2010 Full Year Results Presentation

7 March 2011

Wolfhart Hauser
Chief Executive Officer

Lloyd Pitchford
Chief Financial Officer
Cautionary statement regarding forward-looking statements

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

7 March 2011
Results presentation agenda

- **Introduction**
  - Vanni Treves
    - Chairman

- **Acquisition of Moody**
  - Wolfhart Hauser
    - Chief Executive Officer

- **Financials**
  - Lloyd Pitchford
    - Chief Financial Officer

- **Business Update And Conclusion**
  - Wolfhart Hauser
    - Chief Executive Officer
Acquisition of Moody

7 March 2011

Wolfhart Hauser
Chief Executive Officer
A Strategic Step

- Becoming a leading provider of quality & safety services for the global energy market
- An important step in the ongoing development of Intertek
- Adds £293m revenue and 2,500 people in 60 countries
- Strategic deal with strong financial returns

The Transaction
- £450m cash
- All funded by debt
- Immediate EPS accretion
Overview

2,500 People
60 Countries, 80 Offices

Industry Services
87% Revenue
- Technical Inspection
  - Inspection
  - Technical Auditing
  - Expediting
  - Supervision
  - Assessments
- Asset Integrity
  - Inspection
  - Risk Assessment
  - Data Analysis
- Expert Consulting
  - Safety Training
  - Welding & Materials Training
  - Placement of Experts

System Certification
13% Revenue
- System Certification
  - ISO 9000/14000
  - Risk-based Auditing
  - Food & Auto
  - > 30,000 Certificates

Revenue ($m)

2006 2007 2008 2009 2010

- Total revenue

12% CAGR
Systems Certification

Achieving total global coverage

<table>
<thead>
<tr>
<th>Country</th>
<th>Intertek</th>
<th>Moody</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td></td>
<td></td>
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<tr>
<td>Cameroon</td>
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<tr>
<td>Nigeria</td>
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<td>Algeria</td>
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<td>Norway</td>
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<td>Russia</td>
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<td>Sweden</td>
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<tr>
<td>Kazakhstan</td>
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<td>India</td>
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<td>Pakistan</td>
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<tr>
<td>Saudi Arabia</td>
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<td>Qatar</td>
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<tr>
<td>Australia</td>
<td></td>
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<tr>
<td>Poland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moody</td>
<td></td>
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</tr>
<tr>
<td>Intertek</td>
<td></td>
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</tr>
</tbody>
</table>

2010 Revenue (£)

<table>
<thead>
<tr>
<th></th>
<th>2010 Revenue (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody</td>
<td>39m</td>
</tr>
<tr>
<td>Intertek</td>
<td>23m</td>
</tr>
<tr>
<td>Total</td>
<td>£62m</td>
</tr>
</tbody>
</table>
Energy Outlook

Targeting one of the world’s most important future markets

~40% increase in total demand 2010-30

Billion tonnes of oil equivalent

Energy demand growth

Notes: 1. Includes biofuels. Source: BP Energy Outlook 2030
Energy Market Drivers

- **Energy growth**: Increasing demand, capex and maintenance: ~10% pa
- **Emerging Markets**: Fast growth in emerging markets
- **Environmental needs**: Renewable infrastructure expansion; Environmental concerns
- **Globalisation**: Globalisation of multinationals’ supply chain; Outsourcing of Q&S
- **Quality & Safety**: Increasing Q&S across geographies; Higher incident awareness
...the Energy Path

Upstream

Products

Energy Production

Process

Downstream

Our Support

R&D
Trading
Quality & Quantity Control

Optimise
Manage Risks
Problem-solve
Measure
People

Design
Construct
Maintain
Extend

Assets
Systems Certification
...A Strategic Cross-Selling Opportunity

The Customer

Management: Quality Systems ISO 9000/14000...

R&D
Products
Production
Supply Chain
Distribution Marketing & Sales

Intertek currently
Summary

- Intertek assumes a leadership position in quality and safety services for the global energy market
- Stronger service portfolio to be leveraged across the Intertek-client base
- Increase penetration of existing and new clients in Systems Certification
- Immediate value generation
- Diversification of Group portfolio with balanced exposures to growth
Results overview

• Strong results; capturing recovering growth
• Organic revenue growth of 7.7%
• Operating margin 16.6%
• Cash conversion of 96%
• EPS and dividend up 10%
A strong and consistent growth record

Revenue

Operating profit (adjusted)

20% CAGR

22% CAGR
## Financial highlights

For the twelve months to 31 December 2010

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Change/Change in Organic Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>£1,374.2m</td>
<td>+11.1% at actual, +7.7% at constant organic</td>
</tr>
<tr>
<td>Operating profit ¹</td>
<td>£227.5m</td>
<td>+8.9% at actual, +5.9% at constant organic</td>
</tr>
<tr>
<td>Operating profit margin ¹</td>
<td>16.6%</td>
<td>-30bps at actual, -30bps at constant organic</td>
</tr>
<tr>
<td>Profit before tax ¹</td>
<td>£211.9m</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Diluted adjusted EPS ¹</td>
<td>89.4p</td>
<td>+9.7%</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>£271.4m</td>
<td>-2.5%</td>
</tr>
</tbody>
</table>

¹. Before separately disclosed items
Revenue growth

+ 11.1%
Actual rates

+ 7.7%
Constant rates

£m

2009 1,237
Organic 96
Acquisitions 16
FX 25
2010 1,374

£m

2009 1,237
CG 21
C&E 25
OC&A 46
Analytical 14
Industrial 13
Minerals 18
2010 1,374
Organic revenue growth

- Resilient business model
- Rapid return to strong growth
- "Intertek as One" supporting revenue growth

* Constant currency. YTD at each quarter
Cash flow

- EBITDA conversion: 96%
- DSO 64 days
- Cash flow from ops: £271m
- Capex: £66m; 4.8% of revenue
- Seven acquisitions: £42m
Interest, tax and dividend

• Interest charge of £15.6m\(^1\), down £1.9m
• Effective tax rate of 26.7%\(^1\)
• Net debt of £169.7m: 0.6x EBITDA
• Separately disclosed items: £22.0m (2009 £22.3m)
• 10% increase in full year dividend

\(^1\) Before separately disclosed items
• Completion expected Q2
• Price: c $730m at completion
• Valuation
  • In line with recent similar TIC transactions
  • 2009 EBITA $66m; 11.1x
  • 2010 EBITA $54m; 13.4x
• Value
  • 3.5% transaction and integration costs in 2011
  • $10m cost synergies p.a. by 2013
  • EPS: 2011 accretive; strong long term accretion
**Financing**

- **Net debt:** EBITDA of 0.6
- **New facilities:**
  - $250m bonds (7,10 yrs)
  - $600m bank facility (5 yrs)
  - £30m bank facility (5 yrs)
  - $300m acquisition facility (2 yrs)
- **Continued financial strength to support growth**
• Intertek margin outlook pre-acquisition
  • 100 – 150 bps by 2013
  • Organisational alignment
  • Back office efficiencies
  • Scale benefits

• Outlook post acquisition of Moody
  • 2011 margin broadly similar to 2010
  • Post transaction synergies and improving energy market
  • Enlarged Group up 100 – 150 bps by 2014

• Outlook: high single digit organic revenue growth and margin progression
Consumer Goods
- Textiles
- Toys & Consumer
- Healthcare & Beauty

Commercial & Electrical
- Medical
- IT & Telecoms
- Home Appliances
- Building Products
- HVAC and Automotive

Commodities
(Oil, Chemical & Agri)
- Oil & Gas
- Minerals
- Government Services

Industry & Assurance
(Industrial Services)
- Food & Agriculture
- Industrial Services
- Systems Certification

Chemical & Pharma
(Analytical Services)
- Chemicals & Materials
- Pharmaceutical & Healthcare
- Health, Safety & Environment
Summary

• Strong results; capturing recovering growth
• Strongly financed
• Moody acquisition
• Positive outlook for high single digit organic revenue growth
Growth from new technology

1980
1 Standard
50 hrs testing

2010
8 Standards
250 hrs testing

Electrical &
Mechanical
Safety: BS 3456 Part 2

Electrical Safety: BS EN 60335-2-7

Mechanical Safety: BS EN 60335-2-7

EMC: BS EN55014-1; BS EN55014-2;
BS EN61000-3-2; BS EN61000-3-3;

Chemicals: BS EN 62321

Waste: BS EN 50419

Labelling: BS EN60456

Energy Efficiency: BS EN60456
Growth through supply chain complexity

Produced in 3 Countries
- Sold in 10
- 150 components
- Local sourcing

Produced in 6 Countries
- Sold in 30
- ≈ 500 components
- Global sourcing

Performance Testing & Consulting for R&D and sales differentiation

Auditing suppliers for Ethics, Environment, Quality Systems

Advising on new market entry rules: Global market access certification program

Training on new regulations & standards

Consulting for Hazardous substances programme

Compliance Testing (1 Standard per country)

1980

2010
Future technology

Appliance communicates with the grid over internet & telephony

Telecom technology and wireless communication

Smart functionality responds to individual user habits for improved energy & water efficiency

Ongoing development of safety & environmental standards

Media scrutiny of technology failures, product recalls & environmental breaches

Carbon footprint
Our divisions 2010

2010 FY revenue by division

- Oil, Chemical & Agri: 33%
- Commercial & Electrical: 19%
- Consumer Goods: 25%
- Analytical Services: 11%
- Industrial Services: 7%
- Minerals: 5%
<table>
<thead>
<tr>
<th>£m @ constant exchange rates</th>
<th>2010</th>
<th>Change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>341.5</td>
<td>5.2%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>109.2</td>
<td>1.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Margin</td>
<td>32.0%</td>
<td>(110)bps</td>
<td>(110)bps</td>
</tr>
</tbody>
</table>

- Textiles testing continued growth
- Toys testing back to strong and steady growth in 2H
- Inspection and food testing also grew well with improving margins
- Increasing quality and safety concerns on children’s and consumer goods
- Increasing product variety
- Emerging market consumers
### Review of 2010 and outlook

<table>
<thead>
<tr>
<th>£m @ constant exchange rates</th>
<th>2010</th>
<th>Change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>269.2</td>
<td>7.8%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>38.2</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Margin</td>
<td>14.2%</td>
<td>(10)bps</td>
<td>(10)bps</td>
</tr>
</tbody>
</table>

- Medical appliances, lighting, HVAC - strong growth
- Alternative energy / energy storage contributing well
- Building products decline
- New product development
- Energy efficient products
- Market share gains
### Review of 2010 and outlook

<table>
<thead>
<tr>
<th>£m @ constant exchange rates</th>
<th>2010</th>
<th>Change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>452.7</td>
<td>8.7%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>51.0</td>
<td>12.3%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Margin</td>
<td>11.3%</td>
<td>40bps</td>
<td>30bps</td>
</tr>
</tbody>
</table>

- Emerging markets fastest growth
- End of year improvement in USA, especially higher margin testing
- Government Services and Agri performing well
- Emerging economies demand for oil
- Alternative fuels
- Increasing global trade flows in agri, oil and petrochemical
## Review of 2010 and outlook

<table>
<thead>
<tr>
<th>£m @ constant exchange rates</th>
<th>2010</th>
<th>Change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>151.5</td>
<td>10.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>14.5</td>
<td>0.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Margin</td>
<td>9.6%</td>
<td>(100)bps</td>
<td>(50)bps</td>
</tr>
</tbody>
</table>

- Growth in chemicals and materials
- Decline in pharma
- Two new outsourcing deals at low initial margins
- Penetration of in-house laboratories
- New lighter, stronger advanced materials, technologies and complexity
- Biologics (macro-molecules), bio-similars
## Review of 2010 and outlook

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>Change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>93.8</td>
<td>14.1%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7.3</td>
<td>9.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Margin</td>
<td>7.8%</td>
<td>(40)bps</td>
<td>(30)bps</td>
</tr>
</tbody>
</table>

- Strong 2H revenue acceleration
- Good growth for SC and H&E
- 2H sequential margin improvement

- Growth from Moody acqn
- Full bid pipeline
- Rising oil price and energy demand driving capex and opex
- Systems certification now with global scale
### Minerals

**Review of 2010 and outlook**

<table>
<thead>
<tr>
<th>£m @ constant exchange rates</th>
<th>2010</th>
<th>Change</th>
<th>Organic change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>65.5</td>
<td>25.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7.3</td>
<td>65.9%</td>
<td>65.9%</td>
</tr>
<tr>
<td>Margin</td>
<td>11.1%</td>
<td>270bps</td>
<td>270bps</td>
</tr>
</tbody>
</table>

- Rapid ramp up in year
- New contracts on new mining capex
- Higher Asia trade inspection
- Improving laboratory utilisation rates
- Economic growth, especially from emerging economies
- Increasing demand and price of minerals
A New Leadership Position

- Quality
- Safety
- Commodities & Materials
- Industry & Assurance
- Consumer Goods
- Commercial & Electrical
- Retail & Manufactured Products
- Chem & Pharma
Appendix
### Adjusted operating profit

<table>
<thead>
<tr>
<th>£m @ actual exchange rates</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating profit ¹</td>
<td>227.5</td>
<td>209.0</td>
</tr>
<tr>
<td>Amortisation of acquisition intangibles</td>
<td>(12.9)</td>
<td>(12.8)</td>
</tr>
<tr>
<td>Acquisition and integration costs</td>
<td>(5.3)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Claims and settlements</td>
<td>(2.8)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>-</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Statutory operating profit</td>
<td>206.5</td>
<td>186.7</td>
</tr>
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</table>

¹. Before separately disclosed items
<table>
<thead>
<tr>
<th>£m @ actual exchange rates</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory operating profit</td>
<td>206.5</td>
<td>186.7</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>(15.6)</td>
<td>(17.5)</td>
</tr>
<tr>
<td>Fair value of interest rate swaps</td>
<td>(1.0)</td>
<td>-</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>189.9</td>
<td>169.2</td>
</tr>
<tr>
<td>£m @ actual exchange rates</td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>189.9</td>
<td>169.2</td>
</tr>
<tr>
<td>Tax</td>
<td>(50.9)</td>
<td>(45.5)</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>139.0</td>
<td>123.7</td>
</tr>
<tr>
<td>Reported tax rate</td>
<td>26.8%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Effective tax rate on adjusted operating profit</td>
<td>26.7%</td>
<td>26.7%</td>
</tr>
<tr>
<td>£m @ actual exchange rates</td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>----------------------------</td>
<td>--------</td>
<td>--------</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>271.4</td>
<td>278.4</td>
</tr>
<tr>
<td>Net interest</td>
<td>(15.4)</td>
<td>(16.1)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(61.7)</td>
<td>(59.6)</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>(65.1)</td>
<td>(52.5)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>129.2</td>
<td>150.2</td>
</tr>
</tbody>
</table>
## Net debt

<table>
<thead>
<tr>
<th>£m @ actual exchange rates</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>386.7</td>
<td>335.6</td>
</tr>
<tr>
<td>Cash</td>
<td>(217.0)</td>
<td>(134.2)</td>
</tr>
<tr>
<td>Net debt</td>
<td>169.7</td>
<td>201.4</td>
</tr>
<tr>
<td><strong>Net debt to EBITDA (LTM)</strong></td>
<td>0.6x</td>
<td>0.8x</td>
</tr>
</tbody>
</table>
Currency

Revenue by currency

Cumulative average exchange rates

<table>
<thead>
<tr>
<th>Value of local currency</th>
<th>FY 2010</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>1.55</td>
<td>1.56</td>
</tr>
<tr>
<td>HKD</td>
<td>12.00</td>
<td>12.06</td>
</tr>
<tr>
<td>CNY</td>
<td>10.47</td>
<td>10.63</td>
</tr>
<tr>
<td>AUD</td>
<td>1.69</td>
<td>1.99</td>
</tr>
<tr>
<td>CAD</td>
<td>1.60</td>
<td>1.77</td>
</tr>
<tr>
<td>EUR</td>
<td>1.17</td>
<td>1.12</td>
</tr>
</tbody>
</table>
Dividend

- Full year dividend of 28.1p; up 10%
- Final dividend of 18.8p
- Progressive approach to dividend increases