

Directors' report

Introduction

The Directors submit their report together with the audited consolidated financial statements of the MITIE group of companies (the Group) for the year ended 31 March 2010. The Directors' report includes the Business review, the Corporate Governance statement, the Remuneration report, the Directors' responsibility statement, all other parts of this Annual Report and Accounts and those documents that are referred to within this report and are available at www.mitie.com/investors_corporate-governance.

Principal activities

MITIE Group PLC is the holding company of the Group. The principal activity of the Company is to provide management services to the Group. The Group's activities are focused on the provision of strategic outsourcing and asset management services in support of the buildings, facilities and infrastructure of its clients. Further details of the subsidiary undertakings of the Company principally affecting the profits or net assets of the Group in the reporting period are listed in Note 35 to the financial statements.

Business review

The Company is required to set out a fair review of the business of the Group during the reporting period (including an analysis of the position of the Group at the end of the reporting period and the principal risks and uncertainties facing the Group). Details of this review are contained in this Directors' and Governance report and the following sections of this Annual Report and Accounts:

- the Chairman's statement on page 6 to 7;
- the Chief Executive's Strategy review on pages 8 to 13;
- the Marketplace overview on pages 14 to 15;
- the Operating review on pages 16 to 23;
- the section dealing with Corporate Responsibility on pages 27 to 29;
- the Financial review on pages 30 to 33;
- the Company's Key Performance Indicators on pages 34 and 35; and
- Factors that could affect our business on pages 36 and 37.

Basis of report

This report (together with the other parts of this Annual Report and Accounts and other documents incorporated by reference) has been prepared, and is published, in accordance with, and in reliance upon, applicable English company law and the liabilities of the Directors in relation to this report are subject to the limitations provided by such law.