

## Trading Update

WS Atkins plc (“Atkins” or “the Group”), the design and engineering consultancy group, today provides an update on trading for the year ended 31 March 2008 in advance of its preliminary results announcement on 25 June 2008.

Overall, the Group has performed well and profit before tax from continuing operations for the year ended 31 March 2008 is anticipated to be towards the top end of current market expectations. Cash generation has remained strong with net funds at 31 March 2008 expected to be approximately £165 million.

### ***Business Segments***

Our **Design and Engineering Solutions** segment has continued to perform well although margins have been slightly impacted by the integration costs associated with the acquisition of Advantage and Nedtech. Our workload is good and we have recently won the Learning and Skills Council framework contract to provide design services. We are the only multi-discipline organisation to have been selected across all three geographic regions in the UK.

Performance in the **Rail** segment has significantly improved and our workload is robust despite the reduced activity for Metronet. Work on the Rugby and Nuneaton re-signalling contract is going well and we have won contracts for the design of Thameslink’s Farringdon and Borough Market stations.

The performance of the **Highways and Transportation** segment remains good. We have recently been formally awarded the five-year Highways Agency Area 6 MAC contract in East Anglia; service delivery will commence on 1 June 2008. We also recently won the design contract for the M74 completion project near Glasgow.

Our **Middle East** business continues to grow rapidly with staff numbers now over 2,400, an increase of nearly 700 over the financial year. Workload remains strong and we continue to see opportunities to expand our service offering in the region. Performance in **China** and **Europe** is in line with expectations and we are optimistic that progress will be made in the year ahead.

Performance of the **Management and Project Services** segment is overall slightly behind expectations as a result of the poor performance from the Management Consultants business. The cost consultancy business has performed well with further growth in the USA which is expected to continue.

### ***Disposal***

We also announce today that the Group has sold its 25% interest in Modern Housing Solutions to Carillion and Enterprise. The Group received £3.9 million in cash at completion on 1 April 2008.

### ***Pensions***

The Group has reached agreement with the Trustees of the Atkins Pension Plan on the latest actuarial valuation. The actuarial deficit as at 1 April 2007 has been estimated to be £215 million, an increase compared with the last valuation primarily due to more conservative assumptions for longevity and future investment returns.

The Group and Trustees have also agreed a recovery plan to eliminate the actuarial deficit by 31 March 2014. As part of that recovery plan, the Group made deficit contributions of £37.5 million in the year to 31 March 2008 and a further contribution of £12.5 million on 1 April 2008. Contributions of £32 million per annum are expected to be made by the Group for the next six years.

## **Share Buyback**

Following the announcement of a share buyback programme in November 2007, the Group has purchased 3,218,000 shares for an aggregate cost of £34.9 million as at 31 March 2008.

## **Discontinued Operations**

As announced in the half-year results, the results for the full year will include one-off gains in respect of the disposal of Lambert Smith Hampton (£20 million) and the release of deferred income in relation to Metronet (£11.2 million).

## **Outlook**

The Group's order book is strong and we remain confident that the Group will make good progress in 2008/09.

## **Enquiries**

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## **Notes to Editors**

### **1. Atkins**

Atkins ([www.atkinsglobal.com](http://www.atkinsglobal.com)) plans, designs and enables the delivery of complex infrastructure and buildings for clients in the public and private sectors across the world. Atkins is the largest multi-disciplinary consultancy in Europe, the largest engineering consultancy in the UK and the world's fifth largest international design firm (sources: New Civil Engineer Consultants File, 2007; Building Magazine, 2007; Engineering News Record, 2007).

### **2. Analyst Conference Call**

There will be a conference call for analysts at 08:30 today. Details are available from Tom Hardman at Smithfield (details above).

### **3. Disposal of Modern Housing Solutions**

The Group's 25% interest in Modern Housing Solutions (Prime) Limited was purchased by the other existing shareholders, Carillion Holdings Limited and Enterprise Managed Services Limited.