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AMEC plc INTERIM MANAGEMENT STATEMENT

- Year to-date trading in line with expectations
- Continued strength in demand, led by Natural Resources and Earth and Environmental
- Further improvement in group EBITA margin continues to be expected in 2009
- Group order book £3.4 billion (April 2008: £2.7 billion; December 2008: £3.3 billion)
- FY 2009 average net cash before acquisitions expected to be c.£670 million

Chief Executive Samir Brikho said:

“AMEC has made a good start to the year and remains on track to deliver another year of improved performance in 2009.

“We continue to win major project work and view the future with measured confidence. Despite the limited impact of project deferrals and cancellations, our order book continues to grow. Our Operational Excellence programme is now over 75 per cent complete and we expect to deliver net benefits of over £40 million by the end of 2010. AMEC’s net cash position remains exceptionally strong and we continue to monitor opportunities for growth through selective acquisition.”

AMEC is holding its annual general meeting at 10.30am today in London, UK. At the meeting, Chief Executive Samir Brikho will update shareholders on the group’s strategic progress and the outlook.

AMEC expects to announce interim results for the six months ending 30 June 2009 on Thursday, 27 August 2009.

Conference call

A telephone conference call for analysts and investors will be held at 8.30am today.

Forward looking statements

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.

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AMEC has made a good start to the year. Demand for AMEC's services remained solid during the first quarter, against the trend of general weakness in certain industry sectors such as the Canadian Oil Sands. This reflected the group's balanced portfolio of services and improved competitive position, together with the business model, under which AMEC benefits from alignment with customers' goals and objectives. The average number of employees* continues to increase, being slightly ahead of the figure for the comparable period in 2008.

The group order book remains strong, standing at £3.4 billion at the end of April. At the same date, revenue cover for 2009 was around 75 per cent, having developed as expected over the first four months of the year with new contract awards, scope changes on existing contracts and walk-in work. The impact of deferral or cancellation of existing and prospective contracts across the group during the first four months of 2009 was not material.

* Full time equivalents, including agency staff for the period January – April 2009

Outlook

The board's expectations for 2009 remain unchanged from the time of the group's preliminary results announcement in March.

The order book gives good visibility for 2009 and beyond, and there remains a strong and diverse range of attractive prospective contracts across the group. Given ongoing market uncertainty, AMEC continues to acknowledge the risk that customers may curtail capital spending during the course of the year.

The group continues to expect further improvement in EBITA margin in 2009, and remains on track to deliver on its margin target of 8.5 per cent in 2010. The Operational Excellence programme is now over 75 per cent complete, and is expected to produce recurring net benefits in excess of £40 million per annum by the end of 2010. 2009 investment in Operational Excellence will be similar to 2008 at up to £10 million, but this is expected to be more than offset by benefits during the year.

The group expects to make further selective acquisitions during 2009, with the focus being on improving AMEC's competitive position through investment in people, capabilities, and geographic footprint.

The group continues to view the future with measured confidence and expects 2009 to be another year of improved performance.

Segmental performance

Natural Resources

Demand for AMEC's services has remained generally good. Despite weakness in certain of Natural Resources' chosen end markets such as the Canadian Oil Sands, visibility has improved as a result of recent major contract wins. Opex activities have remained robust and AMEC continues to win work on major new capex projects, with customers recognising AMEC's ability to support their objectives of delivering projects safely, on time and on budget.

The Natural Resources order book at the end of April was a record £1.72 billion, being up 27 per cent on the same time last year and slightly ahead of the position at 31 December 2008 (£1.71 billion).

Since the preliminary results announcement in March, contracts have been announced for Capex services on BP Sharjah's onshore gas facilities in Sharjah, United Arab Emirates; INPEX's Ichthys development, offshore Western Australia and BG Group's UK assets in the North Sea. (Note that the INPEX award is excluded from order book figure shown above).

The average number of employees in Natural Resources for the period January - April 2009 was 9,687, some nine per cent below the comparable figure last year. The reduction reflects improved operational efficiency in the business, changes in business mix and staff transferring to new employment contracts under TUPE* arrangements upon the change of ownership of an oil and gas asset in late 2008.

* The Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

Power and Process

Levels of activity in this division have remained in line with expectations and continue to reflect the change of management focus towards the provision of low-risk services with high value add.

The Power and Process order book at the end of April was £1.37 billion, being up 21 per cent on the same time last year and ahead of the position at 31 December 2008 (£1.28 billion).

Whilst there have been no major contract announcements since the preliminary results announcement in March, contracts with a total value in excess of £350 million were awarded in this division during the first four months of 2009.

The average number of employees in Power and Process for the period January - April 2009 was 7,688, up four per cent on the comparable figure last year, with the increase reflecting changes of mix in the business.

Power and Process continues to make progress towards settlement on contracts where cash has been tied up, as flagged in the preliminary results announcement in March 2009.

Earth and Environmental

Performance in this division continues to reflect continued strength of demand, together with a significant contribution from Geomatrix, acquired in June 2008.

The average number of employees in Earth and Environmental for the period January - April 2009 was 4,127, up 22 per cent on the comparable figure last year, with the increase reflecting organic growth and acquisitions, particularly Geomatrix (460 employees in April 2009).

In recent years, Earth and Environmental has strengthened its competitive position through selective acquisitions. During 2008, five acquisitions increased the network of offices across North America and improved the division's capabilities in selected markets including water resources services. Since the year end, the Canadian engineering consultancy services company Philips Engineering Ltd. (c.70 employees) has been acquired. AMEC continues to see acquisition opportunities in the environmental services markets of North America and Europe and expects to make further acquisitions in 2009.

Financial position and net cash

The group remains in an exceptionally strong financial position. Net cash at the end of April 2009 was c.£700 million as compared with £637 million in April 2008 and £765 million at 31 December 2008, with the reduction since the year-end reflecting the normal seasonal outflow of working capital in the first quarter.

In addition, the group's principal UK pension schemes had an IAS 19 pre-tax surplus of £165.7 million at the end of 2008.

Average net cash is expected to be c.£670 million for 2009 before the impact of acquisitions.

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Notes to Editors:**Market consensus**

The current range of market forecasts for 2009 pre-tax profit* is £211 - £266 million, with consensus being £235 million.

* Profit for continuing operations before intangible amortisation and pre-tax exceptional profits

AMEC plc

AMEC (LSE: AMEC) is a focused supplier of high-value consultancy, engineering, and project management services to the world's energy, power and process industries. With annual revenues of over £2.6 billion, AMEC designs, delivers and maintains strategic and complex assets for its customers. AMEC's Natural Resources, Power and Process and Earth and Environmental businesses employ over 22,000 people** in more than 30 countries globally.

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** Average employees for 2008; full time equivalents, including agency staff

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