

REPRESENTATIVE PROPOSALS

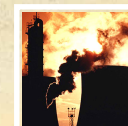
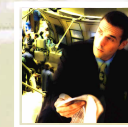
- PROJECT MANAGEMENT SUPPORT governing department integration for a major financial house.
- PROCESS DEVELOPMENT and consolidation support for an international retailer's Canadian marketing communications function.
- STRATEGY AND NEGOTIATION SUPPORT governing supplier relationship management of HVAC services across a multi-national retailer.
- CURRENT-STATE ASSESSMENT AND BENCHMARKING of a marketing and sales department for a leader in pharmaceutical research.
- INTERNAL AUDIT AND COMPETITIVE INTELLIGENCE addressing the economies of efficiency for a national manufacturer.
- DATABASE DEVELOPMENT, extending existing GAAP tools, at a major life insurer.
- COMPETITOR INTELLIGENCE AND STRATEGY for a regional spirits distillery.
- POSITIONAL DESCRIPTION FRAMEWORK and evaluation tools for an international auto parts manufacturer.
- ENTERPRISE RISK MANAGEMENT AUDIT AND TOOL-KIT DEVELOPMENT for a leader in luxury accommodations.
- TECHNOLOGY ASSESSMENT and recommendations governing legacy system consolidation for a regional utility.
- SITUATION ASSESSMENT of private branding, sourcing and global merchandising for a leading Canadian merchandiser
- E-TRAINING STRATEGY AND TOOL DEVELOPMENT for remotely-located employees in the utility sector.
- SITUATION ASSESSMENT and implementation of a vendor pre-qualification tool for a multi-national automotive manufacturer.
- OPERATIONAL RISK MANAGEMENT within the trading and marketing unit of a leading energy provider.
- WEB-SITE EVALUATION AND BENCHMARK COMPARISON for a leading North American media conglomerate.
- OPPORTUNITY SCAN AND SERVICE PROVIDER PROSPECTING to build out a regionally preferred supplier list for a North American retailer.
- OPTIMIZATION of the client enrollment function for a Canadian utility.
- PRODUCTIVITY AND RESOURCE ALLOCATION IMPROVEMENTS for a Canadian retailer.
- DATA WAREHOUSING of technical documentation and marketing literature for a North American leader in plastics manufacturing.
- FINANCIAL MODELING OF AIRPORT DEVELOPMENT governing Pakistani-based construction by a Canadian civil engineering firm.

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Interim Report
For 3 months ending
September 30th



sbr global
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CONTEXT

Overcapacity plagues the North American economy. The likelihood of a double-dip recession is high—some consider it already in play.

Since March 2000, the S&P 500 Index has fallen 40%; \$7T has been wiped off the value of American shares, the equivalent of 60% of annual U.S. GDP. Profits and business investment have suffered their steepest declines since the 1930s. U.S. businesses reduced their investment spending for the 7th consecutive quarter—the longest string of negative quarters since 1947. U.S. corporate profits as a percentage of GDP are their lowest in 50 years.

American households' net worth will shrink for the 3rd year running. Consumers are heavily indebted. American households have significantly over-bought in the areas of housing, automobiles, big-ticket items. This is due to interest-free financing, extended borrowing against home equity, both prompted by mortgage rates which sit at 30-year lows.

SBR's GTA market feigns indifference to global events; a nervous "good times" atmosphere prevails. Toronto's downtown condo-building boom will place an estimated 5,000 units on-line over the next 18 months. Yet Canada's employment forecast for Q4 is the softest in 5 years.

In the GWA defense and government contracting have

begun to enjoy homeland security budget apportionments. In contrast, GWA's telecom depression is expected to last well past 2005.

SECTOR AND CORPORATE OVERVIEW

The professional services market continues its slide. Revenue per professional has fallen over 10% in the last 3 years; massive layoffs continue with the sector having dropped 25% of its capacity in the same period. Average bill rates sector-wide sit at \$125/hour. In the "go-go 90s" most consulting work was little more than temporary staffing. With talent now readily available and without that "next big thing" to sell, providers are having a hard time fighting client indifference. Most firms are experiencing lengthened sales cycles, declines in average engagement size, and bid more often to win less. Conditions will worsen in 2003.

SBR's business volumes remained flat with over 90% of sales as referral- or extension-based. The resetting of staff in accordance with performance and productivity continued. Retrenchment and cost reduction remained tactical priorities. Returns on \$2M invested in business infrastructure over the last 18 months have not been realized due to the soft professional services market.

Business overcapacity remains, with the GTA practice built to support 250 FTE. Further investment has stopped with non-essential internal programs parked.

Applications launched in Q3 included—performance measurement, treasury services, corporate finance and financial engineering.

STRATEGIC BUSINESS AREAS

BUSINESS DEVELOPMENT delivered over \$2M in proposals Q3; September and July respectively representing the 2nd and 3rd heaviest sales months of the year. An average project size of \$62K prevailed. Over 100 sales presentations were made each month, with September the highest month YTD. The campaign database was extended and adjusted, affecting over 15% of the 10,000 GTA business executives tracked. Seventy-five target companies were added. Sales activity based in the GWA office was heightened to focus on financial institutions in the U.S. mid-Atlantic. Over 30% of all company hours spent in Q3 directly supported BizDev activity.

ENTERPRISE SERVICES focused on office consolidation and back-fill recruiting. HR received 1800 résumés, conducted 155 interviews, and extended 10 offers with an 80% YTD acceptance rate. The Landing Gear testing program (part of the probationary period) was launched; a full suite of staff well-being programs was positioned; analyst training was restarted; a standard sales commission program was put into play.

BUSINESS UNIT ACTIVITY

Overview

In Q3 SBR's contract portfolio included business studies and strategy, process and systems engineering, industrial engineering. Efforts to heighten service delivery within the company's Operational Excellence initiative continued. Related activities included—the update and extension of project policies, procedures and protocols; the reset and extension of project cycle QA milestones; reinforcement of standard delivery team configurations; the acquisition of professional development materials in support of both self-study and curricula-based offerings. SBR's delivery capability currently covers 15 sectors, 25 service areas, 10 functional arenas.

Operations Support Services / OSS

OSS delivered—

- recruiting support in the international construction and mining engineering sector;
- process mapping in the executive compensation arena;
- marketing and delivery strategy for utility interests serving remote communities.

OSS offers process and systems engineering, organizational design, and project management services. Industries of focus continue to be—food & beverage, hospitality, mining, P&C insurance, utilities, health services.

SBR's Corporate Governance and Reporting practice, launched in 1993, resides within OSS's service roster. Director agitation mixed with a disturbing increase in regulatory oversight, have prompted a resurgence of interest in this practice area.

Industrial Engineering and Technical Services / IETS

IETS delivered another strong quarter, representing over 70% of the business' portfolio. Unique to solutions rendered by this unit is its creative integration of high-end computing with strong research and traditional industrial engineering. Q3 projects included—

- market intelligence and service delivery design in the North American HVAC sector;
- print media distribution and CRM at a North American merchandiser;
- productivity measurement and improvement;
- global knowledgeware and shared data management for a European pharma interest;
- supply chain and realignment across a national merchandiser;
- front-end financial services platform selection and technology assessment;

- the study of security service provisioning in the mass-transit market.

The unit's sector mandate rests with—telecommunications, security, retail, transportation and logistics, health sciences and pharma.

IETS witnessed significant interest in its security, counter intelligence, and enterprise risk management offerings. Over 50% of September's proposal volume focused on these portfolio items.

Financial Services Group / FSG

Q3 was a troubled period for FSG. In the financial services market, SBR competes increasingly with the internal program management and consulting units located within its major clients. Projects were completed in the following areas—

- customer service level assessment for a consortium of financial sector interests;
- comparative software selection for a southern U.S. bank;
- high-end contract programming.

FSG is slated to deliver a wide array of services to banking, life insurance, and regulatory interests. The presence of SBR's business turnaround and real estate work-out practice within this portfolio grants FSG additional sector reach.