

AMEC plc INTERIM RESULTS 2009 RECORD TRADING PERFORMANCE

- EBITA¹ up 25% to £94.5 million (2008: £75.9 million)
- 7.5% EBITA margin² (2008: 6.0%); firmly on track to deliver 8.5% in 2010
- Diluted earnings per share⁴ from continuing operations 20.8 pence, up 11%
- Interim dividend increased 15% to 6.1 pence per share
- Group order book £3.2 billion (June 2008: £2.5 billion; December 2008: £3.3 billion)
- Average weekly net cash for 2009 expected to be £700 million before further acquisitions

Chief Executive Samir Brikho said:

“These results, achieved in a challenging trading environment, are further evidence of our improved competitive position and internal efficiency. Our investment in developing relationships with key customers continues to result in new contract awards and the quality of our backlog has never been better.

“With our Operational Excellence programme now close to completion, we expect to achieve a margin approaching eight per cent this year, and are firmly on track to deliver our group margin target for 2010 of 8.5 per cent.

“The 15 per cent increase in our interim dividend demonstrates our continuing confidence in the future. We are well positioned in long-term growth markets and upon completion of Operational Excellence, will benefit from unrivalled strength and operational flexibility. With £700 million of cash on the balance sheet, we will seek to supplement organic growth in the business with further value adding acquisitions.”

Results interview, presentation and live webcast

An interview with Samir Brikho and Ian McHoul, Chief Financial Officer, is available at amec.com

A presentation of the interim results for analysts and investors will take place at 8.30am today. A live webcast of the event and the presentation slides will be available on amec.com.

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Financial highlights:

Six months ended 30 June	2009	2008	
	£ million	£ million	
Continuing operations:			
Revenue	1,259.7	1,255.2	-
EBITA ¹	94.5	75.9	+25%
Adjusted profit before tax ³	97.5	90.4	+8%
Profit before tax	88.4	92.3	-4%
Adjusted diluted earnings per share⁴	20.8p	18.8p	+11%
Diluted earnings per share from continuing operations	19.5p	20.1p	-3%
Dividend per share	6.1p	5.3p	+15%

Notes:

- 1 EBITA for continuing operations before net financing income, intangible amortisation, pre-tax exceptional items and £2.0 million (2008: £nil) relating to elements of deferred consideration on acquisitions in the Earth and Environmental division (see below), but including joint venture profit before tax.
- 2 EBITA, as defined above, as a percentage of revenue.
- 3 EBITA, as defined above, plus net financing income of £3.0 million (2008: £14.5 million).
- 4 Diluted earnings per share for continuing operations before intangible amortisation, exceptional items and elements of deferred consideration on acquisitions in the Earth and Environmental division (see below).

Basis of presentation and discontinued activities

Adjusted profit before tax is based on the results for continuing operations before intangible amortisation and pre-tax exceptional items but including joint venture profit before tax. The results of the group and the Earth and Environmental division also exclude £2.0 million of costs relating to elements of deferred consideration on acquisitions by the Earth and Environmental division which, in line with IFRS 3*, are included within EBIT in the consolidated income statement.

In accordance with IFRS 5**, the post-tax results of discontinued operations are disclosed separately in the consolidated income statement.

Segmental analysis

Segmental analysis is provided for the group's core activities in the Natural Resources, Power and Process and Earth and Environmental divisions, as well as for non-core Investments and other activities.

Amounts and percentage movements relating to continuing segmental earnings before net financing income, tax and intangible amortisation (EBITA) are stated before corporate costs of £18.8 million (2008: £17.3 million) and pre-tax exceptional income of £2.2 million (2008: £4.7 million).

The average numbers of employees stated in this review include agency staff. The average number of employees in the Power and Process division for the six months ended 30 June 2008 has been restated to include all categories of employees in the Americas on a consistent basis.

* International Financial Reporting Standard 3 'Business combinations'.

** International Financial Reporting Standard 5 'Non-current assets held for sale and discontinued operations'.

Any forward looking statements made in this document represent management's best judgement as to what may occur in the future. However, the group's actual results for the current and future fiscal periods and corporate developments will depend on a number of economic, competitive and other factors, some of which will be outside the control of the group. Such factors could cause the group's actual results for future periods to differ materially from those expressed in any forward looking statements made in this document.

INTERIM RESULTS

Total group revenues for the six months ended 30 June 2009 increased by 0.4 per cent to £1,259.7 million (2008: £1,255.2 million). Growth in the Natural Resources and Earth and Environmental divisions was offset by the effects of the strategic refocusing of the Power and Process division on the provision of low-risk services with high value added, and the progressive run-off of old contracts that do not meet the new criteria.

Set against the backdrop of a challenging trading environment, EBITA margin increased strongly in each of the group's three core divisions, resulting in a new group record of 7.5 per cent for the six months ended 30 June 2009 (2008: 6.0 per cent).

Adjusted profit before tax of £97.5 million was eight per cent ahead of last year (2008: £90.4 million) and sets another new record for the group. Performance was strong in the Natural Resources and Earth and Environmental divisions, being offset by a weaker performance in the Power and Process division. Adjusted profit before tax also included an £11.5 million reduction in net financing income, which reflected lower market rates of interest on cash deposits during the period.

There were pre-tax exceptional profits of £2.2 million (2008: £4.7 million), intangible amortisation of £6.6 million (2008: £2.6 million), deferred consideration on acquisitions in Earth and Environmental of £2.0 million (2008: £nil) and joint venture tax of £2.7 million (2008: £0.2 million), resulting in pre-tax profit from continuing operations of £88.4 million (2008: £92.3 million).

Adjusted diluted earnings per share from continuing operations were 20.8 pence (2008: 18.8 pence).

The 15 per cent increase in the interim dividend to 6.1 pence per share (2008: 5.3 pence) demonstrates the board's continuing confidence in the future.

Order book

During the first half, the group continued to be successful in winning major contracts from key clients including BG, BP, EDF, INPEX, National Grid, and Shell.

The group order book at the end of June was £3.2 billion (30 June 2008: £2.5 billion; 31 December 2008: £3.3 billion). In constant currency terms the backlog is ahead of the record position reported at the end of 2008, which was £3.1 billion when translated at June 2009 exchange rates for the group's major currencies. The quality of the order book continues to improve as a result of the group's change in focus to higher value-added services. The order book is conservatively stated, and takes no account of the major Sellafeld contract, which is equity accounted, and is expected to generate income of over £10 million per annum.

At 30 June 2009, revenue cover* for 2009 stood at 90 per cent, this being an improvement on the already strong position in 2008.

* Order book as at 30 June 2009 for execution in 2009 plus first half 2009 revenue as a proportion of forecast 2009 revenue.

Performance improvement

Actions associated with the Operational Excellence programme will be substantially complete by the end of 2009.

As expected, the programme incurred implementation costs of c.£5 million during the first half, these being partly offset by benefits, which will continue to build during the second half of 2009 and beyond. Benefits arise from a number of areas, including new contract wins through strategic relationship and account management and efficiency improvements across the business.

For the full year 2009, gross annual benefits of some £18 million are expected, rising to over £40 million by the end of 2010.

Acquisitions

AMEC will continue to exercise financial discipline in targeting future acquisitions. All acquisitions made to date are targeted to achieve post-tax returns ahead of deal-specific cost of capital in the first or second full year post acquisition.

In the year to date, AMEC has announced five acquisitions in the Natural Resources and Earth and Environmental divisions with an aggregate cash consideration of £74 million, of which four (aggregate cash consideration £22 million) were completed in the six months to June 2009. Up to £70 million of total consideration is expected to be paid in the current year, with the balance to be paid in future years. In addition, c.£10 million has been paid in the first half in respect of deferred consideration on prior year acquisitions.

With c.£700 million of cash on the balance sheet, the group continues to target acquisitions, with the focus being on geographical expansion of operations in the Middle East, Australasia and Latin America.

Board changes

On 21 January 2009, Simon Thompson was appointed to the board as a Non-Executive Director. On the same date, Neil Bruce, Chief Operating Officer of the Natural Resources division, was appointed to the board as an Executive Director.

Liz Airey, Senior Independent Director, stepped down from the board following the company's annual general meeting on 13 May 2009, being replaced as Senior Independent Director by Tim Faithfull.

OUTLOOK

The second half of 2009 is expected to be stronger than the first six months of the year. The board continues to expect another year of improved performance in 2009.

EBITA margin approaching eight per cent is expected this year, putting AMEC firmly on track to deliver the group margin target for 2010 of 8.5 per cent.

SEGMENTAL REVIEW

Natural Resources

Natural Resources comprises AMEC's activities in Oil and Gas Services (55 per cent of revenues in the six months ended June 2009), Oil Sands (28 per cent of revenues) and Minerals and Metals Mining (17 per cent of revenues). Services include asset development and asset support including consultancy and engineering design, project management, commissioning and operational support.

'Capex' activities (those activities related to customers' capital expenditure) and 'Opex' activities (relating to customers' operating expenditure) accounted for 60 per cent and 40 per cent respectively of Natural Resources revenues in the first half. Profit is weighted towards Capex, which accounted for 71 per cent of EBITA during the period.

£ million	H1 2009	H1 2008	Change	Underlying¹
Revenue	631.5	561.7	+12%	+1%
EBITA	73.0	56.6	+29%	+12%
EBITA margin	11.6%	10.1%	+150bps	
Order book	£1.73bn	£1.33bn	+30%	
Average employees ²	9,608	10,620	-10%	

¹ Growth measured against H1 2008 as restated for material acquisitions and movements in material currencies.

² Full time equivalents, including agency staff.

Demand for AMEC's services in Natural Resources' end markets remained robust despite some weakness in certain areas. Revenue for the period was £631.5 million, with the 12 per cent increase reflecting currency movements and acquisitions. Good organic growth was seen in the Oil Sands and in Mining. In Oil and Gas, two projects were completed in the UK during the period, with new contracts in the early phases of development expected to ramp up in the second half of 2009 and on into 2010.

EBITA increased by 29 per cent to £73.0 million (2008: £56.6 million). During the period, margins in both Capex and Opex increased, to 13.6 per cent and 8.6 per cent from 12.7 per cent and 6.9 per cent respectively in 2008. As a result of this, changes in business mix and efficiency improvements, EBITA margin increased strongly during the period to 11.6 per cent (2008: 10.1 per cent).

The average number of employees in Natural Resources for the period was 9,608, some 10 per cent below the comparable figure last year, with the reduction reflecting a greater proportion of higher margin, less labour intensive, front-end work and improved operational efficiency in the business.

The Natural Resources order book at 30 June 2009 stood at £1.73 billion, slightly ahead of the position at 31 December 2008 (£1.71 billion) and an increase of 30 per cent on the same time last year (30 June 2008: £1.33 billion). The order book can be analysed as follows:

- Capex 78%; Opex 22% (30 June 2008: Capex 83%; Opex 17%)
- UK/Europe 35%; Americas 24%; Rest of world 41% (30 June 2008: UK/Europe 48%; Americas 16%; Rest of world 36%).

Natural Resources has seen further success in terms of major contract awards resulting from strategic relationship management and other aspects of the Operational Excellence programme. During the first half, major contract awards included:

- BG: two year contract extension to support assets in the UK North Sea
- BP: Capex engineering services on the Tubular Bells and Kodiak discoveries (Gulf of Mexico); engineering and project management services for onshore gas facilities in Sharjah; and Opex support services on the Unity platform in the UK North Sea
- INPEX: front end engineering design on the Ichthys Field (offshore Western Australia)
- Shell: two year contract extension for an AMEC joint venture to support assets in the UK North Sea.

These contracts underscore AMEC's improved competitive position in engineering and project management services in the oil and gas industry, together with its increasing ability to support customers worldwide. Further details on these, and other contract awards, may be found at amec.com/media.

This division continues to make acquisitions consistent with the group's strategy of geographic and capacity expansion:

- January 2009; Performance Improvements Group (PI) Limited (UK); asset optimisation consultancy services
- July 2009; agreement signed for the acquisition of the Australian engineering and project development company GRD Limited (GRD), by way of a scheme of arrangement. The transaction remains conditional on factors including GRD shareholder approval and is expected to complete in October 2009.

Further acquisitions are anticipated, with the focus in this division being expansion in the Middle East, Australasia and Latin America.

Natural Resources expects the first half/second half split of revenue in 2009 before further acquisitions to follow a similar pattern to the previous year.

Power and Process

This division is focused on the power and process markets, principally in the UK and the Americas, and the nuclear market globally. The business designs, delivers, enhances and maintains infrastructure for a broad range of customers in the public and private sectors.

Revenues during the six months ended 30 June 2009 were split between each of the three principal areas of activity in Power and Process as follows: Process 45 per cent, Nuclear 28 per cent and Power 27 per cent.

£ million	H1 2009	H1 2008	Change	Underlying¹
Revenue	406.4	535.8	-24%	-29%
EBITA	25.0²	27.3	-8%	-11%
EBITA margin	6.2%	5.1%	+110bps	
Order book	£1.27bn	£1.05bn	+21%	
Average employees ³	7,413	8,124	-9%	

¹ Growth measured against H1 2008 as restated for material acquisitions and movements in material currencies.

² Including AMEC's share of profit from the Sellafield contract.

³ Full time equivalents, including agency staff.

Results in Power and Process continue to reflect the change of management focus towards the provision of low-risk services with high value added. Consistent with this approach, EBITA margin increased by 110 basis points compared with the first half of 2008.

Revenue of £406.4 million was 29 per cent lower than the previous year, when adjusted for currency and acquisitions, with over half of the reduction reflecting the winding down of older contracts. These are contracts that do not meet the new criteria of low-risk services with high value added, and which are now substantially complete. The remainder of the reduction came primarily from weakness in process industry end markets in the UK and Americas.

EBITA decreased by eight per cent to £25.0 million (2008: £27.3 million). Improvements in margin and a maiden contribution of £7 million from the Sellafield contract were offset by lower levels of activity and a net loss of £7 million on the older contracts described above.

Average employees in Power and Process declined by nine per cent, reflecting lower levels of activity during the period.

The quality of the Power and Process order book continues to improve consistent with winding down of the older contracts described above. At the end of June the backlog was £1.27 billion, being similar to the position at 31 December 2008 (£1.28 billion) and up 21 per cent on the same time last year. As it is equity accounted, the major contract at Sellafield, with expected income of over £10 million per annum, is not included in the order book.

The order book can be analysed as follows:

- Capex 34%; Opex 66% (30 June 2008: Capex 21%; Opex 79%)
- UK/Europe 60%; Americas 40% (30 June 2008: UK/Europe 77%; Americas 23%).

Power and Process has seen further success in terms of major contract awards resulting from strategic relationship management and other aspects of the Operational Excellence programme. During the first half, major contract awards included:

- National Grid: five year contract to support capital investment in the electricity transmission infrastructure in New York State (US)
- EDF Energy: three year contract for mechanical, electrical and instrumentation installation at the new West Burton Combined Cycle Gas Turbine power station (UK).

In April 2009, AMEC signed a major joint venture agreement with the Korea Electric Power Corporation (KEPCO), the Korea Gas Corporation (KOGAS) and the Korea Development Bank (KDB) to develop energy-related business opportunities and projects in South Korea and internationally. The joint venture was established in July 2009, with AMEC providing start up capital of £0.3 million in cash and having a 54 per cent shareholding.

Further details on these, and other Power and Process announcements, may be found at amec.com/media.

With the order book having increased by 21 per cent over the last 12 months, Power and Process expects see revenue performance in the second half of 2009 to be stronger than the first six months of the year. Profits in the second half will benefit from the discontinuation of losses on older contracts. However, profit recognition on the Sellafield contract is expected to be weighted towards the first half of each year, as the year end for the performance incentivised contract is 31 March.

Earth and Environmental

AMEC's Earth and Environmental business provides specialist environmental, geotechnical, programme management and consultancy services to a broad range of customers in the public and private sectors, primarily in North America. Earth and Environmental operates from a regional network and is characterised by a large number of small value contracts.

£ million	H1 2009	H1 2008	Change	Underlying ¹
Revenue	243.6	165.8	+47%	+4%
EBITA	17.4	10.5	+66%	+21%
EBITA margin	7.1%	6.3%	+80bps	
Order book	0.22bn	0.14bn	+57%	
Average employees ²	4,223	3,575	+18%	

¹ Growth measured against H1 2008 as restated for material acquisitions and movements in material currencies.

² Full time equivalents, including agency staff.

Earth and Environmental continues to perform well and benefited during the period from the acquisition of Geomatrix in June 2008.

Revenue for the period increased by 47 per cent (four per cent underlying), with EBITA up by 66 per cent (21 per cent underlying) to £17.4 million (2008: £10.5 million). Profit improvement was achieved despite weakness in certain of the division's end markets and clearly demonstrates the high degree of operational flexibility in the business.

The average number of employees in Earth and Environmental for the period increased by 18 per cent on the comparable figure last year, with the increase reflecting acquisitions, particularly Geomatrix (with some 500 employees at the time of acquisition).

Earth and Environmental continues with its strategy of making small acquisitions in selected markets or regions. During the first half, the division made three small acquisitions in Canada:

- March 2009; Philips Engineering Ltd. (Canada); specialist civil engineering consultancy services
- June 2009; Arcas Consulting Archeologists Limited (Canada); archaeological consulting services
- June 2009; Journeaux, Bédard and Assoc. Inc. (Canada); geotechnical, mining and environmental engineering consultancy services.

Further acquisitions are expected as this division continues to build its network of offices across North America and Europe.

Earth and Environmental expects to see the normal underlying seasonal improvement in activity levels in the second half of 2009. Despite ongoing pilot studies, spending associated with stimulus packages in the US and Canada now looks more likely to take place in 2010.

Investments and other activities

This division principally comprises the Incheon Bridge PPP project in Korea, which is expected to be opened in October 2009. The level of other activities in this division continues to decline, reflecting small non-core business disposals.

£ million	H1 2009	H1 2008	change
Revenue	7.9	9.3	-15%
EBITA	(2.1)	(1.2)	nm

nm: not meaningful

FINANCIAL REVIEW

Administrative expenses

Administrative expenses increased by £11.2 million to £91.9 million (2008: £80.7 million) reflecting currency movements, acquisitions, £2.0 million deferred consideration in the Earth and Environmental division and a reduced level of net interest income from the pension schemes.

Corporate costs, which represent the costs of operating the central corporate functions of AMEC and certain regional overheads, were £18.8 million (2008: £17.3 million), with the increase for the period reflecting costs of Operational Excellence.

Exceptional items

Two small businesses were divested during the first half of 2009 generating a small loss on disposal. In addition, there was a net release of provisions reflecting progress made in resolving issues relating to various legacy projects. This resulted in pre-tax exceptional gains of £2.2 million from continuing operations. Further details of exceptional items are provided in note 3.

AMEC continues to make progress in settling legacy disputes where it is reasonable to do so. As previously disclosed, settlement was reached in early 2009 on the major issues on the US Courthouses dispute, within the provisions originally made.

No new significant contingent liabilities were added in the first half of 2009.

Intangible amortisation

Intangible amortisation relates to capitalised software and intangible assets acquired as part of the group's acquisitions. The first half 2009 charge of £6.6 million is £4.0 million higher than in 2008, with the increase due to the acquisitions in the year and the full impact of acquisitions made in 2008.

Tax

Income tax on the profit before exceptional items and intangible amortisation for the six months ended 30 June 2009 is based on an effective rate of 28.7 per cent (six months ended 30 June 2008: 30.9 per cent), which has been calculated by reference to the projected charge for the full year (2008: 30.8 per cent). The reduction principally reflects the agreement of historical items with various tax authorities.

Financial position and net cash

The group remains in an exceptionally strong financial position, with net cash as at 30 June 2009 of £698.8 million (31 December 2008: £764.5 million; 30 June 2008 £600.8 million), of which advance cash from customers was c.£15 million. The half year position is typically weaker than the full year as a result of seasonal working capital movements and the weighting of tax payments to the first half.

Average weekly net cash for the six months ended 30 June 2009 was better than expected, standing at a record level of £690 million.

Expectations for group average weekly net cash in 2009 have improved to c.£700 million. This figure is after taking account of c.£30 million spent on acquisitions in the first half.

During the six months ended 30 June 2008, £94.3 million of this cash was placed on deposit for periods of three to six months. This is shown as short-term investments on the balance sheet.

Pensions

At 30 June 2009, there was a pre-tax surplus under IAS19 on the UK pension schemes of £168.2 million. The expected return on retirement benefit assets is down significantly in 2009 compared with 2008, as a result of conditions in the financial markets. Largely as a consequence of this, the net financing income from pensions, which is included in the income statement in profit before net financing income, is expected to decline by some £12 million in 2009 from the figure of £18.4 million reported in 2008. £6 million of this impact is included in the first half of 2009.

The results of the latest triennial actuarial valuations of the main UK defined benefit schemes have been agreed with the Trustees. The schemes had a surplus of £47 million at the date of the valuation (1 April 2008) on the valuation basis agreed with the Trustees incorporating enhanced longevity assumptions, and it has been agreed that there will be no material change in the overall level of contributions to the schemes going forward.

The schemes operate on a career average salary basis and remain open to future accrual and new entrants.

Provisions

Provisions held at 30 June 2009 were £185.6 million (31 December 2008: £204.3 million). During 2009, c.£17 million of the provisions were utilised, and exchange movements of £12 million on retranslating the opening balances were largely offset by amounts transferred from payables in the balance sheet.

Provisions currently held for future costs of litigation total £53.7 million (31 December 2008: £65.3 million).

As at 30 June 2009	£ million
Litigation provisions	53.7
Indemnities granted to buyers/ retained obligations on disposed businesses	81.3
Insurance and other	50.6
Total	185.6

Issued share capital

As at 17 August 2009, AMEC had a total of 332,660,438 ordinary shares with voting rights. In addition 5,305,433 shares were held in treasury.

Share schemes - share buybacks

AMEC presently holds a total of 5,305,433 shares as treasury shares, all of which have been allocated to the group's SAYE scheme awards up to 2008. Given the likelihood of further share schemes in 2009 and

subsequent years, the group intends to purchase in the market sufficient shares to meet the needs of the schemes, in anticipation of future payouts. The purchases will be made at regular, but not fixed, intervals throughout the year, outside close periods. The shares will be held as treasury shares following purchase.

Business risks and opportunities

AMEC operates in more than 30 countries globally, serving a broad range of markets and customers. As such, the company is subject to certain general and industry-specific risks. Where practicable, the company seeks to mitigate exposure to all forms of risk through effective risk management and risk transfer practices.

AMEC operates predominately in the UK and North America and is therefore particularly affected by political and economic conditions in those markets. The company is not, however, dependent on any one area of economic activity.

Changes in general economic conditions may influence customers' decisions on capital investment and/or asset maintenance, which could lead to volatility in the development of AMEC's order intake. The risk associated with economic conditions resulting in a downturn and affecting the demand for AMEC's services has been addressed, as far as practicable, by seeking to maintain a balanced business portfolio.

AMEC continues to assess and monitor potential impacts from the global economic downturn on project opportunities and address potential increased supply chain risk. Demand for AMEC's services in Natural Resources' end markets remains robust despite some weaknesses in certain areas. There has also been weakness in process industry end markets in US and the Americas and certain of the Earth and Environmental end markets. However, the majority of the reduction in the Power and Process revenue was due to the wind down of older contracts that do not meet the new criteria of low-risk services with high value added and the profit improvement in the Earth and Environmental sector demonstrates the high degree of operational flexibility in the business. The group's order book has remained strong at £3.2 billion (December 2008: £3.3 billion).

Other risks

Other than the specific risks detailed above, the board considers that the nature of the principal risks and uncertainties which may have a material effect on the group's performance in the second half of the year is unchanged from those identified on pages 60 to 63 of the 2008 annual report and accounts. These are environmental and social risk; health and safety; security of employees; business continuity; credit; customer concentration; bidding risk; project execution risk; litigation; pensions; counterparty risk management; funding and liquidity risk; treasury risks; interest rate risk; foreign exchange risk; transaction exposures; translation exposures; information technology; legacy risk; and acquisitions.

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2009

	Note	Before amortisation and exceptional items £ million	Amortisation and exceptional items (note 3) £ million	Total £ million
Continuing operations				
Revenue	2	1,259.7	-	1,259.7
Cost of sales		<u>(1,083.7)</u>	<u>2.2</u>	<u>(1,081.5)</u>
Gross profit		176.0	2.2	178.2
Administrative expenses		(91.9)	(6.6)	(98.5)
Profit on business disposals and closures		<u>-</u>	<u>-</u>	<u>-</u>
Profit/(loss) before net financing income		84.1	(4.4)	79.7
Financial income		<u>6.5</u>	<u>-</u>	<u>6.5</u>
Financial expense		<u>(3.5)</u>	<u>-</u>	<u>(3.5)</u>
Net financing income		3.0	-	3.0
Share of post-tax results of joint ventures		<u>5.7</u>	<u>-</u>	<u>5.7</u>
Profit/(loss) before income tax	2	92.8	(4.4)	88.4
Income tax	4	<u>(24.7)</u>	<u>2.1</u>	<u>(22.6)</u>
Profit/(loss) for the period from continuing operations		68.1	(2.3)	65.8
(Loss)/profit for the period from discontinued operations	5	<u>(1.4)</u>	<u>1.5</u>	<u>0.1</u>
Profit/(loss) for the period		<u>66.7</u>	<u>(0.8)</u>	<u>65.9</u>
Attributable to:				
Equity holders of the parent				<u>65.3</u>
Minority interests				<u>0.6</u>
				<u><u>65.9</u></u>
Basic earnings per share:	6			
Continuing operations				20.0p
Discontinued operations				<u>-</u>
				<u><u>20.0p</u></u>
Diluted earnings per share:	6			
Continuing operations				19.5p
Discontinued operations				<u>-</u>
				<u><u>19.5p</u></u>

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2008
(restated)

	Note	Before amortisation and exceptional items £ million	Amortisation and exceptional items (note 3) £ million	Total £ million
Continuing operations				
Revenue	2	1,255.2	-	1,255.2
Cost of sales		<u>(1,099.2)</u>	<u>-</u>	<u>(1,099.2)</u>
Gross profit		156.0	-	156.0
Administrative expenses		(80.7)	(2.6)	(83.3)
Profit on business disposals and closures		<u>-</u>	<u>4.7</u>	<u>4.7</u>
Profit before net financing income		75.3	2.1	77.4
Financial income		<u>15.9</u>	<u>-</u>	<u>15.9</u>
Financial expense		<u>(1.4)</u>	<u>-</u>	<u>(1.4)</u>
Net financing income		14.5	-	14.5
Share of post-tax results of joint ventures		<u>0.4</u>	<u>-</u>	<u>0.4</u>
Profit before income tax	2	90.2	2.1	92.3
Income tax	4	<u>(27.7)</u>	<u>2.2</u>	<u>(25.5)</u>
Profit for the period from continuing operations		62.5	4.3	66.8
Profit/(loss) for the period from discontinued operations	5	<u>2.8</u>	<u>(1.2)</u>	<u>1.6</u>
Profit for the period		<u>65.3</u>	<u>3.1</u>	<u>68.4</u>
Attributable to:				
Equity holders of the parent				68.5
Minority interests				<u>(0.1)</u>
				<u>68.4</u>
Basic earnings per share:				
Continuing operations	6			20.5p
Discontinued operations				<u>0.5p</u>
				<u>21.0p</u>
Diluted earnings per share:				
Continuing operations	6			20.1p
Discontinued operations				<u>0.5p</u>
				<u>20.6p</u>

CONDENSED CONSOLIDATED INCOME STATEMENT

		Year ended 31 December 2008 (restated)		
	Note	Before amortisation and exceptional items £ million	Amortisation and exceptional items (note 3) £ million	Total £ million
Continuing operations				
Revenue	2	2,606.4	-	2,606.4
Cost of sales		<u>(2,267.4)</u>	<u>-</u>	<u>(2,267.4)</u>
Gross profit		339.0	-	339.0
Administrative expenses		(157.6)	(9.2)	(166.8)
Profit on business disposals and closures		<u>-</u>	<u>109.0</u>	<u>109.0</u>
Profit before net financing income		181.4	99.8	281.2
Financial income		<u>32.1</u>	<u>-</u>	<u>32.1</u>
Financial expense		<u>(6.7)</u>	<u>-</u>	<u>(6.7)</u>
Net financing income		25.4	-	25.4
Share of post-tax results of joint ventures		<u>-</u>	<u>-</u>	<u>-</u>
Profit before income tax	2	206.8	99.8	306.6
Income tax		<u>(62.7)</u>	<u>(34.2)</u>	<u>(96.9)</u>
Profit for the year from continuing operations		144.1	65.6	209.7
Profit/(loss) for the year from discontinued operations	5	<u>1.0</u>	<u>(11.7)</u>	<u>(10.7)</u>
Profit for the year		<u>145.1</u>	<u>53.9</u>	<u>199.0</u>
Attributable to:				
Equity holders of the parent				199.7
Minority interests				<u>(0.7)</u>
				<u>199.0</u>
Basic earnings per share:				
Continuing operations	6			64.5p
Discontinued operations				<u>(3.3)p</u>
				<u>61.2p</u>
Diluted earnings per share:				
Continuing operations	6			63.1p
Discontinued operations				<u>(3.2)p</u>
				<u>59.9p</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million
Profit for the period	65.9	68.4	199.0
Actuarial losses on defined benefit pension schemes	-	-	(113.1)
Tax on actuarial losses	-	-	39.2
Exchange differences on translation of foreign subsidiaries	(52.6)	(7.8)	89.2
Net gain/(loss) on hedges of net investment in foreign subsidiaries	26.5	0.1	(38.6)
Cash flow hedges:			
Effective portion of changes in fair value	8.4	(3.2)	(12.3)
Transferred to the income statement	-	-	(0.3)
Tax on effective portion of changes in fair value of cash flow hedges	(2.3)	-	3.7
Tax on equity-settled share based payments	2.8	(2.5)	(10.1)
Other comprehensive income	(17.2)	(13.4)	(42.3)
Total comprehensive income	48.7	55.0	156.7
Attributable to:			
Equity holders of the parent	48.6	55.1	156.8
Minority interests	0.1	(0.1)	(0.1)
Total comprehensive income	48.7	55.0	156.7

CONDENSED CONSOLIDATED BALANCE SHEET

		30 June 2009	30 June 2008	31 December 2008
	Note	£ million	(restated) £ million	(restated) £ million
ASSETS				
Non-current assets				
Property, plant and equipment		45.5	51.1	50.6
Intangible assets	8	379.0	321.3	388.1
Interests in joint ventures		32.2	26.2	29.4
Other investments		0.9	0.6	1.0
Derivative financial instruments		1.8	0.5	-
Retirement benefit assets		168.2	262.8	165.7
Deferred tax assets		20.3	14.1	24.9
Total non-current assets		647.9	676.6	659.7
Current assets				
Inventories		6.0	14.2	11.7
Trade and other receivables		554.4	608.4	676.0
Derivative financial instruments		1.4	1.2	9.6
Short term investments*		94.3	-	-
Cash and cash equivalents		604.5	600.9	764.6
Total current assets		1,260.6	1,224.7	1,461.9
Total assets		1,908.5	1,901.3	2,121.6
LIABILITIES				
Current liabilities				
Bank loans and overdrafts		-	(0.1)	-
Trade and other payables		(585.1)	(681.2)	(722.5)
Derivative financial instruments		(10.7)	(4.7)	(21.2)
Current tax payable		(50.5)	(45.7)	(81.9)
Total current liabilities		(646.3)	(731.7)	(825.6)
Non-current liabilities				
Bank loans		-	-	(0.1)
Trade and other payables	9	(18.7)	(22.5)	(28.3)
Derivative financial instruments		(15.9)	(3.8)	(33.9)
Retirement benefit liabilities		(8.8)	(11.6)	(9.5)
Deferred tax liabilities		(33.2)	(51.8)	(31.3)
Provisions	10	(185.6)	(187.8)	(204.3)
Total non-current liabilities		(262.2)	(277.5)	(307.4)
Total liabilities		(908.5)	(1,009.2)	(1,133.0)
Net assets	2	1,000.0	892.1	988.6
EQUITY				
Share capital		169.0	168.9	169.0
Share premium account		100.7	100.5	100.7
Hedging and translation reserves		40.2	5.8	59.7
Capital redemption reserve		17.2	17.2	17.2
Retained earnings		670.2	597.6	639.4
Total equity attributable to equity holders of the parent		997.3	890.0	986.0
Minority interests		2.7	2.1	2.6
Total equity		1,000.0	892.1	988.6

* Short term investments represents bank deposits of more than three months term.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £million	Share Premium £million	Hedging Reserve £million	Transl'n reserve £million	Capital redemption reserve £million	Retained earnings £million	Total £million	Minority interests £million	Total equity £million
As at 1 Jan 2009	169.0	100.7	(9.2)	68.9	17.2	639.4	986.0	2.6	988.6
Profit for the period	-	-	-	-	-	65.3	65.3	0.6	65.9
Exchange differences on translation of foreign subsidiaries	-	-	-	(52.1)	-	-	(52.1)	(0.5)	(52.6)
Net gain on hedges of net investment in foreign subsidiaries	-	-	-	26.5	-	-	26.5	-	26.5
Effective portion of changes in fair value of cash flow hedges	-	-	8.4	-	-	-	8.4	-	8.4
Tax on effective portion of changes in fair value of cash flow hedges	-	-	(2.3)	-	-	-	(2.3)	-	(2.3)
Tax on equity-settled share based payments	-	-	-	-	-	2.8	2.8	-	2.8
Other comprehensive income for the period	-	-	6.1	(25.6)	-	2.8	(16.7)	(0.5)	(17.2)
Total comprehensive income for the period	-	-	6.1	(25.6)	-	68.1	48.6	0.1	48.7
Dividends	-	-	-	-	-	(33.1)	(33.1)	-	(33.1)
Equity settled share- based payments	-	-	-	-	-	4.7	4.7	-	4.7
Acquisition of shares by trustees of the Performance Share Plan	-	-	-	-	-	(9.8)	(9.8)	-	(9.8)
Utilisation of treasury shares	-	-	-	-	-	0.9	0.9	-	0.9
As at 30 Jun 2009	169.0	100.7	(3.1)	43.3	17.2	670.2	997.3	2.7	1,000.0
As at 1 Jan 2008	168.7	99.5	(1.9)	18.7	17.2	590.4	892.6	0.8	893.4
Profit for the period	-	-	-	-	-	68.5	68.5	(0.1)	68.4
Exchange differences on translation of foreign subsidiaries	-	-	-	(7.8)	-	-	(7.8)	-	(7.8)
Net gain on hedges of net investment in foreign subsidiaries	-	-	-	0.1	-	-	0.1	-	0.1
Effective portion of changes in fair value of cash flow hedges	-	-	(3.2)	-	-	-	(3.2)	-	(3.2)
Tax on equity-settled share based payments	-	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Other movements	-	-	-	(0.1)	-	0.1	-	-	-
Other comprehensive income for the period	-	-	(3.2)	(7.8)	-	(2.4)	(13.4)	-	(13.4)
Total comprehensive income for the period	-	-	(3.2)	(7.8)	-	66.1	55.1	(0.1)	55.0
Dividends	-	-	-	-	-	(28.6)	(28.6)	-	(28.6)
Shares issued	0.2	1.0	-	-	-	-	1.2	-	1.2
Equity settled share- based payments	-	-	-	-	-	4.5	4.5	-	4.5
Acquisition of shares by trustees of the Performance Share Plan (net)	-	-	-	-	-	(9.3)	(9.3)	-	(9.3)
Acquisition of treasury shares (net)	-	-	-	-	-	(25.5)	(25.5)	-	(25.5)
Acquisition of businesses	-	-	-	-	-	-	-	1.4	1.4
As at 30 Jun 2008	168.9	100.5	(5.1)	10.9	17.2	597.6	890.0	2.1	892.1

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million
Cash flow from operating activities			
Profit before income tax from continuing operations	88.4	92.3	306.6
Profit before income tax from discontinued operations	3.6	2.3	(11.6)
	92.0	94.6	295.0
Financial income	(6.5)	(15.9)	(32.1)
Financial expense	3.5	1.4	6.7
Share of post-tax results of joint ventures	(5.7)	(0.4)	-
Intangible amortisation	6.6	2.6	9.2
Depreciation	6.7	7.3	19.2
Profit on disposal of businesses	(2.7)	(5.3)	(110.6)
Profit on disposal of property, plant and equipment	(0.1)	(0.8)	(2.8)
Difference between contributions to retirement benefit schemes and amounts recognised	(2.5)	(9.0)	(32.2)
Equity settled share-based payments	4.7	4.5	9.3
	96.0	79.0	161.7
Decrease/(increase) in inventories	5.7	(4.1)	(1.6)
Decrease/(increase) in trade and other receivables	127.9	(55.7)	(118.5)
(Decrease)/increase in trade and other payables and provisions	(169.4)	(14.1)	27.4
	60.2	5.1	69.0
Cash generated from operations			
Interest paid	(1.2)	(1.4)	(7.5)
Tax paid	(49.4)	(42.8)	(73.2)
	9.6	(39.1)	(11.7)
Net cash flow from operating activities			
Cash flow from investing activities			
Acquisition of businesses (net of cash acquired)	(29.3)	(77.8)	(87.5)
Purchase of joint ventures	(2.7)	(1.3)	(5.2)
Purchase of property, plant and equipment	(8.0)	(8.1)	(20.7)
Purchase of intangible assets	(0.6)	(1.1)	(0.9)
Investment in short-term bank deposits	(94.3)	-	-
Disposal of businesses (net of cash disposed of)	0.9	14.0	136.7
Disposal of joint ventures and other investments	-	11.2	18.7
Disposal of property, plant and equipment	0.5	2.6	13.1
Interest received	4.6	15.9	32.0
Dividends received from joint ventures	3.7	0.1	0.6
	(125.2)	(44.5)	86.8
Net cash flow from investing activities			
Net cash flow before financing activities	(115.6)	(83.6)	75.1
Cash flow from financing activities			
Repayment of loans	(0.1)	(0.2)	(0.1)
Dividends paid	(17.8)	(15.5)	(43.7)
Proceeds from shares issued	-	1.2	1.5
Disposal/(acquisition) of treasury shares	0.9	(25.5)	(21.8)
Acquisition of shares by trustees of the Performance Share Plan	(9.8)	(9.3)	(8.8)
	(26.8)	(49.3)	(72.9)
Net cash flow from financing activities			
(Decrease)/increase in cash and cash equivalents	(142.4)	(132.9)	2.2
Cash and cash equivalents as at the beginning of the period	764.6	733.4	733.4
Exchange (losses)/gains on cash and cash equivalents	(17.7)	0.3	29.0
Cash and cash equivalents as at the end of the period	604.5	600.8	764.6

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	30 June 2009 £ million	30 June 2008 £ million	31 December 2008 £ million
Cash at bank and in hand	111.0	122.1	124.0
Short-term investments (less than three months)	493.5	478.8	640.6
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents disclosed on the balance sheet	604.5	600.9	764.6
Overdrafts	-	(0.1)	-
	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents	604.5	600.8	764.6
Short-term investments (more than three months)	94.3	-	-
Non-current debt	-	-	(0.1)
	<hr/>	<hr/>	<hr/>
Net cash as at the end of the period	698.8	600.8	764.5
	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

1. PREPARATION OF INTERIM RESULTS

This condensed set of accounts has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU.

As required by the Disclosure and Transparency Rules of the Financial Services Authority, the condensed set of accounts has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated accounts for the year ended 31 December 2008 other than as noted below and except for the group's tax measurement basis (see note 4).

IFRIC 14 "IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" was adopted during the period. Adoption of this interpretation has no impact on the group's reported results or financial position. On adoption, tax on the retirement benefit asset has been reclassified as deferred tax on the balance sheet. This deferred tax liability had previously been taken into account in measuring the retirement benefit asset. The impact of restating the balance sheet for this change in presentation is to increase the retirement benefit asset as at 30 June 2008 by £92.0 million (31 December 2008 : £58.0 million), decrease the deferred tax asset as at 30 June 2008 by £40.2 million (31 December 2008 : £26.7 million), and increase the deferred tax liability as at 30 June 2008 by £51.8 million (31 December 2008 : £31.3 million).

IFRS 8 "Operating Segments" was adopted during the period. This more closely aligns the disclosure of segment information to internal management information. Adoption of this standard has no impact on the group's reported results or financial position.

IAS 1 "Presentation of Financial Statements" (revised September 2007) was adopted during the period. This results in a number of terminology changes and changes in presentation and disclosure, including presenting a consolidated statement of comprehensive income to replace the consolidated statement of recognised income and expense, and the inclusion of a consolidated statement of changes in equity.

The condensed consolidated income statement for the six months ended 30 June 2008 has been restated to present the amortisation charge on intangible assets of £2.6 million less tax of £0.8 million in a separate column together with exceptional items. This presentation is considered to give a better indication of the underlying profit in the business and is consistent with the presentation adopted in the consolidated accounts for the year ended 31 December 2008. The condensed consolidated income statements for the six months ended 30 June 2008 and the year ended 31 December 2008 have also been restated to adjust the reported results of the Nuclear businesses from a full absorption costing basis under which all overheads were included in cost of sales to a basis consistent with the rest of the group whereby fixed overheads are reported as administrative expenses. Cost of sales for the six months ended 30 June 2008 has been reduced by £12.3 million (year ended 31 December 2008 : £25.1 million) and administration expenses increased by the same amount. These restatements have no impact on the group's reported profit.

The comparative figures for the year ended 31 December 2008 are not the group's statutory accounts for that financial year but are an extract from those accounts. The statutory accounts for the year ended 31 December 2008 have been reported on by the group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The consolidated accounts for the year ended 31 December 2008 were prepared in line with IFRS as adopted by the EU.

1. PREPARATION OF INTERIM RESULTS *(continued)*

The preparation of condensed accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Some of these policies require a high level of judgement, and AMEC believes that the most critical accounting policies and significant areas of judgement and estimation arise from the accounting for defined benefit pension schemes under IAS 19 'Employee benefits', for long-term contracts under IAS 11 'Construction contracts' and for provisions under IAS 37 'Provisions, contingent liabilities and contingent assets'.

Defined benefit pension schemes are accounted for in accordance with the advice of independent qualified actuaries but significant judgements are required in relation to the assumptions for future salary and pension increases, inflation, the discount rate applied to the liabilities, investment returns and member longevity that underpin their valuations.

A significant amount of the group's activities are undertaken via long-term contracts. These contracts are accounted for in accordance with IAS 11 which requires estimates to be made for contract costs and revenues.

Management base their judgements of contract costs and revenues on the latest available information, which includes detailed contract valuations. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates of contract costs and revenues are updated regularly and significant changes are highlighted through established internal review procedures. In particular, the internal reviews focus on the timing and recognition of incentive payments and the age and recoverability of any unagreed income from variations to the contract scope or claims. The impact of the changes in accounting estimates is then reflected in the ongoing results.

When accounting for provisions for litigation and other items the group has taken internal and external advice in considering known legal claims and actions made by or against the group. It carefully assesses the likelihood of success of a claim or action. Appropriate provisions are made for legal claims or actions against the group on the basis of likely outcome, but no provisions are made for those which in the view of management are unlikely to succeed.

Cash deposits and financial transactions give rise to credit risk in the event that counterparties fail to perform under the contract. AMEC manages these risks by ensuring that surplus funds are placed with a diversified range of 25-30 mainstream banks and with each counterparty up to a pre-approved limit. These limits are set at prudent levels by the board, are based primarily on credit ratings set by Moody's, Standard & Poors and Fitch and have been reviewed in light of the recent market turbulence.

The board's policy is to maintain a strong capital base and the group has remained in a net cash position throughout the period.

An interim revaluation of the pension liability has not been carried out as at 30 June 2009 and accordingly there is no actuarial gain or loss reported in the condensed consolidated statement of comprehensive income. The actuarial gain or loss for the year ended 31 December 2009 together with the position as at 31 December 2009 will be presented in the 2009 annual report and accounts.

During 2006 IFRIC 12 on service concession arrangements was issued. This interpretation has been adopted for use in the EU in respect of accounting periods beginning on or after 29 March 2009. In view of this, the directors consider that it remains appropriate to apply the approach set out in Appendix Note F of the UK Financial Reporting Standard 5 "Reporting the substance of transactions" in determining the accounting model to be applied to AMEC's PPP activities. This involves applying a "risks and rewards" test to determine whether a non-current asset or finance debtor model should be followed. The directors do not expect this accounting policy to be significantly different to that under IFRIC 12.

The directors are satisfied that the group has adequate resources to operate for the foreseeable future. As at 30 June 2009 the group held net cash of £698.8 million and forecasts for the business indicate average weekly net cash for 2009 of £700 million.

The company had committed facilities of £315 million available as at 31 December 2008, of which £122 million lapsed on 27 February 2009 and £193 million on 9 July 2009. Given the group's significant cash resources the decision was made, during 2008, not to renew the facilities. This decision has been kept under review during 2009. However, appropriate facilities will be maintained to meet ongoing requirements for performance related bonding and letters of credit.

2. SEGMENTAL ANALYSIS OF CONTINUING OPERATIONS

AMEC has three divisions that offer high-value consultancy, engineering and project management services to different end markets in the world's energy, power and process industries. AMEC is organised by division, each of which is managed separately and considered to be a reportable segment. The Investments and Other activities segment comprises various legacy businesses. Details of the services offered by each division and the end markets in which they operate are given in segmental review on pages 5 to 9.

	Revenue			Profit/(loss)		
	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million
Class of business:						
Natural Resources	631.5	561.7	1,204.2	73.0	56.6	129.3
Power and Process	406.4	535.8	1,021.8	25.0	27.3	58.3
Earth and Environmental	243.6	165.8	400.2	17.4	10.5	33.5
Investments and Other activities	7.9	9.3	20.0	(2.1)	(1.2)	1.2
	<u>1,289.4</u>	<u>1,272.6</u>	<u>2,646.2</u>	<u>113.3</u>	<u>93.2</u>	<u>222.3</u>
Internal revenue	(29.7)	(17.4)	(39.8)			
	<u>1,259.7</u>	<u>1,255.2</u>	<u>2,606.4</u>			
Corporate costs ¹				(18.8)	(17.3)	(37.4)
EBITA ²				94.5	75.9	184.9
Other items ³				(2.0)	-	(2.1)
Intangible amortisation				(6.6)	(2.6)	(9.2)
Exceptional items				2.2	4.7	109.0
Net financing income				3.0	14.5	25.4
Tax on results of joint ventures				(2.7)	(0.2)	(1.4)
Profit before income tax				<u>88.4</u>	<u>92.3</u>	<u>306.6</u>
Geographical origin:						
United Kingdom	381.8	535.5	1,017.1	15.6	24.9	39.1
Canada	369.4	325.3	718.5	48.9	46.1	114.6
United States	346.6	226.1	535.1	30.3	10.9	38.1
Rest of the World	161.9	168.3	335.7	18.5	11.3	30.5
	<u>1,259.7</u>	<u>1,255.2</u>	<u>2,606.4</u>	<u>113.3</u>	<u>93.2</u>	<u>222.3</u>
Corporate costs ¹				(18.8)	(17.3)	(37.4)
EBITA ²				94.5	75.9	184.9
Other items ³				(2.0)	-	(2.1)
Intangible amortisation				(6.6)	(2.6)	(9.2)
Exceptional items				2.2	4.7	109.0
Net financing income				3.0	14.5	25.4
Tax on results of joint ventures				(2.7)	(0.2)	(1.4)
Profit before income tax				<u>88.4</u>	<u>92.3</u>	<u>306.6</u>

¹Corporate costs comprise the costs of operating central corporate functions and certain regional overheads.

²Adjusted earnings before net financing income, tax, intangible amortisation, pre-tax exceptional items and £2.0 million relating to elements of deferred consideration on acquisitions in the Earth and Environmental division, but including joint venture profit before tax.

³Other items comprise elements of deferred consideration on acquisitions in the Earth and Environmental division which, in line with IFRS 3, are included in profit before net financing income in the income statement, but are excluded from the measure of segment profit reported.

2. SEGMENTAL ANALYSIS OF CONTINUING OPERATIONS (continued)

	Net assets/(liabilities)		
	30 June 2009 £ million	30 June 2008 £ million	31 December 2008 £ million
Class of business:			
Natural Resources	50.7	38.7	46.4
Power and Process	(1.4)	(3.3)	6.3
Earth and Environmental	53.0	46.9	49.6
Investments and Other activities	<u>(189.8)</u>	<u>(213.6)</u>	<u>(241.7)</u>
	(87.5)	(131.3)	(139.4)
Goodwill	333.5	282.0	345.5
Other intangible assets	45.5	39.3	42.6
Net cash	698.8	600.8	764.5
Unallocated net assets/(liabilities)	<u>9.7</u>	<u>101.3</u>	<u>(24.6)</u>
	<u>1,000.0</u>	<u>892.1</u>	<u>988.6</u>

Unallocated net assets/(liabilities) principally comprise assets and liabilities relating to the pension schemes, dividends and taxation and are not directly related to the activities of the segments.

	Total assets		
	30 June 2009 £ million	30 June 2008 £ million	31 December 2008 £ million
Class of business:			
Natural Resources	293.8	313.0	327.8
Power and Process	191.8	231.5	254.1
Earth and Environmental	111.7	102.7	146.4
Investments and Other activities	<u>41.3</u>	<u>52.1</u>	<u>39.8</u>
	638.6	699.3	768.1
Goodwill	333.5	282.0	345.5
Other intangible assets	45.5	39.3	42.6
Cash and cash equivalents	698.8	600.9	764.6
Unallocated assets	<u>192.1</u>	<u>279.8</u>	<u>200.8</u>
	<u>1,908.5</u>	<u>1,901.3</u>	<u>2,121.6</u>

3. AMORTISATION AND EXCEPTIONAL ITEMS

	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million
Natural Resources	-	6.5	6.9
Power and Process	0.4	0.1	-
Earth and Environmental	0.2	-	-
Investments and Other activities	<u>1.6</u>	<u>(1.9)</u>	<u>102.1</u>
Exceptional items of continuing operations	2.2	4.7	109.0
Taxation on exceptional items of continuing operations	0.3	1.4	(37.2)
Exceptional items of discontinued operations (post-tax)	<u>1.5</u>	<u>(1.2)</u>	<u>(11.7)</u>
Post-tax exceptional items	4.0	4.9	60.1
Post-tax amortisation of intangible assets	<u>(4.8)</u>	<u>(1.8)</u>	<u>(6.2)</u>
Post-tax amortisation and exceptional items	<u>(0.8)</u>	<u>3.1</u>	<u>53.9</u>

3. AMORTISATION AND EXCEPTIONAL ITEMS (continued)

Exceptional items are further analysed as follows:

Six months ended 30 June 2009

	(Losses)/ gains on disposals £ million	Other exceptional items £ million	Total £ million
Continuing operations	(2.2)	4.4	2.2
Discontinued operations	4.9	-	4.9
Profit before tax	2.7	4.4	7.1
Tax	(2.4)	(0.7)	(3.1)
Profit after tax	0.3	3.7	4.0

Two small businesses were divested in the first half and, together with foreign exchange movements on provisions established on the disposal of AMEC SPIE in 2007, resulted in an exceptional pre-tax gain on disposal of £2.7 million.

Other exceptional items of £4.4 million arise from a net release of provisions following positive developments in relation to outstanding matters on various legacy projects.

Six months ended 30 June 2008

	Gains/ (losses) on disposals £ million	Other exceptional items £ million	Total £ million
Continuing operations	5.4	(0.7)	4.7
Discontinued operations	(0.1)	(0.4)	(0.5)
Profit/(loss) before tax	5.3	(1.1)	4.2
Tax	(2.2)	2.9	0.7
Profit after tax	3.1	1.8	4.9

Two peripheral businesses were sold in the six months ended 30 June 2008, resulting in exceptional pre-tax gains on disposal of £5.3 million. Other exceptional items include provision and other adjustments in relation to outstanding matters on various legacy projects.

Year ended 31 December 2008

	Gains/ (losses) on disposals £ million	Other exceptional items £ million	Total £ million
Continuing operations	110.7	(1.7)	109.0
Discontinued operations	(0.1)	(11.7)	(11.8)
Profit/(loss) before tax	110.6	(13.4)	97.2
Tax	(37.6)	0.5	(37.1)
Profit/(loss) after tax	73.0	(12.9)	60.1

During the year to 31 December 2008, the UK Wind Developments business, excluding AMEC's share of the Isle of Lewis development, and a number of smaller businesses were sold resulting in an aggregate pre-tax exceptional gain of £110.6 million (post-tax: £73.0 million). Other exceptional items include provision and other adjustments in relation to outstanding matters on various legacy projects.

4. INCOME TAX

Income tax on the profit before exceptional items and intangible amortisation for the six months ended 30 June 2009 is based on an effective rate of 28.7 per cent (six months ended 30 June 2008 : 30.9 per cent), which has been calculated by reference to the projected charge for the full year.

5. PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

Discontinued operations include the non-core Built Environment businesses, pipeline construction activities and AMEC SPIE.

The results of discontinued operations were as follows and arise primarily as a consequence of adjustment to amounts provided on disposals, together with foreign exchange movements on these provision balances:

	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million
Revenue	-	0.2	0.1
Cost of sales and net operating expenses	<u>(1.3)</u>	<u>2.6</u>	<u>0.1</u>
(Loss)/profit before income tax and exceptional items	(1.3)	2.8	0.2
Attributable tax	<u>(0.1)</u>	<u>-</u>	<u>0.8</u>
Pre-exceptional (loss)/profit after income tax	(1.4)	2.8	1.0
Exceptional items – litigation and exit of businesses	-	(0.4)	(11.7)
Attributable tax on exceptional items	-	-	0.4
Profit/(loss) on disposal	4.9	(0.1)	(0.1)
Attributable tax on profit/(loss) on disposal	<u>(3.4)</u>	<u>(0.7)</u>	<u>(0.3)</u>
Profit/(loss) for the period from discontinued operations	<u>0.1</u>	<u>1.6</u>	<u>(10.7)</u>

6. EARNINGS PER SHARE

Total basic and diluted earnings per share are shown on the face of the income statement. The calculation of the average number of shares in issue has been made having deducted the shares held by the trustees of the Performance Share Plan and Transformation Incentive Plan, those held by the qualifying employee share ownership trust and those held in treasury by the company.

	Six months ended 30 June 2009			Six months ended 30 June 2008			Year ended 31 December 2008		
	Earnings £ million	Weighted average shares number million	Earnings per share pence	Earnings £ million	Weighted average shares number million	Earnings per share pence	Earnings £ million	Weighted average shares number million	Earnings per share pence
Basic earnings from continuing operations	65.2	326.2	20.0	66.9	326.6	20.5	210.4	326.3	64.5
Share options	-	0.6	-	-	2.8	(0.1)	-	1.5	(0.3)
Employee share and incentive schemes	-	7.3	(0.5)	-	4.3	(0.3)	-	5.7	(1.1)
Diluted earnings from continuing operations	<u>65.2</u>	<u>334.1</u>	<u>19.5</u>	<u>66.9</u>	<u>333.7</u>	<u>20.1</u>	<u>210.4</u>	<u>333.5</u>	<u>63.1</u>
Basic earnings/(loss) from discontinued operations	0.1	326.2	-	1.6	326.6	0.5	(10.7)	326.3	(3.3)
Share options	-	0.6	-	-	2.8	-	-	1.5	-
Employee share and incentive schemes	-	7.3	-	-	4.3	-	-	5.7	0.1
Diluted earnings from discontinued operations	<u>0.1</u>	<u>334.1</u>	<u>-</u>	<u>1.6</u>	<u>333.7</u>	<u>0.5</u>	<u>(10.7)</u>	<u>333.5</u>	<u>(3.2)</u>

6. EARNINGS PER SHARE (continued)

Basic and diluted profit from continuing operations is calculated as set out below:

	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	Year ended 31 December 2008 £ million
Profit for the period from continuing operations (Profit)/loss attributable to minority interests	<u>65.8</u> <u>(0.6)</u>	<u>66.8</u> <u>0.1</u>	<u>209.7</u> <u>0.7</u>
Basic and diluted profit from continuing operations	<u>65.2</u>	<u>66.9</u>	<u>210.4</u>

In order to appreciate the effects of intangible amortisation, exceptional items and the elements of deferred consideration on Earth and Environmental acquisitions which are reported within EBIT on the reported performance, additional calculations of earnings per share are presented.

	Six months ended 30 June 2009			Six months ended 30 June 2008		
	Earnings £ million	Weighted average shares number million	Earnings per share pence	Earnings £ million	Weighted average shares number million	Earnings per share pence
Basic earnings from continuing operations	65.2	326.2	20.0	66.9	326.6	20.5
Exceptional items (post-tax)	(2.5)	-	(0.8)	(6.1)	-	(1.8)
Intangible amortisation (post-tax)	4.8	-	1.5	1.8	-	0.5
Deferred consideration (post-tax)	2.0	-	0.6	-	-	-
Basic earnings before exceptional items and intangible amortisation	<u>69.5</u>	<u>326.2</u>	<u>21.3</u>	<u>62.6</u>	<u>326.6</u>	<u>19.2</u>
Share options	-	0.6	-	-	2.8	(0.2)
Employee share and incentive schemes	-	7.3	(0.5)	-	4.3	(0.2)
Diluted earnings before exceptional items and intangible amortisation	<u><u>69.5</u></u>	<u><u>334.1</u></u>	<u><u>20.8</u></u>	<u><u>62.6</u></u>	<u><u>333.7</u></u>	<u><u>18.8</u></u>

7. DIVIDENDS

After the balance sheet date the directors declared a dividend of 6.1 pence per share payable on 4 January 2010 to equity holders on the register at the close of business on 27 November 2009. This dividend has not been provided for and there are no income tax consequences for the company.

Dividends totalling £17.8 million were paid during the six months ended 30 June 2009.

8. INTANGIBLE ASSETS

	Goodwill £ million	Software £ million	Other £ million	Total £ million
Cost:				
As at 1 January 2009	380.2	7.9	57.6	445.7
Exchange and other movements	(27.6)	(0.4)	(3.6)	(31.6)
Acquisition of businesses	12.9	-	9.0	21.9
Additions	-	0.5	-	0.5
Reclassifications from property, plant and equipment	-	5.7	0.6	6.3
As at 30 June 2009	365.5	13.7	63.6	442.8
Amortisation:				
As at 1 January 2009	34.7	5.3	17.6	57.6
Exchange and other movements	(2.7)	(0.3)	(1.5)	(4.5)
Provided during the period	-	0.3	6.3	6.6
Reclassifications from property, plant and equipment	-	3.9	0.2	4.1
As at 30 June 2009	32.0	9.2	22.6	63.8
Net book value:				
As at 30 June 2009	333.5	4.5	41.0	379.0
Cost:				
As at 1 January 2008	245.4	5.9	13.0	264.3
Exchange and other movements	(4.9)	-	(0.4)	(5.3)
Acquisition of businesses	70.8	-	32.7	103.5
Additions	-	1.1	-	1.1
As at 30 June 2008	311.3	7.0	45.3	363.6
Amortisation:				
As at 1 January 2008	30.0	4.2	6.3	40.5
Exchange and other movements	(0.7)	-	(0.1)	(0.8)
Provided during the period	-	0.1	2.5	2.6
As at 30 June 2008	29.3	4.3	8.7	42.3
Net book value:				
As at 30 June 2008	282.0	2.7	36.6	321.3

9. NON-CURRENT LIABILITIES

Trade and other payables of £18.7 million (30 June 2008: £22.5 million) comprises the long-term element of deferred and contingent consideration on acquisitions.

10. PROVISIONS

The nature and measurement bases of the group's provisions are unchanged from those presented in the 2008 annual report and accounts.

	Litigation settlement and future legal costs £ million	Indemnities granted and retained obligations on disposed businesses £ million	Insurance £ million	Onerous property contracts £ million	Total £ million
As at 1 January 2009	65.3	87.9	41.3	9.8	204.3
Exchange movements	(5.1)	(6.8)	-	-	(11.9)
Transfer from trade and other payables	7.6	1.5	-	-	9.1
Utilised	(12.2)	(1.3)	(3.8)	-	(17.3)
Charged/(credited) to the income statement:					
Additional provisions	4.5	5.0	4.3	-	13.8
Unused amounts reversed	(6.4)	(5.0)	-	(1.0)	(12.4)
As at 30 June 2009	53.7	81.3	41.8	8.8	185.6
As at 1 January 2008	71.5	78.9	39.9	9.1	199.4
Exchange movements	-	3.4	-	-	3.4
Utilised	(7.7)	(3.1)	-	(0.1)	(10.9)
Charged/(credited) to the income statement:					
Additional provisions	11.6	-	3.1	0.2	14.9
Unused amounts reversed	(14.6)	(4.4)	-	-	(19.0)
As at 30 June 2008	60.8	74.8	43.0	9.2	187.8

11. SHARE-BASED PAYMENTS

Share awards granted during the period under the Performance Share Plan are as follows:

	Weighted average fair value	Number of shares
Share awards granted during the period	<u>377p</u>	<u>1,774,607</u>

The terms and conditions of the Performance Share Plan are disclosed in the 2008 annual report and accounts.

The fair value of the award was measured using the Monte Carlo model and the inputs are as follows:

Weighted average fair value at measurement date	377p
Share price	534p
Expected share price volatility	35%
Expected dividend yield	2.5%
Comparator share price volatility	31%
Correlation between two companies in comparator group	40%

The basis of measuring fair value is consistent with that disclosed in the 2008 annual report and accounts.

12. ACQUISITIONS

All the following purchases have been accounted for as acquisitions. None of the businesses acquired made a material contribution to consolidated revenue and profit in the period from their acquisition to 30 June 2009. Their revenue and profit for the six month period ending 30 June 2009 were also not material to the group.

Intangible assets recognised at fair value on the acquisition of these businesses included brands, trade names, customer relationships, order backlogs and non-compete agreements.

Performance Improvements Group Limited (PI)

On 26 January 2009, the group acquired all of the shares in PI. PI is based in the UK and is an asset optimisation consultancy services company.

The amounts recognised in respect of identifiable assets and liabilities relating to the acquisition of PI were as follows:

	Book value £ million	Fair value adjustments £ million	Recognised value £ million
Property, plant and equipment	0.3	-	0.3
Intangible assets	-	7.5	7.5
Trade and other receivables	4.8	-	4.8
Cash and cash equivalents	(0.7)	-	(0.7)
Trade and other payables	(2.4)	-	(2.4)
Deferred tax liability	-	(2.1)	(2.1)
Net identifiable assets and liabilities	<u>2.0</u>	<u>5.4</u>	<u>7.4</u>
Goodwill on acquisition			<u>7.5</u>
			<u>14.9</u>
Consideration			
Cash - paid on completion			12.8
- deferred			1.8
Cost of acquisition			<u>0.3</u>
			<u>14.9</u>

Goodwill has arisen on the acquisition of PI primarily through the benefits gained of combining PI's performance improvement skills with AMEC's project management and engineering expertise to enhance value for customers.

Other

A number of other smaller acquisitions were made in the period ended 30 June 2009 for £5.5 million in cash paid on completion. A further £1.8 million of conditional consideration may be paid in respect of these acquisitions. The aggregate fair value of identifiable net assets was £1.9 million and goodwill arising on acquisitions was £5.4 million. The aggregate book value of net assets acquired was £0.4 million. Due to the proximity of these acquisitions to the period end, this initial accounting for these acquisitions has been determined only provisionally.

Goodwill has been recognised on these acquisitions as a result of skilled workforces which did not meet the criteria for recognition as intangible assets at the dates of recognition.

A further £10.0 million was paid in the period in respect of 2008 acquisitions.

13. CONTINGENT LIABILITIES

There have been no significant changes to contingent liabilities during the six months ended 30 June 2009.

14. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2009 there were a number of transactions with joint venture entities.

The transactions and related balances outstanding with joint ventures are as follows:

	Value of transactions		Outstanding balance	
	Six months ended 30 June 2009 £ million	Six months ended 30 June 2008 £ million	30 June 2009 £ million	30 June 2008 £ million
Services rendered	<u>24.0</u>	<u>56.6</u>	<u>5.6</u>	<u>8.3</u>

There have been no significant changes in the nature of related party transactions since those described in the last annual report.

15. POST BALANCE SHEET EVENT

On 20 July 2009, AMEC announced that it had signed an agreement to acquire GRD Limited by way of a scheme of arrangement for a total consideration of £52 million (A\$106 million) in cash. GRD Limited is an engineering and project development company based in Perth, Australia, which employs 850 people globally. It is listed on the Australian Stock Exchange. The transaction remains conditional on factors including GRD shareholder approval and is expected to complete in October 2009.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- The condensed set of accounts has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU.
- The interim management report includes a fair review of the information required by:
 - DTR 4.2.7R of the “Disclosures and Transparency Rules”, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the “Disclosure and Transparency Rules”, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

S Y BRIKHO
Chief Executive

I P McHOUL
Chief Financial Officer

27 August 2009

INDEPENDENT REVIEW REPORT BY KPMG AUDIT Plc TO AMEC plc

Introduction

We have been engaged by the company to review the condensed set of accounts in the half-yearly financial report for the six months ended 30 June 2009 which comprises the condensed consolidated Income Statement, condensed consolidated Statement of Comprehensive Income, condensed consolidated Balance Sheet, condensed consolidated Statement of Changes in Equity, condensed consolidated Cash Flow Statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of accounts.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 1, the annual accounts of the group are prepared in accordance with IFRS as adopted by the EU. The condensed set of accounts included in this half-yearly financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of accounts in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Review conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of accounts in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Richard Pinckard
for and on behalf of KPMG Audit Plc
Chartered Accountants
Salisbury Square
London
EC4Y 8BB

27 August 2009