Interim Management Statement Conference Call
13 May 2009

Samir Brikho, Chief Executive

Good morning everyone and welcome to our Interim Management Statement Conference Call. As usual on the call today, we have the Chief Financial Officer, Ian McHoul, Sue Scholes, Director of Communications and Neil Jamieson, Director of Investment Relations.

I hope that you have had an opportunity to look at our announcement issued earlier this morning.

I'm delighted to report that AMEC has made a good start to the year. Demand for our services has remained solid against a trend of general weakness in certain industry sectors such as the Canadian oil sands. The order book remains strong increasing to £3.4bn at the end of April and giving us good visibility for 2009 and beyond. We continue to expect further improvement in EBITA margin in 2009. Our Operational Excellence programme is now over 75% complete and we do expect to deliver first net benefits this year.

Our balance sheet remains exceptionally strong and we continue to monitor opportunities for growth through selective acquisitions. Of course the external environment remains challenging and we continue to acknowledge the risk that customers may curtail capital spending during the course of the year. However, the impact of deferral or cancellation of existing and prospective contracts across the Group during the first four months of 2009 was not material and there remains a strong and diverse range of attractive prospective contracts across the Group.

I have always believed that our strategic focus on investment and Operational Excellence would stand us in good stead and I think that the events of the last six to 12 months have proved this to be correct and it is particularly pleasing that during this period of economic adversity, our customers are turning to AMEC for help in achieving cost reductions and performance improvements.

I have no doubt that our balanced portfolio of services and improved competitive position together with a business model under which AMEC benefits from alignment with customers' goals and objectives will continue to enable us to deliver performance consistently through the cycle.

I know that today is a busy day for everyone so without further delay, I would like to open up the call to your questions. Jerry, may I have the first question please?

(Operator Instructions)

Iqbal Nasim, Nomura

Good morning. I was just wondering if you could perhaps give us an idea of whether you think the current backlog level is sustainable from now until the end of this year?

Samir Brikho, Chief Executive

Well what we have seen is that when we ended the year in 2008, you saw that we had a strong order book and this was a record order book actually in the history of AMEC, it was £3bn within the two divisions between National Resources and Power and Process. And what we did today is that we made an easy comparison about how much was the order book in the first quarter or in the first four months compared to what we have been having in the last year and what we see is a very strong growth and continue, let's say, to deliver higher margins that what we had before.

So to answer your question, yes we continue to see the order book improving. We see today a lot of variations in orders. Today, discussing a number of deals which are in the market but as you know, actually we cannot announce not more maybe than roughly about 22% of our orders. So it is unfortunate that we cannot discuss more about it but we have the confidence that we are not only on track so that we are improving on quarter after quarter.

Iqbal Nasim, Nomura

Okay, thank you.

Andrew Dobbing, Cazenove

Yes hi, good morning Samir. A couple of questions. First, I know it's very early days but have you seen any signs of change to customer or client behaviour on the back of the increase in the oil price and if you haven't seen it already, do you expect it to make any difference? And secondly, can we take this opportunity to get just a little bit more information about the Inpex project and what could be the potential scale of that project for AMEC? Thank you.

Samir Brikho, Chief Executive

The first question, yesterday, there was a big decoration with the Queen in Wales regarding the largest European LNG plant and was the UK getting in let's say almost 25% let's say of their gas import from Qatar and as a connection to that, there has been a reception which was hosted by the Prime Minister and the Minister of Qatar and that gave me an opportunity to meet actually with [inaudible], to meet with the top management of ExxonMobil, of Shell, of BP, of Total and other also energy companies. It was quite interesting when we were discussing about we're seeing the prices climbing above the $60 and a discussion for Andrew which was taking in these guy's minds is that they do understand about the challenges which we have now at the current prices but everybody is looking for a relatively fast recovery in the coming years and everybody is going to continue with an investment despite that the financial prices are still there. So I am confident myself that the view, especially of ExxonMobil is that okay, we understand that the oil price and the gas prices are lower now but on the longer term in a ten years' outlook, it's very solid and I see today they are coming back. There was a lot of talk, you could hear it on the side talks when everybody was asking about what is their plans and they would like to do a lot of work. That's my feeling on that one.

The second part of the question, Inpex. Well I would love that actually I could tell you much more than that but I could not. But this is a FEED contract so you know what it is. The scale has not been disclosed. This is a totally new customer for us. As you know, Inpex have the combination there between the Japanese and Total. Also by the way yesterday, they were very much excited about the opportunities which are taking place. Australia is going to play a good role for getting a feed to Japan to balance a little bit of the activities in the Middle East and I think we are going to play a very important role in this type of project and also in Australia. That's why now may be you know why we have been saying that Australia is a very important part of the world for us to make acquisitions.

Andrew Dobbing, Cazenove

Thanks Samir.

Christyan Malek, Deutsche Bank

Hi, good morning gentlemen. Two questions, one around pricing and the other around sort of recruitment. And the first is in terms of could you put some colour in terms of the evolution of price on both the Capex based part of your business and Opex and I guess this stems from the recent contracts you want in both the subdivisions. Opex, you had a renewal with BG and in Capex, you've had FEED contracts. I mean can you give us a number or direction in terms of pricing or mark up that your clients are now renegotiating presumably downward in both those subdivisions.

And the second question is regarding your enthusiasm to recruit at the project management level with some of your peers potentially laying off those types of engineers given the lack of activity. Are you using this as an opportunity to hire? And perhaps the total opposite to that question in one way, I mean with some of the officials you're putting in, are you actually removing people as they are, so where do you stand in terms of your net recruitment at the project management level please?

Samir Brikho, Chief Executive

Okay thanks Christyan. First on the price thing, what we have been giving on the margin also. As you rightly mention, Christyan, of course there is a pressure outside there from everybody and but let's face it also, it's not only new this price pressure. You have the price pressure all the time. I mean you should know that Christyan is with ExxonMobil, they push you all the time whether they are making tonnes of money or not, they always push you. That's number one.

Two, a positive in increased pressure from everyone in order to see about how you can reduce the cost and the beauty what AMEC has been doing is that as we have made a lot of investments on unifying our tools and processes, we are today getting the benefit out of that by being able to offer the client, we say look if you want to have all the jobs done in country, then it will cost you so much. But if you are able to do it let's say using our satellite centres in different places in the world, getting you the same type of quality in terms of engineering and project management then we'll be able to reduce the cost of the project. If we are looking on the supply chain management, let's face it, Shell has supply chain managers [inaudible], BP has another one and Exxon has a third one and what we have been seeing in fact is that you can combine some of these companies rather than having one line or the second line. And this is the services today which we are providing our clients in order to be able to help the client to achieve a better procurement than he has been doing before.

The way we're implementing on the job, also let's face it again, I mean I have a lot of discussions with Shell and with BP and with Exxon. BP will tell you they would like to have it the BP way. Shell say they would like to have it the Shell way. I was speaking with executives of Shell the other day and they said look, it will be able to do this and do that, we will be able to reduce the costs of the project maybe with more than 10% or to be able to cut it up to 15%. So there are actually ways to do that if the clients are willing also to step out a little bit from their traditional way of doing business.

Now on the margin levels, as you know, in half of last year, we had presented to the market, we said Opex margins are around the 8% and we said the Capex margin are about 13% and if you are asking me are these margins being maintained or are we able to improve them, that's what we are saying today. We see improved numbers otherwise 2009 would not be able to get better than 2008. But that's partly because the Step Change has been giving us what we want to get and Operational Excellence is giving us quite a lot of good kick here and that will improve the total margins of the company.

The second question on recruitment, you know what we have been doing in the company, we have been discussing about so-called one way or another, it's some type of a forced ranking system. A forced ranking system is a model that helps you in a way to understand about who are your top performers, who are your average performers and who may be less good performers. And we do in AMEC take care of everyone in order to see how they can develop, how we can [inaudible] their career path.

But what we have seen now, this is a fantastic opportunity for us to shake off the tail maybe of some of our lower performers and able to go out in the market and attract very good engineers which have been jumping off from other companies because maybe they see the outlook of that company is not that great as ours. They see that the possibilities within the AMEC are better and therefore they would like to join a strong company, a FTSE company, a company which has cash and is willing to go and make selective acquisitions in interesting areas in order let's say to serve clients at the best level possible and we are doing that. If you go to the AMEC.com, you will be seeing about how many people actually we are employing today versus some of our other peers who are saying okay we are cutting people and so on and so on.

Today, we have done our homework already two years ago. We have already have a lean and mean organisation and we are benefiting out of this so that's the situation, Christyan.

Christyan Malek, Deutsche Bank

And just to be clear [inaudible] the first point, I mean what you're saying, it's almost like - I mean to take example of the point, the BG contract, you renegotiated that price exactly the same rate but with the fact that you have lowered your costs, you can still manage that increment in the margin which is what you're targeting. Is that a fair assumption?

Samir Brikho, Chief Executive

That's a very fair assumption. And BG have no problem that we make money because they would like to deal with someone who is making money. They don't want to deal with someone who is going to go bust.

Christyan Malek, Deutsche Bank

Alright. It's just that with all companies instigating lower prices and lower mark ups, it's I guess quite an achievement to be able to manage the same price as you did exactly this time last year.

Samir Brikho, Chief Executive

Yes, but that's what I say, we have been cutting down the costs. We are a very modest company in the sense of if you look at our overheads which we have in the divisions or the overheads which we have in the headquarter. You have been yourself in our headquarters, you see what dodgy area we are staying in. So I mean we could spend a lot of money here and we could move maybe down to the city and live in a [inaudible] but we're not doing that.

Christyan Malek, Deutsche Bank

Okay, thanks very much.

Alejandro Demichelis, Merrill Lynch

Yes, two questions if I may and good morning gentlemen. The first one is talking about the contracts and so on, may be you can give us a rough split of how much you [inaudible] have to tender competitively and how much work you still are able to negotiate directly with your customers?

And the second question is regarding the cash flow generation and how much you're expecting of working capital outflows in the rest of the year?

Samir Brikho, Chief Executive

Can you repeat the cash flow, sorry.

Alejandro Demichelis, Merrill Lynch

So we've seen some outflows in working capital, how much more is there to come?

Samir Brikho, Chief Executive

So I think here Ian is eager to answer the second part of the question so please go head then Ian.

Ian McHoul, Chief Financial Officer

Morning Alejandro. Yes, I mean you've seen in the first part of the year , working capital outflows. If you looked back at previous years, you'll see that is totally in line with normal [season] and actually normal trends. With the first part of the year, we tend to get tax payments, dividend payments historically and trading working capital outflows. So what you've seen in the release today is perfectly in line with what we expected and in line with previous years. I mean going forward and looking at the full year, you saw last year, we had some reasonably significant working capital outflows. Some of that was to do with acquisitions and currency and some of it was to do with trading cycles. We would expect in a growth business there to be investment in working capital and therefore modest outflows but we would expect this year for those outflows to be a lot lower, significantly lower than they were in ’08.

Alejandro Demichelis, Merrill Lynch

Okay, thank you.

Samir Brikho, Chief Executive

Alejandro I come back to your first question. When it comes to our business, especially in the National Resources, 50% of our business is actually on a negotiated basis so we don’t make bids, yes?

Alejandro Demichelis, Merrill Lynch

Yes.

Samir Brikho, Chief Executive

In order to do that and the reason that you are seeing today a high number let’s say of order book is very simply that our customer relationship has been beefed up to such a level that they have such a good confidence in the qualification of our engineers and the added value which we bring to them that they’re not going and asking for bids. What they do is that the [inaudible] with us, ask about what our views and our ideas and the plans about what we want to do. What would be how are we able to assure them that the jobs are going to be done lower than the budget because otherwise our [hour] will not be that great for them. And as we are giving them that type of service and support, actually they are maybe appreciating what’s actually said on a one to one basis and that’s where we’re getting the deal.

Ian McHoul, Chief Financial Officer

It links in with the point about margins and if there are harder times and there’s a degree of pressure from our major customers then we will structure our remuneration package on a fixed variable basis so we will get a base fee and then we'll structure a lot of the upside and to maintain our margins around performance on KPIs against time, against cost, against [inaudible] the environment etc. And it is much easier to do that obviously in negotiation [inaudible]. It's a bit difficult if you’re a customer to run a negotiation process on a bid basis. So the fact that we’re willing to talk about a flex compensation arrangement lends itself to a negotiated settlement rather than a bid.

Alejandro Demichelis, Merrill Lynch

And that’s around 50% of the total backlog or that’s just in Natural Resources?

Ian McHoul, Chief Financial Officer

That 50% is in Natural Resources. It's a little lower in P&P.

Alejandro Demichelis, Merrill Lynch

Okay, that’s great, thank you.

Ian McHoul, Chief Financial Officer

Thank you Alejandro.

Alastair Stewart, Investec

Good morning Samir and Ian. A couple of questions on the oil sands. First of all, a more general question. That was the area I think that was of most concern to investors when the oil price came off. Are you seeing any signs of clients reconsidering investment decisions in the light of a rising oil price? I know you mentioned earlier you were asked about general investment levels but specifically on oils and do you see any revival of Capex plans?

And the second question is specifically on Kearl. I realise there's quite a lot of client sensitivity but I wonder if you could just give a bit of colour on why the client decided to proceed? What level of competition did you face in the bidding process and if you could, give just some idea of what factors you feel went in your favour in winning it?

Samir Brikho, Chief Executive

Thanks Alastair. To the question is that on the oil sands and you are completely right so I will take that. As everybody knows in the market, everybody has been making the assessment that while AMEC is very strong in the oil [inaudible] because of the current oil prices, that becomes in a way the weak spot and the same which has been also considered also in the North Sea and everybody was concerned about what possibility do we have there. And as you have seen is that was a Kearl job. We have [inaudible] let's say up to 2013 on the major jobs which is like quite good in this current situations of the market.

So let me speak about what they say about whether do I see any investment decision now being revised? Well you need to talk about this with our clients because we cannot actually leave their plans but let me tell you like this. I hear rumours that there a number of companies actually now discussing about how they are going to come back to their original plans. What will be the conditions for that? What will be the manpower which need to be associated with it? Which one of the companies are going to be their partners in order to be able to deliver on this type of job, and which one they can trust in and they say that they have possibilities that they can reduce their costs better than somebody else. But a total job.

And I know, let's put it like this, I can refer to some of the talks which I had with some of the major - I cannot mention which one of them, was they had been actually putting on the side a project or [inaudible] project and now they are discussing actually about when they should release the FEED and who should do that.

So the discussions are taking place today because energy companies cannot relax and sit and wait so they need to be ahead of the cycle and as soon as they see that this is interesting for them, then they go ahead and do the investment. We're seeing now prices around $60 and that's maybe encouraging them even more but I can tell you these plans are being check on on a daily basis.

Now to the question on the Kearl and I said yes I cannot talk too much about it but the process which we have been going through there is actually ExxonMobil, I cannot mention also the name of the company as I don't like to do that. They used to have a couple of companies which they used to do most of their business with and they are not European companies, they were American companies or they are American companies. And those companies, they have been doing almost like 70-80% of the business for Exxon and what they have been finding out now is with through transformation of AMEC, AMEC is becoming a very interesting company and they see that we are more able to attract the best talents and give that service to our clients and therefore they have been making a change to the traditional way of contracting and rather than contracting actually with the normal American peers, they are coming now to us and discussing. So we were three companies on this one.

They had interviews with us for about three months, discussions, evaluations, ideas, plans, people. We needed to present the people who are going to do the job, yes? They needed to know them, they needed to see them. They needed to see about how we are going to do this. It's not only a matter of respect, it's a matter of how we are going to do the job and after three months of interviewing a lot of people, meeting a lot of people from our management team and commitments about how we are doing things. They have been in different centres of AMEC to see that the engineering tools which we have said that they are aligned, they are really aligned and not only just talk. They have been going around and watching whether that the outcome of the engineering tools and the project management processes which we have are alike in the different centres and based on that, they came to us and placed their order.

Alastair Stewart, Investec

Thank you.

Fiona MacLean, Citigroup

Thanks, it's Fiona at Citigroup. I just wanted to ask a couple of questions on your cash balance. Firstly this year, do you plan to have any additional returns to shareholders in the way of dividends? And second on M&A, how much cash would you be willing to spend in 2009 on M&A and would you consider taking out any debt to finance a larger deal?

Ian McHoul, Chief Financial Officer

Fiona hi, morning, it's Ian. On dividends, you saw us increase last year by 15% to cover of I think 2.8 times and we're not tying ourselves into a rigid policy but at that level of cover, the Board are satisfied and we would expect to go forward with a progressive payment of dividends and that doesn't mean precisely in line with earnings but it means meaningful increases. We have established I think a firm platform for dividend growth. We have a business that's performing well and we have a strong balance sheet as you know. So if you're talking about super returns via buy backs or dividends, we have no current plans or intentions to do that but we do have plans and intentions to have decent dividend increases going forward.

On the second part of the question on M&A, how much would we be prepared to spend? I mean we'd ask to turn it on its head and say well let's look at the targets and whether they're big or medium or small. They've got to be the right targets, the right strategic fit, the right business fit, the right business case and the price has got to be one where the returns are good. The returns for our shareholders are good. And if there's such a case then we will look at how we finance that and what capital structure would be appropriate. We don't have an absolute philosophical distaste to debt. Clearly in today's market, cash is king and debt is not liked so much. But theoretically if the right deal was there, would we take on debt to a modest level then I think we would but it's quite difficult to answer it. Theoretically you've got to look at it on a case by case basis.

Samir Brikho, Chief Executive

Fiona, it's Samir, hi. I would like to be even more conservative than my CFO which is normally the contrary. But I believe actually, I mean I agree with what Ian said and that's what we're doing. But I believe myself in this current stage is actually clients would love to see that you have quite good cash on your balance sheet. I believe that despite that we are [inaudible] against KPI business models, I believe they would like to see that we have cash, investing in tools, investing in processes, continuing to invest in our people and if they see that the cash is coming in and we have that cash and we are not under constraints and under this whole distress then they feel much more comfortable with us. The plan which we have today is not to leverage let's say the balance sheet to make it also very simple so we are not looking for leveraging the balance sheet. All the options which we are looking on is going to add shareholder value without constraining the balance sheet.

Fiona MacLean, Citigroup

Okay. Just to follow on, have you had any instances this year so far of any of your clients being unable or facing difficulties in making their payments to you?

Samir Brikho, Chief Executive

It's a very good question, Fiona. We do two things. We check on our clients and we check also on our suppliers because it's a double way model in a way and as you know, in the National Resources, more than 95% of our business with oil majors so luckily we do not have any type of those issues. However on the P&P business and especially if you take a look on the US market which has also a lot of smaller businesses, we do have a major check on how healthy they are on the balance sheet and sometimes we are asking for parent company guarantees and if they do not provide us with parent company guarantees and enough securities, we don't do the work for them. We are not a charity business. And we see some companies don't have that balance sheet and we don't do that part of work for them.

Fiona MacLean, Citigroup

Okay, so you haven't had any problems?

Ian McHoul, Chief Financial Officer

Fiona, the answer to the question is not an absolute no but there has been one case that I can think of and possible another one bubbling under but they are tiny, tiny contracts, okay. So is it a feature of the business? It absolutely is not.

Fiona MacLean, Citigroup

Okay, thank you very much.

Alex Brooks, UBS, London

Good morning gentleman.

I have two questions. One is on the acquisitions. I mean we've already talked about the rise in oil prices and clearly you are actively looking for potential acquisitions and is that yet having any impact on vendor expectations? And the second question is you make reference to 75% revenue cover for the remainder of 2009. Is that the same as last year?

Ian McHoul, Chief Financial Officer

On the second point, Alex, yes, it's absolutely in line with what we would expect to see and that's a reiteration of what we said back in March. I mean broadly, as months go by, broadly our cover this year looks no different from what we would've seen in previous years.

On acquisitions, I think no is the real answer to the question. Have we seen price expectations from potential vendors go up within line with the oil prices moving in the last couple of months? I don't think it's discernible. I don't think it's clear cut. The answer is really no. And if they are, it's almost more a function of availability of financing. If they're trying to build their own business and have got refinancing needs which they can't satisfy or they've got a lack of liquidity because they can't get it in the bank market, that tends to be the trigger. It's not in debates we've had on price, it's not discernible.

Alex Brooks, UBS, London

Would you characterise those expectations as generally realistic? I mean I guess if it's primarily driven by refinancing then it's a need rather than a want?

Ian McHoul, Chief Financial Officer

Yes.

Samir Brikho, Chief Executive

Yes. If it's mixed, I mean there is no one company in the world that just have a need and they do not want because then the deal is not a deal in a way. You need to have the combination of the different elements of which may be one or two elements are a little bit stronger than the others and that's what Ian was referring to. I mean if you take a look up to now what all the bolt on acquisitions which we have been doing because we did not make any bigger acquisition. The biggest one which we have been doing is up to Geomatrix and if you would ask the Geomatrix actually well what is the thing which made you let's say to choose AMEC or you want to be part of AMEC and the answer to that is very simple. It's one is that they said - I mean as they may be private companies, they have been able to grow the business to a certain level and now they have stopped. They cannot grow it more than that because they need to have someone with a bigger balance sheet. Then when you have a company which is growing up also, a private company, they start to need let's say much more expertise maybe in a different type of domain and they are not able to bolt on many people first and then to be able to see whether they can do the business because they would like to get the business first and then maybe to get the [inaudible]. And AMEC here is able to give them a wide range of competencies and skills within the whole group and that's why they can capitalise on that. So they see the value, that being part of a major company is much better for them than being actually on their own and they may have financial constraints, they may have let's say refinancing issues that they need to deal with, they may have customer issues that they need to deal with because sometimes customers are pushing them that they need to put more qualification and more quantification on the jobs and they see that is given by AMEC and that's where we come in and that's where we see the value.

Alex Brooks, UBS, London

Okay, thank you very much.

Samir Brikho, Chief Executive

Thank you, Alex.

Andrew Whittock, Oriel Securities

Good morning. Two questions I think. You've mentioned that Group margins will improve this year. Should we expect an improvement in each division? And secondly, I saw that your natural resource head count has been cut by roughly a 1,000 over the last year. Could you just give us an idea of how that splits between improving efficiency, if you like, and the people that moved with the asset?

Samir Brikho, Chief Executive

That's a good question. Thank you Andrew for that. I like sometimes a question which I can answer with yes and no. To the first question, is the Group margin improving in total? Answer yes. Is that for each of the divisions? Answer yes.

So to the next question, Natural Resources head count and you said we have been having assets moving around here and that's an asset actually which people need, are working with the asset, they need to go with the asset so it is purely an improvement or a number accounting on when the asset go that the people go with it. On an actually factual basis so the Natural Resources numbers are actually growing up and compare like for the like.

Do you have maybe more to say?

Ian McHoul, Chief Financial Officer

Yes, I mean broadly Andrew on that 1,000 reduction, around about a half is due to the TUPE transfers and an important point is that normally you and us look at employee numbers as an indicator for financial performance. The returns and our money made from that asset moving is the same as it was, it's just it's a technical transfer. Now on the other half, which is much more like-for-like as Samir said, some of that is a consequence of improving efficiencies in the business Operational Excellence, some is a reflection of moving people around and business mix. But it's about half and half.

Andrew Whittock, Oriel Securities

Yes I understand, that's really helpful Ian, thanks.

(Operator Instructions)

Phil Lindsay, RBS

Good morning guys. Can you give us a bit more flavour on the outstanding cash payments tied up in the Power and Process division? Can you remind us how much these are and also does your guided average cash assume that these moneys come back in? And then the second question, can you just give us a bit of an update on Sellafield and the kind of ramp up of that contract is progressing please?

Ian McHoul, Chief Financial Officer

Okay, hi Phil. Yes, it's the same story that we highlighted back in March. We have some contracts in Power and Process which were written in ’05 and early ’06 which are at the latter stages, these are lump sum contracts at the latter stage where there are disputes with the client involving - they’re not insignificant amounts or we wouldn’t have raised it. We have taken the decision rather than to take less money quicker to carry on discussions and try and get more money later. I can’t be explicit on the amount because there are commercial considerations involved and we don’t want to make that public and perhaps to chop our own legs off as it were. The average cash number quoted for the year is a cautious number. We like to grow cautiously and does not assume recovery of any of that money. If it comes, great but we would expect it more in the following year but it's not [inaudible] but it doesn’t include the amount.

Samir Brikho, Chief Executive

Sellafield, well I mean I was speaking with the guys only two days ago and everybody is giving me an upbeat let’s say situation. The customers are very happy. Our partners are performing as we are also performing and things are going very well according to the programme. That’s what I can say. I was discussing also with the unions while working on Sellafield. They gave me a very good response because they told me that they are very satisfied with us because we did a lot of promises which we said that we are going to do in Sellafield, building up the competence and the skills in the West Cumbria and he very clearly said we have now delivered on everything what we said we are going to do and we have done that. I met with an MP of West Cumbria, his name is Jamie something and he was very happy because he said that this is the first time actually a company [inaudible] down about all the promises they have been doing to us and they are giving us the status report on where there stand on their promise. And only the notion of keeping the record and for him, it gives him a very good feeling about where I see it and we’re going to be successful. So that’s where the situation is.

You know that by the way that Sellafield is not on the order book, yes?

Phil Lindsay, RBS

Yes of course. Okay, that’s great, thank you very much.

Samir Brikho, Chief Executive

Thank you.

Samir Brikho, Chief Executive

Well thank you very much for your interest. So the year-to-date is in line with expectations. We continue to expect improvement in the EBITA margin into 2009. Just a reminder from the 7.1% which we delivered in 2008. The Group order book is £3.4bn versus I mean as what you have seen the year end of £3bn and April 2008 of £2.7bn. This is a very remarkable improvement. We have average net cash of 2009 is still expected to be about £670m pre-acquisitions and we do intend ladies and gentlemen to deliver on the 8.5% which we have said that we are going to do by 2010.

So thank you very much for your interest. I know that you have a busy day and we need to rush our AGM. Thank you.

[End]