Waterman Group plc ("Waterman" or "the Group"), the international engineering and environmental consultant, today releases its Interim Management Statement for the period from 1st January 2013 to date.

In the UK, the London property market has remained strong, particularly in the residential and commercial sectors. The Group has experienced an increase in commissions in the retail sector with extensions to existing shopping centres or new town centre developments being key features. We anticipate these opportunities have the ability to provide increasing revenues in future years as individual projects move through planning and on to construction.

As announced earlier today, Atkins, in a Strategic Partnership with Waterman, has been appointed as the sole Tier 1 supplier to the West Midlands Highways Alliance framework. This framework will deliver a broad range of municipal, highways and engineering consultancy services across the region from June 2013.

The Group’s UK civil engineering secondment business continues to recruit and outsource staff into Local and County Highways Authorities. Since January 2013 the number of placements has increased by 5%.

Internationally, trading conditions within the Group’s operations in Ireland, Russia and Dubai remain demanding, as economic uncertainty in these countries continues to constrain investment in property and the public sector. Fee levels remain very competitive with protracted contract negotiations and these factors continue to adversely affect the performance of our International Division.

As anticipated, Group revenue and profits generated in Australia during the period have been impacted by a slowing economy. However, it is pleasing to note that the Group has secured significant new commissions in the second half of the year, particularly in the healthcare, justice and telecommunications sectors which will contribute to our results in both this and the next financial year.

Despite the competitive environment the period has seen continued progress at Waterman with a strengthening order book. As a result, whilst as noted above we continue to experience short term fluctuations in some of our overseas markets, our current view is that overall underlying profit and net cash remain broadly in line with expectations.

-ENDS-

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