

2011 Half Year Results Presentation

1 August 2011

Wolfhart Hauser
Chief Executive Officer

Lloyd Pitchford
Chief Financial Officer



Cautionary statement regarding forward-looking statements

This presentation contains certain forward-looking statements with respect to the financial condition, results, operations and business of Intertek Group plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this presentation should be construed as a profit forecast.

1 August 2011



Valued Quality. Delivered.

Lloyd Pitchford

Financial Performance

2011 Half Year Results Presentation



Results Overview



Valued Quality. Delivered.

- Strong growth in revenue, profit and earnings
- Moody acquisition completed; strong momentum
- Operating margin 15.6%
- Diluted adjusted EPS up 12%; interim dividend up 15%
- Progress on Intertek as One programme
- Three bolt on acquisitions

Financial Highlights

Intertek

Valued Quality. Delivered.

For the six months to 30 June 2011

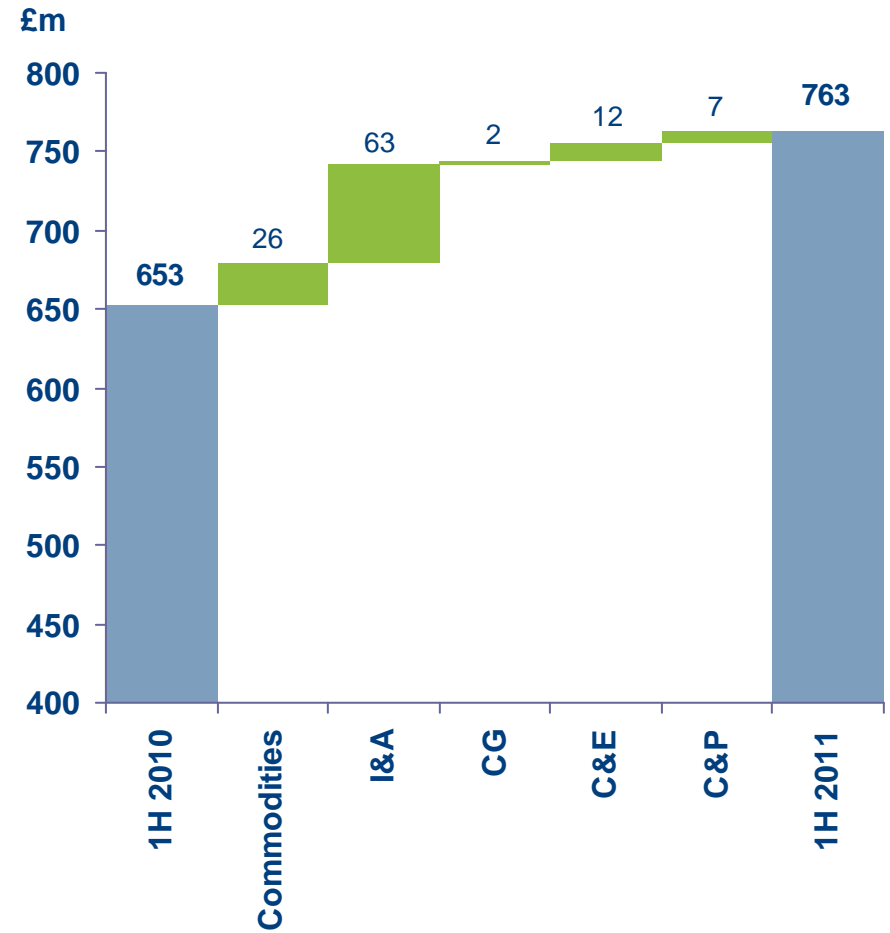
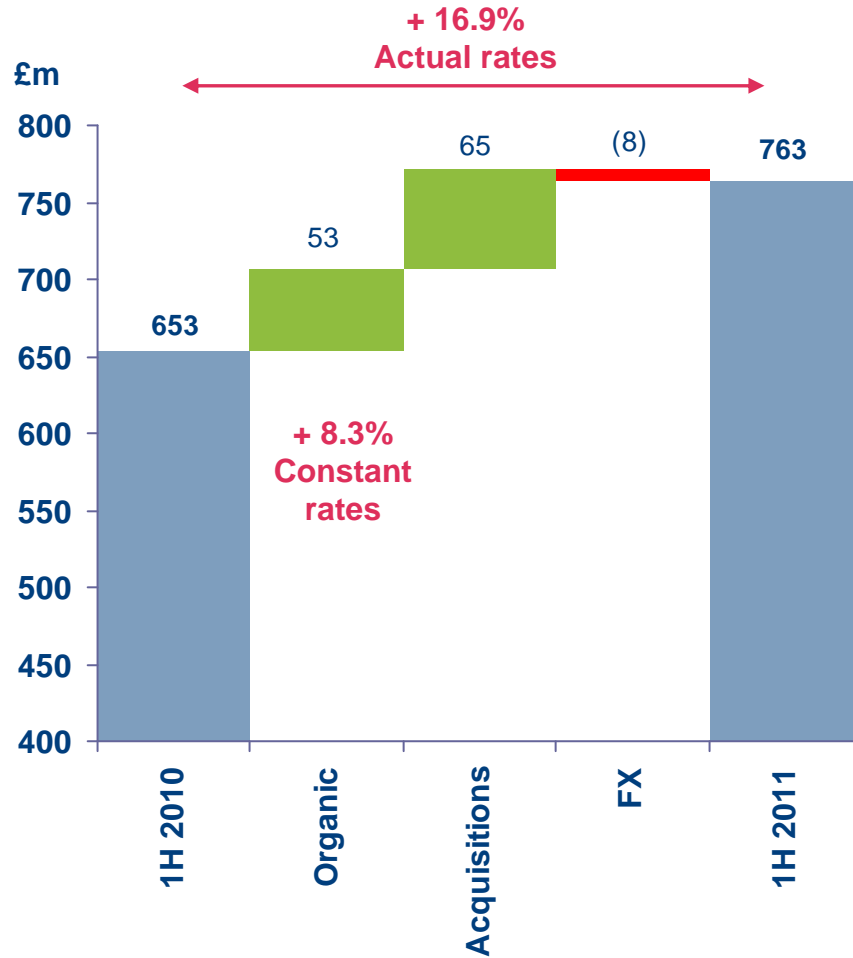
Revenue	£763m	+ 16.9% at actual + 8.3% at constant organic
Operating profit ⁽¹⁾	£119m	+ 14.5% at actual + 7.8% at constant organic
Operating profit margin ⁽¹⁾	15.6%	– 30bps at actual – 10bps at constant organic
Profit before tax ⁽¹⁾	£111m	+ 13.7%
Diluted adjusted EPS ⁽¹⁾	45.4p	+ 11.8%
Operating cash flow	£47.6m	– 2.9%

(1) Before separately disclosed items

1H Revenue Growth



Valued Quality. Delivered.



Moody International Acquisition



Valued Quality. Delivered.

- Completed April 27th; £450 million
- Good performance momentum
- Two month performance
 - Revenue growth 13% on prior year
 - Operating margin 13%
- Good progress on integration - savings delivery ahead of schedule

- Interest charge of £8.1m, up £1.7m
- Net debt of £638m, net debt/EBITDA of 1.9x
- Effective tax rate of 28%
- Separately disclosed items:
 - £9.5m amortisation of acquisition intangibles
 - £9.5m acquisition, transaction costs and integration costs
 - £6.3m restructuring charges – Finance and IT outsourcing

Intertek as One Finance & IT Restructuring



Valued Quality. Delivered.

- US Shared Service created in 2010
- Outsourcing of Finance and IT back office services
 - Accenture delivery centre in Delhi
 - Phased implementation over two years
- Create platform for efficient, scalable growth
- £11m restructuring costs across 2011 and 2012
- Benefits ramping to c £10m p.a. cost savings by FY 2014

Cashflow and Investment



Valued Quality. Delivered.

EBITDA Cash Conversion



Days Sales Outstanding (DSO)

1H	75	71	62	68	65
2H	70	69	62	64	-

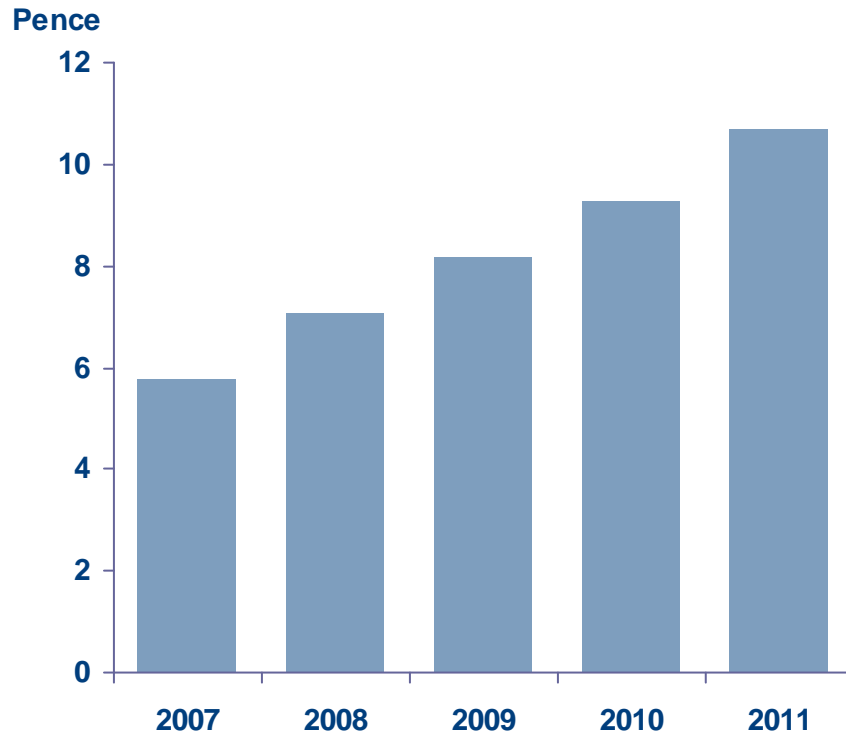
- DSO of 65 days (1H10: 68 days)
- Cash conversion broadly in line with 1H trend
- Cashflow from operations £47.6m
- Capex £32m; 4.2% of revenue
- Moody acquisition £450m

Interim Dividend



Valued Quality. Delivered.

Interim Dividend Per Share



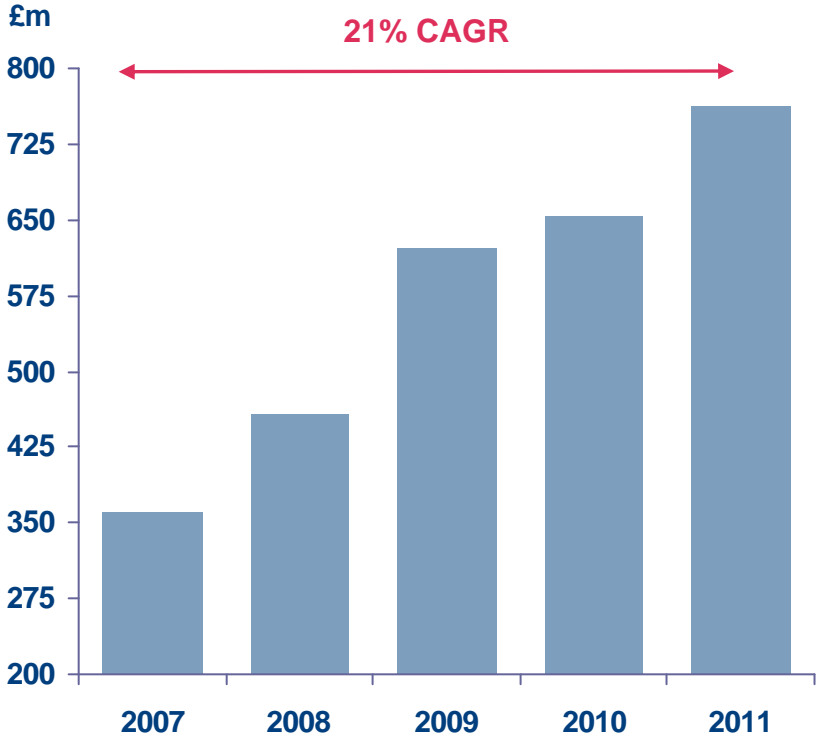
- Interim dividend of 10.7p, up 15%
- Interim payout of £17m
- Strong and consistent record of dividend growth

Five Year 1H History 2007 to 2011

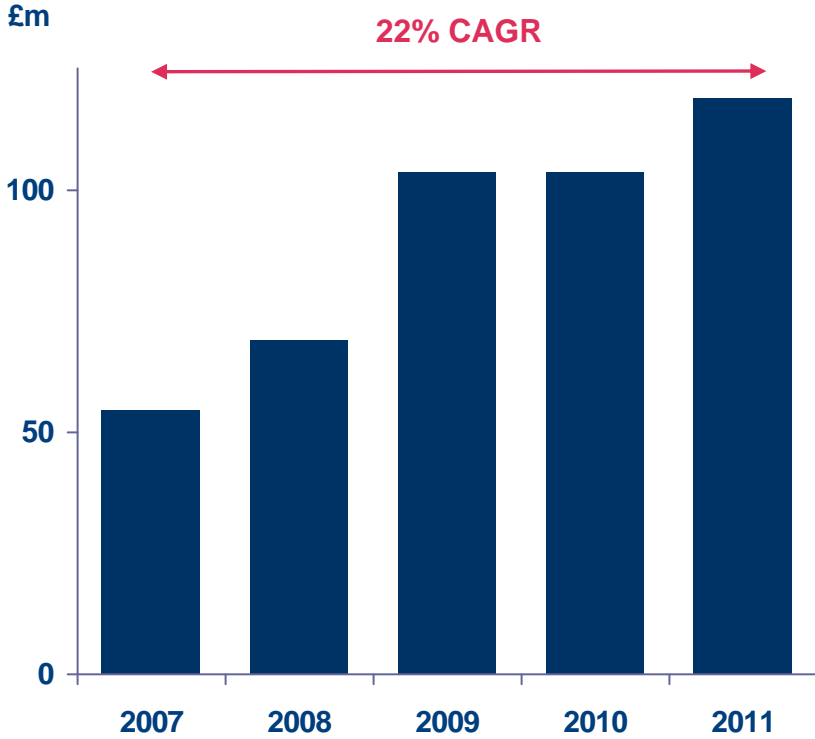


Valued Quality. Delivered.

1H Revenue



1H Adjusted Operating Profit





- Strong growth in revenue, profit and earnings
- Moody acquisition completed; strong momentum
- Cost savings: Finance and IT outsourcing
- 2011 Outlook
 - High single digit organic growth
 - Operating margin close to 2010



Valued Quality. Delivered.

Wolfhart Hauser Chief Executive Officer

Operating Performance

2011 Half Year Results Presentation



What we do for our customers

Intertek

Valued Quality. Delivered.

Support

Their products and processes in their global trade in all quality related aspects

Speed to Market

Cut lead times and costs without compromising quality safety or environment

Protect

Reduce financial, operational, reputational and environmental risks

Growth Drivers



Valued Quality. Delivered.

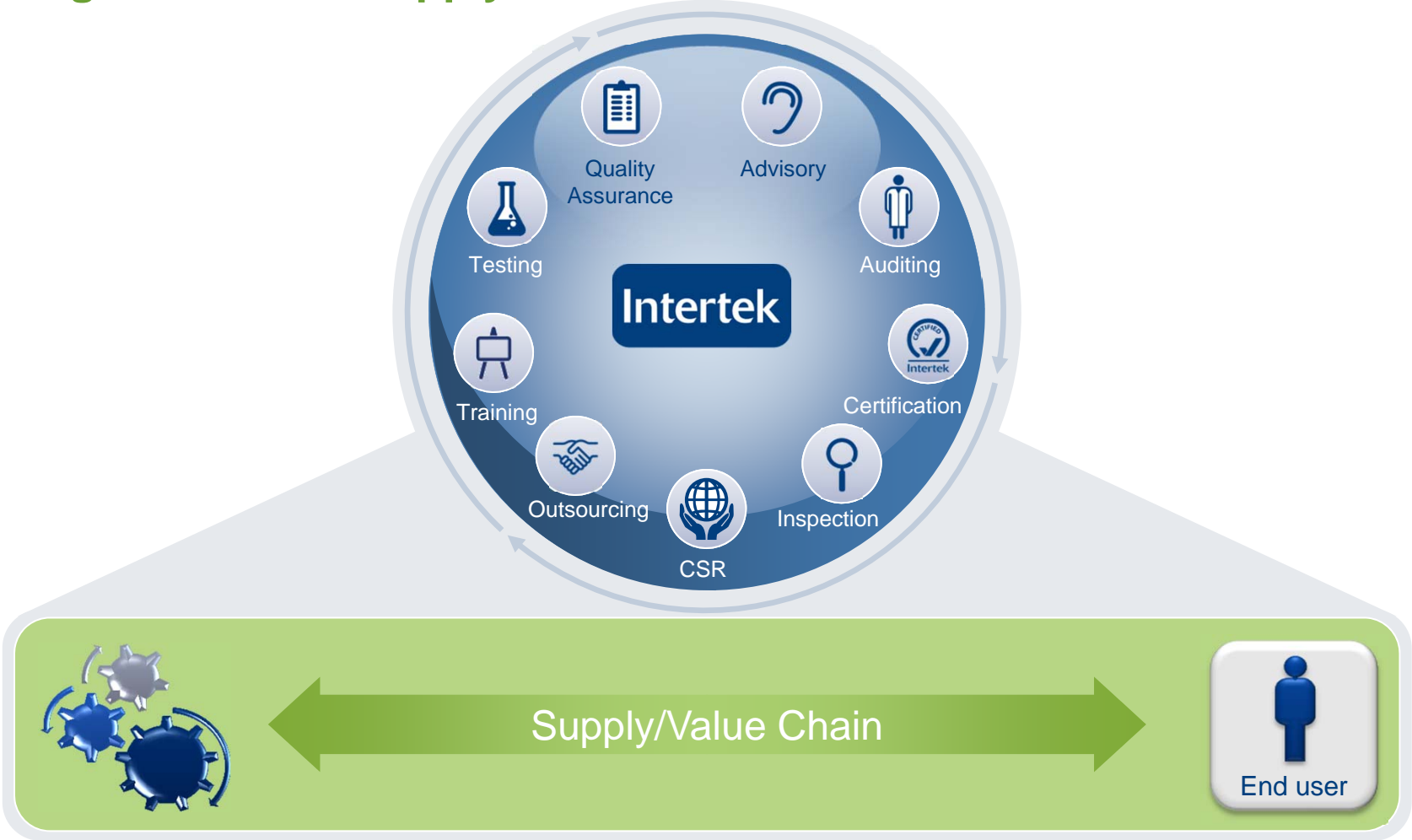


Our Strategy



Valued Quality. Delivered.

Target the entire supply chain...

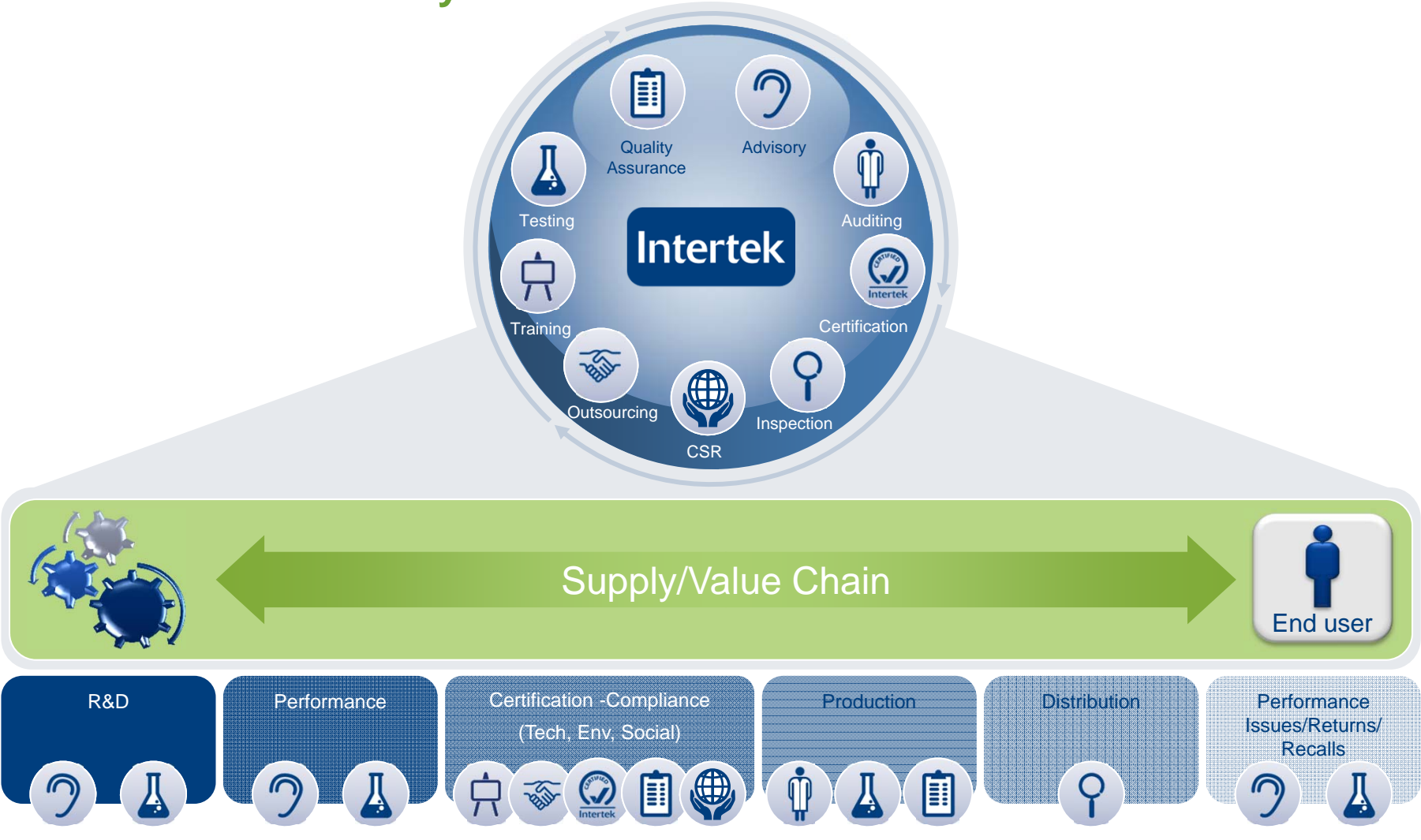


Our Strategy



Valued Quality. Delivered.

...in each industry

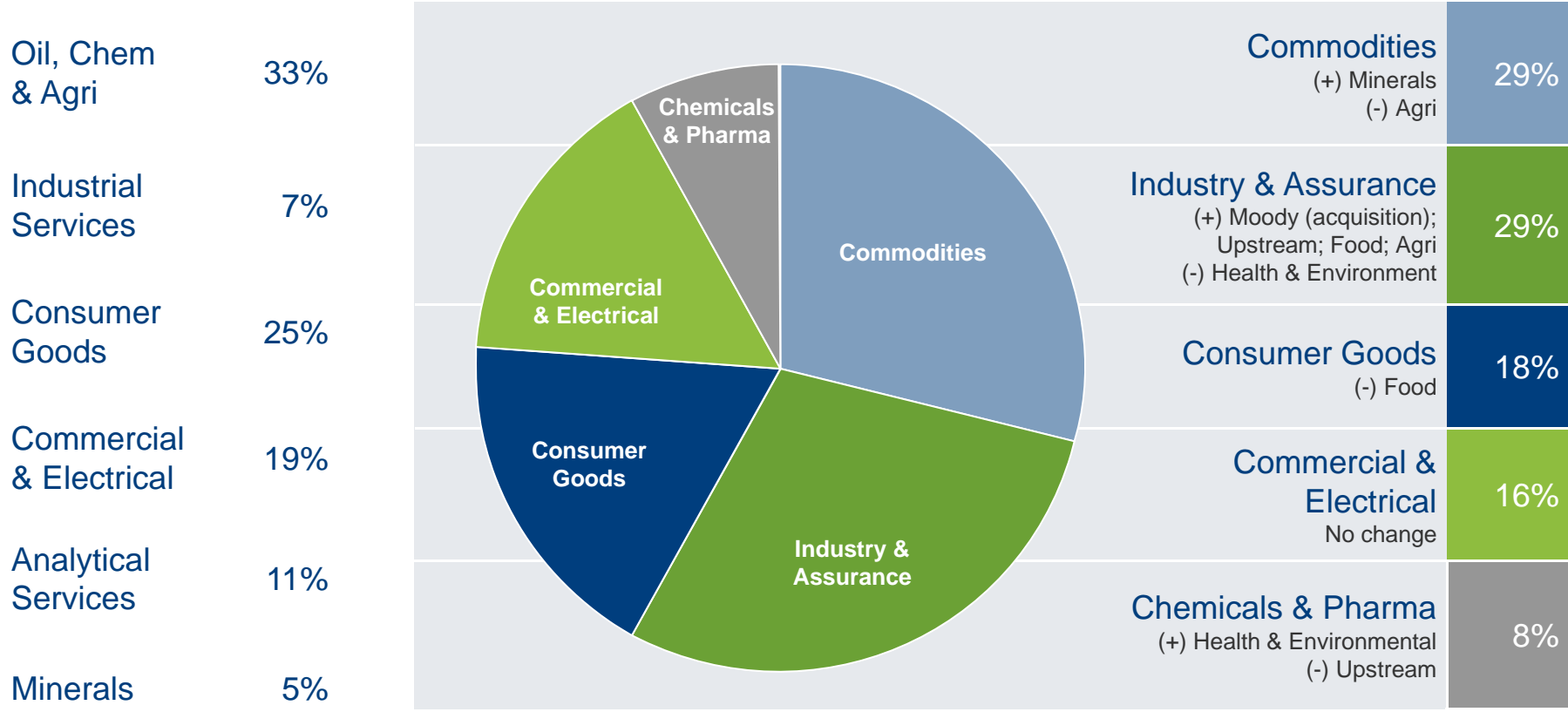


New Business Mix



Valued Quality. Delivered.

2010 Actual **Pro-forma ¹**



¹ Based on 2010 Divisional and Moody revenues
 (+) Business stream added (-) Business stream removed

H1 11 Performance

£m @ constant exchange	H1 11	Change	Organic change
Revenue	251.2	12.2%	12.2%
Operating profit	28.3	21.5%	21.5%
Margin	11.3%	90bps	90bps

- Very strong results in Minerals and Trade Services
- Expansion in Asia and Western Europe
- North America oil cargo inspection flat on revenue

Outlook

- Demand growth for oil and minerals driven by emerging markets
- North American refining activity to gradually increase
- Network expansion: Europe, Asia, Latin America

33% of Group Revenue; 24% of Group Operating Profit

H1 11 Performance

£m @ constant exchange	Total H1 11	Total Change	Organic H1 11	Organic Change
Revenue	154.6	70.3%	92.9	3.0%
Operating profit	15.1	106.8%	6.2	(13.9)%
Margin	9.8%	180bps	6.7%	(130)bps

- Intertek-Moody trading well, contract wins
- Agri negative, impacting growth and margin
- Good development in Industry Services & Systems Certification
- Continued expansion in Food lab and service infrastructure

Outlook

- Majors increasing investment in energy assets
- Good demand in emerging markets and green energy construction
- Strong backlog
- Pursuit of cross-selling opportunities
- Food quality control needs and regulation

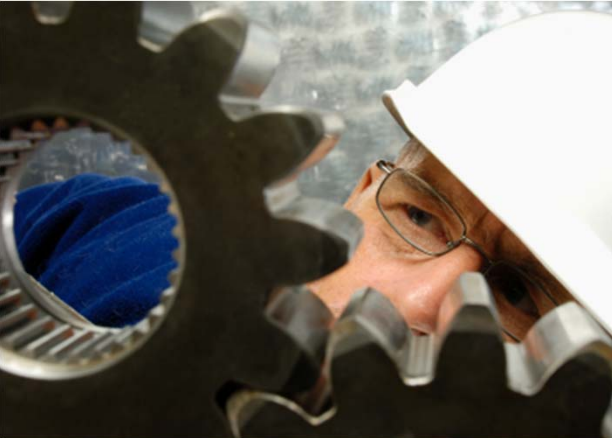
20% of Group Revenue; 13% of Group Operating Profit

Industry & Assurance



Valued Quality. Delivered.

Our Strategy in Action....



Oil Major

Global supplier technical audit programme. 1,500 suppliers over 3 years



Global Mining Group

Behaviour-based safety training programme over 4k staff over 2 years



International Beverage maker

Technical inspection for construction of breweries in Asia



Telecoms Industry

Global assurance auditing and systems certification contract with global leader

H1 11 Performance

£m @ constant exchange	H1 11	Change	Organic change
Revenue	146.3	3.6%	3.6%
Operating profit	47.0	(3.9)%	(3.9)%
Margin	32.1%	(250)bps	(250)bps

- Growth in Textiles and Toys; Inspection down on volume
- Strong growth in Emerging Markets; Coastal China and HK flat
- Cost inflation influencing cost base in Textiles; Rapid industry upsizing and downsizing in low-cost industries
- Network expansion: Guatemala, Bangladesh, Vietnam, Cambodia, Turkey
- Limited regulatory expansion in the period

Outlook

- Flexible global network will capture customers' new sourcing patterns
- Adapting processes and cost base as industry shifts
- Product variety
- Increasing quality and safety demands of end-users sustaining growth; influenced by regulatory changes driving further growth
- Emerging market consumers

19% of Group Revenue; 39% of Group Operating Profit

H1 11 Performance

£m @ constant exchange	H1 11	Change	Organic change
Revenue	141.4	10.9%	10.9%
Operating profit	22.9	33.1%	33.1%
Margin	16.2%	270bps	270bps

- Good performance in nearly all streams driving profitability
- China strong
- Fastest growth in high-tech areas: IT and Telecom; Lighting; Energy Storage
- Renewable energy and green testing ongoing

Outlook

- Positive product development pipeline across our markets
- Market share gains through service focus
- New technology development and product innovation creating strong demand
- Continued investment in labs and technologies

19% of Group Revenue; 19% of Group Operating Profit

H1 11 Performance

£m @ constant exchange	H1 11	Change	Organic change
Revenue	69.6	13.5%	7.7%
Operating profit	5.4	10.2%	2.1%
Margin	7.8%	(20)bps	(40)bps

- Good growth in chemicals and materials
- Continued weakness in pharma
- REACH and global H&E regulation ongoing

Outlook

- Development of new materials, technologies and complexity continuing
- Biologics (macro-molecules), bio-similars will be drivers
- Counterfeit drug issues in emerging markets
- Health, environmental and chemical regulations extending in emerging markets

9% of Group Revenue; 5% of Group Operating Profit

Outlook 2011

- Strong growth in revenue and earnings
- Moody performing well
- Cross selling synergies taking effect
- Growth drivers intact; Different rates of acceleration across industries and regions

Strategic Outlook

Stronger platform for profitable future growth; Margin development under Intertek as One **01**

Resilient business spread across many industries; High barriers to entry **02**

Leading positions in areas of technological innovation **03**

Partnering with clients across entire value chain **04**

Diversified portfolio with good potential for increased margin and growth **05**

2011 Half Year Results Presentation

1 August 2011

Wolfhart Hauser
Chief Executive Officer

Lloyd Pitchford
Chief Financial Officer



Appendix

2011 Half Year Results Presentation



Profit before tax

Intertek

Valued Quality. Delivered.

£m @ actual exchange rates	1H 2011	1H 2010
Adjusted operating profit ¹	118.7	103.7
Amortisation of acquisition intangibles	(9.5)	(6.4)
Acquisition and integration costs	(9.5)	(3.6)
Restructuring costs – Business Process Outsourcing	(6.3)	-
Claims and settlements	-	(2.8)
Statutory operating profit	93.4	90.9
Net interest expense	(8.1)	(6.4)
Profit before tax	85.3	84.5

1. Before separately disclosed items

Taxation

Intertek

Valued Quality. Delivered.

£m @ actual exchange rates	1H 2011	1H 2010
Profit before tax	85.3	84.5
Tax	(26.5)	(23.1)
Profit after tax	58.8	61.4
Reported tax rate	31.1%	27.3%
Effective tax rate on adjusted operating profit	28.0%	27.0%

Operating cash flow

Intertek

Valued Quality. Delivered.

£m @ actual exchange rates	1H 2011	1H 2010
Operating Profit before changes in working capital and provisions	136.5	128.7
Changes in working capital:		
Inventory	(2.7)	0
Debtors and prepayments	(33.0)	(33.8)
Creditors and accruals	(24.5)	(7.2)
Cash generated from operations	76.3	87.7

Free cash flow

Intertek

Valued Quality. Delivered.

£m @ actual exchange rates	1H 2011	1H 2010
Operating cash flow	76.3	87.7
Net interest	(8.0)	(7.6)
Taxation	(19.7)	(30.7)
Capital expenditure	(31.3)	(24.8)
Free cash flow	17.3	24.6
<i>Capital expenditure to revenue % (6M)</i>	4.2%	3.8%
<i>Capital expenditure to revenue % (12M)</i>	4.9%	4.3%

Net debt at 30 June 2011

Intertek

Valued Quality. Delivered.

£m @ actual exchange rates	1H 2011	1H 2010
Borrowings	809.9	379.9
Cash	(171.8)	(139.8)
Net debt	638.1	240.1
<i>Net debt to EBITDA (Proforma LTM)</i>	<i>1.9x</i>	<i>0.9x</i>

Liquidity position at 30 June 2011

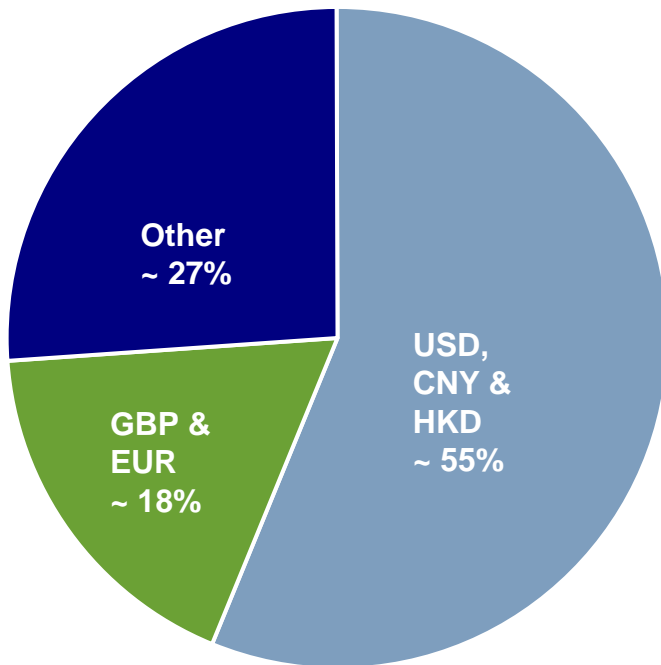
Intertek

Valued Quality. Delivered.

£m @ actual exchange rates	1H 2011	1H 2010
Debt facilities	925.0	540.9
Borrowings	(809.9)	(379.9)
Letters of credit secured by facilities	-	(5.6)
Undrawn committed borrowing facilities	115.1	155.4
Cash	171.8	139.8
Liquid funds	286.9	295.2

Currency analysis

Revenue by currency



Value of £1	1H 2011	1H 2010	FY 2010
USD ↑ 5%	1.61	1.53	1.55
CNY ↑ 1%	10.55	10.45	10.47
EUR → 0%	1.15	1.15	1.17
HKD ↑ 5%	12.55	11.89	12.00
AUD ↓ 10%	1.56	1.72	1.69
CAD ↓ 1%	1.58	1.59	1.60