

## **AEA TECHNOLOGY GROUP PLC (“AEA or “Group”)**

### **INTERIM MANAGEMENT STATEMENT**

*AEA Technology Group plc, a leading technical, energy and sustainability consultancy today announces its Interim Management Statement for the period 1<sup>st</sup> April 2011 to date in accordance with the FSA’s Disclosure and Transparency rules under DTR 4.3.*

#### **Trading Update**

The Board of AEA announced its annual financial results for the year to 31<sup>st</sup> March 2011, on 20<sup>th</sup> July 2011.

The Board continues to be cautious about market conditions in Europe. The actions taken to reduce the cost base in the last year combined with additional cost reductions this year are helping to underpin performance. Encouragingly there is a larger pipeline of opportunities compared to this time last year and as a result the number of bids being made by AEA in Europe has increased.

In the US, AEA continues to bid energetically and so far this year the Group has submitted in excess of \$500m of bids. The bid pipeline, which was \$1.2bn at 30 June 2011, continues to be robust despite the political uncertainty in the US Federal Government. Most of the opportunities in this pipeline are below \$60m in potential value. There are a small number of bids which are significantly larger than this including ones with the National Archive and Records Administration, the Environmental Protection Agency (“EPA”) and the Department of Energy (“DoE”).

The Group is extremely well placed on its bid pipeline and is confident of securing additional work through the bid processes currently under way. It can take up to 18 months before the Federal Government makes an award and this then to be turned into revenue and profit. Typical contract length is around four years.

As a result of this higher level of investment the Board expects the forward order book to grow significantly towards the end of this financial year which will provide a platform for accelerated growth in future years.

AEA continues to make good progress on order intake. The continuing political and fiscal uncertainty in Washington has the potential to delay some contract awards but nevertheless the Board believes that the Group is on course for a strong performance of order intake by the end of this financial year. Key orders to date this year include \$5.7m for the DoE Save Energy Now contract, \$2.8m for maintenance and support of the Victims Notification System for the Department of Justice, and \$2.8m for a contract with EPA to support the reporting of greenhouse gases in the US. In addition, the Group has achieved a

number of new wins which involved removing the incumbent by combining the skills of AEA, PPC and ERG.

### **Pension Fund**

The Board continues to monitor the pension deficit closely and is working with the Trustee to ensure appropriate actions are underway to manage the deficit. The normal triennial valuation date is 31 March 2011.

### **Debt Facilities**

The Group's debt facilities extend until November 2012. Discussions to put in place a new facility have commenced and are proceeding satisfactorily.

### **Trading Summary**

The Board remains very cautious in the outlook for Government spending in the UK and during 2011/12 is not anticipating a recovery from the current low levels.

In the US order intake growth has got off to a good start. Despite potential US Federal Government fiscal uncertainties the Group has a strong pipeline of US opportunities. Overall the Group is confident of continued progress.

There have been no other material events or transactions that have taken place during the period.

17 August 2011

### **For further information:**

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## Notes to Editors

AEA is a world leading and internationally renowned energy and environmental consultancy with operations in the United Kingdom, Europe and United States. We bring together world-leading energy, environment, and IT expertise and apply it to the business and organisational context of our clients.

We have a strong track record of working successfully with both public and private sector clients. For over 40 years, we have helped governments define and develop policy, and over the last 20 years, we have also assisted businesses respond to regulatory demands and improve efficiencies.

Our North American operation embraces two organisations; Eastern Research Group, Inc. (ERG), which provides environmental, sustainable facilities, and worker protection consulting services to public sector clients, and Project Performance Corporation (PPC), which combines environmental expertise with a sophisticated IT and data management capability. AEA's key areas of work are in energy and climate change, air and water quality, risk management, resources and waste, enterprise services, sustainable transport, information management and knowledge transfer.

### **Important Information**

*Statements contained in this Interim Management Report are based on the knowledge and information available to the Company's directors at the date it was prepared and therefore the facts stated and views expressed may change after that date. By their nature, the statements concerning the risks and uncertainties facing the Company in this Interim Management Report involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. To the extent that this Interim Management Report contains any statement dealing with any time after the date of its preparation such statement is merely predictive and speculative as it relates to events and circumstances which are yet to occur. The Company undertakes no obligation to update these forward looking statements.*

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