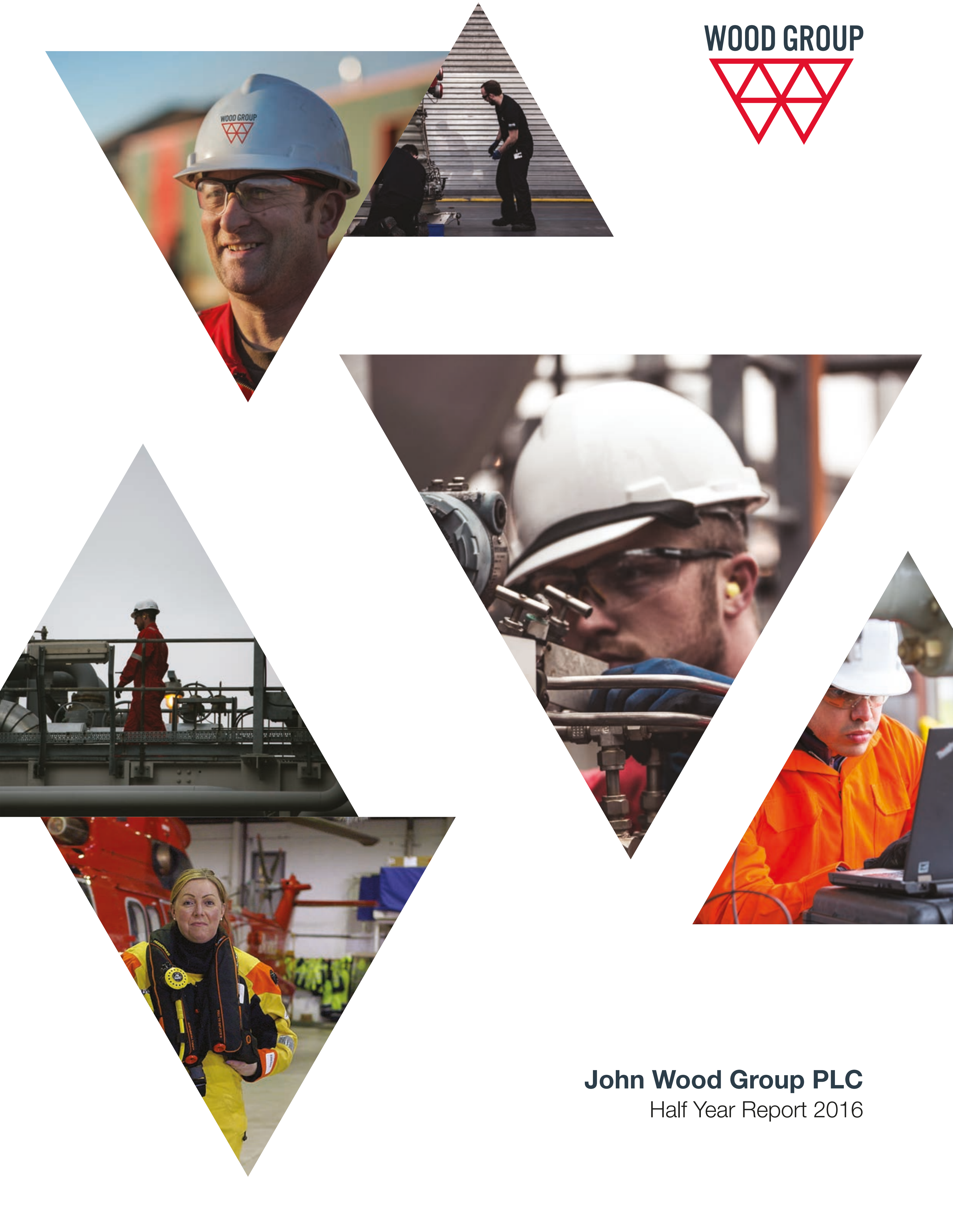
WOOD GROUP



John Wood Group PLC

Half Year Report 2016

Contents

"Performance in the first half of 2016 reflects the balance of a challenging oil and gas market, our continued focus on utilisation and cost management and the benefits of our flexible, asset light model. Our overall outlook for 2016 remains unchanged; with full year EBITA anticipated to be around 20% lower than 2015, in line with previous guidance.

Looking further ahead, we see early indications of modest recovery in some areas and believe our customer relationships, geographic footprint, strong financial footing and relentless focus on delivering value through our asset life cycle services and specialist technical solutions, position us well."

Robin Watson

Robin Watson, Chief Executive

Highlights

Financial Summary

Total Revenue [1]	Total EBITA [1]	Revenue from continuing operations	Profit before tax and exceptional items	Adjusted diluted EPS [2]	Interim Dividend
$2,559m	$166.4m	$2,161m	$95.5m	28.7cents	10.8 cents per share
▼ 16.6%	▼ 26.3%	▼ 18.7%	▼ 38.9%	▼ 28.4%	▲ 10.2%
(2015: $3,069m)	(2015: $225.9m)	(2015: $2,656.9m)	(2015: $156.3m)	(2015: 40.1c)	(2015: 27.5 cents)

Highlights

- Total revenue down 17% and total EBITA down 26% as challenging conditions prevailed in the oil and gas sector
- Pricing pressure partly offset by management of utilisation and additional overhead cost savings of c.$50m in the first half
- 2015 EBITA benefitted from the release of deferred consideration on acquisitions
- Focus on ongoing reorganisation to enhance customer delivery
- Delayering and back office rationalisation to maximise efficiency
- Prioritisation of utilisation across all levels; group headcount down 10% in 1H16
- Cost efficiency and reorganisation initiatives reflected in exceptional cost of $30m net of tax
- Strong balance sheet. Net debt, including JVs of $351.4m. Net debt: rolling EBITDA ratio of 0.7x
- Interim dividend of 10.8 cents up 10%. In line with intention to increase the dividend per share by a double digit percentage for 2016
- Unchanged outlook for full year 2016; anticipate full year EBITA down around 20% on 2015, in line with previous guidance

Engineering

- Total revenue down 23% and EBITA down 21%. Subdued market in subsea and lower activity in downstream and process plants business. Margin benefitted from legacy engineering projects and the continued focus on utilisation and drive for efficiency

PSN Production Services

- Total revenue down 15% and EBITA down 33%. Continued pressure on volumes, scope and pricing in the North Sea and US onshore in the Americas. Underlying trading margin down c0.8% as cost reductions and efficiencies partly offset the continued pricing pressure from customers

1. See detailed footnotes following the Financial Review. Total Revenue and Total EBITA are presented based on proportionally consolidated numbers, which is the basis used by management to run the business and includes the contribution from joint ventures

2. Company compiled publicly available consensus 2016 EBITA on a proportionally consolidated basis is $378m and AEPS is 66.2c, last updated on 25th July 2016

Business review

H1 2016 Trading performance	Interim Jun 2016 $m	Interim Jun 2015 $m	% Change
Total Revenue	**2,559.2**	3,069.0	(16.6%)
Total EBITA[1]	**166.4**	225.9	(26.3%)
EBITA Margin	**6.5%**	7.4%	(0.9%)
Revenue from continuing operations on an equity accounting basis	**2,161.3**	2,656.9	(18.7%)
Adjusted diluted EPS[2]	**28.7c**	40.1c	(28.4%)

Note: The commentary below on trading performance is presented based on proportionally consolidated numbers, which is the basis used by management to run the business. Total revenue and total EBITA include the contribution from joint ventures. Detailed footnotes are provided on page 09.

Business Review

Performance in the first half reflects the challenging market conditions in oil and gas; total revenue was down 17%. Our strict management of utilisation and significant overhead cost savings helped mitigate the impact of reduced volumes and pricing. The Group delivered EBITA of $166m in the first half, down 26% and AEPS of 28.7c down 28%. 2015 EBITA benefitted from the release of deferred consideration on acquisitions.

We have continued to focus on what we can control and what we can manage during a period where lower oil prices have endured and activity has fallen. Our focus remains on managing costs, improving efficiency and maintaining capability. We are working with our customers to work smarter, streamlining work processes while increasing quality and efficiency.

In 2015 we delivered sustainable overhead cost reductions of $148m and in the first half of 2016 we have delivered around $50m of additional sustainable overhead savings through ongoing reorganisation, delayering and back office rationalisation. We expect to deliver a further significant overhead cost saving in 2016, although the pace of saving will slow significantly in the second half of 2016. Management of utilisation remains a priority at all levels of the business and this has resulted in a further 10% fall in headcount in the first half of the year.

In Engineering, total revenue fell 23% however total EBITA margin increased by 0.3% compared to the first half of 2015. Performance reflects the subdued nature of detailed design awards in the first half and increased competition in our downstream and process plants business. EBITA margin benefitted from improved profitability on legacy engineering projects and the continued focus on utilisation and drive for efficiency.

In Wood Group PSN Production Services, total revenue fell 15% and total EBITA fell by 33% largely reflecting continued pressure on volumes, scope and pricing in the North Sea and US onshore in the Americas and the impact in 2015 of the release of deferred consideration on acquisitions. EBITA margin came down by 1.6% compared with the first half of 2015. The margin in 2015 benefitted from the release of provisions relating to deferred consideration on acquisitions. Adjusting for this, the underlying trading margin is down c0.8% as we see further overhead cost reductions and efficiencies partly offset the continued pricing pressure from customers.

In Turbine Activities, growth in RWG was offset by lower performance in TCT. Performance in EthosEnergy continues to face various challenges. We expect full year performance in our turbine joint ventures overall to be in line with 2015.

The Group is in a strong financial position. Our balance sheet gives us the flexibility to reinvest in the business through acquisition and organic investment. Net debt including JVs of $351m is towards the lower end of our targeted Net Debt: EBITDA range. Although we anticipate strong cash flow generation for the year we have seen a slight increase in our debtor days, reflecting the challenging market conditions, although this has not resulted in higher levels of bad debts. In April 2016 the Group extended its $950m bilateral bank facilities for a further year until 2021 at the same competitive rates.

Bolt-on M&A remains a focus and is our preferred use of cash. In the first half of the year, we completed two small acquisitions in the Engineering business and acquired a further non-controlling interest in our Saudi Arabian engineering business.

We have declared an interim dividend of 10.8 cents per share, an increase of 10%, which will be paid on 22 September 2016. Our intention remains to increase the dividend per share by a double digit percentage for 2016.

Outlook

Conditions in oil & gas markets remain challenging. Performance in the first half of 2016 demonstrates our continued focus on utilisation and cost management and the benefits of our asset light, predominantly reimbursable business model. We expect the full year to reflect both the continued challenging conditions and the benefit of the combination of our customer relationships, geographic footprint, asset life cycle solutions and our specialist technical solutions, with performance being weighted to the second half of the year as in prior years. Our management of utilisation and costs, together with the ongoing reorganisation of the business to better serve our customers will continue to be a priority.

Our overall outlook for 2016 remains unchanged; full year EBITA for 2016 is anticipated to be around 20% lower than 2015, in line with expectations.

Looking further ahead, our breadth and range of services, reputation for delivery and strong financial footing position us well in the market and we are encouraged by early indicators of recovery in some areas including some movement in Upstream award sanctioning and the apparent bottoming of the US onshore rigcount.

Wood Group Engineering

	Interim 2016 $m	Interim 2015 $m	% Change
Total Revenue	**701.4**	908.3	(22.8%)
Total EBITA	**80.4**	101.7	(20.9%)
EBITA margin	**11.5%**	11.2%	0.3%
People	**8,500**	9,700	(12.4%)

We provide a wide range of market leading engineering services to the upstream, subsea & pipeline, downstream, chemical, process & industrial, automation and clean energy sectors. These include conceptual studies, engineering, project and construction management (EPCM) and control system upgrades.

In Engineering, total revenue fell 23% and total EBITA fell 21%. The fall in total revenue principally reflects the subdued market in subsea and lower activity in our downstream and process plants business. EBITA margin benefitted from the improved profitability on legacy engineering projects, the continued focus on utilisation and drive for efficiency

Upstream accounted for around 35% of revenue. Our activity on Det Norske's Ivar Aasen and Hess Stampede is now in the late stage of follow-on engineering and construction support. Activity remains solid on our Saudi Aramco contracts. We have seen some revisiting of early stage work and positive movement in project sanctioning in the first half. We have moved into the detailed design phase for Statoil Peregrino in Brazil, and this is progressing well. Following final investment decision on Chevron's Tengiz expansion project, we recently announced our successful award for the automation detailed design in Kazahkstan. This represents one of the largest projects which has been awarded to our automation business. We expect this project to continue until 2021. Another significant engineering project which we were pleased to be selected for is the FEED and detailed design for the Noble Leviathan fixed platform. This builds on our relationship with Noble following our successful completion of the Tamar project. While we are modestly encouraged by these awards and they give us visibility into 2017, we do not see activity on these ramping up in the second half beyond our current expectations.

Subsea and Pipelines accounted for around 40% of total revenue. We have seen significantly reduced activity in our Subsea business and a lack of visibility as minimal large subsea detailed design capex projects come to market. Activity in the Caspian remains solid, where we are delivering engineering and project management services on projects including BP Shah Deniz with follow on work expected through to 2018. However, this activity has not been immune to ongoing pressure from customers on rates. We remain confident in our competitive position. Relationships with our long term customers are positive and we have renewed or secured several worldwide master service agreements including Statoil and BP. Our US onshore pipelines business is performing robustly. Work on the ETC Dakota access pipeline and other transmission pipelines is expected to continue through to 2017. We feel well placed for further opportunities when US onshore shale activity increases.

Downstream, process and industrial accounted for around 25% of total revenue. We have seen a reduction in activity in the first half of 2016, as activity on the Flint Hills refinery project winds down and we see significant competitive pressure in our process plants business. Performance in the first half of 2015 did however benefit from the successful close out of lump sum projects.

Outlook

We expect trends in the first half to continue into the full year end and performance to reflect relative resilience in upstream and onshore pipelines, with reduced activity in subsea and downstream. Customer pricing pressure remains in focus and is reflected in current bidding activity. We will continue to work alongside our customers towards more efficient ways of working and concentrate on the management of utilisation. Looking further ahead, we are encouraged in particular by recent Upstream awards and are confident this reflects the strength of our independent service offering and customer relationships.

Wood Group PSN

Production Services	Interim 2016 $m	Interim 2015 $m	% Change
Total Revenue	**1,555.9**	1,832.9	(15.1%)
Total EBITA	**89.0**	133.1	(33.1%)
EBITA margin	**5.7%**	7.3%	(1.6%)
People[3]	**20,700**	23,500	(11.9%)

We are a market leader in production facilities support focused on optimising production and extending asset life safely. We provide life-of-field services to producing assets through brownfield engineering and modifications, production enhancement, operations and maintenance, facility construction and maintenance management, training and abandonment services.

In Wood Group PSN Production Services, revenue fell 15% and EBITA fell by 33% largely reflecting continued pressure on volumes, scope and pricing in the North Sea and US onshore in the Americas, and the impact in 2015 of the release of deferred consideration on acquisitions. EBITA margin came down by 1.6% compared with the first half of 2015 however the margin in 2015 benefitted from the release of provisions relating to deferred consideration on acquisitions. Adjusting for this, the underlying trading margin is down c0.8% as we see further overhead cost reductions and efficiencies partly offset the continued pricing pressure from customers.

The Americas accounted for around 50% of revenues, with US onshore representing over half of this and the remainder coming from the Gulf of Mexico, East Canada, Trinidad and South America. In the US onshore business, we are encouraged by the apparent bottoming out of the rig count. We have not yet seen any significant improvement in activity, however we expect our construction and drilling related activity to broadly correlate to increased rig count. We are confident that our differentiated capability, breadth of services and geographic presence in the Permian, Bakken, Eagle Ford, Niobrara, Marcellus and Utica basins positions us well as the market recovers. Our strategic acquisition at the end of 2015, Infinity is performing in line with plan in the Gulf coast petrochemical market and the US offshore business has been relatively robust despite challenging market conditions.

The North Sea accounted for around 30% of revenue in the first half as we continued to face pressure on volume and prices. The operating environment in the North Sea remains very challenging. However, we have successfully renewed the vast majority of our existing contracts and are maintaining our leading position in maintenance and brownfield engineering work with good visibility under longer term contracts. We have worked alongside our customers towards the standardisation and simplification of processes to drive cost reduction in line with industry best practice. Some of our employees have engaged in industrial action on our Shell contract and we are focused on resolving the dispute consistent with the overarching requirement to have a reduced sustainable cost base moving forward. Our dutyholder position operating the CATS pipeline and terminal for Antin Infrastructure is progressing well and we see near term growth potential following this model, as further new entrants appear.

Performance in our international business represents around 20% of revenue. Activity has been robust on our Exxon contracts in Papua New Guinea and work is progressing well on our recently secured contracts in Iraq and Baku, and we continue to see future opportunities in these areas. In Australia, we recently renewed our contract with Melbourne Water for a further 3 years and added civil maintenance to the service provision.

Outlook

We expect the performance in Wood Group PSN Production Services in 2016 to reflect the challenging market conditions, specifically in the US onshore and UK North Sea, partly offset by significant cost savings and efficiencies. We have confidence in our service offering and geographic footprint across all the significant US onshore basins and we would expect to benefit as that market recovers. We have retained our leading position in the North Sea, helping secure access to the market for maintenance and upgrade work as it arises. The outlook for our international business is encouraging, particularly in the Middle East which we see as an area of future potential growth.

Turbine Joint Ventures	Interim 2016 $m	Interim 2015 $m	% Change
Revenue	**301.9**	327.8	(7.9%)
Total EBITA	**13.5**	18.1	(25.4%)
Total EBITA margin	**4.5%**	5.5%	(1.0pts)
People	**2,600**	2,700	(3.7%)

Through three joint venture arrangements, we provide industrial gas turbine and rotating equipment repair, maintenance, overhaul and power plant EPC services to the oil & gas and power sectors.

In Turbine Activities, growth in RWG was offset by lower performance in TCT. Performance in EthosEnergy continues to face various challenges. We are moving forward with efforts to simplify EthosEnergy alongside continued focus on capital efficiency and cost reduction. We expect full year performance in our turbine joint ventures overall to be in line with 2015.

Financial review

Trading performance

Trading performance is presented on a proportionally consolidated basis, which is the basis used by management to run the business. Total revenue and total EBITA include the contribution from joint ventures and activities classified as discontinued. A reconciliation to statutory measures of revenue and operating profit from continuing operations excluding joint ventures is included in note 2 to the interim financial statements.

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full Year Dec 2015 $m
Total Revenue	**2,559.2**	3,069.0	5,852.4
Total EBITA	**166.4**	225.9	469.7
EBITA margin %	**6.5%**	7.4%	8.0%
Amortisation - software and system development	(29.0)	(26.9)	(54.8)
Amortisation - intangible assets from acquisitions	(24.8)	(27.1)	(54.2)
EBIT	**112.6**	171.9	360.7
Net finance expense	(11.9)	(11.7)	(23.1)
Profit before tax and exceptional items	**100.7**	160.2	337.6
Taxation before exceptional items	(26.3)	(43.3)	(88.4)
Profit before exceptional items	**74.4**	116.9	249.2
Exceptional items, net of tax	(29.8)	4.3	(159.1)
Profit for the period	**44.6**	121.2	90.1
Basic EPS (cents)	**10.9c**	31.7c	21.4c
Adjusted diluted EPS (cents)	**28.7c**	40.1c	84.0c

The review of our trading performance is contained within the Business Review above.

Reconciliation to operating profit

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full Year Dec 2015 $m
Total EBITA	**166.4**	225.9	469.7
Amortisation	**(53.8)**	(54.0)	(109.0)
EBIT	**112.6**	171.9	360.7
Tax and interest charges on joint ventures included within operating profit but not EBITA	**(6.4)**	(5.0)	(19.7)
Operating profit before exceptional items per accounts	**106.2**	166.9	341.0

'Like for like' trading

The financial performance of the Group, adjusting for acquisitions and on a constant currency basis, is shown below. The 2015 results have been restated to include the results of acquisitions made in 2015 (Infinity, Kelchner, Beta and ATG) as if they had been acquired on 1 January 2015 and also to apply the average exchange rates used to translate the 2016 results. The 2016 results have been adjusted to exclude the revenue and profits earned by SVT and Ingenious since acquisition.

Unaudited	Interim Jun 2016 Total Revenue $m	Interim Jun 2016 Total EBITA $m	Interim Jun 2015 Total Revenue $m	Interim Jun 2015 Total EBITA $m
Wood Group Engineering	**697.3**	**79.9**	916.8	103.5
Wood Group PSN – Production Services	**1,555.9**	**89.0**	1,963.8	145.5
Wood Group PSN – Turbine Activities	**301.9**	**13.5**	323.1	17.7
Central costs	**-**	**(16.5)**	-	(25.9)
Like for like	**2,555.1**	**165.9**	3,203.7	240.8
Acquisitions	**4.1**	**0.5**	(240.2)	(21.8)
Constant Currency	**-**	**-**	105.5	6.9
Total Revenue and EBITA as reported	**2,559.2**	**166.4**	3,069.0	225.9

Amortisation

The amortisation charge for the half year of $53.8m (2015: $54.0m) includes $24.8m (2015: $27.1m) of amortisation relating to intangible assets arising from acquisitions. $19.5m of the charge relates to businesses acquired by WG PSN Americas including Elkhorn, Mitchells and Infinity. Intangibles relating to the PSN acquisition in 2011 are now fully amortised. Amortisation in respect of software and development costs was $29.0m (2015: $26.9m) and this largely relates to engineering software and ERP system development. We currently anticipate that the amortisation charge for the full year will be around $108.0m (2015: $109.0m), of which $51.0m (2015: $54.2m) will relate to intangibles arising from acquisitions. Included in the amortisation charge for the half year above is $1.0m (2015: $0.9m) in respect of joint ventures.

Net finance expense

Net finance expense is analysed further below.

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full year Dec 2015 $m
Interest on debt	**2.4**	2.2	4.3
Bank fees and charges	**4.0**	4.6	8.6
Interest on US private placement debt	**7.1**	7.0	14.1
Total finance expense	**13.5**	13.8	27.0
Finance income	**(1.6)**	(2.1)	(3.9)
Net finance expense	**11.9**	11.7	23.1

Interest cover[4] was 14.0 times (June 2015: 19.3 times). Included in the above are net finance charges of $1.2m (2015: $1.1m) in respect of joint ventures. We currently anticipate the full year net interest expense to be around $25m.

Taxation

The effective tax rate on profit before tax and exceptional items including joint ventures and discontinued operations on a proportionally consolidated basis is set out below.

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full year Dec 2015 $m
Profit from continuing operations before tax (pre-exceptional items)	**100.7**	160.2	337.6
Tax charge (pre-exceptional items)	**26.3**	43.3	88.4
Effective tax rate on continuing operations (pre-exceptional items)	**26.1%**	27.0%	26.2%

The tax charge above includes $5.2m in relation to joint ventures (June 2015: $3.9m).

Going forward we expect the effective tax rate to remain around 26% in the medium term, subject to future changes in tax rates or legislation in the countries in which the Group operates.

The effective tax charge under equity accounting is 24.8%. The pre-tax profit number used to compute this figure includes the post-tax contribution from joint ventures.

Exceptional items

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full year Dec 2015 $m
Restructuring charges	**36.2**	-	36.6
EthosEnergy impairment	**-**	-	159.1
Onerous contract	**-**	(4.3)	(14.1)
Gain on divestment of Well Support division	**-**	-	(10.4)
Total exceptional expense/ (income) pre-tax	**36.2**	(4.3)	171.2
Tax on exceptional items	**(6.4)**	-	(12.1)
Total exceptional expense/ (income) net of tax	**29.8**	(4.3)	159.1

As a result of reorganisation, delayering and back office rationalisation, an exceptional charge of $36.2m has been recorded in the period. The largest element, $22.1m, principally relates to redundancy costs as people have left the business. The reduction in workforce has also had an impact on our property portfolio and the general property market in our principal locations. The balance of the charge relates to an increase in our onerous lease provisions in relation to property of $14.1m

Earnings per share

Adjusted diluted EPS for the six months to 30 June 2016 was 28.7 cents per share (2015: 40.1 cents). The average number of fully diluted shares used in the EPS calculation for the period was 382.9m (June 2015: 378.6m).

Adjusted diluted EPS adds back all amortisation. If only the amortisation related to intangible assets arising on acquisition is adjusted and no adjustment is made for that relating to software and development costs, the figure for June 2016 would be 23.1 cents per share (June 2015: 34.9 cents).

Dividend

We have previously signaled our confidence in the longer term outlook for the Group and indicated our intent to increase the annual dividend by a double digit percentage between 2014 and 2016.

In line with this intention, an interim dividend of 10.8 cents per share (2015: 9.8 cents) has been declared which will be paid on 22 September 2016, representing an increase of 10%. The dividend is covered 2.7 times (June 2015: 4.1 times) by adjusted earnings per share.

Cash flow and net debt

The cash flow and net debt position below has been prepared using equity accounting for joint ventures, and as such does not proportionally consolidate the assets and liabilities of joint ventures. The gross and net debt figures including joint ventures are given below.

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full year Dec 2015 $m
Opening net debt (excluding JV's)	**(293.9)**	(326.6)	(326.6)
Cash generated from operations pre working capital (excluding JV's)	**149.3**	242.1	503.7
Working capital movements (excluding JV's)	**(25.7)**	(16.9)	59.2
Cash generated from operations	**123.6**	225.2	562.9
Acquisitions	**(18.9)**	(13.4)	(238.0)
Capex and intangibles	**(54.6)**	(42.3)	(82.6)
Tax paid	**(42.7)**	(47.9)	(96.6)
Interest, dividends and other	**(64.6)**	(70.6)	(113.0)
(Increase)/decrease in net debt	**(57.2)**	51.0	32.7
Closing net debt (excluding JV's)	**(351.1)**	(275.6)	(293.9)
JV net (debt)/cash	**(0.3)**	(1.6)	3.6
Closing net debt (including JV's)	**(351.4)**	(277.2)	(290.3)

Throughout the period the Group debt levels (including JV cash and debt) are set out below.

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full Year Dec 2015 $m
Average net debt	**373.4**	290.9	257.4
Average gross debt*	**627.9**	581.0	572.1
Closing net debt	**351.4**	277.2	290.3
Closing gross debt*	**585.7**	572.1	565.7

* The gross debt numbers in the above table assume borrowings relating to the Group's cash pooling arrangements are netted with the related cash and are not grossed up.

In April 2016 the Group extended its $950m bilateral bank facilities for a further year until 2021 at the same competitive rates.

Cash generated from operations pre-working capital fell by $92.8m to $149.3m largely due to lower profits in the period. Cash generated from operations post-working capital reduced by $101.6m to $123.6m as a result of lower profits and an increase in working capital. Cash generation in the first half of 2015 benefitted from a significant receipt relating to the Dorad contract.

Acquisition payments include $12.1m relating to the acquisitions of SVT and Ingenious, $11.8m relating to the purchase of the minority interests in our Saudi Arabian engineering business and $1.0m relating to payments made in respect of companies acquired in prior periods. The acquisition figure is stated net of $6.0m returned to the Group in relation to an amount held in escrow as part of the Infinity acquisition in December 2015.

Payments for capex and intangible assets increased to $54.6m (2015: $42.3m) largely due to the continued investment in our core ERP systems across the Group.

Summary Balance Sheet

The balance sheet below has been prepared using equity accounting for joint ventures, and as such does not proportionally consolidate the joint ventures assets and liabilities.

	Interim Jun 2016 $m	Interim Jun 2015 $m	Full year Dec 2015 $m
Non-current assets	**2,615.5**	2,707.1	2,656.8
Current assets	**1,650.9**	2,035.2	2,057.1
Current liabilities	**(1,128.1)**	(1,445.8)	(1,496.3)
Net current assets	**522.8**	589.4	560.8
Non-current liabilities	**(801.0)**	(718.2)	(796.6)
Net assets	**2,337.3**	2,578.3	2,421.0
Equity attributable to owners of the parent	**2,323.7**	2,561.9	2,398.3
Non-controlling interests	**13.6**	16.4	22.7
Total equity	**2,337.3**	2,578.3	2,421.0

The reduction in net current assets since June 2015 is due to lower receivables and net cash.

Capital efficiency

Net debt (including our share of JV net debt) to rolling EBITDA at 30 June 2016 was 0.7 times (June 2015: 0.5 times). The Board would generally expect net debt to EBITDA on this basis to be in a range of around 0.5 to 1.5 times going forward and to be typically below 1.0 times.

The Group's Return on Capital Employed ("ROCE")[5] reduced from 15.4% at 30 June 2015 to 11.7% largely due to lower EBITA in the period.

The Group's ratio of average Operating Capital Employed to Revenue (OCER) of 19.9% has increased from 2015 (16.1%) largely due to the reduction in revenue.

Acquisitions

In April 2016, the Group acquired 100% of the share capital of SVT Holdings Pty Limited. SVT, which is based in Perth, Australia, provides piping and rotating equipment vibration, noise, integrity engineering and asset integrity services to the oil and gas, power, mining and utilities sectors. Also in April, the Group acquired 100% of the share capital of Ingenious Inc. Ingenious, which is based in Houston, Texas, provides proprietary software and consulting services to the global chemical, oil and gas, and energy industries. Both SVT and Ingenious are reported in the Wood Group Engineering segment. In May 2016, the Group purchased the trade and assets of Enterprise Engineering Limited, an Aberdeen based fabrication and manufacturing business. Enterprise is reported in the Wood Group PSN segment. The Group also purchased an additional shareholding in Mustang Al-Hejailan, its Saudi Arabian engineering business, in the first half of the year.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group in the second half of 2016 that could lead to a significant loss of reputation or could impact on the performance of the Group, along with our approach to managing, mitigating and monitoring these risks, remain broadly unchanged from those described in the Group's 2015 Annual Report. The key risks are in the following categories:

- Health, Safety, Security & Environment
- Strategic
- Operational
- Financial
- People
- Compliance
- Commercial
- Technology

The mitigating factors are designed to reduce, but cannot be relied upon to eliminate, the risk areas identified. For further details on the management of risk and the principal risks and uncertainties see pages 18 to 20 of the Group's 2015 Annual Report.

We do not expect the outcome of June's referendum, that the UK will exit the European Union ("Brexit"), to have a major impact on the Group in the short term, although there is a potential impact on our financial results due to the weakening of Sterling relative to the US dollar. In terms of our underlying business, we do not carry out any material business in the EU outside of the UK (less than 0.5% of our 2015 revenue).

Appointment of auditors

The Group has recently completed an external audit tender process as a result of which the decision was taken to award the audit to KPMG with effect from the year ending 31 December 2018. PwC will continue as Group auditors for the years ending 31 December 2016 and 2017.

Footnotes

1. Total EBITA represents operating profit including JVs on a proportional basis of $76.4m (2015: $176.2m) before the deduction of amortisation of $53.8m (2015: $54.0m) and exceptional costs of $36.2m (2015: income $4.3m) and is provided as it is a key unit of measurement used by the Group in the management of its business.
2. Adjusted diluted earnings per share ("AEPS") is calculated by dividing earnings before exceptional items and 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.
3. Number of people includes both employees and contractors at 30 June 2016 and includes our proportional share of headcount in joint ventures.
4. Interest cover is EBITA divided by net finance expense.
5. Return of Capital Employed ("ROCE") is EBITA divided by average capital employed.

Group income statement
for the six month period to 30 June 2016

		Unaudited Interim June 2016			Unaudited Interim June 2015			Audited Full Year December 2015		
	Note	Pre-exceptional items $m	Exceptional items (note 3) $m	Total $m	Pre-exceptional items $m	Exceptional items (note 3) $m	Total $m	Pre-exceptional items $m	Exceptional items (note 3) $m	Total $m
Revenue from continuing operations	**2**	**2,161.3**	**-**	**2,161.3**	2,656.9	-	2,656.9	5,000.6	-	5,000.6
Cost of sales		**(1,843.2)**	**-**	**(1,843.2)**	(2,226.2)	-	(2,226.2)	(4,183.4)	-	(4,183.4)
Gross profit		**318.1**	**-**	**318.1**	430.7	-	430.7	817.2	-	817.2
Administrative expenses		**(225.5)**	**(36.2)**	**(261.7)**	(273.4)	-	(273.4)	(501.3)	(45.9)	(547.2)
Impairment of investment in joint ventures		**-**	**-**	**-**	-	-	-	-	(137.2)	(137.2)
Share of post-tax profit from joint ventures		**13.6**	**-**	**13.6**	9.6	4.3	13.9	25.1	1.5	26.6
Operating profit	**2**	**106.2**	**(36.2)**	**70.0**	166.9	4.3	171.2	341.0	(181.6)	159.4
Finance income		**1.2**	**-**	**1.2**	2.1	-	2.1	3.1	-	3.1
Finance expense		**(11.9)**	**-**	**(11.9)**	(12.7)	-	(12.7)	(23.9)	-	(23.9)
Profit before tax from continuing operations		**95.5**	**(36.2)**	**59.3**	156.3	4.3	160.6	320.2	(181.6)	138.6
Taxation	**7**	**(21.1)**	**6.4**	**(14.7)**	(39.4)	-	(39.4)	(71.0)	9.0	(62.0)
Profit for the period from continuing operations		**74.4**	**(29.8)**	**44.6**	116.9	4.3	121.2	249.2	(172.6)	76.6
Profit from discontinued operations, net of tax		**-**	**-**	**-**	-	-	-	-	13.5	13.5
Profit for the period		**74.4**	**(29.8)**	**44.6**	116.9	4.3	121.2	249.2	(159.1)	90.1
Profit attributable to:										
Owners of the parent		**70.1**	**(29.8)**	**40.3**	112.5	4.3	116.8	238.1	(159.1)	79.0
Non-controlling interests		**4.3**	**-**	**4.3**	4.4	-	4.4	11.1	-	11.1
		74.4	**(29.8)**	**44.6**	116.9	4.3	121.2	249.2	(159.1)	90.1
Earnings per share (expressed in cents per share)										
Basic	**6**	**18.9**	**(8.0)**	**10.9**	30.5	1.2	31.7	64.5	(43.1)	21.4
Diluted	**6**	**18.3**	**(7.8)**	**10.5**	29.7	1.2	30.9	62.8	(42.0)	20.8

The notes on pages 15 to 21 are an integral part of the interim financial statements.

Group statement of comprehensive income
for the six month period to 30 June 2016

	Unaudited Interim June 2016 $m	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Profit for the period	**44.6**	121.2	90.1
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss			
Re-measurement gains on retirement benefit obligations	**-**	-	24.9
Movement in deferred tax relating to retirement benefit obligations	**-**	-	(4.9)
Total items that will not be reclassified to profit or loss	**-**	-	20.0
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	**(0.8)**	(0.4)	(0.1)
Exchange movements on retranslation of foreign currency net assets	**(52.5)**	(43.6)	(175.4)
Exchange movements on retranslation of non-controlling interests	**(0.4)**	(0.1)	(0.5)
Total items that may be reclassified subsequently to profit or loss	**(53.7)**	(44.1)	(176.0)
Other comprehensive expense for the period, net of tax	**(53.7)**	(44.1)	(156.0)
Total comprehensive (expense)/income for the period	**(9.1)**	77.1	(65.9)
Total comprehensive (expense)/income for the period is attributable to:			
Owners of the parent	**(13.0)**	72.8	(76.5)
Non-controlling interests	**3.9**	4.3	10.6
	(9.1)	77.1	(65.9)
Total comprehensive (expense)/income for the period is attributable to:			
Continuing operations	**(9.1)**	77.1	(79.4)
Discontinued operations	**-**	-	13.5
	(9.1)	77.1	(65.9)

Exchange movements on the retranslation of foreign currency net assets would only be subsequently reclassified through profit or loss in the event of the disposal of a business.

The notes on pages 15 to 21 are an integral part of the interim financial statements.

Group balance sheet
as at 30 June 2016

	Note	Unaudited Interim June 2016 $m	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Assets				
Non-current assets				
Goodwill and other intangible assets		**1,968.6**	1,922.0	2,004.5
Property plant and equipment		**192.8**	187.9	204.2
Investment in joint ventures		**300.6**	457.5	300.4
Long term receivables		**80.4**	82.9	80.7
Retirement benefit scheme surplus		**5.3**	-	4.5
Deferred tax assets		**67.8**	56.8	62.5
		2,615.5	2,707.1	2,656.8
Current assets				
Inventories		**10.5**	8.8	8.1
Trade and other receivables		**1,068.4**	1,240.2	1,176.0
Income tax receivable		**19.6**	16.0	21.7
Cash and cash equivalents	**11**	**552.4**	770.2	851.3
		1,650.9	2,035.2	2,057.1
Liabilities				
Current liabilities				
Borrowings	**11**	**403.0**	577.3	676.7
Trade and other payables		**688.2**	801.8	753.9
Income tax liabilities		**36.9**	66.7	65.7
		1,128.1	1,445.8	1,496.3
Net current assets		**522.8**	589.4	560.8
Non-current liabilities				
Borrowings	**11**	**527.0**	495.0	495.0
Deferred tax liabilities		**5.1**	7.2	6.0
Retirement benefit scheme deficit	**8**	**-**	26.4	-
Other non-current liabilities		**185.5**	117.3	200.8
Provisions		**83.4**	72.3	94.8
		801.0	718.2	796.6
Net assets		**2,337.3**	2,578.3	2,421.0
Equity attributable to owners of the parent				
Share capital		**23.9**	23.7	23.8
Share premium		**63.9**	56.0	63.9
Retained earnings		**2,141.0**	2,202.5	2,162.4
Other reserves		**94.9**	279.7	148.2
		2,323.7	2,561.9	2,398.3
Non-controlling interests		**13.6**	16.4	22.7
Total equity		**2,337.3**	2,578.3	2,421.0

The notes on pages 15 to 21 are an integral part of the interim financial statements.

Following the issue of an agenda decision by the IFRS Interpretations Committee regarding offsetting and cash pooling arrangements, the Group has restated its comparative figures for cash and cash equivalents and short term borrowings at 30 June and 31 December 2015. The restatement increases cash and borrowings by $566.9m and $646.8m respectively. In addition, the June 2015 comparative figures for trade and other receivables and cash and cash equivalents have been restated by $26.5m in relation to a restricted cash balance.

Group statement of changes in equity
for the six month period to 30 June 2016

	Note	Share capital $m	Share premium $m	Retained earnings $m	Other reserves $m	Equity attributable to owners of the parent $m	Non-controlling interests $m	Total equity $m
At 1 January 2015		23.7	56.0	2,142.8	323.7	**2,546.2**	13.1	**2,559.3**
Profit for the period		-	-	116.8	-	**116.8**	4.4	**121.2**
Other comprehensive income/(expense):								
Cash flow hedges		-	-	-	(0.4)	**(0.4)**	-	**(0.4)**
Net exchange movements on retranslation of foreign currency net assets		-	-	-	(43.6)	**(43.6)**	(0.1)	**(43.7)**
Total comprehensive income/(expense) for the period		-	-	116.8	(44.0)	**72.8**	4.3	**77.1**
Transactions with owners:								
Dividends paid	**4**	-	-	(68.6)	-	**(68.6)**	(1.0)	**(69.6)**
Credit relating to share based charges	**12**	-	-	8.8	-	**8.8**	-	**8.8**
Shares disposed of by employee share trusts		-	-	3.8	-	**3.8**	-	**3.8**
Exchange movements in respect of shares held by employee share trusts		-	-	(1.1)	-	**(1.1)**	-	**(1.1)**
At 30 June 2015		23.7	56.0	2,202.5	279.7	**2,561.9**	16.4	**2,578.3**
At 1 January 2016		23.8	63.9	2,162.4	148.2	**2,398.3**	22.7	**2,421.0**
Profit for the period		-	-	40.3	-	**40.3**	4.3	**44.6**
Other comprehensive income/(expense):								
Cash flow hedges		-	-	-	(0.8)	**(0.8)**	-	**(0.8)**
Net exchange movements on retranslation of foreign currency net assets		-	-	-	(52.5)	**(52.5)**	(0.4)	**(52.9)**
Total comprehensive income/(expense) for the period		**-**	**-**	**40.3**	**(53.3)**	**(13.0)**	**3.9**	**(9.1)**
Transactions with owners:								
Dividends paid	**4**	-	-	(75.9)	-	**(75.9)**	(6.4)	**(82.3)**
Credit relating to share based charges	**12**	-	-	6.1	-	**6.1**	-	**6.1**
Shares allocated to employee share trusts		0.1	-	(0.1)	-	**-**	-	**-**
Shares disposed of by employee share trusts		-	-	1.8	-	**1.8**	-	**1.8**
Exchange movements in respect of shares held by employee share trusts		-	-	12.3	-	**12.3**	-	**12.3**
Transactions with non-controlling interests		-	-	(5.9)	-	**(5.9)**	(6.6)	**(12.5)**
At 30 June 2016		**23.9**	**63.9**	**2,141.0**	**94.9**	**2,323.7**	**13.6**	**2,337.3**

The figures presented in the above tables are unaudited.

Other reserves include the capital redemption reserve, capital reduction reserve, merger reserve, currency translation reserve and the hedging reserve.

The notes on pages 15 to 21 are an integral part of the interim financial statements.

Group cash flow statement
for the six month period to 30 June 2016

	Note	**Unaudited Interim June 2016 $m**	Unaudited Interim June 2015 $m	Audited Full Year Dec 2015 $m
Cash generated from operations	**10**	**123.6**	225.2	562.9
Tax paid		**(42.7)**	(47.9)	(96.6)
Net cash from operating activities		**80.9**	177.3	466.3
Cash flows from investing activities				
Acquisition of subsidiaries (net of cash and borrowings acquired)	**5**	**(7.1)**	(13.4)	(238.0)
Acquisition of non-controlling interests		**(11.8)**	-	-
Payments received in relation to EthosEnergy transaction		**20.8**	10.9	9.7
Purchase of property plant and equipment		**(17.4)**	(14.7)	(36.1)
Proceeds from sale of property plant and equipment		**13.5**	0.1	1.8
Purchase of intangible assets		**(37.2)**	(27.6)	(46.5)
Interest received		**2.1**	2.1	2.4
(Advances to)/repayment of loans from joint ventures		**(10.0)**	-	11.0
Net cash used in investing activities		**(47.1)**	(42.6)	(295.7)
Cash flows from financing activities				
(Repayment of)/proceeds from bank loans and overdrafts		**(239.3)**	(14.8)	85.2
Disposal of shares by employee share trusts		**1.8**	3.8	5.6
Interest paid		**(11.3)**	(14.2)	(23.6)
Dividends paid to shareholders	**4**	**(75.9)**	(68.6)	(104.9)
Dividends paid to non-controlling interests		**(6.4)**	(1.0)	(1.0)
Net cash used in financing activities		**(331.1)**	(94.8)	(38.7)
Net (decrease)/ increase in cash and cash equivalents		**(297.3)**	39.9	131.9
Effect of exchange rate changes on cash and cash equivalents		**(1.6)**	(3.6)	(14.5)
Opening cash and cash equivalents		**851.3**	733.9	733.9
Closing cash and cash equivalents		**552.4**	770.2	851.3

The notes on pages 15 to 21 are an integral part of the interim financial statements.

Following the issue of an agenda decision by the IFRS Interpretations Committee regarding offsetting and cash pooling arrangements, the Group has restated its comparative figures for cash and cash equivalents and short term borrowings at 30 June and 31 December 2015. The restatement increases cash and borrowings by $566.9m and $646.8m respectively. In addition, the June 2015 comparative figures for trade and other receivables and cash and cash equivalents have been restated by $26.5m in relation to a restricted cash balance.

Notes to the interim financial statements

for the six month period to 30 June 2016

1 Basis of preparation

The interim report and condensed financial statements for the six months ended 30 June 2016 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union. The interim report and condensed financial statements should be read in conjunction with the Group's 2015 Annual Report and Accounts which have been prepared in accordance with IFRSs as adopted by the European Union. The financial statements are also in compliance with IFRS as issued by the International Accounting Standards Board.

The interim report and condensed financial statements have been prepared on the basis of the accounting policies set out in the Group's 2015 Annual Report and Accounts and those new standards discussed below which are applicable from 1 January 2016. The interim report and condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim condensed financial statements were approved by the Board of Directors on 15 August 2016. The results for the six months to 30 June 2016 and the comparative results for six months to 30 June 2015 are unaudited. The comparative figures for the year ended 31 December 2015 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 any statement under Section 498 of the Companies Act 2006.

Following the issue of an agenda decision by the IFRS Interpretations Committee regarding offsetting and cash pooling arrangements, the Group has restated its comparative figures for cash and cash equivalents and short term borrowings at 30 June and 31 December 2015. The restatement increases cash and borrowings by $566.9m and $646.8m respectively. There is no change to the results or the cash flows for the respective periods.

The directors have reviewed the Group's backlog, trading outlook and funding position and re-assessed its principal risks and consider it appropriate to adopt the going concern basis of accounting in preparing the interim condensed financial statements.

In preparing these interim condensed financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2015.

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 2016	June 2015
Average rate £1 = $	**1.4290**	1.5261
Closing rate £1 = $	**1.3368**	1.5727

Disclosure of impact of new and future accounting standards

(a) Amended standards and interpretations

Amendments have been made to the following standards effective 1 January 2016. These amendments have not had a material impact on the Group's financial statements.

- IFRS 11 'Joint arrangements'
- IAS 16 'Property, plant and equipment'
- IAS 38 'Intangible assets'
- IAS 27 'Separate financial statements'
- IFRS 10 'Consolidated financial statements'
- IAS 1 'Presentation of financial statements'

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2018, but the Group has not adopted them early:

- IFRS 15 'Revenue from contracts with customers' is effective for accounting periods beginning on or after 1 January 2018. The Group is in the process of assessing the likely impact of this standard on the financial statements.
- IFRS 9 'Financial 'instruments' is effective for accounting periods on or after 1 January 2018. The Group does not expect the adoption of this standard to have a material impact on the financial statements.
- IFRS 16 'Leases' is effective for accounting periods beginning on or after 1 January 2019. The Group is in the process of assessing the likely impact of this standard on the financial statements.

Notes to the interim financial statements
for the six month period to 30 June 2016

2 Segmental reporting

The Group operates through two segments, Wood Group Engineering and Wood Group PSN. All of the Group's predominantly opex related turbine activity is carried out through joint ventures and is managed and reported as part of the Wood Group PSN division. In order to provide visibility over the performance of the turbine activities, they are included on a separate line in the table below (Wood Group PSN – Turbine activities). This presentation is consistent with the Group's internal management reporting for the period to 30 June 2016.

Under IFRS 11, the Group is required to account for joint ventures using equity accounting, however for management reporting the Group continues to use proportional consolidation hence the inclusion of the proportional presentation in this note.

The segment information provided to the Group's Chief Executive for the reportable operating segments for the period included the following:

Reportable operating segments

	Revenue			EBITDA (1)			EBITA (1)			Operating profit		
	Unaudited Interim June 2016	Unaudited Interim June 2015	Audited Full Year 2015	**Unaudited Interim June 2016**	Unaudited Interim June 2015	Audited Full Year 2015	**Unaudited Interim June 2016**	Unaudited Interim June 2015	Audited Full Year 2015	**Unaudited Interim June 2016**	Unaudited Interim June 2015	Audited Full Year 2015
	$m	$m	$m	**$m**	$m	$m	**$m**	$m	$m	**$m**	$m	$m
Wood Group Engineering	**701.4**	908.3	1,728.6	**87.8**	110.7	232.2	**80.4**	101.7	214.7	**51.6**	81.8	159.7
Wood Group PSN – Production Services	**1,555.9**	1,832.9	3,447.8	**105.0**	145.6	286.7	**89.0**	133.1	258.0	**34.2**	107.5	190.2
Wood Group PSN – Turbine activities	**301.9**	327.8	676.0	**18.4**	24.3	56.1	**13.5**	18.1	44.2	**12.5**	17.2	(116.7)
Well Support – divested	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	10.4
Central costs (2)	**-**	-	-	**(14.7)**	(22.9)	(43.3)	**(16.5)**	(27.0)	(47.2)	**(21.9)**	(30.3)	(54.1)
Total	**2,559.2**	3,069.0	5,852.4	**196.5**	257.7	531.7	**166.4**	225.9	469.7	**76.4**	176.2	189.5
Remove discontinued operations (4)	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	(10.4)
Remove share of joint ventures	**(397.9)**	(412.1)	(851.8)	**(26.3)**	(22.4)	(59.9)	**(21.0)**	(15.5)	(46.7)	**(20.0)**	(18.9)	(46.3)
Total continuing operations excluding joint ventures	**2,161.3**	2,656.9	5,000.6	**170.2**	235.3	471.8	**145.4**	210.4	423.0	**56.4**	157.3	132.8
Share of post-tax profit from joint ventures										**13.6**	13.9	26.6
Operating profit										**70.0**	171.2	159.4
Finance income										**1.2**	2.1	3.1
Finance expense										**(11.9)**	(12.7)	(23.9)
Profit before taxation from continuing operations										**59.3**	160.6	138.6
Tax on continuing operations										**(14.7)**	(39.4)	(62.0)
Profit for the period from continuing operations										**44.6**	121.2	76.6
Profit from discontinued operations, net of tax										**-**	-	13.5
Profit for the period										**44.6**	121.2	90.1

Notes

1. A reconciliation of EBITA to operating profit is provided in the table below. EBITDA represents EBITA before depreciation of property, plant and equipment of $30.1m (June 2015: $31.8m). EBITA and EBITDA are provided as they are the units of measurement used by the Group in the management of its business.
2. 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. Revenue arising from sales between segments is not material.
4. Discontinued operations relate to the Well Support business sold in 2011.

Notes to the interim financial statements
for the six month period to 30 June 2016

2 Segmental reporting *(continued)*

Reconciliation of EBITA to operating profit	**Unaudited Interim June 2016 $m**	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
EBITA	**166.4**	225.9	469.7
Amortisation	**(53.8)**	(54.0)	(109.0)
Exceptional items included in continuing operations	**(36.2)**	4.3	(181.6)
Share of joint venture interest	**(1.2)**	(1.1)	(2.3)
Share of joint venture tax	**(5.2)**	(3.9)	(17.4)
Operating profit	**70.0**	171.2	159.4

Segment assets	**Unaudited Interim June 2016 $m**	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Wood Group Engineering	**1,059.8**	1,037.6	1,031.4
Wood Group PSN – Production Services	**2,124.0**	2,217.7	2,316.3
Wood Group PSN – Turbine activities	**411.1**	579.9	416.4
Unallocated	**671.5**	907.1	949.8
	4,266.4	4,742.3	4,713.9

Unallocated segment assets include cash, income tax and deferred tax balances.

3 Exceptional items

	Unaudited Interim June 2016 $m	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Exceptional items included in continuing operations			
Restructuring charges	**36.2**	-	36.6
Impairment of investment in EthosEnergy joint venture	**-**	-	137.2
Impairment of Group receivables in relation to EthosEnergy	**-**	-	9.3
Impairment recorded by EthosEnergy	**-**	-	12.6
Onerous contract	**-**	(4.3)	(14.1)
	36.2	(4.3)	181.6
Taxation	**(6.4)**	-	(9.0)
Continuing operations exceptional items, net of tax	**29.8**	(4.3)	172.6
Exceptional items included in discontinued operations			
Gain on divestment – Well Support	**-**	-	(10.4)
		-	(10.4)
Taxation	**-**	-	(3.1)
Discontinued operations exceptional items, net of tax	**-**	-	(13.5)
Total exceptional items, net of tax	**29.8**	(4.3)	159.1

As a result of reorganisation, delayering and back office rationalisation, an exceptional charge of $36.2m has been recorded in the period. The largest element, $22.1m, principally relates to redundancy costs incurred as people have left the business. The reduction in workforce has also had an impact on the Group's property portfolio and the general property market in our principal locations. The balance of the exceptional charge relates to an increase in onerous lease provisions in relation to property of $14.1m. $27.8m of the exceptional charge is recorded in Wood Group PSN, $6.9m in Wood Group Engineering and $1.5m in Central costs.

Full details of the 2015 exceptional items are included in the 2015 Annual Report and Accounts.

Notes to the interim financial statements
for the six month period to 30 June 2016

4 Dividends

	Unaudited Interim June 2016 $m	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Dividends on ordinary shares			
Final paid	**75.9**	68.6	68.6
Interim paid	**-**	-	36.3
Total dividends	**75.9**	68.6	104.9

After the balance sheet date, the directors declared an interim dividend of 10.8 cents per share (2015: 9.8 cents) which will be paid on 22 September 2016. The interim financial statements do not reflect the interim dividend, which will result in an estimated reduction of $40.1m in equity attributable to owners of the parent. This will be shown as an appropriation of retained earnings in the financial statements for the year ended 31 December 2016.

5 Acquisitions

In April 2016, the Group acquired 100% of the share capital of SVT Holdings Pty Limited for $9.0m, net of $1.0m cash acquired. Net assets acquired amount to $0.3m and goodwill and intangible assets of $9.7m have provisionally been recognised on the acquisition. The accounting for the acquisition will be finalised in the financial statements for the year ended 31 December 2016. SVT provides piping and rotating equipment vibration, noise, integrity engineering and asset integrity services to the oil and gas, power, mining and utilities sectors. SVT, which is based in Perth, Australia is reported in the Wood Group Engineering segment.

Also in April, the Group acquired 100% of the share capital of Ingenious Inc for an initial consideration of $3.1m with a further $8.2m of estimated contingent consideration provided. Net assets acquired amount to $0.5m and goodwill and intangible assets of $10.8m have provisionally been recognised on the acquisition. The accounting for the acquisition will be finalised in the financial statements for the year ended 31 December 2016. Ingenious provides proprietary software and consulting services to the global chemical, oil and gas, and energy industries. Ingenious, which is based in Houston, Texas is reported in the Wood Group Engineering segment.

In May 2016, the Group purchased the trade and assets of Enterprise Engineering Limited, an Aberdeen based fabrication and manufacturing business for $0.4m. This purchase was accounted for as an addition to property, plant and equipment in the period to 30 June.

$6m of cash that was placed in an escrow account in relation to the Infinity acquisition in December 2015 was returned to the Group in the first half of 2016.

The acquired companies will be in a position to access the Group's wider client base and use the Group's resources to further grow and develop their businesses. The acquisitions expand the Group's existing service lines and provide increased diversification and entry into new markets. These factors contribute to the goodwill recognised on the acquisitions.

Acquisition costs incurred in relation to the companies acquired during the period are included in administrative expenses in the income statement.

From the date of acquisition to 30th June, SVT and Ingenious contributed $4.1m to Group revenues and $0.5m to EBITA.

Contingent consideration payments amounting to $1.0m were made during the period in relation to acquisitions completed in previous years. Estimated contingent consideration liabilities at 30 June 2016 amounted to $102.0m (June 2015: $35.6m) and are payable over the next three years. The amount of contingent consideration payable is dependent on the post-acquisition profits of the acquired entities and the provision made is based on the Group's estimate of the likely profits of those entities. Where deferred consideration is payable after more than one year the estimated liability is discounted using an appropriate rate of interest.

Notes to the interim financial statements
for the six month period to 30 June 2016

6 Earnings per share

	Unaudited Interim June 2016			Unaudited Interim June 2015			Audited Full Year December 2015		
	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 pre-exceptional	**70.1**	**371.3**	**18.9**	112.5	368.6	30.5	238.1	369.0	64.5
Exceptional items, net of tax	**(29.8)**	**-**	**(8.0)**	4.3	-	1.2	(159.1)	-	(43.1)
Basic	**40.3**	**371.3**	**10.9**	116.8	368.6	31.7	79.0	369.0	21.4
Effect of dilutive ordinary shares	**-**	**11.6**	**(0.4)**	-	10.0	(0.8)	-	10.3	(0.6)
Diluted	**40.3**	**382.9**	**10.5**	116.8	378.6	30.9	79.0	379.3	20.8
Exceptional items, net of tax	**29.8**	**-**	**7.8**	(4.3)	-	(1.2)	159.1	-	42.0
Diluted pre-exceptional items	**70.1**	**382.9**	**18.3**	112.5	378.6	29.7	238.1	379.3	62.8
Amortisation, net of tax	**39.8**	**-**	**10.4**	39.4	-	10.4	80.4	-	21.2
Adjusted diluted	**109.9**	**382.9**	**28.7**	151.9	378.6	40.1	318.5	379.3	84.0
Adjusted basic	**109.9**	**371.3**	**29.6**	151.9	368.6	41.2	318.5	369.0	86.3

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 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's dilutive ordinary shares comprise share options granted to employees under Employee Share Option Schemes and the Long Term Retention Plan and shares and share options awarded under the Group's Long Term Plan. Adjusted basic and adjusted diluted EPS are disclosed to show the results excluding the impact of exceptional items and amortisation, net of tax.

7 Taxation

The taxation charge, recognising the profits from joint ventures on a proportional basis, for the six months ended 30 June 2016 is 26.1% (June 2015: 27.0%) which is the anticipated effective rate on profit before taxation and exceptional items for the year ending 31 December 2016. The table below shows how these rates reconcile to the amounts presented in the income statement.

	Unaudited Interim June 2016			**Unaudited Interim June 2015**			**Audited Full Year December 2015**		
	Profit before tax $m	**Tax charge $m**	**Rate %**	Profit before tax $m	Tax charge $m	Rate %	Profit before tax $m	Tax charge $m	Rate %
Amounts reported in the income statement	**59.3**	**14.7**	**24.8**	160.6	39.4	24.5	138.6	62.0	44.7
Adjust for joint ventures, discontinued operations and exceptional items	**41.4**	**11.6**		(0.4)	3.9		199.0	26.4	
Adjusted effective rate	**100.7**	**26.3**	**26.1**	160.2	43.3	27.0	337.6	88.4	26.2

8 Retirement benefit obligations

The Group closed its defined benefit scheme to future accrual in 2014. As a result of the actuarial gains arising during 2015 the scheme was in surplus at 31 December 2015. Management believe that the Group will benefit from the surplus and an asset has therefore been recognised in the Group balance sheet. No interim revaluation of the pension liability has been carried out at 30 June 2016 and accordingly there is no actuarial gain/loss in the Group statement of comprehensive income. The figures for gains and losses for the full year together with the surplus or deficit at 31 December 2016 will be presented in the 2016 Annual Report and Accounts.

Notes to the interim financial statements
for the six month period to 30 June 2016

9 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. The receivables include loans to certain joint venture companies and amounts receivable in relation to the formation of the EthosEnergy joint venture.

	Unaudited Interim June 2016 $m	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Sales of goods and services to joint ventures	**20.9**	21.0	47.6
Purchase of goods and services from joint ventures	**7.4**	4.9	11.6
Receivables from joint ventures	**122.2**	159.0	147.0
Payables to joint ventures	**10.4**	18.9	18.6

10 Cash generated from operations

	Unaudited Interim June 2016 $m	Unaudited Interim June 2015 $m	Audited Full Year December 2015 $m
Reconciliation of operating profit to cash generated from operations:			
Operating profit from continuing operations	**70.0**	171.2	159.4
Less share of post-tax profit from joint ventures	**(13.6)**	(13.9)	(26.6)
	56.4	157.3	132.8
Operating profit from discontinued operations	**-**	-	10.4
	56.4	157.3	143.2
Adjustments (excluding share of joint ventures)			
Depreciation	**24.9**	24.9	48.8
(Gain)/loss on disposal of property plant and equipment	**(3.0)**	2.5	4.0
Amortisation of intangible assets	**52.8**	53.1	107.1
Share based charges	**6.1**	8.8	12.3
(Decrease)/increase in provisions	**(28.4)**	(5.5)	27.0
Dividends from joint ventures	**8.5**	8.1	23.6
Exceptional items – non-cash impact	**26.1**	-	149.8
Changes in working capital (excluding effect of acquisition and divestment of subsidiaries)			
(Increase)/decrease in inventories	**(2.2)**	0.2	(0.6)
Decrease in receivables	**53.8**	177.9	333.8
Decrease in payables	**(77.3)**	(195.0)	(274.0)
Exchange movements	**5.9**	(7.1)	(12.1)
Cash generated from operations	**123.6**	225.2	562.9

Notes to the interim financial statements
for the six month period to 30 June 2016

11 Reconciliation of cash flow to movement in net debt

	At 1 January 2016 $m	Cash flow $m	Exchange movements $m	**At 30 June 2016 $m**
Cash and cash equivalents	851.3	(297.3)	(1.6)	**552.4**
Restricted cash	26.5	-	-	**26.5**
Short term borrowings	(676.7)	273.5	0.2	**(403.0)**
Long term borrowings	(495.0)	(34.2)	2.2	**(527.0)**
Net debt	(293.9)	(58.0)	0.8	**(351.1)**

Net debt of $0.3m (2015: net debt $1.6m) was held by joint ventures at 30 June.

The restricted cash of $26.5m (2015: $26.5m) is cash that is subject to an attachment order. The Group cannot access this cash until it receives a release letter from the Courts and as a result the cash balance is presented in receivables. Management believe it is appropriate to include the restricted cash balance in the Group's net debt figure.

12 Share based charges

Share based charges for the period of $6.1m (2015: $8.8m) relate to options granted under the Group's executive share option schemes and awards under the Long Term Plan. The charge is included in administrative expenses in the income statement.

13 Financial risk management and financial instruments

Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and cash flow interest rate risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2015 Annual Report and Accounts.

There have been no changes in the risk management function or in any risk management policies since the year end.

Fair value of non-derivative financial assets and financial liabilities
The fair value of short-term borrowings, trade and other payables, trade and other receivables, short-term deposits and cash at bank and in hand approximates to the carrying amount because of the short maturity of interest rates in respect of these instruments. Drawdowns under long-term bank facilities are for periods of three months or less and as a result, book value and fair value are considered to be the same.

Details of derivative financial instruments are not disclosed in the financial statements as they are not material.

14 Capital commitments

At 30 June 2016 the Group had entered into contracts for future capital expenditure amounting to $3.8m. The capital expenditure relates to property plant and equipment and has not been provided in the financial statements.

15 Contingent liabilities

At the balance sheet date the Group had cross guarantees without limit extended to its principal bankers in respect of sums advanced to subsidiaries.

From time to time, the Group is notified of claims in respect of work carried out. Where management believes we are in a strong position to defend these claims no provision is made.

The Group is aware of a potential challenge to historic employment costs which may have an impact on the Group. In addition, recent court cases have challenged the UK's historic interpretation of EU legislation relating to holiday pay and this may have an impact on all companies who have employees in the UK, including Wood Group. At this point it is not possible to make a reliable estimate of the liability, if any, that may arise from either of these issues and therefore no provision has been made.

The Group believes that an investigation into inspection and regulatory reporting services in the US is now close to reaching a conclusion, and that any costs arising will be covered by amounts provided in prior periods.

Statement of directors' responsibilities
for the six month period to 30 June 2016

The directors confirm that the interim condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB and adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial 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 2015 Annual Report and Accounts. The following changes have occurred since the signing of the 2015 accounts: D. Woodward resigned as a director on 11 May 2016 and R.Howson was appointed to the Board on 12 May 2016.

R Watson
Chief Executive

D Kemp
Chief Financial Officer

15 August 2016

Independent review report to John Wood Group PLC

for the six month period to 30 June 2016

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed John Wood Group PLC's condensed consolidated interim financial statements (the "interim financial statements") in the half year report of John Wood Group PLC for the 6 month period ended 30 June 2016. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What we have reviewed
The interim financial statements comprise:

- the group balance sheet as at 30 June 2016;
- the group income statement and group statement of comprehensive income for the period then ended;
- the group cash flow statement for the period then ended;
- the group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The half year report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year report in accordance with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half year report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility 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.

What a review of interim financial statements involves
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. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Aberdeen
15 August 2016

a. The maintenance and integrity of the John Wood Group PLC website 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 financial statements since they were initially presented on the website.

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

Information for shareholders

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 26 August 2016 as published in the Financial Times on 27 August 2016.

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Financial calendar

	6 months ended 30 June 2016	Year ending 31 December 2016
Results announced	16 August 2016	February 2017
Ex-dividend date	25 August 2016	April 2017
Dividend record date	26 August 2016	April 2017
Dividend payment date	22 September 2016	May 2017
Annual General Meeting		May 2017

The Group's Investor Relations website can be accessed at:
www.woodgroup.com

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