MITIE Group PLC

Half-yearly financial report for the six months to 30 September 2011

The strategic outsourcing and energy services company

Changing the way people do things, delivering great results

and there's more to come...

Like

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:

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Chief Executive's update

+5.8%
Revenue up to £971.7m

+6.6%
Operating profit before other items up to £51.6m

+0.8%
Profit before tax and other items up to £47.9m

+5.1%
Basic earnings per share before other items up to 10.4p

+22.1%
Basic earnings per share up to 9.4p

+7.3%
Dividend per share up to 4.4p

Strong organic growth, enhanced order book and an excellent pipeline.

I'd say it's been a great six months – and there's more to come...

MITIE is a fun place to work, and long may that continue. However we take our business performance very seriously indeed.

The six months to 30 September 2011 have been really enjoyable, busy and exciting. Quite simply, we've done what we said we would do. We expect the next six months will see us continue steadily on our journey, as opportunities in the pipeline translate into more transformational contract awards and more momentum in organic growth.

First the numbers themselves. Revenue increased by 5.8% to £971.7m (2010: £918.7m) and operating profit before other items rose by 6.6% to £51.6m (2010: £48.4m). Operating profit margins were stable at 5.3% (2010: 5.3%). Our basic earnings per share before other items increased by 5.1% to 10.4p per share (2010: 9.9p). Looking ahead, the revenue visibility is excellent, at 97% for the current year (prior year: 95%), and 68% for 2012/13 (prior year: 62%). This is a very pleasing level of growth in line with our expectations – particularly against the backdrop of a challenging economic environment.

I am delighted to report that the Board is declaring an interim dividend of 4.4p, an increase of 7.3% on last year's interim dividend.

And the story behind those numbers? There is no dramatic departure from previous periods: we've continued to respond to changing client needs by delivering the outsourced services that help them take their own businesses in whatever direction they need to go. This is evident in both our order book, which has increased by £1.2bn (17.6%) to £8.0bn during the period, as well as our sales pipeline, which now totals £11.7bn (March 2011: £11.4bn).

Our strength is that we have built excellent client relationships in our key markets in both the public and private sectors across the UK and, increasingly, across international borders too. At the same time, our energy services capability is now integral to everything we do and is generating over one-third of our total revenues.

We are always keen to work with new customers where we see a compatible culture and an opportunity to add value. However, our focus remains on our existing client base – doing more for the people we know well and who know us well. Many of our clients still rely on us for single services, and that means there's huge opportunity for growth as they move towards a more integrated model, in line with market trends, and ask us to take on extra responsibilities.

Chief Executive's update

Revenue by segment:

Facilities Management	£454.0m
Technical Facilities Management	£230.1m
Property Management	£249.7m
Asset Management	£37.9m

You can see a more detailed segmental review on page 07.

+£1.2bn

A series of transformational contract awards and retentions this period have increased our secured order book by 17.6% to £8.0bn and reinforce the strength of our integrated facilities and energy management capability.

62,854 reasons to be cheerful

People are what make MITIE mighty. We have 62,854 skilled, trained and dedicated employees who work hard every day to make us the force that we are, and we aim to look after their interests as passionately as they do ours. For example, we communicate with them via a wide range of channels. Facebook, Twitter and YouTube are all part of our comms portfolio and we used them extensively in the last six months to engage with our people and, crucially, listen to what they have to say.

£200-£455m

Estimated value of contracts awarded through our recent inclusion on the Ministry of Justice's Total Facilities Management (TFM) Framework

Public sector

We have achieved a steady flow of contract awards and retentions in the public sector. As we stated in our last Annual Report, we have identified clear opportunities in the justice, health, local authority and social housing markets and it's great to see these being realised today, as well as forming the backbone of a very encouraging pipeline for tomorrow.

A wide range of developments in the last six months have seen us be appointed to the Ministry of Justice's (MoJ) Total Facilities Management (TFM) Framework and then, in September, be awarded two major TFM contracts. The first is for Her Majesty's Courts and Tribunal Service in the south of England, and the second is for Brixton and Isis prisons. The total value will be £200m–£455m over a five to seven year period.

We have invested significantly in the justice sector over the last two years and having already seen the first award with the MoJ, expect to continue bidding for opportunities which represent approximately £1bn of our sales pipeline.

In the health sector, we were awarded major new TFM contracts with two Trusts, while our strengths in social housing were key to our successful tender for a £40m contract for home improvement works in Lewisham.

The highlights of our achievements with local authorities include a four-year minor works and maintenance contract with the West Midlands Construction Framework, valued at up to £350m.

We also formed a ten year partnership with Essex County Council to service over 350 sites, with a total value up to £100m. Both of these contracts involve a number of local authorities in the region, evidence of a new theme emerging of local authorities working together to procure larger outsourcing contracts.

Private sector

In the last six months in the private sector we have been awarded or retained major contracts, including our biggest rebid of the year with the Cumbrian Collaboration. This expanded contract to provide integrated FM and energy services is valued at around £200m over five years and is a good example of how our future business is based on growing a well-established existing relationship – we have been working with Sellafield and the Nuclear Decommissioning Authority, both key partners in the Cumbrian Collaboration, for 11 years now. Our relationship with Sellafield started with a single-service cleaning contract which grew to bundled soft services, and expanded to include hard services with the acquisition of Dalkia FM in 2009. In 2012 we will provide integrated FM to the Cumbrian Collaboration.

For the Airline Operators Committee at Heathrow, we are providing baggage screening services through a three-year contract valued at £17m and we have been awarded new or expanded contracts with BT Group, Channel Four and Primark, amongst others.

Chief Executive's update

Our new contract with Diageo is another example, where we have gone from a £5m per year single service contract to an expanded deal that could be worth over four times as much. We are now providing Diageo with integrated FM and hospitality services at over 70 sites in the UK and Ireland including all manufacturing, packaging and distillery sites as well as the global headquarters in London.

Energy services

We are the second-largest energy services company in the UK, primarily thanks to our full range of integrated services that help clients manage their energy use and carbon footprint. In short, we have the experience and know-how to dramatically improve energy performance. Our energy proposition supports every key energy issue faced by our clients: security of supply, renewable energy, reduction of carbon emissions and, of course, value through lower costs.

There are six key aspects to our energy services proposition: introducing clients to new ideas; establishing an accurate carbon footprint for a site; helping clients comply with legal energy obligations; saving money; designing and installing renewable solutions; and helping clients and their people understand the links between energy use and climate change.

Our investment in energy services capabilities is producing significant benefits. Recent successes include being one of only two companies selected to bid for the first four programmes of a £200m NHS Carbon and Energy Fund, which enables NHS Trusts to upgrade their energy infrastructure to save energy.

This will add to a growing portfolio of energy services work we are performing in the healthcare sector. We were awarded a contract to design, develop and maintain a combined heat and power decentralised energy centre for the Royal Marsden NHS Foundation Trust. For the London Borough of Camden, we have developed an innovative energy scheme to supply up to 1,500 council tenants with surplus heat from our energy plant at the Royal Free Hospital in Hampstead.

In Plymouth we're helping to develop a new plant that will produce energy from waste wood and thereby reduce emissions by 16,500 tonnes a year.

International developments

We are committed to giving our clients the highest standards of service right across their businesses – and that includes in their European operations. We aim to give them the quality they need, when and where they need it. Our pan-European facilities and energy management contract with Rolls-Royce continues to develop and total revenues this year are estimated to be around £80m.

Following our acquisition of Dalkia FM in Ireland in 2010, which gave us a market-leading capability in that region, we have now completed the purchase of the remaining 50% of SMI (Service Management International) from Kluh Service Management.

The acquisition of SMI is part of our strategy to support clients overseas and gives us an improved ability to compete for pan-European integrated FM contracts.

In August, SMI was appointed as a preferential bidder for a contract with Givaudan to provide integrated FM in several European countries.

We are seeing more opportunities emerge in this market as we look to work with our clients and support their overseas operations.

Outlook

The first half of this year has seen us deliver a strong set of financial results. We have been awarded a number of significant contracts which have enhanced our business. This demonstrates the success of our strategy to invest in our integrated facilities and energy management capability.

Looking ahead, our focus is on developing existing client relationships and maximising opportunities to deliver value in energy services. This will ensure that all of our clients receive great value, high quality services, both in the UK and overseas.

We are mindful of the challenging economic environment. However, the search for greater cost and energy efficiency is central to the strategies of governments and businesses in all our markets – and delivering better quality services, innovation and efficiency lies at the heart of what we do.

With a record order book and a strong pipeline of sales opportunities, I am confident that the group will continue its outstanding track record of sustainable profitable growth.

Ruby McGregor-Smith
Chief Executive

Supporting bright ideas

Our roots lie in entrepreneurialism and we're as keen as ever to promote and reward bright thinking and great ideas. Through our MITIE Entrepreneurial Programme (MITIE actually stands for 'Management Incentive Through Investment Equity'), we back teams with hard cash to help them start businesses. In the first half of the year, we purchased minority shareholdings of five successful MITIE Model businesses.

We want to eliminate paper use at MITIE and have launched Operation Exodus – our plan to re-engineer all of our processes to make them electronic over the next two years. This is part of our commitment to bring innovation and efficiency to everything we do – not to mention the impact it will have on our carbon footprint.

Some great new and retained contracts

Since April, we have been awarded:

20
20 contracts with a value greater than £3m per annum

44
44 contracts valued between £1m and £3m per annum

Some of the largest and most strategically important contracts we've retained or been awarded during the period:

Private sector

Client	Contract	Timeframe	Value range
Cumbrian Collaboration	Retained and significantly expanded an integrated FM and energy services contract with the Cumbrian Collaboration (includes Sellafield Limited, the Nuclear Decommissioning Authority (NDA), Direct Rail Services, Low Level Waste Repository Limited and International Nuclear Services)	5–7 years	£200m – £280m
Diageo	Expanded our technical FM contract to provide integrated facilities management and hospitality services across Diageo's UK and Irish property portfolio	5 years	£100m – £120m

Public sector

Client	Contract	Timeframe	Value range
Ministry of Justice	Awarded total facilities management contracts for Her Majesty's Courts and Tribunal Service (HMCTS) in the south of England, and two prisons, at Brixton and Isis	5–7 years	£200m – £455m
Essex County Council	Transformational outsourcing contract which includes facilities and property management as well as energy services, working in partnership with Lambert Smith Hampton to provide estate management services	10 years	£80m – £100m
West Midlands Construction Framework	Minor works and maintenance contract for all non-housing capital expenditure and maintenance, primarily within the Birmingham City Council South Area. The contract is also available to 13 other local authorities within the region	4–8 years	£160m – £350m

Energy

Client	Contract	Timeframe	Value range
NHS Carbon and Energy Fund	Accepted as a partner in the £200m capital fund which enables NHS Trusts to upgrade their energy infrastructure to save energy, carbon and money	*	£200m framework
O-Gen Plymtrek	Energy services company formed by MITIE, O-Gen UK and the Una Group, to develop an energy centre in Plymouth which will convert waste wood into renewable heat and power.	10 years	*
Camden Council	Innovative energy scheme to provide surplus heat from a hospital energy plant to 1,500 council tenants in Camden Council	15 years	*
Waitrose	Contracts to develop and operate biomass energy centres at the Waitrose East Cowes and Bracknell stores	*	*

International

Client	Contract	Timeframe	Value range
Givaudan	Integrated facilities management across several European countries, including Switzerland and Germany	4 years	£23m

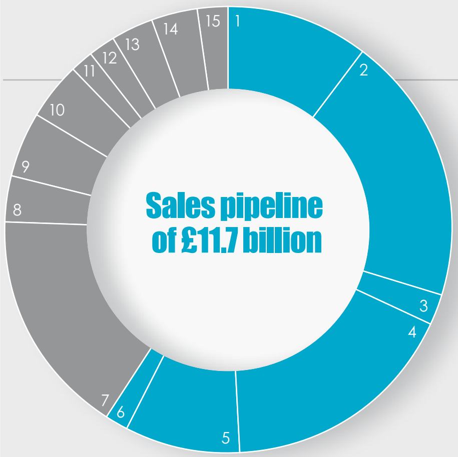
* Not disclosed

Performance overview

Strong and diverse portfolio

Public sector:	35%
1. Government	11%
2. Social Housing	11%
3. Health	5%
4. Education	8%

Private sector:	65%
5. Finance & professional services	13%
6. Retail	11%
7. Property management	9%
8. Manufacturing	9%
9. Technology & communications	7%
10. Utilities	6%
11. Transport & logistics	5%
12. Leisure	3%
13. Construction	2%



Public sector:	59%
1. Central government	10%
2. Local government	20%
3. Other government	2%
4. Social Housing	17%
5. Health	8%
6. Education	2%

Private sector:	41%
7. Finance & professional services	17%
8. Retail	3%
9. Property management	5%
10. Manufacturing	4%
11. Technology & communications	2%
12. Utilities	2%
13. Transport & logistics	3%
14. Leisure	3%
15. Construction	2%

Strong financial performance

Great results and tremendous prospects for growth

	2011 £m	2010 £m	Growth %
Revenue	**971.7**	918.7	5.8
Operating profit before other items[1]	**51.6**	48.4	6.6
Profit before tax and other items[1]	**47.9**	47.5	0.8

	2011 p	2010 p	Growth %
Basic earnings per share before other items[1]	**10.4**	9.9	5.1
Basic earnings per share	**9.4**	7.7	22.1
Dividend per share	**4.4**	4.1	7.3

(1) Other items are restructuring and acquisition related items as set out in Note 3

Highlights

- Strong revenue growth of 5.8% to £971.7m
- Operating profit before other items up 6.6% to £51.6m
- Operating profit margin before other items at 5.3% (2010: 5.3%)
- Good conversion of EBITDA to cash of 81.0% on a rolling 12-month basis, above stated long-term KPI of 80%
- Interim dividend up 7.3% to 4.4p (2010: 4.1p)
- Low leverage with net debt at £119.3m - 0.9x EBITDA on a rolling 12-month basis

Financial performance

MITIE Group PLC has delivered a strong financial performance in the first six months with revenue growth of 5.8% to £971.7m (2010: £918 .7m) and growth in operating profit before other items of 6.6% to £51.6m (2010: £48.4m). Organic growth in revenue was 5.1% after adjusting for the full year impact (£6.2m) of Dalkia FM in Ireland, acquired in June 2010. This is a very positive result in an economic environment which has demonstrated slow growth.

The group's operating profit margin before other items continues to be within our target range of 5.0%–6.0%, and has been maintained in line with the prior year at 5.3%.

We have delivered good cash conversion. The conversion of EBITDA to operating cash is 81.0% (2010: 91.0%) on a rolling 12-month basis. As stated previously, the planned movement in this headline cash KPI reflects our positive decision to invest our working capital into projects which deliver a strong return on capital and enhance organic growth. Capital expenditure represented 1.7% of revenue (2010: 1.2%) 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 £3.7m (2010: £1.0m). Our new banking facility of £250m was available for drawdown from July 2011 and expires in September 2015. The general tightening of credit market conditions compared to those which existed when our previous facility was negotiated in January 2007, has resulted in an uplift in interest charges and an increase in facility fees.

Our US private placement loan notes of £100m sterling equivalent, arranged in December 2010, help diversify our debt portfolio by extending our debt maturity profile and reducing our interest risk exposure. The introduction of these notes has also contributed to an increase in interest costs.

The effective tax rate for the period ended 30 September 2011 is 23.8% (2010: 26.8%). The improvement largely reflects the 2% reduction in the main rate of corporation tax with effect from 1 April 2011.

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 5.1% to 10.4p per share (2010: 9.9p per share). Basic EPS was 9.4p per share (2010: 7.7p per share), an increase of 22.1% due to the absence of restructuring or acquisition related costs during the period (2010: £6.1m).

The half year dividend declared by the Board of 4.4p per share (2010: 4.1p per share) is an increase of 7.3% 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, and at 2.5 times cover on adjusted earnings per share.

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 97% of our forecast revenue for the year is now secured. A table of some of our recent contract awards is included on page 04.

The strong growth experienced in our Facilities, Technical Facilities and Asset Management businesses reflects the continuation during the period of clients' demand for energy and facilities management solutions that are better quality, more efficient and bring more innovation to their organisations. Challenging conditions remain in certain of our markets, which has negatively affected the growth profile achieved in our Property Management business.

The financial performance highlights of each of our divisions are set out here:

Facilities Management

	2011 £m	2010 £m	%
Revenue	**454.0**	425.9	6.6
Operating profit before other items	**27.2**	25.5	6.7
Margin	**6.0%**	6.0%	0.0pp

Our Facilities Management (FM) business is responsible for delivering 'soft' FM services. The division's offering ranges from fully integrated FM and consultancy, to any of our specialist single services which include:

Security; Cleaning; Catering; Document management and reprographics; Reception and front of house; Waste management; Environmental services; Landscaping; Pest control.

Technical Facilities Management

	2011 £m	2010 £m	%
Revenue	**230.1**	209.5	9.8
Operating profit before other items	**11.6**	11.2	3.6
Margin	**5.0%**	5.3%	(0.3)pp

Our Technical Facilities Management (TFM) business focuses on 'hard services' facilities management (FM) that is led by technology, engineering and the need to reduce energy consumption. Services include:

Integrated FM; mechanical and electrical engineering maintenance; Mobile multi-site FM; Specialist technical services; CarbonCare energy services; Lighting design and maintenance; Building Management Systems and controls; Compliance services.

Property Management

	2011 £m	2010 £m	%
Revenue	**249.7**	260.9	(4.3)
Operating profit before other items	**11.4**	12.4	(8.1)
Margin	**4.6%**	4.8%	(0.2)pp

Our Property Management business provides a full suite of integrated services, from total fit-out and refurbishment to ongoing repairs, including:

Property maintenance; Building refurbishment; Painting; Roofing; Interior fit-out; Fire protection; Plumbing; Mechanical and electrical engineering installation; Insurance claims management and repairs.

Asset Management

	2011 £m	2010 £m	%
Revenue	**37.9**	22.4	69.2
Operating profit before other items	**1.4**	(0.7)	n/a
Margin	**3.7%**	(3.1)%	6.8pp

Our Asset Management division develops bespoke energy assets that offer a secure and sustainable energy supply. Carbon efficient technologies are used to create energy infrastructure which provides the electricity, heating or cooling required by our clients. Decentralised energy delivers the long-term benefits of guaranteed cost savings, reduced carbon emissions and supply certainty. Services include:

Decentralised energy centre development; Low-carbon data centre development; Renewable energy integration; Energy services company (ESCo) management; Community infrastructure.

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 44 and 45 of our Annual Report and Accounts 2011. 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

Compliance: 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 2011 (available on the group's website and as described above: www.mitie.com).

By order of the Board

Ruby McGregor-Smith
Chief Executive
MITIE Group PLC
21 November 2011

Condensed consolidated income statement

For the six months to 30 September 2011

	Notes	30 September 2011 (unaudited) Before other items* £m	Other items* £m	Total £m	30 September 2010 (unaudited) Before other items* £m	Other items* £m	Total £m
Continuing operations							
Revenue	2	**971.7**	**–**	**971.7**	918.7	–	918.7
Cost of sales		**(818.7)**	**–**	**(818.7)**	(773.6)	–	(773.6)
Gross profit		**153.0**	**–**	**153.0**	145.1	–	145.1
Administrative expenses		**(101.4)**	**(4.6)**	**(106.0)**	(96.7)	(10.5)	(107.2)
Operating profit	2	**51.6**	**(4.6)**	**47.0**	48.4	(10.5)	37.9
Investment revenue		**0.2**	**–**	**0.2**	0.1	–	0.1
Finance costs		**(3.9)**	**–**	**(3.9)**	(1.0)	(0.1)	(1.1)
Net finance costs		**(3.7)**	**–**	**(3.7)**	(0.9)	(0.1)	(1.0)
Profit before tax		**47.9**	**(4.6)**	**43.3**	47.5	(10.6)	36.9
Tax	5	**(11.5)**	**1.2**	**(10.3)**	(12.9)	3.0	(9.9)
Profit for the period		**36.4**	**(3.4)**	**33.0**	34.6	(7.6)	27.0
Attributable to:							
Equity holders of the parent		**36.3**	**(3.4)**	**32.9**	34.5	(7.6)	26.9
Non-controlling interests		**0.1**	**–**	**0.1**	0.1	–	0.1
		36.4	**(3.4)**	**33.0**	34.6	(7.6)	27.0
Earnings per share (EPS)							
– basic	6	**10.4p**	**(1.0)p**	**9.4p**	9.9p	(2.2)p	7.7p
– diluted	6	**10.1p**	**(0.9)p**	**9.2p**	9.7p	(2.1)p	7.6p

* Other items are analysed in Note 3.

Condensed consolidated income statement

For the year to 31 March 2011

	Notes	Year to 31 March 2011 (audited) Before other items* £m	Other items* £m	Total £m
Continuing operations				
Revenue	2	1,891.4	–	1,891.4
Cost of sales		(1,593.5)	–	(1,593.5)
Gross profit		297.9	–	297.9
Administrative expenses		(189.6)	(18.8)	(208.4)
Operating profit	2	108.3	(18.8)	89.5
Investment revenue		0.4	–	0.4
Finance costs		(3.0)	(0.1)	(3.1)
Net finance costs		(2.6)	(0.1)	(2.7)
Profit before tax		105.7	(18.9)	86.8
Tax		(26.4)	5.0	(21.4)
Profit for the year		79.3	(13.9)	65.4
Attributable to:				
Equity holders of the parent		79.1	(13.9)	65.2
Non-controlling interests		0.2	–	0.2
		79.3	(13.9)	65.4
Earnings per share (EPS)				
– basic	6	22.6p	(4.0)p	18.6p
– diluted	6	22.2p	(3.9)p	18.3p

* Other items are analysed in Note 3.

Condensed consolidated statement of comprehensive income

For the six months to 30 September 2011

	30 September 2011 (unaudited) £m	30 September 2010 (unaudited) £m	Year to 31 March 2011 (audited) £m
Profit for the period	**33.0**	27.0	65.4
Other comprehensive income/(expense):			
Actuarial losses on defined benefit pension schemes	**(10.7)**	(11.1)	(1.1)
Exchange differences on translation of foreign operations	**0.3**	0.2	0.5
Losses on a hedge of a net investment taken to equity	**(0.3)**	(0.2)	(0.4)
Cash flow hedges:			
Gains/(losses) arising during the period	**0.8**	–	(1.4)
Reclassification adjustment for (losses)/gains included in profit and loss	**(1.0)**	–	0.9
Tax credit/(charge) on items taken directly to equity	**2.9**	2.8	(0.1)
Other comprehensive expense for the period, net of tax	**(8.0)**	(8.3)	(1.6)
Total comprehensive income for the financial period	**25.0**	18.7	63.8
Attributable to:			
Equity holders of the parent	**24.9**	18.6	63.6
Non-controlling interests	**0.1**	0.1	0.2

Condensed consolidated balance sheet

At 30 September 2011

	Notes	30 September 2011 (unaudited) £m	30 September 2010 (unaudited) £m	31 March 2011 (audited) £m
Non-current assets				
Goodwill		**334.8**	330.3	333.0
Other intangible assets		**61.1**	68.6	64.7
Property, plant and equipment		**66.1**	54.9	59.3
Trade and other receivables		**12.2**	–	11.6
Deferred tax assets		**9.4**	15.8	9.1
Total non-current assets		**483.6**	469.6	477.7
Current assets				
Inventories		**5.3**	3.4	5.5
Trade and other receivables		**479.2**	442.7	470.1
Cash and cash equivalents		**90.8**	48.2	130.6
Total current assets		**575.3**	494.3	606.2
Total assets		**1,058.9**	963.9	1,083.9
Current liabilities				
Trade and other payables		**(414.2)**	(379.7)	(432.9)
Current tax liabilities		**(11.7)**	(15.6)	(16.6)
Financing liabilities		**(2.9)**	(5.0)	(2.6)
Provisions	9	**(0.9)**	(3.9)	(4.5)
Total current liabilities		**(429.7)**	(404.2)	(456.6)
Net current assets		**145.6**	90.1	149.6
Non-current liabilities				
Financing liabilities		**(206.9)**	(154.2)	(204.8)
Provisions	9	**(7.2)**	(10.5)	(8.2)
Retirement benefit obligation		**(12.5)**	(18.7)	(3.0)
Deferred tax liabilities		**(13.0)**	(12.5)	(13.3)
Total non-current liabilities		**(239.6)**	(195.9)	(229.3)
Total liabilities		**(669.3)**	(600.1)	(685.9)
Net assets		**389.6**	363.8	398.0

Condensed consolidated balance sheet

At 30 September 2011

	Notes	30 September 2011 (unaudited) £m	30 September 2010 (unaudited) £m	31 March 2011 (audited) £m
Equity				
Share capital	10	**9.0**	8.9	8.9
Share premium account		**85.3**	78.8	80.6
Merger reserve		**93.6**	85.1	85.1
Share-based payments reserve		**4.8**	6.4	7.5
Own shares reserve		**(18.6)**	(13.8)	(13.8)
Other reserves		**0.3**	0.2	0.2
Hedging and translation reserve		**(0.6)**	–	(0.4)
Retained earnings		**213.1**	192.2	223.8
Equity attributable to equity holders of the parent		**386.9**	357.8	391.9
Non-controlling interests		**2.7**	6.0	6.1
Total equity		**389.6**	363.8	398.0

Condensed consolidated statement of changes in equity

For the six months to 30 September 2011

	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 1 April 2010	8.8	76.7	80.3	5.4	(8.1)	0.2	–	192.3	**355.6**	7.8	**363.4**
Total comprehensive income	–	–	–	–	–	–	–	18.6	**18.6**	0.1	**18.7**
Shares issued	0.1	2.1	4.8	–	–	–	–	–	**7.0**	–	**7.0**
Dividends paid	–	–	–	–	–	–	–	(14.5)	**(14.5)**	(0.2)	**(14.7)**
Purchase of own shares	–	–	–	–	(5.7)	–	–	–	**(5.7)**	–	**(5.7)**
Share-based payments	–	–	–	1.0	–	–	–	0.7	**1.7**	–	**1.7**
Acquisitions and other movements in non-controlling interests	–	–	–	–	–	–	–	(4.9)	**(4.9)**	(1.7)	**(6.6)**
At 30 September 2010	8.9	78.8	85.1	6.4	(13.8)	0.2	–	192.2	**357.8**	6.0	**363.8**
Total comprehensive income	–	–	–	–	–	–	(0.4)	45.4	**45.0**	0.1	**45.1**
Shares issued	–	1.8	–	–	–	–	–	–	**1.8**	–	**1.8**
Dividends paid	–	–	–	–	–	–	–	(14.4)	**(14.4)**	–	**(14.4)**
Share-based payments	–	–	–	1.1	–	–	–	0.5	**1.6**	–	**1.6**
Acquisitions and other movements in non-controlling interests	–	–	–	–	–	–	–	0.1	**0.1**	–	**0.1**
At 31 March 2011	8.9	80.6	85.1	7.5	(13.8)	0.2	(0.4)	223.8	**391.9**	6.1	**398.0**
Total comprehensive income	–	–	–	–	–	–	(0.2)	25.1	**24.9**	0.1	**25.0**
Shares issued	0.2	4.7	8.5	–	–	–	–	–	**13.4**	–	**13.4**
Dividends paid	–	–	–	–	–	–	–	(17.1)	**(17.1)**	(0.2)	**(17.3)**
Purchase of own shares	–	–	–	–	(7.4)	–	–	–	**(7.4)**	–	**(7.4)**
Share buybacks	(0.1)	–	–	–	–	0.1	–	(9.1)	**(9.1)**	–	**(9.1)**
Share-based payments	–	–	–	(2.7)	2.6	–	–	1.1	**1.0**	–	**1.0**
Acquisitions and other movements in non-controlling interests	–	–	–	–	–	–	–	(10.7)	**(10.7)**	(3.3)	**(14.0)**
Balance at 30 September 2011	**9.0**	**85.3**	**93.6**	**4.8**	**(18.6)**	**0.3**	**(0.6)**	**213.1**	**386.9**	**2.7**	**389.6**

Condensed consolidated statement of changes in equity

For the six months to 30 September 2011

	30 September 2011 (unaudited) £m	30 September 2010 (unaudited) £m	Year to 31 March 2011 (audited) £m
Operating profit	**47.0**	37.9	89.5
Adjustments for:			
Share-based payment expense	**1.0**	1.7	3.3
Pension charge	**1.2**	1.7	3.5
Amendment to defined benefit pension scheme past service cost	**–**	–	(4.1)
Pension contributions	**(2.4)**	(2.6)	(7.9)
Depreciation of property, plant and equipment	**9.2**	8.9	17.9
Amortisation of intangible assets	**5.7**	5.2	10.8
Loss/(gain) on disposal of property, plant and equipment	**–**	0.1	(0.1)
Operating cash flows before movements in working capital	**61.7**	52.9	112.9
Decrease/(increase) in inventories	**0.2**	0.5	(1.6)
Increase in receivables	**(6.7)**	(31.5)	(70.8)
(Decrease)/increase in payables	**(19.2)**	10.6	62.0
(Decrease)/increase in provisions	**(1.0)**	1.3	–
Cash generated by operations	**35.0**	33.8	102.5
Income taxes paid	**(12.4)**	(9.3)	(14.3)
Facility arrangement fee paid	**(2.5)**	–	–
Interest paid	**(3.4)**	(1.0)	(2.5)
Net cash inflow from operating activities	**16.7**	23.5	85.7
Investing activities			
Interest received	**0.1**	0.1	0.2
Purchase of property, plant and equipment	**(14.0)**	(9.2)	(21.0)
Purchase of subsidiary undertakings, net of cash acquired	**(7.6)**	(11.1)	(11.8)
Purchase of other intangible assets	**(2.2)**	(3.4)	(5.0)
Disposals of property, plant and equipment	**0.5**	1.3	3.0
Net cash outflow from investing activities	**(23.2)**	(22.3)	(34.6)

Condensed consolidated statement of cash flows

For the six months to 30 September 2011

	30 September		Year to
	2011 (unaudited) £m	2010 (unaudited) £m	31 March 2011 (audited) £m
Financing activities			
Repayments of obligations under finance leases	**(1.8)**	(1.7)	(3.2)
Proceeds on issue of share capital	**1.3**	0.7	2.7
Repayments of loan notes on purchase of subsidiary undertakings	**–**	(3.5)	(5.8)
Bank loans raised/(repaid)	**1.4**	48.2	(3.7)
Private placement notes raised	**–**	–	100.2
Purchase of own shares	**(7.4)**	(5.7)	(5.7)
Share buybacks	**(9.1)**	–	–
Equity dividends paid	**(17.1)**	(14.5)	(28.9)
Non-controlling interest dividends paid	**(0.2)**	(0.2)	(0.2)
Net cash (outflow)/inflow from financing	**(32.9)**	23.3	55.4
Net (decrease)/increase in cash and cash equivalents	**(39.4)**	24.5	106.5
Net cash and cash equivalents at beginning of the period	**130.6**	23.7	23.7
Effect of foreign exchange rate changes	**(0.4)**	–	0.4
Net cash and cash equivalents at end of the period	**90.8**	48.2	130.6
Net cash and cash equivalents comprise:			
Cash at bank	**90.8**	48.2	130.6
	90.8	48.2	130.6

Condensed consolidated statement of cash flows

For the six months to 30 September 2011

Reconciliation of net cash flow to movement in net debt	Notes	30 September 2011 (unaudited) £m	30 September 2010 (unaudited) £m	Year to 31 March 2011 (audited) £m
Net (decrease)/increase in cash and cash equivalents		**(39.4)**	24.5	106.5
Effect of foreign exchange rate changes		**(0.4)**	–	0.4
Bank loans (raised)/repaid		**(1.4)**	(48.2)	3.2
Private placement notes raised		**–**	–	(100.2)
Non-cash movement in private placement notes and associated hedges		**(0.6)**	–	(0.3)
Repayments of loan notes on purchase of subsidiary undertakings		**–**	3.5	5.8
Issue of loan notes on purchase of subsidiary undertakings		**–**	(3.9)	(3.9)
(Increase)/decrease in finance leases		**(1.0)**	0.1	(1.4)
(Increase)/decrease in net debt during the period		**(42.8)**	(24.0)	10.1
Opening net debt		**(76.5)**	(86.6)	(86.6)
Closing net debt	8	**(119.3)**	(110.6)	(76.5)

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

1. Basis of preparation

The condensed financial statements for the six months to 30 September 2011 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 2011.

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 2011 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 are unaudited and have not been subject to review. 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 2011.

The financial information presented for the year ended 31 March 2011 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 auditors' report on those accounts was not qualified, did not include reference to any matters to which the auditors 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 2011.

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.

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.

As a consequence, 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 2011

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 2011				Six months to 30 September 2010			
	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	**454.0**	**27.2**	**6.0**	**26.3**	425.9	25.5	6.0	23.3
Technical Facilities Management	**230.1**	**11.6**	**5.0**	**5.6**	209.5	11.2	5.3	5.6
Property Management	**249.7**	**11.4**	**4.6**	**10.2**	260.9	12.4	4.8	8.9
Asset Management	**37.9**	**1.4**	**3.7**	**1.2**	22.4	(0.7)	(3.1)	(0.9)
Total	**971.7**	**51.6**	**5.3**	**43.3**	918.7	48.4	5.3	36.9

	Year to 31 March 2011			
	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m
Facilities Management	882.2	56.2	6.4	52.6
Technical Facilities Management	437.1	24.6	5.6	15.5
Property Management	509.7	21.4	4.2	13.0
Asset Management	62.4	2.0	3.2	1.6
Amendment to defined benefit pension scheme past service cost	–	4.1	–	4.1
Total	1,891.4	108.3	5.7	86.8

* 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 2011				Six months to 30 September 2010			
	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	**953.5**	**51.0**	**5.3**	**42.8**	909.0	48.0	5.3	36.5
Other countries	**18.2**	**0.6**	**3.3**	**0.5**	9.7	0.4	4.1	0.4
Total	**971.7**	**51.6**	**5.3**	**43.3**	918.7	48.4	5.3	36.9

	Year to 31 March 2011			
	Revenue £m	Operating profit before other items* £m	Margin %	Profit before tax £m
United Kingdom	**1,866.4**	**107.3**	**5.7**	**86.1**
Other countries	**25.0**	**1.0**	**4.0**	**0.7**
Total	**1,891.4**	**108.3**	**5.7**	**86.8**

* Other items are analysed in Note 3.

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

3. Other items

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

	Six months to 30 September 2011 £m	Six months to 30 September 2010 £m	Year to 31 March 2011 £m
Administrative expenses			
Restructuring costs relating to integration of Dalkia FM, EPS Ltd and Dalkia FM in Ireland	**–**	4.7	4.8
Restructuring costs of Property Management businesses	**–**	1.1	4.8
Acquisition costs	**–**	0.3	0.3
Amortisation of acquisition related intangibles	**4.6**	4.4	8.9
	4.6	10.5	18.8
Finance costs			
Unwinding of discount on deferred contingent consideration	**–**	0.1	0.1
Other items before tax	**4.6**	10.6	18.9
Tax on other items	**(1.2)**	(3.0)	(5.0)
Other items net of tax	**3.4**	7.6	13.9

4. Dividends

The proposed interim dividend of 4.4p (2010: 4.1p) per share (not recognised as a liability at 30 September 2011) will be paid on 6 February 2012 to shareholders on the register on 16 December 2011.

The dividend disclosed in the statement of cash flows represents the final ordinary dividend of 4.9p (2010: 4.1p) per share as proposed in the 31 March 2011 financial statements and approved at the group's AGM (not recognised as a liability at 31 March 2011).

5. Taxation

Income tax on profit before other items for the six months ended 30 September 2011 is based on an effective rate of 24.0% (2010: 27.2%), 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 23.8% (2010: 26.8%).

Notes to the condensed consolidated financial statements
For the six months to 30 September 2011

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 2011 £m	Six months to 30 September 2010 £m	Year to 31 March 2011 £m
Net profit attributable to equity holders of the parent before other items*	**36.3**	34.5	79.1
Other items net of tax*	**(3.4)**	(7.6)	(13.9)
Net profit attributable to equity holders of the parent	**32.9**	26.9	65.2

Number of shares	Six months to 30 September 2011 million	Six months to 30 September 2010 million	Year to 31 March 2011 million
Weighted average number of Ordinary shares for the purpose of basic EPS	**349.9**	349.6	350.5
Effect of dilutive potential Ordinary shares: share options	**8.2**	5.4	6.4
Weighted average number of Ordinary shares for the purpose of diluted EPS	**358.1**	355.0	356.9

	Six months to 30 September 2011 p	Six months to 30 September 2010 p	Year to 31 March 2011 p
Basic earnings per share – before other items*	**10.4**	9.9	22.6
Basic earnings per share	**9.4**	7.7	18.6
Diluted earnings per share – before other items*	**10.1**	9.7	22.2
Diluted earnings per share	**9.2**	7.6	18.3

* 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 7.9m (2010: 6.0m) shares in MITIE Group PLC, with a weighted average of 7.8m shares during the period (2010: 4.6m).

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

7. Acquisition of subsidiaries

Purchase of Service Management International Limited

During the period the group increased its stake in Service Management International Limited from 50% to 100% for total cash consideration of £1.5m.

Purchase of non-controlling interests

	MITIE Cleaning Services Ltd £m	MITIE Engineering Maintenance (Caledonia) Ltd £m	MITIE Landscapes Ltd £m	MITIE Property Services (UK) Ltd £m	MITIE Transport Services Ltd £m	**Total £m**
Shares issued – MITIE Group PLC	1.9	–	–	8.6	1.5	**12.0**
Cash consideration	0.3	–	1.1	0.5	0.1	**2.0**
Total purchase consideration	2.2	–	1.1	9.1	1.6	**14.0**
Non-controlling interests	0.2	–	0.3	2.6	0.2	**3.3**
Retained earnings	2.0	–	0.8	6.5	1.4	**10.7**
Total recognised in equity	2.2	–	1.1	9.1	1.6	**14.0**

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 interest and the consideration paid being recognised in retained earnings. Prior to adoption of the revised standard this amount was recognised in goodwill.

Prior period acquisitions

Purchase of FM business of Dalkia in Ireland

On 25 June 2010, MITIE acquired 100% of DFM Providers Limited (subsequently renamed MITIE Facilities Management Limited) and Dalkia Energy and Facilities Limited (subsequently renamed MITIE Limited), together Dalkia FM in Ireland, for total consideration of up to €12.5m. The transaction has been accounted for by the acquisition method of accounting in accordance with IFRS 3 (2008). Below we provide final information on the acquisition. The fair value of net assets acquired has not changed since the provisional information presented in the Annual Report and Accounts 2011.

	Book value £m	Fair value adjustments £m	Fair value £m
Net assets acquired			
Intangible assets	8.8	(5.8)	3.0
Deferred tax (liability)/asset	(1.1)	0.4	(0.7)
Trade and other receivables	5.4	(0.4)	5.0
Cash and cash equivalents	1.5	–	1.5
Trade and other payables	(4.9)	(0.8)	(5.7)
Current tax liability	(0.2)	–	(0.2)
Net assets acquired	**9.5**	**(6.6)**	**2.9**

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

7. Acquisition of subsidiaries

	Book value £m	Fair value adjustments £m	Fair value £m
Goodwill			7.7
Total consideration			**10.6**

Satisfied by	
Cash	9.7
Deferred contingent consideration	0.9
Total consideration	**10.6**

Net cash outflow arising on acquisition	
Cash consideration	9.7
Cash and cash equivalents acquired	(1.5)
Net cash outflow	**8.2**

Deferred contingent consideration of £0.9m, which was provided for at 31 March 2011, was settled in cash during the period due to attainment of certain targets and is now included in cash consideration above.

Provision is made for the remaining deferred contingent consideration at the Directors' best estimate of the likely future obligation. Deferred contingent consideration of up to £0.9m, which may become payable up to 2012 subject to certain targets being attained, is included above.

8. Analysis of net debt

	30 September		31 March
	2011 £m	2010 £m	2011 £m
Cash and cash equivalents	**90.8**	48.2	130.6
Bank loans	**(98.2)**	(148.2)	(96.8)
Private placement notes	**(102.3)**	–	(97.6)
Derivative financial instruments hedging private placement notes	**1.2**	–	(2.9)
Net debt before loan notes and obligations under finance leases	**(108.5)**	(100.0)	(66.7)
Loan notes	**(1.6)**	(3.9)	(1.6)
Obligations under finance leases	**(9.2)**	(6.7)	(8.2)
Net debt	**(119.3)**	(110.6)	(76.5)

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

9. Provisions

	Deferred contingent consideration £m	Insurance reserve £m	**Total £m**
At 1 April 2011	4.5	8.2	**12.7**
Amounts charged to 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**
At 30 September 2011	0.9	7.2	**8.1**

Included in current liabilities	**0.9**
Included in non-current liabilities	**7.2**
	8.1

	Deferred contingent consideration £m	Insurance reserve £m	**Total £m**
At 1 April 2010	12.9	8.2	**21.1**
Amounts charged to the income statement	0.1	2.5	**2.6**
Deferred contingent consideration settled during the period	(7.4)	–	**(7.4)**
Utilised within the captive insurance subsidiary	–	(1.2)	**(1.2)**
Amounts recognised through goodwill	(0.7)	–	**(0.7)**
At 30 September 2010	4.9	9.5	**14.4**

Included in current liabilities	**3.9**
Included in non-current liabilities	**10.5**
	14.4

During the period deferred contingent consideration of £2.9m in respect of the acquisition in 2008 of MITIE Tilley Roofing Limited (formerly D W Tilley Limited) was settled in cash due to attainment of profit targets. This was £0.2m higher than the amount provided for at 31 March 2011 due to better than expected performance.

Deferred contingent consideration of £0.9m in respect of the acquisition in 2010 of Dalkia FM in Ireland was settled in cash due to attainment of certain 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.

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

10. Share capital

Ordinary shares of 2.5p	Number million	£m
Authorised		
At 30 September 2010 and 30 September 2011	**500.0**	**12.5**
Allotted and fully paid		
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**
At 1 April 2010	353.2	8.8
Issued for acquisitions	3.0	0.1
Issued under share option schemes	0.3	–
At 30 September 2010	356.5	8.9

During the period 5.0m (2010: 3.0m) Ordinary shares of 2.5p were allotted in respect of the acquisition of non-controlling interests at a mid-market price of 238.7p (2010: 209.2p) giving rise to share premium of £3.3m (2010: £1.6m) and a merger reserve of £8.5m (2010: £4.8m).

During the period 0.8m (2010: 0.3m) Ordinary shares of 2.5p were allotted in respect of share option schemes at a price between 117p and 226p (2010: 117p and 220p) giving rise to share premium of £1.4m (2010: £0.5m).

During the period 4.1m Ordinary shares of 2.5p were purchased at market prices between 208.6p and 232.9p. These were then cancelled.

Notes to the condensed consolidated financial statements

For the six months to 30 September 2011

11. Contingent liabilities

The Company is party with other group companies to cross guarantees of each other's bank loans, commitments and overdrafts of £392.0m (2010: £270.0m).

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 £0.9m (2010: £4.9m). The actual amounts payable may vary up to a maximum of £0.9m (2010: £7.7m) 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 £38.7m (31 March 2011: £34.9m, 30 September 2010: £23.3m) 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.

The Company purchased 40,000 B Ordinary shares in the capital of MITIE Property Services (UK) Limited from Kenneth Robson (a relative of Bill Robson, a Director of MITIE), for a total consideration of £553,600 by the allotment of 227,482 Ordinary shares in MITIE, conditional on the approval of MITIE shareholders, and £10,600 in cash.

This transaction was approved for the purposes of section 190 of the Companies Act 2006 by MITIE shareholders at a General Meeting on 10 November 2011. The acquisition has not been reflected in the results to 30 September 2011 as approval was not obtained until after the period end. Application has been made to the UK Listing Authority and the London Stock Exchange for the Ordinary shares in MITIE to be admitted to the Official List and trading on the London Stock Exchange. It is expected that admission will occur prior to 30 November 2011.

The Company also purchased 900 C Ordinary shares in the capital of MITIE Transport Services Limited from Ruby McGregor-Smith, a Director of MITIE, for a total consideration of £38,106 by allotment of 11,523 Ordinary shares of MITIE and £10,600 in cash.

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.

Shareholder information

Results

2012 Interim management statement	30 January 2012
2012 Preliminary statement of annual results	21 May 2012
2013 Interim management statement	13 August 2012
2013 Half-yearly financial report	19 November 2012

Dividends

2011 Final dividend of 4.9p paid	12 August 2011
2012 Half-yearly ex dividend date	14 December 2011
2012 Half-yearly dividend record date	16 December 2011
2012 Half-yearly dividend payment date	6 February 2012
2012 Half-yearly dividend last date for receipt/revocation of DRIP mandate	10 January 2012

Annual General Meeting

2012 Annual General Meeting	11 July 2012

Company details

MITIE Group PLC 1 Harlequin Office Park Fieldfare Emersons Green Bristol BS16 7FN
Telephone: 0117 970 8800 Fax: 0117 301 4159 Email: group@mitie.com Website: www.mitie.com
Registered number: SC 19230

Registrars

Capita Registrars 34 Beckenham Road Beckenham Kent BR3 4TU
Telephone: 0871 664 0300* Website: www.mitie-shares.com

*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**

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**

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**

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