2011 FULL YEAR RESULTS ANNOUNCEMENT
5 MARCH 2012

Intertek Group plc ("Intertek"), the leading international provider of quality and safety solutions, announces its full year results for the year ended 31 December 2011.

Strong financial results and strategic progress

Highlights

- Strong revenue growth of 27% to £1,749m; constant currency organic growth of 8.3%
- Adjusted operating profit up 24% to £281m; constant currency organic growth of 9.6%
- Adjusted operating profit margin 16.1%
- Adjusted diluted earnings per share and dividend per share both increased by 20%
- Moody acquisition delivering ahead of expectations
- All divisions grew organic revenue at constant currency by between 4% and 12%

Adjusted results[1]	2011	2010	Growth as reported	Growth at constant currency
Revenue	£1,749m	£1,374m	+ 27%	+ 28%
Operating profit	£281.1m	£227.5m	+ 24%	+ 24%
Profit before tax	£260.1m	£211.9m	+ 23%	
Diluted earnings per share	107.2p	89.4p	+ 20%	

1 Adjusted results are stated before separately disclosed items which include amortisation of acquisition intangibles £25.3m (2010: £12.9m), acquisition and related integration costs of £14.1m (2010: £5.3m), restructuring and other one-off costs £7.7m (2010: £2.8m). See Note 2, Separately Disclosed Items.

Statutory results	2011	2010	Growth as reported
Operating profit	£234.0m	£206.5m	+ 13%
Profit before tax	£213.0m	£189.9m	+ 12%
Diluted earnings per share	85.3p	79.3p	+ 8%
Dividend per share	33.7p	28.1p	+20%

Wolfhart Hauser, Chief Executive Officer, commented:

"Intertek has continued its track record of delivering strong growth through its performance in 2011. The results include both strong organic and acquisitive growth with Moody International, the strategic acquisition made in April last year, performing ahead of our expectations.

All five divisions contributed to our organic growth, with a very good performance from the Commodities division and a second half acceleration from the Consumer Goods division. We extended our capabilities and expertise across the Group investing £81 million in new facilities and equipment.

Our strong growth drivers combined with our strategic focus on supporting global quality needs give us confidence that we will report another year of strong results in 2012 and extend our track record of growth delivery into the future."

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Analysts' Meeting

There will be a meeting for analysts at 9.30am today at JPMorgan Cazenove, 20 Moorgate, London EC2R 6DA.

A copy of the presentation will be available on the website later today.
The 2011 statutory audited Report and Accounts will be available to download from the website within the next few weeks. If you wish to receive a hard copy of this Report and Accounts, please contact Intertek by email to investor@intertek.com or request by calling +44 (0) 20 7396 3400.

Corporate website: www.intertek.com

About Intertek
Intertek is a leading provider of quality and safety solutions serving a wide range of industries around the world.

From auditing to inspection, to testing, quality assurance and certification, Intertek people are dedicated to adding value to customers' products and processes, supporting their success in the global marketplace.

Intertek has the expertise, resources and global reach to support its customers through its network of more than 30,000 people in over 1,000 laboratories and offices in more than 100 countries.

Intertek Group plc (LSE: ITRK) is listed on the London Stock Exchange and is a constituent of the FTSE 100 index.

Financial review

Results for the year

The Group delivered significant growth in 2011 and reported an increase in adjusted diluted earnings per share of 20%.

Revenue for the year was £1,749m, up 27% (28% at constant exchange rates) driven by strong underlying organic revenue growth of 7.9% (8.3% at constant exchange rates) and the successful acquisition and integration of Moody International (‘Moody’). All divisions recorded revenue and profit growth at both actual and constant exchange rates.

The Group’s adjusted operating profit was £281m, up 24% on the prior year (24% at constant exchange rates).

The adjusted operating margin was 16.1% compared with 16.6% in the prior year. This change included the impact of the Moody acquisition and, excluding acquisitions, the organic operating margin increased 20 basis points.

The Group delivered adjusted diluted earnings per share (‘EPS’) of 107.2p, an increase of 20%. Diluted EPS after Separately Disclosed Items (‘SDIs’) rose 8% to 85.3p per share.

During the year, in addition to the £450m acquisition of Moody, the Group paid £10m for four bolt-on acquisitions, complementing the existing service offering and targeting new growth areas. Organic capital investment was £81m as the Group invested in new facilities and technologies.

The Group also refinanced its borrowing facilities during the year and increased borrowings to fund the acquisition of Moody. At the end of 2011, net debt was £581m and the Group’s gross financing facilities had an average life exceeding six years. With strong continuing cash generation, this provides a robust financial position to fund the Group’s further growth opportunities.

Dividend

The Board recommends a full year dividend of 33.7p per share, an increase of 20%. An interim dividend of 10.7p per share (2010: 9.3p) was paid to shareholders on 18 November 2011. The Directors will propose a final dividend of 23.0p per share at the Annual General Meeting on 17 May 2012, to be paid on 22 June 2012 to shareholders on the register at close of business on 8 June 2012. If approved, this will make a full year dividend of 33.7p per share (2010: 28.1p), an increase of 20%.

This recommendation reflects the Group’s significant growth, strong financial performance and position, and the Board’s confidence in the Group’s outlook.

The full year dividend of 33.7p represents a total cost of £54m or 31% of adjusted profit attributable to shareholders of the Group for 2011 (2010: £45m and 31%). The dividend is covered 3.2 times by earnings (2010: 3.2 times), based on adjusted diluted earnings per share.

The underlying performance of the business, by division, is shown in the table opposite.

Divisional and Group Financial Results – adjusted

	Revenue			Adjusted operating profit [1]		
	2011 £m	Change at actual rates	Change at constant rates	**2011 £m**	Change at actual rates	Change at constant rates
Commodities	**530.2**	12%	12%	**67.0**	23%	23%
Industry & Assurance	**468.6**	145%	145%	**50.9**	207%	208%
Consumer Goods	**315.7**	4%	5%	**106.3**	-	1%
Commercial & Electrical	**291.0**	8%	9%	**44.1**	15%	16%
Chemicals & Pharmaceuticals	**143.9**	5%	6%	**12.8**	8%	9%
	1,749.4	27%	28%	**281.1**	**24%**	**24%**
Net financing costs				(21.0)	35%	
Adjusted profit before income tax				**260.1**	**23%**	
Income tax expense				(73.3)	30%	
Adjusted profit for the year				**186.8**	**20%**	
Adjusted diluted EPS				**107.2**	**20%**	

1 Presentation of results
To provide readers with a clear and consistent presentation of the underlying operating performance of the Group's business, the figures discussed in this review are presented before Separately Disclosed Items (see note 2).

Acquisitions and investment

The Group's strategy is to invest both organically and by acquiring complementary businesses; enabling it to continually offer the latest technologies and services in the locations demanded by clients. In 2011 the Group made a significant investment in the acquisition of Moody, providing a platform for future growth, whilst also targeting organic investment in growth sectors.

Acquisitions

The Group made five acquisitions in the year:

- Moody International, on 27 April 2011 for £450m on a cash and debt free basis. This strategic acquisition strengthened the Group's global client offering in the Industry & Assurance division (see details below);
- Recherche, Developpement & Consulting – Bruxelles SA, for £3m on 29 July 2011 which specialises in environmental impact consulting in the Consumer Goods division;
- Food Analytical Laboratories Limited, for £6m on 31 July 2011, adding to the Group's food testing service line in the Industry & Assurance division;
- QinetiQ UK Fuel and Lubricants Testing Business, for £0.5m on 1 August 2011 which enhanced the Group's capabilities in the energy and transport sector in the Chemicals & Pharmaceuticals division; and

- Labs and Testing S.A for £0.3m on 30 November 2011, a microbiological and environmental services business based in Chile, which broadens the geographic footprint of the Commodities and Industry & Assurance divisions.

These acquisitions provide valuable additional service lines and new geographic locations for the Group, and will help drive profitable revenue growth.

Moody International

The acquisition of Moody was a significant strategic step for the Group, being the largest acquisition in the Group's history. Moody is a leading worldwide provider of technical services to the global energy industry and a provider of systems certification services. Headquartered in the UK, Moody has approximately 2,500 people in over 80 offices and 60 countries and the operations and employees have been integrated into the Industry & Assurance division. The acquisition of Moody extends the depth of the Group's portfolio of services for energy assets, processes and products, creating a new leading technical services platform for the global energy market and bringing global scale to the Group's systems certification business.

Including the pre-acquisition results of Moody for 2011, revenue for the combined Group would have been £1,854m and adjusted operating profit would have been £292m.

Intertek as One Finance and IT restructuring

The Group continues to focus on delivery of overall margin improvement under its Intertek as One programme. Margin improvement is targeted through a combination of economies of scale, high value service growth, revenue synergies and streamlining and improving the efficiency of operations and back-office support functions through organic investment.

In 2010 the Group implemented its first integrated shared service centre across North America. In 2011 the Group started the next step in transforming its business services support which is to implement a phased outsourcing of global IT applications and accounting back-office support. Working with Accenture, the programme will create a global shared services centre in Delhi, India for countries where English is the predominant business language, currently comprising over 40% of revenue. The programme will be implemented in phases over the next two years.

This move will provide a more scalable and efficient platform to support the Group's strong growth at a lower cost and allow more efficient integration of acquisitions. The phased programme is expected to generate annual cost savings rising to approximately £10m per annum from 2014. As the change programme will involve significant staff and organisational changes, the Group has reported restructuring charges of £8m as a separately disclosed item in 2011 and will incur a further charge of approximately £3m in 2012.

Cash flow and net debt

The Group relies on a combination of debt and internal cash resources to fund its investment plans. One of the key metrics for measuring the ability of the business to generate cash is cash flow from operations. Due to the cash payments associated with the Separately Disclosed Items, and to provide a complete picture of the underlying performance of the Group, Adjusted cash flow from operations is shown below to measure the cash generated by the Group:

	2011 £m	2010 £m	Change
Cash flow from operations	**289**	271	7%
Add back: cash related to Separately Disclosed Items	**26**	5	
Adjusted cash flow from operations	**315**	276	14%

Net debt

Net debt has increased from £170m at 31 December 2010, to £581m at 31 December 2011, principally as a result of the acquisition of Moody. The acquisition was partly funded through the Group's US$600m multicurrency revolving credit facility, and a new US$300m bridge facility signed in March 2011. The interest rates on this debt are calculated based on LIBOR adjusted for the Group's ratio of net debt:EBITDA.

In October 2011 the Group secured additional funding of US$265m by way of a senior note issue, which was drawn in January 2012. These notes were issued in three tranches with US$20m repayable in 2019, US$140m repayable in 2022 and US$105m repayable in 2024. These funds were used to repay the US$300m bridge facility, which was cancelled in February 2012.

Under existing facilities the Group has available debt headroom of £149m at 31 December 2011. The components of net debt at 31 December 2011 are outlined below:

	1 January 2011 £m	Cash flow £m	Exchange adjustments £m	31 December 2011 £m
Cash	217	(36)	1	**182**
Borrowings	(387)	(357)	(19)	**(763)**
Total net debt	**(170)**	**(393)**	**(18)**	**(581)**

Net interest charge

The Group had a net interest charge of £21m (2010: £16m) in the year. This comprised £8m (2010: £7m) of finance income, primarily pension asset returns and interest income on bank accounts, and £29m (2010: £23m) of finance expense, including £22m (2010: £15m) of interest on the Group's debt facilities, £5m (2010: £5m) of pension liability interest expense and £1m (2010: £2m) due to foreign exchange differences. The net interest charge for 2012 will increase due to the higher average level of borrowings in place following the Moody acquisition and higher rates following the extension of the debt maturities.

Tax

The global nature of the Group means that the Group's exposure to income tax needs to be managed across a large number of fiscal regimes. The Group's goal is to efficiently manage its tax affairs whilst fulfilling its responsibilities to the countries in which it operates. During 2011 the effective tax rate on adjusted operating profit was 28.2% (2010: 26.7%), resulting in an adjusted tax charge of £73m (2010: £57m), and a statutory tax charge, including the impact of Separately Disclosed Items, of £62m (2010: £51m).

Separately disclosed items (SDIs)

A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's business.

When applicable, these separately disclosed items include amortisation of acquisition intangibles, impairment of goodwill and other assets, the profit or loss on disposals of businesses or other significant fixed assets, costs of acquiring and integrating acquisitions, the cost of any fundamental restructuring of a business, material claims and settlements, significant recycling of amounts from equity to the income statement and unrealised market gains/losses on financial assets/liabilities.

In 2011 there were significant intangible assets recognised on the acquisition of Moody, which increased amortisation to £25m (2010: £13m). The costs associated with the acquisition and integration of Moody totalled £13m (2010: £nil). There were also costs relating to other acquisitions of £1m (2010: £5m). The ongoing initiative to restructure and outsource the Group's back-office support functions cost £8m (2010: £nil). In the prior year there was also a £3m charge in relation to claims.

Currency movements

The Group transacts in over 80 currencies, and revenue and profit are impacted by currency fluctuations, which have been significant during the year. However, the diversification of the Group's revenue base mitigates this exposure.

At constant exchange rates, revenue grew 28% (actual exchange rates 27%) and adjusted operating profit grew 24% (actual exchange rates 24%).

The cumulative average exchange rates used to translate the income statement into sterling for the four most material currencies are shown below:

Value of £1	**2011**	2010
US dollar	**1.60**	1.55
Euro	**1.15**	1.17
Chinese renminbi	**10.35**	10.47
Hong Kong dollar	**12.47**	12.00

Operating Review

Commodities

	2011 £m	Change at actual rates	Change at constant rates
Revenue	**530.2**	12%	12%
Adjusted operating profit	**67.0**	23%	23%
Adjusted operating margin	**12.6%**	110bps	110bps

What we do

The Commodities division provides testing, inspection and other technical services to the global petroleum and minerals industries, and supports trade activities that help the flow of goods across borders.

Our performance in 2011

2011 was a strong year for Commodities, with total revenue increasing 12% to £530.2m. This increase was mostly organic. At constant exchange rates revenue also grew by 12%. Total adjusted operating profit for the division was £67.0m up 23%. The adjusted operating margin was up 110 basis points at 12.6% at both actual and constant exchange rates.

There was strong demand for cargo inspection services across all regions as global trade continued to recover, while clients also outsourced more of their analytical testing, improving lab utilisation in the division. The continued demand for raw materials in China drove growth in Brazil, Australia, Indonesia and South Africa. Our trade services programmes continued to support governments around the world, with both well-established and new programmes delivering good revenue growth.

On 30 November 2011 we acquired Labs & Testing S.A. a small company based in Chile which allows the Group to expand its chemical and microbiological services in South America. This acquisition will benefit both the Commodities and Industry & Assurance divisions.

We expect growth in the demand for energy and other commodities to continue to drive testing and inspection revenues and we expect government trade services to perform well. The market for oil inspection depends on underlying trade and consumer demand and is therefore more sensitive to economic circumstances.

Industry & Assurance

	2011	Change	Change
	£m	at actual rates	at constant rates
Revenue	**468.6**	145%	145%
Adjusted operating profit	**50.9**	207%	208%
Adjusted operating margin	**10.9%**	220bps	230bps

What we do

The Industry & Assurance division provides a wide range of services including asset integrity management, engineering, inspection, auditing, certification, consulting, training, staffing, and testing services. We serve a wide variety of industries including oil, gas, petrochemical, power, renewable energy, and civil and infrastructure. We also provide services to customers in the food and agricultural sectors.

Our performance in 2011

2011 has been a transformational year for the Industry & Assurance division following the acquisition of Moody on 27 April. Total revenue was £468.6m, up 145% at both actual and constant exchange rates. Excluding acquisitions revenue growth was 7%. Total adjusted operating profit was £50.9m up 207%. Excluding acquisitions adjusted operating profit reported a marginal decline. The total adjusted operating margin increased 220 basis points from 8.7% to 10.9% in 2011. The organic operating margin at constant exchange rates declined 60 basis points to 7.9%, mainly due to difficult trading conditions in the agri sector.

Moody is a leading provider of quality and safety services to the energy industry. It also provides systems certification services to the manufacturing, construction and service markets. The acquisition, which was completed for a cash consideration of £450m, extends the depth of the division's portfolio of services for energy assets, processes and products, creating a new leading technical services platform for the global energy market and bringing global scale to the Group's systems certification business. Approximately 2,500 people in over 80 offices and 60 countries have brought their experience and expertise into the Intertek Group and the integration has progressed smoothly. Moody benefited from the structural recovery of the energy market and performed ahead of expectations in the period since acquisition.

On 31 July we acquired Food Analytical Laboratories Limited, a food testing laboratory in the UK providing chemical and microbiological services for food producers in the UK. The division will also benefit from the acquisition of Labs & Testing S.A. as described in Commodities.

Revenue growth in the division is driven by continued demand for energy, complexity in the supply chain and our clients' need for high quality independent advice. The combined strength of the integrated division will enable it to compete in the global energy industry and systems certification market, providing a broader more comprehensive range of services to customers. Cost synergies from the integration of operations, support services and facilities will benefit future operating profit.

Consumer Goods

	2011 £m	Change at actual rates	Change at constant rates
Revenue	**315.7**	4%	5%
Adjusted operating profit	**106.3**	-	1%
Adjusted operating margin	**33.7%**	(120)bps	(130)bps

What we do

The Consumer Goods division partners with global retailers, manufacturers and distributors to enhance clients' products, processes, and brands. We provide services to the textiles, toys, footwear, hardlines and retail industries amongst others. Our services include testing, inspection, auditing, advisory services, quality assurance, and hazardous substance testing.

Our performance in 2011

The Consumer Goods division continued to deliver growth, with total revenue of £315.7m, an increase of 4% (5% at constant exchange rates). The majority of the growth was organic. Total adjusted operating profit of £106.3m was flat year-on-year at actual exchange rates but up 1% at constant exchange rates. The adjusted operating margin decreased 120 basis points to 33.7%, mainly due to difficult trading conditions at the start of 2011. Both revenue growth and the operating margin improved significantly in the second half.

Growth in the Consumer Goods division was driven by the demand for testing of textiles and toys, which continued to increase despite concerns around global economic growth. While cost pressures saw some changes in manufacturers' sourcing patterns away from China towards South East Asia and Eastern Europe, our global network of testing laboratories ensured we maintained close links with our customers and achieved good growth, notably in Vietnam, Bangladesh, Turkey and Guatemala.

On 29 July 2011 we acquired Recherche, Developpement & Consulting - Bruxelles SA a company based in Belgium which will enhance our environmental service offering in Europe and support our strategic focus on sustainable business practices across our client base.

The growth drivers in Consumer Goods remain strong, with increased consumer demand for quality and safety, product sourcing from lower cost manufacturers and legislative changes all creating a market for our services. The development of innovative solutions and delivery models for clients will also help to grow revenues.

Commercial & Electrical

	2011 £m	Change at actual rates	Change at constant rates
Revenue	**291.0**	8%	9%
Adjusted operating profit	**44.1**	15%	16%
Adjusted operating margin	**15.2%**	90bps	100bps

What we do

The Commercial & Electrical division provides global manufacturers with the most comprehensive scope of safety, performance and quality testing and certification services. We support clients in a wide range of industries including home appliances, consumer electronics, lighting, medical, building, industrial and heating, ventilation, air conditioning and refrigeration ('HVAC/R'), Information Communication & Technology ('ICT'), renewable energy and automotive.

Our performance in 2011

The Commercial & Electrical division delivered a strong result despite significant market uncertainty, with total revenue increasing 8% to £291.0m (9% growth at constant exchange rates). This growth was wholly organic. Total adjusted operating profit was £44.1m, up 15% (16% at constant exchange rates). The total adjusted operating margin was 15.2%, up 90 basis points (up 100 basis points at constant exchange rates).

Growth was mainly in high tech sectors, particularly the ICT, HVAC/R and lighting business lines in North America and China. Our renewable energy business line also continued to grow strongly as consumer demand for these products increased. We increased our organic investment during 2011 to expand our service offering to clients, including new facilities for electric vehicle testing in Europe and Asia.

Proprietary certification marks owned by Intertek and issued by the Commercial & Electrical division enable manufacturers to show proof of compliance to safety and quality requirements, as well as a means of differentiating their products. Innovations in technology, particularly the growth in mobile applications and high speed networks are helping to drive testing and certification revenues, alongside greater legislation. We expect consumer demand for 'green' products to continue to grow and we are helping our customers to improve the energy efficiency of their products. Our investment in testing facilities for electric vehicles and charging stations will also generate growth in revenue.

Chemicals & Pharmaceuticals

	2011 £m	Change at actual rates	Change at constant rates
Revenue	**143.9**	5%	6%
Adjusted operating profit	**12.8**	8%	9%
Adjusted operating margin	**8.9%**	30bps	30bps

What we do

The Chemicals & Pharmaceuticals division helps global industries to sharpen their competitive edge with expert measurement and consulting services that support core business processes, ranging from new drug development through to the development of new materials, polymers composites and packaging. Our expertise helps clients in industries as diverse as aerospace, automotive and pharmaceuticals to accelerate and de-risk new product research, improve efficiency and safety in manufacturing and to ensure regulatory compliance with the appropriate authorities.

Our performance in 2011

The division achieved good growth in a market that was challenging for parts of the business, with total revenue increasing 5% (6% at constant exchange rates) to £143.9m. Excluding acquisitions, organic revenue growth was 3% (4% at constant exchange rates). Total adjusted operating profit for the division was £12.8m, up 8% (9% at constant exchange rates). Excluding acquisitions, organic adjusted operating profit growth was 16% (17% at constant exchange rates).

The total adjusted operating margin was 8.9%, up 30 basis points and the organic operating margin at constant exchange rates was 10.7%, up 120 basis points. Growth in operating profit and the operating margin was reduced by high costs in a business acquired in 2010. The cost base of this business was restructured as planned at the end of 2011.

The chemicals and materials business drove organic growth in the year notably in the Netherlands and the USA. Whilst both the pharmaceutical and regulatory services businesses faced challenging economic conditions, automotive, polymer testing and pilot plant services performed strongly.

On 1 August 2011, QinetiQ in the UK, outsourced the operations and assets of its global Fuel and Lubricants Testing Business to Intertek. This is an expert analysis and consulting business enhancing Intertek's capabilities in energy and transport.

The market for pharmaceutical services is expected to remain challenging, however, the chemicals and materials sector is expected to continue growing well, and the demand for health and environmental services should increase as the 2013 deadline for EU REACH regulations begins to impact our customers. We will continue to support our customers through outsourcing opportunities.

Chief Executive Officer's Review

Our mission

Intertek's mission is to provide solutions to our customers that allow them to improve the quality of their products, operations and processes. The world's leading companies, their suppliers and partners trust us to add value to their brands by providing solutions that enable them to increase their competitive advantage and support their global trade.

Whether we are looking at the largest piece of energy infrastructure or the smallest molecule or fibre, more than 30,000 Intertek people are working in partnership with our customers across the length of their supply chains each day. Our customers rely on us to be with them at every step from product development to point of sale, wherever in the world that may be. Our mission requires us to understand the diverse local markets and supply chains and industries they operate in, whilst also giving them the benefit of global perspective.

The market for quality

Intertek's marketplace is the drive for quality. As organisations develop and pursue success, the quality of their products and processes becomes an increasingly important differentiator. Quality encompasses many dimensions; all of which Intertek sets out to serve. It may include establishing the safety of a new prototype or the performance of a new technological innovation. We may measure the technical accuracy of a piece of infrastructure or verify the sustainability of a supply chain. Intertek's strategic focus is on meeting our customers' need for quality wherever it arises in their organisations and processes.

The demand drivers for our services come from within our customers' organisations and from external commercial, regulatory and macro-economic forces. Drivers of the quality market include the development of new technologies, the trends towards outsourcing non-core activities and the demands of consumers across a wide range of quality, safety and environmental criteria. Our clients are also under pressure to increase efficiency, speed up time-to-market and reduce costs, to increase their competitive edge. Global trade and the continual flux in sourcing patterns and supply chains, as well as end user demand for higher quality and more sustainable products are also increasing the demand for our services.

These drivers have shown resilience in times of global economic uncertainty, although like all companies we are also impacted by developments in the global economy.

Differentiation

Intertek's focus on quality and our service delivery to customers differentiates us in the marketplace. We aim to create a relationship of trusted partnership with our customers, providing solutions that can improve their competitive advantage. Our goal is to create added value to their business above and beyond the immediate services provided.

As a customer-focused organisation, we recognise that the way we deliver our services is as important as what we deliver. Our customers want to get their products to market today more quickly than they did yesterday. They want their cargoes transferred faster and their infrastructure projects completed ahead of schedule; and they want all of this with more reassurance and less risk than before. We continually develop our services to meet customer needs for more efficiency, lower cost, and greater assurance.

Expanding capabilities

Intertek focuses on providing a range of complementary services to meet the needs of our clients along the entire supply chain. We continue to deepen our presence in each of our industries through a combination of organic investment, acquisitions and launching new products and services to meet customers' present and future needs.

In 2011 we opened over 20 new facilities in regions where our clients are increasing their activities in sourcing new goods, producing new technologies or extracting and developing new resources. We extended our capabilities and expertise at over 40 of our global locations in 2011, where our clients' innovations continue to lead us to invest in new testing technologies, capabilities and knowledge.

Our acquisition of the global energy infrastructure and business assurance services company Moody International in 2011 has significantly expanded our capabilities in the energy infrastructure market. We are now a leading provider of global technical inspection, safety and consulting services, supporting our energy-sector customers on their new and existing infrastructure projects. We also completed four further acquisitions in 2011 bringing us additional capabilities and geographic presence in the food, chemical, agriculture, oil and retail sectors.

Intertek launched a number of new services in 2011. These included a dynamic online portal for our retail clients that enables them to better collect and collate data on the sustainability and quality of their suppliers' factories, allowing continuous monitoring of operational performance inside their factories. For our commodities clients, we launched new retail fuel quality management programmes in emerging markets, and extended our combined fuel additive and cargo transfer solutions into Central and South America. We doubled our testing capability for renewable energy testing technologies in North America and opened new energy storage and electrical vehicle battery testing laboratories in China, Europe, and North America. We launched new expert analytical capabilities in the biologics pharmaceutical market.

Our organisation

Intertek is connected by specialist divisions and by geography. Our customers benefit from global knowledge combined with local support and in-depth understanding of local market conditions. Our internal Intertek as One programme is enabling us to better combine and bundle services to our clients to meet a wider range of quality needs across their organisation. This programme is also allowing us to improve our operational efficiency with better operating platforms and connectivity between our people and business services. We continue to invest in our people and processes to provide our customers with even better delivery of quality.

Going forward

Our strategy is well-established and continues to allow us to grow our business and to increase our value to shareholders. Looking forward, it will ensure that we continue to capture the increasing demand for our services, and to maintain differentiation which positions us as a sought-after and trusted partner to our clients.

Our broad portfolio of industry services and geographic diversity provides the platform to invest in fast growing sectors and markets and positions us well for future growth.

Consolidated Income Statement
For the year ended 31 December 2011

	Notes	**Adjusted results £m**	**Separately disclosed items* £m**	**Total 2011 £m**	Adjusted results £m	Separately disclosed items* £m	Total 2010 £m
Revenue	1	**1,749.4**	**-**	**1,749.4**	1,374.2	-	1,374.2
Operating costs		**(1,468.3)**	**(47.1)**	**(1,515.4)**	(1,146.7)	(21.0)	(1,167.7)
Group operating profit	1	**281.1**	**(47.1)**	**234.0**	227.5	(21.0)	206.5
Finance income		**8.2**	**-**	**8.2**	7.2	-	7.2
Finance expense		**(29.2)**	**-**	**(29.2)**	(22.8)	(1.0)	(23.8)
Net financing costs		**(21.0)**	**-**	**(21.0)**	(15.6)	(1.0)	(16.6)
Profit before income tax		**260.1**	**(47.1)**	**213.0**	211.9	(22.0)	189.9
Income tax expense		**(73.3)**	**11.4**	**(61.9)**	(56.6)	5.7	(50.9)
Profit for the year		**186.8**	**(35.7)**	**151.1**	155.3	(16.3)	139.0
Attributable to:							
Equity holders of the Company		**174.5**	**(35.7)**	**138.8**	144.9	(16.3)	128.6
Non-controlling interest		**12.3**	**-**	**12.3**	10.4	-	10.4
Profit for the year		**186.8**	**(35.7)**	**151.1**	155.3	(16.3)	139.0
Earnings per share**							
Basic	3			**86.8p**			80.7p
Diluted	3			**85.3p**			79.3p

* See note 2
** Earnings per share on the adjusted results is disclosed in note 3

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2011

	2011 £m	2010 £m
Profit for the year	**151.1**	139.0
Other comprehensive income		
Foreign exchange translation differences of foreign operations	**(2.2)**	30.1
Net exchange loss on hedges of net investments in foreign operations	**(21.5)**	(6.3)
Effective portion of changes in fair value of cash flow hedges	**-**	0.9
Net change in fair value of cash flow hedges transferred to profit or loss	**-**	2.1
Actuarial gains and losses on defined benefit pension schemes	**(7.9)**	15.0
Income tax recognised in other comprehensive income	**1.0**	(1.0)
Total other comprehensive (expense)/income for the year	**(30.6)**	40.8
Total comprehensive income for the year	**120.5**	179.8
Total comprehensive income for the year attributable to:		
Equity holders of the Company	**108.3**	168.2
Non-controlling interest	**12.2**	11.6
Total comprehensive income for the year	**120.5**	179.8

Consolidated Statement of Financial Position
As at 31 December 2011

	2011 £m	2010 £m
Assets		
Property, plant and equipment	**265.0**	243.1
Goodwill	**637.0**	301.5
Other intangible assets	**169.5**	44.1
Investments in associates	**0.7**	-
Deferred tax assets	**27.6**	26.4
Total non - current assets	**1,099.8**	615.1
Inventories	**12.3**	9.9
Trade and other receivables	**442.6**	315.2
Cash and cash equivalents	**181.9**	217.0
Total current assets	**636.8**	542.1
Total assets	**1,736.6**	1,157.2
Liabilities		
Interest bearing loans and borrowings	**(38.7)**	(93.6)
Derivative financial instruments	**-**	(1.0)
Current taxes payable	**(44.1)**	(22.5)
Trade and other payables	**(295.5)**	(220.3)
Provisions	**(17.1)**	(23.5)
Total current liabilities	**(395.4)**	(360.9)
Interest bearing loans and borrowings	**(723.9)**	(293.1)
Deferred tax liabilities	**(49.2)**	(7.6)
Net pension liabilities	**(11.3)**	(5.5)
Other payables	**(9.0)**	(7.3)
Provisions	**(1.3)**	(0.8)
Total non-current liabilities	**(794.7)**	(314.3)
Total liabilities	**(1,190.1)**	(675.2)
Net assets	**546.5**	482.0
Equity		
Share capital	**1.6**	1.6
Share premium	**256.7**	256.3
Other reserves	**27.9**	51.5
Retained earnings	**236.3**	149.5
Total equity attributable to equity holders of the Company	**522.5**	458.9
Non-controlling interest	**24.0**	23.1
Total equity	**546.5**	482.0

Consolidated Statement of Changes in Equity
For the year ended 31 December 2011

	Attributable to equity holders of the Company								
			Other reserves						
	Share capital	Share premium	Translation reserve	Hedging reserve	Other	Retained earnings*	**Total before non-controlling interest**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
At 1 January 2010	1.6	253.5	22.5	(3.0)	6.4	40.3	**321.3**	18.0	**339.3**
Comprehensive income for the year	-	-	22.6	3.0	-	142.6	**168.2**	11.6	**179.8**
Dividends paid	-	-	-	-	-	(42.5)	**(42.5)**	(6.6)	**(49.1)**
Issue of shares	-	2.8	-	-	-	-	**2.8**	-	**2.8**
Purchase of own shares	-	-	-	-	-	(0.5)	**(0.5)**	-	**(0.5)**
Equity-settled transactions	-	-	-	-	-	7.4	**7.4**	-	**7.4**
Income tax on equity-settled transactions	-	-	-	-	-	2.2	**2.2**	-	**2.2**
Additions to non - controlling interest	-	-	-	-	-	-	**-**	0.1	**0.1**
At 31 December 2010	**1.6**	**256.3**	**45.1**	**-**	**6.4**	**149.5**	**458.9**	**23.1**	**482.0**
At 1 January 2011	1.6	256.3	45.1	-	6.4	149.5	**458.9**	23.1	**482.0**
Comprehensive income for the year	**-**	**-**	(23.6)	-	-	131.9	**108.3**	12.2	**120.5**
Dividends paid	-	-	-	-	-	(47.2)	**(47.2)**	(10.4)	**(57.6)**
Issue of shares	-	0.4	-	-	-	-	**0.4**	-	**0.4**
Purchase of own shares	-	-	-	-	-	(7.8)	**(7.8)**	-	**(7.8)**
Purchase of non - controlling interests	-	-	-	-	-	(0.6)	**(0.6)**	(1.2)	**(1.8)**
Equity-settled transactions	-	-	-	-	-	9.5	**9.5**	-	**9.5**
Income tax on equity-settled transactions	-	-	-	-	-	1.0	**1.0**	-	**1.0**
Additions to non-controlling interest	-	-	-	-	-	-	**-**	0.3	**0.3**
At 31 December 2011	**1.6**	**256.7**	**21.5**	**-**	**6.4**	**236.3**	**522.5**	**24.0**	**546.5**

* 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. This figure has not been restated as permitted by IFRS 1.

Consolidated Statement of Cash Flows
For the year ended 31 December 2011

	2011 £m	2010 £m
Cash flows from operating activities		
Profit for the year	**151.1**	139.0
Adjustments for:		
Depreciation charge	**56.4**	51.1
Amortisation of software	**3.8**	4.2
Amortisation of acquisition intangibles	**25.3**	12.9
Equity-settled transactions	**9.5**	7.4
Net financing costs	**21.0**	16.6
Income tax expense	**61.9**	50.9
Loss on disposal of property, plant, equipment and software	**0.1**	0.2
Operating profit before changes in working capital and operating provisions	**329.1**	282.3
Change in inventories	**(2.1)**	(1.3)
Change in trade and other receivables	**(34.8)**	(32.5)
Change in trade and other payables	**3.8**	22.7
Change in provisions	**(6.1)**	1.4
Special contributions into pension schemes	**(1.2)**	(1.2)
Cash generated from operations	**288.7**	271.4
Interest and other finance expense paid	**(22.3)**	(15.4)
Income taxes paid	**(53.4)**	(61.7)
Net cash flows generated from operating activities	**213.0**	194.3
Cash flows from investing activities		
Proceeds from sale of property, plant, equipment and software	**1.6**	0.8
Interest received	**2.0**	0.9
Acquisition of subsidiaries, net of cash acquired	**(459.7)**	(41.9)
Consideration paid in respect of prior year acquisitions	**(2.6)**	(9.3)
Purchase of non-controlling interest	**(1.8)**	-
Acquisition of property, plant, equipment and software	**(80.6)**	(65.9)
Net cash flows used in investing activities	**(541.1)**	(115.4)
Cash flows from financing activities		
Proceeds from the issue of share capital	**0.4**	2.8
Purchase of own shares	**(7.8)**	(0.5)
Drawdown of borrowings	**692.8**	355.2
Repayment of borrowings	**(335.5)**	(310.8)
Dividends paid to non-controlling interest	**(10.4)**	(6.6)
Equity dividends paid	**(47.2)**	(42.5)
Net cash flows used in financing activities	**292.3**	(2.4)
Net (decrease)/increase in cash and cash equivalents	**(35.8)**	76.5
Cash and cash equivalents at 1 January	**217.0**	134.2
Effect of exchange rate fluctuations on cash held	**0.7**	6.3
Cash and cash equivalents at 31 December	**181.9**	217.0

Cash outflow relating to separately disclosed items was £26.1m for year ended 31 December 2011 (2010: £5.3m).

1 OPERATING SEGMENTS AND PRESENTATION OF RESULTS

The Group is organised into five divisions, each of which offer services to different industries and are managed separately: Commodities; Industry & Assurance; Consumer Goods; Commercial & Electrical and Chemicals & Pharmaceuticals. The costs of the corporate head office and other costs which are not controlled by the operating divisions are allocated to these divisions.

The divisions noted above are the operating segments that are reported to the Board of Directors, the chief operating decision maker, and are the Group's reportable segments. Inter-segment pricing is determined on an arm's length basis. There is no significant seasonality in the Group's operations.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The performance of the segments is assessed based on adjusted operating profit which is before separately disclosed items. Unallocated items include group-wide projects that do not sit in any one division. A reconciliation to operating profit by divisions, and Group profit for the year is included below:

Year ended 31 December 2011

	Revenue from external customers £m	Inter-segment revenue £m	Total revenue £m	Depreciation and software amortisation* £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Commodities	530.2	2.7	532.9	(22.0)	67.0	(2.7)	64.3
Industry & Assurance	468.6	2.0	470.6	(5.4)	50.9	(28.9)	22.0
Consumer Goods	315.7	1.2	316.9	(11.7)	106.3	(0.9)	105.4
Commercial & Electrical	291.0	4.5	295.5	(12.6)	44.1	(2.7)	41.4
Chemicals & Pharmaceuticals	143.9	1.9	145.8	(5.6)	12.8	(3.6)	9.2
Eliminations	-	(12.3)	(12.3)	-	-	-	-
Total	**1,749.4**	**-**	**1,749.4**	**(57.3)**	**281.1**	**(38.8)**	**242.3**
Unallocated separately disclosed items					-	(8.3)	(8.3)
Group operating profit					**281.1**	**(47.1)**	**234.0**
Net financing costs					(21.0)	-	(21.0)
Profit before income tax					**260.1**	**(47.1)**	**213.0**
Income tax expense					(73.3)	11.4	(61.9)
Profit for the year					**186.8**	**(35.7)**	**151.1**

* Depreciation and software amortisation of £60.2m (2010: £55.3m) includes unallocated charges of £2.9m (2010: £1.7m).

Year ended 31 December 2010 (as restated)

	Revenue from external customers £m	Inter-segment revenue £m	Total revenue £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Commodities	473.2	3.0	476.2	(21.9)	54.5	(5.6)	48.9
Industry & Assurance	191.2	0.8	192.0	(1.8)	16.6	(3.2)	13.4
Consumer Goods	303.9	1.3	305.2	(13.2)	106.2	(0.4)	105.8
Commercial & Electrical	269.2	3.4	272.6	(11.3)	38.4	(3.0)	35.4
Chemicals & Pharmaceuticals	136.7	1.7	138.4	(5.4)	11.8	(5.2)	6.6
Eliminations	-	(10.2)	(10.2)	-	-	-	-
Total	**1,374.2**	**-**	**1,374.2**	**(53.6)**	**227.5**	**(17.4)**	**210.1**
Unallocated separately disclosed items					-	(3.6)	(3.6)
Group operating profit					**227.5**	**(21.0)**	**206.5**
Net financing costs					(15.6)	(1.0)	(16.6)
Profit before income tax					**211.9**	**(22.0)**	**189.9**
Income tax expense					(56.6)	5.7	(50.9)
Profit for the year					**155.3**	**(16.3)**	**139.0**

Year ended 31 December 2010 (as previously reported)

	Revenue from external customers £m	Inter-segment revenue £m	Total revenue £m	Depreciation and software amortisation £m	Adjusted operating profit £m	Separately disclosed items £m	Operating profit £m
Consumer Goods	341.5	1.3	342.8	(13.3)	109.2	(0.7)	108.5
Commercial & Electrical	269.2	3.4	272.6	(11.3)	38.2	(3.0)	35.2
Oil, Chemical & Agri	452.7	2.8	455.5	(16.1)	51.0	(3.9)	47.1
Analytical Services	151.5	1.7	153.2	(6.1)	14.5	(5.1)	9.4
Industrial Services	93.8	0.8	94.6	(0.8)	7.3	(3.3)	4.0
Minerals	65.5	0.2	65.7	(6.0)	7.3	(1.4)	5.9
Eliminations	-	(10.2)	(10.2)	-	-	-	-
Total	**1,374.2**	**-**	**1,374.2**	**(53.6)**	**227.5**	**(17.4)**	**210.1**
Unallocated separately disclosed items					-	(3.6)	(3.6)
Group operating profit					**227.5**	**(21.0)**	**206.5**
Net financing costs					(15.6)	(1.0)	(16.6)
Profit before income tax					**211.9**	**(22.0)**	**189.9**
Income tax expense					(56.6)	5.7	(50.9)
Profit for the year					**155.3**	**(16.3)**	**139.0**

2 SEPARATELY DISCLOSED ITEMS

		2011 £m	2010 £m
Operating costs:			
Amortisation of acquisition intangibles	(a)	**(25.3)**	(12.9)
Acquisition and integration costs	(b)	**(14.1)**	(5.3)
Project costs	(c)	**(7.7)**	-
Claims and settlements	(d)	**-**	(2.8)
Total operating costs		**(47.1)**	(21.0)
Fair value of interest rate swaps recycled from equity		**-**	(1.0)
Total costs		**(47.1)**	(22.0)
Income tax credit on separately disclosed items		**11.4**	5.7
Total		**(35.7)**	(16.3)

(a) Of the amortisation of acquired intangibles in the current year, £13.2m relates to the customer contracts and customer relationships acquired with the purchase of Moody International Limited.

(b) Acquisition and integration costs comprise £9.0m (2010: £4.8m) for costs in respect of acquisitions and £5.1m (2010: £0.5m) in respect of integration costs.

(c) Project costs relate to the Group's Business Process Outsourcing initiative.

(d) In 2010, the £2.8m settlement related to a claim from a group of employees in the USA in the Commodities division.

3 EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

In addition to the earnings per share required by IAS 33: Earnings Per Share, an adjusted earnings per share has also been calculated and is based on earnings excluding the effect of amortisation of acquisition intangibles, goodwill impairment and other separately disclosed items. It has been calculated to allow shareholders a better understanding of the trading performance of the Group. Details of the adjusted earnings per share are set out below:

	2011 **£m**	2010 £m
Profit attributable to ordinary shareholders	**138.8**	128.6
Separately disclosed items after tax (note 2)	**35.7**	16.3
Adjusted earnings	**174.5**	144.9
Number of shares (millions)		
Basic weighted average number of ordinary shares	**159.9**	159.3
Potentially dilutive share awards	**2.9**	2.8
Diluted weighted average number of shares	**162.8**	162.1
Basic earnings per share	**86.8p**	80.7p
Potentially dilutive share awards	**(1.5)p**	(1.4)p
Diluted earnings per share	**85.3p**	79.3p
Adjusted basic earnings per share	**109.1p**	91.0p
Potentially dilutive share awards	**(1.9)p**	(1.6)p
Adjusted diluted earnings per share	**107.2p**	89.4p

4 ACQUISITIONS

Moody International

On 27 April 2011 the Group acquired 100% of the equity of Moody (comprising Moody International (Holdings) Limited, Inspection Services (US) Inc and Inspection Services Italy SRL) for a cash consideration of £449.9m, on a cash and debt free basis. Moody was headquartered in the UK and operates in over 60 countries. It is a leading worldwide provider of quality and safety services to the global energy industry. It also provides systems certification services to the manufacturing, construction and service markets. This acquisition has been integrated into the Industry & Assurance division.

Provisional details of net assets acquired and fair value adjustments are set out in the following table. The analysis is provisional and amendments may be made to these figures in the 12 months following the date of the acquisition.

	Book value prior to acquisition £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	5.1	-	5.1
Goodwill	-	322.7	322.7
Other intangible assets	-	145.9	145.9
Trade and other receivables*	95.9	(7.2)	88.7
Trade and other payables	(43.2)	(7.0)	(50.2)
Provisions for liabilities and charges**	(5.6)	(1.3)	(6.9)
Corporation tax payable	(3.9)	(7.1)	(11.0)
Deferred tax asset/(liability)	1.2	(44.7)	(43.5)
Non-controlling interest	(0.9)	-	(0.9)
Net assets acquired	**48.6**	**401.3**	**449.9**
Cash outflow (net of cash acquired)			449.9
Total consideration			**449.9**

*Trade receivables comprise gross contractual amounts due of £54.7m with a fair value of £51.4m.

** Provisions for liabilities and charges include amounts that are classified as accruals in the Intertek reporting environment.

The goodwill of £322.7m represents the value of the assembled workforce and the benefits Intertek expects to gain from becoming a leading provider of quality and safety services for the global energy market, creating a global platform for the provision of Industry Services, extending existing European and American positions and extending the depth of the service portfolio for energy assets, processes and products.

The intangible assets of £145.9m represent the value placed on customer contracts and relationships and the deferred tax thereon was £44.7m.

The revenue for the period 27 April 2011 to 31 December 2011 was £251.8m. The revenue for the period 1 January 2011 to 26 April 2011 was £104.7m. The profit after tax for the period 27 April 2011 to 31 December 2011 was £14.1m. The profit after tax for the period 1 January 2011 to 26 April 2011 was £2.6m.

Other acquisitions

In addition to Moody, there were four bolt-on acquisitions in the year.

Goodwill

The total goodwill arising on acquisitions made during 2011 was £329.9m. In addition there was a reduction of £1.6m to goodwill in respect of prior years' acquisitions arising out of adjustments to contingent consideration.

Consideration paid

The total cash consideration paid for the acquisitions in the year was £459.7m (2010: £41.9m).

Contribution of acquisitions to revenue and profits

In total the acquisitions made during 2011 contributed revenues of £255.6m and profit after tax of £14.4m from their respective dates of acquisition to 31 December 2011.

The Group revenue and profit after tax for the year ended 31 December 2011 would have been £1,860.9m and £154.6m respectively if all the acquisitions were assumed to have been made on 1 January 2011.

5 NET DEBT

The components of net debt are outlined below:

	1 January 2011 £m	Cash flow £m	Exchange adjustments £m	31 December 2011 £m
Cash	217.0	(35.8)	0.7	**181.9**
Borrowings:				
Principal bank facility	(93.6)	89.9	3.7	**-**
Revolving credit facility US$600m	-	(293.6)	(10.8)	**(304.4)**
Bridge facility US$300m	-	(143.5)	(11.6)	**(155.1)**
Bilateral multi-currency facility	-	(14.4)	1.0	**(13.4)**
Senior notes US$25m 2014	(16.1)	-	-	**(16.1)**
Senior notes US$100m 2015	(64.6)	-	-	**(64.6)**
Senior notes US$75m 2016	(48.5)	-	-	**(48.5)**
Senior notes US$100m 2017	(64.6)	-	-	**(64.6)**
Senior notes US$150m 2020	(96.8)	-	-	**(96.8)**
Other*	(2.5)	4.3	(0.9)	**0.9**
Total borrowings	(386.7)	(357.3)	(18.6)	**(762.6)**
Total net debt	**(169.7)**	**(393.1)**	**(17.9)**	**(580.7)**

* Includes other borrowings of £2.2m (2010: £3.1m) and facility fees.

6 RELATED PARTIES

Identity of related parties
The Group has a related party relationship with its key management. Transactions between the Company and its subsidiaries and between subsidiaries have been eliminated on consolidation and are not discussed in this note.

Transactions with key management personnel
Key management personnel compensation, including the Group's Directors, is shown in the table below:

	2011 £m	2010 £m
Short-term benefits	**5.9**	6.2
Post-employment benefits	**0.4**	0.4
Equity-settled transactions	**2.1**	2.3
Total	**8.4**	8.9

Apart from the above, no member of key management had a personal interest in any business transactions of the Group.

7 ANNUAL REPORT

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2011 and 2010 but is derived from the 2011 accounts. A full copy of the 2011 Annual Report will be available online at www.intertek.com before the end of the month. Statutory accounts for 2010 have been delivered to the Registrar of Companies and those for 2011 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

• select suitable accounting policies and then apply them consistently;
• make judgments and estimates that are reasonable and prudent;
• for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
• for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements; and
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

Each of the Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board of Intertek Group plc.

Wolfhart Hauser

Chief Executive Officer

2 March 2012