

Chairman's Statement

Against a tough economic background, we have demonstrated the resilience of our strategy and our ability to produce strong results, and we are well positioned for when growth returns.



Results

In this, my first year-end as chairman, I am pleased to report that Atkins has had another good year. The Group's diversified exposure to end markets provided resilience in a challenging environment. Group operating profit increased 9.6% to £113.0m and the Group's operating margin improved to 8.1% from 6.9%. In the year ended 31 March 2010 the Group's revenue reduced by 6.7% to £1,387.9m, on average staff numbers down some 8.7%.

Since joining the Board in September 2009 I have visited many of our offices within the business and I have been hugely impressed with the professionalism, talent and commitment of our staff who are delivering simple, but very effective, solutions to our clients' complex infrastructure challenges. This is particularly impressive when, in the same period of operation, we have reduced headcount in response to market conditions.

The Group's liquidity remains strong, driven by a good cash performance in the second half of the year, and we ended the year with net funds of £302.5m.

Our diversified exposure to end markets gives us added resilience to market fluctuations. However, the uncertainty of the impact of UK public spending cuts continues and we are prepared for a period of tighter Government spending. The future for the built environment will bring more complex engineering challenges as our clients put greater emphasis on planning and design disciplines to achieve maximum value from their infrastructure programmes. This is what we do well.

People

The business relies fully on the ability of our employees to satisfy our clients' requirements. In responding to market demand we have reduced our staff numbers by approximately 13% to 15,601 at the year-end. We have successfully redeployed more than 500 people into different roles across the Group and continue to recruit to fill specialist vacancies in the growth areas of our business. We continue to invest in the training and development of our people and, in particular, in the development of a suite of carbon calculation tools to help our staff and clients deliver lower carbon projects.

I would like to thank all our employees throughout the Group for their commitment and efforts during these testing economic times.

Board of directors

I would like to thank my predecessor Ed Wallis who retired as chairman in January 2010 after more than five years of dedicated service. Ed provided strong leadership and direction for the Board and we wish him every success for the future. I would also like to extend my thanks to James Morley, who had served as a non-executive director since January 2001 and more recently as the senior independent director, and stood down during the year. Within the year there has also been a smooth transition to Heath Drewett, who joined as Group finance director in June 2009, following the departure of Robert MacLeod.

Dividend

The Board is recommending a final dividend of 18.25p, making the total dividend for the year 27.5p (2009: 26.0p), an increase of 5.8%. If approved, the dividend will be paid on 24 September 2010 to ordinary shareholders on the register on 20 August 2010.

Outlook

The Group has demonstrated its resilience in difficult economic conditions and with good levels of work in hand and a strong balance sheet we are well positioned for when growth returns.

Allan Cook CBE

Chairman
16 June 2010