2 August 2010

2010 HALF YEAR RESULTS

Intertek Group plc ("Intertek"), a leading international provider of quality and safety services, announces its half year results for the period ended 30 June 2010.

Good results – Improved 2010 Outlook

Adjusted results (1)	**H1 10**	H1 09	Change as reported	Change at constant rates
Revenue	**£652.6m**	£622.3m	4.9%	5.2%
Operating profit	**£103.7m**	£103.5m	0.2%	1.2%
Operating profit margin	**15.9%**	16.6%	(70)bps	(60)bps
Profit before tax	**£97.3m**	£94.2m	3.3%	
Diluted earnings per share	**40.6p**	40.2p	1.0%	

Statutory results	**H1 10**	H1 09	Change as reported
Operating profit	**£90.9m**	£97.0m	(6.3)%
Profit before tax	**£84.5m**	£87.7m	(3.6)%
Diluted earnings per share	**34.6p**	36.9p	(6.2)%
Basic earnings per share	**35.2p**	37.5p	(6.1)%
Interim dividend	**9.3p**	8.2p	13.4%

(1) Adjusted results are stated before separately disclosed items which include amortisation of acquisition intangibles, acquisition and related integration costs and certain claims and settlements (see Presentation of Results and note 3 to the Interim Financial Statements).

Highlights

- Organic revenue growth of 4.6% at constant exchange rates – growth in all divisions
- Organic operating profit growth of 1.5% at constant exchange rates
- Three acquisitions now completed, for total consideration of £30.4m
- Interim dividend increased by 13.4% to 9.3p
- Improved 2010 outlook

Wolfhart Hauser, Chief Executive Officer, said:

"Intertek has reported a good first half of the year with trading improving during the period. We are continuing to invest in organic growth and also completed three acquisitions in the year to date. With a strong financial position, we continue to make targeted bolt-on acquisitions and to evaluate medium-sized strategic acquisitions to increase shareholder value.

While the Group's overall growth drivers remain strong, the pace of recovery in our markets continues to vary. However, environmental regulations, the expansion of renewable energy industries and consumers' concern over the health and safety of their products continue to drive good growth and offset some weaker markets. With the trading outlook improving, we now expect to achieve 2010 organic revenue growth of mid single digits with a broadly similar margin compared to 2009, and as markets recover further we expect to return to high single digit organic growth rates."

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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.

Corporate website: www.intertek.com

High resolution images of Intertek businesses are available to download, free of charge from the News & Media section of 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 and 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 1,000 laboratories and offices and over 26,000 people in more than 100 countries around the world.

Intertek

HALF YEAR REPORT 2010

BUSINESS REVIEW

For the six months ended 30 June 2010

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 to the Interim Financial Statements, are excluded from the adjusted results. The figures discussed in this review extracted from the income statement are presented before separately disclosed items.

Overview of performance

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**652.6**	622.3	4.9%	5.2%
Operating profit	**103.7**	103.5	0.2%	1.2%
Margin	**15.9%**	16.6%	(70)bps	(60)bps
Net financing costs	**6.4**	9.3		
Income tax expense	**26.3**	25.1		
Earnings for the period	**65.6**	64.6	1.5%	
Diluted earnings per share	**40.6p**	40.2p	1.0%	
Cash generated from operations	**87.7**	117.1	(25.1)%	
Capital investment - acquisitions	**24.4**	29.0	(15.9)%	
Capital investment - organic	**24.8**	23.5	5.5%	

Revenue increased by 4.9% to £652.6m at actual exchange rates. At constant exchange rates, revenue increased by 5.2% as sterling strengthened against key currencies. Excluding the results of acquisitions made since 1 January 2009, organic revenue increased 4.6% at constant exchange rates with all six divisions contributing to the growth.

Operating profit was £103.7m, up 1.2% at constant exchange rates. Organic operating profit also increased by 1.5% at constant exchange rates, driven by growth in Oil, Chemical & Agri, Analytical Services and Minerals. The Group's adjusted operating margin at constant exchange rates decreased 60 basis points principally due to the normalisation of toy testing volumes following the spike in CPSIA (Consumer Product Safety Improvement Act) related work which benefited the first half of 2009.

Net financing costs were £2.9m lower at £6.4m principally due to the impact of exchange rate movements on the revaluation of current assets and liabilities, denominated in foreign currencies. The adjusted effective tax rate was 27.0% (H1 09: 26.6%) and this is the estimated rate for the full year.

Cash generated from operations was £29.4m lower at £87.7m. The reduction was principally due to an increase in trade receivables following an exceptionally low debtor position at the end of 2009.

The Group continued its strategy of making bolt-on acquisitions, completing two acquisitions in the first half of the year for total consideration of £24.4m and one acquisition in July for £6.0m. Organic investment in the period was 5.5% higher at £24.8m. Significant projects included a new textile lab in South Korea, a food lab in India and the expansion of photovoltaic facilities in the USA.

The Group ended the period in a strong financial position with net debt of £240.1m and an annualised net debt/EBITDA ratio of 0.9 (H1 09: 1.2).

Following good progress during the first half and an improved outlook for 2010 the Board has approved a 13.4% increase in the interim dividend to 9.3 pence per share. The dividend will be paid on 19 November 2010 to shareholders on the register at 5 November 2010.

Business development highlights

On 31 March 2010, the Group acquired the Regulatory and Safety Testing businesses of CIBA Expert Services from BASF (CIBA ES). The net assets acquired, excluding goodwill, were approximately £5.4m and the revenue that the business will generate is expected to be around £20m in the first year. CIBA ES provides services in two segments: regulatory testing and consulting services and environmental and safety testing, to companies in industries including pharmaceutical, chemical, food, healthcare, consumer product and agriculture. The business employs around 200 people across Switzerland, Canada, UK, USA, China, India, Brazil, Italy and Japan and offers a range of services and expertise complementary to Intertek Group's services and clients. The businesses are being integrated into our Industrial Services and Analytical Services divisions.

The Group made two smaller infill acquisitions in May and July. Details of the three acquisitions made to date are given in note 10 to the Interim Financial Statements. Our pipeline of acquisition opportunities is strong and we expect to complete further acquisitions before the end of the year.

On 20 July 2010, Intertek announced a long-term outsourcing agreement with Air Products, a leading industrial gases company in the USA. Air Products has leased its high-end laboratory in Allentown, Pennsylvania and transferred 31 scientists and materials engineers to Intertek. This contract will provide the Group with a world class technology centre for materials and pharmaceuticals analysis in North America.

Separately disclosed items

Separately disclosed items before tax were £12.8m in the first half of 2010 (H1 09: £6.5m). The increase principally represents £2.6m of costs associated with discussions with Det Norske Veritas (DNV) and £2.8m related to an agreement to settle a claim with a group of employees in the USA. Further information on separately disclosed items is given in the Presentation of Results section of this report and in note 3 to the Interim Financial Statements.

OPERATING REVIEW BY DIVISION

A review of the adjusted results of each division in the six months to 30 June 2010 compared to the six months to 30 June 2009 is set out below. Revenue and operating profit are presented at actual exchange rates and growth rates are shown at both actual and constant exchange rates. Operating profit and operating margin are stated before separately disclosed items.

Consumer Goods

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**161.9**	162.5	(0.4)%	1.6%
Operating profit	**51.2**	53.7	(4.7)%	(2.3)%
Operating margin	**31.6%**	33.0%	(140)bps	(130)bps

The Consumer Goods division provides services to the textiles, toys, footwear, hardlines, food, and retail industries. Services include testing, inspection, auditing, advisory services, quality assurance, and hazardous substance testing.

Despite a challenging first half comparative due to the introduction of CPSIA toy testing regulations in the prior period, the division delivered broadly stable results with revenue up 1.6% at constant exchange rates. The underlying growth was wholly organic. Revenue from textile testing grew well, particularly in China, Taiwan, Bangladesh and Vietnam. The food service line reported good revenue growth and continued to expand its geographic footprint. Inspection services also grew well. Growth was partially offset by the decline in revenue from toy testing as activity returned to normal levels following the impact of CPSIA on the first half of the prior year.

Operating profit was down 2.3% to £51.2m at constant exchange rates. The operating margin was down 130 points, principally due to the beneficial impact of CPSIA on the prior period.

Consumer concerns over the safety of consumer products have increased demand for independent assurance of quality and safety. New rulings on CPSIA in the US and the new EU Toys Directive present further opportunities for growth in 2011 and 2012. Retailers continue to source products from countries where production costs are low, so supply chains are increasingly complex. The trend towards shorter product life-cycles and increasing product variety also continues to contribute to our growth. We continue to invest in growth areas such as food services and expand our service offerings by developing innovative solutions for our clients.

Commercial & Electrical

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**129.6**	125.2	3.5%	4.5%
Operating profit	**17.5**	17.8	(1.7)%	(1.1)%
Operating margin	**13.5%**	14.2%	(70)bps	(80)bps

The Commercial & Electrical division provides services including testing and certification, electromagnetic compatibility testing (EMC), outsourcing, benchmark and performance testing and environmental testing. These are provided to a wide range of industries including the home appliance, lighting, medical, building, industrial and HVAC (heating, ventilation and air conditioning), IT, telecom, renewable energy and automotive industries.

Revenue increased to £129.6m, up 4.5% at constant exchange rates. The growth was wholly organic. Most sectors in the Commercial & Electrical division grew well, with core service lines such as electrical & electronic, renewable energy and medical growing well. The automotive business is beginning to recover

with revenue growth in both the USA and Asia. Revenue from building products was down due to fewer construction projects in North America and the phasing of HVAC work which will be more weighted to the second half of the year. The IT sector also remained challenging.

Operating profit was £17.5m, down 1.1% at constant exchange rates. The decline in operating margin was mainly due to lower activity in building products and the phasing of HVAC work.

The renewable energy sector is growing rapidly and we have added additional capacity to capture this opportunity. The core business lines are expected to continue to perform well and the underperforming sectors are being closely managed.

Oil, Chemical & Agri

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**218.4**	205.6	6.2%	5.8%
Operating profit	**23.7**	20.3	16.7%	14.5%
Operating margin	**10.9%**	9.9%	100bps	90bps

The Oil, Chemical & Agri division provides independent cargo inspection as well as non-inspection related laboratory testing, calibration and related technical services to the world's energy, petroleum, chemical and agricultural industries. The division also provides cargo scanning, fiscal support services and product conformity programmes to governments, national standards organisations and customs authorities.

Total revenue increased to £218.4m, up 5.8% at constant exchange rates. The growth was wholly organic. Strong growth in the EMEA and APAC regions was partially offset by slower growth in the Americas which had a slow start to the year, reflecting tough trading conditions in North America. Government services and agri, each of which are contributing approximately 10% to the division's revenue, grew well, with improved activity in some of the product conformity programmes and new agri customers in the Americas and Asia.

Operating profit was £23.7m, up 14.5% at constant exchange rates and the operating margin was up 90 basis points.

On 16 June 2010, Intertek announced that it was acquiring Expertises Technologies & Services SA (ETSA) from Air Liquide SA. ETSA provides cargo inspection and analysis services for the oil and gas industry through five operational sites in France. The acquisition was effected on 1 July 2010 and will increase our ability to support more outsourcing of new fuels research and development and provide refinery support to our local and global clients.

Whilst the US market remains variable, we are seeing growth opportunities in the rest of the world, particularly in emerging markets.

Analytical Services

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**72.3**	66.9	8.1%	9.5%
Operating profit	**7.0**	6.5	7.7%	6.1%
Operating margin	**9.7%**	9.7%	-	(30)bps

Analytical Services provides advanced laboratory services and consultancy to a broad range of industries including chemical, pharmaceutical, oil and gas, and automotive and aerospace. We have an established track record of success in laboratory outsourcing with many large international companies.

Total revenue increased to £72.3m, up 9.5% at constant exchange rates, including organic revenue growth of 5.8%. Materials testing reported good growth, boosted by strong results from Polychemlab in the Netherlands. Growth in upstream testing and the European pharmaceutical sector was partially reduced by a decline in revenue in the pharmaceutical sector in the USA.

Total operating profit was £7.0m, up 6.1% at constant exchange rates.

The Group continues to seek opportunities to expand its service portfolio both organically through outsourcing agreements and also by bolt-on acquisitions.

On 31 March 2010, the Group acquired the Regulatory and Safety Testing businesses of CIBA Expert Services from BASF. The Safety Testing business conducts a range of expert pharmaceutical & chemical and safety services and will be managed in the pharmaceutical services stream of Analytical Services. The main laboratory for this new business is located in Basel, Switzerland, with smaller facilities in India, the UK and the USA. These operations are being integrated into Intertek's global network to maximize opportunities and synergies and optimize costs.

On 20 July 2010, Intertek announced a long-term outsourcing agreement with Air Products, a leading industrial gases company, in the USA. Air Products has leased its high-end laboratory in Allentown, Pennsylvania and transferred 31 scientists and materials engineers to Intertek. This contract will provide the Group with a world class technology centre for materials and pharmaceuticals analysis in North America.

The pharmaceutical sector continues to be volatile, particularly in the USA, however strong performance in other sectors is expected to result in sustainable growth.

Industrial Services

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**41.8**	40.2	4.0%	4.5%
Operating profit	**2.3**	3.6	(36.1)%	(30.3)%
Operating margin	**5.5%**	9.0%	(350)bps	(280)bps

Industrial Services is a global provider of technical verification, inspection, testing and auditing services. This includes management systems certification, second-party auditing, supplier evaluation, conformity assessment, asset integrity management, training, health and safety and risk consulting, and greenhouse gas services. We serve a wide variety of industries including oil, gas, petrochemical, power, renewable energy, and civil and infrastructure.

Total revenue increased to £41.8m, up 4.5% at constant exchange rates. Organic revenue increased by 1.1% at constant exchange rates. The organic growth in systems certification and health & environment services was partially offset by a decline in the oil and gas infrastructure sector, where project starts were deferred. The market for industrial services continues to be impacted by the lack of funding available for capital projects.

Total operating profit was £2.3m, down 30.3% at constant exchange rates and the margin decreased by 280 basis points, due to the weakness in the market described above.

The regulatory business which was acquired from BASF on 31 March 2010, will be managed by the Industrial Services division, split between the health & environment and food business streams.
The regulatory business provides testing and consulting for the purpose of regulatory approvals, and is mainly based in Canada and the USA, with smaller operations in Switzerland, UK, China, India, Brazil and Japan. Clients are split across the food industry and other mixed industry client bases.

On 4 May 2010, the Group acquired 100% of the share capital of Norca Ingenieria de Calidad, SL. Norca offers services such as inspection, expediting, non-destructive testing, consultancy, quality assurance, engineering services, program implementation, safety consultancy and training largely to Spain's nuclear industry.

The acquired businesses further extend the service portfolio of the Industrial Services division and bring expertise and services that can be offered to clients through our global network. Innovative services are being developed such as the Think Green Initiative, which combines the auditing resources of the Industrial Services and Consumer Goods divisions to offer services to the systems certification customer base in North America and Europe.

Minerals

	H1 10 £m	H1 09 £m	Change at actual rates	Change at constant rates
Revenue	**28.6**	21.9	30.6%	15.3%
Operating profit	**2.0**	1.6	25.0%	11.1%
Operating margin	**7.0%**	7.3%	(30)bps	(30)bps

The Minerals division provides complete analytical and robotic solutions to the world's minerals, ore and mining industries. Our network of laboratories and sample preparation facilities offer key services such as analysis at the point of exploration and production of gold, precious metals and iron ore, fire assay, and testing and analysis of coal and coke as well as environmental monitoring. We also provide marine and inspection services of minerals shipments.

Revenue increased to £28.6m, up 15.3% at constant exchange rates. The growth was all organic and reflected improvements in market conditions across our businesses and the benefit of earlier investments.

Operating profit was £2.0m, up 11.1% at constant exchange rates and the operating margin was broadly stable.

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 items which are described below, are excluded from the adjusted results.

Separately disclosed items

Separately disclosed items are items which by their nature or size, in the opinion of the Directors, distort 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 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. Details of the separately disclosed items for the six months ended 30 June 2010 and the comparative prior period are given in note 3 to the Interim Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has an established, structured approach to risk management, which includes continuously assessing and monitoring the key risks and uncertainties of the business. The key risks have been identified as the following:

Market risk
Liquidity
Credit risk
Tax
Risk of financial irregularities
Risk of litigation
Legal and regulatory compliance
Dependence on accreditations
Loss of key facilities
Environmental health and safety risks
Political risk
Reputational risk

A description of these risks and the actions taken by the Group to mitigate them are set out on pages 38 to 41 of the Group's Annual Report for 2009, a copy of which is available from our website www.intertek.com. Despite the current uncertainty in the global economy, these key risks and uncertainties and the factors which mitigate them, have not significantly changed in the period since the Annual Report was published and are not expected to change materially in the remainder of the year. The Business Review and Operating Review by Division include consideration of key uncertainties affecting the Group in the remaining six months of the year.

MANAGEMENT REPORTS

Intertek will issue the next interim management statement in the fourth quarter of 2010. The year end results will be announced on 7 March 2011.

HALF YEAR REPORT

If you require a hard copy of this statement please contact the Group Company Secretary. This statement is available on www.intertek.com.

LEGAL NOTICE

This Half 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.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF YEAR REPORT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

- the interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the board of Intertek Group plc

Wolfhart Hauser
Chief Executive Officer
30 July 2010

Lloyd Pitchford
Chief Financial Officer
30 July 2010

Independent review report to Intertek Group plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half year report for the six months ended 30 June 2010 which comprises the condensed consolidated interim statement of financial position, the condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the six month period then ended and the related explanatory notes. We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

The half year report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year report in accordance with the DTR of the UK FSA.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half year report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half year report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half year report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Paul Korolkiewicz
for and on behalf of KPMG Audit Plc
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB
30 July 2010

Condensed Consolidated Interim Income Statement

Six months ended 30 June 2010

	Note	Six months to 30 June 2010 (Unaudited)			Six months to 30 June 2009 (Unaudited)		
		Adjusted results	**Separately disclosed items***	**Total**	Adjusted results	Separately disclosed items*	Total
		£m	**£m**	**£m**	£m	£m	£m
Revenue	2	**652.6**	**-**	**652.6**	622.3	-	622.3
Cost of sales		**(495.6)**	**-**	**(495.6)**	(484.4)	-	(484.4)
Gross profit		**157.0**	**-**	**157.0**	137.9	-	137.9
Administrative expenses		**(53.3)**	**(12.8)**	**(66.1)**	(34.4)	(6.5)	(40.9)
Group operating profit	2	**103.7**	**(12.8)**	**90.9**	103.5	(6.5)	97.0
Finance income		**4.9**	**-**	**4.9**	5.5	-	5.5
Finance expense		**(11.3)**	**-**	**(11.3)**	(14.8)	-	(14.8)
Net financing costs		**(6.4)**	**-**	**(6.4)**	(9.3)	-	(9.3)
Profit before income tax		**97.3**	**(12.8)**	**84.5**	94.2	(6.5)	87.7
Income tax expense	4	**(26.3)**	**3.2**	**(23.1)**	(25.1)	1.2	(23.9)
Profit for the period		**71.0**	**(9.6)**	**61.4**	69.1	(5.3)	63.8
Profit attributable to:							
Equity holders of the Company (Earnings)		**65.6**	**(9.6)**	**56.0**	64.6	(5.3)	59.3
Non controlling interest		**5.4**	**-**	**5.4**	4.5	-	4.5
Profit for the period		**71.0**	**(9.6)**	**61.4**	69.1	(5.3)	63.8
Earnings per share							
Basic	6	**41.2p**	**(6.0)p**	**35.2p**	40.8p	(3.3)p	37.5p
Diluted	6	**40.6p**	**(6.0)p**	**34.6p**	40.2p	(3.3)p	36.9p
Dividends in respect of the period		**9.3p**	-	**9.3p**	8.2p	-	8.2p

*Separately disclosed items are defined in the Presentation of Results and disclosed in note 3.

Condensed Consolidated Interim Statement of Comprehensive Income
Six months ended 30 June 2010

	Notes	**Six months to 30 June 2010 (Unaudited) £m**	Six months to 30 June 2009 (Unaudited) £m
Profit for the period		**61.4**	63.8
Other comprehensive income			
Foreign exchange translation differences of foreign operations		**20.2**	(68.2)
Net exchange (loss)/gain on hedges of net investments in foreign operations		**(10.1)**	38.9
Effective portion of changes in fair value of cash flow hedges		**0.9**	0.9
Net change in fair value of cash flow hedges transferred to profit and loss		**0.2**	-
Net change in fair value of available-for-sale financial assets		**-**	0.6
Income tax recognised in other comprehensive income	5	**(0.2)**	(0.3)
Total other comprehensive income for the period, net of tax		**11.0**	(28.1)
Total comprehensive income for the period		**72.4**	35.7

Total comprehensive income for the period attributable to:			
Equity holders of the Company		**66.2**	32.9
Non controlling interest		**6.2**	2.8
Total comprehensive income for the period		**72.4**	35.7

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2010

	Notes	**At 30 June 2010 (Unaudited) £m**	At 30 June 2009 (Unaudited) £m	At 31 December 2009 (Audited) £m
Assets				
Property, plant and equipment	11	**226.3**	207.7	220.9
Goodwill		**280.9**	242.3	257.8
Other intangible assets		**45.4**	49.5	46.9
Investments in associates		**0.2**	1.1	0.2
Other investments		**-**	2.9	-
Deferred tax assets		**21.3**	13.8	22.6
Total non-current assets		**574.1**	517.3	548.4
Inventories		**7.9**	7.4	7.6
Trade and other receivables		**310.5**	268.6	265.9
Cash and cash equivalents	9	**139.8**	116.1	134.2
Total current assets		**458.2**	392.1	407.7
Total assets		**1,032.3**	909.4	956.1
Liabilities				
Interest bearing loans and borrowings	9	**-**	(7.1)	(8.2)
Derivative financial instruments		**(2.1)**	(3.6)	(3.0)
Current taxes payable		**(24.5)**	(26.1)	(29.2)
Trade and other payables		**(183.0)**	(158.1)	(186.9)
Provisions		**(25.2)**	(26.6)	(30.3)
Total current liabilities		**(234.8)**	(221.5)	(257.6)
Interest bearing loans and borrowings	9	**(379.9)**	(387.6)	(327.4)
Deferred tax liabilities		**(3.2)**	(3.6)	(7.5)
Net pension liabilities		**(18.6)**	(16.9)	(19.5)
Other payables		**(5.3)**	(4.2)	(3.6)
Provisions		**(1.6)**	(0.7)	(1.2)
Total non-current liabilities		**(408.6)**	(413.0)	(359.2)
Total liabilities		**(643.4)**	(634.5)	(616.8)
Net assets		**388.9**	274.9	339.3
EQUITY				
Share capital		**1.6**	1.6	1.6
Share premium		**255.4**	252.4	253.5
Other reserves		**36.3**	5.9	25.9
Retained earnings		**72.4**	(2.1)	40.3
Total attributable to equity holders of the Company		**365.7**	257.8	321.3
Non controlling interest		**23.2**	17.1	18.0
Total equity		**388.9**	274.9	339.3

Condensed Consolidated Interim Statement of Changes in Equity
Six months ended 30 June 2010

	Attributable to equity holders of the Company									
			Other reserves							
	Share capital	Share premium account	Translation reserve	Hedging reserve	Fair value reserve	Other	Retained earnings*	**Total before non-controlling interest**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	£m	£m	**£m**	£m	**£m**
At 1 January 2009	1.6	249.9	30.1	(4.5)	-	6.4	(41.8)	**241.7**	16.0	**257.7**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	59.3	**59.3**	4.5	**63.8**
Other comprehensive income for the period	-	-	(27.6)	0.9	0.6	-	(0.3)	**(26.4)**	(1.7)	**(28.1)**
Total comprehensive income for the period	-	-	(27.6)	0.9	0.6	-	59.0	**32.9**	2.8	**35.7**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners:										
Dividends paid	-	-	-	-	-	-	(21.7)	**(21.7)**	(1.5)	**(23.2)**
Issue of shares	-	2.5	-	-	-	-	-	**2.5**	-	**2.5**
Equity-settled transactions	-	-	-	-	-	-	2.7	**2.7**	-	**2.7**
Income tax on equity-settled transactions	-	-	-	-	-	-	0.2	**0.2**	-	**0.2**
Total contributions by and distributions to owners	-	2.5	-	-	-	-	(18.8)	**(16.3)**	(1.5)	**(17.8)**
Changes in ownership interests in subsidiaries:										
Purchase of non controlling interest	-	-	-	-	-	-	(0.5)	**(0.5)**	(0.2)	**(0.7)**
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(0.5)	**(0.5)**	(0.2)	**(0.7)**
Total transactions with owners	-	2.5	-	-	-	-	(19.3)	**(16.8)**	(1.7)	**(18.5)**
At 30 June 2009	1.6	252.4	2.5	(3.6)	0.6	6.4	(2.1)	**257.8**	17.1	**274.9**
At 1 January 2010	1.6	253.5	22.5	(3.0)	-	6.4	40.3	**321.3**	18.0	**339.3**
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	56.0	**56.0**	5.4	**61.4**
Other comprehensive income for the period	-	-	9.3	1.1	-	-	(0.2)	**10.2**	0.8	**11.0**
Total comprehensive income for the period	**-**	**-**	**9.3**	**1.1**	**-**	**-**	**55.8**	**66.2**	**6.2**	**72.4**
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners:										
Dividends paid	-	-	-	-	-	-	(27.6)	**(27.6)**	(1.0)	**(28.6)**
Issue of shares	-	1.9	-	-	-	-	-	**1.9**	-	**1.9**
Purchase of own shares**	-	-	-	-	-	-	(0.4)	**(0.4)**	-	**(0.4)**
Equity-settled transactions	-	-	-	-	-	-	3.8	**3.8**	-	**3.8**
Income tax on equity-settled transactions	-	-	-	-	-	-	0.5	**0.5**	-	**0.5**
Total contributions by and distributions to owners	-	1.9	-	-	-	-	(23.7)	**(21.8)**	(1.0)	**(22.8)**
Total transactions with owners	**-**	**1.9**	**-**	**-**	**-**	**-**	**(23.7)**	**(21.8)**	**(1.0)**	**(22.8)**
At 30 June 2010	**1.6**	**255.4**	**31.8**	**(1.9)**	**-**	**6.4**	**72.4**	**365.7**	**23.2**	**388.9**

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

** The Group purchased, through its Employee Benefit Trust, 31,000 shares of Intertek Group plc to satisfy the future likely vesting of share awards.

The dividend of £27.6m which was paid on 18 June 2010 represents a final dividend of 17.3p per ordinary share in respect of the year ended 31 December 2009. The dividend of £21.7m which was paid on 19 June 2009 represents a final dividend of 13.7p per ordinary share in respect of the year ended 31 December 2008. There was an issue of 698,875 ordinary shares during the period on exercise of share awards.

Condensed Consolidated Interim Statement of Cash Flows

Six months ended 30 June 2010

	Notes	**Six months to 30 June 2010 (Unaudited) £m**	Six months to 30 June 2009 (Unaudited) £m
Cash flows from operating activities			
Profit for the period		**61.4**	63.8
Adjustments for:			
Depreciation charge		**25.2**	24.1
Amortisation of software		**2.4**	2.0
Amortisation of acquisition intangibles		**6.4**	6.5
Equity-settled transactions	8	**3.8**	2.7
Net financing costs		**6.4**	9.3
Income tax expense	4	**23.1**	23.9
Loss on disposal of property, plant, equipment and software	11	**-**	0.1
Operating profit before changes in working capital and operating provisions		**128.7**	132.4
Change in inventories		**-**	-
Change in trade and other receivables		**(33.8)**	(2.7)
Change in trade and other payables		**(8.0)**	(11.4)
Change in provisions		**2.0**	0.8
Special contributions into pension schemes	7	**(1.2)**	(2.0)
Cash generated from operations		**87.7**	117.1
Interest and other finance expense paid		**(8.0)**	(6.2)
Income taxes paid		**(30.7)**	(35.5)
Net cash flows from operating activities		**49.0**	75.4
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software		**0.1**	0.4
Interest received		**0.4**	0.5
Acquisition of subsidiaries, net of cash acquired	10	**(23.9)**	(23.4)
Consideration paid in respect of prior period acquisitions	10	**(7.7)**	(6.2)
Purchase of non controlling interests		**-**	(0.6)
Purchase of own shares		**(0.4)**	-
Disposal of a listed investment		**-**	2.4
Acquisition of property, plant, equipment and software	11	**(24.8)**	(23.5)
Net cash flows used in investing activities		**(56.3)**	(50.4)
Cash flows from financing activities			
Proceeds from the issue of share capital		**1.9**	2.5
Drawdown of borrowings		**71.3**	102.1
Repayment of borrowings		**(37.1)**	(90.1)
Dividends paid to non controlling interests		**(1.0)**	(1.5)
Equity dividends paid		**(27.6)**	(21.7)
Net cash flows from/(used in) financing activities		**7.5**	(8.7)
Net increase in cash and cash equivalents	9	**0.2**	16.3
Cash and cash equivalents at 1 January	9	**134.2**	113.3
Effect of exchange rate fluctuations on cash held	9	**5.4**	(13.5)
Cash and cash equivalents at end of period	9	**139.8**	116.1

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of Preparation

Reporting entity

Intertek Group plc (the 'Company') is a company incorporated and domiciled in the United Kingdom. The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates and jointly controlled entities.

The Consolidated Financial Statements of the Group as at and for the year ended 31 December 2009, are available upon request from the Company's registered office at 25 Savile Row, London W1S 2ES. An electronic version is available from the Investors section of the Group website at www.intertek.com.

Statement of compliance

These Condensed Consolidated Interim Financial Statements are prepared in accordance with IAS 34: Interim Financial Reporting as endorsed and adopted for use in the European Union and the Disclosure and Transparency Rules (DTR) of the Financial Services Authority. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31 December 2009.

The comparative figures for the financial year ended 31 December 2009 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Significant accounting policies

These Condensed Consolidated Interim Financial Statements are unaudited and, except as described below, have been prepared on the basis of accounting policies consistent with those applied in the Consolidated Financial Statements for the year ended 31 December 2009.

The following standards are effective for the first time in the current financial period and have been adopted by the Group with no significant impact on its consolidated results or financial position, although there are some differences in presentation of the Condensed Consolidated Interim Financial Statements:

- IFRS 3 Business Combinations (revised 2008)
- IAS 27 Consolidated and Separate Financial Statements (amended 2008)
- Amendments to IFRS 7 Improving disclosures about financial instruments
- Amendments to IFRIC 9 Reassessment of Embedded Derivatives
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged items
- Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
- Improvements to International Financial Reporting Standards 2009

IFRS 3 Business Combinations (revised 2008) – From 1 January 2010, the Group has applied IFRS 3 Business Combinations (revised 2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and had a negative impact on basic earnings per share of 0.03 pence in the current period.

For acquisitions on or after 1 January 2010, the Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at fair value, or at their proportionate share of the recognised amount of the identifiable net assets of the acquiree, at the acquisition date.

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of Preparation (continued)

Significant accounting policies (continued)

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Costs relating to acquisitions are shown in separately disclosed items. See note 3 for the application of the new policy to the business combinations that occurred during the period.

IAS 27 Consolidated and Separate Financial Statements (revised 2008) – From 1 January 2010, the Group has applied IAS 27 Consolidated and Separate Financial Statements (revised 2008) in accounting for non-controlling interest. The change in accounting policy has been applied prospectively and had no impact on earnings per share in the current period.

Other new standards and interpretations were adopted effective 1 January 2010 but had no material impact on the Group consolidated financial statements.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. Despite the current uncertainty in the global economy, the key risks that could affect the Group's medium term performance, and the factors which mitigate these risks, have not significantly changed from those set out on pages 38 to 41 of the Group's Annual Report for 2009, a copy of which is available from our website www.intertek.com. The Operating Review includes consideration of uncertainties affecting the Group in the remaining six months of the year. The Board has reviewed forecasts, including forecasts adjusted for significantly worse economic conditions, and remains satisfied with the Group's funding and liquidity position. On the basis of its forecasts, both base case and stressed, and available facilities, the Board has concluded that the going concern basis of preparation continues to be appropriate.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Condensed Consolidated Interim Financial Statements, the nature of the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2009. During the six months ended 30 June 2010 management reassessed its estimates in respect of contingent consideration payable in respect of acquisitions made in prior periods (note 10 (d)) and also in respect of claims and settlements (note 3).

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to sterling at foreign exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated into sterling at cumulative average rates of exchange during the year.

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

Value of £1	Assets and liabilities Actual rates		Income and expenses Cumulative average rates	
	30 June 10	30 June 09	**H1 10**	H1 09
US dollar	**1.51**	1.65	**1.53**	1.49
Euro	**1.23**	1.17	**1.15**	1.11
Chinese renminbi	**10.23**	11.28	**10.45**	10.15
Hong Kong dollar	**11.72**	12.80	**11.89**	11.51
Australian dollar	**1.76**	2.05	**1.72**	2.10
Canadian dollar	**1.57**	1.90	**1.59**	1.78

Notes to the Condensed Consolidated Interim Financial Statements

1 Basis of Preparation (continued)

Business analysis

The Group is organised into six operating divisions which offer different services to different industries and are managed separately: Consumer Goods; Commercial & Electrical; Oil, Chemical & Agri; Analytical Services; Industrial Services and Minerals. The costs of the corporate head office and other costs which are not controlled by the operating divisions are allocated to these divisions. These divisions are the operating segments that are reported to 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.

2 Operating segments

Six months ended 30 June 2010

	Revenue from external customers £m	Adjusted Group operating profit* £m	Separately disclosed Items* £m	Group operating profit £m
Consumer Goods	161.9	51.2	(0.5)	50.7
Commercial & Electrical	129.6	17.5	(1.5)	16.0
Oil, Chemical & Agri	218.4	23.7	(3.3)	20.4
Analytical Services	72.3	7.0	(2.7)	4.3
Industrial Services	41.8	2.3	(1.5)	0.8
Minerals	28.6	2.0	(0.7)	1.3
Unallocated acquisition costs	-	-	(2.6)	(2.6)
Total	**652.6**	**103.7**	**(12.8)**	**90.9**
Net financing costs				(6.4)
Profit before income tax				**84.5**
Income tax expense				(23.1)
Profit for the period				**61.4**

Six months ended 30 June 2009

	Revenue from external customers £m	Adjusted Group operating profit* £m	Separately disclosed Items* £m	Group operating profit £m
Consumer Goods	162.5	53.7	(0.6)	53.1
Commercial & Electrical	125.2	17.8	(1.6)	16.2
Oil, Chemical & Agri	205.6	20.3	(0.4)	19.9
Analytical Services	66.9	6.5	(2.1)	4.4
Industrial Services	40.2	3.6	(1.2)	2.4
Minerals	21.9	1.6	(0.6)	1.0
Total	**622.3**	**103.5**	**(6.5)**	**97.0**
Net financing costs				(9.3)
Profit before income tax				**87.7**
Income tax expense				(23.9)
Profit for the period				**63.8**

* Adjusted Group operating profit excludes certain separately disclosed items in order to provide a clear, consistent and comparable presentation of the adjusted operating performance of the Group's ongoing business. For further explanation, see Presentation of Results and note 3.

Notes to the Condensed Consolidated Interim Financial Statements

2 Operating segments (continued)

Geographical analysis

	Six months to 30 June 2010 £m	Six months to 30 June 2009 £m
Revenue from external customers		
Americas	**221.6**	219.7
Europe, Middle East and Africa	**186.8**	172.4
Asia Pacific	**244.2**	230.2
Total	**652.6**	622.3

In presenting the information on the basis of geographical segments, segment revenue is based on the location of the entity generating that revenue.

3 Separately disclosed items

	Six months to 30 June 2010 £m	Six months to 30 June 2009 £m
Administrative expenses		
Amortisation of acquisition intangibles	**(6.4)**	(6.5)
Acquisition and integration costs	**(3.6)**	-
Claims and settlements	**(2.8)**	-
Total administrative expenses	**(12.8)**	(6.5)
Income tax credit	**3.2**	1.2
Total	**(9.6)**	(5.3)

In line with IAS 38, acquisition intangibles are amortised over their useful economic life. This amortisation is excluded from adjusted results and is separately disclosed as this is consistent with the way in which results are reviewed by Intertek management and provides a consistent view of performance across the Group's operations.

Acquisition and integration costs include £2.6m (six months ended 30 June 2009: £nil) for costs in relation to discussions with Det Norske Veritas, £0.5m (six months ended 30 June 2009: £nil) for costs associated with the acquisitions described in note 10 and £0.5m (six months ended 30 June 2009: £nil) in respect of integration costs.

Claims of £2.8m (six months ended 30 June 2009: £nil) relate to an agreement to settle a claim from a group of employees in the USA in the Oil, Chemical & Agri division.

The income tax associated with the separately disclosed items is a credit of £3.2m for the six months to 30 June 2010 (six months ended 30 June 2009: £1.2m credit).

4 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period in respect of the adjusted results. The income tax expense for the adjusted results for the six months ended 30 June 2010 is £26.3m (six months ended 30 June 2009: £25.1m). The Group's adjusted consolidated effective tax rate for the six months ended 30 June 2010 is 27.0% (six months ended 30 June 2009: 26.6%). The income tax expense for the total results for the six months ended 30 June 2010 is £23.1m (six months ended 30 June 2009: £23.9m). The Group's consolidated effective tax rate for the six months ended 30 June 2010 is 27.3% (six months ended 30 June 2009: 27.3%). Differences between the estimated adjusted effective rate of 27.0% and the notional statutory UK rate of 28% include, but are not limited to, the effect of tax rates in foreign jurisdictions, non-deductible expenses, the effect of utilised tax losses and under/over provisions in previous periods.

Notes to the Condensed Consolidated Interim Financial Statements

5 Income tax in other comprehensive income and equity

Income tax in other comprehensive income

Six months ended 30 June 2010

	Before tax £m	Tax expense £m	Net of tax £m
Foreign exchange translation differences of foreign operations	20.2	-	20.2
Effective portion of changes in fair value of cash flow hedges	0.9	(0.2)	0.7
Net exchange loss on hedges of net investments in foreign operations	(10.1)	-	(10.1)
Net change in fair value of cash flow hedges transferred to profit or loss	0.2	-	0.2
Net change in fair value of available-for-sale financial assets	-	-	-
Total income tax recognised in other comprehensive income	**11.2**	**(0.2)**	**11.0**

Six months ended 30 June 2009

	Before tax £m	Tax expense £m	Net of tax £m
Foreign exchange translation differences of foreign operations	(68.2)	-	(68.2)
Effective portion of changes in fair value of cash flow hedges	0.9	(0.3)	0.6
Net exchange gain on hedges of net investments in foreign operations	38.9	-	38.9
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-
Net change in fair value of available-for-sale financial assets	0.6	-	0.6
Total income tax recognised in other comprehensive income	(27.8)	(0.3)	(28.1)

Income tax in equity

Six months ended 30 June 2010

	Before tax £m	Tax credit £m	Net of tax £m
Equity-settled transactions	3.8	0.5	4.3
Total income tax recognised directly in equity	**3.8**	**0.5**	**4.3**

Six months ended 30 June 2009

	Before tax £m	Tax credit £m	Net of tax £m
Equity-settled transactions	2.7	0.2	2.9
Total income tax recognised directly in equity	2.7	0.2	2.9

Notes to the Condensed Consolidated Interim Financial Statements

6 Earnings per share

Based on the profit for the period:	**Six months to 30 June 2010 £m**	Six months to 30 June 2009 £m
Profit attributable to equity holders of the Company	**56.0**	59.3
Separately disclosed items (note 3)	**9.6**	5.3
Adjusted earnings after tax impact	**65.6**	64.6
Number of shares (millions):		
Basic weighted average number of ordinary shares	**159.0**	158.1
Potentially dilutive share awards*	**2.7**	2.4
Diluted weighted average number of shares	**161.7**	160.5
Basic earnings per share	**35.2p**	37.5p
Share awards	**(0.6)p**	(0.6)p
Diluted earnings per share	**34.6p**	36.9p
Basic adjusted earnings per share (after tax impact)	**41.2p**	40.8p
Share awards	**(0.6)p**	(0.6)p
Diluted adjusted earnings per share (after tax impact)	**40.6p**	40.2p

*The weighted average number of shares used in the calculation of the diluted earnings per share for the six months ended 30 June 2010, excludes nil (six months ended 30 June 2009: nil; year ended 31 December 2009: nil) contingently issuable shares as the performance conditions were unlikely to be met.

7 Pension schemes

During the period the Group made a special contribution of £1.2m (six months ended 30 June 2009: £2.0m) into the Intertek Pension Scheme.

The Directors have evaluated the significant assumptions used in the valuation of the Group's defined benefit pension schemes and consider that there is no significant change in the net liabilities of the schemes since 31 December 2009. Therefore actuarial valuations of the assets and liabilities of the defined benefit pension schemes for IAS 19 purposes were not performed at 30 June 2010.

The expense recognised in the consolidated interim income statement for the Group's defined benefit pension schemes consists of the current service cost, interest on the obligation for employee benefits and the expected return on scheme assets. For the six months ended 30 June 2010, the Group recognised a net expense of £0.9m (six months ended 30 June 2009: £1.2m).

Notes to the Condensed Consolidated Interim Financial Statements

8 Equity-settled transactions

The Company has a share option scheme and a long-term incentive plan, details of which were contained in the Annual Report for the year ended 31 December 2009. The share option scheme has been discontinued and the last options under the scheme were granted on 13 September 2005. The first awards under the long-term incentive plan called the Intertek Deferred Bonus Plan (the Plan) were made in April 2006. Under the Plan, in April 2010, 501,849 deferred shares (2009: 784,098) and 358,779 matching shares (2009: 513,240) were awarded.

In accordance with IFRS 2 – Share Based Payments, the fair value of services received in return for share awards granted to employees, is measured by reference to the fair value of the share awards granted. The estimate of the fair value of the services received is measured based on the Monte Carlo formula, a financial model used to calculate the fair value of the awards.

During the six months ended 30 June 2010, the Group recognised an expense of £3.8m in respect of the share awards made in April 2007, 2008, 2009 and 2010. For the six months ended 30 June 2009, the charge was £2.7m in respect of the share awards made in April 2006, 2007, 2008 and 2009. The share awards granted in 2010 had fair values of 1250p for deferred shares and 855p for matching shares.

9 Analysis of net debt

	At 1 January 2010 £m	Cash flow £m	Exchange adjustments £m	**At 30 June 2010 £m**	At 30 June 2009 £m
Cash	134.2	0.2	5.4	**139.8**	116.1
Borrowings	(335.6)	(34.2)	(10.1)	**(379.9)**	(394.7)
Total net debt	(201.4)	(34.0)	(4.7)	**(240.1)**	(278.6)

	At 30 June 2010 £m	At 30 June 2009 £m	At 31 December 2009 £m
Borrowings due in less than one year	**-**	(7.1)	(8.2)
Borrowings due in one to two years	**(243.9)**	(18.6)	(198.5)
Borrowings due in two to five years	**(86.2)**	(263.0)	(19.0)
Borrowings due in over five years	**(49.8)**	(106.0)	(109.9)
Total borrowings	**(379.9)**	(394.7)	(335.6)

The Group has a multi-currency senior bank facility that was placed in December 2004. This facility was originally due to expire on 15 December 2009; however the Group exercised its option to extend the facility by a year in 2005 and by a further year in 2006. The facility is now due to expire in December 2011. The facility comprises four tranches. Facility A is repaid in full. The margins currently paid on borrowings in Facility B tranches are in the range of 0.4% to 0.6% over LIBOR and the margin for Facility C is 1.1% to 1.5% over LIBOR with the rate depending on leverage. Facility C is a 364 day multi-currency revolving credit facility with the option to convert this, at any time by written notice, into a term loan expiring 364 days from the date of notice. As at 30 June 2010 there were no drawings on this facility. In August 2007, the Group extended the senior debt facility by a further £100m to £400m. This was achieved through adding an additional Term D tranche of finance. Term D margins are in the range of 0.3% to 0.5% over LIBOR in the relevant currency.

In June 2008, a further £75m was added to Facility B from three new banks on the same terms and conditions and margins as the existing facility, to make a syndicate of thirteen banks. The committed i.e. contractually obligated amount of debt facilities from these syndicate banks was £365.1m at 30 June 2010 (30 June 2009: £371.1m; 31 December 2009: £365.1m).

In June 2008, the Group raised US$100m by way of a senior note issue. This debt is repayable on 26 June 2015 and the interest rate is fixed at 5.54%. In December 2008, a further US$100m was raised by way of a second note issue. This debt is repayable in two tranches with US$25.0m repayable on 21 January 2014 and the interest rate is fixed at 7.50% and the second US$75.0m repayable on 10 June 2016 and the interest rate is fixed at 8.00%. The average blended rate of these fixed rate bonds is 6.71%. In January 2010, the Group agreed a US$60.0m bilateral, multi-currency revolving credit facility with the Bank of China, London Branch, available up to 25 January 2013. There are currently no drawings on this revolving credit facility.

Notes to the Condensed Consolidated Interim Financial Statements

10 Acquisition of businesses

There were two acquisitions in the period, both of which were paid for in cash.

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

Group total	Book value prior to acquisition £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	2.6	(1.0)	1.6
Goodwill	-	17.3	17.3
Other intangible assets	-	3.8	3.8
Inventory	0.2	-	0.2
Trade and other receivables	2.9	-	2.9
Trade and other payables	(1.0)	-	(1.0)
Deferred tax asset/(liability)	0.2	(0.6)	(0.4)
Net assets acquired	**4.9**	**19.5**	**24.4**
Cash outflow (net of cash acquired)			23.9
Contingent consideration			0.5
Total consideration			**24.4**

(a) CIBA Expert Services
The largest acquisition, which was a combined share and asset deal, was that of the Regulatory and Safety Testing Businesses of CIBA Expert Services (CIBA ES) headquartered in Switzerland and operating in several countries, from BASF SE on 31 March 2010, for a cash consideration of £21.0m. Cash acquired within the business was £0.4m. The acquisition related costs amounted to £0.5m and have been charged to administrative expenses (note 3).

CIBA ES Regulatory Services help clients to gain health, safety and environmental approvals for their products and to address hazardous substances and chemicals notifications and regulations worldwide. CIBA ES Safety Testing services are used by a range of global companies primarily in the pharmaceutical and chemicals sectors to ensure their products meet relevant safety requirements. This acquisition is being integrated into the Analytical and Industrial Services divisions. Initial integration costs of £0.5m have been charged to administrative expenses (note 3).

Provisional details of net assets acquired and fair value adjustments are set out below.

CIBA Expert Services	Book value prior to acquisition £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	2.4	(1.0)	1.4
Goodwill	-	15.2	15.2
Other intangible assets	-	3.0	3.0
Inventory	0.2	-	0.2
Trade and other receivables	1.7	-	1.7
Trade and other payables	(0.8)	-	(0.8)
Deferred tax asset/(liability)	0.2	(0.3)	(0.1)
Net assets acquired	**3.7**	**16.9**	**20.6**
Cash outflow (net of cash acquired)			20.6
Total consideration			**20.6**

10 Acquisition of businesses (continued)

The goodwill of £15.2m represents the benefits that Intertek expects to gain from strengthening its competitive position in mainland Europe, adding new niche services to the Group's portfolio of services, gaining access to a sales force in strategically important countries and strengthening the relationship with BASF globally. The other intangible assets of £3.0m represent value placed on customer relationships and the deferred tax thereon was £0.3m.

The revenue for the period 1 January 2010 to 31 March 2010 was £5.4m. The revenue attributable to the Group from the date of acquisition to 30 June 2010 was £5.6m. The profit after tax for the period 1 January 2010 to 31 March 2010 was £0.3m. The profit attributable to the Group from the date of acquisition to 30 June 2010 was £0.3m.

(b) Norca Ingenieria de Calidad, S.L.
The Group acquired 100% of the share capital of Norca Ingenieria de Calidad, S.L (Norca), a company based in Spain, on 4 May 2010, for an initial cash consideration of £3.8m; and additional consideration of between £0.4m and £0.6m payable contingent on the achievement of specified net asset targets. Norca provides services in the engineering and inspection of nuclear plants. Cash acquired within the business was £0.5m. This acquisition will strengthen the Industrial Services division. Acquisition related costs of £0.1m have been charged to administrative expenses (note 3).

Goodwill, provisionally calculated at £2.1m, arose on the acquisition and represents the opportunity for Intertek to increase its portfolio of services in engineering and inspection of nuclear plants. The other intangible assets provisionally of £0.8m arising on the acquisition represent value placed on customer relationships and the deferred tax thereon was £0.2m.

The revenue for the period 1 January 2010 to 4 May 2010 was £1.3m. The revenue attributable to the Group from the date of acquisition to 30 June 2010 was £0.6m. The profit after tax for the period 1 January 2010 to 4 May 2010 was £0.2m. The profit attributable to the Group from the date of acquisition to 30 June 2010 was £0.1m.

(c) Acquisitions subsequent to Balance Sheet date
On 1 July 2010, the Group acquired 100% of the share capital of Expertises Technologies & Services Analyses S.A (ETSA), a company based in France, for a cash consideration of £7.5m. Cash acquired in the business was £1.5m. ETSA provides cargo inspection and testing services for the oil and gas industry.

Goodwill, provisionally calculated at £3.6m, arose on the acquisition and represents the opportunity for Intertek to reinforce its laboratory testing capabilities in France and brings niche expertise in lubricant testing to complement Intertek's current services in this area. The other intangible assets of £0.9m arising on the acquisition represent value placed on customer relationships and the deferred tax thereon was £0.3m.

(d) Prior period acquisitions
Consideration of £7.7m was paid during the period in respect of prior period acquisitions.

Goodwill of £0.7m arose in the period in respect of these acquisitions due to the final contingent consideration paid in 2010 being in excess of the estimate at 31 December 2009.

(e) Impact of acquisitions on the Group results
The Group revenue and profit after tax for the six months ended 30 June 2010 would have been £659.2m and £62.1m respectively if all the acquisitions were assumed to have been made on 1 January 2010.

(f) Details of 2009 acquisitions
Full details of acquisitions made in the year ended 31 December 2009 were disclosed in note 24 to the Annual Report for 2009.

Notes to the Condensed Consolidated Interim Financial Statements

11 Property, plant, equipment and software

(a) Acquisitions and disposals
During the six months ended 30 June 2010, the Group acquired fixed assets with a cost of £26.4m (six months ended 30 June 2009: £24.0m; year ended 31 December 2009: £53.2m) including assets acquired through business combinations (note 10) of £1.6m (six months ended 30 June 2009: £0.5m; year ended 31 December 2009: £0.4m).

There were disposals with net book value of £0.1m during the six months ended 30 June 2010 (six months ended 30 June 2009: £0.5m; year ended 31 December 2009: £0.7m). This resulted in a loss on disposal of nil for the six months ended 30 June 2010 (six months ended 30 June 2009: £0.1m; year ended 31 December 2009: £0.4m).

(b) Capital commitments
Contracts for capital expenditure which are not provided in these accounts amounted to £4.5m (at 30 June 2009: £4.9m; at 31 December 2009: £5.2m).

12 Related parties

Identity of related parties
The Group has a related party relationship with its associates and 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 associates
The Group holds a 49% interest in the associate Euro Mechanical Instrument Services LLC (Abu Dhabi), a company registered in the United Arab Emirates.

Euro Mechanical Instrument Services LLC (Abu Dhabi) provides calibration services to the oil industry. This company had no material transactions with Intertek Group companies in the period (six months ended 30 June 2009: none).

The Group sold a 40% interest in the associate Allium LLC, a company registered in the US, in October 2009. In the six months ended 30 June 2009, Allium group companies sold equipment to Intertek Group companies for £0.1m and the Group owed £nil to Allium in respect of those sales. At 30 June 2009, Allium LLC owed £1.7m in loans due to Group companies, of which £1.2m was provided against. The loans to Allium LLC were denominated in US dollars and were interest bearing. In the six months ended 30 June 2009 the annualised average rate of interest charged was 6.0%.

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

	Six months to 30 June 2010 £m	Six months to 30 June 2009 £m
Short-term benefits	**3.2**	3.2
Post-employment benefits	**0.2**	0.2
Equity-settled transactions	**1.2**	0.9
Total	**4.6**	4.3

Detailed information concerning Directors' remuneration, shareholdings, pension entitlements, share awards and other long-term incentive plans for the year ended 31 December 2009 was disclosed in the Remuneration Report in the Annual Report for 2009.

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

13 Contingent liabilities

Claims and litigation

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

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

14 Approval

The Condensed Consolidated Interim Financial Statements were approved by the Board on 30 July 2010.