

**2012 FULL YEAR RESULTS ANNOUNCEMENT  
4 MARCH 2013**

Intertek Group plc (“Intertek”), a leading international provider of quality and safety services, announces its full year results for the year ended 31 December 2012.

**Strong Growth Delivery**

**Highlights**

- Revenue growth of 17% to £2,054m; constant currency organic revenue growth of 8.6%
- Profit<sup>1</sup> growth of 19% to £335m; constant currency organic profit growth of 11.2%
- Adjusted operating profit<sup>1</sup> margin 16.3%; up 20 bps
- Six bolt-on acquisitions for £40m; £115m of organic capital investment
- Diluted EPS<sup>1</sup> and dividend per share increase of 22%

<b>Adjusted results (1)</b>	<b>2012</b>	<b>2011</b>	<b>Growth as reported</b>	<b>Organic growth at constant currency</b>
Revenue	£2,054.3m	£1,749.4m	17%	8.6%
Operating profit	£335.1m	£281.1m	19%	11.2%
Profit before tax	£308.4m	£260.1m	19%	
Diluted earnings per share	131.2p	107.2p	22%	

1. Adjusted results are stated before separately disclosed items which include amortisation of acquisition intangibles £29.3m (2011: £25.3m), acquisition and related integration costs £5.5m (2011: £14.1m), project costs £2.8m (2011: £7.7m), goodwill impairment £3.2m (2011: £nil) and restructuring costs of £11.0m (2011: £nil). See Presentation of Results and note 3.

<b>Statutory results</b>	<b>2012</b>	<b>2011</b>	<b>Growth</b>
Operating profit	£283.3m	£234.0m	21%
Profit before tax	£256.6m	£213.0m	21%
Diluted earnings per share	106.7p	85.3p	25%
Full year dividend per share	41.0p	33.7p	22%

**Wolfhart Hauser, Chief Executive Officer, commented:**

“We are pleased to report another year of strong growth across our diverse geographic and industry portfolio as we continue our strategy of delivering global quality solutions. We report exceptional growth in the energy infrastructure market, where we have successfully integrated our acquisition of Moody International, in addition to strong growth across all divisions. These results underline the resilient nature of the growth drivers in our chosen quality markets and our ability to capture growth and deliver value to shareholders through acquisitions and organic investment.

Strong growth came from Asia, Australasia, the Middle East and the Americas. In our underperforming areas, principally some locations within Europe, we are taking action to align our portfolio with our strategic growth priorities.

We continue to pursue operational efficiencies and establish platforms supporting the Group’s ability to capture growth in 2013 and beyond, whilst also progressing the Group’s margin in 2012.

Whilst economic conditions remain uncertain, we are confident in the opportunities embedded across our portfolio of industries and countries. We therefore will continue to follow our established growth strategy which we expect to continue to deliver high single digit organic revenue growth, margin enhancement and value adding acquisitions.”

## Contacts

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## Analysts' Meeting

There will be a meeting for analysts at 9.30am today at Goldman Sachs International, 133 Fleet Street, London, EC4A 2BB. A copy of the presentation will be available on the website later today.

The 2012 Annual Report will be available to download from the website before the end of March 2013. If you wish to receive a printed copy of this report, please contact Intertek by email to [investor@intertek.com](mailto:investor@intertek.com) or by calling +44 (0) 20 7396 3400.

Corporate website: [www.intertek.com](http://www.intertek.com)

### **About Intertek**

Intertek is the leading quality solutions provider to industries worldwide. From auditing and inspection, to testing, training, advisory, quality assurance and certification, Intertek adds value to customers' products, processes and assets.

With a network of more than 1,000 laboratories and offices and over 35,000 people in more than 100 countries, Intertek supports companies' success in a global marketplace.

Intertek helps its customers to meet end users' expectations for safety, sustainability, performance, integrity and desirability in virtually any market worldwide. Visit [www.intertek.com](http://www.intertek.com).

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

## FULL YEAR REPORT 2012

### BUSINESS REVIEW

For the year ended 31 December 2012

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. These items, which are described in the Presentation of Results section of this report and in note 3, are excluded from the adjusted results. The figures discussed in this review (extracted from the income statement and cash flow) are presented before separately disclosed items.

### Overview of performance

	<b>2012</b>	2011	Change	Organic change
	<b>£m</b>	£m	at actual	at constant
			rates	rates
Revenue	<b>2,054.3</b>	1,749.4	17.4%	8.6%
Operating profit	<b>335.1</b>	281.1	19.2%	11.2%
Margin	<b>16.3%</b>	16.1%		
Net financing costs	<b>26.7</b>	21.0	27.1%	
Income tax expense	<b>80.3</b>	73.3	9.6%	
Earnings for the year	<b>213.7</b>	174.5	22.5%	
Diluted earnings per share	<b>131.2p</b>	107.2p	22.4%	
Adjusted cash generated from operations	<b>345.4</b>	314.8	9.7%	
Capital investment - acquisitions	<b>39.6</b>	459.7	(91.4%)	
Capital investment - organic	<b>115.0</b>	80.6	42.7%	

Revenue increased by 17% to £2,054m at actual exchange rates, and 18% at constant exchange rates, principally due to strong organic growth and strong growth in the acquired Moody International ('Moody') business. Excluding the results of acquisitions made since 1 January 2011, organic revenue increased by 8.6% at constant exchange rates with all divisions contributing to this growth. The Group's pro-forma organic revenue growth, including Moody, was 10.5% at constant exchange rates in 2012.

Operating profit was £335m, up 19% driven by strong growth in all divisions. The Group made further progress with its margin improvement programme, with Industry & Assurance, Commodities and Commercial & Electrical contributing to a 40 basis points increase in the Group's organic margin at constant exchange rates. Total margin at actual exchange rates was 20 basis points higher as good organic margin progression more than offset the diluting effect of a greater contribution from Moody.

Net financing costs were £26.7m, an increase of £5.7m on 2011, principally due to increased borrowings.

The adjusted effective tax rate was 26.0% (2011: 28.2%), lower than in 2011 as the Group completed a structural integration of the Moody business ahead of schedule and also benefited from an improved mix of profits.

Adjusted cash flow from operations increased by 10% to £345.4m principally due to strong profit growth, partially offset by increased working capital in the high growth Industry Services business.

The Group completed six bolt-on acquisitions for £40m on a cash and debt free basis and invested £115m in organic capital investment to support the Group's growth. The Group ended the year in a strong financial

position with net debt of £551m and an annualised net debt to EBITDA ratio of 1.3 (2011:1.6 on a pro forma basis).

Diluted adjusted earnings per share for the 12 months ended 31 December 2012 increased by 22% to 131.2p.

Following good progress during the year and considering the outlook for the Group, the Board recommends a full year dividend of 41.0p per share, an increase of 22%. An interim dividend of 13.0p per share (2011: 10.7p) was paid to shareholders on 16 November 2012. The Directors will propose a final dividend of 28.0p per share at the Annual General Meeting on 17 May 2013, to be paid on 7 June 2013 to shareholders on the register at close of business on 24 May 2013. If approved, this will make a full year dividend of 41.0p per share (2011: 33.7p), an increase of 22%.

## **Business development highlights**

### **Acquisitions**

During 2012 the Group made six bolt-on acquisitions for £40m, on a cash and debt free basis.

In March 2012 the Group acquired 4th Strand for £4.1m, a provider of product quality and benchmarking services to the retail industry in North America.

In April 2012 the Group acquired Automation Technology, a provider of asset integrity support services to the US Power industry for £10.0m.

In May 2012 the Group acquired Vigalab Mineral Laboratory in Chile for £3.3m which complements Intertek's growing international minerals capability and supports the expansion of quality and safety services in Latin America.

In September 2012 the Group acquired Materials Testing and Inspection ('NDT Services'), in the UK for £14.3m, a provider of non-destructive testing services to the aerospace, power and petrochemical sectors.

In November 2012 the Group acquired 75% of Laboratory Services International Rotterdam for £4.1m, a London Metal Exchange approved facility for analytical testing of traded minerals.

In December 2012 the Group acquired Tickford Test Technology in the UK, a provider of engine and lubricant testing services to manufacturers, for £3.8m.

### **Organic investment**

During the year the Group invested £115m (2011: £81m) in expanding its service and laboratory network. The Group opened 30 new laboratories and expanded a further 23 across all regions in the year. This included an investment in a global lab network, including the US, Germany and China, focusing on the testing of electric vehicle battery technology. 'Intertek Tradegood' was also launched in 2012, a new online platform to help match suppliers with buyers which gives buyers access to reliable data on suppliers' qualifications and credentials globally.

Intertek has also entered into partnership with the Abu Dhabi Government Quality and Conformity Council ('QCC') during the year, to support the quality programme for the Emirate of Abu Dhabi. Intertek will provide advisory services for the development of more effective quality conformity schemes for specified products and systems.

### **Restructuring**

At the end of 2012 the Group reviewed its portfolio of businesses, locations and services following a sustained period of growth. A number of businesses and locations identified as underperforming or non-strategic have been identified for restructuring, with a particular focus on our European operations. The programme includes business closures, asset write downs and redundancies. The total cost of the restructuring activities is expected to be £22m, of which £14m has been recorded in SDIs in 2012, and a further £8m will be provided in 2013.

**Separately disclosed items**

Separately disclosed items before tax were £51.8m in 2012 (2011: £47.1m). This comprised the amortisation of acquisition intangibles of £29.3m (2011: £25.3m), acquisition transaction and integration costs of £5.5m (2011: £14.1m) and £2.8m (2011: £7.7m) for a Business Process Outsourcing initiative. Costs of £14.2m (2011: £nil) have also been recognised following the Group's review of underperforming business units, principally in Europe, which are to be restructured or closed. Further information on separately disclosed items is given in the Presentation of Results section of this report and in note 3.

## OPERATING REVIEW BY DIVISION

	Revenue				Adjusted operating profit			
	2012	2011	Change at actual rates	Organic change at constant rates	2012	2011	Change at actual rates	Organic change at constant rates
	£m	£m			£m	£m		
Industry & Assurance	665.6	468.6	42.0%	10.4%	77.4	50.9	52.1%	19.0%
Commodities	572.3	530.2	7.9%	8.6%	77.2	67.0	15.2%	15.2%
Consumer Goods	343.4	315.7	8.8%	7.3%	112.8	106.3	6.1%	4.5%
Commercial & Electrical	318.2	291.0	9.3%	8.7%	50.6	44.1	14.7%	12.9%
Chemicals & Pharmaceuticals	154.8	143.9	7.6%	9.0%	17.1	12.8	33.6%	29.7%
	<b>2,054.3</b>	1,749.4	17.4%	8.6%	<b>335.1</b>	281.1	19.2%	11.2%
Net financing costs					(26.7)	(21.0)	27.1%	
<b>Adjusted profit before income tax</b>					<b>308.4</b>	260.1	18.6%	
Income tax expense					(80.3)	(73.3)	9.5%	
<b>Adjusted profit for the year</b>					<b>228.1</b>	186.8	22.1%	
<b>Adjusted diluted EPS</b>					<b>131.2p</b>	107.2p	22.4%	

A review of the adjusted results of each division in the year ended 31 December 2012 compared to the year ended 31 December 2011 is set out below.

Revenue, operating profit and growth rates are presented at actual exchange rates. In addition, organic growth at constant exchange rates is presented. Operating profit and operating margin are stated before separately disclosed items.

### Industry & Assurance

	2012 £m	2011 £m	Change at actual rates	Organic change at constant rates
Revenue	665.6	468.6	42.0%	10.4%
Adjusted operating profit	77.4	50.9	52.1%	19.0%
Adjusted operating margin	11.6%	10.9%	70bps	60bps

Industry & Assurance – using in-depth knowledge of the oil, gas, nuclear, power, renewable energy, construction, food, chemical and agricultural industries, the division provides a diverse range of services to help customers optimise use and value of their assets and meet global quality standards on their products. These include technical inspection, asset integrity management, exploration and production support, consulting, training and third-party management systems auditing for the industrial sector. The division also provides quality and safety services to the Food and Agri sectors, certification services, second-party supplier auditing, sustainability data verification and process performance analysis.

Performance in 2012 has been strong as the full benefits from the acquisition and integration of Moody, purchased in April 2011, have been delivered.

Total revenue was £665.6m, up 42.0% at actual exchange rates and 43.3% at constant exchange rates. Excluding acquisitions constant currency revenue growth was 10.4%. Total adjusted operating profit was £77.4m up 52.1%. Excluding acquisitions adjusted constant currency operating profit was up 19.0%. The total adjusted operating margin increased 70 basis points to 11.6% at actual exchange rates. The organic adjusted operating margin at constant exchange rates increased 60 basis points.

During the year there was significant revenue growth from the Industry & Assurance division as the joint Intertek Moody offering drove significant contract wins in the industrial Technical Inspection market, driven by expenditure by clients on both capex and opex related energy projects.

The Food business has expanded its network and continues to deliver strong growth, while the Business Assurance and Agri sectors continue to support growth in the division.

In April 2012 Intertek acquired Automation Technology, a provider of asset integrity support services to the US Power industry for £10.0m.

In September 2012 the Group acquired Materials Testing and Inspection ('NDT Services') in the UK for £14.3m which offers a range of non-destructive testing services to the aerospace, power and petrochemical sectors.

Outlook: As global energy demand continues to grow, the demand for technical inspection services will continue to drive revenue growth. Our global reach will provide benefits from expanding the range of services provided to existing clients and allow us to expand into related industries.

## Commodities

	2012 £m	2011 £m	Change at actual rates	Organic change at constant rates
Revenue	<b>572.3</b>	530.2	7.9%	8.6%
Adjusted operating profit	<b>77.2</b>	67.0	15.2%	15.2%
Adjusted operating margin	<b>13.5%</b>	12.6%	90bps	80bps

Commodities – provides independent cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum, mining, minerals and biofuels industries. The division also provides services to governments and regulatory bodies to support trade activities that help the flow of goods across borders.

Revenue in the Commodities division increased 7.9% to £572.3m at actual exchange rates, and 9.0% at constant exchange rates. This strong increase was mostly organic. Total adjusted operating profit for the division was £77.2m up 15.2% at actual exchange rates. The adjusted operating margin was 13.5% up 90 basis points at actual exchange rates and the organic adjusted operating margin was up 80 basis points at constant exchange rates.

There was strong growth in demand for cargo inspection and analytical assessment within Asia, while the US market was steady. Demand for cargo inspection services continued to expand as global trade patterns evolve. Demand for minerals testing was particularly strong during the first half of the year, especially in Australia, Indonesia and Africa which supply minerals to meet demand from China. Our trade services programmes continued to increase the support to governments around the world, with both well-established and new programmes delivering good revenue growth.

In May 2012 Intertek acquired Vigalab Mineral Laboratory in Chile for £3.3m which complements Intertek's growing international minerals capability and supports the expansion of quality and safety services in Latin America.

In November 2012 the Group acquired a majority stake in Laboratory Services International Rotterdam for £4.1m, which provides analytical testing for commodities traded on the London Metal Exchange.

Outlook: Growth in the commodities market is largely driven by underlying global trade and growth in consumer demand in local markets. We expect long term growth in the demand for energy and other commodities to continue to drive testing and inspection revenues.

## Consumer Goods

	2012 £m	2011 £m	Change at actual rates	Organic change at constant rates
Revenue	<b>343.4</b>	315.7	8.8%	7.3%
Adjusted operating profit	<b>112.8</b>	106.3	6.1%	4.5%
Adjusted operating margin	<b>32.8%</b>	33.7%	(90)bps	(90)bps

Consumer Goods – the division is a market leading provider of services to the textiles, toys, footwear, hardlines and retail industries. As partner to retailers, manufacturers and distributors it offers expertise on issues ranging from restricted hazardous substance and sustainability, to supply chain security and legislation relating to environmental, ethical and trade security issues. Services include testing, inspection, auditing, advisory services, quality assurance and hazardous substance testing.

The Consumer Goods division delivered strong growth in 2012, with total revenue of £343.4m, an increase of 8.8% at actual exchange rates and 8.3% at constant exchange rates. Organic revenue growth at constant exchange rates was 7.3%. Total adjusted operating profit of £112.8m was up 6.1% at actual exchange rates. The adjusted operating margin was 32.8% a decline of 90 basis points at actual exchange rates. The organic adjusted operating margin at constant exchange rates decreased 90 basis points principally due to investment in the new Tradegood service line. Excluding this development, operating margin was broadly stable.

The demand for textiles testing continued to grow well, with growth in China supplemented by strong growth in other parts of our network, including Turkey, Korea, Vietnam, Bangladesh, India and Mexico. Toys and Hardlines testing grew at a slower rate but this was more than offset by progress in our Risk Management and Auditing services, which provide testing across the supply chain.

'Intertek Tradegood' was launched in 2012, a new online platform to help match suppliers with buyers which gives buyers access to reliable data on suppliers' qualifications and credentials globally.

In March 2012 Intertek acquired 4th Strand for £4.1m, a provider of product quality and benchmarking services to the retail industry in North America. This company brings expert product procurement knowledge and experience to the Group that will support the drive to increase the range of services to the retail industry initially to North America and then to Europe and other geographies.

Outlook: The growth drivers in Consumer Goods are 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

	2012 £m	2011 £m	Change at actual rates	Organic change at constant rates
Revenue	<b>318.2</b>	291.0	9.3%	8.7%
Adjusted operating profit	<b>50.6</b>	44.1	14.7%	12.9%
Adjusted operating margin	<b>15.9%</b>	15.2%	70bps	60bps

Commercial & Electrical – the global network of accredited facilities provides manufacturers and retailers with the most comprehensive scope of safety, performance and quality testing and certification services. The division supports customers in a wide range of industries including home appliances, consumer electronics, lighting, medical products, building products, industrial and HVAC/R (heating, ventilation, air conditioning and refrigeration), ICT (information and communication technology), renewable energy and automotive.

The Commercial & Electrical division delivered strong growth, with total revenue increasing 9.3% to £318.2m at actual exchange rates, and 8.7% at constant exchange rates. This growth was wholly organic. Total adjusted operating profit was £50.6m, up 14.7%. The total adjusted operating margin was 15.9%, up 70 basis points (up 60 basis points at constant exchange rates).

Growth was mainly in high tech sectors, particularly medical products, lighting and renewables across North America and China. We invested in new technologies in the US, Germany and China in areas including '4G' mobile services and electric vehicle battery technology as we continue to expand our service offering to clients.

Outlook: 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 improve the energy efficiency of their products.

## Chemicals & Pharmaceuticals

	2012 £m	2011 £m	Change at actual rates	Organic change at constant rates
Revenue	154.8	143.9	7.6%	9.0%
Adjusted operating profit	17.1	12.8	33.6%	29.7%
Adjusted operating margin	11.0%	8.9%	210bps	180bps

Chemicals & Pharmaceuticals – serving a wide range of industries, including chemicals and refined products, pharmaceutical, healthcare and beauty, and automotive and aerospace, the division offers advanced laboratory measurement and expert consultancy related technical support services and sustainability solutions. It has an established track record of success in laboratory outsourcing with many large, internationally recognised companies. The division's world leading technical experts also support internal technical development.

The division achieved strong growth, particularly in the second half of the year, with total revenue increasing 7.6% to £154.8m at actual exchange rates and 9.9% at constant exchange rates. Excluding acquisitions, revenue growth was 9.0% at constant exchange rates. Total adjusted operating profit for the division was £17.1m, up 33.6%. The total adjusted operating margin was 11.0% up 210 basis points. Excluding acquisitions, adjusted operating profit growth was up 180 basis points at constant exchange rates.

Intertek has also entered into partnership with the Abu Dhabi Government Quality and Conformity Council ('QCC') to support the quality programme for the Emirate of Abu Dhabi. Intertek will initially provide advisory services for the development of more effective quality conformity schemes for specified products and systems.

There was strong growth in the US, notably in the automotive business and advanced materials, while the QCC outsourcing contract also benefited the second half. The next stage of the European Union REACH (Registration Evaluation Authorisation and Restriction of Chemicals) regulation also improved performance in the regulatory services sector.

On 31 December 2012 the Group acquired Tickford Test Technology in the UK for a cash consideration of £3.8m. This expands the range of services provide to vehicle manufacturers for engine and lubricant testing.

Outlook: A positive US economy and continuing environmental controls will continue to drive growth in the automotive fuels and lubricants sector, while the REACH regulation should benefit the European market. The QCC agreement will provide an opportunity to deliver on a high profile contract and act as a model for future outsourcing contracts.

## PRESENTATION OF RESULTS

### Adjusted results

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. These separately disclosed items which are described below are excluded from the adjusted results.

### Organic growth

Organic growth figures are calculated by excluding the results of acquisitions made since 1 January 2011.

### Constant rates

In order to remove the impact of currency translation from our growth figures we present revenue and profit growth at constant exchange rates. This is calculated by translating 2011 results at 2012 exchange rates.

### Separately disclosed items

Separately disclosed items are items which by their nature or size, in the opinion of the Directors, should be excluded from the adjusted results to provide readers with a clear and consistent view of the business performance of the Group and its operating divisions. When applicable, these 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, material claims and settlements, significant recycling of amounts from equity to the income statement and unrealised gains/losses on financial assets/liabilities. Details of the separately disclosed items for the year ended 31 December 2012 and the comparative period are given in note 3.

## LEGAL NOTICE

This Full Year Report and announcement contain 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 announcement should be construed as a profit forecast. Past performance cannot be relied upon as a guide to future performance.

## Condensed Consolidated Income Statement

For the year ended 31 December 2012

	Notes	Adjusted results £m	Separately disclosed items* £m	Total 2012 £m	Adjusted results £m	Separately disclosed items* £m	Total 2011 £m
<b>Revenue</b>	2	<b>2,054.3</b>	-	<b>2,054.3</b>	1,749.4	-	1,749.4
Operating costs		(1,719.2)	(51.8)	(1,771.0)	(1,468.3)	(47.1)	(1,515.4)
<b>Group operating profit</b>	2	<b>335.1</b>	<b>(51.8)</b>	<b>283.3</b>	281.1	(47.1)	234.0
Finance income		7.5	-	7.5	8.2	-	8.2
Finance expense		(34.2)	-	(34.2)	(29.2)	-	(29.2)
<b>Net financing costs</b>		<b>(26.7)</b>	-	<b>(26.7)</b>	(21.0)	-	(21.0)
<b>Profit before income tax</b>		<b>308.4</b>	<b>(51.8)</b>	<b>256.6</b>	260.1	(47.1)	213.0
Income tax expense		(80.3)	11.9	(68.4)	(73.3)	11.4	(61.9)
<b>Profit for the year</b>		<b>228.1</b>	<b>(39.9)</b>	<b>188.2</b>	186.8	(35.7)	151.1
<b>Profit attributable to:</b>							
Equity holders of the Company		213.7	(39.9)	173.8	174.5	(35.7)	138.8
Non-controlling interest		14.4	-	14.4	12.3	-	12.3
<b>Profit for the year</b>		<b>228.1</b>	<b>(39.9)</b>	<b>188.2</b>	186.8	(35.7)	151.1
<b>Earnings per share**</b>							
Basic	4			<b>108.2p</b>			86.8p
Diluted	4			<b>106.7p</b>			85.3p
<b>Dividends in respect of the year</b>							
				<b>41.0p</b>			33.7p

\* See note 3.

\*\* Earnings per share on the adjusted results is disclosed in note 4.

## Condensed Consolidated Statement of Comprehensive Income

For the year ended 31 December 2012

	2012	2011
	£m	£m
<b>Profit for the year</b>	<b>188.2</b>	151.1
<b>Other comprehensive income</b>		
Foreign exchange translation differences of foreign operations	(37.2)	(2.2)
Net exchange gain/(loss) on hedges of net investments in foreign operations	25.4	(21.5)
Loss on fair value of cash flow hedges	(0.3)	-
Actuarial losses on defined benefit pension schemes	(6.5)	(7.9)
Income tax recognised in other comprehensive income	1.5	1.0
<b>Total other comprehensive expense for the year</b>	<b>(17.1)</b>	(30.6)
<b>Total comprehensive income for the year</b>	<b>171.1</b>	120.5
<b>Total comprehensive income for the year attributable to:</b>		
Equity holders of the Company	157.2	108.3
Non-controlling interest	13.9	12.2
<b>Total comprehensive income for the year</b>	<b>171.1</b>	120.5

## Condensed Consolidated Statement of Financial Position

For the year ended 31 December 2012

	Notes	2012 £m	2011 £m
<b>Assets</b>			
Property, plant and equipment	7	302.1	265.0
Goodwill	6	668.5	637.0
Other intangible assets		154.5	169.5
Investments in associates		0.7	0.7
Deferred tax assets		28.3	27.6
<b>Total non-current assets</b>		<b>1,154.1</b>	<b>1,099.8</b>
Inventories		12.3	12.3
Trade and other receivables		502.4	442.6
Cash and cash equivalents	5	166.5	181.9
<b>Total current assets</b>		<b>681.2</b>	<b>636.8</b>
<b>Total assets</b>		<b>1,835.3</b>	<b>1,736.6</b>
<b>Liabilities</b>			
Interest bearing loans and borrowings	5	(0.8)	(38.7)
Current taxes payable		(54.2)	(44.1)
Trade and other payables		(324.3)	(295.5)
Provisions		(26.8)	(17.1)
<b>Total current liabilities</b>		<b>(406.1)</b>	<b>(395.4)</b>
Interest bearing loans and borrowings	5	(716.4)	(723.9)
Deferred tax liabilities		(32.8)	(49.2)
Net pension liabilities		(17.0)	(11.3)
Other payables		(6.2)	(9.0)
Provisions		(1.9)	(1.3)
<b>Total non-current liabilities</b>		<b>(774.3)</b>	<b>(794.7)</b>
<b>Total liabilities</b>		<b>(1,180.4)</b>	<b>(1,190.1)</b>
<b>Net assets</b>		<b>654.9</b>	<b>546.5</b>
<b>Equity</b>			
Share capital		1.6	1.6
Share premium		257.4	256.7
Other reserves		16.6	27.9
Retained earnings		354.0	236.3
<b>Total attributable to equity holders of the Company</b>		<b>629.6</b>	<b>522.5</b>
Non-controlling interest		25.3	24.0
<b>Total equity</b>		<b>654.9</b>	<b>546.5</b>

## Condensed Consolidated Statement of Changes in Equity

For the year ended 31 December 2012

Attributable to equity holders of the Company

	Other Reserves					Total before non-controlling interest £m	Non-controlling interest £m	Total equity £m
	Share capital £m	Share premium account £m	Translation reserve £m	Other £m	Retained earnings* £m			
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
<b>At 31 December 2011</b>	<b>1.6</b>	<b>256.7</b>	<b>21.5</b>	<b>6.4</b>	<b>236.3</b>	<b>522.5</b>	<b>24.0</b>	<b>546.5</b>
At 1 January 2012	1.6	256.7	21.5	6.4	236.3	522.5	24.0	546.5
Comprehensive income for the year	-	-	(11.3)	-	168.5	157.2	13.9	171.1
Dividends paid	-	-	-	-	(57.9)	(57.9)	(12.6)	(70.5)
Issue of shares	-	0.7	-	-	-	0.7	-	0.7
Purchase of own shares	-	-	-	-	(0.8)	(0.8)	-	(0.8)
Tax paid on share award vested	-	-	-	-	(5.8)	(5.8)	-	(5.8)
Equity-settled transactions	-	-	-	-	10.4	10.4	-	10.4
Income tax on equity-settled transactions	-	-	-	-	3.3	3.3	-	3.3
<b>At 31 December 2012</b>	<b>1.6</b>	<b>257.4</b>	<b>10.2</b>	<b>6.4</b>	<b>354.0</b>	<b>629.6</b>	<b>25.3</b>	<b>654.9</b>

\*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.

The dividend of £37.0m which was paid on 22 June 2012 represented a final dividend of 23.0p per ordinary share in respect of the year ended 31 December 2011. The interim dividend of £20.9m which was paid on 16 November 2012 represented an interim dividend of 13.0p per ordinary share in respect of the year ended 31 December 2012. There was an issue of 646,538 ordinary shares during the year on exercise of share awards.

## Condensed Consolidated Statement of Cash Flows

For the year ended 31 December 2012

	Notes	2012 £m	2011 £m
<b>Cash flows from operating activities</b>			
Profit for the year		188.2	151.1
Adjustments for:			
Depreciation charge		59.8	56.4
Amortisation of software		3.8	3.8
Amortisation of acquisition intangibles and impairment of goodwill		32.5	25.3
Equity-settled transactions		10.4	9.5
Net financing costs		26.7	21.0
Income tax expense	2	68.4	61.9
Loss on disposal of property, plant, equipment and software		0.1	0.1
<b>Operating profit before changes in working capital and operating provisions</b>		<b>389.9</b>	<b>329.1</b>
Change in inventories		-	(2.1)
Change in trade and other receivables		(65.9)	(34.8)
Change in trade and other payables		2.2	3.8
Change in provisions		7.0	(6.1)
Special contributions into pension schemes		(0.6)	(1.2)
<b>Cash generated from operations</b>		<b>332.6</b>	<b>288.7</b>
Interest and other finance expense paid		(26.5)	(22.3)
Income taxes paid		(72.6)	(53.4)
<b>Net cash flows generated from operating activities</b>		<b>233.5</b>	<b>213.0</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant, equipment and software		1.7	1.6
Interest received		2.3	2.0
Acquisition of subsidiaries, net of cash acquired	6	(39.6)	(459.7)
Consideration paid in respect of prior period acquisitions	6	(0.6)	(2.6)
Purchase of non-controlling interest		-	(1.8)
Acquisition of property, plant, equipment and software	7	(115.0)	(80.6)
<b>Net cash flows used in investing activities</b>		<b>(151.2)</b>	<b>(541.1)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital		0.7	0.4
Purchase of own shares		(0.8)	(7.8)
Tax paid on share awards vested		(5.8)	-
Drawdown of borrowings		201.3	692.8
Repayment of borrowings		(217.5)	(335.5)
Dividends paid to non-controlling interest		(12.6)	(10.4)
Equity dividends paid		(57.9)	(47.2)
<b>Net cash flows (used in) / generated from financing activities</b>		<b>(92.6)</b>	<b>292.3</b>
<b>Net decrease in cash and cash equivalents</b>	5	<b>(10.3)</b>	<b>(35.8)</b>
Cash and cash equivalents at 1 January	5	181.9	217.0
Effect of exchange rate fluctuations on cash held	5	(5.1)	0.7
<b>Cash and cash equivalents at end of year</b>	5	<b>166.5</b>	<b>181.9</b>

Cash outflow relating to separately disclosed items was £12.8m for year ended 2012 (2011: £26.1m).

# Notes to the Full Year Results Announcement

## 1 Basis of preparation

### Reporting entity

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2012 and 2011, but is derived from the 2012 accounts. A full copy of the 2012 Annual Report will be available online at [www.intertek.com](http://www.intertek.com) before the end of March 2013. Statutory accounts for 2011 have been delivered to the Registrar of Companies, and those for 2012 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 Sections 498(2) or 498(3) of the Companies Act 2006.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

### Significant accounting policies

There are no new standards effective for the first time in the current financial year with significant impact on the Company's consolidated results or financial position.

### Foreign exchange

The most significant currencies for the Group were translated at the following exchange rates:

Value of £1	Assets and liabilities		Income and expense	
	Actual rates		Cumulative average rates	
	2012	2011	2012	2011
US dollar	1.61	1.55	1.59	1.60
Euro	1.22	1.20	1.23	1.15
Chinese renminbi	10.12	9.77	10.01	10.35
Hong Kong dollar	12.46	12.04	12.31	12.47

## Notes to the Full Year Results Announcement

### 2 Operating segments

#### Business analysis

The Group is organised into five operating divisions: Industry & Assurance, Commodities, Consumer Goods, Commercial & Electrical and Chemicals & Pharmaceuticals. The costs of corporate head office and other costs which are not controlled by the operating divisions are allocated to these divisions. These divisions are the basis on which the Group reports its primary segment information. A description of the activity in each division is given in the Operating Review by Division. The results of the divisions are shown below:

#### Year ended 31 December 2012

	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	Group operating profit £m
Industry & Assurance	665.6	2.0	667.6	(7.0)	77.4	(27.1)	50.3
Commodities	572.3	4.0	576.3	(22.1)	77.2	(1.7)	75.5
Consumer Goods	343.4	1.5	344.9	(11.5)	112.8	(6.0)	106.8
Commercial & Electrical	318.2	8.1	326.3	(14.0)	50.6	(3.1)	47.5
Chemicals & Pharmaceuticals	154.8	2.7	157.5	(5.7)	17.1	(7.2)	9.9
Eliminations	-	(18.3)	(18.3)	-	-	-	-
<b>Total</b>	<b>2,054.3</b>	<b>-</b>	<b>2,054.3</b>	<b>(60.3)</b>	<b>335.1</b>	<b>(45.1)</b>	<b>290.0</b>
Unallocated separately disclosed items					-	(6.7)	(6.7)
<b>Group operating profit</b>					<b>335.1</b>	<b>(51.8)</b>	<b>283.3</b>
Net financing costs					(26.7)	-	(26.7)
<b>Profit before income tax</b>					<b>308.4</b>	<b>(51.8)</b>	<b>256.6</b>
Income tax expense					(80.3)	11.9	(68.4)
<b>Profit for the year</b>					<b>228.1</b>	<b>(39.9)</b>	<b>188.2</b>

\* Depreciation and software amortisation of £63.6m (2011: £60.2m) includes unallocated charges of £3.3m (2011: £2.9m).

#### 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	Group operating profit £m
Industry & Assurance	468.6	2.0	470.6	(5.4)	50.9	(28.9)	22.0
Commodities	530.2	2.7	532.9	(22.0)	67.0	(2.7)	64.3
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)	-	-	-	-
<b>Total</b>	<b>1,749.4</b>	<b>-</b>	<b>1,749.4</b>	<b>(57.3)</b>	<b>281.1</b>	<b>(38.8)</b>	<b>242.3</b>
Unallocated separately disclosed items					-	(8.3)	(8.3)
<b>Group operating profit</b>					<b>281.1</b>	<b>(47.1)</b>	<b>234.0</b>
Net financing costs					(21.0)	-	(21.0)
<b>Profit before income tax</b>					<b>260.1</b>	<b>(47.1)</b>	<b>213.0</b>
Income tax expense					(73.3)	11.4	(61.9)
<b>Profit for the year</b>					<b>186.8</b>	<b>(35.7)</b>	<b>151.1</b>

## Notes to the Full Year Results Announcement

### 3 Separately disclosed items

		2012 £m	2011 £m
<b>Operating costs</b>			
Amortisation of acquisition intangibles	(a)	<b>(29.3)</b>	(25.3)
Acquisition and integration costs	(b)	<b>(5.5)</b>	(14.1)
Project costs	(c)	<b>(2.8)</b>	(7.7)
Restructuring costs	(d)	<b>(11.0)</b>	-
Goodwill impairment	(e)	<b>(3.2)</b>	-
<b>Total operating costs</b>		<b>(51.8)</b>	(47.1)
Income tax credit on separately disclosed items		<b>11.9</b>	11.4
<b>Total</b>		<b>(39.9)</b>	(35.7)

(a) Of the amortisation of acquired intangibles in the current year, £19.7m (2011: £13.2m) relates to the customer contracts and customer relationships acquired with the purchase of Moody International Limited ('Moody').

(b) Acquisition and integration costs comprise £1.8m (2011: £9.0m) for costs in respect of acquisitions and £3.7m (2011: £5.1m) in respect of integration costs.

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

(d) Restructuring costs relate to asset write offs and staff redundancies in certain regions in which the Group operates.

(e) Goodwill impairment relates to the planned disposal of certain operations in Europe.

## Notes to the Full Year Results Announcement

### 4 Earnings per share

	2012 £m	2011 £m
<b>Based on the profit for the year:</b>		
Profit attributable to equity holders of the Company	<b>173.8</b>	138.8
Separately disclosed items (note 3)	<b>39.9</b>	35.7
<b>Adjusted earnings</b>	<b>213.7</b>	174.5
<b>Number of shares (millions):</b>		
Basic weighted average number of ordinary shares	<b>160.6</b>	159.9
Potentially dilutive share awards	<b>2.3</b>	2.9
<b>Diluted weighted average number of shares</b>	<b>162.9</b>	162.8
Basic earnings per share	<b>108.2p</b>	86.8p
Potentially dilutive share awards	<b>(1.5)p</b>	(1.5)p
<b>Diluted earnings per share</b>	<b>106.7p</b>	85.3p
Adjusted basic earnings per share	<b>133.1p</b>	109.1p
Potentially dilutive share awards	<b>(1.9)p</b>	(1.9)p
<b>Adjusted diluted earnings per share</b>	<b>131.2p</b>	107.2p

### 5 Analysis of net debt

The components of net debt are outlined below:

	1 January 2012 £m	Cash flow £m	Exchange adjustments £m	31 December 2012 £m
<b>Cash</b>	181.9	(10.3)	(5.1)	<b>166.5</b>
<b>Borrowings:</b>				
Revolving credit facility US\$600m 2016	(304.4)	62.3	6.6	(235.5)
Bridge facility US\$300m	(155.1)	151.5	3.6	-
Bilateral multi-currency facility 2016	(13.4)	(26.6)	1.7	(38.3)
Senior notes US\$25m 2014	(16.1)	-	0.6	(15.5)
Senior notes US\$100m 2015	(64.6)	-	2.4	(62.2)
Senior notes US\$75m 2016	(48.5)	-	1.8	(46.7)
Senior notes US\$100m 2017	(64.6)	-	2.4	(62.2)
Senior notes US\$20m 2019	-	(12.9)	0.5	(12.4)
Senior notes US\$150m 2020	(96.8)	-	3.5	(93.3)
Senior notes US\$140m 2022	-	(90.5)	3.4	(87.1)
Senior notes US\$105m 2024	-	(68.1)	2.7	(65.4)
Other*	0.9	0.5	-	1.4
<b>Total borrowings</b>	<b>(762.6)</b>	16.2	29.2	<b>(717.2)</b>
<b>Total net debt</b>	<b>(580.7)</b>	5.9	24.1	<b>(550.7)</b>

\* Includes other borrowings of £0.8 m (2011: £2.2m) and facility fees.

## Notes to the Full Year Results Announcement

	2012	2011
	£m	£m
Borrowings due in less than one year	0.8	38.7
Borrowings due in one to two years	15.0	115.9
Borrowings due in two to five years	443.4	447.1
Borrowings due in over five years	258.0	160.9
<b>Total borrowings</b>	<b>717.2</b>	<b>762.6</b>

Key movements in the year are:

### US\$600m revolving credit facility

The Group's principal bank facility comprises a US\$600m multi-currency revolving credit facility signed in February 2011 and available to 31 March 2016. Advances under the new facility bear interest at a rate equal to LIBOR, or their local currency equivalent, plus a margin, depending on the Group's leverage. Drawings under this facility at 31 December 2012 were £235.5m (2011: £304.4m).

### Bilateral multi-currency facility

In December 2010 the Group signed a multi-currency facility available to March 2016. The facility comprises a £20m multi-currency revolver facility and a €12m multi-currency term loan facility. On 22 March 2011 the £20m multi-currency revolver facility was increased by £10m to £30m. Drawings under these facilities at 31 December 2012 were £38.3m (2011: £13.4m).

### Bilateral term loan facility 1

On 21 December 2012 the Group signed a US\$20m bilateral term loan available to March 2015. Advances under this facility bear interest at a rate equal to LIBOR plus a margin, depending on the Group's leverage. Drawings under this facility at 31 December 2012 were £nil.

### Bilateral term loan facility 2

On 21 December 2012 the Group signed a US\$20m bilateral term loan available to December 2015. Advances under this facility bear interest at a rate equal to LIBOR plus a margin. Drawings under this facility at 31 December 2012 were £nil.

### Private placement bonds

In June 2008 the Group raised US\$100m by way of a senior note issue. The notes are repayable on 26 June 2015 and pay a fixed annual interest rate of 5.54%.

In December 2008 the Group issued a further US\$100m of senior notes. These notes were issued in two tranches with US\$25m repayable on 21 January 2014 at a fixed annual interest rate of 7.5% and US\$75m repayable on 10 June 2016 at a fixed annual interest rate of 8.0%.

In December 2010 the Group issued a further US\$250m of senior notes. These notes were issued in two tranches with US\$100m repayable on 15 December 2017 at a fixed annual interest rate of 3.2% and US\$150m repayable on 15 December 2020 at a fixed annual interest rate of 3.91%.

In October 2011 the Group issued a further US\$265m of senior notes with the funds received in January 2012. These notes were issued in three tranches with US\$20m repayable on 18 January 2019 at a fixed annual interest rate of 3.0%, US\$140m repayable on 18 January 2022 at a fixed annual interest rate of 3.75% and US\$105m repayable on 18 January 2024 at a fixed annual interest rate of 3.85%.

### Other facilities

On 27 February 2012 the Group repaid and cancelled the US\$300m bridge facility used to part fund the acquisition of Moody International. Advances under this facility bore interest at a rate equal to LIBOR plus a margin, depending on the Group's leverage.

On 19 November 2012 the Group cancelled a US\$60m bilateral, multi-currency facility that was due to mature on 25 January 2013. The facility was not drawn in 2012.

## Notes to the Full Year Results Announcement

### 2013 Private placement bonds

In December 2012 the Group secured funding of US\$80m by way of a senior note issue. The funds were received in February 2013. These notes were issued in two tranches with US\$40m repayable on 14 February 2023 at a fixed annual interest rate of 3.10% and US\$40m repayable on 14 February 2025 at a fixed annual interest rate of 3.25%. The funds were used to reduce drawings under the principal bank facility.

## 6 Acquisition of businesses

### (a) Acquisitions

During the year the Group acquired six bolt on acquisitions for consideration of £40m:

#### 4<sup>th</sup> Strand

On 15 March 2012 the Group acquired 100% of the share capital of 4<sup>th</sup> Strand LLC, a company based in the USA, for a cash consideration of £4.1m. Goodwill arising was £3.4m and represents the value placed on the benefits in expanding own brand testing in the USA in the Consumer Goods division.

#### Automation Technology Inc.

On 5 April 2012 the Group acquired 100% of the share capital of Automation Technology Inc., a company based in the USA, for a cash consideration of £10.0m. Goodwill arising was £8.8m and represents the value placed on the benefits in expanding in-service inspection in the USA in the Industry & Assurance division.

#### Vigalab

On 8 May 2012 the Group acquired 100% of the share capital of Vigalab S.A., a company based in Chile, for a cash consideration of £3.3m. Goodwill arising was £2.2m and represents the value placed on the benefits in expanding minerals testing in Chile in the Commodities division.

#### Materials Testing and Inspection

On 10 September 2012 the Group acquired 100% of the share capital of Material Testing and Inspection Limited, the parent company of NDT Services Ltd, for a cash consideration of £14.3m. Goodwill arising was £11.5m and represents the value placed on expanding non-destructive testing services to the aerospace, power and petrochemical sectors.

#### Laboratory Services International

On 26 November 2012 the Group acquired 75% of the share capital of Laboratory Services International Rotterdam BV for a cash consideration of £4.1m. Goodwill arising was £3.9m and represents the value placed on providing London Metal Exchange approved facilities for analytical testing of traded minerals.

#### Tickford Test Technology

On 31 December 2012 the Group acquired 100% of the share capital of Tickford Test Technology Limited for a cash consideration of £3.8m. Goodwill arising was £1.1m and represents the value placed on providing petrol and diesel engine testing on behalf of manufacturers, as well as fuel and lubricant testing in the Chemicals & Pharmaceuticals division.

Provisional details of net assets acquired and fair value adjustments for all the acquisitions completed in the year 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 each acquisition.

## Notes to the Full Year Results Announcement

All acquisitions	Book value prior to acquisition	Fair value adjustments	Fair value to Group on acquisition
	£m	£m	£m
Property, plant and equipment	7.5	-	7.5
Goodwill	-	30.9	30.9
Other intangible assets	-	6.7	6.7
Inventories	0.3	-	0.3
Trade and other receivables	6.0	-	6.0
Trade and other payables	(6.9)	-	(6.9)
Provisions for liabilities and charges	(0.3)	-	(0.3)
Corporation tax payable	(0.7)	-	(0.7)
Deferred tax liabilities	-	(2.1)	(2.1)
<b>Net assets acquired</b>	<b>5.9</b>	<b>35.5</b>	<b>41.4</b>
Cash outflow (net of cash acquired)			39.6
Contingent consideration			1.8
<b>Total consideration</b>			<b>41.4</b>

The goodwill of £30.9m represents the value of the assembled workforce and the benefits Intertek expects to gain from increasing its presence in the relevant sectors in which the acquired businesses operate.

The intangible assets of £6.7m represent the value placed on customer contracts and relationships and the deferred tax thereon was £2.1m.

The revenue for the period from the dates of acquisition to 31 December 2012 was £8.9m. The revenue for the period 1 January 2012 to the dates of acquisition was £18.7m. The profit for the period from the dates of acquisition to 31 December 2012 attributable to the Group was £1.5m. The profit for the period 1 January 2012 to the dates of acquisition was £2.3m.

### (b) Acquisitions subsequent to the balance sheet date

Subsequent to the balance sheet date, there have been no material acquisitions.

### (c) Prior period acquisitions

Consideration of £0.6m (2011: £2.6m) was paid during the year in respect of prior period acquisitions.

The fair value adjustments to the net assets of Moody International were finalised by 27 April 2012. As a result of this exercise, goodwill increased by £7.3m compared to December 2011.

### (d) Impact of acquisitions on the Group results

The Group revenue and profit for the year ended 31 December 2012 attributable to the Group would have been £2,073.0m and £190.5m respectively if the acquisitions were assumed to have been made on 1 January 2012.

### (e) Details of 2011 acquisitions

Full details of acquisitions made in the year ended 31 December 2011 are disclosed in note 10 to the Annual Report for 2011.

### (f) Reconciliation of goodwill

	£m
Goodwill at 1 January 2012	637.0
Additions	41.1
Impairment	(3.2)
Foreign exchange	(6.4)
<b>Goodwill at 31 December 2012</b>	<b>668.5</b>

## Notes to the Full Year Results Announcement

### 7 Property, plant, equipment and software

#### (a) Additions

During the year ended 31 December 2012, the Group acquired fixed assets with a cost of £115.0m (2011: £80.6m). In addition, the Group acquired assets of £7.5m (2011: £5.9m) through business combinations (note 6).