

# WSP GROUP plc

HALF-YEAR RESULTS  
SIX MONTHS TO 30 JUNE 2011

Chris Cole, CEO  
Peter Gill, Finance Director

UNITED  
BY OUR  
DIFFERENCE



# HIGHLIGHTS

- ❖ H1 Expectations Delivered
- ❖ Robust Balance Sheet
- ❖ Dividend Maintained
- ❖ UK Trading Challenges Addressed
- ❖ Strong Sweden
- ❖ Diversified Project Wins in 2011



# WSP GROUP plc

HALF-YEAR RESULTS  
SIX MONTHS TO 30 JUNE 2011

Peter Gill, Finance Director

UNITED  
BY OUR  
DIFFERENCE

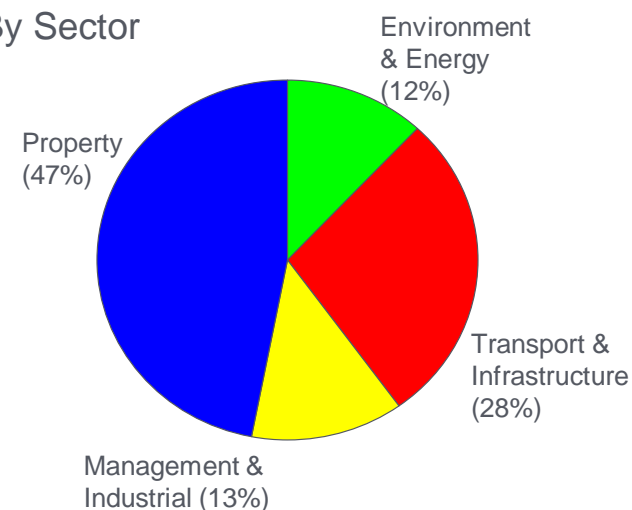


# FINANCIAL HEADLINES

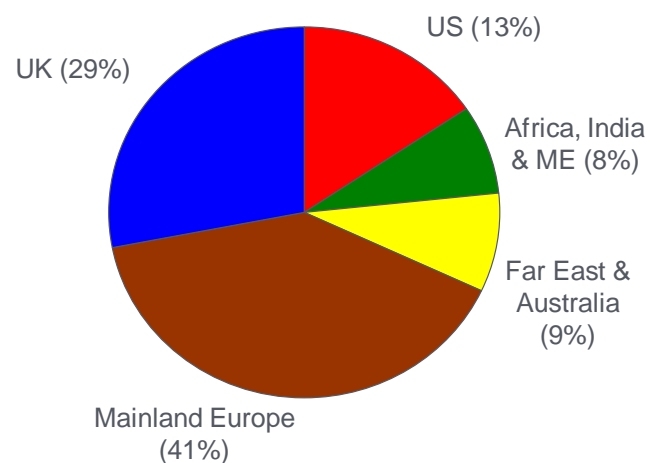
- **Sound Financial Performance in first half of 2011**
  - Revenue £362m (2010: £354m)
  - Operating profit £15.2m (2010: £18.3m) before exceptional items
  - Operating profit margin 4.2% (2010: 5.2 %)
  - Profit before tax and exceptional items £14.0m (2010: £17.0m)
  - Profit before tax £8.9m (2010: £17.0m)
- **Closing Net Debt £76.2m (June 2010: £70.9m)**
- **Maintained Interim Dividend of 5.0p per share**
- **Order Book £892m (December 2010: £908m)**

## 2011 Revenue Analysis

By Sector



By Geography



# SUMMARY DIVISIONAL RESULTS

	H1 2011			H1 2010			Revenue Change	
	Revenue	Profit	Margin	Revenue	Profit	Margin	Headline	CER
	£m	£m	%	£m	£m	%	%	%
Property	171.9	8.3	4.8%	158.1	7.8	4.9%	9 %	7 %
Transport & Infrastructure	100.5	2.8	2.8%	109.0	5.8	5.3%	(8)%	(11)%
Environment & Energy	43.8	1.6	3.7%	40.8	2.0	4.9%	7 %	5 %
Management & Industrial	46.0	2.5	5.4%	46.5	2.7	5.8%	(1)%	(5)%
	<b>362.2</b>	<b>15.2</b>	<b>4.2%</b>	<b>354.4</b>	<b>18.3</b>	<b>5.2%</b>	<b>2 %</b>	<b>-</b>

Note:

2011 Restructuring cost £2.0m (2010: £nil)

Group operating margin before restructuring costs 4.7%

# SUMMARY REGIONAL RESULTS

	H1 2011			H1 2010			Revenue Change	
	Revenue £m	Profit £m	Margin %	Revenue £m	Profit £m	Margin %	Headline %	CER %
United Kingdom	105.3	1.8	1.7 %	111.8	4.4	3.9 %	(6)%	(6)%
Mainland Europe	147.8	9.8	6.6 %	130.9	9.2	7.0 %	13 %	5 %
United States of America	46.3	2.8	6.0 %	52.1	4.0	7.7 %	(11)%	(6)%
Africa, India & the Middle East	30.9	0.2	0.6 %	33.6	0.8	2.4 %	(8)%	(7)%
Far East & Australia	31.9	0.6	1.9 %	26.0	(0.1)	(0.4)%	23 %	17 %
	<b>362.2</b>	<b>15.2</b>	<b>4.2 %</b>	<b>354.4</b>	<b>18.3</b>	<b>5.2 %</b>	<b>2 %</b>	<b>-</b>

# STATUTORY PROFIT AND LOSS

	<b>2011</b>	2010
	<b>£m</b>	£m
Group operating profit	<b>15.2</b>	18.3
Exceptional items	<b>(5.1)</b>	-
Associates, net of tax	<b>1.2</b>	1.0
Profit before interest and tax	<b>11.3</b>	19.3
Interest, net	<b>(2.4)</b>	(2.3)
Profit before taxation	<b>8.9</b>	17.0
Taxation	<b>(3.2)</b>	(5.3)
Profit after taxation	<b>5.7</b>	11.7
Diluted earnings per share before exceptional items	<b>15.2p</b>	17.7p
Diluted earnings per share	<b>8.6p</b>	17.7p

Note:

Effective tax rate excluding exceptional items 31.6% (2010: 32.6%)

# PROPERTY ANALYSIS

	H1 2011			H1 2010			Revenue Change	
	Revenue	Profit	Margin	Revenue	Profit	Margin	Headline	CER
	£m	£m	%	£m	£m	%	%	%
United Kingdom	42.4	1.6	3.8 %	40.1	1.3	3.2 %	6 %	6 %
Mainland Europe	59.3	4.4	7.4 %	46.0	3.3	7.2 %	29 %	21 %
United States of America	28.6	2.2	7.7 %	32.5	2.8	8.6 %	(12)%	(7)%
Africa, India & the Middle East	18.9	(0.6)	(3.2)%	21.4	0.5	2.3 %	(12)%	(10)%
Far East & Australia	22.7	0.7	3.1 %	18.1	(0.1)	(0.6)%	25 %	20 %
	<b>171.9</b>	<b>8.3</b>	<b>4.8 %</b>	158.1	7.8	4.9 %	9 %	7 %

Note:

2011 Restructuring cost £1.0m (2010: £nil)

# TRANSPORT & INFRASTRUCTURE ANALYSIS

	H1 2011			H1 2010			Revenue Change	
	Revenue	Profit	Margin	Revenue	Profit	Margin	Headline	CER
	£m	£m	%	£m	£m	%	%	%
United Kingdom	38.1	-	-	44.8	2.1	4.7 %	(15)%	(15)%
Mainland Europe	46.6	2.3	4.9 %	46.7	3.6	7.7 %	-	(8)%
United States of America	8.0	-	-	9.9	0.4	4.0 %	(19)%	(14)%
Africa, India & the Middle East	6.9	0.3	4.3 %	7.0	(0.4)	(5.7)%	(1)%	(1)%
Far East & Australia	0.9	0.2	22.2 %	0.6	0.1	16.7 %	50 %	50 %
	<b>100.5</b>	<b>2.8</b>	<b>2.8 %</b>	109.0	5.8	5.3 %	(8)%	(11)%

Note:

2011 Restructuring cost £0.9m (2010: £nil)

# ENVIRONMENT & ENERGY ANALYSIS

	H1 2011			H1 2010			Revenue Change	
	Revenue	Profit	Margin	Revenue	Profit	Margin	Headline	CER
	£m	£m	%	£m	£m	%	%	%
United Kingdom	12.6	0.2	1.6 %	12.5	0.3	2.4 %	1 %	1 %
Mainland Europe	13.1	0.8	6.1 %	11.5	0.7	6.1 %	14 %	4 %
United States of America	9.7	0.6	6.2 %	9.7	0.8	8.2 %	-	6 %
Africa, India & the Middle East	2.8	0.3	10.7 %	2.6	0.4	15.4 %	8 %	8 %
Far East & Australia	5.6	(0.3)	(5.4)%	4.5	(0.2)	(4.4)%	24 %	16 %
	<b>43.8</b>	<b>1.6</b>	<b>3.7 %</b>	<b>40.8</b>	<b>2.0</b>	<b>4.9 %</b>	<b>7 %</b>	<b>5 %</b>

Note:

2011 Restructuring cost £0.1m (2010: £nil)

# MANAGEMENT & INDUSTRIAL ANALYSIS

	H1 2011			H1 2010			Revenue Change	
	Revenue	Profit	Margin	Revenue	Profit	Margin	Headline	CER
	£m	£m	%	£m	£m	%	%	%
United Kingdom	12.2	-	-	14.4	0.7	4.9 %	(15)%	(15)%
Mainland Europe	28.8	2.3	8.0 %	26.7	1.6	6.0 %	8 %	2 %
Africa, India & the Middle East	2.3	0.2	8.7 %	2.6	0.3	11.5 %	(12)%	(15)%
Far East & Australia	2.7	-	-	2.8	0.1	3.6 %	(4)%	(4)%
	<b>46.0</b>	<b>2.5</b>	<b>5.4 %</b>	46.5	2.7	5.8 %	(1)%	(5)%

Note:

2011 Restructuring cost £nil (2010: £nil)

# BALANCE SHEET

	June 2011 £m		June 2010 £m	December 2010 £m
Goodwill	202.6		208.2	200.5
Fixed assets	34.9		34.5	36.8
Other non current assets	15.9		13.5	15.0
Deferred tax asset	17.7		16.2	16.1
	<u>271.1</u>		<u>272.4</u>	<u>268.4</u>
Trade receivables and WIP	223.9	226.0		225.0
Less: payments on account	<u>(30.2)</u>	<u>(39.1)</u>	186.9	<u>(33.6)</u>
Net debt	(76.2)		(70.9)	(59.0)
Creditors within 1 year, net	(131.7)		(135.0)	(144.8)
Creditors over 1 year	(21.0)		(16.8)	(17.4)
Pension liabilities	(53.0)		(55.0)	(54.4)
Net assets	<u>182.9</u>		<u>181.6</u>	<u>184.2</u>

# WORKING CAPITAL & PENSION LIABILITIES

<b>Working Capital</b>			
	<b>June</b>	June	Dec
	<b>2011</b>	2010	2010
	<b>£m</b>	£m	£m
Trade receivables	<b>141.6</b>	153.8	151.0
Amounts due on contracts (WIP)	<b>82.3</b>	72.2	74.0
	<b>223.9</b>	226.0	225.0
Payments on account	<b>(30.2)</b>	(39.1)	(33.6)
	<b>193.7</b>	186.9	191.4
Debtor days	<b>72</b>	74	77
WIP days	<b>44</b>	34	41
Bad debt provision	<b>33.6</b>	32.1	32.1

<b>Pension liabilities</b>			
	<b>June</b>	June	Dec
	<b>2011</b>	2010	2010
	<b>£m</b>	£m	£m
UK	<b>31.0</b>	35.5	33.0
Sweden	<b>22.0</b>	19.5	21.4
Gross deficit	<b>53.0</b>	55.0	54.4
Deferred tax asset	<b>(10.0)</b>	(11.3)	(11.1)
Net deficit	<b>43.0</b>	43.7	43.3
2011 projected cash outflow - UK £3.7m			
- Sweden £0.2m			

# CASH FLOW AND NET DEBT

	H1 2011 £m	H1 2010 £m	FY 2010 £m
EBITDA*	23.6	26.5	55.2
Changes in working capital	(15.6)	(13.7)	(6.5)
Other movements	(7.1)	(5.2)	(0.8)
Cash generated from operations	0.9	7.6	47.9
Capital expenditure (net)	(6.1)	(5.6)	(12.5)
Bank and finance lease interest	(1.4)	(1.0)	(2.9)
Tax paid	(6.1)	(8.3)	(12.5)
Other movements	0.3	2.8	(0.8)
Free Cash Flow	(12.4)	(4.5)	19.2
Acquisitions/disposals, net	1.6	(0.4)	(9.0)
Dividends	(6.4)	(6.4)	(9.6)
	(17.2)	(11.3)	0.6
Opening Net Debt	(59.0)	(59.6)	(59.6)
Closing Net Debt	(76.2)	(70.9)	(59.0)

<b>Debt ratios</b> 12 months to 30/06/11	
Net debt/ EBITDA	1.5x
(Covenant <3x)	
EBITDA/ Interest	16.3x
(Covenant >4x)	

# WSP GROUP plc

HALF-YEAR RESULTS  
SIX MONTHS TO 30 JUNE 2011

Chris Cole, CEO

UNITED  
BY OUR  
DIFFERENCE



# BAD NEWS / GOOD NEWS

## Bad News

- UK Public Sector (Transportation & Education)
- Restructuring Costs
- Libya Addressed



**TRADING  
CHALLENGE  
ADDRESSED**

## Good News

- ✓ Outside UK as Forecast
- ✓ Sweden Performance
- ✓ Strong Balance Sheet
- ✓ UK Rebalancing - Private Sector
- ✓ Projects Wins
- ✓ Global Clients



**STABILITY  
MOMENTUM  
OPPORTUNITY**

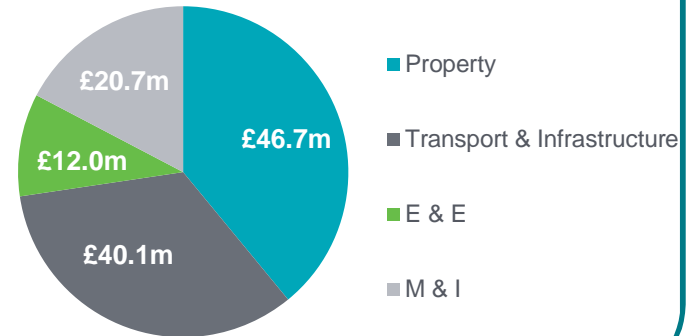
# EUROPE - SWEDEN

## SWEDEN

- Projected 4% Growth in GDP 2011\*
- Sound Public Finances
- Strong Private & Public Sector
- Good Lead Indicators

*\*Source: IMF*

Sweden Revenue, H1 2011



## WSP Sweden

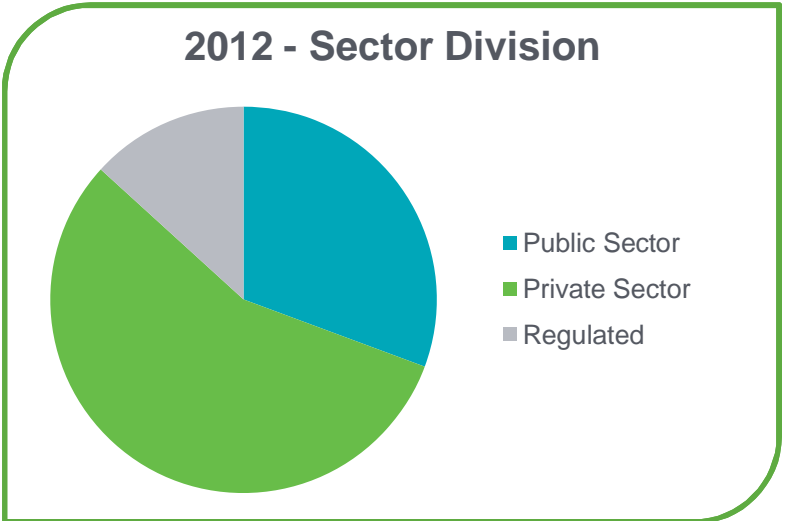
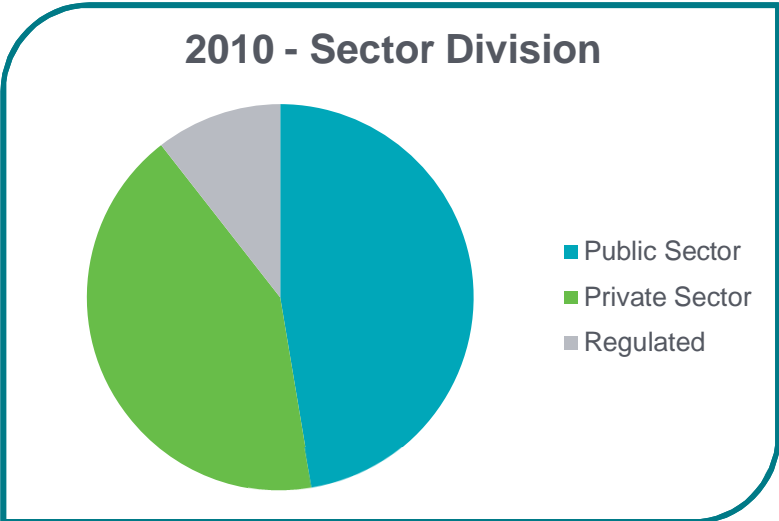
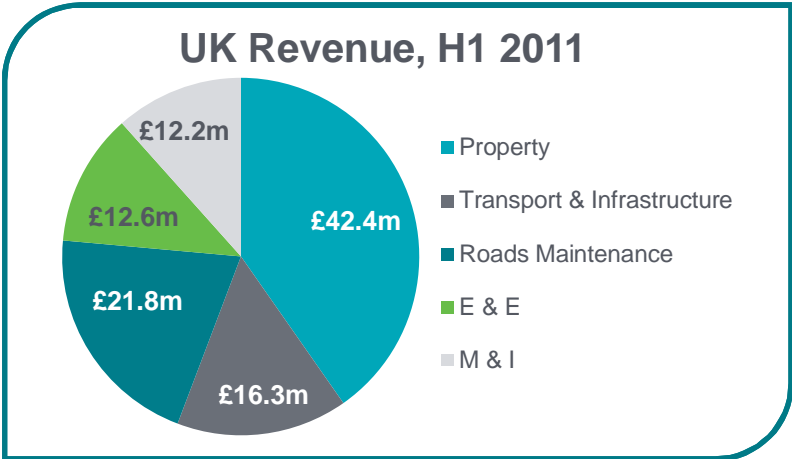
- History and Expertise in Major Projects
- Consolidated Market
- 2,300 Employees; 40 Offices; In Top 3 Of All Sectors
- Strong Recovery in Private Sector
- Business into Norway



**GROWTH**

# WSP UK

- ### UK Facts
- Economic stress
  - Public sector very challenging
  - Regulated sectors stable - competitive
  - Private sector improvements



**PROGRESSIVE SHIFT**

# WSP UK

- ❖ Private & Public Sector Workload Shift
- ❖ Benefit From Our Private Sector Heritage
- ❖ Public Sector Rebased
- ❖ Rail & Energy Opportunities
- ❖ International Work Winning
- ❖ Early Planning Wins
- ❖ Reshaped UK Business



Heron Plaza, London

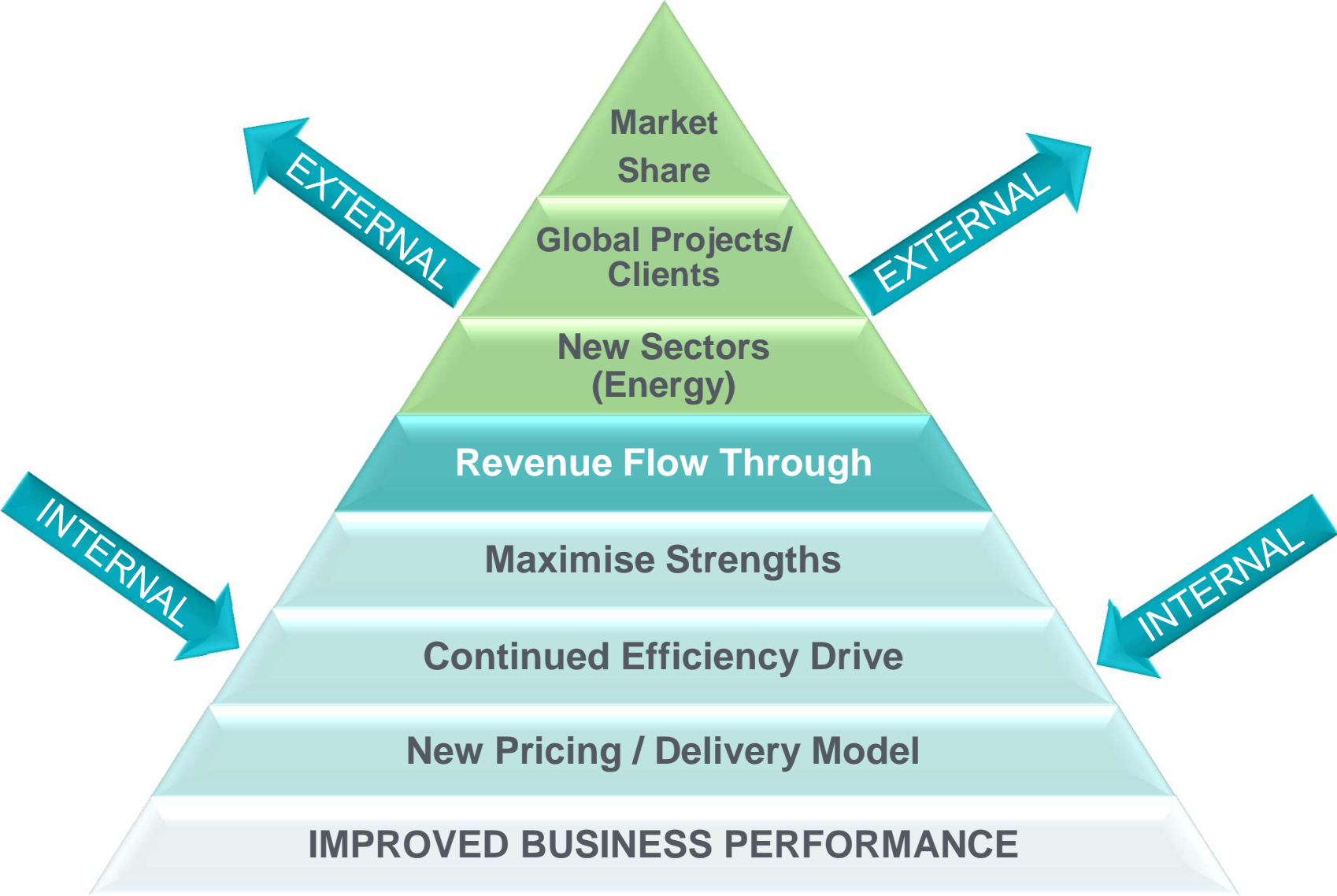


Paddington Station



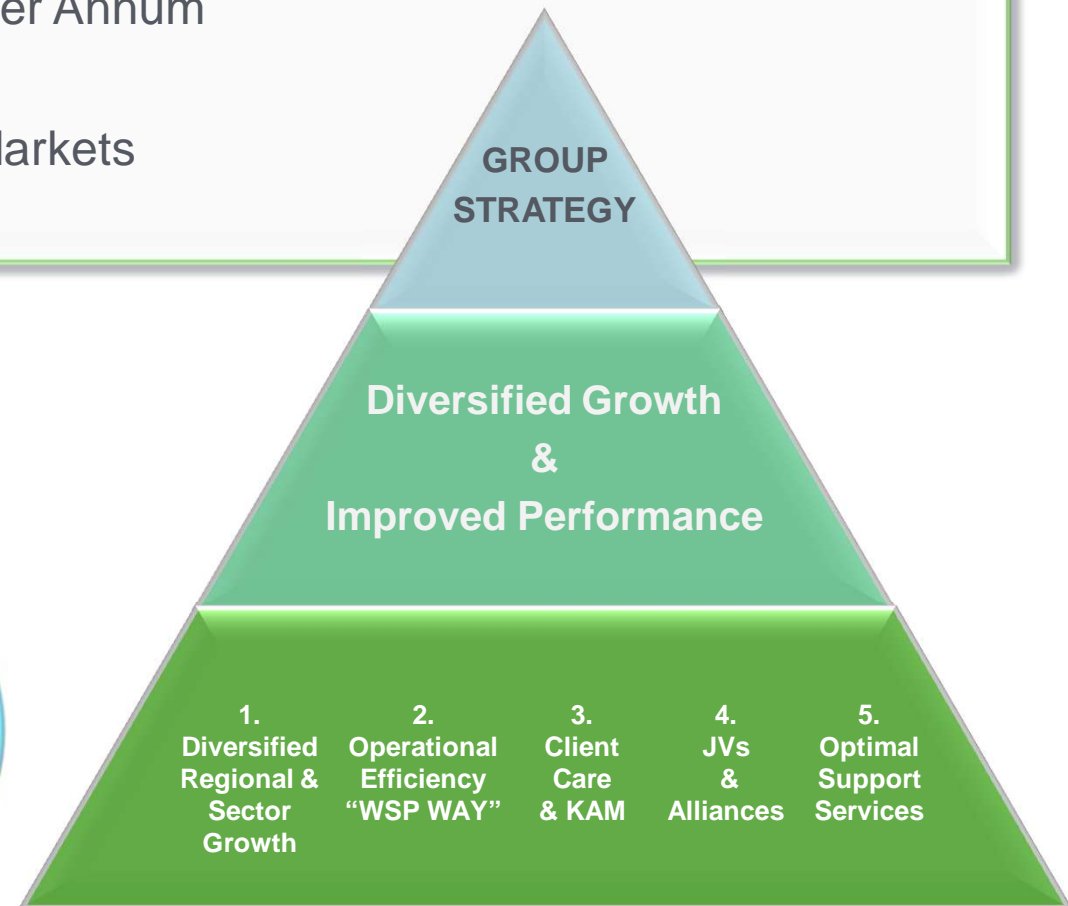
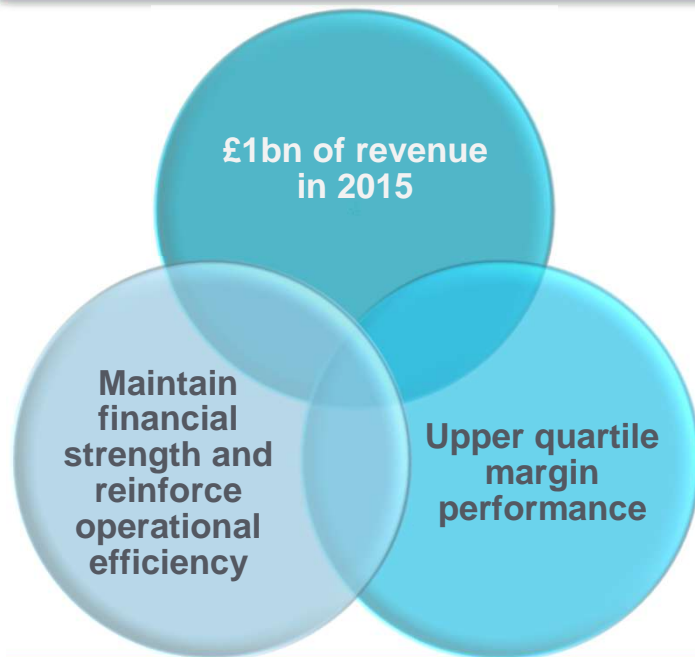
Leadenhall Building

# OPPORTUNITIES & ACTIONS



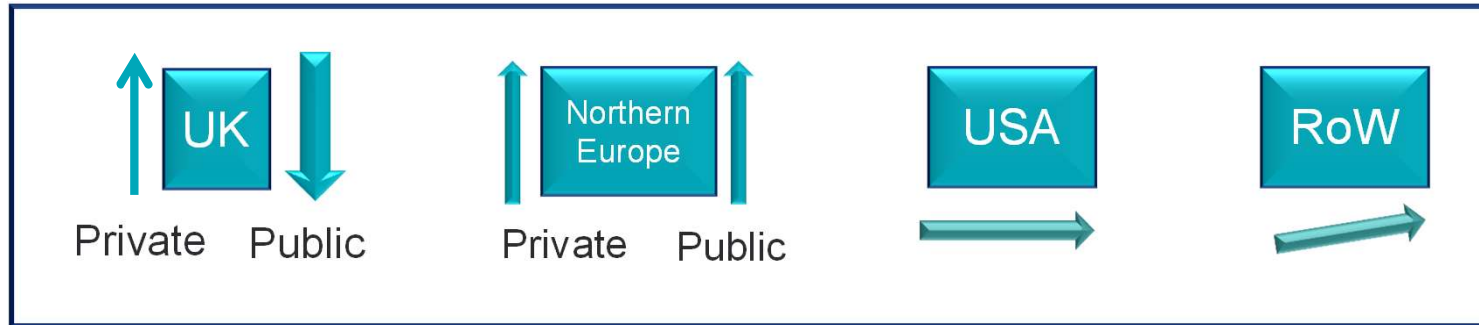
# STRATEGY PLAN - DELIVERABLE

- ❖ 6 Months into the 5-Year Strategy Plan
- ❖ 2011-2015 Strategy Plan Intact
- ❖ 2012 Improved Performance Expected
- ❖ 2013-2015: 7-10% Growth Per Annum
- ❖ Margins - Self-help
- ❖ Markets - Maximise all our Markets
- ❖ M&A Activity



# OUTLOOK

## ❖ Adapting to our Different Markets:



- ❖ Market & Regional Opportunities, i.e. Energy & Rail, Australia, S.E. Asia
- ❖ Maximise Our Private Sector Positions
- ❖ Maintained Nordic Strength
- ❖ Persistently Improve Efficiency
- ❖ Managing Pricing Pressure
- ❖ Positive on Strategy Plan Delivery
- ❖ Consolidation Agenda

# H1 2011 PROJECTS WINS



Waldorf Astoria, USA



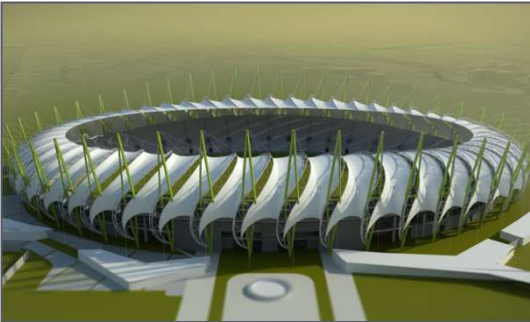
Shenzhen Tower, China



Odense Hospital, Denmark



Adenec Arena, Abu Dhabi



Al Mena Stadium, Basra, Iraq



Stockholm Arena, Sweden



Melbourne Park Redevelopment, Australia



Penttilänranta Bridge, Finland



18km two-lane highway, Norway



Echuca Regional Hospital Redevelopment, Victoria, Australia



Roslag Line Expansion, Sweden



Royal Sussex County Hospital, Brighton, UK



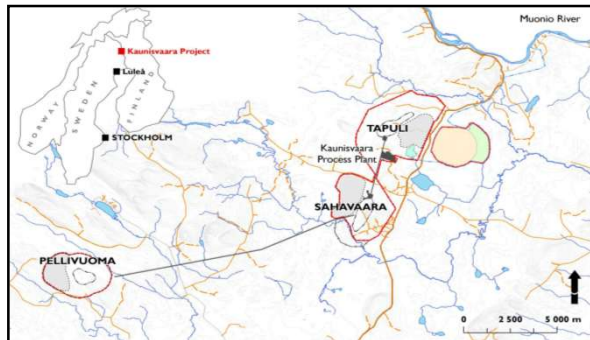
Optic Transport Network, South Africa



Throgs Neck Bridge, USA



Shahdag Grand Hotels, Azerbaijan



Mining Projects, North Sweden



US Coastguard Headquarters, WDC



Sewage Treatment Works, Vilhelmina

# WSP Group plc (the “Company”)

## Cautionary Statement

- Some statements contained in this presentation are or may be forward-looking statements. Such statements reflect the Company’s current views with respect to future events and are subject to risks, assumptions, uncertainties and other factors beyond the Company’s control that could cause actual results to differ from those expressed in such statements. Although the Company believes that such forward-looking statements, which speak only as of the date of this presentation, are reasonable, no assurance can be given that they will prove to be correct. Therefore, you should not place undue reliance on these statements.
- There can be no assurance that the results and events contemplated by the forward-looking statements contained in this presentation will, in fact, occur. The Company will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation, except as required by law or by any appropriate regulatory authority. Nothing in this presentation should be considered as a profit forecast.
- Past performance of the Company or its shares cannot be relied on as a guide to future performance.
- This presentation does not constitute, or form part of or contain any invitation or offer to any person to underwrite, subscribe for, otherwise acquire, or dispose of any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it, form the basis of or be relied on in any connection with or act as an inducement to enter into any contract or commitment. In particular, this presentation and the information contained herein are not an offer of securities for sale in the United States.
- No reliance may be placed for any purpose whatsoever on the information or opinions contained in this presentation or on its completeness and no liability whatsoever is accepted for any loss howsoever arising from any use of this presentation or its contents or otherwise in connection therewith.

25 July 2011

# WSP GROUP plc

HALF-YEAR RESULTS  
SIX MONTHS TO 30 JUNE 2011

THANK YOU AND QUESTIONS

UNITED  
BY OUR  
DIFFERENCE

