

Workspace Group plc
Consolidated Income Statement 3 months ended 30 June 2005 quarterly comparison

	3 months ended 30 June 2005			3 months ended 30 June 2004 (restated)			12 months ended 31 March 2005 (restated)		
	Trading Operations £000s	Other items £000s	Total £000s	Trading Operations £000s	Other items £000s	Total £000s	Trading Operations £000s	Other items £000s	Total £000s
Revenue - continuing operations	13,947	0	13,947	13,404	0	13,404	55,039	0	55,039
Direct costs	(3,899)	13	(3,886)	(3,597)	13	(3,584)	(14,122)	51	(14,071)
Net Rental Income	10,048	13	10,061	9,807	13	9,820	40,917	51	40,968
Administrative expenses	(1,940)	65	(1,875)	(1,932)	(26)	(1,958)	(7,660)	17	(7,643)
Gain from change in fair value of investment property	0	18,117	18,117	0	14,181	14,181	0	67,923	67,923
(Loss)/Surplus on disposal of investment properties	0	(14)	(14)	0	23	23	0	(75)	(75)
Operating profit	8,108	18,181	26,289	7,875	14,191	22,066	33,257	67,916	101,173
Interest receivable and payable and similar charges	(4,972)	(280)	(5,252)	(4,389)	(117)	(4,506)	(18,773)	(677)	(19,450)
Change in fair value of derivative financial instruments		(1,217)	(1,217)		1,036	1,036	0	1,097	1,097
Profit before tax	3,136	16,684	19,820	3,486	15,110	18,596	14,484	68,336	82,820
Taxation	(951)	(4,988)	(5,939)	(1,071)	(4,553)	(5,624)	(4,235)	(20,107)	(24,342)
Profit for the period	2,185	11,696	13,881	2,415	10,557	12,972	10,249	48,229	58,478
Basic earnings per share	1.3p	7.2p	8.5p	1.5p	6.5p	8.1p	6.3p	29.8p	36.1p
Diluted earnings per share	1.3p	6.9p	8.2p	1.4p	6.3p	7.7p	6.1p	28.6p	34.8p

Other items above include items, such as profits and losses (together with their related taxation) on sales of investment properties, of a non trading nature together with valuation adjustments arising from the fair valuing of financial assets and liabilities. The adjustment to direct costs arises from the treatment of head lease payments as interest, with the adjustment to administrative expenses from the estimation under IFRS2 of the services cost arising from the grant of share options and other non-cash remuneration to staff.

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Reconciliation of consolidated profit for the 3 months ended 30 June 2005 from UK GAAP to IFRS

	UK GAAP £000s	IAS 40 Investment Property £000s	IAS 12 Contingent tax £000s	IAS 17 Property head leases £000s	IAS 23 Capitalisation of interest	IAS 32/39 Convertible loan stock £000s	IAS 39 Fair value of derivatives £000s	IFRS 2 Share based payments £000s	Restated under IFRS £000s
Revenue - continuing operations	13,947								13,947
Direct costs	(3,899)			13					(3,886)
Net Rental Income	10,048	0	0	13	0	0	0	0	10,061
Administrative expenses	(1,940)							65	(1,875)
Gain from change in fair value of investment property	0	17,842			275				18,117
(Loss)/Surplus on disposal of investment properties	(14)								(14)
Operating profit	8,094	17,842	0	13	275	0	0	65	26,289
Interest receivable and payable and similar charges	(4,972)			(13)	(275)	(2)	10		(5,252)
Net gain from financial instruments at fair value through the profit and loss							(1,217)		(1,217)
Profit before tax	3,122	17,842	0	0	0	(2)	(1,207)	65	19,820
Taxation	(951)	58	(5,352)			(20)	362	(36)	(5,939)
Profit for the period	2,171	17,900	(5,352)	0	0	(22)	(845)	29	13,881

The nature of the IFRS adjustments is explained in the document 'Workspace Group PLC - Adoption of International Financial Reporting Standards (IFRS)' available from the company secretary or the Group's website at www.workspacegroup.co.uk.

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Reconciliation of balance sheet at 30 June 2005 from UK GAAP to IFRS

	UK GAAP £000s	IAS 40 Investment Property £000s	IAS 12 Contingent tax £000s	IAS 17 Property head leases £000s	IAS 10 Dividends £000s	IAS 16 Owner occupied property £000s	IAS 38 Computer software intangible £000s	IAS 32/39 Convertible loan stock £000s	IAS 39 Fair value of derivatives £000s	IFRS 2 Share based payments £000s	Restated under IFRS £000s
<i>Non current assets</i>											
Investment properties	750,450			751							751,201
Intangible assets	0						139				139
Property, plant and Equipment - other	3,748					(509)	(139)				3,100
Property, plant and Equipment - land	0					500					500
Total non current assets	754,198	0	0	751	0	(9)	0	0	0	0	754,940
<i>Current assets</i>											
Trade and other receivables	8,119								(157)	162	8,124
Financial assets - derivative financial instruments	0								91		91
Tenant deposits	1,298										1,298
Cash and cash equivalents	4										4
Total current assets	9,421	0	0	0	0	0	0	0	(66)	162	9,517
<i>Current Liabilities</i>											
Financial liabilities - borrowings	(198)			(5)							(203)
Financial liabilities - derivative financial instruments	0										0
Trade and other payables	(33,123)				3,721					23	(29,379)
Current tax liabilities	(1,505)								(15)		(1,520)
Total current liabilities	(34,826)	0	0	(5)	3,721	0	0	0	(15)	23	(31,102)
Net current (liabilities)/assets	(25,405)	0	0	(5)	3,721	0	0	0	(81)	185	(21,585)
<i>Non Current Liabilities</i>											
Financial liabilities - borrowings	(336,273)			(746)				83			(336,936)
Financial liabilities - derivative financial instruments								(2,850)			(2,850)
Deferred tax liabilities	(7,656)	4,562	(88,825)					(25)	828	(35)	(91,151)
Total non current liabilities	(343,929)	4,562	(88,825)	(746)	0	0	0	58	(2,022)	(35)	(430,937)
Net Assets	384,864	4,562	(88,825)	0	3,721	(9)	0	58	(2,103)	150	302,418
<i>Equity</i>											
Ordinary Shares	16,884										16,884
Investment in own shares	(5,519)										(5,519)
Share premium	28,388										28,388
Other reserves	0							151		390	541
Revaluation reserve	280,267	(280,267)									0
Retained earnings	64,844	284,829	(88,825)		3,721	(9)		(93)	(2,103)	(240)	262,124
Total equity	384,864	4,562	(88,825)	0	3,721	(9)	0	58	(2,103)	150	302,418

The nature of the IFRS adjustments is explained in the document 'Workspace Group PLC - Adoption of International Financial Reporting Standards (IFRS)' available from the company secretary or the Group's website at www.workspacegroup.co.uk.