

BUSINESS REVIEW

CHAIRMAN'S STATEMENT



GEOFF FRENCH
GROUP CHAIRMAN

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Our staff remain critical to our reputation, our continuing innovation and **our ability to respond to changing circumstances.**

OPERATIONS AND STRATEGY

An extended period of consistent global growth in demand for engineering consultancy services came to an abrupt end in the second half of our financial year. It has been replaced by a much more variable trading environment across the Sectors of our business. In some places, such as China and India, growth has slowed but still remains significant. In a number of countries, including the UK, we have benefited from the financial stimulus packages that have been introduced. In contrast, some Sectors, especially those related to private commercial development, saw a sudden and rapid decline.

Whilst our diversity, both geographically and across market sectors, has served us well in this time of reduced certainty, some rationalisation of our staff levels has been required to match capacity with demand. Our clients are also experiencing the effects of the global financial squeeze and as a result we have devoted extra resource to the management of our debtor book. That we have managed to improve our net debt position significantly during the last six months in such an overall climate is a great tribute to the actions of our management teams throughout the Group.

The necessity to reflect an exceptional charge has detracted from what was otherwise one

of the most successful years in our history. Our revenue is at another record level, our order book is strong as is our liquidity and we have demonstrated our ability to react effectively to rapidly changing markets.

DIVIDEND

The Board is pleased to recommend a final dividend of 2.67p per share, making the total dividend for the year 4.0p (2008: 3.6p), an increase of 11 per cent. We are pleased that our improved net debt position in the second half of our financial year has enabled us to increase the dividend again despite the significant change in market conditions. It remains our intention to have a progressive dividend policy balancing growth in earnings with our investment plans and dividend cover levels. However, with the period of consistent global economic growth coming to an end, dividend policy in the near future will be reviewed in the light of the Group's trading performance and the wider market and economic environment.

BOARD OF DIRECTORS

Christopher Kemball became a Non-Executive Director with effect from 1 January 2009. Christopher has extensive investment banking experience specialising in mergers and acquisitions, capital raising

and privatisations in Europe, the USA and emerging markets. His full biography can be found on page 19.

Pelham Allen retired from the Board on 1 January 2009 after six years and the Board would like to record its thanks to Pelham for all that he has done during his time with Scott Wilson.

On 1 November 2008, in line with the Group's commitment to plan for senior executive succession and Board structure over the long term, I became Non-Executive Chairman of the Group.

EMPLOYEES

At the end of April 2009 we had 6,406 staff, a broadly similar number to the figure at the end of April 2008. This has been a difficult year for our staff with the uncertainties in some of our Sectors. We are grateful for the flexibility that they have shown in helping us to adjust to the changing requirements of our markets.

Our continuing challenge is to provide our staff with the opportunity to demonstrate their ambition, passion for their work, collaboration and knowledge. Our staff remain critical to our reputation, our continuing innovation and our ability to respond to changing circumstances.

On behalf of the Board I would like to thank all our members of staff for their outstanding contributions to Scott Wilson over the last year.

CORPORATE RESPONSIBILITY

The fundamental importance of sustainability and integrity to our business has been reinforced by the current economic situation. We remain firmly committed to continual improvement in our social, environmental and ethical performance. This commitment is supported by having environmental, social inclusion and equality and health and safety skills in-house. Further demonstration of that commitment is provided by our support for the UN Global Compact, the world's largest CSR initiative.

We have been proud to increase significantly our support for the staff-led Scott Wilson Millennium Project, a registered charity, which this year completed the construction and establishment of a new school in Mozambique as well as supporting other good causes focusing on the relief of poverty, hardship and distress among children in developing countries.

We also continue to give corporate support as a patron of the charity RedR and its humanitarian relief efforts.

This year the Group has prepared a stand-alone Corporate Responsibility Report, a hard copy of which is being sent to all shareholders receiving a printed copy of this Annual Report. The Corporate Responsibility Report is also available to all other shareholders and interested parties via the Group's website.

OUTLOOK

Overall, the demand for global infrastructure remains strong as urbanisation continues around the world. The UK remains a leading global provider of engineering consultancy services and Scott Wilson's technical and industry credentials are very strong. The Group is already well established in both China and India, two major markets that continue to grow despite the recent economic difficulties. Our work in road, rail and other transport projects remains strong, together with power, water, waste and environment projects. However, there are no early signs of improvements in the property sector.

We do not expect growth in our UK business over the next year but we do see significant opportunities for further growth in our international markets.

Our diversified business model, strong order book and financial strength give us confidence that we can continue to respond effectively to market developments as they unfold.



GEOFF FRENCH
GROUP CHAIRMAN
30 JUNE 2009

The Business Review (the Review) comprises the Chairman's Statement, the Chief Executive's Report and the Finance Report.

This Review has been prepared solely to provide additional information to shareholders in order to assess the Company's strategies and the potential for those strategies to succeed. It should not be relied on by any other party or for any other purpose.

The Review contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this Report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Significant improvement
in our net debt position

Revenue
at another record level

Final dividend of **2.67p per share**, an increase of 11 per cent, recommended

Well established
in both China and India, two major markets that continue to grow