Intertek

2015 FULL YEAR RESULTS ANNOUNCEMENT
2 MARCH 2016

Solid Full Year Performance

FULL YEAR HIGHLIGHTS

- Improved organic growth performance
- Cost discipline delivers margin improvement
- Adjusted diluted Earnings per Share (EPS) up 6.5%
- Strong cash conversion at 136% and disciplined capital allocation
- Full year dividend per share of 52.3p , an increase of 6.5%
- Non-cash impairment of £577m in Industry Services

André Lacroix: Chief Executive Officer statement

"The Group has delivered a solid performance during 2015 with improved revenue and profit driven by a strong performance across our product and trade-related businesses which represent 90% of the Group's earnings.

Our organic growth momentum improved through the year and margin management remained an important priority enabling the Group to deliver a 20 basis point improvement at constant exchange rates, driven by continuous cost discipline across all businesses.

The Group remains strongly cash generative and we have delivered an operating cash flow of £466m which was up by 15% year on year. We have continued to invest in growth with capex initiatives and acquisitions targeting business lines and countries with good growth and margin prospects.

We operate in an 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, expanding regulations, technological innovations, more complex supply chains, global trade flows and the increased focus of corporations on risk management.

Intertek is well positioned to take advantage of these attractive growth opportunities. We have a global network of state of the art facilities, a powerful portfolio with leading positions, a wide range of quality assurance solutions, a passionate and entrepreneurial culture and a high margin and strongly cash generative earnings model."

A video outlining the Full Year Results will be available to be viewed later today on the Group's website - http://www.intertek.com/

Key Adjusted Financials	2015	2014	Change at actual rates	Change at constant rates	Organic[1] change at constant rates
Revenue	**£2,166.3m**	£2,093.3m	3.5%	3.2%	1.6%
Operating profit[2]	**£343.4m**	£324.4m	5.9%	4.0%	
Operating margin[2]	**15.9%**	15.5%	40bps	20bps	
Profit before tax[2]	**£319.2m**	£300.2m	6.3%	4.4%	
Diluted earnings per share[2]	**140.7p**	132.1p	6.5%	4.7%	
Dividend per share	**52.3p**	49.1p	6.5%		

1. Organic revenue growth excludes the impact of acquisitions and disposals in 2014 and 2015.
2. Adjusted results are stated before Separately Disclosed Items ('SDIs'). See Presentation of Results and note 3 to the Full Year Financial Statements.

Key Statutory Financials	2015	2014
Revenue	**£2,166.3m**	£2,093.3m
Operating (loss)/profit	**(£283.5m)**	£276.6m
Operating margin	**(13.1%)**	13.2%
(Loss)/profit before tax	**(£307.7m)**	£252.2m
Diluted (loss)/earnings per share	**(224.2p)**	108.8p

Given the continuing challenging trading conditions in the global oil and gas industry, a non-cash impairment charge of £577m has been taken for past acquisitions in Industry Services to reflect these uncertainties, and is included in deriving the statutory results in the table above.

The Directors will propose a final dividend of 35.3p per share (2014: 33.1p) at the Annual General Meeting on 25 May 2016, to be paid on 3 June 2016 to shareholders on the register at close of business on 20 May 2016.

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Analysts' Meeting

A live audiocast for analysts and investors for the 2015 full year results will be held today at 9.00am, followed by an update on the Group Strategy at 10.00am (a corresponding announcement and presentation relating to the Group Strategy will be released at that time).

Details can be found at http://www.intertek.com/investors/ together with presentation slides and pdf copies of the announcements. Recordings of the audiocasts will be available later in the day.

Corporate website: www.intertek.com

About Intertek

Intertek is a leading quality solutions provider to industries worldwide. From auditing and inspection, to testing, training, advisory, quality assurance and certification, Intertek adds value for its customers by improving the quality and safety of their products, assets and processes.

With a network of more than 1,000 laboratories and offices and over 41,000 people in more than 100 countries, Intertek supports companies' success in a global marketplace, by helping customers to meet end users' expectations for safety, sustainability, performance, integrity and desirability in virtually any market worldwide.

Visit www.intertek.com.

Intertek Group plc (LSE: ITRK) is listed on the London Stock Exchange.

FULL YEAR REPORT 2015

BUSINESS REVIEW
For the year ended 31 December 2015

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. These items, which are described in the Presentation of Results section of this report and in note 3, are excluded from the adjusted results. The figures discussed in this review (extracted from the income statement and cash flow) are presented before Separately Disclosed Items ('SDIs').

Overview of performance

Key Adjusted Financials[1]	2015 £m	2014 £m	Change at actual rates	Constant rates Total	Constant rates Organic
Revenue	**2,166.3**	2,093.3	3.5%	3.2%	1.6%
Operating profit	**343.4**	324.4	5.9%	4.0%	
Margin	**15.9%**	15.5%	40bps	20bps	
Net financing costs	**(24.2)**	(24.2)	-		
Income tax expense	**(77.5)**	(72.0)	7.6%		
Earnings for the period	**241.7**	228.2	5.9%	4.0%	
Diluted earnings per share	**140.7p**	132.1p	6.5%	4.7%	
Cash generated from operations	**465.7**	403.7	15.4%		

1. Adjusted results are stated before Separately Disclosed Items. See Presentation of Results and note 3 to the Financial Statements.

Revenue for the year was £2,166.3m, up 3.5% (up 3.2% at constant exchange rates), with organic revenue growth of 1.6% at constant exchange rates.

The Group's adjusted operating profit was £343.4m, up 5.9% on the prior year (up 4.0% at constant exchange rates). The adjusted operating margin was 15.9% compared with 15.5% in the prior year.

The Consumer Goods division has continued to deliver good growth, with strong growth in Softlines.

The Commercial & Electrical division has grown revenue well with good growth particularly within Transportation Technologies and Building Products.

The Commodities and Chemicals & Pharmaceuticals divisions both delivered good growth and strong margin accretion as a result of restructuring projects and operating leverage.

The Industry & Assurance division delivered strong growth in the Food & Agriculture and Business Assurance businesses. The division continued to be impacted by the challenging trading conditions in the global oil and gas industry, and the reduction in energy capital expenditure by our customers, resulting in an impairment being recorded of £577.3m against Industry Services.

The Group's total operating loss for the year was £283.5m (2014: profit £276.6m).

Net Financing Costs

The Group operates with a strong balance sheet and we closed the year with a net debt to EBITDA ratio of 1.7x.

The Group had an adjusted net financing cost of £24.2m (2014: £24.2m) in the year. This comprised £1.0m (2014: £1.8m) of finance income and £25.2m (2014: £26.0m) of finance expense. The total interest charge included £nil (2014: £0.2m) related to SDIs.

Tax

The Group effective tax rate on adjusted profit before income tax was 24.3% (2014: 24.0%). The statutory tax charge, including the impact of SDIs, of £39.3m (2014: £61.8m), equates to an effective rate of (12.8)% (2014: 24.5%) and the cash tax on adjusted results is 22.2% (2014: 22.5%). The statutory tax charge, excluding the impact of SDIs, is £77.5m (2014: £72.0m).

The OECD's 'Base Erosion and Profit Shifting (BEPS)' project is one of the most significant multilateral initiatives for modifying international tax rules. In October 2015, the OECD released its final proposals outlining recommendations in respect of each of the action points coming out of this project.

As these recommendations are introduced into local tax legislation, we will need to manage the Group's exposure to income tax across a large number of fiscal regimes. The Group's goal is to efficiently manage its tax affairs, whilst fulfilling its responsibilities to the countries in which it operates.

Earnings per share ('EPS')

The Group delivered adjusted diluted earnings per share of 140.7p (2014: 132.1p). Diluted loss per share after SDIs was (224.2)p (2014: EPS 108.8p) per share, and basic loss per share was (224.2)p (2014: EPS 109.5p).

Dividend

The Board recommends a full year dividend of 52.3p per share, an increase of 6.5%. This recommendation reflects a solid full year performance with strong cash generation, our strong financial position and the Board's confidence in the Group's structural growth drivers into the future.

The full year dividend of 52.3p represents a total cost of £84.4m or 37% of adjusted profit attributable to shareholders of the Group for 2015 (2014: £78.9m and 37%). The dividend is covered 2.7 times by earnings (2014: 2.7 times), based on adjusted diluted earnings per share divided by dividend per share.

Acquisitions and Investment

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 industry and continually offer the latest technologies and services in the locations demanded by clients.

Acquisitions

The Group completed four acquisitions in the year with a purchase price of £231.3m, net of cash acquired of £5.9m.

In February 2015, the Group acquired Adelaide Inspection Services Pty Ltd ('AIS'), an Australian-based business providing non-destructive testing and associated services to the power generation, construction, oil, gas and mining industries.

In September 2015, the Group acquired Dansk Institut for Certificering A/S ('DIC'), a Danish company that provides business assurance services to a wide range of industries including Hospitality, Transport and Food.

In October 2015, the Group acquired MT Group LLC and Materials Testing Lab, Inc, (together 'MT') in the USA, a leading provider of materials testing and inspection services to the building industry.

In November 2015, the Group completed the acquisition of Professional Service Industries, Inc ('PSI') for a purchase price of circa $330m or £220.0m (£215.4m net of cash acquired). PSI is a provider of industry-leading testing and assurance services to the commercial and civil construction markets and non-destructive testing for onshore pipelines in the USA.

These acquisitions provide valuable additional service lines and new geographic locations for the Group, and will help drive profitable revenue growth. PSI specifically, enables Intertek Building Products to offer a nationwide testing and assurance service portfolio across the whole project and building lifecycle, including geotechnical services, materials testing, and property and environmental assurance services. It will also expand our existing US Industry Services NDT business with a complementary regional footprint and enable us to offer a wider portfolio of services in this area.

Organic investment

The Group also invested £112m (2014: £110m) organically on lab expansions, new technologies, equipment and maintenance of other facilities. This investment represented 5.2% of revenue (2014: 5.2%) in line with prior year.

Separately Disclosed Items

A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's business.

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.

In 2015, a non-cash impairment charge against goodwill of £481.4m (2014: £nil), against other intangible assets of £60.3m (2014: £nil) and against property, plant & equipment of £35.6m (2014: £nil), in total £577.3m, has been incurred in relation to our Industry Services business. The oil and gas sector in which this CGU operates has experienced a significant downturn with a material reduction in capital and operating expenditure by its main customers. Further details are given in Note 9 to the financial statements. Other intangible assets were also reviewed for impairment, which included a strategic review of IT and the systems landscape for potential obsolescence. As a result, an impairment of £12.1m of IT assets related to computer software has been recorded in the year.

The SDI charge for 2015 also comprised amortisation of acquisition intangibles £21.4m (2014: £20.8m); acquisition costs relating to successful, active or aborted acquisitions £5.8m (2014: £3.5m); a further £6.7m (2014: £23.5m) in relation to restructuring businesses and making redundancies; and material claims and settlements £3.6m (2014: £nil).

Further information on Separately Disclosed Items is given in note 3 to the financial statements.

Outlook

We expect to deliver a solid organic growth performance in 2016, with Group margins broadly stable year on year.

Our Products and Trade-related businesses, which currently account for 90% of the Group's earnings, should continue to benefit from good growth momentum which will be partially offset by continuous challenging trading conditions in our Resource related businesses.

Looking further ahead, the growth opportunities available to the Group remain very attractive and the fundamental strengths of the Group means we are well positioned to benefit from the GDP+ organic growth prospects of the industry in the medium to long term.

OPERATING REVIEW BY DIVISION

	Revenue				Adjusted operating profit			
	2015 £m	2014 £m	Change at actual rates	Change at constant rates	2015 £m	2014 £m	Change at actual rates	Change at constant rates
Consumer Goods	**404.3**	375.3	7.7%	4.4%	**136.1**	124.8	9.1%	4.4%
Commercial & Electrical	**411.7**	359.6	14.5%	10.5%	**60.5**	51.0	18.6%	13.9%
Chemicals & Pharma	**183.8**	173.1	6.2%	5.5%	**22.3**	18.6	19.9%	18.0%
Commodities	**554.8**	542.4	2.3%	3.7%	**79.1**	65.5	20.8%	21.7%
Industry & Assurance	**611.7**	642.9	(4.9)%	(3.0)%	**45.4**	64.5	(29.6)%	(27.8)%
	2,166.3	2,093.3	3.5%	3.2%	**343.4**	324.4	5.9%	4.0%

A review of the adjusted results of each division in the year ended 31 December 2015 compared to the year ended 31 December 2014 is set out below. Revenue, operating profit and growth rates are presented at actual and constant exchange rates. In addition, organic revenue growth at constant exchange rates is presented. Organic growth figures are calculated by excluding the results of acquisitions and disposals made since 1 January 2014. Operating profit and operating margin are stated before Separately Disclosed Items.

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

Consumer Goods

	2015 £m	2014 £m	Change at actual rates	Change at constant rates	Organic change at constant rates
Revenue	**404.3**	375.3	7.7%	4.4%	4.4%
Adjusted operating profit	**136.1**	124.8	9.1%	4.4%	
Adjusted operating margin	**33.7%**	33.3%	40bps	0bps	

Services and Customers – Intertek is a market leading provider of services to the textiles, toys, footwear, hardlines and retail industries. As partner to retailers, manufacturers and distributors, the company offers expertise on quality issues ranging from restricted hazardous substances and sustainability, to supply chain security and legislation relating to environmental, ethical and trade security issues. Services include testing, inspection, auditing, advisory services, quality assurance and hazardous substance testing. Our customers include the world's leading retailers, their partners and suppliers.

Strategy – Consumer Goods supports our customers with quality solutions that add value throughout their supply chain and which support their brand and desirability of their products to their end consumers. We do this by ensuring that we deliver high levels of service and expertise in key locations, and by continuously innovating the range of services we provide, by anticipating customer demands and their future geographic needs.

2015 Performance – Total revenue was £404.3m, up 4.4% at constant exchange rates. At actual exchange rates total revenue was 7.7% higher.

Total adjusted operating profit was £136.1m, up 4.4% at constant exchange rates, reflecting good growth in the textiles and chemical testing businesses. Total adjusted operating profit was up 9.1% at actual exchange rates.

In 2015 our Consumer Goods division delivered a 4.4% organic revenue growth performance with stable margin driven by a strong growth in Softlines and a solid performance in Hardlines.

Our Softlines business benefited from strong demand from our customers for chemical testing to reduce harmful chemicals and from the expansion of their supply chains in new markets where we have opened new facilities.

Our Hardlines business continues to take advantage of growth in new sourcing markets and strong global account relationships.

2016 growth outlook – In 2016 we expect our Consumer Goods business to deliver good organic growth.

Our Softlines business will benefit from the supply chain expansion in Vietnam, Cambodia and India, as well as from the strong growth we are seeing in the footwear sector.

Our Hardlines business will benefit from the supply chain expansion in India and Mexico, as well as from the launch of innovative technology for Inspections in factories.

Mid to long-term growth outlook – Our Consumer Goods division benefits from strong 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 globally. Through these trends we expect long term continuing growth from expanding investment in quality.

Commercial & Electrical

	2015 £m	2014 £m	Change at actual rates	Change at constant rates	Organic change at constant rates
Revenue	**411.7**	359.6	14.5%	10.5%	6.1%
Adjusted operating profit	**60.5**	51.0	18.6%	13.9%	
Adjusted operating margin	**14.7%**	14.2%	50bps	50bps	

Services & Customers – Our global network of accredited facilities provides manufacturers and retailers with a comprehensive scope of safety, performance and quality testing and certification services. The division supports a wide range of industries including home appliances, consumer electronics, information and communication technology, transportation, lighting, medical, building products, industrial and renewable energy products. Our customers include the world's leading brands and manufacturers of a wide range of consumer electrical and industrial products and components.

Strategy – Commercial & Electrical delivers solutions that add value along the length of our customers' supply chain and which support their brand and the desirability of their products to their end consumers. Our key focus is leveraging our global network of centres of excellence and comprehensive suite of technical accreditations and market-leading customer service to help our clients get their products to market quicker through our 'global market access' programme.

2015 performance – Total revenue was £411.7m, up 10.5% at constant exchange rates, driven by strong growth in Transportation Technologies and Building Products, that included the acquisition of PSI. At actual exchange rates revenue growth was 14.5%.

Total adjusted operating profit was £60.5m, up 13.9% at constant exchange rates with the total adjusted operating margin increasing 50 basis points at constant exchange rates. Total adjusted operating profit was up 18.6% at actual rates.

Our Commercial & Electrical business delivered strong organic growth of 6.1% in 2015 with improved margin driven by broad based growth in Electrical & Wireless ('E&W'), Transportation Technologies and Building Products.

Our E&W business continued to benefit from higher regulatory standards in energy efficiency and from the increased demand for wireless devices.

The growing demand for greener and higher quality buildings and infrastructure in the US market are the major drivers of growth for our Building Product activities.

Our Transportation Technologies operations are capitalising on our automotive clients' investments in R&D to develop new models and more fuel efficient engines.

The quality of our innovative solutions to support the performance and safety agenda of our customers is an important driver of the strong results we have delivered in 2015 in our Commercial & Electrical business.

2016 growth outlook – In 2016 we expect our Commercial & Electrical Business to deliver good organic growth.

Our E&W business will benefit from expansion of our operations in South Korea and Mexico into the fast growing EMC sector. On a global basis we are seeing an increased demand for Internet of Things (IOT) testing across multiple industries.

Our Building Products business will benefit from the growth of the commercial and civil construction markets in the USA as well as from the integration of PSI.

Our Transportation Technologies operations will take advantage of the strong growth of testing activities for electric and hybrid vehicles.

Mid to long-term growth outlook – As with our other Products-related divisions, Commercial & Electrical benefits from long-term structural growth drivers including product variety, brand and supply chain expansion, product innovation and regulation, and the increasing quality and sustainability demands by developed and emerging economies globally. Through these trends we expect long term continuing growth from expanding investment in quality.

Chemicals & Pharmaceuticals

	2015 £m	2014 £m	Change at actual rates	Change at constant rates	Organic change at constant rates
Revenue	**183.8**	173.1	6.2%	5.5%	5.5%
Adjusted operating profit	**22.3**	18.6	19.9%	18.0%	
Adjusted operating margin	**12.1%**	10.7%	140bps	130bps	

Services & Customers – Serving a wide range of industries, including chemicals and refined products, pharmaceutical, healthcare and beauty, and automotive and aerospace, the division offers advanced laboratory measurement and expert consultancy related technical support services and sustainability solutions. It has an established track record of success in laboratory outsourcing with many large, internationally recognised companies. The division's world leading technical experts also support internal technical development. Our customers include leading brands and suppliers of products and R&D to the pharma industries, makers of healthcare and beauty products, and a wide range of industrial and consumer-facing corporations who use our expertise to help them develop the materials and chemicals of the future.

Strategy – Chemicals & Pharmaceuticals supports our customers as they develop new products, materials and technologies, as they anticipate and meet their end-customers quality demands and as they anticipate and meet new regulations.

2015 performance – Total revenue was £183.8m, up 5.5% at constant exchange rates. At actual rates total revenue was up 6.2%.

Total adjusted operating profit was £22.3m, up 18.0% at constant exchange rates with a 130 basis point increase in margin on the prior year, primarily due to restructuring activities and strong performance in lubricants testing. Total adjusted operating profit at actual rates increased by 19.9%.

Our Chemicals & Pharmaceuticals division delivered strong organic growth of 5.5% with improved margin.

We continue to benefit from good growth in the health and beauty sector as our customers invest in the development and global roll out of innovations to differentiate their brands.

The increase in demand in emerging markets for better health and beauty products is creating strong growth opportunities for our testing and assurance services.

Lubricants testing benefited from the recent expansion of laboratory capacity in the UK and US, supporting vehicle manufacturer improvements in the performance of engines under development.

Our Health, Environmental and Regulatory business saw strong growth in assurance activities as companies prepare for the next EU REACH chemical restriction regulatory deadline.

In September we opened a world class immunochemistry laboratory in Manchester. The new facility will help our pharmaceutical clients to navigate the many technical challenges associated with bringing biological medicine to the market.

2016 growth outlook – In 2016 we expect our Chemicals & Pharmaceuticals business to deliver good organic growth.

We will continue to leverage a good pipeline of new pharma products in both the USA and in the UK.

We will support our existing and new customers based on the breadth and depth of our assurance solutions as they increase their focus on the management of regulatory risk.

Mid to long-term growth outlook – Chemicals & Pharmaceuticals benefits from long-term structural growth drivers including product variety, brand and supply chain expansion, product innovation and regulation, and the increasing quality and sustainability demands by developed and emerging economies globally.

Through these trends we expect long-term continuing growth from expanding investment in quality.

Commodities

	2015 £m	2014 £m	Change at actual rates	Change at constant rates	Organic change at constant rates
Revenue	**554.8**	542.4	2.3%	3.7%	3.8%
Adjusted operating profit	**79.1**	65.5	20.8%	21.7%	
Adjusted operating margin	**14.3%**	12.1%	220bps	220bps	

Services & Customers – Provides independent cargo inspection, analytical assessment, calibration and related research and technical services to the world's petroleum, mining, minerals and biofuels industries. The division also provides services to governments and regulatory bodies to support trade activities that help the flow of goods across borders. Our customers are global and national commodities retailers, traders and storage companies, and government-ministry clients in the Middle East, Africa and South America.

Strategy – In Commodities, we deliver solutions that help our clients protect the value of their downstream hydrocarbon products during their custody-transfer, storage and transportation around the world. 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. In the mining sector we partner with clients along the supply chain to validate the quality and value of their resources being explored, produced and shipped. 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.

2015 performance – Total revenue was £554.8m, up 3.7% at constant exchange rates, primarily due to growth in the Cargo and Analytical Assessment business. At actual exchange rates total revenue was 2.3% higher.

Total adjusted operating profit at constant rates was £79.1m, up 21.7% versus prior year, with a 220 basis point increase in margin supported by restructuring activities. Total adjusted operating profit was up 20.8% at actual rates.

Our Commodities division delivered good organic growth performance of 3.8% in 2015 with margin improvement driven by good organic growth performance in both our Cargo/AA activities and our Government Trade Services ('GTS') businesses.

Cargo/AA has delivered a consistent performance during the year benefiting from increased Inspection and Testing activities as our existing clients grew their cargo volumes and as we gained new clients. The business also benefited from the expansion of our additive and lubricants testing capabilities.

We have also invested in new facilities to support the LNG growth of our customers in Gladstone, Australia and Papua New Guinea.

Our GTS business delivered strong organic growth performance in H1 benefiting from export volume growth with existing clients and from new contracts.

This was partially offset by lower organic growth performance in the second half of the year as we saw a reduction of trade volume in both the Middle East and Africa.

Our Mineral business delivered a resilient organic growth performance for the full year with a slight positive organic growth performance in the second half of the year.

Providing our customers with bespoke trade inspections and testing solutions is important to increase our customer retention and win new contracts.

2016 growth outlook – In 2016 we expect our Commodities business to deliver a good organic growth performance.

Our Cargo/AA operations will benefit from the expansion of new facilities in 2015 and will leverage the increased volume of Cargo shipments for refined products.

Our GTS activities will focus on increasing the scope of our export Testing and Inspection in the Middle East and Africa with existing clients.

Mid to long-term growth outlook – The long-term end-demand for resources and energy, development and trading of commodities as well as new fuel sources will continue to drive growth in this division through the cycle.

Industry & Assurance

	2015 £m	2014 £m	Change at actual rates	Change at constant rates	Organic change at constant rates
Revenue	**611.7**	642.9	(4.9)%	(3.0)%	(5.8)%
Adjusted operating profit	**45.4**	64.5	(29.6)%	(27.8)%	
Adjusted operating margin	**7.4%**	10.0%	(260)bps	(260)bps	

Services & Customers – Using in-depth knowledge of the oil, gas, nuclear, power, renewable energy, construction, food, chemical and agricultural industries, the division provides a diverse range of services to help customers optimise their assets and meet global quality standards for their products. Our services provide clients with independent verification of the integrity of new assets being constructed, and existing assets being maintained, with key services that include technical inspection, asset integrity management, analytical testing, and consulting and training services. The division also provides quality and safety services to the Food and Agri sectors, certification services, second-party supplier auditing, sustainability data verification and process performance analysis. Our customers include the owners, operators and developers of new and existing industrial infrastructure, global food and hospitality brands and their suppliers, and the world's agricultural trading companies and growers.

Strategy – We help our customers to manage risk and optimise the returns of their infrastructure assets across a wide range of industrial sectors. By partnering with Intertek, our customers gain peace-of-mind that their projects will proceed and their assets will operate with a lower risk of technical failure or delay.

2015 performance – Total revenue was £611.7m, down 3.0% at constant exchange rates. This was primarily due to the continued low oil price reducing capital project work in the year impacting Industry Services. At actual exchange rates revenue was 4.9% lower.

Total adjusted operating profit at constant rates was 27.8% lower at £45.4m with a 260 basis point reduction in margin. At actual rates adjusted operating profit was 29.6% lower. The reduction in underlying margin is due to the revenue decline in our Industry Services business.

Our Industry and Assurance division delivered a mixed performance in 2015 with a decline of 5.8% in organic revenue.

The double-digit organic growth performance we delivered in the Food & Agriculture and Business Assurance businesses was more than offset by the continuing challenging trading conditions in Industry Services and by the planned contract exits.

Our Food & Agriculture businesses are benefiting from increased focus on food safety requirements, and also from our clients' expansion of their supply chains in newer markets like Turkey and Brazil.

The increased focus of corporations to manage the intrinsic risks of more complex supply chains is an attractive source of growth for our Business Assurance businesses.

The revenues in Industry Services were lower than last year as we saw a reduction in volume and increased price pressure in the Capex Inspection activities, as well as a delay in the maintenance of refineries by our main customers. In addition we exited, as planned, low-value contracts which represented a full year revenue loss of £25m.

As a result of the continuing challenging trading conditions in the global oil and gas industry, we recorded a non-cash impairment charge of £577m against Industry Services in the year.

2016 growth outlook – In 2016 we expect to deliver strong organic growth performance in Food, Agriculture and Business Assurance.

Our Agriculture business will benefit from the strong growth momentum with our existing clients in fast growing markets. Our Food business will focus on the integration of the FIT acquisition capitalising on the growth of the Food service sector.

Our Business Assurance business will focus on the integration of the DIC acquisition and the growth in Supplier Audit management.

In 2016 we expect the trading conditions in Industry Services to remain challenging as we have not yet reached the trough in the oil and gas Capex activities given the lag between changes in the oil price and the Capex investments of our clients. Our Industry Services operations will focus on cost and capacity management in our Capex Inspection businesses while continuing to diversify our activities in non-Oil Capex Inspection and NDT Opex activities.

Mid to long-term growth outlook – We expect oil and gas infrastructure markets to recover and that the long-term growth in Industry Services will be driven by global population and energy consumption growth, and capex and opex spending to support world economic growth.

Growing consumer demand for quality products and brands in developed and developing economies, increasing regulations, and public food scandals, will continue to drive growth in the Food & Agriculture and Business Assurance markets.

PRESENTATION OF RESULTS

Adjusted results

In order to present the performance of the Group in a clear, consistent and comparable format, certain items are disclosed separately on the face of the income statement. These Separately Disclosed Items which are described below are excluded from the adjusted results.

Organic growth

Organic growth figures are calculated by excluding the results of acquisitions and disposals made since 1 January 2014.

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 2014 results at 2015 exchange rates.

Separately Disclosed Items

A number of items are separately disclosed in the financial statements as exclusion of these items provides readers with a clear and consistent presentation of the underlying operating performance of the Group's business.

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.

FULL YEAR REPORT

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

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Condensed Consolidated Income Statement

For the year ended 31 December 2015

	Notes	**Adjusted results £m**	**Separately Disclosed Items* £m**	**Total 2015 £m**	Adjusted results £m	Separately Disclosed Items* £m	Total 2014 £m
Revenue	2	**2,166.3**	**-**	**2,166.3**	2,093.3	-	2,093.3
Operating costs		**(1,822.9)**	**(626.9)**	**(2,449.8)**	(1,768.9)	(47.8)	(1,816.7)
Group operating profit/(loss)	2	**343.4**	**(626.9)**	**(283.5)**	324.4	(47.8)	276.6
Finance income		**1.0**	**-**	**1.0**	1.8	-	1.8
Finance expense		**(25.2)**	**-**	**(25.2)**	(26.0)	(0.2)	(26.2)
Net financing costs		**(24.2)**	**-**	**(24.2)**	(24.2)	(0.2)	(24.4)
Profit/(loss) before income tax		**319.2**	**(626.9)**	**(307.7)**	300.2	(48.0)	252.2
Income tax expense		**(77.5)**	**38.2**	**(39.3)**	(72.0)	10.2	(61.8)
Profit/(loss) for the year	2	**241.7**	**(588.7)**	**(347.0)**	228.2	(37.8)	190.4
Attributable to:							
Equity holders of the Company		**228.2**	**(588.7)**	**(360.5)**	214.1	(37.8)	176.3
Non-controlling interest		**13.5**	**-**	**13.5**	14.1	-	14.1
Profit/(loss) for the year		**241.7**	**(588.7)**	**(347.0)**	228.2	(37.8)	190.4
Earnings per share**							
Basic	4			**(224.2)p**			109.5p
Diluted	4			**(224.2)p**			108.8p
Dividends in respect of the year				**52.3p**			49.1p

* See note 3.

** Earnings per share on the adjusted results is disclosed in note 4.

Condensed Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

		2015 £m	2014 £m
(Loss)/Profit for the year	2	**(347.0)**	190.4
Other comprehensive income			
Remeasurements on defined benefit pension schemes		**(2.2)**	(12.9)
Income tax recognised in other comprehensive income		**-**	(0.1)
Items that will never be reclassified to profit or loss		**(2.2)**	(13.0)
Foreign exchange translation differences of foreign operations		**2.0**	31.9
Net exchange (loss)/gain on hedges of net investments in foreign operations		**(33.1)**	(42.9)
Gain/(loss) on fair value of cash flow hedges		**-**	0.2
Tax on items that are or may be reclassified subsequently to profit or loss		**3.0**	(7.8)
Items that are or may be reclassified subsequently to profit or loss		**(28.1)**	(18.6)
Total other comprehensive expense for the year		**(30.3)**	(31.6)
Total comprehensive income for the year		**(377.3)**	158.8

Total comprehensive income for the year attributable to:		
Equity holders of the Company	**(391.8)**	144.0
Non-controlling interest	**14.5**	14.8
Total comprehensive income for the year	**(377.3)**	158.8

Condensed Consolidated Statement of Financial Position

As at 31 December 2015

	Notes	2015 £m	2014 £m
Assets			
Property, plant and equipment	7	**365.3**	363.3
Goodwill	6	**471.1**	779.9
Other intangible assets		**160.4**	174.9
Investments in associates		**0.3**	1.4
Deferred tax assets		**42.7**	24.6
Total non-current assets		**1,039.8**	1,344.1
Inventories		**16.1**	14.7
Trade and other receivables		**583.5**	526.5
Cash and cash equivalents	5	**116.0**	119.5
Current tax receivable		**15.6**	14.1
Total current assets		**731.2**	674.8
Total assets		**1,771.0**	2,018.9
Liabilities			
Interest bearing loans and borrowings	5	**(96.7)**	(89.8)
Current taxes payable		**(52.6)**	(53.4)
Trade and other payables		**(356.6)**	(301.8)
Provisions		**(30.7)**	(23.4)
Total current liabilities		**(536.6)**	(468.4)
Interest bearing loans and borrowings	5	**(794.7)**	(663.2)
Deferred tax liabilities		**(51.7)**	(35.2)
Net pension liabilities		**(26.9)**	(25.3)
Other payables		**(17.3)**	(16.1)
Provisions		**(4.4)**	(4.0)
Total non-current liabilities		**(895.0)**	(743.8)
Total liabilities		**(1,431.6)**	(1,212.2)
Net assets		**339.4**	806.7
Equity			
Share capital		**1.6**	1.6
Share premium		**257.8**	257.8
Other reserves		**(58.0)**	(25.9)
Retained earnings		**110.2**	547.1
Total attributable to equity holders of the Company		**311.6**	780.6
Non-controlling interest		**27.8**	26.1
Total equity		**339.4**	806.7

Condensed Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

	Attributable to equity holders of the Company							
			Other Reserves					
	Share capital	Share premium	Translation reserve	Other	Retained earnings*	**Total before non-controlling interest**	Non-controlling interest	**Total equity**
	£m	£m	£m	£m	£m	**£m**	£m	**£m**
At 1 January 2014	1.6	257.8	(20.6)	6.4	487.4	**732.6**	24.1	**756.7**
Total comprehensive income for the year								
Profit	–	–	–	–	176.3	**176.3**	14.1	**190.4**
Other comprehensive income	–	–	(11.7)	–	(20.6)	**(32.3)**	0.7	**(31.6)**
Total Comprehensive income for the year	–	–	(11.7)	–	155.7	**144.0**	14.8	**158.8**
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	–	–	–	–	(75.5)	**(75.5)**	(12.8)	**(88.3)**
Purchase of own shares	–	–	–	–	(20.6)	**(20.6)**	–	**(20.6)**
Tax paid on share awards vested**	–	–	–	–	(6.8)	**(6.8)**	–	**(6.8)**
Equity-settled transactions	–	–	–	–	7.6	**7.6**	–	**7.6**
Income tax on equity-settled transactions	–	–	–	–	(0.7)	**(0.7)**	–	**(0.7)**
Total contributions by and distributions to the owners of the company	–	–	–	–	(96.0)	**(96.0)**	(12.8)	**(108.8)**
At 31 December 2014	**1.6**	**257.8**	**(32.3)**	**6.4**	**547.1**	**780.6**	**26.1**	**806.7**
At 1 January 2015	1.6	257.8	(32.3)	6.4	547.1	**780.6**	26.1	**806.7**
Total comprehensive income for the year								
(Loss)/Profit	–	–	–	–	(360.5)	**(360.5)**	13.5	**(347.0)**
Other comprehensive income	–	–	(32.1)	–	0.8	**(31.3)**	1.0	**(30.3)**
Total Comprehensive income for the year	–	–	(32.1)	–	(359.7)	**(391.8)**	14.5	**(377.3)**
Transactions with owners of the company recognised directly in equity **Contributions by and distributions to the owners of the company**								
Dividends paid	–	–	–	–	(80.7)	**(80.7)**	(13.3)	**(94.0)**
Purchase of Minority Interest	–	–	–	–	(0.7)	**(0.7)**	0.5	**(0.2)**
Purchase of own shares	–	–	–	–	(5.2)	**(5.2)**	–	**(5.2)**
Tax paid on share awards vested**	–	–	–	–	(3.0)	**(3.0)**	–	**(3.0)**
Equity-settled transactions	–	–	–	–	12.9	**12.9**	–	**12.9**
Income tax on equity-settled transactions	–	–	–	–	(0.5)	**(0.5)**	–	**(0.5)**
Total contributions by and distributions to the owners of the company	–	–	–	–	(77.2)	**(77.2)**	(12.8)	**(90.0)**
At 31 December 2015	**1.6**	**257.8**	**(64.4)**	**6.4**	**110.2**	**311.6**	**27.8**	**339.4**

*After £244.1m for goodwill written off to retained earnings as at 1 January 2004 in relation to subsidiaries acquired prior to 31 December 1997.
** The tax paid on share awards vested is related to settlement of the tax obligation on behalf of employees by the Group via the sale of a portion of the equity-settled shares.

The dividend of £53.3m which was paid on 5 June 2015 represented a final dividend of 33.1p per ordinary share in respect of the year ended 31 December 2014. The interim dividend of £27.4m which was paid on 13 October 2015 represented an interim dividend of 17.0p per ordinary share in respect of the year ended 31 December 2015.

Condensed Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	Notes	2015 £m	2014 £m
Cash flows from operating activities			
(Loss)/Profit for the year	2	**(347.0)**	190.4
Adjustments for:			
Depreciation charge		**75.1**	69.0
Amortisation of software		**10.1**	7.3
Amortisation of acquisition intangibles		**21.4**	20.8
Impairment of goodwill and other assets		**589.4**	-
Equity-settled transactions		**12.9**	7.6
Net financing costs		**24.2**	24.4
Income tax expense	2	**39.3**	61.8
Loss on disposal of property, plant, equipment and software		**0.2**	0.4
Operating cash flows before changes in working capital and operating provisions		**425.6**	381.7
Change in inventories		**(1.0)**	(2.1)
Change in trade and other receivables		**(10.8)**	(2.6)
Change in trade and other payables		**24.9**	8.8
Change in provisions		**6.4**	1.9
Special contributions into pension schemes		**(2.8)**	(0.9)
Cash generated from operations		**442.3**	386.8
Interest and other finance expense paid		**(26.4)**	(27.9)
Income taxes paid		**(70.8)**	(67.4)
Net cash flows generated from operating activities		**345.1**	291.5
Cash flows from investing activities			
Proceeds from sale of property, plant, equipment and software		**1.3**	1.0
Interest received		**1.0**	1.8
Acquisition of subsidiaries, net of cash acquired	6	**(231.3)**	(40.2)
Consideration paid in respect of prior period acquisitions	6	**–**	(0.3)
Purchase of non-controlling interest		**(0.3)**	–
Sale of associate		**1.1**	–
Acquisition of property, plant, equipment and software	7	**(112.2)**	(109.5)
Net cash flows used in investing activities		**(340.4)**	(147.2)
Cash flows from financing activities			
Purchase of own shares		**(5.2)**	(20.6)
Tax paid on share awards vested		**(3.0)**	(6.8)
Drawdown of borrowings		**169.0**	103.8
Repayment of borrowings		**(63.5)**	(129.5)
Dividends paid to non-controlling interest		**(13.3)**	(12.8)
Equity dividends paid		**(80.7)**	(75.5)
Net cash flows used in financing activities		**3.3**	(141.4)
Net increase in cash and cash equivalents	5	**8.0**	2.9
Cash and cash equivalents at 1 January	5	**119.5**	116.4
Effect of exchange rate fluctuations on cash held	5	**(11.5)**	0.2
Cash and cash equivalents at 31 December	5	**116.0**	119.5

Cash outflow for 31 December 2015 relating to Separately Disclosed Items was £23.4m (2014: £16.9m).

1 Basis of preparation

Reporting entity

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2015 and 2014, but is derived from the 2015 accounts. A full copy of the 2015 Annual Report will be available online at www.intertek.com in April 2016. Statutory accounts for 2014 have been delivered to the Registrar of Companies, and those for 2015 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain statements under Sections 498(2) or 498(3) of the Companies Act 2006.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Significant accounting policies

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

Foreign exchange

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

	Assets and liabilities		Income and expense	
Value of £1	Actual rates		Cumulative average rates	
	2015	2014	**2015**	2014
US dollar	**1.48**	1.55	**1.53**	1.65
Euro	**1.36**	1.28	**1.38**	1.24
Chinese renminbi	**9.61**	9.65	**9.62**	10.15
Hong Kong dollar	**11.48**	12.04	**11.87**	12.80
Australian dollar	**2.03**	1.91	**2.04**	1.83

2 Operating segments

Business analysis

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

Year ended 31 December 2015

	Revenue from external customers £m	Depreciation and software amortisation* £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Consumer Goods	404.3	(11.9)	136.1	(6.3)	129.8
Commercial & Electrical	411.7	(25.2)	60.5	(10.2)	50.3
Chemicals & Pharmaceuticals	183.8	(5.0)	22.3	(2.8)	19.5
Commodities	554.8	(20.5)	79.1	(6.4)	72.7
Industry & Assurance	611.7	(13.4)	45.4	(601.2)	(555.8)
Total	**2,166.3**	**(76.0)**	**343.4**	**(626.9)**	**(283.5)**
Group operating profit/(loss)			**343.4**	**(626.9)**	**(283.5)**
Net financing costs			(24.2)	–	(24.2)
Profit/(loss) before income tax			**319.2**	**(626.9)**	**(307.7)**
Income tax expense			(77.5)	38.2	(39.3)
Profit/(loss) for the year			**241.7**	**(588.7)**	**(347.0)**

* Depreciation and software amortisation of £85.2m (2014: £76.3m) includes unallocated charges of £9.2m (2014: £6.6m).

Year ended 31 December 2014

	Revenue from external customers £m	Depreciation and software amortisation* £m	Adjusted operating profit £m	Separately Disclosed Items £m	Operating profit £m
Consumer Goods	375.3	(11.3)	124.8	(2.4)	122.4
Commercial & Electrical	359.6	(21.4)	51.0	(5.6)	45.4
Chemicals & Pharmaceuticals	173.1	(4.9)	18.6	(6.9)	11.7
Commodities	542.4	(21.7)	65.5	(10.5)	55.0
Industry & Assurance	642.9	(10.4)	64.5	(22.4)	42.1
Total	**2,093.3**	**(69.7)**	**324.4**	**(47.8)**	**276.6**
Group operating profit			**324.4**	**(47.8)**	**276.6**
Net financing costs			(24.2)	(0.2)	(24.4)
Profit before income tax			**300.2**	**(48.0)**	**252.2**
Income tax expense			(72.0)	10.2	(61.8)
Profit for the year			**228.2**	**(37.8)**	**190.4**

3 Separately Disclosed Items

		2015 £m	2014 £m
Operating costs			
Amortisation of acquisition intangibles	(a)	**(21.4)**	(20.8)
Acquisition costs	(b)	**(5.8)**	(3.5)
Restructuring costs	(c)	**(6.7)**	(23.5)
Impairment of goodwill and other assets	(d)	**(589.4)**	-
Material claims and settlements	(e)	**(3.6)**	–
Total operating costs		**(626.9)**	(47.8)
Net financing costs		**–**	(0.2)
Total before income tax		**(626.9)**	(48.0)
Income tax credit on Separately Disclosed Items		**38.2**	10.2
Total		**(588.7)**	(37.8)

(a) Of the amortisation of acquisition intangibles in the current year, £13.4m (2014: £13.3m) relates to the customer contracts and customer relationships acquired with the purchase of Moody International Limited in 2011.

(b) Acquisition costs comprise £5.2m (2014: £1.3m) for transaction costs in respect of current year acquisitions, and £0.6m in respect of prior year acquisitions (2014: £2.2m).

(c) Restructuring costs relate to asset write-offs and staff redundancies in certain regions in which the Group operates.

(d) Impairment of goodwill and other assets of £589.4m (2014: £nil) comprises £577.3m for the Industry Services CGU (consisting of £481.4m relating to goodwill, £60.3m relating to the customer contracts and customer relationships and £35.6m relating to property, plant & equipment), and £12.1m in respect of computer software.

(e) Material claims and settlements relate to a commercial claim that is separately disclosable due to its nature.

4 Earnings per share

	2015 £m	2014 £m
Based on the profit for the year:		
(Loss)/profit attributable to ordinary shareholders	**(360.5)**	176.3
Separately Disclosed Items after tax (note 3)	**588.7**	37.8
Adjusted earnings	**228.2**	214.1
Number of shares (millions):		
Basic weighted average number of ordinary shares	**160.8**	161.0
Potentially dilutive share awards	**1.4**	1.1
Diluted weighted average number of shares	**162.2**	162.1
Basic (loss)/earnings per share	**(224.2)p**	109.5p
Potentially dilutive share awards	**–**	(0.7)p
Diluted (loss)/earnings per share	**(224.2)p**	108.8p
Adjusted basic earnings per share	**141.9p**	133.0p
Potentially dilutive share awards	**(1.2)p**	(0.9)p
Adjusted diluted earnings per share	**140.7p**	132.1p

5 Analysis of net debt

The components of net debt are outlined below:

	1 January 2015 £m	Cash flow £m	Exchange adjustments £m	31 December 2015 £m
Cash	119.5	8.0	(11.5)	**116.0**
Borrowings:				
Revolving credit facility US$800m 2020	(124.1)	(123.9)	(5.8)	**(253.8)**
Bilateral term loan facilities US$100m 2017	(25.8)	(39.8)	(1.9)	**(67.5)**
Bilateral term loan facilities US$60m 2016	(38.6)	–	(1.8)	**(40.4)**
Senior notes US$100m 2015	(64.4)	63.5	0.9	**–**
Senior notes US$75m 2016	(48.3)	–	(2.3)	**(50.6)**
Senior notes US$100m 2017	(64.4)	–	(3.0)	**(67.4)**
Senior notes US$20m 2019	(12.9)	–	(0.6)	**(13.5)**
Senior notes US$150m 2020	(96.7)	–	(4.5)	**(101.2)**
Senior notes US$15m 2021	(9.7)	–	(0.4)	**(10.1)**
Senior notes US$140m 2022	(90.2)	–	(4.3)	**(94.5)**
Senior notes US$40m 2023	(25.8)	–	(1.2)	**(27.0)**
Senior notes US$125m 2024	(80.6)	–	(3.8)	**(84.4)**
Senior notes US$40m 2025	(25.8)	–	(1.2)	**(27.0)**
Senior notes US$75m 2026	(48.3)	–	(2.3)	**(50.6)**
Other*	2.6	(6.2)	0.2	**(3.4)**
Total borrowings	(753.0)	(106.4)	(32.0)	**(891.4)**
Total net debt	(633.5)	(98.4)	(43.5)	**(775.4)**

* Includes other borrowings of £6.2m (2014: £0.7m) and facility fees.

	2015 £m	2014 £m
Borrowings due in less than one year	**96.7**	89.8
Borrowings due in one to two years	**134.2**	86.4
Borrowings due in two to five years	**367.0**	199.9
Borrowings due in over five years	**293.5**	376.9
Total borrowings	**891.4**	753.0

Description of borrowings

Total undrawn committed borrowing facilities as at 31 December 2015 were £286m (2014: £391m).

US$800m revolving credit facility

The Group's principal bank facility comprises a US$800m multi-currency revolving credit facility. In July 2015 the facility was extended to June 2020. The Group has the option to extend for a further year in 2016, subject to the agreement of lenders. Advances under the facility bear interest at a rate equal to LIBOR, or their local currency equivalent, plus a margin, depending on the Group's leverage. Drawings under this facility at 31 December 2015 were £253.8m (2014: £124.1m).

Bilateral term loan facility 1

On 21 December 2012 the Group signed a US$20m bilateral term loan which was increased on 4 April 2014 to US$40m. This facility was further increased in November 2015 to US$100m, and the maturity of this facility was also extended for two years to November 2017. Advances under this facility bear interest at a rate equal to LIBOR plus a margin depending on the Group's leverage. Drawings under this facility at 31 December 2015 were £67.5m (2014: £25.8m).

Bilateral term loan facility 2

On 21 December 2012 the Group signed a US$20m bilateral term loan which was increased on 4 April 2014 to US$60m. The extended maturity of this facility is March 2016. Advances under this facility bear interest at a rate equal to LIBOR plus a margin, depending on the Group's leverage. Drawings under this facility at 31 December 2015 were £40.4m (2014: £38.6m).

Private placement bonds

In June 2008 the Group issued US$100m of senior notes. The notes, which were repaid on 26 June 2015, paid a fixed annual interest rate of 5.54%.

In December 2008 the Group issued US$100m of senior notes. These notes were issued in two tranches with US$25m repayable on 21 January 2014 at a fixed annual interest rate of 7.5% and US$75m repayable on 10 June 2016 at a fixed annual interest rate of 8.0%.

In December 2010 the Group issued US$250m of senior notes. These notes were issued in two tranches with US$100m repayable on 15 December 2017 at a fixed annual interest rate of 3.2% and US$150m repayable on 15 December 2020 at a fixed annual interest rate of 3.91%.

In October 2011 the Group issued US$265m of senior notes. These notes were issued in three tranches with US$20m repayable on 18 January 2019 at a fixed annual interest rate of 3.0%, US$140m repayable on 18 January 2022 at a fixed annual interest rate of 3.75% and US$105m repayable on 18 January 2024 at a fixed annual interest rate of 3.85%.

In February 2013 the Group issued US$80m of senior notes. These notes were issued in two tranches with US$40m repayable on 14 February 2023 at a fixed annual interest rate of 3.10% and US$40m repayable on 14 February 2025 at a fixed annual interest rate of 3.25%.

In July 2014 the Group issued US$110m of senior notes. These notes were issued in four tranches with US$15m repayable on 31 July 2021 at a fixed annual interest rate of 3.37%, US$20m repayable on 31 July 2024 at a fixed annual interest rate of 3.86%, US$60m repayable on 31 October 2026 at a fixed annual interest rate of 4.05% and US$15m repayable on 31 December 2026 at a fixed annual interest rate of 4.10%.

6 Acquisition of businesses

(a) Acquisitions

Professional Service Industries, Inc.

On 23 November 2015, the Group completed the significant acquisition of Professional Service Industries, Inc., for a purchase price of £220.0m (£215.4m net of cash acquired), generating goodwill of £146.1m. PSI is a provider of industry-leading testing and assurance services to the commercial and civil construction markets and non-destructive testing for onshore pipelines in the USA.

Other

On 3 February 2015, the Group acquired Adelaide Inspection Services Pty Ltd, an Australian-based business providing non-destructive testing and associated services to the power generation, construction, oil, gas and mining industries. On 10 September 2015, the Group acquired Dansk Institut for Certificering A/S, a Danish company that provides business assurance services to a wide range of industries including Hospitality, Transport and Food. On 8 October 2015, the Group acquired MT Group LLC and Materials Testing Lab, Inc, (together 'MT'), a leading provider in the US of materials testing and inspection services to the building industry. Cash consideration for these three acquisitions was £17.2m (£15.9m net of cash acquired) generating goodwill of £11.8m.

Provisional details of the net assets acquired and fair value adjustments are set out in the following tables. These analyses are provisional and amendments may be made to these figures in the 12 months following the date of acquisition.

Professional Service Industries, Inc.	Book value prior to acquisition £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	15.9	3.8	19.7
Goodwill	108.1	38.0	146.1
Other intangible assets	66.1	0.1	66.2
Trade and other receivables	50.7	(0.8)	49.9
Trade and other payables	(24.6)	(2.7)	(27.3)
Provisions for liabilities and charges	-	(13.2)	(13.2)
Deferred tax liabilities	(26.8)	0.8	(26.0)
Net assets acquired	**189.4**	**26.0**	**215.4**
Cash outflow (net of cash and debt acquired)			215.4
Total consideration			**215.4**

Other acquisitions	Book value prior to acquisition £m	Fair value adjustments £m	Fair value to Group on acquisition £m
Property, plant and equipment	1.0	-	1.0
Goodwill	-	11.8	11.8
Other intangible assets	-	0.7	0.7
Inventories	0.2	-	0.2
Trade and other receivables	4.8	-	4.8
Trade and other payables	(2.4)	-	(2.4)
Deferred tax liabilities	-	(0.2)	(0.2)
Net assets acquired	**3.6**	**12.3**	**15.9**
Cash outflow (net of cash and debt acquired)			15.9
Total consideration			**15.9**

The total goodwill arising on acquisitions made during 2015 was £157.9m. There was no change to goodwill in respect of prior years' acquisitions. The goodwill arising represents the value of the assembled workforce and the benefits the Company expects to gain from increasing its presence in the relevant sectors in which the acquired businesses operate.

In total acquisitions made during 2015 contributed revenues of £26.8m and a net profit after tax of £2.0m from their respective dates of acquisition to 31 December 2015.

(b) Acquisitions subsequent to the balance sheet date
On 8 January 2016 the Group completed the acquisition of Food International Trust ('FIT-Italia'), an Italian-based provider of food quality and safety services to the retail and agricultural sectors.

(c) Prior period acquisitions
No additional consideration (2014: £0.3m) was paid during the year in respect of prior period acquisitions.

(d) Impact of acquisitions on the Group results
The Group revenue and loss after tax for the year ended 31 December 2015 would have been £2,377.0m and £330.5m respectively if all the acquisitions were assumed to have been made on 1 January 2015.

(e) Details of 2014 acquisitions
Full details of acquisitions made in the year ended 31 December 2014 are disclosed in note 10 to the Annual Report for 2014.

(f) Impairment
Past acquisitions generated goodwill, which has been tested annually as required by accounting standards. At 31 December 2015, before impairment testing, goodwill of £494.6m was allocated to the Industry Services CGU. The oil and gas sector in which this CGU operates has experienced a significant downturn with a material reduction in capital and operating expenditure by its main customers. As a result, the Group revised its cash flow forecasts for Industry Services and has therefore reduced the CGU value to its recoverable amount. This has resulted in an impairment loss against goodwill of £481.4m, against intangible assets of £60.3m and against property, plant and equipment of £35.6m, in total £577.3m.

(g) Reconciliation of goodwill

	£m
Goodwill at 1 January 2015	779.9
Additions	157.9
Foreign exchange	14.7
Impairment of goodwill	(481.4)
Goodwill at 31 December 2015	**471.1**

7 Property, plant, equipment and software

Additions
During the year ended 31 December 2015, the Group acquired fixed assets with a cost of £112.2m (2014: £109.5m). In addition the Group acquired fixed assets of £20.7m (2014: £3.4m) through business combinations (note 6).

Impairment
In addition to the impairments noted above impacting other intangible assets of £60.3m and property, plant and equipment of £35.6m, a strategic review of IT and the systems landscape for potential obsolescence was performed. As a result, an impairment of £12.1m of IT assets related to computer software has been recorded in the year.