



**12 August 2010**

## **AEA Technology plc ('AEA' or 'the Group')**

### **Interim Management Statement**

AEA Technology plc, the leading climate change and energy consultancy, is today publishing its Interim Management Statement for the period from 1 April to 11 August 2010.

Overall, trading across the Group remains in line with management's expectations.

#### **Dynamic US market**

The pipeline of opportunities in the US market continues to be very strong. Management expects to bid for c.US\$400m of projects during the current financial year with the principal opportunities coming from the Department of Energy ("DOE"), the Environmental Protection Agency, the Department of Defense and the Department of Transport.

Concern in the US about the level of the Federal Government budget deficit is leading to some delays in certain contract awards but overall, management remains confident about good growth in orders for the year. US\$185m awards are currently outstanding on submitted bids.

Recent successes in the US have included an important win with the US DOE using Project Performance Corporation's data management capability to provide them with an improved IT platform. A further significant strategic win was for the Transportation Research Board Airport Cooperative Research Program looking at alternative fuels as a means to reduce fine particulate emissions at airports. AEA's selection for this work is a reflection of the business's technical excellence and a demonstration of AEA's growing presence in the US transportation sector.

The Group continues to see good growth opportunities and remains confident about the full year outlook in this market.

#### **UK market conditions remain challenging**

The Group's performance in this market is broadly in line with management's expectations. In anticipation of the UK Coalition Government's action to reduce Government spending management took early action to reduce the cost base of the business in Europe. However, until the outcome of the UK Government's October spending review is known, management has limited forward visibility of orders. Whilst some 30% of AEA's European revenues are underpinned by the UK's domestic and international regulatory obligations, management is also able to redeploy resources to work on US projects.

#### **Positive cash collection and net debt in line with expectations**

Cash from business operations has improved, driven by better cash collections in the US and a continuing strong cash collection performance in Europe, despite the market conditions. Consequently, net debt is in line with management's expectations.

#### **Forward order book and outlook**

The Group's forward order book remains at US\$300m. (Forward order book is signed contracts where the related revenue is expected to occur over a number of years plus an estimate of future revenue under framework agreements.)

Management continues to be positive and confident about growth in the US market, whilst in Europe remains cautious until the visibility improves.

**Ends**



For further information:

Media

Madano Partnership

Matthew Moth/Charles Reynolds

020 7593 4000

Investors

IR Focus

Neville Harris

020 7593 4015

The latest financial information on AEA is available on the internet at [www.aeat.com](http://www.aeat.com)