

**2013 FULL YEAR RESULTS ANNOUNCEMENT
3 MARCH 2014**

Intertek Group plc (“Intertek”), a leading international provider of quality and safety services, announces its full year results for the year ended 31 December 2013.

Highlights

- Revenue growth of 6.3% to £2,184m; constant currency organic revenue¹ growth of 4.3%
- Profit² growth of 2.2% to £343m; profit margin² 15.7%, down 60bps
- Diluted EPS² increase of 5.6%
- Seven acquisitions for £122m; £145m of organic capital investment
- Cash generated from operations² up 14% to £394m
- Recommended full year dividend per share increase of 12%

Adjusted results²	2013	2012	Growth as reported	Organic change at constant currency
Revenue	£2,184.4m	£2,054.3m	6.3%	4.3%
Operating profit	£342.6m	£335.1m	2.2%	(1.2)%
Profit before tax	£314.9m	£308.4m	2.1%	
Diluted earnings per share	138.6p	131.2p	5.6%	

1. Organic revenue growth excludes the impact of acquisitions and disposals in 2012 and 2013.

2. Adjusted results are stated before Separately Disclosed Items which include amortisation of acquisition intangibles £22.5m (2012: £29.3m), acquisition and related integration costs £1.5m (2012: £5.5m), project costs £nil (2012: £2.8m), goodwill impairment £nil (2012: £3.2m) and restructuring costs of £8.8m (2012: £11.0m). See Presentation of Results and note 3.

Statutory results	2013	2012	Growth
Operating profit	£310.0m	£283.3m	9.4%
Profit before tax	£281.8m	£256.6m	9.8%
Diluted earnings per share	123.0p	106.7p	15.3%
Full year dividend per share	46.0p	41.0p	12.2%

Wolfhart Hauser, Chief Executive Officer, commented:

“The quality and safety services market in 2013 was characterised by variable conditions. For Intertek, strong growth in our businesses in the major emerging countries was partially offset by a cyclical downturn in some industries and geographies. Despite these conditions, we reported growth in revenue, operating profit and earnings per share, reflecting the strength of our portfolio.

Consumer Goods reported high single digit organic revenue growth with ongoing structural growth in the global textiles and toys markets including new requirements under the EU Toy Safety Directive. The Commercial & Electrical and Industry & Assurance divisions reported mid-single digit organic revenue growth for the full year. After a strong start to the year, growth in the Industry & Assurance division moderated during the second half reflecting the weakness of discretionary spending in the USA and from exiting certain lower value contracts. Both the Commodities and Chemicals & Pharmaceuticals divisions were further impacted in the second half due to the continuing challenges of the minerals exploration market and persistent weak conditions in Europe.

The Group margin for the full year was below the margin for the same period last year with the effect of these weaker markets mitigated by a strong focus on restructuring and cost control.

Variable market conditions in the second half of 2013 have continued into the start of this year. As markets stabilise and the benefit of the Group's restructuring and cost reductions come through, we expect 2014 to be a year of progressively improving growth and profitability.

The structural drivers in the industry remain in place as the global demand for quality and safety services increases. We are confident of achieving or exceeding this industry growth as we continue to invest and focus our resources on our key growth markets."

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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 2013 Annual Report will be available to download from the website before the end of March 2014. If you wish to receive a printed copy of this report, please contact Intertek by email to investor@intertek.com or by calling +44 (0) 20 7396 3400.

Corporate website: www.intertek.com

About Intertek

Intertek is a leading international provider of quality and safety services. From auditing and inspection, to testing, training, advisory, quality assurance and certification, Intertek adds value to customers' products, assets and processes.

With a network of more than 1,000 laboratories and offices and over 36,000 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.

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

FULL YEAR REPORT 2013

BUSINESS REVIEW

For the year ended 31 December 2013

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

	2013 £m	2012 £m	Change at actual rates	Organic change at constant rates
Revenue	2,184.4	2,054.3	6.3%	4.3%
Operating profit	342.6	335.1	2.2%	(1.2)%
Margin	15.7%	16.3%	(60)bps	(80)bps
Net financing costs	27.7	26.7		
Income tax expense	72.4	80.3		
Earnings for the year	226.0	213.7	5.8%	
Adjusted diluted earnings per share	138.6p	131.2p	5.6%	
Dividends proposed/paid	46.0p	41.0p	12.2%	
Adjusted cash generated from operations	394.1	345.4	14.1%	
Acquisitions – purchase price	121.7	46.0		
Capital investment – organic	144.8	115.0	25.9%	

Revenue for the year was £2,184m, up 6.3% (5.8% at constant exchange rates) driven by organic revenue growth of 4.8% (4.3% at constant exchange rates) contributed by all divisions.

The Group's adjusted operating profit was £342.6m, up 2.2% on the prior year (up 1.3% at constant exchange rates). Organic operating profit declined 0.3% (1.2% at constant exchange rates).

The adjusted operating margin was 15.7% compared with 16.3% in the prior year. Margin was impacted by the downturn in 2013 in the minerals sector, against high volumes in 2011 and 2012, and weakness in businesses in Europe. The Group's continued investment in new facilities and services also weighed on operating margin as new laboratories came on line. This was largely offset by a strong performance across major developing economies, in particular China and India.

Net financing costs were £27.7m, an increase of £1.0m on 2012. The adjusted effective tax rate was 23.0% (2012: 26.0%), lower than in 2012 as the Group recorded a one-off benefit from recognising UK deferred tax assets of around 1.7%. Excluding this one-off effect, the Group's adjusted effective tax rate was 24.7%.

Adjusted cash flow from operations increased by 14.1% to £394.1m principally due to an increase in profit and improved working capital management.

The Group completed seven acquisitions for £122m, and invested £145m in organic capital investment to support the Group's growth. The Group ended the year in a strong financial position with net debt of £618m and a pro forma net debt to EBITDA ratio of 1.4 (2012: 1.3 on a pro forma basis).

Adjusted diluted earnings per share for the year increased by 5.6% to 138.6p.

Following good progress during the year and considering the long-term outlook for the Group, the Board is recommending a full year dividend of 46.0p per share (2012: 41.0p). If approved, this will make an increase of 12% on the 2012 declared dividends. An interim dividend of 15.0p per share (2012: 13.0p) was paid to shareholders on 15 October 2013. The Directors will propose a final dividend of 31.0p per share (2012: 28.0p) at the Annual General Meeting on 16 May 2014, to be paid on 6 June 2014 to shareholders on the register at close of business on 23 May 2014.

Business development highlights

Acquisitions

During 2013 the Group made seven acquisitions for a purchase price of £122m.

In March 2013 the Group acquired 85% of E-TEST Laboratorio de Ensaios e Tecnologia Ltda. for £6.6m, a toy and consumer products testing laboratory in Brazil.

In July 2013 the Group acquired Melbourn Scientific Limited for £10.5m, which expanded our global analytical service offering to the pharmaceutical, biotech and healthcare industries in the UK.

In October 2013 the Group acquired Global X-Ray & Testing Corporation for £44.9m, a provider of services to the oil and gas industry in the USA.

In December 2013 the Group acquired Architectural Testing, Inc. for £57.6m, a building products testing and certification company in North America.

There were also three smaller bolt-on acquisitions in Canada and South Africa.

Organic investment

During the year the Group invested £145m (2012: £115m) organically on the latest technology in new laboratories, capital equipment, including IT infrastructure, and other facilities. This investment represented 6.6% of revenue (2012: 5.6%) which was an increase on the prior year as the Group continued to invest in new facilities and services, with a focus on transportation technology services, electrical and textiles. Investment in Group-wide IT infrastructure and standard application platforms increased to support the Group's growth. Key new facilities include laboratories in Taiwan (wireless), India (textiles) and Bangladesh (textiles). 'Intertek Tradegood' continued to develop its customer base across buyers and sellers globally. For 2014, we expect to revert to our normal level of investment of 5-6% of revenue.

Restructuring

In 2012 the Group started a comprehensive review of its portfolio to identify businesses, locations and services which were underperforming or non-strategic. Actions included business closures, asset write-downs and redundancies. The programme continued in 2013 with the cumulative cost of the restructuring activities in 2012 and 2013 being £23m, of which £9m has been recorded in 2013. As a result of the restructuring, three businesses have been sold and 11 locations have been closed, with particular focus on Europe. Following further cyclical weakness in certain businesses, the Group continues to review the business for further restructuring.

Separately Disclosed Items

Separately Disclosed Items before interest and tax were £32.6m in 2013 (2012: £51.8m). In 2013 the amortisation of acquisition intangibles was £22.5m (2012: £29.3m). This reduction is a result of certain intangibles having become fully amortised in the year, most notably from the Moody International acquisition made in 2011. Acquisition and integration costs of £1.5m (2012: £5.5m) in 2013 relate wholly to professional fees incurred on acquisitions in the year, and project cost spend amounted to £nil (2012: £2.8m). Costs of £8.8m (2012: £14.2m) have also been recognised following the Group's review and restructuring of certain underperforming business units, principally in Europe. 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			
	2013	2012	Change at actual rates	Organic change at constant rates	2013	2012	Change at actual rates	Organic change at constant rates
	£m	£m			£m	£m		
Industry & Assurance	709.3	665.6	6.6%	4.2%	82.2	77.4	6.2%	2.9%
Commodities	586.6	572.3	2.5%	2.1%	70.0	77.2	(9.3)%	(11.4)%
Consumer Goods	381.3	343.4	11.0%	8.5%	124.5	112.8	10.4%	6.7%
Commercial & Electrical	338.4	318.2	6.3%	4.8%	49.3	50.6	(2.6)%	(4.6)%
Chemicals & Pharmaceuticals	168.8	154.8	9.0%	2.0%	16.6	17.1	(2.9)%	(15.7)%
	2,184.4	2,054.3	6.3%	4.3%	342.6	335.1	2.2%	(1.2)%
Net financing costs					(27.7)	(26.7)		
Adjusted profit before income tax					314.9	308.4	2.1%	
Income tax expense					(72.4)	(80.3)		
Adjusted profit for the year					242.5	228.1	6.3%	
Adjusted diluted EPS					138.6p	131.2p	5.6%	

A review of the adjusted results of each division in the year ended 31 December 2013 compared to the year ended 31 December 2012 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

	2013	2012	Change at actual rates	Organic change at constant rates
	£m	£m		
Revenue	709.3	665.6	6.6%	4.2%
Adjusted operating profit	82.2	77.4	6.2%	2.9%
Adjusted operating margin	11.6%	11.6%	-	(20)bps

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 services 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.

Total revenue was £709.3m, up 7% at both actual and constant exchange rates. Excluding acquisitions revenue growth was 4%. Total adjusted operating profit was £82.2m, up 6%. Excluding acquisitions adjusted operating profit was up 3% at constant rates. The total adjusted operating margin remained constant at 11.6% at actual exchange rates. The organic adjusted operating margin at constant exchange rates decreased 20 basis points.

Revenue growth was driven by demand for Technical Inspection services in China, Brazil and the Middle East. Over the last few years growth in global energy has driven increased new capital and production based spending, particularly by the integrated oil companies, on oil and gas projects. This positive backdrop alongside revenue synergies following the acquisition of Moody International in 2011 supported high levels of Industry Services growth. During 2013, this high level of growth moderated with discretionary spending mainly in the USA on energy sector plant and equipment and training contracts being deferred or ending; coupled with the Group's decision not to renew certain long-term low margin contracts. This softness will continue to affect Intertek in 2014, alongside the decision not to renew certain further large low value contracts accounting for approximately £30m of divisional revenue. Looking ahead, growth in energy demand and related infrastructure especially from new sources and destinations will continue to drive demand for Intertek services.

Business Assurance made solid progress in the year particularly in North America with sector programmes in aerospace and automotive and new global accounts increasing revenue across the world.

Revenue from Food services grew strongly in the UK and Europe as food contamination scares prompted increased demand for analytical testing and supply chain auditing. The Agriculture business grew strongly overall with particularly strong growth in Latin America and Canada partially offset by trade restrictions in some markets. Increased scrutiny over food and agricultural quality, variety and provenance will continue to support testing, inspection and supplier auditing for this business.

In 2013 Intertek acquired Global X-Ray & Testing Corporation ('GXT') for £44.9m, a USA based company that specialises in non-destructive testing services to the onshore and offshore oil and gas industry.

Three bolt-on acquisitions for a total consideration of £2.0m in this division were also completed in the year, two providing services to the food industry and one offering design services to manufacturing and industrial plants.

Commodities

	2013 £m	2012 £m	Change at actual rates	Organic change at constant rates
Revenue	586.6	572.3	2.5%	2.1%
Adjusted operating profit	70.0	77.2	(9.3)%	(11.4)%
Adjusted operating margin	11.9%	13.5%	(160)bps	(180)bps

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.

Total revenue was £586.6m, up 2% at actual exchange rates, and 3% at constant exchange rates. Excluding acquisitions revenue growth was 2%. Total adjusted operating profit was £70.0m, down 9%. Excluding acquisitions adjusted operating profit was down 11% at constant exchange rates. The total adjusted operating margin decreased 160 basis points to 11.9% at actual exchange rates. The organic adjusted operating margin at constant exchange rates decreased 180 basis points.

Revenue growth was driven by oil cargo inspections globally, with the USA leading this growth with the expansion of shale oil extraction and rail transportation activities. Strong growth also came from Canada, Asia and Latin America. This growth was offset by minerals experiencing a pronounced downturn in 2013, where lower commodity prices, especially gold, continued to deter exploration activity, particularly in Australia, Brazil and Africa. The reduced demand also put increased pressure on prices within laboratory based activities. The impact of the sharp fall in minerals exploration was lessened by increased analysis of iron ore production and shipments led by demand from China.

Government & Trade Services had flat revenue against the prior year, with the growth in the first half reversed in the second half following changes in a key customer programme that declined in value. This programme change will impact revenue by approximately £5m during 2014 alongside a continuing weak minerals market. Further investment in the North American shale regions will provide growth in this division, alongside increasing production, shipment and usage of oil and petrochemicals in emerging and developed markets.

The margin decline in the year was first half weighted, mainly due to the minerals revenue decline, which moderated with cost reduction measures taking hold during the second half.

Consumer Goods

	2013	2012	Change	Organic change
	£m	£m	at actual rates	at constant rates
Revenue	381.3	343.4	11.0%	8.5%
Adjusted operating profit	124.5	112.8	10.4%	6.7%
Adjusted operating margin	32.7%	32.8%	(10)bps	(50)bps

Consumer Goods – this division is a market leading provider of services to the textiles, toys, footwear, hardlines and retail industries. As a partner to retailers, manufacturers and distributors it offers expertise on issues ranging from restricted hazardous substances 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.

Total revenue was £381.3m, up 11% at actual exchange rates and 9% at constant exchange rates. Excluding acquisitions and disposals revenue growth was 8% at constant exchange rates. Total adjusted operating profit was £124.5m, up 10%. Excluding acquisitions and disposals adjusted operating profit was up 7% at constant exchange rates. The total adjusted operating margin decreased 10 basis points to 32.7% at actual exchange rates. The organic adjusted operating margin at constant exchange rates decreased 50 basis points.

Demand for toys, textiles and footwear testing continued to drive growth in the division, with China, India, Turkey and Vietnam all recording strong performances as a result of product testing for both exports and the domestic market. Sustainability issues are becoming increasingly important to global brands, and there has been an increase in factory audits for compliance with social and ethical standards. The increased safety requirements under the EU Toy Safety Directive which came into force in July provided additional revenue for the toys testing business as global manufacturers selling into the European market requested support to demonstrate compliance.

Intertek's extensive global network continues to provide opportunities to support global retailers as sourcing patterns shift to lower cost locations. Continued investment in the network and in expanding service offerings will continue to provide growth opportunities.

The Group is investing in the development of additional value-added information services to its global clients, and the investment in the Tradegood platform, where retail buyers can identify verified manufacturers on a web based platform, continued during the year. Although progress was made in building the customer base, revenue growth in this new service was slower than original expectations and therefore the investment in growing the business adversely affected the divisional operating margin during the year. Intertek remains committed to developing the platform and combining it with new information based value-added services. Overall, Tradegood reported a loss of £5m during the year as the Group continued to invest in customer marketing and ramp up of activities.

During 2013, Intertek acquired E-TEST Laboratorio de Ensaios e Tecnologia Ltda. ('E-TEST') for £6.6m, a toy and consumer products testing laboratory in Brazil that expands the range of services provided to the South American market.

Commercial & Electrical

	2013	2012	Change	Organic change
	£m	£m	at actual rates	at constant rates
Revenue	338.4	318.2	6.3%	4.8%
Adjusted operating profit	49.3	50.6	(2.6)%	(4.6)%
Adjusted operating margin	14.6%	15.9%	(130)bps	(140)bps

Commercial & Electrical – the global network of accredited facilities provides manufacturers and retailers with a 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.

Total revenue was £338.4m, up 6% at actual exchange rates and 5% at constant exchange rates and was wholly organic. Total adjusted operating profit was £49.3m, down 3%. Adjusted operating profit was down 5% at constant exchange rates. The total adjusted operating margin decreased 130 basis points to 14.6% at actual exchange rates. The adjusted operating margin at constant exchange rates decreased 140 basis points.

Commercial & Electrical performed well in the year with some strong growth areas partially offset by weakness in renewables markets generally, and in the Scandinavian operations. There were strong performances in both developed markets, such as the USA and Canada, as well as in emerging markets in China and Taiwan across most business lines from building products and transportation technologies to electrical and telecoms. Areas such as '4G' testing grew strongly in China as it moves up the value chain and in Taiwan following investments in new laboratory capacity. Growth in these areas was offset by weakness in renewables as governments reduced their support for the industry, in particular in Europe and weaker performance from medical devices following new regulations in the prior year.

Operating profit was impacted by the increased investment in new services resulting in increased depreciation, as new businesses continued to ramp up activity.

At the end of the year, Intertek completed the acquisition of Architectural Testing, Inc. ('ATI') for £57.6m, one of the largest building products testing and certification companies in North America. This is an opportunity which allows further expansion into building products locations outside the USA.

Chemicals & Pharmaceuticals

	2013 £m	2012 £m	Change at actual rates	Organic change at constant rates
Revenue	168.8	154.8	9.0%	2.0%
Adjusted operating profit	16.6	17.1	(2.9)%	(15.7)%
Adjusted operating margin	9.8%	11.0%	(120)bps	(200)bps

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 technical experts also support internal technical development.

Total revenue was £168.8m, up 9% at actual exchange rates and 7% at constant exchange rates. Excluding acquisitions and disposals revenue growth was 2% at constant exchange rates. Total adjusted operating profit was £16.6m, down 3%. Excluding acquisitions and disposals adjusted operating profit was down 16% at constant exchange rates. The total adjusted operating margin decreased 120 basis points to 9.8% at actual exchange rates. The organic adjusted operating margin at constant exchange rates decreased 200 basis points.

Chemicals & Pharmaceuticals saw low organic revenue growth in the year. Good growth in the automotive fuels and engines testing business in the USA, China and Germany and cosmetics testing in France, was partially offset by very difficult trading conditions in the rest of Europe as the volume of industrial chemicals and plastics quality assurance work from a number of key contracts declined. Customers continued to restructure and exit some of their operations in Europe, and this impacted the margin in the year.

The division is undergoing a restructuring, including underperforming laboratory closures and disposals, which is expected to impact the revenue growth, but benefit the margin going forward. This restructuring is expected to continue into 2014.

The long-term partnership with the Quality and Conformity Council of Abu Dhabi progressed into the second stage, beyond advisory and consultancy and into management and operation of the laboratories in the Emirate. The revenue from this contract is expected to continue to increase as this partnership develops.

During the period Intertek acquired Melbourn Scientific Limited ('Melbourn') for £10.5m, which provides analytical and formulation services to the European pharmaceutical industry.

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 and disposals made since 1 January 2012.

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 2012 results at 2013 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 2013 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 2013

	Notes	Adjusted results £m	Separately Disclosed Items* £m	Total 2013 £m	Adjusted results £m	Separately Disclosed Items* £m	Total 2012 £m
Revenue	2	2,184.4	-	2,184.4	2,054.3	-	2,054.3
Operating costs		(1,841.8)	(32.6)	(1,874.4)	(1,719.2)	(51.8)	(1,771.0)
Group operating profit	2	342.6	(32.6)	310.0	335.1	(51.8)	283.3
Finance income		5.3	-	5.3	7.5	-	7.5
Finance expense		(33.0)	(0.5)	(33.5)	(34.2)	-	(34.2)
Net financing costs		(27.7)	(0.5)	(28.2)	(26.7)	-	(26.7)
Profit before income tax		314.9	(33.1)	281.8	308.4	(51.8)	256.6
Income tax expense		(72.4)	7.6	(64.8)	(80.3)	11.9	(68.4)
Profit for the year	2	242.5	(25.5)	217.0	228.1	(39.9)	188.2
Attributable to:							
Equity holders of the Company		226.0	(25.5)	200.5	213.7	(39.9)	173.8
Non-controlling interest		16.5	-	16.5	14.4	-	14.4
Profit for the year		242.5	(25.5)	217.0	228.1	(39.9)	188.2
Earnings per share**							
Basic	4			124.4p			108.2p
Diluted	4			123.0p			106.7p
Dividends in respect of the year							
				46.0p			41.0p

* 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 2013

		2013	2012
		£m	£m
Profit for the year	2	217.0	188.2
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension schemes		5.2	(6.5)
Income tax recognised in other comprehensive income		(0.9)	0.1
Items that will never be reclassified to profit or loss		4.3	(6.4)
Foreign exchange translation differences of foreign operations		(48.9)	(37.2)
Net exchange gain on hedges of net investments in foreign operations		16.7	25.4
Loss on fair value of cash flow hedges		(0.2)	(0.3)
Tax on items that are or may be reclassified subsequently to profit or loss		5.1	1.4
Items that are or may be reclassified subsequently to profit or loss		(27.3)	(10.7)
Total other comprehensive expense for the year		(23.0)	(17.1)
Total comprehensive income for the year		194.0	171.1
Total comprehensive income for the year attributable to:			
Equity holders of the Company		178.9	157.2
Non-controlling interest		15.1	13.9
Total comprehensive income for the year		194.0	171.1

Condensed Consolidated Statement of Financial Position

As at 31 December 2013

	Notes	2013 £m	2012 £m
Assets			
Property, plant and equipment	7	337.1	302.1
Goodwill	6	736.8	668.5
Other intangible assets		170.5	154.5
Investments in associates		1.4	0.7
Deferred tax assets		28.3	28.3
Total non-current assets		1,274.1	1,154.1
Inventories		12.2	12.3
Trade and other receivables		510.9	502.4
Cash and cash equivalents	5	116.4	166.5
Current tax receivable		16.5	-
Total current assets		656.0	681.2
Total assets		1,930.1	1,835.3
Liabilities			
Interest bearing loans and borrowings	5	(15.4)	(0.8)
Current taxes payable		(57.9)	(54.2)
Trade and other payables		(304.6)	(324.3)
Provisions		(22.0)	(26.8)
Total current liabilities		(399.9)	(406.1)
Interest bearing loans and borrowings	5	(719.2)	(716.4)
Deferred tax liabilities		(34.1)	(32.8)
Net pension liabilities		(13.1)	(17.0)
Other payables		(4.7)	(6.2)
Provisions		(2.4)	(1.9)
Total non-current liabilities		(773.5)	(774.3)
Total liabilities		(1,173.4)	(1,180.4)
Net assets		756.7	654.9
Equity			
Share capital		1.6	1.6
Share premium		257.8	257.4
Other reserves		(14.2)	16.6
Retained earnings		487.4	354.0
Total attributable to equity holders of the Company		732.6	629.6
Non-controlling interest		24.1	25.3
Total equity		756.7	654.9

Condensed Consolidated Statement of Changes in Equity

For the year ended 31 December 2013

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 £m	Translation reserve £m	Other £m	Retained earnings* £m			
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 awards 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
At 31 December 2012	1.6	257.4	10.2	6.4	354.0	629.6	25.3	654.9
At 1 January 2013	1.6	257.4	10.2	6.4	354.0	629.6	25.3	654.9
Comprehensive income for the year	-	-	(30.8)	-	209.7	178.9	15.1	194.0
Dividends paid	-	-	-	-	(69.4)	(69.4)	(14.4)	(83.8)
Issue of shares	-	0.4	-	-	-	0.4	-	0.4
Purchase of own shares	-	-	-	-	(9.1)	(9.1)	-	(9.1)
Purchase of non-controlling interest	-	-	-	-	(1.9)	(1.9)	(1.9)	(3.8)
Tax paid on share awards vested	-	-	-	-	(7.6)	(7.6)	-	(7.6)
Equity-settled transactions	-	-	-	-	10.9	10.9	-	10.9
Income tax on equity-settled transactions	-	-	-	-	0.8	0.8	-	0.8
At 31 December 2013	1.6	257.8	(20.6)	6.4	487.4	732.6	24.1	756.7

*After £244.1m for goodwill written off to retained earnings as at 1 January 2004 in relation to subsidiaries acquired prior to 31 December 1997.

The dividend of £45.2m which was paid on 6 June 2013 represented a final dividend of 28.0p per ordinary share in respect of the year ended 31 December 2012. The interim dividend of £24.2m which was paid on 15 October 2013 represented an interim dividend of 15.0p per ordinary share in respect of the year ended 31 December 2013. There was an issue of 484,265 ordinary shares during the year on exercise of share awards.

Condensed Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	Notes	2013 £m	2012 £m	2011 £m
Cash flows from operating activities				
Profit for the year	2	217.0	188.2	151.0
Adjustments for:				
Depreciation charge		65.7	59.8	56.0
Amortisation of software		5.2	3.8	3.0
Amortisation of acquisition intangibles and impairment of goodwill		22.5	32.5	25.0
Equity-settled transactions		10.9	10.4	9.0
Net financing costs		28.2	26.7	21.0
Income tax expense	2	64.8	68.4	61.0
Loss on disposal of property, plant, equipment and software		0.6	0.1	0.0
Operating cash flows before changes in working capital and operating provisions		414.9	389.9	329.0
Change in inventories		(0.1)	-	(2.0)
Change in trade and other receivables		(16.9)	(65.9)	(34.0)
Change in trade and other payables		(15.0)	2.2	3.0
Change in provisions		(4.3)	7.0	(6.0)
Special contributions into pension schemes		-	(0.6)	(1.0)
Cash generated from operations		378.6	332.6	288.0
Interest and other finance expense paid		(28.5)	(26.5)	(22.0)
Income taxes paid		(80.9)	(72.6)	(53.0)
Net cash flows generated from operating activities		269.2	233.5	213.0
Cash flows from investing activities				
Proceeds from sale of property, plant, equipment and software		4.6	1.7	1.0
Interest received		1.6	2.3	2.0
Acquisition of subsidiaries, net of cash acquired	6	(108.1)	(39.6)	(459.0)
Consideration paid in respect of prior period acquisitions	6	(0.2)	(0.6)	(2.0)
Purchase of non-controlling interest		(1.9)	-	(1.0)
Purchase of associate		(1.0)	-	-
Acquisition of property, plant, equipment and software	7	(144.8)	(115.0)	(80.0)
Net cash flows used in investing activities		(249.8)	(151.2)	(541.0)
Cash flows from financing activities				
Proceeds from the issue of share capital		0.4	0.7	0.0
Purchase of own shares		(9.1)	(0.8)	(7.0)
Tax paid on share awards vested		(7.6)	(5.8)	-
Drawdown of borrowings		77.4	201.3	692.0
Repayment of borrowings		(42.1)	(217.5)	(335.0)
Dividends paid to non-controlling interest		(14.4)	(12.6)	(10.0)
Equity dividends paid		(69.4)	(57.9)	(47.0)
Net cash flows used in financing activities		(64.8)	(92.6)	292.0
Net decrease in cash and cash equivalents	5	(45.4)	(10.3)	(35.0)
Cash and cash equivalents at 1 January	5	166.5	181.9	217.0
Effect of exchange rate fluctuations on cash held	5	(4.7)	(5.1)	0.0
Cash and cash equivalents at 31 December	5	116.4	166.5	181.0

Cash outflow relating to Separately Disclosed Items was £15.5m for the year ended 31 December 2013 (2012: £12.8m).

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 2013 and 2012, but is derived from the 2013 accounts. A full copy of the 2013 Annual Report will be available online at www.intertek.com before the end of March 2014. Statutory accounts for 2012 have been delivered to the Registrar of Companies, and those for 2013 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 which have a 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	
	2013	2012	2013	2012
US dollar	1.65	1.61	1.56	1.59
Euro	1.20	1.22	1.18	1.23
Chinese renminbi	10.06	10.12	9.68	10.01
Hong Kong dollar	12.78	12.46	12.12	12.31
Australian dollar	1.86	1.55	1.62	1.53

Notes to the Full Year Results Announcement

2 Operating segments

Business analysis

The Group is organised into business lines which are the Group's operating segments. These operating segments are aggregated into five divisions, which are the Group's reportable segments. These five divisions, each of which offer services to different industries are: Industry & Assurance; Commodities; Consumer Goods; Commercial & Electrical and Chemicals & Pharmaceuticals. The costs of the corporate head office and other costs which are not controlled by the five divisions are allocated appropriately. 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 2013

	Revenue from external customers £m	Depreciation and software amortisation* £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Industry & Assurance	709.3	(8.4)	82.2	(17.7)	64.5
Commodities	586.6	(23.0)	70.0	(9.2)	60.8
Consumer Goods	381.3	(11.0)	124.5	(2.0)	122.5
Commercial & Electrical	338.4	(18.1)	49.3	(2.3)	47.0
Chemicals & Pharmaceuticals	168.8	(4.6)	16.6	(1.4)	15.2
Total	2,184.4	(65.1)	342.6	(32.6)	310.0
Unallocated Separately Disclosed Items			-	-	-
Group operating profit			342.6	(32.6)	310.0
Net financing costs			(27.7)	(0.5)	(28.2)
Profit before income tax			314.9	(33.1)	281.8
Income tax expense			(72.4)	7.6	(64.8)
Profit for the year			242.5	(25.5)	217.0

* Depreciation and software amortisation of £70.9m (2012: £63.6m) includes unallocated charges of £5.8m (2012: £3.3m).

Year ended 31 December 2012

	Revenue from external customers £m	Depreciation and software amortisation* £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Industry & Assurance	665.6	(7.0)	77.4	(27.1)	50.3
Commodities	572.3	(22.1)	77.2	(1.7)	75.5
Consumer Goods	343.4	(11.5)	112.8	(6.0)	106.8
Commercial & Electrical	318.2	(14.0)	50.6	(3.1)	47.5
Chemicals & Pharmaceuticals	154.8	(5.7)	17.1	(7.2)	9.9
Total	2,054.3	(60.3)	335.1	(45.1)	290.0
Unallocated Separately Disclosed Items			-	(6.7)	(6.7)
Group operating profit			335.1	(51.8)	283.3
Net financing costs			(26.7)	-	(26.7)
Profit before income tax			308.4	(51.8)	256.6
Income tax expense			(80.3)	11.9	(68.4)
Profit for the year			228.1	(39.9)	188.2

Notes to the Full Year Results Announcement

3 Separately Disclosed Items

		2013 £m	2012 £m
Operating costs			
Amortisation of acquisition intangibles	(a)	(22.5)	(29.3)
Acquisition and integration costs	(b)	(1.5)	(5.5)
Project costs	(c)	–	(2.8)
Restructuring costs	(d)	(8.8)	(11.0)
Goodwill impairment	(e)	–	(3.2)
Gain on disposal of investment in associates		0.2	–
Total operating costs		(32.6)	(51.8)
Net financing costs		(0.5)	–
Total before income tax		(33.1)	(51.8)
Income tax credit on Separately Disclosed Items		7.6	11.9
Total		(25.5)	(39.9)

- (a) Of the amortisation of acquisition intangibles in the current year, £15.6m (2012: £19.7m) relates to the customer contracts and customer relationships acquired with the purchase of Moody International Limited in 2011.
- (b) Acquisition and integration costs comprise £1.5m (2012: £1.8m) for costs in respect of acquisitions and £nil (2012: £3.7m) in respect of integration costs.
- (c) Project costs relate to the Group's Business Process Outsourcing initiative, which concluded during 2012.
- (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 disposal of certain operations in Europe.

Notes to the Full Year Results Announcement

4 Earnings per share

	2013 £m	2012 £m
Based on the profit for the year:		
Profit attributable to ordinary shareholders	200.5	173.8
Separately Disclosed Items after tax (note 3)	25.5	39.9
Adjusted earnings	226.0	213.7
Number of shares (millions):		
Basic weighted average number of ordinary shares	161.2	160.6
Potentially dilutive share awards	1.9	2.3
Diluted weighted average number of shares	163.1	162.9
Basic earnings per share	124.4p	108.2p
Potentially dilutive share awards	(1.4)p	(1.5)p
Diluted earnings per share	123.0p	106.7p
Adjusted basic earnings per share	140.2p	133.1p
Potentially dilutive share awards	(1.6)p	(1.9)p
Adjusted diluted earnings per share	138.6p	131.2p

5 Analysis of net debt

The components of net debt are outlined below:

	1 January 2013 £m	Cash flow £m	Exchange adjustments £m	31 December 2013 £m
Cash	166.5	(45.4)	(4.7)	116.4
Borrowings:				
Revolving credit facility US\$600m 2016	(235.5)	41.7	2.1	(191.7)
Bilateral multi-currency facility 2016	(38.3)	0.4	0.6	(37.3)
Bilateral term loan facilities	–	(25.2)	1.0	(24.2)
Senior notes US\$25m 2014	(15.5)	–	0.4	(15.1)
Senior notes US\$100m 2015	(62.2)	–	1.5	(60.7)
Senior notes US\$75m 2016	(46.7)	–	1.2	(45.5)
Senior notes US\$100m 2017	(62.2)	–	1.5	(60.7)
Senior notes US\$20m 2019	(12.4)	–	0.3	(12.1)
Senior notes US\$150m 2020	(93.3)	–	2.3	(91.0)
Senior notes US\$140m 2022	(87.1)	–	2.2	(84.9)
Senior notes US\$40m 2023	–	(25.8)	1.5	(24.3)
Senior notes US\$105m 2024	(65.4)	–	1.7	(63.7)
Senior notes US\$40m 2025	–	(25.8)	1.5	(24.3)
Other*	1.4	(0.6)	0.1	0.9
Total borrowings	(717.2)	(35.3)	17.9	(734.6)
Total net debt	(550.7)	(80.7)	13.2	(618.2)

* Includes other borrowings of £0.9m (2012: £0.8m) and facility fees.

Notes to the Full Year Results Announcement

	2013 £m	2012 £m
Borrowings due in less than one year	15.4	0.8
Borrowings due in one to two years	84.3	15.0
Borrowings due in two to five years	334.8	443.4
Borrowings due in over five years	300.1	258.0
Total borrowings	734.6	717.2

Key facilities:

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 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 2013 were £191.7m (2012: £235.5m).

Bilateral multi-currency facility

In December 2010 the Group signed a multi-currency facility available to March 2016. The facility comprises a £30m multi-currency revolver facility and a €12m multi-currency term loan facility. Drawings under these facilities at 31 December 2013 were £37.3m (2012: £38.3m).

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 2013 were £12.1m (2012: £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 depending on the Group's leverage. Drawings under this facility at 31 December 2013 were £12.1m (2012: £nil).

Private placement bonds

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

In December 2008 the Group issued 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 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 US\$265m of senior notes. 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%.

In February 2013 the Group issued a further US\$80m of senior notes. 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%.

Notes to the Full Year Results Announcement

6 Acquisition of businesses

(a) Acquisitions

During the year, the Group completed seven acquisitions for £122m and an investment value of £108m:

E-TEST Laboratorio de Ensaios e Tecnologia Ltda.

On 4 March 2013 the Group acquired 85% of the share capital of E-TEST Laboratorio de Ensaios e Tecnologia Ltda., a company based in Brazil, for an investment value of £6.6m. Goodwill arising was £5.0m and represents the value placed on the benefits of expanding the global network in the Consumer Goods division.

Melbourn Scientific Limited

On 4 July 2013 the Group acquired 100% of the share capital of Melbourn Scientific Limited, a company based in UK, for an investment value of £10.5m. Goodwill arising was £7.4m and represents the value attributable to the technical excellence in analytical and formulation services to the pharmaceutical industry.

Global X-Ray & Testing Corporation

On 4 October 2013 the Group acquired 100% of the share capital of Global X-Ray & Testing Corporation, a company based in USA, for an investment value of £36.5m. Goodwill arising was £32.0m and represents the staff expertise and operational synergies in offshore and onshore non-destructive testing within the Industry & Assurance division.

Architectural Testing, Inc.

On 24 December 2013 the Group acquired 100% of the share capital of Architectural Testing, Inc. for an investment value of £52.9m. Goodwill arising was £48.3m and represents the value placed on expanding Building Products testing in the USA in the Commercial and Electrical division.

There were three smaller bolt-on acquisitions in Canada and South Africa.

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.

All acquisitions	Book value	Fair value	Fair value to
	prior to	adjustments	Group on
	acquisition		acquisition
	£m	£m	£m
Property, plant and equipment	11.1	-	11.1
Goodwill	-	93.9	93.9
Other intangible assets	-	15.5	15.5
Inventories	0.3	-	0.3
Trade and other receivables	13.7	(0.5)	13.2
Trade and other payables	(18.0)	(1.1)	(19.1)
Provisions for liabilities and charges	-	(0.6)	(0.6)
Deferred tax liabilities	(1.3)	(4.5)	(5.8)
Net assets acquired	5.8	102.7	108.5
Cash outflow (net of cash acquired)			108.1
Contingent consideration			0.4
Total consideration			108.5

The goodwill of £93.9m 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 £15.5m represent the value placed on customer contracts and relationships and the deferred tax thereon was £4.5m.

The revenue for the period from the dates of acquisition to 31 December 2013 was £14.3m. The revenue for the period 1 January 2013 to the dates of acquisition was £50.6m. The profit after tax for the period from the dates of

Notes to the Full Year Results Announcement

acquisition to 31 December 2013 attributable to the Group was £2.7m. The profit after tax for the period 1 January 2013 to the dates of acquisition was £4.2m.

(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 £0.2m (2012: £0.6m) was paid during the year in respect of prior period acquisitions.

(d) Impact of acquisitions on the Group results

The Group revenue and profit for the year ended 31 December 2013 attributable to the Group would have been £2,235.0m and £221.2m respectively if the acquisitions were assumed to have been made on 1 January 2013.

(e) Details of 2012 acquisitions

Full details of acquisitions made in the year ended 31 December 2012 are disclosed in note 10 to the Annual Report for 2012.

(f) Reconciliation of goodwill

	£m
Goodwill at 1 January 2013	668.5
Additions	93.9
Foreign exchange	(25.6)
Goodwill at 31 December 2013	736.8

7 Property, plant, equipment and software

Additions

During the year ended 31 December 2013, the Group acquired fixed assets with a cost of £144.8m (2012: £115.0m). In addition the Group acquired fixed assets of £11.1m (2012: £7.5m) through business combinations (note 6).