

**MITIE Group PLC**  
**Half-yearly financial report for the six months**  
**to 30 September 2012**

**The strategic outsourcing company**



**We specialise in outsourcing and energy services. Everything we do is driven by meeting the outsourcing needs of our clients.**

**We work in close partnership with each client to provide everything from strategic consultancy to service delivery.**

**In simple terms, we think, we manage and we deliver on their behalf.**

#### **Contents:**

Chief Executive's update	01
Performance overview	04
Key factors that could affect our business	08
Statement of Directors' responsibilities	08
<hr/>	
Accounts	09
Shareholder information	28

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## Chief Executive's update

**+5.6%**

Revenue up to £1,026.6m

**+2.5%**

Operating profit before other items up to £52.9m

**+1.9%**

Profit before tax and other items up to £48.8m

**+1.0%**

Basic earnings per share before other items up to 10.5p

**(14.9)%**

Basic earnings per share down to 8.0p

**+4.5%**

Dividend per share up to 4.6p

**MITIE has made significant progress in the first six months of the year, with strong organic growth and new contracts.**

**We have successfully mobilised our largest ever contract with Lloyds Banking Group and made a strategic acquisition in healthcare with the acquisition of Enara.**

At a time when many of the world's economies are still facing very challenging conditions, we are delighted to report that at MITIE we are continuing to maintain good forward momentum.

For the six months to 30 September 2012, revenue increased by 5.6% to £1,026.6m (2011: £971.7m), of which 4.3% was organic. Operating profit before other items rose by 2.5% to £52.9m (2011: £51.6m). The operating profit margin was 5.2% (2011: 5.3%). Our basic earnings per share before other items increased by 1.0% to 10.5p per share (2011: 10.4p per share).

In the first half of the year our teams have secured new work and retained existing contracts, adding to our order book, which increased by £0.4bn or 4.7% to £9.0bn (March 2012: £8.6bn). Our sales pipeline currently stands at £10.5bn (March 2012: £11.2bn). Looking ahead, the revenue visibility is again excellent, with 98% of budgeted revenue for 2012/13 secured (prior year: 97%), and 72% of forecast revenue for 2013/14 secured (prior year: 68%).

We are therefore pleased to announce that the Board has proposed a half year dividend of 4.6p per share, an increase of 4.5% on last year's interim dividend (2011: 4.4p per share).

Over the past year we have successfully mobilised a number of large, integrated outsourcing contracts. We are experienced and very good at mobilising contracts, and nowhere has that been better illustrated than in the five year, £775m partnership to deliver integrated facilities management services for Lloyds Banking Group (LBG).

This transformational contract commenced on schedule on 1 August and it will see us improve efficiency and reduce costs for LBG, with over 7,000 MITIE people working at over 3,000 locations. We first started working with LBG 15 years ago, and it is hugely rewarding to witness a client relationship grow into a long-term, successful partnership. The successful mobilisation of such a significant contract shows the distance we have travelled as a company. We are now able to win and successfully deliver contracts many times larger than would have been possible even just a few years ago.

As the group grows larger we are increasing our focus on higher margin services that provide long-term, sustainable revenue streams. The ongoing uncertainties in both the UK and global economies continue to affect some of our services which are exposed to more cyclical markets.



## Chief Executive's update

### Revenue by segment:

<b>Facilities Management</b>	<b>£518.1m</b>
<b>Technical Facilities Management</b>	<b>£230.7m</b>
<b>Property Management</b>	<b>£254.7m</b>
<b>Asset Management</b>	<b>£23.1m</b>

You can see a more detailed segmental review on page 7.

We have reviewed the parts of our portfolio which are affected by the difficult economic conditions and external market pressures, and have concluded that delivering large, one-off mechanical and electrical engineering installation projects directly does not help us deliver our strategy or meet the performance targets of the group. We have already reduced our activities in this area within Property Management, and intend to significantly reduce them further over the next two to three years. We also reviewed and restructured the overhead cost base within our Technical Facilities Management and Property Management divisions during the period, and have incurred £4.8m of restructuring costs in relation to these changes.

### Post period end acquisition of Enara

While organic growth is a key part of our strategy, so too are acquisitions and our purchase of Enara Group for £110.8m on 9 October marked our entry into the home care sector for the first time. The fourth largest provider of home care services in the UK, Enara gives us a scalable platform to compete in the healthcare market, an area that offers exciting strategic opportunities and very good prospects for organic growth. We see significant long-term opportunities in the UK healthcare market and anticipate that some of the current, highly fragmented markets will consolidate in the years to come.

The demographic and economic drivers of an ageing population, together with ongoing cost pressures, are encouraging a shift away from hospitals and residential care homes towards greater care in the community. Enara provides high quality home care to people who require help and support due to illness, disability or infirmity.

It operates 57 branches in England and Wales and provides around 120,000 hours of care per week, delivered by the 6,000 Enara employees who we have now welcomed into MITIE. Enara's revenue and operating profit before other items for the full year to 31 March 2013 are expected to be £93m and £10.1m, respectively.

Our experience in developing and motivating large and diverse teams of people, as well as our expertise in using technology and innovation to improve service quality and efficiency, means that this sector is a natural fit with our skills and values, and the acquisition signals a step-change in our service proposition. Enara has its own experienced management team and will operate as a separate dedicated Healthcare division within MITIE.

### Public sector

In the public sector, we remain focused on the justice, health, local authority and social housing markets.

We have seen a steady flow of public sector contract awards and retentions. These include an expanded contract to provide integrated FM services to the Scottish Government and its collaborative partners over five years, with a total contract value of at least £30m, and a contract to provide technical FM for the City of London Corporation for a five year period, which has an expected total value of £26m. In the social housing market, we were recently awarded a ten year contract with Golding Homes which is valued between £70m and £120m over its life.

We note the decision made by the Ministry of Justice on 8 November, which indicated a shift in its prison outsourcing strategy. Whilst we were not awarded any work as part of the recent tender process, we are encouraged by the Ministry's decision

to retain core custodial services within the public sector, and we anticipate that a market competition for facilities management services across the prison estate will proceed early next year. This should create significant opportunities going forward.

### Private sector

The private sector continues to offer excellent opportunities to us. Our sales pipeline remains buoyant and we have been awarded and retained work across a range of markets and sectors, including a new £30m contract to provide front of house services at RBS for five years, and a contract to provide integrated FM services for British Sky Broadcasting Group (Sky).

The Sky contract is valued in excess of £100m over five years and involves a MITIE team of approximately 700 people delivering services at two main campuses in London and Scotland as well as 12 regional offices, two data centres and over 80 internet exchange points. The services we are providing include building fabric maintenance, engineering maintenance, energy management, catering, security, cleaning, mail room and couriers, helpdesk, switchboard, shuttle buses, grounds maintenance and internal landscaping.

Our catering and hospitality proposition has been boosted by the acquisition of a 51% stake in one of the UK's leading independent events and leisure catering companies. Creativevents provides services to a broad range of clients in the exhibition, sporting, festival, culture and heritage sectors as well as events and outdoor catering. It brings a strong combination of flair and innovation that will further enhance our overall catering offering.

## Chief Executive's update

### Energy services

Our extensive energy services capabilities continue to differentiate us in the marketplace, as we help clients to manage their energy use, reduce costs and lower carbon emissions. The energy offering we have developed increasingly supports and complements our ability to win and deliver the large, integrated facilities management contracts in our portfolio, including those with LBG and Sky most recently.

Our strength is in identifying the key energy issues facing a client's business – whether that's security of supply, increased regulation, rising costs or carbon footprint – and then helping them embrace fresh thinking, such as the great advantages now available through renewable energy.

During the first six months of the year, we continued to perform well on existing energy services contracts, including several for clients working in the NHS. The acquisition of Utiylx in January this year has added strength to our energy services offering and supports our ambition to focus on new markets and higher margin services. It has brought us a strategic energy consulting capability and is already providing expertise to some of our largest clients.

Continue to grow business and develop career with **MITIE**

MITIE buys out employee stake  
Awarded 2nd place in 'Best Employer' at the last 2 UK award guide  
Strong track record of success >95%

5-10 years of **growth**  
MITIE Acquisitions Acquires & integrates businesses to grow

United company integrated in to MITIE

MITIE **INVESTS**  
MITIE Acquisitions Acquires & integrates businesses to grow

Create a business **plan**  
Business & financial plan prepared

You **idea**

### Creating entrepreneurs

The 'MITIE Model' helps entrepreneurial management teams grow a business as a part of MITIE. It's structured so that the management team takes an equity stake of up to 49% in a business which they grow over a five to ten year period, before the business is eventually acquired by us in full.

One of our key acquisitions of the year to date, the events and leisure catering company Creativevents was originally founded and then acquired through the MITIE model.

### International developments

With our clients, our aim is to provide the same high standards of service abroad as we do in the UK and to help them benefit from our full support in all their operations. We are well positioned to expand and grow our offering in Europe and other regions as we move forward.

In June, we took another important step on the way to enhancing our European services with the acquisition of the FM business of Dalkia Energy & Technical Services AS in Norway, for £1.1m.

We continue to have a longer term strategic aim to pursue international growth opportunities. The outsourcing models in the UK are the most advanced in the world and the skills and knowledge we have of integrated facilities management is capable of being taken to many regions globally.



### Outlook

This has been a positive start to the year for MITIE. We have won and retained key contracts and expanded our healthcare offering via the purchase of Enara. We are particularly pleased to have successfully mobilised and started our largest ever contract, with Lloyds Banking Group.

We have made this progress in the face of a tough economic climate and a difficult macroeconomic outlook, with continuing challenges within our more cyclical markets. However, we remain positive about the range of outsourcing and energy services opportunities across our key markets and continue to see a growing order book as well as a strong pipeline of sales opportunities. We expect total revenue growth to be higher in the second half as a result of both the organic revenue contribution from new and expanded contracts including Lloyds Banking Group, and the acquisition of Enara.

We are confident that we will continue to build on our long track record of sustainable, profitable growth.

Ruby McGregor-Smith CBE  
Chief Executive

**LLOYDS BANKING GROUP**



### Bank on us

We were delighted to successfully kick off our largest ever contract during the last six months, a five year £775m partnership to deliver integrated FM services for Lloyds Banking Group.

## Performance overview

# Some great new and retained contracts

Some of the contracts we've retained or been awarded during the period:

### Private sector

Client	Contract	Timeframe	Total value
<b>BSkyB</b>	Awarded a new contract to provide integrated facilities management across Sky's UK estate	5 years	£100m
<b>Vauxhall</b>	Expanded an existing contract to provide technical facilities management contract covering Vauxhall's three major UK sites	5 years	£20m
<b>RBS</b>	Awarded a new contract to provide front of house services	5 years	£30m
<b>Santander</b>	Renewed a contract to provide technical facilities management at Santander's data centres	2 years	£6m
<b>BNP Paribas</b>	Awarded a contract to deliver technical facilities management for BNP Paribas' Real Estate Advisory and Property Management business in the UK	3 years	£5m
<b>Co-operative Group Limited</b>	Added to our existing work with the Co-op delivering nationwide cleaning and environmental services, with a contract to provide a full catering service including hospitality, the staff restaurant and vending machines	3 years	£5m
<b>Clifford Chance LLP</b>	Renewed a contract for cleaning and environmental services	3 years	£4m

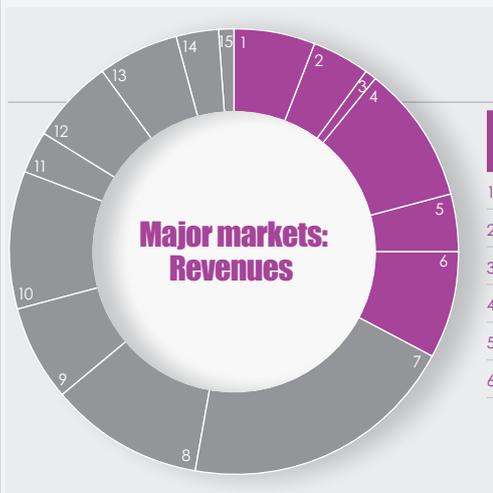
### Public sector

Client	Contract	Timeframe	Total value
<b>Golding Homes Housing Association</b>	Awarded a repair and maintenance contract to support the housing association's upkeep of 6,000 properties across Kent, delivering gas maintenance, responsive repairs, void reinstatements and planned works	10 years	£70m – £120m
<b>Scottish Government</b>	Expanded a contract to provide integrated facilities management to the Government and its collaborative partners	5 years	£30m
<b>City of London Corporation</b>	Awarded a technical facilities management contract which covers 600 buildings and structures across London sites	5 years	£26m
<b>House of Commons</b>	Awarded a contract to provide mechanical and electrical engineering installation services	2 years	£16m
<b>Southampton City Council</b>	Social housing contract as part of a housing refurbishment project to deliver services including asbestos management; bathroom upgrades; boiler and system replacements; disabled adaptations; electrical testing and inspection; kitchen upgrades; and rewiring	3 years	£12m estimated
<b>Bristol City Council</b>	Awarded a new contract to provide CCTV monitoring operators, who monitor all public space areas in Bristol's housing estates via the Council's control room	3 years	ND
<b>University Hospital Southampton NHS Foundation Trust</b>	Awarded a new contract to deliver total security management at the hospital, including a bespoke security awareness training programme	3 years	ND
<b>Clackmannanshire District Council</b>	Awarded a contract to install new bathrooms in its social housing estate	3 years	£8m

ND = Not Disclosed

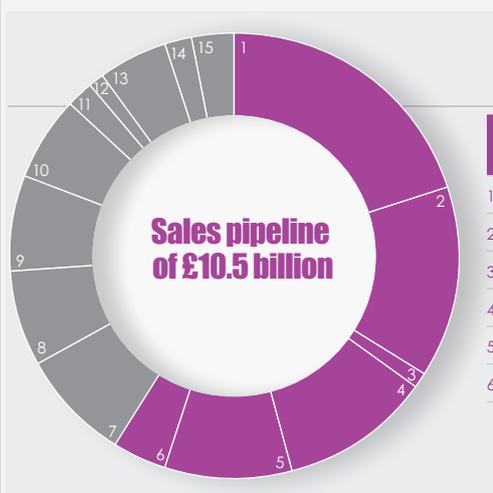
## Performance overview

### Strong and diverse portfolio



Public sector: <b>33%</b>	
1. Central government	6%
2. Local government	4%
3. Other government	1%
4. Social housing	10%
5. Health	4%
6. Education	8%

Private sector: <b>67%</b>	
7. Finance & professional services	20%
8. Retail	11%
9. Property management	7%
10. Manufacturing	10%
11. Technology & communications	3%
12. Utilities	6%
13. Transport & logistics	6%
14. Leisure	3%
15. Construction	1%



Public sector: <b>59%</b>	
1. Central government	20%
2. Local government	14%
3. Other government	1%
4. Social housing	11%
5. Health	9%
6. Education	4%

Private sector: <b>41%</b>	
7. Finance & professional services	8%
8. Retail	7%
9. Property management	7%
10. Manufacturing	6%
11. Technology & communications	2%
12. Utilities	1%
13. Transport & logistics	5%
14. Leisure	2%
15. Construction	3%

## Performance overview

### Strong financial performance

#### Strong organic growth and a strategic acquisition in healthcare

	2012 £m	2011 £m	Growth %
Revenue	<b>1,026.6</b>	971.7	5.6
Operating profit before other items*	<b>52.9</b>	51.6	2.5
Profit before tax and other items*	<b>48.8</b>	47.9	1.9
Profit before tax	<b>37.7</b>	43.3	(12.9)
	<b>2012 p</b>	2011 p	Growth %
Basic earnings per share before other items*	<b>10.5</b>	10.4	1.0
Basic earnings per share	<b>8.0</b>	9.4	(14.9)
Dividend per share	<b>4.6</b>	4.4	4.5

\* Other items comprised the amortisation of acquisition related intangible assets of £4.3m (2011: £4.6m), other acquisition related costs of £2.0m (2011: £nil) and restructuring costs of £4.8m (2011: £nil) incurred during the six months ended 30 September 2012

#### Strong financial performance

Strong revenue growth of 5.6% to £1,026.6m, of which 4.3% is organic

Operating profit before other items up 2.5% to £52.9m

Operating profit margin before other items at 5.2% (2011: 5.3%)

Excellent conversion of EBITDA to cash of 83.1% on a rolling 12 month basis, above stated long-term target KPI of 80%

Interim dividend up 4.5% to 4.6p (2011: 4.4p)

Low leverage with net debt at period end of £132.9m (2011: £119.3m) or 1.0x EBITDA on a rolling 12-month basis

### Financial performance

MITIE has delivered a strong financial performance in the first six months with revenue growth of 5.6% to £1,026.6m (2011: £971.7m) and growth in operating profit before other items of 2.5% to £52.9m (2011: £51.6m). Organic growth in revenue was 4.3%. The group's operating profit margin before other items was 5.2% (2011: 5.3%) and continues to be within our target range of 5.0%–6.0%. This is a very positive result in a difficult economic environment which has demonstrated slow growth.

The operating profit for the period is stated before restructuring costs of £4.8m, acquisition related integration costs of £0.2m and acquisition costs of £1.8m. The restructuring costs reflect the reorganisation of the overhead cost base in our Technical Facilities and Property Management divisions. Of the £1.8m of acquisition costs incurred, £1.4m relates to the acquisition of Enara on 9 October 2012 and the remaining £0.4m relates to the acquisition of Creativevents and Dalkia Norway (2011: £nil).

We have delivered strong levels of cash conversion, with conversion of EBITDA to operating cash at 83.1% (2011: 81.0%) on a rolling 12-month basis. Capital expenditure continues to be held at low levels, representing 1.5% of revenue (2011: 1.7%), and remains consistent with our target level of less than 2% of revenue.

Net finance costs for the first six months of the year are £4.1m (2011: £3.7m), with the increase reflecting the increased costs of finance of the group following the refinancing of its banking facilities in 2011. Leverage at the period end remained low with net debt at £132.9m (2011: £119.3m) which represents 1.0x EBITDA on a rolling 12 month basis. Following the acquisition of the Enara Group on 9 October 2012 we expect gearing to be maintained at less than 2x EBITDA at 31 March 2013.

The effective rate of tax on profit before other items for the period ended 30 September 2012 is broadly in line with the UK rate of corporation tax of 24% at 23.8% (2011: 24.0%).

### Delivering value

We have continued to deliver value through earnings and dividend growth during the first six months of the year with basic EPS before other items increasing by 1.0% to 10.5p per share (2011: 10.4p per share). Basic EPS was 8.0p per share (2011: 9.4p per share), a decrease of 14.9% largely due to £6.8m of restructuring and acquisition related costs during the period (2011: £nil).

The half year dividend declared by the Board of 4.6p per share (2011: 4.4p per share) is an increase of 4.5% on the prior year and maintains the group policy of dividend growth in line with underlying earnings. We expect the full year dividend to be consistent with this target.

## Performance overview

# A closer look at our operating divisions

**Our four operating divisions are Facilities, Technical Facilities, Property and Asset Management. Each division is structured to give clients the flexibility to choose specialist single services, multi-services or integrated facilities management.**

In the first half of the year our teams have secured new work and retained existing contracts which have added to our order book and means that 98% of our budgeted revenue for the year is now secured.

The strong growth experienced in our Facilities Management division in particular, reflects the continuation during the period of clients' demand for outsourcing solutions that are better quality, more efficient and bring more innovation to their organisations. Challenging conditions remain in certain of our markets, which have negatively affected the growth profile achieved and phasing of projects delivered in our Property and Asset Management divisions.

Following our acquisition of Enara in October, we will be creating a new Healthcare division which will be shown in the full year results.

The financial performance highlights of each of our operating divisions for the six months to 30 September 2012 are set out here:

### Facilities Management

	2012 £m	2011 £m	%
Revenue	<b>518.1</b>	454.0	14.1
Operating profit before other items	<b>35.3</b>	27.2	29.8
Margin	<b>6.8%</b>	6.0%	0.8pp

**Our FM division is responsible for delivering the following specialist single services, either individually or in multi-service, bundled contracts:**

Security; Cleaning; Catering; Document management and reprographics; Reception and front of house; Waste management; Environmental services; Landscaping; Pest control; Disabled access consulting and auditing

### Technical Facilities Management

	2012 £m	2011 £m	%
Revenue	<b>230.7</b>	230.1	0.3
Operating profit before other items	<b>11.6</b>	11.6	–
Margin	<b>5.0%</b>	5.0%	–

**Our TFM division focuses on delivering integrated facilities management and a range of technical and energy services:**

Energy management; Mechanical and electrical engineering maintenance; National mobile services; Specialist technical services; CarbonCare energy services; Lighting design, projects and maintenance; Building management systems and controls

### Property Management

	2012 £m	2011 £m	%
Revenue	<b>254.7</b>	249.7	2.0
Operating profit before other items	<b>7.9</b>	11.4	(30.7)
Margin	<b>3.1%</b>	4.6%	(1.5pp)

**Our PM division provides a full suite of project management and property services:**

Property maintenance; Building refurbishment; Interior fit-out; Insurance claims validation and repairs; Roofing; Plumbing and heating; Mechanical and electrical engineering contracting; Plastering and dry-lining; Painting and repairs; Fire protection; Residential and new house fit-out

### Asset Management

	2012 £m	2011 £m	%
Revenue	<b>23.1</b>	37.9	(39.1)
Operating profit before other items	<b>(1.9)</b>	1.4	n/a
Margin	<b>(8.2%)</b>	3.7%	n/a

**Our AM division deploys efficient technologies to develop secure and sustainable decentralised energy infrastructure:**

Energy centre development; Low-carbon data centre development; Renewable energy generation; Energy services company management; Community infrastructure; Energy performance contracting

## Performance overview

### Key factors that could affect our business

MITIE's system of internal control is designed to support the group's pursuit of achieving its objectives and strategies, and the identification and management of risks that may impact the group and the environment in which it operates. The assessment of risk is undertaken by every business segment, which has a comprehensive risk register that feeds through to the group risk register reviewed by our Board.

The principal risks and uncertainties have not changed significantly from those detailed on pages 46 and 47 of our Annual Report and Accounts 2012. We analyse our risk profile into four categories:

**Strategic:** Business development, competitive positioning, acquisitions and trading overseas

**Financial:** Market conditions, economic climate and counterparties

**Operational:** IT and finance systems, people, subcontractors and suppliers, trade disruption, health, safety and environment

**Regulatory:** Insurance, material litigation and regulatory

### Statement of Directors' responsibilities

The Directors of MITIE Group PLC confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report includes a fair view of the information required by rules 4.2.7 and 4.2.8 of the Disclosure and Transparency Rules. The names and functions of the Directors of MITIE Group PLC are as listed in the group's Annual Report for 2012 (available on the group's website and as described above: [www.mitie.com](http://www.mitie.com)). In addition, Crawford Gillies was appointed as a Non-Executive Director of MITIE Group PLC on 12 July 2012, full details of his appointment and responsibilities can also be found on the group's website at [www.mitie.com](http://www.mitie.com).

By order of the Board

**Ruby McGregor-Smith** CBE  
Chief Executive  
MITIE Group PLC  
19 November 2012

## Accounts

Condensed consolidated income statement	11
Condensed consolidated statement of comprehensive income	13
Condensed consolidated balance sheet	14
Condensed consolidated statement of changes in equity	16
Condensed consolidated statement of cash flows	17
Notes to the condensed consolidated financial statements	20
Shareholder information	28

## Independent review report to MITIE Group PLC

For the six months to 30 September 2012

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2012 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company 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. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

### Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

### Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### Scope of review

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 inquiries, 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.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

### Deloitte LLP

Chartered Accountants and Statutory Auditor  
London, United Kingdom

19 November 2012

## Condensed consolidated income statement

For the six months to 30 September 2012

	Notes	30 September 2012 (unaudited)			30 September 2011 (unaudited)		
		Before other items* £m	Other items* £m	Total £m	Before other items* £m	Other items* £m	Total £m
<b>Continuing operations</b>							
Revenue	2	1,026.6	–	1,026.6	971.7	–	971.7
Cost of sales		(874.8)	–	(874.8)	(818.7)	–	(818.7)
<b>Gross profit</b>		<b>151.8</b>	<b>–</b>	<b>151.8</b>	153.0	–	153.0
Administrative expenses		(98.9)	(11.1)	(110.0)	(101.4)	(4.6)	(106.0)
<b>Operating profit</b>	2	<b>52.9</b>	<b>(11.1)</b>	<b>41.8</b>	51.6	(4.6)	47.0
Investment revenue		0.4	–	0.4	0.2	–	0.2
Finance costs		(4.5)	–	(4.5)	(3.9)	–	(3.9)
<b>Net finance costs</b>		<b>(4.1)</b>	<b>–</b>	<b>(4.1)</b>	(3.7)	–	(3.7)
<b>Profit before tax</b>		<b>48.8</b>	<b>(11.1)</b>	<b>37.7</b>	47.9	(4.6)	43.3
Tax	5	(11.6)	2.2	(9.4)	(11.5)	1.2	(10.3)
<b>Profit for the period</b>		<b>37.2</b>	<b>(8.9)</b>	<b>28.3</b>	36.4	(3.4)	33.0
Attributable to:							
Equity holders of the parent		37.1	(8.9)	28.2	36.3	(3.4)	32.9
Non-controlling interests		0.1	–	0.1	0.1	–	0.1
		37.2	(8.9)	28.3	36.4	(3.4)	33.0
<b>Earnings per share (EPS)</b>							
– basic	6	10.5p	(2.5)p	8.0p	10.4p	(1.0)p	9.4p
– diluted	6	10.2p	(2.4)p	7.8p	10.1p	(0.9)p	9.2p

\* Other items are analysed in Note 3.

## Condensed consolidated income statement

For the year to 31 March 2012

	Notes	Year to 31 March 2012 (audited)		
		Before other items* £m	Other items* £m	Total £m
<b>Continuing operations</b>				
Revenue	2	2,002.5	–	2,002.5
Cost of sales		(1,686.4)	–	(1,686.4)
<b>Gross profit</b>		316.1	–	316.1
Administrative expenses		(204.4)	(10.0)	(214.4)
<b>Operating profit</b>	2	111.7	(10.0)	101.7
Investment revenue		0.4	–	0.4
Finance costs		(7.6)	–	(7.6)
<b>Net finance costs</b>		(7.2)	–	(7.2)
<b>Profit before tax</b>		104.5	(10.0)	94.5
Tax		(24.9)	2.5	(22.4)
<b>Profit for the year</b>		79.6	(7.5)	72.1
Attributable to:				
Equity holders of the parent		79.4	(7.5)	71.9
Non-controlling interests		0.2	–	0.2
		79.6	(7.5)	72.1
<b>Earnings per share (EPS)</b>				
– basic	6	22.6p	(2.1)p	20.5p
– diluted	6	22.0p	(2.1)p	19.9p

\* Other items are analysed in Note 3.

## Condensed consolidated statement of comprehensive income

For the six months to 30 September 2012

	30 September		Year to 31 March 2012 (audited) £m
	2012 (unaudited) £m	2011 (unaudited) £m	
<b>Profit for the period</b>	<b>28.3</b>	33.0	72.1
<b>Other comprehensive income/(expense):</b>			
Actuarial losses on defined benefit pension schemes	(2.4)	(10.7)	(16.3)
Exchange differences on translation of foreign operations	(0.4)	0.3	(0.5)
Gains/(losses) on a hedge of a net investment taken to equity	0.3	(0.3)	0.4
Cash flow hedges:			
(Losses)/gains arising during the period	(0.5)	0.8	–
Reclassification adjustment for gains/(losses) included in profit and loss	0.3	(1.0)	(0.1)
Tax credit on items taken directly to equity	0.5	2.9	3.9
<b>Other comprehensive expense for the period, net of tax</b>	<b>(2.2)</b>	(8.0)	(12.6)
<b>Total comprehensive income for the financial period</b>	<b>26.1</b>	25.0	59.5
Attributable to:			
Equity holders of the parent	26.0	24.9	59.3
Non-controlling interests	0.1	0.1	0.2

## Condensed consolidated balance sheet

At 30 September 2012

	Notes	2012 (unaudited) £m	30 September 2011 (unaudited) £m	31 March 2012 (audited) £m
<b>Non-current assets</b>				
Goodwill		353.1	334.8	347.7
Other intangible assets		63.6	61.1	65.8
Property, plant and equipment		67.9	66.1	64.1
Interest in joint ventures and associates		0.4	–	0.4
Financing assets		8.2	–	9.1
Trade and other receivables		20.9	12.2	22.6
Deferred tax assets		9.7	9.4	9.6
<b>Total non-current assets</b>		<b>523.8</b>	<b>483.6</b>	<b>519.3</b>
<b>Current assets</b>				
Inventories		6.9	5.3	5.7
Trade and other receivables		536.0	479.2	507.1
Cash and cash equivalents		60.0	90.8	60.8
<b>Total current assets</b>		<b>602.9</b>	<b>575.3</b>	<b>573.6</b>
<b>Total assets</b>		<b>1,126.7</b>	<b>1,058.9</b>	<b>1,092.9</b>
<b>Current liabilities</b>				
Trade and other payables		(467.1)	(414.2)	(461.4)
Current tax liabilities		(11.8)	(11.7)	(13.2)
Financing liabilities		(5.5)	(2.9)	(5.4)
Provisions	9	(0.5)	(0.9)	(1.2)
<b>Total current liabilities</b>		<b>(484.9)</b>	<b>(429.7)</b>	<b>(481.2)</b>
<b>Net current assets</b>		<b>118.0</b>	<b>145.6</b>	<b>92.4</b>
<b>Non-current liabilities</b>				
Financing liabilities		(188.6)	(206.9)	(163.0)
Provisions	9	(11.3)	(7.2)	(4.4)
Retirement benefit obligation		(19.2)	(12.5)	(17.3)
Deferred tax liabilities		(9.4)	(13.0)	(10.7)
<b>Total non-current liabilities</b>		<b>(228.5)</b>	<b>(239.6)</b>	<b>(195.4)</b>
<b>Total liabilities</b>		<b>(713.4)</b>	<b>(669.3)</b>	<b>(676.6)</b>
<b>Net assets</b>		<b>413.3</b>	<b>389.6</b>	<b>416.3</b>

## Condensed consolidated balance sheet

At 30 September 2012

	Notes	2012 (unaudited) £m	30 September 2011 (unaudited) £m	31 March 2012 (audited) £m
<b>Equity</b>				
Share capital	10	9.2	9.0	9.0
Share premium account		103.4	85.3	92.5
Merger reserve		97.6	93.6	93.6
Share-based payments reserve		2.1	4.8	5.2
Own shares reserve		(20.8)	(18.6)	(18.3)
Other reserves		0.3	0.3	0.3
Hedging and translation reserve		(0.9)	(0.6)	(0.6)
Retained earnings		219.2	213.1	230.4
<b>Equity attributable to equity holders of the parent</b>		<b>410.1</b>	386.9	412.1
Non-controlling interests		3.2	2.7	4.2
<b>Total equity</b>		<b>413.3</b>	389.6	416.3

## Condensed consolidated statement of changes in equity

For the six months to 30 September 2012

	Share capital £m	Share premium account £m	Merger reserve £m	Share-based payments reserve £m	Own shares reserve £m	Other reserves £m	Hedging and translation reserve £m	Retained earnings £m	Attributable to equity holders of the parent £m	Non-controlling interests £m	Total £m
At 31 March 2011	8.9	80.6	85.1	7.5	(13.8)	0.2	(0.4)	223.8	<b>391.9</b>	6.1	<b>398.0</b>
Total comprehensive income	–	–	–	–	–	–	(0.2)	25.1	<b>24.9</b>	0.1	<b>25.0</b>
Shares issued	0.2	4.7	8.5	–	–	–	–	–	<b>13.4</b>	–	<b>13.4</b>
Dividends paid	–	–	–	–	–	–	–	(17.1)	<b>(17.1)</b>	(0.2)	<b>(17.3)</b>
Purchase of own shares	–	–	–	–	(7.4)	–	–	–	<b>(7.4)</b>	–	<b>(7.4)</b>
Share buybacks	(0.1)	–	–	–	–	0.1	–	(9.1)	<b>(9.1)</b>	–	<b>(9.1)</b>
Share-based payments	–	–	–	(2.7)	2.6	–	–	1.1	<b>1.0</b>	–	<b>1.0</b>
Acquisitions and other movements in non-controlling interests	–	–	–	–	–	–	–	(10.7)	<b>(10.7)</b>	<b>(3.3)</b>	<b>(14.0)</b>
At 30 September 2011	9.0	85.3	93.6	4.8	(18.6)	0.3	(0.6)	213.1	<b>386.9</b>	2.7	<b>389.6</b>
Total comprehensive income	–	–	–	–	–	–	–	34.4	<b>34.4</b>	0.1	<b>34.5</b>
Shares issued	–	7.2	–	–	–	–	–	–	<b>7.2</b>	–	<b>7.2</b>
Dividends paid	–	–	–	–	–	–	–	(15.5)	<b>(15.5)</b>	–	<b>(15.5)</b>
Share buybacks	–	–	–	–	–	–	–	(3.3)	<b>(3.3)</b>	–	<b>(3.3)</b>
Share-based payments	–	–	–	0.4	0.3	–	–	1.2	<b>1.9</b>	–	<b>1.9</b>
Tax on share-based payment transactions	–	–	–	–	–	–	–	1.0	<b>1.0</b>	–	<b>1.0</b>
Acquisitions and other movements in non-controlling interests	–	–	–	–	–	–	–	(0.5)	<b>(0.5)</b>	1.4	<b>0.9</b>
At 31 March 2012	9.0	92.5	93.6	5.2	(18.3)	0.3	(0.6)	230.4	<b>412.1</b>	4.2	<b>416.3</b>
Total comprehensive income	–	–	–	–	–	–	(0.3)	26.3	<b>26.0</b>	0.1	<b>26.1</b>
Shares issued	0.2	10.9	4.0	–	–	–	–	–	<b>15.1</b>	–	<b>15.1</b>
Dividends paid	–	–	–	–	–	–	–	(18.3)	<b>(18.3)</b>	(0.1)	<b>(18.4)</b>
Purchase of own shares	–	–	–	–	(6.5)	–	–	–	<b>(6.5)</b>	–	<b>(6.5)</b>
Share-based payments	–	–	–	(3.1)	4.0	–	–	0.4	<b>1.3</b>	–	<b>1.3</b>
Tax on share-based payment transactions	–	–	–	–	–	–	–	0.7	<b>0.7</b>	–	<b>0.7</b>
Acquisitions and other movements in non-controlling interests	–	–	–	–	–	–	–	(20.3)	<b>(20.3)</b>	(1.0)	<b>(21.3)</b>
<b>Balance at 30 September 2012</b>	<b>9.2</b>	<b>103.4</b>	<b>97.6</b>	<b>2.1</b>	<b>(20.8)</b>	<b>0.3</b>	<b>(0.9)</b>	<b>219.2</b>	<b>410.1</b>	<b>3.2</b>	<b>413.3</b>

## Condensed consolidated statement of cash flows

For the six months to 30 September 2012

	30 September		Year to 31 March 2012 (audited) £m
	2012 (unaudited) £m	2011 (unaudited) £m	
Operating profit	41.8	47.0	101.7
Adjustments for:			
Share-based payment expense	1.6	1.0	2.9
Defined benefit pension charge	1.5	1.2	2.5
Defined benefit pension contributions	(2.1)	(2.4)	(4.5)
Acquisition related items	1.8	–	0.9
Depreciation of property, plant and equipment	10.3	9.2	18.8
Amortisation of intangible assets	6.1	5.7	11.1
Loss on disposal of property, plant and equipment	–	–	0.1
<b>Operating cash flows before movements in working capital</b>	<b>61.0</b>	<b>61.7</b>	<b>133.5</b>
(Increase)/decrease in inventories	(1.1)	0.2	(0.1)
Increase in receivables	(25.0)	(6.7)	(45.0)
(Decrease)/increase in payables	(2.8)	(19.2)	25.6
Decrease in provisions	(1.0)	(1.0)	(3.8)
<b>Cash generated by operations</b>	<b>31.1</b>	<b>35.0</b>	<b>110.2</b>
Income taxes paid	(12.4)	(12.4)	(24.4)
Facility arrangement fee paid	–	(2.5)	(2.5)
Interest paid	(3.6)	(3.4)	(7.5)
<b>Net cash inflow from operating activities</b>	<b>15.1</b>	<b>16.7</b>	<b>75.8</b>
<b>Investing activities</b>			
Interest received	0.1	0.1	0.4
Purchase of property, plant and equipment	(18.5)	(14.0)	(21.7)
Purchase of subsidiary undertakings, net of cash acquired	(6.1)	(7.6)	(23.9)
Investment in joint ventures and associates	–	–	(0.4)
Investment in financing assets	1.3	–	(8.4)
Purchase of other intangible assets	(2.1)	(2.2)	(7.7)
Disposals of property, plant and equipment	6.4	0.5	1.7
<b>Net cash outflow from investing activities</b>	<b>(18.9)</b>	<b>(23.2)</b>	<b>(60.0)</b>

## Condensed consolidated statement of cash flows

For the six months to 30 September 2012

	2012 (unaudited) £m	30 September 2011 (unaudited) £m	Year to 31 March 2012 (audited) £m
<b>Financing activities</b>			
Repayments of obligations under finance leases	(1.8)	(1.8)	(3.1)
Proceeds on issue of share capital	3.2	1.3	9.9
Bank loans raised/(repaid)	26.6	1.4	(39.5)
Purchase of own shares	(6.5)	(7.4)	(7.4)
Share buybacks	–	(9.1)	(12.4)
Equity dividends paid	(18.3)	(17.1)	(32.6)
Non-controlling interest dividends paid	(0.1)	(0.2)	(0.2)
<b>Net cash inflow/(outflow) from financing</b>	<b>3.1</b>	<b>(32.9)</b>	<b>(85.3)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(0.7)</b>	<b>(39.4)</b>	<b>(69.5)</b>
<b>Net cash and cash equivalents at beginning of the period</b>	<b>60.8</b>	<b>130.6</b>	<b>130.6</b>
Effect of foreign exchange rate changes	(0.1)	(0.4)	(0.3)
<b>Net cash and cash equivalents at end of the period</b>	<b>60.0</b>	<b>90.8</b>	<b>60.8</b>
Net cash and cash equivalents comprise:			
Cash at bank	60.0	90.8	60.8
	<b>60.0</b>	<b>90.8</b>	<b>60.8</b>

## Condensed consolidated statement of cash flows

For the six months to 30 September 2012

	Notes	30 September		Year to 31 March 2012 (audited) £m
		2012 (unaudited) £m	2011 (unaudited) £m	
Reconciliation of net cash flow to movement in net debt				
Net decrease in cash and cash equivalents		<b>(0.7)</b>	(39.4)	(69.5)
Effect of foreign exchange rate changes		<b>(0.1)</b>	(0.4)	(0.3)
(Increase)/decrease in bank loans		<b>(25.7)</b>	(1.4)	40.2
Non-cash movement in private placement notes and associated hedges		<b>(0.2)</b>	(0.6)	(0.3)
Decrease/(increase) in finance leases		<b>0.7</b>	(1.0)	(0.5)
<b>Increase in net debt during the period</b>		<b>(26.0)</b>	(42.8)	(30.4)
Opening net debt		<b>(106.9)</b>	(76.5)	(76.5)
<b>Closing net debt</b>	8	<b>(132.9)</b>	(119.3)	(106.9)

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 1. Basis of preparation

The condensed consolidated financial statements for the six months to 30 September 2012 have been prepared on the basis of the accounting policies set out in the group's latest annual financial statements for the year ended 31 March 2012.

These accounting policies are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted for use in the European Union. The condensed financial statements for the six months to 30 September 2012 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and with the Disclosure and Transparency Rules of the Financial Services Authority.

The condensed consolidated financial statements for the six months to 30 September 2012 have been reviewed by Deloitte LLP but have not been audited (see page 10). They do not include all the information and disclosures required in the annual financial statements, and therefore should be read in conjunction with the group's annual financial statements as at 31 March 2012. The condensed consolidated financial statements for the six months to 30 September 2011 are unaudited and have not been subject to review. The financial information presented for the year ended 31 March 2012 does not represent full statutory accounts within the meaning of Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under Section 498 of the Companies Act 2006.

#### Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 March 2012.

Various amendments and interpretations are effective for the first time in the current period but have had no impact on the results or financial position of the group.

The Directors do not anticipate that the adoption of standards and interpretations that have been issued but are not yet effective (and in some cases have not yet been adopted by the EU) will have a material financial impact on the group's financial statements in the period of initial application except as follows:

- Amendments to IAS 19 'Employee Benefits' will impact the measurement of various components representing movements in the defined benefit pension obligation and associated disclosures, but not the group's total obligation. It is likely that following the replacement of expected returns on plan assets with a net finance cost in the income statement, the profit for the period will be reduced and accordingly other comprehensive income increased. The amendment has no cash impact and is effective for the group's accounting period commencing 1 April 2013.

#### Going concern

The Directors have considered the Financial Reporting Council guidance on going concern and the principal risks and uncertainties affecting the group. The group benefits from a well diversified portfolio of service offerings and has a broad, diverse customer base. The group currently operates well within the financial covenants associated with its committed funding lines of £250m which remain in place until 2015. Complementing this, the group has £100m of US Private Placement debt which expires between December 2017 and December 2019. Since the period end, MITIE acquired Enara Group Limited ('Enara') for a total consideration of £110.8m (see Note 13) and funded the acquisition by the use of new bridge debt facilities of £150m provided by existing lenders to the group, which will be refinanced into longer term debt facilities in due course. The bridge debt facility expires on 8 April 2014.

After making enquiries, the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the group continues to adopt the going concern basis in preparing the condensed consolidated financial statements.

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 2. Business and geographical segments

#### Business segments

The group manages its business on a service division basis. These divisions are the basis on which the group reports its primary segmental information.

	Six months to 30 September 2012				Six months to 30 September 2011			
	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m
Facilities Management	518.1	35.3	6.8	31.6	454.0	27.2	6.0	26.3
Technical Facilities Management	230.7	11.6	5.0	3.7	230.1	11.6	5.0	5.6
Property Management	254.7	7.9	3.1	4.5	249.7	11.4	4.6	10.2
Asset Management	23.1	(1.9)	(8.2)	(2.1)	37.9	1.4	3.7	1.2
<b>Total</b>	<b>1,026.6</b>	<b>52.9</b>	<b>5.2</b>	<b>37.7</b>	<b>971.7</b>	<b>51.6</b>	<b>5.3</b>	<b>43.3</b>

	Year to 31 March 2012			
	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m
Facilities Management	937.3	61.9	6.6	60.5
Technical Facilities Management	472.8	26.9	5.7	15.5
Property Management	524.3	20.2	3.9	16.0
Asset Management	68.1	2.7	4.0	2.5
<b>Total</b>	<b>2,002.5</b>	<b>111.7</b>	<b>5.6</b>	<b>94.5</b>

\* Other items are analysed in Note 3.

The revenue analysis above is net of inter segment sales which are not considered significant.

#### Geographical segments

	Six months to 30 September 2012				Six months to 30 September 2011			
	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m
United Kingdom	1,000.2	52.2	5.2	37.0	953.5	51.0	5.3	42.8
Other countries	26.4	0.7	2.7	0.7	18.2	0.6	3.3	0.5
<b>Total</b>	<b>1,026.6</b>	<b>52.9</b>	<b>5.2</b>	<b>37.7</b>	<b>971.7</b>	<b>51.6</b>	<b>5.3</b>	<b>43.3</b>

	Year to 31 March 2012			
	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m
United Kingdom	1,953.8	109.9	5.6	93.1
Other countries	48.7	1.8	3.7	1.4
<b>Total</b>	<b>2,002.5</b>	<b>111.7</b>	<b>5.6</b>	<b>94.5</b>

\* Other items are analysed in Note 3.

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 3. Other items

The group separately identified and disclosed restructuring and acquisition related items (termed 'other items').

	Six months to 30 September		Year to 31 March 2012 £m
	2012 £m	2011 £m	
<b>Administrative expenses</b>			
Restructuring costs	4.8	–	–
Restructuring costs relating to the integration of Creativevents	0.2	–	–
Acquisition costs	1.8	–	1.8
Deferred consideration not paid	–	–	(0.9)
Amortisation of acquisition related intangibles	4.3	4.6	9.1
<b>Other items before tax</b>	<b>11.1</b>	<b>4.6</b>	<b>10.0</b>
Tax on other items	(2.2)	(1.2)	(2.5)
<b>Other items net of tax</b>	<b>8.9</b>	<b>3.4</b>	<b>7.5</b>

### 4. Dividends

The proposed interim dividend of 4.6p (2011: 4.4p) per share (not recognised as a liability at 30 September 2012) will be paid on 4 February 2013 to shareholders on the register on 14 December 2012.

The dividend disclosed in the statement of cash flows represents the final ordinary dividend of 5.2p (2011: 4.9p) per share as proposed in the 31 March 2012 financial statements and approved at the group's AGM (not recognised as a liability at 31 March 2012).

### 5. Taxation

Income tax on profit before other items for the six months ended 30 September 2012 is based on an effective rate of 23.8% (2011: 24.0%), which has been calculated by reference to the projected charge for the full year. Income tax on profit after other items is based on an effective rate of 24.9% (2011: 23.8%).

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 6. Earnings per share

Basic and diluted earnings per share have been calculated in accordance with IAS 33 'Earnings Per Share'.

The calculation of the basic and diluted EPS is based on the following data:

	Six months to 30 September		Year to 31 March 2012 £m
	2012 £m	2011 £m	
Net profit attributable to equity holders of the parent before other items*	<b>37.1</b>	36.3	79.4
Other items net of tax*	<b>(8.9)</b>	(3.4)	(7.5)
Net profit attributable to equity holders of the parent	<b>28.2</b>	32.9	71.9

	Six months to 30 September		Year to 31 March 2012 million
	2012 million	2011 million	
Number of shares			
Weighted average number of Ordinary shares for the purpose of basic EPS	<b>354.6</b>	349.9	351.5
Effect of dilutive potential Ordinary shares: share options	<b>9.0</b>	8.2	9.0
Weighted average number of Ordinary shares for the purpose of diluted EPS	<b>363.6</b>	358.1	360.5

	Six months to 30 September		Year to 31 March 2012 p
	2012 p	2011 p	
Basic earnings per share – before other items*	<b>10.5</b>	10.4	22.6
Basic earnings per share	<b>8.0</b>	9.4	20.5
Diluted earnings per share – before other items*	<b>10.2</b>	10.1	22.0
Diluted earnings per share	<b>7.8</b>	9.2	19.9

\* Other items are analysed in Note 3.

The weighted average number of Ordinary shares in issue during the period excludes those accounted for in the Own shares reserve which were purchased in the market and held by the MITIE Group PLC Employee Benefit Trust to satisfy options under the group's LTIP share option scheme. The Own shares reserve represents the cost of 8.5m (2011: 7.9m) shares in MITIE Group PLC, with a weighted average of 8.6m shares during the period (2011: 7.8m).

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 7. Acquisition of subsidiaries

#### Current period acquisitions

##### Purchase of non-controlling interests

	MITIE Client Services Ltd £m	MITIE Pest Control (London) Ltd £m	MITIE Security Holdings Ltd £m	Total £m
Shares issued – MITIE Group PLC	2.3	1.7	7.9	11.9
Cash consideration	0.2	0.4	0.8	1.4
Deferred contingent consideration	–	–	1.4	1.4
<b>Total purchase consideration</b>	<b>2.5</b>	<b>2.1</b>	<b>10.1</b>	<b>14.7</b>
Non-controlling interests	0.6	0.4	0.1	1.1
Retained earnings	1.9	1.7	10.0	13.6
<b>Total recognised in equity</b>	<b>2.5</b>	<b>2.1</b>	<b>10.1</b>	<b>14.7</b>

The adoption of IAS 27 'Consolidated and Separate Financial Statements' (revised 2008) in the year ended 31 March 2011 has resulted in the difference between the change in non-controlling interests and the consideration paid being recognised in retained earnings. Prior to adoption of the revised standard this amount was recognised in goodwill.

#### Purchase of Creativevents Limited

On 31 July 2012, MITIE acquired a 51% stake in one of the UK's leading independent events and leisure catering companies, Creativevents Limited ('Creativevents'). The initial consideration payable is a maximum of £6.0m, with £5.2m paid in cash on completion, and the remainder payable in cash dependent on certain conditions. The earn-out of the remaining 49% stake will bring total consideration payable to a maximum of £12.0m, which is dependent on long-term performance. The transaction has been accounted for by the acquisition method of accounting in accordance with IFRS 3 (2008). Below we provide provisional information on the acquisition. Full information on the acquisition of Creativevents will be disclosed in the group's annual financial statements for the year ending 31 March 2013.

	Provisional fair value £m
Net assets acquired (including Intangible assets £1.9m)	0.1
Non-controlling interests	(0.1)
Goodwill	5.5
<b>Total consideration</b>	<b>5.5</b>
Satisfied by	
Cash	5.2
Deferred contingent consideration	0.3
<b>Total consideration</b>	<b>5.5</b>

#### Net cash outflow arising on acquisition

Cash consideration	5.2
Cash and cash equivalents acquired	(2.7)
<b>Net cash outflow</b>	<b>2.5</b>

Earnout deferred consideration of £6.5m is also provided at the Directors' best estimate of the likely future obligation, which in all likelihood will become payable up to 2017 subject to certain profit targets being attained. This is recognised via equity and is included within Provisions in Note 9.

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 7. Acquisition of subsidiaries

#### Purchase of Dalkia FM in Norway

On 7 June 2012, MITIE acquired the facilities management (FM) business of Dalkia Energy & Technical Services AS ('Dalkia FM') in Norway. MITIE has acquired the FM contracts and the majority of the employees of Dalkia FM for a total cash consideration of NOK 10.0m (£1.1m).

#### Prior period acquisitions

#### Purchase of Utilyx Holdings Limited

Final information on the acquisition of Utilyx Holdings Limited, which MITIE acquired on 10 January 2012, will be disclosed in the group's annual financial statements for the year ending 31 March 2013. There have been no material changes to the fair values of net assets acquired since 31 March 2012. Deferred contingent consideration of £1.0m, which was provided at 31 March 2012, was settled in cash during the period due to the attainment of certain targets.

### 8. Analysis of net debt

	30 September		31 March 2012 £m
	2012 £m	2011 £m	
Cash and cash equivalents	60.0	90.8	60.8
Bank loans	(82.3)	(98.2)	(56.6)
Private placement notes	(101.0)	(102.3)	(100.8)
Derivative financial instruments hedging private placement notes	–	1.2	–
<b>Net debt before loan notes and obligations under finance leases</b>	<b>(123.3)</b>	<b>(108.5)</b>	<b>(96.6)</b>
Loan notes	(1.6)	(1.6)	(1.6)
Obligations under finance leases	(8.0)	(9.2)	(8.7)
<b>Net debt</b>	<b>(132.9)</b>	<b>(119.3)</b>	<b>(106.9)</b>

### 9. Provisions

	Deferred contingent consideration £m	Insurance reserve £m	Total £m
At 1 April 2012	1.2	4.4	5.6
Amounts recognised in the income statement	–	0.2	0.2
Deferred contingent consideration settled during the period	(1.0)	–	(1.0)
Utilised within the captive insurance subsidiary	–	(1.2)	(1.2)
Amounts recognised through goodwill	0.3	–	0.3
Amounts recognised through equity	7.9	–	7.9
<b>At 30 September 2012</b>	<b>8.4</b>	<b>3.4</b>	<b>11.8</b>
Included in current liabilities			0.5
Included in non-current liabilities			11.3
			11.8

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 9. Provisions

	Deferred contingent consideration £m	Insurance reserve £m	Total £m
At 1 April 2011	4.5	8.2	12.7
Amounts recognised in the income statement	–	0.2	0.2
Deferred contingent consideration settled during the period	(3.8)	–	(3.8)
Utilised within the captive insurance subsidiary	–	(1.2)	(1.2)
Amounts recognised through goodwill	0.2	–	0.2
<b>At 30 September 2011</b>	<b>0.9</b>	<b>7.2</b>	<b>8.1</b>
Included in current liabilities			<b>0.9</b>
Included in non-current liabilities			<b>7.2</b>
			<b>8.1</b>

During the period deferred contingent consideration of £1.0m in respect of the acquisition in January 2012 of Utiyx Holdings Limited was settled in cash due to the attainment of profit targets. The provision for insurance claims represents amounts payable by MITIE Reinsurance Company Limited in respect of outstanding claims incurred at the balance sheet dates. These amounts will become payable as each year's claims are settled.

### 10. Share capital

	Number million	£m
Ordinary shares of 2.5p		
<b>Allotted and fully paid</b>		
At 1 April 2012	<b>361.9</b>	<b>9.0</b>
Issued for acquisitions	<b>4.4</b>	<b>0.1</b>
Issued under share option schemes	<b>1.5</b>	<b>0.1</b>
<b>At 30 September 2012</b>	<b>367.8</b>	<b>9.2</b>
At 1 April 2011	357.8	8.9
Issued for acquisitions	5.0	0.2
Issued under share option schemes	0.8	–
Share buybacks	(4.1)	(0.1)
At 30 September 2011	359.5	9.0

During the period 4.4m (2011: 5.0m) Ordinary shares of 2.5p were allotted in respect of the acquisition of non-controlling interests at a mid-market price of 267.6p (2011: 238.7p) giving rise to share premium of £7.9m (2011: £3.3m) and a merger reserve of £4.0m (2011: £8.5m).

During the period 1.5m (2011: 0.8m) Ordinary shares of 2.5p were allotted in respect of share option schemes at a price between 117p and 254p (2011: 117p and 226p) giving rise to share premium of £3.0m (2011: £1.4m).

## Notes to the condensed consolidated financial statements

For the six months to 30 September 2012

### 11. Contingent liabilities

The Company is party with other group companies to cross guarantees of each other's bank loans, commitments and overdrafts of £391.0m (2011: £392.0m).

The Company and various of its subsidiaries are, from time to time, party to legal proceedings and claims that are in the ordinary course of business. The Directors do not anticipate that the outcome of these proceedings and claims, either individually or in aggregate, will have a material adverse effect on the group's financial position.

Deferred contingent consideration relating to acquisitions has been accrued at the Directors' best estimate of the likely future obligation of £8.4m (2011: £0.9m). This is the maximum amount payable subject to certain targets being attained.

In addition, the group and its subsidiaries have provided guarantees and indemnities in respect of performance, issued by financial institutions on its behalf, amounting to £30.7m (2011: £38.7m) in the ordinary course of business. These are not expected to result in any material financial loss.

### 12. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

No other material contract or arrangement has been entered into during the period, nor existed at the end of the period, in which a Director had a material interest.

Amounts paid to key management personnel are disclosed in the Directors' remuneration report of our Annual Report.

### 13. Post balance sheet events

On 9 October 2012, MITIE acquired Enara Group Limited ('Enara') for a total consideration of £110.8m on a cash and debt free basis. Enara is the fourth largest provider of home care services in the UK and will give MITIE a scalable platform to compete in the growing outsourced health and social care sector. Full information on the acquisition of Enara will be disclosed in the group's annual financial statements for the year ending 31 March 2013.

The acquisition has been funded by the use of new bridge debt facilities of £150m provided by existing lenders to the group, which will be refinanced into longer term debt facilities in due course.

## Shareholder information

### Results

2013 Interim management statement	28 January 2013
2013 Preliminary statement of annual results	20 May 2013
2014 Interim management statement	12 August 2013
2014 Half-yearly financial report	18 November 2013

### Dividends

2012 Final dividend of 5.2p paid	7 August 2012
2013 Half-yearly ex dividend date	12 December 2012
2013 Half-yearly dividend record date	14 December 2012
2013 Half-yearly dividend payment date	4 February 2013
2013 Half-yearly dividend last date for receipt/revocation of DRIP mandate	9 January 2013

### Annual General Meeting

2013 Annual General Meeting	9 July 2013
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### Company details

MITIE Group PLC 1 Harlequin Office Park Fieldfare Emersons Green Bristol BS16 7FN Telephone: 0117 970 8800 Fax: 0117 301 4159 Email: <a href="mailto:group@mitie.com">group@mitie.com</a> Website: <a href="http://www.mitie.com">www.mitie.com</a> Registered number: SC 19230
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### Registrars

<b>Capita Registrars</b> 34 Beckenham Road Beckenham Kent BR3 4TU Telephone: 0871 664 0300* Website: <a href="http://www.mitie-shares.com">www.mitie-shares.com</a>
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\*calls cost 10p a minute plus network extras, lines are open 8.30am–5.30pm Mon–Fri

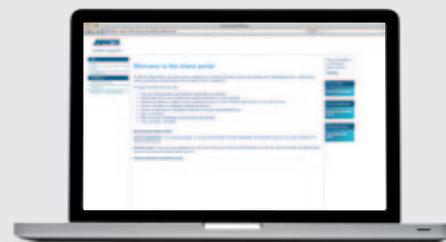
### Dividend reinvestment plan (DRIP)

MITIE has set up a dividend reinvestment plan (DRIP) to enable you to build your shareholding by using your cash dividends under a standing election to buy additional shares in MITIE. If you would like to receive further information, including details of how to apply, please call Capita Registrars on 0871 664 0381 or contact them by sending an email to: [shares@capitaregistrars.com](mailto:shares@capitaregistrars.com)

### MITIE online share portal

MITIE has launched a shareholder portal where shareholders can register and can:

- access information on shareholdings and movements;
- update address details;
- view dividend payments received and register bank mandate instructions;
- sell MITIE shares;
- complete an online proxy voting form; and
- register for e-communications allowing MITIE to notify shareholders by email that certain documents are available to view on its website. This will further reduce MITIE's carbon footprint as well as reduce costs.



If you wish to register, please sign up at [www.mitie-shares.com](http://www.mitie-shares.com)

### Corporate website

This report can be downloaded in PDF format from the MITIE website, which also contains additional general information about MITIE. Please visit [www.mitie.com](http://www.mitie.com)





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