



## 2011 HALF-YEAR FINANCIAL REPORT

This document is a non-certified free translation of the French language of the 2011 half-year financial report drawn up in accordance with Article L.451-1-2(III) of the French Monetary and Financial Code. In all matters of interpretation of information, the original French version takes precedence over this translation. It includes a Business Report for the half-year running from January 1, 2011 to June 30, 2011, the Consolidated Financial Statements of the Bureau Veritas Group as of June 30, 2011, the Statutory Auditor's Report and the declaration by the persons responsible for the document.

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# 1. 2011 Half-Year Business Report

## 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, 2011 set out in Chapter 2 of this 2011 Half-Year Financial Report, as well as the Group's consolidated financial statements and the notes to the consolidated financial statements at December 31, 2010 set out in Chapter IV of the 2010 Registration Document.

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002 on the application of international accounting standards, the consolidated accounts of Bureau Veritas for the first half 2011 (H1 2011) and the first half 2010 (H1 2010) were drawn up in accordance with the guidelines of the IFRS (International Financial Reporting Standards) framework, as adopted by the European Union. Percentages may be calculated using non-whole numbers and consequently they may be different from those calculated using whole numbers.

## 1.2. Highlights of the period

Acquisitions not only strengthen the Group's expertise and portfolio of services but also round out its geographical coverage, especially in emerging markets, in order to benefit from local growth drivers and to accompany the international expansion of the Group's clients.

In H1 2011, the Group therefore continued its acquisitions policy and acquired three companies in fast-growing geographies and in high-potential activities representing total annual revenue of some €34 million:

- The Auto Reg group, a leader in vehicle insurance damage inspection in Brazil with 2010 revenue of €23 million.
- Atomic Technologies, specialized in non-destructive testing services (NDT) in south-east Asia, based in Singapore and with 2010 revenue of around €3 million.
- Scientige, specialized in asset integrity management inspection and assessment services, based in Malaysia and with 2010 revenue of €5 million

The integration of Inspectorate into Bureau Veritas is processing rapidly and successfully. Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business. This global platform is organized around three main market segments namely Oil and Petrochemicals, Metals and Minerals and Agriculture.

### 1.3. Comparison of the Group's half-year results

Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business, which includes all of Inspectorate's activities, the Mining & Minerals' activities, which were reported under the Industry business in 2010, and more marginally, the oil inspection contracts, which were reported for under the GSIT business in 2010.

2010 data has been restated according to this new allocation in order to enable better comparison.

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>	<b>Change</b>
<b>Revenue</b>	<b>1,622.8</b>	<b>1,349.1</b>	<b>+20.3%</b>
Purchases and external charges	(469.8)	(387.3)	+21.3%
Personnel costs	(839.8)	(699.1)	+20.1%
Others expense	(71.2)	(49.0)	+45.3%
<b>Operating profit</b>	<b>242.0</b>	<b>213.7</b>	<b>+13.2%</b>
Net financial expense	(28.4)	(15.2)	+86.8%
Share of profit of associates	0.1	(0.1)	-
<b>Profit before income tax</b>	<b>213.7</b>	<b>198.4</b>	<b>+7.7%</b>
Income tax expense	(58.2)	(54.4)	+7.0%
<b>Net profit</b>	<b>155.5</b>	<b>144.0</b>	<b>+8.0%</b>
Minority interests	4.1	3.2	+28.1%
<b>ATTRIBUTABLE NET PROFIT</b>	<b>151.4</b>	<b>140.8</b>	<b>+7.5%</b>

#### 1.3.1 Revenue

H1 2011 revenue rose 20.3% to €1,622.8 million and broke down as follows:

- Organic growth of 6.6% calculated on a pro-forma basis (including the organic contribution from Inspectorate in H1 2011).
- A 14.2% positive impact from changes in the scope of consolidation primarily owing to the acquisition of Inspectorate.
- A negative impact from exchange rates fluctuations of 0.5% in view of weakness in the US dollar and the Hong Kong dollar relative to the euro.

During H1 2011, revenue generated in fast-growing geographies (Latin America, Asia-Pacific excluding Japan, Eastern Europe, Middle East and Africa) increased further and accounted for 47% of total revenue.

<i>(in millions of euros)</i>	<b>2011</b>	<b>2010</b>	<b>Total growth</b>	<b>Organic growth</b>
Marine	159.7	156.0	2.4%	2.8%
Industry	337.2	286.1	17.9%	16.7%
In-Service Inspection & Verification (IVS)	214.5	209.2	2.5%	3.1%
Construction	204.1	209.6	(2.6)%	(0.5)%
Certification	156.2	157.1	(0.6)%	(0.8)%
Commodities <sup>(a)</sup>	258.7	63.8	305.5%	11.7%
Consumer Products	183.9	182.7	0.7%	3.1%
Government Services & International Trade (GSIT)	108.5	84.6	28.3%	12.6%
<b>TOTAL H1</b>	<b>1,622.8</b>	<b>1,349.1</b>	<b>20.3%</b>	<b>6.6%</b>

(a) Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business. Organic growth is calculated on a pro-forma basis including revenue from Inspectorate in H1 2010.

### 1.3.2 Operating profit

H1 2011 operating profit rose by 13.2% to €242.0 million vs. €213.7 million in H1 2010. This €28.3 million increase stemmed from growth in operating profit in all operating businesses with the exception of the In-Service Inspection & Verification and Consumer Products businesses.

<i>(in millions of euros)</i>	<b>2011</b>	<b>2010</b>	<b>Change</b>
Marine	49.1	47.8	+2.7%
Industry	35.7	29.0	+23.1%
In-Service Inspection & Verification (IVS)	18.6	21.7	(14.3)%
Construction	20.8	18.0	+15.6%
Certification	31.1	30.1	+3.3%
Commodities <sup>(a)</sup>	21.3	2.1	+914.3%
Consumer Products	46.1	49.2	(6.3)%
Government Services & International Trade (GSIT)	19.3	15.8	+22.2%
<b>TOTAL H1</b>	<b>242.0</b>	<b>213.7</b>	<b>+13.2%</b>

(a) Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business.

Operating margin stands at 14.9% in H1 2011 versus 15.8% in H1 2010.

### 1.3.3 Adjusted operating profit

Adjusted operating profit is defined as operating profit before income and expense relative to acquisitions and other non-recurring items.

The table below shows the calculation of adjusted operating profit in H1 2010 and H1 2011:

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>	<b>Change</b>
<b>Operating profit</b>	<b>242.0</b>	<b>213.7</b>	<b>+13.2%</b>
Amortization of acquisition intangibles	17.9	10.7	
Acquisition fees	0.1	2.5	
Discontinued activities	(0.5)	(1.3)	
<b>ADJUSTED OPERATING PROFIT</b>	<b>259.5</b>	<b>225.6</b>	<b>+15.0%</b>

Amortization of acquisition intangibles corresponds to amortization of intangibles resulting from business combinations (mainly customer lists). The increase in this item was mainly caused by the acquisition of Inspectorate.

Adjusted operating profit rose by 15.0% to €259.5 million in H1 2011 vs. €225.6 million in H1 2010. This €33.9 million increase was driven by growth in adjusted operating profit in all operating businesses with the exception of the In-Service Inspection & Verification and Consumer Products businesses:

<i>(in millions of euros)</i>	<b>2011</b>	<b>2010</b>	<b>Change</b>
Marine	49.2	48.2	+2.1%
Industry	37.8	31.7	+19.2%
In-Service Inspection & Verification (IVS)	20.6	22.7	(9.3)%
Construction	22.4	20.8	+7.7%
Certification	31.7	30.9	+2.6%
Commodities <sup>(a)</sup>	31.0	5.5	+463.6%
Consumer Products	46.8	49.8	(6.0)%
Government Services & International Trade (GSIT)	20.0	16.0	+25.0%
<b>TOTAL H1</b>	<b>259.5</b>	<b>225.6</b>	<b>+15.0%</b>

(a) Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business.

Adjusted operating margin expressed as a percentage of revenue, stood at 16.0% in H1 2011 vs. 16.7% in H1 2010. This 70-basis point narrowing was primarily due to dilution caused by the consolidation of Inspectorate.

### 1.3.4 Net financial expense

Net financial expense totaled €28.4 million in H1 2011 vs. €15.2 million in H1 2010, implying an increase of €13.2 million.

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>	<b>Change</b>
Gross finance costs	(19.8)	(19.1)	(0.7)
Other income from cash and cash equivalents	0.9	1.0	(0.1)
<b>Net finance costs</b>	<b>(18.9)</b>	<b>(18.1)</b>	<b>(0.8)</b>
<i>o/w change in fair value of financial assets and liabilities</i>	2.6	(0.9)	3.5
<b>Foreign exchange gains/losses</b>	<b>(6.7)</b>	<b>9.6</b>	<b>(16.3)</b>
<i>o/w change in fair value of financial assets and liabilities</i>	-	-	
<b>Interest cost on pension plans</b>	<b>(2.1)</b>	<b>(2.2)</b>	<b>0.1</b>
<b>Other</b>	<b>(0.7)</b>	<b>(4.5)</b>	<b>3.8</b>
<b>NET FINANCIAL EXPENSE</b>	<b>(28.4)</b>	<b>(15.2)</b>	<b>(13.2)</b>

Net finance costs rose by €0.8 million from €18.1 million in H1 2010 to €18.9 million in H1 2011 mainly due to an increase in:

- gross financial debt over the period.
- Partly offset by lower interest rates paid.

The €6.7 million in exchange rate losses incurred during H1 2011 was mainly generated by the restructuring of loans in various currencies between the legal entities at Inspectorate combined with a stronger euro relative to the dollar.

In addition, interest costs on pension plans were virtually stable relative to H1 2010.

Other net financial charges totaled €0.7m during H1 2011. In H1 2010, they were at €4.5 million mainly due to write-downs on financial assets for non-strategic activities sold off during the period.

### 1.3.5 Income tax expense

Consolidated income tax expense totaled €58.2 million on June 30, 2011 vs. €54.4 million on June 30, 2010.

The effective tax rate calculated by dividing income tax expense by pre-tax profit worked out to 27.2% on June 30, 2011 and was stable compared with the 27.4% seen on June 30, 2010.

### 1.3.6 Attributable net profit

H1 2011 attributable net profit rose 7.5% to €151.4 million. The €10.6 million increase was driven by:

- A €28.3 million increase in operating profit.
- A €13.2 million increase in net financial expense.
- A €4.7 million increase in income tax expense and minority interests.

Earnings per share (EPS) totaled €1.39 in H1 2011 vs. €1.30 in the year-earlier period, representing a 6.9% increase.

### 1.3.7 Attributable adjusted net profit

Attributable adjusted net profit is defined in the same way as adjusted operating profit, less net financial expense and income tax expense calculated using the Group's effective tax rate.

Adjusted net profit rose 10.2% to €168.3 million in H1 2011 vs. €152.7 million in the year-earlier period.

After accounting for minority interests, H1 2011 attributable adjusted net profit rose 9.8% to €164.2 million vs. €149.5 million in H1 2010.

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>
<b>Adjusted operating profit</b>	<b>259.5</b>	<b>225.6</b>
Net financial expense	(28.4)	(15.2)
Adjusted income tax <sup>(1)</sup>	(62.9)	(57.6)
Share of profit of associates	0.1	(0.1)
Adjusted net profit	168.3	152.7
<b>Attributable adjusted net profit</b>	<b>164.2</b>	<b>149.5</b>

(1) Using the effective tax rate of 27.2% in H1 2011 and of 27.4% in H1 2010

Adjusted EPS rose 9.4% from €1.38 in H1 2010 to €1.51 in H1 2011.

### 1.3.8 Results by business

Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business, which includes all of Inspectorate's activities, the Mining & Minerals testing activities and more marginally, the oil inspection contracts, which were accounted for under the Industry and GSIT businesses in 2010.

2010 data has been restated according to this new allocation in order to enable better comparison.

#### Marine

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>	<b>Change</b>
Revenue	159.7	156.0	+2.4%
Adjusted operating profit	49.2	48.2	+2.1%
<i>Adjusted operating margin</i>	<i>30.8%</i>	<i>30.9%</i>	<i>(10)bps</i>

Revenue in the Marine business rose by 2.4% from €156.0 million in H1 2010 to €159.7 million in H1 2011 as a result of:

- Organic growth in revenue of 2.8% (same-structure and exchange-rate basis).
- A 0.4% decline in revenue due to disadvantageous exchange rates fluctuations and mainly the dollar relative to the euro.

#### New construction (54% of H1 2011 revenue in the Marine business)

After 18 months in a row of decline, the new construction activity restored growth on the back of a peak in revenue in the equipment inspection business in China.

Bureau Veritas took 372 orders for new ship construction during H1 2011; representing 3.9 million gross tons (GRT), up 2.4% relative to H1 2010. Bureau Veritas' market share of global orders rose to 12.4% in tonnage terms and 20.2% concerning the number of ships.

The order book for new construction totaled GRT 26.0 million compared with GRT 28.8 million on December 31, 2010.

### **Ships in service (46% of H1 2011 revenue in Marine business)**

Revenue from the ships in service inspection activity rose on the back of an increase in the fleet in service. On June 30, 2011, the fleet classed by Bureau Veritas totaled 9,702 ships (+5.3% relative to H1 2010) and represented GRT 80.8 million (+12.0%).

Adjusted operating profit was virtually stable at €49.2 million, with adjusted operating margin maintained at the high level of 30.8% compared with 30.9% in H1 2010, notably thanks to the significant revenue generated by equipment certification in China.

Over 2011 as a whole, the Marine business should post slightly positive organic growth.

## **Industry**

(in millions of euros)	<b>H1 2011</b>	<b>H1 2010</b>	<b>Change</b>
Revenue	337.2	286.1	+17.9%
Adjusted operating profit	37.8	31.7	+19.2%
<i>Adjusted operating margin</i>	<i>11.2%</i>	<i>11.1%</i>	<i>+10bps</i>

Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business. H1 2010 data has been restated in order to enable better comparison.

Revenue in the Industry business totaled €337.2 million in H1 2011 vs. €286.1 million in H1 2010. The 17.9% growth was driven by:

- Organic growth of 16.7%.
- A 1.0% positive impact from changes in the scope of consolidation prompted by the acquisition of Scientige (2011), Atomic (2011) and Themis (November 2010).
- A 0.2% increase in revenue prompted by exchange rates evolution, with the hike in the Australian dollar and the Brazilian Real having offset the decline in the dollar relative to the euro over the period.

Growth continued in the major regions and markets:

- Oil and Gas (including offshore).
- Power (fossil fuels, nuclear and renewable energies).
- Process industries (mining, chemicals, pharmaceuticals and agri-food).
- Mature geographies (development of asset integrity management services for existing industrial assets).
- Fast-growing geographies (investment in new capacity).

Adjusted operating profit in the Industry business rose by 19.2% to €37.8 million in H1 2011 vs. €31.7 million in H1 2010 on the back of revenue growth during the period, with operating margin up slightly to 11.2% of revenue.

For the full-year 2011, growth in the Industry business should remain robust. The Group is notably expecting to step up expansion of its offshore and non-destructive testing activities.

## In-Service Inspection & Verification (IVS)

(in millions of euros)	H1 2011	H1 2010	Change
Revenue	214.5	209.2	+2.5%
Adjusted operating profit	20.6	22.7	(9.3)%
<i>Adjusted operating margin</i>	<i>9.6%</i>	<i>10.9%</i>	<i>(130) bps</i>

Revenue in the In-Service Inspection & Verification business rose by 2.5% from €209.2 million in H1 2010 to €214.5 million in H1 2011 on the back of:

- Organic growth of 3.1%.
- A 0.1% negative impact from changes in the scope of consolidation due to the end of the programme to sell off non-strategic activities started in 2010.
- A 0.5% negative impact from exchange rates (US dollar) fluctuations.

Organic growth in the IVS business was underpinned primarily by the implementation of new regulations in Europe for heating, ventilation and air-conditioning equipment. Revenue rose in the majority of regions with the exception of Spain where the economic backdrop impacted volumes and prices. Since the start of the year, the IVS market in Catalonia has been deregulated and the Group is no longer the exclusive supplier for these inspection services.

H1 2011 adjusted operating profit in the IVS business fell by 9.3% to €20.6 million vs. €22.7 million in H1 2010 primarily due to the fall in volumes and prices noted in Spain.

For full-year 2011, the Group is forecasting slight growth in revenue, a decline in operating margin in Spain and the ongoing roll-out of optimized production tools (Production Core Model).

## Construction

(in millions of euros)	H1 2011	H1 2010	Change
Revenue	204.1	209.6	(2.6)%
Adjusted operating profit	22.4	20.8	+7.7%
<i>Adjusted operating margin</i>	<i>11.0%</i>	<i>9.9%</i>	<i>+110 bps</i>

Revenue in the Construction business totaled €204.1 million in H1 2011 vs. €209.6 million in H1 2010. The 2.6% decline stemmed from:

- A 0.5% organic decrease (same structure and exchange rates basis).
- A 1.3% negative impact on revenue from changes in the scope of consolidation in 2011 relative to 2010 (disposal of construction material testing activity).
- A 0.8% fall in revenue due to disadvantageous exchange rates (US dollar) evolution.

An improvement in market conditions was noted in all regions, with the exception of Spain and the US. Revenue increased in France while activity in Asia (Japan, China, and south-east Asia), Africa and the Middle-East was up significantly.

In Spain, revenue fell further, notably in the infrastructure segment and the Group was obliged to implement additional measures to reduce headcount. In the US, H1 2011 revenue remained slightly in decline despite the healthy level noted in the Californian power plant segment.

Adjusted operating profit in the Construction business rose by 7.7% on the back of a widening in adjusted operating margin from 9.9% in H1 2010 to 11.0% in H1 2011 prompted by the recovery in the majority of regions with the exception of Spain.

The Group does not expect positive organic growth to be restored before the end of 2011 and intends to continue growth initiatives in emerging markets.

## Certification

(in millions of euros)	H1 2011	H1 2010	Change
Revenue	156.2	157.1	(0.6)%
Adjusted operating profit	31.7	30.9	+2.6%
<i>Adjusted operating margin</i>	<i>20.3%</i>	<i>19.7%</i>	<i>+60 bps</i>

Revenue in the Certification business totaled €156.2 million in H1 2011 vs. €157.1 million in H1 2010. The 0.6% decrease stemmed from:

- A 0.8% organic decrease.
- A 0.1% positive impact from changes in the scope of consolidation following the consolidation of Italian company Certitex acquired in July 2010.
- A 0.1% increase in revenue prompted by advantageous exchange rates fluctuations.

H1 2011 organic growth in the Certification business, after adjustment for the halt to the GSAC contract in France (civil aviation security) in October 2010, stood at 6.4%.

Combined Quality, Safety and Environment schemes, those associated with agri-food as well as training were particularly robust. After suffering from the disaster in Japan in March 2011, revenue has picked up since June.

Adjusted operating profit in the Certification business rose by 2.6% to €31.7 million in H1 2011 vs. €30.9 million in H1 2010, prompted by the widening in operating margin from 19.7% in H1 2010 to 20.3% in H1 2011.

H2 2011 should benefit from production starts on large contracts signed in H1, notably those concerning environmental and sustainable development schemes. In addition, revenue should no longer be affected by the halt to the GSAC contract as of Q4.

## Commodities

(in millions of euros)	H1 2011	H1 2010	Change
Revenue	258.7	63.8	+305.5%
Adjusted operating profit	31.0	5.5	+463.6%
<i>Adjusted operating margin</i>	<i>12.0%</i>	<i>8.6%</i>	<i>+340 bps</i>

Since January 1, 2011, all of the Group's commodities inspection and testing activities have been regrouped in the new Commodities business, which includes all of Inspectorate's activities, the Mining & Minerals testing activities and more marginally the oil inspection contracts, which were reported under the Industry and GSIT businesses in 2010.

The Commodities business generated H1 2011 revenue of €258.7 million compared with €63.8 million in H1 2010. This 305.5% increase broke down as follows:

- Organic growth of 11.7%, calculated on a pro-forma basis (including the organic contribution from Inspectorate in H1 2011).
- Growth of 292.0% prompted by the consolidation of Inspectorate (acquired in September 2010) and ACT in South Africa (acquired in June 2010).
- A 1.8% rise in revenue prompted by advantageous exchange rate fluctuations (mainly the Australian dollar).

The high growth seen during the period was primarily driven by the Metals and Minerals segment (54% of H1 2011 revenue of the business), and notably upstream testing, which continued to benefit from the recovery in investment spending by mining companies in Australia, South America and Africa. After a slow start of the year due to persistently high stocks of refined products in the US, the Oil and Petrochemicals segment (36% of revenue of the business) has picked up since June.

Adjusted operating profit in the Commodities business totaled €31.0 million in H1 2011 vs. €5.5 million in the year-earlier period. Adjusted operating margin stood at 12.0% during the period, up 240 basis points relative to the pro-forma margin seen in H1 2010 (including Inspectorate's activities).

Full-year 2011 organic growth should remain robust. In the future, business is set to benefit from the development of new services in the Oil and Petrochemicals segment as well as the extension of capacity in the US and Canada (metals and minerals, geochemical testing and coal testing).

## Consumer Products

(in millions of euros)	H1 2011	H1 2010	Change
Revenue	183.9	182.7	+0.7%
Adjusted operating profit	46.8	49.8	(6.0)%
<i>Adjusted operating margin</i>	<i>25.4%</i>	<i>27.3%</i>	<i>(190) bps</i>

Revenue in the Consumer Products business totaled €183.9 million in H1 2011, compared with €182.7 million in H1 2010. This 0.7% increase stemmed from:

- Organic growth of 3.1%.
- A 0.6% increase in revenue prompted by the consolidation of NS Technology, a Chinese company acquired in September 2010.
- A 3.0% decline in revenue due to disadvantageous exchange rates fluctuations (US dollar and Hong Kong dollar).

Revenue growth at the start of the year was slowed by the disadvantageous calendar effect caused by the Chinese New Year as well as the loss of exclusive supplier status with two US clients, which mainly affected the toys testing segment. In contrast, revenue was robust in inspections and factory audits, particular for major clients and the electrical and electronic product testing segment with the expansion of the platform in China.

Adjusted operating profit in the Consumer Products business dropped 6.0% due to the narrowing in adjusted operating margin from 27.3% in H1 2010 to 25.4%. The decline in margin was partly due to the activity shortfall caused by the Chinese New Year and partly to disadvantageous mix effects, with the electrical and electronics and inspections segments having lower profitability levels than the toys and textiles testing segments.

The Group is forecasting faster organic growth in Q4 2011, driven particularly by the rising momentum of new contracts and further expansion in the electrical and electronics segment in Asia. H2 operating margin should improve.

## Government Services & International Trade

(in millions of euros)	H1 2011	H1 2010	Change
Revenue	108.5	84.6	+28.3%
Adjusted operating profit	20.0	16.0	+25.0%
<i>Adjusted operating margin</i>	<i>18.4%</i>	<i>18.9%</i>	<i>(50) bps</i>

Revenue in the Government Services & International Trade business totaled €108.5 million in H1 2011 vs. €84.6 million in H1 2010. This 28.3% increase stemmed from:

- Organic growth of 12.6%.
- A 17.9% increase in revenue prompted by the consolidation of Autoreg, the Brazilian Group acquired in January 2011.
- A 2.2% negative impact from currency exchange rates evolution mainly due to dollar weakness relative to the euro.

The government contracts activities posted healthy organic growth over H1 2011 with a significant increase in the volumes inspected, particularly in African countries which made the most of the recovery in investment spending by mining companies (inspection of imported equipment). Having been severely affected by political unrest, revenue in the Ivory Coast has picked up since June. Verification of conformity (VOC) activities continued to expand, with programmes in Saudi Arabia and in Russia.

Adjusted operating profit in the business rose by 25.0% to €20.0 million as a result of revenue growth and a slight narrowing in adjusted operating margin to 18.4% due to the political turmoil in the Ivory Coast.

Over the full-year 2011, the business should benefit from robust revenue, despite demanding comparison in H2. Growth will mainly come from the start-up of recently-signed contracts (Iraq, Tanzania and Zambia). New opportunities have also been identified in VOC, automotive inspection and Single Window contracts.

### 1.3.9 Group cash flows and sources of financing on June 30, 2011 and June 30, 2010

#### Cash flows

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>
Profit before income tax	213.7	198.4
Elimination of cash flows from financing and investing activities	21.7	19.8
Provisions and other non-cash items	(11.4)	(7.3)
Depreciation, amortization and impairment	54.2	40.0
Movements in working capital attributable to operations	(102.9)	(69.4)
Income tax paid	(78.3)	(63.4)
<b>Net cash generated from operating activities</b>	<b>97.0</b>	<b>118.1</b>
Acquisitions of subsidiaries	(47.7)	(16.7)
Proceeds from sales of subsidiaries	0.7	7.9
Purchases of property, plant and equipment and intangible assets	(44.9)	(28.1)
Proceeds from sales of property, plant and equipment and intangible assets	0.6	0.6
Purchases of non-current financial assets	(1.2)	(12.4)
Proceeds from sales of non-current financial assets	-	2.0
Other	-	1.1
<b>Net cash used in investing activities</b>	<b>(92.5)</b>	<b>(45.6)</b>
Capital increase	19.7	0.5
Purchase / sales of treasury shares	-	0.5
Dividends paid	(126.9)	(84.6)
Increase in borrowings and other debt	246.0	119.2
Repayment of borrowings and other debt	(181.9)	(95.3)
Interest paid	(21.9)	(17.2)
<b>Net cash generated from (used in) financing activities</b>	<b>(65.0)</b>	<b>(76.9)</b>
Impact of currency translation differences	(9.1)	11.2
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(69.6)</b>	<b>6.8</b>
Cash and cash equivalents at beginning of period	201.4	139.3
<b>Net cash and cash equivalents at end of period</b>	<b>131.8</b>	<b>146.1</b>
o/w cash and cash equivalents	168.2	169.1
o/w bank overdrafts	(36.4)	(23.0)

## Net cash generated from operating activities

Cash flow before changes in working capital requirements (WCR) and income tax paid rose 10.9% from €250.9 million on June 30, 2010 to €278.2 million on June 30, 2011.

On June 30, 2011, WCR totaled €289.4 million, representing 9.0% of revenue over the past 12 months, compared with €241.9 million on June 30, 2010 (or 9.1% of revenue).

After changes in WCR and the rise in income tax paid, net cash generated from operating activities fell by 17.9% relative to June 30, 2010 from €118.1m to €97.0 million on June 30, 2011. Note that before taking into account €14m linked to the payment of litigations settlements, net cash generated from operating activities were broadly flat at €111.0m.,

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>
<b>Net cash generated from operating activities</b>	<b>97.0</b>	<b>118.1</b>
Purchases of property, plant and equipment, and intangible assets	(44.9)	(28.1)
Proceeds from sales of property, plant and equipment and intangible assets	0.6	0.6
Interest paid	(21.9)	(17.2)
<b>Levered free cash flow</b>	<b>30.8</b>	<b>73.4</b>

Levered free cash flow (cash flow available after tax, interest expense and capital expenditure) totaled €30.8 million in H1 2011, compared with €73.4 million in H1 2010.

### **Purchases of property, plant and equipment and intangible assets**

In general, inspection and certification businesses are not particularly capital-intensive activities. Only the analysis and laboratory testing activities require higher investments (Consumer Products, Commodities and scanners).

The overall amount of capital expenditure (capex) undertaken by the Group totaled €44.9 million in H1 2011, up 59.8% relative to H1 2010 (€28.1 million). The Group's capex-to-revenue ratio surged from 2.1% in H1 2010 to 2.8% and should rise to around 3.5% over the full year in view of the development of the global commodities' testing and analysis platform.

## Net cash used in investing activities

Cash flows used in investing activities reflect the Group's growth through acquisitions over the past two years. The table below sets out the breakdown of acquisitions made by the Group during H1 2010 and H1 2011.

<i>(in millions of euros)</i>	<b>H1 2011</b>	<b>H1 2010</b>
Cost of acquisitions	(59.3)	(16.2)
Cash and cash equivalents of acquired companies	(0.3)	0.8
Purchase price outstanding at June 30	12.3	2.5
Purchase price paid in relation to prior-year acquisitions	(0.3)	(1.1)
<b>Impact of acquisitions on cash and cash equivalents</b>	<b>(47.6)</b>	<b>(14.0)</b>
Acquisition fees	(0.1)	(2.7)
<b>ACQUISITION OF SUBSIDIARIES</b>	<b>(47.7)</b>	<b>(16.7)</b>

### **Acquisitions**

A description of the main acquisitions made in H1 2011 is presented in the paragraph "Highlights of the Period" in this section of the report.

## Net cash used in financing activities

### Dividends

In H1 2011, the "dividends paid" line item mainly included the €124.9 million payout to shareholders for the 2010 financial year (dividend per share of €1.15), up 37% relative to the amount paid out in the previous year.

### Borrowings

The increase in financial debt, net of repayments and borrowings, stood at €64.1 million in H1 2011.

### Interest paid

The €4.7 million increase in interest expense between H1 2010 and H1 2011 stemmed primarily from the increase in the average level of net financial debt partly offset by the decline in interest rates paid.

## Financing

### Sources of Group financing

Apart from the use of its own capital, the Group is financed mainly through the 2006 Syndicated Loan, the 2007 Club Deal, the 2008 US Private Placement (2008 USPP), the 2010 US Private Placement (2010 USPP) and the 2010 French Private Placement (2010 FrenchPP). Virtually all of the Group's financial debt on June 30, 2011 is represented by these various financing programmes.

On June 30, 2011, the Group's gross debt totaled €1,325.5 million and primarily included the syndicated loans (€629.9 million), the October 2007 Club Deal (€150.0 million), the 2008 US Private Placement (€253.8 million), the 2010 US Private Placement (€184.1 million), the 2010 French Private Placement (€50 million) and other bank loans (€57.7 million including €36.4 million in bank overdrafts).

The Group's gross financial debt is set out in the following table:

<i>(in millions of euros)</i>	<b>June 30, 2011</b>	<b>Dec. 31, 2010</b>
Bank borrowings due after 1 year	1,184.4	1,185.8
Bank borrowings due within 1 year	104.7	85.2
Bank overdrafts	36.4	23.6
<b>GROSS FINANCIAL DEBT</b>	<b>1,325.5</b>	<b>1,294.6</b>

The following table shows cash and cash equivalents as well as the Group's net financial debt:

<i>(in millions of euros)</i>	<b>June 30, 2011</b>	<b>Dec. 31, 2010</b>
Marketable securities and similar receivables	6.4	40.2
Cash on hand	161.8	184.8
<b>Cash and cash equivalents</b>	<b>168.2</b>	<b>225.0</b>
<b>Gross financial debt</b>	<b>1,325.5</b>	<b>1,294.6</b>
<b>NET FINANCIAL DEBT</b>	<b>1,157.3</b>	<b>1,069.6</b>

Adjusted net financial debt (after currency hedging instruments as defined in the calculation of banking covenants) totaled €1,156.0 million on June 30, 2011 vs. €1,051.8 million on December 31, 2010.

The Group's cash on hand is spread amongst over 250 units located in more than 140 countries. In a number of countries (particularly Brazil, China, South Korea, India and Turkey), the Group's units are subject to strict currency controls which make intra-group loans very difficult.

### **Principal terms of the 2006 syndicated loan**

The 2006 Syndicated Loan, which is repayable early, in part or in full, without penalty upon maturity of each drawdown by the Group's borrowing entities (either 1, 3 or 6 months), is made up of two tranches:

- The A Facility (term loan), amortizable, for an initial amount of USD 560 million. The A Facility has been completely drawn. The amount of A Facility has already reached USD 173.7 million. The A Facility is for seven years, with an expiry date in May 2013; and
- The B Facility (revolving credit facility) of €550 million. The B Facility permits drawings in several currencies. The expiry date was extended from May 2012 to May 2013 for the greater part of this facility (95% of the tranche).

On June 30, 2011, the key terms of the amounts drawn down under the 2006 Syndicated Loan are set forth in the table below:

<b>Facility</b>	<b>Amounts drawn downs</b> <i>(in millions of euros)</i>	<b>Currency</b>	<b>Amortization</b>
	113.5	USD	
A (amortizable)	6.7	EUR	Half yearly
	285.0	EUR	
B (Revolving)	18.8	GBP	Upon maturity
	205.9	USD	

Early redemption for all amounts borrowed is mandatory in the event of:

- A change in control, if a third party, acting individually or collectively, should come to hold, either directly or indirectly, more than a third of the voting rights and more voting rights than the current main shareholder (Wendel Group).
- The sale of all or a substantial portion of the Group's assets.
- Failure to comply with the covenants set forth under the Loan Agreement, particularly with respect to the ratios described below.

The 2006 Syndicated Loan requires compliance with certain financial covenants and ratios. At June 30, 2011, all these conditions had been met by the Group. These financial covenants can be summarized as follows:

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

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

The agreement includes total and partial mandatory early redemption clauses, particularly in the event of a default on payment of amounts due under the Loan, non-compliance with the financial ratios described

above or other events which 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 cannot be used to finance external growth transactions except under certain conditions. Therefore, the B Facility can only be used to finance an acquisition by the Company or one of its subsidiaries:

- With the agreement of the members of the bank syndicate; or
- If the target acquisition is a "Permitted Acquisition" (defined in particular 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) to the extent that the acquisition represents a cost of over €50 million, not likely to bring about non-compliance with the financial ratios described above).

At June 30, 2011, the Group was not in default under the 2006 Syndicated Loan.

The amounts borrowed carry interest at a rate determined by the sum of the market rate and the applicable margin. The market rate is 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), when the funds made available are in euros.

The margins under the 2006 Syndicated Loan vary from 0.25% to 0.50% depending on the Leverage Ratio defined beforehand in accordance with the table below:

<b>Leverage Ratio</b>	<b>Margin</b> (in basis points)
$2.5 \leq L < 3.0$	50
$2.0 \leq L < 2.5$	40
$1.5 \leq L < 2.0$	32.5
$L < 1.5$	25

#### ***Principal terms of the 2007 Club Deal***

The 2007 Club Deal has been 100% drawn down for €150 million and matures in October 2012. The terms of the 2007 Club Deal are the same in all respects as those of the 2006 Syndicated Loan, except for the following margin grid:

<b>Leverage Ratio</b>	<b>Margin</b> (in basis points)
$2.5 \leq L < 3.0$	57.5
$2.0 \leq L < 2.5$	47.5
$1.5 \leq L < 2.0$	40
$L < 1.5$	32.5

#### ***Principal terms of the 2008 US Private Placement***

On July 16, 2008, the Group introduced a private placement in the United States ("2008 USPP") for €248.4 million. This issue was carried out in the form of four "senior notes" repayable on maturity, drawn up in US dollars and pounds sterling, and was converted in full to euros on issue by using USD/EUR and GBP/EUR exchange rate swaps. After hedging, the issue represented €127.6 million at the maturity date of July 2018 and €120.8 million at the maturity date of July 2020, that is to say a total of €248.4 million.

The 2008 Private Placement has been 100% drawn down. The payment of interest is half-yearly. The features of the 2008 Private Placement are exactly the same as those of the Syndicated Loan apart from the "leverage ratio", which has to remain below 3.25.

### Principal terms of 2010 US Private Placement

In July 2009, the Group set up a three-year multi-currency credit line with a US institutional lender for a total amount of USD 225 million.

The Group confirmed the use of this credit line in June 2010 after the acquisition of Inspectorate was signed. The terms of this financing contract (2010 USPP) are similar to those of the 2008 Private Placement except in terms of maturity (nine years to July 2019), currency (in US dollars) and rate (fixed rate of 4.095%).

On June 30, 2011, the 2010 US Private Placement was 100% drawn down in euro for an amount of €184.1 million.

### Principal terms of 2010 French Private Placement

In June 2010, the Group set up a five-year bank credit line with French institutional investors for €200 million (maturing in June 2015). The terms of the financing contract (2010 French PP) are virtually the same as those of the 2006 Syndicated Loan, with the exception of the following margin grid:

	Type	Repayment	Margin (basis points)
Facility A: €100 million	<i>Revolving</i>	Amortization	150
Facility B: €50 million	<i>Revolving</i>	<i>Upon maturity</i>	150
Facility C: €50 million	Loan	<i>Upon maturity</i>	165

On June 30, 2011, the 2010 French Private Placement was drawn down for an amount of €50 million (Facility C).

### Other borrowings

The Group's principal debt other than the syndicated loan includes:

- A loan for Bureau Veritas Italy SpA, a 100%-owned subsidiary of the Company, entered into in July 2006 with Banca Intesa, for an initial amount of €10 million. This loan is amortizable with two payments of €1 million per year, and matures on July 24, 2011. On June 30, 2011, this loan totaled €1.0 million.
- a loan for Bureau Veritas Mali, taken out in August 2007 with a local bank in order to finance the acquisition of equipment (scanners) for a sum equivalent to €4.8 million at June 30, 2011.

### Other commitments

Off-balance sheet commitments include adjustments and increases in acquisition prices, one-off rental agreement commitments and guarantees and pledges granted.

### Guarantees and pledges

Guarantees and pledges granted as of June 30, 2011 and as of December 31, 2010 are set out below:

(in millions of euros)	June 30, 2011	Dec. 31, 2010
Less than one year	54.4	45.8
Between one and five years	83.8	65.7
More than five years	7.6	7.9
<b>Total</b>	<b>145.8</b>	<b>119.4</b>

Guarantees and pledges include bank guarantees and parent company guarantees:

- Bank guarantees: these essentially include market guarantees like bid bonds as well as performance bonds, with none yet paid at the time of this half-yearly financial report. Bid bonds enable the beneficiary to protect itself in the event of a withdrawal of a commercial offer, a refusal to sign a contract or a failure to provide the guarantees requested. Performance bonds guarantee the buyer that the Group will meet its contractual obligations as provided under contract. Performance bonds are usually issued for a percentage (in the order of 10%) of the value of the contract; and
- Parent company guarantees: these concern market guarantees and guarantees granted by the parent company to financial institutions to cover financial pledges given by the financial institutions in connection with the Group's business activities and rental payment guarantees. By granting guarantees for rental payments, the parent company undertakes to pay rent to the lessor in the event of default by the subsidiary concerned.

On June 30, 2011, the Group believed that the risk of payout under the guarantees described above was low. As a result, no provision was recorded.

On June 30, 2011, the guarantees and pledges granted were as follows:

<i>(in millions of euros)</i>	<b>June 30, 2011</b>	<b>Dec. 31, 2010</b>
Bank guarantees	90.1	87.4
Parent company guarantees	55.7	32.0
<b>Total</b>	<b>145.8</b>	<b>119.4</b>

The presentation of off-balance sheet commitments in this document does not omit any significant off-balance sheet commitment in accordance with the applicable accounting standards.

#### ***Adjustments and acquisition price complements***

On June 30, 2011, the Group had no significant off-balance sheet commitment related to external growth (such as adjustments and acquisition price complements).

#### **Sources of financing anticipated for future investments**

The Group estimates that its financing needs for operations will be fully covered by its operating cash flows.

In order to finance its external growth, the Group has:

- Resources generated through its available cash flow after taxes, financial expenses and dividends.
- Resources from its cash and cash equivalents.
- Resources from the 2006 Syndicated Loan, the terms of which are set out in this document. On June 30, 2011, €40.3 million were available.
- Resources stemming from the 2010 French Private Placement, the terms of which are set out in the present document. On June 30, 2011, €150.0 million were available.

### **1.4. Risk factors for the remaining six months of the 2011 financial year**

Readers are invited to refer to the company's 2010 Registration Document registered with the French Financial Markets Authorities on March 23, 2011 under the number D.11-072 (paragraph 1.8 – Risk factors).

Financial and market risks are also set out in the Appendix to the Consolidated Half-Year Financial Statements in Note 15 presented in Chapter 2 – 2011 Half-Year Consolidated Financial Statements of this 2011 Half-Year Financial Report.

## Legal, administrative, government and arbitration procedures and investigations

In the ordinary course of its activities, the Group is involved in a large number of legal procedures for certain activities that contest its professional civil liability following services provided. Although the Group takes great care in controlling risks and the quality of services provided, some of these services can give rise to claims and court sentences to pay financial damages.

The eventual expenses prompted by disputes are the object of provisions. The amount set aside under provisions is the best estimate of the expense required to eliminate the obligatory damages payment, booked in the present value at the closing date. The costs that the Group could have to pay may exceed the amount of provisions set aside for disputes due to numerous factors, particularly the uncertain nature of the outcome of the disputes.

On the date of the current document, the Group is implied in the following main procedures:

### Terminal 2E at Paris-Roissy CDG Airport

On May 23, 2004, a part of the roof of the departure hall of Terminal 2E at Roissy CDG Airport collapsed, causing the death of four persons, injuries to six persons, as well the closure of the terminal.

In terms of the civil aspects, two expert investigations were initiated at the request of the main parties involved in the construction, Aéroports de Paris (the party responsible for the construction project, architect and general contractor) and companies of the Vinci group (that participated in the construction of the outer structure of the hall).

A settlement has been reached regarding physical damage arising under the decennial guarantee, covered in so far as the Company is concerned, by its insurers.

The experts evaluated the non-material damages at around €145 million, and proposed the Company's liability as being between 8% and 10%. The Company recently reached a settlement with the major parties concerned within the range of responsibility proposed by the experts.

In terms of criminal law: an investigation was opened after the accident and led to the questioning of the builders and of the Company. A report was commissioned from a panel of experts (a different panel from the one appointed for the civil aspects), which has just been delivered.

A decision should be made in the coming months as to whether the parties will have to appear before the correctional court.

Based on these evaluations and proposals, and in view of the insurance warranties and reserves taken by the Group, the Company does not believe that this claim will significantly affect the Group's consolidated financial statements.

### Dispute concerning the construction of a hotel and business complex in Turkey

In terms of the dispute over the construction of a hotel and business complex in Turkey, no significant developments have intervened since the publication of the 2010 Registration Document, the declarations for which remain valid.

### Dispute relating to the Gabon express airplane crash

In the dispute concerning the Gabon Express airline accident in 2004, no significant changes have intervened since the publication of the 2010 Registration document, the declarations for which remain valid.

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

## 1.5. Related party transactions

Readers are invited to refer to Note 17 - Related-party transactions - presented in Chapter 2 - 2011 Half-Year Consolidated Financial Statements of the present 2011 Half-Year Financial Report.

## 1.6. Outlook

As of today, the Group has noticed no impact of the deterioration in the economic backdrop on its activities. The Group confirms that it should post high growth in 2011 revenue and adjusted operating profit on a constant currency basis thanks to the consolidation of acquisitions made so far and organic growth exceeding that of 2010 and consistent with H2 2010.

This outlook is in line with the 2006-11 targets <sup>(1)</sup> provided in October 2007.

On September 20, 2011, the Group is to announce its strategic plan and provide its targets for 2015.

### (1) Reminder of 2006-2011 targets:

- Doubling of revenues at constant exchange rates.
- Improvement in adjusted operating margin of 150 basis points to 16.0%.
- Average annual growth in adjusted net profit between 15% and 20% (excluding non-recurring items).

## 1.7. Events after the end of the reporting period

### Acquisitions

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On August 8, 2011, Bureau Veritas announced the acquisition of Civil-Aid, an Indian company specialized in conformity assessment in the field of construction and infrastructure and which had 2010 revenue of €3 million.

### Stock purchase options and free shares

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On July 18, 2011, the Board of Directors decided to grant stock purchase options and free shares to 530 Group's employees, corresponding to a total of 558,730 shares (380,230 free shares and 178,500 stock purchase options), or 0.51% of the share capital.

The strike price for the stock purchase options was set at €57.66 reflecting the average undiscounted quoted price for the Company's shares on the 20 trading days preceding the grant date.

The stock purchase options and free shares granted to the Group's employees are subject to performance and presence conditions.

## 2. 2011 Condensed Half-year consolidated financial statements

### 2.1 2011 Half-year consolidated financial statements

#### Half-year consolidated income statement

In millions of euros

	Notes	First-half 2011	First-half 2010
<b>Revenue</b>		<b>1,622.8</b>	<b>1,349.1</b>
Purchases and external charges	6	(469.8)	(387.3)
Personnel costs	6	(839.8)	(699.1)
Taxes other than on income		(32.2)	(28.8)
Net (additions to)/reversals of provisions	6	12.4	7.7
Depreciation and amortization		(54.2)	(37.2)
Other operating income and expense, net	6	2.8	9.3
<b>Operating profit</b>		<b>242.0</b>	<b>213.7</b>
Income from cash and cash equivalents		0.9	1.0
Finance costs, gross		(19.8)	(19.1)
<b>Finance costs, net</b>		<b>(18.9)</b>	<b>(18.1)</b>
Other financial income and expense		(9.5)	2.9
<b>Net financial expense</b>		<b>(28.4)</b>	<b>(15.2)</b>
Share of profit of associates		0.1	(0.1)
<b>Profit before income tax</b>		<b>213.7</b>	<b>198.4</b>
Income tax expense		(58.2)	(54.4)
<b>Net profit for the period</b>		<b>155.5</b>	<b>144.0</b>
<i>Attributable to:</i>			
<i>owners of the Company</i>		151.4	140.8
<i>non-controlling interests</i>		4.1	3.2
<b>Basic earnings per share (in euros)</b>	13	<b>1.39</b>	<b>1.30</b>
<b>Diluted earnings per share (in euros)</b>	13	<b>1.37</b>	<b>1.28</b>

The notes on pages 28 to 42 are an integral part of the condensed consolidated financial statements.

## Half-year consolidated statement of comprehensive income

In millions of euros

	<i>Notes</i>	<b>First-half 2011</b>	<b>First-half 2010</b>
<b>Net profit for the period</b>		<b>155.5</b>	<b>144.0</b>
<b>Other comprehensive income</b>		<b>(67.6)</b>	<b>157.5</b>
Currency translation differences		(75.5)	134.8
Actuarial gains/(losses)		-	-
Cash flow hedges		7.9	22.7
Available-for-sale financial assets		-	-
<b>Tax effect on other comprehensive income</b>	<i>12</i>	<b>(2.7)</b>	<b>(7.4)</b>
<b>Total other comprehensive income, after tax</b>		<b>(70.3)</b>	<b>150.1</b>
<b>Total comprehensive income</b>		<b>85.2</b>	<b>294.1</b>
<i>Attributable to:</i>			
owners of the Company		<b>83.5</b>	<b>289.6</b>
non-controlling interests		<b>1.7</b>	<b>4.5</b>

The notes on pages 28 to 42 are an integral part of the condensed consolidated financial statements.

## Half-year consolidated statement of financial position

In millions of euros

	Notes	June 30, 2011	Dec. 31, 2010
Goodwill	7	1,301.8	1,329.3
Intangible assets		325.5	330.4
Property, plant and equipment		284.6	281.1
Investments in associates		0.5	0.5
Deferred income tax assets	12	81.6	74.2
Investments in non-consolidated companies		0.6	0.7
Derivative financial instruments		21.4	31.9
Other non-current financial assets		43.2	41.6
<b>Total non-current assets</b>		<b>2,059.2</b>	<b>2,089.7</b>
Trade and other receivables		995.6	929.7
Current income tax assets		20.3	21.3
Current financial assets		7.2	6.9
Derivative financial instruments		-	-
Cash and cash equivalents		168.2	225.0
<b>Total current assets</b>		<b>1,191.3</b>	<b>1,182.9</b>
<b>TOTAL ASSETS</b>		<b>3,250.5</b>	<b>3,272.6</b>
Share capital		13.2	13.1
Retained earnings and other reserves		818.6	831.3
<b>Equity attributable to owners of the Company</b>		<b>831.8</b>	<b>844.4</b>
Non-controlling interests		7.0	15.5
<b>Total equity</b>		<b>838.8</b>	<b>859.9</b>
Bank borrowings	10	1,184.4	1,185.8
Derivative financial instruments		12.3	20.1
Other non-current financial liabilities	10	2.3	0.2
Deferred income tax liabilities	12	63.9	59.9
Pension plans and other long-term employee benefits		103.4	102.7
Provisions for other liabilities and charges		84.8	101.1
<b>Total non-current liabilities</b>		<b>1,451.1</b>	<b>1,469.8</b>
Trade and other payables		706.2	736.7
Current income tax liabilities		75.2	81.4
Derivative financial instruments		12.7	3.1
Current financial liabilities	10	166.5	121.7
<b>Total current liabilities</b>		<b>960.6</b>	<b>942.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,250.5</b>	<b>3,272.6</b>

The notes on pages 28 to 42 are an integral part of the condensed consolidated financial statements.

## Half-year consolidated statement of changes in equity

In millions of euros

	Notes	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to owners of the Company	Attributable to non-controlling interests
<b>January 1, 2010</b>		<b>13.1</b>	<b>116.2</b>	<b>(44.5)</b>	<b>416.4</b>	<b>501.2</b>	<b>489.7</b>	<b>11.5</b>
Capital reduction		-	-	-	-	-	-	-
Exercise of stock options		-	0.5	-	-	0.5	0.5	-
Fair value of stock options	9	-	-	-	4.2	4.2	4.2	-
Dividends paid	14	-	-	-	(91.4)	(91.4)	(91.0)	(0.4)
Treasury share transactions		-	-	-	0.6	0.6	0.6	-
Other movements		-	-	-	(0.6)	(0.6)	6.0	(6.6)
<b>Total transactions with owners</b>		-	<b>0.5</b>	-	<b>(87.2)</b>	<b>(86.7)</b>	<b>(79.7)</b>	<b>(7.0)</b>
<b>Total comprehensive income</b>		-	-	<b>134.8</b>	<b>159.3</b>	<b>294.1</b>	<b>289.6</b>	<b>4.5</b>
<b>June 30, 2010</b>		<b>13.1</b>	<b>116.7</b>	<b>90.3</b>	<b>488.5</b>	<b>708.6</b>	<b>699.6</b>	<b>9.0</b>
<b>January 1, 2011</b>		<b>13.1</b>	<b>117.8</b>	<b>26.3</b>	<b>702.7</b>	<b>859.9</b>	<b>844.5</b>	<b>15.5</b>
Capital reduction		-	-	-	-	-	-	-
Exercise of stock options		0.1	19.6	-	-	19.7	19.7	-
Fair value of stock options	9	-	-	-	5.1	5.1	5.1	-
Dividends paid	14	-	-	-	(128.3)	(128.3)	(124.9)	(3.4)
Treasury share transactions		-	-	-	(1.9)	(1.9)	(1.9)	-
Acquisition of non-controlling interests		-	-	-	-	-	0.5	(0.5)
Additions to the scope of consolidation		-	-	-	(0.8)	(0.8)	5.6	(6.4)
Other movements <sup>(1)</sup>		-	-	63.4	(63.5)	(0.1)	(0.2)	0.1
<b>Total transactions with owners</b>		<b>0.1</b>	<b>19.6</b>	<b>63.4</b>	<b>(189.4)</b>	<b>(106.3)</b>	<b>(96.1)</b>	<b>(10.2)</b>
<b>Total comprehensive income</b>		-	-	<b>(75.5)</b>	<b>160.7</b>	<b>85.2</b>	<b>83.5</b>	<b>1.7</b>
<b>June 30, 2011</b>		<b>13.2</b>	<b>137.4</b>	<b>14.2</b>	<b>674.0</b>	<b>838.8</b>	<b>831.8</b>	<b>7.0</b>

<sup>(1)</sup> A reclassification has been included in the currency translation reserve within the comprehensive income during the first half 2011 to reflect a currency fluctuation on a net financial investment abroad previously accounted for in the other reserves. The impact on the comprehensive income for the first half 2011 is -€9 million. The reclassification on the opening balance ("Other movements") amounts to €63.4 million.

The notes on pages 28 to 42 are an integral part of the condensed consolidated financial statements.

## Half-year consolidated statement of cash flows

In millions of euros

	Notes	First-half 2011	First-half 2010
Profit before income tax		213.7	198.4
Elimination of cash flows from financing and investing activities		21.7	19.8
Provisions and other non-cash items		(11.4)	(7.3)
Depreciation, amortization and impairment		54.2	40.0
Movements in working capital attributable to operations	16	(102.9)	(69.4)
Income tax paid		(78.3)	(63.4)
<b>Net cash generated from operating activities</b>		<b>97.0</b>	<b>118.1</b>
Acquisitions of subsidiaries	8	(47.7)	(16.7)
Proceeds from sales of subsidiaries		0.7	7.90
Purchases of property, plant and equipment and intangible assets		(44.9)	(28.1)
Proceeds from sales of property, plant and equipment and intangible assets		0.6	0.6
Purchases of non-current financial assets		(1.2)	(12.4)
Proceeds from sales of non-current financial assets		-	2.0
Other		-	1.1
<b>Net cash used in investing activities</b>		<b>(92.5)</b>	<b>(45.6)</b>
Capital increase		19.7	0.5
Purchases/sales of treasury shares		-	0.5
Dividends paid		(126.9)	(84.6)
Increase in borrowings and other debt	10	246.0	119.2
Repayment of borrowings and other debt	10	(181.9)	(95.3)
Interest paid		(21.9)	(17.2)
<b>Net cash generated from (used in) financing activities</b>		<b>(65.0)</b>	<b>(76.9)</b>
Impact of currency translation differences		(9.1)	11.2
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(69.6)</b>	<b>6.8</b>
Net cash and cash equivalents at beginning of period		201.4	139.3
<b>Net cash and cash equivalents at end of period</b>		<b>131.8</b>	<b>146.1</b>
Of which cash and cash equivalents		168.2	169.1
Of which bank overdrafts		(36.4)	(23.0)

The notes on pages 28 to 42 are an integral part of the condensed consolidated financial statements.

## 2.2 Notes to the condensed half-year consolidated financial statements

### Note 1: General information

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

Bureau Veritas SA is a joint stock company (*société anonyme*) incorporated and domiciled in France. The address of its registered office is 67-71 Boulevard du Château, 92571 Neuilly-sur-Seine, France. Between 2004 and October 2007, the Group was more than 99%-owned by Wendel. On October 24, 2007, Bureau Veritas SA shares were admitted for trading on the Euronext-Paris market. At June 30, 2011, Wendel held 51.4% of the capital of Bureau Veritas (excluding treasury shares).

These condensed 2011 half-year consolidated financial statements were adopted on August 24, 2011 by the Board of Directors.

### Note 2: First-half 2011 highlights

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#### Dividend payout

On June 14, 2011, the Group paid out dividends on eligible shares totaling €124.9 million in respect of financial year 2010.

#### Acquisitions

The Group forged ahead with its external growth policy in the period, carrying out acquisitions in fast-growing countries and high-potential businesses. Acquisitions included:

- The Auto Reg group, the leader in Brazil for vehicle insurance damage inspections, which reported revenue totaling €23 million in 2010;
- Atomic Technologies, a Singapore-based company providing non-destructive testing services in South-East Asia, which reported revenue totaling €3 million in 2010;
- Scientige, a Malaysia-based company specializing in inspection and asset integrity management, which reported revenue totaling €5 million in 2010.

#### New business

Since January 1, 2011, all commodity testing and inspection activities have been merged within a new "Commodities" business. This global platform is organized around three core market segments in which the Group now enjoys top-ranking positions worldwide: oil and petrochemicals, metals and minerals, and agricultural products.

## Note 3: Summary of significant accounting policies

### Basis of preparation

The condensed 2011 half-year consolidated financial statements 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, 2010, which were prepared in accordance with IFRS as adopted by the European Union.

### IFRS developments

The Group applies the following standards, amendments and interpretations effective for accounting periods beginning on or after January 1, 2011:

- Amendment to IAS 32, Classification of Rights Issues
- IAS 24 (revised), Related Party Disclosures
- Amendment to IFRIC 14, Prepayments of a Minimum Funding Requirement
- IFRIC 18, Transfers of Assets from Customers
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

These revised standards, amendments and interpretations have no impact on the 2011 half-year consolidated financial statements.

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:

- Amendment to IFRS 7, Disclosures relating to reclassifications of financial assets

### Preparation of half-year financial statements

#### Applicable accounting policies

The accounting policies used to prepare the condensed half-year financial statements at June 30, 2011 are consistent with those used to prepare the 2010 annual financial statements, except in the case of income tax expense, which is calculated based on a projection for the full year.

#### Use of estimates

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 preparation of half-year 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, 2010, with the exception of income tax expense and long-term employee benefit obligations, for which the following estimation methods were applied:

- Income tax expense  
Income tax expense for first-half 2011 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.
- Long-term employee benefit obligations  
As no material changes have occurred, the expense in the income statement for first-half 2011 was estimated based on the 2011 forecasts included in the actuary's reports at December 31, 2010.

## Note 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 businesses. In the Consumer Products business, 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 businesses, 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, along with the related payroll charges (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).

## Note 5: Segment reporting

The following table provides a breakdown of revenue and operating profit by business segment:

	Revenue		Operating profit	
	First-half 2011	First-half 2010	First-half 2011	First-half 2010
Marine	159.7	156.0	49.1	47.8
Industry	337.2	286.1	35.7	29.0
Inspection & In-Service Verification	214.5	209.2	18.6	21.7
Construction	204.1	209.6	20.8	18.0
Certification	156.2	157.1	31.1	30.1
Commodities	258.7	63.8	21.3	2.1
Consumer Products	183.9	182.7	46.1	49.2
Government Services & International Trade	108.5	84.6	19.3	15.8
<b>Total</b>	<b>1,622.8</b>	<b>1,349.1</b>	<b>242.0</b>	<b>213.7</b>

Since January 1, 2011, all commodity testing and inspection activities have been merged within a new "Commodities" business. In order to provide a meaningful comparison, data for first-half 2010 have been restated.

## Note 6: Operating income and expense

	First-half 2011	First-half 2010
Supplies	(23.2)	(14.3)
Subcontracting	(105.3)	(85.3)
Lease payments	(55.6)	(49.2)
Transport and travel costs	(144.7)	(120.2)
Service costs rebilled to clients	21.9	20.3
Other external services	(162.9)	(138.6)
<b>Total purchases and external charges</b>	<b>(469.8)</b>	<b>(387.3)</b>
Salaries and bonuses	(656.1)	(548.1)
Payroll taxes	(155.0)	(130.1)
Other employee-related expenses	(28.7)	(20.9)
<b>Total personnel costs</b>	<b>(839.8)</b>	<b>(699.1)</b>
Provisions for receivables	(5.4)	(5.7)
Provisions for other liabilities and charges	17.8	13.4
<b>Total (additions to)/reversals of provisions</b>	<b>12.4</b>	<b>7.7</b>
Gains/(losses) on disposals of property, plant and equipment and intangible assets	(1.6)	(1.1)
Other operating income and expense	4.4	10.4
<b>Total other operating income and expense</b>	<b>2.8</b>	<b>9.3</b>

## Note 7: Goodwill

	June 30, 2011	Dec. 31, 2010
Gross value	1,345.7	848.7
Accumulated impairment	(16.4)	(16.5)
<b>Net goodwill at January 1</b>	<b>1,329.3</b>	<b>832.2</b>
Acquisitions of consolidated businesses	40.2	417.0
Disposals of consolidated businesses	(0.2)	(2.6)
Impairment for the period	-	(1.8)
Exchange differences and other movements	(67.5)	84.5
<b>Net goodwill at end of period</b>	<b>1,301.8</b>	<b>1,329.3</b>
Gross value	1,318.2	1,345.7
Accumulated impairment	(16.4)	(16.4)
<b>Net goodwill at end of period</b>	<b>1,301.8</b>	<b>1,329.3</b>

The net carrying amount of goodwill is assessed at least yearly as part of the annual accounts closing process. At June 30, goodwill was tested for impairment:

- if the estimated present value of earnings expected to flow from a cash-generating unit (CGU) in the period was lower than initially forecast, indicating a possible loss in value;
- if the estimated present value of earnings expected to flow from a CGU within a group of CGUs in the period was lower than initially forecast, indicating a possible loss in value. In this case, the entire group of CGUs is tested for impairment;
- if any CGUs had been subject to specific monitoring procedures at the end of the previous reporting period (Construction in the US and Spain and Mining & Minerals in Australia).

The method used to determine the recoverable amount of a CGU is the same as that described in the consolidated financial statements for the year ended December 31, 2010, except that budgets for all reporting lines are formally approved at year-end.

The entire Commodities business, identified as a group of CGUs (including the mining sector in Australia) when it was set up on January 1, 2011, was tested for impairment.

The Commodities business in Australia was however tested separately for impairment in view of the specific monitoring procedures it had been subject to at the end of 2010.

The present value of future cash flows was revised to take into account the latest available earnings forecasts and any changes in estimates over the mid- to long-term for each CGU concerned.

The growth outlook remains stable for the Group as a whole, except for Construction in Spain, which saw confirmation of the market trends that had prompted a downward revision of business prospects in 2010.

The growth rates used by Bureau Veritas for its long-term estimates remain unchanged from December 31, 2010, except for the US and the mining sector in Australia (2% and 2.5%, respectively, in first-half 2011 versus 3% and 3.2%, respectively, in 2010).

The discount rates used were identical to those used for the impairment tests at December 31, 2010, except for Spain (7.4% versus 7%) and the mining sector in Australia (9% versus 10.2%). These discount rates are post-tax rates applied to net-of-tax future cash flows before external borrowing costs.

The 9% discount rate used for the mining sector (Commodities business) in Australia in first-half 2011 was the same as that used for the Group's other activities in the country. In 2010, the 10.2% rate factored in a risk premium reflecting the risk associated with this investment. In view of the continuing improvement in this sector over 2010 and in first-half 2011, no risk premium was applied at June 30, 2011. Future cash flow forecasts for first-half 2011 cover a five-year period, in accordance with IAS 36. However, future cash flow forecasts in 2010 covered a period of seven years in order to reflect the business plan for this activity (most of which was acquired in 2008), which was expected to take longer than the Group's existing activities to reach maturity. The seven-year period was no longer used in first-half 2011 owing to the level of maturity of the sector within the Commodities business.

The table below compares recoverable amounts to carrying amount for businesses which were subject to specific monitoring procedures at December 31, 2010:

Business	Country	Currency	Recoverable amount	Carrying amount
Construction	Spain	EUR	140.1	137.3
Construction	United States	USD	56.2	45.3
Commodities	Australia	AUD	584.0	501.9

*NB: Amounts in millions of local currency units.*

The table below shows the sensitivity of the Group's Construction activities in Spain and the US, and its Commodities business in Australia, to a one-point rise in the discount rate and a one-point fall in the long-term growth rate:

Business	Country	Currency	1 point rise in discount rate	1 point fall in growth rate
Construction	Spain	EUR	0.0	0.0
Construction	United States	USD	(18.0)	(13.9)
Commodities	Australia	AUD	0.0	0.0

*NB: Theoretical write-down in millions of local currency units based on changes in one input only.*

## Note 8: Acquisitions and disposals

On January 10, 2011, the Group acquired the Auto Reg group, the leader in Brazil for vehicle insurance damage inspections. Auto Reg reported revenue totaling €23 million in 2010.

On February 7, 2011, the Group acquired Atomic Technologies, a Singapore-based company specializing in non-destructive testing services. Atomic Technologies reported revenue of around €3 million in 2010.

On March 1, 2011, the Group acquired Scientige in Malaysia. Scientige specializes in inspection and asset integrity management, and reported revenue of €5 million in 2010.

	First-half 2011	
<b>Total cost of acquisitions</b>	<b>59.3</b>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>Assets and liabilities acquired/assumed</b>		
Non-current assets	8.9	28.5
Current assets (excluding cash and cash equivalents)	2.8	2.8
Current liabilities (excluding borrowings)	(5.0)	(5.0)
Non-current liabilities (excluding borrowings)	-	(6.3)
Borrowings	(0.6)	(0.6)
Non-controlling interests acquired	-	-
Cash and cash equivalents of acquired companies	(0.3)	(0.3)
<b>Total assets and liabilities acquired/assumed</b>	<b>5.8</b>	<b>19.1</b>
<b>Goodwill</b>		<b>40.2</b>
	<b>June 30, 2011</b>	<b>June 30, 2010</b>
<b>Cost of acquisitions</b>	<b>(59.3)</b>	<b>(16.2)</b>
Cash and cash equivalents of acquired companies	(0.3)	0.8
Purchase price outstanding at June 30	12.3	2.5
Purchase price paid in relation to prior-year acquisitions	(0.3)	(1.1)
<b>Impact of acquisitions on cash and cash equivalents</b>	<b>(47.6)</b>	<b>(14.0)</b>

The impact of acquisition fees on cash and cash equivalents for the period amounted to €0.1 million at June 30, 2011, compared to €2.7 million at June 30, 2010 (€2.5 million of which was related to the Inspectorate acquisition).

In the first half of 2011, the Group received an earn-out payment relating to the disposal of a non-core US operational business in 2009. The earn-out payment resulted in income of €0.5 million recorded in the income statement.

## Note 9: Share capital and share base payment

### Stock option plans

No new grants of stock option or free share plans were made during the first half of 2011. In first-half 2011, the Group recorded share-based payment expense of €6.3 million (first-half 2010: €4.2 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 Board's decision of December 13, 2007 was revised based on the Black & Scholes option pricing model. The fair value came out at €30.76 for each SAR, based on the following assumptions:

- share price at the grant date;
- expected share volatility of 18%;
- risk-free interest rate of 1.70% (2010: 1.05%), determined by reference to the yield on government bonds over the estimated life of the rights.

## Note 10: Financial liabilities

	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due beyond 5 years
<b>At June 30, 2011</b>					
Bank borrowings (long-term portion)	1,184.4	-	696.2	50.2	438.0
Other non-current financial liabilities	2.3	-	2.3	-	-
<b>Non-current financial liabilities</b>	<b>1,186.7</b>	<b>-</b>	<b>698.5</b>	<b>50.2</b>	<b>438.0</b>
Bank borrowings (short-term portion)	104.7	104.7	-	-	-
Bank overdrafts	36.4	36.4	-	-	-
Other current financial liabilities	25.4	25.4	-	-	-
<b>Current financial liabilities</b>	<b>166.5</b>	<b>166.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated interest payable on bank borrowings</b>	<b>230.9</b>	<b>38.0</b>	<b>37.0</b>	<b>79.7</b>	<b>76.2</b>
<b>Impact of cash flow hedges (principal and interest)</b>	<b>3.4</b>	<b>9.3</b>	<b>4.1</b>	<b>(2.3)</b>	<b>(7.6)</b>
<b>At December 31, 2010</b>					
Bank borrowings (long-term portion)	1,185.8	-	238.7	490.7	456.4
Other non-current financial liabilities	0.2	-	0.2	-	-
<b>Non-current financial liabilities</b>	<b>1,186.0</b>	<b>-</b>	<b>238.9</b>	<b>490.7</b>	<b>456.4</b>
Bank borrowings (short-term portion)	85.2	85.2	-	-	-
Bank overdrafts	23.6	23.6	-	-	-
Other current financial liabilities	12.9	12.9	-	-	-
<b>Current financial liabilities</b>	<b>121.7</b>	<b>121.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated interest payable on bank borrowings</b>	<b>256.6</b>	<b>35.3</b>	<b>39.7</b>	<b>88.3</b>	<b>93.2</b>
<b>Impact of cash flow hedges (principal and interest)</b>	<b>(24.5)</b>	<b>6.6</b>	<b>3.7</b>	<b>(4.0)</b>	<b>(30.8)</b>

The debt figure remained stable between December 31, 2010 and June 30, 2011. The increase in debt denominated in euros was offset by the decrease in borrowings in foreign currencies (USPP debt and syndicated loan) due to the impact of converting foreign currency debt into euros.

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

Currency	June 30, 2011	Dec. 31, 2010
US dollar (USD)	253.6	286.9
Euro (EUR)	1,006.9	917.3
Pound sterling (GBP)	18.8	52.3
Other currencies	9.8	14.5
<b>Total</b>	<b>1,289.1</b>	<b>1,271.0</b>

The Group's main sources of financing comprise a syndicated loan taken out in May 2006, the "Club Deal 2007" loan, the 2008 US Private Placement ("USPP 2008"), the 2010 US Private Placement ("USPP 2010") and the 2010 French Private Placement ("French PP 2010").

The syndicated loan comprised an initial USD 560 million amortizable tranche maturing in May 2013 and a €550 million revolving facility, 95% of which now matures in May 2013 as opposed to May 2012 previously. Drawdowns on the syndicated loan totaled €629.9 million at June 30, 2011. An amount of €120.2 million had been drawn down on the amortizable tranche, while €509.7 million had been drawn down under the revolving facility. Part of the revolving facility was drawn down in US dollars and pounds sterling. The amortizable tranche has been fully drawn down. The amount still available under the revolving facility is €40.3 million. A portion of the USD debt under the amortizable tranche of the syndicated loan has been converted into euros using a currency swap and is included on the "Euro (EUR)" line.

The "Club Deal 2007" loan agreement for €150 million has been drawn down in full in euros.

The USPP debt including tranches in pounds sterling and US dollars has been converted into euros using a currency swap and is therefore included on the "Euro (EUR)" line.

The 2010 US Private Placement ("USPP 2010") has been drawn down in full in euros.

A total of €50 million has been drawn down from the 2010 French Private Placement ("French PP 2010"), with €150 million still available.

At June 30, 2011, the same financial covenants were in force as at December 31, 2010. The Group complied with all such covenants at end-June 2011 and end-December 2010.

The contractual repricing dates for virtually all floating-rate borrowings are within six months. The reference interest rates depend on the drawdown currency (Euribor for euro debt, USD Libor for debt in US dollars, and GBP Libor for debt in pounds sterling).

The interest rates applicable to the Group's floating-rate bank borrowings, as re-priced at the end of each reporting period, were as follows:

Currency	June 30, 2011	Dec. 31, 2010
US dollar (USD)	0.51%	0.51%
Euro (EUR)	1.72%	1.24%
Pound sterling (GBP)	0.95%	0.84%

Effective interest rates (EIR) approximate nominal rates for all financing programs.

## Note 11: Contingent liabilities

### Guarantees

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 June 30, 2011	145.8	54.4	83.8	7.6
At December 31, 2010	119.4	45.8	65.7	7.9

Guarantees given include bank guarantees and parent company guarantees.

At June 30, 2011, the Group considered that the risk of a cash outflow on these guarantees was low. Accordingly, no provisions were recorded.

## Provision for other liabilities and charges

Provisions for other liabilities and charges recorded in the statement of financial position at June 30, 2011 take into account the major claims as described in section 1.4, "Risk factors for the remaining six months of the year", of the 2011 half-year financial report.

Based on the insurance coverage in place, the amounts currently provisioned and the latest available information, the Company does not believe these disputes will have a material adverse impact on its consolidated financial statements.

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 could have, or have had over the last six months, a material impact on the Group's financial position or profitability.

## Note 12: Income taxes

Consolidated income tax expense rose 7%, coming in at €58.2 million for first-half 2011 versus €54.4 million for the same prior-year period.

The effective tax rate - representing income tax expense divided by pre-tax profit, was 27.2% for the six months to June 30, 2011 and 27.4% for the six months to June 30, 2010.

At December 31, 2010 and June 30, 2011, deferred tax assets and liabilities were offset at the level of each tax consolidation group.

Deferred taxes before offsetting at the level of taxable entities mainly relate to pension obligations, tax loss carry forwards, customer relationships and non-competition agreements acquired within the scope of business combinations, as well as provisions for disputes and accrued payables and fair value adjustments on financial instruments.

The breakdown of the tax effect on other comprehensive income is as follows:

	First-half 2011			First-half 2010		
	Before tax	Income tax	After tax	Before tax	Income tax	After tax
Currency translation differences	(75.5)	-	(75.5)	134.8	0.2	135.0
Actuarial gains/(losses)	-	-	-	-	-	-
Cash flow hedges	7.9	(2.7)	5.1	22.7	(7.6)	15.1
Available-for-sale financial assets	-	-	-	-	-	-
<b>Total other comprehensive income (expense)</b>	<b>(67.6)</b>	<b>(2.7)</b>	<b>(70.3)</b>	<b>157.5</b>	<b>(7.4)</b>	<b>150.1</b>

## Note 13: Earnings per share

<i>(in thousands of euros)</i>	<b>First-half 2011</b>	<b>First-half 2010</b>
<b>Number of shares comprising the share capital at January 1</b>	<b>109,269</b>	<b>109,096</b>
Number of shares issued during the period (accrual basis)		
Free share grants	17	-
Exercise of stock options	423	16
Weighted average number of treasury shares	758	1,021
<b>Weighted average number of ordinary shares in issue</b>	<b>108,951</b>	<b>108,091</b>
Dilutive impact		
Free share grants	762	642
Stock options	945	1,308
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>110,658</b>	<b>110,041</b>

### Basic earnings per share

<i>(in thousands of euros)</i>	<b>First-half 2011</b>	<b>First-half 2010</b>
Net profit attributable to owners of the Company	151,369	140,822
Weighted average number of ordinary shares in issue	108,951	108,091
<b>Basic earnings per share (in euros)</b>	<b>1.39</b>	<b>1.30</b>

### Diluted earnings per share

<i>(in thousands of shares)</i>	<b>First-half 2011</b>	<b>First-half 2010</b>
<b>Number of shares comprising the share capital at January 1</b>	<b>109,269</b>	<b>109,096</b>
Number of shares issued during the period (accrual basis)		
Free share grants	17	-
Exercise of stock options	423	16
Weighted average number of treasury shares	758	1,021
<b>Weighted average number of ordinary shares in issue</b>	<b>108,951</b>	<b>108,091</b>
Dilutive impact		
Free share grants	762	642
Stock options	945	1,308
<b>Weighted average number of shares used to calculate diluted earnings per share</b>	<b>110,658</b>	<b>110,041</b>

## Note 14: Dividend per share

On June 14, 2011, the Group paid out dividends to eligible shareholders in respect of the 2010 financial year. The dividend payout totaled €124.9 million, corresponding to a dividend per share of €1.15 (2010: €0.84).

## Note 15: Additional financial instrument disclosures

The table below presents carrying amount, valuation method and fair value at the end of each reporting period of financial instruments by IAS 39 category:

	IAS 39 category	IAS 39 measurement method					Fair value
		Carrying amount	Amortized cost	Cost	Fair value through equity	Fair value through profit or loss	
<b>At June 30, 2011</b>							
<b>FINANCIAL ASSETS</b>							
Investments in non-consolidated companies	FVPL	0.6	-	-	-	0.6	0.6
Other non-current financial assets	HTM	43.2	43.2	-	-	-	43.2
Trade and other receivables	LR	960.2	960.2	-	-	-	960.2
Current financial assets	LR	4.9	4.9	-	-	-	4.9
Current financial assets	FVPL	2.3	-	-	-	2.3	2.3
Derivative financial instruments	FVPL/FVE	21.4	-	-	8.2	13.2	21.4
Cash and cash equivalents	FVPL	168.2	-	-	-	168.2	168.2
<b>FINANCIAL LIABILITIES</b>							
Bank borrowings	AC	1,289.1	1,289.1	-	-	-	1,314.7
Bank overdrafts	FVPL	36.4	-	-	-	36.4	36.4
Other non-current financial liabilities	AC	2.3	2.3	-	-	-	2.3
Trade and other payables	AC	706.2	706.2	-	-	-	706.2
Current financial liabilities	AC	25.4	25.4	-	-	-	25.4
Derivative financial instruments	FVPL/FVE	25.0	-	-	18.0	7.0	25.0
<b>At December 31, 2010</b>							
<b>FINANCIAL ASSETS</b>							
Investments in non-consolidated companies	FVPL	0.7	-	-	-	0.7	0.7
Other non-current financial assets	HTM	41.6	41.6	-	-	-	41.6
Trade and other receivables	LR	899.0	899.0	-	-	-	899.0
Current financial assets	LR	4.6	4.6	-	-	-	4.6
Current financial assets	FVPL	2.3	-	-	-	2.3	2.3
Derivative financial instruments	FVPL/FVE	31.9	-	-	30.5	1.4	31.9
Cash and cash equivalents	FVPL	225.0	-	-	-	225.0	225.0
<b>FINANCIAL LIABILITIES</b>							
Bank borrowings	AC	1,271.1	1,271.1	-	-	-	1,308.3
Bank overdrafts	FVPL	23.6	-	-	-	23.6	23.6
Other non-current financial liabilities	AC	0.2	0.2	-	-	-	0.2
Trade and other payables	AC	736.7	736.7	-	-	-	736.7
Current financial liabilities	AC	12.8	12.8	-	-	-	12.8
Derivative financial instruments	FVPL/FVE	23.2	-	-	11.1	12.1	23.2

*NB: The following abbreviations are used to represent IAS 39 financial instrument categories:*

- HTM for held-to-maturity assets;
- LR for loans and receivables;
- FVPL for instruments at fair value through profit or loss (excluding accrued interest not yet due);
- FVE for instruments at fair value through equity (excluding accrued interest not yet due);
- AC for debt measured at amortized cost.

With the exception of bank borrowings, the Group considers the carrying amount of the financial instruments reported on the statement of financial position to approximate their fair value. Measurement of these instruments at fair value requires the Group to use valuation techniques that draw on observable market inputs (level 2 of the fair value hierarchy). In the case of the USPP 2008 facility for example, fair value is based on a comparison between the fixed rate due over the remaining term and the yield curve for US and UK funds over the same period.

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

	Interest	Fair value	Adjustments for			Net gains/(losses) in first-half 2011	Net gains/(losses) in first-half 2010
			Amortized cost	Exchange differences	Accumulated impairment		
Held-to-maturity assets	HTM	-	-	(0.1)	-	(0.1)	-
Loans and receivables	LR	-	-	(25.8)	-	(25.8)	21.5
Financial assets and liabilities at fair value through profit or loss	FVPL	0.7	2.6	(0.2)	-	3.1	-
Debt carried at amortized cost	AC	(22.4)	-	19.4	-	(3.0)	(31.8)
<b>Total</b>		<b>(21.7)</b>	<b>2.6</b>	<b>(6.7)</b>	<b>-</b>	<b>(25.8)</b>	<b>(10.3)</b>

## Sensitivity analysis

Due to the international scope of its operations, the Group is exposed to currency risk on its use of several different currencies.

### Operational currency risk

In general, hedges arise naturally with the matching of income and expenses in most countries in which the Group operates, since services are provided locally. The Group's exposure to currency risk arising on transactions carried out in foreign currencies is therefore fairly low.

### Translation risk

In first-half 2011, more than half of the Group's revenue was generated in currencies other than the euro, including 16% in US dollars, 3% in pounds sterling, 4% in Hong Kong dollars, 7% in Australian dollars and 5% in yuan. Taken individually, other currencies do not represent more than 5% of the Group's revenue. The Group's evolving currency mix reflects the fast-paced development of its activities outside the eurozone, particularly in US dollars and other dollar-linked currencies.

As the Group's presentation currency is the euro, it must convert into euros any assets, liabilities, income and expenses denominated in other currencies at the time of preparing its financial statements. The results of the Group's foreign currency operations are consolidated in its income statement after being converted into euros using the average exchange rate for the period. Assets and liabilities are converted at the period-end exchange rate. As a result, changes in the value of the euro against other currencies affect the corresponding amounts in the consolidated financial statements, even if the value of the items concerned remains unchanged in their original currencies.

The impact of a 1% rise or fall in the euro against a number of different currencies is described below:

- a 1% change in the value of the euro against the US dollar would have had an impact of 0.16% on consolidated revenue for first-half 2011 and 0.21% 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 0.04% on consolidated revenue for first-half 2011 and 0.09% on operating profit for the same period;
- a 1% change in the value of the euro against the pound sterling would have had an impact of 0.04% on consolidated revenue for first-half 2011 and 0.02% on operating profit for the same period;
- a 1% change in the value of the euro against the Australian dollar would have had an impact of 0.07% on consolidated revenue for first-half 2011 and 0.03% on operating profit for the same period;
- a 1% change in the value of the euro against the yuan would have had an impact of 0.05% on consolidated revenue for first-half 2011 and 0.08% on operating profit for the same period.

### Financial currency risk

The syndicated loan set up in May 2006 is a multi-currency facility which enables subsidiaries to borrow in local currencies. If it deems appropriate, the Group may hedge certain commitments by matching financing costs with operating income in the currencies concerned.

When financing arrangements are set up in a currency other than the country's functional currency, the Group takes out currency hedges to protect itself against the impact of currency risk on its income statement.

The table below shows the results of the sensitivity analysis for financial instruments exposed to currency risk on the Group's main foreign currencies (euros, US dollars and pounds sterling) at June 30, 2011:

	Non-functional currency		
	USD	EUR	GBP
Financial liabilities	(794.6)	(59.6)	(177.6)
Financial assets	693.4	58.8	103.1
<b>Net position (assets - liabilities) before hedging</b>	<b>(101.2)</b>	<b>(0.8)</b>	<b>(74.5)</b>
Off-balance sheet (currency hedging instruments)	249.8		69.8
<b>Net position (assets - liabilities) after hedging</b>	<b>148.6</b>	<b>(0.8)</b>	<b>(4.7)</b>
<b>Impact of a 1% rise in exchange rates</b>			
On equity	<b>0.1</b>	-	<b>(1.3)</b>
On net profit before income tax	<b>2.4</b>	<b>(0.0)</b>	<b>(0.0)</b>
<b>Impact of a 1% fall in exchange rates</b>			
On equity	<b>0.1</b>	-	<b>1.3</b>
On net profit before income tax	<b>(2.1)</b>	<b>0.0</b>	<b>0.0</b>

The Group is exposed to currency risk inherent to financial instruments denominated in foreign currencies (i.e., currencies other than the functional currency of each Group entity). The sensitivity analysis presented below shows the impact that a significant change in the value of the euro, US dollar and pound sterling would have on earnings in a non-functional currency. Liabilities denominated in a currency other than the functional currency of the entity, for which a hedge has been taken out converting the liability to the functional currency, have not been included in the analysis. The impact of a 1% change in exchange rates on hedges is shown in the table above. Financial instruments denominated in foreign currencies which are included in the sensitivity analysis relate to key monetary statement of financial position items and in particular, current and non-current financial assets, trade and other receivables, cash and cash equivalents, current and non-current financial liabilities, current liabilities, and trade and other payables.

#### Interest rate risk

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. The Group seeks to limit its exposure to a rise in interest rates through the use of swaps and collars. Interest rate exposure is monitored on a monthly basis. The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the related underlying exposure. The Group's policy is to prevent more than 60% of its consolidated net debt being exposed to a rise in interest rates over a long period (more than six months). The Group may therefore enter into other swaps, collars or similar instruments for this purpose. No financial instruments are contracted for speculative purposes.

The table below shows the maturity of fixed- and floating-rate financial assets and liabilities at June 30, 2011:

	Within 1 year	1 to 5 years	More than 5 years	Total
Fixed-rate bank borrowings	(2.9)	(1.9)	(438.0)	(442.8)
Floating-rate bank borrowings	(101.8)	(744.5)	-	(846.3)
Bank overdrafts	(36.4)	-	-	(36.4)
<b>TOTAL - Financial liabilities</b>	<b>(141.1)</b>	<b>(746.4)</b>	<b>(438.0)</b>	<b>(1,325.5)</b>
<b>TOTAL - Financial assets</b>	<b>168.2</b>	<b>-</b>	<b>-</b>	<b>168.2</b>
Net position (assets - liabilities) before hedging	27.1	(746.4)	(438.0)	(1,157.3)
Interest rate hedging instruments	50.0	120.0	-	170.0
Floating-rate net position (assets - liabilities) after hedging	80.0	(624.5)	-	(544.5)
<b>Impact of a 1% rise in interest rates</b>				
			On equity	1.5
			On net profit before income tax	(4.4)
<b>Impact of a 1% fall in interest rates</b>				
			On equity	(1.5)
			On net profit before income tax	4.3

At June 30, 2011, the Group considers that a 1% rise in short-term interest rates across all currencies would lead to an increase of around €5.4 million in interest payable.

Debts maturing after five years, representing a total amount of €438.0 million, are at fixed rates. The overall notional amount of hedging contracts whose fair value is recognized in the statement of financial position is €170 million, and includes interest rate hedges of euro-denominated debt maturing in less than five years. To hedge the interest rate on its euro-denominated debt, the Group has entered into swaps and collars. Taking account of these hedging instruments and of the Group's fixed-rate debt, 46% of consolidated gross debt was at a fixed interest rate at June 30, 2011.

## Note 16: Movements in working capital attributable to operations

This caption totaled a negative €102.9 million at June 30, 2011 and a negative €69.4 million at June 30, 2010, and can be analyzed as follows:

	First-half 2011	First-half 2010
Trade receivables	(65.5)	(47.1)
Trade payables	(5.9)	(3.2)
Other receivables and payables	(31.5)	(19.1)
<b>Total</b>	<b>(102.9)</b>	<b>(69.4)</b>

At June 30, 2011, working capital totaled €289.4 million, or 9.0% of revenue for the last 12 months, versus €241.9 million, or 9.1% of revenue at June 30, 2010.

## Note 17: Related-party transactions

Parties related to the Company are its majority shareholder Wendel as well as executive corporate officers, the Chairman and Chief Executive Officer and the Executive Officers.

Amounts recognized with respect to remuneration paid in France (fixed and variable portions) and long-term compensation plans (stock option and free share grants) are as follows:

	First-half 2011	First-half 2010
Wages and salaries	1.8	1.8
Stock options	0.4	0.2
Free share grants	0.5	0.5
<b>Total expense for the period</b>	<b>2.7</b>	<b>2.5</b>

The amounts reflect the fair value of stock options and free shares in accordance with IFRS 2, and not the actual amounts that could be released on exercise of the stock options or vesting of the shares, where appropriate. Stock options and free shares are subject to a number of performance conditions and also require a minimum period of service.

Shares are measured at fair value as calculated under the Black-Scholes model rather than based on the compensation effectively received. The free share grants are subject to a minimum period of service and to performance conditions, except for the plan decided on September 22, 2008 which was based on a three-year minimum period of service.

Key management personnel held a total of 255,000 stock options at June 30, 2011 (June 30, 2010: 210,000), with an average exercise price of €10.48 (June 30, 2010: €11.25).

## Note 18: Events after the end of the reporting period

### Acquisitions

On August 8, 2011, Bureau Veritas acquired Civil-Aid, an Indian company specializing in compliance assessments for construction and infrastructure assets. Civil-Aid reported revenue of €3.4 million in 2010.

### Stock option plans

On July 18, 2011, the Board of Directors decided to award stock options and free shares to some Group employees, corresponding to a total of 558,730 shares (380,230 free shares and 178,500 stock options), or 0.51% of the share capital.

The strike price for the stock options was set at €57.66, reflecting the average undiscounted quoted price for the Company's shares on the 20 trading days preceding the grant date.

The stock options and free shares granted to employees are subject to a presence condition and a performance condition on Group results.

## 2.3 Statutory Auditor's Review Report on the 2011 half-year financial information (January 1, 2011 to June 30, 2011)

*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.*

### **Bureau Veritas SA**

67-71, boulevard du Château  
92571 Neuilly-sur-Seine Cedex

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article 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 SA for the six months ended June 30, 2011;
- the verification of the information contained in the half-year business report.

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

### **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.

### **Specific verification**

We have also verified the information given in the half-year business 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 its consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris, August 24, 2011

The Statutory Auditors

PricewaterhouseCoopers Audit

Olivier Thibault

Bellot Mullenbach & Associés

Pascal de Rocquigny



## 3. Persons responsible and Statutory Auditors

### 3.1 Persons responsible

#### 1.3.10 Person responsible for the 2011 half-year report

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Mr. Frank Piedelièvre, Chairman and Chief Executive Officer of Bureau Veritas

#### 1.3.11 Declaration by the person responsible for the 2011 half-year report

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I declare that to the best of my knowledge the condensed half-year financial statements appearing in Chapter 2 – “2011 half-year Consolidated financial statements” – have been drawn up in accordance with applicable accounting standards and provide a faithful picture of the capital, financial position and results of the company and all the businesses included in the consolidation, and that the half-year business report appearing in Chapter 1 – “2011 Half-year business report” – has a table which faithfully presents the important events which took place in the first six months of the financial period, their effect on the consolidated accounts as at June 30, 2011, the principal related-party transactions and a description of the main risks factors for the remaining six months of the 2011 financial year.

Frank Piedelièvre

Chairman and Chief Executive Officer of Bureau Veritas

#### 1.3.12 Person responsible for financial information

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François Tardan  
Chief Financial Officer

Address: 67/71, boulevard du Château – 92571 Neuilly-sur-Seine Cedex, France

Telephone: +33 (0)1 55 24 76 11

Fax: +33 (0)1 55 24 70 32

## 3.2 Statutory Auditors

### 1.3.13 Statutory Auditors

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#### **PricewaterhouseCoopers Audit**

Represented by Olivier Thibault

63, rue de Villiers

92200 Neuilly-sur-Seine - France

PricewaterhouseCoopers Audit's mandate as Statutory Auditors was renewed at the Ordinary General Shareholders' Meeting on June 1, 2010, 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 Pascal de Rocquigny

11, rue de Laborde

75008 Paris - France

Bellot Mullenbach & Associés was appointed Statutory Auditors at the Ordinary General Shareholders' Meeting on June 1, 2010 for a period of six financial years.

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

### 1.3.14 Alternate Auditors

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#### **M. Yves Nicolas**

63, rue de Villiers

92200 Neuilly-sur-Seine - France

Mr. Yves Nicolas's mandate as Alternate Auditor was renewed at the Ordinary General Shareholders' Meeting on June 1, 2010 for a period of six financial years.

#### **M. Jean-Louis Brun d'Arre**

11, rue de Laborde

75008 Paris - France

Mr. Jean-Louis Brun d'Arre was appointed Alternate Auditor at the Ordinary General Shareholders' Meeting on June 1, 2010 for a period of six financial years.