2017 HALF YEAR RESULTS ANNOUNCEMENT
1 AUGUST 2017

STRONG EARNINGS GROWTH AND CASH GENERATION

- Group revenue of £1.372bn: +2.7% at constant rates, +13.9% at actual rates
- Solid organic revenue growth of +1.7% at constant rates: Products +5.8%, Trade +4.6%, Resources -12.3%
- Portfolio strength and cost discipline driving margin progression: +110bps at constant rates, +90bps at actual rates
- Double digit diluted EPS growth: +11.4% at constant rates, +21.3% at actual rates
- Free cash flow: +£75m year on year, driven by strong cash conversion
- Half year dividend payment of 23.5p, up 21.1%

A video outlining the Half Year Results is available on the Group's website - http://www.intertek.com/

André Lacroix: Chief Executive Officer statement

"The Group has delivered a strong earnings and cash performance in the first half, reflecting the Group's performance management discipline focussed on margin accretive revenue growth with strong cash conversion and accretive disciplined capital allocation.

In line with our progressive dividend policy and underpinned by our excellent cash generation, we have announced a half year dividend of 23.5p, an increase of 21.1%.

The Products and Trade related divisions, which represent 94% of the Group's earnings, delivered an excellent performance with organic growth of 5.5% at constant rates while, as expected, trading conditions remained challenging in the Resources related division. The recent acquisitions in high margin and high growth areas performed well. We are well positioned to deliver solid organic revenue growth with robust margin progression at constant currency in 2017.

The $250 billion global quality assurance industry has attractive structural growth prospects driven by an increased focus of corporations on risk management, global trade flows, global demand for energy, expanding regulations, more complex sourcing and distribution operations, technological innovations, government investments in large infrastructure projects, and increased consumer demand for higher quality and more sustainable products.

We are uniquely positioned to seize these exciting growth opportunities with our Total Quality Assurance value proposition that provides a superior service, offering global Assurance, Testing, Inspection and Certification solutions to our customers across multiple industries through our global network of over 1,000 state of the art facilities in over 100 countries.

We operate a high quality and highly cash generative earnings model. Our differentiated growth strategy will continue to move the centre of gravity of our portfolio towards the attractive growth and margin opportunities in the industry based on a disciplined approach to revenue, margin, portfolio and cash performance management, and an accretive disciplined capital allocation to deliver sustainable returns for our shareholders.

We are on track on our 'good to great' journey, making progress on both performance and strategy."

Key Adjusted Financials	2017 H1	2016 H1	Change at actual rates	Change at constant rates[1]
Revenue	**£1,371.8m**	£1,203.9m	13.9%	2.7%
Organic revenue[2]	**£1,355.4m**	£1,201.1m	12.8%	1.7%
Operating profit[3]	**£223.9m**	£185.9m	20.4%	10.1%
Operating margin[3]	**16.3%**	15.4%	90bps	110bps
Profit before tax[3]	**£210.3m**	£172.5m	21.9%	11.6%
Diluted earnings per share[3]	**90.4p**	74.5p	21.3%	11.4%
Interim dividend per share	**23.5p**	19.4p	21.1%	

1. Constant currency is calculated by translating H1 16 results at H1 17 exchange rates
2. Organic revenue growth excludes the impact of acquisitions and disposals in 2016 and 2017
3. Adjusted results are stated before Separately Disclosed Items ('SDIs'), see note 3 to the Condensed Consolidated Interim Financial Statements. A reconciliation between reported and adjusted measures is shown in the Presentation of Results section.
   The items included within free cash flow are set out in the Condensed Consolidated Interim Statement of Cash Flows.

Key Statutory Financials	2017 H1	2016 H1	Change at actual rates
Revenue	**£1,371.8m**	£1,203.9m	13.9%
Operating profit	**£204.4m**	£162.6m	25.7%
Operating margin	**14.9%**	13.5%	140bps
Profit before tax	**£190.8m**	£149.2m	27.9%
Diluted earnings per share	**82.5p**	70.0p	17.9%

The Directors have approved an interim dividend of 23.5p per share (H1 16: 19.4p) to be paid on 13 October 2017 to shareholders on the register at close of business on 29 September 2017.

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Analysts' Call

A live audiocast for analysts and investors will be held today at 9.00am. Details can be found at http://www.intertek.com/investors/ together with presentation slides and a pdf copy of this report. A recording of the audiocast will be available later in the day.

intertek
Total Quality. Assured.

Intertek is a leading Total Quality Assurance provider to industries worldwide.

Our network of more than 1,000 laboratories and offices and over 42,000 people in more than 100 countries, delivers innovative and bespoke Assurance, Testing, Inspection and Certification solutions for our customers' operations and supply chains.

Intertek Total Quality Assurance expertise, delivered consistently, with precision, pace and passion, enabling our customers to power ahead safely.

intertek.com

HALF YEAR REPORT 2017

GROUP CEO REVIEW

The Group has delivered strong earnings growth in the first half of 2017 leveraging our high margin and strongly cash generative earnings model. We have announced a half year dividend of 23.5p up 21.1% year on year, in line with our progressive dividend policy.

We are well positioned to deliver solid organic revenue growth with robust margin progression at constant currency in 2017. Our Products division delivered an excellent performance with an operating profit growth of 22.8% benefiting from a robust organic growth performance and from the recent acquisitions. Our Trade related businesses delivered good organic growth performance, while in our Resources sector trading conditions remain challenging, as expected.

We operate in a $250bn global quality assurance industry with attractive structural growth prospects and looking forward we will continue to benefit from increased consumer demand for higher quality and more sustainable products, changing regulations, technological innovations, more complex supply chains, global trade flows and the increased focus of corporations on risk management.

We are well positioned to seize these exciting growth opportunities with our Total Quality Assurance value proposition that provides a superior service, offering global Assurance, Testing, Inspection and Certification solutions to our customers across multiple industries globally.

Our differentiated Total Quality Assurance growth strategy will move the centre of gravity of our portfolio towards the attractive growth and margin opportunities in the industry based on a disciplined approach to performance management and capital allocation to deliver sustainable growth and returns for our shareholders.

Attractive opportunities for growth

The total value of the global quality assurance market is, we estimate, $250 billion of which 'only' $50 billion is currently outsourced. That means there is a total $200 billion in-house opportunity.

Companies are certainly doing far more today to improve quality and safety than they were even five years ago, but there is much that needs to be done to establish a robust, reliable, end-to-end Total Quality Assurance approach that reduces risk. That is what we offer our clients, leveraging our broad service portfolio, our technical expertise and our global laboratory network to allow corporations to concentrate on their core value-generating activities.

We see four growth opportunities.

First, we will be looking to leverage the growth opportunities presented by our existing customers. We aim to increase customer account penetration, both within the services we already provide to each individual organisation and by cross-selling between the various components of our integrated ATIC offering.

Second, we will continue to leverage our global portfolio of industry leading solutions to win new customer relationships with new and fast growing local, regional and global companies.

Third, as companies see the value in our Total Quality Assurance approach, there will also be tremendous growth potential in convincing corporations that currently conduct this work in-house to outsource their quality assurance requirements to us.

Fourth, our industry is highly fragmented and we will look at seizing the right M&A opportunities to enable us to expand our geographic coverage where needed, providing access to a new kind of offering or strengthening our existing operations. Our highly cash generative earnings model and strong balance sheet provides the flexibility to accelerate organic growth with value enhancing acquisitions.

Intertek Total Quality Assurance

Intertek has a proven track record of innovating and anticipating the growing needs of its clients. We have been the pioneers of our industry across the world for 130 years and we continue to be its chief innovator, constantly evolving and improving our offer to customers to meet their changing needs. Importantly, this entrepreneurial spirit among our people is a fundamental aspect of our differentiated '5x5' strategy for growth.

In identifying that our customers now need systemic and in-depth Assurance, Testing, Inspection and Certification services (ATIC), we added last year a new dimension to our traditional Quality Control offering by placing Assurance as the cutting edge of our value proposition. The intensifying focus by corporations on managing risk in the supply chain has substantially increased the role of Assurance in their day-to-day risk-mitigation activities.

Today, the truly systemic Total Quality Assurance (TQA) solutions we can deliver go beyond assuring the quality and safety of a corporation's physical components, products and assets to also look at the reliability of their operating processes and quality management systems. Our TQA approach is fundamental to enabling our clients to operate safely and with complete peace of mind.

Our differentiated TQA value proposition is set to lead our growth trajectory in the years ahead. We have evolved our service offering to meet the needs of our customers, positioning Intertek strongly to leverage these truly exciting opportunities with our differentiated TQA value proposition.

Our high-quality earnings model

Our high margin and strongly cash generative earnings model is underpinned by the delivery of our Total Quality Assurance Value Proposition.

The Intertek earnings model is to provide ATIC solutions with superior customer service levels to businesses in the three economic sectors of 'Products', 'Trade' and 'Resources' across more than 100 countries. These sectors provide the framework of our high-quality earnings model, and each benefit from its own set of structural growth drivers.

We operate a capital light business model which combined with our entrepreneurial culture enables us to react quickly to new growth opportunities.

At the Group level, in the medium- to long-term we expect to deliver GDP+ organic revenue growth that is margin accretive and strongly cash generative. This will enable us to allocate our resources in a disciplined fashion, to create further value via carefully selected capital expenditure and M&A investments in high-margin and high-growth areas that in turn feed further accelerated margin accretive revenue growth.

The Products sector, which currently delivers over 70% of our profit, comprises Softlines & Hardlines, Electrical & Network Assurance, Building & Construction, Chemicals & Pharma, Transportation Technologies, Food, and Business Assurance. We see the sector as continuing to benefit from corporations' growing investments in quality and innovation and anticipate continuing growth in response to rising consumer demand and a higher regulatory burden.

Specifically, we see two key growth drivers for Intertek in this sector:

- growth in stock-keeping units ('SKUs') or brands, driven by increasing numbers of products worldwide, shorter product life-cycles and the rise of e-commerce. Just consider the speed of product development over the last 30 years in the mobile phone sector, as companies have competed for consumer attention through investments in technology, innovation, variety and brand development; and
- growth in the number of tests that need to be taken for each SKU or brand, driven by rising regulatory standards, concerns for safety, demand for higher quality and continuous innovation.

We expect our Products sector to continue growing faster than GDP as our ATIC services support customers in their determination to:

- innovate ahead of their competitors,
- maintain or improve quality while expanding their supply chains,
- meet more demanding regulatory standards,
- raise the sustainability standards of their products and processes,
- sharpen their risk-management focus, and
- protect their reputations.

Our second key business sector is Trade, which comprises Cargo & Analytical Assessment ('Cargo/AA'), AgriWorld and Government & Trade Services and accounts for around 20% of our profit. By drawing on our services, particularly in the Inspection area, companies have the assurance of knowing that their cargoes comply with all relevant regulations and quality standards.

Our Trade business will continue to benefit from ongoing growth in global trade and the development of stronger regional trade in Asia, the Indian Ocean, the Mediterranean and the Americas. We expect this growth to be at a rate similar to global GDP through the cycle, driven by the increases in global population and demand from emerging markets that are causing cargo tonnage, shipping numbers and trading routes to grow.

In Resources, our third business sector which contributed less than 10% of our profit, we anticipate long-term growth driven by increasing demand for global energy to support GDP and population growth but we recognise this is a cyclical business that is currently in the challenging part of the cycle.

We offer both Capex and Opex Services, we can help companies investing in new capacity and operating existing facilities.

We will also see continued expansion in the different types of energy consumed, with an increasing role for renewables in driving sustainability, carbon reduction and cleanliness of supply.

Our differentiated strategy for growth

Our earnings model supports our '5x5' differentiated strategy for growth, which aims to move the centre of gravity of the company towards high-growth, high-margin areas in our industry. This strategy comprises five strategic priorities and five strategic enablers, targeted at the achievement of five corporate goals that help us measure progress.

Our five medium- to long-term corporate goals are:

- Fully engaged employees working in a safe environment
- Superior customer service in Assurance, Testing, Inspection and Certification
- Margin-accretive revenue growth based on GDP+ organic growth
- Strong cash conversion from operations
- Accretive, disciplined capital-allocation policy

Our five strategic priorities are:

- A differentiated brand proposition that positions Intertek as the market-leading provider of Quality Assurance services
- Delivering superior service with our Total Quality Assurance value proposition, building customer loyalty and attracting new customers
- An effective sales strategy that develops our business by attracting new clients and growing account penetration with existing customers, through increasing the focus on the systematic cross selling of our ATIC solutions
- Operating a growth- and margin-accretive portfolio strategy, that delivers focussed growth among the business lines, countries and services with good growth and margin prospects
- Delivering operational excellence in every operation to drive productivity

The five enablers that will support the execution of our strategy are:

- Our entrepreneurial spirit and decentralised organisation which underpins our customer-centric culture
- Disciplined performance management, driving margin-accretive revenue growth with strong cash conversion and strong returns on capital
- Superior technology, increasing productivity and adding value to our customers
- Engaging our people through the appropriate reward strategy and investing in the right capabilities to support our growth agenda
- Achieving sustainable growth for customers, employees, shareholders, suppliers and communities and ensuring we have the right balance between performance and sustainability

Focussed portfolio strategy

Pursuing a growth- and margin-accretive portfolio is one of our five strategic priorities. When managing our day to day performance and allocating our capital and people resources, we will pursue a three-tier portfolio strategy:

First, we will focus on our large businesses with good growth and margin prospects. These areas of focus are:

- at the Business Line level: Softlines, Hardlines, Electrical & Network Assurance, Cargo/AA and Government & Trade Services
- at the Geographic level: North America and Greater China

Second, we will invest in the fast-growing businesses with good margin prospects where the focus areas are:

- at the Business Line level: Business Assurance, AgriWorld, Building & Construction, Transportation Technologies and Food
- at the Geographic level: South Asia, South East Asia, South America, Middle East and Africa

Third, we will focus on improving the performance:

- at the Business Line level: Industry Services and Minerals
- at the Geographic level: Europe and Australasia

Accretive disciplined capital allocation

In our view, to deliver shareholder returns on a consistent basis, the right formula is sustainable earnings growth with accretive disciplined allocation of capital.

We pursue an accretive disciplined approach to capital allocation, which enables us to reinvest our growing earnings and create long-term value and sustainable shareholder returns.

The first priority when it comes to capital allocation is investment to support organic growth. In the medium- to long-term, we will invest circa 5% of revenue in capital expenditure.

The second priority is to deliver sustainable returns for our shareholders through the payment of progressive dividends with a dividend payout ratio of circa 40% of earnings.

The third priority for capital is M&A activity to strengthen our portfolio in the right growth areas, provided we can deliver good returns. This means focusing on those existing business lines or countries with good growth and margin prospects, where we have leading market positions, or entering new exciting growth areas, be that geography or services.

The fourth priority is to maintain an efficient balance sheet that gives us the flexibility to invest in growth with a net debt to EBITDA ratio of 1.5 to 2 times.

Looking ahead

We believe that the strength of our 2017 half year results demonstrate the attractive nature of our industry, Intertek's high-quality earnings model and the effectiveness our '5x5' differentiated strategy for growth.

We are confident about the growth prospects in the global Quality Assurance market.

We are uniquely positioned to seize these attractive growth opportunities, underpinned by the increased complexities of corporate supply chains and the associated challenges of maintaining a high level of quality assurance end to end.

Leveraging our industry-leading expertise and innovative and entrepreneurial culture, we service a diversity of industries, geographies and customers with multiple Total Quality Assurance solutions with our global network enabling us to follow the supply chains of our customers wherever they are in the world.

We have a strong track record of creating sustainable growth and shareholder value, leveraging our high-margin and highly cash generative earnings model.

We are moving the company's centre of gravity towards our industry's most attractive growth and margin areas with a disciplined approach to performance management and capital allocation.

We are on track on our 'good to great' journey, making progress on both performance and strategy.

André Lacroix
Chief Executive Officer

Operating Review
For the six months ended 30 June 2017

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 ('SDIs').

Overview of performance

	H1 17 £m	H1 16 £m	Change at actual rates	Change at constant rates[1]
Revenue	**1,371.8**	1,203.9	13.9%	2.7%
Organic revenue[2]	**1,355.4**	1,201.1	12.8%	1.7%
Operating profit[3]	**223.9**	185.9	20.4%	10.1%
Margin[3]	**16.3%**	15.4%	90bps	110bps
Net financing costs	**(13.6)**	(13.4)	1.5%	
Income tax expense[3]	**(53.6)**	(43.6)	22.9%	
Earnings for the period[3]	**147.3**	121.0	21.7%	11.6%
Diluted earnings per share[3]	**90.4p**	74.5p	21.3%	11.4%

1. Constant currency is calculated by translating H1 16 results at H1 17 exchange rates
2. Organic revenue growth excludes the impact of acquisitions and disposals in 2016 and 2017
3. Adjusted results are stated before SDIs

Total reported Group revenue growth was 13.9%, comprising 1.0% growth contributed by acquisitions, organic revenue of 1.7% and an increase of 11.2% from foreign exchange where sterling depreciated against most of the Group's trading currencies.

The Group's organic revenue reflected robust growth in the Products division and good growth in the Trade division, while challenging conditions in the oil and gas infrastructure market impacted the Resources division.

Operating profit at constant exchange rates increased 10.1%, driven by double digit growth in the Products division.

The adjusted operating margin was 16.3%, an increase of 110bps from the prior year at constant exchange rates. Organic operating margin at constant rates increased by 100bps as we benefited from positive operating leverage, margin accretive divisional mix and the restructuring activities in prior years.

The Group remains very focused on cost and margin management. In line with the review linked to the 5x5 strategy announced in March 2016, the Group has recognised a further £6.9m restructuring cost that will remove 300 positions across the business, and an impairment charge of £8.0m following a full assessment of the Group's IT assets.

The Group's statutory operating profit for the period was £204.4m (H1 16: £162.6m) after SDIs, but before interest and tax of £60.7m (H1 16: £40.9m).

Net Financing Costs

Net financing costs were £13.6m, an increase of £0.2m on H1 16. This comprised £0.7m (H1 16: £0.3m) of finance income and £14.3m (H1 16: £13.7m) of finance expense.

Tax

The adjusted effective tax rate was 25.5%, broadly stable with the prior year (H1 16: 25.3%).

Earnings per share

Adjusted diluted earnings per share at actual exchange rates was 21.3% higher at 90.4p. Statutory diluted earnings per share was 82.5p (H1 16: 70.0p) per share and statutory basic earnings per share was 83.5p (H1 16: 70.7p).

Dividend

The Board has approved a 21.1% increase in the interim dividend to 23.5p per share (H1 16: 19.4p). The dividend will be paid on 13 October 2017 to shareholders on the register at 29 September 2017.

Acquisitions and investments

The Group's strategy is to invest both organically and by acquiring complementary businesses, enabling it to take advantage of the strong long-term structural growth drivers in the quality assurance industry and continually offer the latest technologies and services in the locations demanded by clients.

The Group completed one (H1 16: one) acquisition in the first six months. In April 2017, the Group acquired KJ Tech Services GmbH ('KJ Tech'), a leading provider of vehicle, component and fuel testing services based in Germany for a cash consideration of £10.5m, net of cash acquired of £0.3m.

The Group also invested £35.5m (H1 16: £48.7m) organically in laboratory expansions, new technologies and equipment and other facilities.

Cash Flow

The Group's cash performance in the period was strong with free cash flow of £124.0m (H1 16: £48.9m), driven by disciplined working capital management and strong cash conversion. Adjusted cash flow from operations was £226.0m (H1 16: £155.9m). Statutory cash flow from operations was £217.8m (H1 16: £145.8m).

Financial position

The Group ended the period in a strong financial position. Net debt was £696.3m, a decrease of £47.4m on 31 December 2016, reflecting net repayment of facilities and the translation impact of our foreign currency denominated debt at the end of June 2017.

Outlook

The Group is well positioned to deliver solid organic revenue growth with robust margin progression at constant currency and strong cash conversion in 2017.

We expect our Products related businesses to deliver robust organic revenue growth, our Trade related businesses to report good organic revenue growth performance, while the market conditions will remain challenging in our Resources related businesses. We will continue to benefit from the acquisitions made since January 2016.

Looking further ahead, the global Quality Assurance market will benefit from attractive growth prospects driven by an increased focus of corporations on risk management, global trade flows, global demand for energy, expanding regulations, more complex sourcing and distribution operations, technological innovations, government investments in large infrastructure projects, and increased consumer demand for higher quality and more sustainable products.

We provide our customers with a Total Quality Assurance differentiated value proposition based on the depth and breadth of our technical expertise, our global network of over 1,000 state of the art facilities in over 100 countries, our industry leading Assurance, Testing, Inspection and Certification solutions, and our customer centric culture fuelled by our passionate colleagues around the world.

We continue to be uniquely positioned to benefit from the GDP+ organic revenue growth prospects in the Quality Assurance Industry in the medium to long term, leveraging our high quality and highly cash generative earnings model.

Operating Review by Division

	Revenue				Adjusted operating profit			
	H1 17 £m	H1 16 £m	Change at actual rates	Change at constant rates	H1 17 £m	H1 16 £m	Change at actual rates	Change at constant rates
Products	**798.7**	677.9	17.8%	6.4%	**164.0**	133.6	22.8%	11.9%
Trade	**325.8**	272.5	19.6%	7.5%	**45.9**	37.0	24.1%	12.5%
Resources	**247.3**	253.5	(2.4%)	(12.3%)	**14.0**	15.3	(8.5%)	(12.5%)
	1,371.8	1,203.9	13.9%	2.7%	**223.9**	185.9	20.4%	10.1%

A review of the adjusted results of each division in the six months ended 30 June 2017 compared to the six months ended 30 June 2016 is set out below. Revenue, operating profit and growth rates are presented at actual exchange rates. In addition, both total and organic growth at constant exchange rates is presented. Organic growth figures are calculated by excluding the results of acquisitions and disposals made since 1 January 2016. Operating profit and operating margin are stated before SDIs.

All comments below reflect adjusted results and growth rates at constant currency, unless otherwise stated.

Products Divisional Review

	H1 17 £m	H1 16 £m	Change at actual rates	Change at constant rates
Revenue	**798.7**	677.9	17.8%	6.4%
Organic revenue	**791.2**	675.1	17.2%	5.8%
Operating profit	**164.0**	133.6	22.8%	11.9%
Operating margin	**20.5%**	19.7%	80bps	100bps

Intertek Value Proposition

Our Products related businesses consist of business lines that are focussed on ensuring the quality and safety of physical components and products, as well as minimising risk through assessing the operating processes and quality management systems of our customers.

As a trusted partner to the world's leading retailers, manufacturers and distributors, the division supports a wide range of industries including textiles, footwear, toys, hardlines, home appliances, consumer electronics, information and communication technology, automotive, aerospace, lighting, building products, industrial and renewable energy products, food and hospitality, healthcare and beauty, and pharmaceuticals.

Across these industries we provide a wide range of ATIC services including, laboratory safety, quality and performance testing, second-party supplier auditing, sustainability analysis, product assurance, vendor compliance, process performance analysis, facility plant & equipment verification and 3rd party certification.

Strategy

Our Total Quality Assurance value proposition provides a systemic approach to support the Quality Assurance efforts of our Products related customers in each of the areas of their operations. To do this we leverage our global network of accredited facilities and world leading technical experts to help our clients meet high quality safety, regulatory and brand standards, develop new products, materials and technologies and ultimately assist them in getting their products to market quicker, in order to continually meet evolving consumer demands.

Innovations

We continue to invest in innovation to deliver a superior customer service in our Products related businesses:

Nespresso Recycling Assurance

- **Customer insight:** Nespresso is managing the environmental issues associated with the disposal of used coffee capsules with its own global recycling programme
- **Food & Business Assurance innovation:** The programme involves transporting capsules from 100,000+ drop-off points to processing at dedicated recycling units. Intertek devised a unique approach using assurance to evaluate the critical points in its entire value chain
- **Customer benefit:** Provides Nespresso with confidence that their sustainable values are upheld, while customers are reassured recycling efforts are effective

Toy Apparatus

- **Customer insight:** Toys like whistles and kazoos, have small parts inside that vibrate to generate sound when being used and there is a risk that some of the small parts could become a projectile or be inhaled
- **Hardlines innovation:** Intertek's experts developed a mouth actuated small parts breathing apparatus that mimics the airflow rate that an 8-year-old child could generate
- **Customer benefit:** This proprietary apparatus is designed to determine the likelihood that small parts would dislodge from these types of products and therefore help protect children's safety

Sustainability Cloud Assurance

- **Customer insight:** Customers need life cycle assessments ('LCA') to determine the sustainability and carbon footprint of their products, processes and business operations
- **HERS innovation:** Intertek has invested in cloud-based LCA technology that offers market leading LCA services to our global clients. We provide customers with greater insights, leveraging our expertise in sustainable design, materials testing and supply chain management
- **Customer benefit:** This innovative cloud-based ATIC approach allows our clients to benefit from our global network of ATIC experts in sustainability

H1 2017 performance

In the first 6 months of 2017 our Products business delivered an excellent performance with strong margin accretive revenue growth.

Our organic revenue growth at constant rates was 5.8%, driven by broad-based revenue growth across business lines and geographies. We delivered a strong operating profit of £164.0m, up 11.9% at constant currency enabling us to deliver a margin of 20.5%, up 100bps versus last year.

- Our **Softlines** business reported robust organic growth performance. We are leveraging the investments we have made to support the expansion of our customers in new markets and to seize the exciting growth opportunities in the footwear sector. We continue to benefit from strong demand from our customers for chemical testing as well as from a greater number of brands and SKUs.

- Our **Hardlines** and toy business continues to take advantage of our strong global account relationships, the expansion of our customers' supply chains into new markets and our innovative technology for factory inspections. We delivered robust organic revenue growth performance across our main markets of China, Hong Kong, India and Vietnam.

- Our **Transportation Technologies** business delivered solid organic revenue growth as we capitalize on our clients' investments in new powertrains to lower emissions and increase fuel efficiency.

- Our **Business Assurance** business delivered double digit organic revenue growth as we continue to benefit from the increased focus of corporations on risk management, resulting in strong growth in Supply Chain Audits.

- We delivered robust organic revenue growth in our **Electrical & Network Assurance** business driven by higher regulatory standards in energy efficiency and by the increased demand for wireless devices.

- We continue to benefit from the increased focus of corporations on food safety and delivered good organic revenue growth in our **Food** business.

- We delivered solid organic revenue growth in our **Chemicals & Pharma** business as we continue to leverage the structural growth opportunities in the healthcare markets in both developed and emerging economies.

- Driven by the growing demand for more environmentally friendly and higher quality buildings and infrastructure in the US market, our **Building & Construction** business reported good organic revenue growth.

H2 2017 growth outlook
We expect our Products division which represents 73% of our earnings to benefit from robust organic revenue growth at constant currency.

Mid to long- term growth outlook
Our Products division will benefit from mid to long-term structural growth drivers including product variety, brand and supply chain expansion, product innovation and regulation, and the increasing quality and sustainability demand of developed and emerging economies, the acceleration of e-commerce as a sales channel, and the increased corporate focus on risk.

Trade Divisional Review

	H1 17 £m	H1 16 £m	Change at actual rates	Change at constant rates
Revenue	**325.8**	272.5	19.6%	7.5%
Organic revenue	**316.9**	272.5	16.3%	4.6%
Operating profit	**45.9**	37.0	24.1%	12.5%
Operating margin	**14.1%**	13.6%	50bps	60bps

Intertek Value Proposition
Our Trade division consists of three Global Business Lines with differing services and customers, but similar mid to long-term structural growth drivers:

Our **Cargo/AA** business provides cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum and biofuels industries.

Our **Government & Trade Services** ('GTS') business provides inspection services to governments and regulatory bodies to support trade activities that help the flow of goods across borders, predominantly in the Middle East, Africa and South America.

Our **AgriWorld** business provides analytical and testing services to global agricultural trading companies and growers.

Strategy
Our Total Quality Assurance value proposition assists our Trade related customers in protecting the value and quality of their products during their custody-transfer, storage and transportation, globally, 24/7. Our expertise, service innovations and advanced analytical capabilities allow us to optimise the return on our customers' cargoes and help them resolve difficult technical challenges. Our independent product assessments provide peace-of-mind to our government clients that the quality of products imported into the country meet their standards and import processes.

Innovations
We continue to invest in innovation to deliver a superior customer service in our Trade related businesses:

Horticultural Lighting
- **Customer insight:** Horticultural lights are subject to complex environmental conditions, and currently there are no safety and performance standards specific to these products
- **AgriWorld & Electrical & Network Assurance innovation:** Intertek developed a Horticultural Lighting Certification Program leveraging our lighting and agricultural expertise to help manufacturers develop innovative, safe and high-performance products for an emerging industry
- **Customer benefit:** Manufacturers are now able to develop their products with improved performance and safety standards

Mercury Decontamination
- **Customer insight:** Mercury contamination puts physical infrastructure assets, such as refineries and pipelines at increased corrosion risk
- **AA & Industry Services innovation**: Intertek's experts use advanced technology to detect, monitor and analyse mercury content in very low levels of oil & gas samples as well as measuring the mercury emission into the atmosphere
- **Customer benefit:** The technology enables our clients to minimise the impact of mercury on their infrastructure and to work safely

Alternative Fuels
- **Customer insight:** In a growing market for alternative fuels, such as hydrogen gas, and fuel cells, a lack of consistency in regulatory standards for the supporting components has led to increased safety concerns
- **AA & Transportation Technologies innovation**: Intertek has worked with both alternative fuel manufacturers as well as regulatory authorities to develop standards that provide to our client's clear safety solutions for alternative fuel components

- **Customer benefit:** By partnering with Intertek, clients are assisted with navigating the complex regulatory environment, whilst also reducing risk and optimising productivity

H1 2017 performance
Our Trade related businesses delivered an improved performance with 4.6% organic revenue growth at constant rates, driven by broad-based revenue growth across business lines and geographies. We delivered an operating profit of £45.9m, up 12.5% at constant currency, enabling us to deliver an operating margin of 14.1%, up 60bps versus last year:

- Our **Cargo/AA** business reported solid organic revenue growth, reflecting the structural growth drivers in the Crude Oil and Refined Product global trading market.

- Benefiting from new contracts, our **Government & Trade Services** business delivered robust organic revenue growth.

- The continued expansion of the supply chain of our clients in fast growing markets led our **AgriWorld** business to deliver robust organic revenue growth.

H2 2017 growth outlook
We expect our Trade related businesses which represents 21% of our earnings to deliver good organic revenue growth performance at constant currency.

Mid to long- term growth outlook
Our Trade division will continue to benefit from regional and global trade-flow growth, as well as the increased customer focus on quality, quantity controls and supply chain risk management.

Resources Divisional Review

	H1 17 £m	H1 16 £m	Change at actual rates	Change at constant rates
Revenue	**247.3**	253.5	(2.4%)	(12.3%)
Organic revenue	**247.3**	253.5	(2.4%)	(12.3%)
Operating profit	**14.0**	15.3	(8.5%)	(12.5%)
Operating margin	**5.7%**	6.0%	(30bps)	0bps

Intertek Value Proposition
Our Resources division consists of two Business Lines with differing services and customers, but both demonstrating similar cyclical growth characteristics:

Our **Industry Services** business uses in-depth knowledge of the oil, gas, nuclear and power industries to provide a diverse range of Total Quality Assurance solutions to optimise the use of customers' assets and minimise the risk in their supply chains. Some of our key services include technical inspection, asset integrity management, analytical testing and ongoing training services.

Our **Minerals** business provides a broad range of ATIC service solutions to the mining and minerals exploration industries, covering the resource supply chain from exploration and resource development, through to production, shipping and commercial settlement.

Strategy
Our Total Quality Assurance value proposition allows us to help customers gain peace of mind that their projects will proceed on time and their assets will continue to operate with a lower risk of technical failure or delay. Our broad range of services allow us to assist clients in protecting the quantity and quality of their mined and drilled products, improve safety and reduce commercial risk in the trading environment.

Innovations
We continue to invest in innovation to deliver a superior customer service in our Resources related businesses:

Concrete Sensors
- **Customer insight:** Customers need assurance that critical concrete infrastructures, such as road & rail tunnels and bridges remain robust over their entire lives
- **Industry Services innovation:** Access to examine the condition of embedded steel in concrete is complex, so Intertek's experts have developed specialist sensors that are embedded directly into the concrete to monitor the resilience of the infrastructure
- **Customer benefit:** The integrated system is connected into the entire built infrastructure. Intertek supports clients throughout the entire structure life cycle

Costcom
- **Customer insight:** Power plants often start, stop, and cycle, which impacts the life of the equipment and associated operating costs
- **Industry Services innovation:** Intertek has developed a real-time artificial intelligence based algorithm that analyses customer Big Data in the form of millions of sensor data points and displays the maintenance, capital replacement, and wear-and-tear costs associated with cycles changes
- **Customer benefit:** Plant operators receive real-time insights to optimise plant operations, minimising equipment damage and ensuring cycling costs are well planned

3D Metrology
- **Customer insight:** Customers need better insight into the quality evolution of new equipment and rate of wear-and-tear on their industrial assets
- **Industry Services innovation:** Intertek uses state of the art 3D digital measurement software that comprehensively delineates physical objects and is accurate to one ten thousandth of an inch. This method can be used to analyse a newly manufactured part or to determine the rate of wear and deterioration on existing parts or reverse engineer parts and equipment

- **Customer benefit:** Our expertise helps customers detect product defects, ensuring products do not deviate from the intended design and performance

H1 2017 performance

Our Resources related businesses faced, as expected, challenging trading conditions and reported an organic revenue reduction of 12.3% and a stable operating margin at constant currency.

- Driven by a lower volume of investments in exploration activities from our clients and price pressure in the industry, revenue from **Capex Inspection Services** was lower than last year.
- The demand for **Opex Maintenance Services** remained stable in a competitive pricing environment.
- Maintaining the trend seen in 2016, we saw a stable level of demand for testing activities in the **Minerals** business.

H2 2017 growth outlook

We do not believe that we have reached the trough in the Resources division, which represents 6% of our earnings, and we expect the trading conditions to remain challenging. We will stay focussed on cost and capacity management leveraging our flexible cost base.

Mid to long- term growth outlook

Our Resources division will grow in the medium to long term as we benefit from investments in Exploration and Production of Oil and Minerals, to meet the demand of the growing population around the world.

Presentation of Results

For the half year ended 30 June 2017

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 ('SDIs').

Organic growth

Organic growth figures are calculated by excluding the results of acquisitions and disposals made since 1 January 2016.

Constant exchange 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 H1 16 results at H1 17 exchange rates.

Separately Disclosed Items

SDIs 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. Reconciliations of the Reported to Adjusted Performance Measures are given below.

When applicable, these SDIs 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.

Adjusted operating profit excludes the amortisation of acquired intangible assets, primarily customer relationships, as we do not believe that the amortisation charge in the Income Statement provides useful information about the cash costs of running our business as these assets will be supported and maintained by the ongoing marketing and promotional expenditure, which is already reflected in operating costs. Amortisation of software, however, is included in adjusted operating profit as it is similar in nature to other capital expenditure. The costs of any restructuring are excluded from adjusted operating profit where they represent fundamental changes in individual operations around the Group, and are not expected to recur in those operations. The impairment of goodwill and other assets that by their nature or size are not expected to recur, the profit and loss on disposals of businesses or other significant assets and the costs associated with successful, active or aborted acquisitions are excluded from adjusted operating profit to provide useful information regarding the underlying performance of the Group's operations.

Details of the SDIs for the six months ended 30 June 2017 and the comparative period are given in note 3 to the Condensed Consolidated Interim Financial Statements.

Reconciliation of Reported to Adjusted Performance Measures (£m)	**2017 H1 Reported**	**2017 H1 SDIs**	**2017 H1 Adjusted**	2016 H1 Reported	2016 H1 SDIs	2016 H1 Adjusted
Operating profit	**204.4**	**19.5**	**223.9**	162.6	23.3	185.9
Operating margin (%)	**14.9%**	**1.4%**	**16.3%**	13.5%	1.9%	15.4%
Profit before tax	**190.8**	**19.5**	**210.3**	149.2	23.3	172.5
Income tax expense	**(47.1)**	**(6.5)**	**(53.6)**	(27.5)	(16.1)	(43.6)
Profit for the year	**143.7**	**13.0**	**156.7**	121.7	7.2	128.9
Diluted earnings per share (p)	**82.5p**	**7.9p**	**90.4p**	70.0p	4.5p	74.5p

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. Based on this review, the Board identified the below risks outlined on pages 34 to 39 of the Group's Annual Report for 2016, which is available from our website at www.intertek.com:

Operational

- Reputation
- Customer Service
- People Retention
- Operational Health, Safety & Security
- Facilities
- Industry and Competitive Landscape
- IT Systems

Legal and Regulatory

- Litigation
- Business Ethics

Financial

- Financial Risk

The Board does not consider that there has been any significant change to the nature of these risks and the key mitigating actions since the publication of the Group's Annual Report for 2016.

The Business Review and Operating Review by Division include consideration of the significance of key uncertainties affecting the Group in the remaining six months of the year.

Management Reports and Trading Updates

Intertek will issue a trading update in the fourth quarter of 2017. The 2017 Full Year Results will be announced on 6 March 2018.

Half Year Results

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

Legal Notice

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

André Lacroix
Chief Executive Officer
31 July 2017

Edward Leigh
Chief Financial Officer
31 July 2017

Independent review report to Intertek Group plc

REPORT ON THE INTERIM CONDENSED SET OF FINANCIAL STATEMENTS

Our conclusion

We have reviewed Intertek Group plc's interim condensed set of financial statements (the "interim financial statements") in the Half Year Report of Intertek Group plc for the six-month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Interim Statement of Financial Position as at 30 June 2017;
- the Condensed Consolidated Interim Income Statement and Condensed Consolidated Interim Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Interim Statement of Changes in Equity for the period then ended;
- the Condensed Consolidated Interim Statement of Cash Flows for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half Year Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

RESPONSIBILITIES FOR THE INTERIM FINANCIAL STATEMENTS AND THE REVIEW

Our responsibilities and those of the directors

The Half Year Report, including the interim financial statements, 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 Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Half Year Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

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 United Kingdom. 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.

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 interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
1 Embankment Place,
London, WC2N 6RH
31 July 2017

Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2017

		Six months to 30 June 2017 (Unaudited)			Six months to 30 June 2016 (Unaudited)		
	Notes	**Adjusted Results £m**	**Separately Disclosed Items* £m**	**Total 2017 £m**	Adjusted results £m	Separately Disclosed Items* £m	Total 2016 £m
Revenue	2	**1,371.8**	–	**1,371.8**	1,203.9	–	1,203.9
Operating costs		**(1,147.9)**	**(19.5)**	**(1,167.4)**	(1,018.0)	(23.3)	(1,041.3)
Group operating profit/(loss)	2	**223.9**	**(19.5)**	**204.4**	185.9	(23.3)	162.6
Finance income		**0.7**	–	**0.7**	0.3	–	0.3
Finance expense		**(14.3)**	–	**(14.3)**	(13.7)	–	(13.7)
Net financing costs		**(13.6)**	–	**(13.6)**	(13.4)	–	(13.4)
Profit/(loss) before income tax		**210.3**	**(19.5)**	**190.8**	172.5	(23.3)	149.2
Income tax (expense)/credit	4	**(53.6)**	**6.5**	**(47.1)**	(43.6)	16.1	(27.5)
Profit/(loss) for the period	2	**156.7**	**(13.0)**	**143.7**	128.9	(7.2)	121.7
Attributable to:							
Equity holders of the Company		**147.3**	**(13.0)**	**134.3**	121.0	(7.2)	113.8
Non-controlling interest		**9.4**	–	**9.4**	7.9	–	7.9
Profit for the period		**156.7**	**(13.0)**	**143.7**	128.9	(7.2)	121.7
Earnings per share**							
Basic	5			**83.5p**			70.7p
Diluted	5			**82.5p**			70.0p
Dividends in respect of the period				**23.5p**			19.4p

* See note 3.

** Earnings per share on the adjusted results is disclosed in note 5.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2017

	Notes	Six months to 30 June 2017 (Unaudited) £m	Six months to 30 June 2016 (Unaudited) £m
Profit for the period	2	**143.7**	121.7
Other comprehensive income			
Remeasurements on defined benefit pension schemes		**3.2**	(7.0)
Items that will never be reclassified to profit or loss		**3.2**	(7.0)
Foreign exchange translation differences of foreign operations		**(60.6)**	163.0
Net exchange gain/(loss) on hedges of net investments in foreign operations		**67.2**	(102.5)
(Loss)/gain on fair value of cash flow hedges		**(28.7)**	–
Tax on items that are or may be reclassified subsequently to profit or loss		**–**	(0.9)
Items that are or may be reclassified subsequently to profit or loss		**(22.1)**	59.6
Total other comprehensive (expense)/income for the period		**(18.9)**	52.6
Total comprehensive income for the period		**124.8**	174.3

Total comprehensive income for the period attributable to:		
Equity holders of the Company	**117.4**	160.0
Non-controlling interest	**7.4**	14.3
Total comprehensive income for the period	**124.8**	174.3

Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2017

	Notes	**At 30 June 2017 (Unaudited) £m**	At 30 June 2016 (Unaudited) £m	At 31 December 2016 (Audited) £m
Assets				
Property, plant and equipment	10	**415.8**	407.4	443.3
Goodwill	9	**579.3**	521.3	586.1
Other intangible assets		**177.5**	175.4	198.8
Investments in associates		**0.3**	0.3	0.3
Deferred tax assets		**47.5**	53.0	48.3
Total non-current assets		**1,220.4**	1,157.4	1,276.8
Inventories		**19.5**	18.1	19.1
Trade and other receivables		**641.0**	689.9	651.8
Cash and cash equivalents	8	**145.8**	159.3	175.6
Current tax receivable		**21.4**	15.6	23.0
Total current assets		**827.7**	882.9	869.5
Total assets		**2,048.1**	2,040.3	2,146.3
Liabilities				
Interest bearing loans and borrowings	8	**(84.2)**	(24.1)	(103.4)
Current taxes payable		**(51.4)**	(59.3)	(55.8)
Trade and other payables		**(359.4)**	(335.0)	(406.8)
Provisions		**(27.4)**	(37.5)	(34.0)
Total current liabilities		**(522.4)**	(455.9)	(600.0)
Interest bearing loans and borrowings	8	**(757.9)**	(1,022.4)	(815.9)
Deferred tax liabilities		**(46.1)**	(50.3)	(48.7)
Net pension liabilities	6	**(26.7)**	(32.6)	(31.8)
Other payables		**(35.3)**	(19.6)	(33.7)
Provisions		**(8.8)**	(4.8)	(13.8)
Total non-current liabilities		**(874.8)**	(1,129.7)	(943.9)
Total liabilities		**(1,397.2)**	(1,585.6)	(1,543.9)
Net assets		**650.9**	454.7	602.4
Equity				
Share capital		**1.6**	1.6	1.6
Share premium		**257.8**	257.8	257.8
Other reserves		**16.5**	(3.9)	35.3
Retained earnings		**336.6**	160.6	273.0
Total attributable to equity holders of the Company		**612.5**	416.1	567.7
Non-controlling interest		**38.4**	38.6	34.7
Total equity		**650.9**	454.7	602.4

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2017

	Attributable to equity holders of the Company							
			Other Reserves					
	Share capital £m	Share premium £m	Translation reserve £m	Other £m	Retained earnings £m	Total before non-controlling interest £m	Non-controlling interest £m	Total equity £m
At 1 January 2016	1.6	257.8	(64.4)	6.4	110.2	**311.6**	27.8	**339.4**
Total comprehensive income for the period								
Profit	–	–	–	–	113.8	**113.8**	7.9	**121.7**
Other comprehensive income	–	–	54.1	–	(7.9)	**46.2**	6.4	**52.6**
Total Comprehensive income for the period	**–**	**–**	**54.1**	**–**	**105.9**	**160.0**	**14.3**	**174.3**
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	–	–	–	–	(56.8)	**(56.8)**	(3.5)	**(60.3)**
Purchase of own shares	–	–	–	–	(6.4)	**(6.4)**	–	**(6.4)**
Tax paid on share awards vested*	–	–	–	–	(2.4)	**(2.4)**	–	**(2.4)**
Equity-settled transactions	–	–	–	–	10.1	**10.1**	–	**10.1**
Income tax on equity-settled transactions	–	–	–	–	–	**–**	–	**–**
Total contributions by and distributions to the owners of the company	**–**	**–**	**–**	**–**	**(55.5)**	**(55.5)**	**(3.5)**	**(59.0)**
At 30 June 2016 (unaudited)	**1.6**	**257.8**	**(10.3)**	**6.4**	**160.6**	**416.1**	**38.6**	**454.7**
At 1 January 2017	1.6	257.8	14.6	20.7	273.0	**567.7**	34.7	**602.4**
Total comprehensive income for the period								
Profit	–	–	–	–	134.3	**134.3**	9.4	**143.7**
Other comprehensive income	–	–	9.9	(28.7)	1.9	**(16.9)**	(2.0)	**(18.9)**
Total Comprehensive income for the period	**–**	**–**	**9.9**	**(28.7)**	**136.2**	**117.4**	**7.4**	**124.8**
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	–	–	–	–	(69.2)	**(69.2)**	(3.7)	**(72.9)**
Purchase of own shares	–	–	–	–	(7.8)	**(7.8)**	–	**(7.8)**
Tax paid on share awards vested*	–	–	–	–	(6.0)	**(6.0)**	–	**(6.0)**
Equity-settled transactions	–	–	–	–	10.4	**10.4**	–	**10.4**
Income tax on equity-settled transactions	–	–	–	–	–	**–**	–	**–**
Total contributions by and distributions to the owners of the company	**–**	**–**	**–**	**–**	**(72.6)**	**(72.6)**	**(3.7)**	**(76.3)**
At 30 June 2017 (unaudited)	**1.6**	**257.8**	**24.5**	**(8.0)**	**336.6**	**612.5**	**38.4**	**650.9**

* The tax paid on share awards vested is related to settlement of the tax obligation by the Group via the sale of a portion of the equity-settled shares.

The £69.2m dividend paid on 2 June 2017 represented a final dividend of 43.0p per ordinary share in respect of the year ended 31 December 2016. The £56.8m dividend paid on 3 June 2016 represented a final dividend of 35.3p per ordinary share in respect of the year ended 31 December 2015. 3,765 ordinary shares were issued in the period to satisfy the vesting of share awards.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30 June 2017

	Notes	Six months to 30 June 2017 (Unaudited) £m	Six months to 30 June 2016 (Unaudited) £m
Cash flows from operating activities			
Profit for the period	2	**143.7**	121.7
Adjustments for:			
Depreciation charge		**40.9**	36.5
Amortisation of software		**6.4**	5.9
Amortisation of acquisition intangibles		**7.9**	6.5
Impairment of other assets		**8.0**	–
Equity-settled transactions		**10.4**	7.3
Net financing costs		**13.6**	13.4
Income tax expense	4	**47.1**	27.5
Loss on disposal of subsidiary		**–**	0.6
Gain on disposal of property, plant, equipment and software		**(0.5)**	(0.2)
Operating cash flows before changes in working capital and operating provisions		**277.5**	219.2
Change in inventories		**(1.1)**	(0.3)
Change in trade and other receivables		**(6.9)**	(25.8)
Change in trade and other payables		**(42.1)**	(51.2)
Change in provisions		**(6.8)**	6.7
Special contributions into pension schemes		**(2.8)**	(2.8)
Cash generated from operations		**217.8**	145.8
Interest and other finance expense paid		**(13.6)**	(13.0)
Income taxes paid		**(47.0)**	(36.6)
Net cash flows generated from operating activities *		**157.2**	96.2
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software *		**1.6**	1.1
Interest received *		**0.7**	0.3
Acquisition of subsidiaries, net of cash acquired	9	**(10.5)**	(1.4)
Consideration paid in respect of prior year acquisitions		**(7.7)**	–
Acquisition of property, plant, equipment and software *	10	**(35.5)**	(48.7)
Net cash flows used in investing activities		**(51.4)**	(48.7)
Cash flows from financing activities			
Purchase of own shares		**(7.8)**	(6.4)
Tax paid on share awards vested		**(6.0)**	(2.4)
Drawdown of borrowings		**-**	130.3
Repayment of borrowings		**(21.0)**	(95.8)
Dividends paid to non-controlling interest		**(3.7)**	(3.5)
Equity dividends paid		**(69.2)**	(56.8)
Net cash flows used in financing activities		**(107.7)**	(34.6)
Net increase/(decrease) in cash and cash equivalents	8	**(1.9)**	12.9
Cash and cash equivalents at 1 January	8	**158.8**	116.0
Exchange adjustments	8	**(15.5)**	11.6
Cash and cash equivalents at end of period	8	**141.4**	140.5

Adjusted Cash flow from operations of £226.0m (H1 16: £155.9m) comprises statutory cash generated from operations of £217.8m (H1 16: £145.8m) before cash outflows relating to Separately Disclosed Items of £8.2m (H1 16: £10.1m).
Free cash flow of £124.0m (H1 16: £48.9m) comprises the asterisked items in the above Statement of Cash Flows.

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 2017 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Consolidated Financial Statements of the Group as at, and for the year ended, 31 December 2016 are available upon request from the Company's registered office at 33 Cavendish Square, London W1G 0PS. An electronic version is available from the Investors section of the Group website at 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 Conduct 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 2016.

The comparative figures for the financial year ended 31 December 2016 are 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 2016.

There are no new standards effective for the first time in the current financial period with significant impact on the Company's consolidated results or financial position.

IFRSs announced but not yet effective

The following IFRSs have been announced, but are not yet effective in the preparation of these condensed interim financial statements. Their adoption is not expected to have a material effect on the financial statements, unless otherwise indicated. Certain of these standards and interpretations will, when adopted, require addition to, or amendment of, disclosures in the accounts.

IFRS 9 Financial Instruments (effective 1 January 2018) – whilst management has continued to perform its reviews, the potential impact of this new standard will be quantified closer to the date of adoption.

IFRS 15 Revenue from contracts with customers (effective 1 January 2018) – management has completed its initial analysis of this standard and to date its adoption is not expected to have material impact on the timing of revenue recognition based on the Group's current revenue streams. However, the impact of adopting this standard cannot be reliably estimated until this work is complete and is expected to primarily affect the revenue recognised on long-term projects where time incurred is billed at agreed rates on a periodic basis, or staged payment invoicing occurs, requiring an assessment of percentage completion.

IFRS 16 Leases (not yet endorsed by the EU, effective 1 January 2019) – IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a right-of-use asset for lease contracts, subject to limited exceptions for short-term leases and leases of low value assets. The quantitative impact of IFRS 16 on the Group's net assets and results is in the process of being assessed, and management has collated its initial data set to determine the impact on the Group. IFRS 16 is expected to impact the balance sheet as both assets and liabilities will increase, and is also expected to impact key components within the income statement, as operating lease rental charges will be replaced by depreciation and finance costs. Please refer to Note 8 to the 2016 Annual Report and Accounts which gives an indication of the Group's total operating lease commitments. IFRS 16 will not have any impact on the underlying commercial performance of the Group nor the cash flows generated in the year.

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 2016. During the six months ended 30 June 2017 management reassessed its estimates in respect of taxation (notes 4 and 12(b)), pensions (note 6), contingent consideration payable and fair value adjustments in respect of acquisitions made in prior periods (note 9 (c)), impairment (note 9(f)) and also claims and settlements (note 12).

Risks and uncertainties

The Operating Review includes consideration of the risks and 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.

Foreign exchange

The assets and liabilities of foreign operations, including goodwill 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:

	Assets and liabilities		**Income and expense**	
Value of £1	**Actual rates**		**Cumulative average rates**	
	30 June 2017	30 June 2016	**H1 17**	H1 16
US dollar	**1.29**	1.33	**1.26**	1.43
Euro	**1.14**	1.21	**1.17**	1.29
Chinese renminbi	**8.79**	8.86	**8.68**	9.27
Hong Kong dollar	**10.09**	10.35	**9.81**	11.12

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 three divisions, which are the Group's reportable segments. These three divisions, each of which offers services to different industries are: Products, Trade and Resources. The costs of the corporate head office and other costs which are not controlled by the three divisions are allocated in an appropriate manner. 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:

Six-month period ended 30 June 2017	**Revenue from external customers £m**	**Depreciation and software amortisation* £m**	**Adjusted operating profit £m**	**Separately Disclosed Items £m**	**Operating profit £m**
Products	798.7	(30.5)	164.0	(6.5)	157.5
Trade	325.8	(10.0)	45.9	(4.3)	41.6
Resources	247.3	(6.8)	14.0	(8.7)	5.3
Total	**1,371.8**	**(47.3)**	**223.9**	**(19.5)**	**204.4**
Group operating profit			**223.9**	**(19.5)**	**204.4**
Net financing costs			(13.6)	–	(13.6)
Profit before income tax			**210.3**	**(19.5)**	**190.8**
Income tax expense			(53.6)	6.5	(47.1)
Profit for the year			**156.7**	**(13.0)**	**143.7**

Six-month period ended 30 June 2016	Revenue from external customers £m	Depreciation and software amortisation* £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Products	677.9	(27.2)	133.6	(7.6)	126.0
Trade	272.5	(9.0)	37.0	(5.0)	32.0
Resources	253.5	(6.8)	15.3	(10.7)	4.6
Total	**1,203.9**	**(43.0)**	**185.9**	**(23.3)**	**162.6**
Group operating profit			**185.9**	**(23.3)**	**162.6**
Net financing costs			(13.4)	–	(13.4)
Profit before income tax			**172.5**	**(23.3)**	**149.2**
Income tax expense			(43.6)	16.1	(27.5)
Profit for the year			**128.9**	**(7.2)**	**121.7**

* Total depreciation and software amortisation of £47.2m (H1 16: £42.5m) includes unallocated charge of £0.1m (H1 16: unallocated credit of £0.5m).

3 Separately Disclosed Items ('SDIs')

		Six months to 30 June 2017 £m	Six months to 30 June 2016 £m
Operating costs			
Amortisation of acquisition intangibles	(a)	**(7.9)**	(6.5)
Restructuring costs	(b)	**(6.9)**	(15.3)
Acquisition costs	(c)	**(0.1)**	(0.9)
Impairment of other assets	(d)	**(8.0)**	–
Material claims and settlements	(e)	**3.4**	–
Loss on disposal of subsidiary		**–**	(0.6)
Total operating costs		**(19.5)**	(23.3)
Net financing costs		**–**	–
Total before income tax		**(19.5)**	(23.3)
Income tax credit on Separately Disclosed Items		**6.5**	16.1
Total		**(13.0)**	(7.2)

Refer to the Presentation of Results section for further details on SDIs

(a) Of the amortisation of acquisition intangibles in the current period, £2.1m (H1 16: £1.8m) relates to the customer contracts and customer relationships acquired with the purchase of Moody International Limited in 2011, and £2.6m (H1 16: £2.4m) relates to the customer relationships acquired with the purchase of the PSI Group in 2015.

(b) Restructuring costs of £6.9m were incurred in the period (H1 16: £15.3m), relating to various fundamental restructuring activities, resulting from the implementation of the new Company structure and corporate 5x5 strategy announced in 2016. These activities included site consolidations, closure of non-core business units, re-engineering of underperforming businesses and delayering of management structures, with related staff redundancies and asset write-offs.

(c) Transaction costs relating to acquisitions in the period and integration of prior period acquisitions were £0.1m (H1 16: £0.9m).

(d) Consistent with the corporate 5x5 strategy objective of "Superior Technology" announced in 2016, the Group has recorded an impairment of other assets of £8.0m following a comprehensive strategic review of the Global IT organisation structure and systems finalised in April 2017. This review resulted in restructuring costs of £0.5m included above and £8.0m in relation to the impairment of assets respectively.

(e) Material claims and settlements relates to a favourable settlement of a commercial claim.

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 2017 is £53.6m (H1 16: £43.6m). The Group's adjusted consolidated effective tax rate for the six months ended 30 June 2017 is 25.5% (H1 16: 25.3%). The income tax expense for the total results for the six months ended 30 June 2017 is £47.1m (H1 16: £27.5m). The Group's consolidated effective tax rate for the six months ended 30 June 2017 is 24.7% (H1 16: 18.4%).

Differences between the estimated adjusted effective rate of 25.5% and the weighted average notional statutory UK rate of 19.25% include, but are not limited to, the mix of profits, the effect of tax rates in foreign jurisdictions, non-deductible expenses, the effect of previously unrecognised deferred tax assets and under/over provisions in previous periods.

5 Earnings per share ('EPS')

	Six months to 30 June 2017 £m	Six months to 30 June 2016 £m
Based on the profit for the period:		
Profit attributable to ordinary shareholders	**134.3**	113.8
Separately Disclosed Items after tax (note 3)	**13.0**	7.2
Adjusted earnings	**147.3**	121.0
Number of shares (millions):		
Basic weighted average number of ordinary shares	**160.9**	160.9
Potentially dilutive share awards	**1.9**	1.6
Diluted weighted average number of shares	**162.8**	162.5
Basic earnings per share	**83.5p**	70.7p
Potentially dilutive share awards	**(1.0p)**	(0.7p)
Diluted earnings per share	**82.5p**	70.0p
Adjusted basic earnings per share	**91.5p**	75.2p
Potentially dilutive share awards	**(1.1p)**	(0.7p)
Adjusted diluted earnings per share	**90.4p**	74.5p

6 Pension schemes

During the period, the Group made a special contribution of £2.8m (H1 16: £2.8m) into The Intertek Pension Scheme in line with a Minimum Funding Requirement agreement.

The significant actuarial assumptions used in the valuation of the Group's material defined benefit pension schemes as at 31 December 2016 have been reviewed. The discount and inflation rates used to value the pension liabilities, as well as the updated asset valuations and the net pension liabilities, have not moved materially since 31 December 2016. In addition to the special contribution, a net actuarial gain before taxation of £3.2m (H1 16: actuarial loss of £7.0m) has been recognised in the consolidated statement of comprehensive income. The net pension liability stands at £26.7m at 30 June 2017 (31 December 2016: £31.8m).

The expense recognised in the consolidated interim income statement for the Group's material defined benefit pension schemes consists of interest on the obligation for employee benefits and the expected return on scheme assets. For the six months ended 30 June 2017, the Group recognised a net expense of £0.3m (H1 16: £0.4m).

7 Equity-settled transactions

During the six months ended 30 June 2017, the Group recognised an expense of £10.4m in respect of the share awards made in 2014, 2015, 2016 and 2017. For the six months ended 30 June 2016, the charge was £7.3m in respect of the share awards made in 2013, 2014, 2015 and 2016. Under the 2011 Long Term Incentive Plan in 2017, Deferred Share Awards granted had an average fair value of 3,875p and LTIP Share Awards had an average fair value of 3,870p. Under the Deferred Share Plan in 2017, Deferred Share Awards granted had an average fair value of 3,853p.

Under the 2011 Long-Term Incentive Plan, 314,204 Deferred Share Awards (previously Share Awards) (H1 16: 367,560) and 364,524 LTIP Share Awards (previously Performance Awards) (H1 16: 359,386) were granted during the period and, under the Deferred Share Plan, 9,649 Deferred Share Awards (H1 16: 9,035) were granted during the period.

8 Analysis of net debt

	30 June 2017 £m	30 June 2016 £m	31 December 2016 £m
Cash and cash equivalents per the Statement of Financial Position	**145.8**	159.3	175.6
Overdrafts	**(4.4)**	(18.8)	(16.8)
Cash per the Statement of Cash Flows	**141.4**	140.5	158.8

The components of net debt are outlined below:

	1 January 2017 £m	Cash flow £m	Non-cash adjustments £m	Exchange adjustments £m	**30 June 2017 £m**
Cash	158.8	(1.9)	–	(15.5)	**141.4**
Borrowings:					
Revolving credit facility US$800m 2021	(242.2)	19.6	–	8.3	(214.3)
Bilateral term loan facilities US$100m 2018	(81.8)	–	–	4.4	(77.4)
Senior notes US$100m 2017	(81.8)	–	–	4.4	(77.4)
Senior notes US$20m 2019	(16.4)	–	–	0.9	(15.5)
Senior notes US$150m 2020	(122.7)	–	–	6.6	(116.1)
Senior notes US$15m 2021	(12.2)	–	–	0.6	(11.6)
Senior notes US$140m 2022	(114.5)	–	–	6.2	(108.3)
Senior notes US$40m 2023	(32.7)	–	–	1.8	(30.9)
Senior notes US$125m 2024	(102.3)	–	–	5.6	(96.7)
Senior notes US$40m 2025	(32.7)	–	–	1.8	(30.9)
Senior notes US$75m 2026	(61.3)	–	–	3.3	(58.0)
Other*	(1.9)	1.4	(0.3)	0.2	(0.6)
Total borrowings	(902.5)	21.0	(0.3)	44.1	(837.7)
Total net debt	(743.7)	19.1	(0.3)	28.6	(696.3)

* Includes other borrowings of £3.2m (2016: £5.6m) and facility fees.

	30 June 2017 £m	30 June 2016 £m	31 December 2016 £m
Borrowings due in less than one year	**79.8**	5.3	86.6
Borrowings due in one to two years	**92.1**	149.2	81.1
Borrowings due in two to five years	**449.2**	547.3	391.3
Borrowings due in over five years	**216.6**	325.9	343.5
Total borrowings	**837.7**	1,027.7	902.5

Key facilities

Full details of the Group's borrowings facilities were disclosed in note 14 to the Annual Report for 2016. The only movements in the period relate to the net repayment of borrowings under the US$800m revolving credit facility.

8 Analysis of Net Debt *(continued)*

Fair values

The carrying value of the interest-bearing loans and borrowings is £837.7m. The fair value, based on the present value of the future principal and interest cash flows discounted at the market rate at reporting date, was £846.5m. The carrying values of trade and other payables are considered approximate to their fair values.

The carrying value of derivative assets/liabilities (namely forward exchange contracts) is equal to their fair value. The fair value of these derivatives represents the difference between the values of the outstanding contracts at their contracted rates and a valuation calculated using the spot rates of exchange prevailing at 30 June 2017. Derivative liabilities of £1.9m are included within Trade and Other Payables (H1 16: Derivative asset of £20.6m included within Trade and Other Receivables).

Interest bearing loans and borrowings and derivative assets/liabilities are categorised as Level 2 under the fair value hierarchy by which the fair value is measured using inputs other than quoted prices observable for the liability either directly, or indirectly. There have been no transfers between any levels within the fair value hierarchy during the period. There have been no reclassifications of financial assets as a result of a change in purposes or use of those assets.

9 Acquisition of businesses

(a) Acquisitions

During the period, the Group acquired one company, the details of which is included below.

KJ Tech

On 31 March 2017, the Group acquired 100% of the share capital of KJ Tech Services GmbH (KJ Tech) for cash consideration of EUR 12.1m (£10.5m) on a cash and debt free basis (total consideration was EUR 12.5m (£10.8m)). The KJ Tech portfolio includes full vehicle road fleet testing, data accumulation and analytical assessment for components, systems, lubricant and engines, test method development and industry benchmarking. Goodwill arising was £11.5m.

Provisional details of net assets acquired and fair value adjustments for the acquisition completed in the year is 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 acquisition.

	Book value prior to acquisition £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	0.6	-	0.6
Goodwill	-	11.5	11.5
Trade and other receivables	0.7	-	0.7
Trade and other payables	(0.3)	-	(0.3)
Net assets acquired	**1.0**	**11.5**	**12.5**
Cash outflow (net of cash acquired)			10.5
Contingent consideration			2.0
Total consideration			**12.5**

The goodwill of £11.5m 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 business operates.

9 Acquisitions of businesses *(continued)*

(b) Acquisitions subsequent to the balance sheet date

No acquisitions have been made subsequent to the balance sheet date.

(c) Prior period acquisitions

£7.7m (H1 16: £nil) was paid during the period in respect of prior period acquisitions.

(d) Impact of acquisitions on the Group results

The revenue and profit for the period from 1 January 2017 to the date of acquisition and the impact on the Group's revenue and profit for the period from the date of acquisition to 30 June 2017 were not significant.

(e) Details of 2016 acquisitions

Full details of acquisitions made in the year ended 31 December 2016 are disclosed in note 10 to the Annual Report for 2016.

(f) Impairment

Goodwill generated from past acquisitions has been tested annually as required by accounting standards. No impairment was required; however, considering prevailing market conditions, this will be kept under review.

(g) Reconciliation of goodwill

	£m
Goodwill at 1 January 2017	586.1
Additions	11.5
Additional consideration for prior period acquisitions	0.3
Foreign exchange	(18.6)
Goodwill at 30 June 2017	**579.3**

10 Property, plant, equipment and software

(a) Additions

During the six months to 30 June 2017, the Group acquired fixed assets with a cost of £35.5m (H1 16: £48.7m; year ended 31 December 2016: £105.5m). In addition, the Group acquired fixed assets of £0.6m (H1 16: £0.1m; year ended 31 December 2016: £4.1m) through business combinations (note 9).

(b) Capital commitments

Contracts for capital expenditure which are not provided in these accounts amounted to £23.6m (H1 16: £9.1m; year ended 31 December 2016: £4.6m).

11 Related parties

There are no material changes in related parties or in related party transactions from those described in the last Annual report.

12 Contingent liabilities

(a) Claims and litigation

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 and former employees.

The outcome of the litigation and the timing of any potential liability 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.

(b) Tax

The Group operates in more than 100 countries and is subject to a wide range of complex tax laws and regulations. At any point in time it is normal for there to be a number of open years in any particular territory which may be subject to enquiry by local authorities. Where the effect of the laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgements to be reasonable; but this can involve complex issues which may take a number of years to resolve. The final determination of prior year tax liabilities could be different from the estimates reflected in the financial statements.

13 Post balance sheet events

There are no post balance sheet events to report.

14 Approval

The Condensed Consolidated Interim Financial Statements were approved by the Board on 31 July 2017.