

Intertek

2009 Full Year Results Presentation

8 March 2010

Wolfhart Hauser
Chief Executive Officer

Bill Spencer
Chief Financial Officer



Cautionary statement regarding forward-looking statements

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

8 March 2010

Intertek

Bill Spencer

Chief Financial Officer

Financial Performance

2009 Full Year Results Presentation



For the twelve months to 31 December 2009

Revenue	£1,237.3m	+23.3% at actual + 7.0% at constant + 3.5% at constant organic
Operating profit ¹	£209.0m	+26.9% at actual + 6.1% at constant + 3.7% at constant organic
Operating profit margin	16.9%	+50 bps at actual -10 bps at constant 0 bps at constant organic

1. Operating profit before amortisation of acquisition intangibles, goodwill impairment and non-recurring items

For the twelve months to 31 December 2009

Operating cash flow ¹	£278.4m	Up 43.5%
Profit before tax	£169.2m	Up 22.1%
Diluted adjusted EPS ²	81.5p	Up 21.5%

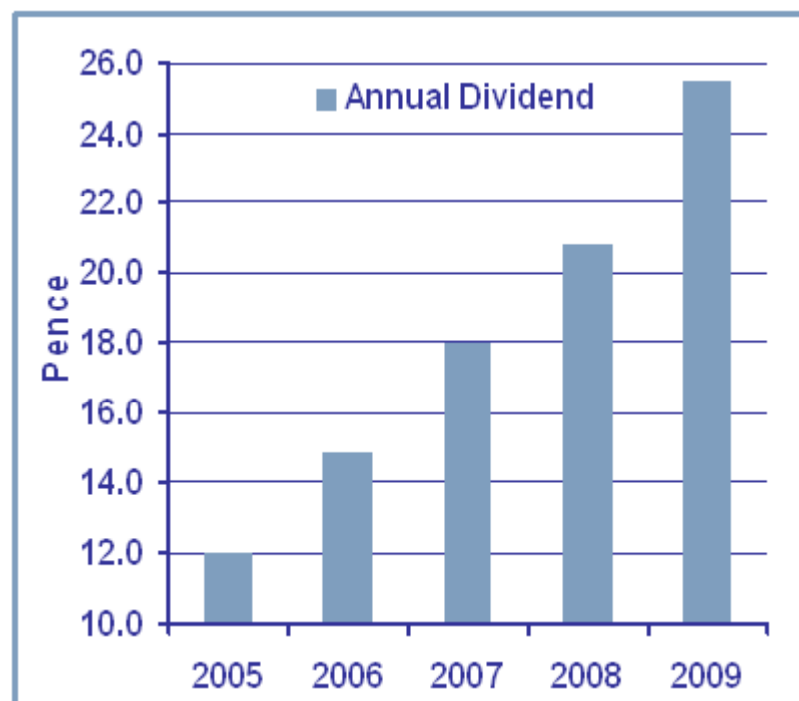
1. Operating cash flow is before capital expenditure
2. Diluted adjusted earnings per share based on operating profit before amortisation of acquisition intangibles, goodwill impairment and non-recurring items

£m @ actual exchange rates	2009	2008
Adjusted operating profit ¹	209.0	164.7
Amortisation of acquisition intangibles	(12.8)	(9.6)
Impairment of goodwill	-	(0.5)
Non-recurring costs	(9.5)	(6.7)
Statutory operating profit (up 26.2%)	186.7	147.9
Net interest expense	(17.5)	(9.5)
Share of Associates	-	0.2
Profit before tax (up 22.1%)	169.2	138.6

1. Operating profit before amortisation of acquisition intangibles, goodwill impairment and non-recurring items

£m @ actual exchange rates	2009	2008
Profit before tax	169.2	138.6
Tax	(45.5)	(36.4)
Profit after tax (up 21.0%)	123.7	102.2
<i>Reported tax rate</i>	26.9%	26.3%

	2009	2008
Full year dividend per share	25.5p	20.8p
<i>Growth in dividend per share</i>	22.6%	15.5%
<i>Dividend cover</i>	3.2x	3.2x



£m @ actual exchange rates	2009	2008
EBITDA (up 27.2%)	256.2	201.4
Change in working capital	22.2	(7.4)
Operating cash flow (up 43.5%)	278.4	194.0
<i>Debtor days (actual exchange rates)</i>	65	83
<i>Debtor days (constant exchange rates)</i>	64	70

£m @ actual exchange rates	2009	2008
Operating cash flow	278.4	194.0
Net interest	(15.1)	(15.0)
Taxation	(59.6)	(36.6)
Capital expenditure	(52.8)	(67.6)
Free cash flow	150.9	74.8
<i>Capital expenditure to revenue %</i>	4.3%	6.7%

Acquisitions for £30.8m (2008: £83.1m)

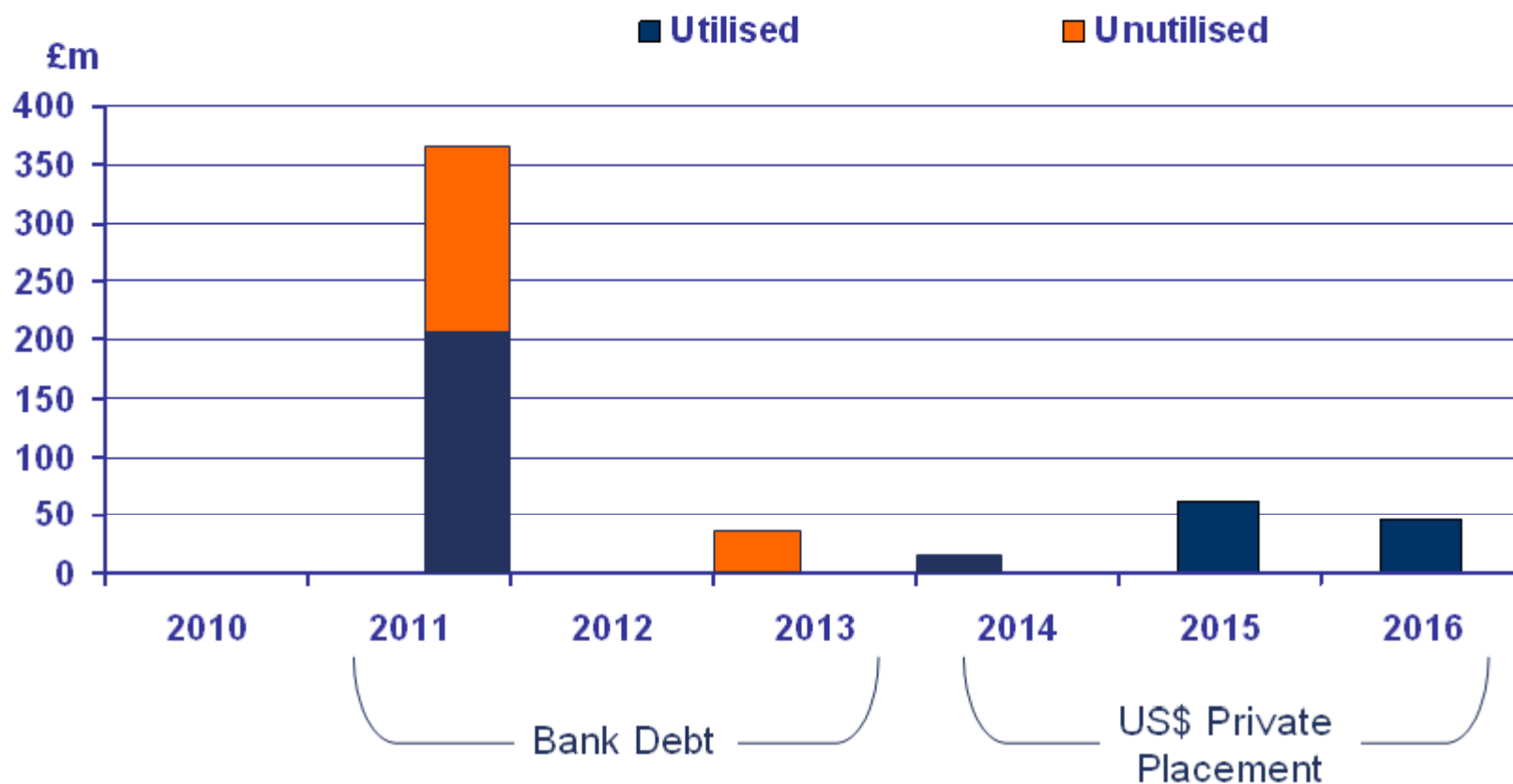
- WISco (Industrial, USA) - £20.1m
- Aptech (Industrial, USA) - £3.5m
+ £6.9m contingent
- Sagentia Catella (C&E, Sweden) - £0.3m

Good pipeline of opportunities



£m @ actual exchange rates	2009	2008
Borrowings	335.6	421.6
Cash	(134.2)	(113.3)
Net debt	201.4	308.3
<i>Net debt to EBITDA</i>	<i>0.8x</i>	<i>1.5x</i>

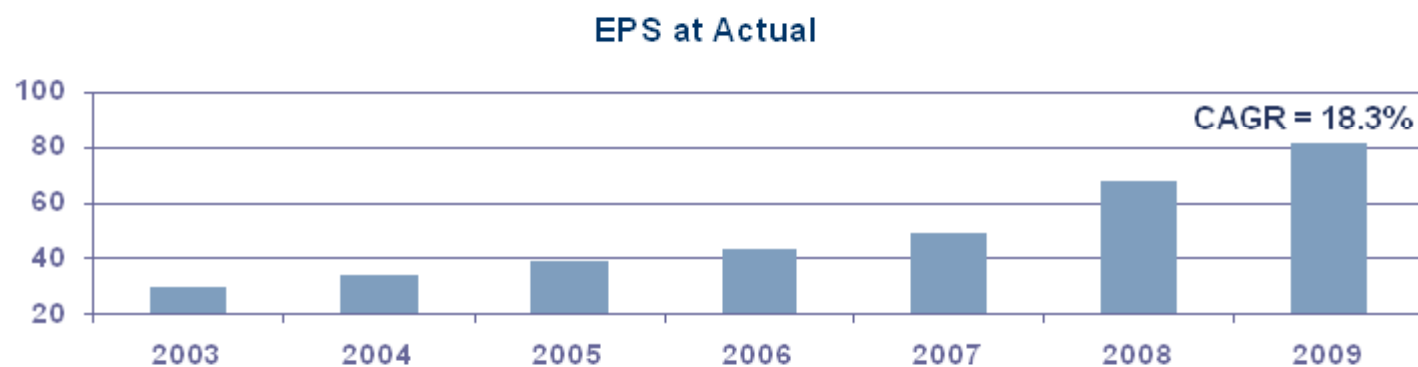
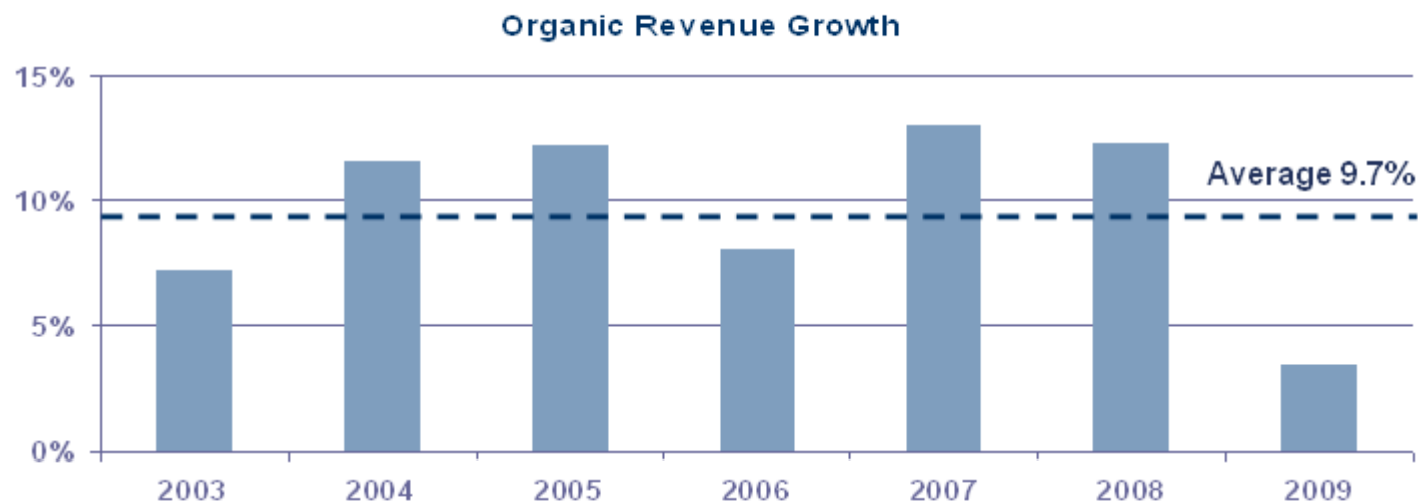
Debt maturities as at 8 March 2010



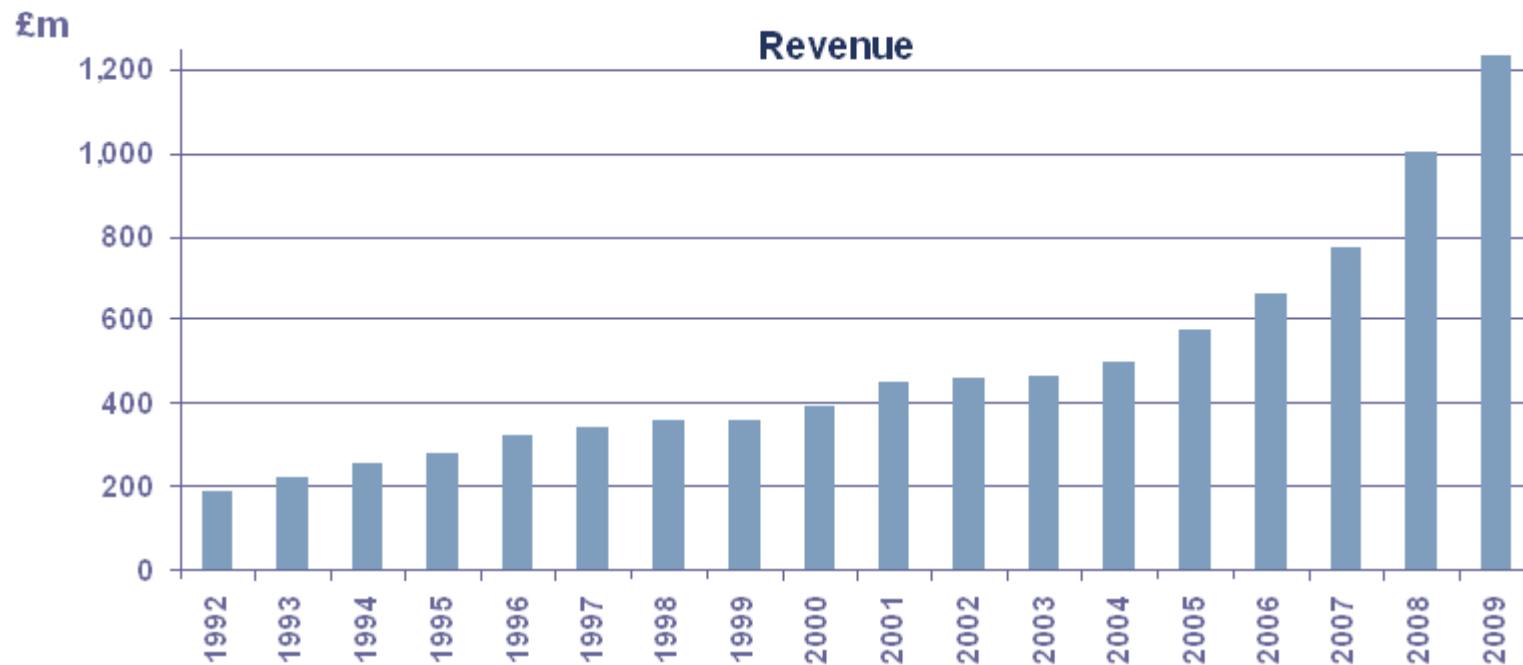
Liquidity position at 31 December 2009

£m @ actual exchange rates	2009	2008
Debt facilities	600.3	612.4
Repayments to 31 December	(109.9)	(88.0)
Borrowings	(331.9)	(417.7)
Letters of credit	(5.3)	(8.9)
Undrawn committed borrowing facilities	153.2	97.8
Cash	134.2	113.3
Liquid funds	287.4	211.1

Organic revenue growth & EPS 2003 to 2009



Strong operating performance, and cash flow in a year of challenging economic conditions





Wolfhart Hauser

Chief Executive Officer

Operating Performance
2009 Full Year Results Presentation



Our organisation

Consumer Goods

Commercial & Electrical

Oil, Chemical & Agri

Analytical

Industrial

Minerals

Industries we operate in

Aerospace & Automotive

Building Products

Chemical

Consumer Goods & Retailers

Electrical & Electronic

Energy

Food & Agriculture

Government & Institutions

Industrial

IT & Telecom

Medical & Pharmaceutical

Petroleum

Textile, Apparel & Footwear

Toys, Games & Hardlines

What we do



Testing



Inspection



Certification



Auditing



Outsourcing



Advisory

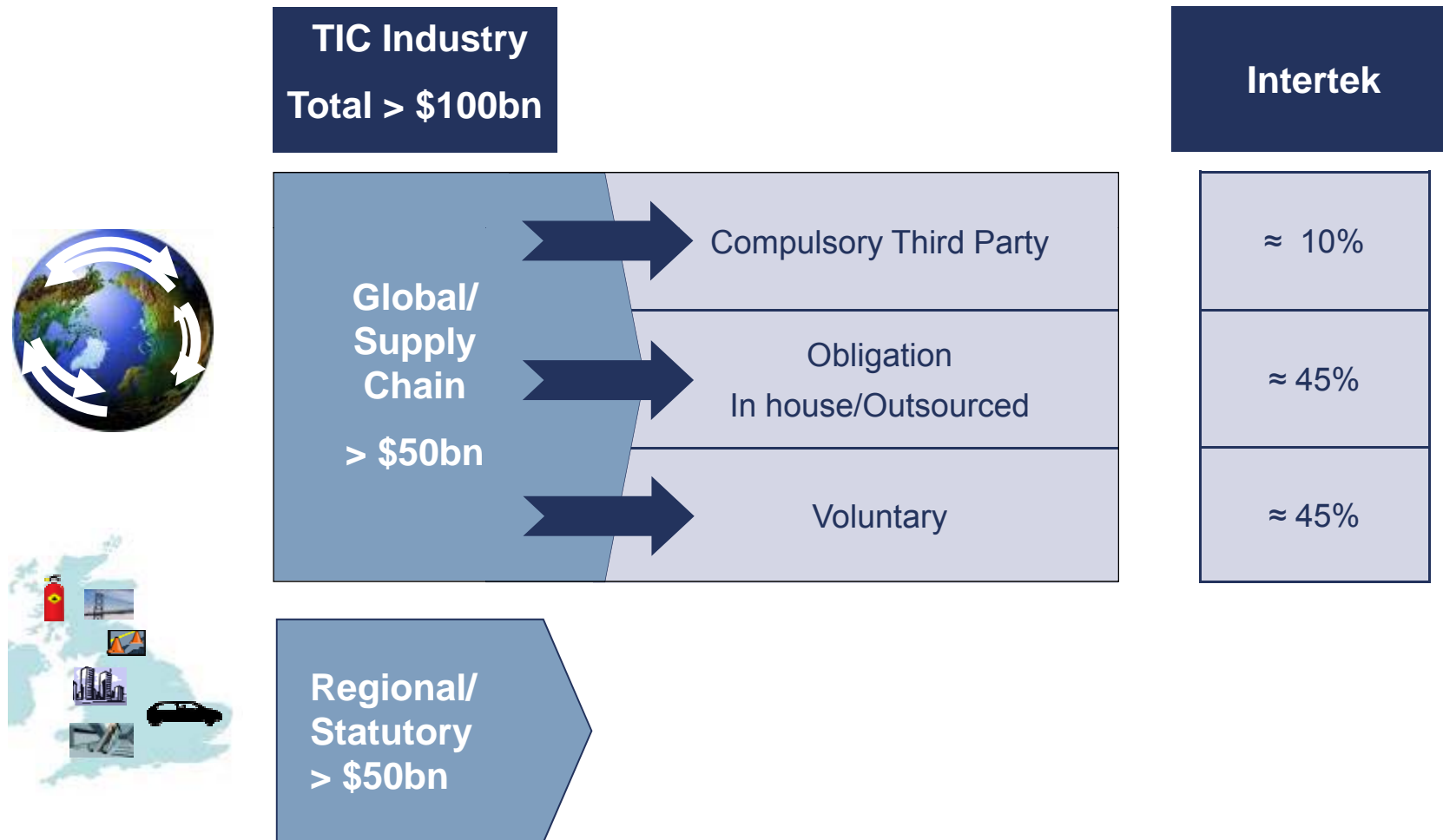


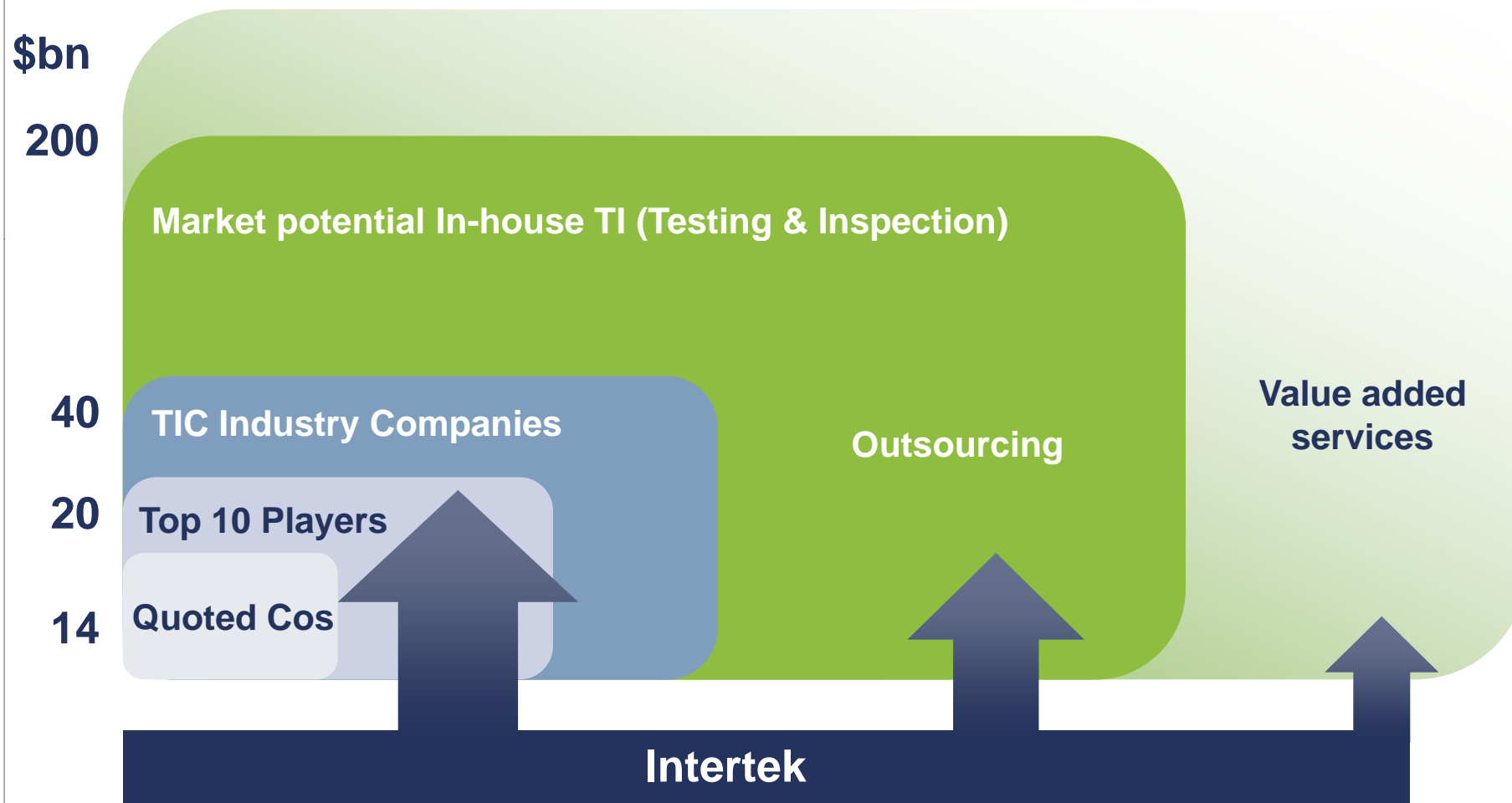
Training



Quality Assurance

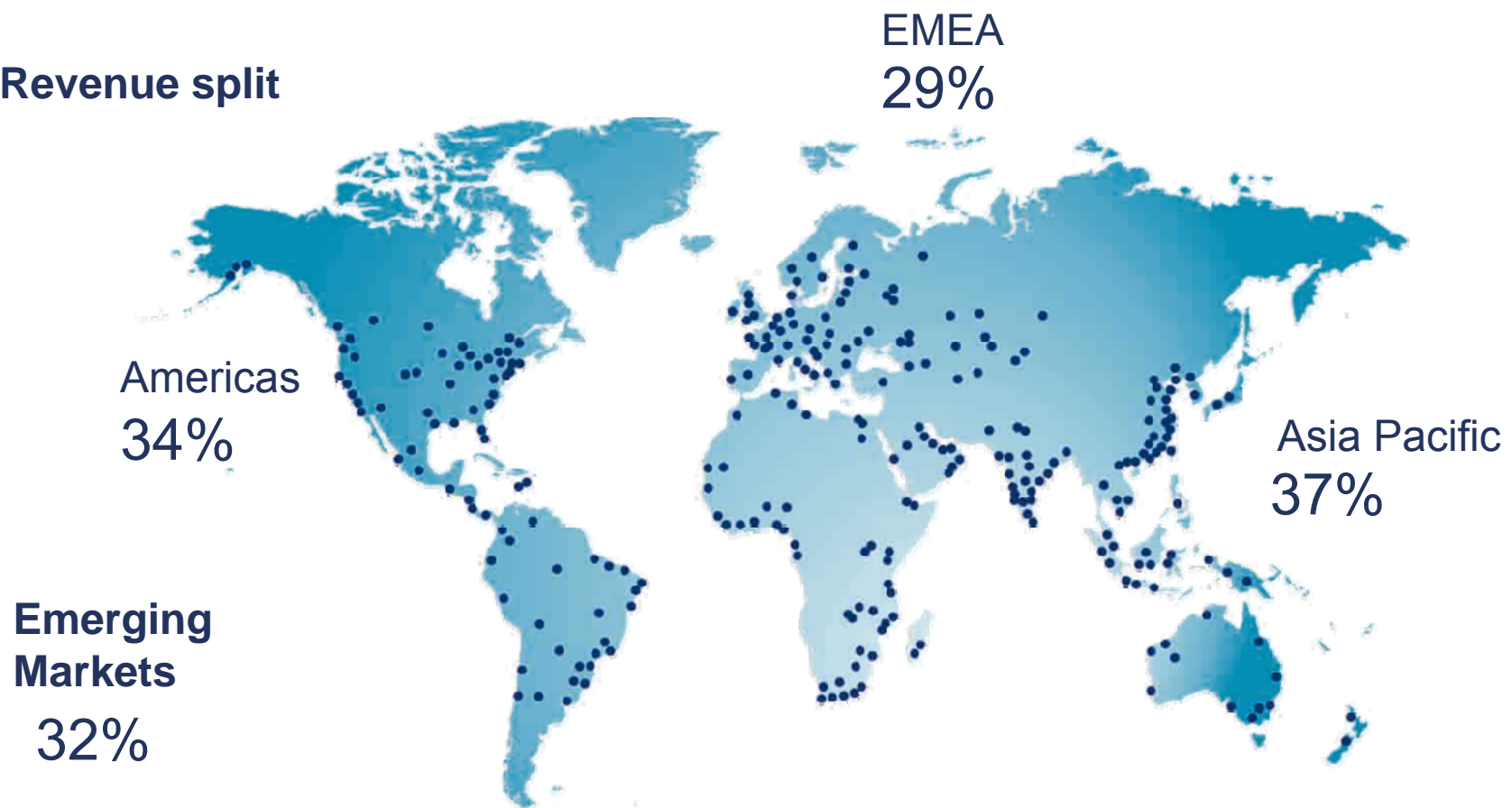
TIC Industry composition





Strong growth market exposure

Revenue split



1 GLOBAL TRADE

Impacting volume related business ➡ 30% of Intertek

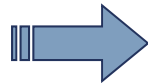
	2009	2010	2011
Global trade growth*	(12.3)%	5.8%	6.3%

* IMF update 26 January 2010

1 GLOBAL TRADE

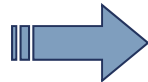
2 MARKET DRIVERS

Product variety



Some correlation to GDP growth

Quality, Safety,
Environmental & CSR
requirements



Erratic upwards trend,
independent of economic
conditions

	2009	2010	2011
Global GDP growth	(0.8)%	3.9%	4.3%

1 GLOBAL TRADE

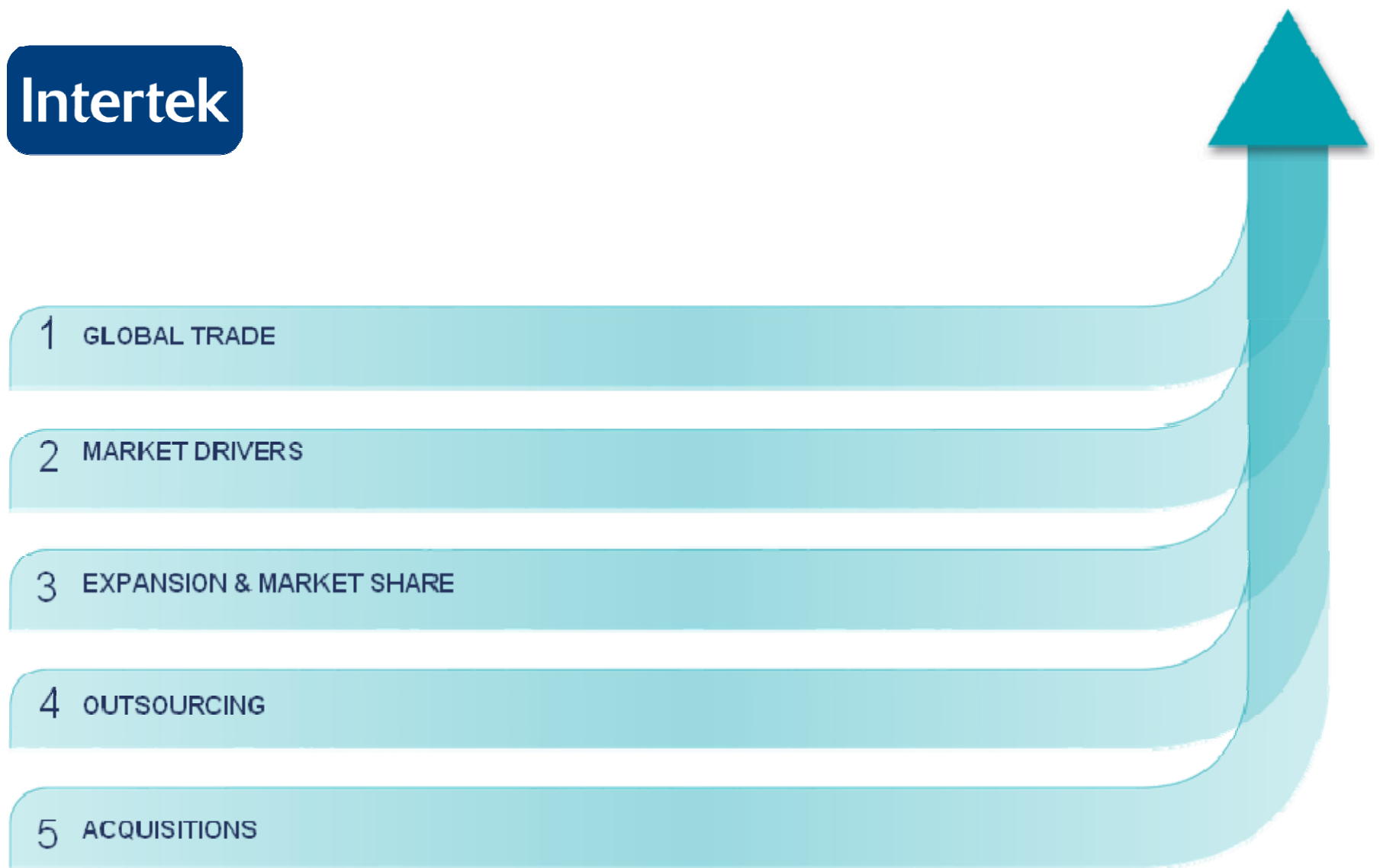
2 MARKET DRIVERS

3 EXPANSION & MARKET SHARE

4 OUTSOURCING



Larger outsourcing deals relatively independent of economy
Overflow work correlated to economic conditions



- Cross divisional selling – key significant wins in retail, automotive and general industrial
- Country management system extended with cost savings from shared purchasing
- First country shared service centre now live in US



Paul Yao

Consumer Goods

26% of Group Revenue

£m @ constant exchange rates	2009	Change	Organic change
Revenue	320.9	12.4%	9.3%
Operating profit	105.5	16.8%	16.6%
Margin	32.9%	120bps	210bps



Textiles; Toys; Hardlines; Food; CSR; Health & Beauty

Review of 2009

- Growth was 1H weighted due to CPSIA (US toys legislation)
- 2H growth on tough comparables still good at 3.3%
- Textiles and Toys (to EU) still growing:
 - Textiles from more chemical testing
 - Toys more safety awareness
- Growth mainly from China and other emerging countries

Outlook

- 1H will continue with low growth due to tough comparables
- CPSIA expected to remain at high levels, with potential increase in 2H
- New EU Toy Directive (2011) to support growth. Will be “principles” vs “rules” based (like CE)
- Inspection expected to improve
- Food building scale



Gregg Tiemann

Commercial & Electrical

20% of Group Revenue

£m @ constant exchange rates	2009	Change	Organic change
Revenue	244.8	2.3%	0.4%
Operating profit	34.7	(2.0)%	(8.7)%
Margin	14.2%	(70)bps	(120)bps



Home Appliances; Lighting; Medical; Building; IT & Telecom; HVAC; Renewable Energy; Automotive



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Review of 2009

- Pick up in 2H growth
- Growth in Alternative Energy and Lighting strongest
- Automotive, Wireless and Consumer Electronic weakest
- Battery consulting & testing acquisition in 2009, expertise & facilities rolled out globally
- Market share gains for ETL mark

Outlook

- Expect some rebound in 2009 weak areas:
 - Delayed product launches
 - IT volatile, but growth has to come from new product development
- Automotive now stable
- Building Products vulnerable to declining commercial building starts
- Lighting, Medical & Renewable Energy expect strong growth



Jay Gutierrez

Oil, Chemical & Agri

33% of Group Revenue

£m @ constant exchange rates	2009	Change	Organic change
Revenue	406.7	2.2%	2.2%
Operating profit	43.7	(7.2)%	(7.2)%
Margin	10.7%	(110)bps	(110)bps



Oil Cargo; Free Standing Testing; Agriculture; Government Services

Review of 2009

- Diversification has protected revenue
 - Decline in North America
 - Growth in Latin America, Middle East & Asia
- North America low trade volumes, refinery closures and less high margin overflow testing
- Latin America, Middle East, Asia continued strong demand in inspection
- Gov't Services declined 9%

Outlook

- Underperforming labs being restructured
- North America remains tough with pricing pressure
- Higher margin Bio-fuels and R&D testing and support expected to increase, but not until late in year

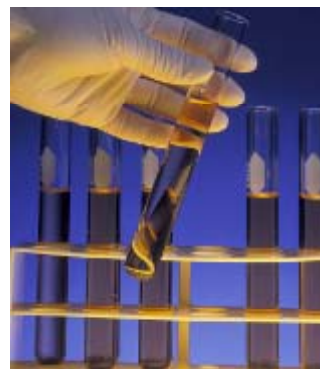


Andrew Swift

Analytical Services

11% of Group Revenue

£m @ constant exchange rates	2009	Change	Organic change
Revenue	137.5	4.3%	4.0%
Operating profit	14.6	(2.0)%	(1.5)%
Margin	10.6%	(70)bps	(60)bps



Upstream; Chemicals & Materials; Pharmaceutical

Review of 2009

- Upstream grew well throughout year
- Despite impact of chemical industry, Chemicals and Materials maintained slow growth
- Pharma & Speciality Chemicals no growth

Outlook

- Reduced exploration but production related work and enhanced oil recovery studies will boost revenue
- Expect improvement in Pharma, Chemicals and Materials to drive growth
- Expect to sign some outsourcing deals

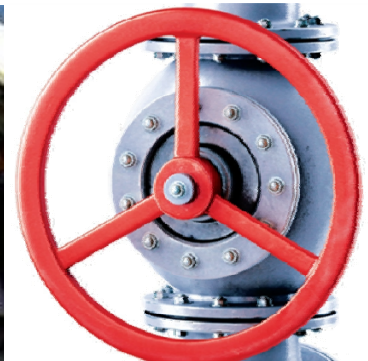
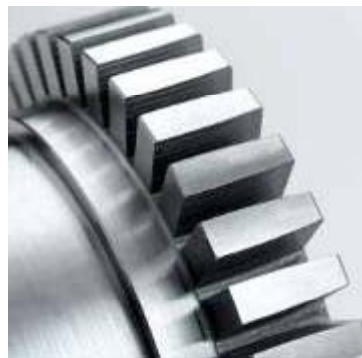


Stefan Butz

Industrial Services

6% of Group Revenue

£m @ constant exchange rates	2009	Change	Organic change
Revenue	80.7	53.1%	6.2%
Operating profit	6.5	91.2%	38.5%
Margin	8.1%	160bps	90bps



Industry; Systems Certification; Health & Environment

Review of 2009

- Some delays emerging on infrastructure projects
- Systems Certification revenues maintained despite automotive exposure

Outlook

- Weak 1H 2010 until newly funded projects come on stream
- Advisory to pick up with REACH, Greenhouse Gas Emissions



Marc Hoffer

Minerals

4% of Group Revenue

£m @ constant exchange rates	2009	Change	Organic change
Revenue	46.7	(4.9)%	(7.4)%
Operating profit	4.0	(32.2)%	(29.1)%
Margin	8.6%	(350)bps	(270)bps



Mining and Exploration

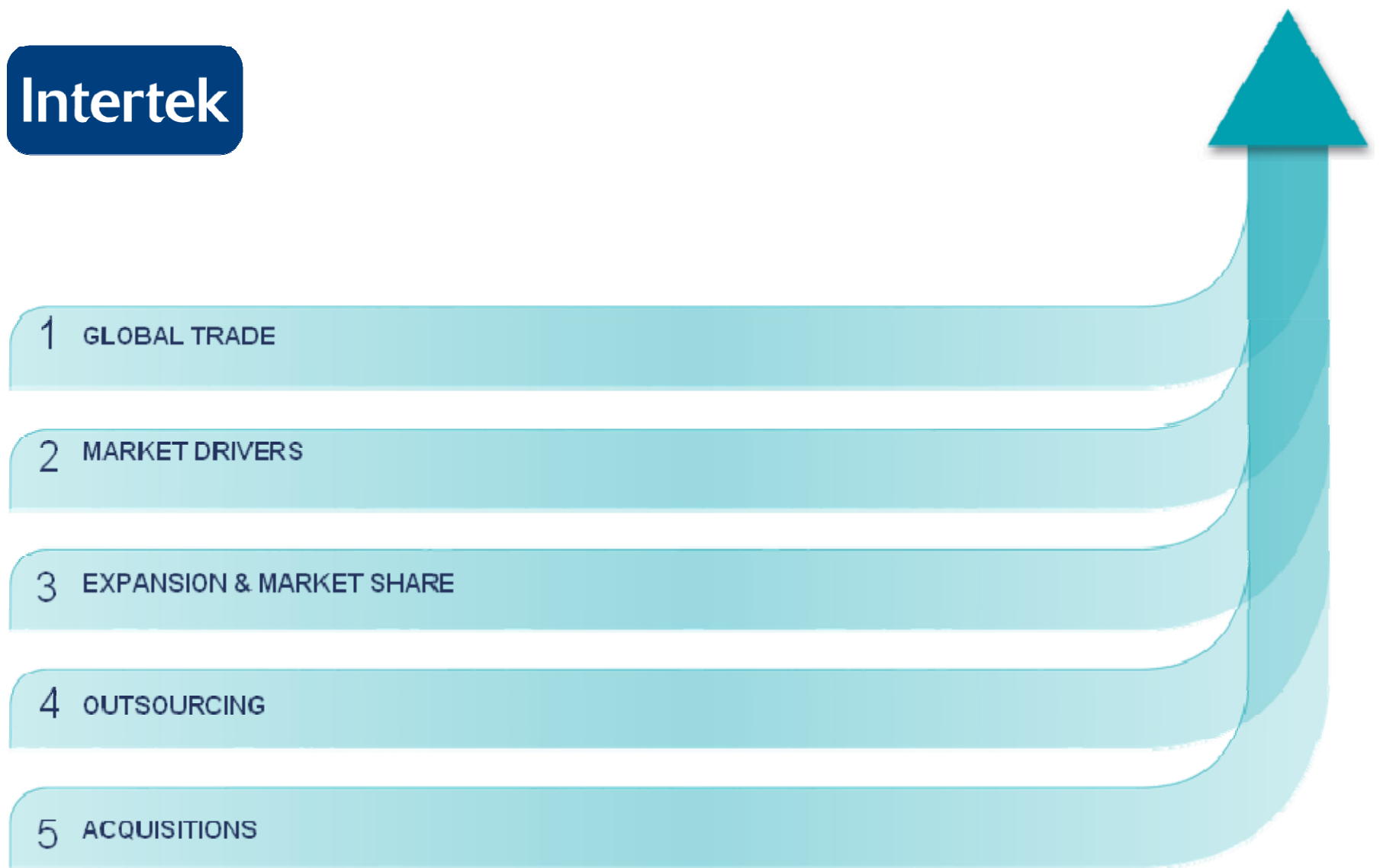
Review of 2009

- Reduced exploration impacted division
- Cost reductions made without losing expertise or capacity

Outlook

- Expect to improve as exploration picks up and metals prices stabilise
- New contracts from new mine-sites being tendered

- Expect to continue growing organically in 2010 at similar levels to 2009
- Expect 2H growth to be better than 1H as economic conditions improve and tough comparatives annualise
- Long term growth will come from supplying more added-value services along the supply chain, deepening our customer integration
- Organic growth will be supported by acquisitions
- Confident we will continue to grow well beyond 2010



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2009 Full Year Results Presentation

Q&A



Growth % constant organic by division

	1H Revenue	2H Revenue	FY Revenue
Consumer Goods	15.9%	3.3%	9.3%
Commercial & Electrical	(0.6)%	1.4%	0.4%
Oil, Chemical & Agri	4.6%	0.0%	2.2%
Analytical Services	4.0%	4.0%	4.0%
Industrial Services	13.9%	(0.9)%	6.2%
Minerals	(3.5)%	(10.4)%	(7.4)%
Group	6.1%	1.0%	3.5%

Growth % constant by division

	1H Revenue	2H Revenue	FY Revenue
Consumer Goods	20.3%	5.4%	12.4%
Commercial & Electrical	2.5%	2.2%	2.3%
Oil, Chemical & Agri	4.6%	0.0%	2.2%
Analytical Services	5.4%	3.3%	4.3%
Industrial Services	67.6%	40.2%	53.1%
Minerals	0.9%	(9.3)%	(4.9)%
Group	10.5%	3.7%	7.0%