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AMVESCAP PLC REPORTS RESULTS FOR SIX MONTHS ENDED 30 JUNE 1999

London, August 5, 1999 – AMVESCAP reported that profit before tax, goodwill amortisation and exceptional item for the six months ended 30 June 1999 amounted to £145.8 million compared to £117.6 million for the six months of 1998, an increase of 24%. Revenues increased to £500.1 million from £353.9 million in 1998. Diluted earnings per share before goodwill amortisation and exceptional item amounted to 14.8p for the 1999 period (1998: 12.4p), an increase of 19% for the period.

Revenues for the three months ended 30 June 1999 amounted to £259.0 million compared to £191.8 million for the corresponding period of 1998. Profit before tax, goodwill amortisation and exceptional item increased by 24% during the second quarter of 1999 to £76.2 million (1998: £61.7 million). Diluted earnings per share before goodwill amortisation and exceptional item amounted to 7.7p (1998: 6.4p) for the three months ended 30 June 1999, an increase of 20%.

	Results for six months ended			
	30 June 1999†	30 June 1998†	30 June 1999	30 June 1998
Revenues	\$790.2m	\$587.5m	£500.1m	£353.9m
Profit before tax, goodwill amortisation and exceptional item	\$230.4m	\$195.2m	£145.8m	£117.6m
Earnings per ordinary share before goodwill amortisation and exceptional item:				
--basic	\$1.22*	\$1.11*	15.4p	13.4p
--diluted	\$1.17*	\$1.03*	14.8p	12.4p
Dividends per share	\$0.28*	\$0.25*	3.5p	3.0p

* Per American Depositary Share, equivalent to 5 ordinary shares.

† For the convenience of the reader, pounds sterling for the period ended 30 June 1999 have been translated to US dollars using \$1.58 per £1.00 (1998: \$1.66 per £1.00).

The Company translates its results of operations into pounds sterling using the monthly average rate of exchange (\$1.62 per £1.00 for the first half of 1999). The US Securities and Exchange Commission requires that, for reporting in the US markets, the results be translated at the exchange rate in effect at the end of the reporting period for the convenience of the reader. This rate at 30 June 1999 was \$1.58 per £1.00 compared to \$1.66 per £1.00 at 30 June 1998. Using this 1999 convenience rate, revenues for the six and three months of 1999 amounted to \$790.2 million and

\$409.2 million, respectively. Profit before tax and goodwill amortisation for the six months and three months ended 30 June 1999 were \$230.4 million and \$120.4 million, respectively.

The 1998 period includes the results of the GT Global businesses from 1 June 1998 and includes an exceptional charge of £48.6 million (6.5p per share) relating to the integration of the GT Global business activities.

Funds under management totalled \$295.9 billion (£187.3 billion) at 30 June 1999, an increase of \$20.5 billion or 7% from 31 December 1998. Average funds under management during the second quarter were \$286.7 billion compared to \$277.6 billion for the preceding quarter. Average funds under management for the six months ended 30 June 1999 were \$282.1 billion, an increase of \$28.8 billion over the average funds in the second half of 1998.

The Board has increased the interim dividend to 3.5p (1998: 3.0p), an increase of 17%. The interim dividend will be paid on 5 October 1999, to shareholders on the register on 6 September 1999. The ex-dividend date for the dividend will be 31 August 1999.

Earnings before interest, taxes, amortisation and depreciation reached £104.0 million (\$164.3 million) and £199.5 million (\$315.2 million) for the second quarter and six months ended 30 June 1999. The free cash flow was used largely to repay outstanding debt obligations during the 1999 period.

Each operating group saw growth in revenues and business activities during the first six months of 1999. The integration of former GT Global businesses is on schedule for completion by the end of 1999 with most of the activities already completed.

The 1999 period was very successful for the Managed Products group with both AIM and INVESCO reaching new record levels of revenues, operating profits and funds under management. Revenues increased 30% to £297.9 million during the first six months of 1999. Operating profits were £133.5 million, an increase of 45% during the period, due primarily to increased revenues resulting from higher assets under management.

AIM and INVESCO had positive net new business of \$3.9 billion and \$600 million during the first six months of 1999 and total funds under management were \$151.0 billion at 30 June 1999. The AIM Canada funds have also achieved record new business during the period, with \$405.1 million in net sales for the first half of 1999.

Operating results for the US Institutional group achieved record levels for the half-year period ended 30 June 1999. Revenues and operating profits totalled £84.0 million, and £29.9 million in the 1999 period. The US Institutional group continued to make significant strides in the implementation of projects initiated last year to enhance back office, investment processes and trading activities. These initiatives are intended to enhance the US Institutional group's activities for the future. This group had \$3.9 billion in new business during the six-month period ended 30 June 1999. The US Institutional group experienced net redemptions in the second quarter of 1999 primarily due to the continued industry wide re-balancing of value equity accounts.

INVESCO Global's revenues amounted to £104.3 million for the first half of 1999 and operating profits were £23.5 million for the period. INVESCO Global has experienced a high level of activity across its businesses, aided by recovery in the Asian markets and marketing and sales activities. Gross sales for the six months of 1999 totalled \$9 billion reflecting the strong marketing activities for the year. Net new business for the INVESCO Global group was \$2.1 billion and total funds under management have grown 8% to \$43.9 billion at 30 June 1999 from this new business as well as market appreciation of \$3.9 billion.

The global retirement markets continue to provide the Retirement and Benefit Services group with opportunities to participate in defined contribution markets outside the US. The US defined contribution group brought in over \$800 million of net new business for various AMVESCAP units and operated at breakeven for the first half of 1999. Revenue for this unit showed substantial improvement during the period. This group services 293,000 plan participants at 30 June 1999, up from 260,000 participants at the end of 1998.

"The quarter and six months ended 30 June 1999 were very satisfactory for our Company," said Mr. Charles W. Brady, Chairman and Chief Executive Officer. "The levels of global markets have provided positive trends for several years, providing excellent results for our industry. While we are optimistic about the remainder of the year and the longer term, we are aware that adjustments in the major capital markets will occur at some time in the future. We therefore remain focused on the key fundamentals of our business – excellence in investment performance, outstanding customer service and treating our employees with respect – to create value for our shareholders," noted Mr. Brady.

AMVESCAP is one of the world's largest independent investment managers, operating under the AIM and INVESCO brand names. AMVESCAP is a holding company offering a broad array of investment products and services to institutions and individuals across all distribution channels. The Company is listed on the London, New York, and Paris Stock Exchanges with the symbol "AVZ".

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

	<u>Six Months Ended 30 June</u>		Year
	1999	1998	1998
Revenues	£500,080	£353,853	£802,172
Operating expenses	(336,103)	(230,325)	(544,856)
	163,977	123,528	257,316
Exceptional item – integration	---	(48,600)	(48,600)
Goodwill amortisation	(18,151)	(2,856)	(21,221)
Operating profit	145,826	72,072	187,495
Investment income	5,147	7,460	12,183
Interest payable	(23,283)	(13,410)	(38,200)
Profit before taxation	127,690	66,122	161,478
Taxation	(47,399)	(32,177)	(67,373)
Profit after taxation	80,291	33,945	94,105
Dividends	(22,425)	(18,595)	(50,594)
Retained profit for the period	£57,866	£15,350	£43,511
Earnings per ordinary share:			
---basic	12.6p	5.9p	15.7p
---diluted	12.0p	5.5p	14.7p
Earnings per ordinary share before goodwill amortisation and exceptional item:			
---basic	15.4p	13.4p	26.0p
---diluted	14.8p	12.4p	24.3p

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

	Three months ended	
	30 June 1999	30 June 1998
Revenues	£259,028	£191,778
Operating expenses	(173,838)	(125,138)
	85,190	66,640
Exceptional item - integration	---	(48,600)
Goodwill amortisation	(9,011)	(2,856)
Operating profit	76,179	15,184
Investment income	2,363	4,970
Interest payable	(11,370)	(9,925)
Profit before taxation	67,172	10,229
Taxation	(24,761)	(13,172)
Profit after taxation	42,411	(2,943)
Dividends	(22,425)	(18,595)
Retained profit for the period	£19,986	£(21,538)
Earnings per ordinary share:		
---basic	6.6p	(0.5)p
---diluted	6.3p	(0.4)p
Earnings per ordinary share before goodwill amortisation and exceptional item:		
---basic	8.0p	6.9p
---diluted	7.7p	6.4p

AMVESCAP PLC
Group Balance Sheet
(in thousands)

	30 June 1999	31 Dec 1998
	<u> </u>	<u> </u>
Fixed Assets		
Tangible assets	£96,639	£88,781
Investments	133,692	131,738
Goodwill	682,769	711,795
	<u>913,100</u>	<u>932,314</u>
Current Assets		
Debtors	660,546	479,381
Investments	73,076	79,469
Cash at bank and in hand	135,673	119,651
	<u>869,295</u>	<u>678,501</u>
Creditors: amounts falling due within one year	<u>(685,920)</u>	<u>(544,461)</u>
Net current assets	<u>183,375</u>	<u>134,040</u>
Total assets less current liabilities	<u>1,096,475</u>	<u>1,066,354</u>
Creditors: amounts falling due after one year		
Long-term debt	(691,914)	(686,010)
Other creditors	(5,857)	(5,936)
	<u>(697,771)</u>	<u>(691,946)</u>
Provisions for liabilities and charges	<u>(31,577)</u>	<u>(43,438)</u>
Net assets	<u>£367,127</u>	<u>£330,970</u>
Capital and reserves		
Called up share capital	£168,181	£167,506
Share premium account	475,131	469,382
Other reserves	(591,980)	(563,847)
Profit and loss account	315,795	257,929
Shareholders' funds, equity interests	<u>£367,127</u>	<u>£330,970</u>

AMVESCAP PLC
Segmental Information
(in thousands)

	Six Months Ended 30 June 1999		
	Revenues	Expenses	Oper. Profit
Managed Products	£297,915	£(164,435)	£133,480
US Institutional	84,009	(54,084)	29,925
INVESCO Global	104,298	(80,790)	23,508
Retirement and Benefit Services	13,858	(13,858)	--
	<u>500,080</u>	<u>(313,167)</u>	<u>186,913</u>
Corporate	--	(22,936)	(22,936)
	<u>500,080</u>	<u>(336,103)</u>	<u>163,977</u>
Goodwill amortisation	--	(18,151)	(18,151)
	<u>£500,080</u>	<u>£(354,254)</u>	<u>£145,826</u>

	Six Months Ended 30 June 1998		
	Revenues	Expenses	Oper. Profit
Managed Products	£229,510	£(137,301)	£92,209
US Institutional	61,296	(32,123)	29,173
INVESCO Global	52,391	(41,094)	11,297
Retirement and Benefit Services	10,656	(11,783)	(1,127)
	<u>353,853</u>	<u>(222,301)</u>	<u>131,552</u>
Corporate	--	(8,024)	(8,024)
	<u>353,853</u>	<u>(230,325)</u>	<u>123,528</u>
Goodwill amortisation	--	(2,856)	(2,856)
	<u>£353,853</u>	<u>£(233,181)</u>	<u>£120,672</u>

Notes

1. The taxation charge for the six months ended 30 June 1999 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 amortisation and exceptional items is a more appropriate basis for the calculation of earnings per ordinary share since this represents a more consistent measure of operating performance.

	<u>1999</u>		
	Profit before Goodwill Amortisation £'000	Number of Shares '000	Per Share Amount
Basic earnings per share	98,442	637,954	15.4p
Issuance of options	--	29,214	
Diluted earnings per share	98,442	667,168	14.8p

	<u>1998</u>		
	Profit before Goodwill Amortisation and Exceptional Item £'000	Number of Shares '000	Per Share Amount
Basic earnings per share	77,601	579,904	13.4p
Issuance of options	-	36,236	
Conversion of loan note	335	11,618	
Diluted earnings per share	77,936	627,758	12.4p

Review Report by the Auditors to AMVESCAP PLC

Introduction

We have been instructed by the company to review the financial information set out on pages _____ to ____ and 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 press release, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The Listing Rules of the London Stock Exchange 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. 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 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 six months ended 30 June 1999.

Arthur Andersen
Chartered Accountants
1 Surrey Street
London

5th August, 1999

AMVESCAP PLC
Funds Under Management
(in billions)

	<u>Total</u>	<u>Managed Products</u>		<u>US Inst</u>	<u>Global</u>	<u>RBS</u>
		<u>AIM</u>	<u>INVESCO</u>			
31 Dec 1998	\$275.4	\$111.6	\$22.9	\$93.9	\$40.8	\$6.2
Market gains	20.6	8.6	2.6	5.1	3.9	0.4
Net new (lost) business	3.7	3.9	0.6	(3.1)	2.1	0.2
Change in US Money						
Market Funds	0.3	0.3	--	--	--	--
Transfers	--	0.3	0.1	(1.7)	1.3	--
Foreign Currency	(2.1)	0.1	--	--	(2.2)	--
Other*	(2.0)	--	--	--	(2.0)	--
30 June 1999	\$295.9	\$124.8	\$26.2	\$94.2	\$43.9	\$6.8
30 June 1999 †	£187.3	£79.0	£16.6	£59.6	£27.8	£4.3

† Translated @ \$1.58 per £1.00.

* Adjusted for assets held in custody without fee and assets replaced by service fees.

Reconciliation to US Accounting Principles
(in thousands)

	<u>Six Months Ended 30 June</u>	
	<u>1999</u>	<u>1998</u>
Net profit under UK GAAP	£80,291	£33,945
US GAAP Adjustments:		
Acquisition accounting	(39,139)	10,803
Taxation	(10,271)	(5,762)
Other	(1,011)	541
Net income under US GAAP	£29,870	£39,527
	<u>30 June 1999</u>	<u>31 Dec 1998</u>
Shareholders' funds under UK GAAP	£367,127	£330,970
US GAAP Adjustments:		
Acquisition accounting	1,042,786	1,022,254
Deferred taxation	355	(1,027)
Treasury stock	(124,129)	(131,857)
Dividends	22,425	31,694
Other	4,137	3,072
Shareholders' equity under US GAAP	£1,312,701	£1,255,106