BUREAU VERITAS

2015 STRATEGIC PLAN

Tuesday, September 20, 2011
SELECTED BUSINESS HIGHLIGHTS
FOCUS ON CPS

EXPANDING OUR VALUE IN THE SUPPLY CHAIN

Oliver Butler

Executive Vice President, Consumer Product Services
A global leader with a “buy and build” DNA

- Global Leader in Toys/Hardlines
- Number 2 in Softlines
- Leadership position in US retail
- Strong gains in EU retail
- Strategic leader in quality management information services
- Strong growth in Electrical and Electronics
- 9,100 headcount

Revenue breakdown*

- Asia 78%
- Europe 13%
- Americas 9%
- Textiles, Garments & Softlines 39%
- Electrical & Electronics 22%
- Toys & Hardlines 38%
- Food / Cosmetics 1%

Global platform built from acquisitions

- 98 MTL / LCIE
- 01 Technicare / QATC
- 03 ACTS
- 04 ADT (TW) / Curtis Straus / Actions Mesures / MTL UK
- 05 INNOVA / Pakistan
- 06 GSC / CODDE / SPD / Thurmelex / Furth
- 07 Haztec
- 08 Kotiti VN / ADT SH
- 09 NST
- 10
- 11

* As at June 30, 2011
2007-2011 Achievements

>10% organic growth p.a.
+470bps margin improvement
+50% headcount

![Graph showing growth comparison between 2006 and LTM June 2011.]

- Hardlines Toys
  - #1 worldwide
- Softlines
  - Innovative solutions
  - Network expansion
- Electrical and Electronics
  - Renewables capabilities
  - Leadership in WiFi/WiMAX
- Inspection, Audit and Consulting
  - Significant growth
- Information Management Services
  - Significant development
- Lean Management
  - World-class operational performance
- Client Loyalty
  - Retention

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Adj. Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>€248m</td>
<td>22.1%</td>
</tr>
<tr>
<td>LTM June 2011</td>
<td>€384m</td>
<td>26.8%</td>
</tr>
</tbody>
</table>

LTM June 2011 Revenues: €384m

>10% organic growth p.a.
+470bps margin improvement
+50% headcount

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Supply Chain Optimization
Gaining credibility through benchmark performance

CPS Service Improvement (08-11)

Faster
- Cycle time improved by 50%

‘Cheaper’
- Offset inflation impact through productivity gains

Better
- Service quality 99.9%
- Service delivery 98% +
- Strengthening client relationship

Clients’ benefits
- Reduced logistics costs
- Reduced product costs

- Increased supply chain productivity
- Mitigated risk
- Technical support
- Global assistance

Helping our clients to succeed
Moving from a narrow scope within the supply chain…

- Requirements Management
- Supplier Assessment
- Pre-Production
- Production
- Post-Production
- Post Shipment & After Sales

Testing

Testing Inspection
... to a more comprehensive offering including decision support

- Requirements Management
- Supplier Assessment
- Pre-Production
- Production
- Post-Production
- Post Shipment & After Sales

- Country Evaluation
- Specification Development
- Eco-design
- Training
- Design Evaluation
- Factory Assessment
- Mill Improvement Program
- Comparison Test
- Packaging Test
- Risk Assessment Matrix
- Life Cycle
- Process Control Plan Development
- Testing
- Inspection
- Process Control Plan Audit
- Product Disposition
- Loading Check
- Technical File Review
- Unloading Check
- In-Store Testing
- Failure & Returns Analysis
- Business Review and Continual Improvement

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Supply China quality management solutions to attract and retain customers

- **Market Advisory Services**
  - Sourcing trends & hotspot management
  - Regulatory requirements and compliance plan

- **Supplier Validation Services**
  - Supplier vetting and traceability
  - Factory Audits, Quality Benchmarks

- **Product Quality Services**
  - Reducing failures & returns
  - Optimizing cost of quality & time to market

- **Quality Management Outsourcing**
  - Supply chain quality management services
  - Process reengineering
  - Cost efficiency
Facing a growing but changing business

$10bn market +5% growth p.a. 2010-15

Source: Bureau Veritas, McKinsey

What do we see!

► Shifts in decision authority

Retailers / sourcing offices

Brands

Trading companies

Full service manufacturers

Factories

► Supply chain cost management

► Sourcing shifts within Asia

► Food safety

► Technology innovation

► Environmental sustainability
Where are we going: 2012-2015 priorities

**Ambition**
- Global player in **Food**
- Global player in **E&E**
- Active in **all key markets**
- Market leader in **softlines / IAC**
- Leader in **supply chain quality management**

**Growth initiatives**
- **EU New Toy Safety** Directive
- **RTP and Food Safety** Modernization Act in USA
- Expand **partnerships and alliances**
- Optimise all channels
- Accelerate market penetration

### 2011 portfolio
- **Food / Cosmetics**: 1%
- **E&E**: 22%
- **Hardlines & Toys**: 38%
- **Textile & Softlines**: 39%

### 2015 portfolio
- **Food / Cosmetics**: 9%
- **E&E**: 26%
- **Hardlines & Toys**: 30%
- **Textile & Softlines**: 35%
Architecture for continued profitable growth

Organizational Effectiveness & Regional Optimization

Win

Government relations & Partnerships

Acquisition & Integration

Outsourcing Management

Executive Supply Chain Leadership

Client Supply Chain Quality Management Solution

World Class Business & Technical Leadership

World Class Global Operations Network

Continuous Improvement

Asia + China Growth

Food / E&E

Outsourcing

Supply Chain Solutions

Maintaining and Growing the Base
Wrap Up

1. The market growth opportunity is achievable
2. Organization is well positioned
3. Many growth initiatives already underway
4. Acquisition pipeline is healthy
5. Great team in place
BUILDING A SUSTAINABLE ELDORADO

Eduardo Camargo
Executive Vice President
Latin America Zone
A rising influence on world economy

► **580m people** (8% of world population)
  - 17 countries and only 2 languages

► **GDP: 80% of Mainland China**

► **Brazil: the “B” of BRICs**
  - 30% of total population and 40% of total GDP

► **Strong economic recovery from crisis**

► **Favorable economic scenario**
  - 15% of world’s oil reserves, large stock of minerals, 25% of world’s arable land and 30% of world fresh water
  - 40m people lifted out of poverty between 2002 and 2008
  - Commodities demand increase and huge capital inflows pushing local currencies
Strong TIC growth drivers

- Positive economic forecasts and political stability
- Booming demand for commodities and increased trading flows
- Accelerating growth of domestic consumption
- Strong investments in energy and infrastructure
- Progressive privatization of government verification services
- Tighter QHSE regulations with need for third party verification
- Fragmented competition with progressive consolidation
- National content rules for large projects
Capitalizing in the future on the assets we’ve built

- **Leadership**: Prominent position in Oil & Gas, Power & Utilities, Minerals, Automotive and Certification
- **Organization**: Solid organization in key countries and promising leaders
- **Innovation**: Regional technical & commercial centers of excellence creating competitive barriers
- **Key accounts**: Long term partnerships with national key accounts through customized solutions
- **Growth platform**: Existing portfolio presenting significant growth opportunities
- **M&A track record**: Successful integrations and relevant potential acquisitions
Revenues x 4 since 2006

- Average organic growth > 18% p.a.
- Chile and Argentina development
- Brazil development
- Leadership and acquisitions
- Expanded scope
- New growth areas
- >€350m
- ~€90m

2006  2007  2008  2009  2010  LTM 2011 PF
A solid and diversified growth platform built over time

<table>
<thead>
<tr>
<th>Year</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>Marine and Oil &amp; Gas Offshore Industrial Services</td>
</tr>
<tr>
<td>1980</td>
<td>Oil &amp; Gas Onshore Industrial Services</td>
</tr>
<tr>
<td>1990</td>
<td>Power and Utilities Industrial Services and Certification</td>
</tr>
<tr>
<td>2000</td>
<td>Mining Industrial and Commodities Testing Services</td>
</tr>
<tr>
<td>2010</td>
<td>Environmental, Agri Food and Oil &amp; Chemicals Testing Services</td>
</tr>
<tr>
<td></td>
<td>Automotive and Supply Chain Inspection Services</td>
</tr>
<tr>
<td></td>
<td>Infrastructure and Public Services Verification</td>
</tr>
</tbody>
</table>

**Bureau Veritas footprint**

- HC: 8,500
- Offices: 89
- Labs: 33

Centers of Excellence:

- Three main regions

**Revenues > €350m**

- Marine
- Construction
- IVS
- GSIT
- Certification
- Commodities
- Industry
- Argentina
- Peru
- Chile
- Others
- Brazil
- Colombia
- Mexico
- Others

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Leading position in fast-growing Oil & Gas and Power industries

# 1 in Oil & Gas and Power Industries in Latin America
Clients intimacy and knowledge of assets and processes
Unrivaled local technical capabilities and references

Service offering
► Engineering, Procurement and Construction Conformity Assessment
► Asset Integrity Management
► Quality Assurance and Quality Control
► Non Destructive Testing
► HSE Testing and Suppliers Audits
► Commissioning Supervision
► Technical Outsourcing

2012-2015 growth drivers
► Surge of Oil & Gas Exploration & Production (Offshore) and Power production plants CAPEX
► Need for risk management and performance improvement with external recognition
► Increasing outsourcing of conformity assessment activities

Key accounts
Petrobras’ preferred supplier

- Marine & offshore classification and certification
- E&P Units, Sub sea & drilling systems technical consulting
- Procurement services: Shop inspection, expediting and suppliers evaluation
- Onshore & offshore Asset Integrity Management
- Oil & fuel and HSE testing

Sales & Marketing
Technical Resources
Brand & Recognition

Integrated solutions upstream & downstream and CAPEX & OPEX
A center of excellence to support our clients in the deepwater challenge

Brazil: biggest (ultra) deepwater opportunities…

... and record drilling depth

<table>
<thead>
<tr>
<th>Depth</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,629m</td>
<td>1977</td>
</tr>
<tr>
<td>2,825m</td>
<td>1983</td>
</tr>
<tr>
<td>3,318m</td>
<td>1988</td>
</tr>
<tr>
<td>3,230m</td>
<td>1994</td>
</tr>
<tr>
<td>3,759m</td>
<td>1999</td>
</tr>
<tr>
<td>4,343m</td>
<td>2003</td>
</tr>
<tr>
<td>7,000m</td>
<td>2007</td>
</tr>
</tbody>
</table>

Our credentials

Subsea Certification

P53 FPSO Classification

P55 Rig Classification

Brazil

Reserves: 26.1 bn boe
19 projects

US Golf of Mexico

Ghana

Nigeria

Congo

Angola

Malaysia

2,629m
1977

2,825m
1983

3,318m
1988

3,230m
1994

3,759m
1999

4,343m
2003

7,000m
2007

Enchova

Pirauna

Marimba

Marlim Sul

Roncador

Roncador

Tupi

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Certification: a dynamic market driven by large accounts and new schemes

# 1 Certification in Latin America
Undisputed leadership in main countries (Brazil, Argentina, Chile and Mexico)

Service offering

► Quality, Environment, Health & Safety and Social Responsibility Management Systems:
  - Accredited certification
  - 2nd party audits
  - Suppliers evaluation
► Supply chain and services audits
► HSE studies and outsourcing
► Product certification
► Training

2012-2015 growth drivers

► Development of customized solution to large accounts
  - Suppliers evaluation
  - HSE management systems outsourcing
► New specific schemes
  - Green House Gases / Energy Efficiency
  - Food / Forestry / Biofuels

Key accounts

HSBC  Nestlé  Siemens  Ericsson  Coca-Cola  Johnson & Johnson
Saint-Gobain  IBM  Telefonica  GE  Samsung  Pfizer  Unilever
Commodities: our new growth area in Latin America

# 2 in Commodities in Latin America
Leading position in Chile minerals market

Service offering
► Oil & Chemicals Inspection and Testing:
  ● Upstream Exploration & Production
  ● Downstream fuel control (fixed and mobile labs)
► Metals & Minerals Inspection and Testing:
  ● Geochemical
  ● Metallurgical
  ● Trading
► Agricultural Inspection and Testing
► Laboratory Outsourcing

2012-2015 growth drivers
► Booming demand for commodities
► Leading position in Chile minerals market as zone hub
► Increasing Oil & Gas and mining Exploration & Production CAPEX
► Development of national key accounts with relevant synergies for industrial services

Key accounts

ExxonMobil
PDVSA
bhp billiton
xstrata
ArcelorMittal
CSN
Antamina
Codelco
Vale
Anglo American
MMX
Antofagasta
Barrick
Cargill
Bunge
Automotive: a new scope of services in a fast growing market

# 1 Automotive in Latin America (acquisition of Auto Reg in Jan. 2011)
Preferred supplier of main Insurers and car manufacturers

Service offering

▶ Supply chain:
  - Transportation damage tracking
  - Distribution stock control
▶ Insurance / Fleet Management:
  - On hire – Off hire
  - Damage regulation
▶ Statutory Verification Services
  - Emission control
  - Safety testing

2012-2015 growth drivers

▶ Fleet Increase and renewal with acceleration of insurance market penetration
▶ Increase of trade flows
▶ Privatization of verification services
▶ Geographical expansion
▶ Replication of inspection services to other consumer markets
  - Household appliances
  - Hardware

Key accounts

Bradesco  Itau  Allianz  HDI Seguros  SulAmerica  Liberty Seguros  MAPFRE  GM  Ford  Honda  Volkswagen
2015 priorities for Latin America

**Double-digit organic growth**

- Explore full potential of investments in energy and infrastructure
- Continue portfolio diversification with Commodities, Automotive and Infrastructure
- Grow recurrent business to mitigate cyclical risk

**M&A consolidation**

- Pursue strategic acquisitions to fill the gaps
  - Geographies
  - Portfolios

**Continuous performance improvement**

- Consolidate benefits from scalability
- Accelerate investment in IT/IS systems
- Laboratory automation

**Platform organization**

- Reinforce centers of excellence
- Retain and develop next generation
- Shared service centers for support functions
FOCUS ON EUROPE

RESILIENCE & INNOVATION

Philippe Donche-Gay
Chief Operating Officer
The “Euro Party” might be over?

► Loss of momentum in Euro-zone economy
► GDP slowdown, with risk of downturn
► Increasing fiscal imbalance
► Rising government bond yields
► Weaker external demand

Source: International Monetary Fund, World Economic Outlook, June 2011
Still, Europe remains a core TIC market

- 27 countries, 510 million inhabitants
- #1 world economy
- ~25% of world GDP
- ~30% of Global Fortune 500
- World largest trading power
- Key sectors: agriculture, automobile, aeronautics, energy, IT, tourism, finance
- R&D spending: ~2% of GDP

A “regulatory” Culture

- HQ of many Normalization bodies
- Proliferation of European Directives
  - European legislation published in 2010
    - 698 Regulations
    - 95 Directives
    - 781 Decisions
- “Home base” of all major TIC players
A track record of steady profitable growth

Organic and external development …

- CEP
- I&F UK
- Casella - UK
- MTL - UK
- KW2 - NL
- ECA - Spain
- Inspectorate - UK
- Consumer products
- I&F Germany
- Nagtglass - NL
- Sciro – Italy
- Codde - France

Europe Network

- 100 Offices
- 4,100 Staff

… to build a resilient portfolio

- €1.1Bn
- €1.5Bn
- CAGR +7% p.a.

- Industry
- Certification
- Marine
- Commodities
- Consumer Products
- Construction
- IVS

- 110 Offices
- 3,600 Staff
- 230 Offices
- 7,900 Staff
Pursuing profitable growth ambition by 2015 with different regional priorities

Profitability Improvement Overall

Operating margin

Consolidation
- Finalize Integrations
- Stabilize Management
- Refocus Portfolio

Transformation
- Leverage Mass Market
- Innovative Offerings
- “Lean” Initiative

Rightsizing
- Adapt to market demand
- Leverage #1 position
- Revitalize Company

Single Digit Organic Growth
Large TIC growth potential in Europe

Strong structural growth drivers

Growth in Eastern Europe

Aging Industrial Assets

Aging Population/Safety Needs

New Regulations

Environmental Concerns

Outsourcing of Public Services
Potential Market share gains in selected European countries

- Privatization of Public Inspection agencies
- Opening of TIC national markets
- Outsourcing of Inspection services
- New deep sea Offshore opportunities
“Opex” services for industrial assets

**Nuclear Plants**
- 143 nuclear reactors in Europe
- Plans for extended lifetime – or dismantling
- Regulation reinforcement post Fukushima
- NDT services for nuclear plant outages

**Oil Refineries**
- > 100 refineries in Europe
- > 60-year average age
- IPPC directive to reduce pollutants
- Measurement of Fugitive Emissions

**Offshore Platforms**
- > 250 offshore platforms in North Sea
- 20-25 years average life
- Offshore Installations (Safety Case) Regulations
- Certification & Verification Services
Leveraging “Green Building” momentum

The revised EPB Directive…

- Reduction in energy consumption
- Key milestones in 2018 and 2020
- Priority on Public buildings
- Focused financial incentives

… will generate additional growth for BV

New Constructions

- CE marking of construction products
- Scope of building Technical Control
  - Structure Solidity
  - People Safety
  + Energy efficiency

Existing Buildings

- Mandatory energy efficiency audits
- Inspection of heat & cooling equipment
- Monitoring of energy generation installations
Adapting to a service-based economy

Evolving customer needs…

Shift to “services driven” market

► Need to “certify” quality of services
► Role for independent third parties
► New/customized standards

… opening potential for new offers

Services Certification

Personnel Certification
Europe still a backbone of Bureau Veritas global development

Support to Bureau Veritas global network

- **Technical Expertise**
  - Nuclear
  - Construction
  - Marine
  - Offshore

- **Innovative production models**
  - Scheduling & Reporting tools

- **Global Clients**

  10 Major EU accounts 2010

  - EDF
  - BP
  - GAS NATURAL
  - TOTAL
  - GDF SUEZ
  - AUCHAN
  - CARREFOUR
  - AREVA
  - REPSOL-YPF
  - BOUYGUES

**France/China Initiative**

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