# Delivering today
# Inspiring tomorrow

## Presentation of preliminary results

## for the financial year ended 31 March 2016

23 May 2016

# Ruby McGregor-Smith CBE

Chief Executive

# Agenda

- Highlights
- Finance update
- Business update
- Outlook

# Highlights

- Good overall progress
- Strong margins and profits underpinned by good cash conversion
- Continued strong dividend growth of 3.4% – 27th consecutive year of growth
- Maintained our leading UK market position in FM
- Integrated FM portfolio: all major contracts now secured until at least 2019
- Recent flow of new FM contract awards will see a return to modest revenue growth
- £20m buyback programme initiated for FY17
- Significant order book and sales pipeline

# Suzanne Baxter

Group Finance Director

# Financial highlights

mitie

**Revenue**
**£2,231.9m**
↓1.8% (FY15: £2,273.8m)

**Operating profit before other items**
**£128.9m**
↑0.2% (FY15: £128.6m)

**Operating profit margin**
**5.8%**
↑0.1ppts (FY15: 5.7%)

**Basic earnings per share**
**21.3 pence**
↑119.6% (FY15: 9.7p)

**Dividend per share**
**12.1 pence**
↑3.4% (FY15: 11.7p)

**Net debt**
**£178.3m**
1.2x EBITDA (FY15: £177.8m)

**Cash conversion**
**75.2%**
(FY15: 126.5%)

**2016 budgeted revenue secured**
**82%**
(Prior year: 85%)

**Order book**
**£8.5bn**
(March 2015: £9.0bn)

**Sales pipeline**
**£9.1bn**
(March 2015: £9.7bn)

# Income statement

mitie

| £m | **2016 FY** | 2015 FY | Change |
|---|---|---|---|
| Revenue | 2,231.9 | 2,273.8 | (1.8%) |
| **Operating profit before other items** | **128.9** | **128.6** | **0.2%** |
| *Margin* | *5.8%* | *5.7%* | *0.1ppt* |
| Other items | (16.4) | (72.6) | (77.4%) |
| **Operating profit** | **112.5** | **56.0** | **100.9%** |
| Net finance costs | (15.7) | (14.5) | 8.3% |
| **Profit before tax** | **96.8** | **41.5** | **133.3%** |
| Earnings per share before other items | 25.0p | 24.8p | 0.8% |
| **Basic earnings per share** | **21.3p** | **9.7p** | **119.6%** |
| Dividend per share | 12.1p | 11.7p | 3.4% |

# Divisional performance

| £m | 2016 FY | 2015 FY | Change |
|---|---|---|---|
| **Revenue** | | | |
| Soft FM | 1,255.1 | 1,280.3 | (2.0%) |
| Hard FM | 618.4 | 621.1 | (0.4%) |
| **Total FM** | **1,873.5** | **1,901.4** | **(1.5%)** |
| Property Management | 280.4 | 273.4 | 2.6% |
| Healthcare | 78.0 | 91.4 | (14.7%) |
| Other items | - | 7.6 | |
| **Mitie** | **2,231.9** | **2,273.8** | **(1.8%)** |
| **Operating profit before other items** | | | |
| Soft FM | 85.4 | 81.9 | 4.3% |
| Hard FM | 31.7 | 31.4 | 1.0% |
| **Total FM** | **117.1** | **113.3** | **3.4%** |
| Property Management | 15.8 | 10.4 | 51.9% |
| Healthcare | (4.0) | 4.9 | - |
| **Mitie** | **128.9** | **128.6** | **0.2%** |

# Facilities Management

| £m | 2016 FY | 2015 FY | Change |
|---|---|---|---|
| **Revenue** | | | |
| Soft FM | 1,255.1 | 1,280.3 | (2.0%) |
| Hard FM | 618.4 | 621.1 | (0.4%) |
| **Total FM** | **1,873.5** | **1,901.4** | **(1.5%)** |
| **Operating profit before other items** | | | |
| Soft FM | 85.4 | 81.9 | 4.3% |
| Hard FM | 31.7 | 31.4 | 1.0% |
| **Total FM** | **117.1** | **113.3** | **3.4%** |
| **Margin** | | | |
| Soft FM | 6.8% | 6.4% | 0.4ppt |
| Hard FM | 5.1% | 5.1% | - |
| **Total FM** | **6.3%** | **6.0%** | **0.3ppt** |
| Share of Mitie revenue | 83.9% | 83.6% | 0.3ppt |
| Order book £bn | 7.2 | 7.6 | (0.4) |

# Property Management

| £m | **2016 FY** | 2015 FY | Change |
|---|---|---|---|
| Revenue | 280.4 | 273.4 | 2.6% |
| Operating profit before other items | 15.8 | 10.4 | 51.9% |
| Margin | 5.6% | 3.8% | 1.8ppt |
| Share of Mitie revenue | 12.6% | 12.0% | 0.6ppt |
| Order book £bn | 0.8 | 1.0 | (0.2) |

# Healthcare

| £m | 2016 FY | 2015 FY | Change |
|---|---|---|---|
| Revenue | 78.0 | 91.4 | (14.7%) |
| Operating profit before other items | (4.0) | 4.9 | nm |
| Margin | (5.1%) | 5.4% | (10.5ppt) |
| Share of Mitie revenue | 3.5% | 4.0% | (0.5ppt) |
| Order book £bn | 0.5 | 0.4 | 0.1 |

# Revenue phasing

| £m | H1 2016 | H2 2016 | H1 Change | H2 Change |
|---|---|---|---|---|
| Soft FM | 635.7 | 619.4 | 2.1% | (5.8%) |
| Hard FM | 310.5 | 307.9 | 3.2% | (3.9%) |
| **Total FM** | **946.2** | **927.3** | **2.5%** | **(5.2%)** |
| Property Management | 137.9 | 142.5 | 11.8% | (5.1%) |
| Healthcare | 39.0 | 39.0 | (19.1%) | (9.7%) |
| **Mitie** | **1,123.1** | **1,108.8** | **2.2%** | **(5.6%)** |

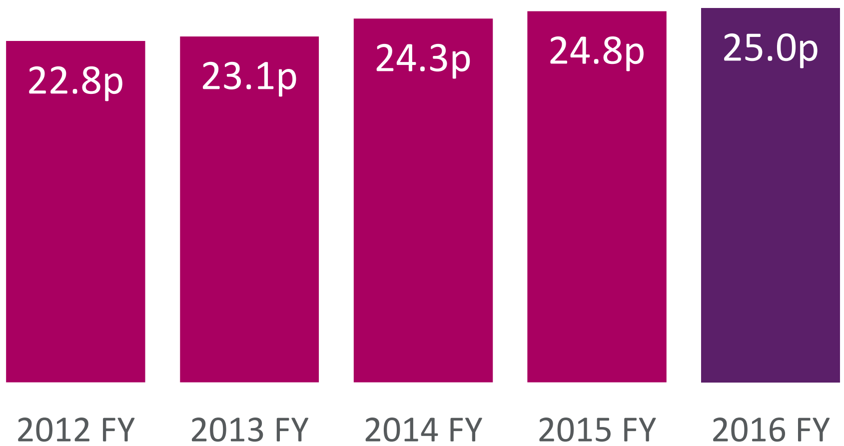
# Profit phasing

| £m | H1 2016 | H2 2016 | H1 Change | H2 Change |
| --- | --- | --- | --- | --- |
| **Operating profit before other items** | | | | |
| Soft FM | 42.4 | 43.0 | 5.2% | 3.4% |
| Hard FM | 10.5 | 21.2 | (24.5%) | 21.1% |
| **Total FM** | **52.9** | **64.2** | **(2.4%)** | **8.6%** |
| Property Management | 7.3 | 8.5 | 32.7% | 73.5% |
| Healthcare | (2.1) | (1.9) | Nm | nm |
| **Mitie** | **58.1** | **70.8** | **(9.5%)** | **9.9%** |

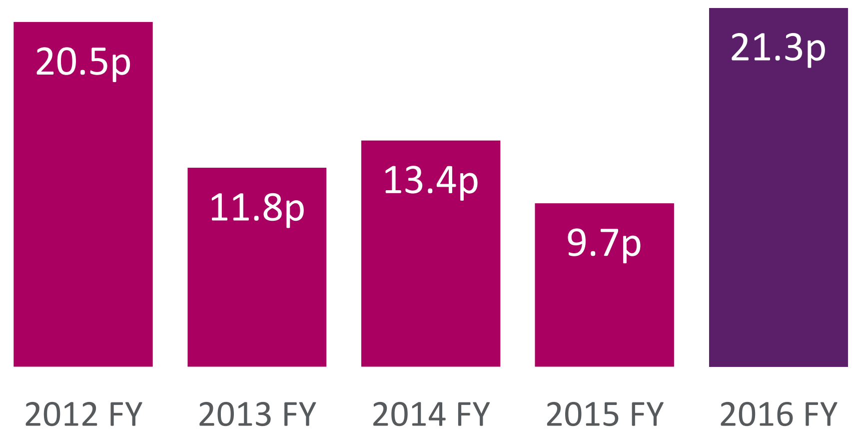
| | | |
| --- | --- | --- |
| **Margin** | | |
| Soft FM | 6.7% | 6.9% |
| Hard FM | 3.4% | 6.9% |
| **Total FM** | **5.6%** | **6.9%** |
| Property Management | 5.3% | 6.0% |
| Healthcare | (5.4%) | (4.9%) |
| **Mitie** | **5.2%** | **6.4%** |

# Earnings per share

EPS before other items



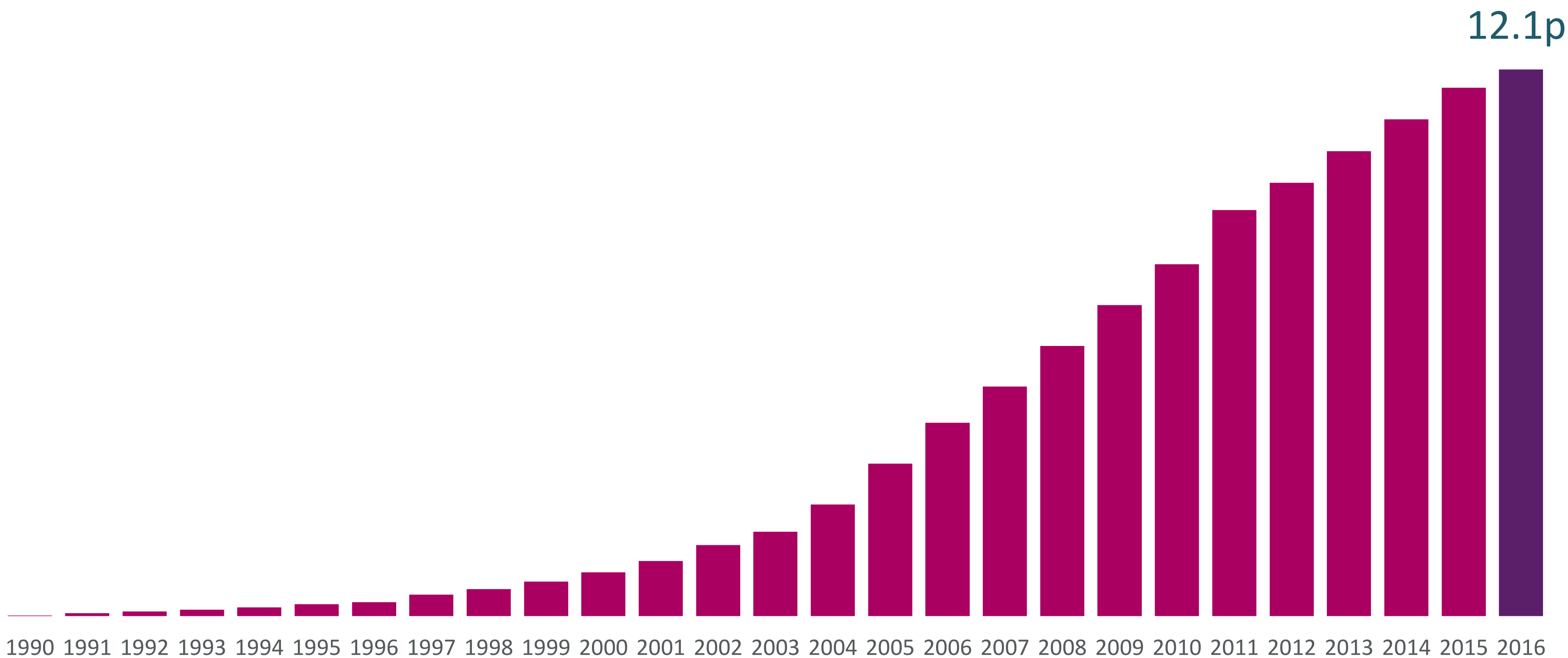

Basic EPS




- YOY growth 0.8%
- 5 year compound growth 2.1%

- YOY growth 119.6%
- 5 year compound growth 2.8%

# 27 years of dividend growth




- FY16 dividend per share growth of 3.4%
- Current dividend cover 2.1x

# Balance sheet

| £m | **2016 FY** | 2015 FY | Change |
|---|---|---|---|
| Goodwill and acquired intangibles | 488.7 | 503.7 | (15.0) |
| Software and development intangibles | 43.7 | 37.3 | 6.4 |
| Property, plant and equipment | 49.3 | 53.3 | (4.0) |
| Non-current trade and other receivables | 86.0 | 58.5 | 27.5 |
| Current trade and other receivables | 446.7 | 421.4 | 25.3 |
| Other* | 20.5 | 26.7 | (6.2) |
| **Total assets*** | **1,134.9** | **1,100.9** | **34.0** |
| Current liabilities* | (498.6) | (486.1) | (12.5) |
| Retirement benefit obligation | (35.5) | (35.8) | 0.3 |
| Non-current liabilities* | (7.4) | (22.9) | 15.5 |
| Net debt | (178.3) | (177.8) | (0.5) |
| **Net assets** | **415.1** | **378.3** | **36.8** |

** Excluding net debt components*

# Trade and other receivables

| £m | 2016 FY | 2015 FY | Change |
|---|---|---|---|
| Trade receivables | 209.7 | 193.9 | 15.8 |
| AROCC | 2.6 | 8.1 | (5.5) |
| Mobilisation costs | 28.6 | 30.6 | (2.0) |
| Accrued income | 236.2 | 192.6 | 43.6 |
| Prepayments | 36.4 | 38.2 | (1.8) |
| Other debtors | 19.2 | 16.5 | 2.7 |
| **Total** | **532.7** | **479.9** | **52.8** |
| | | | |
| Included in non-current assets | 86.0 | 58.5 | 27.5 |
| Included in current assets | 446.7 | 421.4 | 25.3 |
| **Total** | **532.7** | **479.9** | **52.8** |

# Mobilisation costs

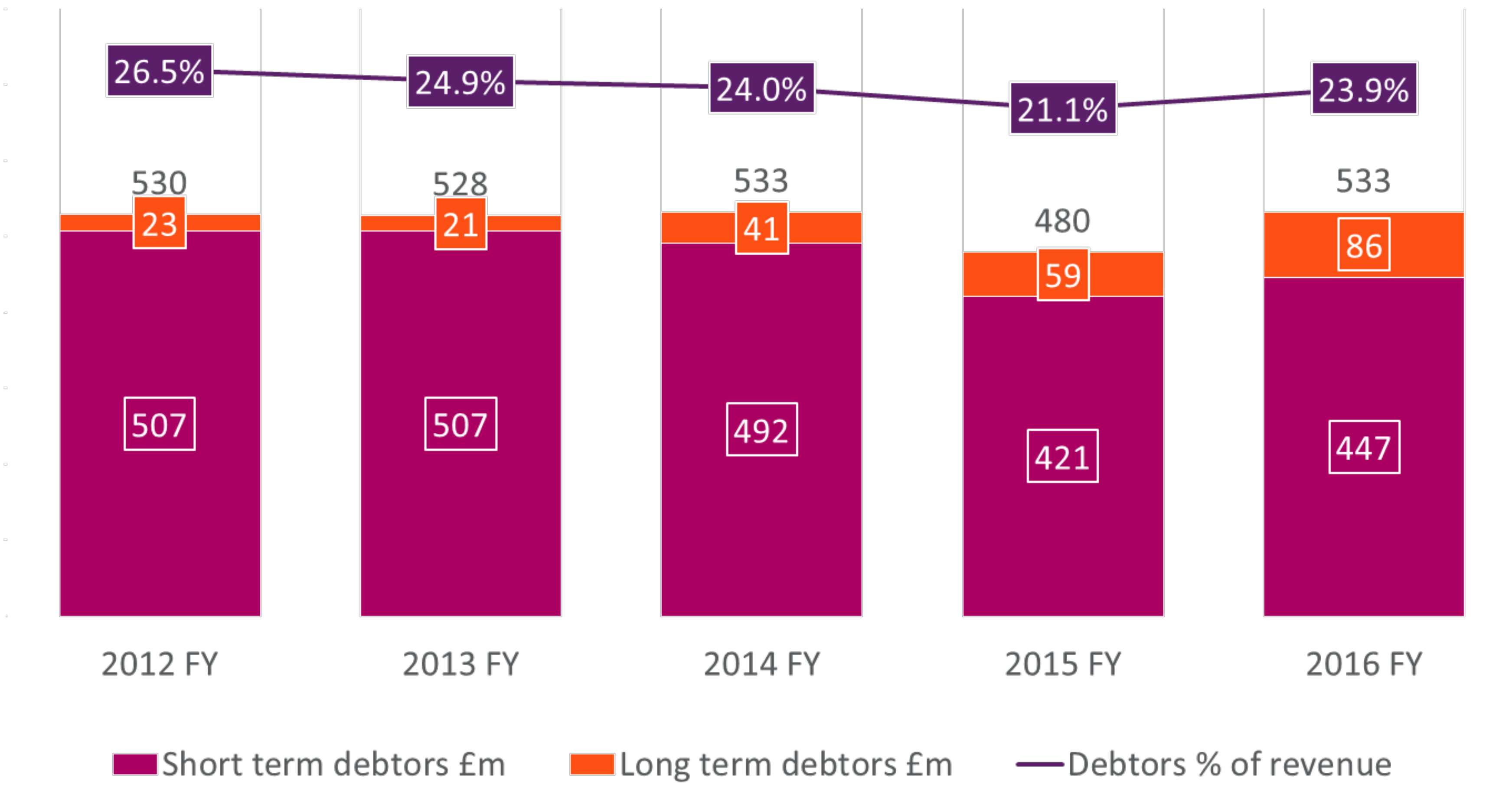
| £m | **2016 FY** | 2015 FY | Change |
|---|---|---|---|
| **Mobilisation costs** | | | |
| Opening balance | 30.6 | 30.3 | 0.3 |
| Costs capitalised | 12.0 | 19.6 | (7.6) |
| Costs amortised | (14.0) | (19.3) | 5.3 |
| **Closing balance** | **28.6** | **30.6** | **(2.0)** |
| Included in current assets | 11.3 | 12.4 | (1.1) |
| Included in non-current assets | 17.3 | 18.2 | (0.9) |

# Non-current trade and other receivables

| £m | **2016 FY** | 2015 FY | Change |
|---|---|---|---|
| Mobilisation costs | 17.3 | 18.2 | (0.9) |
| Accrued income | 68.7 | 40.3 | 28.4 |
| **Total** | **86.0** | **58.5** | **27.5** |

- Investment in working capital supports £2.9bn of long-term contracts in our order book
- Working capital investment achieves returns in excess of the group's ROCE

# Trade receivables




- Long-term trend of trade receivables as a percentage of revenue is stable

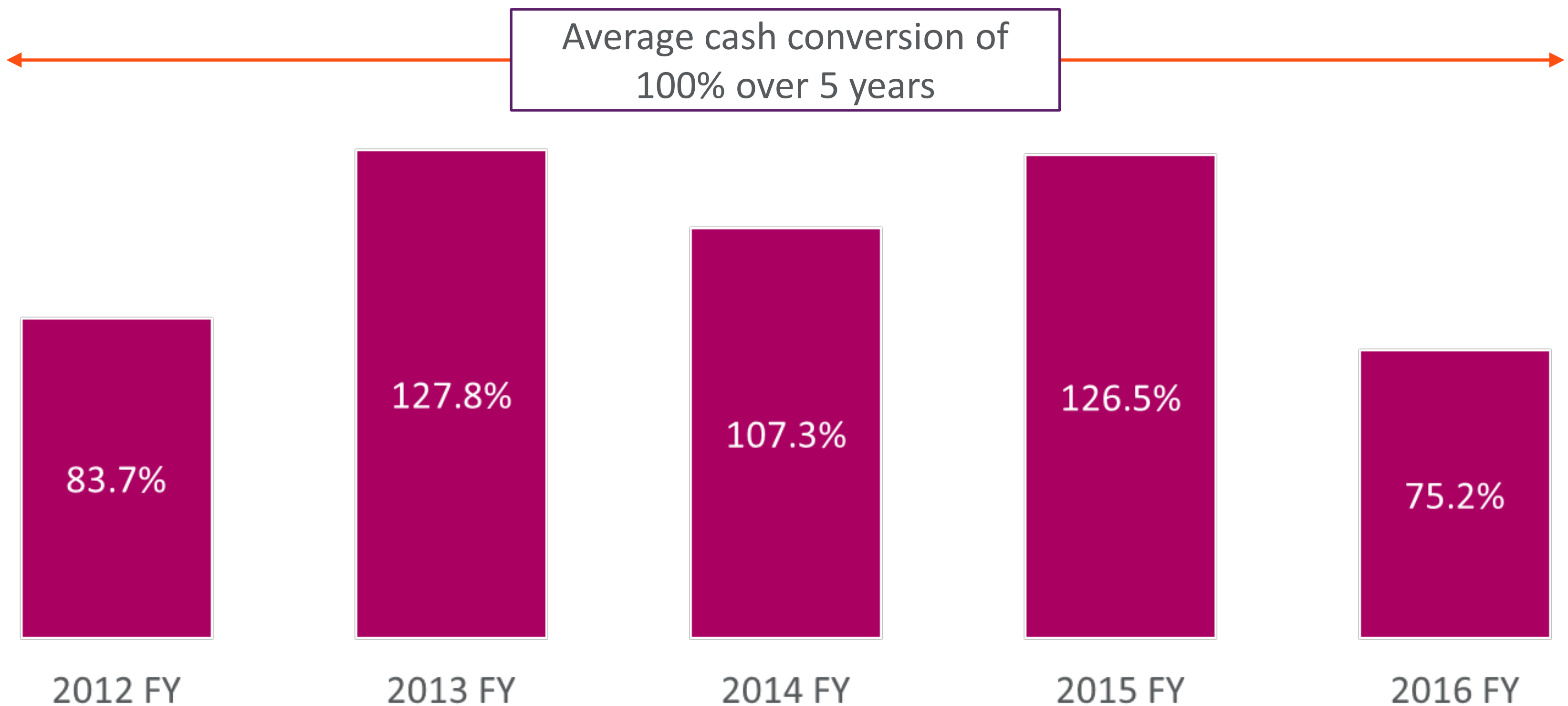
# Cash flow and net debt

mitie

| £m | 2016 FY | 2015 FY | Change |
|---|---|---|---|
| **Opening net debt** | **(177.8)** | **(186.6)** | **8.8** |
| **EBITDA** | **152.3** | **89.5** | **62.8** |
| Movement in working capital | (43.5) | (2.6) | (40.9) |
| Tax & interest | (29.1) | (30.6) | 1.5 |
| Capex | (22.4) | (25.1) | 2.7 |
| Other | 5.8 | 26.3 | (20.5) |
| **Free cash flow** | **63.1** | **57.5** | **5.6** |
| Dividend | (42.3) | (40.5) | (1.8) |
| Shares issued | 5.0 | 3.8 | 1.2 |
| Share purchases | (18.1) | (10.7) | (7.4) |
| Other financing & investment | (8.2) | (1.3) | (6.9) |
| **Net debt movement** | **(0.5)** | **8.8** | **(9.3)** |
| **Closing net debt** | **(178.3)** | **(177.8)** | **(0.5)** |

- Strong free cash flow of £63.1m
- Working capital investment in H1 £63.5m, H2 inflow of £20.0m
- Net debt:EBITDA at 1.2x

# Cash conversion




- Five-year average cash conversion of 100.3%
- Profits backed by cash
- FY16 conversion reflects the unwind of exceptional performance in FY15

# Capital allocation

| 1. Reinvest for growth | 2. Acquire to complement organic growth | 3. Dividends | 4. Return cash to shareholders | 5. Maintain an efficient balance sheet |
|---|---|---|---|---|
| **Invest in our business using working capital to win and retain contracts**<br><br>Modest organic growth<br><br>Margin target range of 5 to 6% | **Selected acquisitions in niche capability**<br><br>Acquisitions must be EPS accretive and deliver ROCE > WACC | **Grow dividends at least in line with underlying earnings**<br><br>£0.2bn of dividend paid in the last 5 years<br><br>27 consecutive years dividend growth | **Buy back shares to offset share issues**<br>(under share schemes and the Mitie model)<br><br>**Buyback programme – up to £20m in FY17**<br>(shares will be cancelled) | **Modest gearing; net debt of 1 to 1.5x EBITDA**<br><br>Short term moves outside range only for attractive investments with strong cash returns |
| FY16: **£43.5m** | **£8.3m** | **£42.3m** | **£18.1m** | **1.2x** |

# Share buybacks

mitie

“The Board has approved a share buyback programme to further enhance returns to shareholders whilst maintaining a modest year end gearing level of 1.0x-1.5x EBITDA.  This will initially be up to £20m in 2017 and will be reviewed annually going forward. Shares purchased will be cancelled."

# 2017 Guidance

| | |
|---|---|
| Revenue growth | Modest growth of up to 3% |
| Operating profit margin before other items | Target range of 5 – 6% |
| Cash conversion | Target of 80% |
| Capital expenditure | Below 2% of revenue |
| Tax rate | Effective tax rate of 20% |
| Dividends | Grow dividends at least in line with underlying earnings<br>Dividend cover for FY 2016 of 2.1x |
| Share purchases | Purchases to offset anticipated share scheme issues<br>Additional buyback programme up to £20m |

# Ruby McGregor-Smith CBE

Chief Executive

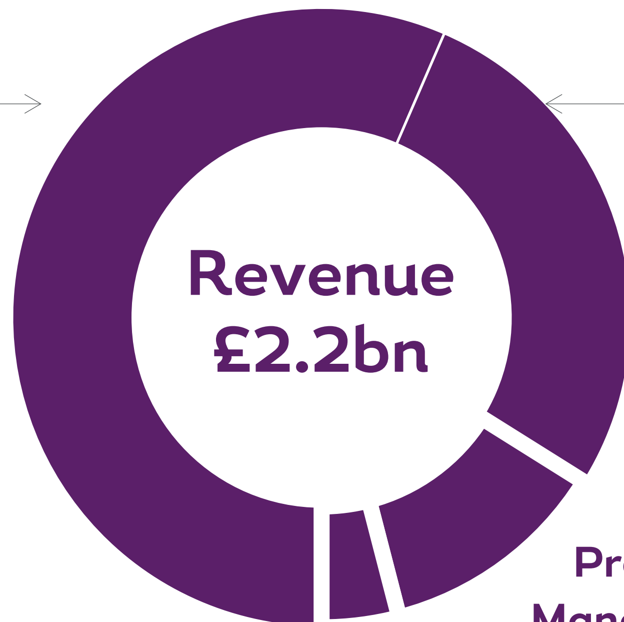
# Mitie today

**Facilities Management**
**£1,874m**

Integrated FM
**£745m**
We deliver a combination of hard and soft FM services as one tailored proposition

Soft FM
**£1,255m**
- Security
- Cleaning
- Catering
- Landscaping
- Pest control
- Waste management
- Front of house

Hard FM
**£619m**
- Technical and building services
- Maintenance
- Compliance




**Healthcare**
**£78m**
- Homecare
- Complex care

**Property Management**
**£280m**
- Social housing maintenance
- Insurance claim response management

# High quality client base

mitie

LLOYDS BANKING GROUP

sky

Ministry of JUSTICE

Home Office

vodafone

intel

JONES LANG LASALLE

LinkedIn

Heathrow
Making every journey better

The Scottish Government

ABInBev

RBS
The Royal Bank of Scotland

Ladbrokes

NetworkRail

CAPITA

O2

Sellafield Ltd

Santander

Bank of Ireland

# Mitie strategy

**Sustainable profitable growth, through a focus on six pillars:**

1. Maintain our position as the leading provider of FM services in the UK
2. Increase the range and scale of services we provide to our top 200 clients, in the UK and internationally
3. Attract, retain and develop the best people in our industry
4. Increase the provision of technology-led services
5. Grow our public services businesses by continuing to develop relationships with key clients
6. Expand the scale and breadth of our higher value consultancy services

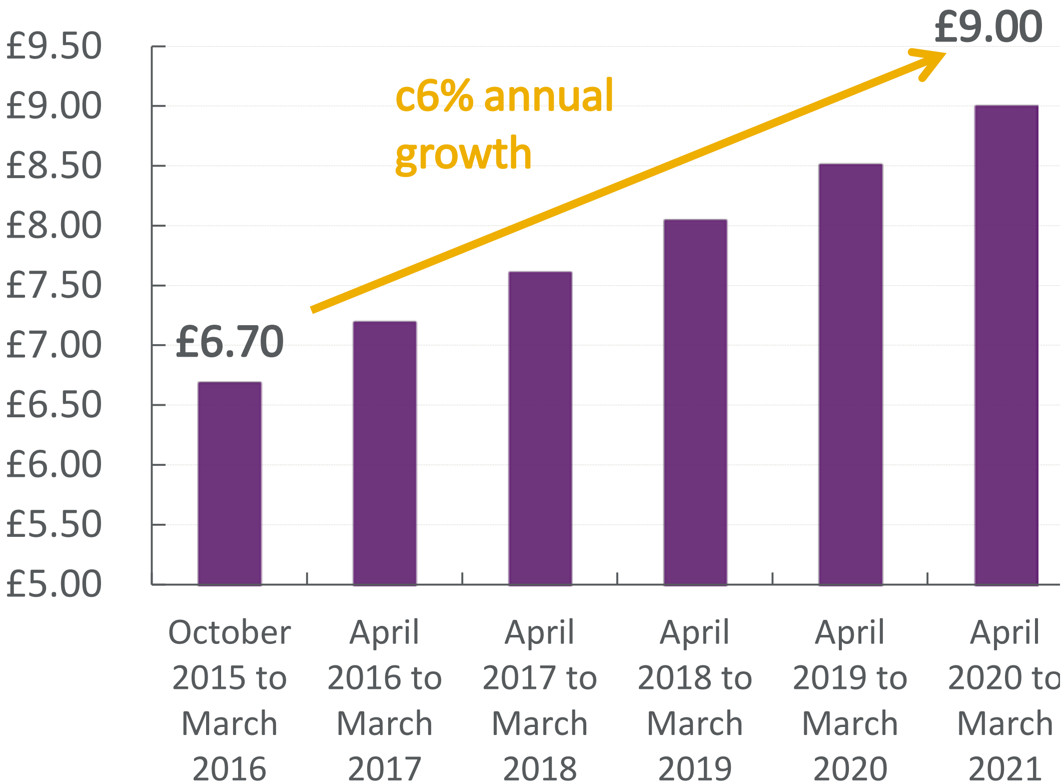

Market trends

# Macro environment

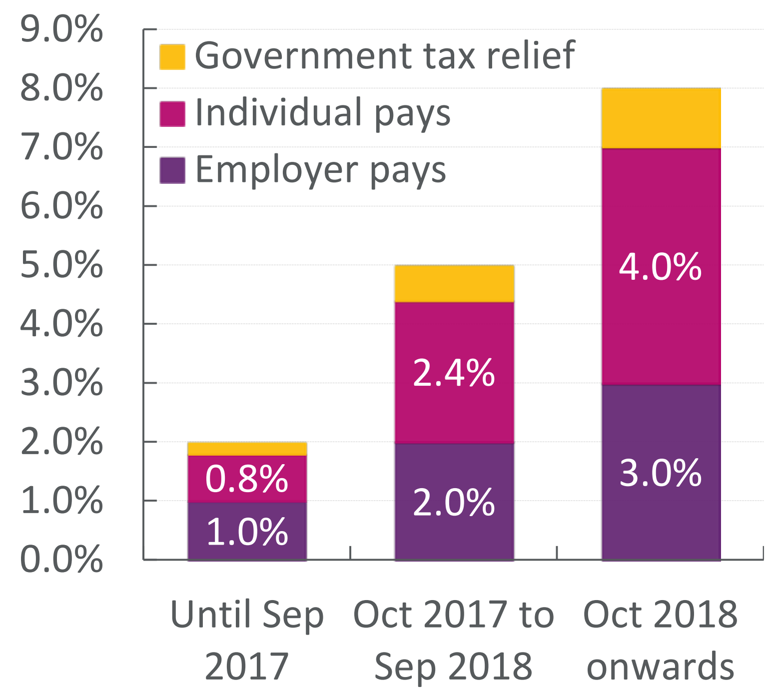
- Low growth and low inflation environment
- General election in May 2015
- Continuation of UK Government austerity
- EU referendum in June 2016
- Increasing labour costs
- Globalisation
- Disruptive technology

# Labour costs

National Living Wage




Automatic enrolment in workplace pension schemes




- Apprentice levy expected to commence from April 2017

# Mitie revenue trends

- **FY16**
  - Four large single service contracts came out of the portfolio (c£60m)
  - Major new contracts started late in the year or in Q1 FY17
  - Delays/cancellations of project works in Q4
  - Less discretionary spend in H2
- **FY17**
  - National Living Wage pricing increases – accepted by clients
  - Starting run rate higher, with new contracts mobilising
  - Projects/discretionary spend lower until after EU referendum
  - More clients adopting technology-led models

# Private sector

- Remains the growth driver in our markets
- Price is still important, but focus remains on quality and innovation
- Still seeing a trend to integrate services and supply chains
- Emphasis on partnership model, particularly for integrated services – client satisfaction high

- Flexible and agile working is changing the workplace
- War for talent – many organisations want amazing workplaces and food to attract the best people
- FM, property, HR, IT and energy budgets beginning to merge

# Public sector

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- Continued austerity policy
- Procurement focused quality and innovation, but price still dominates
- Rigid approach to contractual agreements restricts ability to be responsive to changing environments, or innovate

- Not seeing a major shift to larger outsourcing in our chosen markets
- Homecare remains challenging
- 1% statutory rent reductions in the social housing market
- Still some very good opportunities in our key markets, but selectivity is key, and disciplined bidding/mobilisation

# Technology

- Technology solutions will drive greater efficiency and smarter working in all the core services we provide
- Investing significantly in innovative technology enabling data, analytics and insight that enhances decision making and performance, including:
  - MiWorld
  - Wearable technology
  - Audit and compliance
  - Robotics
  - Remote monitoring
  - Pest Alert: paperless audit trial and real time reporting
  - App payments
  - Vetting

- Reduces contract revenues in some cases, but sustains profitability

# Bringing it all together

- This backdrop presents both challenges and opportunities
- Flexible business model
- Huge opportunity to transform outsourcing models with technology
- Consulting services provide added value and differentiate offering
- Specialist businesses within Mitie are growing strongly
- Cost efficiencies within our structures remain a high priority

# Facilities Management

# The UK's leading FM brand

Mitie voted **#1 overall service provider** in UK FM for 3 years running

We were voted most **customer focused** and **innovative**

We are now **top 3** in **every service category**


| Rankings | 2013 | 2014 | 2015 | Direction of Travel |
|---|---|---|---|---|
| **Overall FM provider** | **#1** | **#1** | **#1** | **Maintain lead** |
| Integrated FM | #1 | #1 | #1 | Maintain lead |
| Hard FM | #2 | #1 | #1 | Maintain lead |
| Cleaning | #2 | #2 | #2 | Maintain |
| Security | #2 | #2 | #2 | Maintain |
| Catering | #5 | #5 | #3 | ↑ |
| Front of house | #1 | #2 | #1 | ↑ |
| Landscaping | #2 | #2 | #1 | ↑ |
| Waste | #3 | #2 | #1 | ↑ |

# Retained and extended key IFM contracts

- Integrated FM accounts for one-third of revenues and with no major rebids until 2019, these long-term contracts underpin future growth
- Blue chip client base and superb reference sites
- **Rolls-Royce**: retained our contract to deliver pan-European IFM, our largest contract out to tender during this financial year
- **Sky**: extended our IFM contract for an additional five years to 2023
- **RWE npower**:  successfully renewed our IFM contract
- **dmg media**: awarded a new contract to provide IFM, building on our existing work providing security services to the group
- **Cumbrian Collaboration**: extension to 2019

# New contract awards

- **JLL**
  - £100m over 3 + 2 years
  - Hard FM, security and environmental services
- **NHS Property Services**
  - £100m over 3 + 1 + 1 years
  - Hard FM, security and environmental services
- **Cornerstone Telecommunications Infrastructure Ltd**
  - £70m over 5 years
  - Hard FM
- **Large retailer**
  - £50m over 4 years
  - Technology-led security

# Property Management

# Growth in social housing

- Social housing market continues to provide opportunities
- Some impact in H2 as a result of the 1% statutory rent reductions coming in to place from April 2016
- Over a third of our revenues are from ongoing ten year strategic partnerships, including the London Borough of Hammersmith & Fulham and Orbit
- Continue to extend the range of services
    - Call centre management
    - Building surveying
    - Investment planning
    - Professional surveys
    - Compliance
    - Data and management information

- Significant potential from the trend to bundled or integrated services

# Other market opportunities

- Painting and repair services
  - We are the largest painting and decorating contractor in the UK
  - Cross-selling to an increasing range of clients in social housing and across the FM business
- Private sector housing
  - Insurance services business provides repair services on behalf of insurance companies
  - Private rental and block management
  - Growing presence in this market
- Strong pipeline of opportunities for our property management offering across multiple markets

# Healthcare

# Homecare recovery

**Market backdrop**

1. Pricing pressures led to unsustainable procurements
2. Increased regulation
3. Challenges around recruiting and retaining staff; increased agency spend

**Actions taken**

1. Closed and consolidated branches, exited unprofitable contracts
2. Invested in additional quality and compliance resources
3. Increasing wages

**Positive impacts**

1. New contract awards and charge rates increasing
2. Quality scores improving
3. Retention rates improving and agency spend reducing

# Summary


Timber
12:48
Issue Photos
Photo Count: 3
Observation Text
The paint is blistered and peeling off of the timber.
Edit
Condition assessment
B - Satisfactory. Performing as intended but exhibiting minor deterioration
Edit
Effect on building
B - Low
Edit
Effect on user
3 - Desirable work required within three to five years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of occupants and/or remedy a minor breach of legislation.
Edit
Edit
Risk Score

# Mitie strengths

**A low-risk and resilient business model:**

- Pure services business with the number one market position in UK FM
- Quality client base in diversified end markets
- Long-term contracts and high retention rates give good revenue visibility
- Innovative customer proposition and technology capabilities
- Entrepreneurial people and high management retention
- Stable, predictable profits generate good free cash flow
- Long-term track record of dividend growth
- Disciplined capital allocation

# Outlook

- Focused on organic growth
- Strong order book and good revenue visibility
- Continue to see a range of good outsourcing opportunities across our key markets
- Share buyback programme, up to £20m in FY17
- We are in a good position to deliver sustainable, profitable growth

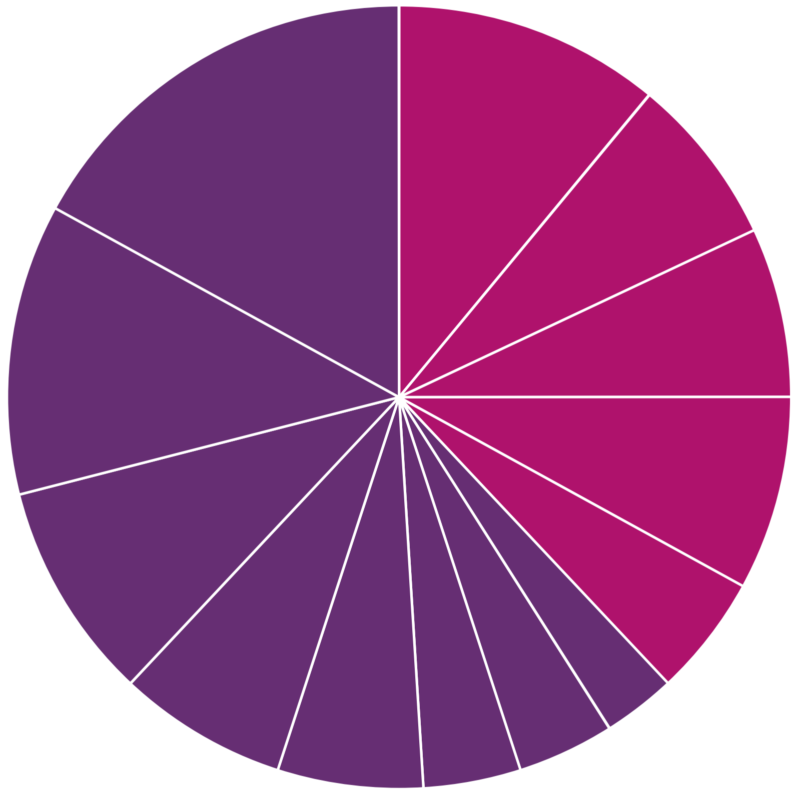
# Appendix

# Diversified revenue base

2016 Revenue by sector

**Private sector 62%**

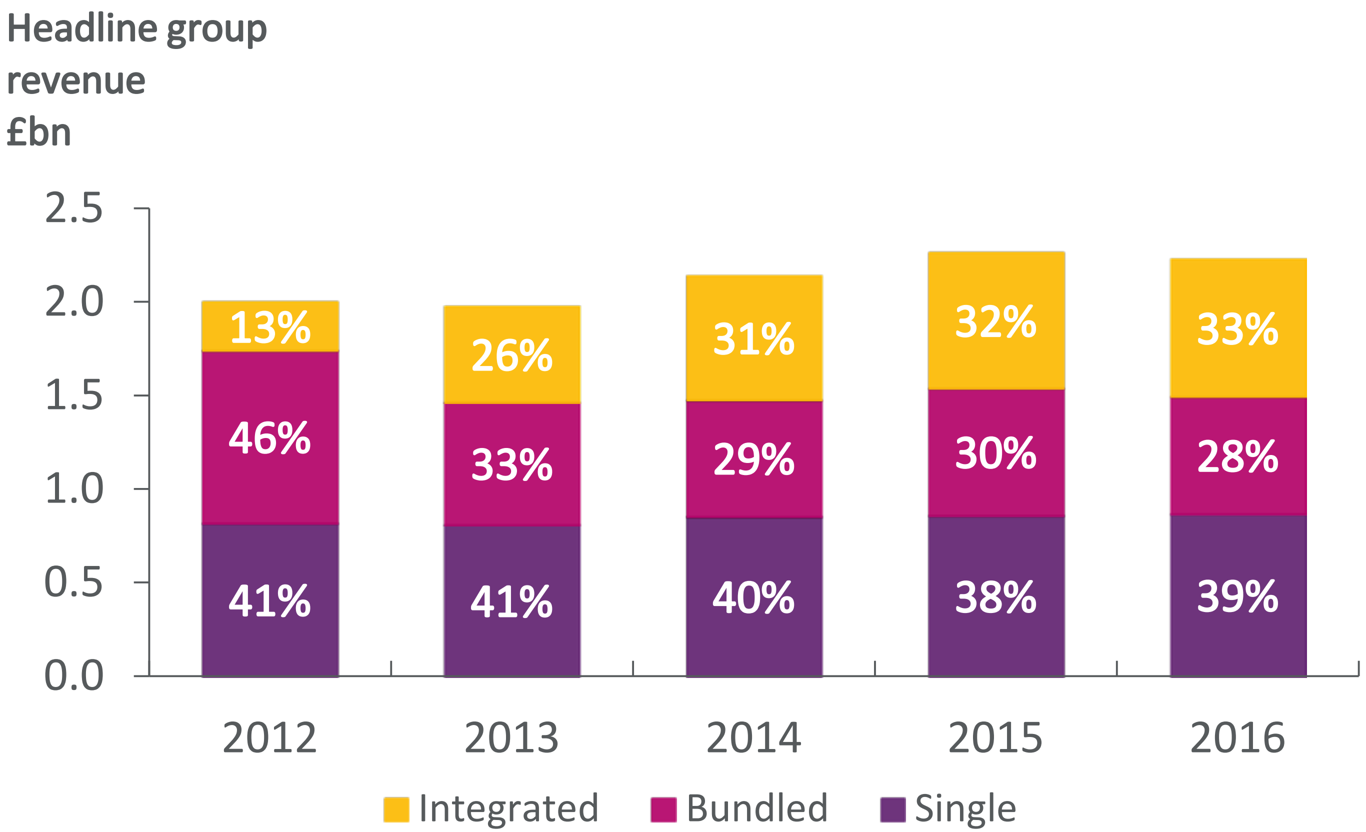
| | |
|---|---|
| Finance and professional services | 17% |
| Retail | 12% |
| Manufacturing | 9% |
| Transport and logistics | 7% |
| Technology and communications | 6% |
| Property management | 4% |
| Leisure | 4% |
| Utilities | 3% |



**Public sector 38%**

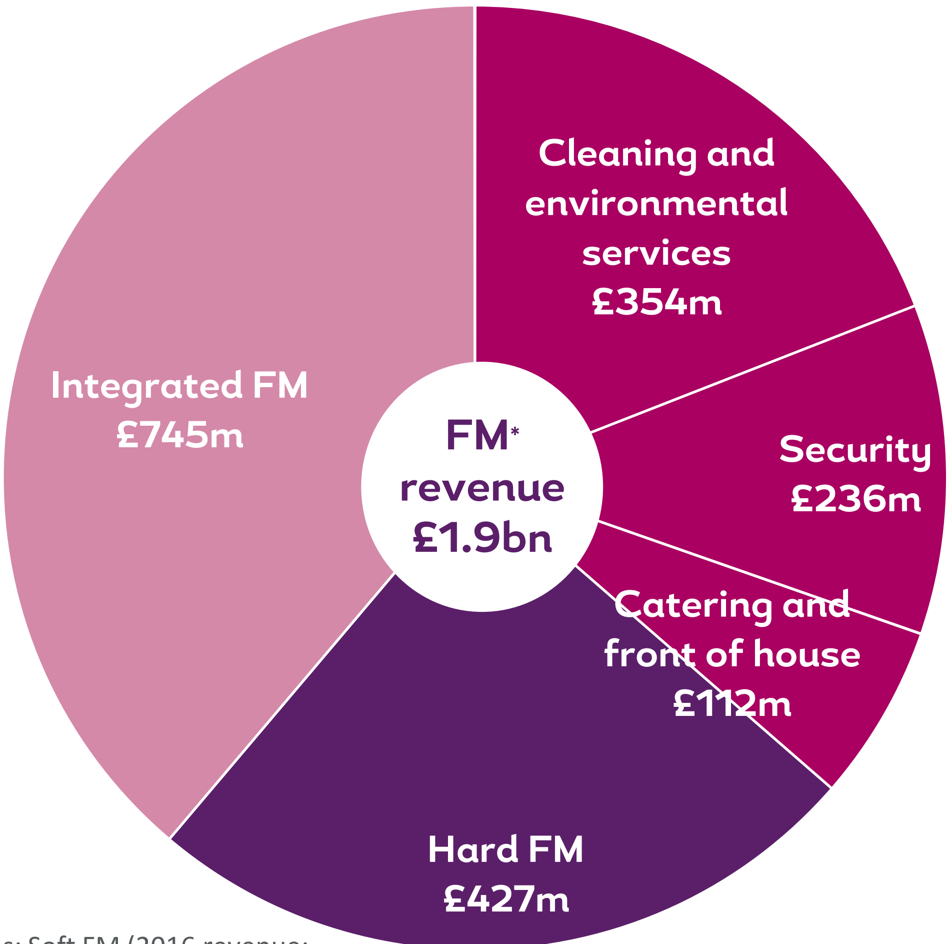
| | |
|---|---|
| 11% | Social housing |
| 7% | Local government |
| 7% | Central and other government |
| 8% | Health |
| 5% | Education |

# Contract mix



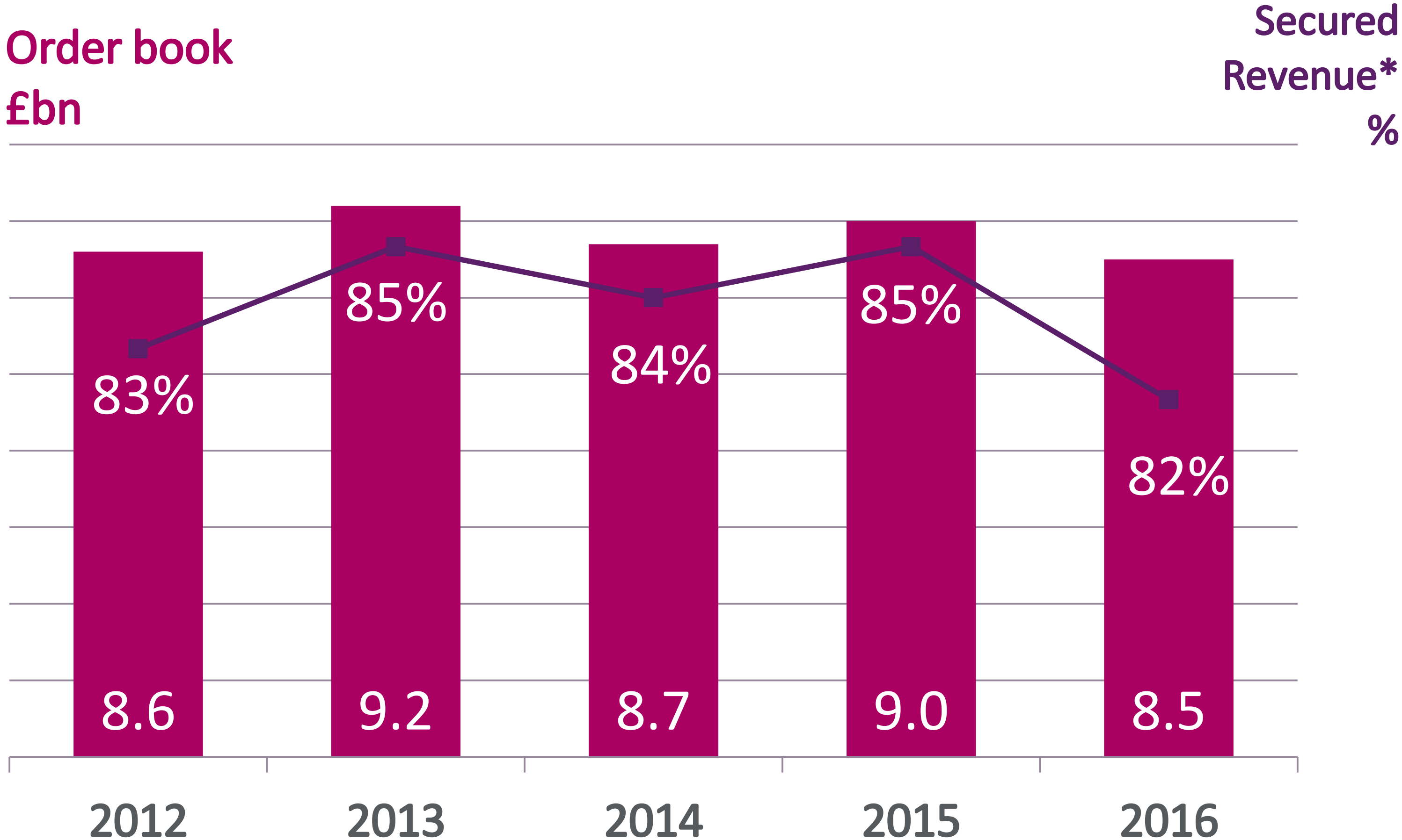

- 57% of revenues derived from top 100 clients (2015: 50%)
- Single service contracts continue to feed strong pipeline of bundled and integrated contracts

# FM revenue breakdown




*FM business comprises two divisions: Soft FM (2016 revenue: £1,255m), which includes cleaning and environmental services, security, catering and front of house; and Hard FM (2016 revenue: £619m). Our integrated FM offering brings together the full range of soft and hard FM services in a single tailored proposition. Revenue split above shows total integrated FM revenue, and single/bundled service revenue by business

# Large order book and high revenue visibility



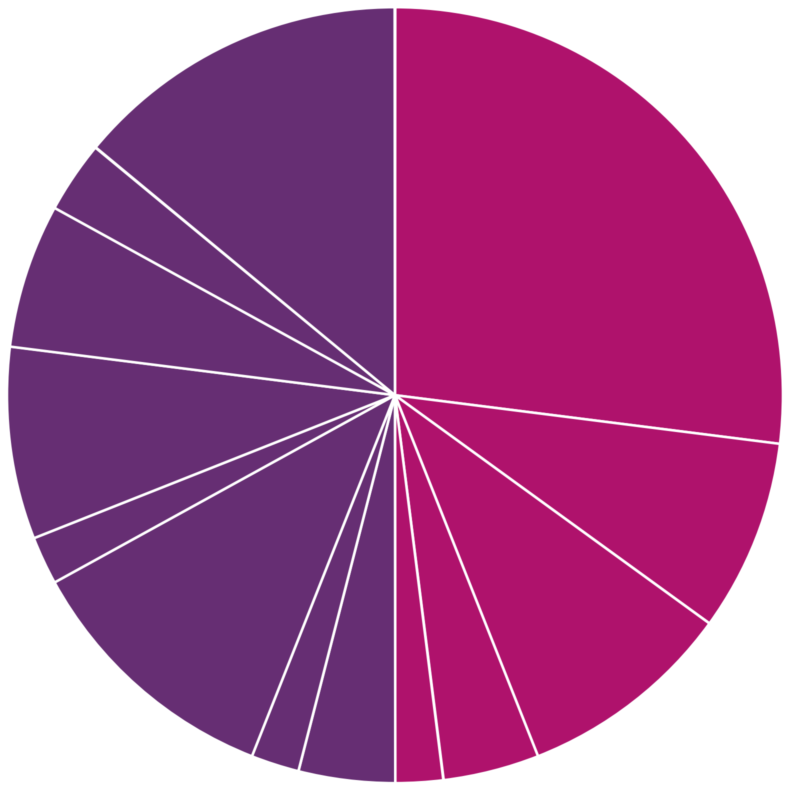

* Per cent of budgeted revenues secured for the following financial year as at 31 March

# £9.1bn sales pipeline

**Pipeline by sector**
As at 31 March 2016

**Private sector 50%**

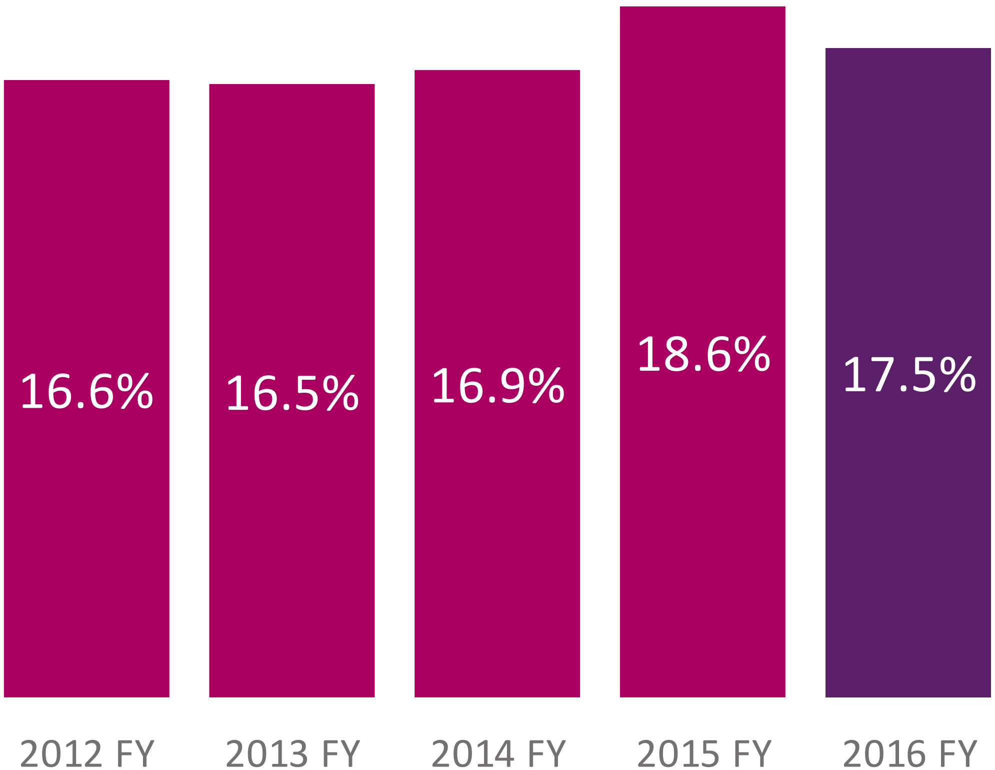
| | |
|---|---|
| Finance and professional services | 14% |
| Retail | 3% |
| Manufacturing | 6% |
| Transport and logistics | 8% |
| Technology and communications | 2% |
| Property management | 11% |
| Leisure | 2% |
| Utilities | 4% |



**Public sector 50%**

| | |
|---|---|
| 27% | Social housing |
| 8% | Local government |
| 9% | Central and other government |
| 4% | Health |
| 2% | Education |

# Return on capital employed




- ROCE over 2x WACC
- Continued strong performance driven by low capital requirements and strong operating profit
- ROCE is taken into consideration when we invest to maximise the profitability of the Group

ROCE = Post Tax Operating Profit Before Other Items/(Net Assets + Net Debt - Non Controlling Interests)
Adjusted for the proforma full year effect of acquisitions

# Cash conversion

| £m | H1 2016 | H2 2016 | FY 2016 |
|---|---|---|---|
| Operating profit before other items | 58.1 | 70.8 | 128.9 |
| Other items | (5.0) | (11.4) | (16.4) |
| Depreciation | 8.3 | 6.8 | 15.1 |
| Amortisation | 8.8 | 15.9 | 24.7 |
| EBITDA | 70.2 | 82.1 | 152.3 |
| Other non-cash movements | 3.5 | 2.3 | 5.8 |
| Working capital | (63.5) | 20.0 | (43.5) |
| Cash generated from operations | 10.2 | 104.4 | 114.6 |
| Cash conversion % | | | 75.2% |

# Pensions

| £m | Group Scheme | Other Schemes | Total |
|---|---|---|---|
| Pension assets | 156.9 | 9.5 | 166.4 |
| Pension obligations | (191.3) | (10.6) | (201.9) |
| **At 31 March 2016** | (34.4) | (1.1) | (35.5) |
| At 31 March 2015 | **(34.9)** | **(0.9)** | **(35.8)** |

- Actuarial triennial valuation of the Mitie Group scheme completed in 2014. The scheme actuarial deficit was £6.0m at 31 March 2014
- Commitment given to potential cash injections of up to £11m over 10 years should funding position deteriorate materially

# Provisions

| £m | Deferred contingent consideration | Insurance Reserve | Total |
|---|---|---|---|
| **At 31 March 2015** | **11.4** | **0.9** | **12.3** |
| Movements in the year | **(11.0)** | **(0.4)** | **(11.4)** |
| **At 31 March 2016** | **0.4** | **0.5** | **0.9** |

**Legal disclaimer**

This announcement contains forward-looking statements. Such statements do not relate strictly to historical facts and can be identified by the use of words such as ‘anticipate’, ‘expect’, ‘intend’, ‘will’, ‘project’, ‘plan’, and ‘believe’ and other words of similar meaning in connection with any discussion of future events. These statements are made by the Directors of Mitie in good faith based on the information available to them as at 23 May 2016 and will not be updated during the year. These statements, by their nature, involve risk and uncertainty because they relate to, and depend upon, events that may or may not occur in the future. Actual events may differ materially from those expressed or implied in this document and accordingly all such statements should be treated with caution. Nothing in this document should be construed as a profit forecast. Except as required by law, Mitie is under no obligation to update or keep current the forward-looking statements contained in this report or to correct any inaccuracies which may become apparent in such forward-looking statements.