ATKINS

Half year financial report for the six months ended 30 September 2012

In line with expectations and on track for the full year.

Design and engineering consultancy group WS Atkins plc (Atkins) today announces its unaudited results for the six months ended 30 September 2012.

FINANCIAL SUMMARY

Key Performance Indicators

		Six months to 30 Sept 2012	Six months to 30 Sept 2011	Increase / (Decrease)
Income statement – on an underlying basis	a			
Underlying operating profit		**£45.9m**	£51.5m	(10.9)%
Underlying operating margin		**5.6%**	6.1%	(0.5)pp
Underlying profit before taxation		**£43.9m**	£46.4m	(5.4)%
Underlying diluted earnings per share		**34.9p**	36.2p	(3.6)%
Income statement – as reported				
Revenue		**£815.7m**	£842.9m	(3.2)%
Operating profit		**£44.8m**	£49.3m	(9.1)%
Operating margin		**5.5%**	5.8%	(0.3)pp
Profit before taxation		**£50.4m**	£44.2m	14.0%
Profit after taxation		**£41.5m**	£34.9m	18.9%
Diluted earnings per share		**41.8p**	34.8p	20.1%
Dividend	b	**10.00p**	9.75p	2.6%
Average staff numbers	c	**17,482**	17,529	(0.3)%
Closing staff numbers	c	**17,756**	17,710	0.3%
Work in hand		**89.5%**	88.2%	1.3pp
Net funds	d	**£83.7m**	£95.6m	(12.4)%

Notes:
a. Excludes amortisation of acquired intangibles in both 2012 and 2011, and profit on sale of RMPA in 2012
b. Interim dividend declared for the six months to 30 September 2012
c. Staff numbers are shown for continuing operations and on a full-time equivalent basis, including agency staff
d. Net funds comprise cash and cash equivalents plus financial assets and loan notes receivable less borrowings

Highlights

- Revenue down 3.2% following UK asset management sale in 2011
- Solid UK performance with growing headcount
- Challenging first half in North America and the Middle East
- Strong growth in Asia Pacific, Europe and Energy
- Financial position remains strong, with new funding arrangements in place
- Interim dividend increased by 2.6%
- Overall outlook for the full year unchanged.

Commenting on the results, Uwe Krueger, chief executive officer, said:

"The Group has delivered encouraging results in line with our expectations, with the sector and geographic spread of our business continuing to provide resilience in challenging markets. Implementation of our strategy continues and the outlook for the full year remains unchanged.

We are pleased to be recruiting again and, in particular, are delighted to welcome over 500 graduates to the Group this autumn.

We have been proud to be the official engineering design services provider to the London 2012 Olympic Games. This project leaves an important regeneration legacy in London and is proving to be a valuable reference for both business development and staff recruitment."

Enquiries

Atkins

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Notes to editors

1. Atkins
Atkins (www.atkinsglobal.com) is one of the world's leading engineering and design consultancies*, employing some 17,700 people across the UK, North America, Middle East, Asia Pacific and Europe. It has the breadth and depth of expertise to plan, design and enable some of the world's most technically challenging and time critical infrastructure projects.

*14th largest global design firm (Engineering News-Record 2012), the largest global architecture firm (BD World Architecture 100 2012) and the largest multidisciplinary consultancy in Europe (Svensk Teknik och Design 2011).

Atkins is the official engineering design services provider for the London 2012 Olympic and Paralympic Games.

2. Attachments
Attached to this announcement are: the overview of the period, business review, finance review, statement of directors' responsibilities, the unaudited: consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity, notes to the condensed consolidated interim financial information and the independent auditor's review report.

3. Analyst Presentation
A presentation for analysts will be held at 8.30am today at The Lincoln Centre, 18 Lincolns Inn Fields, London, WC2A 3ED. Dial-in details are available from Smithfield for those wishing to join the presentation by conference call.

A webcast of the presentation will subsequently be available via the Company's website, www.atkinsglobal.com.

4. Cautionary Statement
This announcement has been prepared for the shareholders of the Company as a whole and its sole purpose and use is to assist shareholders to exercise their governance rights. The Company and its directors and employees are not responsible for any other purpose or use or to any other person in relation to this announcement and their responsibility to shareholders shall be limited to that which is imposed by statute.

This announcement contains indications of likely future developments and other forward looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and business segments in which the Group operates. These and other factors could adversely affect the Group’s results, strategy and prospects. Forward looking statements involve risks, uncertainties and assumptions. They relate to events and/or depend on circumstances in the future which could cause actual results and outcomes to differ materially from those currently expected. No obligation is assumed to update any forward looking statements, whether as a result of new information, future events or otherwise.

Half year financial report for the six months ended 30 September 2012

OVERVIEW

Results

The Group's results for the six months ended 30 September 2012 have been delivered in the context of challenging economic conditions for a number of our businesses. Our growing headcount demonstrates the Group's continued resilience and focus on attractive markets.

Revenue was £815.7m, which is down 3.2% compared with the same period last year. Last year's figures include our UK asset management business, which was disposed of on 30 November 2011 and contributed revenue and profit of £20.2m and £0.3m respectively.

Staff numbers were 17,756 at the end of September, a 2% increase on the position at 31 March 2012. Average staff numbers, excluding the effect of the asset management disposal, were up 3% year on year.

Profit before tax increased 14% to £50.4m (2011: £44.2m) including £7.6m profit on sale of our non-controlling interest in RMPA Holdings Limited in May of this year and £1.1m amortisation of intangible assets relating to the acquisition of The PBSJ Corporation in North America. Excluding these items, on an underlying basis, the Group's profit before tax fell 5.4% to £43.9m (2011: £46.4m). Underlying diluted earnings per share was 34.9p (2011: 36.2p).

Our UK performance has been solid in the first half with ongoing headcount growth and good work in hand providing momentum into the second half. As previously reported, our North American business has faced weak market conditions in the period, which we expect to continue for the full year. The Middle East results have been impacted by project delays and protracted contract variation negotiations, which have further increased working capital in the region. We have seen a strong performance in our Asia Pacific and Europe businesses and we continue to invest for growth in these markets. Our Energy business continues to deliver strong top and bottom line growth.

The Group's balance sheet remains strong with net funds at 30 September 2012 of £83.7m (2011: £95.6m). The reduction in net funds since the year end reflects primarily the Group's seasonal working capital requirement in the first half of the year.

Group priorities

There has been no change in our stated strategy, which comprises operational excellence, portfolio optimisation and sector and regional focus.

Operational excellence: The fundamental building block of any successful strategy is the performance of the underlying business. We are driving operational performance across the Group – with a distinct focus on optimising financial delivery – and we are successfully implementing our operational excellence programme. This involves a continued focus on utilisation and margin, together with an emphasis on billing and cash collection. We also need to capitalise on organic growth opportunities and we have delivered growth in the UK, Asia Pacific and Europe and Energy in the first half. With this foundation we will be well placed for progress in the future, with a medium term operating margin target of more than 8%.

Portfolio optimisation: A second aspect of ensuring we are well positioned for the future is an ongoing review of the businesses in our portfolio, continuing to focus the Group on higher growth, higher margin activities. Achievements in this area include the sale of our UK asset management business in 2011 and the disposal of our non-controlling interest in RMPA this year.

Sector and regional focus: As we look across the portfolio it is clear that a number of our existing sectors have attractive growth prospects. These include areas such as Energy – already identified for investment and reported separately in our results. Aerospace is another area where we can grow from our relatively small base and we have recently opened an office in Seattle to target growth in North America. Security issues are also becoming more prevalent, and we have capabilities that we can bring to bear in this area. Water is a very significant market and whilst the benefits may be more longer term than originally anticipated, our skills in the UK and North America can be marshalled and augmented to address this market across the world. We will redirect and leverage resources and technical capabilities to address each of these sectors. Acquisitions remain possible to supplement organic growth as we look to balance our client and sector mix. We will also seek to expand our market facing offering in geographic areas where we already have a presence, for example in Asia Pacific where we have recently opened offices in Malaysia and Singapore.

Outlook for the year

The Group has delivered a solid first half performance and enters the second half with good work in hand across the business. Our operational excellence programme is delivering efficiencies and with Group headcount growing we have good momentum going into the second half. Our view of the outlook for the full year remains unchanged.

Dividend

The Board has declared an interim dividend of 10.0p per share, representing an increase of 2.6% on last year. The interim dividend will be paid on 11 January 2013 to all shareholders on the register on 7 December 2012.

BUSINESS REVIEW

United Kingdom

Key performance indicators

	Six months to 30 Sept 2012	Six months to 30 Sept 2011	Increase / (Decrease)
Revenue	**£420.5m**	£420.4m	0.0%
Operating profit	**£24.8m**	£24.6m	0.8%
Operating margin	**5.9%**	5.9%	0.0pp
Work in hand	**92%**	92%	0pp
Staff numbers at 30 September	**9,169**	9,403	(2.5)%
Average staff numbers	**9,002**	9,449	(4.7)%

Our UK business performed well in the first half of the financial year, having successfully showcased our engineering design and planning skills as the official engineering design services provider to the London 2012 Olympic and Paralympic Games. This multiple award winning project is an excellent example of Atkins at its best as we demonstrated the breadth and depth of our skills. The range of projects undertaken was extensive, ranging from the fundamental rehabilitation and transformation of an industrial wasteland in East London into the Olympic park, the design of the temporary venues to accommodate the various sporting activities, to gas flow dynamics to ensure the Olympic torch shone brightly over a spectacularly successful games.

Both revenue and operating profit are in line with the previous half year, despite the disposal in November 2011 of our UK asset management business which contributed revenue and profit in the prior year of £20.2m and £0.3m respectively.

Closing headcount stands at 9,169. After adjusting for the staff who transferred as part of the asset management sale last year, average headcount increased by over 300 staff year on year, representing growth of 3.5%, as we have been actively recruiting across a number of business sectors.

In contrast to this time last year, our rail business has a strong forward workload, having secured in January two Network Rail signalling major project frameworks for Sussex/Wessex and Kent/Anglia, worth in excess of £400m over a seven year period. Further project awards have been confirmed in the half year totalling more than £60m for Wolverhampton, East Sussex and Farnham signalling schemes, which is in addition to our ongoing work on the Cardiff Area Re-signalling scheme. We are also progressing well with our engineering design work on the Country South section of High Speed 2.

Our highways and transportation business is also busy and there are encouraging signs from the UK Government of increased flexibility in funding and a desire to accelerate certain schemes. In our consultancy business there was a notable success with the award of the Wiltshire Council consultancy contract, which commences in December 2012. This supplements other recent framework wins already underway for the South Wales Trunk Road Agent and Surrey County Council.

The three initial sections of the M25 widening undertaken as part of the Connect Plus DBFO joint venture are complete and were open for traffic ahead of budget and on time for the Olympics. The later upgrade sections are currently in the design and pre-construction phase and are progressing to plan.

The successful delivery of the Olympic programme was a key focus of the design and engineering major projects business in the first six months of the year, along with other major infrastructure design projects in the UK and support to other regions, most notably the Middle East. Our property and design business continues to maintain a good coverage of local authority framework contracts, the most significant of which is the appointment by Scape of Faithful+Gould as the lead supplier in a major, four year, national asset management, surveying and design services framework, which commenced at the beginning of September. Our regional network of offices continues to focus on education, healthcare, defence and aviation infrastructure.

Our water business is benefiting from high volumes within the AMP5 framework and supporting a number of water companies with consultancy input to their preparations for AMP6 regulatory investment period. In addition, we have just re-secured our place on Northern Ireland Water's frameworks (2012 to 2015). Demand for our energy geotechnics services by clients such as BP and Total is increasing and there is a regular flow of new commissions and extensions for our masterplanning, development and regeneration, ports and maritime services. We continue to support large projects with construction services on the £15bn Crossrail project and on High Speed 2, where we are carrying out the environmental impact assessments for the Rural North section covering Warwickshire and Staffordshire and tunnel design in Buckinghamshire. This part of our business has increased its headcount by 170 (13%) in the past twelve months, reflecting the high level of market opportunities.

Our defence, aerospace and communications businesses continue to perform well. The aerospace sector in particular is seeing strong growth, with our recent appointment as a tier 1 supplier to Airbus/EADS affirming our reputation in this market.

Our management consultancy business has had a good first half year having secured business change and transformation work with EDF and Network Rail. We have continued our security and intelligence work for central Government, as well as supporting BAA's IT outsourcing contract in partnership with Capgemini, leveraging our position in aviation.

Faithful+Gould has continued to perform well in a challenging but stable market, delivering value enhancing project and cost management services to a wide range of clients across the public and private sectors.

Elsewhere in the UK, as previously reported in May 2012, the Group completed the sale of its non-controlling interest in RMPA Holdings Limited (which delivered the Colchester Garrison PFI project) for a net consideration of £14.4 million. The profit on sale of £7.6m, which is reported below the Group's operating profit line, does not appear in the segmental result above.

Outlook

The outlook for our UK business remains good, with secured work in hand of 92% (2011: 92%) of this year's forecast revenue. We continue our focus on higher margin work within our market segments and, reflecting the high level of current opportunities, we expect the recent headcount growth to continue.

North America

Key performance indicators

	Six months to 30 Sept 2012	Six months to 30 Sept 2011	Increase / (Decrease)
Revenue	**£195.7m**	£226.0m	(13.4)%
Operating profit	**£6.6m**	£11.7m	(43.6)%
Operating margin	**3.4%**	5.2%	(1.8)pp
Work in hand	**89%**	83%	6pp
Staff numbers at 30 September	**3,064**	3,349	(8.5)%
Average staff numbers	**3,127**	3,352	(6.7)%

Our consultancy business in North America continues to experience weak market conditions, the impact of a number of project delays and uncertainty as a consequence of the recent US presidential election.

The highways and transportation business has performed well in the period. We continue as general engineering consultant for five Florida Department of Transportation (FDOT) districts and for the state wide intelligent transportation system's general consultant contract. We are also general engineering consultant to FDOT's Florida Turnpike Enterprise, one of the nation's top toll road organisations, overseeing nearly 500 miles of toll roads. In aviation we are expanding our capabilities in North America by leveraging Group expertise to broaden our service offering, while at the same time continuing to support Group activities in other regions.

Our water and environmental business has had a poor first half in a challenging market. However, recently we have secured a major Federal Emergency Management Agency (FEMA) contract for floodplain mapping and related technical services for approximately one third of the US. Furthermore we have over 100 employees supporting FEMA and we see opportunities for additional growth in Texas and entry into California.

Our design and engineering business received a boost in backlog towards the end of the half year from a strong year end distribution of US federal funding for military (planning and asset management) and water-related infrastructure projects.

As previously reported, the Peter Brown construction management at risk business is making steady progress on the close out of problem legacy contracts, despite incurring some additional costs in the final phase of construction. It is anticipated that these cost overruns, together with the volume shortfall that is impacting revenue, which have contributed to a first half loss of £3.4m, will result in a full year loss of some £4m to £5m.

We do not expect an improvement in the trading environment in our North American business during the remainder of this financial year and, as a result, we have taken action to adjust headcount to reflect anticipated market demand. We remain confident that we are well placed over the medium term to expand our geographic footprint in North America and to further broaden our service offering through leveraging Group resources.

There has been no change with regard to the longstanding and previously reported Department of Justice and Securities and Exchange Commission enquiries relating to potential Foreign Corrupt Practices Act violations by The PBSJ Corporation prior to its acquisition by the Group.

Outlook

There remains uncertainty surrounding federal and local funding and we believe that the current weak market conditions will prevail for the remainder of the financial year. Work in hand at 30 September stands at 89% of this year's forecast revenue (2011: 83%).

Middle East

Key performance indicators			
	Six months to 30 Sept 2012	Six months to 30 Sept 2011	Increase / (Decrease)
Revenue	**£79.8m**	£78.2m	2.0%
Operating profit	**£5.1m**	£7.8m	(34.6)%
Operating margin	**6.4%**	10.0%	(3.6)pp
Work in hand	**89%**	91%	(2)pp
Staff numbers at 30 September	**2,047**	1,770	15.6%
Average staff numbers	**2,004**	1,640	22.2%

Our Middle East business has had a difficult first half. Revenue was up 2%, although margins were down as we experienced delays in capital projects and programmes coming to market, coupled with protracted negotiations on variations to major contracts in the region. Notwithstanding this, we continue to see a good pipeline of strategic opportunities in a number of countries.

Major infrastructure projects within the region include the design of the King Abdulaziz International Airport in Jeddah in the Kingdom of Saudi Arabia (KSA), where we are the lead designer and programme manager for this complex new 30 million passenger per annum airport terminal and associated buildings and infrastructure. In the UAE we continue the concept and preliminary design for the 1,300km Etihad railway network to link the principal industrial and residential centres in the UAE, while recently we have been appointed to design the infrastructure for a new £1.3 billion, 42 km^2 residential community in Abu Dhabi. In Qatar we are supporting the country’s 2030 vision, including preparations for the 2022 FIFA World Cup, via a number of high profile and significant infrastructure planning and design projects.

We continue to diversify our skills and expertise in key markets. As a result we have seen growth in the defence, security and communications sector, including a new project to support the Qatar National Broadband Network (Q.NBN) with the rollout of broadband services throughout the state. We are also focused particularly on multidisciplinary design and engineering of infrastructure programmes in our key regional markets for which, although there are strong opportunities, the working capital requirements are more onerous.

Staff numbers have steadily increased over the last six months to over 2,000, which represents an increase of 15.6% on this time last year and 3.8% on March 2012. We expect headcount to remain broadly at this level for the remainder of the financial year.

Outlook

We remain well placed to build on our strong reputation in the region and capitalise on some excellent opportunities as they arise, most notably in Qatar and the KSA. There remains a degree of caution in some parts of the region, where we are seeing procurement delays and a more piecemeal return to investment. As a result, we continue to drive operational excellence through our Middle East business to ensure both resilience and agility in the way we secure and deliver strategic infrastructure programmes going forward.

Our order book at 30 September 2012 represented 89% of forecast revenue for the year (2011: 91%), and the overall outlook for our Middle East business remains in line with our expectations.

Asia Pacific and Europe

Key performance indicators			
	Six months to 30 Sept 2012	Six months to 30 Sept 2011	Increase / (Decrease)
Revenue	**£78.0m**	£78.4m	(0.5)%
Operating profit	**£6.3m**	£3.9m	61.5%
Operating margin	**8.1%**	5.0%	3.1pp
Work in hand	**87%**	91%	(4)pp
Staff numbers at 30 September	**2,080**	2,010	3.5%
Average staff numbers	**2,031**	1,960	3.6%

Our Asia Pacific and Europe business has performed well in the first half of the year, with an increased margin of 8.1% (2011: 5.0%) benefiting in part from prior year restructuring provisions being released and a more stable position in Ireland and Portugal.

This operating segment consists of our design and engineering consultancy and Faithful+Gould businesses in Hong Kong, mainland China and Singapore, and six countries across Europe: Denmark, Ireland, Norway, Poland, Portugal and Sweden.

In Asia Pacific, where we have 1,267 staff (2011: 1,233), we have secured good contract wins in the period. In Hong Kong we have been appointed by the Hong Kong airport authority as the lead engineering consultant for the West Apron development to prepare the scheme design for constructing a new airport platform north of the existing runway. We have also won the lead engineer role on the Hong Kong Link Road project, a 12 kilometre link road which will connect the Hong Kong-Zhuhai-Macao Bridge to the international airport. Elsewhere, we have continued our work with the MTR Corporation.

In mainland China we have recently been appointed designer for the new Bank of China West China Head Quarters in Jiangbeizui, Chongqing in the Central Financial District, which adds to our extensive portfolio of iconic buildings. Our urban planning and landscape teams have been busy with master planning projects such as the advertising and creative arts zone in Beijing and the masterplan for 'the world oil city' in Karamay, China.

Working capital in the Asia Pacific region has increased during the period as a larger percentage of our work has been secured as part of design and build contract structures, with less favourable payment terms.

In Scandinavia we currently have just over 600 staff (2011: 550) and the business has had a good first half of the year with some encouraging project wins. In Denmark we secured the design, geotechnical studies and tender support for the Naestved by-pass project which includes the design of 22 new bridges for the Danish Road Directorate.

Outlook

Overall, the outlook for this segment remains good. We have secured work in hand of 87% of forecast revenue (2011: 91%), which provides a good platform for continued growth.

Energy

Key performance indicators			
	Six months to 30 Sept 2012	Six months to 30 Sept 2011	Increase / (Decrease)
Revenue	**£72.5m**	£58.2m	24.6%
Operating profit	**£5.6m**	£4.3m	30.2%
Operating margin	**7.7%**	7.4%	0.3pp
Work in hand	**81%**	76%	5pp
Staff numbers at 30 September	**1,324**	1,108	19.5%
Average staff numbers	**1,249**	1,056	18.3%

Our Energy business continues to perform well in buoyant markets across all sectors. Revenue was up nearly 25% on the same time last year and staff numbers increased to 1,324, an increase of 12% since the year end and 19.5% on 30 September 2011.

We recently announced the formation of a joint venture with AREVA, a global leader in nuclear energy, to compete for projects in the UK nuclear fuel management and decommissioning sector. The partnership will draw on the expertise of both companies, offering a unique combination of international technology along with world class design and engineering consultancy and a deep understanding of the UK market and associated regulations.

We have continued our work across all Magnox sites for the design of facilities for the retrieval and processing of solid intermediate level radioactive waste.

In May 2012 we were awarded a framework contract by URENCO for engineering and project support for the Capenhurst site (Chester, UK). With uranium enrichment being an essential part of the front end of the nuclear fuel cycle, this area is expected to grow as the nuclear renaissance continues.

The continued success of our n.triple.a joint venture, addressing the new build nuclear market with French engineering consultancy Assystem, is evidenced by strategic wins in Saudi Arabia and South Africa.

Our role as architect engineer as part of the Engage consortium continues on the €3bn International Thermonuclear Experimental Reactor (ITER) programme in the south of France. ITER is the next step in a global research and development programme to harness nuclear fusion to generate electricity.

Demand for our services in the oil and gas market remains strong. We are securing an increasing volume of multi-disciplinary design work as we benefit from the skills acquired with the Pöyry oil and gas business acquisition in June 2011. Recent contracts awarded include the Front End Engineering Design (FEED) work to support the Varanus Island Compression Project in North West Australia, further developing our long-term relationship with Apache.

In the Middle East there has been a significant flow of engineering and design work. We have also secured a new appointment to provide engineering consultancy and design advice on the Mad Dog Phase 2 project reflects our continuing strong position with BP in the Gulf of Mexico.

Our power business continues its work as lead technical provider to both the Drax and Eggborough power stations and has an increasing role in biomass projects. We also recently began providing development engineering and assurance services at the front end of Scottish Hydro Electric Transmission Limited's multi billion pound programme to expand its transmission network.

We remain very active in the offshore renewables sector, supporting a number of framework contracts in the UK with Forewind, E.ON and RWE and individual contracts with Dong Energy on its portfolio of projects across Northern Europe. Building on the success of our ongoing expert engineering design support to Scottish and Southern Energy's high profile Beatrice Offshore Wind Alliance, we have recently secured a new concept design contract for jacket foundations with East Anglia Offshore Wind Limited, a joint venture between Vattenfall and Scottish Power Renewables. These contracts are in addition to commissions undertaken on preliminary and detailed site investigations and the design of meteorological mast, wind turbine generator and offshore substation structures for developers, vendors, fabricators and installation contractors.

Outlook

The outlook for our Energy business remains very good. We are well positioned in growth markets and have work in hand ahead of last year at 81% of forecast revenue (2011: 76%), which will underpin further headcount growth in the second half.

FINANCE REVIEW

The revenue and operating profit for the six months to 30 September 2012 is discussed in the preceding Business Review.

Taxation

The Group's income tax expense for the six months ended 30 September 2012 was £8.9m (2011: £9.3m) giving an effective tax rate of 17.7% (2011: 21.1%). The Group's underlying tax rate (excluding acquisition intangibles amortisation and profit on disposal of a non-controlling interest) was 21.4% (2011: 22.0%). The underlying effective tax rate is lower than the standard corporation tax rate of 24% (2011: 26%), due to a combination of the geographic mix of profits and tax rates, movements in provisions and the impact of research and development tax credits.

Changes to the UK corporation tax system were announced in the March 2012 Government Budget Statement, including the reduction of the main corporation tax rate from 26% to 22% by 1 April 2014. The reduction in the rate from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013 had been enacted at 30 September 2012 and therefore the impact of these changes has been reflected in the tax calculations.

Pensions

Pension costs
The cost of the Group’s defined benefit pension schemes for the six months to 30 September 2012 amounted to £4.9m (2011: £7.3m), of which net finance costs represented £3.7m (2011: £5.5m).

Funding
The latest actuarial valuation of the Group’s principal defined benefit scheme, the Atkins Pension Plan (the Plan), was carried out as at 31 March 2010. The valuation indicated that the Plan had an actuarial deficit of approximately £293m as at that date. Agreement was reached in June 2011 with the Trustee of the Plan with respect to this funding valuation and the associated recovery plan. Deficit contributions of £11m versus a plan of £13m were made in the six months to 30 September 2012. The variation to the recovery plan is a result of an agreement to reduce deficit funding to reflect the reduction in deficit achieved through the enhanced transfer value (ETV) exercise completed during the period. The ETV exercise reduced deficit funding requirements by £5m, of which £2m was taken in the six months to 30 September 2012, with the remaining balance to be taken in the second half of the financial year. Under the current deficit funding plan the Group will contribute a further £32m per annum for the next seven years to 31 March 2020.

The defined benefit section of the Plan is closed to future accruals for members who do not benefit from a statutory or contractual right to a final-salary pension. During the prior year the link between individual employees’ accrued pension and future increases in salary was removed via contractual amendment.

IAS 19
The post-tax retirement benefit liability of the Group’s pension schemes is estimated at £244.2m (30 September 2011: £206.3m; 31 March 2012: £190.1m). The deterioration since 31 March 2012 is due to a combination of lower than expected returns on assets and a reduction in the discount rate applied to the liabilities from 5.2% to 4.6%.

The key assumptions used in the IAS 19 valuation are detailed in note 20 to the condensed consolidated interim financial information.

Earnings per share (EPS)
Diluted EPS increased 20% to 41.8p (2011: 34.8p) primarily as a result of the increase in the Group’s profit before tax of 14%. Underlying diluted EPS fell 3.6% to 34.9p (2011: 36.2p).

Basic EPS from continuing operations for the period was 42.7p (2011: 35.6p).

Net funds

Net funds are analysed as follows:

£m	**30 Sept 2012**	30 Sept 2011	31 March 2012
Cash and cash equivalents	**138.5**	138.0	167.0
Loan notes receivable	**19.3**	23.1	25.1
Financial assets at fair value through profit & loss	**33.9**	42.1	35.0
Available-for-sale financial assets	**0.1**	4.5	6.1
Borrowings due within one year	**(56.1)**	(106.4)	(104.0)
Borrowings due after one year	**(46.3)**	-	-
Finance leases	**(5.7)**	(5.7)	(6.6)
Net funds	**83.7**	95.6	122.6

In addition to net funds the Group has £84.1m of undrawn committed borrowing facilities available (see note 19).

During the period the Group raised $75m through the successful execution of its debut issue in the US private placement market. The proceeds were used to repay drawn funds under the Group's existing banking facilities. The private placement is due for repayment on 1 May 2019.

After the balance sheet date, on 4 October 2012, the Group agreed a new banking facility with the Bank of America for £30m. As at the date of signing this condensed consolidated interim financial information this facility was undrawn.

Cash flow

Cash used in operations was £12.6m (2011: £12.9m generated from operations) and can be summarised as follows:

£m	**30 Sept 2012**	30 Sept 2011	31 March 2012
EBITDA	**64.3**	62.7	172.9
Outflow relating to pensions	**(11.0)**	(14.0)	(26.0)
Movement in working capital	**(51.5)**	(37.3)	(34.0)
Movement in provisions	**(3.3)**	(3.3)	(5.7)
Other non-cash items	**(11.1)**	4.8	(38.6)
Cash (used)/generated	**(12.6)**	12.9	68.6

Risks

The Group Risk Committee meets periodically and considers new strategic, financial and operation risks as they arise and identifies actions to mitigate those risks. The Board reviews the work undertaken by this committee. Key risks and their mitigation have not changed in the period from those disclosed on pages 41 to 43 of the annual financial statements for the year ended 31 March 2012, namely:

- Economic outlook
  - Continuing and increased government austerity measures
  - Reduced levels of spend and clients' ability to pay
- Financial
  - Limitations on ability to invest in growth
  - Managing defined benefit pension schemes
- Geo-political
  - Political instability
- Market
  - Changes in contracting environment
  - Increased pressure on pricing and margins
- Regulatory/legal

- Crisis events
- Health, safety and environmental
- Physical and data security
- Projects
  - Project management
- Staff recruitment and retention
- Technical delivery

Notwithstanding that no new risks have been identified in the period, in response to the increasingly competitive environment and changing contractual terms in a number of markets, management has introduced additional measures to strengthen project controls. In addition, we remain particularly focused on the impact of continuing recessionary and liquidity issues in our major markets.

Going concern

The Group meets its day-to-day working capital requirements through cash generated from operations and the use of its banking facilities. We have good work in hand and the Group's forecasts and projections, under various scenarios, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as 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 condensed set of 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 financial statements.

The directors are listed in the Annual Report for the year ended 31 March 2012. A list of current directors can be found at www.atkinsglobal.com.

By order of the Board
Richard Webster
Company Secretary

15 November 2012

Consolidated income statement for the six months ended 30 September 2012 (unaudited)

	Note	**Six months to 30 Sept 2012 £m**	Six months to 30 Sept 2011 £m	Audited Year to 31 March 2012 £m
Revenue (Group and share of joint ventures)		**849.8**	866.7	1,769.8
Revenue	6	**815.7**	842.9	1,711.1
Cost of sales		**(521.1)**	(541.2)	(1,097.1)
Gross profit		**294.6**	301.7	614.0
Administrative expenses		**(249.8)**	(252.4)	(476.8)
Operating profit	6	**44.8**	49.3	137.2
Comprising:				
- Underlying operating profit		**45.9**	51.5	110.5
- Exceptional items	9	**-**	-	30.9
- Amortisation of acquired intangibles		**(1.1)**	(2.2)	(4.2)
		44.8	49.3	137.2
Profit on disposal of non-controlling interest/subsidiary undertaking	8	**7.6**	-	7.2
Share of post-tax profit from joint ventures	6,10	**1.9**	0.6	1.9
Profit before interest and tax		**54.3**	49.9	146.3
Finance income	11	**2.3**	1.8	4.1
Finance cost	11	**(6.2)**	(7.5)	(14.9)
Net finance cost	11	**(3.9)**	(5.7)	(10.8)
Profit before taxation		**50.4**	44.2	135.5
Comprising:				
- Underlying profit before tax		**43.9**	46.4	101.6
- Exceptional items	9	**-**	-	30.9
- Amortisation of acquired intangibles		**(1.1)**	(2.2)	(4.2)
- Profit on disposal of non-controlling interest/subsidiary undertaking	8	**7.6**	-	7.2
		50.4	44.2	135.5
Income tax expense	12	**(8.9)**	(9.3)	(28.7)
Profit for the period		**41.5**	34.9	106.8
Profit attributable to:				
Owners of the parent		**41.7**	34.9	106.7
Non-controlling interests		**(0.2)**	-	0.1
		41.5	34.9	106.8
Earnings per share				
Basic earnings per share	14	**42.7p**	35.6p	109.0p
Diluted earnings per share	14	**41.8p**	34.8p	106.6p

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Consolidated statement of comprehensive income for the six months ended 30 September 2012 (unaudited)

	Note	**Six months to 30 Sept 2012 £m**	Six months to 30 Sept 2011 £m	Audited Year to 31 March 2012 £m
Profit for the period		**41.5**	34.9	106.8
Other comprehensive (expense)/income				
Actuarial (loss)/gain on post-employment benefit liabilities	20	**(57.9)**	38.8	24.9
Cash flow hedges		**(0.2)**	(1.4)	(2.4)
Changes in value of available-for-sale financial assets		**(1.6)**	-	1.6
Net differences on exchange		**(1.1)**	1.3	0.8
Other comprehensive (expense)/income for the period net of tax		**(60.8)**	38.7	24.9
Total comprehensive (expense)/income for the period		**(19.3)**	73.6	131.7
Attributable to:				
Owners of the parent		**(19.1)**	73.6	131.6
Non-controlling interests		**(0.2)**	-	0.1
Total comprehensive (expense)/income for the period		**(19.3)**	73.6	131.7

Items in the statement above are disclosed net of tax.

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Consolidated balance sheet as at 30 September 2012 (unaudited)

	Note	**30 Sept 2012 £m**	Restated* 30 Sept 2011 £m	Audited 31 March 2012 £m
Assets				
Non-current assets				
Goodwill	18	**204.8**	205.6	205.0
Other intangible assets	17	**45.5**	47.5	46.3
Property, plant and equipment	16	**50.9**	49.9	51.5
Investments in joint ventures		**5.1**	2.1	3.5
Deferred income tax assets		**94.7**	92.2	84.2
Derivative financial instruments	5	**0.7**	0.3	0.3
Other receivables		**19.3**	23.1	18.2
		421.0	420.7	409.0
Assets of disposal group classified as held for sale	7	**-**	29.0	6.9
Current assets				
Inventories		**1.4**	1.4	1.1
Trade and other receivables		**463.4**	431.0	445.3
Financial assets at fair value through profit or loss	5	**33.9**	42.1	35.0
Available-for-sale financial assets	5	**0.1**	4.5	6.1
Cash and cash equivalents		**138.5**	138.0	167.0
Derivative financial instruments	5	**0.5**	0.4	0.4
		637.8	617.4	654.9
Liabilities				
Current liabilities				
Borrowings	19	**(57.7)**	(108.2)	(105.7)
Trade and other payables		**(470.8)**	(495.9)	(506.1)
Derivative financial instruments	5	**(1.6)**	(1.2)	(1.7)
Current income tax liabilities		**(38.4)**	(36.2)	(34.3)
Provisions for other liabilities and charges		**(2.0)**	(3.6)	(3.6)
		(570.5)	(645.1)	(651.4)
Liabilities of disposal group classified as held for sale	7	**-**	(26.8)	(0.1)
Net current assets/(liabilities)		**67.3**	(25.5)	10.3
Non-current liabilities				
Borrowings	19	**(50.4)**	(3.9)	(4.9)
Provisions for other liabilities and charges		**(5.2)**	(9.1)	(6.8)
Post-employment benefit liabilities	20	**(331.6)**	(288.5)	(265.3)
Derivative financial instruments	5	**(2.3)**	(1.8)	(2.5)
Deferred income tax liabilities		**(17.5)**	(17.4)	(18.8)
Other non-current liabilities		**(1.6)**	(4.8)	(1.6)
		(408.6)	(325.5)	(299.9)
Net assets		**79.7**	69.7	119.4
Capital and reserves				
Ordinary shares	21	**0.5**	0.5	0.5
Share premium account		**62.4**	62.4	62.4
Merger reserve		**8.9**	8.9	8.9
Retained earnings/(deficit)		**8.0**	(2.1)	47.5
Equity attributable to owners of the parent		**79.8**	69.7	119.3
Non-controlling interests		**(0.1)**	-	0.1
Total equity		**79.7**	69.7	119.4

*The balance sheet at 30 September 2011 has been reclassified to reflect the separate disclosure of deferred tax assets and liabilities and to amend the presentation of assets and liabilities held for sale within the net current assets/(liabilities) subtotal.

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Consolidated statement of cash flows for the six months ended 30 September 2012 (unaudited)

	Note	**Six months to 30 Sept 2012 £m**	Six months to 30 Sept 2011 £m	Audited Year to 31 March 2012 £m
Cash flows from operating activities				
Cash (used in)/generated from operations	22	**(12.6)**	12.9	68.6
Interest received		**1.1**	1.8	3.9
Interest paid		**(1.3)**	(1.2)	(2.5)
Income tax paid		**(1.4)**	(1.8)	(11.0)
Net cash (used in)/generated from operating activities		**(14.2)**	11.7	59.0
Cash flows from investing activities				
Acquisition of subsidiaries				
- consideration	15	**-**	(14.5)	(14.6)
- cash acquired	15	**-**	0.9	0.9
Deferred consideration payments		**-**	-	(0.8)
Loans to joint ventures and other related parties		**(1.1)**	(3.0)	(4.9)
Purchases of property, plant and equipment	16	**(6.8)**	(5.9)	(15.0)
Proceeds from disposals of property, plant and equipment		**0.2**	1.6	0.9
Proceeds from disposal of investment in non-controlling interest/subsidiary undertaking	8	**14.4**	-	5.2
Payments associated with disposal of subsidiary undertaking		**-**	-	(2.2)
Disposals/(purchases) of financial assets		**7.9**	(7.4)	(0.3)
Purchases of intangible assets	17	**(2.4)**	(1.2)	(5.1)
Net cash generated from/(used in) investing activities		**12.2**	(29.5)	(35.9)
Cash flows from financing activities				
Proceeds of new debt	19	**47.5**	62.3	65.3
Repayment of bank loans	19	**(47.5)**	(5.0)	(5.0)
Finance lease principal payments	19	**(1.0)**	(1.1)	(2.1)
Purchase of own shares by Employee Benefit Trusts		**(3.4)**	(4.0)	(7.0)
Equity dividends paid to shareholders	13	**(20.3)**	(19.2)	(28.7)
Net cash (used in)/generated from financing activities		**(24.7)**	33.0	22.5
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(26.7)**	15.2	45.6
Cash, cash equivalents and bank overdrafts at beginning of period		**167.0**	121.5	121.5
Exchange movements		**(1.8)**	1.3	(0.1)
Cash, cash equivalents and bank overdrafts at end of period		**138.5**	138.0	167.0

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Consolidated statement of changes in equity as at 30 September 2012 (unaudited)

		Attributable to owners of the parent					
	Note	Ordinary shares £m	Share premium account £m	Merger reserve £m	Retained earnings £m	Non-controlling interests £m	Total £m
Balance at 1 April 2012		**0.5**	**62.4**	**8.9**	**47.5**	**0.1**	**119.4**
Total comprehensive expense for the period		**-**	**-**	**-**	**(19.1)**	**(0.2)**	**(19.3)**
Dividends	**13**	**-**	**-**	**-**	**(20.3)**	**-**	**(20.3)**
Share-based payments		**-**	**-**	**-**	**3.3**	**-**	**3.3**
Employee Benefit Trusts		**-**	**-**	**-**	**(3.4)**	**-**	**(3.4)**
Balance at 30 September 2012		**0.5**	**62.4**	**8.9**	**8.0**	**(0.1)**	**79.7**

		Attributable to owners of the parent					
	Note	Ordinary shares £m	Share premium account £m	Merger reserve £m	Retained deficit £m	Non-controlling interests £m	Total £m
Balance at 1 April 2011		0.5	62.4	8.9	(55.5)	-	16.3
Total comprehensive income for the period		-	-	-	73.6	-	73.6
Dividends	13	-	-	-	(19.2)	-	(19.2)
Share-based payments		-	-	-	3.0	-	3.0
Employee Benefit Trusts		-	-	-	(4.0)	-	(4.0)
Balance at 30 September 2011		0.5	62.4	8.9	(2.1)	-	69.7

		Attributable to owners of the parent					
Audited	Note	Ordinary shares £m	Share premium account £m	Merger reserve £m	Retained (deficit)/ earnings £m	Non-controlling interests £m	Total £m
Balance at 1 April 2011		0.5	62.4	8.9	(55.5)	-	16.3
Total comprehensive income for the period		-	-	-	131.6	0.1	131.7
Dividends	13	-	-	-	(28.7)	-	(28.7)
Share-based payments		-	-	-	6.4	-	6.4
Tax credit relating to share option scheme		-	-	-	0.7	-	0.7
Employee Benefit Trusts		-	-	-	(7.0)	-	(7.0)
Balance at 31 March 2012		0.5	62.4	8.9	47.5	0.1	119.4

The merger reserve relates to the issue of shares in respect of previous acquisitions.

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information for the six months ended 30 September 2012 (unaudited)

1. General information

WS Atkins plc is a public limited company incorporated and domiciled in England with company number 1885586. The Company has its primary listing on the London Stock Exchange.

Copies of this half year report are available from the registered office: Woodcote Grove, Ashley Road, Epsom, Surrey, KT18 5BW, England, and may be viewed on the Atkins website www.atkinsglobal.com.

This condensed consolidated interim financial information was approved for issue on 15 November 2012.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2012 were approved by the Board of directors on 13 June 2012 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed by the Group's auditor, but not audited, and its review report is included.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2012 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, *Interim financial reporting,* as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2012, which have been prepared in accordance with IFRSs as adopted by the European Union.

3. Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in those annual financial statements.

Exceptional items are disclosed and described separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their size or incidence.

Taxes on income for the six months ended 30 September 2012 are accrued using the estimated underlying tax rate that is expected to apply for the year as adjusted for material underlying items arising in the six month period.

There are no new IFRSs or IFRICs that are effective for the first time for this interim period that would be expected to have a material impact on the Group.

4. Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 31 March 2012.

4. Estimates (continued)

The accounting policies and areas that require the most significant estimates and judgements to be used in the preparation of this condensed consolidated interim financial information are in relation to contract accounting including recoverability of receivables, goodwill impairment and defined benefit pension schemes.

5. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The condensed consolidated interim financial information does 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 annual financial statements at 31 March 2012.

There have been no changes to risk management policies since 31 March 2012.

Liquidity risk

Compared to the position at 31 March 2012, there has been one material change in the maturity profile of the Group's non-derivative financial liabilities. At 31 March 2012 the contractual cash flows of the Group's bank loans and forecast contractual interest payments of £104.5m were classified as maturing on demand or within 1 year. At 30 September 2012 £47.5m of the bank loans have been repaid and the Group has raised £47.5m ($75m) through the successful execution of its debut issue in the US private placement market. Whilst the bank loans continue to be classified as a current liability, the private placement debt has a seven year term and, as such, has been classified as a non-current liability at the balance sheet date. Interest of 4.38% is payable on the private placement debt. The fair value of the Group's borrowings is disclosed in note 19.

Fair value estimation

The table below analyses the Group's financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used by the Group is the mid-market price.

- Level 2 – The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on estimates. The fair value of certificates of deposit is calculated as the present value of future cash flows, discounted at an appropriate market rate of interest.

5. Financial risk management (continued)

The Group's assets and liabilities that are measured at fair value are set out below:

30 September 2012	**Level 1 £m**	**Level 2 £m**	**Total £m**
Assets			
Derivatives used for hedging	**-**	**1.2**	**1.2**
Marketable securities			
- certificates of deposit	**-**	**17.3**	**17.3**
- floating rate notes	**2.8**	**-**	**2.8**
- fixed interest securities	**10.4**	**-**	**10.4**
- life insurance policies	**-**	**3.4**	**3.4**
Available-for-sale financial assets			
- debt investments	**-**	**0.1**	**0.1**
Total assets	**13.2**	**22.0**	**35.2**
Liabilities			
Derivatives used for hedging	**-**	**3.9**	**3.9**
Total liabilities	**-**	**3.9**	**3.9**

30 September 2011	Level 1 £m	Level 2 £m	Total £m
Assets			
Derivatives used for hedging	-	0.7	0.7
Marketable securities			
- certificates of deposit	-	14.5	14.5
- floating rate notes	4.8	-	4.8
- fixed interest securities	17.1	-	17.1
- short-term bank deposits	2.4	-	2.4
- life insurance policies	-	3.3	3.3
Available-for-sale financial assets			
- debt investments	-	4.5	4.5
Total assets	24.3	23.0	47.3
Liabilities			
Derivatives used for hedging	-	3.0	3.0
Total liabilities	-	3.0	3.0

31 March 2012	Level 1 £m	Level 2 £m	Total £m
Assets			
Derivatives used for hedging	-	0.7	0.7
Marketable securities			
- certificates of deposit	-	16.0	16.0
- floating rate notes	2.8	-	2.8
- fixed interest securities	12.2	-	12.2
- UK treasury bills	0.6	-	0.6
- life insurance policies	-	3.4	3.4
Available-for-sale financial assets			
- debt investments	-	6.1	6.1
Total assets	15.6	26.2	41.8
Liabilities			
Derivatives used for hedging	-	4.2	4.2
Total liabilities	-	4.2	4.2

There have been no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities.

There have been no changes to the classification of the Group's financial instruments carried at fair value between Level 1 and Level 2 at 30 September 2012, 30 September 2011 or 31 March 2012.

6. Segmental information

The chief operating decision-maker has been identified as the chief executive officer and the Group finance director. The chief executive officer and the Group finance director review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The chief executive officer and the Group finance director assess the performance of the operating segments based on operating profit before interest and tax. Information provided to the chief executive officer and the Group finance director is measured in a manner consistent with that in the financial statements.

Six months to 30 September 2012	**External revenue £m**	**Inter segment trade £m**	**Revenue £m**	**Operating profit £m**	**Operating margin %**	**Share of post-tax profit from joint ventures £m**	**Total assets £m**
UK	**405.4**	**15.1**	**420.5**	**24.8**	**5.9**	**1.9**	**205.4**
North America	**194.1**	**1.6**	**195.7**	**6.6**	**3.4**	**0.4**	**163.3**
Middle East	**91.9**	**(12.1)**	**79.8**	**5.1**	**6.4**	**-**	**132.5**
Asia Pacific and Europe	**78.2**	**(0.2)**	**78.0**	**6.3**	**8.1**	**-**	**97.4**
Energy	**76.9**	**(4.4)**	**72.5**	**5.6**	**7.7**	**0.2**	**44.6**
Total for segments	**846.5**	**-**	**846.5**	**48.4**	**5.7**	**2.5**	**643.2**
Group items:							
Joint ventures reported above	**(30.8)**	**-**	**(30.8)**	**(2.5)**		**-**	
Unallocated central items	**-**	**-**	**-**	**(1.1)**		**(0.6)**	
Unallocated assets							**415.6**
Total for Group	**815.7**	**-**	**815.7**	**44.8**	**5.5**	**1.9**	**1,058.8**

Six months to 30 September 2011	External revenue £m	Inter segment trade £m	Revenue £m	Operating profit £m	Operating margin %	Share of post-tax profit from joint ventures £m	Restated Total assets £m
UK	399.8	20.6	420.4	24.6	5.9	0.6	205.7
North America	220.4	5.6	226.0	11.7	5.2	0.2	195.0
Middle East	105.1	(26.9)	78.2	7.8	10.0	-	108.5
Asia Pacific and Europe	77.3	1.1	78.4	3.9	5.0	-	96.8
Energy	58.6	(0.4)	58.2	4.3	7.4	-	38.7
Total for segments	861.2	-	861.2	52.3	6.1	0.8	644.7
Group items:							
Joint ventures reported above	(18.3)	-	(18.3)	(0.8)		-	
Unallocated central items	-	-	-	(2.2)		(0.2)	
Unallocated assets							422.4
Total for Group	842.9	-	842.9	49.3	5.8	0.6	1,067.1

6. Segmental information (continued)

Year to 31 March 2012	External revenue £m	Inter segment trade £m	Revenue £m	Operating profit £m	Operating margin %	Share of post-tax profit from joint ventures £m	Total assets £m
UK	814.1	45.8	859.9	51.6	6.0	2.4	191.1
North America	412.4	9.5	421.9	21.2	5.0	0.2	162.2
Middle East	226.2	(54.8)	171.4	16.8	9.8	-	138.6
Asia Pacific and Europe	162.1	1.4	163.5	11.9	7.3	-	99.9
Energy	130.3	(1.9)	128.4	11.4	8.9	-	40.2
Total for segments	1,745.1	-	1,745.1	112.9	6.5	2.6	632.0
Group items:							
Joint ventures reported above	(34.0)	-	(34.0)	(2.4)		-	
Unallocated central items	-	-	-	26.7		(0.7)	
Unallocated assets							438.8
Total for Group	1,711.1	-	1,711.1	137.2	8.0	1.9	1,070.8

Unallocated assets consist primarily of goodwill, acquired intangibles, deferred tax and centrally managed cash and cash equivalents.

Total segment revenue excludes the share of joint venture revenue earned from centrally managed joint ventures of £3.3m (30 September 2011: £5.5m; 31 March 2012: £24.7m).

The £1.1m operating profit unallocated central item reported in the six months ended 30 September 2012 represents intangible asset amortisation relating to the acquisition of The PBSJ Corporation (30 September 2011: £2.2m; 31 March 2012: £4.2m).

The remaining unallocated central item of £30.9m reported in the year ended 31 March 2012 relates to an exceptional gain arising from a one-off pension event.

7. Assets held for sale

In the six months ended 30 September 2011, the Group presented the assets and liabilities relating to the Group's UK Asset Management business (part of the UK segment) as held for sale. The transaction completed on 30 November 2011 and the profit on disposal was recognised in the financial statements for the year ended 31 March 2012 (see note 8). The business was not reported as a discontinued operation as it did not represent a major line of business.

In the year ended 31 March 2012, the Group presented the assets and liabilities relating to the Group's non-controlling interest in RMPA Holdings Limited as held for sale following the exchange of contracts on 9 March 2012. The transaction completed on 4 May 2012 and the profit on disposal is recognised in this condensed consolidated interim financial information for the six months ended 30 September 2012 (see note 8). The business has not been reported as a discontinued operation as it does not represent a major line of business.

8. Profit on disposal of non-controlling interest and subsidiary undertaking

On 4 May 2012 the sale of the Group's non-controlling interest (14% holding) in RMPA Holdings Limited to a subsidiary undertaking of HICL Infrastructure Company Limited was completed. HICL Infrastructure Company Limited is the ultimate parent company of an existing shareholder. The interest was sold for a net consideration of £14.4m which comprised gross consideration of £15.0m less £0.6m in respect of amounts previously received under loan notes.

The disposal of the non-controlling interest has not been treated as a discontinued operation at 30 September 2012 as it does not represent a major line of business.

8. Profit on disposal of non-controlling interest and subsidiary undertaking (continued)

	£m
Net consideration received or receivable at date of disposal	
Gross consideration	15.0
Amounts previously received under loan notes	(0.6)
Disposal consideration	**14.4**
Assets and liabilities at date of disposal	
Loan notes receivable	6.8
Trade and other receivables	0.1
Share of joint venture liabilities	(0.1)
Net assets	**6.8**
Profit on disposal	**7.6**

In the prior year on 30 November 2011, the sale of the Group's UK Asset Management business to Sodexo was completed. Sodexo is a multi-national provider of on-site service solutions and is listed on the Paris Bourse. The business was sold for a cash consideration of £5.2m, together with a deferred conditional amount of £0.5m.

The disposal of the UK Asset Management business was not treated as a discontinued operation at 31 March 2012 as it did not represent a major line of business.

	£m
Net consideration received or receivable at date of disposal	
Initial cash consideration	5.0
Cash working capital adjustment	0.2
Fair value of deferred consideration	-
Disposal consideration	**5.2**
Assets and liabilities at date of disposal	
Property, plant and equipment	0.1
Intangible assets	0.1
Trade and other receivables	6.1
Trade and other payables	(7.3)
Provisions for other liabilities and charges	(3.4)
Other non-current liabilities	(0.5)
Net liabilities	**(4.9)**
Profit on disposal before costs	**10.1**
Disposal costs incurred	(2.9)
Profit on disposal	**7.2**

9. Exceptional items

Items that are material because of their size or their nature are presented separately on the face of the consolidated income statement and disclosed in the notes to the condensed consolidated interim financial information. The separate reporting of exceptional items helps provide an understanding of the Group's underlying performance.

During the year ended 31 March 2012 an exceptional item in respect of a curtailment gain relating to a one-off pension event of £30.9m was reflected in the annual financial statements (note 20).

10. Share of post-tax profit from joint ventures

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Revenue	**34.1**	23.8	58.7
Operating expenditure	**(31.6)**	(22.8)	(55.6)
Operating profit	**2.5**	1.0	3.1
Finance cost	**-**	(2.7)	(5.3)
Finance income	**-**	2.5	4.8
Profit before taxation	**2.5**	0.8	2.6
Income tax expense	**(0.6)**	(0.2)	(0.7)
Share of post-tax profit from joint ventures	**1.9**	0.6	1.9

11. Net finance cost

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Interest payable on borrowings	**1.5**	1.0	1.9
Interest payable on finance lease liabilities	**0.2**	0.2	0.4
Unwinding of discount	**0.1**	0.2	0.3
Net finance cost on post-employment liabilities	**4.0**	5.8	11.5
Other finance costs	**0.4**	0.3	0.8
Finance cost	**6.2**	7.5	14.9
Interest receivable on short-term deposits	**(0.6)**	(0.4)	(0.9)
Interest income on financial assets at fair value through profit or loss	**(0.4)**	(0.3)	(0.8)
Income on available-for-sale financial assets	**(0.3)**	-	(0.4)
Interest receivable on loan notes	**(0.8)**	(1.1)	(2.0)
Other finance income	**(0.2)**	-	-
Finance income	**(2.3)**	(1.8)	(4.1)
Net finance cost	**3.9**	5.7	10.8

12. Income taxes

The Group's income tax expense from continuing operations for the six months ended 30 September 2012 is estimated using the adjusted effective tax rate on profits of 17.7% (30 September 2011: 21.1%; 31 March 2012: 21.2%). The effective underlying tax rate is 21.4% (30 September 2011: 22.0%; 31 March 2012: 22.0%), calculated using the estimated underlying effective tax rate on annual profits. The effective tax rate on profits for the six months ended 30 September 2012 is lower than the Group's underlying effective tax rate due to the impact of acquisition intangibles amortisation and profit on disposal of a non-controlling interest. The underlying effective tax rate is different from the UK standard corporation tax rate of 24% (30 September 2011: 26%; 31 March 2012: 26%) due to items such as changes in tax rates in the UK, the geographic mix of profits and tax rates in foreign jurisdictions, movements in provisions and the impact of research and development tax credits.

Changes to the UK corporation tax system were announced in the March 2012 Government Budget Statement, including the reduction of the main corporation tax rate from 26% to 22% by 1 April 2014. The reduction in the rate from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013 had been enacted at 30 September 2012 and therefore the impact of these changes has been reflected in the effective tax rate calculations.

The further proposed reduction of the main rate of UK corporation tax by 1% to 22% by 1 April 2014 is expected to be enacted separately. The overall effect of the further change from 23% to 22% if this is applied to the net deferred tax asset at 30 September 2012 would be to reduce the net deferred tax asset by approximately £3.8m.

13. Dividends

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Final dividend paid for year ended 31 March 2012 (2011)	**20.3**	19.2	19.2
Interim dividend paid for period ended 30 September 2011	**-**	-	9.5
Dividends recognised in the period	**20.3**	19.2	28.7
Interim dividend declared for period ended 30 September 2012 (2011)	**9.7**	9.5	9.5
Final dividend paid for year ended 31 March 2012	**-**	-	20.2
Dividends relating to the period	**9.7**	9.5	29.7

	Six months to 30 Sept 2012 pence	Six months to 30 Sept 2011 pence	Year to 31 March 2012 pence
Final dividend paid for year ended 31 March 2012 (2011)	**20.75**	19.50	19.50
Interim dividend paid for period ended 30 September 2011	**-**	-	9.75
Dividends recognised in the period	**20.75**	19.50	29.25
Interim dividend declared for period ended 30 September 2012 (2011)	**10.00**	9.75	9.75
Final dividend paid for year ended 31 March 2012	**-**	-	20.75
Dividends relating to the period	**10.00**	9.75	30.50

14. Earnings per share (EPS)

Basic earnings per share is calculated by dividing the earnings attributable to owners of the parent by the weighted average number of shares in issue during the period, excluding shares held by the Employee Benefit Trusts (EBTs), which have not unconditionally vested in the employees, and shares held in treasury.

Diluted earnings per share is the basic earnings per share after allowing for the dilutive effect of the conversion into ordinary shares of the number of options outstanding during the period. The options relate to discretionary employee share plans.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

	Six months to 30 Sept 2012 number ('000)	Six months to 30 Sept 2011 number ('000)	Year to 31 March 2012 number ('000)
Number of shares			
Weighted average number of shares used in basic and normalised basic EPS	**97,555**	98,133	97,891
Effect of dilutive securities - share options	**2,138**	2,067	2,196
Weighted average number of shares used in diluted and normalised diluted EPS	**99,693**	100,200	100,087
	£m	£m	£m
Earnings			
Profit for the period attributable to owners of the parent	**41.7**	34.9	106.7
Amortisation of intangibles from acquisition (net of tax)	**0.7**	1.4	2.8
Profit on disposal of non-controlling interest/subsidiary undertaking (net of tax)	**(7.6)**	-	(6.8)
Exceptional pension curtailment gain (net of tax)	**-**	-	(23.6)
Underlying/normalised earnings	**34.8**	36.3	79.1

14. Earnings per share (EPS) (continued)

	Six months to 30 Sept 2012 pence	Six months to 30 Sept 2011 pence	Year to 31 March 2012 pence
Basic earnings per share	**42.7**	35.6	109.0
Diluted earnings per share	**41.8**	34.8	106.6
Underlying/normalised basic earnings per share	**35.7**	37.0	80.8
Underlying/normalised diluted earnings per share	**34.9**	36.2	79.0

15. Business combinations

The Group has not acquired any businesses in the six months ended 30 September 2012.

During the prior year, on 3 June 2011, the Group acquired the oil and gas business of Pöyry plc (Pöyry). As at 31 March 2012 the fair values of acquired assets, liabilities and goodwill for this business combination had been determined on a provisional basis, pending finalisation of the post-acquisition review of the fair value of the acquired net assets. Under IFRS 3, *Business combinations,* adjustments to these provisional values can be made within one year of the date of the acquisition relating to facts and circumstances that existed at the acquisition date.

The accounting for the acquisition of Pöyry has been finalised and no adjustments have been made to the provisional values as disclosed at 31 March 2012. The finalised position is given below.

Total consideration was made up as follows:

	£m
Cash	15.0
Completion working capital deduction	(0.4)
Total consideration	**14.6**

Final fair value amounts recognised as of the acquisition date for each major class of assets and liabilities assumed are as follows:

	£m
Cash	0.9
Property, plant and equipment	0.3
Intangible assets	0.1
Trade and other receivables	4.3
Trade and other payables	(3.4)
Deferred tax assets	0.4
Total identifiable net assets	**2.6**
Goodwill	**12.0**
Total consideration	**14.6**

The fair value of trade and other receivables is £4.3m and includes trade receivables of £2.9m. The gross contractual amount of trade receivables due is £3.0m, £0.1m of which is expected to be uncollectable.

There were no contingent liabilities as at the date of acquisition.

The goodwill of £12.0m arising from the acquisition is attributable to the extensive complementary skills which enable the combined operation to provide an enhanced offering to clients and extend the Group’s reach to new markets in Australia and Norway.

Acquisition costs of £0.4m were charged to Administrative expenses in the consolidated income statement for the year ended 31 March 2012 in relation to the acquisition of the Pöyry companies.

16. Property, plant and equipment

Additions to property, plant and equipment during the six months ended 30 September 2012 amounted to £6.9m (30 September 2011: £6.0m; 31 March 2012: £17.0m). The Group did not acquire any property, plant and equipment through the acquisition of subsidiary undertakings during the six months ended 30 September 2012 (30 September 2011: £0.4m; 31 March 2012: £0.3m). The net book value of property, plant and equipment disclosed at 30 September 2012 amounted to £50.9m (30 September 2011: £49.9m; 31 March 2012: £51.5m). The net book value of disposals during the six months ended 30 September 2012 amounted to £0.3m (30 September 2011: £1.6m; 31 March 2012: £1.3m). The Group had £3.8m of capital expenditure contracted for but not incurred at 30 September 2012 (30 September 2011: £5.7m; 31 March 2012: £1.4m).

17. Other intangible assets

Additions to intangibles during the six months ended 30 September 2012 amounted to £2.6m (30 September 2011: £1.2m; 31 March 2012: £5.1m). The Group did not acquire any intangibles through the acquisition of subsidiary undertakings during the six months ended 30 September 2012 (30 September 2011: £0.1m; 31 March 2012 £0.1m). The net book value of intangibles disclosed at 30 September 2012 amounted to £45.5m (30 September 2011: £47.5m; 31 March 2012: £46.3m). The net book value of disposals during the six months ended 30 September 2012 amounted to £nil (30 September 2011: £0.1m; 31 March 2012: £0.1m).

18. Goodwill

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
At beginning of period	**205.0**	192.0	192.0
Acquisition of subsidiaries	**-**	11.7	12.0
Exchange differences	**(0.2)**	1.9	1.0
At end of period	**204.8**	205.6	205.0

During the prior year the Group acquired the oil and gas business of Pöyry plc. The initial accounting for this acquisition at 31 March 2012 had been determined provisionally. The accounting for this acquisition has now been finalised and no adjustments have been made to the provisional values as disclosed at 31 March 2012 (note 15).

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements in respect of the Group's impairment test for goodwill and should be read in conjunction with the Group's annual financial statements at 31 March 2012. There have been no changes to the Group's approach to goodwill impairment testing since that date.

19. Borrowings

	30 Sept 2012 £m	30 Sept 2011 £m	31 March 2012 £m
Current			
Bank loans	**56.1**	106.4	104.0
Hire purchase and finance leases	**1.6**	1.8	1.7
	57.7	108.2	105.7
Non-current			
Private placement debt	**46.3**	-	-
Hire purchase and finance leases	**4.1**	3.9	4.9
	50.4	3.9	4.9

19. Borrowings (continued)

Movements in borrowings are analysed as follows:

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
At beginning of period	**110.6**	53.0	53.0
Bank facility drawn down	**-**	62.3	65.3
Issue of private placement debt	**47.5**	-	-
Additions to finance leases	**0.1**	0.1	2.0
Repayment of borrowings	**(47.5)**	(5.0)	(5.0)
Repayment of finance leases	**(1.0)**	(1.1)	(2.1)
Difference on exchange	**(1.6)**	2.8	(2.6)
At end of period	**108.1**	112.1	110.6

The Group has the following undrawn committed borrowing facilities available expiring as follows:

	30 Sept 2012 £m	30 Sept 2011 £m	31 March 2012 £m
Between two and five years	**84.1**	30.1	35.4

All of the Group's undrawn committed borrowing facilities will be subject to floating rates of interest.

The Group's principal borrowing facilities of £150.0m, signed on 30 July 2010, are unsecured and include borrowings and letter of credit facilities. The total letters of credit in issue at 30 September 2012 was £9.7m (30 September 2011: £13.1m; 31 March 2012: £10.6m).

The Group's borrowing facilities include a number of undertakings and financial covenants. Compliance with these covenants is monitored. As at 30 September 2012, and since, there have been no breaches.

During the period the Group raised $75m through the successful execution of its debut issue in the US private placement market. The proceeds were used to repay drawn funds under the Group's existing banking facilities. The private placement is due for repayment on 1 May 2019 and attracts interest at a rate of 4.38%.

After the balance sheet date, on 4 October 2012, the Group agreed a new committed borrowing facility with the Bank of America, NA of £30m. As at the date of signing this condensed consolidated interim financial information this facility was undrawn.

20. Post-employment benefit liabilities

	30 Sept 2012 £m	30 Sept 2011 £m	31 March 2012 £m
Retirement benefit liabilities	**317.1**	275.1	251.1
Other post-employment benefit liabilities	**14.5**	13.4	14.2
	331.6	288.5	265.3

a) Retirement benefit liabilities

The Group operates both defined benefit and defined contribution pension schemes. The two main defined benefit schemes are the Atkins Pension Plan (the Plan) and the Railways Pension Scheme, both of which are funded final salary schemes. The assets of both schemes are held in separate trustee administered funds. Other pension schemes include the Atkins McCarthy Pension Scheme in the Republic of Ireland, which is a final salary funded defined benefit scheme, and a range of defined contribution schemes or equivalent.

The Plan is closed to the future accrual of benefit; all defined benefit members of the Plan were transferred to a defined contribution section for future service where it was clear they did not benefit from a statutory or contractual right to a final salary pension.

20. Post-employment benefit liabilities (continued)

During the prior financial year, on 1 February 2012, and following a consultation programme with employees who are members of the Plan, Atkins Limited (the Group's principal UK employing company) removed the link between individual employees' accrued pension and future increases in salary via contractual amendment. The reduction in the past service liability was £30.9m and this was recognised as a curtailment gain during the year ended 31 March 2012.

In addition, during the prior year, primarily to reduce further volatility of any deficit, Atkins Limited undertook an enhanced transfer value exercise for deferred members of the Plan. The exercise gave rise to a settlement gain under IAS 19 in respect of those members who transferred out their benefits. The reduction at 31 March 2012 in the past service liability was £1.5m and the reduction of the assets was £1.3m which gave rise to a settlement gain of £0.2m recognised in the year ended 31 March 2012.

A further 248 members elected to transfer their benefits prior to 31 March 2012, although the actual transfers had not occurred by this date. An allowance for this had been made in the disclosures at 31 March 2012 and a settlement gain of £1.6m was recognised in the consolidated income statement at that date, alongside an equal reduction in the defined benefit obligation. Subsequently, during the six months ended 30 September 2012, the transfers completed and the actual transfer of assets and reduction in liabilities has been reflected in the disclosures. No adjustment was required to the value of the settlement gain previously recognised in the consolidated income statement.

Also during the prior year, as a result of the sale of the UK Asset Management business, certain active members left the Building Management Section of the Plan on 30 November 2011. The individuals retained their past service accrued benefits in the Plan, however a curtailment gain arose under IAS 19 as the link to future salary increases for these members was broken at the time of the sale. The reduction in the past service liability for this event was £0.6m and this was recognised as a curtailment gain in the year ended 31 March 2012.

The Atkins McCarthy Pension scheme is closed to future accrual of benefits for members who do not benefit from a statutory or contractual right to a final salary pension. These members transferred to the Personal Retirement Savings Accounts – Ireland (PRSA – Irish Life) scheme.

The defined benefit sections of all pension schemes are closed to new entrants, who are now offered membership of the defined contribution section.

The main assumptions used for the IAS 19 valuation of the retirement benefit liabilities for the Atkins Pension Plan and the Railways Pension Scheme are listed in the table below:

	30 Sept 2012	30 Sept 2011	31 March 2012
Price inflation			
Retail Price Inflation (RPI)	**2.70%**	3.20%	3.30%
Consumer Price Inflation (CPI)	**1.70%**	2.20%	2.30%
Rate of increase of pensions in payment			
Limited Price Indexation (RPI-based)	**2.70%**	3.20%	3.30%
Limited Price Indexation (CPI-based)	**1.70%**	2.20%	2.30%
Limited Price Indexation to 2.5%	**2.50%**	2.50%	2.50%
Fixed	**5.00%**	5.00%	5.00%
Rate of increase in salaries			
Atkins Pension Plan	**4.20%**	4.70%	4.80%
Railways Pension Scheme (Uncapped)	**4.95%**	5.45%	5.55%
Railways Pension Scheme (Capped)	**2.70%**	3.20%	3.30%
Rate of increase for deferred pensioners			
Atkins Pension Plan	**2.70%**	3.20%	3.30%
Railways Pension Scheme	**1.70%**	2.20%	2.30%
Discount rate	**4.60%**	5.50%	5.20%
Expected rate of return on plan assets	**6.30%**	6.60%	6.30%
Expected rate of social security increases	**2.70%**	3.20%	3.30%
Longevity at age 65 for current pensioners			
Men	**23.8 years**	23.5 years	23.8 years
Women	**25.7 years**	25.5 years	25.7 years
Longevity at age 65 for future pensioners (current age 45)			
Men	**26.1 years**	25.9 years	26.1 years
Women	**28.1 years**	27.8 years	28.1 years

20. Post-employment benefit liabilities (continued)

The components of the defined benefit pension cost are as follows:

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Cost of sales			
Current service cost	**1.2**	1.8	3.3
Curtailment gain	**-**	-	(31.5)
Settlement gain (net)	**-**	-	(1.8)
Total charge/(credit)	**1.2**	1.8	(30.0)
Finance cost/(income)			
Finance cost	**33.9**	35.3	70.9
Expected return on plan assets	**(30.2)**	(29.8)	(60.0)
Net finance cost	**3.7**	5.5	10.9
Total charge/(credit) to income statement for defined benefit schemes	**4.9**	7.3	(19.1)
Statement of comprehensive income			
(Loss)/gain on pension scheme assets	**(22.7)**	8.8	83.8
Changes in assumptions	**(50.3)**	45.6	(45.5)
Actuarial (loss)/gain	**(73.0)**	54.4	38.3
Deferred tax credited/(charged) to equity	**15.1**	(15.6)	(13.4)
Actuarial (loss)/gain (net of deferred tax)	**(57.9)**	38.8	24.9

Retirement benefit liabilities comprise the following:

	30 Sept 2012 £m	30 Sept 2011 £m	31 March 2012 £m
Defined benefit obligation	**(1,379.6)**	(1,254.7)	(1,329.8)
Fair value of plan assets	**1,062.5**	979.6	1,078.7
Retirement benefit liabilities	**(317.1)**	(275.1)	(251.1)
Deferred tax on retirement benefit liabilities	**72.9**	68.8	61.0
Post-tax retirement benefit liabilities	**(244.2)**	(206.3)	(190.1)

Under the Atkins Pension Plan there are retirement benefit liabilities of £269.0m (30 September 2011: £234.7m; 31 March 2012: £204.6m).

Under the Railways Pension Scheme there are retirement benefit liabilities of £47.3m (30 September 2011: £40.1m; 31 March 2012: £46.0m).

Under other defined benefit schemes there are retirement benefit liabilities of £0.8m (30 September 2011: £0.3m; 31 March 2012: £0.5m).

Movements in the retirement benefit liabilities are as follows:

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Retirement benefit liabilities at beginning of period	**(251.1)**	(337.8)	(337.8)
Service cost	**(1.2)**	(1.8)	(3.3)
Net finance cost	**(3.7)**	(5.5)	(10.9)
Curtailment gain	**-**	-	31.5
Settlement gain	**-**	-	1.8
Contributions	**12.0**	15.6	29.2
Actuarial (loss)/gain	**(73.0)**	54.4	38.3
Difference on exchange	**(0.1)**	-	0.1
Retirement benefit liabilities at end of period	**(317.1)**	(275.1)	(251.1)

20. Post-employment benefit liabilities (continued)

The approximate effect on the liabilities from changes in the main assumptions used to value the liabilities are as follows:

	Change in assumption	Effect on plan liabilities Atkins Pension Plan	Railways Pension Scheme
Discount rate	increase/decrease 0.5%	decrease/increase 10.0%	decrease/increase 8.0%
Inflation	increase/decrease 0.5%	increase/decrease 7.0%	increase/decrease 8.0%
Real rate of increase in salaries	increase/decrease 0.5%	increase/decrease 2.0%	increase/decrease 2.0%
Longevity	increase 1 year	increase 3.0%	increase 2.0%

The effect of the change in inflation on the liabilities assumes a corresponding change in salary increases and inflation-related pension increases.

b) Other post-employment benefit liabilities

The Group operates unfunded schemes within certain of its non-UK businesses including Gratuity schemes, Key Employee Supplemental Option Plans (KESOP) and post-retirement medical benefit schemes.

Members of the Gratuity schemes are entitled to receive a cash gratuity on leaving the business which is dependent on their length of employment and final salary. Valuation of the gratuity obligation is carried out in line with the principles of IAS 19, *Employee benefits*.

The Group operates a KESOP providing some key officers and employees in its North American business (the business) with post-retirement benefits, known as the Supplemental Income Programme (SIP). The SIP is an unfunded plan that provides participants with retirement income for a specified period of between 5 and 15 years upon retirement, death or disability. The plan fixes a minimum level for retirement benefits to be paid to participants based on the participant's position in the business, their age and service at retirement. Additionally, certain executive agreements have been amended to provide post-retirement medical benefits to those employees and their spouses, at a level substantially similar to those medical and hospitalisation benefits paid and provided to senior executives currently employed by the business. The insurance benefits will be provided without any further or additional services from the employee to the business as they will be paid for and provided for as long as the employee and their spouse shall live.

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Other post-employment obligations at beginning of period	**14.2**	12.5	12.5
Service cost and other comprehensive income	**2.0**	1.6	3.5
Interest cost	**0.3**	0.3	0.6
Benefit payments	**(1.8)**	(1.3)	(2.5)
Difference on exchange	**(0.2)**	0.3	0.1
Other post-employment obligations at end of period	**14.5**	13.4	14.2

The main assumptions used for the IAS 19 valuation of other post-employment benefits are listed in the table below:

	30 Sept 2012	30 Sept 2011	31 March 2012
Gratuity scheme			
Discount rate	**5.00%**	5.00%	5.00%
Salary inflation	**3.00%**	3.00%	3.00%
Average remaining service period	**2 years**	2 years	2 years
KESOP scheme			
Discount rate	**2.05%**	2.85%	2.05%
Medical plan			
Discount rate	**4.60%**	4.60%	4.60%
Healthcare cost trend rate for next year	**8.00%**	8.00%	8.00%
Rate of decline of cost trend rate	**5.00%**	5.00%	5.00%
Year that rate reaches ultimate trend rate	**2018**	2017	2018

21. Ordinary shares

	30 Sept 2012 £m	30 Sept 2011 £m	31 March 2012 £m
Issued, allocated and fully paid ordinary shares of 0.5p each			
At beginning of period	**0.5**	0.5	0.5
At end of period	**0.5**	0.5	0.5

The number of issued, allotted and fully paid up ordinary shares at 30 September 2012 is 104,451,799 (30 September 2011: 104,451,799; 31 March 2012: 104,451,799).

At the AGM held on Wednesday 1 August 2012, shareholder authority for the Company to purchase up to a maximum of 10,011,000 of its own shares (representing approximately 10% of the issued share capital of the Company on 13 June 2012) was renewed. During the six months to 30 September 2012 no shares were purchased (30 September 2011: none; 31 March 2012: none).

At 30 September 2012 a total of 4,341,000 ordinary shares of 0.5p each were held as treasury shares (30 September 2011: 4,341,000; 31 March 2012: 4,341,000). These shares, which represent approximately 4.2% of the called up share capital of the Company (30 September 2011: 4.2%; 31 March 2012: 4.2%) have not been cancelled and represent a deduction from shareholders' equity.

No shares have been purchased between 30 September 2012 and the date of this condensed consolidated interim financial information.

22. Cash generated from operations

	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2011 £m	Year to 31 March 2012 £m
Profit for the period	**41.5**	34.9	106.8
Adjustments for:			
Income tax	**8.9**	9.3	28.7
Finance income (note 11)	**(2.3)**	(1.8)	(4.1)
Finance cost (note 11)	**6.2**	7.5	14.9
Share of post-tax profit from joint ventures (note 10)	**(1.9)**	(0.6)	(1.9)
Other non-cash (income)/costs	**(1.8)**	2.5	(2.9)
Depreciation charges	**6.8**	8.1	17.1
Amortisation of intangible assets	**3.2**	4.7	9.5
Profit on disposal of non-controlling interest/subsidiary undertaking	**(7.6)**	-	(7.2)
Release of deferred income	**(3.0)**	(0.1)	(0.2)
Share-based payment charge	**3.3**	3.0	6.4
(Profit)/loss on disposal of property, plant and equipment	**(0.1)**	-	0.5
Movement in provisions	**(3.3)**	(3.3)	(5.7)
Pensions settlement and curtailment gain	**-**	-	(33.3)
Movement in post-employment benefits	**(11.0)**	(14.0)	(26.0)
Movement in working capital	**(51.5)**	(37.3)	(34.0)
Cash (used in)/generated from operations	**(12.6)**	12.9	68.6

23. Contingent liabilities

The Group has given indemnities in respect of performance and contractual related bonds as well as letters of credit issued on its behalf. The amount outstanding at 30 September 2012 includes £3.1m in respect of Connect Plus M25 letters of credit and £6.6m in respect of letters of credit issued as a result of the acquisition of The PBSJ Corporation (PBSJ).

23. Contingent liabilities (continued)

During the year ended 31 March 2011, the Group acquired PBSJ. Prior to the acquisition, the Audit Committee of the Board of directors of PBSJ undertook an internal investigation to determine whether any laws, including the Foreign Corrupt Practices Act (FCPA), had been violated in connection with certain projects undertaken by PBS&J International, Inc. (one of PBSJ's subsidiary undertakings). The investigation suggested that FCPA violations may have occurred but did not extend beyond the International operation and that none of PBSJ's executive management were involved in criminal conduct. PBSJ voluntarily disclosed this matter to the Department of Justice and to the Securities and Exchange Commission and is cooperating fully with their review. The FCPA provides for penalties, criminal and civil sanctions and other remedies. Neither at the date of acquisition nor at subsequent year or period ends has management been able to estimate the potential penalties that may be imposed and therefore no provision had been made. It is not considered possible to determine an accurate estimate of the fines and penalties imposed as they are not formula driven or in any way the result of a predefined calculation. The Group does not have an estimate of when this will be resolved but it is considered unlikely to be within the current financial year.

Group companies are from time to time involved in claims and litigation. The Group carries significant Professional Indemnity insurance cover for such claims.

24. Related party transactions

Details of the directors' shareholdings, share options and remuneration are disclosed in the 31 March 2012 annual financial statements. It is not considered meaningful to disclose this information at the half year.

Transactions with the retirement benefit schemes are shown in note 20.

Details of the Group's principal joint ventures are disclosed in the 31 March 2012 annual financial statements. The Group entered into a number of transactions with its joint ventures during the period, including sales of goods and services to joint ventures of £17.1m (30 September 2011: £21.4m; 31 March 2012: £40.5m). As at 30 September 2012 the receivables from joint ventures were £6.3m (30 September 2011: £6.2m; 31 March 2012: £5.2m).

As at 30 September 2012 the Group held £19.3m (30 September 2011: £15.7m; 31 March 2012: £18.2m of interest bearing loan notes in Connect Plus (M25) Intermediate Limited, the remaining £0.7m (30 September 2011: £4.3m; 31 March 2012: £1.8m) being covered by a letter of credit. These loan notes mature in 2039. The Group has a 10% shareholding in Connect Plus (M25) Intermediate Limited and an explanation of this related party is disclosed in the 31 March 2012 annual financial statements.

25. Events occurring after the reporting period

Details of the interim dividend proposed are given in note 13.

After the balance sheet date, on 4 October 2012, the Group agreed a new committed borrowing facility with the Bank of America, NA of £30m. As at the date of signing this condensed consolidated interim financial information this facility was undrawn.

26. Seasonality

The Group's activities are not subject to significant seasonal variation.

Independent review report to WS Atkins plc

Introduction

We have been engaged by the Company to review the condensed consolidated interim financial information in the half year financial report for the six months ended 30 September 2012, which comprises the consolidated interim income statement, the consolidated interim statement of comprehensive income, the consolidated interim balance sheet, the consolidated interim statement of cash flows, the consolidated interim statement of changes in equity and related notes. We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Directors' responsibilities

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

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial information included in this half year financial report have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial information in the half year financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume 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.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial information in the half year financial report for the six months ended 30 September 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
15 November 2012