

Thursday 13 May 2010

AMEC plc Interim Management Statement

Highlights

- Year-to-date trading in line with expectations
- Order book £3.55 billion (December 2009: £3.17 billion; April 2009: £3.40 billion)
 - Expect growing project pipeline as year progresses
 - New order intake year-to-date some 20 per cent above prior year
- Remain on track to deliver 8.5 per cent EBITA margin target in 2010
- Completed acquisitions of Entec in UK and Currie & Brown (Australia)
- FY average net cash before further acquisitions expected to be c. £650 million

AMEC Chief Executive Samir Brikho said:

“AMEC has performed in line with expectations in the first four months of the year.

“We are seeing some improvement in customer spending, and we continue to expect an increasing order pipeline as the year progresses. We continue to be well positioned on contracts at the early stage of the project cycle and are confident that this will support continued growth, building on our strong customer relationships.

“We continue to be firmly on track to deliver our target of 8.5 per cent EBITA margin in 2010.”

Guidance

Unless specifically addressed, guidance remains unchanged from that notified with the preliminary results.

Events

A conference call for analysts and investors will be hosted by Ian McHoul, Chief Financial Officer today at 8.30 am (BST).

AMEC is holding its annual general meeting at 10.30 am today in London, UK. At the meeting, Chief Executive Samir Brikho will update shareholders on the group's strategic progress and the outlook for 2010.

AMEC expects to announce interim results for the six months ending 30 June 2010 on Thursday 26 August 2010.

Contacts:

AMEC plc: +44 (0) 20 7539 5800

Samir Brikho, Chief Executive Officer

Ian McHoul, Chief Financial Officer

Sue Scholes, Director of Communications

Nicola-Jane Brooks, Investor Relations

Forward looking statements

Any forward looking statements made in this document represent management's best judgment 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 Management Statement 13 May 2010

Performance in each of AMEC's three core divisions has been in line with expectations in the first four months of 2010.

The order book increased to £3.55 billion at the end of April (31 December: £3.17 billion; April 2009: £3.40 billion). New order intake year-to-date was some 20 per cent above the same period last year, having developed via a mix of new contract awards, project extensions, scope changes to existing contracts and walk-in work.

The average number of employees was 21,727 in the four month period (April 2009: 21,732).

Segmental performance

Natural Resources

Year-to-date trading in the Natural Resources division is as expected.

The order book at 30 April 2010 was a record £1.80 billion, up since last year (31 December 2009: £1.71 billion; April 2009: £1.72 billion). Recently announced orders include the three-year extension of the Shell ONEgas joint venture contract in the Southern North Sea, worth €200 million a year for the joint venture, and the front end engineering and design (FEED) contract for Chevron's Mafumeira Sul project, offshore Angola, which is expected to run through to mid-2011.

The integrations of GRD Limited, acquired in November 2009, and Currie & Brown (Australia) Pty Ltd, acquired in January 2010, are both progressing well. GRD Minproc was recently awarded the next phase of the PanAust Limited's Ban Houayxai gold and silver project in Laos, which involves detailed engineering and procurement services.

The average number of employees in the period was 9,580 (April 2009: 9,687).

Power & Process

Year-to-date revenues in Power & Process are consistent with expectations and reflect a turning point in the strategic refocusing of the division on its core sectors and a high-value, low-execution risk business model.

The order book at 30 April 2010 was £1.43 billion (31 December 2009: £1.17 billion; April 2009: £1.37 billion). Particularly significant was the major EDF contract award to provide support to their architect engineering operation for the proposed delivery of four new EPR* nuclear reactors at Hinkley Point and Sizewell in the UK.

The average number of employees for the first four months of 2010 was 7,493 (April 2009: 7,688).

Power & Process continues to make progress on the four 'older' contracts that do not meet the new criteria of low-risk services with high-value add.

Earth & Environmental

Year-to-date trading in Earth & Environmental is in line with expectations.

Performance is expected to strengthen through the year as the economic recovery continues.

The order book at 30 April 2010 was £323 million, up slightly on the same time last year (31 December £288 million; April 2009: £277 million). The mining sector has been strong, and the industrial / commercial sectors are recovering slowly. Recent project wins include: supporting the town of Miami, Arizona with the design and construction of a municipal wastewater system, and the design and construction management of water line and other facilities in Qatar for AFCEE**.

The average number of employees for January to April 2010 was 4,457 (April 2009: 4,127). The acquisition of Entec Holdings Limited in March 2010 for £61.2 million added 700 people in the UK, including about 300 water-focused specialist consultants.

Financial position and net cash

The group remains in an exceptionally strong financial position. Net cash at the end of April 2010 was c. £650 million (31 December 2009: £743 million; 30 April 2009: £700 million). The reduction since the year-end reflects the two acquisitions, as well as the normal seasonal outflow of working capital.

Outlook

Improving market sentiment and recovery in key customers' capital expenditure is expected to continue to support the group's overall performance through 2010. The

order book is expected to strengthen as the year progresses on the back of a solid project pipeline, and this provides good visibility for the second half of 2010, into 2011 and beyond. As a consequence, the relative weighting of both revenue and profit towards the second half of the year is expected to be higher than usual. In addition, current market forecasts for sterling suggest a positive impact on full year results.

We remain on track to deliver our target EBITA margin of 8.5 per cent in 2010, as customer pricing pressure is mitigated by improvements in operational efficiencies.

The balance sheet remains strong and the group will continue to prioritise further selective value-enhancing acquisitions during 2010. Average net cash is expected to be c. £650 million for 2010, before the impact of further acquisitions, and the on-going focus on cash management will continue throughout the year.

Board changes

As previously announced, Martha Hesse retires from the board, with effect from today. Neil Carson will join the board as a non-executive director on 31 August 2010. Full details are provided in a separate announcement.

AMEC plc

AMEC (LSE: AMEC) is a focused supplier of high-value consultancy, engineering and project management services to the world's natural resources, nuclear, clean energy, water and environmental sectors. With annual revenues of over £2.5 billion, AMEC designs, delivers and maintains strategic and complex assets for its customers. The company employs some 22,000 people in around 40 countries worldwide. amec.com

***EPR** is the European Pressurised water Reactor developed by Areva and EDF. It is a "third generation" nuclear power plant, which features improved fuel technology and thermal efficiency, passive safety systems and reduced maintenance and capital costs.

** **AFCEE** Air Force Center for Engineering and the Environment