

RPS Group plc ("RPS" or "the Group")

Strategic Acquisition in Australia

Pre close trading update.

Acquisition of Conics Ltd ("Conics" or "the Company")

RPS announces that it has entered into an agreement to acquire the entire share capital of Conics, a major planning, surveying and environmental consultancy headquartered in Brisbane, Australia for a maximum cash consideration of A\$64.4 million (£31.3 million). The transaction is programmed to complete on 30 July 2009 following an extraordinary general meeting of the Conics shareholders. Virtually all Conics shareholders have already approved the transaction by signing the sale and purchase agreement.

The acquisition of Conics represents a significant step **forward in the development of RPS's** strategy and its business in Australia. Our existing strength in Western Australia will be complemented by a business with considerable presence in Queensland, which will also assist us create strong market positions in New South Wales and Victoria. 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 growth.

Conics was formed in 2005 by the merger of PMM Group and C and B Group; these Queensland based companies were market leaders in planning and development and environmental management, including land surveying. Subsequent to that merger Conics has become a dominant force in its markets in Queensland from a network of offices in all major cities in the state, providing services into the development, infrastructure and natural resources sectors. It has more recently begun to develop its business in New South Wales by establishing a presence in Sydney.

Conics currently employs approximately 570 staff, 82 of whom are the company's shareholders and from whom the business is being purchased. All the shareholders, except two retiring non-executives, have agreed to sign employment agreements and will be remaining with the Company. RPS will appoint three of its representatives to the Conics board and the two senior Conics directors will be joining the board of RPS Consultants Pty Ltd, which has responsibility for all RPS's activities in Australia.

In the financial year ended 30 June 2008 Conics had revenues of A\$78.8 million (£38.4 million, at current exchange rates) and profit before tax of A\$11.5 million (£5.6 million).⁽¹⁾ Net assets at 30 June 2008 were A\$24.15 million (£11.76 million); gross assets were A\$46.16 million (£22.47 million). Profit before tax for the year ended 30 June 2009 is likely to be broadly similar to the previous year.

Maximum total consideration to be paid for Conics is A\$64.4 million (£31.3 million), which will be settled in cash. On completion an initial amount of A\$42.14 million (£20.51 million) will be paid. Subject to certain operational conditions being met, further payments of A\$9.66 million (£4.70 million), A\$6.30 million (£3.07 million), and A\$6.30 million (£3.07 million) will be made on the first three anniversaries of the transaction. ⁽²⁾

Pre close trading update

RPS will publish Interim Results for the first half of 2009 on Thursday 30 July. The Board of RPS anticipates that these results will be in line with market expectations and the interim dividend will be increased at a rate similar to previous years. ⁽³⁾

Our private sector clients generally appear to have resources sufficient to enable them to proceed with their strategies. However, continuing economic recessions around the world, inevitably mean that they remain cautious and cost conscious when making specific project investment decisions. As a result, we are still experiencing pricing pressure and delays to projects in a number of our markets. These factors also became apparent in oil and gas exploration during the second quarter, although the recent rise in the oil price seems to have generated new confidence amongst our Energy clients, which may increase levels of activity. Particular resilience is being shown in the water and nuclear sectors in the UK and in the Dutch and Australian economies. In respect of public sector clients, particularly in Ireland, the full effect of increased public finance deficits on investment in infrastructure has yet to become clear and will probably not do so for some time.

Against this background we remain focussed on efficiencies, cost and working capital management. During the course of the first half we further reduced employment, office and travel costs and stepped up the process of consolidating our office networks in various locations around the world. Our balance sheet remains strong, with net bank debt being significantly reduced from the £27.0 million reported in the IMS published on 30 April. Sterling has strengthened in recent weeks reducing the benefit we get when consolidating overseas earnings, although interest costs on our debt remain at relatively low levels.

Brook Land, RPS chairman, commented:

"The RPS board remains focussed on the implementation of its strategy by seeking investment opportunities which can be implemented without taking undue risks.

"With Conics as part of the Group, we will have over 900 staff in Australia and will be leaders in a number of important markets. Following significant integration costs in 2009, we anticipate Conics will make an important contribution to our results in 2010 and beyond.

"Conics presence on the east coast gives us the opportunity to continue to develop into New South Wales and Victoria and become a truly all Australian business. The Australian economy remains strong relative to the other developed countries in which we operate.

"Our clients generally remain cautious and cost conscious; in consequence, prospects remain less clear than normal. However, the Board believes the Group will continue to demonstrate that it is well equipped to deal with the uncertainties that current economic circumstances inevitably create."

1 July 2009

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RPS is an international consultancy providing advice upon the development of natural resources, land and property, the management of the natural and built environments and the health and safety of people. We have offices in the UK, Ireland, the Netherlands, North America, Eastern Europe, South East Asia and Australia and undertake projects in many other parts of the world. The Group is a constituent of both the FTSE 250 and FTSE 4 Good Indices.

Notes:

(1) Both revenue and profit before tax for June 2008 for Conics are derived from audited accounts adjusted for non-recurring items and to include full year results for acquisitions made during the course of the year.

(2) Interest will be paid by RPS to Conics shareholders on all outstanding deferred consideration at a rate of 1% above the monthly average yield of the 90 day bank accepted bills in Australia published by the Reserve Bank of Australia.

*(3) This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of RPS Group plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will 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. The continuing uncertainty in global economic outlook inevitably increases the risks to which the Group is exposed. **Statements in respect of the Group's anticipated performance in the first half of 2009 are based upon unaudited management accounts for the period January to May 2009 and the board's view of likely trading results in June 2009.** The Board considers market expectations for the first half of 2009 are best defined by taking approximately one half of the consensus profit before tax and amortisation for the full year. Nothing in this announcement should be construed as a profit forecast.*