

Half year financial report for the six months ended 30 September 2013

Good results, progress on strategy and full year outlook slightly ahead of expectations.

WS Atkins plc ("Atkins" or "the Group"), the design, engineering and project management consultancy today announces its unaudited results for the six months ended 30 September 2013.

FINANCIAL SUMMARY

Key Performance Indicators		Six months to 30 Sept 2013	Six months to 30 Sept 2012 Restated	Increase / (Decrease)
<i>Income statement – on an underlying basis</i>	a			
Underlying operating profit		£50.7m	£45.9m	10.5%
Underlying operating margin		5.5%	5.6%	(0.1)pp
Underlying profit before taxation		£44.7m	£41.3m	8.2%
Underlying diluted earnings per share		35.9p	32.9p	9.1%
<i>Income statement – as reported</i>				
Revenue		£915.4m	£815.7m	12.2%
Operating profit		£49.7m	£44.8m	10.9%
Operating margin		5.4%	5.5%	(0.1)pp
Profit before taxation		£54.8m	£47.8m	14.6%
Profit after taxation		£46.9m	£39.5m	18.7%
Diluted earnings per share		47.1p	39.8p	18.3%
Dividend	b	10.5p	10.0p	5.0%
Average staff numbers	c	17,715	17,482	1.3%
Closing staff numbers	c	17,407	17,756	(2.0)%
Work in hand		87.7%	88.3%	(0.6)pp
Net funds	d	£136.1m	£83.7m	62.6%

Notes:

- a. Excludes amortisation of acquired intangibles in both 2013 and 2012, and the net profit on disposal of the UK highways services business and the Peter Brown construction management business in North America in H1 2013 and RMPA in 2012
- b. Interim dividend declared for the six months to 30 September
- c. Staff numbers are shown on a full-time equivalent basis, including agency staff and 169 UK highways services staff (2012: 1,114) that left the business on 4 October 2013
- d. Net funds comprise cash and cash equivalents plus financial assets and loan notes receivable less borrowings
- e. Comparatives for the period to 30 September 2012 have been restated for the amendments to IAS19 Employee benefits.

Highlights

- Underlying profit before tax up 8.2% to £44.7m on revenue 12.2% ahead
- Strong UK performance with revenue up 16% and good growth in focus areas of Energy and Asia Pacific
- Strategic progress with the sale of UK highways services and Peter Brown construction management disposal
- Confluence project management business acquired on 4 October 2013
- Improved operating cash performance with net funds at September 2013 of £136.1m
- Financial position remains strong, with new five year revolving credit facility secured

- Interim dividend increased by 5%
- Full year outlook slightly ahead of expectations.

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

"The Group has made further progress on delivering our strategy, achieving good results with revenue up over 12% and underlying operating profit up over 10% on the same period last year.

In October, we were delighted to welcome 200 people from our Confluence acquisition which, augments our project management capabilities in Asia Pacific, the Middle East and India.

We have a strong balance sheet and cash collection in the period was encouraging. This, combined with our new banking facilities, gives us the ability to support growth, both organically and through targeted acquisitions.

Our work in hand position on entering the second half gives us confidence for the full year."

Enquiries

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Notes to editors

1. Atkins

Atkins (www.atkinsglobal.com) is one of the world's leading design, engineering and project management consultancies*, employing some 17,400 people across the UK, North America, Middle East, Asia Pacific and Europe. Over 75 years, from post-war regeneration and the advent of nuclear engineering to high speed rail and the integrated sustainable cities of the future, our people's breadth and depth of expertise and drive to ask why has allowed us to plan, design and enable some of the world's most complex projects.

*14th largest global design firm (Engineering News-Record 2013) and the third largest multidisciplinary consultancy in Europe (Svensk Teknik och Design 2012).

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 live webcast of the presentation will 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 2013

OVERVIEW

Results

The Group has delivered good results and progress on its strategy. In the first half of the year the sale of the UK highways services business to Skanska and the disposal of the Peter Brown construction management at risk business to Moss and Associates demonstrate good progress on the 'portfolio optimisation' pillar of our strategy in particular. Additionally, supporting our organic growth in Asia Pacific, on 4 October we completed the acquisition of Confluence Project Management Pte. Ltd (Confluence), an international project management consultancy employing around 200 people with operations in Asia Pacific, the Middle East and India.

Revenue for the six months to 30 September was £915.4m, which is a 12.2% increase on the same period last year.

Staff numbers were 17,407 at the end of September, 492 fewer than at 31 March 2013. On an ongoing basis, however, excluding those staff who left the Group as a result of business disposals, the Group's headcount increased by around 500 since the end of March.

The acquisition of Confluence complements our Faithful+Gould project and cost management consultancy business and, in particular, augments its presence in the commercial, retail and hospitality sectors. The Confluence teams will integrate with the Faithful+Gould existing operations, making an important further step in the delivery of our strategy to increase our regional focus and to grow our business in Asia Pacific and the Middle East.

The Group's results for the six months ended 30 September 2013 reflect our focus on growth markets.

Profit before tax increased 14.6% to £54.8m (2012: £47.8m) including £11.1m net profit on disposal of our UK highways services and Peter Brown businesses and £1.0m amortisation of intangible assets relating to the acquisition of the PBSJ Corporation in North America. Excluding these items, on an underlying basis and restating the prior year for IAS19 accounting changes, the Group's profit before tax increased 8.2% to £44.7m (2012: £41.3m). Underlying diluted earnings per share were up 9.1% to 35.9p (2012 restated: 32.9p).

Our UK performance has been strong in the first half with further underlying headcount growth and good work in hand providing momentum into the second half. Market conditions in our North American business have remained steady in the period and with a new leadership team now in place we are driving the operational excellence programme in the region. The Middle East results have been impacted by project delays and internal restructuring costs in Kuwait and Bahrain. We have seen a strong performance in Asia Pacific and we continue to invest for growth in this region. 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 2013 of £136.1m (2012: £83.7m). The slight reduction in net funds since the year end reflects primarily the Group's seasonal working capital requirement in the first half of the year.

Strategic progress

There has been no change in our stated strategy, which comprises operational excellence, portfolio optimisation and sector and regional focus and we are pleased to report that we are making progress on all three fronts.

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. This programme is now being rolled out to our businesses in North America and the Middle East. We also need to capitalise on organic growth opportunities and we have delivered good turnover growth in the UK, Asia Pacific 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 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. We have made excellent progress in this area in the last six months with the sale of our UK highways services operations and the disposal of the Peter Brown construction management at risk business, which follow on from the sale of our UK asset management business and the disposal of our non-controlling interest in the RMPA (Colchester Garrison) private finance initiative in prior years.

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 focus area where from our predominantly UK base we now have an office in Seattle to target growth in North America. Defence and security issues are also becoming more prevalent, and we are well positioned to target this market. 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. The recent Confluence acquisition complements our existing project management business in this region.

Outlook for the year

The Group has delivered a good first half performance. Our operational excellence programme is delivering efficiencies and a strong cash performance and, with underlying Group headcount growing, we have positive momentum going into the second half. The outlook for the full year is slightly ahead of expectations.

Dividend

The Board has declared an interim dividend of 10.5p per share, representing an increase of 5% on last year. The interim dividend will be paid on 10 January 2014 to all shareholders on the register on 6 December 2013.

BUSINESS REVIEW

United Kingdom and Europe

Key performance indicators	Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
Revenue	£525.4m	£457.3m	14.9%
Operating profit	£27.7m	£28.2m	(1.8)%
Operating margin	5.3%	6.2%	(0.9)pp
Work in hand	87%	89%	(2)pp
Staff numbers at 30 September	9,606	9,980	(3.7)%
Average staff numbers	9,924	9,791	1.4%

Our UK and Europe business has delivered well in the first half. Revenue in the region has increased by almost 15%, driven primarily by the UK where we have seen good momentum in our core markets, which continue to be well funded. Margins at 5.3% (2012: 6.2%) are lower than the comparative period last year both in the UK, which is as a consequence of significant bid costs in the first six months combined with prudent profit recognition policy on major contracts, and in parts of Europe where market conditions continue to be challenging and we are comparing to a particularly strong performance in the prior year, enhanced by provision releases.

We have made good progress with our stated strategic objective of rationalising our portfolio of businesses, having now completed the sale of our UK highways services business to Skanska. The vast majority of these contracts transferred in August and September 2013 with the final contract moving across in early October 2013, following the completion of the client approval process.

Staff numbers at the end of September were 9,606, a reduction of 374 on the same time last year. On an underlying basis, excluding the 945 staff who transferred as part of the UK highways services sale in the period, headcount was up 6.3% in the six month period.

United Kingdom

Key performance indicators		Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
Revenue	£488.4m	£420.5m	16.1%	
Operating profit	£26.2m	£24.8m	5.6%	
Operating margin	5.4%	5.9%	(0.5)pp	
Work in hand	88%	90%	(2)pp	
Staff numbers at 30 September	8,878	9,169	(3.2)%	
Average staff numbers	9,184	9,002	2.0%	

The UK business has seen strong revenue performance across all sectors supported by underlying head count growth of 8%, after adjusting for the sale of highways services. The margin reduction is a function of bidding costs on significant contracts, and a prudent approach to margin recognition on major contracts.

Within the UK, our highways and transportation design consultancy business, employing around 1,200 people is retained as a core part of our UK operation, together with our activities within the M25 Connect Plus consortium providing operational maintenance and design for the upgrade of significant additional sections of the M25, London's orbital motorway.

The business has a strong pipeline and there are a number of future opportunities following the UK Government's 2013 Comprehensive Spending Review which indicated a significant increase in infrastructure spend over the next seven years, including road improvements.

Our rail business remains particularly busy, with high levels of utilisation, reflecting the strong pipeline of projects across all of our related sectors. Over the first half of this year, headcount has grown by 18% as we have begun the delivery of a number of major projects, in the areas of signalling, station design and electrification. We see a strong stream of projects being won and opportunities which will bridge the transition between Network Rail control periods due in April 2014. We continue to support design innovation in the rail industry, having recently launched the Centre of Excellence for High Speed Rail in partnership with Heriot-Watt University.

Our water and environment business is enjoying the peak of delivery for the water industry in the Asset Management Plan 5 (AMP5) investment cycle, together with its work on key projects such as Crossrail and High Speed 2 (HS2). The water industry has been developing its delivery models well in advance of the start of AMP6 in April 2015 and we have been successful in securing key places on the AMP6 frameworks with Thames Water and Severn Trent Water. We are working on similar collaborative opportunities with other water companies and this early contractor involvement should provide greater continuity of workload between the AMP cycles.

Our design and engineering business serves customers across five key segments – education, airports, defence, transportation and mixed use development, with all sectors having strong pipelines of secured workload and opportunities. In the education sector the Priority Schools and Academies programmes are gaining momentum, and we are well placed to participate in these significant opportunities. Our airports business continues to win and deliver significant programmes of work at both Gatwick and Heathrow.

Our defence, aerospace and communications business continues to provide good diversity to our infrastructure exposure, with access to a number of exciting growth opportunities.

We continue to see strong growth in the aerospace sector, particularly through this business' presence in North America, and maintain a solid forward pipeline.

Our management consulting business provides government and industry with practical capability to run the full lifecycle of IT enabled change programmes. We continue to deliver security work for central government, as well as supporting BAA's IT outsourcing contract in partnership with Capgemini, leveraging our position in aviation.

We have established a significant capability in holistic security, and this team has secured a range of new projects including a significant assignment in cyber security for a high profile multinational client in the energy sector.

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.

Europe

Key performance indicators		Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
Revenue		£37.0m	£36.8m	0.5%
Operating profit		£1.5m	£3.4m	(55.9)%
Operating margin		4.1%	9.2%	(5.1)pp
Work in hand		78%	80%	(2)pp
Staff numbers at 30 September		728	811	(10.2)%
Average staff numbers		740	790	(6.3)%

Our European business is primarily focused on the rail and highways infrastructure markets in Scandinavia, with smaller operations in Poland, Ireland and Portugal. Our performance continues in line with expectations across these businesses with revenue broadly flat over the prior year and margins down against strong comparatives buoyed by provision releases. This margin reduction is also reflective of an increasingly competitive market in Scandinavia.

Notwithstanding this, the Scandinavian markets remain well funded, with a strong pipeline of infrastructure projects in our core markets.

In Poland, we remain focused on environmental services for the transport and energy markets, where our largest project continues to be our role as the owner's engineer for the Polish liquefied natural gas project.

Outlook

We are seeing good opportunities in UK infrastructure markets as the UK Government seeks to stimulate the economy with its commitment to infrastructure spend.

The outlook for our UK and Europe business as a whole remains strong, with secured work in hand of 87% (2012: 89%) of this year's forecast revenue. We continue our focus on higher margin work within our target market segments and, reflecting the high level of current opportunities, we expect further underlying headcount growth through the second half of the year.

North America

Key performance indicators		Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
Revenue		£205.4m	£195.7m	5.0%
Operating profit		£8.4m	£6.6m	27.3%
Operating margin		4.1%	3.4%	0.7pp
Work in hand		91%	89%	2pp
Staff numbers at 30 September		2,994	3,064	(2.3)%
Average staff numbers		3,016	3,127	(3.5)%

Our North American business has seen a 27% increase in operating profit over the same period last year, increasing profit to £8.4m (2012: £6.6m) at an improved margin of 4.1%, up from 3.4% in the prior year. We have made good progress with the portfolio optimisation part of our strategy, with the divestment of the Peter Brown construction management at risk business on 30 August 2013. Excluding the results of the Peter Brown business, which reported a trading loss in the first half of the year of £3.3m, gives a combined consultancy and Faithful+Gould operating profit of £11.7m, at a margin of 5.9%.

The disposal of the Peter Brown construction management at risk business to Moss & Associates, resulted in a loss on sale of £3.1m, which is adjusted for in arriving at underlying profit and not reported in the table above.

Headcount has fallen by 45 staff since the year end, primarily as a consequence of the disposal of the Peter Brown business.

We have strengthened our senior leadership team during the period and continue our focus on driving operational efficiency.

Our transportation business has continued its positive performance and has extended its work in hand with the appointment to three new contracts to oversee transport solutions for highways authorities in Florida, Georgia and Texas. Additionally, we were awarded work by the Colorado Department of Transportation to assist with design and consulting services in the wake of significant infrastructure damage due to severe regional flooding in September.

Our public and private portfolio has benefited recently from awards in the energy, ports, and entertainment areas of our business, including the appointment to a five year Texas Multiple Award Schedule contract, which gives us access to more than 2,000 potential government related clients throughout Texas and builds on more than 40 years of delivering quality services throughout the state.

In aviation we continue to work on several notable general engineering projects including work for the Phoenix Department of Aviation.

Despite generally slow Federal Government business and a Government shutdown in October, we were still awarded a few significant contracts, including the Federal Emergency Management Agency (FEMA) Nationwide Housing Inspection Services contract (to be executed by Vanguard Emergency Management, a joint venture between Atkins, The Louis Berger Group, and Tidal Basin Government Consulting).

Under the direction of United States Army Corps of Engineers Fort Worth District, we are supporting sustainable infrastructure assessments at ten installations across the Southeast and in the Midwest. Services include facility condition assessments, space inventory and utilisation surveys, real property inventories, energy and water audits, and high performing sustainable building surveys.

There has been little progress in concluding 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. We are still not in a position to assess when this will be finally concluded or if there will be any penalties as a consequence.

Outlook

There are positive signs for the economy and while the effect of the US Government slowdown, and ultimately shutdown, was not significant in the period, we have seen a number of projects delayed and are monitoring the situation closely. Work in hand at 30 September stands at 91% of this year's forecast revenue (2012: 89%).

Our operational excellence programme to improve structural and overhead efficiency continues, with the objective of improving margins over the medium term.

Middle East

Key performance indicators	Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
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Revenue	£82.6m	£79.8m	3.5%
Operating profit	£4.2m	£5.1m	(17.6)%
Operating margin	5.1%	6.4%	(1.3)pp
Work in hand	90%	89%	1pp
Staff numbers at 30 September	1,971	2,047	(3.7)%
Average staff numbers	1,979	2,004	(1.2)%

The first half results of our Middle East business have been affected by further project delays and restructuring activities within our operations in Bahrain and Kuwait, which suppressed both revenue and margins. Cash flow was good in the first half as we made progress on the resolution of some major contract variation issues.

Headcount at 1,971 is slightly down year on year, reflecting the impact of delays in contract awards and staff reductions in Bahrain and Kuwait. The acquisition of Confluence on 4 October 2013 will add around 70 staff in the Middle East and further strengthen our service offering.

Recent wins, in line with our strategy to maximise the competitive advantage gained from our strong track record in the region's rail sector, include work as the lead multidisciplinary designer for Doha Metro's Red Line South as part of the QDVC consortium (Qatari Diar/VINCI Construction Grands Projets), and lead designer on Riyadh Metro, where we are in joint venture with the Spanish consultancy Tyspa. Our client is the FAST consortium (comprising FCC, Samsung, Alstom, Strukton, and Freyssinet), which is responsible for Lines 4, 5 and 6, representing just over a third of the total track.

Work on the design of the King Abdulaziz International Airport in Jeddah, where we are the lead designer and programme manager, is nearing completion.

Our operation in Dubai is seeing encouraging growth from the re-emergence of the UAE property sector, with recent project wins in Dubai (Al Habtoor City and Dubai Opera House), Abu Dhabi (Future Schools programme for Musanada) and Ras al-Khaimah (Al Hamra Hilton).

Our operation in Qatar remains very busy as it supports the country's National Vision for 2030, with ongoing delivery of our strategic projects with the Ministry of Municipality and Urban Planning (Central Planning Office contract) and Ashghal Public Works Authority (Local Roads and Drainage contract), as well as mobilisation on the recent Doha Metro Red Line South win referred to above.

Outlook

We continue to see good opportunities in our strategic focus areas of property, infrastructure and rail across Qatar, the United Arab Emirates and the Kingdom of Saudi Arabia in the year ahead. Our order book at 30 September 2013 represented 90% of forecast revenue for the year (2012: 89%), and the overall outlook for our Middle East business remains in line with our expectations.

Asia Pacific

Key performance indicators	Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
Revenue	£49.2m	£41.2m	19.4%
Operating profit	£3.4m	£2.9m	17.2%
Operating margin	6.9%	7.0%	(0.1)pp
Work in hand	93%	91%	2 pp
Staff numbers at 30 September	1,341	1,269	5.7%
Average staff numbers	1,317	1,241	6.1%

We have had a strong first half in our Asia Pacific region with turnover growth of just under 20% to £49.2m (2012: £41.2m) at an operating margin of 6.9% (2012: 7.0%). Headcount was up 5.7% to 1,341 at the end of September (2012: 1,269).

In line with our strategy, we were pleased to announce on 4 October 2013 the acquisition of Confluence, a project management business, for a debt-free, cash consideration of £8.5m. In the year to 30 June 2013 Confluence, which employs around 200 people worldwide, reported revenue of

£14.5m. The acquisition complements our Faithful+Gould project and cost management consultancy business in the region.

In Hong Kong we continue to diversify our project portfolio from our core competency of rail design work. We have secured several commissions at Hong Kong airport, including the initial design for the third runway to be built entirely on reclaimed land. We are also partnering with contractors to contribute design and checking services for major infrastructure developments, which include ongoing metro projects, together with major new highway and tunnelling projects across the Special Administrative Region.

We have recently been awarded two packages for a major new highway, the Tuen Mun – Chek Lap Kok Link. We have secured the Independent Checking Engineer roles with Gammon on the Southern Connection Viaduct Section and with the Dragages, Bouygues joint venture on the Northern Subsea Tunnel Section. The project is particularly significant given that the 4km long twin tunnels will be the deepest road tunnel undertaken in Hong Kong to date.

Markets in mainland China have been more stable in the first half and we are well placed to benefit from the increasing emphasis on the quality of urban development and its sustainability. One particularly significant win was our recent award for the development of Eco Low Carbon Guidelines for urban development, funded by the UK Government and supported by the Ministry of Housing and Urban and Rural Development in China. This project is expected to influence subsequent regulations in the area of sustainable urban development in China and it enhances our growing track record in Future Proofing Cities. It also complements our existing project at Meixi Lake, which has been designated as an Eco low carbon pilot area by the Chinese central Government.

Elsewhere we are expanding our footprint in South East Asia and our market entry into Vietnam and Malaysia, together with service diversification in Singapore, has resulted in the first few commissions in each territory. The infrastructure and property markets in these countries are all positioned to grow in the medium term.

Outlook

We have secured work in hand of 93% of our forecast revenue (2012: 91%) which gives us confidence as we move into the second half. Over the next few years we believe there are significant opportunities to grow through strategic alliances and partnerships in both our existing Hong Kong and mainland China markets together with our market entry into Malaysia and Vietnam.

Energy

Key performance indicators		Six months to 30 Sept 2013	Six months to 30 Sept 2012	Increase / (Decrease)
Revenue		£83.4m	£72.5m	15.0%
Operating profit		£6.4m	£5.6m	14.3%
Operating margin		7.7%	7.7%	nm
Work in hand		78%	81%	(3)pp
Staff numbers at 30 September		1,420	1,324	7.3%
Average staff numbers		1,401	1,249	12.2%

Our Energy business continues to perform well across all sectors, with revenue ahead 15% year on year and good organic headcount growth of 7.3% in what is a challenging recruitment environment. The reported margin of 7.7% reflects ongoing investment in large bidding opportunities and joint ventures.

Our nuclear business remains busy on existing nuclear generation work through our role as an EDF Energy UK Strategic Supply Chain Partner and the recent agreement between the UK Government and EDF for the building of Hinkley Point C means we are optimistic about the progress of the UK's new build programme. We are positioned to maximise opportunities in the UK's nuclear decommissioning market through bidding the significant Magnox Parent Body Organisation and Sellafield Silos Direct Encapsulation Plant contracts.

There has been a major step forward in the internationalisation of our nuclear business through n.triple.a (the Group's joint venture with French engineering consultancy Assystem) with the extension

of our relationship with ENEC in the Middle East where we have progressed from our early involvement as a specialist technical lenders' adviser on the £20bn Barakah Nuclear Programme to providing a broader range of services including engineering and procedural reviews and project and programme management.

Our oil and gas business is reaping the rewards of our focus on securing long term framework agreements for both consultancy and design services thereby further cementing the strong relationships we enjoy with our clients. Our increasing reputation and the associated opportunity in design work is evidenced by our recent appointment to provide a wide range of services to Maersk in the North Sea. This agreement builds on a strong record of process engineering support to Maersk over many years.

We continue to support Shell under a global Enterprise Framework Agreement and have been providing safety consulting services across BP's worldwide drilling rig fleet for approximately three years. These frameworks position the business well for the increasing trend to global relationships with the major oil and gas operators building on our existing major long term agreements with Chevron, Talisman, Apache, Nexen, Statoil and Maersk.

The Middle East market also continues to provide a strong pipeline of work for our oil and gas business, including the recent design contract award to support Cosmo Engineering on a project for Abu Dhabi Oil Company (ADOC).

In the UK our power business continues to maintain a significant portfolio in providing high end technical support to large scale power generation and transmission projects with clients such as National Grid, Drax, Eggborough and Energos.

We remain very active in the offshore renewables sector, supporting a number of framework contracts in the UK with a range of developers. We recently extended our contract with DONG Energy Wind Power to further support extension of the Walney offshore wind farm as well as a new appointment for their Offshore Substation Platform for the Burbo Bank Extension project. Our new contract with RWE for the Galloper offshore wind farm carrying out structural design for the sub-structures further increases our market share of design consultancy work in the offshore renewables sector.

Outlook

The outlook for our Energy business remains very good, with a strong bid pipeline. We continue to seek ways to grow the business organically, while also exploring various acquisition opportunities. Work in hand of 78% of forecast revenue (2012: 81%), gives us confidence in future growth.

FINANCE REVIEW

The revenue and operating profit for the six months to 30 September 2013 is discussed in the preceding Business Review.

Income tax

The Group's income tax expense for the six months ended 30 September 2013 was £7.9m (2012 restated: £8.3m) giving an effective tax rate of 14.4% (2012 restated: 17.4%). The Group's underlying tax rate (excluding amortisation of acquired intangibles and net profit on disposal of businesses and non-controlling interests) was 20.1% (2012 restated: 21.3%). The underlying effective tax rate is lower than the standard corporation tax rate in the UK of 23% (2012: 24%), 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.

The restatement of the effective tax rate and the effective underlying tax rate for the six months ended 30 September 2012 and the year ended 31 March 2013 is due to the adoption, and retrospective application, by the Group of IAS 19 (revised 2011), *Employee benefits*. Further details regarding the impact of the adoption of this revised standard are provided below.

The reduction in the UK corporation tax rate to 23% from 1 April 2013, 21% from 1 April 2014 and 20% from 1 April 2015 had been enacted at 30 September 2013 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 2013 amounted to £6.9m (2012 restated: £7.5m), of which net finance costs represented £5.9m (2012 restated: £6.3m).

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 at that date, and the Company agreed with the Trustee of the Plan a deficit funding plan that required annual cash contributions of £32m for 2010/11, £26m for each of 2011/12 and 2012/13, followed by seven years of £32m. Following completion of the enhanced transfer value (ETV) exercise undertaken in 2012, the deficit funding requirement of £26m for 2013 was reduced to £21m. The 31 March 2013 triennial valuation negotiation is due to be completed ahead of finalising the full year results in June 2014.

The Plan is closed to the future accrual of benefit and 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.

IAS 19

The net post-tax retirement benefit liabilities of the Group's pension schemes are estimated at £263.1m (30 September 2012 restated: £242.0m; 31 March 2013 restated: £217.0m). The Group's net pension liabilities have increased significantly since the year end primarily as a result of lower than expected asset returns. A discount rate of 4.6% has been applied to the net liabilities at 30 September 2013, which is unchanged from the rate used at the year end.

IAS 19 (revised 2011), *Employee benefits* and the consequential amendments have had an impact on the accounting for the Group's defined benefit schemes by replacing the interest cost and expected return on plan assets with a net interest charge on the net defined benefit liability. Additionally, the standard requires that unvested past service cost and administration costs be recognised immediately in profit or loss. This latter issue has led to a small change in the Group's net defined benefit liability.

The effect of the above changes in the standard has resulted in the defined benefit obligation as at 1 April 2012 being restated to £262.5m (previously £265.3m); 30 September 2012 to £328.7m (previously £331.6m) and 31 March 2013 to £295.6m (previously £298.8m). The full impact of this new standard is disclosed in note 24 to the condensed consolidated interim financial information.

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

Earnings per share (EPS)

Diluted EPS increased 18.3% to 47.1p (2012 restated: 39.8p) which is in line with the Group's profit after tax increase of 18.7%. Underlying diluted EPS rose 9.1% to 35.9p (2012 restated: 32.9p).

Basic EPS from continuing operations for the period was 48.4p (2012 restated: 40.7p).

Net funds

Net funds are analysed as follows:

£m	30 Sept 2013	30 Sept 2012	31 March 2013
Cash and cash equivalents	189.4	138.5	201.5
Loan notes receivable	20.4	19.3	20.0
Financial assets at fair value through profit or loss	32.6	33.9	35.9
Available-for-sale financial assets	-	0.1	-
Borrowings due within one year	(56.8)	(56.1)	(59.8)
Borrowings due after one year	(46.7)	(46.3)	(49.3)
Finance leases	(2.8)	(5.7)	(5.3)
Net funds	136.1	83.7	143.0

In addition to net funds the Group has £119.8m of undrawn committed borrowing facilities available (see note 18).

In May 2012 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.

On 10 October 2013 the Group entered into a new five year revolving credit facility (RCF). This facility matures in October 2018. The new arrangement provides the Group with an enlarged committed credit facility of £200m, and replaced the Group's previous £150m RCF and £30m bilateral facility. This larger facility provides the Group with increased and longer term financial capacity to support its strategy.

The new facility includes four of the Group's existing lenders, Banc of America Securities Limited, Barclays Bank plc, HSBC Bank plc and National Westminster Bank plc, together with three new banks, The National Bank of Abu Dhabi, Abbey National Treasury Services plc and United Overseas Bank Limited.

Cash flow

Cash generated from operations was £9.6m (2012 restated: £12.6m cash used in operations) and can be summarised as follows:

£m	30 Sept 2013	30 Sept 2012 (Restated)	31 March 2013 (Restated)
Operating Profit	49.7	44.8	104.0
Depreciation/amortisation	11.4	10.0	28.6
Working capital	(33.5)	(54.9)	(27.0)
Pension	(16.0)	(11.0)	(21.0)
Provisions/other	(2.0)	(1.5)	(1.7)
Cash flows from operating activities	9.6	(12.6)	82.9

Risks

The Group Risk Committee, chaired by the chief executive officer, meets periodically and considers new strategic, financial and operational 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 significantly in the period from those disclosed on pages 40 to 43 of the annual financial statements for the year ended 31 March 2013. The key risks are summarised below:

- 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 restrictions preventing trade
- Crisis events
- Health, safety and environmental shortcomings
- Physical and data security mishandling
- Projects
 - Poor project management
 - Client dissatisfaction and reputational damage
- Staff recruitment and retention
- Technical delivery

Notwithstanding that no new risks have been identified in the period, we continue to manage a number of potential risks and uncertainties which could have a material impact on our long term performance. Many of these risks are common to other companies and we assess them to establish the principal risks for the Group.

Effective risk management continues to be embedded in our governance framework, which is summarised in the Corporate Governance Report on pages 64 to 75 of the annual financial statements for the year ended 31 March 2013.

Going concern

The directors are required to consider the appropriateness of the going concern assertion in the preparation of the Group's interim financial information for the six months ended 30 September 2013.

The Group meets its day-to-day working capital requirements through cash generated from operations and the use of its banking facilities. The Group has delivered good results and progressed its strategic objectives. It has net funds at 30 September 2013 of £136.1m. In addition, the Group had access to committed undrawn borrowing facilities of £119.8m at 30 September. On 10 October 2013 the Group entered into a new five year revolving credit facility. This facility matures in October 2018. The new arrangement provides the Group with an enlarged committed credit facility of £200m. This larger facility provides the Group with increased and longer term financial capacity to support its strategy and the Group's forecasts and projections, under various scenarios, show that the Group should be able to operate within the level of these facilities.

The Group has a good level of work in hand at 30 September 2013 representing 88% of forecast revenue for 2013/14 (2012/13: 88%), both figures restated for the removal of the UK highways services business.

After making enquiries and having considered the Group's results, the strength of its balance sheet and near term outlook, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. It is therefore deemed appropriate to continue to apply the going concern principle in the preparation of its condensed consolidated interim financial information for the six months ended 30 September 2013.

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 4.2.7R and DTR 4.2.8R, 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 2013. A list of current directors can be found at www.atkinsglobal.com.

By order of the Board
Richard Webster
Company Secretary

14 November 2013

Consolidated income statement for the six months ended 30 September 2013

Note	Unaudited Six months to 30 Sept 2013	Unaudited Restated		Audited Restated Year to 31 March 2013
		£m	£m	
Gross revenue (Group and share of joint ventures)	946.5	849.8	1,775.5	
Revenue	6	915.4	815.7	1,705.2

Cost of sales		(578.5)	(521.0)	(1,088.6)
Gross profit		336.9	294.7	616.6
Administrative expenses		(287.2)	(249.9)	(512.6)
Operating profit	6	49.7	44.8	104.0
Comprising:				
- Underlying operating profit		50.7	45.9	109.7
- Exceptional items	9	-	-	4.3
- Amortisation and impairment of acquired intangibles		(1.0)	(1.1)	(10.0)
		49.7	44.8	104.0
Net profit on disposal of businesses/non-controlling interests	8	11.1	7.6	4.5
Share of post-tax profit from joint ventures	6,10	0.9	1.9	3.8
Profit before interest and tax		61.7	54.3	112.3
Finance income	11	2.3	2.3	3.4
Finance costs	11	(9.2)	(8.8)	(17.7)
Net finance costs	11	(6.9)	(6.5)	(14.3)
Profit before tax		54.8	47.8	98.0
Comprising:				
- Underlying profit before tax		44.7	41.3	99.2
- Exceptional items	9	-	-	4.3
- Amortisation and impairment of acquired intangibles		(1.0)	(1.1)	(10.0)
- Net profit on disposal of businesses/non-controlling interests	8	11.1	7.6	4.5
		54.8	47.8	98.0
Income tax expense	12	(7.9)	(8.3)	(13.7)
Profit for the period		46.9	39.5	84.3
Profit/(loss) attributable to:				
Owners of the parent		47.1	39.7	84.6
Non-controlling interests		(0.2)	(0.2)	(0.3)
		46.9	39.5	84.3
Earnings per share				
Basic earnings per share	14	48.4p	40.7p	86.8p
Diluted earnings per share	14	47.1p	39.8p	84.7p

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 2013

	Note	Unaudited Six months to 30 Sept 2013 £m	Unaudited Restated Six months to 30 Sept 2012 £m	Audited Restated Year to 31 March 2013 £m
Profit for the period		46.9	39.5	84.3
Other comprehensive (expense)/income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of net post-employment benefit liabilities	19	(57.9)	(70.3)	(47.1)
Income tax on items that will not be reclassified	19	5.3	14.5	8.7

Total items that will not be reclassified to profit or loss	19	(52.6)	(55.8)	(38.4)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Change in value of available-for-sale financial assets		-	(1.6)	(1.6)
Cash flow hedges		(6.6)	(0.2)	1.0
Net differences on exchange		(14.3)	(1.1)	9.4
Income tax on items that may be reclassified		1.5	-	-
Total items that may be reclassified subsequently to profit or loss		(19.4)	(2.9)	8.8
Other comprehensive expense for the period, net of tax		(72.0)	(58.7)	(29.6)
Total comprehensive (expense)/income for the period		(25.1)	(19.2)	54.7
Attributable to:				
Owners of the parent		(24.9)	(19.0)	55.0
Non-controlling interests		(0.2)	(0.2)	(0.3)
Total comprehensive (expense)/income for the period		(25.1)	(19.2)	54.7

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

Consolidated balance sheet as at 30 September 2013

	Note	Unaudited 30 Sept 2013 £m	Unaudited Restated 30 Sept 2012 £m	Audited Restated 31 March 2013 £m
Assets				
Non-current assets				
Goodwill	17	202.9	204.8	211.4
Other intangible assets	16	36.1	45.5	39.6
Property, plant and equipment	15	46.4	50.9	50.7
Investments in joint ventures		3.5	5.1	7.1
Deferred income tax assets		86.5	94.0	91.5
Derivative financial instruments	5	-	0.7	0.3
Other receivables		20.0	19.3	20.0
		395.4	420.3	420.6
Current assets				
Inventories		-	1.4	0.2
Trade and other receivables		452.2	463.4	449.2
Financial assets at fair value through profit or loss	5	32.6	33.9	35.9
Available-for-sale financial assets	5	-	0.1	-
Cash and cash equivalents		189.4	138.5	201.5
Derivative financial instruments	5	0.5	0.5	0.5
		674.7	637.8	687.3
Assets of disposal group classified as held for sale	7	2.4	-	5.8
		677.1	637.8	693.1
Liabilities				
Current liabilities				
Borrowings	18	(56.8)	(57.7)	(59.8)
Trade and other payables		(456.3)	(470.8)	(486.7)
Derivative financial instruments	5	(3.0)	(1.6)	(1.4)
Current income tax liabilities		(35.0)	(38.4)	(40.5)
Provisions for other liabilities and charges		(1.3)	(2.0)	(1.5)
		(552.4)	(570.5)	(589.9)
Liabilities of disposal group	7	(2.7)	-	(5.2)

classified as held for sale		(555.1)	(570.5)	(595.1)
Net current assets		122.0	67.3	98.0
Non-current liabilities				
Borrowings	18	(46.8)	(50.4)	(49.4)
Provisions for other liabilities and charges		(3.2)	(5.2)	(4.4)
Post-employment benefit liabilities	19	(343.6)	(328.7)	(295.6)
Derivative financial instruments	5	(5.3)	(2.3)	(1.3)
Deferred income tax liabilities		(16.2)	(17.5)	(20.1)
Other non-current liabilities		(1.5)	(1.6)	(1.5)
		(416.6)	(405.7)	(372.3)
Net assets		100.8	81.9	146.3
Capital and reserves				
Ordinary shares	20	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		29.4	10.2	74.7
Equity attributable to owners of the parent		101.2	82.0	146.5
Non-controlling interests		(0.4)	(0.1)	(0.2)
Total equity		100.8	81.9	146.3

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 2013

	Note	Unaudited Six months to 30 Sept 2013	Unaudited Six months to 30 Sept 2012	Audited Year to 31 March 2013
Cash flows from operating activities				
Cash generated from/(used in) operations	21	9.6	(12.6)	82.9
Interest received		1.1	1.1	2.6
Interest paid		(2.5)	(1.3)	(3.2)
Income tax paid		(4.3)	(1.4)	(7.1)
Net cash generated from/(used in) operating activities		3.9	(14.2)	75.2
Cash flows from investing activities				
Loans to joint ventures and other related parties		(0.4)	(1.1)	(1.8)
Distributions received from joint ventures		4.4	-	-
Purchases of property, plant and equipment	15	(5.5)	(6.8)	(18.3)
Proceeds from disposal of property, plant and equipment		-	0.2	0.5
Proceeds from disposal of businesses/non-controlling interests	8	16.0	14.4	15.1
Payments associated with disposal of businesses	8	(2.6)	-	(2.1)
Purchases of financial assets		(0.1)	-	(0.2)
Proceeds from disposal of financial assets		3.3	7.9	7.5
Purchases of intangible assets	16	(1.4)	(2.4)	(6.1)
Net cash generated from/(used in) investing activities		13.7	12.2	(5.4)
Cash flows from financing activities				
Proceeds of new debt	18	-	47.5	47.5
Repayment of bank loans	18	-	(47.5)	(47.5)
Finance lease principal payments		(0.6)	(1.0)	(1.8)
Redemption of loan notes receivable		0.4	-	-
Purchase of own shares by employee benefit		(3.5)	(3.4)	(7.0)

trusts						
Equity dividends paid to shareholders	13	(21.4)	(20.3)	(30.0)		
Net cash used in financing activities		(25.1)	(24.7)	(38.8)		
Net (decrease)/increase in cash and cash equivalents		(7.5)	(26.7)	31.0		
Cash and cash equivalents at beginning of period		201.5	167.0	167.0		
Exchange movements		(4.6)	(1.8)	3.5		
Cash and cash equivalents at end of period		189.4	138.5	201.5		

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

Consolidated statement of changes in equity as at 30 September 2013

Unaudited	Note	Attributable to owners of the parent					Total equity £m
		Ordinary shares £m	Share premium account £m	Merger reserve £m	Retained earnings £m	Non-controlling interests £m	
Balance at 1 April 2013 (restated)		0.5	62.4	8.9	74.7	(0.2)	146.3
Profit/(loss) for the period		-	-	-	47.1	(0.2)	46.9
Comprehensive expense for the period		-	-	-	(72.0)	-	(72.0)
Total comprehensive expense for the period		-	-	-	(24.9)	(0.2)	(25.1)
Dividends to owners of the parent	13	-	-	-	(21.4)	-	(21.4)
Share-based payments		-	-	-	3.4	-	3.4
Tax credit relating to share-based payments		-	-	-	1.1	-	1.1
Employee benefit trusts		-	-	-	(3.5)	-	(3.5)
Total contributions by and distributions to owners of the parent, recognised directly in equity		-	-	-	(20.4)	-	(20.4)
Balance at 30 September 2013		0.5	62.4	8.9	29.4	(0.4)	100.8

Unaudited	Note	Attributable to owners of the parent					Total equity £m
		Ordinary shares £m	Share premium account £m	Merger reserve £m	Retained earnings £m	Non-controlling interests £m	
Balance at 1 April 2012 (restated)		0.5	62.4	8.9	49.6	0.1	121.5
Profit/(loss) for the period		-	-	-	39.7	(0.2)	39.5
Comprehensive expense for the period		-	-	-	(58.7)	-	(58.7)
Total comprehensive expense for the period		-	-	-	(19.0)	(0.2)	(19.2)
Dividends to owners of the parent	13	-	-	-	(20.3)	-	(20.3)
Share-based payments		-	-	-	3.3	-	3.3

Employee benefit trusts	-	-	-	(3.4)	-	(3.4)
Total contributions by and distributions to owners of the parent, recognised directly in equity	-	-	-	(20.4)	-	(20.4)
Balance at 30 September 2012 (restated)	0.5	62.4	8.9	10.2	(0.1)	81.9

Audited	Note	Attributable to owners of the parent				Non-controlling interests £m	Total equity £m
		Ordinary shares £m	Share premium account £m	Merger reserve £m	Retained earnings £m		
Balance at 1 April 2012 (restated)		0.5	62.4	8.9	49.6	0.1	121.5
Profit/(loss) for the year		-	-	-	84.6	(0.3)	84.3
Comprehensive expense for the year		-	-	-	(29.6)	-	(29.6)
Total comprehensive income/(expense) for the year		-	-	-	55.0	(0.3)	54.7
Dividends to owners of the parent	13	-	-	-	(30.0)	-	(30.0)
Share-based payments		-	-	-	6.5	-	6.5
Tax credit relating to share-based payments		-	-	-	0.6	-	0.6
Employee benefit trusts		-	-	-	(7.0)	-	(7.0)
Total contributions by and distributions to owners of the parent, recognised directly in equity		-	-	-	(29.9)	-	(29.9)
Balance at 31 March 2013 (restated)		0.5	62.4	8.9	74.7	(0.2)	146.3

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 2013 (unaudited)

1. General information

WS Atkins plc (the Company) is a public limited company, which is listed on the London Stock Exchange and is incorporated and domiciled in England and Wales with company number 1885586.

Copies of this half year report are available from the Company's 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 14 November 2013.

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 2013 were approved by the Board of directors on 12 June 2013 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, not audited. The review report is included.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 September 2013 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (previously 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 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Prior period amounts

During the period the Group adopted and retrospectively applied IAS 19 (revised 2011), *Employee benefits*. The consolidated income statements and the consolidated statements of comprehensive income for the six months ended 30 September 2012 and the year ended 31 March 2013 have been restated accordingly. The consolidated balance sheets as at 30 September 2012 and 31 March 2013 and the consolidated statements of changes in equity balances as at 1 April 2012, 30 September 2012 and 31 March 2013 have also been restated. See note 24 for further details regarding the impact of the adoption of IAS 19 (revised 2011) on the Group.

The amendment to IAS 1, *Financial statement presentation, regarding other comprehensive income*, is effective for the year ending 31 March 2014. This amendment has been applied retrospectively and the presentation of items of comprehensive income has been restated, see note 3.

In addition, following a review, the Group has amended its operating segments for management purposes to reflect the UK and Europe as one segment; previously Europe had been reported with Asia Pacific. The revised segments are: UK and Europe, North America, Middle East, Asia Pacific and Energy. The segmental results and assets for the comparative six month period to 30 September 2012 and for the year ended 31 March 2013 have been represented in line with these revised segments. The basis of allocating assets to the operating segments was also reviewed in the prior year and assets are now allocated based on the operations of the segments and the physical location or territory of the asset. Consequently, total assets of the segments at 30 September 2012 have been restated to reflect the revised allocation.

Going concern basis

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing this condensed consolidated interim financial information.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements, except as described below.

IAS 19 (revised 2011), Employee benefits

IAS 19 (revised 2011) and the related consequential amendments have impacted the accounting for the Group's defined benefit scheme by replacing the interest cost and expected return on plan assets with a net interest charge on the net defined benefit liability. In addition, the standard requires that unvested past service cost and administration costs be recognised immediately in the income statement, which has also had a small impact on the Group's defined benefit liability. For the comparative six months ended 30 September 2012, the restated profit after tax is £2.0m lower and other comprehensive expense is £2.1m lower than previously reported. For the comparative year ended 31 March 2013, the restated profit after tax is £4.1m lower and other comprehensive expense is £4.5m lower than previously reported. The effect of this resulted in the defined benefit obligation at 1 April 2012 being restated as £262.5m (previously £265.3m); 30 September 2012 as £328.7m (previously £331.6m); and 31 March 2013 as £295.6m (previously £298.8m), see note 19. Comparative information has been restated for the effect of the retrospective application of the amendment to IAS 19 as disclosed in note 24.

Amendment to IAS 1, Financial statement presentation, regarding other comprehensive income

Amendment to IAS 1 is effective for the year ending 31 March 2014. The main change is a requirement to group items presented in other comprehensive income on the basis of whether they are

potentially reclassifiable to the income statement subsequently. The amendment has been applied retrospectively, and hence the presentation of items of comprehensive income has been restated to reflect the change. The effect of the change is evident from the consolidated statement of comprehensive income.

IFRS 13 Fair value measurement

IFRS 13 measurement and disclosure requirements are applicable for the year ending 31 March 2014. The Group has included the disclosures required by IAS 34 para 16A(i). See note 5.

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 nature or amount.

Taxes on income for the six months ended 30 September 2013 are accrued using the estimated underlying tax rate that is expected to apply for the year as adjusted for material non-underlying items arising in the six month period.

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 financial 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 consolidated financial statements for the year ended 31 March 2013.

The accounting areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to this condensed consolidated interim financial information are in relation to contract accounting, defined benefit pension schemes, and tax.

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 as at 31 March 2013. There have been no changes to risk management policies since the year end.

Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash flows of the Group's non-derivative financial liabilities.

Fair value estimation

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

Level 1 financial instruments

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 for financial assets held by the Group is the mid market price.

Level 2 financial instruments

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 the future cash flows, discounted at an appropriate market rate of interest. The fair value of forward foreign exchange contracts is determined using quoted forward foreign exchange rates at the reporting date and yield curves derived from quoted interest rates matching the maturities of the foreign exchange contracts.

Valuation processes

- The valuations of derivatives used for hedging are provided by The Royal Bank of Scotland, HSBC and Bank of America Merrill Lynch.
- The valuations of all marketable securities, with the exception of life insurance policies, are provided by the financial institutions holding the Group's funds and investments.
- The valuations of life insurance policies are provided by the Group's insurance companies.

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

	Level 1 £m	Level 2 £m	Total £m
30 September 2013			
Assets			
Derivatives used for hedging	-	0.5	0.5
Marketable securities			
- certificates of deposit	-	9.8	9.8
- floating rate notes	4.5	-	4.5
- fixed interest securities	10.3	-	10.3
- UK treasury bills	4.3	-	4.3
- life insurance policies	-	3.7	3.7
Total assets	19.1	14.0	33.1
Liabilities			
Derivatives used for hedging	-	8.3	8.3
Total liabilities	-	8.3	8.3
	Level 1 £m	Level 2 £m	Total £m
30 September 2012			
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 instruments	-	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
	Level 1 £m	Level 2 £m	Total £m
31 March 2013			
Assets			
Derivatives used for hedging	-	0.8	0.8
Marketable securities			
- certificates of deposit	-	16.7	16.7
- floating rate notes	4.4	-	4.4
- fixed interest securities	8.3	-	8.3
- UK treasury bills	2.7	-	2.7
- life insurance policies	-	3.8	3.8
Total assets	15.4	21.3	36.7
Liabilities			
Derivatives used for hedging	-	2.7	2.7
Total liabilities	-	2.7	2.7

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 2013, 30 September 2012 or 31 March 2013.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Trade and other payables.

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.

Following a review, the Group has amended its operating segments for management purposes to reflect the UK and Europe as one segment; previously Europe had been reported with Asia Pacific. The revised segments are: UK and Europe, North America, Middle East, Asia Pacific and Energy. The segmental results and assets for the comparative six month period to 30 September 2012 and for the year ended 31 March 2013 have been represented in line with these revised segments.

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 condensed consolidated interim financial information.

Six months to 30 September 2013	External revenue £m	Inter segment trade £m	Revenue £m	Operating profit £m	Operating margin %	Share of post-tax (loss)/ profit from joint ventures £m	Share of post-tax (loss)/ profit from joint ventures £m	Total assets £m
UK and Europe	516.4	9.0	525.4	27.7	5.3	(0.4)	542.5	
North America	203.4	2.0	205.4	8.4	4.1	0.1	300.0	
Middle East	87.0	(4.4)	82.6	4.2	5.1	-	94.1	
Asia Pacific	49.1	0.1	49.2	3.4	6.9	-	48.8	
Energy	90.1	(6.7)	83.4	6.4	7.7	(0.3)	76.1	
Total for segments	946.0	-	946.0	50.1	5.3	(0.6)	1,061.5	
Group items:								
Joint ventures reported above	(30.6)	-	(30.6)	0.6		-		
Unallocated central items	-	-	-	(1.0)		1.5		
Unallocated central assets							11.0	
Total for Group	915.4	-	915.4	49.7	5.4	0.9	1,072.5	

Restated 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	Share of post-tax profit from joint ventures £m	Total assets £m
UK and Europe	442.9	14.4	457.3	28.2	6.2	1.9	470.4	
North America	194.1	1.6	195.7	6.6	3.4	0.4	309.4	
Middle East	91.9	(12.1)	79.8	5.1	6.4	-	142.7	
Asia Pacific	40.7	0.5	41.2	2.9	7.0	-	47.5	
Energy	76.9	(4.4)	72.5	5.6	7.7	0.2	68.3	
Total for segments	846.5	-	846.5	48.4	5.7	2.5	1,038.3	

Group items:								
Joint ventures reported above	(30.8)	-	(30.8)	(2.5)		-		

Unallocated central items	-	-	-	(1.1)	(0.6)		
Unallocated central assets						19.8	
Total for Group	815.7	-	815.7	44.8	5.5	1.9	1,058.1

Restated Year to 31 March 2013	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 and Europe	960.9	16.2	977.1	62.2	6.4	0.9	556.0
North America	388.7	1.0	389.7	15.3	3.9	0.5	313.1
Middle East	168.3	(6.1)	162.2	11.8	7.3	-	105.1
Asia Pacific	88.1	(0.1)	88.0	8.1	9.2	-	49.4
Energy	162.9	(11.0)	151.9	13.8	9.1	0.1	73.4
Total for segments	1,768.9	-	1,768.9	111.2	6.3	1.5	1,097.0
Group items:							
Joint ventures reported above	(63.7)	-	(63.7)	(1.5)		-	
Unallocated central items	-	-	-	(5.7)		2.3	
Unallocated central assets							16.7
Total for Group	1,705.2	-	1,705.2	104.0	6.1	3.8	1,113.7

As detailed in note 3, during the period the Group adopted and retrospectively applied IAS 19 (revised 2011). As a result, operating profit for the year ended 31 March 2013 reduced by £0.1m, which impacted the results of the UK and Europe operating segment. Consequently, the segmental results for the year ended 31 March 2013 have been restated. See note 24 for further details regarding the impact of the adoption of IAS 19 (revised 2011) on the Group.

Following a review in the prior year of the basis of allocating assets to the operating segments, assets are now allocated based on the operations of the segments and the physical location or territory of the asset. Consequently, total assets of the segments at 30 September 2012 have been restated to reflect the revised allocation.

Group cash balances; derivative financial instruments; financial assets at fair value through profit or loss; centrally managed joint ventures; and corporate assets are not considered to be segment assets as they are managed centrally. Consequently they are shown within unallocated central assets.

Unallocated central items reported in the six months ended 30 September 2013 comprise £1.0m of intangible asset amortisation relating to the acquisition of The PBSJ Corporation (PBSJ), (30 September 2012: £1.1m).

Unallocated central items reported in the year ended 31 March 2013 comprise £4.3m relating to a pension curtailment gain, see note 9, and £10.0m of intangible asset amortisation and impairment relating to the acquisition of PBSJ.

Total segment revenue excludes the share of joint venture revenue earned from centrally managed joint ventures of £0.5m (30 September 2012: £3.3m; 31 March 2013: £6.6m).

A reconciliation of segmental operating profit to profit before tax is as follows:

	Six months to 30 Sept 2013 £m	Restated Six months to 30 Sept 2012 £m	Restated Year to 31 March 2013 £m
Operating profit	49.7	44.8	104.0
Net profit on disposal of businesses/non-controlling interests	11.1	7.6	4.5
Share of post-tax profit from joint ventures	0.9	1.9	3.8
Profit before interest and tax	61.7	54.3	112.3
Finance income	2.3	2.3	3.4

Finance costs	(9.2)	(8.8)	(17.7)
Net finance costs	(6.9)	(6.5)	(14.3)
Profit before tax	54.8	47.8	98.0

7. Assets held for sale

UK highways services

On 27 February 2013 contracts were exchanged to dispose of the Group's UK highways services business, which formed part of the UK Highways and Transportation business, to Skanska Construction UK Limited (Skanska), a wholly owned subsidiary of Skanska AB. As at 30 September 2013, seven of the UK highways services' contracts had been transferred to Skanska. The one remaining contract transferred on 4 October 2013. The remaining assets and liabilities of the UK highways services business not yet transferred to Skanska at 30 September 2013 are presented as held for sale. The profit on disposal of these items will be included in the income statement for the year ending 31 March 2014.

The profit on disposal recognised in this condensed consolidated interim financial information for the six months ended 30 September 2013 is shown in note 8. While the assets and liabilities of the UK highways services business represent a disposal group, the business has not been reported as a discontinued operation as it does not represent a major line of business.

The UK highways services business has been reported in the UK and Europe operating segment (note 6).

The major classes of assets and liabilities of this disposal group are as follows:

	£m
Assets classified as held for sale:	
Property, plant and equipment	1.7
Inventories	0.7
Total assets of the disposal group	2.4
Liabilities directly associated with assets classified as held for sale:	
Borrowings	(2.7)
Total liabilities of the disposal group	(2.7)
Total net liabilities of the disposal group	(0.3)

8. Net profit on disposal of businesses/non-controlling interests

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
Profit/(loss/transaction costs incurred) on disposal of businesses			
UK highways services	14.2	-	(3.8)
Ongoing operations of Peter R. Brown Construction, Inc.	(3.1)	-	-
Atkins Facilities Management Limited	-	-	0.5
Profit on disposal of non-controlling interests			
RMPA Holdings Limited	-	7.6	7.6
UK Specialist Hospitals Limited	-	-	0.2
Net profit on disposal	11.1	7.6	4.5

Net profit on disposal of businesses

UK highways services

As detailed in note 7, on 27 February 2013, contracts were exchanged to dispose of the Group's UK highways services business to Skanska. The business was sold for a cash consideration of £16.0m (subject to certain completion adjustments), together with a deferred conditional amount of £2.0m.

As at 30 September 2013, seven of the UK highways services' contracts had been transferred to Skanska. The one remaining contract transferred on 4 October 2013 and has not been included in the profit on disposal calculation at 30 September 2013. The remaining assets and liabilities of the UK

highways services business not yet transferred to Skanska at 30 September 2013 are presented as held for sale (note 7). The profit on disposal of these items will be included in the income statement for the year ending 31 March 2014.

The profit on disposal before tax recognised at 30 September 2013 of £14.2m is shown below.

At 31 March 2013, disposal costs of £3.8m had been incurred, comprising transaction costs of £2.4m and restructuring costs of £1.4m.

	Six months to 30 Sept 2013 £m
Net consideration received or receivable at date of disposal	
Initial cash consideration	16.0
Fair value of deferred consideration	-
Disposal consideration	16.0
Assets and liabilities at date of disposal	
Property, plant and equipment	2.7
Inventories	0.5
Borrowings	(2.0)
Net assets	1.2
Profit on disposal before costs	14.8
Disposal costs incurred	(0.6)
Profit on disposal	14.2

Ongoing operations of Peter R. Brown Construction, Inc.

On 30 August 2013 the transfer of the ongoing operations of Peter R. Brown Construction, Inc. (Peter Brown) to Moss & Associates, LLC (Moss) was completed. The business was transferred for a cash consideration payable to Moss of \$4.0m (£2.6m). The loss on disposal before tax was \$4.8m (£3.1m) and is shown below.

The disposal of Peter Brown is not reported as a discontinued operation at 30 September 2013 as it does not represent a major line of business.

The Peter Brown business has been reported in the North America operating segment (note 6).

	Six months to 30 Sept 2013 \$m	£m
Net consideration paid or payable at date of disposal		
Initial cash consideration	(4.0)	(2.6)
Disposal consideration	(4.0)	(2.6)
Assets and liabilities at date of disposal		
Trade and other receivables	0.3	0.2
Net assets	0.3	0.2
Loss on disposal before costs	(4.3)	(2.8)
Disposal costs incurred	(0.5)	(0.3)
Loss on disposal	(4.8)	(3.1)

Profit on disposal of non-controlling interests

RMPA Holdings Limited

In the prior year, 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. The profit on disposal before tax was £7.6m and the profit on disposal after tax was £7.7m.

The disposal of the non-controlling interest was not treated as a discontinued operation at 30 September 2012 and at 31 March 2013 as it did not represent a major line of business.

UK Specialist Hospitals Limited

In the prior year, on 20 February 2013, the sale of the Group's investment in UK Specialist Hospitals Limited to Care UK Clinical Services Limited was completed. The investment was sold for a cash consideration of £0.2m. The profit on disposal was £0.2m.

9. Exceptional items

Exceptional items are disclosed separately on the face of the consolidated income statement and in the notes to the condensed consolidated interim financial information where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items of income or expense that have been shown separately due to the significance of their nature or amount.

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
Curtailment gain relating to one-off pension events (note 19)	-	-	4.3

The curtailment gain is included within administrative expenses in the consolidated income statement.

10. Share of post-tax profit from joint ventures

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
Revenue	31.1	34.1	70.3
Operating expenditure	(30.1)	(31.6)	(66.1)
Operating profit and profit before tax	1.0	2.5	4.2
Income tax expense	(0.1)	(0.6)	(0.4)
Share of post-tax profit from joint ventures	0.9	1.9	3.8

11. Net finance costs

	Six months to 30 Sept 2013 £m	Restated Six months to 30 Sept 2012 £m	Restated Year to 31 March 2013 £m
Interest payable on borrowings	1.8	1.5	3.2
Interest payable on finance lease liabilities	0.1	0.2	0.3
Unwinding of discount	-	0.1	0.1
Net finance costs on net post-employment benefit liabilities	6.2	6.6	13.3
Other finance costs	1.1	0.4	0.8
Finance costs	9.2	8.8	17.7
Interest receivable on short term deposits	(0.6)	(0.6)	(1.1)
Interest income on financial assets at fair value through profit or loss	-	(0.4)	(0.7)
Income on available-for-sale financial assets	-	(0.3)	(0.3)
Interest receivable on loan notes	(1.7)	(0.8)	(1.3)
Other finance income	-	(0.2)	-
Finance income	(2.3)	(2.3)	(3.4)
Net finance costs	6.9	6.5	14.3

As detailed in note 3, during the period the Group adopted and retrospectively applied IAS 19 (revised 2011), which increased net finance costs. The net finance costs for the six months ended 30 September 2012 have been restated accordingly from £3.9m to £6.5m. The net finance costs for the year ended 31 March 2013 have also been restated from £9.1m to £14.3m. See note 24 for further details regarding the impact of the adoption of IAS 19 (revised 2011) on the Group.

12. Income taxes

The Group's income tax expense from continuing operations for the six months ended 30 September 2013 is estimated using the adjusted effective tax rate on profits of 14.4% (30 September 2012 restated: 17.4%; 31 March 2013 restated: 14.0%). The effective underlying tax rate is 20.1% (30 September 2012 restated: 21.3%; 31 March 2013 restated: 17.1%), calculated using the estimated underlying effective tax rate on annual profits. The restatement of the effective tax rate

and the effective underlying tax rate for the six months ended 30 September 2012 and the year ended 31 March 2013 is due to the adoption, and retrospective application, by the Group of IAS 19 (revised 2011). See note 24 for further details regarding the impact of the adoption of IAS 19 (revised 2011) on the Group.

The effective tax rate on profits for the six months ended 30 September 2013 is lower than the Group's underlying effective tax rate due to the impact of acquired intangibles amortisation and profit on disposal of businesses. The underlying effective tax rate is different from the UK standard corporation tax rate of 23% (30 September 2012: 24%; 31 March 2013: 24%) 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.

The reduction in the UK corporation tax rate to 23% from 1 April 2013, 21% from 1 April 2014 and 20% from 1 April 2015 had been enacted at 30 September 2013 and therefore the impact of these changes has been reflected in the tax calculations.

13. Dividends

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
Final dividend paid for the year ended 31 March 2013 (2012)	21.4	20.3	20.3
Interim dividend paid for the period ended 30 September 2012	-	-	9.7
Dividends recognised in the period	21.4	20.3	30.0
Interim dividend declared for the period ended 30 September 2013 (2012)	10.3	9.7	9.7
Final dividend paid for the year ended 31 March 2013	-	-	21.4
Dividends relating to the period	10.3	9.7	31.1

	Six months to 30 Sept 2013 pence	Six months to 30 Sept 2012 pence	Year to 31 March 2013 pence
Final dividend paid for year ended 31 March 2013 (2012)	22.00	20.75	20.75
Interim dividend paid for period ended 30 September 2012	-	-	10.00
Dividends recognised in the period	22.00	20.75	30.75
Interim dividend declared for the period ended 30 September 2013 (2012)	10.50	10.00	10.00
Final dividend paid for the year ended 31 March 2013	-	-	22.00
Dividends relating to the period	10.50	10.00	32.00

14. Earnings per share (EPS)

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders 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 EPS is the basic EPS 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 2013 number ('000)	Six months to 30 Sept 2012 number ('000)	Year to 31 March 2013 number ('000)
Number of shares			
Weighted average number of shares used in basic and underlying basic EPS	97,411	97,555	97,425
Effect of dilutive securities - share options	2,676	2,138	2,412

Weighted average number of shares used in diluted and underlying diluted EPS	100,087	99,693	99,837
	£m	Restated £m	Restated £m
Earnings			
Profit for the period attributable to owners of the parent	47.1	39.7	84.6
Net profit on disposal of businesses/non-controlling interests (net of tax)	(11.8)	(7.6)	(4.9)
Exceptional pension curtailment gain (net of tax)	-	-	(3.3)
Amortisation and impairment of acquired intangibles (net of tax)	0.6	0.7	6.1
Underlying earnings	35.9	32.8	82.5
	pence	pence	pence
Basic earnings per share	48.4	40.7	86.8
Diluted earnings per share	47.1	39.8	84.7
Underlying basic earnings per share	36.9	33.6	84.7
Underlying diluted earnings per share	35.9	32.9	82.6

As detailed in note 3, during the period the Group adopted and retrospectively applied IAS 19 (revised 2011). The profit for the period attributable to owners of the parent and, consequently, underlying earnings for the six months ended 30 September 2012 and the year ended 31 March 2013 have been restated accordingly. See note 24 for further details regarding the impact of the adoption of IAS 19 (revised 2011) on the Group.

15. Property, plant and equipment

Additions to property, plant and equipment during the six months ended 30 September 2013 amounted to £5.5m (30 September 2012: £6.9m; 31 March 2013: £18.3m). The net book value of disposals during the six months ended 30 September 2013 amounted to £0.4m (30 September 2012: £0.3m; 31 March 2013: £0.4m).

The net book value of property, plant and equipment at 30 September 2013 amounted to £46.4m (30 September 2012: £50.9m; 31 March 2013: £50.7m).

The net book value of property, plant and equipment classified as held for sale at 30 September 2013 amounts to £1.7m (30 September 2012: £nil; 31 March 2013: £5.0m) and relates to assets that are used by the Group's UK highways services business, which forms part of the UK and Europe operating segment. See note 7 for further details regarding this disposal group.

The Group had £3.4m of capital expenditure contracted for but not incurred at 30 September 2013 (30 September 2012: £3.8m; 31 March 2013: £2.9m).

The depreciation charge for the period is £8.1m (30 September 2012: £6.8m; 31 March 2013: £14.6m) and is included in administrative expenses in the consolidated income statement.

16. Other intangible assets

Additions to intangibles during the six months ended 30 September 2013 amounted to £1.4m (30 September 2012: £2.6m; 31 March 2013: £6.3m). The net book value of intangibles at 30 September 2013 amounted to £36.1m (30 September 2012: £45.5m; 31 March 2013: £39.6m). The net book value of disposals during the six months ended 30 September 2013 amounted to £nil (30 September 2012: £nil; 31 March 2013: £0.1m).

The amortisation charge for the period is £3.3m (30 September 2012: £3.2m; 31 March 2013: £6.6m) and is included in administrative expenses in the consolidated income statement. An impairment charge of £7.4m was also included in administrative expenses in the consolidated income statement for the year ended 31 March 2013. This charge related to the carrying amounts of acquired customer relationships and trade names and trademarks of Peter Brown, which were reduced to recoverable amounts of £nil following an impairment review. The recoverable amounts of these intangible assets were based on their value in use. The post-tax discount rate used in the value in use calculation was 9.3%. Peter Brown has been reported in the Group's North America operating segment (note 6) and

the ongoing operations of this business were disposed of on 30 August 2013. Further details regarding this disposal are given in note 8.

17. Goodwill

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
At beginning of period	211.4	205.0	205.0
Exchange differences	(8.5)	(0.2)	6.4
At end of period	202.9	204.8	211.4

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 2013. There have been no changes to the Group's approach to goodwill impairment testing since that date.

18. Borrowings

	30 Sept 2013 £m	30 Sept 2012 £m	31 March 2013 £m
Current			
Bank loans	56.8	56.1	59.8
Finance leases	-	1.6	-
	56.8	57.7	59.8
Non-current			
Private placement debt	46.7	46.3	49.3
Finance leases	0.1	4.1	0.1
	46.8	50.4	49.4

At 30 September 2013 finance leases of £2.7m (31 March 2013: £5.2m) relating to the Group's UK highways services business have been classified as liabilities of the disposal group classified as held for sale, see note 7.

Movements in borrowings are analysed as follows:

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
At beginning of period	109.2	110.6	110.6
Issue of private placement debt	-	47.5	47.5
Additions to finance leases	-	0.1	-
Repayment of borrowings	-	(47.5)	(47.5)
Repayment of finance leases	-	(1.0)	(1.3)
Borrowings classified as held for sale (note 7)	-	-	(5.2)
Difference on exchange	(5.6)	(1.6)	5.1
At end of period	103.6	108.1	109.2

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

	30 Sept 2013 £m	30 Sept 2012 £m	31 March 2013 £m
No later than one year	119.8	-	-
Later than one year and no later than two years	-	84.1	113.3

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

The Group's principal borrowing facilities of £150m, signed on 30 July 2010, were unsecured and included borrowings and letter of credit facilities. This facility will expire on 30 July 2014. The total letters of credit in issue under the committed facility at 30 September 2013 was £3.4m (30 September 2012: £9.7m; 31 March 2013: £6.9m).

In the prior year, on 4 October 2012, the Group agreed a new committed borrowing facility with the Bank of America, N.A., London Branch of £30m. As at the date of approval of this condensed consolidated interim financial information, this facility was undrawn. This facility will expire on 30 July 2014.

The Group's borrowing facilities include a number of undertakings and financial covenants. Compliance with these covenants is monitored. As at 30 September 2013, and since, there have been no breaches.

On 10 October 2013 the Group entered into a new five year revolving credit facility (RCF). This facility matures in October 2018. The new arrangement provides the Group with an enlarged committed credit facility of £200m, and replaced the Group's previous £150m RCF and £30m bilateral facility. This larger facility provides the Group with increased and longer term financial capacity to support its strategy.

The new facility includes four of the Group's existing lenders, Banc of America Securities Limited, Barclays Bank plc, HSBC Bank plc and National Westminster Bank plc, together with three new banks, The National Bank of Abu Dhabi, Abbey National Treasury Services plc and United Overseas Bank Limited.

In the prior year, 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 31 May 2019 and carries a nominal interest rate of 4.38%.

19. Post-employment benefit liabilities

	30 Sept 2013 £m	Restated 30 Sept 2012 £m	Restated 31 March 2013 £m
Net retirement benefit liabilities	328.9	314.2	282.0
Other post-employment benefit liabilities	14.7	14.5	13.6
	343.6	328.7	295.6

As detailed in note 3, during the period the Group adopted and retrospectively applied IAS 19 (revised 2011). IAS 19 (revised 2011) and the related consequential amendments have impacted the accounting for the Group's defined benefit scheme by replacing the interest cost and expected return on plan assets with a net interest charge on the net defined benefit liability. In addition, the standard requires that unvested past service cost and administration costs be recognised immediately in the income statement, which has also had a small impact on the Group's defined benefit liability. The effect of this resulted in the defined benefit obligation at 1 April 2012 being restated as £262.5m (previously £265.3m); 30 September 2012 as £328.7m (previously £331.6m); and 31 March 2013 as £295.6m (previously £298.8m). Comparative information has been restated for the effect of the retrospective application of the amendment to IAS 19 as disclosed in note 24.

a) Net 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.

In 2012 Atkins Limited, an indirect wholly-owned subsidiary of the Company, undertook an enhanced transfer value (ETV) 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 Plan recognised a net settlement gain of £0.1m in respect of the ETV exercise for the year ended 31 March 2013. This was to allow for the difference between the expected impact of the exercise already included in the 31 March 2012 disclosures and the actual impact of the exercise. The

settlement gain of £0.1m was based on the transfer out of the Plan of a further £1.3m of assets and corresponding liabilities of £1.4m in respect of those members.

The Railways Pension Scheme recognised a curtailment gain in the year ended 31 March 2013 in respect of the two new benefit bases that came into effect for certain members from 1 January 2013. The curtailment gain arose for members moving from the existing uncapped salary category or retail price index (RPI) capped salary category to the new consumer price index (CPI) capped category. The reduction in the past service liability for this curtailment was £4.3m and this was recognised as a curtailment gain in the year ended 31 March 2013.

The Atkins McCarthy Pension Plan was closed to future accrual of benefits for members who do not benefit from a statutory or contractual right to a final salary pension on 31 March 2009. These members transferred to the Personal Retirement Savings Accounts – Ireland (PRSA - Irish Life) scheme with effect from 1 April 2009.

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 2013	30 Sept 2012	31 March 2013
Price inflation			
RPI	3.40%	2.70%	3.40%
CPI	2.40%	1.70%	2.40%
Rate of increase of pensions in payment			
Limited Price Indexation (RPI-based)	3.10%	2.70%	3.10%
Limited Price Indexation (CPI-based)	2.40%	1.70%	2.40%
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	4.90%	4.20%	4.90%
Railways Pension Scheme (uncapped)	5.65%	4.95%	5.65%
Railways Pension Scheme (RPI capped)	3.40%	2.70%	3.40%
Railways Pension Scheme (CPI capped)	2.40%	N/A	2.40%
Rate of increase for deferred pensioners			
Atkins Pension Plan	3.40%	2.70%	3.40%
Railways Pension Scheme	2.40%	1.70%	2.40%
Discount rate	4.60%	4.60%	4.60%
Longevity at age 65 for current pensioners			
Men	24.0 years	23.8 years	24.0 years
Women	25.9 years	25.7 years	25.9 years
Longevity at age 65 for future pensioners (current age 45)			
Men	26.2 years	26.1 years	26.2 years
Women	28.2 years	28.1 years	28.2 years

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

	Six months to 30 Sept 2013 £m	Restated Six months to 30 Sept 2012 £m	Restated Year to 31 March 2013 £m
Cost of sales			
Current service cost	1.0	1.1	2.1
Administrative expenses	-	0.1	0.2
Curtailment gain	-	-	(4.3)
Settlement gain (net)	-	-	(0.1)
Total charge/(credit)	1.0	1.2	(2.1)
Net interest expense			
	5.9	6.3	12.6
Total charge to income statement for defined benefit schemes	6.9	7.5	10.5

Statement of comprehensive income

(Loss)/gain on pension scheme assets	(58.1)	(20.0)	106.4
Changes in assumptions	0.2	(50.3)	(153.5)
Remeasurements loss recognised in other comprehensive expense	(57.9)	(70.3)	(47.1)
Deferred tax credited to equity	5.3	14.5	8.7
Remeasurements loss (net of deferred tax)	(52.6)	(55.8)	(38.4)

Net retirement benefit liabilities comprise the following:

	30 Sept 2013	Restated 30 Sept 2012	Restated 31 March 2013
	£m	£m	£m
Defined benefit obligation	(1,506.3)	(1,376.7)	(1,491.2)
Fair value of plan assets	1,177.4	1,062.5	1,209.2
Net retirement benefit liabilities	(328.9)	(314.2)	(282.0)
Deferred tax on net retirement benefit liabilities	65.8	72.2	65.0
Net post-tax retirement benefit liabilities	(263.1)	(242.0)	(217.0)

Under the Atkins Pension Plan there are net retirement benefit liabilities of £266.8m (30 September 2012 restated: £269.0m; 31 March 2013 restated: £220.9m).

Under the Railways Pension Scheme there are net retirement benefit liabilities of £57.6m (30 September 2012 restated: £44.4m; 31 March 2013 restated: £56.4m).

Under other defined benefit schemes there are net retirement benefit liabilities of £4.5m (30 September 2012 restated: £0.8m; 31 March 2013 restated: £4.7m).

Movements in the net retirement benefit liabilities are as follows:

	Six months to 30 Sept 2013	Restated Six months to 30 Sept 2012	Restated Year to 31 March 2013
	£m	£m	£m
Net retirement benefit liabilities at beginning of period	(282.0)	(248.3)	(248.3)
Service cost	(1.0)	(1.1)	(2.1)
Administrative expenses	-	(0.1)	(0.2)
Net finance costs	(5.9)	(6.3)	(12.6)
Curtailment gain	-	-	4.3
Settlement gain (net)	-	-	0.1
Contributions	17.9	12.0	23.9
Remeasurements loss recognised in other comprehensive expense	(57.9)	(70.3)	(47.1)
Difference on exchange	-	(0.1)	-
Net retirement benefit liabilities at end of period	(328.9)	(314.2)	(282.0)

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 5.0%	increase/decrease 8.0%
Real rate of increase in salaries	increase/decrease 0.5%	increase/decrease 2.0%	increase/decrease 1.0%
Longevity	increase 1 year	increase 3.0%	increase 2.0%

The effect of the change in inflation on the net 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.

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 Program (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 length of 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 and they will be paid for and provided for as long as the employee and their spouse shall live.

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m
Other post-employment obligations at beginning of period	13.6	14.2	14.2
Service cost and other comprehensive income	3.7	2.0	2.0
Interest cost	0.3	0.3	0.7
Net actuarial loss recognised in the year	-	-	0.2
Benefit payments	(2.1)	(1.8)	(4.2)
Difference on exchange	(0.8)	(0.2)	0.7
Other post-employment obligations at end of period	14.7	14.5	13.6

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

	Six months to 30 Sept 2013	Six months to 30 Sept 2012	Year to 31 March 2013
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	1.05%	2.05%	1.05%
Medical plan			
Discount rate	3.75%	4.60%	3.75%
Healthcare cost trend rate for next year	7.50%	8.00%	7.50%
Rate of decline of cost trend rate	5.00%	5.00%	5.00%
Year that rate reaches ultimate trend rate	2021	2018	2021

20. Ordinary shares

	30 Sept 2013 £m	30 Sept 2012 £m	31 March 2013 £m
Issued, allotted 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 shares at 30 September 2013 is 104,451,799 (30 September 2012: 104,451,799; 31 March 2013: 104,451,799).

At the AGM held on Wednesday 31 July 2013 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 2013) was renewed. During the six months to 30 September 2013, no shares were purchased (30 September 2012: none; 31 March 2013: none).

At 30 September 2013 a total of 4,341,000 ordinary shares of 0.5p each were held as treasury shares (30 September 2012: 4,341,000; 31 March 2013: 4,341,000). These shares, which represent approximately 4.2% of the called up share capital of the Company (30 September 2012: 4.2%; 31 March 2013: 4.2%) have not been cancelled and represent a deduction from shareholders' equity.

No shares have been purchased between 30 September 2013 and the date of this condensed consolidated interim financial information.

21. Cash generated from operations

	Six months to 30 Sept 2013 £m	Restated Six months to 30 Sept 2012 £m	Restated Year to 31 March 2013 £m
Profit for the period	46.9	39.5	84.3
Adjustments for:			
Income tax	7.9	8.3	13.7
Finance income (note 11)	(2.3)	(2.3)	(3.4)
Finance costs (note 11)	9.2	8.8	17.7
Share of post-tax profit from joint ventures (note 10)	(0.9)	(1.9)	(3.8)
Other non-cash (income)/costs	(5.1)	(1.8)	4.5
Depreciation charges (note 15)	8.1	6.8	14.6
Amortisation and impairment of intangible assets (note 16)	3.3	3.2	14.0
Net profit on disposal of businesses/non-controlling interests (note 8)	(11.1)	(7.6)	(4.5)
Release of deferred income	-	(3.0)	(3.1)
Share-based payment charge	3.4	3.3	6.5
Loss/(profit) on disposal of property, plant and equipment	0.3	(0.1)	-
Gain on disposal of available-for-sale financial assets	-	-	(0.8)
Movement in provisions	(1.4)	(3.3)	(4.7)
Pensions settlement and curtailment gain	-	-	(4.4)
Pension deficit funding	(16.0)	(11.0)	(21.0)
Movement in non-current payables	0.8	3.4	0.3
Movement in working capital	(33.5)	(54.9)	(27.0)
Cash generated from/(used in) continuing operations	9.6	(12.6)	82.9

As detailed in note 3, during the period the Group adopted and retrospectively applied IAS 19 (revised 2011). The consolidated income statements for the six months ended 30 September 2012 and the year ended 31 March 2013 and, consequently, the analysis of cash generated from/(used in) continuing operations shown above, have been restated accordingly. See note 24 for further details regarding the impact of the adoption of IAS 19 (revised 2011) on the Group.

22. 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 2013 includes £3.4m letters of credit issued as a result of the acquisition of PBSJ.

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 this company 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 (SEC) 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 has 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.

Group companies are from time to time involved in claims and litigation. The Group carries appropriate professional indemnity insurance cover for such claims.

23. Related party transactions

Details of the directors' shareholdings, share options and remuneration are disclosed in the 31 March 2013 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 19.

Details of the Group's principal joint ventures are disclosed in the 31 March 2013 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 £22.7m (30 September 2012: £17.1m; 31 March 2013: £40.0m). As at 30 September 2013 the receivables from joint ventures were £7.8m (30 September 2012: £6.3m; 31 March 2013: £7.3m).

As at 30 September 2013 the Group held £20.0m (30 September 2012: £19.3m; 31 March 2013: £20.0m) of interest bearing loan notes in Connect Plus (M25) Intermediate Limited, with the remaining £0.7m at 30 September 2012 being covered by a letter of credit (30 September 2013: £nil; 31 March 2013: £nil). These loan notes mature in 2039. The Group has a 10% shareholding in Connect Plus (M25) Intermediate Limited and an explanation of the nature of this related party is disclosed in the 31 March 2013 annual financial statements.

24. Prior period amounts

During the period the Group adopted IAS 19 (revised 2011) which increased net finance costs in the income statement with a corresponding restatement of the actuarial movements in the statement of comprehensive income. In addition, unvested past service cost and administration costs have been recognised immediately in the consolidated income statement, which has also had a small impact on the Group's defined benefit liability. The consolidated income statements, statements of comprehensive income, consolidated balance sheets, statements of changes in equity and notes for the six months ended 30 September 2012 and the year ended 31 March 2013 have been restated accordingly.

The effect on the consolidated income statement and statement of comprehensive income is as follows:

	As previously reported	Effect of IAS 19 revised	As restated	As previously reported	Effect of IAS 19 revised	As restated
	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2012 £m	Six months to 30 Sept 2012 £m	Year to 31 March 2013 £m	Year to 31 March 2013 £m	Year to 31 March 2013 £m
Consolidated income statement						
Operating profit	44.8	-	44.8	104.1	(0.1)	104.0
Profit before interest and tax	54.3	-	54.3	112.4	(0.1)	112.3
Net finance costs	(3.9)	(2.6)	(6.5)	(9.1)	(5.2)	(14.3)
Profit before tax	50.4	(2.6)	47.8	103.3	(5.3)	98.0
Income tax expense	(8.9)	0.6	(8.3)	(14.9)	1.2	(13.7)
Profit for the period	41.5	(2.0)	39.5	88.4	(4.1)	84.3
Earnings per share						
Basic earnings per share	42.7p	(2.0)p	40.7p	91.0p	(4.2)p	86.8p
Diluted earnings per share	41.8p	(2.0)p	39.8p	88.8p	(4.1)p	84.7p
Statement of comprehensive income						
Profit for the period	41.5	(2.0)	39.5	88.4	(4.1)	84.3
<i>Items that will not be reclassified to profit or loss</i>						

Remeasurements of net post-employment benefit liabilities	(73.0)	2.7	(70.3)	(52.8)	5.7	(47.1)
Income tax on items that will not be reclassified to profit or loss	15.1	(0.6)	14.5	9.9	(1.2)	8.7
Total items that will not be reclassified to profit or loss	(57.9)	2.1	(55.8)	(42.9)	4.5	(38.4)
Total items that may be reclassified subsequently to profit or loss	(2.9)	-	(2.9)	8.8	-	8.8
Other comprehensive expense for the period, net of tax	(60.8)	2.1	(58.7)	(34.1)	4.5	(29.6)
Total comprehensive (expense)/income for the period	(19.3)	0.1	(19.2)	54.3	0.4	54.7

25. Events occurring after the reporting period

UK highways services

On 4 October 2013 the remaining contract of the UK highways services business was transferred to Skanska. See note 7 for further details regarding this transaction.

Confluence Project Management Pte. Ltd.

On 4 October 2013 the Group acquired the entire share capital of Confluence Project Management Pte. Ltd. (Confluence), a Singapore-based project management business, for a debt-free cash consideration of Singapore \$17.0m (approximately £8.4m). Confluence is an international consultancy employing around 200 people, offering services in the areas of project and construction management, and has operations in Asia Pacific, the Middle East and India.

Confluence's teams in Singapore, Hong Kong, Abu Dhabi and India will integrate with the Group's existing operations in Asia Pacific and the Middle East. The acquisition complements the Group's Faithful+Gould project and cost management consultancy business and, in particular, augments its presence in the commercial, retail and hospitality sectors.

As Confluence was acquired on 4 October 2013, no revenue or profit or loss relating to the business has been included in the consolidated income statement or the consolidated statement of comprehensive income for the reporting period.

The information given above has been provided as this acquisition occurred after the reporting period but before this condensed consolidated interim financial information was authorised for issue. At the time that this condensed consolidated interim financial information was authorised for issue the initial accounting for this business combination was incomplete. As a result, disclosures around the opening balance sheet, goodwill, fair value adjustments and pre-acquisition income statement have not been made.

Borrowing facilities

On 10 October 2013 the Group entered into a new five year revolving credit facility (RCF). This facility matures in October 2018.

The new arrangement provides the Group with an enlarged committed credit facility of £200m, and replaced the Group's previous £150m RCF and £30m bilateral facility. This larger facility provides the Group with increased and longer term financial capacity to support its strategy. See note 18 for further details regarding this facility.

Dividends

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

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 2013, which comprises the interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated balance sheet, the interim consolidated statement of cash flows, the interim consolidated 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 Conduct 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 consolidated interim 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 consolidated interim 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 Conduct 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 consolidated interim financial information in the half year financial report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
14 November 2013