Bureau Veritas - Registre international de classification de navires et d'aéronefs
Limited company with a Management Board and a Supervisory Board
and a share capital of €12,979,173
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Nanterre Trade and Companies Register (RCS): 775 690 621

HALF YEAR FINANCIAL REPORT AT JUNE 30, 2008

This document is a non-certified free translation of the French language of the Half Year Financial Report drawn up in line with the provisions of Section III of Article L.451-1-2 of the French Monetary and Financial Code. It includes the Half Year Management Report for the period from January 1, 2008 to June 30, 2008, the consolidated financial statements of the Bureau Veritas Group at June 30, 2008, the Reports of the Statutory Auditors and the declaration by the persons responsible for the document.

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I-HALF-YEAR BUSINESS REPORT AT JUNE 30, 2008

1.1. Preliminary note

Readers are invited to peruse the information set out herein on the Group's financial position and results together with the Group's consolidated half year financial statements and the notes to the consolidated half year financial statements at June 30, 2008 set out in Chapter II of this Half Year Financial Report at June 30, 2008, as well as the Group's consolidated financial statements and the notes to the consolidated financial statements at December 31, 2007 set out in Chapter IV of the 2007 Reference Document.

Pursuant to the provisions of Regulation (EC) 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated financial statements of Bureau Veritas in respect of H1 2008 and H1 2007 were prepared using the IFRS (*International Financial Reporting Standards*) framework as adopted by the European Union. Percentages may be calculated from incomplete figures and may as a result differ from percentages calculated from complete figures.

1.2. Highlights of the period

Since January 1, 2008, 12 companies have been acquired, representing annual revenue of almost €160 million.

The Group has notably strengthened its positions in Latin America in laboratory testing of minerals and other raw materials, industrial and agri-food products through the acquisition of the Chilean leader Cesmec (2007 revenue of €21.5 million) and of the Brazilian number two, Anasol (2007 revenue of €10 million).

In addition, in May 2008, Bureau Veritas acquired Amdel, the Australian leader in the laboratory testing of minerals (geochemical, mineralogical and metallurgical testing, representing estimated annual revenue of €113 million at June 30, 2009). This acquisition opens up significant opportunities in the mining industry, with firstly the potential for rolling out the Amdel laboratory mineral testing services throughout the Bureau Veritas network, in particular in Africa and Latin America, and secondly the possibility of selling the full range of inspection and QHSE certification services to mining industry key accounts.

1.3. Comparison of Group half-year results

Since 2005, the Group has been organized into eight global businesses: Marine, Consumer Products, Government Services & International Trade (GSIT), as well as the five businesses which make up the Industry & Facilities division (Industry, In-Service Inspection & Verification, Health, Safety & Environment, Construction and Certification). The comparison of H1 2008 and H1 2007 is based on analyzing the changes in revenue and results at the eight global businesses.

(in millions of euros)	H1 2008	H1 2007	Change
Revenue	**1,198.9**	**969.4**	**23.7%**
Purchases and external charges	(348.8)	(283.4)	23.1%
Personnel costs	(626.1)	(504.6)	24.1%
Other expenses	(51.8)	(50.6)	2.4%
Operating profit	**172.2**	**130.8**	**31.7%**
Net financial expense	**(24.7)**	**(14.2)**	**73.9%**
Share of profit of associates	0.1	0.1	-
Profit before income tax	**147.6**	**116.7**	**26.5%**
Income tax expense	(37.9)	(31.4)	20.7%
Profit from discontinued operations and operations held for sale	0.8	-	-
Profit for the period	**110.5**	**85.3**	**29.5%**
Minority interests	4.0	2.2	81.8%
Attributable net profit	**106.5**	**83.1**	**28.2%**

1.3.1. Revenue

H1 2008 revenue amounted to €1,198.9 million, up 23.7% and 29.0% on a same-currency basis. This growth breaks down as follows:

- organic growth of 12.9%, with an increase of over 20% at the Marine, Industry and Consumer Products businesses;
- a 16.1% contribution from acquisitions, primarily with the consolidation of ECA in Spain, and CCI and Amdel in Australia;
- a 5.3% negative impact from unfavorable changes in exchange rates, resulting from the strengthening of the euro over the period against the US dollar, the Hong Kong dollar and the British pound .

The change in revenue by business between H1 2008 and H1 2007 was as follows:

in millions of euros	*2008*	*2007*	*Total growth*	*Same-currency growth*	*Organic growth (2)*
Marine	72.0	62.3	15.6%	**22.5%**	22.5%
Industry (1)	123.3	71.0	73.8%	**80.8%**	28.8%
In-Service Inspection & Verification	81.5	60.1	35.6%	**38.8%**	9.2%
Health, Safety & Environment	63.3	49.2	28.7%	**36.4%**	4.4%
Construction	121.3	93.3	30.0%	**34.1%**	14.5%
Certification	71.6	62.5	14.5%	**17.0%**	10.7%
Consumer Products	76.8	67.1	14.4%	**27.2%**	26.7%
Government Services & International Trade (1)	37.1	34.7	6.9%	**11.5%**	10.6%
Total Q2	**646.9**	**500.2**	**29.3%**	**35.4%**	**16.5%**
Marine	138.9	121.6	14.2%	**20.2%**	20.2%
Industry (1)	213.5	133.5	59.8%	**65.8%**	26.5%
In-Service Inspection & Verification	160.5	122.9	30.6%	**33.5%**	6.4%
Health, Safety & Environment	117.7	97.9	20.2%	**27.2%**	1.1%
Construction	230.6	185.4	24.4%	**28.1%**	9.9%
Certification	131.9	118.3	11.5%	**13.5%**	7.1%
Consumer Products	134.9	121.3	11.2%	**23.0%**	22.7%
Government Services & International Trade (1)	70.9	68.5	3.6%	**7.1%**	6.3%
Total H1	**1,198.9**	**969.4**	**23.7%**	**29.0%**	**12.9%**

(1) CCI's coal testing activity has been reclassified from the Government Services & International Trade business to the Industry business.

(2) Since January 1, 2008, the operations of the Bureau Veritas and ECA networks in Spain have been merged. Organic growth was calculated on the basis of the 2007 pro forma scope of consolidation including ECA revenue in H1 2007.

1.3.2. Operating profit

The Group's operating profit rose 31.7% to €172.2 million in H1 2008 compared to €130.8 million in H1 2007. This €41.4 million increase stems from the improvement in the operating profit across all operating businesses with the exception of the Health, Safety & Environment and Government Services & International Trade businesses:

- Marine: + €7.5 million;
- Industry: + €10.0 million;
- In-Service Inspection & Verification: + €10.0 million;
- Health, Safety & Environment: - €0.6 million;
- Construction: + €6.8 million;

- Certification: + €3.7 million;
- Consumer Products: + €6.1 million;
- Government Services & International Trade: - €2.1 million;

The H1 2008 operating margin widened by 90 basis points to 14.4% of revenue compared to 13.5% in H1 2007.

1.3.3. Adjusted operating profit

The "adjusted" operating profit is defined as the operating profit before inclusion of income and expenses from acquisitions and other items deemed non-recurring.

The table below shows the breakdown of and change in adjusted operating profit in H1 2007 and H1 2008:

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Operating profit	**172.2**	**130.8**	**31.7%**
Amortization of intangibles resulting from business combinations	7.6	4.2	
Goodwill impairment	0.5	0.3	
Reorganization costs	-	0.3	
Management fees paid to the principal shareholder(1)	-	1.0	
Stock market listing expenses	-	4.1	
Adjusted operating profit	**180.3**	**140.7**	**28.1%**

(1) Management fees are no longer paid since the listing of the Company's shares on Euronext-Paris.

The adjusted operating profit rose 28.1% to €180.3 million in H1 2008 compared to €140.7 million over the same period in 2007. This €39.6 million increase stems from the improvement in the adjusted operating profit across all operating businesses with the exception of the Health, Safety & Environment and Government Services & International Trade businesses:

- Marine: + €6.8 million;
- Industry: + €10.5 million;
- In-Service Inspection & Verification: + €10.1 million;
- Health, Safety & Environment: - €0.3 million;
- Construction: + €5.8 million;
- Certification: + €3.4 million;
- Consumer Products: + €5.4 million;
- Government Services & International Trade: - €2.1 million;

The H1 2008 adjusted operating margin widened by 50 basis points to 15.0% of revenue compared to 14.5% in H1 2007. The adjusted operating margin at constant scope of consolidation (same scope as in H1 2007) was 15.5%.

1.3.4. Net financial expense

The Group's net finance costs in H1 2008 represented a net expense of €24.7 million compared to a net expense of €14.2 million in H1 2007, namely an increase of €10.5 million.

(in millions of euros)	**H1 2008**	**H1 2007**
Interest paid	(23.4)	(12.9)
Other finance income and expenses	(1.3)	(1.3)
Net financial expense	**(24.7)**	**(14.2)**

Interest paid

Net interest paid rose by €10.5 million from €12.9million in H1 2007 to €23.4 million in H1 2008. This was largely due to higher debt levels as a result of the acquisitions carried out during the period, with gross financial debt rising from €758.1 million at June 30, 2007 to €1,143.0 million at June 30, 2008.

Other finance income and expenses

Other finance income and expenses remained unchanged overall at - €1.3 million in H1 2008.

(in millions of euros)	**H1 2008**	**H1 2007**
Change in the fair value of financial assets and liabilities	6.6	1.1
Translation adjustments	(5.2)	(2.2)
Discounting expenses	(2.8)	(1.7)
Other	0.1	1.5
Other finance income and expenses	**(1.3)**	**(1.3)**

The positive change in the fair value of financial instruments is primarily due to the rise in value of interest rate hedges on the debt denominated in euros.

Translation adjustments represented an expense of €5.2 million in H1 2008, primarily stemming from the net impact of translation adjustments on liabilities and trade receivables denominated in foreign currencies (mainly the US dollar) and the impact of intra-group financing across all Group entities (scenario where the internal financing currency differs from the functional currency of one of the parties).

1.3.5. Income tax expense

The consolidated income tax expense amounted to €37.9 million at June 30, 2008 compared to €31.4 million at June 30, 2007.

The effective income tax rate, which is the income tax expense divided by profit before income tax, fell year on year to 25.6% at June 30, 2008 compared to 26.9% at June 30, 2007. The fall largely stemmed from the rise in profits in countries where tax rates are lower combined with the favorable impact of the rationalization of the Group's corporate organization.

1.3.6. Attributable net profit

Consolidated attributable net profit amounted to €106.5 million in H1 2008, up 28.2% on H1 2007. This €23.4 million increase stems primarily from:

- an increase of €41.4 million in operating profit;
- an increase of €10.5 million in net financial costs;
- and an increase of €8.3 million in the income tax expense and minority interests.

Earnings per share amounted to €0.99 in H1 2008 compared to €0.80 over the same period in 2007, representing an increase of 23.8%.

1.3.7. Adjusted attributable net profit

Adjusted net profit for the year is defined in the same way as adjusted operating profit, less net finance costs and the income tax expense calculated using the Group's effective tax rate.

Adjusted net profit amounted to €116.5 million in H1 2008 compared to €92.6 million over the same period in 2007, namely an increase of 25.8%.

Adjusted attributable net profit amounted to €112.5 million in H1 2008 compared to €90.4 million over the same period in 2007, namely an increase of 24.4%.

Adjusted earnings per share amounted to €1.05 in H1 2008 compared to €0.88 in H1 2007, namely an increase of 19.3%.

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Adjusted operating profit	180.3	140.7	+28.1%
Net financial expense	(24.7)	(14.2)	+73.9%
Income tax [1]	(40.0)	(34.0)	+17.6%
Share of profit of associates	0.1	0.1	-
Profit from discontinued operations and operations held for sale	0.8	-	
Adjusted net profit	116.5	92.6	+25.8%
Adjusted attributable net profit	**112.5**	**90.4**	**+24.4%**

(1) Resulting from the application of the effective tax rate of 25.6% in H1 2008 and of 26.9% in H1 2007

1.3.8. Results by business

MARINE

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	138.9	121.6	*+14.2%*
Adjusted operating profit	43.2	36.4	*+18.7%*
Adjusted operating margin	*31.1%*	*29.9%*	*+1.2 points*

H1 2008 revenue was up 14.2%, with 20.2% coming from organic growth and –6.0% from unfavorable changes in exchange rates, stemming primarily from the strengthening of the euro against the US dollar, the Korean won and the British pound.

The classification of ships under construction and on board equipment grew sharply in Asia (notably in China and South Korea) and in Europe (notably in Germany, Turkey and the Netherlands), driven by further strong momentum in the new ships market and market share gains.

The order book at June 30, 2008 was up sharply at 33.5 million tons compared to order levels of 23.7 million tons at June 30, 2007 and 30.2 million tons at December 31, 2007. These orders represent almost four years of business.

The increase in revenue of the Marine business is also due to the growth of the in-service ship inspection business. At June 30, 2008, the fleet classed by Bureau Veritas was up 9% on June 30, 2007 at 61.4 million tons (some 8,115 ships). This growth should accelerate with the coming into service of the various ships currently being built.

Adjusted operating profit of the Marine business was up 18.7% at €43.2 million in H1 2008 compared to €36.4 million in H1 2007, on the back of the higher revenue and an improvement in the adjusted operating margin, which stood at 31.1% (compared to 29.9% in H1 2007). The improvement in the adjusted operating margin was due to better amortization of fixed costs and the increased weight of China, where the business makes higher margins.

INDUSTRY

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	213.5	133.5	*+59.8%*
Adjusted operating profit	24.5	14.0	*+75.0%*
Adjusted operating margin	*11.5%*	*10.5%*	*+1.0 point*

H1 2008 revenue was up 59.8%, with 26.5% coming from organic growth, 39.3% from acquisitions and -6.0% from unfavorable changes in exchange rates.

Growth was robust across all the regions in which the Group operates: Europe (France, Spain, the United Kingdom, the Netherlands, Finland, Norway), Asia (China, Singapore, Malaysia), Latin

America (Brazil, Argentina, Mexico), India, Russia, the Middle East and Angola. In all these countries, growth was linked to the very strong dynamism in the energy sector (oil, gas, electricity).

Growth from acquisitions was primarily from the consolidation of CCI (Australia) acquired on June 29, 2007, the first-time consolidation of Amdel (Australia) acquired on May 1, 2008 and of ECA (Spain) acquired on October 15, 2007.

In order to establish a Mining & Minerals subdivision, the coal testing business of the Australian company CCI was moved from the Government Services & International Trade business to the Industry business. The Mining & Minerals subgroup is thus comprised of the Amdel minerals business (80% of its revenue) and the coal testing businesses of CCI (over 50% of its revenue) and of Cesmec (40% of its revenue).

The adjusted operating profit of the Industry business rose 75.0% to €24.5 million in H1 2008 compared to €14.0 million over the same period in 2007.

The improvement in the adjusted operating margin, which amounted to 11.5% in H1 2008 compared to 10.5% in H1 2007, was primarily due to higher results in Spain and Australia. In Spain, the integration of the recently acquired ECA made it possible to generate cost savings and achieve critical scale. In Australia, the consolidation since May 1 of Amdel also had a positive impact on margins.

IN-SERVICE INSPECTION & VERIFICATION

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	160.5	122.9	*+30.6%*
Adjusted operating profit	17.6	7.5	*+134.7%*
Adjusted operating margin	*11.0%*	*6.1%*	*+4.9 points*

H1 2008 revenue was up 30.6%, with 6.4% coming from organic growth, 27.1% from acquisitions and -2.9% from unfavorable changes in exchange rates.

Revenue of the IVS business came mainly from France (56% of the business's H1 2008 revenue), Spain (22%), the United Kingdom (12%) and the Netherlands (3%).

The 6.4% organic growth came on the back of:

- 3.0% growth in France;
- 12.6% growth in Spain where the market benefited from the coming into force of a new regulation obliging regular inspections of electrical installations;
- 2.5% growth in the United Kingdom;
- 5.0% growth in the Netherlands.

Growth from acquisitions stemmed from the consolidation of ECA and Survey Can in Spain.

Adjusted operating profit of the In-Service Inspection & Verification business rose €10.1 million to €17.6 million in H1 2008 compared to €7.5 million over the same period in 2007, on the back of activity improvement and a sharp improvement in the adjusted operating margin which went from 6.1% (in 2007) to 11.0% (in 2008).

The improvement in the operating margin stems from:

- the operating process re-engineering program put in place over a year ago in the United Kingdom;
- the successful merger of the ECA and the Bureau Veritas inspection networks in Spain where an operating margin of 15% was posted in H1 2008;
- the progressive elimination of start-up losses at the Italian business that were down to €160 thousands in H1 2008 (compared to €570 thousands in H1 2007).

HEALTH, SAFETY & ENVIRONMENT

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	117.7	97.9	*+20.2%*
Adjusted operating profit	5.9	6.2	*(4.8)%*
Adjusted operating margin	*5.0%*	*6.3%*	*(1.3) points*

H1 2008 revenue was up 20.2%, with 1.1% coming from organic growth, 26.1% from acquisitions and -7.0% from unfavorable changes in exchange rates.

H1 2008 revenue of the HSE business came mainly from France (30% of H1 2008 revenue), the United States (24%), the United Kingdom (13%), Spain (12%), Australia (4%) and Brazil (4%).

The 1.1% growth in revenue at constant scope of consolidation and constant exchange rates came on the back of:

- modest 0.9% growth in France;
- a slight 0.7% fall-off in the United States, stemming from the environmental compliance segment whereas the occupational safety-related business grew. In the environmental compliance segment, the fall-off in revenue continues to stem from the soil remediation supervision and control businesses;
- a fall-off in revenue in the United Kingdom (-3.3%) and Australia (-9.1%) following the rationalization of the portfolio of existing businesses;
- 12.7% growth in Spain.

Growth from acquisitions stemmed primarily from the consolidation of ECA in Spain, of Chemtox in Denmark, of the testing and environmental measurement of agri-food products business of Amdel in Australia and that of Anasol in Brazil.

The adjusted operating profit of the HSE business fell €0.3 million to €5.9 million in H1 2008 compared to €6.2 million in H1 2007 on the back of the lower adjusted operating margin, which stood at 5.0% compared to 6.3% over the same period in 2007. This margin reduction stems from the difficulties faced by the business's three units posting operating losses over the half:

- the training unit in France;
- the occupational health services in Spain inherited from ECA;
- and the whole HSE business in the United Kingdom.

Specific restructuring and performance improvement plans have been put in place for these three units by local management, with results expected by the second half of the financial year, thereby enabling the HSE business to achieve a level of profitability in full-year 2008 that is at least equal to that generated in 2007.

At the same time, the business continues to implement the strategy established in 2007 to progressively reposition its business portfolio on higher value-added products (carbon emission audits, energy audits, greenbuilding, occupational safety).

CONSTRUCTION

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	230.6	185.4	*+24.4%*
Adjusted operating profit	26.1	20.3	*+28.6%*
Adjusted operating margin	*11.3%*	*10.9%*	*+0.4 points*

H1 2008 revenue was up 24.4%, with 9.9% coming from organic growth, 18.2% from acquisitions and -3.7% from unfavorable changes in exchange rates.

H1 2008 revenue of the Construction business came mainly from France (47% of the business's H1 2008 revenue), Spain (22%), the United States (11%), the United Kingdom (5%), Japan (5%), Germany (2%) and the United Arab Emirates (1%).

The higher organic growth of the Construction business (9.9% compared to 1.3% over the same period in 2007) was due to the slowing of the fall-off in business in the United States to -12.9% (-17.8% in Q1 2008 and -7.8% in Q2 2008), creating hope of a stabilization in the second half of the year thanks to obtainintg new outsourcing contracts. Organic growth was very strong in Japan (+52.1%) and in the United Arab Emirates (+97.2%) and continued to be high in France (+8.1%) and in Spain (+17.3%).

Growth from acquisitions came primarily from the acquisition of ECA in Spain and of Guardian in the United States.

The adjusted operating profit of the Construction business rose 28.6% to €26.1 million in H1 2008 compared to €20.3 million in H1 2007 on the back of higher revenue. The operating margin rose 0.4 points from 10.9% in H1 2007 to 11.3% in H1 2008 despite the fact that the consolidation of ECA's facility inspection activity with operating margins of 6% weighed down margins at the business.

CERTIFICATION

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	131.9	118.3	*+11.5%*
Adjusted operating profit	23.6	20.2	*+16.8%*
Adjusted operating margin	*17.9%*	*17.1%*	*+0.8 points*

H1 2008 revenue was up 11.5%, with 7.1% coming from organic growth, 6.4% from acquisitions and -2.0% from unfavorable changes in exchange rates.

Organic growth was primarily driven by the major global contracts segment. By product category, the standards that contributed most to organic growth were those relating to the food chain (ISO 22000), information security management (ISO 27001), quality in the aerospace (AS 9100) and automotive (TS 16946) industries as well as sustainable forest development (FSC, PEFC).

Geographically, organic growth was over 15% in the following countries: China, Russia, Chile, Mexico, Colombia and the United Kingdom.

Growth from acquisitions stemmed from the integration of ECA (Spain) and of AQSR (United States).

The adjusted operating profit of the Certification business rose €3.4 million to €23.6 million compared to €20.2 million over the same period in 2007, on the back of higher revenue. The adjusted operating margin rose 0.8 points to 17.9% at June 30, 2008 despite the integration of AQSR (United States) where profitability is under the average for the business.

CONSUMER PRODUCTS

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	134.9	121.3	*+11.2%*
Adjusted operating profit	29.1	23.7	*+22.8%*
Adjusted operating margin	*21.6%*	*19.5%*	*+2.1 points*

H1 2008 revenue was up 11.2%, with 22.7% coming from organic growth, 0.3% from acquisitions and -11.8% from unfavorable changes in exchange rates (over 80% of revenue is denominated in US dollars or in correlated currencies such as the Hong Kong dollar).

The strong 22.7% organic growth came mainly from higher demand for services relating to the testing of toys and other "hardline" products, as well as for textile analytical testing services. The electrical and electronics activities also enjoyed sustained growth, notably in Asia.

Sales in the United States were also particularly satisfactory in H1 in anticipation of a strengthening of legislation on toys and other consumer products. In addition, growth in Germany was very strong on the back of market gains amongst major retailers in that country.

The adjusted operating profit of the business rose €5.4 million to €29.1 million in H1 2008 compared to €23.7 million over the same period in 2007 on the back of:

- 11.2% growth in revenue;
- an increase in the adjusted operating margin, which amounted to 21.6% compared to 19.5%.

The higher margin stems primarily from the greater operational efficiency of the European laboratory platform (Germany and France). In the United Kingdom, the geographical rationalization is continuing resulting in the consolidation of the three existing laboratories on one site.

GOVERNMENT SERVICES & INTERNATIONAL TRADE

(in millions of euros)	**H1 2008**	**H1 2007**	**Change**
Revenue	70.9	68.5	*3.6%*
Adjusted operating profit	10.3	12.4	*(16.9)%*
Adjusted operating margin	*14.5%*	*18.1%*	*(-3.6) points*

H1 2008 revenue was up 3.6%, with 6.3% coming from organic growth, 0.8% from acquisitions and -3.5% from unfavorable changes in exchange rates.

In H1 2008, the coal testing activity in Australia was moved from the GSIT business to the Industry business.

Government Services activity (77% of the business's H1 2008 revenue) were up 3.5% at constant exchange rates. The strength of the existing contract portfolio, notably Congo, Benin, Bangladesh and Cambodia and the progressive start-up of new contracts (scanner in Mali and in Guinea) made it possible to offset the termination of the contract in Ecuador in February of this year.

International Trade (23% of the business's revenue) was up 16.9% at constant scope of consolidation and constant exchange rates, in particular thanks to the strength of cereal inspections in Eastern Europe and oil testing in Africa.

The adjusted operating profit of the Government Services & International Trade business was down €2.1 million to €10.3 million in H1 2008, on the back of the lower operating margin in Government Services, which amounted to 13.5% (compared to 18.6% in H1 2007) as a result of the termination of the contract in Ecuador and the cost of starting up two new contracts (Mali scanner and Guinea PSI).

1.3.9. Sources of financing

The table below shows the cash flows generated by the Group in H1 2008 and H1 2007. Investors are also invited to peruse Notes 8 and 10 of the financial statements (see Chapter II of this Half Year Financial Report).

CASH FLOW STATEMENT AT JUNE 30, 2008 AND JUNE 30, 2007

(in millions of euros)	**H1 2008**	**H1 2007**
Profit before income tax	147.5	116.7
Elimination of cash flows from financing and investing activities	23.2	12.6
Provisions and other non-cash items	(3.7)	0.2
Depreciation, amortization and impairment, net	28.6	19.0
Movements in working capital	(86.3)	(42.2)
Income tax paid	(22.5)	(32.4)
Net cash generated from operating activities	**86.8**	**73.9**
Acquisition of subsidiaries	(322.7)	(54.6)
Proceeds from sales of subsidiaries	-	-
Purchases of property, plant and equipment and intangible assets	(31.8)	(18.0)
Proceeds from sales of property, plant and equipment and intangible assets	0.5	0.5
Purchases of non-current financial assets	(5.8)	(2.6)
Proceeds from sales of non-current financial assets	2.6	1.2
Dividends received	-	1.3
Other	0.8	(1.2)
Net cash used in investing activities	**(356.4)**	**(73.4)**
Proceeds from issuance of shares	1.2	5.6
Capital reduction	-	(152.6)
Purchase / sale of treasury shares	0.3	-
Dividends paid	(63.2)	(100.7)
Increase in borrowings	428.9	319.8
Repayment of borrowings	(104.9)	(54.5)
Interest paid	(21.4)	(12.9)
Net cash generated from financing activities	**240.9**	**4.7**
Impact of currency translation differences	(3.4)	1.3
Net (decrease) increase in cash, cash equivalents and bank overdrafts	**(32.1)**	**6.5**
Cash, cash equivalents and bank overdrafts at beginning of period	134.1	99.5
Cash, cash equivalents and bank overdrafts at end of period	**102.0**	**106.0**
o/w cash and cash equivalents	123.0	118.5
o/w bank overdrafts	(21.0)	(12.5)

NET CASH GENERATED FROM THE GROUP'S OPERATING ACTIVITIES

The table below shows the net cash generated from the Group's operating activities in H1 2008 and H1 2007.

(in millions of euros)	H1 2008	H1 2007
Profit before income tax	**147.5**	**116.7**
Elimination of cash flows from financing and investing activities	23.2	12.6
Provisions and other non-cash items	(3.7)	0.2
Depreciation, amortization and impairment, net	28.6	19.0
Movements in working capital	(86.3)	(42.2)
Income tax paid	(22.5)	(32.4)
Net cash generated from operating activities	**86.8**	**73.9**
Purchases of property, plant and equipment and intangible assets	(31.8)	(18.0)
Proceeds from sales of property, plant and equipment and intangible assets	0.5	0.5
Dividends received	-	1.3
Interest paid	(21.4)	(12.9)
Levered Free Cash Flow	**34.1**	**44.8**

In H1 2008, the net cash generated from the Group's operating activities amounted to €86.8 million, compared to €73.9 million in H1 2007. Before factoring in the impact on H1 2008 of the remainder of the costs of the stock market listing that were still unpaid at December 31, 2007, representing some €8.7 million, the net cash generated by the business amounted to €95.5 million, up 29.2% on H1 2007.

At June 30, 2008, the working capital requirement was up sharply at €246.1 million. This increase stems from:

- unfavorable seasonality, to the extent that three categories of expenses are concentrated on the first months of the year (insurance premiums, bonuses and profit-sharing, balance of income tax);

- the consolidation of Amdel with a working capital requirement of €9.5 million at June 30, 2008, whereas the business was only consolidated for May and June 2008;

- an increase in the working capital requirement of the organic scope of consolidation, relating to longer customer payment terms in France, Spain, Italy and the Middle East.

After factoring in higher expenditure on intangible assets and property, plant and equipment purchases and the interest paid as a result of the higher debt levels, levered free cash flow amounted to €34.1 million in H1 2008 compared to €44.8 million in H1 2007.

NET CASH GENERATED FROM THE GROUP'S INVESTING ACTIVITIES

(in millions of euros)	**H1 2008**	**H1 2007**
Acquisition of subsidiaries	(322.7)	(54.6)
Proceeds from sales of subsidiaries	-	-
Purchases of property, plant and equipment and intangible assets	(31.8)	(18.0)
Proceeds from sales of property, plant and equipment and intangible assets	0.5	0.5
Acquisition of non-current financial assets	(5.8)	(2.6)
Proceeds from sales of non-current financial assets	2.6	1.2
Dividends received	-	1.3
Other	0.8	(1.2)
Net cash used in investing activities	**(356.4)**	**(73.4)**

Net cash used in investing activities amounted to €356.4 million in H1 2008 compared to €73.4 million in H1 2007. The main investment in H1 2008 was the acquisition of the Australian company, Amdel, in May, for €276.8 million; this came on top of the acquisition of the Chilean company Cesmec for €21.5 million and of the Brazilian company Anasol for €9 million.

No subsidiary was disposed of during H1 2008.

Purchases of intangible assets and property, plant and equipment amounted to €31.8 million, representing 2.7% of revenue in H1 2008. The 2008 capital expenditure program should exceed 3% of revenue compared to 2.5% of revenue in 2007, given the integration of Amdel with its highly capital intensive laboratory testing business, and the relocation of the headquarters of BV SA scheduled for October 2008.

NET CASH GENERATED FROM THE GROUP'S FINANCING ACTIVITIES

(in millions of euros)	H1 2008	H1 2007
Proceeds from issuance of shares	1.2	5.6
Capital reduction	-	(152.6)
Purchase / sale of treasury shares	0.3	-
Dividends paid	(63.2)	(100.7)
Increase in borrowings	428.9	319.8
Repayment of borrowings	(104.9)	(54.5)
Interest paid	(21.4)	(12.9)
Net cash generated from financing activities	**240.9**	**4.7**

The capital increases in H1 2008 and H1 2007 stem from the exercise of stock options by Group employee beneficiaries. In February 2007, the Company carried out a capital reduction via a share buyback for €152.6 million.

In H1 2008, the "dividends paid" line item stood at €63.2 million and primarily consisted of the €64.4 million dividend paid to shareholders in respect of the 2007 financial year with the balance consisting of the dividends paid to minority interests at Group subsidiaries and the negative impact of translation adjustments on intra-group dividends. The dividend paid to shareholders is in line with the Group's policy, which is to distribute around a third of adjusted attributable net profit.

In H1 2008, the increases and repayments of borrowings gave rise to a net €324 million increase. This is primarily due to the program of acquisitions, which represented some €323 million. So, a bridging loan was put in place for the Amdel acquisition. For the purposes of ordinary activities, drawdowns and repayments are made using the syndicated revolving credit facility. In addition, in H1 2008 principal repayments were made on the repayable tranche whereas no repayments were made in H1 2007.

SOURCES OF GROUP FINANCING

In addition to using equity capital, the Group mainly finances itself via the 2006 Syndicated Loan, the 2007 Club Deal and an acquisition bridging loan ("the bridging loan") put in place in April 2008 as part of the financing of the Amdel acquisition. The bridging loan was wholly refinanced on July 16, 2008 via the issue of long-term debt maturing in 2018 and 2020 in the form of a private placement in the United States. These various financing programs accounted for almost all of the Group's debt at June 30, 2008.

At June 30, 2008, the Group's gross financial debt amounted to €1,143 million and thus primarily consisted of the syndicated loan (€687.6 million), the October 2007 Club Deal (€150 million), the bridging loan (€255.2 million) and other bank debt (€29.2 million).

The Group's gross financial debt at June 30, 2008 and December 31, 2007 was as follows:

(in millions of euros)	06/30/2008	12/31/2007
Bank borrowings due after 1 year	801.5	735.2
Bank borrowings due within 1 year	320.5	66.2
Bank overdrafts	21.0	8.8
Gross financial debt	**1,143.0**	**810.2**

The following table shows cash and cash equivalents at June 30, 2008 and December 31, 2007 as well as the Group's net financial debt at these two dates:

(in millions of euros)	**06/30/2008**	**12/31/2007**
Cash and cash equivalents	123.0	142.9
Gross financial debt	1,143.0	810.2
Net financial debt	**1,020.0**	**667.3**

The Group's cash on hand is spread across amongst over 250 entities operating in over 140 countries. In some countries (particularly Brazil, China, South Korea, India and Turkey), the Group's entities are subject to strict currency controls, which make intra-group loans difficult or even impossible.

Key terms of the 2006 Syndicated Loan

The 2006 Syndicated Loan, which may be wholly or partly repaid early, without penalty, upon maturity of each drawdown made by the Group's borrowing entities (either one, three or six months), is comprised of two tranches:

- the, A Facility, amortizable, for an initial amount of US$560 million. The A Facility has been completely drawn. The A Facility now amounts to US$441.2 million. It had an initial term of 7 years, maturing in May 2013.
- the B Facility (revolving credit facility) for €550 million. The B Facility permits drawings in several currencies. Maturity was extended from May 2012 to May 2013 for the bulk of this facility (95% of the tranche).

At June 30, 2008, the key terms of the amounts drawn down under the 2006 Syndicated Loan are set out in the table below:

Facility	**Amounts drawn down (in millions of euros)**	**Currency**	**Repayment**
A (amortizable)	260	USD	Half-yearly
	19.8	EUR	
B (Revolving)	364.9	EUR	Upon maturity
	42.9	GBP	

Mandatory early repayment for all sums borrowed is mandatory in the event of:

- a change in control, particularly if following the Company's stock exchange listing, the main shareholder, the Wendel Group, were to hold directly or indirectly under 33 1/3% of the capital and voting rights;
- disposal of all or a substantial portion of the Group's assets;
- failure to comply with the covenants set forth under in the Loan agreement, particularly with those relating to the ratios described below.

The 2006 Syndicated Loan requires compliance with certain financial covenants and ratios. At December 31, 2007 and June 30, 2008, all these financial covenants were satisfied by the Group. These financial covenants can be summarized as follows:

- the Interest Cover ratio must be greater than 5.5. The Interest Cover ratio represents consolidated EBITDA (earnings before interest, tax, depreciation and amortization) for the preceding 12 months adjusted for any acquired entity, divided by the Group's net financial expenses.
- the Leverage Ratio must be less than 3. The Leverage Ratio is defined as the ratio of consolidated net debt, divided by adjusted EBITDA for the last 12 months.

The 2006 Syndicated Loan also contains default clauses. The main default clauses are standard for a syndicated financing and include clauses limiting the Group's ability to pledge its assets, carry out mergers or restructuring operations or take out loans outside the syndicated credit facility.

The agreement contains total or partial mandatory early repayment clauses in the event of a default on amounts due under the Loan, non-compliance with the financial ratios described above or other events that may have a significant adverse effect on the payment obligations of the Group's borrowing entities.

The 2006 Syndicated Loan also provides that funds made available under the B Facility may not be used to finance external growth transactions except under certain conditions. The B Facility can thus only be used by the Company or one of its subsidiaries to finance an acquisition:

- with the agreement of the members of the bank syndicate; or
- if the target acquisition is a "Permitted Acquisition" (defined under the credit agreement as any company whose business is similar or complementary to the Company's business, that is (i) not subject to a class action and (ii) where the acquisition represents a cost of over €50 million, and is not likely to result in non-compliance with the financial ratios described above).

At June 30, 2008, the Group was not in default under the 2006 Syndicated Loan.

The amounts borrowed bear interest at a rate calculated by summing the market rate and the applicable spread. The market rate is the Libor (London Inter-Bank offered rate) for the corresponding currency, when the funds borrowed are in currencies other than the euro, or Euribor (European Inter-Bank offered rate), where the funds borrowed are in euros.

The spreads under the 2006 Syndicated Loan range from 0.25% to 0.50% depending on the Leverage Ratio defined above. The applicable spread in H1 2008 varied on the basis of the following spread table:

Leverage Ratio	Spread (in basis points)
2.5 ≤ L < 3.0	50
2.0 ≤ L < 2.5	40
1.5 ≤ L < 2.0	32.5
L < 1.5	25

Main terms of the 2007 Club Deal

The €150 million 2007 Club Deal has been fully drawn down and matures in October 2013. The terms of the 2007 Club Deal are the same in all respects as those of the 2006 Syndicated Loan, except for the spread table which is as follows:

Leverage Ratio	Spread (in basis points)
2.5 ≤ L < 3.0	57.5
2.0 ≤ L < 2.5	47.5
1.5 ≤ L < 2.0	40
L < 1.5	32.5

Bridging loan

A bridging loan was put in place on April 29, 2008 as part of the acquisition of Amdel in Australia. This bridging loan was fully drawn in Australian dollars. It has the same terms as the 2006 Syndicated Loan. The spread table is based on time periods (and not financial ratios): 30 basis points to June 30, 2008, 50 basis points to September 30, 2008 followed by 70 basis points to the final maturity date of December 31, 2009. At June 30, 2008, it amounted to €255.2 million.

This bridging loan was refinanced and fully repaid on July 16, 2008 following the putting in place of a new financing program (see section below, Anticipated sources of financing).

Other debt

The bulk of the Group's debt outside the syndicated loan consists of:

- a loan for Bureau Veritas Italy SpA, a wholly owned Company subsidiary, agreed in July 2006 with Banca Intesa for an amount of €10 million. This debt can be repaid at a rate of two €1 million installments per annum and matures on July 24, 2011. At June 30, 2008, this loan amounted to €7.0 million;
- a loan for Bivac Scan Côte d'Ivoire, agreed in June 2004 with a pool of local banks to finance the acquisition of a scanner, for a sum equivalent to €3.0 million at June 30, 2008;
- a loan for Bureau Veritas Mali, agreed in August 2007 with a local bank to finance the acquisition of equipment (scanners) for a sum equivalent to €6.6 million at June 30, 2008;
- a loan taken out by BV do Brasil in April 2008 with a local bank to finance the acquisition of the Anasol subsidiary for a sum equivalent to €3.5 million at June 30, 2008.

Other commitments

Off-balance sheet commitments consist of contingent purchase price consideration, operating lease commitments and guarantees and pledges. The table below summarizes the guarantees and pledges at June 30, 2008 and December 31, 2007:

(in millions of euros)	**06/30/2008**	**12/31/2007**
Guarantees and pledges	95.6	77.7

Contingent purchase price consideration

At June 30, 2008, there was no significant off-balance sheet commitment in respect of acquisitions (such as contingent purchase price consideration).

Anticipated sources of financing for future investments

The Group expects its operational financing requirements to be fully met by cash generated from operating activities.

To finance its acquisitions, the Group has access to significant financing resources stemming primarily from the 2006 Syndicated Loan, the 2007 Club Deal and the bridging loan. The bridging loan was refinanced on July 16, 2008 via a US Private Placement for €248.4 million. This issue took the

form of four "senior notes", repayable upon maturity, denominated in US dollars and pounds sterling, and represented, after hedging:

- €127.6 million at an average fixed rate of 6.6%, maturing in July 2018; and
- €120.8 million at an average fixed rate of 6.7%, maturing in July 2020.

Following this transaction, over 80% of the financial debt of Bureau Veritas is comprised of medium and long-term borrowings maturing between 2012 and 2020.

1.4. Risk factors for the remaining six months of 2008

1.4.1. Risks related to the industry, the Group's business and regulatory, social, legal, political, economic and financial issues

Readers are invited to peruse the Company's 2007 Reference Document filed with the Autorité des Marchés Financiers (AMF) on April 21, 2008 under number R.08-028 (Sections 1.8.1 – Risks related to the industry, 1.8.2 – Risks related to the Group's business, 1.8.3 – Regulatory, social, legal, political, economic and financial risks).

1.4.2. Government, administrative, legal and arbitration proceedings and investigations

With regard to the case of the 2E terminal at the Paris-Roissy Charles de Gaulle Airport and of the GABON EXPRESS airplane crash there have been no important developments since the publication of the 2007 Reference Document and the statements relating to these cases remain current.

With regard to the UN investigation, the Company's removal from the UN's list of approved suppliers ended on July 27. The Company confirms that this removal did not have any financial impact for the Group and that it has taken the necessary steps to be reinstated on the list of approved suppliers.

With regard to the European Commission Inspection into the Company's possible participation in agreements and/or practices in breach of European Competition Law, in particular restrictions on classification societies joining the IACS or accessing the work of the IACS, the Company cannot rule out the possibility of the Commission sending a statement of objections to the IACS and to its members, objections that could result in a conviction. If these objections were to include the allegation that the Company participated in a cartel involving price-fixing and/or market or client sharing, the Company believes that this allegation would be baseless.

There are no other government, administrative, legal, or arbitration proceedings or investigations (including any proceedings of which the Company is aware, that are pending or with which the Group is threatened), that are likely to have a material impact on the Group's financial position or profitability.

1.4.3. Risks related to the Group's indebtedness, sources of financing and commitments

RISKS RELATED TO THE GROUP'S INDEBTEDNESS

At June 30, 2008, the Group's consolidated gross financial debt amounted to €1,143.0 million and its consolidated net financial debt to €1,020.0 million. Group debt primarily consisted of the sums drawn down under a syndicated loan (€687.6 million, the "2006 Syndicated Loan"), the sums drawn down under a multi-lateral loan (€150 million, the "2007 Club Deal"), the €255.2 million bridging loan[1] and other bank loans (€29.2 million). A detailed description of the Group's debt is set out in the Sources of financing Section 1.3.9. of this half year financial report.

The Group's indebtedness could have the following consequences:

- the 2006 Syndicated Loan together with the 2007 Club Deal contain the standard clauses limiting the Group's operational freedom, in particular its capacity to pledge its assets, to take out or grant loans, to provide guarantees, to carry out acquisitions, disposals, mergers or restructuring, to take out or grant loans, and to carry out certain investments. In addition, the 2006 Syndicated Loan and the 2007 Club Deal are subject to covenants and contain clauses governing external growth acquisitions, clauses providing for the total or partial mandatory early repayment in the event of the occurrence of certain events and clauses relating to change in control (see Sources of financing Section 1.3.9 of this Half-Year Financial Report). These restrictions may have an impact on its capacity to see through its acquisitions policy and to adapt the Group's business to competitive pressures, to a slowdown in its markets and general economic conditions;
- the Group may need to allocate a substantial portion of its cash flow to repaying the principal and interest on its debts, which could result in a reduction in the funds available to finance its on-going business, investments, organic growth or acquisitions; and
- the Group may suffer from a disadvantage, in particular with regard to its development strategy, compared with competitors that are not burdened by comparable indebtedness during the same period.

The Group has always fulfilled with the covenants and meets its obligations under these contracts. However, the Group's future capacity to comply with the contractual covenants and obligations in certain loans and agreements (specifically the 2006 Syndicated Loan and the 2007 Club Deal), or further yet to refinance or repay its loans on the agreed terms will notably depend on its future operating performance and could be affected by various factors beyond its control (economic conditions, debt market conditions, regulatory changes, etc.). Failure to respect its contractual obligations could result in mandatory early repayment, such that the Group may have to reduce or postpone its investments, dispose of assets, seek additional capital or further restructure its debt.

1.4.4. Market risks

The management of the Group's financial risks mainly involves market and liquidity risks. The overall goal is to identify, assess and potentially hedge these risks. This policy provides for specific procedures in respect of interest rate risk, exchange rate risk as well as the use of derivatives and the investment of liquid assets. The Group's policy consists of not engaging in transactions involving speculative instruments or that would make the Group's net position speculative. Accordingly, all

[1] This bridging loan was refinanced and fully repaid on July 16, 2008 following the putting in place of a new financing program (see Section 1.3.9 – Sources of financing).

transactions involving financial instruments are exclusively agreed for the purposes of managing the hedging of interest rate and exchange rate risks.

INTEREST RATE RISK

Interest rate risk primarily stems from assets and liabilities with variable interest rates. The Group's policy in this regard is to limit the impact of a rise in interest rates by using swaps, collars, caps and floors thereby allowing it to retain the ability to benefit from more favorable rate movements.

The Group tracks its exposure to interest rate risk on a monthly basis and assesses the level of hedging put in place as well as its appropriateness for the underlying exposure. Its policy consists of not being exposed over the long-term (in excess of six months) to the risk of a rise in interest rates for a portion in excess of 60% of the consolidated net debt (i.e. at least 40% of the Group's net debt is fixed rate or capped). Accordingly, the Group may put in place other swaps, collars or other instruments in order to achieve the goals set. The instruments used are non-speculative in nature.

The table below sets out the maturity of financial assets and liabilities at June 30, 2008:

(in millions of euros)	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**TOTAL**
Loans from and debts to financial institutions	320.5	801.5	-	1,122.0
Bank overdrafts	21.0	-	-	21.0
Total financial liabilities	**341.5**	**801.5**	**-**	**1,143.0**
Total financial assets	**123.0**	**-**	**-**	**123.0**
Net position (Assets - Liabilities) before hedging	218.5	801.5	-	1,020.0
Off-balance sheet (interest rate hedging)	119.0	388.8	-	507.8
Net position (Assets - Liabilities) after hedging	99.5	412.8	-	512.3
Impact of a 1% increase in interest rates	1.0	4.1	-	5.1

Two interest rate hedging transactions matured in H1 2008 for a total amount of US$100 million.

In addition, the following transactions were put in place:

- purchase of a 4.05% *cap* starting on January 31, 2008 and maturing on January 30, 2009 versus the 3-month Euribor for a notional amount of €100 million;

- a fixed-rate swap maturing on January 30, 2009 and maturing on January 31, 2010 for a notional amount of €50 million where Bureau Veritas S.A. pays 3.56% and receives 3-month Euribor;

- purchase of a *floor* for a notional amount of €50 million, starting on January 30, 2009 and maturing on January 31, 2010 at 3.20%;

- a fixed-rate swap starting on January 30, 2011 for a notional amount of €50 million where Bureau Veritas S.A. pays 3.968% and receives 3-month Euribor;

- a swap that can be *cancelled* by the counterparty from June 27, 2009 where Bureau Veritas S.A. pays 3.47% and receives 3-month Euribor for a notional amount of €50 million.

Combining all the Group's hedges at June 30, 2008, the notional amount of hedged transactions came to €507.8 million. Accordingly, 44% of the Group's consolidated gross financial debt and 50% of the Group's consolidated net financial debt are at fixed rate or capped.

LIQUIDITY RISK

At June 30, 2008, the Group did not have any major repayment obligations in the short- or medium-term in respect of its debt with the exception of the bridging loan put in place to acquire Amdel and maturing in December 2009. This bridging loan was wholly refinanced on July 16, 2008 via the issue of "senior notes" in the form of a private placement in the United States, maturing in 2018 and 2020. These notes are repayable upon maturity.

The repayable tranche of the 2006 Syndicated Loan, denominated in US dollars for an amount of US$441.2 million, is amortized at an annual rate of 16.66% of the initial amount less any early repayments, with the exception of 2007 when the amortization rate was amounted to 8.33%.

As part of the 2006 Syndicated Loan, the Group has a revolving credit line for a total of €550 million, with the maturity of 95% of this tranche being extended from May 2012 to May 2013. The amount drawn down under this revolving credit line at June 30, 2008 was €407.8 million. The amount available as of the same date was accordingly €142.2 million.

Finally, at June 30, 2008, the Group was in compliance with all applicable financial covenants. Accordingly, the Group feels that it is not exposed to liquidity risk.

EXCHANGE RATE RISK

Given the international nature of its operations, the Group is exposed to exchange rate risk on a series of foreign currencies.

In H1 2008, nearly half of the Group’s revenue was generated in currencies other than the euro, with 13% in US dollars, 5% in British pounds and 7% in Hong Kong dollars. Taken individually, the other currencies did not account for more than 5% of the Group’s revenue. In general, in every country in which it operates, the Group both provides services and incurs expenses locally. As a result, the Group is only slightly exposed to exchange rate risks stemming from transactions in the various currencies.

In addition, given that its financial statements are presented in euros, when preparing its financial statements the Group must translate into euros the assets, liabilities, revenue and expenses denominated in other currencies. The results of these operations are consolidated in the Group's income statement after translation at the average exchange rate for the period. The assets and liabilities are translated at the rates on the balance sheet date. Accordingly, fluctuations in exchange rates between the euro and other currencies affect the amounts in the relevant line items in the consolidated financial statements even if the amounts are unchanged in their original currency.

Thus a 1% change in the euro against:

- the US dollar would have had a 0.13% impact on H1 2008 consolidated revenue and 0.13% on H1 2008 operating profit;
- the Hong Kong dollar would have had a 0.07% impact on H1 2008 consolidated revenue and 0.14% on H1 2008 operating profit;
- the British pound would have had a 0.05% impact on H1 2008 consolidated revenue and 0.01% on H1 2008 operating profit.

Finally, the 2006 Syndicated Loan put in place in May 2006 is multi-currency and provides for local currency borrowing. If it considers it necessary, the Group can thus ensure the hedging of certain obligations by aligning the financing costs with the operating income in the relevant currencies.

3.4. Related party transactions

Readers are invited to peruse note 16 – Related party transactions to the consolidated financial statements set out in Chapter II of this Half-Year Financial Report.

3.5. Events after the balance sheet date

3.5.1. Strengthening of the financial structure

On July 16, 2008, Bureau Veritas refinanced debt equivalent to €248.4 million via a US private placement. The Group thereby extended the maturity of its debt and diversified its sources of financing to long-term investors.

This issue took the form of four "senior notes", repayable upon maturity, denominated in US dollars and British pounds, and represented, after hedging:

- €127.6 million at an average fixed rate of 6.6%, maturing in July 2018; and
- €120.8 million at an average fixed rate of 6.7%, maturing in July 2020.

The proceeds from this issue made it possible to fully repay the €255.2 million bridging loan maturing in 2009 that was put in place to acquire Amdel.

Following this transaction, over 80% of the financial debt of Bureau Veritas is comprised of medium- and long-term borrowings maturing between 2012 and 2020.

3.5.2. Cancellation of 8 million treasury shares

On July 18, 2008, the Management Board canceled 8 million treasury shares in line with the resolution approved by the Combined General Shareholders' Meeting of June 2. The share capital of Bureau Veritas thus stands at €12,979,173 and is comprised of 108,159,775 shares.

This cancellation did not have any impact on the Group's cash position or on its consolidated shareholders' equity because in line with IFRS, treasury shares are deducted from shareholders' equity.

3.6. Forecasts for 2008

ASSUMPTIONS

The Group based its forecasts on the 2007 financial statements, the 2008 budget, the most recent management accounts and the following assumptions:

- organic revenue growth of at least 8% in H2 2008;
- the full-year consolidation of the acquisitions carried out in 2007 and in particular that of the Spanish company ECA acquired on October 15, 2007 and that of CCI Holdings acquired on June 29, 2007;
- constant exchange rates in 2008 compared to 2007.

The forecasts and estimates presented below were prepared in line with European Commission Regulation (EC) no. 809/2004 of April 29, 2004 and the recommendations of the CESR on forward-looking statements. They are based on data, assumptions and estimates considered to be reasonable by the Group's management. The data, assumptions and estimates may change or be amended as a result of uncertainties related principally to the economic, financial, accounting, competitive and regulatory environment, or as a result of other factors unknown to the Group as of the date of this Half-Year Report. In addition, the occurrence of certain risks described in the Risk Factors section in Chapter I – Overview of the Group of the 2007 Reference Document could affect the Group's business, financial position, results and ability to achieve its goals. The Group can make no commitment or give any guarantee as to the actual realization of the forecasts presented in this section.

These forecasts have been drawn up on the basis of accounting principles applied by the Group to prepare its consolidated financial statements for the financial year ended December 31, 2007.

GROUP FORECASTS FOR 2008

Given the healthy performances posted in H1 2008, the Group now expects stronger revenue and adjusted operating profit growth in 2008 than previously estimated in its 2007 Reference Document (Section 3.5.2 Forecasts for financial year 2008 in Chapter III – Management Report of the Management Board).

It should be recalled that this estimate for 2008 was as follows:

- revenue up in excess of 15%; and
- adjusted operating profit also up over 15%.

II- CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2008

2.1. Financial statements at June 30, 2008

Half-yearly consolidated income statement

	Notes	First-half 2008	First-half 2007
Revenue		**1,198.9**	**969.4**
Purchases and external charges	**6**	(348.8)	(283.4)
Personnel expenses	**6**	(626.1)	(504.6)
Taxes other than on income		(25.7)	(23.6)
Net (additions to)/reversals of provisions	**6**	1.9	(4.3)
Depreciation and amortization		(28.2)	(18.7)
Other operating income	**6**	3.8	2.8
Other operating expense	**6**	(3.6)	(6.8)
Operating profit		**172.2**	**130.8**
Income from cash and cash equivalents		1.1	1.1
Finance costs, gross		(24.5)	(14.0)
Finance costs, net		**(23.4)**	**(12.9)**
Other financial income		6.8	2.7
Other financial expense		(8.1)	(4.0)
Net financial expense		**(24.7)**	**(14.2)**
Share of profit of associates		**0.1**	**0.1**
Profit before income tax		**147.6**	**116.7**
Income tax expense		(37.9)	(31.4)
Profit from continuing operations		**109.7**	**85.3**
Profit from discontinued operations and operations held for sale		**0.8**	**-**
Profit for the period		**110.5**	**85.3**
Attributable to:			
Equity holders of the Company		106.5	83.1
Minority interests		4.0	2.2
Basic earnings per share (in euros)	13	**0.99**	**0.80**
Diluted earnings per share (in euros)	13	**0.97**	**0.79**

Half-yearly consolidated balance sheet

	Notes	June 30, 2008	Dec. 31, 2008
Goodwill	**7**	783.3	569.4
Intangible assets		165.5	108.5
Property, plant and equipment		170.7	134.0
Investments in associates		2.3	2.2
Deferred income tax assets		75.9	61.8
Investments in non-consolidated companies		1.0	1.2
Other non-current financial assets		24.2	21.8
Total non-current assets		**1,222.9**	**898.9**
Trade and other receivables		787.9	686.8
Current income tax assets		40.3	56.7
Current financial assets		22.2	23.9
Derivative financial instruments		11.5	-
Cash and cash equivalents		123.0	142.9
Total current assets		**984.9**	**910.3**
Assets held for sale		**32.8**	**28.4**
TOTAL ASSETS		**2,240.6**	**1,837.6**
Share capital		13.9	13.9
Retained earnings and other reserves		182.7	141.7
Equity attributable to shareholders of the Company		**196.6**	**155.6**
Minority interests		10.8	9.9
Total equity		**207.4**	**165.5**
Bank borrowings	**10**	801.5	735.2
Other non-current financial liabilities	**10**	6.0	7.0
Deferred income tax liabilities		67.7	38.8
Pension plans and other long-term employee benefits		78.4	78.0
Provisions for other liabilities and charges		71.8	73.5
Total non-current liabilities		**1,025.4**	**932.5**
Trade and other payables		541.8	537.1
Current income tax liabilities		78.8	85.7
Derivative financial instruments		1.5	0.2
Total current financial liabilities	**10**	360.8	93.7
Total current liabilities		**982.9**	**716.7**
Liabilities held for sale		**24.9**	**22.9**
TOTAL EQUITY AND LIABILITIES		**2,240.6**	**1,837.6**

Half-yearly consolidated statement of recognized income and expense

	Actuarial gains/(losses) net of taxes	Currency translation differences	Hedging transactions	Net income and expense recognized directly in equity	Profit for the period	Total recognized income and expense for the period	Attributable to equity holders of the Company	Attributable to minority interests
First-half 2007	0.5	5.5	0.0	**6.0**	85.3	**91.3**	89.0	2.3
First-half 2008	0.9	(1.5)	(4.8)	**(5.4)**	110.5	**105.1**	101.4	3.7

Half-yearly consolidated statement of changes in equity

	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to equity holders of the Company	Attributable to minority interests
January 1, 2007	**13.0**	**28.4**	**(4.9)**	**191.6**	**228.1**	**220.7**	**7.4**
Capital reduction	(1.1)			(151.5)	(152.6)	(152.6)	
Exercise of stock options	0.1	5.5			5.6	5.6	
Fair value of stock options				0.4	0.4	0.4	
Dividends paid				(100.7)	(100.7)	(100.0)	(0.7)
Other movements							
Total transactions with equity holders	**(1.0)**	**5.5**		**(251.8)**	**(247.3)**	**(246.6)**	**(0.7)**
Total recognized income and expense			**5.5**	**85.8**	**91.3**	**89.0**	**2.3**
June 30, 2007	**12.0**	**33.9**	**0.6**	**25.6**	**72.1**	**63.1**	**9.0**
January 1, 2008	**13.9**	**409.7**	**(29.3)**	**(228.8)**	**165.5**	**155.6**	**9.9**
Capital reduction					0.0		
Exercise of stock options		1.2			1.2	1.2	
Fair value of stock options				3.2	3.2	3.2	
Dividends paid				(67.2)	(67.2)	(64.4)	(2.8)
Treasury share transactions				0.3	0.3	0.3	
Revaluation adjustments				(0.8)	(0.8)	(0.8)	
Other movements				0.1	0.1	**0.1**	
Total transactions with equity holders	**0.0**	**1.2**		**(64.4)**	**(63.2)**	**(60.4)**	**(2.8)**
Total recognized income and expense			**(11.2)**	**116.3**	**105.1**	**101.4**	**3.7**
June 30, 2008	**13.9**	**410.9**	**(40.5)**	**(176.9)**	**207.4**	**196.6**	**10.8**

Half-yearly consolidated cash flow statement

	First-half 2008	First-half 2007
Profit before income tax	147.5	116.7
Elimination of cash flows from financing and investing activities	23.2	12.6
Provisions and other non-cash items	(3.7)	0.2
Depreciation, amortization and impairment	28.6	19.0
Movements in working capital attributable to operations	(86.3)	(42.2)
Income tax paid	(22.5)	(32.4)
Net cash generated from operating activities	**86.8**	**73.9**
Acquisitions of subsidiaries	(322.7)	(54.6)
Proceeds from sales of subsidiaries	-	-
Purchases of property, plant & equipment and intangible assets	(31.8)	(18.0)
Sales of property, plant & equipment and intangible assets	0.5	0.5
Purchases of non-current financial assets	(5.8)	(2.6)
Proceeds from sales of non-current financial assets	2.6	1.2
Dividends received	-	1.3
Other	0.8	(1.2)
Net cash used in investing activities	**(356.4)**	**(73.4)**
Proceeds from issuance of shares	1.2	5.6
Capital reduction	-	(152.6)
Purchases/sales of treasury shares	0.3	-
Dividends paid	(63.2)	(100.7)
Increase in borrowings	428.9	319.8
Repayment of borrowings	(104.9)	(54.5)
Interest paid	(21.4)	(12.9)
Net cash generated from financing activities	**240.9**	**4.7**
Impact of currency translation differences	(3.4)	1.3
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	**(32.1)**	**6.5**
Cash, cash equivalents and bank overdrafts at beginning of period	134.1	99.5
Cash, cash equivalents and bank overdrafts at end of period	**102.0**	**106.0**
o/w cash and cash equivalents	123.0	118.5
o/w bank overdrafts	(21.0)	(12.5)

The notes on pages 7 to 20 are an integral part of the condensed financial statements.

Notes to the condensed half-yearly consolidated financial statements

1. General information

Since it was formed in 1828, Bureau Veritas has developed recognized expertise for helping its clients to comply with standards and/or regulations on quality, health and safety, security, the environment and social responsibility. The Group specializes in inspecting, testing, auditing and certifying the products, assets and management systems of its clients in relation to regulatory or self-imposed standards, and subsequently issues compliance reports.

Bureau Veritas S.A. ("the Company") and all of its subsidiaries make up the Group ("Bureau Veritas" or "the Group").

Bureau Veritas S.A. is a joint stock company (*société anonyme*) incorporated and domiciled in France. The address of its registered office is 17 bis, place des Reflets, La Défense 2, 92400 Courbevoie, France. Between 2004 and October 2007, the Group was more than 99%-owned by Wendel. On October 24, 2007, Bureau Veritas S.A. shares were admitted for trading on the Euronext-Paris market. At June 30, 2008, Wendel held an interest of 62.6% in Bureau Veritas (excluding treasury shares).

These condensed consolidated financial statements for the six months ended June 30, 2008 were adopted on August 21, 2008 by the Management Board.

2. First-half 2008 highlights

Operations involving share capital

On June 17, 2008, the Group paid out dividends on eligible shares totaling €64.3 million in respect of financial year 2007.

Acquisitions

During the period, a dozen companies were acquired for a total cost of €324.9 million.

The most important acquisitions were in Latin America (Cesmec, Anasol) and Australia (Amdel).

Acquisitions made in other countries were not material.

3. Summary of significant accounting policies

Basis of preparation

The condensed consolidated financial statements for the six months ended June 30, 2008 have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the European Union. They should be read in conjunction with the annual financial statements for the year ended December 31, 2007, which were prepared in accordance with IFRS as adopted by the European Union.

The accounting methods used to prepare the condensed half-yearly financial statements are consistent with those used to prepare the annual financial statements for the year ended December 31, 2007, except in the case of (i) income tax expense, which was calculated based on a projection for the full year, and (ii) the currency hedges associated with the financing of the Amdel acquisition (see Note 2, Highlights). These hedges were arranged in first-half 2008 and are designated as cash flow hedges and hedges of a net investment in a foreign operation under hedge accounting principles.

Hedges of a net investment in a foreign operation

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity. The ineffective portion is recognized in profit or loss. The gain or loss that has been recognized directly in equity is recognized in profit or loss on disposal of the foreign operation.

Cash flow hedges

When a derivative is designated as an instrument hedging the variability of cash flows associated with a recognized asset or liability, or a highly probable forecast transaction, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in equity. The gain or loss recognized directly in equity is reclassified into profit or loss in the same period or periods during which the hedged transaction affects profit or loss (such as in the periods that interest income or interest expense is recognized). The portion of the gain or loss relating to the ineffective portion of the hedge is recognized immediately in profit or loss.

The preparation of financial statements in compliance with IFRS requires the use of certain key accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving the highest degree of complexity, or for which the assumptions and estimates are material with regard to the consolidated financial statements, are disclosed in Note 3.3.

IFRS developments

The standards applied by the Group in its half-yearly financial statements are the same as those applied in its financial statements for the year ended December 31, 2007.

The standards, amendments and interpretations which are not yet effective and which have not been early adopted by the Group in these condensed financial statements are:

- **IAS 1 (revised)**, Presentation of Financial Statements
- **IAS 23 (revised)**, Borrowing Costs
- **IAS 27 (revised)**, Consolidated and Separate Financial Statements
- **IAS 32 (revised)**, Financial Instruments: Disclosure and Presentation
- **IFRS 2 (revised)**, Share-based payments
- **IFRS 8**, Operating Segments
- **IFRS 3 (revised)**, Business Combinations
- **IFRIC 11**, Group and Treasury Share Transactions
- **IFRIC 14**, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- **IFRIC 15**, Agreements for the Construction of Real Estate
- **IFRIC 16**, Hedges of a Net Investment in a Foreign Operation

Preparation of half-yearly financial statements

- **Use of estimates**

The preparation of half-yearly financial statements requires the use of estimates and assumptions for the same items as those described in the consolidated financial statements for the year ended December 31, 2007, with the exception of income tax expense and long-term employee benefit obligations.

- **Income tax expense**

Income tax expense for first-half 2008 was calculated based on a projection for the full year of the expected weighted average tax rate by country, assuming taxable profit for the period.

- **Pension plans and other long-term employee benefits**

As no material changes have occurred, the expense in the income statement for first-half 2008 was estimated based on the 2008 forecasts included in the actuary's reports at December 31, 2007. An actuarial difference resulting from changes in interest rates and staff turnover rates was estimated at June 30, 2008 and carried in equity.

4. Seasonal fluctuations

Revenue, operating profit and cash flows are sensitive to seasonal fluctuations, with the Group typically recording a stronger performance in the second half of the year.

- Seasonal fluctuations in revenue and operating profit essentially concern the Consumer Products, Inspection & In-Service Verification, and Certification divisions. In the Consumer Products division, seasonality arises from the fact that end-consumers tend to concentrate the bulk of their purchases in the closing stages of the calendar year. For the Inspection & In-Service Verification and Certification divisions, this phenomenon results from clients' wish to obtain certification before the end of the fiscal and corporate year (typically December 31). Profit is more sensitive to seasonal fluctuations than revenue, due to a lower absorption of fixed costs in the first half of the year;

- Cash flows are affected by:

- the seasonal fluctuations in operating profit described above;
- strong cyclical trends in working capital requirements, as the following three types of expenses are incurred only in the first few months of the year:
  - insurance premiums (payable in January);
  - bonuses and profit-sharing payments, payroll charges and other related expenses (payable in April);
  - income tax balances in respect of the previous financial period (payable during the first six months of the year, at a date which varies according to the country concerned).

5. Segment information

Intra-segment transactions have been eliminated.

The Group's half-yearly segment information was compiled using the same principles as those applied in the consolidated financial statements for the year ended December 31, 2007.

	Revenue		Operating profit	
	First-half 2008	First-half 2007	First-half 2008	First-half 2007
Marine	138.9	121.6	43.2	35.7
Industry	213.5	133.5	22.4	12.4
Inspection & In-Service Verification	160.5	122.9	15.8	5.8
Health, Safety & Environment	117.7	97.9	3.8	4.4
Construction	230.6	185.4	25.0	18.2
Certification	131.9	118.3	23.3	19.6
Consumer Products	134.9	121.3	28.8	22.7
Government Services and International Trade	70.9	68.5	9.9	12.0
Total	**1,198.9**	**969.4**	**172.2**	**130.8**

6. Operating income and expense

	First-half 2008	First-half 2007
Service costs rebilled to clients	19.6	19.6
Other external services	(124.4)	(115.0)
Total purchases and external charges	**(348.8)**	**(283.4)**
Salaries and bonuses	(490.8)	(398.2)
Payroll taxes	(118.8)	(96.4)
Other employee-related expenses	(16.5)	(10.0)
Total personnel costs[1]	**(626.1)**	**(504.6)**
Provisions for receivables	(0.8)	(2.3)
Provisions for other liabilities and charges	2.7	(2.0)
Total (additions to)/reversals of provisions	**1.9**	**(4.3)**
Other operating income	**3.8**	**2.8**
IPO-related expenses	-	(4.1)
Goodwill impairment	(0.4)	(0.3)
Reorganization costs	-	(0.3)
Majority shareholder management fees	-	(1.0)
Other operating expense	(3.2)	(1.1)
Total other operating expense	**(3.6)**	**(6.8)**

[1] Including income of €7.5 million corresponding to reversals of provisions set aside at December 31, 2007, which had not been used and therefore were no longer warranted at June 30, 2008.

7. Goodwill

	June 30, 2008	Dec. 31, 2007
Gross book value	583.6	473.7
Accumulated impairment	(14.2)	(13.9)
Net goodwill at January 1	**569.4**	**459.8**
Consideration relating to prior-year acquisitions	0.6	0.5
Acquisitions during the period	232.9	161.0
Allocation to identified (assets)/liabilities	(0.3)	(4.4)
Impairment for the period	(0.4)	(0.3)
Exchange differences	(18.8)	(47.2)
Gross goodwill	797.9	583.6
Accumulated impairment	(14.6)	(14.2)
Net goodwill at end of period	**783.3**	**569.4**

Only the goodwill arising on the acquisition of Amdel, which the Group acquired on May 7, 2008 (see Note 8 – Acquisitions), had not been allocated in full at June 30, 2008. Provisional goodwill after allocation amounted to €197.7 million.

At the end of first-half 2008, goodwill allocated to CGUs (cash-generating units) which performed below expectations was tested for impairment. The method used to determine the recoverable amount of a CGU is identical to the one described in the consolidated financial statements for the year ended December 31, 2007.

The discount rates used in the calculation were reviewed based on the Group's average cost of capital, and correspond to 8% in Europe, 10% in Australia and 7.6% in North America. These discount rates are post-tax rates applied to net-of-tax future cash flows.

At June 30, 2008, the recoverable amounts of the Group's CGUs were significantly higher than their carrying values. In particular the Construction and Health, Safety & Environment CGUs in North America exceed their recoverable amount by 13.6% and 37.9%, respectively.

The sensitivity of the assumptions used to determine the recoverable amount of the two North American CGUs mentioned above is analyzed as follows:

- If the operating margin used for the five-year performance forecasts had been 1.2 percentage points lower for the Construction segment and 3.7 percentage points lower for the Health, Safety & Environment segment, the recoverable amounts of the CGUs would have approximated their carrying values.
- If the discount rate for the Construction and the Health, Safety & Environment segments had been respectively 0.63 percentage point and 2.38 percentage points higher than the rate used specifically for North America, the recoverable amounts of the CGUs would have approximated their carrying values.

8. Acquisitions

The main acquisitions carried out by the Group in first-half 2008 are described below.

On April 1, 2008, the Group acquired a 100% interest in the Chilean group Centro de Estudios, Medicion y Certication de Calidad Cesmec ("Cesmec"). Cesmec's contribution to consolidated net profit for the six months ended June 30, 2008 was not material.

On April 9, 2008, the Group acquired a 100% interest in the Brazilian company Analytical Solutions S.A. (Anasol). Anasol's contribution to consolidated net profit for the six months ended June 30, 2008 totaled €0.1 million.

Lastly, on May 6, 2008 the Group acquired a 100% interest in Amdel, which owns Australia's leading mineral testing laboratories. Amdel's contribution to consolidated net profit for the six months ended June 30, 2008 totaled €1.5 million.

At June 30, 2008, goodwill arising from first-half 2008 acquisitions has been provisionally allocated. The provisional accounting will be completed within 12 months of the acquisition date.

	June 30, 2008
Cost of acquisitions	317.0
Transaction expenses	7.3
Purchase consideration relating to prior-year acquisitions	0.6
Total purchase price	**324.9**

Assets and liabilities acquired/assumed	Carrying amount	Fair value
Non-current assets	32.6	95.5
Current assets (excluding cash and cash equivalents)	33.9	33.2
Current liabilities (excluding debt)	(35.5)	(37.3)
Non-current liabilities (excluding debt)	11.9	(1.6)
Borrowings	(1.7)	(1.7)
Minority interests acquired	(0.2)	(0.2)
Cash and cash equivalents of acquired companies	3.5	3.5
Total assets and liabilities acquired/assumed	**44.4**	**91.4**
Goodwill		**233.5**

The Group's acquisitions were paid exclusively in cash. The impact of these acquisitions on cash and cash equivalents was as follows:

	June 30, 2008
Total purchase price	324.9
Cash and cash equivalents of acquired companies	(3.5)
Purchase price due at June 30	(8.2)
Purchase price paid in prior periods	9.5
Impact of acquisitions on cash and cash equivalents	**322.7**

9. Share capital and share-based payment

- ### Stock option plans

A new share-based payment plan was launched pursuant to a decision of the Management Board on June 9, 2008. The number of free shares and options granted at June 30, 2008 totaled 426,050 and 137,400, respectively. The options granted may be exercised at a fixed price of €38.35.

The new plan consists of free shares and stock options giving rise to new shares when the options are exercised. The Group has no legal or constructive obligation to repurchase or settle the options in cash. Employees must have completed three years' service in France or four years' service outside France to be eligible for the free share plan, and three years' service to be eligible for the stock option plan. Eligibility for stock options also depends on meeting a series of performance targets based on adjusted operating profit for 2008. Shares granted in France are subject to a non-transferability period of two years. The options have a contractual term of eight years after the grant date. The average fair value of the shares and options granted during the period was €33.88 and €12.85, respectively (first-half 2007: €33.65 per option).

The following main assumptions were used to value the free shares granted in first-half 2008:

- share price at the grant date;
- dividend yield of 1.6% (2007: 1.5%);
- discount corresponding to risks and liquidity requirements: 14% (2007: 15%).

The fair value of the options granted in first-half 2008 was calculated using the Black & Scholes option pricing model and the following key assumptions:

- the exercise price stated above;
- expected share volatility of 29% (2007: 20%), determined based on the volatility of shares of listed companies in the same industry;
- dividend yield of 1.6% (2007: 2.2%);
- an expected option life of 7 years (2007: 5 years);
- a risk-free interest rate of 4.8% (2007: 4.0%), determined by reference to the rates on government bonds over the estimated lives of the options.

In first-half 2008, the Group recorded share-based payment expense of €3.2 million (first-half 2007: €0.4 million).

- **Stock appreciation rights**

The fair value of stock appreciation rights (SARs) granted further to the Shareholders' Meeting of June 18, 2007 and the Management Committee's decision of December 13, 2007 was revised based on the Black & Scholes option pricing model. The fair value came out at €14.45 for each SAR, based on the following assumptions:

- share price at the grant date;
- dividend yield of 1.6% (2007: 1.5%);
- expected share volatility of 30%;
- a risk-free interest rate of 4.8% (2007: 4.0%), determined by reference to the rates on government bonds over the estimated lives of the SARs.

10. Financial liabilities

	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due beyond 5 years
At December 31, 2007					
Bank borrowings (long-term portion)	735.2		66.1	639.1	30.0
Other non-current financial liabilities	7.0		1.0	6.0	
Total non-current financial liabilities	**742.2**	**-**	**67.1**	**645.1**	**30.0**
Bank borrowings (short-term portion)	66.2	66.2			
Bank overdrafts	8.8	8.8			
Other current financial liabilities	18.7	18.7			
Total current financial liabilities	**93.7**	**93.7**			
At June 30, 2008					
Bank borrowings (long-term portion)	801.5		57.3	744.2	0.0
Other non-current financial liabilities	6.0		0.0	6.0	0.0
Total non-current financial liabilities	**807.5**	**-**	**57.3**	**750.2**	**0.0**
Bank borrowings (short-term portion)	320.5	320.5			
Bank overdrafts	21.0	21.0			
Other current financial liabilities	19.3	19.3			
Total current financial liabilities	**360.8**	**360.8**			

The increase in debt between December 31, 2007 and June 30, 2008 mainly reflects acquisitions.

Short- and long-term bank borrowings can be analyzed as follows by currency:

	June 30, 2008	Dec. 31, 2007
USD	260.0	304.5
EUR	545.4	434.2
GBP	42.9	46.4
AUD	255.2	4.7
Other currencies	18.5	11.6
Total	**1,122.0**	**801.4**

Bank borrowings are contracted at variable rates indexed to benchmark rates which vary according to the currency of drawdowns (Euribor, USD Libor, GBP Libor and AUD Libor for euro, USD, GBP and AUD drawdowns, respectively).

The Group's main source of financing is a syndicated loan taken out in May 2006. The loan comprises a US$ 560 million amortizable tranche repayable in May 2013 and a €550 million revolving facility, 95% of which now matures in May 2013 as opposed to May 2012 previously.

At June 30, 2008, the amortizable tranche of the loan amounted to US$ 441.2 million (€279.8 million), reflecting the timing of repayments. Drawdowns on both tranches of the syndicated loan totaled €687.6 million, breaking down as €279.8 million forthe amortizable tranche and €407.8 million for the revolving facility. The repayable tranche had been fully drawn down. An amount of €142.2 million remained available under the revolving facility.

At June 30, 2008, borrowings were subject to the same financial covenants as those applicable at December 31, 2007 under the Syndicated Loan set up on May 22, 2006. The Group complied with all such covenants at June 30, 2008 and December 31, 2007.

The contractual repricing dates for virtually all borrowings are within six months.

The interest rates applicable to the Group's bank borrowings, as re-priced at the balance sheet dates, were as follows:

Currency	June 30, 2008	Dec. 31, 2007
USD	3.06%	5.22%
EUR	4.96%	5.04%
GBP	6.36%	6.29%
AUD	7.70%	-

Effective interest rates approximate nominal rates for all tranches of the Group's borrowings except for the USD tranche, for which the effective interest rate was 4.38% at June 30, 2008 (4.75% at December 31, 2007).

11. Contingent liabilities

- **Guarantees given**

The amount and maturity of guarantees given can be analyzed as follows:

	Total	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
At December 31, 2007	**77.7**	35.5	31.5	10.7
At June 30, 2008	**95.6**	33.3	49.4	13.0

Guarantees given include bank guarantees and parent company guarantees. The nature of these transactions is described in detail in Note 29 to the 2007 consolidated financial statements and in the Financing section of the management report for the six months ended June 30, 2008.

At June 30, 2008 and December 31, 2007, the Group considered that the risk of a cash outflow on these guarantees was low, and accordingly, did not recognize any provisions in this respect.

12. Income taxes

Consolidated income tax expense rose 20.7%, coming in at €37.9 million for first-half 2008 versus €31.4 million for the same prior-year period.

The effective tax rate, representing tax expense divided by profit before tax, fell to 25.6% for first-half 2008 from 26.9% for first-half 2007. This essentially reflects the increase in earnings in countries subject to lower tax rates, together with the favorable impact of measures taken to streamline the Group's legal structures.

The €14.8 million fall in net deferred tax assets between December 31, 2007 and June 30, 2008 was essentially due to deferred tax liabilities recognized on Amdel's customer relationships and on fair value adjustments regarding financial instruments.

13. Earnings per share

Basic earnings per share

	First-half 2008	First-half 2007
Net profit attributable to equity holders of the Company (€ thousands)	106,503	83,036
Weighted average number of ordinary shares in issue (thousands)	107,380	103,170
Basic earnings per share (€ per share)	**0.99**	**0.80**

Diluted earnings per share

	First-half 2008	First-half 2007
Net profit attributable to equity holders of the Company (€ thousands)	106,503	83,036
Weighted average number of ordinary shares in issue (thousands)	107,380	103,170
Adjustments for:		
- Stock options (thousands)	2,143	1,980
Weighted average number of ordinary shares for diluted earnings per share (thousands)	109,523	105,150
Diluted earnings per share (€ per share)	**0.97**	**0.79**

14. Dividends per share

On June 17, 2008, the Group paid out dividends to eligible shareholders in respect of the 2007 financial year. The dividend payout totaled €64.3 million, corresponding to a dividend per share of €0.60.

15. Additional financial instrument disclosures

The table below presents financial instruments by IAS 39 category, carrying amount, valuation method and fair value at year-end:

	IAS 39 category	Carrying amount	IAS 39 measurement method				Fair value
			Amortized cost	Cost	Fair value through equity	Fair value through profit or loss	
At June 30, 2008							
FINANCIAL ASSETS							
Investments in non-consolidated companies	FVPL	1.0	-	-	-	1.0	1.0
Other non-current financial assets	HTM	24.2	24.2	-	-	-	24.2
Trade and other receivables	LR	757.4	757.4	-	-	-	757.4
Current financial assets	LR	3.4	3.4	-	-	-	3.4
Current financial assets	FVPL	18.8	-			18.8	18.8
Derivative financial instruments	FVPL	10.2	-	-	2.4	7.8	10.2
Cash and cash equivalents	FVPL	123.0	-	-	-	123.0	123.0
FINANCIAL LIABILITIES							
Bank borrowings	AC	1,143.0	1,143.0	-	-	-	1,150.2
Other non-current financial liabilities	AC	6.0	6.0	-	-	-	6.0
Trade and other payables	AC	541.8	541.8	-	-	-	541.8
Current financial liabilities	AC	19.3	19.3	-	-		19.3
Derivative financial instruments	FVPL	0.2	-	-	-	0.2	0.2
At December 31, 2007							
FINANCIAL ASSETS							
Investments in non-consolidated companies	FVPL	1.2	-	-	-	1.2	1.2
Other non-current financial assets	HTM	21.8	21.8	-	-	-	21.8
Trade and other receivables	LR	663.5	663.5	-	-	-	663.5
Current financial assets	LR	2.2	2.2	-	-	-	2.2
Current financial assets	FVPL	21.7	-			21.7	21.7
Derivative financial instruments	FVPL	-	-	-	-	-	-
Cash and cash equivalents	FVPL	142.9	-	-	-	142.9	142.9
FINANCIAL LIABILITIES							
Bank borrowings	AC	810.2	810.2	-	-	-	810.2
Other non-current financial liabilities	AC	7.0	7.0	-	-	-	7.0
Trade and other payables	AC	537.1	537.1	-	-	-	537.1
Current financial liabilities	AC	18.7	18.7	-	-	-	18.7
Derivative financial instruments	FVPL	0.2	-	-	-	0.2	0.2

The following abbreviations are used for financial instrument categories as defined by IAS 39: FVPL for instruments at fair value through profit or loss, HTM for held-to-maturity assets, LR for loans and receivables, and AC for debt measured at amortized cost.

The Group considers that the carrying amount of its financial instruments approximates their fair value. The fair value of bank loans and borrowings totaled €1,150.2 million at June 30, 2008, compared with a balance sheet value of €1,143.0 million.

The nature of the gains and losses arising on each financial instrument category can be analyzed as follows:

		Interest	Adjustments for				Net gains/(losses) for first-half 2008	Net gains/(losses) for first-half 2007
			Fair value	Amortized cost	Exchange differences	Impairment		
Held-to-maturity assets	HTM	-	-	-	-	-	-	-
Loans and receivables	LR	0.5	-	-	(3.3)	3.1	0.3	(0.9)
Financial assets at fair value through profit or loss	FVPL	(0.1)	6.5	-	(2.2)	-	4.2	-
Debt carried at amortized cost	AC	(22.5)	-	(2.0)	0.3	-	(24.2)	(13.9)
Total		(22.1)	6.5	(2.0)	(5.2)	3.1	(19.7)	(14.8)

- **Sensitivity analyses**

Currency risk

The impact of a 1% rise or fall in the value of the euro against a number of different currencies at June 30, 2008 is described below:

- a 1% change in the value of the euro against the US dollar would have had an impact of 0.13% on consolidated revenue for first-half 2008 and of 0.13% on operating profit for the same period;

- a 1% change in the value of the euro against the Hong Kong dollar would have had an impact of 0.07% on consolidated revenue and 0.14% on operating profit for first-half 2008;

- a 1% change in the value of the euro against the pound sterling would have had an impact of 0.05% on consolidated revenue and 0.01% on operating profit for first-half 2008.

The table below shows the results of the sensitivity analysis for financial instruments exposed to currency risk on the Group's main foreign currencies (euro and US dollar) at June 30, 2008:

	Non-functional currency	
(in millions of euros)	USD	EUR
Net value of exposed financial instruments	71.2	11.2
Assumed change in exchange rates at June 30	10%	10%
Impact on the income statement (rise in currency)	7.1	1.1
Impact on the income statement (fall in currency)	(7.1)	(1.1)

Interest rate risk

At June 30, 2008, the Group considers that a 1% rise in short-term interest rates across all currencies would lead to an increase of around €5.1 million in interest payable.

16. Related party transactions

Parties related to the Group are its majority shareholder Wendel as well as certain key management personnel, defined as members of the Management Board.

Compensation paid by the Group to its key management personnel breaks down as follows:

	First-half 2008	First-half 2007
Wages and salaries	1.0	1.0
Stock options	-	-
Free share grants	2.3	-
Total expense for the period	**3.3**	**1.0**

Key management personnel held a total of 170,000 stock options at June 30, 2008 (June 30, 2007: 185,000), with an average exercise price of €7.99 (June 30, 2007: €8.11).

The number of free shares granted to key management personnel totaled 150,000 at June 30, 2008. No free shares had been granted at June 30, 2007.

17. Events after the balance sheet date

On July 16, 2008, Bureau Veritas refinanced a portion of its debt through a US private placement for a total of €248.4 million.

On July 18, 2008, eight million treasury shares were cancelled pursuant to the resolution of the Shareholders' Meeting held on June 2 of the same year.

2.2. Statutory auditors' review report on the 2008 half-year financial information

(Six months ended June 30, 2008)

This is a free translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of articles L. 232-7 of the French Commercial Code (*Code de commerce*) and L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Bureau Veritas for the six months ended June 30, 2008;
- the verification of the information contained in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

I - CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France. A review of half-year 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 professional standards applicable in France 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.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 – "Interim Financial Reporting", as adopted by the European Union.

II – SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the information given in the half-year management report on the condensed half-year consolidated financial

statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris, August 27, 2008

The Statutory Auditors

PricewaterhouseCoopers Audit

Jean-François Châtel

Bellot Mullenbach & Associés

Pascal de Rocquigny

III- PERSONS RESPONSIBLE AND THE STATUTORY AUDITORS

3.1. Persons responsible

PERSON RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

Mr. Frank Piedelièvre, Chairman of the Management Board of Bureau Veritas

DECLARATION OF THE PERSON RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

I declare that, to the best of my knowledge, the financial statements set out in Chapter II – "Consolidated financial statements at June 30, 2008" – are drawn up pursuant to the applicable accounting standards and give a fair view of the assets and liabilities, financial position and earnings of the consolidated group, and that the Half Year Business Report set out in Chapter I – "Half Year Business Report at June 30, 2008" – presents a fair picture of the highlights of the first six months of the 2008 financial year, of their impact on the consolidated financial statements at June 30, 2008, of the main related-party transactions as well as a description of the main risk factors for the remaining six months of the 2008 financial year.

Frank Piedelièvre
Chairman of the Management Board of Bureau Veritas

PERSON RESPONSIBLE FOR THE FINANCIAL INFORMATION

Mr. François Tardan

Chief Financial Officer of the Group

Address: 17 bis, Place des Reflets – La Défense 2 – 92400 Courbevoie

Telephone: +33 (0)1 42 91 54 59

Fax: +33 (0)1 42 91 52 94

3.2. Statutory Auditors

3.2.1. Statutory Auditors

PricewaterhouseCoopers Audit

Represented by Mr. Jean-François Châtel

63, rue de Villiers

92200 Neuilly-sur-Seine

PricewaterhouseCoopers Audit's mandate as Statutory Auditor was renewed at the Ordinary General Shareholders' Meeting on June 30, 2004, for a period of six financial years.

PricewaterhouseCoopers Audit is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Bellot Mullenbach & Associés

Represented by Mr. Pascal de Rocquigny

11, rue de Laborde

75008 Paris

Bellot Mullenbach & Associés was appointed Statutory Auditor at the Ordinary General Shareholders' Meeting on June 30, 2004, for a period of six financial years.

Bellot Mullenbach & Associés is a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris*.

3.2.2. Alternate Auditors

Mr. Pierre Coll

63 rue de Villiers

92200 Neuilly-sur-Seine

Mr. Pierre Coll's mandate as Alternate Auditor was renewed at the Ordinary General Shareholders' Meeting on June 30, 2004, for a period of six financial years.

Mr. Jean-Louis Brun d'Arre

14, rue Clapeyron

75008 Paris

Mr. Jean-Louis Brun d'Arre was appointed Alternate Auditor at the Ordinary General Shareholders' Meeting on June 30, 2004, for a period of six financial years.