Final

RPS GROUP PLC

("RPS" or "the Group")

Results for the Year Ended 31 December 2009

Resilient trading and strong cash generation.

	2009	2008
Revenue (£m)	443.9	470.5
Fee income (£m)	374.4	392.1
Profit before taxation* (£m)	52.5	57.5
Earnings per share* (basic) (p)	17.08	18.92
Operating cash flow (£m)	70.6	67.4
Statutory profit before tax (£m)	48.6	54.8
Statutory earnings per share (basic) (p)	15.78	18.00
Total dividend (p)	4.20	3.66

*Adjusted to add back the amortisation of acquired intangible assets arising on business combinations (including tax effects) (2009: £3.9m; 2008: £2.7m).

Key Points

- diversity of skills and geography enabled the Group to produce results in line with expectations
- excellent conversion of profit to cash
- balance sheet remains strong with year end net bank borrowings at £33m (2008: £29m)
- bank facilities of £125m available until 2013
- dividend increased 15% for sixteenth consecutive year
- Conics, a strategic acquisition in Australia, performing well.

Brook Land, Chairman, commenting on the results, said:

"Given the extremely challenging economic conditions in which we had to operate, the diversity and resilience of our business enabled us to deliver a very respectable set of results for 2009. The skill and determination shown by our staff given the market circumstances in which they and our clients were operating last year cannot be over estimated. They delivered an exceptional performance.

Our clients in the UK and Ireland are likely to remain cautious and cost conscious. However, we are leaders in many of the markets in which we operate and have valuable long term client and project relationships which will continue to underpin our trading. We are more optimistic about prospects in Australia and hopeful about improvements in our Energy business in the second half.

Our strategy of continuing to build a multi-disciplinary RPS on an international basis remains both appropriate and achievable and we anticipate making further progress with this in 2010.

Economic conditions look likely to constrain our growth again this year. However, the Board remains confident that RPS is well positioned, internationally, in markets of fundamental importance to the reshaping of the world economy and will experience another extended period of good growth when conditions allow."

3 March 2010

ENQUIRIES

RPS Group plc — **Today: 020 7457 2020**
Dr Alan Hearne, *Chief Executive* — **Thereafter: 01235 863206**
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RPS is an international consultancy providing independent advice upon: the development of land, property and infrastructure; the exploration and development of oil and gas and other natural resources; the management of the environment and the health and safety of people. We trade in the UK, Ireland, the Netherlands, Australia, the United States, Canada and Asia and undertake projects in many other parts of the world. The Group is a constituent of both the FTSE 250 and FTSE4Good Indices.

Introduction

RPS is an international consultancy providing advice upon the development of natural resources, land and property, the management of the environment and the health and safety of people. We are leaders in a range of significant markets from which we are able to secure good returns. However, the economies in which our businesses are located did not grow during 2009 and most contracted significantly. This inevitably caused many of our clients to review their investment programmes, as well as to seek cost savings. Our strong market position, in combination with the focus and experience of our management has, however, enabled us to produce very respectable results in what have been extremely challenging conditions. We are well positioned to benefit as policies to deal with the related issue of energy supply and security and climate change deliver increased public and private sector investment around the world.

Results and Cash Flow

Profit (before tax and amortisation of acquired intangibles) was £52.5 million (2008: £57.5 million). Basic earnings per share (before amortisation) were 17.08 pence (2008: 18.92 pence).

This resilient performance was achieved after taking a charge for redundancy and other reorganisation costs of £3.5 million, (2008: £1.0 million). Economic and financial circumstances affected our trading in the UK. However, these factors also caused sterling to weaken against the currencies in other countries in which we trade. In consequence, and as we have anticipated for some months, we benefitted by £3.7 million from foreign exchange translation of overseas results compared with 2008. Bonus systems within the Group have been largely driven by sharing profit growth; total bonuses paid in respect of 2009 were, in consequence, reduced significantly to £1.6 million (2008: £5.4 million). No bonuses were paid to Group directors.

The conversion of profit into cash continued at a high level; operating cash flow was £70.6 million (2008: £67.4 million). We suffered bad debts during the year in the order of £3.8 million. Our trade debtor and accrued income provisions were increased in 2008 in anticipation of this eventuality. These and other provisions have now been reduced by a similar amount.

Funding and Dividend

Our balance sheet remains strong. We have bank facilities of £125 million available until 2013. The cost of these facilities remains at historically low levels. Net bank borrowings at the year end were £32.8 million (2008: £28.6 million) after funding acquisitions to the value of £44.2 million in the year (2008: £31.2 million). Our cash generation, in conjunction with these facilities, means that we are well positioned to continue to develop the Group.

The Board continues to be confident about the Group's financial strength and is recommending a final dividend of 2.19 pence per share payable on 27 May 2010 to shareholders on the register on 16 April 2010. The total dividend for the full year will be 4.20 pence, an increase of 15% (2009: 3.66 pence). Our dividend has risen at about this rate for 16 consecutive years.

Acquisitions

The acquisition of Conics in July 2009 represented a significant step forward in the development of RPS's strategy and our business in Australia. Conics generated revenue of £15.6 million, fees of £14.2 million and made a contribution of £2.6 million during the time it was part of the Group. Our existing strength in Western Australia has been complemented by a business with considerable presence in Queensland and which will also assist us create strong market positions in New South Wales and Victoria. We continue to find our combination of energy and environmental skills is well suited to the Australian market. For example, in Queensland, where Conics is primarily based, the opportunity exists to be at the forefront of the development of coal bed methane, which is likely to be a significant new source of energy in the future.

The main element of the Conics integration is currently underway; our enlarged Australian business is being re-presented to the market with a single brand, at the same time as our Perth businesses are being co-located to a new, purpose built office.

The Australian economy remains strong relative to those of other developed nations around the world and has excellent links with many parts of Asia. Against this background, the combination of our existing businesses with Conics gives us a considerable platform from which to deliver future growth.

The ten acquisitions made in 2008 have been successfully integrated. Interesting new opportunities continue to present themselves. Our strategy of continuing to build a multi-disciplinary RPS on an international basis remains appropriate and achievable and we believe further progress can be made this year.

Markets and Trading

Energy

We provide internationally recognised consultancy services to the oil and gas industries from bases in the UK, USA, Canada, Australia and Asia. Projects are undertaken in many other countries including China, India and Brazil. In the UK we are market leaders in the provision of environmental and engineering advice to the offshore wind energy industry.

Trading

	2009	2008
Fee income (£m's)	149.1	158.0
Profit* (£m's)	27.7	30.5
Margin (%)	18.6	19.3

*before amortisation of acquired intangible assets of £1.8m (2008: £1.1m) and after re-organisation costs of £0.3m (2008: £nil)

We continued to benefit from our clients' investment in major oil and gas exploration and production programmes. National Oil Companies were increasingly active and have become a more important part of our portfolio of clients. Our reputation within the financial community in respect of determination of oil and gas reserves for reporting purposes, asset evaluation and in support of corporate activity continued to develop during the year.

Global investment in exploration and production slowed significantly during the second quarter and remained at a subdued level for the rest of the year. This was apparently in response to continuing uncertainty in economic outlook and short term energy demand, as well as oil price volatility. It had a material impact on our trading, although this was counterbalanced, in part, by the strength of our business which advises our energy clients on environmental matters.

Outlook

Many of the projects in which we are involved are of a long term nature, reflecting the complexity of identifying and securing sources of oil and gas in increasingly challenging environments. This provides a solid underpin for our business. Asset and corporate transactions are also likely to remain a good source of income. New opportunities, for example, in relation to unconventional forms of gas, as well as carbon capture and storage are continuing to develop. Towards the end of the year we saw signs of increased levels of investment being considered by our clients, but it currently appears that market conditions in the first part of 2010 will show little improvement over the later parts of 2009. In consequence, pricing pressure is also likely to be a continuing feature of the commercial landscape. Conditions could improve in the second half.

A number of clients we assisted in 2009 to bid for Round 3 licences from the Crown Estate to develop wind farms off the UK coast have recently learnt they were successful. In consequence, we are well positioned to remain involved at a significant level in this aspect of the development of UK energy capacity. Such projects require multi-disciplinary input and a number of parts of the Group are involved in wind energy projects.

Planning and Development

Within these businesses we provide consultancy services in respect of town and country planning, building, landscape and urban design, transport planning and environmental assessment. We remain leaders in this market in the UK, Ireland, Northern Ireland and Western Australia, operating for blue chip clients in both the public and private sectors. The acquisition of Conics gives us a strong presence on the east coast of Australia.

Trading

2009	GB	Ireland	Australia	Total
Fee income+ (£m's)	64.5	63.5	33.2	160.9
Profit* (£m's)	10.6	5.0	8.3	23.9
Margin (%)	16.5	7.9	24.9	14.9

2008	GB	Ireland	Australia	Total
Fee income+ (£m's)	82.0	69.6	15.8	166.9
Profit* (£m's)	16.7	7.7	5.2	29.5
Margin (%)	20.3	11.1	32.7	17.7

+ fee income total is after intra segment eliminations of £0.3m (2008: £0.5m)
*before amortisation of acquired intangibles assets of £1.7m (2008: £1.1m) and after reorganisation costs of £2.8m (2008: £1.0m).

The economic downturn began to be felt in these businesses in the last part of 2008. We moved quickly to reduce capacity and costs, a process which continued throughout 2009, although the bulk of the cost reduction was in the first half. Our private sector clients, affected by market uncertainties and a reduced ability to access credit, significantly reduced activity levels and, in consequence, the support needed from consultants. The private sector market remained affected by both these characteristics throughout 2009, although in the second half conditions in Australia began to improve and in Britain began to stabilise.

Our exposure to the public sector in Britain is relatively limited, although we are involved in a number of private sector infrastructure projects and are increasing our involvement in this market, as it seems relatively robust, particularly in relation to energy related projects. Our businesses in both the Republic of Ireland and Northern Ireland depend significantly on public sector projects. The state of public finances in the Republic put pressures on our business, requiring significant cost cutting throughout the year. In Northern Ireland our business progressed well until the effects of UK public finance constraints began to appear in the last part of the year.

Australian government finances remain relatively good; as a result stimulus expenditure was real and beneficial to us. Conics undertakes a significant number of projects for the public sector.

Outlook

As climate change, energy efficiency and other environmental issues grow in importance, the competitive advantage we derive in these markets from our broad range of integrated services should continue to increase. We remain optimistic about our activities in Australia, which will remain underpinned by public and private sector investment in infrastructure, particularly related to energy projects. However, until our private sector clients elsewhere, particularly in Britain, experience less economic uncertainty and have better access to credit, organic growth is likely to be constrained.

The economy in the Republic of Ireland contracted significantly over the last year, but is now showing signs of stabilising. The Government budget in December indicated it still has infrastructure development as a top priority. How this translates into specific expenditure has yet to be seen fully, although the early signs give some encouragement. In the meantime we continue to reduce our cost base and focus even more closely on working capital management. Business in Northern Ireland is exposed to possible expenditure cuts by the UK Government.

However, amidst these difficulties, new opportunities are arising. We have recently been commissioned by the governments of the Republic of Ireland, Northern Ireland and Scotland to examine the feasibility of creating an offshore renewable energy grid in the Irish Sea. This is a reflection of our broad range of skills and strong market position in all three countries.

Environmental Management

This business provides consultancy services in respect of health, safety, risk and water management in the UK and the Netherlands. The results in 2009 were excellent, given the economic circumstances in which we were operating.

Trading

Total	2009	2008
Fee income (£m’s)	67.1	70.3
Underlying profit* (£m’s)	10.0	9.0
Margin (%)	14.9	12.8

*before amortisation of acquired intangible assets of £0.3m (2008: £0.6m) and after reorganisation costs of £0.4m (2008: nil)

Our business in the Netherlands has continued to trade successfully. The Dutch economy suffered a serious recession, but we were well positioned to benefit from increased Government expenditure related to water and transport infrastructure. Our health and safety activities in the UK are largely in regulated markets; this protects volume to a degree, but we came under pricing pressure. As expected, our UK water activities became subdued in the second half as the attention and activity of our clients shifted to the new investment cycle which begins in April 2010. Our nuclear safety activities continued to trade well, as demand held up in a highly regulated market, short of the specialist skills we provide.

Outlook

Much of the work we do in these markets is regulatory driven and to a degree non-discretionary enabling us to maintain our levels of activity, although we expect pricing pressure to continue. We are well positioned in relation to the new round of investment in the UK water industry which begins in April, although until the current round of contract negotiations is complete we will not know our exact position.

Group Prospects

We have come through the exceptionally challenging circumstances of last year in good shape. However, the economies of the UK and Ireland remain fragile; even if growth returns in 2010 it seems likely, at best, to be modest. Against such a background our clients are likely to remain cautious and cost conscious. We remain focussed, therefore, on continuing to improve the efficiency of our businesses.

The Australian economy and public finances are in much better shape, probably leading the developed world. We anticipate our Australian businesses will benefit from this and are looking at further investments to take advantage of our market leading position. Prospects in the Dutch public sector are also reasonably encouraging as sound public finances enable continued investment in the type of projects with which we can become involved. The prospects for our private sector clients in the Netherlands are less clear.

The contraction in oil and gas exploration and production investment by many of our clients in 2009 was in stark contrast to the strong growth of previous years. Only modest growth in investment seems likely in 2010, although our increased exposure to National Oil Companies and high profile areas such as Australia, the Gulf of Mexico, Brazil and Iraq, may magnify the consequent benefit of that. It seems likely that the pricing pressure we experienced in the second half of 2009 will continue until volumes increase significantly. Our businesses in North America are currently operating largely in the oil and gas market. We see opportunities as these economies recover to make progress with our strategy of broadening the base of our activities.

Our profits in the first decade of the 21st Century grew almost eight fold, from £6.65 million to £52.5 million. Although the economic crisis stalled our growth last year and looks likely to constrain growth this year as well, the Board remains confident that

RPS is well positioned, internationally, in markets of fundamental importance to the reshaping of the world economy and will experience another extended period of good growth when conditions allow.

Board of Directors
RPS Group plc
3 March 2010

Consolidated income statement

	Notes	year ended 31 December 2009 £000's	year ended 31 December 2008 £000's
Revenue	2	443,909	470,465
Recharged expenses	2	(69,558)	(78,369)
Fee income	2	374,351	392,096
Operating profit	2	51,448	58,862
Finance costs	3	(3,113)	(4,424)
Finance income	3	268	384
Profit before tax and amortisation of acquired intangibles		52,472	57,512
Amortisation of acquired intangibles		(3,869)	(2,690)
Profit before tax		48,603	54,822
Tax expense	4	(14,997)	(16,933)
Profit for the year attributable to equity holders of the parent		33,606	37,889
Basic earnings per share (pence)	5	15.78	18.00
Diluted earnings per share (pence)	5	15.59	17.75
Basic earnings per share before amortisation of acquired intangibles (pence)	5	17.08	18.92
Diluted earnings per share before amortisation of acquired intangibles (pence)	5	16.87	18.66

Consolidated statement of comprehensive income

	year ended 31 December 2009 £000's	year ended 31 December 2008 £000's
Profit for the year	33,606	37,889
Other comprehensive income		
Exchange differences	(3,804)	23,811
Tax recognised directly in equity	188	(573)
Total recognised comprehensive income for the year attributable to equity holders of the parent	29,990	61,127

Consolidated balance sheet

	Notes	as at 31 December 2009 £000's	as at 31 December 2008 £000's
Assets			
Non-current assets			
Intangible assets		293,943	264,733
Property, plant and equipment		28,226	24,575
Investments		204	-
		322,373	289,308
Current assets			
Trade and other receivables		139,247	157,607
Cash at bank	*7*	13,691	17,088
		152,938	174,695
Liabilities			
Current liabilities			
Borrowings		1,802	456
Deferred consideration		15,652	16,585
Trade and other payables		68,678	87,868
Corporation tax liabilities		6,135	2,688
Provisions		1,324	1,417
		93,591	109,014
Net current assets		59,347	65,681
Non-current liabilities			
Borrowings		44,652	45,187
Deferred consideration		9,289	11,463
Other creditors		1,301	417
Deferred tax liability		9,791	6,746
Provisions		3,219	3,569
		68,252	67,382
Net assets		313,468	287,607
Equity			
Share capital		6,457	6,399
Share premium		98,238	95,531
Other reserves	*6*	39,519	43,551
Retained earnings		169,254	142,126
Total shareholders' equity		313,468	287,607

Consolidated cash flow statement

	Notes	year ended 31 December 2009 £000's	year ended 31 December 2008 £000's
Cash generated from operations	7	70,583	67,386
Interest paid		(3,839)	(3,770)
Interest received		268	384
Income taxes paid		(12,550)	(15,574)
Net cash from operating activities		54,462	48,426
Cash flows from investing activities			
Purchases of subsidiaries net of cash acquired		(20,616)	(22,332)
Deferred consideration		(15,075)	(8,854)
Purchase of property, plant and equipment		(4,061)	(5,935)
Sale of property, plant and equipment		86	1,094
Net cash used in investing activities		(39,666)	(36,027)
Cash flows from financing activities			
Proceeds from issue of share capital		381	464
Repayments of bank borrowings		(9,023)	(2,174)
Payment of finance lease liabilities		(599)	(117)
Dividends paid		(8,410)	(7,211)
Payment of pre-acquisition dividend		(1,511)	(1,471)
Net cash used in financing activities		(19,162)	(10,509)
Net (decrease)/ increase in cash and cash equivalents		(4,366)	1,890
Cash and cash equivalents at beginning of year		16,707	10,884
Effect of exchange rate fluctuations		1,350	3,933
Cash and cash equivalents at end of year	7	13,691	16,707
Cash and cash equivalents comprise:			
Cash at bank		13,691	17,088
Bank overdraft		-	(381)
Cash and cash equivalents at end of year		13,691	16,707

Consolidated statement of changes in equity

	Share Capital £000's	Share premium £000's	Retained earnings £000's	Other reserves £000's	Total equity £000's
As 1 January 2008	6,319	93,225	110,474	17,516	227,534
Changes in equity during 2008					
Total comprehensive income	-	-	37,316	23,811	61,127
Issue of new ordinary shares	80	2,306	(1,247)	2,224	3,363
Share based payment expense	-	-	2,794	-	2,794
Dividends	-	-	(7,211)	-	(7,211)
At 31 December 2008	6,399	95,531	142,126	43,551	287,607
Changes in equity during 2009					
Total comprehensive income	-	-	33,794	(3,804)	29,990
Issue of new ordinary shares	58	2,707	(1,536)	(228)	1,001
Share based payment expense	-	-	3,280	-	3,280
Dividends	-	-	(8,410)	-	(8,410)
At 31 December 2009	6,457	98,238	169,254	39,519	313,468

Notes to the results

1. **Basis of preparation**

The financial information attached has been extracted from the audited financial statements for the year ended 31st December 2009 and has been prepared under International Financial Reporting Standards (IFRS) adopted by the EU and IFRIC interpretations issued and effective at the time of preparing those financial statements.

The IASB has issued the following revised and updated standards that are applicable to the Group and that resulted in changes in presentation for this accounting period.

IAS 1 (revised) updates the presentation of the key statements of performance and position for the Group.

IFRS 8 introduces new requirements for segmental reporting and also introduces additional disclosure and reconciliation requirements.

In addition, the IASB has updated IFRS 7 “Financial instruments: disclosures” and issued a variety of IFRIC amendments. The only impact on the Group’s reporting is in respect of disclosure.

Otherwise, the accounting policies used are the same as set out in detail in the Report and Accounts 2008. The accounting policies used have been applied consistently to all periods presented in these financial statements.

2. **Business segments**

As announced on 4 February 2010, the Group has revised its business segments as follows:

Planning and Development – consultancy services in GB, Ireland (comprising the Republic of Ireland and Northern Ireland) and Australia related to town and country planning, urban design, architecture, transport planning and highway design, environmental impact assessment and provision of water and waste utilities and energy infrastructure.

Environmental Management – consultancy services in the UK and the Netherlands, related to environmental science, the management of water resources and health, safety and risk management other than to the oil and gas sector.

Energy – the provision of a wide range of consultancy services including those relating to health, safety and risk management, on an international basis, to the upstream oil and gas and offshore renewable energy sectors.

Segment results for the year ended 31 December 2009

£'000	Fees	Recharged expenses	Inter-segment revenue	External revenue
Planning & Development				
GB	64,511	8,090	(1,272)	71,329
Ireland	63,496	18,747	(167)	82,076
Australia	33,235	8,648	(544)	41,339
Intra P&D eliminations	(300)	(27)	327	-
Total Planning & Development	160,942	35,458	(1,656)	194,744
Energy	149,057	24,616	(601)	173,072
Environmental Management	67,106	9,771	(784)	76,093
Group eliminations	(2,754)	(287)	3,041	-
Consolidated Total	374,351	69,558	-	443,909

£'000	Underlying profit	Reorganisation costs	Amortisation of acquired intangibles	Segment result
Planning & Development				
GB	12,387	(1,770)	(887)	9,730
Ireland	5,990	(985)	-	5,005
Australia	8,287	(21)	(855)	7,411
Total Planning & Development	26,664	(2,776)	(1,742)	22,146
Energy	27,979	(306)	(1,793)	25,880
Environmental Management	10,349	(371)	(334)	9,644
Total	64,992	(3,453)	(3,869)	57,670

	£'000
Revenue	443,909
Recharged expenses	(69,558)
Fees	374,351
Underlying profit	64,992
Reorganisation costs	(3,453)
Unallocated expenses	(6,222)
Operating profit before amortisation	55,317
Amortisation	(3,869)
Operating profit	51,448
Finance costs	(2,845)
Profit before tax	48,603

Segment results for the year ended 31 December 2008

£'000	Fees	Recharged expenses	Inter-segment revenue	External revenue
Planning & Development				
GB	81,962	13,274	(1,692)	93,544
Ireland	69,569	23,111	(299)	92,381
Australia	15,840	7,069	(113)	22,796
Intra P&D eliminations	(521)	-	521	-
Total Planning & Development	166,850	43,454	(1,583)	208,721
Energy	157,990	24,334	(443)	181,881
Environmental Management	70,260	10,581	(978)	79,863
Group eliminations	(3,004)	-	3,004	-
Consolidated Total	392,096	78,369	-	470,465

£'000	Underlying profit	Reorganisation costs	Amortisation of acquired intangibles	Segment result
Planning & Development				
GB	17,672	(1,013)	(844)	15,815
Ireland	7,699	-	-	7,699
Australia	5,183	-	(213)	4,970
Total Planning & Development	30,554	(1,013)	(1,057)	28,484
Energy	30,463	-	(1,069)	29,394
Environmental Management	8,982	-	(564)	8,418
Total	69,999	(1,013)	(2,690)	66,296

	2008 £'000
Revenue	470,465
Recharged expenses	(78,369)
Fees	392,096
Underlying profit	69,999
Reorganisation costs	(1,013)
Unallocated expenses	(7,434)
Operating profit before amortisation	61,552
Amortisation	(2,690)
Operating profit	58,862
Finance costs	(4,040)
Profit before tax	54,822

Geographical analysis

	Revenue		Fees	
£'000	2009	2008	2009	2008
Great Britain	209,970	246,075	180,509	211,434
Ireland	82,076	92,381	63,327	69,274
Australia	70,590	51,975	60,340	42,913
USA	32,762	31,352	29,745	26,286
Netherlands	28,947	27,087	24,268	23,283
Canada	18,003	20,504	14,601	17,815
Other	1,561	1,091	1,561	1,091
Total	443,909	470,465	374,351	392,096

The table shows revenue and fees to external customers based upon the location from which billing took place.

3. Net financing costs

£000's	year ended 31 Dec 2009	year ended 31 Dec 2008
Finance costs		
Interest on loans, overdraft and finance leases	(1,975)	(3,121)
Interest imputed on deferred consideration	(428)	(793)
Interest payable on deferred consideration	(710)	(510)
	(3,113)	(4,424)
Finance income		
Deposit interest receivable	268	384
Net financing costs	(2,845)	(4,040)

4. Income taxes

£000's	year ended 31 Dec 2009	year ended 31 Dec 2008
Current tax		
UK corporation tax	8,377	7,046
Foreign tax	7,441	7,465
	15,818	14,511
Deferred tax (income)/expense	(821)	2,422
Tax expense for the year	14,997	16,933

Analysis of charges/(credit) to equity

Current tax on share based payments	(40)	(398)
Deferred tax on share based payments	(148)	971
Tax expense in equity for the year	(188)	573

The charge for the year can be reconciled to the profits for the income statement as follows

£000's	2009	2008
Profit before tax	48,603	54,822
Tax at the UK effective rate of 28% (2008: 28.5%)	13,609	15,624
Expenses not deductible for tax purposes	439	924
Overseas tax rates	894	424
Prior year adjustments	55	(39)
	14,997	16,933

5. Earnings per share

The calculations of basic and diluted earnings per share were based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the related period as shown below:

£000's	year ended 31 Dec 2009	year ended 31 Dec 2008
Profit attributable to ordinary shareholders	33,606	37,889
000's		
Weighted average number of ordinary shares	212,943	210,546
Dilutive shares to be issued as deferred consideration	286	886
Diluted effect of employee shares schemes	2,347	2,049
Diluted weighted average number of ordinary shares	215,576	213,481
Basic earning per share (pence)	15.78	18.00
Diluted earnings per share (pence)	15.59	17.75

The directors consider that earnings per share before amortisation provides a more meaningful measure of the Group's performance than statutory earnings per share. The calculations were based on the weighted average number of ordinary shares outstanding during the year as shown above and the profit attributable to ordinary shareholders before the amortisation of acquired intangible assets and the tax thereon as shown below:

£000's	year ended 31 Dec 2009	year ended 31 Dec 2008
Profit attributable to ordinary shareholders	33,606	37,889
Amortisation of acquired intangibles	3,869	2,690
Tax on amortisation of acquired intangibles	(1,106)	(752)
Adjusted profit attributable to ordinary shareholders	36,369	39,827
Basic earnings before per share before amortisation (pence)	17.08	18.92
Diluted earnings per share before amortisation (pence)	16.87	18.66

6. Other reserves

£000's	Merger reserve	Employee trust shares	Shares to be issued	Translation reserve	Total other reserves
At 1 January 2008	16,993	(2,943)	222	3,244	17,516
Changes in equity during 2008					
Exchange differences	-	-	-	23,811	23,811
Issue of new shares	3,086	(640)	(222)	-	2,224
At 31 December 2008	20,079	(3,583)	-	27,055	43,551
Changes in equity during 2009					
Exchange differences	-	-	-	(3,804)	(3,804)
Issue of new shares	608	(836)	-	-	(228)
At 31 December 2009	20,687	(4,419)	-	23,251	39,519

7. Notes to the consolidated cash flow statement

£000's	year ended 31 Dec 2009	year ended 31 Dec 2008
Profit before tax	48,603	54,822
Adjustments for:		
Interest payable and similar charges	3,113	4,424
Interest receivable	(268)	(384)
Depreciation	6,868	6,112
Amortisation of acquired intangibles	3,869	2,690
Share based payment expense	3,280	2,794
Loss/(Profit) on sale of property, plant and equipment	152	(179)
Share of profit of associates	(78)	-
Decrease/(Increase) in trade and other receivables	31,223	(8,175)
(Decrease)/Increase in trade and other payables	(26,179)	5,282
Cash generated from operations	70,583	67,386

The table below provides an analysis of net borrowings, comprising cash and cash equivalents, interest bearing bank loans and finance leases, during the year ended 31 December 2009.

£000's	At 31 Dec 2008	Acquisitions	Cash flow	Foreign exchange	At 31 Dec 2009
Cash and cash equivalents	16,707	-	(4,366)	1,350	13,691
Bank loans	(45,174)	(4,007)	9,023	(1,791)	(41,949)
Finance lease creditor	(88)	(4,519)	599	(497)	(4,505)
Net borrowings	(28,555)	(8,526)	5,256	(938)	(32,763)

8. The financial information set out above does not constitute the company's full statutory accounts for the year ended 31 December 2009 for the purposes of section 435 of the Companies Act 2006, but it is derived from those accounts. The auditors have reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006. Statutory accounts for 2008 have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not include an emphasis of matter statement. The auditor's report did not contain statements under the Companies Act 1985, S237 (2) or (3).

9. This announcement has been posted on the Company's website at www.rpsgroup.com. It is expected that the annual report and accounts will be posted to shareholders on or before 30 March 2010 and a copy will be posted on the Company's website at that time. Further copies may be obtained after

that date from the Company Secretary, RPS Group plc, Centurion Court, 85 Milton Park, Abingdon, Oxfordshire OX14 4RY.

10. The Group has a well-established and embedded system of internal control and risk management that is designed to safeguard shareholders' investment as well as the Group's personnel, assets and reputation. The principal risks and uncertainties for the Group that will be referred to in the Group's Annual Report and Accounts are substantially unchanged from the prior year. These risks relate to failure to deliver long term strategy, an adverse occurrence preventing the business from operating, performance falling short of expectations including the reputational risk linked to quality of work, failure to comply with legislation or regulation and risks related to health, safety and the environment. The continuing uncertainty in global economic outlook inevitably increases the risks to which the Group is exposed.

Responsibility Statement of the Directors

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the International Financial Reporting standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and

- the 'Business Review' includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, and that the 'Risk Management' report includes a description of the principal risks and uncertainties that the Group faces.

Forward looking statements

This announcement contains certain forward looking statements with respect to the financial condition, results of operations and businesses of RPS. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. Nothing in this announcement should be construed as a profit forecast.