

For Immediate Release

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**AMVESCAP PLC REPORTS RESULTS
 FOR NINE MONTHS ENDED SEPTEMBER 30, 2002**

London, October 24, 2002 – AMVESCAP reported that profit before tax, goodwill amortization and exceptional items decreased by £117.6 million (31%) during the nine month period of 2002 to £263.2 million (\$413.2 million) from £380.8 million in 2001. Diluted earnings per share before goodwill amortization and exceptional items amounted to 22.2p (2001: 31.8p) for the nine months ended September 30, 2002, a decrease of 30%. Revenues for the nine months ended September 30, 2002 amounted to £1,054.2 million (\$1,655.1 million) compared to £1,241.1 million (\$1,824.4 million) for the corresponding period of 2001.

| | Results for Nine Months Ended | | | |
|---|-------------------------------|------------------|-------------------|-------------------|
| | Sept 30, 2002 | Sept 30, 2001 | Sept 30, 2002‡ | Sept 30, 2001‡ |
| Revenues | £1,054.2m | £1,241.1m | \$1,655.1m | \$1,824.4m |
| Profit before tax, goodwill amortization and exceptional items | £263.2m | £380.8m | \$413.2m | \$559.8m |
| Earnings per share before goodwill amortization and exceptional items: | | | | |
| --basic | 22.5p | 32.9p* | \$.71† | \$.97*† |
| --diluted | 22.2p | 31.8p* | \$.70† | \$.93*† |
| Earnings per share before goodwill amortization: | | | | |
| --basic | 20.8p | 28.8p* | \$.65† | \$.85*† |
| --diluted | 20.5p | 27.9p* | \$.64† | \$.82*† |

* Restated for adoption of FRS 19, "Deferred Tax."

† Per American Depositary Share equivalent to 2 ordinary shares.

‡ For the convenience of the reader, pounds sterling for the period ended September 30, 2002 have been translated to US dollars using \$1.57 per £1.00 (2001: \$1.47 per £1.00).

"In response to the difficult market environment of the last two years, we have steadily adjusted the size of our operations," said Mr. Charles W. Brady, Executive Chairman. "Continuing significant market declines during the third quarter demand that additional savings be achieved, and accordingly, we have initiated a cost reduction program that will further reduce operating expenses by approximately £100 million by the end of 2003."

"We have remained focused on the key elements of our strategy during this challenging period. Aging populations, a shift from state-sponsored to personal retirement plans, and new distribution channels opening around the world are all long-term trends favourably affecting our industry, and each puts us in strong position to benefit from an economic and market recovery," noted Mr. Brady.

Profit before tax, goodwill amortization and exceptional items for the three months ended September 30, 2002 amounted to £70.7 million (\$111.0 million) compared to £110.1 million (\$161.8 million) for three months of 2001, a decrease of 36%. Diluted earnings per share before goodwill amortization and exceptional items amounted to 6.0p for the 2002 period (2001: 9.2p), a decrease of 35%. Revenues decreased to £307.5 million (\$482.8 million) from £387.6 million (\$569.8 million) in 2001.

The Company will record an exceptional charge in the 2002 fourth quarter for costs relating to the cost reduction programs. This will add to the exceptional charge of £20.1 million (1.7p per share) recorded in the second quarter for internal reorganizations and restructuring programs. The Company adopted FRS19, "Deferred Tax," in 2001 and the prior year's profit and loss accounts have been restated to reflect these new reporting requirements.

Earnings before interest, taxes, depreciation, amortization and exceptional items reached £98.8 million (\$155.1 million) and £350.1 million (\$549.7 million) for the third quarter and nine months ended September 30, 2002.

Funds under management totaled \$323.6 billion (£206.1 billion) at September 30, 2002, a decrease of \$74.3 billion from December 31, 2001. Average funds under management for the nine months ended September 30, 2002 were \$375.5 billion, a decrease of \$24.7 billion over the same period of 2001. Average funds under management during the third quarter were \$348.4 billion compared to \$385.9 billion for the preceding quarter. Approximately 50% of the total funds under management were invested in equity securities with the remaining 50% invested in fixed income and other securities at September 30, 2002.

Net debt at September 30, 2002 amounted to £577.8 million (\$907.1 million) (excluding client cash) compared to £746.1 million at June 30, 2002 and £837.0 million at December 31, 2001.

AMVESCAP is a leading independent global investment manager, dedicated to helping people worldwide build their financial security. Operating under the AIM, INVESCO and Atlantic Trust 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, October 24, 2002 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 712-271-3688 for international callers. An audio replay of the conference call will be available until Thursday, October 31, 2002 at 5:00 pm Eastern Time by calling 1-800-839-4571 for US callers or 402-220-5083 for international callers.

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

| | Nine Months Ended Sept 30, | |
|--|----------------------------|------------|
| | 2002 | 2001 |
| Revenues | £1,054,164 | £1,241,102 |
| Expenses: | | |
| Operating | (758,065) | (824,438) |
| Exceptional | (20,067) | (49,685) |
| Goodwill amortization | (110,488) | (100,604) |
| Operating profit | 165,544 | 266,375 |
| Investment income | 7,466 | 6,723 |
| Interest expense | (40,369) | (42,606) |
| Profit before taxation | 132,641 | 230,492 |
| Taxation | (74,688) | (99,208) |
| Profit after taxation | 57,953 | 131,284 |
| Dividends | (40,788) | (34,746) |
| Retained profit for the period | £17,165 | £96,538 |
| | | |
| Earnings per share before goodwill amortization and exceptional items: | | |
| --basic | 22.5p | 32.9p |
| --diluted | 22.2p | 31.8p |
| Earnings per share: | | |
| --basic | 7.1p | 16.3p |
| --diluted | 7.1p | 15.8p |
| Average shares outstanding: | | |
| --basic | 811,322 | 804,341 |
| --diluted | 822,583 | 830,650 |

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

| | Three Months Ended Sept 30, | |
|--|-----------------------------|-----------|
| | 2002 | 2001 |
| Revenues | £307,479 | £387,550 |
| Expenses: | | |
| Operating | (224,343) | (264,466) |
| Exceptional | -- | (24,433) |
| Goodwill amortization | (36,800) | (35,566) |
| Operating profit | 46,336 | 63,085 |
| Investment income | 654 | 858 |
| Interest expense | (13,128) | (13,814) |
| Profit before taxation | 33,862 | 50,129 |
| Taxation | (21,622) | (24,806) |
| Profit after taxation | £12,240 | £25,353 |
| | | |
| Earnings per share before goodwill amortization and exceptional items: | | |
| --basic | 6.1p | 9.5p |
| --diluted | 6.0p | 9.2p |
| Earnings per share: | | |
| --basic | 1.5p | 3.1p |
| --diluted | 1.5p | 3.1p |
| Average shares outstanding: | | |
| --basic | 809,578 | 808,794 |
| --diluted | 812,724 | 829,339 |

AMVESCAP PLC
Group Balance Sheet
(in thousands)

| | Sept 30, 2002 | Dec 31, 2001 |
|--|---------------|--------------|
| Fixed assets | | |
| Goodwill | £2,579,488 | £2,693,659 |
| Investments | 230,428 | 166,036 |
| Tangible assets | 190,121 | 209,370 |
| | 3,000,037 | 3,069,065 |
| Current assets | | |
| Debtors | 530,495 | 576,447 |
| Investments | 21,352 | 33,116 |
| Cash | 207,899 | 175,902 |
| | 759,746 | 785,465 |
| Creditors, including current maturities of long-term debt of £223,462 in 2002 and £125,858 in 2001 | (805,061) | (640,804) |
| Net current assets, excluding banking and insurance activities | (45,315) | 144,661 |
| Banking and insurance activities | | |
| Cash | 260,479 | 175,076 |
| Investments | 73,141 | 89,079 |
| Customer and counterparty debtors | 182,596 | 179,223 |
| Policyholder debtors | 134,236 | 134,296 |
| Customer and counterparty creditors | (399,861) | (349,560) |
| Policyholder creditors | (134,236) | (134,296) |
| Other assets, net | (10,482) | (9,725) |
| | 105,873 | 84,093 |
| Total assets less current liabilities | 3,060,595 | 3,297,819 |
| Long-term debt | (568,492) | (844,285) |
| Provisions for liabilities and charges | (135,549) | (172,070) |
| Net assets | £2,356,554 | £2,281,464 |
| Capital and reserves | | |
| Called up share capital | £197,593 | £196,037 |
| Share premium account | 1,653,350 | 1,619,879 |
| Exchangeable shares | 422,854 | 433,597 |
| Profit and loss account | 703,049 | 685,884 |
| | 2,976,846 | 2,935,397 |
| Other reserves | (620,292) | (653,933) |
| Shareholders' funds, equity interests | £2,356,554 | £2,281,464 |

AMVESCAP plc
Group Cash Flow Statement
(in thousands)

| | Nine Months Ended | |
|--|-------------------|-------------------|
| | Sept 30, 2002 | Sept 30, 2001 |
| Operating profit, excluding banking and insurance activities | £163,593 | £256,578 |
| Amortization and depreciation | 155,951 | 151,815 |
| Change in debtors, creditors, and other | 104,532 | 75,034 |
| Net cash inflow from operating activities | <u>424,076</u> | <u>483,427</u> |
| Banking and insurance activities | 83,949 | 576 |
| Interest paid, net of investment income | (28,313) | (26,758) |
| Taxation | (87,827) | (107,835) |
| Capital expenditures, net of sales | (34,056) | (53,251) |
| Net purchases of fixed asset investments | (61,260) | (23,240) |
| Acquisitions | -- | (316,349) |
| Dividends paid | (53,076) | (48,015) |
| Net repayment of debt | (115,265) | (25,238) |
| Foreign exchange in cash at bank and in hand | (10,828) | (3,598) |
| Increase/(decrease) in cash at bank and in hand | <u>£117,400</u> | <u>£(120,281)</u> |

AMVESCAP PLC
Segmental Information
(in thousands)

| | Nine Months Ended Sept 30, 2002 | | |
|---------------------------|---------------------------------|-------------------|-----------------|
| | Revenues | Expenses | Oper. profit |
| Managed Products | £608,562 | £(351,094) | £257,468 |
| INVESCO Institutional | 153,919 | (114,048) | 39,871 |
| INVESCO Global | 218,317 | (188,877) | 29,440 |
| INVESCO Retirement | 44,623 | (42,219) | 2,404 |
| Private Wealth Management | 27,405 | (26,027) | 1,378 |
| New Business | 1,338 | (10,516) | (9,178) |
| Corporate | -- | (25,284) | (25,284) |
| | <u>£1,054,164</u> | <u>£(758,065)</u> | <u>£296,099</u> |

| | Nine Months Ended Sept 30, 2001 | | |
|---------------------------|---------------------------------|-------------------|-----------------|
| | Revenues | Expenses | Oper. profit |
| Managed Products | £760,252 | £(420,729) | £339,523 |
| INVESCO Institutional | 157,715 | (117,800) | 39,915 |
| INVESCO Global | 267,095 | (202,473) | 64,622 |
| INVESCO Retirement | 43,186 | (37,867) | 5,319 |
| Private Wealth Management | 11,193 | (9,686) | 1,507 |
| New Business | 1,661 | (9,155) | (7,494) |
| Corporate | -- | (26,728) | (26,728) |
| | <u>£1,241,102</u> | <u>£(824,438)</u> | <u>£416,664</u> |

Notes

- The taxation charge 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. Prior year taxation has been restated in accordance with FRS 19, "Deferred Tax." The effect of FRS 19 was to reduce the income tax provision and increase net income for the nine months ended September 30, 2001 by £4.6 million (0.5p per diluted share).
- 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 the year by year performance of the business, therefore the calculation below is presented on that basis. Basic earnings per share is based on the weighted average number of ordinary and exchangeable shares outstanding during the respective periods. Diluted earnings per share takes into account the effect of dilutive potential ordinary and exchangeable shares outstanding during the period.

| | <u>2002</u> | | |
|----------------------------|--|-----------------------------|---------------------|
| | Profit before goodwill amortization and exceptional items £'000 | Number of shares '000 | Per share amount |
| Basic earnings per share | 182,659 | 811,322 | 22.5p |
| Issuance of options | -- | 11,261 | |
| Diluted earnings per share | <u>182,659</u> | <u>822,583</u> | <u>22.2p</u> |

| | <u>2001</u> | | |
|----------------------------|--|-----------------------------|---------------------|
| | Profit before goodwill amortization and exceptional items £'000 | Number of shares '000 | Per share amount |
| Basic earnings per share | 264,264 | 804,341 | 32.9p |
| Issuance of options | -- | 26,309 | |
| Diluted earnings per share | <u>264,264</u> | <u>830,650</u> | <u>31.8p</u> |

- The consolidated profit and loss includes exceptional charges in 2002 and 2001 as follows:

| <u>£'000</u> | <u>2002</u> | <u>2001</u> |
|------------------------------------|---------------|---------------|
| Acquisitions | -- | 42,991 |
| Redundancy and reorganizations | 16,853 | -- |
| Fixed asset provisions | 3,214 | 6,694 |
| Total exceptional items | <u>20,067</u> | <u>49,685</u> |
| Total exceptional items net of tax | <u>14,218</u> | <u>32,376</u> |

The restructuring charges include costs associated with redundancy programs and expenses associated with new internal reorganizations. The fixed asset provisions relate to moves to new office facilities and office closures.

AMVESCAP PLC
Funds Under Management
(in billions)

| | Total | Managed Products | | INVESCO | INVESCO | Private |
|-------------------------|----------------|------------------|---------------|----------------|---------------|--------------|
| | | AIM | INVESCO | Inst | Global | Wealth |
| Dec 31, 2001 | \$397.9 | \$179.8 | \$31.4 | \$116.8 | \$60.0 | \$9.9 |
| Market gains/(losses) | (60.2) | (27.3) | (8.9) | (12.0) | (10.2) | (1.8) |
| Net new/(lost) business | (7.0) | (2.7) | (2.4) | (2.6) | 0.7 | -- |
| Change in money | | | | | | |
| market funds | (10.9) | (11.4) | (0.5) | -- | 1.0 | -- |
| Transfers | -- | (0.1) | -- | 0.1 | -- | -- |
| Foreign currency | 3.8 | 0.1 | -- | 0.1 | 3.5 | 0.1 |
| September 30, 2002 | <u>\$323.6</u> | <u>\$138.4</u> | <u>\$19.6</u> | <u>\$102.4</u> | <u>\$55.0</u> | <u>\$8.2</u> |
| September 30, 2002 † | <u>£206.1</u> | <u>£88.2</u> | <u>£12.5</u> | <u>£65.2</u> | <u>£35.0</u> | <u>£5.2</u> |

† Translated at \$1.57 per £1.00.

Note: INVESCO Retirement has \$29.5 billion in assets under administration as of September 30, 2002, compared to \$34.6 billion as of December 31, 2001. Canada assets included in Managed Products were \$20.8 billion at September 30, 2002.

AMVESCAP PLC
Reconciliation to US Accounting Principles
(in thousands)

| | Nine Months Ended Sept 30, | |
|---|----------------------------|-------------------|
| | 2002 | 2001 |
| Net profit under UK GAAP | £57,953 | £131,284 |
| <i>US GAAP Adjustments:</i> | | |
| Acquisition accounting | 102,174 | (20,897) |
| Redundancy and reorganizations | 10,783 | -- |
| Taxation | (9,393) | (37,285) |
| Other | 2,794 | 2,163 |
| Net income under US GAAP | <u>£164,311</u> | <u>£75,265</u> |
| | | |
| Earnings per share before amortization: | | |
| --basic | 20.5p | 28.1p |
| --diluted | 20.3p | 27.2p |
| Earnings per share: | | |
| --basic | 20.3p | 9.4p |
| --diluted | 20.0p | 9.1p |
| | | |
| | Sept 30, 2002 | Dec 31, 2001 |
| Shareholders' funds under UK GAAP | £2,356,554 | £2,281,464 |
| <i>US GAAP Adjustments:</i> | | |
| Acquisition accounting | 1,040,662 | 984,436 |
| Redundancy and reorganizations | 10,783 | -- |
| Treasury stock | (223,081) | (186,134) |
| Dividends | -- | 52,708 |
| Other | (15,765) | (20,443) |
| Shareholders' equity under US GAAP | <u>£3,169,153</u> | <u>£3,112,031</u> |