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AMVESCAP PLC REPORTS PRELIMINARY RESULTS FOR YEAR ENDED 31 DECEMBER 1999

London, 3 February 2000 – AMVESCAP reported that profit before tax and goodwill amortisation increased 38% to £319.8 million (\$518.1 million) from £231.3 million (\$388.6 million) in 1998. Diluted earnings per share before goodwill amortisation and exceptional item increased 35% to 32.7p for the 1999 year (1998: 24.3p). Basic earnings per share before goodwill amortisation and exceptional item increased to 34.0p (1998: 26.0p). Revenues amounted to £1,072.4 million (\$1,737.3 million) compared to £802.2 million (\$1,347.7 million) in 1998 (**NYSE: AVZ**).

	Results for Year Ended			
	1999	1998	1999†	1998†
Revenues	£1,072.4m	£802.2m	\$1,737.3m	\$1,347.7m
Profit before tax, exceptional item and goodwill amortisation	£319.8m	£231.3m	\$518.1m	\$388.6m
Earnings per ordinary share before exceptional item and goodwill amortisation:				
--basic	34.0p	26.0p	\$2.75*	\$2.18*
--diluted	32.7p	24.3p	\$2.65*	\$2.04*
Earnings per ordinary share:				
--basic	28.3p	15.7p	\$2.29*	\$1.32*
--diluted	27.1p	14.7p	\$2.20*	\$1.23*
Dividends per share	9.0p	8.0p	\$0.73*	\$0.67*

* Per American Depository Share equivalent to 5 ordinary shares.

† For the convenience of the reader, pounds sterling for the year ending 31 December 1999 have been translated to U.S. dollars using \$1.62 per £1.00 (1998: \$1.68 per £1.00).

"The past year has been outstanding in many ways and the momentum of our business is exceptional," said Mr. Charles W. Brady, Chairman and Chief Executive Officer. "The investment performance across our AIM and INVESCO products is producing results that reflect the discipline we place in each investment style we follow and we are receiving the benefits from the investments in infrastructure we made during the early part of the decade. Marketing and new business generation for 1999 again set records and our customer service continues to be recognised as one of the industry's best."

The 1998 results include the GT Global business from 1 June 1998 and include an exceptional charge of £48.6 million relating to the integration of the GT Global business activities.

Earnings before interest, taxes, depreciation and amortisation ("EBITDA") reached £431.1 million (\$698.4 million) for 1999, compared to £309.5 million (\$520.0 million) for the 1998 period. Net debt at 31 December 1999 amounted to £511.0 million (\$827.8 million), a decrease of £119.4 million (\$191.6 million) since the end of 1998 (excluding amounts held for deposit in the Company's unit trusts).

Profit before tax and goodwill amortisation for the three months ended 31 December 1999 amounted to £88.0 million (\$142.6 million) compared to £56.4 million (\$94.8 million) for the fourth quarter of 1998, an increase of 56%. Diluted earnings per share before goodwill amortisation amounted to 9.2p for the 1999 period (1998: 6.2p). Revenues for the fourth quarter of 1999 increased by 33% from the prior year and 7% over the previous quarter of 1999. Profit before tax in the last quarter of 1999 includes charges of approximately £15 million (\$25 million) relating to larger bonuses due to the increased volumes of activity and final costs associated with the Y2K year-end support activities.

Funds under management totalled \$357.4 billion (£220.6 billion) at 31 December 1999, an increase of \$82.0 billion over 31 December 1998. Average funds under management were \$294.9 billion for the year 1999. Average funds under management amounted to \$323.6 billion for the fourth quarter compared to \$291.8 billion for the previous quarter and \$258.3 for the fourth quarter of 1998.

The Group's effective tax rate on ordinary profit (before amortisation and exceptional item) was 31.9% for the current year compared to 32.5% in 1998. This decline was due to the realisation of prior year tax losses resulting from a more efficient tax structure relating to the GT businesses.

The Board has recommended a final dividend of 5.5p resulting in a total dividend of 9.0p for 1999 (1998: 8.0p). This is an increase of 13% over the prior year and the seventh consecutive year that the dividend has been increased. This dividend, if approved by the shareholders at the Annual General Meeting in April, will be paid on 3 May 2000 to shareholders on the register on 7 April 2000. The ex-dividend date for the dividend will be 3 April 2000.

THE YEAR IN REVIEW

"The year ended 31 December 1999 marks the conclusion of an unparalleled decade for global capital markets and for our industry," noted Mr. Charles W. Brady, Chairman and Chief Executive Officer. "Our Company has capitalised on the rapid build-up in personal equity and is well-positioned to benefit from the shift toward personal savings in many of the major countries around the world. AMVESCAP has become a truly global investment company as distinguished from a company engaged in global investing," said Mr. Brady.

Managed Products

The Managed Products group had an exceptional year in 1999 with revenues and operating profits reaching record levels for both AIM and INVESCO fund groups. AIM and INVESCO had net new business of \$7.6 billion and \$3.4 billion during the year, fueled by excellent investment performance, continued promotion of our brands and record gross sales levels. According to an independent survey, the diversified equity funds for AIM and INVESCO ranked third in investment performance among the ten largest US fund groups with a combined return of 35.7% for 1999. Funds under management increased to \$199.7 billion at 31 December 1999, an increase of \$65.2 billion for the year.

US Institutional

Revenue and operating profits improved by 21% and 9%, respectively over the prior year. While the unit continues to experience a net loss of assets caused by the shift to index products, the flow from active to

passive management has declined in the latter part of the year, and the group continues to rank among the largest active-only asset managers in the US. Marketing activity for 1999 produced gross sales of \$11.3 billion of new business and about 100 new clients.

INVESCO Global

INVESCO Global's performance in generating new business in 1999 was excellent. This business is leveraging its infrastructure, resulting in operating profits of £49.6 million (\$80.4 million) in 1999, an increase of 56% over 1998, and a record operating margin level. Funds under management stood at \$57.2 billion at 31 December 1999, compared to \$40.8 billion at the end of the prior year. This 40% increase was due to record gross sales of \$23.2 billion experienced across the business coupled with the strength in the markets. The business in Continental Europe doubled during 1999, due in large measure to the impact of the Euro, and Asia saw net sales grow by over 300% from 1998 levels. INVESCO's presence in the UK markets and in the offshore product range also reached record levels due to strong investment performance and marketing successes.

Retirement and Benefit Services

Retirement Benefit Services had strong momentum throughout the year, generating over \$3.3 billion in net new business for various units of AMVESCAP during the year. It is responsible for over \$23.6 billion in funds under management for all distribution channels and the group currently services over 421 separate retirement plans with approximately 336,000 plan participants.

OUTLOOK

"I am very optimistic about the future for our industry and our Company," noted Mr. Brady. "However, as ever, we recognise that capital markets are volatile and that we must be ready to adjust expense levels to remain in line with our revenues quickly in the event of major corrections, without altering our strategy of creating value for our shareholders."

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, Paris and Frankfurt Stock Exchanges with the symbol "AVZ."

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

	Year Ended	
	31 Dec 1999	31 Dec 1998
Revenues	£1,072,350	£802,172
Operating expenses	(719,637)	(544,856)
	<u>352,713</u>	<u>257,316</u>
Exceptional item	--	(48,600)
Goodwill amortisation	(36,754)	(21,221)
Operating profit	<u>315,959</u>	<u>187,495</u>
Investment income	11,809	12,183
Interest payable	(44,726)	(38,200)
Profit before taxation	<u>283,042</u>	<u>161,478</u>
Taxation	(102,010)	(67,373)
Profit after taxation	<u>181,032</u>	<u>94,105</u>
Dividends	(58,244)	(50,594)
Retained profit	<u>£122,788</u>	<u>£43,511</u>
Earnings per ordinary share before goodwill amortisation and exceptional item:		
---basic	34.0p	26.0p
---diluted	<u>32.7p</u>	<u>24.3p</u>
Earnings per ordinary share:		
---basic	28.3p	15.7p
---diluted	<u>27.1p</u>	<u>14.7p</u>

AMVESCAP PLC
Group Profit and Loss Account
(in thousands)

	Three Months Ended	
	31 Dec 1999	31 Dec 1998
Revenues	£295,699	£221,975
Operating expenses	(201,334)	(156,714)
	94,365	65,261
Goodwill amortisation	(9,271)	(9,812)
Operating profit	85,094	55,449
Investment income	4,381	3,641
Interest payable	(10,724)	(12,527)
Profit before taxation	78,751	46,563
Taxation	(26,678)	(16,048)
Profit after taxation	52,073	30,515
Dividends	(35,544)	(31,694)
Retained profit	£16,529	£(1,179)
Earnings per ordinary share before goodwill		
Amortisation:		
---basic	9.6p	6.5p
---diluted	9.2p	6.2p
Earnings per ordinary share:		
---basic	8.1p	4.9p
---diluted	7.8p	4.7p

AMVESCAP PLC
Group Balance Sheet
(in thousands)

	<u>31 Dec 1999</u>	<u>31 Dec 1998</u>
Fixed assets		
Tangible assets	£108,021	£88,781
Investments	128,921	131,738
Goodwill	664,135	711,795
	<u>901,077</u>	<u>932,314</u>
Currents assets		
Debtors: amounts falling due within one year	675,856	479,381
Investments	60,135	79,469
Cash at bank and in hand	189,732	119,651
	<u>925,723</u>	<u>678,501</u>
Creditors: amounts falling due within one year	<u>(706,289)</u>	<u>(550,397)</u>
Net current assets	219,434	128,104
Total assets less current liabilities	1,120,511	1,060,418
Creditors: amounts falling due after more than one year		
Long-term debt	(659,120)	(686,010)
Provisions for liabilities and charges	(24,730)	(43,438)
Net assets	<u>£436,661</u>	<u>£330,970</u>
Capital and reserves		
Called up share capital	£168,617	£167,506
Share premium account	478,860	469,382
Profit and loss account	380,717	257,929
	<u>1,028,194</u>	<u>894,817</u>
Other reserves	(591,533)	(563,847)
Shareholders' funds, equity interests	<u>£436,661</u>	<u>£330,970</u>

AMVESCAP PLC
Group Cash Flow Statement
(in thousands)

	Year Ended	
	31 Dec 1999	31 Dec 1998
Operating profit	£315,959	£187,495
Amortisation and depreciation	103,295	61,181
Change in debtors, creditors and other	(53,207)	(88,815)
Net cash inflow from operating activities	<u>366,047</u>	<u>159,861</u>
Interest paid, net of investment income	(31,025)	(23,406)
Taxation	(56,457)	(60,111)
Capital expenditures, net of sales	(56,721)	(54,644)
Net (disposals) / purchases of fixed asset investments	6,425	(18,706)
Acquisitions	-	(126,959)
Dividends paid	(54,391)	(44,410)
Net (repayment) / incurrence of debt	(106,744)	220,358
Foreign exchange on cash at bank and in hand	2,947	(3,013)
Increase in cash at bank and in hand	<u>£70,081</u>	<u>£48,970</u>

AMVESCAP PLC
Segmental Information
(in thousands)

	Year Ended 31 Dec 1999		
	Revenues	Expenses	Profit
Managed Products	£644,814	£(356,912)	£287,902
US Institutional	172,657	(112,333)	60,324
INVESCO Global	223,913	(174,340)	49,573
Retirement and Benefit Services	30,966	(33,906)	(2,940)
New Business Expense	--	(11,840)	(11,840)
Corporate	--	(30,306)	(30,306)
	1,072,350	(719,637)	352,713
Goodwill amortisation	--	(36,754)	(36,754)
	£1,072,350	£(756,391)	£315,959

	Year Ended 31 Dec 1998		
	Revenues	Expenses	Profit
Managed Products	£488,936	£(290,562)	£198,374
US Institutional	143,221	(88,027)	55,194
INVESCO Global	150,511	(118,784)	31,727
Retirement and Benefit Services	19,504	(26,811)	(7,307)
New Business Expense	--	(3,920)	(3,920)
Corporate	--	(16,752)	(16,752)
	802,172	(544,856)	257,316
Goodwill amortisation	--	(21,221)	(21,221)
	£802,172	£(566,077)	£236,095

Notes

- The taxation charge is primarily made up from overseas taxation. After adjusting for the amortisation of goodwill and the exceptional item, the effective tax rate for 1999 was 31.9%, compared to 32.5% in 1998.
- The Directors consider that profit before goodwill amortisation and exceptional item 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	<u>217,786</u>	<u>639,636</u>	<u>34.0p</u>
Issuance of options	--	27,271	
Diluted earnings per share	<u><u>217,786</u></u>	<u><u>666,907</u></u>	<u><u>32.7p</u></u>

	<u>1998</u>		
	Profit before Goodwill Amortisation and Exceptional Item £'000	Number of Shares '000	Per Share Amount
Basic earnings per share	<u>156,126</u>	<u>601,234</u>	<u>26.0p</u>
Issuance of options	--	33,145	
Conversion of loan note	521	8,977	
Diluted earnings per share	<u><u>156,647</u></u>	<u><u>643,356</u></u>	<u><u>24.3p</u></u>

- Dividends for 1999 and 1998 were as follows:

	<u>1999</u> £'000	<u>1998</u> £'000
Interim paid: 3.5p per share (1998: 3.0p)	<u>22,700</u>	18,900
Final proposed: 5.5p per share (1998: 5.0p)	<u>35,544</u>	31,694
	<u><u>58,244</u></u>	<u><u>50,594</u></u>

Subject to shareholders' approval at the Annual General Meeting in April 2000, the final dividend in respect of 1999 will be paid on 3 May 2000 to shareholders on the register at the close of business on 7 April 2000. The ex-dividend date for the final dividend will be 3 April 2000.

- The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 1999 or 1998. Statutory accounts for 1998 have been reported on by the Company's Auditors and delivered to the Registrar of Companies. The report of the Auditors was unqualified and did not contain a statement under Section 237 (2) or (3) of the Companies Act 1985.

AMVESCAP PLC
Funds Under Management
(in billions)

	<u>Total</u>	<u>Managed Products</u>				
		<u>AIM</u>	<u>INVESCO</u>	<u>US Inst</u>	<u>Global</u>	<u>RBS</u>
31 Dec 1998	\$275.4	\$111.6	\$22.9	\$93.9	\$40.8	\$6.2
Market gains	57.5	30.0	8.3	5.9	12.5	0.8
Net new (lost) business	10.6	7.6	3.4	(5.8)	4.6	0.8
Change in US Money						
Market Funds	17.0	17.0	--	--	--	--
Transfers	--	(1.0)	(0.2)	(1.5)	2.5	0.2
Foreign currency	(1.1)	0.1	--	--	(1.2)	--
Other *	(2.0)	--	--	--	(2.0)	--
31 Dec 1999	<u>\$357.4</u>	<u>\$165.3</u>	<u>\$34.4</u>	<u>\$92.5</u>	<u>\$57.2</u>	<u>\$8.0</u>
31 Dec 1999 †	<u>£220.6</u>	<u>£102.1</u>	<u>£21.2</u>	<u>£57.1</u>	<u>£35.3</u>	<u>£4.9</u>

† Translated at \$1.62 per £1.00.

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

AMVESCAP PLC
Reconciliation to US Accounting Principles
(in thousands)

	<u>Year Ended 31 Dec</u>	
	<u>1999</u>	<u>1998</u>
Net profit under UK GAAP	£181,032	£94,105
<i>US GAAP Adjustments:</i>		
Acquisition accounting differences	(76,380)	(36,091)
Taxation	(14,578)	(13,613)
Other	(2,040)	(150)
Net income under US GAAP	<u>£88,034</u>	<u>£44,251</u>
Earnings per ordinary share:		
---basic	14p	7p
---diluted	13p	7p
Earnings per share before goodwill amortisation:		
--basic	24p	17p
--diluted	23p	16p
	<u>31 Dec 99</u>	<u>31 Dec 98</u>
Shareholders' funds under UK GAAP	£436,661	£330,970
<i>US GAAP Adjustments:</i>		
Acquisition accounting differences	993,765	1,022,254
Deferred taxation	584	(1,027)
Treasury stock	(132,615)	(131,857)
Employee stock ownership plans	-	(2,309)
Dividends	35,544	31,694
Other	3,373	5,381
Shareholders' equity under US GAAP	<u>£1,337,312</u>	<u>£1,255,106</u>