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**AMVESCAP PLC REPORTS RESULTS FOR SIX MONTHS ENDED JUNE 30, 2001**

**London, August 2, 2001** – AMVESCAP reported that profit before tax, goodwill amortization and exceptional items for the six months ended June 30, 2001 amounted to £270.7 million compared to £255.6 million for the six months of 2000, an increase of 6%. Diluted earnings per share before goodwill amortization and exceptional items amounted to 22.2p (2000: 25.6p), a decrease of 13% for the period. Revenues increased to £853.6 million from £754.3 million in 2000.

	<b>Results for six months ended</b>			
	<b>June 30, 2001†</b>	<b>June 30, 2000†</b>	<b>June 30, 2001</b>	<b>June 30, 2000</b>
Revenues	<b>\$1,203.6m</b>	\$1,139.0m	<b>£853.6m</b>	£754.3m
Profit before tax, goodwill amortization and exceptional items	<b>\$381.7m</b>	\$386.0m	<b>£270.7m</b>	£255.6m
Earnings per share before goodwill amortization and exceptional items:				
--basic	<b>\$0.65*</b>	\$0.81*	<b>23.0p</b>	26.7p
--diluted	<b>\$0.63*</b>	\$0.77*	<b>22.2p</b>	25.6p
Earnings per share before goodwill amortization:				
--basic	<b>\$0.59*</b>	\$0.81*	<b>20.9p</b>	26.7p
--diluted	<b>\$0.57*</b>	\$0.77*	<b>20.2p</b>	25.6p
Dividends per share	<b>\$0.13*</b>	\$0.12*	<b>4.5p</b>	4.0p

\* Per American Depositary Share, equivalent to 2 ordinary shares.

† For the convenience of the reader, pounds sterling for the period ended June 30, 2001 have been translated to US dollars using \$1.41 per £1.00 (2000: \$1.51 per £1.00).

"The second quarter found us in a continued period of volatile markets around the world," said Mr. Charles W. Brady, Executive Chairman. "The recent Federal Reserve cuts in combination with the recently-enacted US tax reduction will provide a basis for improved economic activity in the United States. We continue to believe that the global markets should reflect these improving economic trends toward the end of this year and into 2002."

"While the profitability of our industry is impacted by periodic market corrections, the state of our business is sound and I remain confident about our future even though the third quarter is unlikely to produce a strong rebound from the second quarter's results," noted Mr. Brady.

The results for 2001 include recent acquisitions (County Investment Management Limited and National Asset Management Corporation) from the dates of acquisition. A £25.3 million exceptional item was provided during the six month period related to the acquisition integration activities.

Profit before tax, goodwill amortization and exceptional items increased by 4% during the second quarter of 2001 to £135.7 million (2000: £130.9 million). Diluted earnings per share before goodwill amortization and exceptional items amounted to 11.2p (2000: 13.1p) for the three months ended June 30, 2001, a decrease of 14% over the corresponding period of 2000. Revenues for the three months ended June 30, 2001 amounted to £426.3 million compared to £384.7 million from the prior year's quarter.

Funds under management totaled \$408.4 billion (£289.6 billion) at June 30, 2001, an increase of \$5.8 billion from December 31, 2000. Funds under management from acquired companies in 2001 amounted to \$22.2 billion at dates of acquisition. Average funds under management for the six months ended June 30, 2001 were \$403.1 billion, an increase of \$2.6 billion over the average funds in the second half of 2000 and \$28.0 billion over the first half of 2000. Average funds under management during the second quarter were \$404.4 billion compared to \$401.7 billion for the preceding quarter. Approximately 40% of the total funds under management are invested in fixed income securities at June 30, 2001.

Earnings before interest, taxes, depreciation and amortization (EBITDA) reached £334.9 million and £168.2 million for the six months and second quarter ended June 30, 2001. Net debt at June 30, 2001 amounted to £712.1 million compared to £691.6 million at December 31, 2000.

The Board has declared an interim dividend of 4.5p per share (2000: 4.0p), an increase of 12%. The interim dividend will be paid on October 5, 2001 to shareholders on the register on September 7, 2001. The ex-dividend date for the dividend will be September 5, 2001.

The company will complete the acquisition of Pell Rudman & Co., Inc. on August 2, 2001. Pell Rudman provides asset management services to high net worth individuals, families, foundations and endowments. Total consideration consists of a cash payment of approximately £122 million (\$172 million) and includes potential asset retention payments of up to £20 million (\$28 million) over two years. Pell Rudman's funds under management totaled approximately \$8.1 billion at July 31, 2001.

The Managed Products group reported revenues of £529.6 million during the first six months of 2001, an increase of £59.1 million over the prior year. Operating profits were £238.0 million, an increase of £12 million during the period. The results for the current year include Trimark Financial Corporation which was acquired in August, 2000. The group generated \$28 billion of gross sales in 2001. Funds under management amounted to \$230.3 billion at June 30, 2001.

The US Institutional group reported revenues and operating profits of £104.5 million and £26.7 million in the 2001 period. Operating profits have improved by £2.6 million over the prior year on flat revenue levels, reflecting the continued emphasis on cost controls in a volatile market environment. Operating margin for this group was 25.6%, an 11% improvement over results for

the 2000 period. This group generated \$12.3 billion in gross sales during the first half of 2001 compared to \$11.4 billion in 2000, reflecting the continued strength of the group's marketing efforts coupled with a broader range of products provided by the National Asset Management acquisition. Funds under management amounted to \$113.9 billion at June 30, 2001.

INVESCO Global's revenues amounted to £190.8 million for the first half of 2001, an increase of £33.2 million over the prior year due to the inclusion of the Perpetual results in 2001 offset in part by declines in the global capital markets. Operating profits totaled £48.1 million for the first half of 2001. The UK business continued to reflect strong operating profits and margins on lower revenue levels. The operating profits of the Continental European and Asian businesses declined in 2001 due to significantly lower revenues, offset by lower operating costs. Funds under management were \$64.2 billion at June 30, 2001, a decline of \$2.4 billion from the end of 2000.

INVESCO Retirement experienced a 16% increase in assets under administration during the six month period, reaching \$31.9 billion at June 30, 2001. The INVESCO Retirement group reported \$1.6 billion in net new sales during the current year. IRI was chosen by FleetBoston Financial Corporation, one of the largest U.S. banks, as a strategic partner for their 401 (k) business and won new mandates from several new, large companies in the current year. This group services 571,000 plan participants at June 30, 2001, up from 381,000 participants at the end of 2000.

AMVESCAP is a leading independent global investment manager, dedicated to helping people worldwide build their financial security. Operating under the AIM and INVESCO brands, AMVESCAP strives to deliver outstanding investment performance and service through a comprehensive array of retail and institutional products for clients in over 100 countries. The Company is listed on the London, New York, Paris and Toronto Stock Exchanges with the symbol "AVZ."

Members of the investment community and general public are invited to listen to the conference call today, Thursday, August 2, 2001 at 9:30 a.m. Eastern Time (2:30 p.m. London time), by dialing one of the following numbers: 1-888-201-4990 for US callers or 712-257-3060 for international callers. An audio replay of the conference call will be available until Thursday, August 9, 2001 at 5:00 pm Eastern Time by calling 1-800-937-3091 for US callers or 402-220-9097 for international callers.

**AMVESCAP PLC**  
**Group Profit and Loss Account**  
(in thousands)

	Six Months Ended June 30,			2000
	2001			
	Ordinary activities	Exceptional items	Total	
Revenues	£853,552	£ --	£853,552	£754,253
Operating expenses	(559,973)	(25,252)	(585,225)	(485,962)
	293,579	(25,252)	268,327	268,291
Goodwill amortization	(65,039)	--	(65,039)	(18,370)
Operating profit	228,540	(25,252)	203,288	249,921
Investment income	5,865	--	5,865	7,423
Interest payable	(28,792)	--	(28,792)	(20,150)
Profit before taxation	205,613	(25,252)	180,361	237,194
Taxation	(86,033)	8,409	(77,624)	(81,780)
Profit after taxation	119,580	(16,843)	102,737	155,414
Dividends	(36,552)	--	(36,552)	(28,014)
Retained profit for the period	£83,028	£(16,843)	£66,185	£127,400
Earnings per share before goodwill amortization:				
---basic	23.0p	(2.1)p	20.9p	26.7p
---diluted	22.2p	(2.0)p	20.2p	25.6p
Earnings per share:				
---basic	14.9p	(2.1)p	12.8p	23.9p
---diluted	14.4p	(2.0)p	12.4p	22.9p
Average shares outstanding:				
---basic	802,077		802,077	650,089
---diluted	837,745		837,745	679,634

**AMVESCAP PLC**  
**Group Profit and Loss Account**  
(in thousands)

	Three Months Ended June 30,			
	2001			
	Ordinary activities	Exceptional items	Total	2000
Revenues	£426,275	£ --	£426,275	£384,737
Operating expenses	(278,955)	(21,045)	(300,000)	(248,321)
	147,320	(21,045)	126,275	136,416
Goodwill amortization	(33,227)	--	(33,227)	(9,071)
Operating profit	114,093	(21,045)	93,048	127,345
Investment income	2,864	--	2,864	3,945
Interest payable	(14,486)	--	(14,486)	(9,448)
Profit before taxation	102,471	(21,045)	81,426	121,842
Taxation	(42,857)	8,418	(34,439)	(41,892)
Profit after taxation	59,614	(12,627)	46,987	79,950
Dividends	(36,552)	--	(36,552)	(28,014)
Retained profit for the period	£23,062	£(12,627)	£10,435	£51,936
Earnings per share before goodwill amortization:				
---basic	11.5p	(1.6)p	9.9p	13.7p
---diluted	11.2p	(1.5)p	9.7p	13.1p
Earnings per share:				
---basic	7.4p	(1.6)p	5.8p	12.3p
---diluted	7.2p	(1.5)p	5.7p	11.7p
Average shares outstanding:				
---basic	805,453		805,453	651,501
---diluted	838,807		838,807	682,024

**AMVESCAP PLC**  
**Group Balance Sheet**  
(in thousands)

	June 30, 2001	Dec 31, 2000
	<u>                    </u>	<u>                    </u>
Fixed assets		
Goodwill	£2,548,898	£2,375,542
Investments	150,672	152,521
Tangible assets	215,251	203,341
	<u>2,914,821</u>	<u>2,731,404</u>
Currents assets		
Debtors	637,457	686,101
Investments	118,402	124,311
Cash at bank and in hand	227,165	342,073
	<u>983,024</u>	<u>1,152,485</u>
Creditors: amounts falling due within one year	(633,431)	(764,068)
Net current assets, excluding banking and insurance activities	<u>349,593</u>	<u>388,417</u>
Banking and insurance activities, net	8,627	1,812
Total assets less current liabilities	3,273,041	3,121,633
Long-term debt	(895,188)	(960,023)
Provisions for liabilities and charges	(146,383)	(58,530)
Net assets	<u>2,231,470</u>	<u>2,103,080</u>
Capital and reserves		
Called up share capital	195,606	192,759
Exchangeable shares	446,640	477,153
Share premium account	1,605,666	1,488,933
Profit and loss account	659,605	593,420
	<u>2,907,517</u>	<u>2,752,265</u>
Other reserves	(676,047)	(649,185)
Shareholders' funds	<u>£2,231,470</u>	<u>£2,103,080</u>

**AMVESCAP PLC**  
**Group Cash Flow Statement**  
(in thousands)

	Six Months Ended	
	June 30, 2001	June 30, 2000
Operating profit	£203,288	£249,921
Amortization and depreciation	100,455	41,668
Change in debtors, creditors, and other	(23,066)	(31,839)
Net cash inflow from operating activities	<u>280,677</u>	<u>259,750</u>
Banking and insurance activities	(13,972)	723
Interest paid, net of investment income	(20,324)	(14,246)
Taxation	(100,246)	(72,232)
Capital expenditures, net of sales	(40,047)	(25,365)
Net disposals / (purchases) of fixed asset investments	5,962	(19,180)
Acquisitions	(106,125)	--
Dividends paid	(47,986)	(36,439)
Net repayment of debt	(85,870)	(126,764)
Foreign exchange on cash at bank and in hand	13,023	4,868
Decrease in cash at bank and in hand	<u>£(114,908)</u>	<u>£(28,885)</u>

**AMVESCAP PLC**  
**Segmental Information**  
(in thousands)

	Six Months Ended June 30, 2001		
	Revenues	Expenses	Oper. Profit
Managed Products	£529,645	£(291,599)	£238,046
US Institutional	104,525	(77,795)	26,730
INVESCO Global	190,750	(142,623)	48,127
INVESCO Retirement	27,811	(23,678)	4,133
New Business	821	(6,266)	(5,445)
Corporate	--	(18,012)	(18,012)
	<u>853,552</u>	<u>(559,973)</u>	<u>293,579</u>
Goodwill amortization	--	(65,039)	(65,039)
	<u>£853,552</u>	<u>£(625,012)</u>	<u>£228,540</u>

	Six Months Ended June 30, 2000		
	Revenues	Expenses	Oper. Profit
Managed Products	£470,512	£(244,482)	£226,030
US Institutional	104,085	(80,026)	24,059
INVESCO Global	157,559	(108,522)	49,037
INVESCO Retirement	21,920	(20,899)	1,021
New Business	177	(6,240)	(6,063)
Corporate	--	(25,793)	(25,793)
	<u>754,253</u>	<u>(485,962)</u>	<u>268,291</u>
Goodwill amortization	--	(18,370)	(18,370)
	<u>£754,253</u>	<u>£(504,332)</u>	<u>£249,921</u>

## Notes

1. The taxation charge for the six months ended June 30, 2001 is estimated based on the total expected tax charge for the year. A significant proportion of the charge is expected to arise from US operations.
2. The Directors consider that profit before goodwill amortization and exceptional items is a more appropriate basis for the calculation of earnings per share since this represents a more consistent measure of operating performance.

	<u>2001</u>		
	Profit before goodwill amortization and exceptional items £'000	Number of shares '000	Per share amount
Basic earnings per share	184,619	802,077	23.0p
Conversion of ESDs	1,360	6,128	
Issuance of options	--	29,540	
Diluted earnings per share	<u>185,979</u>	<u>837,745</u>	<u>22.2p</u>

	<u>2000</u>		
	Profit before goodwill amortization £'000	Number of shares '000	Per share amount
Basic earnings per share	173,784	650,089	26.7p
Issuance of options	--	29,545	
Diluted earnings per share	<u>173,784</u>	<u>679,634</u>	<u>25.6p</u>

3. The results for 2001 include both Trimark Financial Corporation and Perpetual plc. Trimark was acquired on August 1, 2000, and Perpetual has been included since January 1, 2001.

The Company acquired County Investment Management Limited on January 31, 2001 for consideration of £40.8 million in cash. This acquisition had no material effect on the consolidated financial statements. A £4.2 million exceptional item was recognized related to integration activities.

The Company acquired National Asset Management Corporation in April, 2001 for consideration of £69.1 million in cash and £76.1 million in ordinary shares. The transaction includes additional contingent earn-out payments up to £51.9 million and retention payments payable totaling £17.3 million. The results for 2001 include National Asset Management Corporation from May 1, 2001. A £21.1 million exceptional item related to integration activities was recognized during 2001.

## **Independent Review Report to AMVESCAP PLC**

### **Introduction**

We have been instructed by the Company to review the financial information for the three months and six months ended June 30, 2001, which comprises the Group Profit and Loss Accounts, the Group Balance Sheet, the Group Cash Flow Statement, the Segmental Information analysis, and related Notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

### **Directors responsibilities**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

### **Review work performed**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

### **Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the three months and six months ended June 30, 2001.

Arthur Andersen  
Chartered Accountants  
1 Surrey Street  
London

August 2, 2001

**AMVESCAP PLC**  
**Funds Under Management**  
(in billions)

	<u>Total</u>	<u>Managed Products</u>		<u>US Inst</u>	<u>Global</u>
		<u>AIM</u>	<u>INVESCO</u>		
Dec 31, 2000	\$402.6	\$193.2	\$43.2	\$99.6	\$66.6
Market gains/(loss)	(31.0)	(16.9)	(7.5)	(1.5)	(5.1)
Acquisitions	22.2	--	--	17.1	5.1
Net new (lost) business	2.1	1.6	1.8	(1.3)	--
Change in US Money Market Funds	15.5	15.1	(0.4)	--	0.8
Transfers	--	0.3	--	--	(0.3)
Foreign currency	(3.0)	(0.1)	--	--	(2.9)
June 30, 2001	<u>\$408.4</u>	<u>\$193.2</u>	<u>\$37.1</u>	<u>\$113.9</u>	<u>\$64.2</u>
June 30, 2001 †	<u>£289.6</u>	<u>£137.0</u>	<u>£26.3</u>	<u>£80.8</u>	<u>£45.5</u>

† Translated at \$1.41 per £1.00.

Note: INVESCO Retirement has \$31.9 billion in assets under administration as of June 30, 2001, compared to \$27.6 billion as of December 31, 2000.

**AMVESCAP PLC**  
**Reconciliation to US Accounting Principles**  
(in thousands)

	Six Months Ended June 30,	
	2001	2000
Net profit under UK GAAP	£102,737	£155,414
<i>US GAAP Adjustments:</i>		
Acquisition accounting	(16,610)	(31,634)
Taxation	(23,813)	(15,381)
Other	577	411
Net income under US GAAP	<u>£62,891</u>	<u>£108,810</u>
Earnings per share before goodwill amortization:		
--basic	20.2p	24.4p
--diluted	19.5p	23.4p
Earnings per share:		
--basic	7.8p	16.7p
--diluted	7.7p	16.0p
	<u>June 30, 2001</u>	<u>Dec 31, 2000</u>
Shareholders' funds under UK GAAP	£2,231,470	£2,103,080
<i>US GAAP Adjustments:</i>		
Acquisition accounting	1,051,761	1,020,052
Treasury stock	(173,245)	(168,292)
Dividends	36,379	47,813
Other	12,060	15,968
Shareholders' equity under US GAAP	<u>£3,158,425</u>	<u>£3,018,621</u>