

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

AMVESCAP PLC/LONDON/  
Form 6-K  
February 13, 2007

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
Pursuant to Rule 13a-16 or 15d-16 Under  
the Securities Exchange Act of 1934

For the month of February, 2007

-----  
Commission File Number 001-13908  
-----

AMVESCAP PLC

-----  
(Translation of registrant's name into English)

30 Finsbury Square, London EC2A 1AG, ENGLAND

-----  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F  Form 40-F \_\_\_\_\_  
-----

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

-----

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

-----

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes            No    X  
-----

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-        N/A

-----

Description of document filed: AMVESCAP REPORTS RESULTS FOR YEAR ENDED  
DECEMBER 31, 2006  
-----

For Immediate Release

Contact:        Aaron Uhde  
Phone:            +1 404 479 2956

Michael Perman  
+44 (0) 207 065 3942

-----

## Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

AMVESCAP REPORTS RESULTS FOR YEAR ENDED DECEMBER 31, 2006

London, February 13, 2007 - AMVESCAP (NYSE: AVZ) reported operating profit for 2006 of \$785.4 million (2005: \$424.6 million). Diluted earnings per share were \$0.60 for 2006 (2005: \$0.26). The results for the year ended December 31, 2005 included a restructuring charge of \$75.7 million (\$58.3 million after tax, or \$0.072 per share). Operating profit for 2006 increased 57.0% over 2005 before the restructuring charge. Assets under management at December 31, 2006, were \$462.6 billion, an increase of 19.8% (December 31, 2005: \$386.3 billion).

"The growing financial strength of our company during 2006 is demonstrated by record assets under management of \$462.6 billion and a 57% increase in operating profits over the previous year," said AMVESCAP President and CEO Martin L. Flanagan. "Clients responding to AMVESCAP's investment quality and the depth and breadth of our investment capabilities has increased business momentum."

"The addition during 2006 of PowerShares's distinctive line of exchange traded funds (ETFs) and the recognized financial restructuring expertise of WL Ross & Co. to our broad line of established investment solutions provides our clients with one of the industry's most comprehensive ranges of investment capabilities," added Mr. Flanagan. "During 2007 we will continue to focus on the successful execution of our multiyear strategic plan and the continuous improvement of our products and services for our diverse global clients."

### Results for Year Ended

	Dec 31, 2006	Dec 31, 2005	%	Dec 31, 2005 (before the restructuring charge) (c)	%
			Change		Change
Assets under management	\$462.6b	\$386.3b	19.8%	\$386.3b	19.8%
Net revenues (a)	\$2,414.6m	\$2,173.2m	11.1%	\$2,173.2m	11.1%
Operating expenses	\$1,629.2m	\$1,748.6m	(6.8)%	\$1,672.9m	(2.6)%
Operating profit	\$785.4m	\$424.6m	85.0%	\$500.3m	57.0%
Net operating margin (b)	32.5%	19.5%	N/A	23.0%	N/A
Profit before tax	\$754.6m	\$360.1m	109.6%	\$435.8m	73.2%
Earnings per share:					
--basic	\$0.62	\$0.27	N/A	\$0.34	N/A
--diluted	\$0.60	\$0.26	N/A	\$0.34	N/A

(a) Net revenues represent total revenues less third-party distribution, service and advisory fees.

(b) Net operating margin is equal to operating profit divided by net revenues.

(c) The restructuring charge was \$75.7 million (\$58.3 million after tax, or \$0.072 per share).

### Results for Three Months Ended

Dec 31, 2005  
(before the

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

	Dec 31, 2006	Sept 30, 2006	% Change	Dec 31, 2005	restructuring charge) (c)
Assets under management	\$462.6b	\$440.6b	5.0%	\$386.3b	\$386.3b
Net revenues (a)	\$655.3m	\$587.1m	11.6%	\$551.4m	\$551.4m
Operating expenses	\$405.0m	\$430.3m	(5.9)%	\$503.0m	\$427.3m
Operating profit	\$250.3m	\$156.8m	59.6%	\$48.4m	\$124.1m
Net operating margin (b)	38.2%	26.7%	N/A	8.8%	22.5%
Profit before tax	\$248.2m	\$150.5m	64.9%	\$18.6m	\$94.3m
Earnings per share:					
--basic	\$0.21	\$0.13	N/A	(\$0.01)	\$0.07
--diluted	\$0.20	\$0.13	N/A	(\$0.01)	\$0.07

- (a) Net revenues represent total revenues less third-party distribution, service and advisory fees.  
 (b) Net operating margin is equal to operating profit divided by net revenues.  
 (c) The restructuring charge was \$75.7 million (\$58.3 million after tax, or \$0.072 per share).

Quarterly Earnings Summary

Net revenues for the three months ended December 31, 2006 included performance fees of \$25.9 million (three months ended September 30, 2006: \$10.4 million; three months ended December 31, 2005: \$16.4 million). Operating expenses for the three months ended December 31, 2006 included the benefit of \$21.8 million of insurance recoveries. Operating expenses for the three months ended September 30, 2006 included a charge of \$41.1 million, representing the cumulative previously unrecognized cost of performance-based options awarded to AMVESCAP employees in 2003. The remaining cost amortization for these options of \$3.6 million is included in the operating expenses for the three months ended December 31, 2006.

Annual Earnings Summary

Net Revenues for 2006 were \$2,414.6 million (2005: \$2,173.2 million) and included performance fees of \$82.2 million (2005: \$33.5 million). Operating expenses for 2006 were \$1,629.2 million (2005: \$1,672.9 million before the restructuring charge). The 2005 restructuring charge of \$75.7 million (\$58.3 million after tax, or \$0.072 per share) included staff termination, property, and fund rationalization costs associated with the multiyear strategic plan. Operating expenses for 2006 included a non-cash charge of \$44.7 million (\$0.04 per share, net of tax) relating to the performance options granted in 2003. No expense for these options was recorded in 2004 or 2005 as it was not considered probable at that time that the required performance targets for the vesting of these options would be attained. These options have now vested.

Net non-operating income increased \$33.7 million as a result of increased interest income, gains from investments and net foreign exchange gains. In 2005, a gain of \$32.6 million was recognized from the sale of the Retirement business.

Net Debt and Cash Flow

Net debt (total debt of \$1,272.7 million, less cash and cash equivalents of \$786.7 million, which excludes client cash of \$2.9 million) as of December 31, 2006 was \$486.0 million compared to \$608.5 million as of September 30, 2006, and \$733.6 million as of December 31, 2005. Client cash for 2006 decreased \$224.3 million since December 31, 2005. The decrease in client cash, which contributed to the movement in our operating cashflows, was primarily due to one depository account previously sponsored by one of our banking subsidiaries being replaced by an unaffiliated investment fund.

## Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

### Dividends

The Board has recommended a final dividend for 2006 of \$0.104 per share, approximately \$85.9 million (2005: \$0.098 per share, \$80.3 million), resulting in a total dividend of \$0.181 per share, approximately \$149.2 million for 2006 (2005: \$0.172 per share, or \$139.4 million). The final dividend, if approved by shareholders at the Annual General Meeting on May 23, 2007, will be paid on May 30, 2007, to shareholders on the register as of April 27, 2007. The ex-dividend date will be April 25, 2007.

### Assets Under Management

Assets under management (AUM) at December 31, 2006, were \$462.6 billion (2005: \$386.3 billion). Average AUM during the fourth quarter of 2006 were \$452.7 billion, compared to \$426.4 billion for the third quarter of 2006 and \$380.9 billion for the fourth quarter of 2005. Average AUM for 2006 were \$424.2 billion, compared to \$377.6 billion in 2005.

Long-term net outflows for 2006 were \$1.4 billion, with inflows of \$85.8 billion and outflows of \$87.2 billion. Long-term net outflows for the three months ended December 31, 2006 were \$4.5 billion, largely due to outflows in the institutional channel. Money market assets grew during the year with net inflows (not included in long-term flows above) of \$12.8 billion for the 2006 year. There were money market net outflows of \$1.5 billion in the fourth quarter of 2006. Further analysis of AUM is included in the supplemental schedules to this release.

### Business Developments

The acquisition of PowerShares Capital Management was completed on September 18, 2006. Exchange-traded funds offered by PowerShares complement the fund lineup and expand the breadth of products available to AMVESCAP clients. PowerShares's assets under management at September 18, 2006 were \$6.3 billion and had grown to \$8.5 billion at December 31, 2006. Net inflows since acquisition were \$1.1 billion. Toward the end of 2006, PowerShares entered into an agreement to assume sponsorship of the NASDAQ-100 Index Tracking Stock "QQQQ" and other NASDAQ sponsored products, pending regulatory approval.

On October 3, 2006, the company completed the acquisition of WL Ross & Co. LLC, a recognized leader in financial restructuring. WL Ross & Co.'s assets under management at October 3, 2006 were \$2.6 billion and \$2.8 billion as of December 31, 2006. The WL Ross team has assumed responsibility for the direct private equity business of AMVESCAP and will serve the company's institutional and high net worth clients.

AMVESCAP is a leading independent global investment manager, dedicated to helping people worldwide build their financial security. Operating under the AIM, INVESCO, AIM Trimark, Invesco Perpetual, Atlantic Trust, PowerShares and WL Ross brands, AMVESCAP strives to deliver outstanding products and services through a comprehensive array of enduring investment solutions for our retail, institutional and private wealth management clients around the world. The company is listed on the London, New York and Toronto stock exchanges with the symbol "AVZ." Additional information is available at [www.amvescap.com](http://www.amvescap.com).

Members of the investment community and general public are invited to listen to the conference call today, Tuesday, February 13, 2007, at 2:00 p.m. GMT (9:00 a.m. EST), by dialing one of the following numbers: 1-517-268-4676 or

## Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

1-888-455-2053 for U.S. callers. An audio replay of the conference call will be available until Tuesday, February 20, 2007, at 10:00 p.m. GMT (5:00pm EST) by calling 1-402-220-9768 or 1-800-294-3089 for U.S. callers. The presentation slides that will be reviewed during the conference call will be available on AMVESCAP's Web site at [www.amvescap.com](http://www.amvescap.com).

# # #

This release may include statements that constitute "forward-looking statements" under the United States securities laws. Forward-looking statements include information concerning possible or assumed future results of our operations, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, assets under management, acquisition activities and the effect of completed acquisitions, debt levels and the ability to obtain additional financing or make payments on our debt, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, when used in this release, words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects" and future or conditional verbs such as "will," "may," "could," "should," and "would" and any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although we make such statements based on assumptions that we believe to be reasonable, there can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, you should carefully consider the areas of risk described in our most recent Annual Report on Form 20-F, as filed with the United States Securities and Exchange Commission ("SEC"). You may obtain these reports from the SEC's Web site at [www.sec.gov](http://www.sec.gov).

AMVESCAP PLC  
Consolidated Income Statement  
(Unaudited, in millions, other than per share amounts and headcount)

	Year Ended December 31,		
	2006	2005	% Change
	-----	-----	-----
Revenues:			
Management	\$2,609.7	\$2,213.7	17.9%
Service and distribution	534.9	538.2	(0.6)%
Other	96.8	127.3	(24.0)%
	-----	-----	-----
Total revenues	3,241.4	2,879.2	12.6%
Third-party distribution, service and advisory fees	(826.8)	(706.0)	17.1%
	-----	-----	-----
Net revenues	2,414.6	2,173.2	11.1%
	-----	-----	-----

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Operating expenses:			
Compensation	1,061.7	1,044.7	1.6%
Marketing	140.6	139.5	0.8%
Property and office	109.7	130.3	(15.8)%
Technology/telecommunications	123.2	139.0	(11.4)%
General and administrative	194.0	219.4	(11.6)%
Restructuring charge	--	75.7	N/A
	-----	-----	-----
Total operating expenses	1,629.2	1,748.6	(6.8)%
	-----	-----	-----
Operating profit	785.4	424.6	85.0%
Gain on sale of business	1.9	32.6	(94.2)%
Interest income	27.0	16.7	61.7%
Other realized gains/(losses)	21.6	(28.7)	N/A
Interest expense	(81.3)	(85.1)	(4.5)%
	-----	-----	-----
Profit before taxation	754.6	360.1	109.6%
Taxation - U.K.	(73.0)	(18.0)	305.6%
Taxation - outside of the U.K.	(190.8)	(128.7)	48.3%
	-----	-----	-----
Profit after taxation	490.8	213.4	130.0%
Minority interests	(0.7)	(1.2)	(41.7)%
	-----	-----	-----
Profit for the period attributable to equity holders of the parent	\$490.1	\$212.2	131.0%
	=====	=====	=====
Earnings per share:			
---basic	\$0.62	\$0.27	
---diluted	\$0.60	\$0.26	
Earnings per share before restructuring charge (2005):			
---basic	\$0.62	\$0.34	
---diluted	\$0.60	\$0.34	
Average shares outstanding:			
---basic	792.2	794.0	
---diluted	812.2	805.1	
Ending Headcount	5,574	5,798	
Dividends paid	\$143.6	\$134.1	
Final dividends proposed per share	\$0.104	\$0.098	
Final dividends proposed (2006 estimated)	\$85.9	\$80.3	

AMVESCAP PLC  
Consolidated Income Statement  
(Unaudited, in millions, other than per share amounts and headcount)

	Q406	Q306	% Change	Q405	% Change
	-----	-----	-----	-----	-----
Revenues:					
Management	\$722.0	\$641.7	12.5%	\$573.6	25.9%

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Service and distribution	135.5	130.8	3.6%	129.3	4.8%
Other	21.3	18.8	13.3%	31.7	(32.8)%
Total revenues	878.8	791.3	11.1%	734.6	19.6%
Third-party distribution, service and advisory fees	(223.5)	(204.2)	9.5%	(183.2)	22.0%
Net revenues	655.3	587.1	11.6%	551.4	18.8%
Operating expenses:					
Compensation	268.6	288.3	(6.8)%	263.4	2.0%
Marketing	37.2	31.6	17.7%	33.6	10.7%
Property and office	28.6	27.1	5.5%	26.9	6.3%
Technology/telecommunications	30.5	30.5	0.0%	31.6	(3.5)%
General and administrative	40.1	52.8	(24.1)%	71.8	(44.2)%
Restructuring charge	--		N/A	75.7	N/A
Total operating expenses	405.0	430.3	(5.9)%	503.0	(19.5)%
Operating profit	250.3	156.8	59.6%	48.4	417.1%
Gain on sale of business	--	1.7	N/A	--	N/A
Interest income	10.1	6.7	50.7%	5.2	94.2%
Other realized gains/(losses)	12.8	5.0	156.0%	(14.5)	N/A
Interest expense	(25.0)	(19.7)	26.9%	(20.5)	22.0%
Profit before taxation	248.2	150.5	64.9%	18.6	N/A
Taxation - U.K.	(20.2)	(15.4)	31.2%	(6.9)	192.8%
Taxation - outside of the U.K.	(65.1)	(32.9)	97.9%	(16.5)	294.5%
Profit/(loss) after taxation	162.9	102.2	59.4%	(4.8)	N/A
Minority interests	0.6	(0.2)	N/A	(0.2)	N/A
Profit/(loss) for the period attributable to equity holders of the parent	\$163.5	\$102.0	60.3%	\$(5.0)	N/A
Earnings per share:					
---basic	\$0.21	\$0.13		\$(0.01)	
---diluted	\$0.20	\$0.13		\$(0.01)	
Earnings per share before restructuring charge (Q4 2005):					
---basic	\$0.21	\$0.13		\$0.07	
---diluted	\$0.20	\$0.13		\$0.07	
Average shares outstanding:					
---basic	795.8	790.3		794.5	
---diluted	816.3	809.6		810.1	
Ending Headcount	5,574	5,499		5,798	

AMVESCAP PLC  
Consolidated Balance Sheet  
(Unaudited, in millions)

December 31, 2006

December 31, 2005

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Non-current assets		
Goodwill	\$5,006.6	\$4,213.6
Intangible assets	196.7	99.0
Property and equipment	165.8	180.0
Deferred sales commissions	55.9	78.9
Deferred tax assets	212.1	140.4
Investments	158.1	149.4
	-----	-----
	5,795.2	4,861.3
Current assets		
Trade and other receivables	997.4	805.3
Investments	134.9	31.3
Assets held for policyholders	1,574.9	1,170.8
Cash and cash equivalents	789.6	715.7
	-----	-----
	3,496.8	2,723.1
Total assets	9,292.0	7,584.4
Non-current liabilities		
Long-term debt	(972.7)	(1,212.2)
Provisions	(461.8)	(182.5)
	-----	-----
	(1,434.5)	(1,394.7)
Current liabilities		
Current maturities of long-term debt	(300.0)	(10.0)
Trade and other payables	(1,384.3)	(1,300.5)
Taxation payables	(95.4)	(40.0)
Policyholder payables	(1,574.9)	(1,170.8)
Provisions	(227.8)	(52.1)
	-----	-----
	(3,582.4)	(2,573.4)
Total liabilities	(5,016.9)	(3,968.1)
Net assets	\$4,275.1	\$3,616.3
	=====	=====
Equity		
Share capital	\$83.2	\$81.8
Share premium	205.1	85.0
Shares held by employee trusts	(601.7)	(413.5)
Exchangeable shares	377.4	431.8
Retained earnings	1,054.9	638.7
Other reserves	3,151.2	2,789.2
	-----	-----
Equity attributable to equity holders of the parent	4,270.1	3,613.0
Minority interests	5.0	3.3
	-----	-----
Total equity	\$4,275.1	\$3,616.3
	=====	=====



## Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

### Consolidated Statement of Changes in Equity (Unaudited, in millions)

	Year Ended December 31,	
	2006	2005
January 1	\$3,616.3	\$3,572.0
Profit for the period attributable to equity holders of the parent	490.1	212.2
Currency translation differences	241.3	(111.0)
Net movement in available for sale reserve	(8.1)	5.4
	723.3	106.6
Total recognized income and expense attributable to equity holders of the parent	723.3	106.6
Total equity attributable to equity holders of the parent	4,339.6	3,678.6
Employee share plans:		
Share-based compensation credit	140.6	52.6
Increase in shares held by employee share ownership trusts	(188.2)	--
Shares issued	66.9	7.7
Issuance of new shares for acquisition earn-out	0.8	2.2
Tax taken to equity	58.5	8.1
Dividends	(143.6)	(134.1)
Total amounts attributable to minority interests	0.5	1.2
	December 31	\$4,275.1
	\$4,275.1	\$3,616.3

---

### AMVESCAP PLC Consolidated Cash Flow Statement (Unaudited, in millions)

	Year Ended December 31,	
	2006	2005
Operating activities:		
Profit for the period attributable to equity holders of the parent	\$490.1	\$212.2
Adjustments to reconcile profit for the period to net cash provided by operating activities:		
Amortization, depreciation, and goodwill impairment	67.6	94.4
Amortization of share-related compensation	148.5	64.3
(Increase)/decrease in receivables	(129.5)	41.9
Decrease in payables	(32.8)	(75.8)
Gain on disposal of assets	(4.4)	(29.3)
(Increase)/decrease in current investments	(32.8)	122.4
	Net cash inflow from operating activities	506.7
	506.7	430.1

## Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Investing activities:		
Capital expenditures, net of sales	(35.2)	(36.0)
(Purchase)/disposal of long-term investments, net	(51.0)	13.3
Acquisition of businesses	(200.2)	--
Disposal of businesses	2.1	53.6
	-----	-----
Net cash (outflow)/inflow from investing activities	(284.3)	30.9
Financing:		
Dividends paid	(143.6)	(134.1)
Purchases of shares held by employee share ownership trusts	(155.9)	--
Net borrowings/(repayment of debt)	49.0	(160.5)
Issuance of new shares	66.6	7.7
	-----	-----
Net cash outflow from financing activities	(183.9)	(286.9)
Increase in cash and cash equivalents	38.5	174.1
Foreign exchange	35.4	(5.3)
Cash and cash equivalents, beginning of period	715.7	546.9
	-----	-----
Cash and cash equivalents, end of period	\$789.6	\$715.7
	=====	=====

### Notes

1. Accounting policies  
 The accounting policies applied to the information in the earnings release follow International Financial Reporting Standards in effect as of the date of this release and are consistent with those applied in the 2005 Annual Report. Refer to the 2005 Annual Report, available at [www.amvescap.com](http://www.amvescap.com), for a more detailed discussion of these policies. The accounting policies applied to the information in this earnings release are also consistent with those that are expected to be applied in the 2006 Annual Report.  
  
 Certain prior year balance sheet amounts have been reclassified to conform to the current year presentation of those amounts.
2. Taxation  
 A significant proportion of the tax charge arose from U.S., U.K., and Canadian operations. The effective tax rate was 35.0% for 2006 (2005: 40.7%; 37.7% before the restructuring charge).
3. Earnings per share  
 Basic earnings per share is based on the weighted average number of ordinary and exchangeable shares outstanding during the respective periods, excluding shares purchased and held by employee share ownership trusts. Diluted earnings per share takes into account the effect of the potential issuance of ordinary shares.

Year Ended December 31, 2006

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

(in millions other than per share amounts)	Profit for the period attributable to equity holders of the parent	Number of shares	Per share amount
Basic earnings per share	\$490.1	792.2	\$0.62
Dilutive effect of share-based awards	--	20.0	
Diluted earnings per share	\$490.1	812.2	\$0.60

Year Ended December 31, 2005

(in millions other than per share amounts)	Profit for the period attributable to equity holders of the parent	Number of shares	Per share amount
Basic earnings per share	\$212.2	794.0	\$0.27
Dilutive effect of share-based awards	--	11.1	
Diluted earnings per share	\$212.2	805.1	\$0.26

4. Legal costs

Included in general and administrative expenses are \$24.0 million in 2006 (2005: \$20.8 million) of amounts recovered from insurers relating primarily to legal and other related costs associated with the mutual fund market timing investigations and private litigation involving the AIM Funds. The related legal costs were incurred over the period from 2003 as follows:

2006	\$10.3 million
2005	\$8.7 million
Prior periods	\$50.0 million

5. Acquisition of PowerShares Capital Management LLC

On September 18, 2006, the company acquired 100% of the limited liability company interests of PowerShares Capital Management LLC ("PowerShares"). Consideration for the transaction was \$399.1 million, which includes estimates of future earn-out provisions of \$291.6 million, payable in the future depending on the achievement of various management fee growth targets and transaction costs of \$6.3 million. Goodwill and management contract intangible assets of \$398.7 million have been recorded on this acquisition. Net cash paid at closing was \$99.1 million.

The book and fair values of net assets acquired were determined as follows:

(in millions)	Book/Fair Value
Property and equipment	\$2.6
Receivables	3.4
Cash and cash equivalents	2.1
Payables	(7.7)
Net assets	0.4

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Goodwill	299.0
Management contract intangibles	99.7
	-----
	399.1
	-----
Satisfied by:	
Cash and cash equivalents paid and provisions established	399.1
	-----
Total fair value of net assets	399.1
	-----

The book value of net assets acquired is approximately equal to the fair value of these assets and liabilities. No accounting policy alignment adjustments have been made because PowerShares's financial results maintained under U.S. Generally Accepted Accounting Principles are materially the same as they would be under International Financial Reporting Standards followed by the company.

6. Acquisition of WL Ross & Co. LLC

On October 3, 2006, the company acquired 100% of the limited liability company interests of WL Ross & Co. LLC ("WL Ross").

Consideration for the transaction was \$294.7 million, which includes earn-out provisions of \$190.6 million, payable in the future depending on the achievement of annual fund launch targets over the five years following the completion of the transaction and transaction costs of \$4.1 million. WL Ross is an investment management company sponsoring alternative investments including private equity funds, co-investment vehicles and hedge funds in the steel, textile, coal, automotive and financial services industries in the U.S., U.K., France, China, India, Japan and Korea.

At the time of acquisition, WL Ross managed assets of approximately \$2.6 billion. Goodwill and management contract intangible assets of \$288.0 million have been recorded on this acquisition. Net cash paid at closing was \$93.2 million.

The book and fair values of net assets acquired were determined as follows:

	Book/Fair Value
(in millions)	
	-----
Property and equipment	\$3.0
Receivables	4.8
Cash and cash equivalents	6.8
Other	0.9
Payables	(8.8)
	-----
Net assets	6.7
Goodwill	277.1
Management contract intangibles	10.9
	-----
	294.7
	-----

## Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Satisfied by:

Cash and cash equivalents paid and provisions established	294.7
	-----
Total fair value of net assets	294.7
	-----

The book value of net assets acquired is approximately equal to the fair value of these assets and liabilities. No accounting policy alignment adjustments have been made because WL Ross financial results maintained under U. S. Generally Accepted Accounting Principles are materially the same as they would be under International Financial Reporting Standards followed by the company.

7. 2005 Restructuring charge

The consolidated income statement for 2005 included a restructuring charge of \$75.7 million. The charge related to operational and structural changes made in 2005 as a result of a review of the business. The charge comprised of the following:

(in millions)	
Staff termination costs	\$45.1
Property costs	20.4
Fund rationalization costs	6.9
Other	3.3
	-----
Total restructuring charge	75.7
	-----
Taxation	(17.4)
	-----
Net income charge	58.3
	-----
Per share impact	\$0.072
	-----

8. Dividends

A final dividend in respect of 2006 of \$0.104 per share (\$85.9 million: \$83.8 million for ordinary shares and \$2.1 million for exchangeable shares) has been proposed by the Board and will be paid, subject to shareholder approval, on May 30, 2007. The dividend will be accrued when approved by shareholders. A final dividend in respect of 2005 of \$0.098 per share (\$80.3 million: \$78.1 million for ordinary shares and \$2.2 million for exchangeable shares) was approved at the Annual General Meeting of Shareholders on April 27, 2006, and charged to retained earnings at that time. This dividend was paid on May 4, 2006, to shareholders on the register on March 31, 2006.

An interim 2006 dividend of \$0.077 per share (\$63.3 million: \$61.7 million for ordinary shares and \$1.6 million for exchangeable shares) was declared by the Board of Directors on July 26, 2006, and was paid on October 11, 2006 to shareholders on the register on September 8, 2006.

9. Post-balance sheet event

On January 15, 2007, \$300.0 million in senior notes matured. The company utilized its credit facility to satisfy the maturity but expects to issue additional debt in 2007.

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

10. Statutory financial statements

The financial information shown in this earnings release, which was approved by the Board of Directors on February 12, 2007, is unaudited and does not constitute statutory financial statements. The 2005 Annual Report, which was filed with the Registrar of Companies on May 31, 2006, includes an unqualified audit report in accordance with Section 235 of the Companies Act 1985. This audit report does not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

AMVESCAP PLC  
Quarterly Assets Under Management

(in billions)	Q406	Q306	% Change	Q405
Beginning Assets	\$440.6	\$413.8	6.5%	\$380.5
Inflows	22.9	16.3	40.5%	15.8
Outflows	(27.4)	(17.0)	61.2%	(19.5)
Net flows	(4.5)	(0.7)	542.9%	(3.7)
Net flows in money market funds and other	(1.5)	4.6	n/a	1.8
Market gains/reinvestment	24.0	13.4	79.1%	8.9
Acquisitions	2.6	6.3	(58.7)%	--
Foreign currency	1.4	3.2	(56.3)%	(1.2)
Ending Assets	\$462.6	\$ 440.6	5.0%	\$386.3
Average long-term AUM	391.2	366.1	6.9%	334.6
Average institutional money market AUM	61.5	60.3	2.0%	46.3
Average AUM	\$452.7	\$426.4	6.2%	\$380.9
Net revenue yield on AUM (annualized) (a)	57.9bps	55.1bps		57.9bps
Net revenue yield on AUM before performance fees (annualized)	55.6bps	54.1bps		56.2bps

By channel: (in billions)	Total	Retail	Institutional	Private Wealth Management
September 30, 2006	\$440.6	\$218.8	\$204.8	\$17.0
Inflows	22.9	14.5	7.4	1.0
Outflows	(27.4)	(15.6)	(10.1)	(1.7)
Net flows	(4.5)	(1.1)	(2.7)	(0.7)
Net flows in money market funds and other	(1.5)	(0.3)	(1.2)	--
Market gains/reinvestment	24.0	16.4	7.1	0.5
Acquisitions	2.6	--	2.6	--
Foreign currency	1.4	0.2	1.2	--

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

December 31, 2006 \$462.6 \$234.0 \$211.8 \$16.8  
 =====

By asset class: (in billions)	Total	Equity(c)	Fixed Income	Balanced	Money Market	Stable Value	Alter- natives
September 30, 2006 (b)	\$440.6	\$198.7	\$59.6	\$43.2	\$65.8	\$48.1	25.2
Inflows	22.9	13.2	5.3	2.1	0.6	0.6	1.1
Outflows	(27.4)	(11.9)	(6.9)	(3.2)	(0.9)	(2.8)	(1.7)
Net flows	(4.5)	1.3	(1.6)	(1.1)	(0.3)	(2.2)	(0.6)
Net flows in money market funds and other	(1.5)	--	--	--	(1.5)	--	--
Market gains/ reinvestment	24.0	18.0	1.2	2.4	0.2	0.9	1.3
Acquisitions	2.6	--	--	--	--	--	2.6
Foreign currency	1.4	1.1	0.3	(0.2)	0.1	0.1	--
December 31, 2006	\$462.6	\$219.1	\$59.5	\$44.3	\$64.3	\$46.9	\$28.5

By client domicile: (in billions)	Total	U.S.	Canada	U.K.	Europe	Asia
September 30, 2006	\$440.6	\$258.4	\$44.6	\$65.4	\$44.3	\$27.9
Inflows	22.9	10.1	1.3	4.2	4.6	2.7
Outflows	(27.4)	(14.8)	(1.7)	(2.9)	(5.7)	(2.3)
Net flows	(4.5)	(4.7)	(0.4)	1.3	(1.1)	0.4
Net flows in money market funds and other	(1.5)	(1.2)	--	--	(0.1)	(0.2)
Market gains/ reinvestment	24.0	11.1	4.4	4.5	2.1	1.9
Acquisitions	2.6	2.6	--	--	--	--
Foreign currency	1.4	(0.5)	(1.5)	2.6	0.4	0.4
December 31, 2006	\$462.6	\$265.7	\$47.1	\$73.8	\$45.6	\$30.4

- (a) Net revenue yield on AUM is equal to net revenue divided by average AUM.  
 (b) The asset class beginning balances were adjusted to reflect certain asset reclassifications.  
 (c) Includes PowerShares's ETF AUM which are primarily invested in equity securities.

AMVESCAP PLC  
 Year-to-Date Assets Under Management

(in billions)	December 31, 2006	December 31, 2005	% Change
Beginning Assets	\$386.3	\$382.1	1.1%
Inflows	85.8	66.3	29.4%
Outflows	(87.2)	(82.5)	5.7%

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

Net flows	(1.4)	(16.2)	(91.4)%
Net flows in money market funds and other	12.8	0.5	2460.0%
Market gains/reinvestment	46.5	24.4	90.6%
Acquisitions	8.9	--	n/a
Foreign currency	9.5	(4.5)	n/a
Ending Assets	\$462.6	\$386.3	19.8%
Average long-term AUM	366.3	331.7	10.4%
Average institutional money market AUM	57.9	45.9	26.1%
Average AUM	\$424.2	\$377.6	12.3%
Net revenue yield on AUM(a)	56.9bps	57.6bps	
Net revenue yield on AUM before performance fees	55.0bps	56.7bps	

By channel: (in billions)	Total	Retail	Institutional	Private Wealth Management
December 31, 2005	\$386.3	\$190.2	\$179.8	\$16.3
Inflows	85.8	58.4	23.2	4.2
Outflows	(87.2)	(57.9)	(24.4)	(4.9)
Net flows	(1.4)	0.5	(1.2)	(0.7)
Net flows in money market funds and other	12.8	(0.3)	13.1	--
Market gains/reinvestment	46.5	31.4	13.9	1.2
Acquisitions	8.9	6.3	2.6	--
Foreign currency	9.5	5.9	3.6	--
December 31, 2006	\$462.6	\$234.0	\$211.8	\$16.8

By asset class: (in billions)	Total	Equity(c)	Fixed Income	Balanced	Money Market	Stable Value	Alter-natives
December 31, 2005(b)	\$386.3	\$177.6	\$48.7	\$40.4	\$52.1	\$45.7	\$21.8
Inflows	85.8	42.5	24.3	7.4	1.9	4.3	5.4
Outflows	(87.2)	(46.6)	(17.9)	(9.6)	(3.1)	(5.6)	(4.4)
Net flows	(1.4)	(4.1)	6.4	(2.2)	(1.2)	(1.3)	1.0
Net flows in money market funds and other	12.8	--	---	--	12.8	--	--
Market gains/reinvestment	46.5	32.6	2.8	5.7	0.5	2.5	2.4
Acquisitions	8.9	6.3	--	--	--	--	2.6
Foreign currency	9.5	6.7	1.6	0.4	0.1	--	0.7
December 31, 2006	\$462.6	\$219.1	\$59.5	\$44.3	\$64.3	\$46.9	\$28.5



Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

By client domicile: (in billions)	Total	U.S.	Canada	U.K.	Europe	Asia
December 31, 2005	\$386.3	\$235.9	\$42.6	\$52.9	\$32.5	\$22.4
Inflows	85.8	30.0	4.5	14.5	23.6	13.2
Outflows	(87.2)	(42.2)	(7.7)	(10.2)	(18.0)	(9.1)
Net flows	(1.4)	(12.2)	(3.2)	4.3	5.6	4.1
Net flows in money market funds and other	12.8	11.5	0.4	0.2	0.7	--
Market gains/ reinvestment	46.5	21.9	6.9	9.9	4.1	3.7
Acquisitions	8.9	8.9	--	--	--	--
Foreign currency	9.5	(0.3)	0.4	6.5	2.7	0.2
December 31, 2006	\$462.6	\$265.7	\$47.1	\$73.8	\$45.6	\$30.4

- (a) Net revenue yield on AUM is equal to net revenue divided by average AUM.  
(b) The asset class beginning balances were adjusted to reflect certain asset reclassifications.  
(c) Includes PowerShares's ETF AUM which are primarily invested in equity securities.

AMVESCAP PLC  
Additional Income and Expense Information

The Consolidated Income Statements for 2006 and 2005 include the following items:

\$ millions	2006			2005	
	Q406	Q306	Full Year	Q405	Full Year
Operating items:					
Management revenues:					
- Performance fees	25.9	10.4	82.2	16.4	33.5
Compensation:					
- 2003 share option expense	(3.6)	(41.1)	(44.7)	--	--
- Expenses related to German Bank	--	--	--	--	(4.7)
- Recruitment	--	--	--	--	(11.8)
Property and office:					
- Leasehold charges	--	--	--	--	(11.4)
General and administration:					
- Goodwill impairment	--	--	--	(16.6)	(16.6)
- Legal settlements	(6.0)	--	(6.0)	--	--
- Insurance recoveries	21.8	0.9	24.0	2.1	20.8
Non-operating income/(loss) items:					
- Gain on sale of businesses	--	1.7	1.9	--	32.6
- Outsourcing U.K. DC platform	--	--	--	--	(7.2)
- Taiwan bond funds capital					

Edgar Filing: AMVESCAP PLC/LONDON/ - Form 6-K

infusion

--

--

--

(11.3)

(11.3)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMVESCAP PLC

-----  
(Registrant)

Date 13 February, 2007

-----

By /s/ Michael S. Perman

-----  
(Signature)

Michael S. Perman  
Company Secretary