- Welcome

Summary

- Strong performance in 2012 with EBITA up 35%

- Market conditions expected to remain favourable

	2012 $m	2011 $m	Change %
Revenue from continuing operations	6,821	5,667	20%
EBITA from continuing operations [1]	461	342	35%
Amortisation	(85)	(79)	
Net finance expense	(13)	(9)	
Profit from continuing operations before tax and exceptional items	363	254	43%
Tax on continuing operations	(104)		

Pro forma financial results

	2012 $m			2011 $m		
	Revenue	EBITA	Margin	Revenue	EBITA	Margin
Engineering	1,787	220	12.3%	1,462	163	11.1%
Wood Group PSN	3,639	194	5.3%	3,376	175	5.2%
Wood Group GTS	1,343	89	6.6%	1,225	80	6.5%
Central costs		(53)			(52)	

Exceptional items

	2012 $m	2011 $m
Business divested	27	2,294
Integration and restructuring charge	(14)	(84)
Impairment of goodwill	(2)	(46)
Bad debt provision/write off	(10)	(13)
Acquisition costs	-	(16)
Total exceptional credit	1	2,135
Tax	-	(47)
Total exceptional credit after tax	1	2,088

Exceptional items largely relate to prior year and H1 matters

Tax

	2012 $m	2011 $m
Profit from continuing operations before tax and exceptional items	363	254
Tax charge per financial statements	104	75
Effective tax rate	29%	30%

Cash flow

	2012 $m	2011 $m
Cash generated pre working capital	521	472
Working capital movements	(193)	(187)
Cash generated from operations	328	285
Acquisitions & deferred consideration	(189)	(979)
Capex & intangible assets	(127)	(105)
Disposal of subsidiaries	41	2,794
Return of cash to shareholders	(8)	(1,741)
Tax	(135)	(119)
Interest, dividends & other	(61)	(124)
Net (increase)/decrease in net debt	(151)	11
Closing net debt	(155)	(4)

Operational cash flow partly offset by acquisition spend

Balance sheet

	Dec 2012 $m	Dec 2011 $m

Wood Group PSN

	2012 $m	2011 $m	% change
Revenue	3,691	3,013	23%
EBITA	205	153	34%
Margin	5.6%	5.1%	0.5pts

- Revenue and EBITA growth includes full year contribution from PSN
- Good performance in North Sea and strong growth in North America, partially offset by Oman
- Headcount up from 26,200 to 29,200 reflecting increases in Oman, North Sea, US and the impact of acquisitions

Good performance in North Sea and strong growth in North America

Wood Group PSN

- North Sea (c40% of revenue)
  - growth from longer term contracts
  - significant extensions and new awards

- Americas (c30% of revenue)
  - strength in US, particularly oil shale
  - offshore Gulf of Mexico performing well

- International (c30% of revenue)
  - first contract award in Kurdistan
  - significant maintenance award in Australia
  - continue to be active in Africa

- Looking ahead
  - continued strength in North Sea
  - further growth from US shale activities
  - significant improvement in International

Well placed to deliver strong performance in 2013

Wood Group GTS

	2012 $m	2011 $m	% change
Revenue	1,343	1,195	12%
EBITA	89	79	12%
Margin	6.6%	6.6%	-

- Revenue and EBITA up reflecting growth in Maintenance and Power Solutions
- Maintenance revenues up on 2011 and EBITA increased c10%
- Power Solutions EBITA up slightly on 2011

Growth in Maintenance and Power Solutions

Wood Group GTS

Key takeaways

- Strong performance in 2012 led by Wood Group Engineering
- My priorities as CEO
- Group strategy development in 2013

1. EBITA from continuing operations represents operating profit from continuing operations pre exceptional items of $375.6m (2011: $262.9m) before the deduction of amortisation of $85.5m (2011: $78.7m) 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 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 ownership trusts and adjusted to assume conversion of all potentially dilutive ordinary shares.

3. Pro forma includes the pre acquisition results of PSN and other acquisitions in 2011, and excludes the post acquisition results of Mitchell's and Duval in 2012.

4. Return of Capital Employed (ROCE) is EBITA divided by average capital employed.

5. Average net and average gross debt based on the average of the net and gross debt balances respectively at the end of each month.

Amortisation

	2012 $m	2011 $m
Amortisation on software etc	29	22
Amortisation of intangible assets arising on acquisition		
- PSN	46	47
- Other	10	10
	85	79

- Total amortisation charge in 2013 anticipated to be around $85m

Finance expense

	2012 $m	2011 $m
Interest on debt	10	9
Other fees and charges	5	5
Total finance charge from continuing operations	15	14
Finance income	(2)	(5)
Net finance expense from continuing operations	13	9

Share numbers

	2012 Closing	2012 Weighted average
Ordinary shares	373	371
Shares held by employee trusts	(11)	(11)
Basic shares for EPS purposes	362	360
Effect of dilutive shares	11	13
Fully diluted shares for EPS purposes	373	373