

## Regulatory Announcement

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<b>Company</b>	Rok property solutions PLC
<b>TIDM</b>	ROK
<b>Headline</b>	Trading Update
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## Rok property solutions plc TRADING UPDATE

- Trading in line with expectations for the full year
- Pipeline of developments stands at strongest level to date
- Current order book is £300m. Long term partnerships £950m
- Rokforce awarded LloydsTSB and Zurich Insurance response maintenance contracts
- Acquisition of Durose & Gourlay

Rok property solutions plc, the UK's provider of property services comprising property development, building, construction and maintenance, will be announcing its interim results for the six months to 30 June 2005 on 16 August 2005 and is today providing a trading update as follows:

Overall, the Board is pleased to confirm that trading is in line with market expectations for the full year. This is after a period of significant investment and a slow first quarter, which will restrain growth in results in the first half.

**Rokeagle**, the Group's property development division continues to trade strongly with sales in Bristol, Eastbourne, Exeter, Gloucester, Plymouth and Southampton contributing to the first half results. A number of other major developments are well advanced and are expected to complete in the second half giving confidence of a successful outcome for the year. Rokeagle continues to pre-let or pre-sell over 85% of developments before building work commences, thereby reducing disposal risk and ensuring significant visibility of revenues and profits into the future.

The commercial property market continues to be buoyant in the regions and Rokeagle's pipeline of developments, principally in the office, industrial and leisure sectors, stands at its strongest level to date. Further significant purchases of land have been made during the first half providing a strong base for further growth in Rokeagle beyond 2006.

**Rok**, the Group's building and construction activities, has continued to grow despite the strategic decision not to replace large value, higher risk construction projects that were undertaken by companies joining the Group through acquisition. Whilst trading in the first quarter was slower than expected, with delayed project starts in respect of a number of publicly funded projects, volumes are now coming through more strongly which will impact in the second half.

During the period, we have continued to invest in the branch network, with new Rok offices

opened in Brentford, Hackney and Heathrow. Durose & Gourlay, which was acquired by the Group in May, is trading in line with expectation and will contribute significantly to the Group's social housing expertise.

The current order book stands at £300m. Rok also has long-term partnership and framework arrangements for future work of £950m running out to 2010 and beyond, providing a high degree of visibility of future revenues. Rok continues to focus on low risk building projects in local markets, for which demand remains firm.

**Rokforce**, the Group's response maintenance division, is growing strongly, albeit volumes coming through from our major client, RSA, have been lower than anticipated. However, we are delighted to announce recent appointments by both LloydsTSB and Zurich Insurance which will support future revenue growth.

We are continuing to make significant investments to support the rapid expansion of our Rokforce operations, in particular in IT, service personnel and training which are written off to P&L. Whilst current results reflect this investment phase, we are confident that our unique offering, which is being increasingly recognised by clients as providing a high quality repair and maintenance service will be reflected in future performance. Rokforce now has 450 fully trained technicians operating from 30 centres across the UK.

Group average net borrowings have increased by £19m to £36m in the period reflecting the acquisition of Durose & Gourlay, the purchase of further development land for Rokeagle, the Group's decision to move away from higher risk, less cash generative construction projects and the growth and up front investment in Rokforce. Additional committed bank facilities of £20m have been arranged to provide the funding.

Commenting, Garvis Snook, Chief Executive of Rok property solutions plc, said:

*"The Group has continued with its strong progress in each of its three core divisions towards becoming the nation's local builder. We look forward to reporting in more detail in August".*

<Ends>

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- Further information is available on the Group at [www.rokgroup.com](http://www.rokgroup.com)
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