



AMEC plc
Interim results 2009
27 August 2009



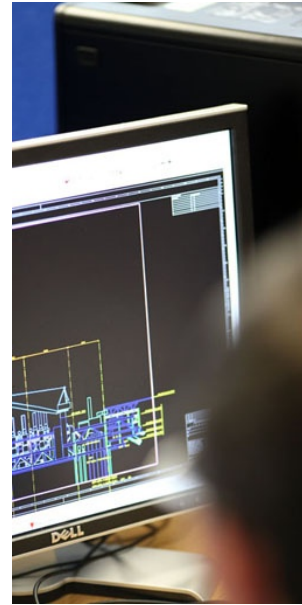
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AMEC plc
Interim results 2009
Samir Brikho, Chief Executive



Agenda



- **Introduction** Samir Brikho, CEO
 - Record trading performance
- **Interim results** Ian McHoul, CFO
 - 2009 interim results
- **Delivering differentiated performance** Samir Brikho, CEO
- **Questions**

Record trading performance



Six months ended 30 June 2009

■ EBITA*	+25%
■ EBITA margin	7.5%
■ Profit before tax*	+8%
■ Dividend per share	+15%
■ Net cash at 30 June	£699m
■ Order book	£3.2bn

Firmly on track to deliver 2010 margin target of 8.5%

* Before intangible amortisation, pre-tax exceptional items and £2.0m of deferred consideration on Earth and Environmental acquisitions but including joint venture profit before tax



AMEC plc
Interim results 2009
Ian McHoul, Chief Financial Officer



Financial highlights



£ million	2009	2008	
■ Revenue	1,259.7	1,255.2	-
■ EBITA*	94.5	75.9	+25%
■ Profit before tax*	97.5	90.4	+8%
■ Earnings per share**	20.8p	18.8p	+11%
■ Dividend per share	6.1p	5.3p	+15%
■ Average net cash	690	630	+10%
■ Order book	3.2bn	2.5bn	+28%

7.5% EBITA margin – up 150 bps

* Before intangible amortisation, pre-tax exceptional items and £2.0m of deferred consideration on Earth and Environmental acquisitions but including joint venture profit before tax
 ** Diluted for continuing operations, before intangible amortisation, exceptional items and £2.0m of deferred consideration on Earth and Environmental acquisitions

Natural Resources



£ million	2009	2008	
■ Revenue	631.5	561.7	+12%
■ EBITA	73.0	56.6	+29%
■ EBITA Margin	11.6%	10.1%	+150 bps
■ Average employees*	9,608	10,620	-10%
■ Order book	1.73bn	1.33bn	+30%
■ Capex/Opex split:			
■ Revenue	60% / 40%	55% / 45%	
■ Order book	78% / 22%	83% / 17%	

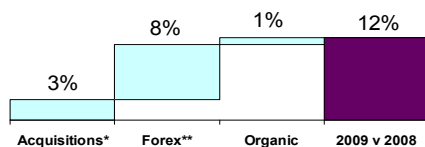
Order book strength continues

* Full time equivalents/agency staff

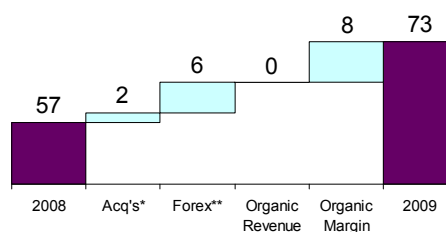
Natural Resources



Revenue growth (%)



EBITA development (£m)



Strong growth in margin to 11.6%

- * Year-on-year impact of material acquisitions
- ** Year-on-year impact of translating material currencies into £

Power and Process



£ million	2009	2008	
■ Revenue	406.4	535.8	-24%
■ EBITA	25.0	27.3	-8%
■ EBITA Margin	6.2%	5.1%	+110 bps
■ Average employees*	7,413	8,124	-9%
■ Order book	1.27bn	1.05bn	+21%
■ Capex/Opex split:			
■ Revenue	27% / 73%	45% / 55%	
■ Order book	34% / 66%	21% / 79%	

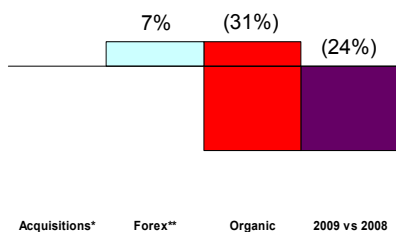
Strategic refocusing

* Full time equivalents/agency staff

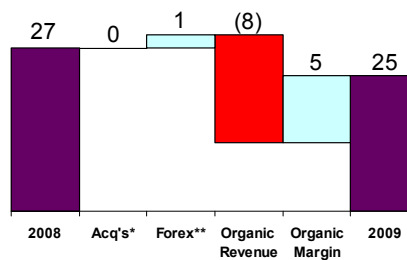
Power and Process



Revenue growth (%)



EBITA development (£m)



Focus on business mix and margin growth

* Year-on-year impact of material acquisitions

** Year-on-year impact of translating material currencies into £

Earth and Environmental



£ million	2009	2008	
■ Revenue	243.6	165.8	+47%
■ EBITA*	17.4	10.5	+66%
■ EBITA Margin	7.1%	6.3%	+80bps
■ Average employees**	4,223	3,575	+18%
■ Order book	0.22bn	0.15bn	+53%

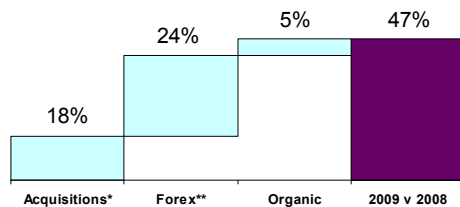
Acquisitions continue to drive growth

* Before £2.0m deferred consideration on Earth and Environmental acquisitions
** Full time equivalents/agency staff

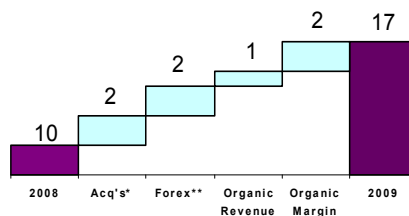
Earth and Environmental



Revenue growth (%)



EBITA development (£m)



Margin development continues: 7.1%

* Year-on-year impact of material acquisitions
** Year-on-year impact of translating material currencies into £

Order book



£ billion	At Jun 09 fx*			As reported	
	Jun 09	Dec 08	Jun 08	Dec 08	Jun 08
Natural Resources	1.73	1.67	1.35	1.71	1.33
Power and Process	1.27	1.22	1.07	1.28	1.05
Earth and Environmental	0.22	0.25	0.18	0.29	0.15
	3.22	3.14	2.60	3.28	2.53

- Currency adjusted order book is: up 3% on Dec 08
up 24% on Jun 08

The order book has never been stronger

* Order books at 30 Jun 08 and 31 Dec 08 restated at 30 Jun 09 rates for material currencies

Order book basis



- Order book is conservatively stated
- Full contract duration of Opex contracts not recognised
 - Only guaranteed revenue taken to order book
- Backlog excludes call-off contracts and ad-hoc relationship work
- Sellafeld contract excluded
 - Over £10m profit per annum expected

The order book is conservatively stated

Operational Excellence



£ million	2009 FY Estimate	2008 FY Actual
■ Gross annual benefits	18	7
■ Annual investment	(10)	(10)
	8	(3)

- Benefits build through 2009
- Programme substantially completed by December 2009 – investment in 2010 <£5m

At least £40 million gross annual benefits in 2010



Tax

	2009 FY Estimate	2008 FY Actual
■ Underlying rate*	c.33%	c.31.5%
■ P&L charge**	28 – 29%	30.8%

- Underlying rate increased
 - Higher percentage of profits from North America
- Charge reducing
 - Settlement of historic items
 - Active management
- Expect future charge to trend down

Active management

* Weighted average geographic rate

** For continuing businesses before intangible amortisation, exceptional items and including JV tax



Operating cash flow

£ million	2009	2008
EBITA	95	76
Statutory adjustments*	(11)	(1)
Statutory PBIT	84	75
Non-cash items**	11	11
	95	86
Working capital	(25)	(76)
	70***	10***

* JV profit before tax and deferred consideration in the Earth and Environmental division

** Depreciation, share based payments and profit/loss on asset disposal

*** Compared to "cash generated from operating activities" per the statutory format cashflow, operating cash flow, excludes discontinued operations £4 million (2008: £2 million), legacy settlements £(11) million (2008: £2 million) and pension payments in excess of amounts recognised in the income statement £(3) million (2008: £(9) million)



Cash flow

£ million	2009	2008
Operating cash flow	70	10
Pension payments*	(3)	(9)
Business acquisitions**	(32)	(79)
Business disposals**	1	25
Fixed assets (net)	(8)	(6)
Interest and tax	(46)	(28)
	(18)	(87)
Dividends paid	(18)	(15)
Shares acquired	(9)	(34)
Other***	(3)	4
Net cash flow movement	(48)	(132)
Opening cash	765	733
Exchange loss on opening cash	(18)	-
Closing cash	699	601

* In excess of amounts recognised in the income statement

** Including joint ventures

*** Legacy settlements, exceptional and discontinued items and dividends received from joint ventures

Strong growth in average net cash



£ million	2009 June	2008 Dec	2008 June
Period end net cash	699	765	601
Average weekly net cash	690	626	630

- Client advances c.£15 million
- Expected average net cash 2009 c.£700 million (2008: £626 million)
 - Excludes acquisitions in H2 and further forex movements
- Cash management focus is on security
- Average yield reducing
 - c.4% in 2008
 - c.1% in 2009

Balance sheet exceptionally strong

Pensions



- Accounting status

- Surplus at 30 June 2009 £168 million

	2009 FY Estimate £m	2008 FY Actual £m
■ Financing		
– Charge on liabilities	(60)	(61)
– Return on assets	66	79
Contribution to EBITA (non cash)	6	18

- Actuarial status

- Valuation for 2008 agreed with trustees
- Surplus c.£50 million
- No change to contribution levels

One of the best funded schemes in the FTSE 100

Capital structure



- Benefits of cash
 - Flexibility
 - Expansion through acquisition
- Acquisitions
 - Strong track record
 - ROIC \geq WACC in year one or two
 - Significant opportunities
- Share buy-back
 - No current plans for significant buy-back
 - Purchases to satisfy group share schemes
- Dividends
 - Progressive policy
 - Satisfied with existing cover

Strong cash position for investment

Outlook



- Order book £3.2 billion
- H2 2009 expected to be stronger than H1 (underlying basis)
 - Benefits of Operational Excellence
 - Seasonal trading, especially Earth and Environmental
 - Power and Process contract losses in H1
- Firmly on track to hit 2010 margin target of 8.5%
 - Increasing net benefits from Operational Excellence
- Exceptionally strong balance sheet
 - Opportunities for acquisitions

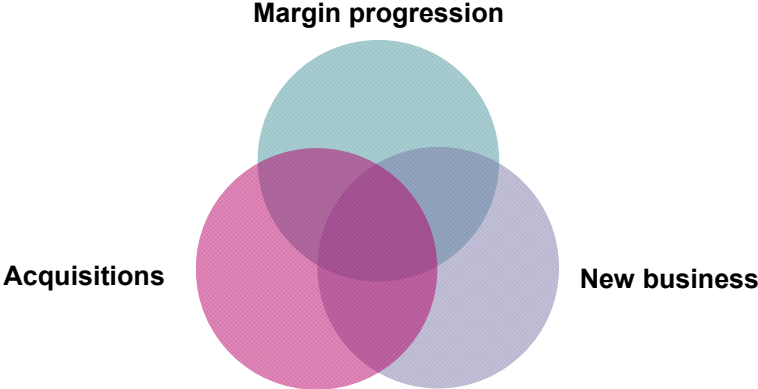
Expect 2009 to be another year of improved performance



Delivering differentiated performance
Samir Brikho, Chief Executive



Delivering differentiated performance

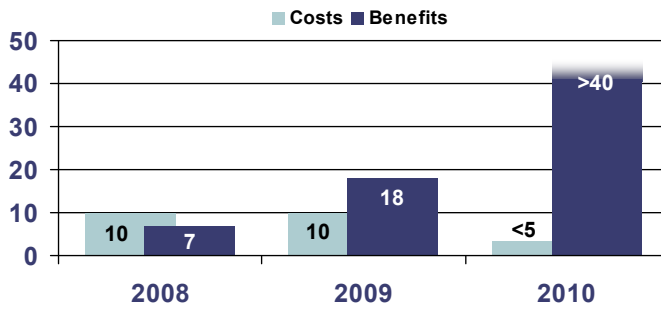


The best army of engineers and project managers in the world

Operational Excellence Nearing completion



Annual costs and benefits (£ million)



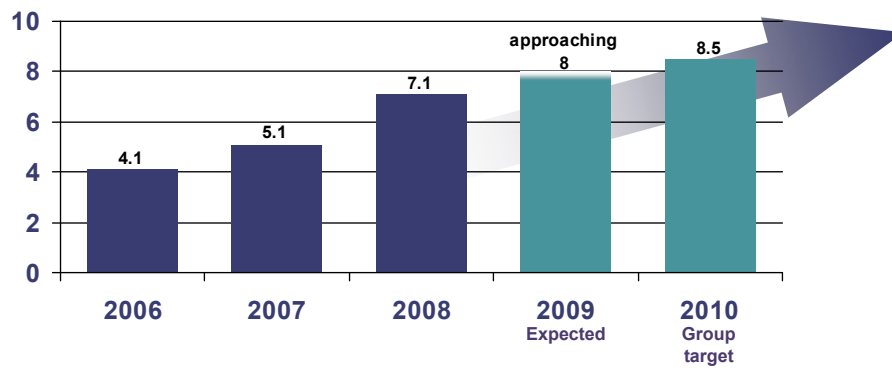
- 2009 benefits ramping up in second half
- Benefits continue to increase in 2010

At least £40 million of gross annual benefits expected in 2010

Margin progression to continue



Group EBITA margin (%)



Firmly on track to deliver 8.5% target in 2010

Major contract awards



- BP global agreement
 - Clair/Tubular Bells Kodiak
- EDF
 - West Burton CCGT
- Imperial Oil
 - Kearl
- Inpex
 - Ichthys Field
- National Grid
 - NY State asset refurbishment
- US Navy
 - Fuel facilities services



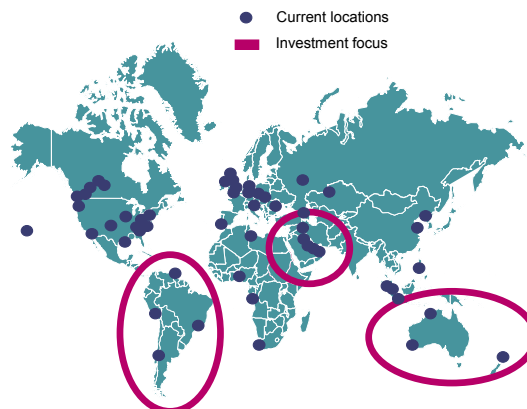
Well positioned through Operational Excellence
to win further awards

Growth prospects supplemented by acquisitions



- Sector focus
 - Oil and Gas Services
 - Mining
 - Nuclear
 - Environmental consultancy
 - Water

- Geographical focus
 - Middle East
 - Australasia
 - Latin America



AMEC continues to target acquisitions



- GRD: Australian engineering and project development company
 - Mining focus
 - 850 people
 - Australia, Africa and South America
 - ASX listed
- Proposed transaction
 - Due diligence complete
 - Unanimous recommendation by GRD Board
 - Cash acquisition for A\$106 million
 - Shareholder and regulatory approval required – October target

Creation of a significant regional platform for AMEC

Completing the first phase of our journey



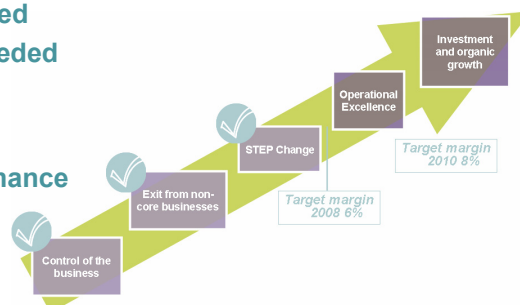
- The business has been **transformed**
- All targets to date have been **exceeded**

2009

- Another year of **improved performance**
- EBITA margin **approaching 8%**

2010

- **Firmly on track** to deliver 8.5% margin target



Poised to reveal the second phase of our journey

Vision 2015 the second phase of our journey



- **Where** are we headed?
- **How** will we get there?
- **What** are our new targets?

- Save the date **December 2009**



Questions





**AMEC plc
Interim results 2009**

Supplementary information

Sterling vs North American currencies



	2009	2008	%
Income statement			
Cdn \$	1.79	1.99	-10%
US \$	1.48	1.98	-25%
Balance sheet			
Cdn \$	1.91	2.02	-5%
US \$	1.65	1.99	-17%



Adjusted revenue

£ million	2009	2008	%	2008 Restated*	%
Natural Resources	631.5	561.7	+12%	628.6	+1%
Power and Process	406.4	535.8	-24%	576.0	-29%
Earth and Environmental	243.6	165.8	+47%	235.1	+4%
	<u>1,281.5</u>	<u>1,263.3</u>	<u>+1%</u>	<u>1,439.7</u>	<u>-11%</u>
Investments and other	7.9	9.3			
Unallocated	(29.7)	(17.4)			
	<u><u>1,259.7</u></u>	<u><u>1,255.2</u></u>			

* Restated for movements on major currencies and material acquisitions

Adjusted EBITA



£ million	2009	2008	%	2008 Restated*	%
Natural Resources	73.0	56.6	+29%	64.9	+12%
Power and Process	25.0	27.3	-8%	28.2	-11%
Earth and Environmental	17.4	10.5	+66%	14.4	+21%
	<u>115.4</u>	<u>94.4</u>	<u>+22%</u>	<u>107.5</u>	<u>+7%</u>
Investments and other	(2.1)	(1.2)			
Corporate costs	<u>(18.8)</u>	<u>(17.3)</u>			
	<u><u>94.5</u></u>	<u><u>75.9</u></u>			

* Restated for movements on major currencies and material acquisitions

Profit reconciliation



£ million

EBITA per presentation	94.5
Net financing income	<u>3.0</u>
PBT per presentation	97.5
Earth and Environmental deferred consideration*	(2.0)
Joint venture tax**	<u>(2.7)</u>
PBT per consolidated income statement	<u><u>92.8</u></u>

* Elements of deferred consideration on acquisitions in Earth and Environmental, which under IFRS3 are charged to the income statement

** Included as a deduction from pre-tax profit under IAS 31



Tax rate*

£ million	Group companies	JVs	Total
EBITA per presentation	86.1	8.4	94.5
Deferred consideration**	(2.0)	-	(2.0)
	84.1	8.4	92.5
Net financing income	3.0	-	3.0
	87.1	8.4	95.5
Tax	(24.7)	(2.7)	(27.4)
PAT per consolidated income statement	62.4	5.7	68.1
Tax rate	28.4%	32.1%	28.7%

* Before exceptional items and intangible amortisation
** On Earth and Environmental acquisitions