Highlights

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Other current projects include project management services for the new refinery project and engineering support services at existing refineries for KNPC, project management on the Umm Lulu field for ADMA and Zadco phase II for Zadkum and engineering on the Husab uranium mine in Namibia for Swakop.

The order book at 30 June 2014 was £0.9 billion, up 30 per cent.

Growth Regions outlook

Underlying revenue trends are expected to continue into H2, with margin remaining flat this year.

Investment Services

This now comprises the Incheon Bridge PPP project in Korea, the group's insurance captive, AMEC's wind development activities and a range of other non-core activities.

Lancashire Waste PFI project was divested during the period.

Revenue was £3 million (H1 2013: £2 million). EBITA of £4 million (H1 2013: £8 million) reflects the successful exit from assets in North America during 2013.

Administrative expenses

Administrative expenses of £103 million were £9 million lower than the prior period.

Provisions are analysed as follows:

As at 30 June 2014	£ million
Litigation provisions	30
Indemnities granted to buyers and retained obligations on disposed businesses	77
Insurance, onerous property contracts and provisions to fund joint ventures	48
Total	155

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 predominantly 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.

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information technology, staff recruitment and retention and ethical breach. As a result of the acquisition of Foster Wheeler, AMEC may be exposed to new risks and/or its exposure to its principal risks may be augmented.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June 20 14		
	Note	Before amortisation and exceptional items £ million	Amortisation and exceptional items (note 4) £ million	Total £ million
Continuing operations				
Revenue	3	1,858	-	1,858
Cost of sales		(1,614)	-	(1,614)
Gross profit		244	-	244
Administrative expenses		(103)	(50)	(153)
Loss on business disposals and closures		-	(15)	(15)
Profit/(loss) before net financing expense		141	(65)	76
Financial income		5	-	5
Financial expense		(4)	-	(4)

CONDENSED CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2013

	Before amortisation

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 June 2014 £ million	Six months ended 30 June 2013 (Restated) £ million	Year ended 31 December 2013 £ million
Cash flow from operating activities			
Profit before income tax from continuing operations	83	118	255
Loss before income tax from discontinued operations	(18)	(6)	(16)
Profit before income tax	65	112	239
Financial income	(5)	(3)	(12)
Financial expense	4	4	14
Share of post-tax results of joint ventures	(6)	(1)	(14)
Intangible amortisation	21	22	47
Depreciation	5	6	12
Loss on disposal of businesses	28	5	6
Difference between contributions to retirement benefit schemes and current service cost	4	4	-
Profit on disposal of property, plant and equipment	-	(1)	(1)
Equity settled share-based payments	2	8	14
	118	156	305
(Increase)/decrease in inventories	(2)	(2)	1
(Increase)/decrease in trade and other receivables	(42)	(89)	66
Decrease in trade and other payables and provisions	(63)	(24)	(80)
Cash generated from operations	11	41	292
Tax paid	(25)	(29)	(52)
Net cash flow from operating activities	(14)	12	240
Cash flow from investing activities			
Acquisition of businesses (net of cash acquired)	-	-	(20)
Funding of joint ventures	(1)	(5)	(7)
Purchase of property, plant and equipment	(7)	(4)	(10)
Purchase of intangible assets	(12)	(7)	(13)
Movement in bank deposits (more than three months)	(4)	(2)	(1)
Disposal of businesses (net of cash disposed of)	(1)	(1)	(4)
Disposal of joint ventures	(21)	-	-
Disposal of property, plant and equipment	-	1	1
Interest received	2	-	9
Dividends received from joint ventures	6	5	8
Amounts paid on maturity of net investment hedges	-	(3)	(3)
Net cash flow from investing activities	(38)	(16)	(40)
Net cash flow before financing activities	(52)	(4)	200
Cash flow from financing activities			
Proceeds from/(repayments of) other borrowings	50	35	(30)
Interest paid	(4)		

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	30 June 2014	30 June 2013	31 December 2013

2. PREPARATION OF INTERIM RESULTS (continued)

Basis of preparation (continued)

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

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. The group's results are reported on a geographic basis. 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 6 to 10.

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	Revenue			Profit/(loss)	
	Six months	Six months	Year E	Six	Six

4. AMORTISATION AND EXCEPTIONAL ITEMS

	Six months ended 30 June 2014 £ million	Six months ended 30 June 2013 £ million	Year ended 31 December 2013 £ million
Continuing operations:			
Administrative expenses – exceptional items	(29)	(8)	(18)
Administrative expenses – intangible amortisation	(21)	(22)	(47)
	(50)		

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9. INTANGIBLE ASSETS

	Goodwill £ million	Software £ million	Customer relationship £ million	Other £ million	Total £ million
Cost:					
As at 1 January 2014	792	66	184	40	1,082
Exchange and other movements	(13)	(1)	(3)	-	(17)
Additions	-	31	-	-	31
Disposal of businesses	-	-	-	(2)	(2)
Disposals and retirements	-	-	-	(2)	

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 2014 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 13. We have read the other information contained in the half-yearly

This announcement is for informational purposes only and does not constitute or form part of an offer to sell or the solicitation of an offer to buy or subscribe to any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This announcement is not an offer of securities for sale into the United States. No offering of securities shall be made in the United States except pursuant to registration under the US Securities Act of 1933, or an exemption therefrom.

In connection with the proposed offer, AMEC expects to file a registration statement on Form F-4, which will include a prospectus (the “prospectus”), and a Tender Offer statement on Schedule TO (the “Schedule TO”). The proposed offer will be made exclusively by means of, and subject to, the terms and conditions set out in, an offer document containing and setting out the terms and conditions of the offer and a letter of transmittal to be delivered to Foster Wheeler, filed with the United States Securities and Exchange Commission (the “SEC”) and mailed to Foster Wheeler shareholders. The proposed offer will be made by AMEC or an affiliate of AMEC and not by any other person, including Bank of America Merrill Lynch or Barclays.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

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