LEADING THE WAY

Laurent Clavel
Executive Vice President, Industry
Industry: Our mission

Managing risks and Ensuring Safety, Quality and Reliability of Industrial Assets...
... Along all their Lifecycle

**Industry: Our services**

- **Feasibility**
  - Definition of standards and specifications
  - Technical studies

- **Design**
  - Process Hazard Analysis
  - Risk assessment
  - Design Review
  - Validation of design

- **Procurement**
  - Suppliers selection
  - Equipment certification
  - Shop inspection

- **Construction**
  - Conformity assessment
  - Performance assessment

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Feasibility**
  - Definition of standards and specifications
  - Technical studies

- **Design**
  - Process Hazard Analysis
  - Risk assessment
  - Design Review
  - Validation of design

- **Procurement**
  - Suppliers selection
  - Equipment certification
  - Shop inspection

- **Construction**
  - Conformity assessment
  - Performance assessment

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**

---

Industry: Our services

- **Operation**
  - QHSE audits
  - QHSE Management services
  - Asset integrity management
  - Emergency planning

- **Modification**
  - Fitness for purpose
  - Design review
  - Assets Life Extension

- **Decommissioning**
  - Risk analysis
  - Operational safety
  - Conformity assessment

- **CAPEX ~2/3 of market**

- **OPEX ~1/3 of market**
Our clients: 3 strategic markets, ~2/3 of Bureau Veritas Industry revenues

<table>
<thead>
<tr>
<th>Oil &amp; Gas (~1/3)</th>
<th>Power</th>
<th>Process</th>
</tr>
</thead>
</table>

- Serving a broad customer base of industry players
  - Assets Owners / Operators/ Utilities
  - EPC contractors (Engineering Procurement Construction)
  - Equipment Manufacturers
- Acting as:
  - Accredited Third party
  - Second party
  - Technical Consulting
  - Outsourcing supplier
## Our production model: 3 core capabilities mixed in our services

### IPA
**Industrial Project Assistance**

**Services:** Equipment, Shop & site inspections, Project Installation Inspection, Opex Inspection.

**Production model:**
- Network of qualified inspectors

### AIM
**Asset Integrity Management**

**Services:** Design review, Risk and safety, Environmental performance, Consulting

**Production model:**
- Engineers and consultants located in strategic hubs
- Software Solutions, new technology, innovation

### IPC
**Industrial Product Certification**

**Services:** Non-Destructive Testing, Laboratories metallurgical Test & measures.

**Production model:**
- Network of qualified inspectors
- Testing equipment
- Metallurgical Labs

---

**Examples of customized offerings**
A comprehensive and balanced network consolidated over 2006-2011

Mature economies 41%  
Fast-growing economies 59%

% of 2010 revenues

2007 : Australia
2008 : Chile
2009-2011 : China / South East Asia
Selected case studies

**ARCTIC OFFSHORE PROJECT**
- Client: Global O&G Operator
- Mission: Third Party Verification
- Duration: 4 years started Mid 2010

**POWER STATIONS : AFRICA**
- Client: African Electricity Company
- Mission: Quality Control for 2 coal-fired power stations projects (6 x 800 MW each): Inspection of boilers, turbines & site inspections
- Duration: 5 years started in November 2008
### Industry: Attractive and strategic market for Bureau Veritas

#### Large and sound
- €15bn addressable market size, estimated to reach over €20bn in 2015 (1)
- High share of repeat business

#### High and increasing barriers to entry
- Global network
- Brand / reputation
- Accreditations
- Clients’ stringent conditions
- Technical expertise

#### +8% p.a. growth potential by 2015
- Low-cost sourcing
- QHSE regulations, norms and standards
- Aging assets in mature countries
- Investments in emerging countries
- Outsourcing

#### Fragmented...
- Bureau Veritas: #1 ... 4% market share
- Top-8 players: ~20% market share

#### But under consolidation

**Clients:**
- Concentration
- Purchasing rationalisation
- Frame contracts

**Industry Service Providers:**
- 5 M&A deals > €50m in 2009-11

---

(1) Source: Bureau Veritas, McKinsey
Mixing both global and local activities

Global Missions…
- International standards or key accounts’ requirements
- Global accreditations
- Central organization
- Discipline of BV network

Nuclear, Offshore, Procurement, Industrial Products Certification

… Local Services
- Country requirements
- Local customers with specific requirements
- Pricing, scope and reporting adapted to each local market

NDT, Health Safety & Risk, Local Shop inspections
From a “growth” engine to a “profitable growth” operation

Share in Group revenues (%)

- Strong organic growth
- Acquisitions
- Significant improvement in profitability

Adjusted operating margin (%)

2006
2011
2015

2007-2011 ACHIEVEMENTS (1)

- +25% revenues CAGR
- +15% avg organic growth
- +11% acquisitions
- Stable profitability due to the initial dilutive impact of acquisitions and price pressure during the 2009 crisis

2015 AMBITION

- Strong organic growth
- Acquisitions
- Significant improvement in profitability

(1) Performance from 31-Dec-2006 to 30-Jun-2011
3 growth priorities for 2015

► Oil & Gas: moving upstream
  ▪ Drilling
  ▪ Offshore
  ▪ LNG

► Power: building a 2nd pillar alongside historical O&G, in a rapidly growing market
  ▪ Renewable
  ▪ Nuclear
  ▪ Fossil

► Process: helping migration to fast-growing countries
  ▪ Mine Sites, Food and Chemicals

► Filling the geographical matrix
  ▪ Germany, UK, USA
  ▪ Australia, China, Argentina, Chile, South East Asia

► Full deployment of Industry expertise in network
  ▪ Technical Centers global coordination
  ▪ Resources & Talents Development

► Strengthening Industry showcase offerings
  ▪ Dedicated sales force
  ▪ Packaged One-source Services
  ▪ Innovation

► Shared Services
  ▪ Design Review
  ▪ New production Core model IS solution
3 levers to improve Industry profitability

- **Mix**
  - Increase in share of high value added services (offshore, nuclear, asset integrity management)
  - Increase in share of revenues in fast growing countries

- **Pricing**
  - Value pricing strategy in niche markets
  - Contract management

- **Efficiency**
  - New production tools
  - Back office shared services
  - Scalability
Leading the way

► Leadership position of Bureau Veritas in the Industry market
  - Technical expertise and global footprint
  - Confidence and Intimacy established with giant global companies of the Energy and Process markets

► A large and attractive market
  - Structural drivers: People safety, Environment protection and Assets Availability
  - Consolidation

► 2015 Strategic Plan
  - Resources & Talents Development
  - Strategic acquisitions & Partnerships
  - Geographical Spread
  - Innovative Inspection Processes
  - Improvement of Operating performance
FOCUS ON COMMODITIES

TAPPING INTO GLOBAL POTENTIAL

Neil Hopkins

Executive Vice President, Commodities
New business, global leadership

2007
Coal inspection and testing in Australia

2008
Leader in geoanalytical and mineral processing testing (non-coal) in Australia

Sample preparation and geoanalytical testing (minerals) in Chile

2009
Coal testing in South Africa

Global provider of commodities inspection and testing

2010

Bureau Veritas new Commodities business

Global #3 in Commodities

Global #3 Oil & Petrochemicals
#2 in downstream & trade inspection in USA

Global #3 Metals & Minerals
Market leader in Australia, in Chile in Upstream Minerals services

Global #2 Agro-commodities
Complete capabilities to service the agro-commodities market
Full range of services across the commodities value chain

**Upstream**
Exploration/production
- Sample preparation
- Geochemical testing
- Mineral processing testing
- Crude oil assay
- Supervision of weighing
- Sampling
- Load and discharge inspection
- Product quality testing
- Grade control
- Blending
- Cargo treatment

**Downstream**
Trade
- Sample preparation
- Geochemical testing
- Mineral processing testing
- Crude oil assay
- Supervision of weighing
- Sampling
- Load and discharge inspection
- Product quality testing
- Grade control
- Blending
- Cargo treatment

**Outsourcing**
Management of clients’ labs
- Mine-site laboratory
- Refinery laboratory

**Minerals**
50% of revenues
coal, ferrous metals, non ferrous metals, precious metals, steel raw materials

**Oil & Petrochemicals**
40% of revenues
crude, petroleum products, bio-fuels, gases and petrochemicals

**Agriculture**
10% of revenues
grains, vegetable oils, bio-fuel feedstock and by-products, crude and refined glycerin, Fertilizers
A large network, with room for further expansion

- Oil & Petrochemicals laboratories
- Metals and Minerals laboratories
- Agri & others
Global blue-chip customers, being leveraged across multiple initiatives

- Longstanding relationships with oil majors, Australian mining companies, and commodity trading companies

- Customer base being leveraged for increased penetration, especially in the fastest growing zones

- Dedicated key account management being put in place for a number of identified under-penetrated accounts
An attractive and growing market

- > €5bn addressable market
- High and increasing barriers to entry
- **Market concentration** around 3 top global players
  - Minerals: move from 7 to 3 key players within one year!
- Still **potential for consolidation** in O&P
- Balanced mix of **resilient** (trade) and **cyclical** (exploration/production) growth opportunities

- **Strong growth outlook**, driven by
  - Shift in world oil consumption growth, driven by **fast-growing countries’ demand**
  - Tighter **regulations**
  - **Lower quality** of resources
  - **Outsourcing**
  - Services in **remote locations**
BV2015 Commodities ambition

Delivering strong top-line growth

**Leverage existing business**
- Key accounts and network optimization
- Expand service offering across all geographies
- Cross-selling
- Use existing labs at full capacity

**Targeted expansion initiatives**
- Large capex / New or upgraded labs
- Under-represented countries
- Synergetic M&A
- New services Upstream, Outsourcing

Aligning profitability with best-in-class players

- Shifting service mix towards more lab testing
- Increased lab utilization
- Scale improved in key geographies
- Operational excellence program (Lean)
- Pricing management
- Information systems (LIMS)
African network synergies to further develop Coal

Leveraging combined capabilities in Africa for joint commercial successes

- Coal superintending services for Richards Bay Coal Terminal
- Major borecore wins
- 12 mine site labs
- Largest coal lab in Africa (open this year)
- Leading position in Southern Africa coal market
Cross-selling opportunities with Marine business

- Joint Marine / Commodities marketing approach to develop **bunker fuel testing** services for **ship owners** and **ship operators**

- **Limited existing competition**

- **Top 3 locations**: Singapore, Fujairah and Rotterdam (27% of the worldwide trading volumes)

- Existing bunker fuel testing **capabilities in place**; leverage of established **Bureau Veritas brand in Marine business**

- VeriFuel **pilot in Greece**
Ambitious capex plan

BV2015 commodities capex targeting primarily

► Geographic expansion projects in under-represented countries (Africa, Asia)
► Capability expansion projects in key locations (USA, South America, Pacific, Eastern Europe)
► New labs and existing labs upgrade
► Oil&Petrochemicals, Minerals Upstream, Coal, Agri
► New services development also supported by ambitious capex plans
Leverage USA lab platform to develop new services

► Move ‘in-land’ to capture non-marine opportunities

► Increased footprint in petrochemicals

► Outsourcing contracts with non-traditional customer base

► Biofuels

► Metering

► Additives

► Upstream
Shifting service mix towards more lab testing

Replicating USA precedent to other regions

**USA Oil&Petrochemicals – 2008-2010**

- +3% shift to lab testing
- +9% increase in revenue per job
- +8% increase in gross margin

Outside the USA, < 1/3 of O&P revenue is today generated by lab testing
Bureau Veritas a new leading player in commodities

€5bn global market driven by favourable growth trends and expansion opportunities

Ideally positioned and prepared to capture new growth opportunities and align performance with best in class competitors
BUREAU VERITAS

2015 STRATEGIC PLAN

Tuesday, September 20, 2011