

In the United Kingdom and the Republic of Ireland, Carlisle has three main areas of operation: Carlisle Staffing Services, which provides temporary and permanent recruitment services; the LI Group, which provides cleaning and support services; and Capitol Security Services, which offers specialized security services. Each of the three business areas is committed to delivering service excellence, attracting and keeping the finest people, proactively answering every client need, and building shareholder value for the long term.

Carlisle Group UK  
Operational Review

# Carlisle Staffing Services

## Temporary and Permanent Recruitment Services

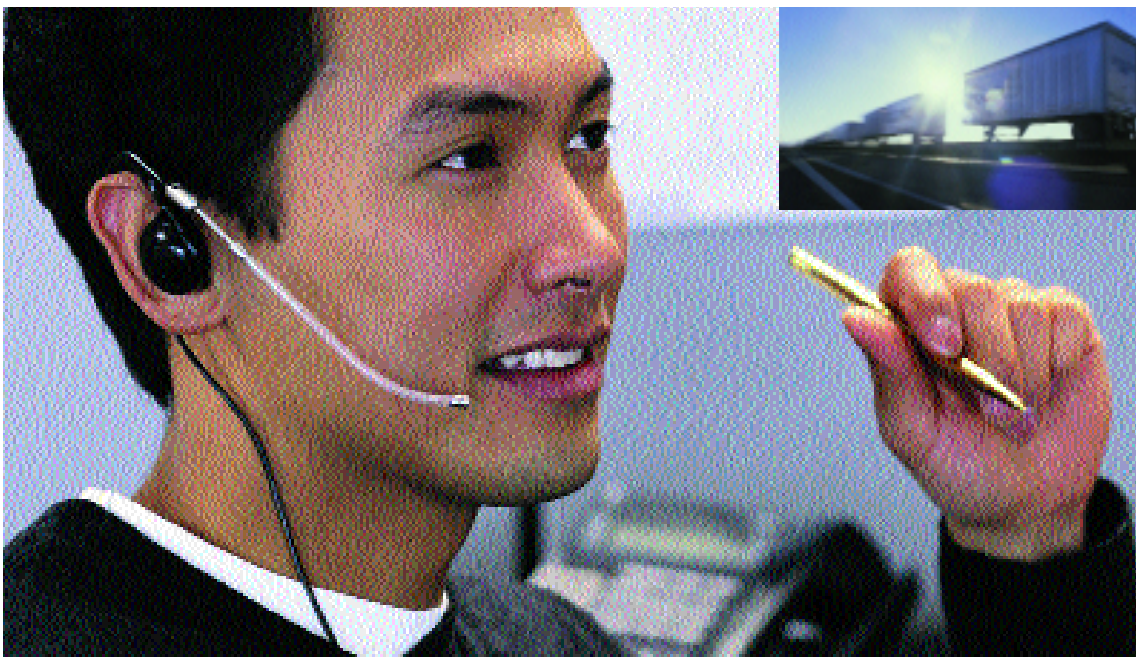
From the local classroom to the ticket window at Wembley Stadium, from the IT department to the stockroom, as many as 5,300 Carlisle temporary workers go to work each day for nearly 2,000 clients. Our principal clients are in the IT, banking, accounting, insurance, legal, education, commercial, industrial, retail, driving, technical, and catering sectors. We also provide merchandising and store support services, as well as events management and staffing.

The staffing services industry that we compete in remains highly fragmented, with no UK company having more than an estimated 4% share of the market. As is the case in the United States, we are strengthening our position through acquisitions, particularly in niche sectors such as education, IT, call centers and legal recruitment, where there's a high demand for qualified employees.

While imposing higher costs on staffing companies, the British Government's recent employment legislation will also raise the barriers to new market entrants and further legitimize the industry in the eyes of employers and the public. These two factors will work in favor of a well established and financially strong company such as Carlisle.

Carlisle Staffing Services operates under a number of recognized brand names, such as Recruit and Barker Personnel, reflecting the established businesses that have been acquired in the course of building the group. Last year, we also acquired Abacus Group and First Call, strengthening our position in accounting, banking, education, IT, insurance, and legal services.

Our regional strength has also been bolstered by the acquisition of Irish Recruitment Consultants in the Republic of Ireland and Alexander Contracting Services in Scotland. Education Services, meanwhile, continues to enhance its leadership claim in this sector with initiatives such as the overseas recruitment of suitably qualified staff to address the UK teacher supply shortage, the creation of teacher resource centers, and a teacher mentoring service.



Carlisle Staffing Services has strengthened its position in a number of growth sectors including accountancy, banking, education, IT, insurance, and legal services.

## Facilities Services The LI Group

The LI Group's 3,900-strong workforce provides contract cleaning and ancillary support services to 600 clients including major retail chains such as Asda, John Lewis, Sainsburys, Woolworths, and Marks & Spencer, as well as other businesses in the retail sector.

Cleaning and support service contracts in the retail sector are generally awarded on a short-term basis, with clients continually reviewing the performance, quality, and price competitiveness of their contractors. In this highly competitive environment, foresight, flexibility, and tight cost controls put the LI Group in a strong position to continue its steady organic growth, while the backing of the Carlisle Group gives it substantial acquisitive muscle.

The LI Group's flexibility and proactive response to recent legislation governing labor conditions (the Working Time Directive and Minimum Wage requirement, for example) have reinforced the company's position in the sector. We have reacted positively – and profitably – to the challenge of balancing new legislation with the increasing client requirement to provide 24-hour service throughout the year, with the bulk of the cleaning work to be conducted at night.

The company has also strengthened its competitive standing in the retail sector, addressing mounting client and consumer concerns about health, safety, and hygiene issues by launching, in close co-operation with our client's employees, a number of increasingly successful ancillary services. These include in-depth cleaning of food preparation areas, car park maintenance, shopping cart management, portering, and janitorial services.



The LI Group has responded to increased health, safety and hygiene concerns in retail outlets by providing in-depth cleaning of food preparation areas, car park maintenance and janitorial services.

# Facilities Services

## Capitol Security Services

Capitol Security Services provides specialist security services, principally uniformed guarding.

There are significant cross-selling opportunities which Carlisle is determined to take advantage of as we move forward, focusing on providing high-quality services to blue-chip clients.

With later store opening hours, the retail sector's strong demand for uniformed guards remains unabated, and uniformed guarding, our largest service discipline, has established a reputation as the industry leader in retail and anti-terrorist security. More than 2,900 officers now provide guarding, patrol, keyholding, and alarm response services throughout the UK, operating from a network of offices and supported by an operations center. During the year, we also added a round-the-clock, toll-free helpline and remote closed circuit television monitoring.

We are justly proud of the quality of our uniformed guarding officers. They all undergo stringent initial scrutiny and, if successful, go on to take part in comprehensive training programs carried out to Security Industry Training Organization standards. In addition to basic duties, these courses cover health and safety reporting, powers of arrest and custody, and evacuation procedures. All our guards are employed – we do not use contractors – and, in keeping with our clients' and our own image, we issue good quality uniforms, free of charge, replacing them at least once a year.

Our clients include: Tesco, W.H.Smith, Stena Line, Rail Track, Merchant Ferries, Wetherall, Green & Smith, Travel Inns, Seaking Automotive, The Isle of Man Steam Packet Company, Harwich International Port, Royal Armouries, Mersey Travel, and Unichem.



The Capitol Group's uniformed guarding operation is recognized as the industry leader in retail and anti-terrorist security.