AMEC plc 2013 half-year results
Trading in line with expectations

Highlights

- **Adjusted diluted EPS[5] 40.4 pence, up 16 per cent**
  - Revenue stable at £1,998 million
  - EBITA[1] £158 million, up 4 per cent
  - Margin[2] 7.9 per cent, up 40 basis points
  - Completed £400 million buyback in February 2013
- **Operating cash flow[4] £56 million**
  - Continue to expect strong cash conversion for full year
- **Strong order intake and record order book**
- **Interim dividend per share up 15 per cent, to 13.5 pence**

Chief Executive Samir Brikho said:

"AMEC has started 2013 solidly, with stable revenues and improving margins in the first six months.

"Our record order book of £3.9 billion demonstrates how the geographic structure is creating new opportunities for us to grow and service our clients more broadly across our four markets. We continue to see good demand for our services, despite some challenging markets and this gives us confidence to reaffirm our outlook for this year's earnings.

"A 15 per cent increase in the interim dividend signals our belief in the underlying strength of AMEC and we continue to expect to achieve an EPS of greater than 100 pence in 2014."

Results presentation and live webcast: AMEC will host a presentation on the half-year results for analysts and investors at 9.00am today. A live webcast of the event and presentation slides will be available on amec.com.

Next event: Interim Management Statement on 19 November 2013
Analyst consensus estimates are collated and published on AMEC's website on a periodic basis
amec.com/investors/consensus_estimates

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Financial highlights

Group

Six months ended 30 June		**2013**	2012	Change (%)
Revenue	*(£m)*	**1,998**	2,026	*-1%*
EBITA[1]	*(£m)*	**158**	152	*+4%*
Adjusted profit before tax[3]	*(£m)*	**154**	151	*+2%*
Profit before tax	*(£m)*	**117**	120	*-2%*
Operating cash flow[4]	*(£m)*	**56**	142	*-60%*
Adjusted diluted earnings per share[5]	*pence*	**40.4**	34.8	*+16%*
Diluted earnings per share from continuing operations	*pence*	**32.0**	28.7	*+11%*
Dividend per share	*pence*	**13.5**	11.7	*+15%*

Notes:
1. EBITA for continuing operations before intangible amortisation and exceptional items but including joint venture EBITA
2. EBITA as defined above as a percentage of revenue
3. EBITA, as defined above, less net financing costs (including joint ventures) of £4 million (H1 2012: £1 million)
4. Cash generated from operations before exceptional items and discontinued operations, legacy settlements and the difference between pension payments and amounts recognised in the income statement but including dividends received from joint ventures
5. Diluted earnings per share from continuing operations before intangible amortisation and exceptional items

Basis of presentation
The following commentary is based on the results for continuing operations before intangible amortisation and exceptional items but including joint venture EBITA.

The results are presented to the nearest million. Percentage movements and calculated numbers, such as EPS and margin rates, are based on the underlying numbers to 1 decimal place precision.

The comparative figures for 2012 have been restated as a result of the adoption of IAS 19(2011R) 'Employee Benefits'. The impact on the six months ended 30 June 2012 is a reduction in net financing income of £6 million and a reduction in the tax charge of £2 million, resulting in a reduction of £4 million in profit after tax. See note 2 for more details.

Segmental analysis
Segmental analysis is now provided for the group's activities in three geographic zones (Americas, Europe and Growth Regions), as well as for non-core Investment Services. 2012 half-year figures have been restated on this same basis.

Amounts and percentage movements relating to continuing segmental earnings before net financing income, tax and intangible amortisation (EBITA) are stated before corporate costs of £18 million (H1 2012: £18 million) and pre-tax exceptional costs of £14 million (H1 2012: £10 million).

Discontinued operations
In accordance with IFRS 5, the post-tax results of discontinued operations are disclosed separately in the consolidated income statement.*

**International Financial Reporting Standard 5: 'Non-current assets held for sale and discontinued operations'.*

Any forward looking statements made in this document represent management's best judgement as to what may occur in the future. However, the group's actual results for the current and future fiscal periods and corporate developments will depend on a number of economic, competitive and other factors, some of which will be outside the control of the group. Such factors could cause the group's actual results for future periods to differ materially from those expressed in any forward looking statements made in this document.

H1 2013 results overview

Group *Six months ended 30 June*		2013	*Underlying ex. proc*	*Incremental procurement*	*Currency exchange*	*Acquisitions*	2012
Revenue	*(£m)*	**1,998**	**9**	***(100)***	**23**	**40**	**2,026**
Y-on-Y change	*(%)*	*(1)*	*nil*	***(4)***	*+1*	*+2*	
EBITA	*(£m)*	**158**	**1**	*nil*	**2**	**3**	**152**
Y-on-Y change	*(%)*	*+4*	*+1*	*nil*	*+1*	*+2*	
EBITA margin	*(%)*	**7.9**					**7.5**
Y-on-Y change	*(bps)*	*+40*					
Order book	*(£bn)*	**3.9**					**3.7**
Y-on-Y change	*(%)*	*+6*					

Revenue for the first six months of 2013 was stable at £1,998 million (H1 2012: £2,026 million). **Underlying revenue**, excluding incremental procurement, was also in line with last year. A strong performance in conventional oil & gas in particular was offset by continued weakness in Australia, softening in mining and the gradual phasing down of Imperial Oil's Kearl project in the Canadian oil sands.

EBITA increased 4 per cent to £158 million (H1 2012: £152 million) with **EBITA margins** up by 40 basis points to 7.9 per cent (H1 2012: 7.5 per cent). Margins benefited from the reduction in incremental procurement activities in the Americas and cost efficiencies relating to the business restructuring in October 2012, which were partially offset by weakness in Europe.

Adjusted profit before tax of £154 million in H1 2013 was 2 per cent ahead of the previous year (H1 2012: £151 million). After **joint venture tax** of £1 million (H1 2012: £2 million), amortisation of £22 million (H1 2012: £19 million) and exceptional losses of £14 million (H1 2012: £10 million), **profit before tax** was £117 million (H1 2012: £120 million). The **tax charge** for H1 2013, including tax on amortisation and exceptional items, was £22 million (H1 2012: £25 million) resulting in a **total profit from continuing operations** for H1 2013 of £95 million (H1 2012: £95 million).

Adjusted diluted earnings per share from continuing operations were 40.4 pence (H1 2012: 34.8 pence).

Operating cash flow for the period was £56 million, down £86 million from the comparable period last year. This reduction is predominately due to short-term timing effects in working capital, and also reflects the unusually high cash flow in the first half of 2012. Full-year cash flow is expected to be strong once again, with cash conversion in line with recent years.

Balance sheet and use of cash

AMEC has a low-risk, asset-light business model and expects to generate substantial free cash flow each year. AMEC expects to maintain its progressive dividend policy, with periodic additional returns of surplus cash to shareholders when appropriate.

Acquisitions remain a key component of the company's growth strategy. The board is prepared to assume debt of up to 2x EBITDA for the right acquisition. The pipeline for acquisitions in 2013 remains strong.

Moving to a more efficient balance sheet remains a key component of AMEC's strategy. The company completed a £400 million share buyback programme in February 2013.

Dividend

A 15 per cent increase in the **interim dividend** to 13.5 pence per share (H1 2012: 11.7 pence) demonstrates the board's continuing confidence in the group's future performance and is in line with AMEC's progressive dividend policy.

Average number of employees

The average number of employees was up 4 per cent in the first half, to 28,928.

Average number of employees *Six months ended 30 June*	**2013**	2012	***Change (%)***
Americas	**14,762**	14,566	*+1*
Europe	**10,744**	10,109	*+6*
Growth Regions	**3,186**	2,831	*+13*
Centre	**236**	227	*+4*
Group	**28,928**	27,733	*+4*

Outlook

AMEC continues to see good demand for its services, despite some challenging markets and is identifying additional opportunities from the new geographic focus. Full year 2013 underlying revenue, excluding incremental procurement, is expected to be in line with 2012, with good visibility provided by the order book of £3.9 billion. Incremental procurement in 2013 is still expected to be £200 million lower than in 2012.

Second half margins are expected to be stronger than H1 2013, reflecting the usual seasonal uplift. Compared with the same period last year, they are also expected to benefit from the reduction in incremental procurement and from cost efficiencies relating to the business restructure.

Operating cash flow in the full year is expected to be strong.

The pipeline of acquisition opportunities remains strong. Depending on progress on acquisitions, additional cash returns to shareholders will be considered in the fourth quarter, consistent with the philosophy described previously.

AMEC continues to expect to achieve earnings per share of greater than 100 pence in 2014.

Segmental review

AMEC announced a reorganisation into three geographic business units in October 2012. This reorganisation became effective on 1 January 2013.

For comparative purposes, restated half-year splits for 2010, 2011 and 2012 are appended to this announcement and provided in the supplementary information pack, available in the investor relations section of the AMEC website: amec.com/investors.

Americas

Americas is the largest business unit, generating 57 per cent of group revenue in H1 2013.

The portfolio of activities is well balanced across all four markets, with revenue broken down as follows:

Americas *Six months ended 30 June*		**2013**	2012
Oil & Gas	*(%)*	**37**	38
Mining	*(%)*	**19**	22
Clean Energy	*(%)*	**25**	22
Environment & Infrastructure	*(%)*	**19**	18

Americas *Six months ended 30 June*		**2013**	*Underlying excl proc.*	*Incremental procurement*	*Currency exchange*	*Acquisitions*	**2012**
Revenue	*(£m)*	**1,154**	**11**	**(100)**	**22**	**3**	**1,218**
Y-on-Y change	*(%)*	*(5)*	*+1*	*(8)*	*+2*	*nil*	
EBITA	*(£m)*	**113**	**2**	**nil**	**2**	**(2)**	**111**
Y-on-Y change	*(%)*	*+2*	*+2*	*nil*	*+2*	*(2)*	
EBITA margin	*(%)*	**9.8**					**9.1**
Y-on-Y change	*(bps)*	*+70*					
Order book	*(£bn)*	**1.6**					**1.4**
Y-on-Y change	*(%)*	*+8*					

Revenue in Americas was down 5 per cent to £1,154 million, while underlying revenue, excluding incremental procurement, was up 1 per cent compared with the same period last year. A strong performance in conventional oil & gas and a good performance in clean energy helped to offset weakness in oil sands and mining.

EBITA was up 2 per cent to £113 million (H1 2012: £111 million). The **EBITA margin** at 9.8 per cent was up 70 basis points from 2012, reflecting the reduction in incremental procurement.

Contract wins in H1 2013 included:

Customer	Market	Description	Country
Dominion	**Clean Energy**	EPC contract to design and construct the Azalea 7.7MW solar array in Georgia	US
BP	**Multiple**	Framework contract to provide environment and related consulting services for all of BP's assets in their upstream, refining and marketing, alternative energy and shipping businesses worldwide	Global
Dominion	**Clean Energy**	EPC contract to design and construct three solar arrays in Indiana totalling 28.6MW	US

Since the period end, Sempra US Gas & Power has appointed AMEC to design and build the 'Copper Mountain III' EPC solar project in Nevada. Other projects currently underway include various mining consulting projects and a number of existing copper, gold and potash EPCM projects for **Newmont, Thompson Creek, PotashCorp and K&S Potash**, as well as on-going oil sands work for **Imperial Oil, Syncrude, CNRL, Suncor**, **Shell** and **AMR** among others, and the provision of environmental services in US shale gas. Oil & gas activity in the Gulf of Mexico continues with the delivery of the **Marine Well Containment System** scheduled for early 2014 and additional FEED work awarded to the **BP** Big Dog team.

Order intake in the first half of 2013 improved significantly compared with the same period in 2012, with oil & gas and clean energy activity driving the increase. **The order book** as at 30 June 2013 was £1.6 billion, up 8 per cent since the same period last year.

Americas outlook

First half revenue trends (underlying and excluding incremental procurement) are expected to continue into the second half. Incremental procurement is still expected to be £200 million lower in 2013 than in 2012.

Full-year margins are expected to improve compared with 2012, benefiting from lower levels of procurement and cost efficiencies from the restructure.

Europe

Europe generated 30 per cent of group revenue in H1 2013. It has market leading positions in the UK North Sea and UK nuclear decommissioning and waste management markets.

H1 revenue can be analysed by market as shown below:

Europe *Six months ended 30 June*		**2013**	2012
Oil & Gas	*(%)*	**67**	59
Mining	*(%)*	**nil**	1
Clean Energy	*(%)*	**29**	37
Environment & Infrastructure	*(%)*	**4**	3

Europe *Six months ended 30 June*		**2013**	*Underlying business*	*Currency exchange*	*Net acquisitions*	**2012**
Revenue	(£m)	**596**	**11**	**1**	**29**	**555**
Y-on-Y change	*(%)*	*+7*	*+2*	*nil*	*+5*	
EBITA	(£m)	**39**	**(10)**	**nil**	**5**	**44**
Y-on-Y change	*(%)*	*(11)*	*(22)*	*nil*	*+11*	
EBITA margin	(%)	**6.5**				**7.8**
Y-on-Y change	*(bps)*	*(130)*				
Order book	(£bn)	**1.6**				**1.7**
Y-on-Y change	*(%)*	*(3)*				

Revenue in Europe was up 7 per cent to £596 million. The six-month impact of the ESRC nuclear business, acquired in June last year, was the primary driver, boosted by strong activity in the UK North Sea.

EBITA was down 11 per cent at £39 million with **EBITA margin** down 130 basis points to 6.5 per cent (H1 2012: 7.8 per cent). A strong performance in UK North Sea was offset by a one-off loss of £7 million arising from delays to the Teesside Gas Processing Plant (TGPP) contract, which led to a significant cost escalation. The contract is now largely complete. The Sellafield joint venture contributed £3 million (H1 2012: £7 million), the reduction reflecting lower realisation of performance-based payments.

Contract awards announced in H1 2013 reflect continued investment in the UK North Sea and the clean energy market.

Customer	Sector	Description	Country
BP	O&G	3+ year contract to hook up and commission two new Clair Ridge platforms, worth £68 million	UK North Sea
BP	O&G	2-year renewal for maintenance and operations for BP Forties Pipeline System worth £10-15 million each year	UK North Sea
BG	O&G	2-year contract extension worth £110 million to continue to provide engineering, procurement, construction, commissioning and project management support for all of BG Group's facilities in the central North Sea	UK North Sea

Xcite Energy	O&G	Memorandum of understanding to provide initial concept and pre-FEED services to develop the Bentley Field in the UK North Sea	UK North Sea
OMV	O&G	Engineering services framework upgrade of green and brownfield on and off shore facilities in JV with Comproiect-92	Romania
Magnox	Nuclear	Project management resource contract to support decommissioning at 10 sites in joint venture (VELA alliance) with Jacobs Engineering Group	Magnox sites, UK
AWE	Nuclear	Strategic partnership agreement to provide implementation services at Aldermaston	Berks, UK
UK Environment Agency	E&I	Framework contract to provide environmental impact assessments, site and risk assessments, remediation projects for the National Contaminated Land Consultancy	England & Wales
Scottish government	E&I	Specialist consultancy support to the 'resource efficiency Scotland' programme	Scotland

Other current projects include the detailed design for **BP's** Clair Ridge field and **GDF Suez's** Cygnus field, detailed engineering and procurement for **ConocoPhillips**' existing Judy platform and the hook-up and commissioning of the new Jasmine facilities in the North Sea, a five-year call-off contract to provide brownfield engineering for **Talisman** and the **Shell ONEgas** asset support contract in the Southern North Sea. Beyond oil & gas projects, on-going clean energy projects include reactor services support work for **EDF's** nuclear power stations in the UK.

The **order book** as at 30 June was £1.6 billion (30 June 2012: £1.7 billion). The Sellafield decommissioning contract, as an equity accounted joint venture, is not included in these figures.

Europe outlook

Underlying revenue trends in the second half are expected to be similar to H1 2013.

Second half margins are expected to benefit from the usual seasonality and are not expected to be adversely impacted by the TGPP project. When compared to the second half in 2012, margins will benefit from the decline of activity in conventional power and cost efficiencies relating to the business restructure.

Growth Regions

Growth Regions generated 13 per cent of group revenue in H1 2013, with oil & gas activities driving much of the activity. The medium-term goal is to establish a sustainable position in core countries within the Growth Regions, with a balanced portfolio across all four markets.

H1 revenues can be analysed by market as follows:

Growth Regions *Six months ended 30 June*		**2013**	**2012**
Oil & Gas	*(%)*	**66**	61
Mining	*(%)*	**11**	22
Clean Energy	*(%)*	**4**	2
Environment & Infrastructure	*(%)*	**19**	15

Growth Regions *Six months ended 30 June*		**2013**	*Underlying business*	*Currency exchange*	*Acquisitions*	**2012**
Revenue	(£m)	**265**	**(5)**	**nil**	**8**	**262**
Y-on-Y change	*(%)*	*+1*	*(2)*	*nil*	*+3*	
EBITA	(£m)	**16**	**4**	**nil**	**nil**	**12**
Y-on-Y change	*(%)*	*+31*	*+31*	*nil*	*nil*	
EBITA margin	(%)	**6.1**				**4.8**
Y-on-Y change	*(bps)*	*+130*				
Order book	(£bn)	**0.7**				**0.6**
Y-on-Y change	*(%)*	*+24*				

Revenue in the Growth Regions was stable at £265 million. A strong performance in the Middle East oil & gas market and the Unidel acquisition in May 2012 were offset by weakness in Australia, as previously flagged.

EBITA was up 31 per cent, to £16 million and the **EBITA margin** was 6.1 per cent, up 130 basis points from H1 2012. The margin improvement is largely the result of a strong performance in the oil & gas market and the impact of cost efficiencies following integration across the geography.

Contract awards in 2013 reflect the strength of the oil & gas market in the Middle East and Azerbaijan. In June, AMEC was awarded a four-year extension to its programme management consultancy services contract for **ZADCO-Zakum Development Company** in Abu Dhabi.

Other current projects include providing asset support for **ConocoPhillips'** Bayu Udan gas facilities in East Timor Sea, operational readiness services for **Chevron's** Wheatstone facility offshore Australia, and onshore turnaround and maintenance support to **ENI's** onshore gas treatment plant and offshore unmanned wellhead platform, also in Australia. In the Middle East, AMEC continues to provide support to the long-term PMC contract for **KOC** in Kuwait and the **KNPC**'s new oil refinery at Al Zour.

The **order book** at 30 June 2013 was £0.7 billion, up 24 per cent.

Growth Regions outlook

Revenue in 2013 is expected to be stable, with good performance in most regions but significant weakness in Australia where demand continues to be soft. Full-year margins are expected to improve as a result of efficiencies from the integration of operations.

Investment Services

This comprises the Incheon Bridge PPP project in Korea and the Lancashire Waste PFI project, both now operational, the group's insurance captive, AMEC's residual wind development activities and a range of other non-core activities. **Revenue** was £2 million (H1 2012: £2 million). **EBITA** of £8 million (H1 2012: £3 million) is atypically high, reflecting the successful exit from assets in North America.

Management changes

Dr Hisham Mahmoud, President Growth Regions, has informed AMEC that he wishes to resign for personal reasons. The board wishes to thank him for all he has contributed during his time with the group. His successor will be announced in due course.

Financial review

Administrative expenses

Administrative expenses of £114 million were in line with last year (H1 2012: £114 million), though 5 per cent lower if the impact of acquisitions is excluded.

Net financing costs

The net financing costs for the first half of £1 million included net bank interest of £nil (H1 2012: £2 million receivable), net interest on pensions assets of £nil (H1 2012: £1 million) and other items, primarily fees, of £1 million (H1 2012: £nil). AMEC's share of interest payable of equity accounted joint ventures was £3 million (H1 2012: £2 million).

Taxation

Continuing operations

The group's effective tax rate for the first six months of 2013 for the continuing businesses (including tax attributable to joint venture interests) before exceptional items and excluding intangible amortisation was 22.0 per cent (H1 2012: 23.5 per cent). The full year tax rate is expected to be approximately 23 per cent.

Deferred tax

As at 30 June 2013, the group had net deferred tax assets of £44 million (30 June 2012: £66 million, 31 December 2012: £33 million) arising from short-term timing differences relating to provisions, property, plant and equipment, and tax losses, offset by liabilities in respect of intangible assets and retirement benefits.

Financial position and net cash

The group remains in a strong financial position, with net cash as at 30 June 2013 of £25 million (30 June 2012: £290 million, 31 December 2012: £99 million) and committed facilities of £477 million, including a five-year multi-

currency revolving facility plus a £100 million one-year term loan. AMEC completed a £400 million share buyback programme in February 2013.

Derivative financial instruments

As at 30 June 2013, there were derivative financial instruments with a net asset of £1 million (30 June 2012: net liability £10 million, 31 December 2012: net liability £3 million) on the balance sheet. This net asset represents the fair value of foreign exchange contracts used to hedge the cash flows of foreign currency contracts and cross currency instruments used to hedge the net investment in overseas subsidiaries.

Intangible amortisation

Intangible amortisation relates to capitalised software and intangible assets acquired as part of the group's expansion programme. The first half charge was £22 million (H1 2012: £19 million).

Going concern

The directors are satisfied that the group has adequate resources to operate for the foreseeable future. As at 30 June 2013, the group held net cash of £25 million and had committed banking facilities of £477 million.

Exceptional items

Total pre-tax exceptional losses of £19 million (H1 2012: £1 million) included:

- a loss on business disposals and closures of £11 million arising from adjustments to existing provisions made in respect of prior year disposals and closures
- other exceptional costs of £8 million, which includes £7 million of restructuring costs associated with the management reorganisation into geographic business units.

Cash flow

Cash generated from operations in the first half of 2013 was £41 million (H1 2012: £130 million). After adjusting for exceptional items and discontinued operations, legacy settlements and the difference between pension payments and amounts recognised in the income statement but including dividends received from joint ventures, operating cash flow was £56 million (H1 2012: £142 million). This reduction was predominately due to short-term timing effects in working capital, and also reflects the unusually high cash flow in the first half of 2012. Full-year cash flow is expected to be strong once again, with cash conversion in line with recent years.

Pensions

The IAS 19 surplus of the principal UK pension schemes as at 30 June 2013 was £85 million (30 June 2012: £35 million, 31 December 2012: £86 million). The schemes have operated on a career average salary basis since 1 January 2008. During 2012 the principal UK pension scheme was closed to new entrants, but remains open to future accrual for existing members.

There are a number of smaller schemes which are in a deficit position. The combined deficit as at 30 June 2013 was £99 million (30 June 2012: £80 million, 31 December 2012: £93 million).

Legacy issues

There have been no significant contingent liabilities identified in the first half of 2013.

Provisions

Provisions held as at 30 June 2013 were £173 million (30 June 2012: £178 million, 31 December 2012: £171 million). During 2013, £12 million of the brought forward provisions were utilised, and as part of the ongoing review of the potential liabilities, an additional £17 million of provisions were created and £6 million released as no longer required.

Provisions are analysed as follows:

As at 30 June 2013	£ million
Litigation provisions	40
Indemnities granted to buyers and retained obligations on disposed businesses	76
Insurance, onerous property contracts and provisions to fund joint ventures	57
Total	173

Business risks and opportunities

AMEC operates in some 40 countries globally, serving a broad range of markets and customers. As such, the group is subject to certain general and industry-specific risks. Where practicable, the group seeks to mitigate exposure to all forms of risk through effective risk management and risk transfer practices.

AMEC operates predominately in the UK and North America and is therefore particularly affected by political and economic conditions in those markets.

Changes in general economic conditions may influence customers' decisions on capital investment and/or asset maintenance, which could lead to volatility in the development of AMEC's order intake. These may also lead to change in the customer base, competition and in the way customers procure the services we provide.

AMEC seeks to maintain a balanced geographic presence, and, through acquisition and organic growth, will continue to increase its exposure to other attractive regions of the world.

The risks associated with economic conditions resulting in a downturn and affecting the demand for AMEC's services has been addressed, as far as practicable, by seeking to maintain a balanced business portfolio in terms of geographies, markets, clients and service offering / business model.

In light of continuing global economic uncertainties, steps have been taken to assess and monitor any potential impact on AMEC's business opportunities and address potential increased supply chain and, more broadly counter-party risk.

Other risks

Other than the specific risks detailed above, the board considers that the nature of the principal risks and uncertainties which may have a material effect on the group's performance in the second half of the year is unchanged from those identified on pages 22 and 23 of the 2012 annual report and accounts. These are a major

third party environmental event, changes in commodity prices, restructure to focus on expansion of global footprint, mergers and acquisitions, project delivery, pensions, health, safety and security, legacy risk, information technology, staff recruitment and retention and ethical breach.

Restatement of historic results

Six months ended 30 June

	2012			2011			2010		
£million	**Revenue**	**EBITA**	**Margin**	**Revenue**	**EBITA**	**Margin**	**Revenue**	**EBITA**	**Margin**
Americas	1,218	111	9.1%	794	83	10.5%	829	86	10.4%
Europe	555	44	7.8%	493	43	8.7%	440	31	7.1%
Growth Regions	262	12	4.8%	207	16	7.8%	170	13	7.7%
Investment Services	2	3		3	(3)		2	(1)	
Corporate costs	-	(18)		-	(17)		-	(17)	
Internal revenue	(11)	-		(13)	-		(11)	-	
	2,026	**152**	**7.5%**	**1,484**	**122**	**8.2%**	**1,430**	**112**	**7.8%**
Oil & Gas	955			629			681		
Mining	334			219			159		
Clean Energy	476			440			402		
Environment & Infrastructure	270			206			197		
Centre	(9)			(10)			(9)		
	2,026	**152**	**7.5%**	**1,484**	**122**	**8.2%**	**1,430**	**112**	**7.8%**

	Average employees			Order book (£bn)		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**
Americas	14,566	12,144	10,841	1.43	1.35	1.22
Europe	10,109	9,007	7,947	1.67	1.47	1.67
Growth Regions	2,831	2,621	2,439	0.58	0.56	0.59
Centre	227	260	258	-	-	-
	27,733	**24,032**	**21,485**	**3.68**	**3.38**	**3.48**

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Six months ended 30 June 2013 Before amortisation and exceptional items £ million	Amortisation and exceptional items (note 4) £ million	Total £ million
Continuing operations				
Revenue	3	1,998	-	1,998
Cost of sales		(1,731)	-	(1,731)
Gross profit		267	-	267
Administrative expenses		(114)	(30)	(144)
Loss on business disposals and closures		-	(6)	(6)
Profit/(loss) before net financing costs		153	(36)	117
Financial income		3	-	3
Financial expense		(4)	-	(4)
Net financing costs		(1)	-	(1)
Share of post-tax results of joint ventures		1	-	1
Profit/(loss) before income tax	3	153	(36)	117
Income tax	5	(33)	11	(22)
Profit/(loss) for the period from continuing operations		120	(25)	95
Loss for the period from discontinued operations	6	-	(4)	(4)
Profit/(loss) for the period		120	(29)	91
Attributable to:				
Equity holders of the parent				92
Non-controlling interests				(1)
				91
Basic earnings/(loss) per share:	7			
Continuing operations		41.1p		32.6p
Discontinued operations		-		(1.4)p
		41.1p		31.2p
Diluted earnings/(loss) per share:	7			
Continuing operations		40.4p		32.0p
Discontinued operations		-		(1.4)p
		40.4p		30.6p

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2012

	Note	Before amortisation and exceptional items (Restated) £ million	Amortisation and exceptional items (note 4) £ million	Total (Restated) £ million
Continuing operations				
Revenue	3	2,026	-	2,026
Cost of sales		(1,772)	-	(1,772)
Gross profit		254	-	254
Administrative expenses		(114)	(29)	(143)
Profit on business disposals and closures		-	-	-
Profit/(loss) before net financing income		140	(29)	111
Financial income		3	-	3
Financial expense		(2)	-	(2)
Net financing income		1	-	1
Share of post-tax results of joint ventures		8	-	8
Profit/(loss) before income tax	3	149	(29)	120
Income tax	5	(34)	9	(25)
Profit/(loss) for the period from continuing operations		115	(20)	95
Profit for the period from discontinued operations	6	-	7	7
Profit/(loss) for the period		115	(13)	102
Attributable to:				
Equity holders of the parent				102
Non-controlling interests				-
				102
Basic earnings per share:	7			
Continuing operations		35.4p		29.3p
Discontinued operations		-		2.1p
		35.4p		31.4p
Diluted earnings per share:	7			
Continuing operations		34.8p		28.7p
Discontinued operations		-		2.1p
		34.8p		30.8p

CONDENSED CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2012

	Note	Before amortisation and exceptional items (Restated) £ million	Amortisation and exceptional items (note 4) £ million	Total (Restated) £ million
Continuing operations				
Revenue	3	4,158	-	4,158
Cost of sales		(3,626)	-	(3,626)
Gross profit		532	-	532
Administrative expenses		(225)	(68)	(293)
Profit on business disposals and closures		-	-	-
Profit/(loss) before net financing costs		307	(68)	239
Financial income		7	-	7
Financial expense		(8)	-	(8)
Net financing costs		(1)	-	(1)
Share of post-tax results of joint ventures		12	-	12
Profit/(loss) before income tax	3	318	(68)	250
Income tax		(67)	21	(46)
Profit/(loss) for the year from continuing operations		251	(47)	204
Profit for the year from discontinued operations	6	-	5	5
Profit/(loss) for the year		251	(42)	209
Attributable to:				
Equity holders of the parent				208
Non-controlling interests				1
				209
Basic earnings per share:	7			
Continuing operations		79.3p		64.3p
Discontinued operations		-		1.5p
		79.3p		65.8p
Diluted earnings per share:	7			
Continuing operations		77.8p		63.1p
Discontinued operations		-		1.5p
		77.8p		64.6p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 (Restated) £ million	Year ended 31 December 2012 (Restated) £ million
Profit for the period	**91**	102	209
Other comprehensive income:			
Items that may be reclassified to profit and loss:			
Exchange movements on translation of foreign subsidiaries	**25**	(9)	(34)
Net (loss)/gain on hedges of net investment in foreign subsidiaries	**(1)**	1	1
Tax on exchange movements	**-**	(1)	(1)
Cash flow hedges:			
Effective portion of changes in fair value	**(1)**	2	3
Tax on effective portion of changes in fair value	**-**	(1)	(1)
	23	(8)	(32)
Items that will not be reclassified to profit and loss:			
Actuarial gains on defined benefit pension schemes	**-**	6	37
Tax on actuarial gains	**-**	(2)	(24)
	-	4	13
Other comprehensive income	**23**	(4)	(19)
Total comprehensive income	**114**	98	190
Attributable to:			
Equity holders of the parent	**115**	98	189
Non-controlling interests	**(1)**	-	1
Total comprehensive income	**114**	98	190

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**30 June 2013 £ million**	30 June 2012 £ million	31 December 2012 £ million
ASSETS				
Non-current assets				
Property, plant and equipment		42	38	43
Intangible assets	9	966	978	969
Interests in joint ventures		45	44	47
Retirement benefit assets		85	35	86
Other receivables	10	27	36	27
Deferred tax assets		54	66	42
Total non-current assets		1,219	1,197	1,214
Current assets				
Inventories		6	4	4
Trade and other receivables		1,104	1,007	1,014
Derivative financial instruments		4	1	1
Current tax receivable		4	3	10
Bank deposits (more than three months)		19	18	17
Cash and cash equivalents		196	452	258
Total current assets		1,333	1,485	1,304
Total assets		2,552	2,682	2,518
LIABILITIES				
Current liabilities				
Bank loans and overdrafts		(190)	(180)	(176)
Trade and other payables		(904)	(989)	(905)
Derivative financial instruments		(3)	(11)	(4)
Current tax payable		(63)	(60)	(66)
Total current liabilities		(1,160)	(1,240)	(1,151)
Non-current liabilities				
Trade and other payables	10	(10)	(1)	(11)
Retirement benefit liabilities		(99)	(80)	(93)
Deferred tax liability		(10)	-	(9)
Provisions	11	(173)	(178)	(171)
Total non-current liabilities		(292)	(259)	(284)
Total liabilities		(1,452)	(1,499)	(1,435)
Net assets		1,100	1,183	1,083
EQUITY				
Share capital		152	163	154
Share premium account		101	101	101
Hedging and translation reserves		122	123	99
Capital redemption reserve		34	23	32
Retained earnings		688	772	693
Total equity attributable to equity holders of the parent		1,097	1,182	1,079
Non-controlling interests		3	1	4
Total equity		1,100	1,183	1,083

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £ million	Share premium £ million	Hedging reserve £ million	Transl'n reserve £ million	Capital redemption reserve £ million	Retained earnings £ million	**Total £ million**	Non-controlling interests £ million	**Total equity £ million**
As at 1 Jan 2013	154	101	(2)	101	32	693	**1,079**	4	**1,083**
Profit for the period	-	-	-	-	-	92	**92**	(1)	**91**
Exchange movements on translation of foreign subsidiaries	-	-	-	25	-	-	**25**	-	**25**
Net loss on hedges of net investment in foreign subsidiaries	-	-	-	(1)	-	-	**(1)**	-	**(1)**
Effective portion of changes in fair value of cash flow hedges	-	-	(1)	-	-	-	**(1)**	-	**(1)**
Other comprehensive income for the period	-	-	(1)	24	-	-	**23**	-	**23**
Total comprehensive income for the period	-	-	(1)	24	-	92	**115**	(1)	**114**
Dividends	-	-	-	-	-	(108)	**(108)**	-	**(108)**
Equity settled share-based payments	-	-	-	-	-	8	**8**	-	**8**
Acquisition of shares by trustees of the Performance Share Plan	-	-	-	-	-	(2)	**(2)**	-	**(2)**
Utilisation of treasury shares	-	-	-	-	-	5	**5**	-	**5**
Acquisition of shares under the buyback programme	(2)	-	-	-	2	-	**-**	-	**-**
As at 30 Jun 2013	**152**	**101**	**(3)**	**125**	**34**	**688**	**1,097**	**3**	**1,100**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital £ million	Share premium £ million	Hedging reserve £ million	Transl'n reserve £ million	Capital redemption reserve £ million	Retained earnings (Restated) £ million	**Total (Restated) £ million**	Non-controlling interests £ million	**Total equity (Restated) £ million**
As at 1 Jan 2012	169	101	(4)	135	17	955	**1,373**	1	**1,374**
Profit for the period	-	-	-	-	-	102	**102**	-	**102**
Actuarial gains on defined benefit pension schemes	-	-	-	-	-	6	**6**	-	**6**
Tax on actuarial gains	-	-	-	-	-	(2)	**(2)**	-	**(2)**
Exchange movements on translation of foreign subsidiaries	-	-	-	(9)	-	-	**(9)**	-	**(9)**
Net gain on hedges of net investment in foreign subsidiaries	-	-	-	1	-	-	**1**	-	**1**
Tax on exchange movements	-	-	-	(1)	-	-	**(1)**	-	**(1)**
Effective portion of changes in fair value of cash flow hedges	-	-	2	-	-	-	**2**	-	**2**
Tax on effective portion of changes in fair value of cash flow hedges	-	-	(1)	-	-	-	**(1)**	-	**(1)**
Other comprehensive income for the period	-	-	1	(9)	-	4	**(4)**	-	**(4)**
Total comprehensive income for the period	-	-	1	(9)	-	106	**98**	-	**98**
Dividends	-	-	-	-	-	(98)	**(98)**	-	**(98)**
Equity settled share-based payments	-	-	-	-	-	6	**6**	-	**6**
Acquisition of shares by trustees of the Performance Share Plan	-	-	-	-	-	(6)	**(6)**	-	**(6)**
Acquisition of treasury shares	-	-	-	-	-	(25)	**(25)**	-	**(25)**
Utilisation of treasury shares	-	-	-	-	-	8	**8**	-	**8**
Acquisition of shares under the buyback programme	(6)	-	-	-	6	(133)	**(133)**	-	**(133)**
Forward share purchase agreement as at 30 June	-	-	-	-	-	(41)	**(41)**	-	**(41)**
As at 30 Jun 2012	**163**	**101**	**(3)**	**126**	**23**	**772**	**1,182**	**1**	**1,183**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 (Restated) £ million	Year ended 31 December 2012 (Restated) £ million
Cash flow from operating activities			
Profit before income tax from continuing operations	**117**	120	250
(Loss)/profit before income tax from discontinued operations	**(5)**	9	6
Profit before income tax	**112**	129	256
Financial income	**(3)**	(3)	(7)
Financial expense	**4**	2	8
Share of post-tax results of joint ventures	**(1)**	(8)	(12)
Intangible amortisation	**22**	19	44
Impairment of joint venture investment	**-**	3	3
Depreciation	**6**	5	11
Loss on disposal of businesses	**5**	8	11
Difference between contributions to retirement benefit schemes and current service cost	**4**	-	(5)
Profit on disposal of property, plant and equipment	**(1)**	-	(2)
Loss on disposal of intangible assets	**-**	-	1
Equity settled share-based payments	**8**	6	15
	156	161	323
Increase in inventories	**(2)**	-	-
Increase in trade and other receivables	**(89)**	(156)	(154)
(Decrease)/increase in trade and other payables and provisions	**(24)**	125	102
Cash generated from operations	**41**	130	271
Tax (paid)/received	**(29)**	1	(29)
Net cash flow from operating activities	**12**	131	242
Cash flow from investing activities			
Acquisition of businesses (net of cash acquired)	**-**	(153)	(159)
Funding of joint ventures	**(5)**	(7)	(11)
Purchase of property, plant and equipment	**(4)**	(7)	(19)
Purchase of intangible assets	**(7)**	(8)	(15)
Movement in short-term bank deposits	**(2)**	10	11
Disposal of businesses (net of cash disposed of)	**(1)**	(4)	(6)
Disposal of property, plant and equipment	**1**	-	4
Interest received	**-**	3	8
Dividends received from joint ventures	**5**	6	11
Amounts paid on maturity of net investment hedges	**(3)**	(2)	(7)
Net cash flow from investing activities	**(16)**	(162)	(183)
Net cash flow before financing activities	**(4)**	(31)	59
Cash flow from financing activities			
Proceeds from other borrowings	**35**	-	150
Interest paid	**(2)**	(2)	(9)
Dividends paid	**(36)**	(34)	(98)
Acquisition of shares for cancellation	**(45)**	(129)	(322)
Acquisition of treasury shares (net)*	**5**	(17)	(27)
Acquisition of shares by trustees of the Performance Share Plan	**(2)**	(6)	(6)
Net cash flow from financing activities	**(45)**	(188)	(312)
Decrease in cash and cash equivalents	**(49)**	(219)	(253)
Cash and cash equivalents as at the beginning of the period	**232**	493	493
Exchange gains/ (losses) on cash and cash equivalents	**8**	(2)	(8)
Cash and cash equivalents as at the end of the period	**191**	272	232

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	30 June 2013 £ million	30 June 2012 £ million	31 December 2012 £ million
Cash and cash equivalents consist of:			
Cash at bank and in hand	**131**	351	169
Bank deposits (less than three months)	**65**	101	89
Cash per the balance sheet	**196**	452	258
Bank overdrafts	**(5)**	(180)	(26)
Cash and cash equivalents as at the end of the period	**191**	272	232
Bank deposits (more than three months)	**19**	18	17
Bank loans	**(185)**	-	(150)
Net cash as at the end of the period	**25**	290	99

*Net of £5 million (six months ended 30 June 2012: £8 million; year ended 31 December 2012: £9 million) received from SAYE option holders on exercise of options.

NOTES TO THE ACCOUNTS

1. CORPORATE INFORMATION

The interim condensed accounts of AMEC plc for the six months ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 8 August 2013.

AMEC plc is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The principal activities of the company and its subsidiaries (the group) are described in note 3.

2. PREPARATION OF INTERIM RESULTS

Basis of preparation

This condensed set of accounts has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the EU. As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, the condensed set of accounts has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated accounts for the year ended 31 December 2012, except for the impact of new accounting standards adopted in the year.

The comparative figures for the year ended 31 December 2012 are not the group's statutory accounts for that financial year but are an extract from those accounts and have been restated for the impact of new accounting standards adopted in the year (see below). The statutory accounts for the year ended 31 December 2012 have been reported on by the group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The consolidated accounts for the year ended 31 December 2012 were prepared in accordance with IFRS as adopted by the EU. The accounts are presented rounded to the nearest million, however, all calculated numbers, for example earnings per share, are calculated on the underlying numbers to one decimal place precision.

Accounting standards adopted in the year

The following new accounting standards and amendments to existing standards have been adopted during the period.

IAS 19 'Employee Benefits' was amended in June 2011. The impact on the group has been to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit asset/liability.

The group's reported results and financial position have been restated as a result of the adoption of revised standard IAS 19 (2011). The impact on the results for the period ended 30 June 2012 is to reduce net financing income by £6 million and reduce the income tax charge by £2 million, resulting in a lower profit after tax of £4 million. Within the consolidated statement of other comprehensive income, the impact is an increase of £6 million to the actuarial gains on defined benefit schemes and an increase of £2 million in the tax on actuarial gains resulting in the increased total comprehensive income of £4 million. The impact on the results for the year ended 31 December 2012 is an increase in cost of sales by £1 million, a reduction in net financing income by £12 million and a reduction in the income tax charge by £5 million, resulting in a lower profit after tax of £8 million. Within the consolidated statement of other comprehensive income, the impact is an increase of £13 million to the actuarial gains on defined benefit schemes and an increase of £5 million in the tax on actuarial gains resulting in an increased total comprehensive income of £8 million. There is no impact on either the net retirement benefit liability or related deferred tax balance within the balance sheet.

NOTES TO THE ACCOUNTS (continued)

2. PREPARATION OF INTERIM RESULTS (continued)

IFRS 10 'Consolidated Financial Statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated accounts of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11 'Joint Arrangements' replaces IAS 31 'Interests in Joint Ventures'. IFRS 11 considers the classification of joint arrangements in which two or more parties have joint control. Under IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements.

IFRS 12 'Disclosures of Interests in Other Entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

IFRS 13 'Fair Value Measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS.

Adoption of IFRS 10, 11, 12 and 13 has no impact on the group's reported results or financial position.

There are no other IFRS, IAS amendments or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

During 2012, AMEC announced a new organisation structure, designed to more fully support the future needs of its customers. The group is now managed geographically and the segmental analysis, as presented in note 3, has been restated to reflect the new structure of Americas, Europe and Growth Regions, together with Investment Services.

The preparation of condensed accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Some of these policies require a high level of judgement, and AMEC believes that the most critical accounting policies and significant areas of judgement and estimation arise from the accounting for long-term contracts under IAS 11 'Construction contracts', for provisions under IAS 37 'Provisions, contingent liabilities and contingent assets' and for defined benefit pensions schemes under IAS 19 (revised) 'Employee Benefits'.

A significant amount of the group's activities are undertaken via long-term contracts. These contracts are accounted for in accordance with IAS 11 which requires estimates to be made for contract costs and revenues.

Management base their judgements of contract costs and revenues on the latest available information, which includes detailed contract valuations. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates of contract costs and revenues are updated regularly and significant changes are highlighted through established internal review procedures. In particular, the internal reviews focus on the timing and recognition of incentive payments and the age and recoverability of any unagreed income from variations to the contract scope or claims. The impact of the changes in accounting estimates is then reflected in the ongoing results.

When accounting for provisions for litigation and other items the group has taken internal and external advice in considering known legal claims and actions made by or against the group. It carefully assesses the likelihood of success of a claim or action. Appropriate provisions are made for legal claims or actions against the group on the basis of likely outcome, but no provisions are made for those which in the view of management are unlikely to succeed.

Defined benefit pension schemes are accounted for in accordance with the advice of independent qualified actuaries but significant judgements are required in relation to the assumptions for future salary and pension increases, inflation, the discount rate applied to the liabilities, investment returns and member longevity that underpin their valuations. For AMEC, these assumptions are important given the relative size of the schemes that remain open.

The directors are satisfied that the group has adequate resources to operate for the foreseeable future and, therefore, it is appropriate to continue to adopt the going concern basis in preparing the accounts. At 30 June 2013 the group held net cash of £25 million and had committed banking facilities of £477 million.

NOTES TO THE ACCOUNTS (continued)

3. SEGMENTAL ANALYSIS OF CONTINUING OPERATIONS

AMEC is a focused supplier of consultancy, engineering and project management services to customers in the world's oil and gas, mining, clean energy, and environment and infrastructure markets. Following a restructure in late 2012, the group's results are now reported on a geographic, rather than divisional basis. This reflects the new structure, introduced to strengthen customer focus and so maximise potential growth opportunities. Each of the three geographies is considered to be a reportable segment.

AMEC's Chief Executive together with the senior management team constitutes the chief operating decision maker and they regularly review the performance of these three geographies, as well as the Investment Services segment. Details of the services offered by each business unit and the end markets in which they operate are given in the segmental review on pages 5 to 10.

	Revenue			Profit/(loss)		
	Six months ended 30 June 2013	Six months ended 30 June 2012 (Restated)	Year ended 31 December 2012 (Restated)	**Six months ended 30 June 2013**	Six months ended 30 June 2012 (Restated)	Year ended 31 December 2012 (Restated)
	£ million	£ million	£ million	**£ million**	£ million	£ million
Class of business:						
Americas	**1,154**	1,218	2,500	**113**	111	233
Europe	**596**	555	1,150	**39**	44	91
Growth Regions	**265**	262	531	**16**	12	32
Investment Services	**2**	2	9	**8**	3	7
	2,017	2,037	4,190	**176**	170	363
Internal revenue	**(19)**	(11)	(32)			
External revenue	**1,998**	2,026	4,158			
Corporate costs[1]				**(18)**	(18)	(33)
EBITA[2]				**158**	152	330
Net financing costs[3]				**(4)**	(1)	(7)
Adjusted profit before tax				**154**	151	323
Tax on results of joint ventures[4]				**(1)**	(2)	(5)
				153	149	318
Intangible amortisation				**(22)**	(19)	(44)
Exceptional items				**(14)**	(10)	(24)
Profit before income tax				**117**	120	250

[1]Corporate costs comprise the costs of operating central corporate functions and certain regional overheads.
[2] EBITA is earnings from continuing operations before net financing income, tax, intangible amortisation and pre-tax exceptional items of £153 million (six months ended 30 June 2012: £140 million; year ended 31 December 2012: £307 million), but including joint venture EBIT of £5 million (six months ended 30 June 2012: £12 million: year ended 31 December 2012 : £23 million).
[3]Net financing costs includes AMEC's share of net interest payable of joint ventures.
[4]The share of post-tax results of joint ventures is further analysed as follows:

	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 £ million	Year ended 31 December 2012 £ million
EBIT	**5**	12	23
Net financing costs	**(3)**	(2)	(6)
Tax	**(1)**	(2)	(5)
	1	8	12

NOTES TO THE ACCOUNTS (continued)

4. AMORTISATION AND EXCEPTIONAL ITEMS

	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 £ million	Year ended 31 December 2012 £ million
Continuing operations:			
Administrative expenses – exceptional items	**(8)**	(10)	(24)
Administrative expenses – intangible amortisation	**(22)**	(19)	(44)
	(30)	(29)	(68)
Loss on business disposals and closures	**(6)**	-	-
	(36)	(29)	(68)
Taxation credit on exceptional items of continuing operations	**5**	3	9
Taxation credit on intangible amortisation	**6**	6	12
	11	9	21
Post-tax exceptional amortisation and exceptional items of continuing operations	**(25)**	(20)	(47)
Exceptional items of discontinued operations (post-tax)	**(4)**	7	5
Post-tax amortisation and exceptional items	**(29)**	(13)	(42)
Post-tax exceptional items	**(13)**	-	(10)
Post-tax intangible amortisation	**(16)**	(13)	(32)
	(29)	(13)	(42)

Post-tax exceptional items are further analysed as follows:

Six months ended 30 June 2013	**Loss on disposals £ million**	**Loss in respect of business closures £ million**	**Loss on business disposals and closures £ million**	**Other exceptional items £ million**	**Total £ million**
Continuing operations	**-**	**(6)**	**(6)**	**(8)**	**(14)**
Discontinued operations	**(5)**	**-**	**(5)**	**-**	**(5)**
Loss before tax	**(5)**	**(6)**	**(11)**	**(8)**	**(19)**
Tax	**1**	**4**	**5**	**1**	**6**
Loss after tax	**(4)**	**(2)**	**(6)**	**(7)**	**(13)**

Additional indemnity provisions of £8 million and costs in respect of a business sold in a prior year (and classified as discontinued) were offset by the release of a £5 million litigation provision no longer required, and foreign exchange movements on indemnity provisions established on the disposal of SPIE, to give a pre-tax exceptional loss on disposals of £5 million. There were additional litigation provisions and costs totalling £6 million in respect of a business closed in a prior year (and classified as continuing).

Other exceptional costs of £8 million include costs of £7 million associated with restructuring following the management reorganisation into geographic business units and transaction and deferred compensation costs which, in line with IFRS 3, are charged to the income statement. Transaction costs of £1 million were incurred in the period.

Six months ended 30 June 2012	Loss on disposals £ million	Profit in respect of business closures £ million	Loss on business disposals and closures £ million	Other exceptional items £ million	Total £ million
Continuing operations	-	-	-	(10)	(10)
Discontinued operations	(8)	-	(8)	17	9
(Loss)/profit before tax	(8)	-	(8)	7	(1)
Tax	2	-	2	(1)	1
(Loss)/profit after tax	(6)	-	(6)	6	-

NOTES TO THE ACCOUNTS (continued)

4. AMORTISATION AND EXCEPTIONAL ITEMS (continued)

Adjustments to provisions held in respect of businesses sold or closed in prior years and foreign exchange movements on provisions established on the disposal of SPIE resulted in the pre-tax exceptional loss on disposals and closures of £8 million.

Other exceptional gains of £7 million included IFRS 3 acquisition, transaction and deferred compensation costs along with the £11 million costs of funding a joint venture which was part of a recent acquisition. These costs were offset by a £3 million credit from adjustments to deferred consideration and the provisions established on the exit from Libya along with the recognition of a £17 million insurance receivable following the Supreme Court Judgement on mesothelioma liability, a provision against which was established a number of years ago. Transaction costs of £2 million were incurred in the period.

Year ended 31 December 2012

	Loss on disposals £ million	Profit in respect of business closures £ million	Loss on business disposals and closures £ million	Other exceptional items £ million	Total £ million
Continuing operations	-	-	-	(24)	(24)
Discontinued operations	(11)	-	(11)	17	6
Loss before tax	(11)	-	(11)	(7)	(18)
Tax	3	-	3	5	8
Loss after tax	(8)	-	(8)	(2)	(10)

A loss on disposals of £11 million arose from adjustments to provisions held in respect of a business sold in prior years (and classified as discontinued) and foreign exchange movements on provisions established on the disposal of SPIE.

Exceptional costs of £24 million in continuing operations included the £11 million costs of funding a joint venture which was part of a recent acquisition, costs of £11 million associated with restructuring following the management reorganisation into geographic business units and transaction and deferred compensation costs which, in line with IFRS 3, are charged to the income statement. Transaction costs of £2 million were incurred in the year.

The exceptional gain in discontinued operations of £17 million arises from the recognition of an insurance receivable following the Supreme Court judgement on mesothelioma liability, a provision against which was established a number of years ago.

5. INCOME TAX

Income tax on the profit before exceptional items and intangible amortisation but including joint venture profit before tax for the six months ended 30 June 2013 is based on an effective rate of 22.0 per cent (six months ended 30 June 2012: 23.5 per cent). The effective tax rate for the full year is expected to be 23 per cent.

In his Budget Speeches on 21 March 2012 and 20 March 2013, the UK Chancellor of the Exchequer announced reductions in the rate of corporation tax from 26 per cent to 24 per cent from 1 April 2012, to 23 per cent from 1 April 2013, to 21 per cent by 1 April 2014 and a further reduction to 20 per cent by 1 April 2015.

As at 30 June 2013, the reduction in the rate to 23 per cent had been substantively enacted. However the remaining reductions in the rate were not substantively enacted by the balance sheet date and therefore the rate changes are not reflected in the figures reported.

The decrease in the rate from 23 per cent to 20 per cent would increase the balance sheet deferred tax liability by approximately £3 million, and would have an insignificant impact on unrecognised deferred tax assets. During the period to 2015, the effect of the proposed changes to income and equity is estimated to be a charge of £3 million to the income statement.

NOTES TO THE ACCOUNTS (continued)

6. (LOSS)/PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

Discontinued operations represent the residual assets and retained obligations in respect of businesses sold in prior years.

In accordance with IFRS 5, the post-tax results of discontinued operations are disclosed separately in the condensed consolidated income statement.

The results of the discontinued operations are as follows:

	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 £ million	Year ended 31 December 2012 £ million
Loss on disposal	**(5)**	(8)	(11)
Attributable tax on loss on disposal	**1**	2	3
Other exceptional items	**-**	17	17
Attributable tax on other exceptional items	**-**	(4)	(4)
(Loss)/profit for the period from discontinued operations	**(4)**	7	5

Other exceptional items in 2012 relate to the recognition of an insurance receivable following the Supreme Court judgement on mesothelioma liability.

7. EARNINGS PER SHARE

Basic and diluted earnings per share are shown on the face of the income statement. The calculation of the average number of shares in issue has been made having deducted the shares held by the trustees of the Performance Share Plan, those held by the qualifying employee share ownership trust and those held in treasury by the company.

	Six months ended 30 June 2013			Six months ended 30 June 2012			Year ended 31 December 2012		
	Earnings £ million	**Weighted average shares number million**	**Earnings per share pence**	Earnings (Restated) £ million	Weighted average shares number million	Earnings per share (Restated) pence	Earnings (Restated) £ million	Weighted average shares number million	Earnings per share (Restated) pence
Basic earnings from continuing operations	**96**	**294**	**32.6**	95	324	29.3	203	315	64.3
Share options	-	**1**	**(0.1)**	-	2	(0.2)	-	2	(0.4)
Employee share and incentive schemes	-	**4**	**(0.5)**	-	4	(0.4)	-	4	(0.8)
Diluted earnings from continuing operations	**96**	**299**	**32.0**	95	330	28.7	203	321	63.1

	Six months ended 30 June 2013			Six months ended 30 June 2012			Year ended 31 December 2012		
	Earnings £ million	**Weighted average shares number million**	**Earnings per share pence**	Earnings £ million	Weighted average shares number million	Earnings per share pence	Earnings £ million	Weighted average shares number million	Earnings per share pence
Basic (loss)/ earnings from discontinued operations	**(4)**	**294**	**(1.4)**	7	324	2.1	5	315	1.5
Share options	**-**	**1**	**-**	-	2	-	-	2	-
Employee share and incentive schemes	**-**	**4**	**-**	-	4	-	-	4	-
Diluted (loss)/earnings from discontinued operations	**(4)**	**299**	**(1.4)**	7	330	2.1	5	321	1.5

NOTES TO THE ACCOUNTS (continued)

7. EARNINGS PER SHARE (continued)

Basic and diluted earnings from continuing operations is calculated as set out below:

	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 (Restated) £ million	Year ended 31 December 2012 (Restated) £ million
Profit for the period from continuing operations	**95**	95	204
Loss/(profit) attributable to non-controlling interests	**1**	-	(1)
Basic and diluted earnings from continuing operations	**96**	95	203

In order to appreciate the effects on the reported performance of intangible amortisation and exceptional items, additional calculations of earnings per share are presented.

	Six months ended 30 June 2013			Six months ended 30 June 2012		
	Earnings £ million	**Weighted average shares number million**	**Earnings per share Pence**	Earnings (Restated) £ million	Weighted average shares number million	Earnings per share (Restated) pence
Basic earnings from continuing operations	**96**	**294**	**32.6**	95	324	29.3
Exceptional items (post-tax)	**9**	**-**	**3.1**	7	-	2.1
Amortisation (post-tax)	**16**	**-**	**5.4**	13	-	4.0
Basic earnings from continuing operations before amortisation and exceptional items	**121**	**294**	**41.1**	115	324	35.4
Share options	**-**	**1**	**(0.1)**	-	2	(0.2)
Employee share and incentive schemes	**-**	**4**	**(0.6)**	-	4	(0.4)
Diluted earnings from continuing operations before amortisation and exceptional items	**121**	**299**	**40.4**	115	330	34.8

	Year ended 31 December 2012		
	Earnings (Restated) £ million	Weighted average shares number million	Earnings per share (Restated) pence
Basic earnings from continuing operations	203	315	64.3
Exceptional items (post-tax)	15	-	4.8
Amortisation (post-tax)	32	-	10.2
Basic earnings from continuing operations before amortisation and exceptional items	250	315	79.3
Share options	-	2	(0.5)
Employee share and incentive schemes	-	4	(1.0)
Diluted earnings from continuing operations before amortisation and exceptional items	250	321	77.8

NOTES TO THE ACCOUNTS (continued)

7. EARNINGS PER SHARE (continued)

	Six months ended 30 June 2013			Six months ended 30 June 2012		
	Earnings £ million	**Weighted average shares number million**	**Earnings per share Pence**	Earnings £ million	Weighted average shares number million	Earnings per share pence
Basic (loss)/ earnings from discontinued operations	**(4)**	**294**	**(1.4)**	7	324	2.1
Exceptional items (post-tax)	**4**	**-**	**1.4**	(7)	-	(2.1)
Basic (loss)/earnings from discontinued operations before amortisation and exceptional items	**-**	**294**	**-**	-	324	-
Share options	**-**	**1**	**-**	-	2	-
Employee share and incentive schemes	**-**	**4**	**-**	-	4	-
Diluted (loss)/earnings from discontinuing operations before amortisation and exceptional items	**-**	**299**	**-**	-	330	-

	Year ended 31 December 2012		
	Earnings £ million	Weighted average shares number million	Earnings per share pence
Basic earnings from discontinued operations	5	315	1.5
Exceptional items (post-tax)	(5)	-	(1.5)
Basic earnings from discontinued operations before amortisation and exceptional items	-	315	-
Share options	-	2	-
Employee share and incentive schemes	-	4	-
Diluted earnings from discontinuing operations before amortisation and exceptional items	-	321	-

8. DIVIDENDS AND SHARE BUYBACK PROGRAMME

After the balance sheet date the directors declared a dividend of 13.5 pence per share payable on 3 January 2014 to equity holders on the register at the close of business on 29 November 2013. This dividend has not been provided for and there are no income tax consequences for the company.

Dividends of £108 million were charged to reserves during the six months ended 30 June 2013 being the 2012 interim dividend of 11.7 pence per share and the 2012 final dividend of 24.8 pence per share. Dividends totalling £36 million were paid during the six months ended 30 June 2013.

During the period, 4.2 million ordinary shares were purchased at an average price of £10.84 and a total cost of £45 million. All the shares purchased have subsequently been cancelled. This completed the £400 million share buyback programme announced in February 2012.

As at 30 June and 31 December 2012, the company was party to irrevocable closed season buyback agreements for the purchase of its own ordinary shares for a maximum total cost of £41 million as at 30 June 2012 and £45 million as 31 December 2012. The purchase of these shares was dependent upon the company's share price not reaching a pre-determined level during the remainder of the contract period. The remaining outstanding share purchase mandate liability of £41 million as at 30 June 2012 and £45 million as 31 December 2012 was presented as a current liability in accordance with IAS 32.23. The company was not party to any such contract as at 30 June 2013.

NOTES TO THE ACCOUNTS (continued)

9. INTANGIBLE ASSETS

	Goodwill £ million	Software £ million	Customer relationship £ million	Other £ million	Total £ million
Cost:					
As at 1 January 2013	831	53	188	56	1,128
Exchange and other movements	8	1	3	1	13
Additions	-	6	-	-	6
Disposals and retirements	-	-	-	(1)	(1)
As at 30 June 2013	**839**	**60**	**191**	**56**	**1,146**
Amortisation:					
As at 1 January 2013	40	21	58	40	159
Exchange and other movements	(1)	1	-	-	-
Provided during the period	-	4	13	5	22
Disposals and retirements	-	-	-	(1)	(1)
As at 30 June 2013	**39**	**26**	**71**	**44**	**180**
Net book value:					
As at 30 June 2013	**800**	**34**	**120**	**12**	**966**
Cost:					
As at 1 January 2012	764	46	107	57	974
Exchange and other movements	(6)	-	-	-	(6)
Acquisition of businesses	64	2	81	3	150
Additions	-	5	-	-	5
Disposal of businesses	-	(1)	(1)	-	(2)
As at 30 June 2012	822	52	187	60	1,121
Amortisation:					
As at 1 January 2012	39	19	36	32	126
Provided during the period	-	3	9	7	19
Disposal of businesses	-	(1)	(1)	-	(2)
As at 30 June 2012	39	21	44	39	143
Net book value:					
As at 30 June 2012	783	31	143	21	978

10. OTHER NON-CURRENT ASSETS AND LIABILITIES

Other non-current receivables of £27 million (30 June 2012: £36 million; 31 December 2012: £27 million) represented indemnities received on the acquisition of MACTEC and certain insurance receivables both of which are matched by liabilities included within provisions.

Trade and other payables of £10 million (30 June 2012: £1 million; 31 December 2012: £11 million) represented the amount of deferred consideration on acquisitions payable in more than one year and lease incentives received which are being amortised over the period of the lease.

NOTES TO THE ACCOUNTS (continued)

11. PROVISIONS

The nature and measurement bases of the group's provisions are unchanged from those presented in the 2012 annual report and accounts.

	Litigation settlement and future legal costs £ million	Indemnities granted and retained obligations on disposed businesses £ million	Insurance £ million	Onerous property contracts and provisions to fund joint ventures £ million	Total £ million
As at 1 January 2013	40	69	36	26	171
Exchange movements	2	1	-	-	3
Utilised	(2)	(1)	(2)	(7)	(12)
Charged/(credited) to the income statement:					
Additional provisions	5	8	2	2	17
Unused amounts reversed	(5)	(1)	-	-	(6)
As at 30 June 2013	**40**	**76**	**36**	**21**	**173**
As at 1 January 2012	54	66	37	12	169
Exchange movements	-	(1)	-	-	(1)
Arising on business combinations	(2)	(4)	(2)	(2)	(10)
Utilised					
Charged/(credited) to the income statement:					
Additional provisions	1	8	2	11	22
Unused amounts reversed	(2)	-	-	-	(2)
As at 30 June 2012	51	69	37	21	178

12. ACQUISITIONS

There were no acquisitions during the six months ended 30 June 2013.

13. CONTINGENT LIABILITIES

There have been no significant contingent liabilities identified during the six months ended 30 June 2013.

14. RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2013 there were a number of transactions with joint venture entities.

The transactions and related balances outstanding with joint ventures are as follows:

	Value of transactions		**Outstanding balance**	
	Six months ended 30 June 2013 £ million	Six months ended 30 June 2012 £ million	**30 June 2013 £ million**	30 June 2012 £ million
Services rendered	**18**	14	**16**	10
Services received	**1**	-	**-**	-
Provision of finance	**5**	2	**41**	33

There have been no significant changes in the nature of related party transactions from those described in the last annual report.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- The condensed set of accounts has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.

- The interim management report includes a fair review of the information required by:

  - DTR 4.2.7R of the "Disclosures and Transparency Rules", being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  - DTR 4.2.8R of the "Disclosure and Transparency Rules", being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Samir Brikho
Chief Executive

Ian McHoul
Chief Financial Officer

8 August 2013

INDEPENDENT REVIEW REPORT BY ERNST & YOUNG LLP TO AMEC plc

Introduction

We have been engaged by the company to review the condensed set of accounts in the half-yearly financial report for the six months ended 30 June 2013 which comprises the condensed consolidated Income Statement, condensed consolidated Statement of Comprehensive Income, condensed consolidated Balance Sheet, condensed consolidated Statement of Changes in Equity, condensed consolidated Cash Flow Statement and the related notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of accounts.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (United Kingdom and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

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

As disclosed in note 2, the annual accounts of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of accounts 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 accounts in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (United Kingdom 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 (United Kingdom 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 accounts in the half-yearly financial report for the six months ended 30 June 2013 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 Conduct Authority.

Ernst & Young LLP
London

8 August 2013