John Wood Group PLC
Half year Report 2009


Redevelopment project, Norway


Brownfield engineering design, UK


Turbine accessory repair, Thailand


Surface pumping systems, Abu Dhabi


Subsea systems, Australia

Energy supporting energy worldwide

Robust performance in challenging energy markets

John Wood Group PLC ("Wood Group" or the "Group") is a market leader in engineering design, production enhancement and support, and industrial gas turbine services for customers in the oil & gas and power generation industries around the world. Wood Group businesses employ approximately 27,000 people[1] and operate in 50 countries.

Financial Highlights

- Revenue of $2,411.4m (2008: $2,526.9m)
- EBITA[2] of $187.7m (2008: $207.9m)
- In constant currency[3], revenue up 7% and EBITA down 2%
- Group EBITA margin of 7.8% (2008: 8.2%)
- Profit before tax of $160.8m (2008: $181.3m)
- Basic earnings per share of 21.1 cents (2008: 23.7 cents)
- Adjusted diluted earnings per ordinary share[4] of 22.3 cents (2008: 24.7 cents)
- Cash generated from operations of $228.2m (2008: $87.9m)
- Interim dividend of 3.1 cents (2008: 2.8 cents)

Group Highlights

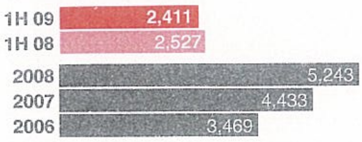
- Robust performance in challenging energy markets
  - Operating expenditure ("opex") related businesses, which make up 55% of revenue, continue to perform well
  - Significant cost reductions implemented in areas of lower activity
  - Stronger US dollar held back reported results, particularly for Production Facilities and Gas Turbine Services

Contents

$ refers to US dollar, the reporting and principal functional currency of the Group.
For footnotes, see page 7.

Performance Highlights

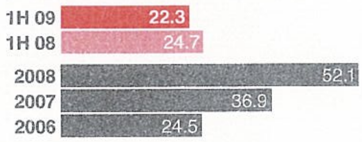
Revenue ($m)



EBITA[2] ($m)

Profit before tax ($m)

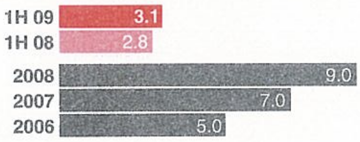
Adjusted diluted EPS[4] (cents)



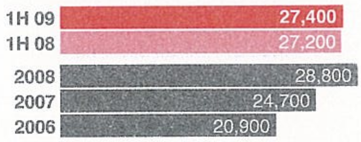
ROCE[9] (%)

OCER[8] (%)

Dividend per ordinary share (cents)



People[1]



Safety cases[10] (per million man hours)

Operating Highlights

Engineering & Production Facilities

Engineering

- Revenue just ahead of the first six months of 2008
- Headcount reducing with project delays in upstream and downstream
- Good performance in subsea and pipeline
- Good prospect list, although project timing remains uncertain
- Continuing geographical expansion; acquisition in Saudi Arabia strengthens position in the Middle East

Production Facilities

- Good growth in North Sea activity; increased market share with newer entrants
- Continued expansion of international activities; strengthening position in Australia and Brazil
- Expansion of training services
- Continuing margin improvement

Well Support

- Production focused Electric Submersible Pumps ("ESP") business continuing to perform well; cost reductions contributing to increased margins
- Reductions in US rig count leading to significant volume declines and pricing pressure in US gas related market; early action taken to adjust cost base
- More resilient performance internationally

Gas Turbine Services

- Demand for aftermarket services in both oil & gas and power related areas remains robust; delays in fast track power package awards
- Margin growth driven by internal restructuring, increased work under longer term contracts, and new product and service capabilities

Interim statement

Sir Ian Wood, Chairman

Allister Langlands, Chief Executive

"In challenging energy markets, we continue to benefit from a robust performance in our production support related businesses and believe results for the year will be in line with expectations.
We believe the longer term fundamentals for our business remain strong, and our market leading services and products, wide international spread and high quality customer base will enable us to resume good growth as energy markets recover. The confidence in our longer term outlook is reflected in the 11% increase in our interim dividend."

Sir Ian Wood, Chairman
Allister Langlands, Chief Executive

Introduction

As anticipated, market conditions in the first six months of the year were challenging, with lower global economic activity leading to reduced Exploration and Production ("E&P") spending worldwide. The recent higher oil prices are likely to have little impact on E&P spending in the second half of 2009, but we continue to benefit from robust performance in our production support related businesses and believe results for the year will be in line with expectations.

Trading performance	**Interim June 2009 $m**	**Interim June 2008 $m**	**Change**	**Change in constant currency[3]**
Revenue	2,411.4	2,526.9	(5%)	7%
EBITA[2]	187.7	207.9	(10%)	(2%)
EBITA margin %	7.8%	8.2%	(0.4% pts)	(0.7% pts)
Profit before tax	160.8	181.3	(11%)	
Profit for the period	106.9	120.6	(11%)	
Basic EPS (cents)	21.1	23.7	(11%)	
Adjusted diluted EPS[4] (cents)	22.3	24.7	(10%)	
Cash generated from operations	228.2	87.9	160%	

In the first half, revenue decreased by 5% to $2,411.4m, but increased in constant currency terms by 7%. The movement in constant currency revenue is driven by a strong increase in Production Facilities activity, partly offset by a reduction in Well Support's US gas market related revenue and lower fast track power package revenue in Gas Turbine Services.

EBITA decreased by 10% to $187.7m or 2% in constant currency terms. EBITA margins reduced, driven by lower margins in Engineering and in Well Support, partially offset by margin improvement in Production Facilities and Gas Turbine Services.

Across the Group, we maintained our focus on developing our market leading positions and extending our range of services and geographic footprint, and invested $62.1m in acquisitions and capex (2008: $92.9m).

Dividend

Reflecting continuing confidence in our longer term outlook, we have declared an 11% increase in the interim dividend to 3.1 cents (2008: 2.8 cents). The dividend will be paid on 24 September 2009 to shareholders on the register at 4 September 2009.

Markets

Market conditions remain challenging:

- Global E&P spend is expected to reduce by around 15% during 2009, with lower volumes and price deflation leading to lower service company revenue;
- Customers are focused on cost reduction and efficiency improvements, and we are successfully applying our differentiated services and products to help customers reduce their overall project and operating costs.

We benefit from our focus on supporting customers' opex, which represents around 55% of our revenue, and on customers' longer term capital projects. We believe recovering energy demand, reserve depletion and the development of more challenging reservoirs provides strong longer term market fundamentals for our services and products.

Divisional highlights

Engineering & Production Facilities

We offer a broad range of engineering services to the upstream; the subsea, pipeline and midstream; and the downstream, process and industrial sectors. These include conceptual studies, engineering, project and construction management, automation projects and control systems upgrades. We offer life of field support to producing assets through brownfield engineering and modifications, production enhancement, operations management (including UK duty holder services), training, maintenance management and abandonment services.

	Interim June 2009 $m	Interim June 2008 $m	Change	Change in constant currency[3]
Revenue	1,580.0	1,560.8	1%	18%
EBITA[2]	143.1	148.8	(4%)	4%
EBITA margin %	9.1%	9.5%	(0.4% pts)	(1.1% pts)
People[1]	20,000	18,500	8%	

The growth in revenue in the period of 1% or 18% in constant currency terms reflects the continuing demand for our services, particularly our opex related Production Facilities activities. The Engineering content of Engineering & Production Facilities revenue was approximately 48%, in line with June 2008. The constant currency increase was driven by strong underlying growth from the North Sea, our largest Production Facilities market.

EBITA decreased by 4% in the period, with the margin decreasing from 9.5% to 9.1%. In constant currency terms EBITA was up 4%, and EBITA margins were down 1.1% points. The margin decrease was a result of lower Engineering margins due to somewhat reduced pricing and slightly lower utilisation, partly offset by a focus on operational efficiency and the provision of newer services driving improved Production Facilities margins.

Engineering

In Engineering, we had a reasonable level of activity, although we are seeing delays in the pace at which projects are being progressed through the development process. This is in part due to clients continuing to seek to benefit from the anticipated reduction in overall project costs across the supply chain. We have a good prospect list, although the timing of project awards remains uncertain. Engineering headcount has fallen from 8,700 at 31 December to 7,700 at 30 June; principally due to reductions of around 450 in upstream including oil sands, around 450 in downstream including chemicals, and in our activities in Venezuela.

Our upstream activities represented around 40% of Engineering revenue. Upstream has remained active in Houston and we continued to broaden our international footprint. We are currently undertaking pre-FEED, FEED or detail design on over 15 large deepwater and offshore projects around the world, including three FPSO projects in West Africa. Recent awards include Chevron's Jack & St Malo in the Gulf of Mexico and Exxon Mobil's Scarborough and BHP's Macedon in Australia.

Our subsea, pipeline and midstream activities represented around 35% of Engineering revenue. Spending in subsea and pipelines continued to be robust. We are currently working on over 12 major subsea projects globally and three floating liquefied natural gas ("LNG") studies. Recent awards include INPEX Ichthys and Chevron's Walker Ridge pipeline system and we continue to be active for BP in the development of its subsea programme in Block 31 offshore Angola. Activity levels in onshore US pipeline infrastructure were high as we supported customers making infrastructure investments in the pipeline network to link unconventional gas developments to end markets.

Downstream, process and industrial represented around 25% of Engineering revenue. Our downstream business, which is focused primarily on the Americas, continues to be supported by regulatory work, including compliance with MSAT II benzene regulations.
Our automation business remained strong as clients focused on opportunities to increase efficiencies and reduce costs. During the period we were awarded a significant global automation framework agreement by Chevron covering all of their upstream assets.

Across Engineering there are a number of important strategic developments which we continue to progress, including continuation of our geographic expansion, focused on key markets in West Africa, the Middle East and Asia Pacific. In Asia Pacific, we entered a joint venture with PETRONAS in Malaysia to develop integrated floating LNG liquefaction, storage and offloading solutions, using our proprietary liquefaction technologies. In the Middle East, we entered into an agreement with Al-Hejailan Consulting, a Saudi Arabian engineering contractor, to acquire a majority interest in a newly established joint venture, Mustang Al-Hejailan Engineering. The joint venture will provide engineering and project management services to the oil, gas and chemical industries in the Kingdom of Saudi Arabia.

We continue to expand our capabilities in the clean energy sector and following our contribution to the successful sanctioning of the South West Regional Development Agency's Wave Hub renewable energy project, we will continue through the execution phase in the role of Engineer and Project Manager. In the Middle East we remained active on the front end engineering and design ("FEED") for the first phase of Masdar's Carbon Capture and Storage ("CCS") project in the United Arab Emirates and have been awarded a study into CO_2 injection for enhanced oil recovery by the Abu Dhabi Company for Onshore Oil Operations ("ADCO").

Interim statement
continued

Production Facilities

Production Facilities provides a broad range of services in support of customers' ongoing operations. Activity levels are driven by customers' focus on maintaining production levels, lowering unit production costs and ensuring asset integrity. Headcount has increased from 11,300 people at 31 December to 12,300 at 30 June with increases of around 200 people in the North Sea and around 750 in Asia Pacific, including around 500 through acquisitions.

The North Sea is our largest Production Facilities market, representing around 60% of revenue and over the last few years we have positioned ourselves to win an increasing share of work from new entrants. Strong opex related activity across our longer term contracts delivered good sterling revenue growth, but the reported growth was held back by the impact of the weaker average sterling exchange rate in the period. We continued to be active for clients such as BP, Hess, Shell, Talisman, Total and Venture and enjoyed significant revenue growth in the period, including work for TAQA on their Tern, Eider, North Cormorant and Cormorant Alpha platforms and for Ithaca on their Beatrice field and Jacky development. In the period we were also appointed as duty holder on the Voyageur FPSO by Premier Oil following their acquisition of the North Sea assets of Oilexco.

We are continuing to increase our presence in international markets and are seeing a greater number of international opportunities. To build our Production Facilities business in Asia Pacific we made two acquisitions in Australia and have recently secured a maintenance contract with ENI for their Blacktip gas development near Darwin and been given a letter of intent by Woodside to provide engineering, procurement and construction services for their Otway gas plant upgrade in Victoria.

Our Latin American operations include Brazil, Colombia, Peru and Trinidad. During the period we were awarded a five-year operations and maintenance support contract for Statoil's Peregrino project offshore Brazil and received a two-year contract from BP to provide commissioning and start-up services for new onshore projects in Colombia.

M&O Global, our safety and emergency response training company, has established new training centres in Egypt, Libya and Tunisia. We also completed the acquisition of CSS, a Louisiana based training company, providing a platform to expand our training services in North America.

Well Support

We provide solutions, products and services to enhance production and efficiency from oil & gas reservoirs.

	Interim June 2009 $m	**Interim June 2008 $m**	**Change**	**Change in constant currency[3]**
Revenue	405.3	472.8	(14%)	(11%)
EBITA[2]	35.5	49.2	(28%)	(24%)
EBITA margin %	8.8%	10.4%	(1.6% pts)	(1.4% pts)
People[1]	3,600	4,200	(14%)	

Revenue is 14% lower than the previous period principally due to the impact of the weaker US natural gas market on our Pressure Control and Logging Services businesses.

EBITA has decreased by 28% in the period, driven largely by lower volumes and pricing pressure in the US natural gas market. This has led to margins decreasing from 10.4% to 8.8%. In advance of the lower activity we reduced headcount and cut overhead costs by more than 10% across the whole division. Headcount has fallen in the US from 2,100 at 31 December to 1,500 at 30 June, and internationally from 2,200 to 2,100 over the same period. This has helped to position us for lower market volumes and protect our margins.

Electric Submersible Pumps ("ESP")

Our ESP business represented just over 50% of the division's revenue in the period and is focused on maintaining and enhancing oil production, frequently on a longer term contract basis.

Our North American business, which represented around 30% of total ESP revenue, delivered a reasonable performance in the period. Internationally, where around 70% of our revenue was generated, and where our customers are typically IOCs and NOCs under longer term contracts, we have seen a stronger performance with good levels of growth in Africa and in newer markets in South America. Our ongoing cost reduction initiatives have contributed to increased margins in the period.

Pressure Control

Pressure Control represented around 35% of the division's revenues in the period. We are the US market leader in the surface valve and wellhead equipment market and are focused on growing our international business.

Gas drilling related activity in the US decreased significantly, which led to a corresponding reduction in Pressure Control activity levels. The US market represented just under 65% of revenue in the period and we are continuing to pursue opportunities in growth regions such as the newer shale areas. In advance of volume reductions, we reduced our workforce in the US and significantly cut other costs to position us for the lower levels of activity. At 30 June our US workforce had reduced by around 30% from its peak. Activity outside the US contributed around 35% of Pressure Control's revenue and features longer term contracts with IOCs and NOCs. In particular, we have strengthened our business with PEMEX in Mexico and continue to build our presence in the Middle East. Our competitive position in the US and internationally is enhanced by our lower cost manufacturing facilities in China and Mexico.

Logging Services

Our production focused slickline services and development focused cased hole electric wireline services represented just under 15% of the division's revenues in the period. We faced challenging markets in the US land electric wireline market in the first half with significantly lower revenues and we have closed our US land production testing facilities. Overall we have reduced our US headcount by around 45%. Our Gulf of Mexico slickline activities and our operations in Argentina continue to perform well.

Gas Turbine Services

We are the world leading independent provider of integrated maintenance solutions and repair and overhaul services for industrial gas turbines, used for power generation, compression and transmission in the oil & gas and power industries.

	Interim June 2009 $m	Interim June 2008 $m	Change	Change in constant currency[3]
Revenue	408.0	475.7	(14%)	(8%)
EBITA[2]	32.6	35.1	(7%)	4%
EBITA margin %	8.0%	7.4%	0.6% pts	0.9% pts
People[1]	3,800	4,300	(12%)	

Overall, Gas Turbine Services' revenue is down 14% in the period, or 8% in constant currency terms. The reduction in constant currency revenue was driven by the disposal of non core businesses and lower fast track power package revenue. Underlying maintenance, repair and overhaul revenue was up 3% on a constant currency basis.

EBITA fell by 7% in the period, but was up 4% in constant currency terms, due to higher underlying margins which have increased in the period from 7.4% to 8.0%. This margin improvement has been driven by benefits from internal restructuring and cost reduction initiatives, increasing work under longer term contracts, and new product and service capabilities. We continue to focus on increasing the proportion of our work that is on a longer term contract basis and this is now about 50% of our revenues.

The reduction in headcount from 4,100 at 31 December to 3,800 at 30 June is due primarily to the disposal of non core businesses in the period.

Oil & Gas

Our oil & gas activities provide support for turbines used for power generation, gas compression and transmission, and represent around one third of the division's revenue. Overall, demand for our services has remained robust as customers seek to maintain existing production.

We made good progress in a number of key international markets during the period, including Brazil, Iraq, Peru and Saudi Arabia. Our Asset Management Solutions business, which manages the reliability of oil and gas customers' rotating equipment, has seen strong demand for its services in the North Sea and has been active with a number of customers including TAQA, Talisman and Total.

Power & Industrial

Our power & industrial activities provide support for turbines used for power generation and industrial applications, and represent around two thirds of the division's revenue. Our aftermarket revenue saw strong activity on a number of longer term contracts, including Air Products and the New York Power Authority ("NYPA") and demand for aftermarket services has remained steady. We were successful with the award of various new longer term operations and maintenance agreements including Berkshire Power Company's GT24B assets. We have also secured several long term maintenance contracts, including a 7EA contract with MEG Energy Corp and LM6000PD contract with East Windsor Cogeneration LP both in Canada. We are now supporting around 15,000 MW under longer term contracts (30 June 2008: 14,000 MW).

We continue to develop relationships with new customers in several locations including Australia, Canada, Panama & Peru.

Our fast track power package business, which contributed around 15% of the division's revenue, continued the construction of three power stations in Texas for El Paso Electric ("ELE") and East Texas Electric Co-operative ("ETEC") during the first half of the year. The ELE project was completed ahead of schedule and the ETEC projects are progressing well. We continue to have good enquiry levels however, as expected, we continue to see delays in new project awards due to the impact of tight credit markets.

Cash generated from operations, and financial position

Group cash flow	Interim June 2009 $m	Interim June 2008 $m	Full year Dec 2008 $m
Opening net debt	**(248.8)**	**(277.9)**	**(277.9)**
Cash generated from operations pre working capital	221.7	249.1	534.5
Working capital movements	6.5	(161.2)	(181.0)
Cash generated from operations	**228.2**	**87.9**	**353.5**
Acquisitions and capex	(62.1)	(92.9)	(214.8)
Tax paid	(53.2)	(54.5)	(112.1)
Interest, dividends and other	(35.1)	(21.1)	(51.8)
Exchange movements on net debt	(14.7)	3.5	54.3
Decrease/(increase) in net debt	**63.1**	**(77.1)**	**29.1**
Closing net debt	**(185.7)**	**(355.0)**	**(248.8)**

Cash generated from operations increased from $87.9m to $228.2m due to a reduction in working capital, partially offset by lower profitability in the period. Working capital inflows were $6.5m (30 June 2008: outflow of $161.2m) with the improvement due to improved receivables collection and advance payments from certain customers, partially offset by higher inventory. Net working capital as a percentage of annualised revenue[5] was 13.3%, an improvement on 14.1% at 30 June 2008.

Cash paid in relation to acquisitions in the period decreased to $26.6m (30 June 2008: $39.6m) and payments for capex and intangible assets reduced to $35.5m (30 June 2008: $53.3m). Amortisation was $11.3m (30 June 2008: $11.1m) and includes the impact of the amortisation of the other intangible asset balance arising from acquisitions. Tax paid in the period was driven by an effective tax rate of 32.5% of profit before tax, excluding other intangible amortisation of $5.1m (30 June 2008: $5.4m). The increase in interest, dividends and other is primarily due to the higher 2008 final dividend paid.

The Group's financial position remains strong. Net debt was $185.7m, compared to $248.8m at December 2008 and $355.0m at June 2008. The movement in net debt in the current period was mainly driven by the strong cash flow from operations offset by our ongoing investment programme through acquisitions and capex. In March we extended our $950m bilateral facilities to 2012, with the potential for two, one year extensions.

The Group's gearing ratio[6] has decreased from 21.9% at 31 December 2008 to 15.2%, the ratio of closing net debt to annualised EBITDA (earnings before interest, tax, depreciation and amortisation) decreased from 0.7 times at 30 June 2008 to 0.4 times and interest cover[7] decreased from 13.4 times at 30 June 2008 to 12.0 times.

OCER[8], used to measure operating capital employed efficiency, improved from 20.1% at 30 June 2008 to 19.5%. ROCE[9] for the Group decreased by 4.1% points to 27.5% (30 June 2008: 31.6%), driven primarily by the reduction in Group EBITA margin, partially offset by the improvement in OCER referred to above.

Foreign exchange

The Group's revenue and EBITA are impacted by movements in foreign exchange rates, including the effect of retranslating the results of subsidiaries with various functional currencies into US dollars at different exchange rates. Given the materially stronger US dollar in the first half of 2009 compared to the first half of 2008, the table opposite shows our results for the six months to 30 June 2008 restated at the average exchange rates for the six months to 30 June 2009.

	Interim June 08 actual $m	Interim June 08 at Interim June 09 FX rates $m	Interim June 09 actual $m	Change %	Change in constant currency[3] %
Revenue					
Engineering & Production Facilities	1,561	1,341	1,580	1%	18%
Well Support	473	457	405	(14%)	(11%)
Gas Turbine Services	476	443	408	(14%)	(8%)
Central / discontinued operations	17	18	18		
Group	2,527	2,259	2,411	(5%)	7%
EBITA					
Engineering & Production Facilities	149	137	143	(4%)	4%
Well Support	49	47	35	(28%)	(24%)
Gas Turbine Services	35	31	33	(7%)	4%
Central / discontinued operations	(25)	(23)	(23)		
Group	208	192	188	(10%)	(2%)
EBITA margin					
Engineering & Production Facilities	9.5%	10.2%	9.1%	(0.4% pts)	(1.1%pts)
Well Support	10.4%	10.2%	8.8%	(1.6% pts)	(1.4%pts)
Gas Turbine Services	7.4%	7.1%	8.0%	0.6% pts	0.9%pts
Group	8.2%	8.5%	7.8%	(0.4% pts)	(0.7%pts)

Outlook

In challenging energy markets, we continue to benefit from a robust performance in our production support related businesses and believe results for the year will be in line with expectations. We believe the longer term fundamentals for our business remain strong, and our market leading services and products, wide international spread and high quality customer base will enable us to resume good growth as energy markets recover. The confidence in our longer term outlook is reflected in the 11% increase in our interim dividend.

Sir Ian Wood
Chairman
26 August 2009

Allister G Langlands
Chief Executive

Footnotes

1 Number of people includes both employees and contractors.

2 EBITA represents operating profit of $176.4m (2008: $196.8m) before the deduction of amortisation of $11.3m (2008: $11.1m) and is provided as it is a key unit of measurement used by the Group in the management of its business.

3 Constant currency changes are the movement between the actual revenue, EBITA and EBITA margin for the six months to June 2009 and the restated comparatives for revenue, EBITA and EBITA margin for the six months to 30 June 2008. The restated comparatives are calculated by applying the average rates of exchange for the six months to 30 June 2009 to the local currency revenue, EBITA and EBITA margin for the six months to 30 June 2008. The restated comparatives are set out in the foreign exchange section.

4 Adjusted diluted earnings per share is calculated by dividing earnings before amortisation, net of tax, by the weighted average number of ordinary shares in issue during the period, excluding shares held by the Group's employee share ownership trusts and adjusted to assume conversion of all potentially dilutive ordinary shares.

5 Net working capital as a percentage of annualised revenue represents the total of inventories, trade and other receivables, less trade and other payables divided by total revenue. Total revenue for the six month period is multiplied by two to provide an annualised equivalent.

6 Gearing is net debt divided by total shareholders' equity.

7 Interest cover is EBITA divided by net finance costs.

8 Operating Capital Employed to Revenue ("OCER") is Operating Capital Employed (property, plant and equipment, intangible assets (excluding goodwill and intangibles recognised on acquisition), inventories and trade and other receivables less trade and other payables) divided by Revenue. Total revenue for the six month period is multiplied by two to provide an annualised equivalent.

9 Return on Capital Employed ("ROCE") is calculated as Group EBITA, divided by average equity plus average net debt, excluding discontinuing activities. Group EBITA for the six months period is multiplied by two to provide an annualised equivalent.

10 Safety cases are measured by TRCF. TRCF is Total Recordable Case Frequency (LWC+RWC+MTC) per million man hours.
LWC Lost Work Case
RWC Restricted Work Case
MTC Medical Treatment Case

11 Unless stated otherwise, comparisons of financial performance are between the six months to 30 June 2009 and the six months to 30 June 2008.

Principal risks and uncertainties

There are a number of risks and uncertainties which may have an impact on the performance of the Group. These are explained below, along with the approach to managing the risk or uncertainty. In addition to the specific mitigating factors noted below there are some Group wide risk management processes in place which address a wide cross section of risks. These include quarterly review meetings between senior managers and certain of the executive directors, including the Chief Executive.

The principal risks and uncertainties that face the Group in the second half of 2009 remain broadly unchanged from those dislcosed in the Annual Report for the year ended December 2008 and are stated below.

	Risk Area and Potential Impact	Mitigation	
Market Risks	**Risk area** Operating in cyclical oil & gas and power markets **Potential Impact** A cyclical downturn or a prolonged global recession could lead to uncertainty in our customers spending plans and declines in the demand for our services and products	• We maintain focus on identifying any upcoming weaknesses in the market, adjusting investment and pricing strategies appropriately • Our businesses are flexible and have a relatively low capital intensity • We operate in both the oil & gas and power markets, reducing our exposure to one particular market • We have a broad customer base and geographic spread, which includes a mix of IOCs, NOCs, large and small independents, power and industrial companies	• We seek to maintain a good balance in our revenue between customers' capital expenditure "capex" and operating expenditure "opex" • We have market leading positions in several significant areas and have developed longer term relationships with customers • We manage exposure to engineering markets by maintaining a split of oil & gas activities between upstream; subsea engineering, pipelines and midstream; and downstream, process and industrial sectors
	Risk area Investment in new service areas and geographic markets **Potential Impact** Investment (capital or operating) in new initiatives or acquisitions may fail to generate an adequate return	• We carry out strategic investment reviews of future areas of focus • We carry out return assessments and due diligence reviews prior to investment • We have detailed integration plans for acquisitions	• We adopt earn out structures wherever possible • The Group Board undertakes an annual review of the performance of acquisitions made in the preceding three years, to identify lessons learned
Strategic and operational risks	**Risk area** Health, Safety and Environmental "HSE" performance **Potential Impact** Failure to deliver HSE excellence could lead to harm to our people, damage to the environment and to customers no longer selecting the Group as a preferred supplier of services and products	• The Group Board monitors HSE performance, with a Group Director responsible for HSE • HSE commitment is communicated around the Group via our Vision for HSE Excellence, HSE systems and guidelines set down in the "Red Book", the annual Group HSE plan, newsletters and the intranet	• Leading and lagging safety indicators are used to measure performance and guide management action plans • Certain of our operations are subject to third party and customer audits • We have launched a pilot programme to measure our carbon footprint for a sample of businesses
	Risk area Attraction and retention of key management **Potential Impact** Failure to attract and retain key management could lead to a lack of necessary expertise or continuity to execute our strategy	• The quality of our people helps us to secure challenging and interesting work, and this, in turn, helps us to attract and retain talent in the Group • We give management considerable autonomy while maintaining short lines of communication to senior managers and Group directors	• We use market based compensation, including appropriate incentive packages and we offer wide ranging career development and training opportunities • We continue to expand our geographic footprint to provide access to highly skilled labour resources • We focus on all our businesses worldwide becoming employers of choice

Risk Area and Potential Impact	Mitigation	
Strategic and operational risks		
Risk area Compliance with our ethical standards **Potential Impact** Damage to reputation and regulatory impact	• We have a business ethics committee in place, chaired by the Group Finance Director and involving senior operational and functional management from across the Group • Our business ethics policy and guidelines are communicated to staff. Training and self-certification is undertaken by key management and employees	• Ethics helplines are available for employees to raise any concerns in confidence • We take firm action against any breaches of our ethical standards
Risk area Quality of services and products **Potential Impact** Failure to provide services and products of the required quality could lead to a requirement for work to be repeated, damage to our reputation or liability claims	• We have extensive quality systems across our businesses • We have a range of initiatives to help our people develop and enhance their expertise • Many of our plants obtain third party accreditation and perform internal audits	• New product designs undergo prescribed validation and verification testing
Financial and compliance risks		
Risk area Access to capital **Potential Impact** Inability to obtain funding to take advantage of shareholder value creating opportunities	• We maintain a strong balance sheet, with shareholders' equity of $1,226m, gearing of 15%, net debt/EBITDA of 0.4 times and interest cover of 12 times as of June 2009	• We have committed longer term banking facilities until 2012, which currently provide significant head room
Risk area A downturn in the economy leads to a slowing of payments from customers in some markets and an increased risk of non payment in the event of customer insolvency **Potential Impact** Reduction in profit due to bad debt provisions and write offs	• We have procedures in place to check the creditworthiness of new customers and credit limits in place for existing customers that are reviewed on a regular basis, including, where appropriate, the use of external reference agencies	• In light of the current economic environment the Group has increased its focus on credit risk and credit management and appropriate measures have been implemented to reduce our risk profile where possible
Risk area Contracting strategy and execution **Potential Impact** Inappropriate contract terms, or failure to comply with those terms, could lead to unacceptable risks, reputational damage, warranty claims or financial penalties	• A significant proportion of our contracts are reimbursable and we generally avoid large complex fixed price contracting arrangements • We have a contract policy that provides guidance on the parameters under which we will enter into contracts to provide services and products	• We undertake reviews of the pricing of contract bids and carry out ongoing commercial reviews of terms, including external and peer reviews
Risk area Operating in a range of different legal, political and fiscal regimes **Potential Impact** Changes in the legal and political environment may result in financial loss or the loss of control over operations, while fiscal changes could impact net profit	• We have a contract policy that provides guidance on the parameters under which we will enter into contracts to provide services and products • We monitor and limit the capital allocation to certain countries and maintain a broad geographic spread	• The Board receives presentations on specific countries in which the Group maintains a significant interest
Risk area Adequacy of insurance cover **Potential Impact** Requirement to fund uninsured losses	• Prudent levels of insurance cover are maintained across a range of insurers	• We review exposures to areas where it is not possible to obtain, or we have elected not to obtain, insurance and consider alternative ways to reduce our risk to an acceptable level
Risk area Integrity of financial controls **Potential Impact** Damage to reputation, financial loss or inaccurate financial information used to manage the business	• A financial control framework is in place, incorporating preparation and review of monthly financial information, delegation of authority and annual financial controls self assessment	• We have a comprehensive system of reporting performance to the Board, including monthly and quarterly reports • We have an internal audit department and an external audit is performed on the financial statements

Group income statement
for the six month period to 30 June 2009

	Note	Unaudited Interim June 2009 $m	Unaudited Interim June 2008 $m	Audited Full Year December 2008 $m
Revenue	2	**2,411.4**	2,526.9	5,243.1
Cost of sales		**(1,878.9)**	(1,972.6)	(4,071.7)
Gross profit		**532.5**	554.3	1,171.4
Administrative expenses		**(356.1)**	(357.5)	(755.6)
Operating profit	2	**176.4**	196.8	415.8
Finance income		**1.6**	3.0	6.0
Finance expense		**(17.2)**	(18.5)	(37.7)
Profit before taxation		**160.8**	181.3	384.1
Taxation	6	**(53.9)**	(60.7)	(128.7)
Profit for the period		**106.9**	120.6	255.4
Attributable to:				
Equity shareholders		**106.8**	120.4	251.6
Minority interest		**0.1**	0.2	3.8
		106.9	120.6	255.4
Earnings per share (expressed in cents per share)				
Basic	5	**21.1**	23.7	49.6
Diluted	5	**20.5**	22.9	48.1

All items dealt with in arriving at the profits stated above relate to continuing operations.

Group statement of comprehensive income

for the six month period to 30 June 2009

	Unaudited Interim June 2009 $m	Unaudited Interim June 2008 $m	Audited Full Year December 2008 $m
Profit for the period	**106.9**	120.6	255.4
Other comprehensive income			
Actuarial gains on retirement benefit liabilities	–	–	(18.7)
Movement in deferred tax relating to retirement benefit liabilities	–	–	5.2
Cash flow hedges	**1.1**	1.3	(7.5)
Tax credit relating to share schemes	–	–	6.2
Exchange movements on retranslation of foreign currency net assets	**17.7**	(0.7)	(45.9)
Total comprehensive income for the period	**125.7**	121.2	194.7
Total comprehensive income for the period is attributable to:			
Equity shareholders	**125.2**	121.0	190.9
Minority interest	**0.5**	0.2	3.8
	125.7	121.2	194.7

Group balance sheet
as at 30 June 2009

	Note	Unaudited Interim June 2009 $m	Unaudited Interim June 2008 $m	Audited Full Year December 2008 $m
Assets				
Non-current assets				
Goodwill and other intangible assets		617.1	593.9	632.2
Property plant and equipment		271.5	276.9	263.0
Long term receivables		9.9	8.0	9.5
Derivative financial instruments		0.4	2.5	–
Deferred tax assets		54.0	51.0	53.3
		952.9	932.3	958.0
Current assets				
Inventories		630.4	573.7	591.4
Trade and other receivables		950.3	1,069.4	1,034.2
Income tax receivable		25.2	13.3	12.3
Derivative financial instruments		15.3	0.5	7.2
Gross assets held for sale		–	–	22.9
Cash and cash equivalents		206.3	129.6	176.1
		1,827.5	1,786.5	1,844.1
Liabilities				
Current liabilities				
Borrowings		35.5	33.0	34.2
Derivative financial instruments		2.7	1.2	4.1
Trade and other payables		941.0	932.0	965.3
Income tax liabilities		64.8	48.4	53.4
Gross liabilities held for sale		–	–	4.8
		1,044.0	1,014.6	1,061.8
Net current assets		783.5	771.9	782.3
Non-current liabilities				
Borrowings		356.5	451.6	390.7
Derivative financial instruments		6.8	1.6	8.1
Deferred tax liabilities		3.9	5.9	4.5
Retirement benefit liabilities	7	26.6	11.2	23.1
Other non-current liabilities		56.5	102.8	121.9
Provisions		45.8	38.6	45.0
		496.1	611.7	593.3
Net assets		1,240.3	1,092.5	1,147.0
Shareholders' equity				
Share capital		26.2	26.2	26.2
Share premium		311.8	311.6	311.8
Retained earnings		833.4	654.2	760.2
Other reserves		54.1	89.7	35.7
Total shareholders' equity		1,225.5	1,081.7	1,133.9
Minority interest		14.8	10.8	13.1
Total equity		1,240.3	1,092.5	1,147.0

Group statement of changes in equity

for the six month period to 30 June 2009

	Note	Share Capital $m	Share Premium $m	Retained Earnings $m	Other Reserves $m	Total Shareholders' Equity $m	Minority Interest $m	Total Equity $m
At 1 January 2008		**26.0**	**303.6**	**555.9**	**89.1**	**974.6**	**11.3**	**985.9**
Profit for the period		–	–	120.4	–	120.4	0.2	120.6
Other comprehensive income:								
Cash flow hedges		–	–	–	1.3	1.3	–	1.3
Exchange movements on retranslation of foreign currency net assets		–	–	–	(0.7)	(0.7)	–	(0.7)
Total comprehensive income for the period		**–**	**–**	**120.4**	**0.6**	**121.0**	**0.2**	**121.2**
Transactions with owners:								
Dividends paid	3	–	–	(25.6)	–	(25.6)	(0.7)	(26.3)
Credit relating to share based charges		–	–	6.5	–	6.5	–	6.5
Allocation of shares to employee share trusts		0.2	8.0	(8.2)	–	–	–	–
Shares purchased by employee share trusts		–	–	(5.0)	–	(5.0)	–	(5.0)
Shares disposed of by employee share trusts		–	–	10.3	–	10.3	–	10.3
Exchange movements in respect of shares held by employee share trusts		–	–	(0.1)	–	(0.1)	–	(0.1)
At 30 June 2008		**26.2**	**311.6**	**654.2**	**89.7**	**1,081.7**	**10.8**	**1,092.5**
At 1 January 2009		**26.2**	**311.8**	**760.2**	**35.7**	**1,133.9**	**13.1**	**1,147.0**
Profit for the period		–	–	106.8	–	106.8	0.1	106.9
Other comprehensive income:								
Cash flow hedges		–	–	–	1.1	1.1	–	1.1
Exchange movements on retranslation of foreign currency net assets		–	–	–	17.3	17.3	0.4	17.7
Total comprehensive income for the period		**–**	**–**	**106.8**	**18.4**	**125.2**	**0.5**	**125.7**
Transactions with owners:								
Dividends paid	3	–	–	(34.4)	–	(34.4)	(0.2)	(34.6)
Credit relating to share based charges		–	–	7.2	–	7.2	–	7.2
Shares disposed of by employee share trusts		–	–	1.3	–	1.3	–	1.3
Exchange movements in respect of shares held by employee share trusts		–	–	(7.7)	–	(7.7)	–	(7.7)
Acquisition of minority interests		–	–	–	–	–	1.4	1.4
At 30 June 2009		**26.2**	**311.8**	**833.4**	**54.1**	**1,225.5**	**14.8**	**1,240.3**

The figures in the above table are unaudited

Group cash flow statement

for the six month period to 30 June 2009

	Note	**Unaudited Interim June 2009 $m**	Unaudited Interim June 2008 $m	Audited Full Year December 2008 $m
Cash generated from operations	9	**228.2**	87.9	353.5
Tax paid		**(53.2)**	(54.5)	(112.1)
Net cash from operating activities		**175.0**	33.4	241.4
Cash flows from investing activities				
Acquisitions (net of cash and borrowings acquired)		**(17.7)**	(12.2)	(85.4)
Deferred consideration payments		**(8.9)**	(27.4)	(26.8)
Proceeds from disposal of businesses (net of cash and borrowings disposed)		**11.6**	10.7	32.5
Purchase of property plant and equipment		**(29.6)**	(44.6)	(83.5)
Proceeds from sale of property plant and equipment		**1.0**	3.0	9.9
Purchase of intangible assets		**(5.9)**	(8.7)	(19.1)
Proceeds from disposal of other intangible assets		**–**	–	0.4
Investment by minority shareholders		**–**	–	0.1
Net cash used in investing activities		**(49.5)**	(79.2)	(171.9)
Cash flows from financing activities				
(Repayment of)/proceeds from bank loans		**(59.0)**	91.0	105.7
Purchase of shares in employee share trusts		**–**	(5.0)	(34.2)
Disposal of shares in employee share trusts		**1.3**	10.3	10.5
Interest received		**1.6**	2.1	4.6
Interest paid		**(16.0)**	(15.9)	(33.6)
Dividends paid to shareholders	3	**(34.4)**	(25.6)	(40.1)
Dividends paid to minority shareholders		**(0.2)**	(0.7)	(1.9)
Net cash (used in)/from financing activities		**(106.7)**	56.2	11.0
Effect of exchange rate changes on cash and cash equivalents		**11.4**	2.1	(21.5)
Net increase in cash and cash equivalents		**30.2**	12.5	59.0
Opening cash and cash equivalents		**176.1**	117.1	117.1
Closing cash and cash equivalents		**206.3**	129.6	176.1

Notes to the interim accounts

for the six month period to 30 June 2009

1 Basis of preparation

The interim report and accounts for the six months ended 30 June 2009 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union. The interim report and accounts should be read in conjunction with the Group's 2008 Annual Report and Accounts which have been prepared in accordance with IFRS's as adopted by the European Union.

The interim report and accounts have been prepared on the basis of the accounting policies set out in the Group's 2008 Annual Report and Accounts. The interim report and accounts do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim accounts were approved by the Board of Directors on 25 August 2009. The results for the six months to 30 June 2009 and the comparative results for six months to 30 June 2008 are unaudited. The comparative figures for the year ended 31 December 2008 do not constitute the statutory financial statements for that year. Those financial statements have been delivered to the Registrar of Companies and include the auditor's report which was unqualified and did not contain a statement either under Section 237(2) or Section 237(3) of the Companies Act 1985.

Functional currency

The Group's earnings stream is primarily US dollars and the principal functional currency is the US dollar, being the most representative currency of the Group. The Group's financial statements are therefore prepared in US dollars.

The following exchange rates have been used in the preparation of these accounts:

	June 2009	June 2008
Average rate £1 = $	**1.5008**	1.9768
Closing rate £1 = $	**1.6469**	1.9902

Disclosure of impact of new accounting standards

The following standards, amendments and interpretations to published standards were mandatory for the financial year beginning 1 January 2009:

IAS 1 (revised), 'Presentation of financial statements'. The Group has elected to present two statements: an income statement and a statement of comprehensive income. Furthermore, adoption of the above standard has resulted in management including a statement of changes in equity within the primary statements of the interim report.

IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. The standard defines operating segments as components of an entity about which separate financial information is available and is evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. It also sets out the required disclosures for operating segments. On adoption, there was no change to the Group's reportable segments or financial measures.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group or have no impact on the interim accounts:

IFRIC 13, 'Customer loyalty programmes'.
IFRIC 14, 'The limit on a defined benefit asset, minimum funding requirements and their interaction'
IFRIC 15, 'Agreements for the construction of real estate'
IFRIC 16, 'Hedges of a net investment in a foreign operation'
IFRS 7 'Financial instruments ; disclosures' (Amendment)

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

IAS 39 (amendment), 'Financial instruments: Recognition and measurement'
IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates' and IAS 31, 'Interests in joint ventures'
IFRIC 17, 'Distributions of non-cash assets to owners'
IFRIC 18, 'Transfers of assets from customers'

Notes to the interim accounts

for the six month period to 30 June 2009

2 Segmental Reporting

Business segments

	Revenue			EBITDA[1]			EBITA[1]			Operating profit		
	Unaudited Interim June 2009 $m	Unaudited Interim June 2008 $m	Audited Full Year 2008 $m	**Unaudited Interim June 2009 $m**	Unaudited Interim June 2008 $m	Audited Full Year 2008 $m	**Unaudited Interim June 2009 $m**	Unaudited Interim June 2008 $m	Audited Full Year 2008 $m	**Unaudited Interim June 2009 $m**	Unaudited Interim June 2008 $m	Audited Full Year 2008 $m
Engineering & Production Facilities	**1,580.0**	1,560.8	3,244.7	**149.6**	159.9	336.7	**143.1**	148.8	316.1	**134.0**	140.6	297.9
Well Support	**405.3**	472.8	1,008.6	**49.0**	62.4	135.8	**35.5**	49.2	105.0	**35.4**	49.1	104.9
Gas Turbine Services	**408.0**	475.7	956.6	**40.1**	43.9	89.6	**32.6**	35.1	72.6	**30.7**	32.4	66.0
Central costs [4]	**–**	–	–	**(21.0)**	(23.5)	(47.6)	**(22.3)**	(23.9)	(48.7)	**(22.4)**	(23.9)	(48.8)
	2,393.3	2,509.3	5,209.9	**217.7**	242.7	514.5	**188.9**	209.2	445.0	**177.7**	198.2	420.0
Gas Turbine Services – to be disposed	**18.1**	17.6	33.2	**(0.8)**	(0.8)	(3.1)	**(1.2)**	(1.3)	(4.0)	**(1.3)**	(1.4)	(4.2)
Total	**2,411.4**	2,526.9	5,243.1	**216.9**	241.9	511.4	**187.7**	207.9	441.0	**176.4**	196.8	415.8
Finance income										**1.6**	3.0	6.0
Finance expense										**(17.2)**	(18.5)	(37.7)
Profit before taxation										**160.8**	181.3	384.1
Taxation										**(53.9)**	(60.7)	(128.7)
Profit for the year										**106.9**	120.6	255.4

Notes
1. EBITDA represents operating profit before depreciation and amortisation. EBITA represents EBITDA less depreciation. EBITA and EBITDA are provided as they are units of measurement used by the Group in the management of its business.
2. The Gas Turbine Services business to be disposed is an Aero engine overhaul company which the Group has decided to divest.
3. Revenue arising from sales between segments is not material.
4. Central costs include the costs of certain management personnel in both the UK and the US, along with an element of Group infrastructure costs.

3 Dividends

	Unaudited Interim June 2009 $m	Unaudited Interim June 2008 $m	Audited Full Year Dec 2008 $m
Dividends on equity shares			
Final paid	**34.4**	25.6	25.6
Interim paid	**–**	–	14.5
Total dividends	**34.4**	25.6	40.1

After the balance sheet date, the directors declared an interim dividend of 3.1 cents per share which will be paid on 24 September 2009. The interim financial report does not reflect this dividend payable, which will be recognised in shareholders' equity as an appropriation of retained earnings in the year ended 31 December 2009.

4 Acquisitions and disposals

In January 2009, the Group disposed of two small businesses in its Gas Turbine Services division. Net proceeds received amounted to $11.6m and in addition the Group acquired various assets and liabilities as part of the transaction. A net gain of $0.2m arose on the disposals.

In May 2009, the Group acquired a 70% shareholding in Proteus Global Solutions Pty Limited a provider of commissioning, operations support and engineering services based in Perth, Australia. The purchase consideration was $12.5m.

In May 2009, the Group acquired a 51% shareholding in Regional and Northern Maintenance Services, a provider of operations support services to the oil and gas industry based in Darwin, Australia. The purchase consideration was $1.1m.

The companies acquired during the period have contributed $11.8m to revenue and $0.7m to operating profit in the six months to 30 June 2009. The acquisitions carried out during the period provide the Group with access to new markets and strengthen the Group's capabilities in certain areas. The acquired companies will be in a position to access the Group's wider client base and use the Group's existing relationships to further grow and develop their business. These factors contributed to the goodwill recognised by the Group on the acquisitions during the period.

During the period, the Group has revised the calculation of amounts payable under earn out arrangements for companies acquired in previous periods. This has resulted in a reduction of $38.8m in goodwill and deferred consideration liabilities.

5 Earnings per share

	Unaudited Interim June 2009			Unaudited Interim June 2008			Audited Full Year December 2008		
	Earnings attributable to equity shareholders $m	**Number of shares (millions)**	**Earnings per share (cents)**	Earnings attributable to equity shareholders $m	Number of shares (millions)	Earnings per share (cents)	Earnings attributable to equity shareholders $m	Number of shares (millions)	Earnings per share (cents)
Basic	**106.8**	**507.0**	**21.1**	120.4	507.3	23.7	251.6	507.6	49.6
Effect of dilutive ordinary shares	**–**	**13.9**	**(0.6)**	–	17.5	(0.8)	–	15.7	(1.5)
Diluted	**106.8**	**520.9**	**20.5**	120.4	524.8	22.9	251.6	523.3	48.1
Amortisation, net of tax	**9.3**	**–**	**1.8**	9.2	–	1.8	20.9	–	4.0
Adjusted diluted	**116.1**	**520.9**	**22.3**	129.6	524.8	24.7	272.5	523.3	52.1
Adjusted basic	**116.1**	**507.0**	**22.9**	129.6	507.3	25.5	272.5	507.6	53.7

The calculation of basic earnings per share ('EPS') is based on the earnings attributable to equity shareholders divided by the weighted average number of ordinary shares in issue during the period excluding shares held by the Group's employee share ownership trusts. For the calculation of diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The Group has two types of dilutive ordinary shares – share options granted to employees under Employee Share Option Schemes and the Long Term Retention Plan; and shares issuable under the Group's Long Term Incentive Scheme and Long Term Incentive Plan. Adjusted EPS is disclosed to show the results excluding amortisation, net of tax.

6 Taxation

The taxation charge for the six months ended 30 June 2009 reflects an anticipated rate of 32.5% on profit before taxation and amortisation of other intangibles for the year ending 31 December 2009 (June 2008 : 32.5%).

Notes to the interim accounts

for the six month period to 30 June 2009

7 Retirement benefit liability

No interim revaluation of the pension liability has been carried out at 30 June 2009 and accordingly there is no actuarial gain/loss in the statement of recognised income and expense. The figures for gains and losses for the full year together with the surplus/deficit at the year end will be presented i the 2009 Annual Report and Accounts.

8 Related party transactions

The following transactions were carried out with the Group's joint ventures in the six months to 30 June. These transactions comprise sales and purchase of goods and services in the ordinary course of business.

	Unaudited Interim June 2009 $m	Unaudited Interim June 2008 $m	Auditec Full Yeai Dec 2008 $m
Sales of goods and services to joint ventures	**50.1**	74.5	144.9
Purchase of goods and services from joint ventures	**10.3**	9.5	55.1
Receivables from joint ventures	**41.9**	15.5	48.5
Payables to joint ventures	**19.2**	15.2	13.1

9 Cash generated from operations

Reconciliation of operating profit to cash generated from operations:	**Unaudited Interim June 2009 $m**	Unaudited Interim June 2008 $m	Audited Full Year Dec 2008 $m
Operating profit	**176.4**	196.8	415.8
Adjustments for:			
Depreciation	**29.2**	34.0	70.4
Loss/(gain) on disposal of property plant and equipment	**0.5**	0.3	(4.6)
Amortisation	**11.3**	11.1	25.2
Share based charges	**7.2**	6.5	13.3
Profit on disposal of businesses	**(0.2)**	(0.7)	–
Increase in provisions	**-**	1.9	9.8
Changes in working capital (excluding effect of acquisition and disposal of subsidiaries)			
Increase in inventories	**(27.5)**	(33.7)	(104.1)
Decrease/(increase) in receivables	**146.9**	(173.7)	(298.3)
(Decrease)/increase in payables	**(112.9)**	46.2	221.4
Exchange differences	**(2.7)**	(0.8)	4.6
Cash generated from operations	**228.2**	87.9	353.5

10 Reconciliation of cash flow to movement in net debt

	At 1 January 2009 $m	Cash flow $m	Exchange movements $m	**At 30 June 2009 $m**
Cash and cash equivalents	176.1	18.8	11.4	**206.3**
Short term borrowings	(34.2)	3.3	(4.6)	**(35.5)**
Long term borrowings	(390.7)	55.7	(21.5)	**(356.5)**
Net debt	(248.8)	77.8	(14.7)	**(185.7)**

11 Capital commitments

At 30 June 2009 the Group had entered into contracts for future capital expenditure amounting to $10.5 million. The capital expenditure relates to property plant and equipment and has not been provided in the financial statements.

12 Post balance sheet events

In August 2009 the Group entered into an agreement with Al-Hejailan Consulting, a Saudi Arabian engineering contractor, to acquire a majority interest in a newly established joint venture, Mustang Al-Hejailan Engineering.

Statement of directors' responsibilities

for the six month period to 30 June 2009

The directors confirm that the half yearly financial report has been prepared in accordance with IAS 34 as adopted by the European Union and that the half yearly financial report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of impairment events that have occurred during the first six months and their impact on the accounts and a description of the principal risks and uncertainties for the remaining six months of the year; and

- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The directors of John Wood Group PLC are listed in the Group's 2008 Annual Report and Accounts.

Allan G. Langlands

A G Langlands
Chief Executive

A G Semple
Group Finance Director

25 August 2009

Independent review report to John Wood Group PLC

for the six month period to 30 June 2009

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half year report for the six months ended 30 June 2009 which comprises the Group income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information in the condensed set of financial statements.

Directors' responsibilities

The interim report, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-yearly financi report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibilit for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Aberdeen
25 August 2009

Notes:

(a) The maintenance and integrity of the John Wood Group PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Shareholder information

Payment of dividends

The Company declares its dividends in US dollars. As a result of the shareholders being mainly UK based, dividends will be paid in sterling, but if you would like to receive your dividend in dollars please contact the Registrars at the address below. All shareholders will receive dividends in sterling unless requested. If you are a UK based shareholder, the Company encourages you to have your dividends paid through the BACS (Banker's Automated Clearing Services) system. The benefit of the BACS payment method is that the Registrars post the tax vouchers directly to the shareholders, whilst the dividend is credited on the payment date to the shareholder's Bank or Building Society account.

Shareholders who have not yet arranged for their dividends to be paid direct to their Bank or Building Society account and wish to benefit from this service should contact the Registrars at the address below. Sterling dividends will be translated at the closing mid-point spot rate on 4 September 2009 as published in the Financial Times on 5 September 2009.

Officers and advisers

Secretary and Registered Office
I Johnson, John Wood Group PLC, John Wood House,
Greenwell Road, Aberdeen AB12 3AX
Tel: 01224 851000

Stockbrokers
JPMorgan Cazenove Limited
Credit Suisse

Auditors
PricewaterhouseCoopers LLP
Chartered Accountants

Registrars

Equiniti
Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Shareholder helpline
Tel: +44 121 415 7047; UK 0871 384 2649*

*Calls to this number are charged at 8p per minute from a BT landline. Other telephony provider costs may vary.

Financial calendar

	6 months ended 30 June 2009	Year ending 31 December 2009
Results announced	26 August 2009	Early March 2010
Ex-dividend date	2 September 2009	April 2010
Dividend record date	4 September 2009	April 2010
Dividend payment date	24 September 2009	May 2010
Annual General Meeting	–	May 2010

Website Shareholder Information

The company's website at www.woodgroup.com has a dedicated Investor Relations section where you can catch up on the latest news in the press release section and sign up for automatic news alerts, read the latest Annual Report as well as our financial results presentations. You can also view share price and dividend histories and trading graphs. We welcome feedback on the site. Please email your comments to investor.relations@woodgroup.com

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