentage growth in the Group's share price together with the value of any dividends paid.

### Directors' contracts

The Service Agreements of the Chairman and Executive Directors are summarised in the table below:

Name of Director	Date of contract	Notice Period
Stephen Billingham <sup>(1)</sup>	2 October 2002	12 months
Keith Clarke	12 September 2003	12 months
Michael Jeffries <sup>(2)</sup>	9 July 1996	12 months
Robert MacLeod	14 July 2004	12 months
Ed Wallis <sup>(3)</sup>	7 September 2004	6 months

(1) Stephen Billingham resigned as a Director on 24 August 2004

(2) Michael Jeffries retired as a Director on 1 January 2005

(3) Ed Wallis became Chairman on 1 January 2005 and has a letter of appointment

In the event of unsatisfactory performance, the notice period for Mr Clarke and Mr MacLeod is reduced to 3 months. Both Service Agreements include a duty to mitigate loss where the Agreement is terminated and any payment in lieu of notice may be reduced to take account of such mitigation.

No Service Agreement provides for predetermined amounts of compensation in the event of early termination of service contracts.

The Service Agreements will terminate when the Director reaches the retirement age as determined by the Board which in normal circumstances is 60 and are otherwise terminable on giving 12 months' notice. Copies of each Director's Service Agreement will be available for inspection prior to and during the AGM and are also available for inspection at the Company's registered office during normal business hours.

Ed Wallis has a letter of appointment which states his annual fee and that his appointment is initially for a term of three years subject to satisfactory performance and re-election at forthcoming AGMs. The appointment is terminable on giving 6 months' notice. Mr Wallis is not eligible for pensions, share incentives, annual bonus or any similar payments other than out-of-pocket expenses in connection with the performance of his duties.

#### Non-Executive Directors

The Non-Executive Directors have letters of appointment stating their annual fee and that their appointment is initially for a term of three years subject to satisfactory performance and their re-election at forthcoming AGMs. Their appointment may be terminated with six months written notice at any time. The table below summarises the dates of appointment and most recent re-election dates for each of the Non-Executive Directors:

Name of Director	Date of appointment as a Non-Executive Director	Date of last re-election at Annual General Meeting
Lord Boyce	5 May 2004	7 September 2004
Christopher Kemball	14 May 2002	1 October 2002 <sup>(1)</sup>
James Morley	1 January 2001	16 September 2003 <sup>(1)</sup>
Struan Robertson	1 August 2000	7 September 2004
Sir Peter Williams	5 May 2004	7 September 2004

(1) Christopher Kemball and James Morley will stand for re-election at the AGM to be held on 7 September 2005.

Copies of the letters of appointment will also be available for inspection prior to and during the AGM and are also available for inspection at the Company's registered office during normal business hours.

The remuneration of the Non-Executive Directors is determined by the Board within the limits set out in the Articles of Association and on the basis of independent advice and the level of fees paid to Non-Executive Directors of comparator companies. The annual fees are specific to each Director reflecting their individual commitments to the Board and various Board committees. Non-Executive Directors are not eligible for pensions, share incentives, annual bonus or any similar payments other than out-of-pocket expenses in connection with the performance of their duties. Non-Executive Directors do not participate in any meeting at which discussions in respect of matters relating to their own position take place.

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### Audited information

#### Directors' emoluments

The aggregate emoluments in respect of their roles as Directors, excluding pensions, of the Directors of the Company who served during the year:

	Salary /fees £000		Bonus and profit share <sup>(7)</sup> £000		Other benefits <sup>(10)</sup> £000		Other payments £000		Non-Cash emoluments £000		Total <sup>(16)</sup> £000	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
<b>Chairman and Executive Directors</b>												
Stephen Billingham <sup>(1)</sup>	103	242	–	152	7	12	–	50 <sup>(12)</sup>	–	–	110	456
Keith Clarke	419 <sup>(6)</sup>	208 <sup>(6)</sup>	198 <sup>(8)</sup>	60	21	2	–	150 <sup>(13)</sup>	58 <sup>(14)</sup>	40 <sup>(15)</sup>	696	460
Michael Jeffries <sup>(2)</sup>	128	318	2	154	16	3	–	–	–	–	146	475
Robert MacLeod <sup>(3)</sup>	139	–	57 <sup>(9)</sup>	–	11	–	–	–	22 <sup>(14)</sup>	–	229	–
Ed Wallis <sup>(4)</sup>	85	–	–	–	–	–	–	–	–	–	85	–
<b>Total Chairman and Executive Directors</b>	<b>874</b>	<b>768</b>	<b>257</b>	<b>366</b>	<b>55</b>	<b>17</b>	<b>–</b>	<b>200</b>	<b>80</b>	<b>40</b>	<b>1,266</b>	<b>1,391</b>
<b>Non-Executive Directors</b>												
Lord Boyce <sup>(5)</sup>	29	–	–	–	–	–	–	–	–	–	29	–
Christopher Kemball	30	34	–	–	–	–	–	–	–	–	30	34
James Morley	38	34	–	–	–	–	–	–	–	–	38	34
Struan Robertson	38	38	–	–	–	–	–	–	–	–	38	38
Sir Peter Williams <sup>(5)</sup>	29	–	–	–	1 <sup>(11)</sup>	–	–	–	–	–	30	–
<b>Total Non-Executive Directors</b>	<b>164</b>	<b>106</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>165</b>	<b>106</b>

(1) Stephen Billingham resigned as a Director on 24 August 2004.

(2) Michael Jeffries retired as a Director on 1 January 2005.

(3) Robert MacLeod was appointed as a Director on 23 June 2004.

(4) Ed Wallis was appointed as a Director on 8 September 2004.

(5) Lord Boyce and Sir Peter Williams were appointed as Directors on 5 May 2004.

(6) Keith Clarke is entitled to receive a pension payment equivalent to 25 per cent of his salary. £59,400 of the total 'salary/fees' payment for 2005 and £20,276 of the total 'salary/fees' payment for 2004 is in respect of the entitlement which could not be paid into his individual Stakeholder arrangement as a result of Her Majesty's Revenue and Customs' earnings cap.

(7) Bonus and profit share refers to amount payable in cash.

(8) This payment includes a PSI payment of £33,030, a bonus payment of £115,002 and a special bonus payment of £50,000 in respect of exceptional performance in year.

(9) This payment is in respect of performance since appointment as a Director and includes a PSI payment of £12,760 and a bonus payment of £44,426. Mr MacLeod will also receive an additional PSI and bonus payment in respect of his performance as an employee of the Group prior to his appointment as a Director.

(10) Other benefits include such items as company cars or car allowances, fuel and medical insurance.

(11) Other benefits relate to the re-imbursment of business expenses.

(12) Other payments relate to the payment of a separate bonus of £50,000 to Stephen Billingham in respect of his secondment to Metronet. Mr Billingham elected to waive this bonus in return for a payment of an equal amount to the Defined Contribution section of the WS Atkins Staff Retirement Benefits Plan.

(13) Other payments of £150,000 relate to a payment agreed in Keith Clarke's Terms and Conditions of employment upon joining the Company.

(14) Keith Clarke and Robert MacLeod are required to take a minimum of one-third of their total bonus payment in the form of a right to acquire shares under the WS Atkins Deferred Bonus Plan (DBP). Awards of shares to these values will be made following the announcement of the preliminary results pursuant to the rules of the DBP. Mr MacLeod will also be required to take one-third of his bonus payment in respect of his performance as an employee of the Group prior to his appointment as a Director in the form of a right to acquire shares under the DBP.

(15) Keith Clarke was required to take a minimum of one-third of his bonus in the form of a right to acquire shares under the DBP. Prior to 31 March 2004 he elected to receive 40% of his bonus as a right to acquire shares. An award of shares to an aggregate value of £40,000 was granted on 25 June 2004 based on the closing mid-market price on 24 June 2004. This translated into an option over 6,849 shares subject to the terms of the DBP.

(16) Total excludes pension contributions which are detailed under the heading Directors' retirement benefits below.

#### Additional notes

Stephen Billingham, who resigned as a Director on 24 August 2004, received a payment of £7,087 during April 2005. This amount is the equivalent to the amount of dividends paid per share in the financial years up to the exercise date of his Bonus Award granted under the terms of the EPP plus an amount equivalent to the amount of dividends paid per share and declared following vesting and up to the exercise date of his LTIP award. This amount became payable to him following exercise.

Robin Southwell, who resigned as a Director on 30 September 2002, had made a personal investment of 48,321 ordinary shares in acquisition of deposited shares under the WS Atkins Geared Option Scheme. These deposited shares, which were subject to forfeiture, were released in full after the Company's share price recovered to the amount originally paid by Mr Southwell, namely 675 pence.

### Directors' retirement benefits

All Executive Directors receive life assurance cover equal to four times basic salary.

Keith Clarke and Robert MacLeod receive pension benefits on a defined contributions basis. Stephen Billingham, who resigned on 24 August 2004, accrued pension benefits on a final salary basis.

Stephen Billingham was aged 46 on the date of his resignation as a Director and had completed 3 years and 10 months service. He had been a member of a final salary arrangement under which he accrued benefits on a 40ths basis with a normal retirement age of 60. His accrued entitlement at leaving amounted to £8,000 (2004: £8,000) with a transfer value at 24 August 2004 of £35,000 (2004: £50,000), a reduction in transfer value net of member contributions at 6 per cent of £17,000. A payment of £50,000 was also made into the Defined Contribution section of the WS Atkins Staff Retirement Benefits Plan by the Company which was equal to the amount of a bonus, disclosed in the accounts for the year ended 31 March 2004, which Mr Billingham elected to waive.

Keith Clarke participates in a personal Stakeholder arrangement to which the Company's contribution was £30,600 (2004: £24,724). He has a contractual entitlement to receive an amount equivalent to 25 per cent of basic salary as a pension payment. As a result of the Inland Revenue's Earnings Cap £59,400 (2004: £20,276) could not be paid to his personal Stakeholder arrangement, this sum was therefore paid to him as an additional emolument and is reported in the Directors' emoluments table on page 42.

Michael Jeffries retired as a Director on 1 January 2005 shortly after attaining age 60 and having served for 29 years. His pension benefits had been provided via an Executive Pension Plan on a defined contribution basis, but no contributions were paid during the year (2004: £100,000).

Robert MacLeod has had a contractual entitlement to receive an annual amount equivalent to 25 per cent of his basic salary towards his pension benefits since his appointment as a Director on 23 June 2004. Since his appointment the Company has made pension payments of £34,750 into the Defined Contribution section of the WS Atkins Staff Retirement Benefits Plan.

The Company has an unfunded pension commitment in respect of Ric Piper who left service on 1 October 2002. On an actuarial market value basis this had an accumulated value of £393,000 (2004: £363,000).

### Directors' interests

The beneficial interest of the Directors and their families in the ordinary shares of 0.5p each in the Company as at 31 March 2005 were as follows:

	At 20.06.05	At 31.03.05 or date of termination	At 31.03.04 or date of appointment
<b>Chairman and Executive Directors</b>			
Stephen Billingham	—	—	—
Keith Clarke	26,627	26,570	19,500
Michael Jeffries	—	623,713	623,657
Robert MacLeod	10,127	10,070	10,000
Ed Wallis	—	—	—
	<b>36,754</b>	<b>660,353</b>	653,157
<b>Non-Executive Directors</b>			
Lord Boyce	846	846	846
Christopher Kemball	10,000	10,000	10,000
James Morley	1,250	1,250	1,250
Struan Robertson	3,396	3,396	3,396
Sir Peter Williams	—	—	—
	<b>15,492</b>	<b>15,492</b>	15,492
<b>Total</b>	<b>52,246</b>	<b>675,845</b>	668,649

Changes in Directors' interests between 31 March and 20 June 2005 relate to shares acquired via the WS Atkins Share Incentive Plan.

As at 31 March 2005, each of the Executive Directors was deemed to be interested as a potential beneficiary under the Employee Benefit Trusts in 5,448,065 ordinary shares of 0.5p each (2004: 5,490,957). Details of the Directors' personal interests in the EBTs are given on page 44.

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### Directors' share options and long term incentives

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors.

Name	Scheme Name <sup>(1)</sup>	Award date	No. of share under option at 01.04.04 or date of appointment	Granted	Exercised	Lapsed	No. of shares under options at 31.03.05 or at date of termination	Option price	Market price on exercise	Mid market price at date of grant	Gain on exercise	First date of exercise	Date of lapse of option
<b>Stephen Billingham</b>													
	EPP – Bonus	18/07/01	788	–	788 <sup>(3)</sup>	–	–	0.0p	652.75p	782.5p	£5,144	18/07/04	18/07/08
	EPP – Matching <sup>(2)</sup>	18/07/01	236	–	236 <sup>(3)</sup>	–	–	0.0p	652.75p	782.5p	£1,540	18/07/04	18/07/08
	LTIP <sup>(2)</sup>	18/07/01	3,603	–	3,603 <sup>(3)</sup>	–	–	0.0p	652.75p	782.5p	£23,519	18/07/04	18/07/08
	SAYE	06/07/01	186	–	186 <sup>(3)</sup>	–	–	666.0p	733.75p	807.5p	£126	01/09/04	01/03/05
	SAYE	22/08/02	161	–	–	161 <sup>(3)</sup>	–	259.2p	–	287.5p	–	01/11/05	01/05/06
	EPP – Bonus	30/06/03	49,382	–	49,382 <sup>(3)</sup>	–	–	0.0p	688.0p	293.5p	£339,748	30/06/06	30/06/13
	EPP – Matching <sup>(2)</sup>	30/06/03	49,382	–	–	49,382 <sup>(3)</sup>	–	0.0p	–	293.5p	–	30/06/06	30/06/13
	LTIP <sup>(2)</sup>	30/06/03	81,236	–	–	81,236 <sup>(3)</sup>	–	0.0p	–	293.5p	–	30/06/06	30/06/13
	LTIP <sup>(2)</sup>	17/09/03	30,000	–	–	30,000 <sup>(3)</sup>	–	0.0p	–	401.5p	–	01/04/07	17/09/13
<b>Total</b>			<b>214,974</b>	<b>–</b>	<b>54,195</b>	<b>160,779</b>	<b>–</b>				<b>£370,077</b>		
<b>Keith Clarke</b>													
	LTIP <sup>(2)</sup>	01/10/03	95,000	–	–	–	95,000	0.0p	–	401.5p	–	01/04/07	01/10/13
	DBP	25/06/04	–	6,849	–	–	6,849	0.0p	–	586.5p	–	25/06/07	25/06/14
	LTIP <sup>(2)</sup>	25/06/04	–	20,000	–	–	20,000	0.0p	–	586.5p	–	01/04/08	25/06/14
<b>Total</b>			<b>95,000</b>	<b>26,849</b>	<b>–</b>	<b>–</b>	<b>121,849</b>				<b>–</b>		
<b>Michael Jeffries</b>													
	EPP – Bonus	18/07/01	8,258	–	–	–	8,258	0.0p	–	782.5p	–	18/07/04	18/07/08
	EPP – Matching <sup>(2)</sup>	18/07/01	2,477	–	–	–	2,477	0.0p	–	782.5p	–	18/07/04	18/07/08
	LTIP <sup>(2)</sup>	21/09/01	16,179	–	–	–	16,179	0.0p	–	667.5p	–	21/09/04	21/09/08
	LTIP <sup>(2)</sup>	30/06/03	191,816	–	–	–	191,816	0.0p	–	293.5p	–	30/06/06	30/06/13
<b>Total</b>			<b>218,730</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>218,730<sup>(4)</sup></b>				<b>–</b>		
<b>Robert MacLeod</b>													
	LTIP <sup>(2)</sup>	17/09/03	15,000	–	–	–	15,000	0.0p	–	401.5p	–	01/04/07	17/09/13
	DBP	25/06/04	–	2,625	–	–	2,625	0.0p	–	586.5p	–	25/06/07	25/06/14
	LTIP <sup>(2)</sup>	25/06/04	–	30,000	–	–	30,000	0.0p	–	586.5p	–	01/04/08	25/06/14
<b>Total</b>			<b>15,000</b>	<b>32,625</b>	<b>–</b>	<b>–</b>	<b>47,625</b>				<b>–</b>		
<b>Aggregate gains on share options 2005</b>											<b>£370,077</b>		
<b>Aggregate gains on share options 2004</b>											<b>–</b>		

(1) Scheme names: EPP – WS Atkins Pre-Tax Equity Participation Plan  
 SAYE – WS Atkins Sharesave Scheme  
 LTIP – WS Atkins 2003 Senior Executive and Key Employee Long Term Incentive Plan  
 DBP – WS Atkins Deferred Bonus Plan

(2) Subject to performance criteria described on pages 39 and 40.

(3) Stephen Billingham ceased to be a Director and an employee of the Group on 24 August 2004. In accordance with the rules of the EPP, Mr Billingham was permitted to exercise the EPP Bonus element of his award. In addition, Mr Billingham was permitted to exercise his vested SAYE, EPP Matching and LTIP awards. Mr Billingham's unvested awards lapsed in accordance with the rules of the EPP, SAYE and LTIP.

(4) Although Michael Jeffries retired as Chairman on 1 January 2005, he remains a director of a subsidiary company, and accordingly retains the share options and long term incentives set out above.

For each share under option that had not expired at the end of the financial year, the mid market price at 31 March 2005 was 641 pence and the highest and lowest market prices during the financial year were 741 pence and 535 pence respectively.

### Approval

Approved by the Board of Directors and signed on its behalf

### Struan Robertson

Chairman of the Remuneration Committee  
 21 June 2005