



AMEC plc Preliminary results 2009

4 March 2010



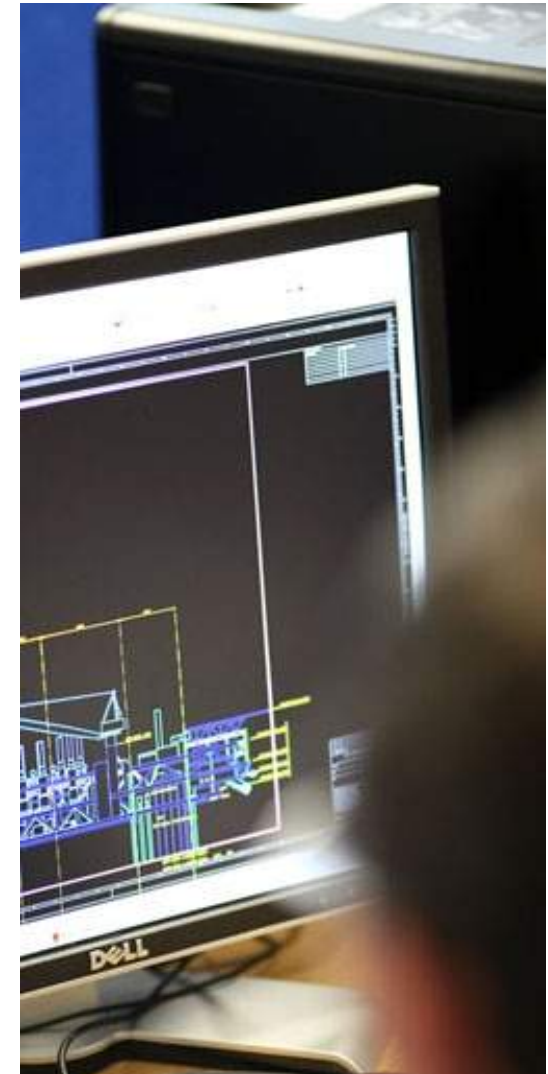
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Preliminary results 2009

Samir Brikho, Chief Executive



Agenda



- Introduction – Samir Brikho, Chief Executive
- Financial performance – Ian McHoul, CFO
- 2010 and medium-term outlook – Samir Brikho



Record operating performance in 2009



- Record operating performance
 - EBITA **£208.3 million**
 - EBITA margin **8.2%**
 - Diluted EPS **46.9 pence**
- Order book strong at **£3.2 billion**
- Cash flow conversion **124%**
- Continued financial strength
 - Net cash **£743 million**
 - **£113 million** invested in acquisitions, GRD and four others

On track to deliver margin target of 8.5% in 2010



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Ian McHoul, Chief Financial Officer



Highlights



| £ million | 2009 | 2008 | |
|-------------------------|-------|-------|-------|
| ■ Revenue | 2,539 | 2,606 | -3% |
| ■ EBITA* | 208 | 185 | +13% |
| ■ Operating cash flow** | 257 | 112 | +129% |
| ■ Profit before tax* | 216 | 210 | +3% |
| ■ Earnings per share*** | 46.9p | 44.0p | +7% |
| ■ Dividends per share | 17.7p | 15.4p | +15% |
| ■ Order book | 3.2bn | 3.3bn | -3% |

8.2% EBITA margin – up 110 bps

* Before amortisation and impairment, pre-tax exceptional items and £3.7m (2008 : £2.1m) of deferred consideration on Earth & Environmental acquisitions but including joint venture profit before tax

** Cash generated from operations before exceptional items and discontinued operations, legacy settlements and pension payments in excess of amounts recognised in the income statement

*** Diluted for continuing operations, before amortisation and impairment, exceptional items and deferred consideration on Earth & Environmental acquisitions

Natural Resources

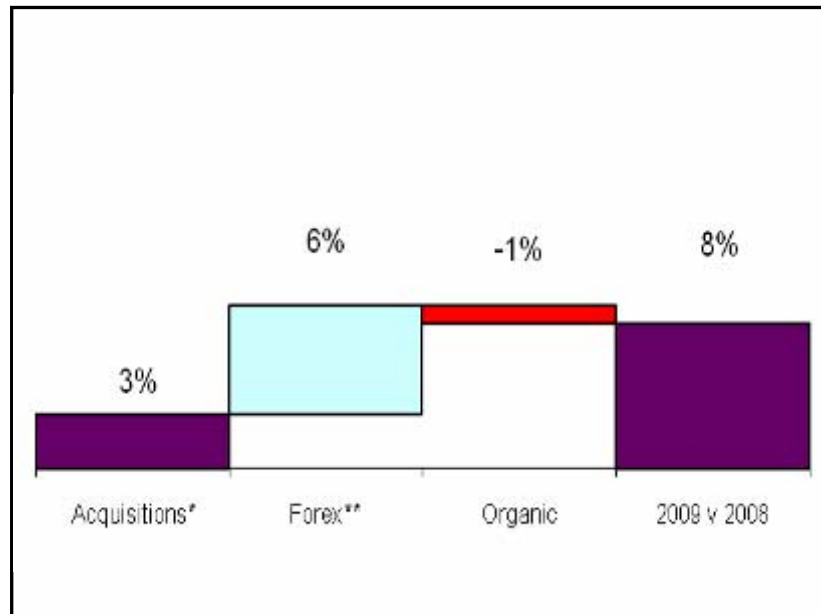


| £ million | 2009 | 2008 | |
|--------------------------|---------|---------|---------|
| ■ Revenue | 1,300.9 | 1,204.2 | +8% |
| ■ EBITA | 154.3 | 129.3 | +19% |
| ■ EBITA margin | 11.9% | 10.7% | +120bps |
| ■ Average employees* | 9,577 | 10,713 | -11% |
| ■ Order book | 1.71bn | 1.71bn | in line |
| ■ 2009 Capex/Opex split: | | | |
| ■ Revenue | 65%/35% | 55%/45% | |
| ■ Order book | 55%/45% | 43%/57% | |

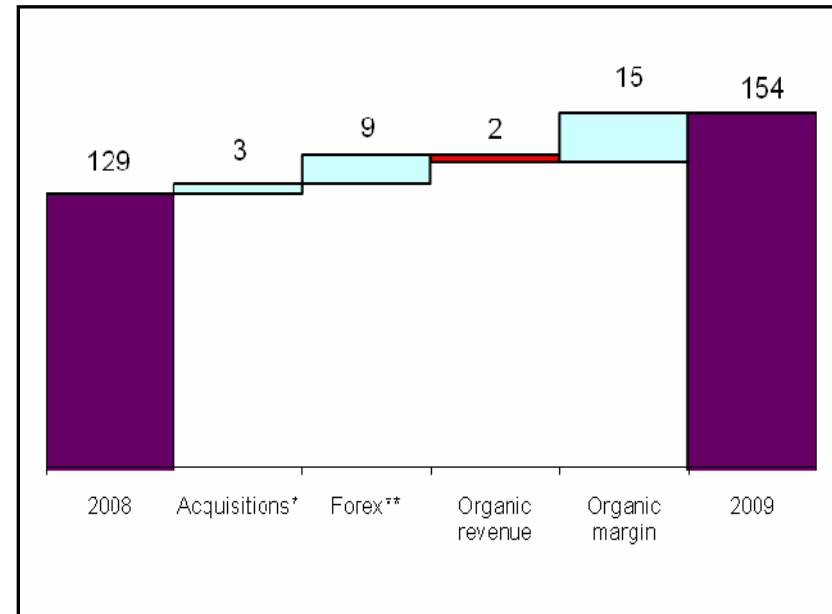
Well positioned for growth

* Full time equivalents/agency staff

Revenue growth %



EBITA development £m



Strong margin development to 11.9%

* Year-on-year impact of material acquisitions
 ** Year-on-year impact of currency translation from US\$ and Cdn\$ into £

| £ million | 2009 | 2008 | |
|--------------------------|---------|---------|---------|
| ■ Revenue | 788.1 | 1,021.8 | -23% |
| ■ EBITA | 55.4 | 58.3 | -5% |
| ■ EBITA margin | 7.0% | 5.8%* | +120bps |
| ■ Average employees** | 7,061 | 7,922 | -11% |
| ■ Order book | 1.17bn | 1.28bn | -9% |
| ■ 2009 Capex/Opex split: | | | |
| ■ Revenue | 34%/66% | 52%/48% | |
| ■ Order book | 39%/61% | 37%/63% | |

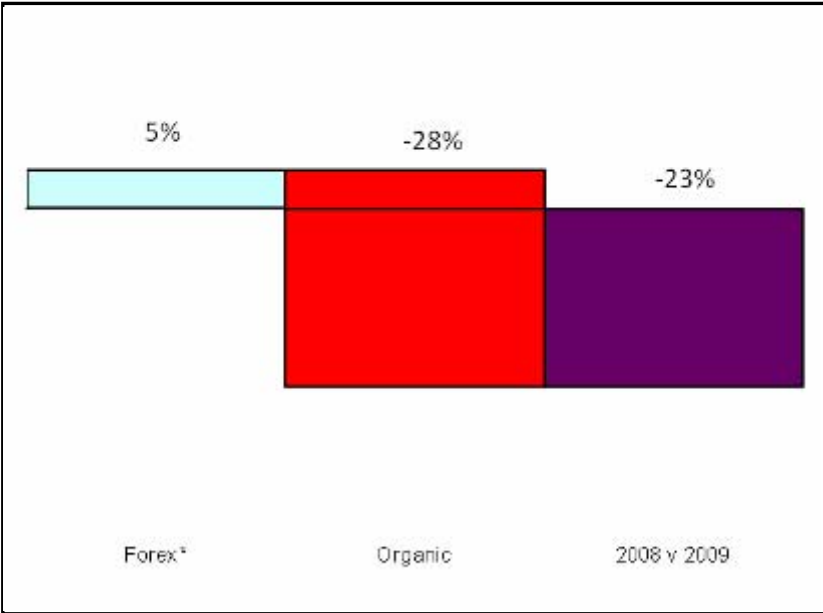
Continued strategic refocusing

* 2008 before £0.6m restructuring costs

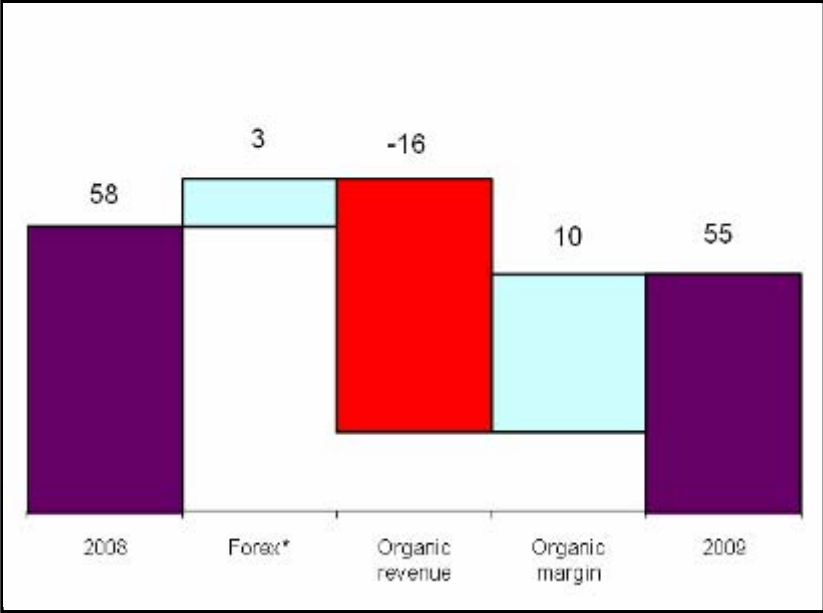
** Full time equivalents/agency staff. 2008 restated to include all categories of employees in the Americas on a consistent basis



Revenue growth %



EBITA development £m



Focus on business mix and margin growth

* Year-on-year impact of currency translation from US\$ and Cdn\$ into £

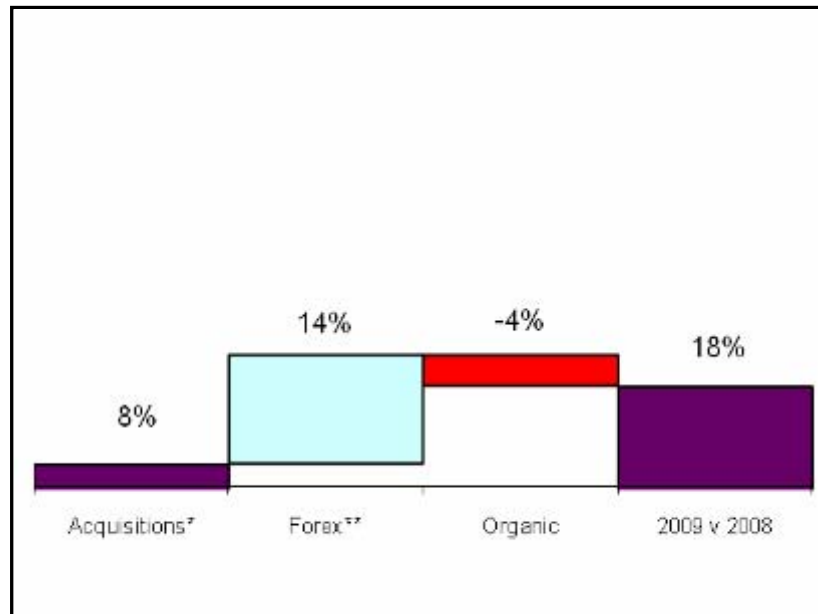
| £ million | 2009 | 2008 | |
|-----------------------|--------|--------|---------|
| ■ Revenue | 470.8 | 400.2 | +18% |
| ■ EBITA* | 36.5 | 33.5 | +9% |
| ■ EBITA margin | 7.8% | 8.4% | -60bps |
| ■ Average employees** | 4,337 | 3,933 | +10% |
| ■ Order book | 0.29bn | 0.29bn | in line |

Continued strengthening in competitive position

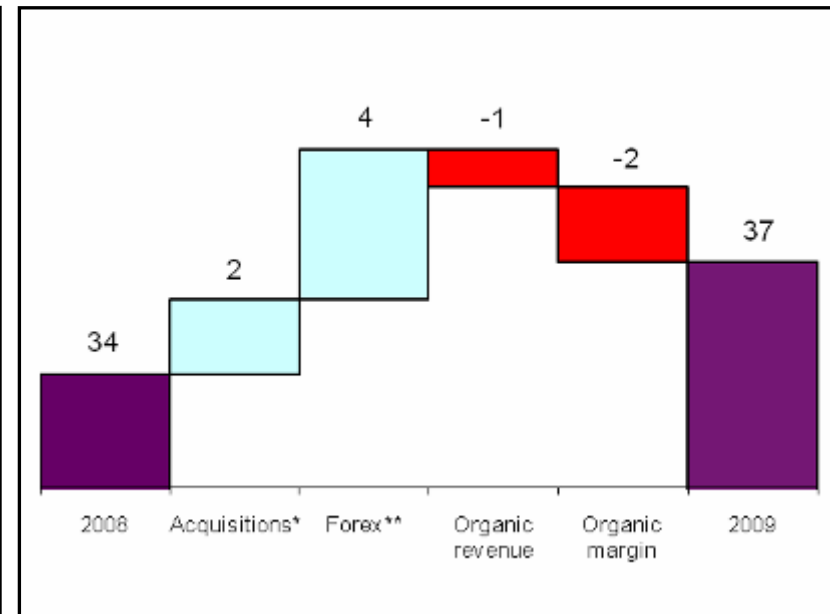
* Before £3.7 million (2008 : £2.1 million) costs and deferred consideration on Earth & Environmental acquisitions

** Full time equivalents/agency staff

Revenue growth %



EBITA development £m



Margin decline, but well set for expansion

* Year-on-year impact of material acquisitions

** Year-on-year impact of currency translation from US\$ and Cdn\$ into £

Order book



| £ billion | 2009 | 2008 |
|-------------------------|------|------|
| ■ Natural Resources | 1.71 | 1.71 |
| ■ Power & Process | 1.17 | 1.28 |
| ■ Earth & Environmental | 0.29 | 0.29 |
| | 3.17 | 3.28 |

Expect improving pipeline through 2010

Operational Excellence and margins



| £ million | 2010 estimate | 2009 | 2008 |
|-----------------------|------------------|------|------|
| ■ Cumulative benefits | 40+ | 18 | 7 |
| ■ Investment | (5) | (10) | (10) |
| ■ Net benefits | 35+ | 8 | (3) |

- Operational Excellence programme substantially complete
- Expected to mitigate increasing margin pressure from customers

Firmly on track to deliver 8.5% margin target in 2010

| | 2009 | 2008 |
|-------------------------|-------|-------|
| ■ Underlying rate* | >32% | >31% |
| ■ P&L charge** | 27.5% | 30.8% |
| ■ Cash paid (£ million) | 70.5 | 73.2 |

- Underlying rate increasing
 - Higher percentage of profits from North America
- Charge reducing
 - Settlement of historic items
 - Active management
- Expect future charge to reduce further

Active management

* Weighted average geographic rate

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

Operating cash flow



| £ million | 2009 | 2008 |
|------------------------|------|------|
| EBITA | 208 | 185 |
| Statutory adjustments* | (21) | (4) |
| Statutory PBIT | 187 | 181 |
| Non-cash items** | 25 | 26 |
| | 212 | 207 |
| Working capital | 45 | (95) |
| Operating cash flow*** | 257 | 112 |

Improved cash conversion

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

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

*** Compared to "cash generated from operating activities" per the statutory format cash flow, operating cash flow excludes exceptional items and discontinued operations £13 million (2008: £(13) million), legacy settlements £(17) million (2008: £2 million) and pension payments in excess of amounts recognised in the income statement £(11) million (2008: £(32) million)

Cash flow

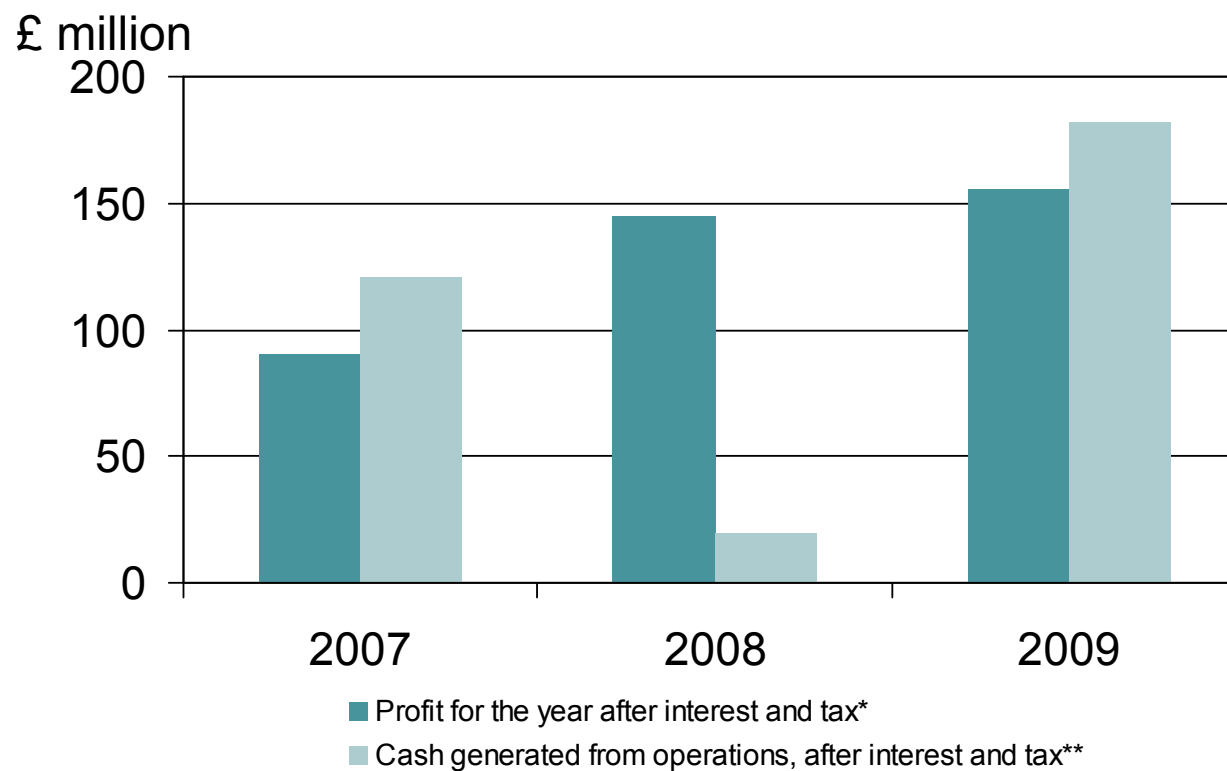


| £ million | 2009 | 2008 |
|----------------------------------|-------------|----------|
| Operating cash flow | 257 | 112 |
| Acquisitions and disposals* | (140) | 54 |
| Interest and tax | (61) | (49) |
| Dividends and share acquisitions | (65) | (73) |
| Other** | (7) | (42) |
| Net cash flow | (16) | 2 |
| Opening cash | 765 | 734 |
| Exchange loss on opening cash | (6) | 29 |
| Closing cash | 743 | 765 |

* Businesses, joint ventures and fixed assets

** Pension payments in excess of amounts recognised in the income statement, legacy settlements, exceptional and discontinued items and dividends received from joint ventures

Cash conversion



Increased focus on cash conversion

* Before amortisation and exceptional items

** Before capital transactions and shareholder returns

Net cash



| £ million | 2009 | 2008 |
|-------------------------|------|------|
| Year-end net cash | 743 | 765 |
| Average weekly net cash | 690 | 626 |

- Expected average cash 2010 c.£700m
 - Before future acquisitions
- Average yield reducing
 - c. 4% in 2008
 - c. 1% in 2009
 - < 1% in 2010

Balance sheet strong

- Accounting status
 - Surplus* at 31 December 2009 £27 million (2008 : £166 million)
 - Surplus reduced by c.£140 million due to decline in discount rate and an increase in assumed inflation, offset by gains on asset values

| ■ Financing income £ million | Est 2010 | 2009 | 2008 |
|----------------------------------|----------|------|------|
| ■ Charge on liabilities | (71) | (64) | (61) |
| ■ Return on assets | 77 | 69 | 79 |
| Contribution to EBITA (non cash) | 6 | 5 | 18 |

One of the best funded schemes in the FTSE 100

* IAS 19 valuation; main UK schemes only

- Acquisitions
 - Strong track record
 - ROIC \geq WACC in year one or two
 - Significant opportunities

- Half-yearly dividends
 - Progressive policy
 - Satisfied with existing cover

- Additional distributions
 - Dependent on outlook for acquisitions – need to retain flexibility
 - No plans in 2010

Move over time to a more efficient capital structure

- Challenging environment - but
 - AMEC well positioned
 - Level of project awards forecast to improve
 - Expect order book to grow
 - Timing expected to be back-end loaded
- On track to achieve 8.5% margin target
 - Operational Excellence benefits
 - Mitigating margin pressure from customers
- Financial strength provides flexibility

Expect 2010 to be another year of improved performance



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Samir Brikho, Chief Executive



- Speed of economic recovery
- Availability of liquidity
- Commodities price stabilisation
- Customer capex up - but focus on cost reduction
- Timing of North American stimulus funds
- Decisions on future energy mix

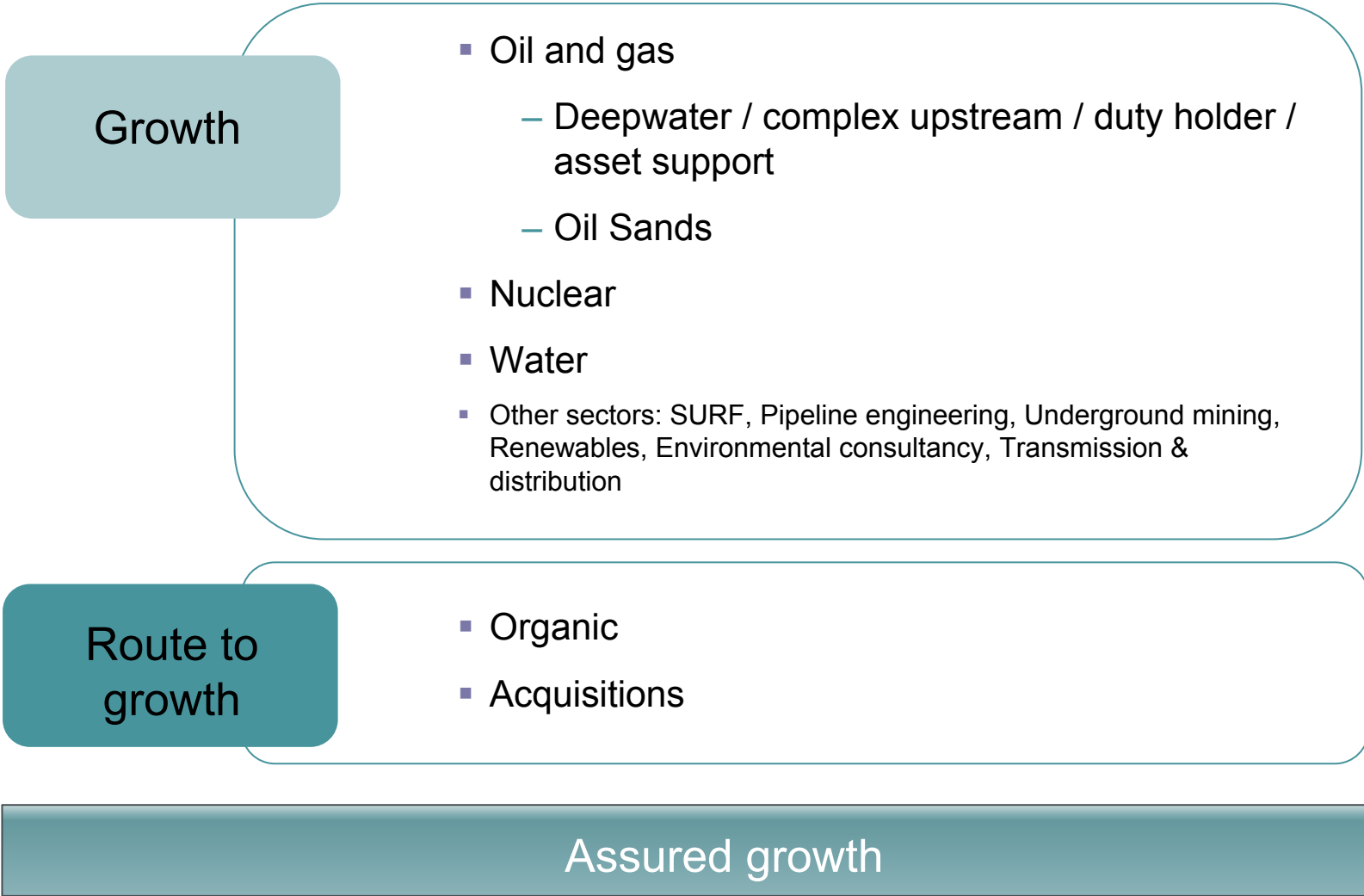
AMEC well positioned to mitigate challenges

2010 – AMEC's priorities

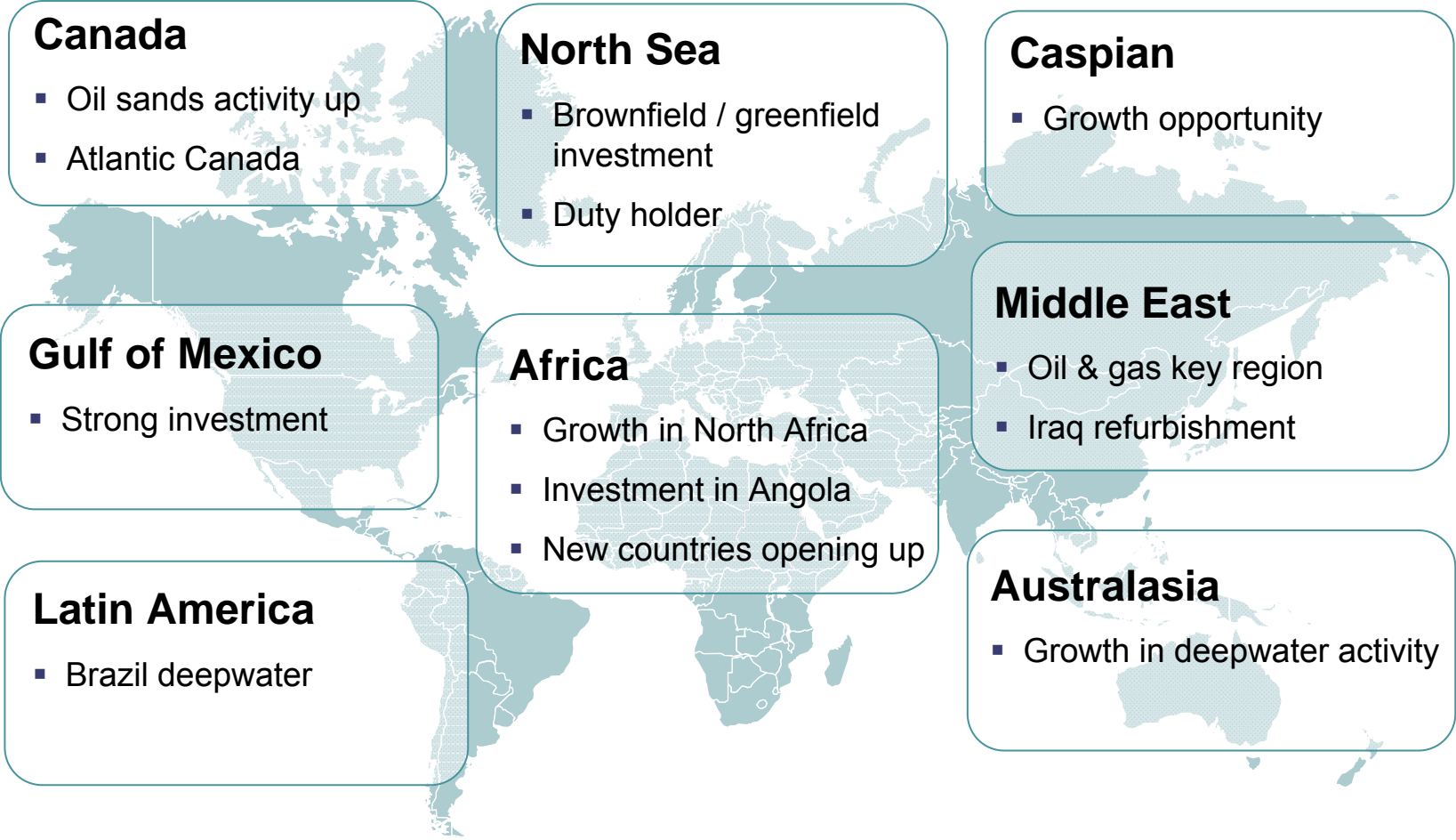


- Strengthening customer relationships
- Delivering Operational Excellence
 - Cumulative benefits of at least £40 million expected
- On-going focus on cash management
- Closing out 'older' contracts
- Preparing ground for Vision 2015
 - Building our capability
 - Increased collaboration

Achieving performance improvement



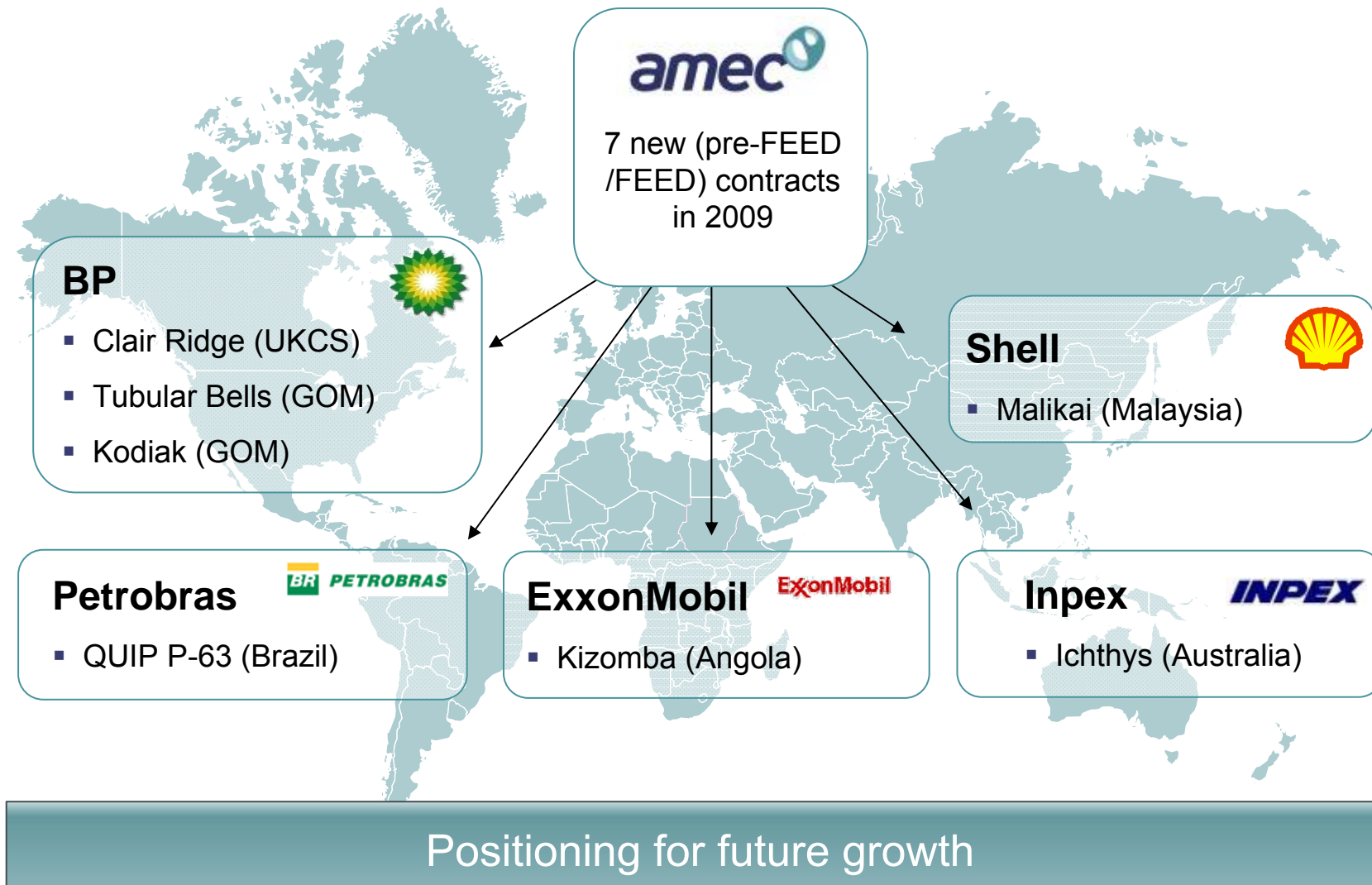
Medium-term outlook Oil and gas



Positioning in growth markets



Medium-term outlook Deepwater / complex



Medium-term outlook Oil Sands

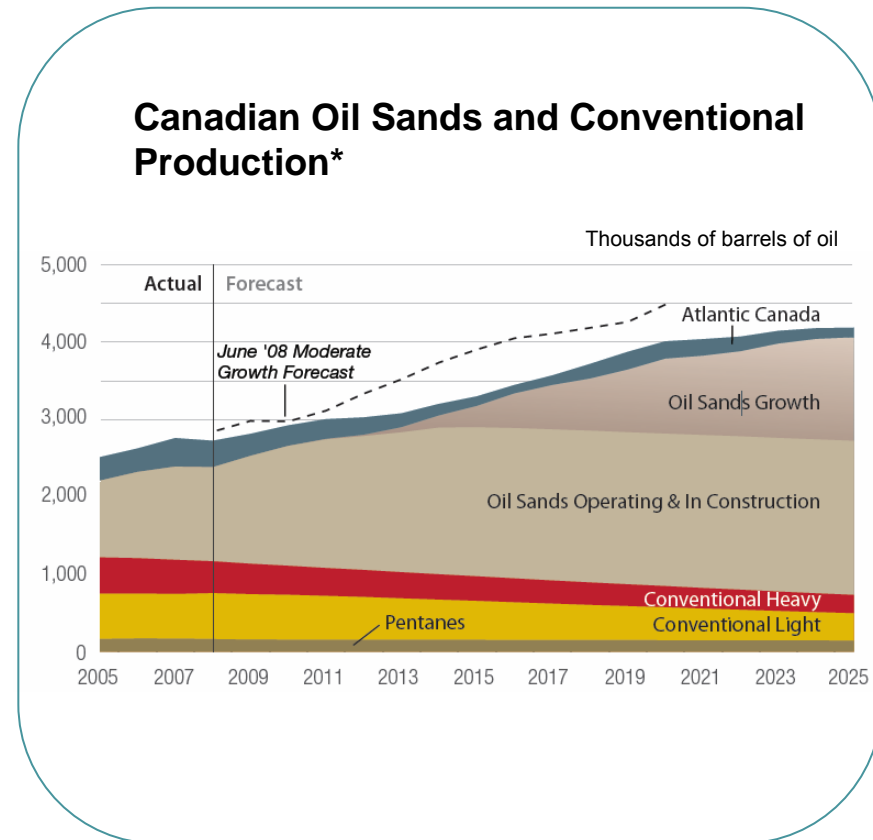


Market size

- Production (bbl/day): 1.5m (2009), 1.8m (2012), 2.9m (2020)*
- 2010 capex Cdn\$12bn, up 20%**

AMEC market position

- Services: market leader project management and engineering services to upstream surface mining sector. Also provide in-situ services
- Relationships: include Imperial Oil, Shell, Syncrude, Suncor
- Advise customers on environment, energy and water usage



Growing market, complex issues, strong position

*Source: Canadian Association of Petroleum Producers ** Source: Goldman Sachs (Jan 2010)

Medium-term outlook Nuclear

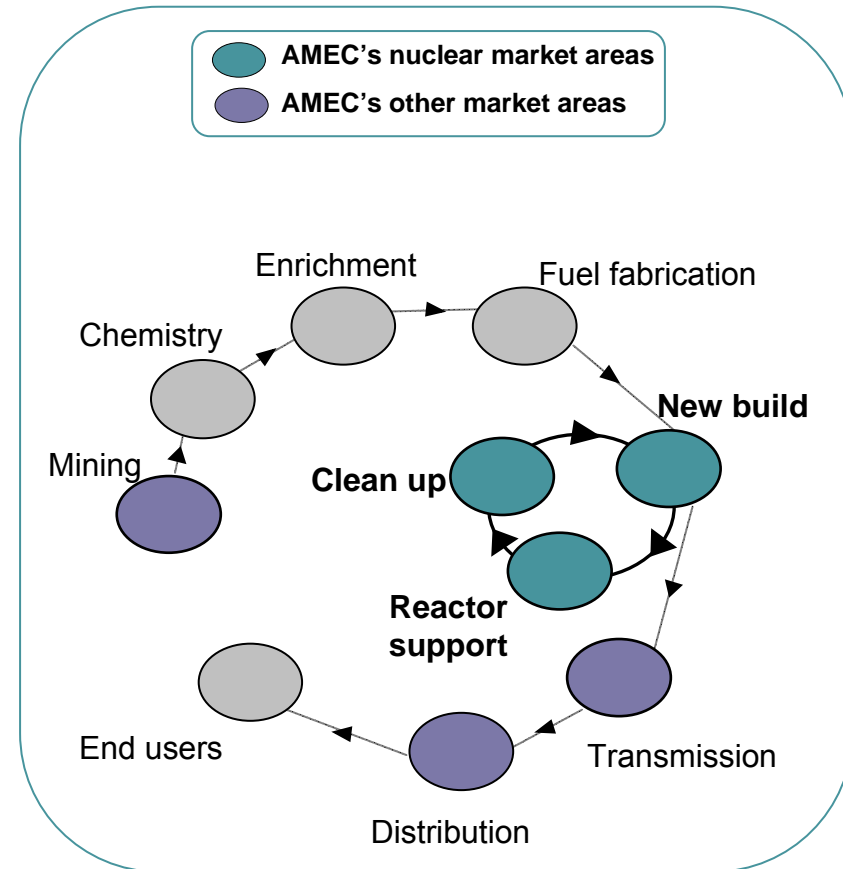


Market size

- UK: Reactor support; clean up (£70bn+); new build (6 planned, 2 operational by 2020)
- Canada: Reactor support, clean up, new build (Ontario, Alberta, Saskatchewan)
- Opportunities in other regions

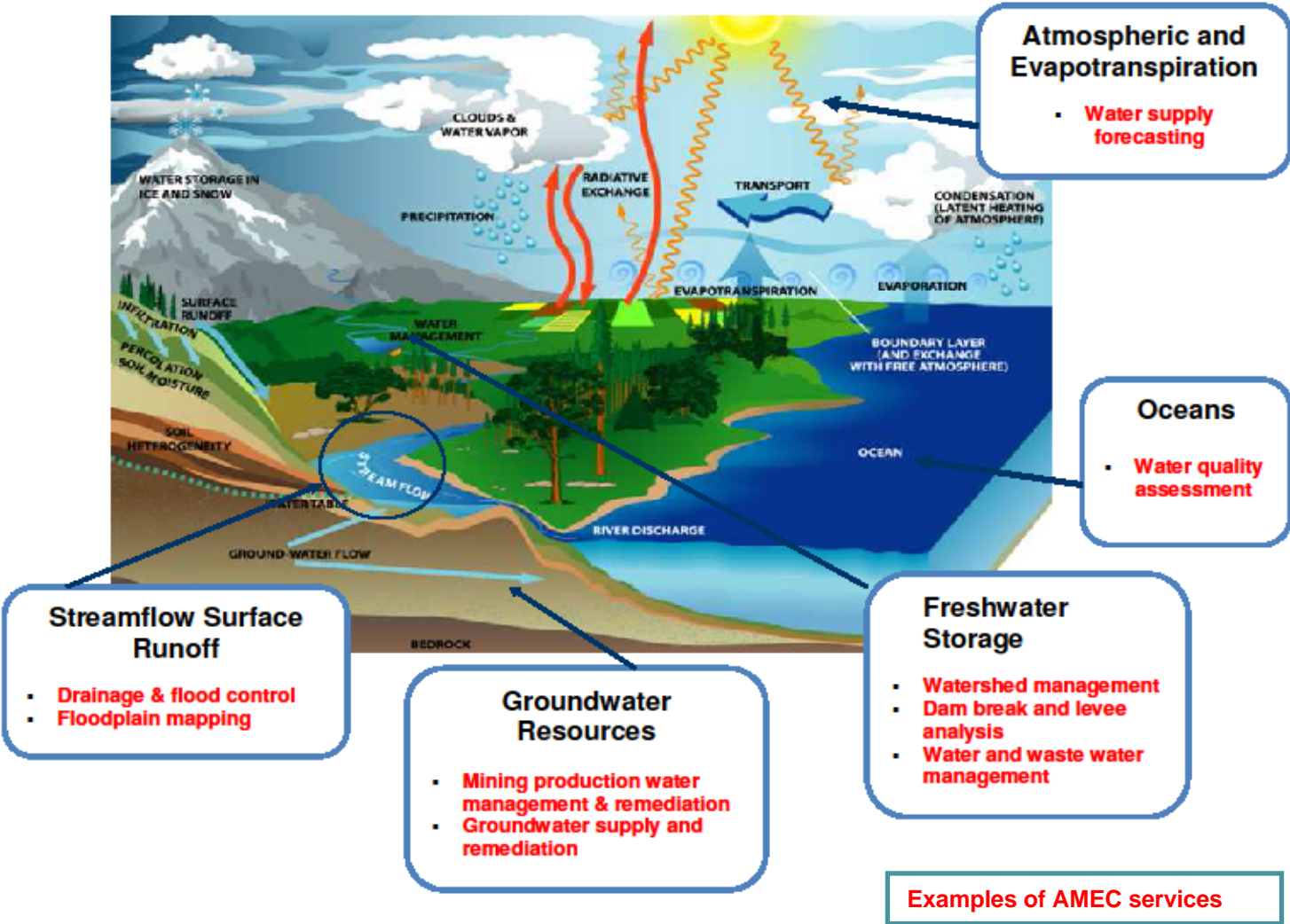
AMEC market position

- Services: full asset life-cycle; technology independent
- Relationships: NDA (Sellafield site), EDF, Bruce Power, OPG
- 2,000+ employees in nuclear sector



Nuclear sector provides sustained growth

Medium-term outlook Water cycle



Market size (US)

- Levees: 5-year investment US\$50 billion*
- Dams: \$10 billion investment (2003-2015)**
- Waste water: \$13 billion - \$21 billion/year investment (2000-2019)***

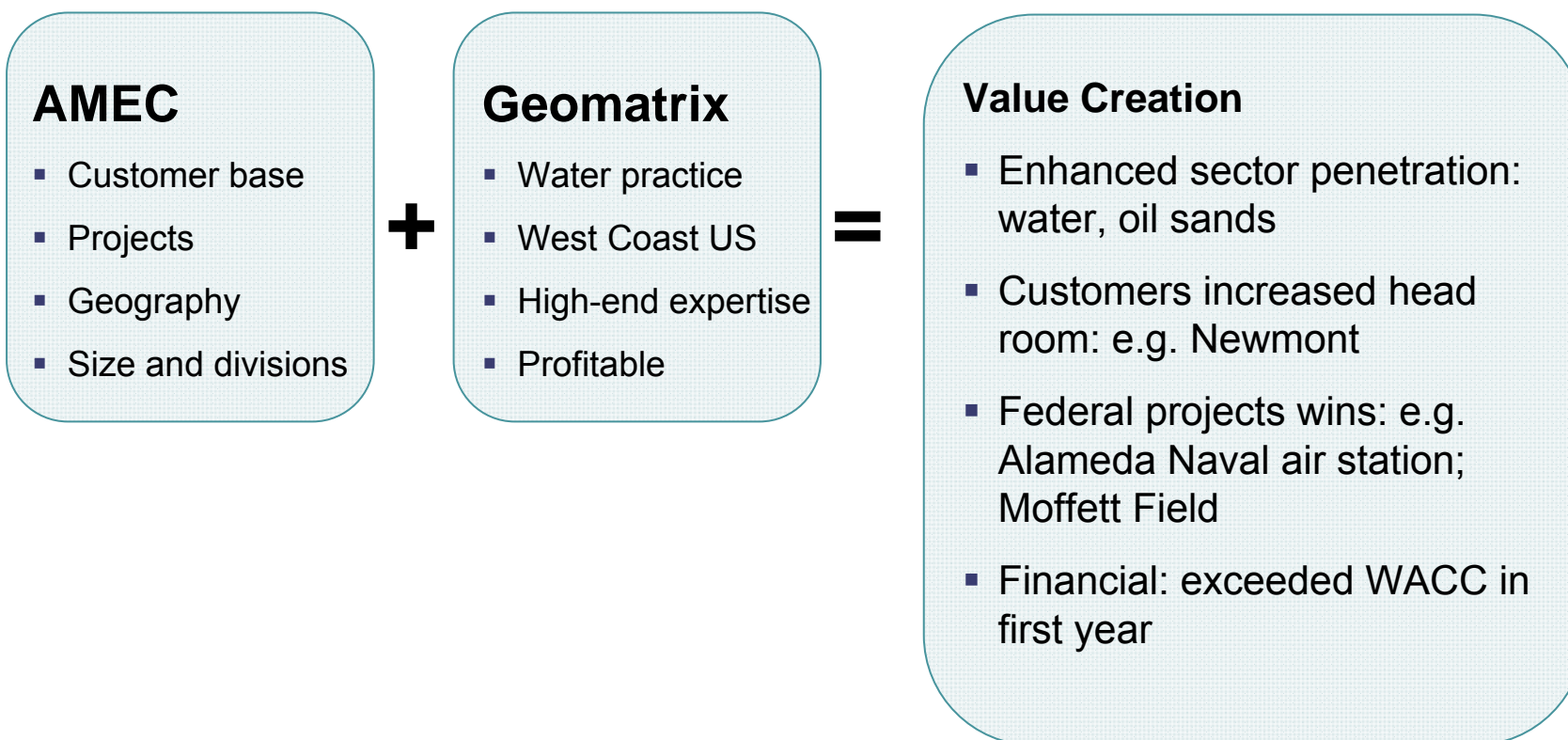
AMEC market position

- Services: floodplain mapping, levee assessments, dams, waste water treatment
- 700+ water experts

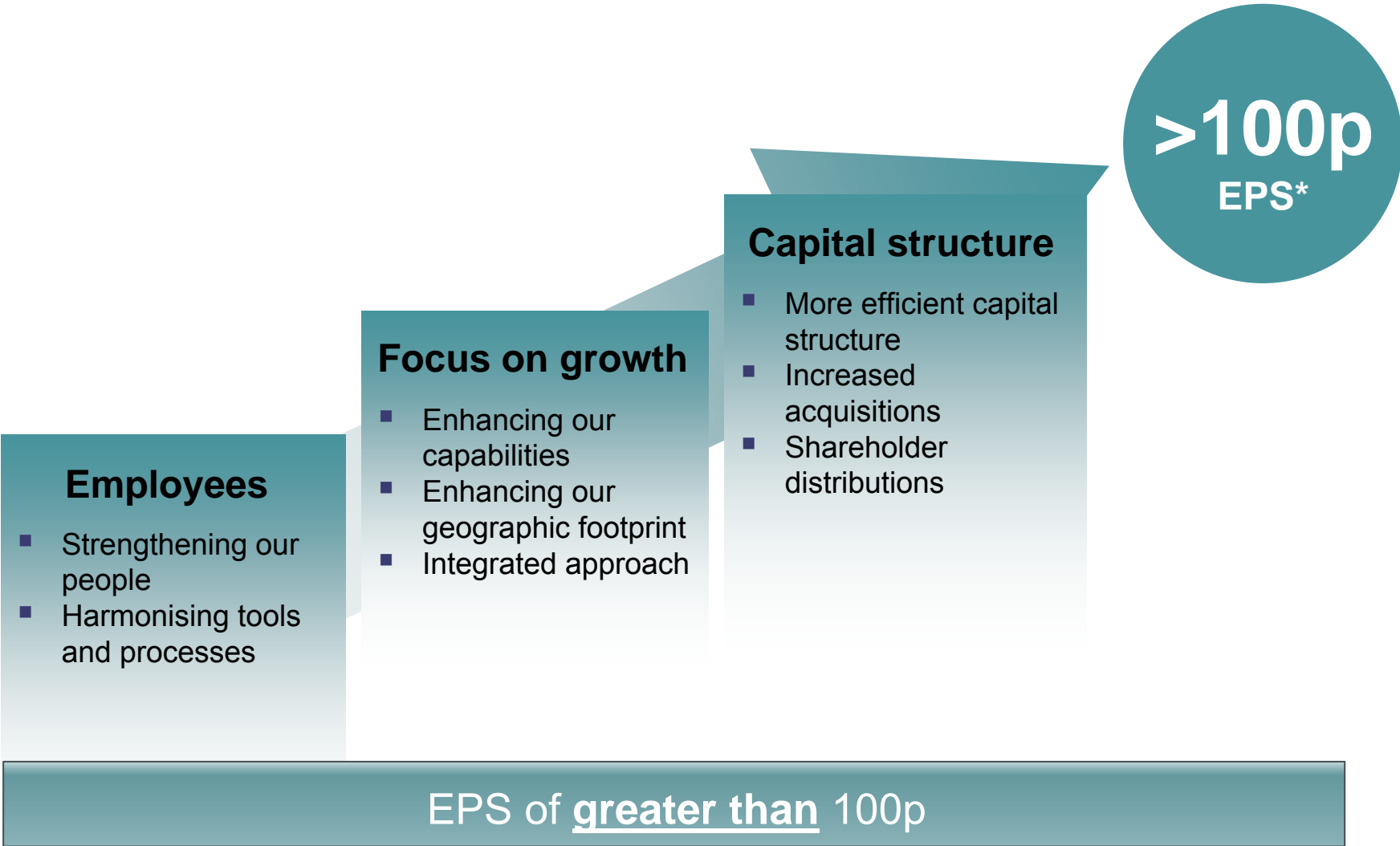
Growing market with high value segments

*Source: American Society of Civil Engineering; ** Source: Association of State Dam Safety Officials; *** Congressional Budget Office

- Case study: Geomatrix June 2008



Value-adding strategic acquisition



* Diluted EPS 2015

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Questions





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Supplementary information

£ v North American currencies



| | 2009 | 2008 | % |
|---------------|------|------|------|
| Profit & Loss | | | |
| Cdn \$ | 1.78 | 1.96 | -9% |
| US \$ | 1.55 | 1.83 | -15% |
| Balance sheet | | | |
| Cdn \$ | 1.69 | 1.77 | -5% |
| US \$ | 1.61 | 1.44 | +12% |

Adjusted revenue



| £ million | 2009 | 2008 | % | 2008 Restated* | % |
|-----------------------|-----------------------|-----------------------|------------|-------------------|-------------|
| Natural Resources | 1,300.9 | 1,204.2 | +8% | 1,318.3 | -1% |
| Power & Process | 788.1 | 1,021.8 | -23% | 1,071.8 | -26% |
| Earth & Environmental | 470.8 | 400.2 | +18% | 485.7 | -3% |
| | <u>2,559.8</u> | <u>2,626.2</u> | <u>-3%</u> | <u>2,875.8</u> | <u>-11%</u> |
| Investments and other | 13.7 | 20.0 | | | |
| Unallocated | (34.4) | (39.8) | | | |
| | <u><u>2,539.1</u></u> | <u><u>2,606.4</u></u> | | | |

* Restated for the year-on-year impact of material acquisitions and currency translation from US\$ and Cdn\$ to £

Adjusted EBITA



| £ million | 2009 | 2008 | % | 2008 Restated* | % |
|-----------------------|--------------|--------------|------|-------------------|-----|
| Natural Resources | 154.3 | 129.3 | +19% | 141.5 | +9% |
| Power & Process | 55.4 | 58.3 | -5% | 61.1 | -9% |
| Earth & Environmental | 36.5 | 33.5 | +9% | 39.8 | -8% |
| | 246.2 | 221.1 | +11% | 242.4 | +2% |
| Investments and other | 0.2 | 1.2 | | | |
| Corporate costs | (38.1) | (37.4) | | | |
| | <u>208.3</u> | <u>184.9</u> | | | |

* Restated for the year-on-year impact of material acquisitions and currency translation from US\$ and Cdn\$ to £

Profit reconciliation



£ million

| | |
|---|---------------------|
| ■ EBITA per presentation | 208.3 |
| ■ Net financing income | 7.3 |
| ■ PBT pre presentation | <u>215.6</u> |
| ■ Earth & Environmental deferred consideration* | (3.7) |
| ■ Joint venture tax** | <u>(5.3)</u> |
| ■ PBT per consolidated income statement | <u><u>206.6</u></u> |

* Elements of deferred consideration on acquisitions in Earth & 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 | 190.9 | 17.4 | 208.3 |
| Deferred consideration** | (3.7) | - | (3.7) |
| | 187.2 | 17.4 | 204.6 |
| Net financing income | 7.3 | - | 7.3 |
| | 194.5 | 17.4 | 211.9 |
| Tax | (53.0) | (5.3) | (58.3) |
| PAT per consolidated income statement | 141.5 | 12.1 | 153.6 |
| Tax rate | 27.2% | 30.5% | 27.5% |

* Before amortisation, impairment and exceptional items

** On Earth & Environmental acquisitions