Intertek

Interim Report 2007

Delivering excellence
and driving **growth**

About Intertek

Intertek is a leading international provider of quality and safety services to a wide range of global and local industries. Partnership with Intertek brings increased value to customers' products and processes, ultimately supporting their success in the global marketplace.

Intertek has the experience, expertise, resources and global reach to support its customers through its extensive network of laboratories and offices and over 20,000 people in more than 100 countries around the world.

Contents

Cautionary statement

This Interim Report contains certain forward-looking statements with respect to the financial condition, results, operations and business of Intertek Group plc. These statements and forecasts 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 and forecasts. Nothing in this Interim Report should be construed as a profit forecast.

Financial highlights

Revenue
£360.8m
Up 10.3%
(18.6% constant currency basis[1])

Operating profit
£52.6m
Up 8.0%

Adjusted operating profit[2]
£54.5m
Up 7.5%
(18.5% constant currency basis[1])

Adjusted operating profit margin[2]
15.1%
Down 40 basis points
(Unchanged at 15.1% constant currency basis[1])

Operating cash flow
£43.0m
Down 9.1%

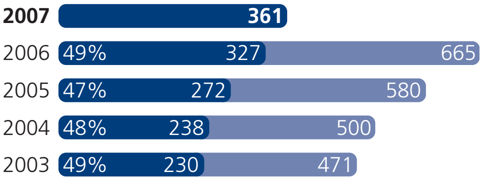
Profit before taxation
£48.4m
Up 7.1%

Basic earnings per share
21.5p
Up 7.0%
(Diluted adjusted EPS[3] up 5.6%)

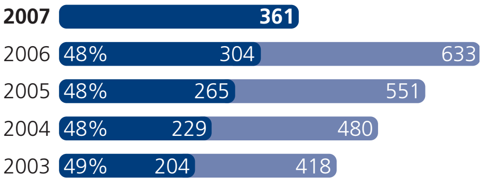
Interim dividend per share
5.8p
Up 26.1%

1. The constant currency basis compares revenue and adjusted operating profit for H1 07 and H1 06 at the average exchange rates for the six months to 30 June 2007.
2. Excluding amortisation of intangible assets arising on acquisitions £1.9m (H1 06: £2.0m) (see reconciliation in note 2 to the interim financial information).
3. Diluted adjusted EPS based on adjusted profit (see note 4 to the interim financial information).

Revenue £m
At actual rates



Revenue £m
At constant rates



The graphs above show the amount and proportion of revenue generated in the first half of each of the years 2003 to 2006, compared to the revenue generated in the first half of 2007.

Intertek today

Thinking and operating as one business has allowed us to make strong progress in all our markets, leading to enhanced customer and shareholder value.

What we do

Creating value through expertise
We provide the services our clients need to deal with increasingly complex global supply chain issues.

- Analytical
- Auditing
- Certification
- Consulting
- Corporate Social Responsibility
- Environmental
- Evaluation
- Inspection
- Outsourcing
- Personnel Outsourcing
- Quality Assurance
- Risk Assessment & Management
- Safety
- Supply Chain Security
- System Certification
- Testing
- Training

The industries in which we operate

A healthy, balanced business
We choose to operate in industries where we can use our global network, international experience and combination of services to support our customers as they expand internationally.

- Agriculture
- Automotive
- Chemical
- Consumer Products
- Electrical Manufacturers
- Energy & Fuels
- Food
- Government
- Industrial
- IT
- Natural Resources
- Pharmaceutical
- Retailers
- Telecommunications

To find out more about our business and our areas of expertise, go to www.intertek.com

Chairman's statement

Vanni Treves
Chairman

"Creating value for our customers and shareholders"

Results

I am pleased to report that our revenue increased to £360.8m, up 10.3% over the same period last year. This was achieved despite the US dollar being 10.9% weaker against sterling, which reduced reported revenue when translated into sterling.

Operating profit was £52.6m, up 8.0% over the same period last year. Operating profit before the amortisation of intangible assets arising from acquisitions ('adjusted operating profit') increased to £54.5m, up 7.5%.

Basic earnings per share were 21.5p, up 7.0% over the same period last year.

On a constant currency basis, revenue and operating profit grew 18.6% and 18.5% respectively, which reflects the strong growth in our underlying businesses.

Acquisitions

In line with the Group's policy of acquiring complementary businesses, we completed six acquisitions in the first half of 2007 for total consideration of £58.0m (H1 06: £9.4m). Details of the acquisitions are given in the performance review by division. In July and August, we completed a further four acquisitions for total consideration of £15.9m. This brings our acquisition investment in the year to date, to £73.9m, which is more than double the £36.9m that we invested in the full year 2006. We continue to see many further acquisition opportunities which will widen the scope and range of the services we offer.

Dividends

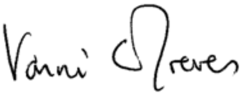
The Board has decided to pay, on 13 November 2007, an interim dividend of 5.8p (2006: 4.6p), an increase of 26.1% over last year's interim dividend. This is in line with the revised dividend policy announced in our last Annual Report and reflects the good performance in the first half of the year. The interim dividend will be paid to members on the register at 2 November 2007.

Board changes

After 34 years with the Group, Raymond Kong retired on 11 May 2007. I would like to express my deep gratitude to him, on behalf of all his fellow directors, employees and customers, for his outstanding contribution towards building the Consumer Goods division into the successful business it is today and for his excellent contribution to the Board, on which he served as a Non-Executive Director for the past three years. We wish him a happy and healthy retirement.

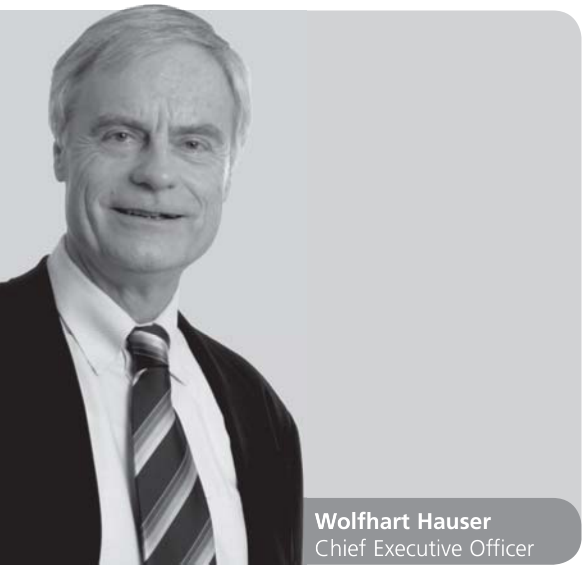
Outlook

The market for our services continues to expand and we expect a strong performance in the second half of the year.



Vanni Treves
Chairman

Chief Executive Officer's review



Wolfhart Hauser
Chief Executive Officer

"Strategic acquisitions have extended the breadth and depth of our expertise"

Growth in revenue

	£m	Growth[2]
June 06	327.1	
Currency translation	(22.8)	
June 06 at constant currency	304.3	
Organic growth	35.7	11.7%
Contract cessation[1]	(3.8)	(1.2)%
Acquisitions	24.6	8.1%
June 07	**360.8**	**18.6%**

1. Government Services pre-shipment inspection contract in Nigeria ceased March 06.
2. At constant currency.

Overview of results

Revenue for the Group increased to £360.8m, up 10.3% (18.6% constant currency basis). The three larger divisions – Oil, Chemical & Agri, Commercial & Electrical and Consumer Goods – which accounted for 93% of the Group's revenue, grew by 12.6% (21.3% constant currency basis). Excluding revenues from the discontinued Nigerian contract (shown in the table above), revenue in Government Services increased by 5.4% on a constant currency basis. The growth was achieved both organically and through the contribution from acquisitions.

Operating profit for the Group before the amortisation of intangible assets arising on acquisitions was £54.5m, up 7.5% (18.5% constant currency basis). The Group's operating profit margin was 15.1% which was unchanged from the margin for the first half of 2006 on a constant currency basis. On an actual basis, the reported margin for the first half of 2006 was 15.5% compared to 15.1% on a constant currency basis. This decline was due to the mix of currencies in the Group and the relatively high level of costs denominated in sterling.

Approximately 80% of the Group's earnings are denominated in US dollars or currencies linked to the US dollar, therefore the Group's results when translated into sterling are exposed to changes in the value of the US dollar. In the 12-month period to 30 June 2007, the US dollar to sterling exchange rate that we use to report our results declined by 10.9% therefore the Group's earnings have been negatively impacted.

Group operating profit, after charging amortisation of intangible assets arising on acquisitions of £1.9m (H1 06: £2.0m) was £52.6m, up 8.0% over H1 06. The net financing costs were £4.2m in H1 07, compared to £3.5m in H1 06, principally due to higher borrowings and interest rates. The tax rate of 25.4% for H1 07 is based on the estimated tax rate the Group expects for the full year. Profit for the period was £36.1m, up 6.2%.

The operating results are discussed in more detail in the performance review by division.

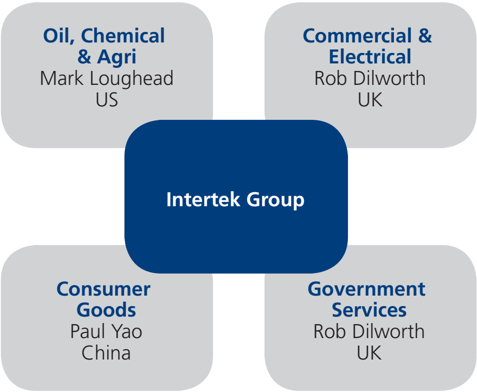
Cash flow

Cash from operating activities for H1 07 was £43.0m which was 9.1% lower than H1 06. The decrease was due to a number of factors, including increased working capital in businesses acquired during H1 07 and increased receivables resulting from our revenue growth. Part of the decrease was due to the timing of cash receipts and payments. An amount representing four months sales of a Government Services contract was received in July 2007. Prepayments and other receivables were unusually high at 30 June 2007 and significant payments relating to these were also received in July.

The net cash outflow from investing activities was £61.2m (H1 06: £29.4m), comprising interest received £0.5m (H1 06: £0.6m), net capital expenditure of £17.8m (H1 06: £20.2m) and acquisitions of £43.9m (H1 06: £9.8m). The acquisitions were partly funded by increased borrowings. Financing activities generated cash inflow of £40.1m (H1 06: £2.1m) due to the net drawdown of debt of £52.7m (H1 06: £13.6m) offset by the payment of dividends of £17.0m (H1 06: £14.2m).

Performance review by division

For management purposes the Group is organised into four operating divisions, each covering certain industry sectors. The Executive Vice President of each division and the location of their head office is given in the chart below:



A review of the performance of each division in the six months to 30 June 2007 compared to the six months to 30 June 2006 is given below.

Definitions

Constant currency basis

For statutory reporting purposes the results for H1 07 and H1 06 are translated into sterling using the average exchange rates for the six months to 30 June 2007 and the six months to 30 June 2006 respectively. In order to compare the performance on a like-for-like basis, for management purposes we measure the performance of each of the divisions at constant exchange rates. In the performance review that follows, the revenue and operating profit for H1 07 and H1 06 have been translated at the average exchange rates for the six months to 30 June 2007.

Operating profit

For statutory reporting purposes, operating profit is stated after the deduction of the amortisation of intangible assets arising on acquisitions and goodwill impairment. For management purposes, we calculate the operating profit of the divisions before deducting these charges. In the commentary that follows, operating profit is stated before amortisation of intangible assets arising on acquisitions and goodwill impairment.

Oil, Chemical & Agri

	H1 07 £m	Change	Organic change
Revenue	**168.1**	33.7%	15.2%
Operating profit	**20.1**	63.4%	33.3%
Operating margin	**12.0%**	220bp	150bp

The Oil, Chemical & Agri division offers independent cargo inspection, testing and analytical services to the oil and chemical, agricultural, mineral and pharmaceutical sectors. Oil, Chemical & Agri had an excellent performance in the first half of the year with strong organic growth across all regions, enhanced by a number of acquisitions. Total revenue increased by 33.7% to £168.1m and total operating profit increased by 63.4% to £20.1m. The operating margin improved by 220 basis points to 12.0%. The organic growth was driven by favourable market conditions, increased demand for alternative fuels and increased regulation, which resulted in an increased demand for testing and inspection services. The demand for outsourced analytical services also continued to grow. This sector accounted for 50% of the division's revenue in the first half of 2007, up from 41% for the first half of 2006.

We continue to extend the breadth and depth of the services we can offer our customers by acquiring businesses which complement our existing services. The three largest acquisitions made by the Group in the first six months of the year were in this division. In January 2007, upstream services were extended by the acquisition of UK based Umitek Ltd and its subsidiaries, CAPCIS and SREL, which provide specialist testing and consultancy services to the oil and gas industries in the North Sea and globally. These businesses allow the Group to extend the range of services provided by upstream operations to Europe and the Middle East.

The global demand for minerals is accelerating due to rapid industrialisation and growing numbers of new consumers in emerging economies. This growth leads to increased demand for testing and inspection services and in April 2007, the Group acquired Genalysis minerals laboratories in Australia which gives us an increased international presence in this sector and complements our existing minerals operations in Asia and the Americas.

The Group is increasing the range of services offered to the pharmaceutical industry and in June 2007, we acquired New Jersey based Quantitative Technologies Inc. (QTI) which provides product quality testing services to pharmaceutical, medical device and biotechnology companies. This acquisition further extends our growth in the provision of expert analytical support to the global pharmaceutical, medical device and drug delivery

Chief Executive Officer's review
continued

industries. It joins our existing pharmaceutical network across the UK and Europe and complements Alta bio-analytical laboratories in California, US which were acquired last year.

In June 2007, we acquired Union Lab which is a key local petroleum testing and inspection company in Singapore. The business will be absorbed into our existing operations in Singapore and further strengthens our market position in this strategically important country.

We continue making infill and bolt-on acquisitions in this division and in July 2007, we acquired VIP Cargo Surveys Inc., a petroleum inspection and testing company based in Texas, US and Geotechnical Services Pty Ltd, a petroleum laboratory services company located near Perth, Australia.

In August 2007, we announced two new outsourcing deals. One of these is in Teesside, UK, where ICI has outsourced its Measurement Science Group (MSG) to Intertek under a four-year contract for analytical laboratory services. As part of this agreement, MSG sold its business assets to Intertek and transferred all 42 of its employees. The other contract is in Massachusetts, US, where Kodak's Eastman Gelatine Corporation has outsourced its analytical laboratory services to Intertek for three years.

The market is expected to remain favourable for the rest of the year and there are good prospects for new outsourcing contracts and acquisitions.

Commercial & Electrical

	H1 07 £m	Change	Organic change
Revenue	86.0	9.4%	7.9%
Operating profit	13.2	11.9%	10.5%
Operating margin	15.3%	30bp	30bp

The Commercial & Electrical division provides services to a wide range of industries including those in the home appliances, lighting, medical, building, industrial and HVAC/R (heating, ventilation and air conditioning and refrigeration), IT and telecom and automotive sectors. On 1 January 2007, the Electrical and Electronic retail inspection (E&E) business was transferred from Commercial & Electrical to Consumer Goods. Revenue and operating profit for prior periods has been restated to show a like-for-like comparison.

The division performed well in the first half of the year, with revenue and operating profit growth of 9.4% and 11.9% respectively. The operating margin increased 30 basis points to 15.3%. All service sectors apart from systems certification contributed to this growth.

In March 2007, the Group acquired the Finnish company Natlabs Oy which provides electro-magnetic compatibility and electrical safety testing. This gives us a significant presence in Finland and allows us to improve service to our customers in the Baltic region.

In June 2007, we acquired UK based ASTA BEAB, which provides product and systems certification services and is the owner of the ASTA and BEAB certification marks. These marks are an important addition to our leading portfolio of marks (shown below) which are recognised around the world, giving us a competitive advantage and providing manufacturers with seamless global market access. We have made progress in gaining acceptance of the ETL mark by retailers in the US and this has helped to drive revenue growth in Asia and the rest of the world.

In August 2007, we acquired Product Quality Partners Inc., which is a leader in North America in wireless device and application testing.

There are good growth prospects for the rest of the year and we expect to widen the scope and range of the services we offer by continued investment in new sectors and regions.

Consumer Goods

	H1 07 £m	Change
Revenue	81.5	12.7%
Operating profit	24.9	8.7%
Operating margin	30.6%	(110)bp

The Consumer Goods division provides services to the textiles, toys, footwear, hardlines, food and retail industries. Services include testing, inspection, auditing, advisory services, quality assurance and hazardous substance testing. On 1 January 2007, the Electrical and Electronic retail inspection (E&E) business was transferred from Commercial & Electrical to Consumer Goods. Revenue and operating profit for prior periods has been restated to show a like-for-like comparison.

The Consumer Goods division delivered revenue of £81.5m up 12.7% and operating profit of £24.9m, up 8.7%. The operating margin declined 110 basis points to 30.6%. This decline was due to a change in market conditions in Restriction of Hazardous Substances (RoHS) testing and also the changing mix of services in the division.

Revenue from RoHS testing declined in the first half of 2007 compared to the first half of 2006. The RoHS directive became mandatory in the European Union on 1 July 2006, which prompted a peak in RoHS testing in 2006 as companies rushed to meet the deadline. However, subsequent limited enforcement of the legislation has reduced the demand for testing in the first half of 2007. This volatility is common with new legislation and going forward we expect demand to stabilise.

Toys and hardlines performed well with revenue growth of over 20%.

The textile market was steady. Although there is ongoing discussion about quota restrictions and there was a recent 2% reduction in tax rebates in China on garments, we do not expect our businesses to be materially affected. Good growth was reported in many countries, including China, and we continue to invest in this sector. New facilities in Vietnam, Pakistan, Brazil, Colombia, Romania and Egypt are in start-up phase and are not expected to cover their costs until later this year.

The market for corporate social responsibility services is growing and our revenue in this sector, which accounted for 7% of the division's revenue, grew well. We expect this sector to develop as the demand for sustainability reporting increases and environmental issues become more prominent. We also expect regulation in this area to increase which will lead to increased demand for our services.

Revenue from inspection work increased, despite a reduction in the volume of E&E retail inspections.

The key growth drivers in Consumer Goods remain strong, principally the sourcing of products from China, the increasingly wide range of products being sold by retailers and shorter product lifecycles. Also, the recent concerns over the safety of consumer products will increase demand from consumers and regulatory bodies for independent assurance of quality and safety. However, the mix of businesses in this division is changing, with developing services such as RoHS, consultancy, inspection, food and corporate social responsibility not always having the high margins earned by the established services.

Government Services

	H1 07 £m	Change
Revenue	25.2	(9.0)%
Operating profit	3.4	(8.1)%
Operating margin	13.5%	10bp

The Government Services division offers a range of services to governments, national standards organisations, customs departments and industrial companies. Services include cargo scanning, fiscal support services, standards programmes and industrial services.

Revenue in H1 06 included £3.8m for the final work performed on the discontinued Nigerian pre-shipment inspection (PSI) contract. Revenue from continuing business increased by 5.4% in H1 07 compared to H1 06.

The division's reliance on traditional PSI contracts has reduced and 64% of revenue is now generated by other services such as standards contracts, supply chain security and industrial services. The container scanning contract in Guinea is now fully operational and performing well. The PSI contract in Mozambique was extended for a further two years.

The Government Services division continues to seek new opportunities in the PSI market and is committed to developing innovative solutions to the cargo security issues facing international trade.

Looking forward

We will continue to grow our business organically and improve our operating profit margin by offering our customers a combined service, which supports their success in the global marketplace by adding value to their products and processes, and creates value for our shareholders.

We will also extend the breadth and depth of our expertise by developing new services and through acquiring businesses with complementary skill sets to our own. We are committed to investing in our global network by opening new facilities and by acquiring businesses in new territories.

Wolfhart Hauser
Chief Executive Officer

Independent review report by KPMG Audit Plc to Intertek Group plc

Introduction
We have been instructed by the Company to review the financial information for the six months ended 30 June 2007 which comprises the consolidated balance sheet, income statement, statement of cash flows, statement of recognised income and expense and the related notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed
We conducted our review in accordance with guidance contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board for use in the UK. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

KPMG Audit Plc
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB

31 August 2007

Consolidated interim income statement

	Notes	**Six months to 30 June 2007 (Unaudited) £m**	Six months to 30 June 2006 (Unaudited) £m	Year to 31 December 2006 (Audited) £m
Revenue	2	**360.8**	327.1	664.5
Cost of sales		**(288.0)**	(257.7)	(523.6)
Gross profit		**72.8**	69.4	140.9
Amortisation of intangible assets arising on acquisitions		**(1.9)**	(2.0)	(3.8)
Impairment of goodwill		**–**	–	(0.3)
Other administrative expenses		**(18.3)**	(18.7)	(38.7)
Total administrative expenses		**(20.2)**	(20.7)	(42.8)
Group operating profit	2	**52.6**	48.7	98.1
Finance income		**2.2**	2.4	4.5
Finance expense		**(6.4)**	(5.9)	(11.5)
Net financing costs		**(4.2)**	(3.5)	(7.0)
Share of profit of associates		**–**	–	0.3
Profit before taxation		**48.4**	45.2	91.4
Income tax expense	3	**(12.3)**	(11.2)	(22.5)
Profit for the period		**36.1**	34.0	68.9
Attributable to:				
Equity holders of the Company		**33.7**	31.3	63.8
Minority interest		**2.4**	2.7	5.1
Profit for the period		**36.1**	34.0	68.9
Earnings per share				
Basic	4	**21.5p**	20.1p	40.9p
Diluted	4	**21.3p**	20.0p	40.6p
Dividends in respect of the period		**5.8p**	4.6p	14.8p

Consolidated interim balance sheet

	Notes	At 30 June 2007 (Unaudited) £m	At 30 June 2006 (Unaudited) £m	At 31 December 2006 (Audited) £m
Assets				
Property, plant and equipment		**131.2**	123.1	123.7
Goodwill		**113.6**	57.6	71.1
Other intangible assets		**27.4**	11.1	19.6
Investments in associates		**0.7**	0.5	0.7
Deferred tax assets		**13.8**	14.2	13.3
Total non–current assets		**286.7**	206.5	228.4
Inventories		**3.9**	3.4	3.2
Trade and other receivables		**183.5**	153.2	151.9
Derivative financial instruments		**0.1**	1.5	0.4
Cash and cash equivalents	7	**56.2**	52.6	49.5
Total current assets		**243.7**	210.7	205.0
Total assets		**530.4**	417.2	433.4
Liabilities				
Interest bearing loans and borrowings	7	**(14.2)**	(14.6)	(13.6)
Current taxes payable		**(28.5)**	(25.9)	(24.1)
Trade and other payables		**(117.0)**	(90.0)	(101.3)
Provisions		**(6.2)**	(4.0)	(4.5)
Total current liabilities		**(165.9)**	(134.5)	(143.5)
Interest bearing loans and borrowings	7	**(214.1)**	(181.0)	(164.8)
Deferred tax liabilities		**(3.7)**	(3.5)	(3.8)
Net pension liabilities		**(15.5)**	(17.8)	(15.2)
Other payables		**(1.4)**	(1.1)	(0.9)
Total non-current liabilities		**(234.7)**	(203.4)	(184.7)
Total liabilities		**(400.6)**	(337.9)	(328.2)
Net assets		**129.8**	79.3	105.2
EQUITY				
Share capital	8	**1.6**	1.6	1.6
Share premium account	8	**246.7**	240.9	242.4
Other reserves	8	**6.8**	11.1	6.0
Retained earnings	8	**(135.5)**	(182.9)	(153.6)
Total equity attributable to equity holders of the Company	8	**119.6**	70.7	96.4
Minority interest		**10.2**	8.6	8.8
Total equity		**129.8**	79.3	105.2

Consolidated interim statement of cash flows

	Notes	**Six months to 30 June 2007 (Unaudited) £m**	Six months to 30 June 2006 (Unaudited) £m	Year to 31 December 2006 (Audited) £m
Cash flows from operating activities				
Profit for the period		**36.1**	34.0	68.9
Adjustments for:				
Depreciation charge		**13.3**	12.1	24.1
Amortisation of software		**1.1**	1.0	2.2
Amortisation of intangible assets arising on acquisitions		**1.9**	2.0	3.8
Impairment of goodwill		**–**	–	0.3
Share option expense	6	**1.4**	1.2	2.4
Share of profit of associates		**–**	–	(0.3)
Net financing costs		**4.2**	3.5	7.0
Income tax expense	3	**12.3**	11.2	22.5
Profit on disposal of property, plant and equipment		**–**	–	(0.3)
Operating profit before changes in working capital and provisions		**70.3**	65.0	130.6
Increase in inventories		**(0.3)**	(0.4)	(0.4)
Increase in trade and other receivables		**(23.9)**	(11.3)	(13.7)
(Decrease)/increase in trade and other payables		**(4.8)**	(1.1)	12.3
Increase/(decrease) in provisions		**1.7**	(4.9)	(4.2)
Cash generated from operations		**43.0**	47.3	124.6
Interest paid		**(4.5)**	(3.9)	(7.7)
Income taxes paid		**(10.6)**	(12.2)	(24.6)
Net cash flows from operating activities		**27.9**	31.2	92.3
Investing activities				
Proceeds from sale of property, plant and equipment		**0.1**	0.3	0.9
Interest received		**0.5**	0.6	1.1
Acquisition of subsidiaries, net of cash acquired	9	**(43.9)**	(9.8)	(36.9)
Additions to property, plant and equipment		**(16.8)**	(20.0)	(42.0)
Additions to software		**(1.1)**	(0.5)	(1.2)
Net cash flows from investing activities		**(61.2)**	(29.4)	(78.1)
Financing activities				
Proceeds from the issue of share capital		**4.4**	2.7	4.2
Drawdown of debt		**59.4**	20.7	22.1
Repayment of debt		**(6.7)**	(7.1)	(13.9)
Dividends paid to minorities		**(1.0)**	(1.6)	(3.8)
Dividends paid	8	**(16.0)**	(12.6)	(19.8)
Net cash flows from financing activities		**40.1**	2.1	(11.2)
Net increase in cash and cash equivalents	7	**6.8**	3.9	3.0
Cash and cash equivalents at 1 January	7	**49.5**	50.8	50.8
Effect of exchange rate fluctuations on cash held	7	**(0.1)**	(2.1)	(4.3)
Cash and cash equivalents at end of period	7	**56.2**	52.6	49.5

Consolidated interim statement of recognised income and expense

	Six months to 30 June 2007 (Unaudited) £m	Six months to 30 June 2006 (Unaudited) £m	Year to 31 December 2006 (Audited) £m
Foreign exchange translation differences	**1.0**	(2.1)	(6.1)
Actuarial gains and losses on defined benefit pension schemes	**–**	–	3.2
Tax on income and expenses recognised directly in equity	**(1.0)**	(1.5)	(1.9)
Effective portion of changes in fair value of cash flow hedges, net of recycling	**(0.2)**	(0.2)	(1.3)
Net expense recognised directly in equity	**(0.2)**	(3.8)	(6.1)
Profit for the period	**36.1**	34.0	68.9
Total recognised income and expense for the period	**35.9**	30.2	62.8
Total recognised income and expense for the period attributable to:			
Equity holders of the Company	**33.5**	27.5	58.2
Minority interest	**2.4**	2.7	4.6
Total recognised income and expense for the period	**35.9**	30.2	62.8

Notes to the consolidated interim financial information

1. Reporting entity

Intertek Group plc is a company incorporated in the United Kingdom. The consolidated interim financial information of the Company as at and for the six months ended 30 June 2007, comprise the Company and its subsidiaries (together referred to as the ‘Group’) and the Group’s interests in associates.

This interim financial information has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company’s published consolidated financial statements for the year ended 31 December 2006.

The comparative figures for the financial year ended 31 December 2006, are not the Company’s statutory accounts for that financial year. Those accounts have been reported on by the Company’s auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The consolidated financial statements of the Group as at and for the year ended 31 December 2006 are available upon request from the Company’s registered office at 25 Savile Row, London W1S 2ES. An electronic version is available from the Investors section of the Group website at www.intertek.com.

2. Segment information

Business analysis (Primary segment)

The Group is organised into four operating divisions: Oil, Chemical & Agri, Commercial & Electrical, Consumer Goods, and Government Services. The costs of the corporate head office and other costs which are not controlled by the operating divisions are reported as Central.

On 1 January 2007, the Electrical and Electronic retail inspection (E&E) business was transferred from the Commercial & Electrical division to the Consumer Goods division and prior period figures for revenue and operating profit have been restated to show a like-for-like comparison.

Revenue

	Oil, Chemical & Agri £m	Commercial & Electrical £m	Consumer Goods £m	Government Services £m	Total £m
Six months to 30 June 2007	**168.1**	**86.0**	**81.5**	**25.2**	**360.8**
Six months to 30 June 2006	134.8	85.2[1]	78.0[1]	29.1	327.1
Year to 31 December 2006	281.5	167.9[1]	161.7[1]	53.4	664.5

1. Restated to reflect the transfer of E&E business from Commercial & Electrical to Consumer Goods.

Notes to the consolidated interim financial information
continued

2. Segment information continued

For management purposes, the Group measures the performance of the divisions on operating profit excluding amortisation of intangible assets arising on acquisitions and impairment of goodwill. These figures are given below together with a reconciliation to Group operating profit. There was no impairment charge in the six months to 30 June 2007 or the six months to 30 June 2006.

Operating profit

	Oil, Chemical & Agri £m	Commercial & Electrical £m	Consumer Goods £m	Government Services £m	Central £m	Total £m
Six months to 30 June 2007						
Operating profit before amortisation and impairment	**20.1**	**13.2**	**24.9**	**3.4**	**(7.1)**	**54.5**
Amortisation[2]	(1.0)	(0.6)	(0.3)	–	–	(1.9)
Group operating profit	**19.1**	**12.6**	**24.6**	**3.4**	**(7.1)**	**52.6**
Six months to 30 June 2006						
Operating profit before amortisation and impairment	13.5	12.9[1]	24.8[1]	4.2	(4.7)	50.7
Amortisation[2]	(0.7)	(1.1)	(0.2)	–	–	(2.0)
Group operating profit	12.8	11.8[1]	24.6[1]	4.2	(4.7)	48.7
Year to 31 December 2006						
Operating profit before amortisation and impairment	30.0	24.6[1]	51.6[1]	6.6	(10.6)	102.2
Amortisation[2]	(1.2)	(2.0)	(0.5)	(0.1)	–	(3.8)
Impairment of goodwill	(0.3)	–	–	–	–	(0.3)
Group operating profit	28.5	22.6[1]	51.1[1]	6.5	(10.6)	98.1

1. Restated to reflect the transfer of E&E business from Commercial & Electrical to Consumer Goods.
2. Amortisation of intangible assets arising on acquisitions.

Geographic analysis (Secondary segment)

	Six months to 30 June 2007 £m	Six months to 30 June 2006 £m	Year to 31 December 2006 £m
Revenue			
Americas	**128.9**	123.8	245.1
Europe, Middle East and Africa	**112.1**	92.8	190.3
Asia Pacific	**119.8**	110.5	229.1
Total	**360.8**	327.1	664.5
Group operating profit			
Americas	**17.0**	14.6	29.6
Europe, Middle East and Africa	**2.1**	(0.4)	(2.0)
Asia Pacific	**33.5**	34.5	70.5
Total	**52.6**	48.7	98.1

3. Income tax expense

The tax charge, which is wholly overseas, on profits before tax for the six months to 30 June 2007 of £12.3m (30 June 2006: £11.2m) is based on the estimated effective rate for the full year. The effective tax rate at 30 June 2007 is 25.4% (30 June 2006: 24.8%).

Differences between the estimated effective rate of 25.4% and the notional statutory UK rate of 30% include, but are not limited to, the effect of tax rates in foreign jurisdictions, non-deductible expenses, the effect of tax losses utilised and under/(over) provisions in previous years.

4. Earnings per ordinary share

Based on the profit for the period:	**Six months to 30 June 2007 £m**	Six months to 30 June 2006 £m	Year to 31 December 2006 £m
Profit attributable to equity shareholders	**33.7**	31.3	63.8
Amortisation of intangible assets arising on acquisitions	**1.9**	2.0	3.8
Impairment of goodwill	**–**	–	0.3
Adjusted earnings	**35.6**	33.3	67.9
Number of shares (millions):			
Basic weighted average number of shares	**156.8**	155.7	156.0
Potentially dilutive share options*	**1.3**	0.9	1.2
Diluted weighted average number of shares	**158.1**	156.6	157.2
Basic earnings per share	**21.5p**	20.1p	40.9p
Options	**(0.2)p**	(0.1)p	(0.3)p
Diluted earnings per share	**21.3p**	20.0p	40.6p
Basic adjusted earnings per share	**22.7p**	21.4p	43.5p
Options	**(0.2)p**	(0.1)p	(0.3)p
Diluted adjusted earnings per share	**22.5p**	21.3p	43.2p

*The weighted average number of shares used in the calculation of the diluted earnings per share for the six months to 30 June 2007, excludes nil potential shares (30 June 2006: 1,434,326; 31 December 2006: nil) as these were not dilutive in accordance with IAS 33: Earnings Per Share and 275,512 (30 June 2006: 128,194; 31 December 2006: 128,194) contingently issuable shares as the performance conditions were not met.

5. Pension schemes

The Directors are not aware of any significant change in the net liabilities of the Group's defined benefit pension schemes since 31 December 2006. Therefore actuarial valuations of the assets and liabilities of the defined benefit pension schemes for IAS 19 purposes, were not performed at 30 June 2007.

The expense recognised in the consolidated interim income statement consists of the current service cost, interest on the obligation for employee benefits and the expected return on scheme assets. For the six months ended 30 June 2007, the Group recognised a net expense of £1.2m (30 June 2006: £0.9m; 31 December 2006: £2.3m).

6. Share-based payments

The Company has a share option scheme and a long-term incentive plan, details of which were contained in the Annual Report for the year ended 31 December 2006. The share option scheme has been discontinued and the last options under the scheme were granted on 13 September 2005. The first awards under the long-term incentive plan called the Intertek Deferred Bonus Plan ('the Plan') were made in April 2006. Under the Plan, in April 2007, 278,170 deferred shares (2006: 244,222) and 156,386 matching shares (2006: 128,195) were awarded.

In accordance with IFRS 2: Share Based Payments, the fair value of services received in return for shares and share options granted to employees, is measured by reference to the fair value of shares and share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes formula, a financial model used to calculate the fair value of shares and share options.

During the six months ended 30 June 2007, the Group recognised an expense of £1.4m in respect of outstanding share options issued in 2004 and 2005 and in respect of the share awards made in April 2006 and 2007. For the six months ended 30 June 2006, the charge was £1.2m for outstanding share options issued in 2003, 2004 and 2005 and in respect of share awards made in April 2006.

Notes to the consolidated interim financial information
continued

7. Analysis of net debt

	At 1 January 2007 £m	Cash flow £m	Exchange adjustments £m	**At 30 June 2007 £m**
Cash	49.5	6.8	(0.1)	56.2
Borrowings	(178.4)	(52.7)	2.8	(228.3)
Total net debt	**(128.9)**	**(45.9)**	**2.7**	**(172.1)**

8. Shareholders' equity

			Other reserves				
	Share capital £m	Share premium account £m	Translation reserve £m	Hedging reserve £m	Other £m	Retained earnings* £m	Total £m
At 1 January 2007	**1.6**	**242.4**	**(0.7)**	**0.3**	**6.4**	**(153.6)**	**96.4**
Movement on cash flow hedges	–	–	–	(0.2)	–	–	(0.2)
Profit for the period attributable to equity holders	–	–	–	–	–	33.7	33.7
Dividends paid	–	–	–	–	–	(16.0)	(16.0)
Issue of shares	–	4.3	–	–	–	–	4.3
Equity settled transactions	–	–	–	–	–	1.4	1.4
Foreign exchange translation differences	–	–	1.0	–	–	–	1.0
Tax on income and expense recognised directly in equity	–	–	–	–	–	(1.0)	(1.0)
At 30 June 2007	**1.6**	**246.7**	**0.3**	**0.1**	**6.4**	**(135.5)**	**119.6**
At 1 January 2006	1.6	238.2	5.4	1.6	6.4	(201.3)	51.9
Movement on cash flow hedges	–	–	–	(0.2)	–	–	(0.2)
Profit for the period attributable to equity holders	–	–	–	–	–	31.3	31.3
Dividends paid	–	–	–	–	–	(12.6)	(12.6)
Issue of shares	–	2.7	–	–	–	–	2.7
Equity settled transactions	–	–	–	–	–	1.2	1.2
Foreign exchange translation differences	–	–	(2.1)	–	–	–	(2.1)
Tax on income and expense recognised directly in equity	–	–	–	–	–	(1.5)	(1.5)
At 30 June 2006	1.6	240.9	3.3	1.4	6.4	(182.9)	70.7

*After £244.1m for goodwill written off to retained earnings as at 1 January 2004 in relation to subsidiaries acquired prior to 31 December 1997. As permitted by IFRS 1, this figure has not been restated.

The dividend of £16.0m which was paid on 15 June 2007, represents a final dividend of 10.2p per ordinary share in respect of the year ended 31 December 2006.

The dividend of £12.6m which was paid on 16 June 2006, represents a final dividend of 8.1p per ordinary share in respect of the year ended 31 December 2005.

There was an issue of 886,920 ordinary shares during the period on exercise of share options.

9. Acquisition of businesses

There were six acquisitions in the period, all of which were paid for in cash.

a) The largest acquisition was the purchase on 18 April 2007, of 100% of the share capital of Genalysis Laboratory Services Pty Ltd, a company incorporated in Western Australia. Genalysis provides analytical testing and sample preparation services to mining, ore and minerals companies on a global basis.

A payment of £17.1m, net of cash acquired of £0.2m, was made on 18 April 2007, and further payments, based on completion accounts, estimated to be £10.9m, will be payable on or before March 2008, making a total estimated consideration for this acquisition of £28.0m.

Provisional details of net assets acquired and fair value adjustments are set out below. The analysis is provisional due to the timing of the acquisition and amendments may be made to these figures in the 12 months to 17 April 2008, with a corresponding adjustment to goodwill.

	Book value prior to acquisition £m	Accounting policy alignment £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	3.8	(0.2)	–	3.6
Goodwill	–	–	18.1	18.1
Other intangible assets	–	–	4.0	4.0
Inventories	0.4	–	–	0.4
Trade and other receivables	4.0	–	–	4.0
Trade and other payables	(1.4)	–	–	(1.4)
Tax payable	(0.7)	–	–	(0.7)
Net assets acquired	6.1	(0.2)	22.1	28.0
Net cash outflow (net of cash acquired)				17.1
Deferred consideration				10.9
Total consideration				28.0

The goodwill of £18.1m represents the value to the Group of acquiring a presence in an industry sector and country in which the Group did not have a significant market share.The other intangible assets of £4.0m represent contractual and non-contractual client relationships.

The accounting policy alignment relates to depreciation of £0.2m to bring the accounting into line with Group policy.

The profit of Genalysis for the period 1 January 2007 to 18 April 2007 was £0.5m. The profit attributable to the Group from the date of acquisition to 30 June 2007 was £0.3m.

b) The other five acquisitions were:

(i) On 9 January 2007, purchase of 100% of the share capital of Umitek Limited, a company incorporated in the UK, for £10.4m, of which £0.5m is deferred. The net cash acquired was £0.6m. The company and its subsidiaries provide specialist testing and consultancy services to the oil and gas industries in the North Sea and globally.

(ii) On 12 March 2007, purchase of 100% of the share capital of Natlabs Oy, a company incorporated in Finland, for £0.7m. The net cash acquired was £0.2m. The company provides electro-magnetic compatibility and electrical safety testing.

Notes to the consolidated interim financial information
continued

9. Acquisition of businesses continued

(iii) On 1 June 2007, purchase of 100% of the share capital of Union Laboratory Pte Limited, a company incorporated in Singapore, for £1.9m of which £0.2m is deferred. The company provides petroleum products testing and inspection services in the Asia Pacific region.

(iv) On 6 June 2007, purchase of the business and assets of UK based ASTA BEAB, for £4.6m. ASTA BEAB provides global product and systems certification services and is the owner of the ASTA and BEAB certification marks.

(v) On 7 June 2007, purchase of 100% share capital of Quantitative Technologies Inc (QTI), a US pharmaceutical testing company, for £13.1m of which £2.5m is deferred. The net cash acquired was £0.3m. The company provides expert analytical support services to the global pharmaceutical, medical device and drug delivery industries.

In addition there were cash costs of £0.4m relating to prior years' acquisitions.

The table below sets out a provisional analysis of the net assets acquired and the fair value to the Group in respect of the five acquisitions described above. The analysis is provisional due to the timing of some of the acquisitions and amendments may be made to these figures in the period up to 12 months from the date each business was acquired, with a corresponding adjustment to goodwill.

	Book value prior to acquisition £m	Accounting policy alignment £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	1.0	0.2	–	1.2
Goodwill	–	–	24.7	24.7
Other intangible assets	–	–	5.7	5.7
Trade and other receivables	4.7	(0.2)	–	4.5
Trade and other payables	(2.6)	(0.3)	–	(2.9)
Net pension liabilities	–	(2.8)	–	(2.8)
Tax payable	(0.4)	–	–	(0.4)
Net assets acquired	2.7	(3.1)	30.4	30.0
Net cash outflow (net of cash acquired)				26.8
Deferred consideration				3.2
Total consideration				30.0

The accounting policy alignments relate to depreciation of £0.2m, additional bad debt provisions of £0.2m, additional accruals of £0.3m and a pension deficit of £2.8m, to bring the accounting for these items into line with Group policy. The other intangible assets of £5.7m represent the value attributable to contractual and non-contractual client relationships and certification marks.

The goodwill of £24.7m arises as follows:

	£m
Umitek	10.1
Natlabs	0.7
Union Laboratory	1.4
ASTA BEAB	3.0
QTI	9.1
Prior period acquisitions	0.4
Total	24.7

9. Acquisition of businesses continued

Umitek

The goodwill of £10.1m represents the expertise and reputation acquired which will enable Intertek to improve the service offered to its existing customers. The acquired management team will develop the Upstream Testing sector within Intertek.

Natlabs

The goodwill of £0.7m represents the benefit to Intertek of acquiring an established business in a new territory, which will enhance Intertek’s global network.

Union Laboratory

The goodwill of £1.4m represents the opportunity for Intertek to reinforce its market leading position in petroleum services in Singapore, acquire key management and achieve synergies by integrating the acquired business into Intertek's existing operations.

ASTA BEAB

ASTA BEAB previously sub-contracted testing work to Intertek and the acquisition secures this work. The goodwill of £3.0m represents this security plus the value of the workforce and the synergies obtained by combining Intertek's existing operations with the ASTA BEAB business.

QTI

The goodwill of £9.1m represents the opportunity for Intertek to expand its pharma services in North America, complementing and enhancing the capabilities acquired with Alta and ASG.

These acquisitions contributed profits to the Group from their respective dates of acquisition to 30 June 2007 of £0.6m.

c) The Group revenue and profit for the six months ended 30 June 2007 would have been £369.1m and £36.8m respectively if all the acquisitions were assumed to have been made on 1 January 2007.

10. Post balance sheet events

In July 2007, the Group acquired VIP Cargo Surveys Inc., a petroleum inspection and testing company based in Texas, US and Geotechnical Services Pty Ltd, a petroleum laboratory services company located near Perth, Australia. These businesses were acquired for approximately £4.0m.

In August 2007, the Group acquired Product Quality Partners Inc., a company based in the US which provides wireless device and application testing and under a four-year outsourcing contract, the Group also acquired the operating assets of ICI’s Measurement Science Group in Teesside, UK. These businesses were acquired for approximately £11.9m.

11. Contingent liabilities: claims and litigation

From time to time, the Group is involved in various claims and lawsuits incidental to the ordinary course of its business, including claims for damages, negligence and commercial disputes regarding inspection and testing and disputes with former employees. The Group is not currently party to any legal proceedings other than ordinary litigation incidental to the conduct of business.

The outcome of the litigation to which Intertek Group companies are party cannot be readily foreseen. Based on information currently available, the Directors consider that the cost to the Group of an unfavourable outcome arising from such litigation is unlikely to have a materially adverse effect on the financial position of the Group in the foreseeable future.

The Group holds a professional indemnity insurance policy that provides coverage for certain claims from customers. The Directors consider this policy adequate for normal commercial purposes.

12. Approval

The consolidated interim financial information was approved by the Board on 31 August 2007.

Corporate information

Board of Directors
Vanni Treves *Chairman**
Richard Nelson *Deputy Chairman**
David Allvey*
Christopher Knight*
Debra Rade*
Wolfhart Hauser *Chief Executive Officer*
William Spencer *Chief Financial Officer*

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Financial calendar

Financial year end	31 December 2007
Results announced	10 March 2008
Annual General Meeting	9 May 2008
Interim results announced	4 August 2008

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We are active in every region around the globe. To find your nearest Intertek office and to see our full range of services, visit our website:

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