

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

AMVESCAP PLC/LONDON/
Form 6-K
February 07, 2006

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, 2006

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

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 ANNOUNCES RESULTS

For immediate Release
Contact: Michael Perman
Phone: (44) 0207-065-3942

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

AMVESCAP REPORTS FOR YEAR ENDED DECEMBER 31, 2005
Company Building Renewed Business Momentum

London, February 7, 2006 - AMVESCAP reported that profit before tax for the 2005 year amounted to \$360.1 million (2004: \$39.0 million). The results for 2005 include a \$75.7 million restructuring charge, and the 2004 results included a charge of \$413.2 million representing the U.S. regulatory settlement, collectively referred to as "the Adjustment" or "the Adjustments". Operating profit for 2005 amounted to \$424.6 million (2004: \$87.3 million). Operating profit before the Adjustments for 2005 amounted to \$500.3 million (2004: \$500.5 million). Diluted earnings per share before the Adjustments was \$0.34 for 2005 (2004: \$0.35). (NYSE: AVZ).

"Our work during the past months has laid a strong foundation for success in 2006," said AMVESCAP president and CEO Martin L. Flanagan. "We are building renewed business momentum by taking advantage of AMVESCAP's inherent global strengths, simplifying our operating platform, and with our recently announced combination with PowerShares, creating a unique industry product line featuring both actively managed mutual funds and distinctive ETFs."

"Our restructuring actions will allow AMVESCAP to reduce costs by operating more efficiently and effectively," added Mr. Flanagan. "Assuming a continuation of the current business environment, the actions we are taking should allow us to reduce 2006 operating expenses by approximately \$120 million."

	Results for Year Ended December 31,		Results before the Adjustments for the Year Ended December 31,	
	2005	2004 (a)	2005	2004 (a)
Net Revenues	\$2,173.2m	\$2,124.5m	\$2,173.2m	\$2,124.5m
Operating expenses	\$1,748.7m	\$2,037.1m	\$1,673.0m	\$1,623.9m
Operating profit	\$424.6m	\$87.3m	\$500.3m	\$500.5m
Net operating margin(b)	19.5%	4.1%	23.0%	23.6%
Profit before tax	\$360.1m	\$39.0m	\$435.8m	\$452.2m
Earnings per share:				
--basic	\$0.27	\$(0.05)	\$0.34	\$0.35
--diluted	\$0.26	\$(0.05)	\$0.34	\$0.35

- (a) 2004 results have been restated to reflect the transition from U.K. Generally Accepted Accounting Practice ("U.K. GAAP") to International Financial Reporting Standards ("IFRS") and have been translated into U.S. dollars, the presentation currency of AMVESCAP. See Note 10 for reconciliations of AMVESCAP's U.K. GAAP results to IFRS.
- (b) Net operating margin is equal to Operating profit divided by Net revenues.

Quarterly Earnings Summary

AMVESCAP's fourth quarter of 2005 includes the Adjustment of \$75.7 million (\$58.3 million after tax, or \$0.07 per share), which was recorded as part of the operating review that the company has been implementing across all business units. The Adjustment includes staff termination, property, and fund

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

rationalization costs. See Note 7 for additional details. Also during the fourth quarter, AMVESCAP redenominated its share capital and changed its presentation currency from sterling to U.S. dollars. See Note 3 for further information.

Net revenues (total revenues less third-party distribution, service and advisory fees) for the three months ended December 31, 2005, were \$551.4 million (3rd quarter 2005: \$536.2 million). As required under IFRS, third-party distribution, service and advisory fees are now presented separately from total revenues on the income statement. Operating expenses before the Adjustment totaled \$427.3 million for the fourth quarter of 2005 (3rd quarter 2005: \$423.2 million). Included within General and Administrative expenses during the fourth quarter of 2005 is a non-cash goodwill impairment charge of \$16.6 million (\$10.4 million after tax, or \$0.01 per share) related to the Atlantic Trust business. See the supplemental schedule included in this earnings release for additional information. The net operating margin before the Adjustment for the three months ended December 31, 2005 was 22.5% (3rd quarter 2005: 21.1%).

Profit before tax and the Adjustments for the three months ended December 31, 2005 amounted to \$94.3 million, compared to \$119.1 million in the third quarter of 2005. Included in Other (loss)/income for the fourth quarter of 2005 is an \$11.3 million expense associated with a capital infusion into our Taiwan bond funds. In addition, we incurred a non-cash loss of \$6.8 million related to the foreign exchange revaluation of our senior notes into sterling. This loss was recorded pursuant to our adoption of International Accounting Standard ("IAS") 39, "Financial Instruments: Recognition and Measurement", as discussed in Note 2, before the redenomination from sterling to U.S. dollars. See the supplemental schedule included in this earnings release for additional information regarding these charges. Diluted earnings per share before the Adjustments amounted to \$0.07 for the three months ended December 31, 2005 (2004: \$0.09).

Annual Earnings Summary

Net revenues for 2005 were \$2,173.2 million (2004: \$2,124.5 million). Operating expenses before the Adjustments totaled \$1,673.0 million for 2005 (2004: \$1,623.9 million). In addition to the impairment charge noted previously, operating expenses for 2005 include several charges relating to continuing reviews of the business. Included in Property and Office expenses in the third quarter are onerous lease charges of \$11.4 million related to the finalization of sub-lease arrangements that were originally estimated and expensed in a \$37.0 million charge in the third quarter of 2004. Also in the third quarter is an \$11.8 million recruitment charge, recorded in Compensation expenses. Additionally, the outsourcing of the German banking operation and pending sale of the banking license resulted in a charge of \$4.7 million included within Compensation expenses in the third quarter. See the supplemental schedule included in this earnings release for additional information regarding these charges. The net operating margin before the Adjustments for 2005 was 23.0% (2004: 23.6%).

Profit before tax and the Adjustments for 2005 amounted to \$435.8 million (2004: \$452.2 million). We recorded a \$32.6 million gain from the sale of the AMVESCAP Retirement business in the third quarter, offset by a charge related to the outsourcing of the defined contribution platform in the U.K. of \$7.2 million. Fourth quarter charges relating to the capital infusion into the Taiwan bond funds and the foreign exchange loss also contributed to Other (loss)/income during the year. See the supplemental schedule included in this earnings release for additional information regarding these items. Diluted earnings per share before the Adjustments amounted to \$0.34 for the year ended December 31, 2005 (2004: \$0.35).

Dividends

The Board has recommended a final dividend for 2005 of 5.5p per share,

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

approximately \$0.10 per share at an exchange rate of \$1.74 per (pound)1.00 (2004: 5.0p per share), resulting in a total dividend of 9.5p per share for 2005 (2004: 7.5p). The final dividend, if approved by shareholders at the Annual General Meeting on April 27, 2006, will be paid on May 4, 2006, to shareholders on the register as of March 31, 2006. The ex-dividend date will be March 29, 2006. Future dividends will be declared in U.S. dollars.

Assets Under Management

Assets under management at the end of 2005 were \$386.3 billion (2004: \$382.1 billion). Average assets under management during the fourth quarter were \$380.9 billion, compared to \$378.1 billion for the preceding quarter and \$374.0 billion for the fourth quarter of 2004. Average assets under management for 2005 were \$377.6 billion, compared to \$371.3 billion in 2004.

Net outflows for the year ended December 31, 2005, were \$16.2 billion, with sales of \$66.3 billion and redemptions of \$82.5 billion. For the fourth quarter of 2005, net outflows were \$3.7 billion, with sales of \$15.8 billion and redemptions of \$19.5 billion. Fourth quarter 2005 net outflows included the loss of a \$1.4 billion sub-advised client in our U.S. Retail channel. Additional analysis of assets under management is included in the supplemental schedules in this earnings release.

Transition to IFRS

Effective January 1, 2005, AMVESCAP began recording its results of operations under IFRS. The comparative period has been restated to apply these IFRS on a consistent basis. Prior to this date, AMVESCAP prepared its consolidated financial statements under U.K. GAAP. The most significant changes affecting AMVESCAP's financial reporting due to the IFRS transition are:

- o The cessation of goodwill amortization (IFRS 3) and redenomination of goodwill into the currency of the underlying acquired entities (IAS 21);
- o The inclusion of a fair value charge in respect of outstanding employee share options granted after November 7, 2002 (IFRS 2);
- o The replacement of existing charges for awards under certain equity-based compensation plans with fair value charges spread over revised time periods (IFRS 2);
- o The inclusion in the balance sheet of all employee benefit liabilities (IAS 19); and
- o The reclassification of certain income statement and balance sheet items for disclosure purposes, including the presentation of third-party distribution fees, service fees and advisory fees in the income statement separately from total revenues.

The underlying business transactions and cashflows of AMVESCAP did not change upon the transition to IFRS. The transition to IFRS resulted in the reduction of total shareholders' funds from the U.K. GAAP figure at January 1, 2004 (transition date) of \$208 million. This reduction is due primarily to the redenomination of goodwill and management contract intangible assets into the currency of the underlying acquired entities. Under U.K. GAAP, these balances were recorded in pounds sterling. For the year ended December 31, 2004, the transition to IFRS resulted in the addition of \$276 million to profit for the year, primarily due to the cessation of goodwill amortization previously recorded under U.K. GAAP. Diluted earnings per share for the year ended December 31, 2004 was a loss of \$0.05 under IFRS, compared with a loss of \$0.39 under U.K. GAAP. See Note 10 for further details.

AMVESCAP's first Annual Report under IFRS will be for the year ended December 31, 2005 and is expected to be sent to shareholders in March, 2006.

AMVESCAP is a leading independent global investment manager dedicated to helping people worldwide build their financial security. Operating under the AIM,

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

INVESCO, AIM Trimark, INVESCO Perpetual and Atlantic Trust brands, AMVESCAP strives to deliver outstanding products and services through a comprehensive array of retail and institutional investment solutions for 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.

Members of the investment community and general public are invited to listen to the conference call today, Tuesday, February 7, 2006, at 2:00 p.m. GMT (9:00 a.m. EST), by dialing one of the following numbers: 1-773-756-0108 or 1-888-455-2053 for U.S. callers. An audio replay of the conference call will be available until Tuesday, February 14, 2006, at 10:00 p.m. GMT (5:00 p.m. EST) by calling 1-203-369-1038 or 1-866-436-9392 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.

#

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.

AMVESCAP PLC
Consolidated Income Statement
(Unaudited, in thousands other than per share amounts)

	Year Ended Dec 31,		
	2005	2004	% Change
Revenues:			
Management	\$2,213,650	\$2,052,664	7.8%
Service and distribution	538,210	593,265	(9.3)%
Other	127,358	111,562	14.2%
	2,879,218	2,757,491	4.4%
Total revenues	2,879,218	2,757,491	4.4%

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

Third-party distribution, service and advisory fees	(705,981)	(633,030)	11.5%
	-----	-----	
Net Revenues	2,173,237	2,124,461	2.3%
	-----	-----	
Operating expenses:			
Compensation	(1,044,706)	(966,788)	8.1%
Marketing	(139,560)	(129,098)	8.1%
Property and office	(130,294)	(169,290)	(23.0)%
Technology/telecommunications	(138,966)	(148,709)	(6.6)%
General and administrative	(219,462)	(210,040)	4.5%
Restructuring charge	(75,690)	--	N/A
U.S. regulatory settlement	--	(413,211)	(100.0)%
	-----	-----	
Total operating expenses	(1,748,678)	(2,037,136)	(14.2)%
	-----	-----	
Operating profit	424,559	87,325	386.2%
Gain on sale of business	32,626	11,831	175.8%
Other (loss)/income	(11,965)	21,044	N/A
Interest expense	(85,142)	(81,171)	4.9%
	-----	-----	
Profit before taxation	360,078	39,029	822.6%
Taxation - U.K.	(18,013)	(2,391)	653.4%
Taxation - overseas	(128,677)	(72,297)	78.0%
	-----	-----	
Profit/(loss) after taxation	213,388	(35,659)	N/A
Minority interests	(1,148)	(536)	114.2%
	-----	-----	
Profit/(loss) for the period attributable to equity holders of the parent	\$212,240	\$ (36,195)	N/A
	=====	=====	
Earnings per share -- basic	\$0.27	\$ (0.05)	
--diluted	\$0.26	\$ (0.05)	
Earnings per share before restructuring charge (2005) and U.S. regulatory settlement (2004), basic and diluted	\$0.34	\$0.35	
Dividends paid	\$134,118	\$135,681	
Final dividend proposed per share (pence)	5.5p	5.0p	
Final dividend proposed	\$78,471	\$78,645	

AMVESCAP PLC
Consolidated Income Statement
(Unaudited, in thousands other than per share amounts)

	Q405	Q305	Change	%	Q205
	-----	-----			-----

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

Revenues:				
Management	\$573,674	\$555,715	3.2%	\$542,479
Service and distribution	129,330	125,895	2.7%	140,530
Other	31,676	35,016	(9.5)%	34,804
	-----	-----		-----
Total revenues	734,680	716,626	2.5%	717,813
Third-party distribution, service and advisory fees	(183,238)	(180,383)	1.6%	(170,020)
	-----	-----		-----
Net revenues	551,442	536,243	2.8%	547,793
	-----	-----		-----
Operating expenses:				
Compensation	(263,434)	(267,308)	(1.4)%	(259,081)
Marketing	(33,638)	(28,169)	19.4%	(38,166)
Property and office	(26,866)	(40,953)	(34.4)%	(31,118)
Technology/telecommunications	(31,581)	(33,464)	(5.6)%	(36,934)
General and administrative	(71,814)	(53,287)	34.8%	(48,580)
Restructuring charge	(75,690)	--	N/A	--
	-----	-----		-----
Total operating expenses	(503,023)	(423,181)	18.9%	(413,879)
	-----	-----		-----
Operating profit	48,419	113,062	(57.2)%	133,914
Gain on sale of business	--	32,626	(100.0)%	--
Other(loss)/income	(9,304)	(6,557)	N/A	1,229
Interest expense	(20,511)	(20,063)	2.2%	(23,579)
	-----	-----		-----
Profit before taxation	18,604	119,068	(84.4)%	111,564
Taxation	(23,376)	(43,778)	(46.6)%	(39,919)
	-----	-----		-----
(Loss)/profit after taxation	(4,772)	75,290	N/A	71,645
Minority interests	(256)	(370)	(30.8)%	(376)
	-----	-----		-----
(Loss)/profit for the period attributable to equity holders of the parent	(\$5,028)	\$74,920	N/A	\$71,269
	=====	=====		=====
Earnings per share, basic and diluted				
	(\$0.01)	\$0.09		\$0.
Earnings per share before restructuring charge, basic and diluted				
	\$0.07	\$0.09		\$0.
Average shares outstanding:				
---basic	794,511	794,052		793,8
---diluted	810,134	807,516		801,1

AMVESCAP PLC
Consolidated Balance Sheet
(Unaudited, in thousands)

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

	Dec 31, 2005	Dec 31, 2004
	-----	-----
Non-current assets		
Goodwill	\$4,213,648	\$4,317,391
Intangible assets	98,971	129,869
Property and equipment	180,044	226,987
Deferred sales commissions	78,944	110,982
Deferred tax assets	150,600	150,114
Investments	149,410	134,478
	-----	-----
	4,871,617	5,069,821
Current assets		
Trade and other receivables	749,181	844,358
Investments	1,202,076	958,524
Cash and cash equivalents	754,754	546,928
	-----	-----
	2,706,011	2,349,810
Total assets	7,577,628	7,419,631
Current liabilities		
Current maturities of long-term debt	(10,106)	(79,476)
Trade and other payables	(2,461,006)	(2,218,862)
Provisions	(52,108)	(28,449)
	-----	-----
	(2,523,220)	(2,326,787)
Net current assets	182,791	23,023
Non-current liabilities		
Long-term debt	(1,212,130)	(1,302,168)
Deferred tax liabilities	(43,496)	(36,655)
Provisions	(182,479)	(211,054)
	-----	-----
Total liabilities	(3,961,325)	(3,876,664)
Net assets	\$3,616,303	\$3,542,967
	=====	=====
Equity		
Share capital	\$81,811	\$388,953
Share premium	84,968	1,345,143
Shares held by employee trusts	(413,473)	(456,717)
Exchangeable shares	431,778	593,025
Retained earnings	638,739	571,574
Other reserves	2,789,187	1,098,468
	-----	-----
Equity attributable to equity holders of the parent	3,613,010	3,540,446
Minority interests	3,293	2,521
	-----	-----
Total equity	\$3,616,303	\$3,542,967
	=====	=====

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

AMVESCAP PLC
Consolidated Statement of Changes in Equity
(Unaudited, in thousands)

	2005
January 1, 2005	\$3,542,967
Adoption of IAS 32/39 at January 1, 2005	29,100
Profit after taxation	213,388
Currency translation differences on investments in overseas subsidiaries	(111,029)
Total equity before transactions with owners	3,674,426
Dividends	(134,118)
Exercise of options	7,720
Acquisition earn-out	2,193
Gains on available-for-sale assets	5,371
Tax impact of equity transactions	8,151
Increase in share-based payment reserve	52,560
December 31, 2005	\$3,616,303

AMVESCAP PLC
Consolidated Cash Flow Statement
(Unaudited, in thousands)

	Year Ended Dec 31,	
	2005	2004
Operating profit	\$424,559	\$87,325
Amortization and depreciation	94,463	92,522
Interest paid, net of investment income	(86,232)	(59,388)
Taxation	(118,789)	(133,113)
Change in other assets and liabilities	155,109	216,570
Net cash inflow from operating activities	469,110	203,916
Investing activities:		
Capital expenditures, net of sales	(35,995)	(50,583)
Disposal/(purchase) of long-term investments, net	13,252	(2,511)
Dispositions and acquisitions	53,640	(53,884)
investing activities	30,897	(106,978)
Financing:		
Dividends paid	(134,118)	(138,207)
Net repayment of debt	(160,476)	100,476
Other financing	7,719	(87,489)

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

Net cash outflow from financing activities	(286,875)	(125,220)
Increase/(decrease) in cash and cash equivalents	213,132	(28,282)
Foreign exchange	(5,306)	11,884
Cash and cash equivalents, beginning of period	546,928	563,326
Cash and cash equivalents, end of period	\$754,754	\$546,928

Notes

1. Accounting policies

The accounting policies used in the preparation of this earnings release follow IFRS in effect as of the date of this release. The comparative period has been restated to apply these IFRS on a consistent basis (see Note 10). The most significant changes due to the IFRS transition are:

- o The cessation of goodwill amortization (IFRS 3) and redenomination of goodwill into the currency of the underlying acquired entities (IAS 21);
- o The inclusion of a fair value charge in respect of outstanding employee share options granted after November 7, 2002 (IFRS 2);
- o The replacement of existing charges for awards under certain equity-based compensation plans with fair value charges spread over revised time periods (IFRS 2);
- o The inclusion in the balance sheet of all employee benefit liabilities (IAS 19); and
- o The reclassification of certain income statement and balance sheet items for disclosure purposes, including the presentation of third-party distribution fees, service fees and advisory fees in the income statement separately from total revenues.

AMVESCAP's first Annual Report under IFRS will be for the year ended December 31, 2005, and is expected to be sent to shareholders in March 2006. The accounting policies applied to the information in this earnings release are consistent with those that will be applied in the 2005 Annual Report. Please refer to www.amvescap.com for a more detailed discussion of these policies.

2. Adoption of accounting standards

AMVESCAP has adopted IAS 32, "Financial Instruments: Disclosure and Presentation" and IAS 39, "Financial Instruments: Recognition and Measurement" as of January 1, 2005. These standards require that financial assets and liabilities be recognized on the balance sheet and accounted for according to their underlying classification. Shareholders' equity increased by \$29.1 million as a result of these changes primarily arising from the recognition of net unrealized gains on investments classified as available for sale. Also as a result of the adoption of IAS 39, a charge of \$6.8 million was recorded into Other (loss)/income during 2005. This charge was the result of foreign exchange revaluation of the U.S. dollar senior notes into sterling, and was recorded before the change in foreign currency from sterling to U.S. dollars (discussed in Note 3).

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

3.

3. Presentation Currency

AMVESCAP PLC redenominated its share capital and changed its presentation currency from sterling to U.S. dollars on December 8, 2005. The balance sheet information presented in this earnings release has been translated to U.S. dollars using the exchange rates at the balance sheet dates. The income statements and cash flows have been translated at the average rates for each period presented. The U.S. dollar to sterling rates used are as follows:

	2005	2004
	-----	-----
Average:		
1st Quarter	\$1.88	\$1.83
2nd Quarter	\$1.85	\$1.81
3rd Quarter	\$1.76	\$1.81
4th Quarter	\$1.74	\$1.89
Ending:		
December 31	\$1.74	\$1.92

4. Taxation

A significant proportion of the tax charge arose from U.S. and Canadian operations. The effective tax rate is 40.7% in 2005 (37.7% before the restructuring charge) and 191.4% in 2004 (37.5% before the U.S. regulatory settlement).

5. 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.

	2005		

in thousands other than per share amounts	Profit for the period	Number of shares	Per share Amount
	-----	-----	-----
Basic earnings per share	\$212,240	793,958	\$0.27 =====
Dilutive effect of share-based awards	--	11,105	
	-----	-----	
Diluted earnings per share	\$212,240	805,063	\$0.26 =====

2004

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

	Loss for the period	Number of shares	Per share Amount
	-----	-----	-----
Basic and diluted earnings per share	\$ (36,195)	802,160	\$ (0.05)
	-----	-----	=====

6.

6. Acquisitions and dispositions

On July 15, 2005, AMVESCAP completed the disposal of the AMVESCAP Retirement business. The results of this business are included through the closing date of the transaction. A gain of \$32.6 million has been recorded within other income. Revenues of \$33.5 million were derived by the AMVESCAP Retirement business in 2005 through the date of disposal. The disposal is analyzed as follows:

\$ thousands	
Total net assets	23,460
Gain on disposal	32,626

Cash consideration	56,086

In December 2005, AMVESCAP outsourced its banking operations in Germany and, on January 31, 2006, completed the sale of its German banking license. Net assets at December 31, 2005 were \$7.1 million. For the year ended December 31, 2005 the German bank recorded revenues of \$14.4 million.

On January 23, 2006 AMVESCAP announced the acquisition of PowerShares Capital Management LLC ("PowerShares"). The transaction, subject to certain conditions including approvals from the Board of Directors and the shareholders of PowerShares, is expected to close in the second or third quarter of 2006. The initial purchase consideration is \$60 million to be paid on closing. Additional consideration of up to a maximum of \$670 million is payable in the future depending on the achievement of various revenue and assets under management growth targets being reached.

7. Restructuring charge and U.S. regulatory settlement

The consolidated net income statement for 2005 includes a restructuring charge of \$75.7 million. The charge relates to operational and structural charges made in 2005 as a result of a review of the business. The charge is comprised of the following:

\$ 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	\$0.07

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

The consolidated income statement for 2004 includes a charge of \$413.2 million (\$318.2 million after tax, or \$0.39 per share) relating to the mutual fund market timing investigations by regulators in the United States. The charge comprised settlement payments and civil penalties of \$376.7 million, along with related costs of \$36.5 million, primarily additional legal costs associated with the investigations. Previously, when reporting under U.K. GAAP, the settlement was included in exceptional items totaling \$450.3 million. The exceptional items, as reported in 2004, also included \$37.0 million primarily relating to estimates of lease payments in excess of the expected sublease proceeds over the remaining lives of the leases. These amounts have been reclassified into operating expenses.

8. Dividends

A final dividend in respect of 2005 of 5.5p per share (approximately \$0.10 per share, or \$78.5 million, at an exchange rate of \$1.74 per (pound)1.00: \$76.3 million for ordinary shares and \$2.2 million for exchangeable shares) has been proposed by the Board and will be paid, subject to shareholder approval, in May 2006. The dividend will be accrued when approved by shareholders. A final dividend in respect of 2004 of 5.0p per share (\$0.09 per share, or \$75.0 million, at an exchange rate of \$1.83: \$72.4 million for ordinary shares and \$2.6 million for exchangeable shares) was approved at the Annual General Meeting of Shareholders on April 28, 2005, and charged to retained earnings at that time. This dividend was paid on May 4, 2005, to shareholders on the register on April 1, 2005.

An interim 2005 dividend of 4.0p per share (2004: 2.5p) (\$0.07 per share, or \$59.1 million, at an exchange rate of \$1.79: \$57.1 million for ordinary shares and \$2.0 million for exchangeable shares) was declared by the Board of Directors on August 2, 2005, and was paid on October 12, 2005 to shareholders on the register on September 9, 2005.

9. Credit facility

On March 31, 2005, AMVESCAP entered into a new five-year credit agreement ("credit facility") with a group of lenders, providing a revolving credit facility in an aggregate principal amount of up to \$900 million. Under certain conditions, the aggregate commitments under the credit facility may be increased to \$1.2 billion. The credit facility requires specified financial ratios to be maintained, including a maximum debt to EBITDA ratio of 3.25:1 and a minimum interest coverage ratio of 4.0:1.

10. Reconciliations from U.K. GAAP to IFRS

Prior to January 1, 2005, AMVESCAP reported its results of operations under U.K. Generally Accepted Accounting Practice ("U.K. GAAP"). Beginning January 1, 2005, AMVESCAP transitioned from U.K. GAAP to International Financial Reporting Standards ("IFRS"). The tables below reconcile total shareholders' funds at December 31, 2003, and December 31, 2004 under U.K. GAAP to total equity under IFRS, and loss after taxation for the year ended December 31, 2004 from U.K. GAAP to IFRS.

Reconciliation of total U.K. GAAP total shareholders' funds to IFRS total equity

\$ millions	Dec 31, 2003	Dec 31, 2004
	-----	-----
U.K. GAAP total shareholders' funds	\$3,650	\$3,577
IFRS Transition Adjustments:		
Goodwill and intangibles	(230)	(31)
Shared based payment	(12)	(13)
Defined benefit obligation, net	(55)	(58)
Dividends	94	79
Other	(5)	(11)
	-----	-----

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

IFRS total equity	\$3,442	\$3,543
	=====	=====

Reconciliation of U.K. GAAP loss after taxation to IFRS loss after taxation

\$ millions	Year ended Dec 31, 2004

U.K. GAAP profit/(loss) after taxation	\$ (312)
IFRS Transition Adjustments:	
Goodwill and intangibles	280
Defined benefit obligation, net	--
Sale of business	5
Other	(9)

IFRS profit/(loss) after taxation	\$ (36)
	=====

IFRS Transition Adjustments:

Goodwill and intangibles. AMVESCAP has chosen to apply IFRS 3 prospectively from the date of transition. This has resulted in the value of goodwill arising from previous acquisitions being frozen at the value held on the AMVESCAP balance sheet at January 1, 2004 and the reversal of any amortization charged in 2004. AMVESCAP has elected to apply IAS 21 retrospectively to its goodwill and intangible asset balances, which were previously recorded in pounds sterling from their respective acquisition dates. The result of this application is that the goodwill and intangible assets have been redenominated into their underlying currencies and will subsequently be re-measured each reporting date for the effect of changes in foreign exchange rates.

Share-based payment. AMVESCAP will recognize a charge in the Income Statement for the fair value of outstanding share awards granted to employees after November 7, 2002. The charge has been calculated using a stochastic option valuation model and will be charged over the relevant vesting periods, adjusted to reflect expected and actual levels of vesting.

Defined benefit obligation, net. AMVESCAP will recognize the net liability for defined benefit post retirement plan schemes on the balance sheet and will take actuarial gains and losses on a systematic basis to the Income Statement, in accordance with the permitted methods of recognition under IAS 19.

Sale of business. During 2004, AMVESCAP disposed of its U.K. and Jersey businesses of Atlantic Wealth Management and included the previously written off goodwill related to this business in the calculation of the net gain resulting from the sale. Under IFRS 1 goodwill previously deducted from equity is not recognized in the opening balance sheet and that goodwill is not transferred into the Income Statement upon disposal of the business. This had the effect of increasing the gain reported under U.K. GAAP.

Dividends. AMVESCAP will recognize dividends declared after the balance sheet date in the reporting period in which they are declared, as they represent non-adjusting events after the balance sheet date.

Other. Other adjustments upon transition to IFRS include the recognition and establishment of accruals related to compensated absences, foreign exchange items and certain tax adjustments.

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

Reclassifications. For disclosure purposes, IFRS requires that certain reclassifications be made to the financial statements that were presented under U.K. GAAP, including the presentation of distribution, transfer agent, and sub-advisory fees in the income statement separately from total revenues. Certain balance sheet reclassifications were made, including the presentation of the policyholder assets as investments (previously included in receivables), the presentation of software assets as intangible assets (previously included in property and equipment assets), and the separation of deferred tax liabilities from provisions.

11. Statutory financial statements

The financial information shown in this earnings release, which was approved by the Board of Directors on February 3, 2006, is unaudited and does not constitute statutory financial statements. The 2004 Annual Report has been filed with the Register of Companies on which the auditors issued a report, which was unqualified and did not contain a statement under section 237(2) or section 237(3) of the Companies Act 1985.

AMVESCAP PLC
Assets Under Management

(billions)	2005	2004	% Change
Beginning Assets	\$382.1	\$370.6	
Inflows	66.3	67.0	(1.0)%
Outflows	(82.5)	(86.5)	(4.6)%
Net flows	(16.2)	(19.5)	(16.9)%
Market gains/reinvestment	24.4	26.0	(6.2)%
Change in money market funds and other	0.5	(8.3)	N/A
Acquisitions	--	6.1	(100.0)%
Foreign currency	(4.5)	7.2	N/A
Ending Assets	\$386.3	\$382.1	1.1%
Average AUM	\$377.6	\$371.3	1.7%

By channel: (billions)	Total	Retail	Ins
December 31, 2004	\$382.1	\$186.0	
Inflows	66.3	41.2	
Outflows	(82.5)	(53.3)	
Net flows	(16.2)	(12.1)	
Market gains/reinvestment	24.4	16.0	
Change in money market funds and other	0.5	1.9	

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

Foreign currency	(4.5)	(1.6)
December 31, 2005	\$386.3	\$190.2

By asset class: (billions)	Total	Equity	Fixed Income	Balanced	Mo Mar
December 31, 2004	\$382.1	\$178.5	\$44.8	\$44.1	\$
Inflows	66.3	30.0	14.5	7.8	
Outflows	(82.5)	(45.6)	(10.4)	(12.5)	
Net flows	(16.2)	(15.6)	4.1	(4.7)	
Market gains/reinvestment	24.4	17.9	1.2	1.7	
Change in money market funds and other	0.5	--	--	--	
Foreign currency	(4.5)	(3.3)	(0.8)	0.1	
December 31, 2005	\$386.3	\$177.5	\$49.3	\$41.2	\$

By entity: (billions)	Total	AIM		INVESCO		
		U.S.	Canada	U.S.	U.K.	Europe/A
December 31, 2004	\$382.1	\$137.6	\$34.6	\$121.0	\$49.6	\$2
Inflows	66.3	12.6	5.9	16.7	19.0	
Outflows	(82.5)	(28.0)	(5.7)	(24.0)	(11.9)	(
Net flows	(16.2)	(15.4)	0.2	(7.3)	7.1	(
Market gains/reinvestment	24.4	5.1	2.2	4.4	8.8	
Change in money market funds and other	0.5	0.7	--	--	--	(
Foreign currency	(4.5)	--	2.1	(0.4)	(4.2)	(
December 31, 2005	\$386.3	\$128.0	\$39.1	\$117.7	\$61.3	\$2

AMVESCAP PLC
Assets Under Management

(billions)	Q405	Q305	% Change	Q20
Beginning Assets	\$380.5	\$373.2		\$3

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

Inflows	15.8	15.7	0.6%	
Outflows	(19.5)	(20.0)	2.5%	
	-----	-----		
Net flows	(3.7)	(4.3)	14.0%	
Market gains/reinvestment	8.9	11.1	(19.8)%	
Change in money market funds and other	1.8	0.1	N/A	
Foreign currency	(1.2)	0.4	N/A	
	-----	-----		
Ending Assets	\$386.3	\$380.5	1.5%	\$3
	=====	=====		
Average AUM	\$380.9	\$378.1	0.7%	\$3

By channel: (billions)	Total	Retail	Inst
September 30, 2005	\$380.5	\$190.0	
Inflows	15.8	11.0	
Outflows	(19.5)	(13.7)	
	-----	-----	
Net flows	(3.7)	(2.7)	
Market gains/reinvestment	8.9	5.9	
Change in money market funds and other	1.8	(2.4)	
Foreign currency	(1.2)	(0.6)	
	-----	-----	
December 31, 2005	\$386.3	\$190.2	
	=====	=====	

By asset class: (billions)	Total	Equity	Fixed Income	Balanced	Mo Mar
September 30, 2005	\$380.5	\$174.6	\$47.6	\$41.7	
Inflows	15.8	7.7	3.3	2.0	
Outflows	(19.5)	(10.4)	(1.8)	(3.2)	
	-----	-----	-----	-----	
Net flows	(3.7)	(2.7)	1.5	(1.2)	
Market gains/reinvestment	8.9	6.5	0.4	0.7	
Change in money market funds and other	1.8	--	--	--	
Foreign currency	(1.2)	(0.9)	(0.2)	--	
	-----	-----	-----	-----	
December 31, 2005	\$386.3	\$177.5	\$49.3	\$41.2	
	=====	=====	=====	=====	

By entity: (billions)	Total	AIM		INVESCO		
		U.S.	Canada	U.S.	U.K.	Europe/As
September 30, 2005	\$380.5	\$128.7	\$38.4	\$117.2	\$56.4	\$2

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

Inflows	15.8	2.6	1.2	3.0	5.9	
Outflows	(19.5)	(6.8)	(1.5)	(4.3)	(3.4)	
Net flows	(3.7)	(4.2)	(0.3)	(1.3)	2.5	
Market gains/reinvestment	8.9	1.6	0.8	1.9	3.4	
Change in money market funds and other	1.8	1.9	--	--	--	
Foreign currency	(1.2)	--	0.2	(0.1)	(1.0)	
December 31, 2005	\$386.3	\$128.0	\$39.1	\$117.7	\$61.3	\$2

AMVESCAP PLC
Additional Income and Expense Information

The Consolidated Income Statements for 2005 and 2004 include the following items:

\$ millions	2005			
	Q405	Q305	Full Year	Q304
Operating items:				
Compensation - Expenses related to German Bank	--	(4.7)	(4.7)	--
Compensation - Recruitment	--	(11.8)	(11.8)	--
Property and Office - Leasehold charges	--	(11.4)	(11.4)	(37.1)
General and Administration - Goodwill impairment	(16.6)	--	(16.6)	--
Other (loss)/income items:				
Gain on sale of businesses	--	32.6	32.6	--
Outsourcing U.K. DC platform	--	(7.2)	(7.2)	--
Taiwan bond funds capital infusion	(11.3)	--	(11.3)	--
Foreign exchange revaluation	(6.8)	--	(6.8)	--

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)

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

Date 7 February, 2006

By /s/ Michael S. Perman

(Signature)

Michael S. Perman

Company Secretary