PRESS RELEASE

Neuilly-sur-Seine, France – February 28, 2019

Strong 2018 results, with 7.0% revenue growth at constant currency of which 4.0% organic growth, and free cash flow up 45.8% year-on-year at constant currency

2018 Key Figures

- Revenue of EUR 4,796 million in 2018, up 7.0% year-on-year at constant currency (cc), with organic growth[1] of +4.0% of which 4.4% in the last quarter
- Negative currency impact of -4.7% with -2.0% in Q4
- Adjusted operating profit of EUR 758 million in 2018, up 8.4% year-on-year at cc; adjusted operating margin of 15.8%; 16.1% organically (+20 basis points year-on-year)
- Adjusted net profit of EUR 417 million (EUR 0.96 per share), up 15.3% year-on-year at cc
- Free cash flow of EUR 478 million, up 45.8% year-on-year at cc
- Proposed dividend of EUR 0.56 per share[2], payable in cash or in shares; Wendel intends to opt for a payment in shares

2019 Outlook

- Solid organic revenue growth
- Continued adjusted operating margin improvement at constant currency
- Sustained strong cash flow generation

2020 Ambition Reaffirmed

- Growth Initiatives generated 6.3% organic growth in 2018
- Continuation of external growth with 6 acquisitions in 2018 and 2 in 2019 year-to-date
- Digital transformation accelerating; global partnership with Microsoft on Artificial Intelligence

Didier Michaud-Daniel, Chief Executive Officer, commented:

"Bureau Veritas' 190th anniversary marks another year of growth acceleration and a significant step-up in the Group's transformation. Most importantly, our Move For Cash program is now delivering benefits with a material improvement in free cash flow generation.

The Group further enhanced its cyclical resilience. Bureau Veritas is developing its profile towards more Opex-related activities rather than Capex, and it now benefits from a more balanced geographical footprint across three platforms: the Americas, Asia, and Europe.

Our growth potential has been reinforced yet again with six acquisitions to support our Strategic Plan development. The Group's M&A pipeline will provide many opportunities moving forward whilst maintaining a strict financial discipline.

Finally, we will pursue our strong customer-oriented strategy to repeat the success in being awarded contracts such as Qatargas with high-value solutions implemented among targeted global customers.

As regards the 2018 dividend, the Group will offer to shareholders the option to receive the dividend in cash or in shares. In the latter case, a 10% discount will be applied.

In 2019, we expect the good momentum experienced in 2018 to continue despite an uncertain economic and political environment in various regions. We remain confident in our ability to meet our 2020 ambition."

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[1] Organic growth represents the percentage of revenue growth, presented at Group level and for each activity, based on constant scope of consolidation (i.e. acquisitions excluded) and exchange rates over comparable periods

[2] Proposed dividend, subject to Shareholders' Meeting approval on May 14, 2019

KEY 2018 FIGURES

The Board of Directors of Bureau Veritas met on February 27, 2019 and approved the financial statements for 2018. The main consolidated financial items are:

IN EUR MILLIONS	2018	2017	CHANGE	CONSTANT CURRENCY
Revenue	4,795.5	4,689.4	+2.3%	+7.0%
Adjusted operating profit[a]	758.0	745.5	+1.7%	+8.4%
Adjusted operating margin	**15.8%**	**15.9%**	**(10)bps**	**+20bps**
Operating profit	637.2	606.3	+5.1%	+12.8%
Adjusted net profit[a]	417.2	416.1	+0.3%	+15.3%
Net profit	332.6	308.0	+8.0%	+27.3%
Adjusted EPS[a]	**0.96**	**0.95**	**+0.4%**	+15.3%
EPS	0.76	0.71	+7.0%	+27.4%
Operating cash flow[a]	685.5	581.2	+17.9%	+24.3%
Free cash flow	**478.4**	**349.6**	**+36.8%**	**+45.8%**
Adjusted net financial debt[a]	2,115.1	2,094.4	+1.0%	

(a) Financial indicators not defined by IFRS presented in Appendix 5

2018 HIGHLIGHTS

Organic growth driven by both Growth Initiatives and Base Business

Group organic revenue growth amounted to 4.0% in 2018, accelerating in H2 with 4.4% in the last quarter. This is explained by:

- Steady growth for the 5 Growth Initiatives (36% of Group revenue), up 6.3% organically. High single-digit growth was achieved in Opex services, Buildings & Infrastructure and SmartWorld and mid-single digit for Agri-Food and Automotive.
- Improvement over the year of the Base Business (64% of Group revenue), up 2.9% organically with an organic growth of 4.1% in the last quarter.

  Marine & Offshore (7% of Group revenue) turned to positive organic growth in H2 2018 (+4.0% from -5.4% in H1), following 8 negative quarters, a reflection of improving market conditions in China notably. In addition, Oil & Gas Capex related activities (less than 4% of Group revenue) bottomed out (-6.6% for FY with a +3.6% organic growth in H2 2018) benefiting from favorable comparables and the ramp-up of contracts in North America and Africa notably. The other activities performed well, with notably Metals & Minerals in full recovery, and Certification benefiting from the exceptional workload generated by the revision of standards in 2017/2018.

M&A: six acquisitions in 2018, focused on Group Strategic Growth Initiatives

In 2018, Bureau Veritas completed six acquisitions in different countries to strengthen its footprint, representing around EUR 85 million in annualized revenue (or 1.8% of 2018 Group revenue). These supported 3 of the 5 Growth Initiatives:

	ANNUALIZED REVENUE	COUNTRY	DATE	FIELD OF EXPERTISE
Buildings & Infrastructure				
EMG	c.EUR 70m	USA	Feb. 2018	Technical assessment and project management assistance services
Agri-Food				
Shandong Cigna	Total of EUR 6m	China	Jan. 2018	Agri-Food testing and analysis
FEAC		Japan	Mar. 2018	Food & Environment testing
Labomag		Morocco	Mar. 2018	Agri-Food laboratory testing and analysis
Permulab	EUR 4m	Malaysia	Jul. 2018	Food, Water and Environment laboratory testing services
Opex services				
Lubrication Management	EUR 4m	Spain	Jan. 2018	Oil condition monitoring (OCM)

The largest acquisition, EMG, a company specializing in technical assessment and project management assistance services, significantly strengthened the Group's position in Buildings & Infrastructure in the USA.

Since the beginning of 2019, the Group has recorded two additional transactions in support of its Agri-Food and Buildings & Infrastructure Growth Initiatives:

- On January 3, 2019, Bureau Veritas announced the formation of Singapore-based BVAQ[3], a food testing company providing laboratory analytical services to all food industries in South East Asia, with an unparalleled geographical presence and testing scope as it can serve its customers from a "hub and spoke" model throughout Singapore, Malaysia, Indonesia, Thailand and Vietnam. BVAQ is a joint venture created with AsureQuality, the New Zealand state-owned company providing food safety and biosecurity services. Bureau Veritas holds a 51% majority stake in the new business, while AsureQuality holds the remaining stake. BVAQ combines Bureau Veritas' newly established food testing laboratories in Vietnam, Indonesia and Thailand as well as its majority share in Permulab, with AsureQuality's state-of-the-art food testing facility operating in Singapore since 2010;
- On January 16, 2019, Bureau Veritas finalized the acquisition of Capital Energy SAS, a company providing consulting and support services for white certificate projects in France. Its customer base comprises energy suppliers and large retailers. Capital Energy also helps housing associations, local authorities, industry, and building contractors to implement energy efficiency programs.

By the end of February 2019, Bureau Veritas was broadly on track with its 2020 plan with 52% of its external growth ambition achieved: since the start of the plan, 30 acquisitions (of which around EUR 375 million support the Group's 5 Growth Initiatives) have added more than EUR 390 million of incremental revenue out of an ambition of around EUR 750 million of revenue over the period 2016-2020.

[3] Closed on December 28, 2018 and announced on January 3, 2019

Solid momentum on key account management and global solutions

In 2018, Bureau Veritas accelerated the implementation of the key customer account management strategy launched in 2014. The Group strengthened the coordination between global market and regional sales leadership in a more focused sales governance model. The Global Accounts strategy was redesigned to increase Bureau Veritas' value-added solutions offer to targeted global customers through increased coordination at the Global Service Lines level.

The Group also made significant steps towards more integrated high-value solutions. This is illustrated by a 5-year contract win (total value of EUR 64 million with an option for 2 additional years) with Qatargas, the world's largest LNG producer, as the primary supplier of Inspection, NDT and Asset Management services for all their assets in Qatar. It has been awarded as a result of the newly developed Integrated Solution Approach (ISA). The aim is to replicate ISA across Bureau Veritas globally.

The Group has also strongly enhanced its capability to leverage its global network to replicate solutions that join the BV portfolio through specialized acquisitions. Several contract wins illustrate this progress in 2018.

In 2019 new tools (CRM system / Salesforce) will be deployed within the organization to enhance the Marketing & Sales Excellence.

Proactive cost management

The Group continued to adjust its cost base in businesses faced with challenging market conditions, notably with actions taken in government services, Buildings & Infrastructure, and commodities-related activities. It also made structural efforts to improve its margin including a transformation of the operating model in the In-service activity for Marine & Offshore.

All in all, this led the Group to book a restructuring charge of EUR 42.1 million in 2018 (primarily headcount reduction related), following EUR 57.1 million in 2017, marking the end of a period of material restructuring.

Group Digital transformation: global deployment of the strategy by market

Digital is at the forefront of the Group's transformation and focuses on three dimensions:

- Improving the Group's efficiency in delivering its portfolio core services;
- Leveraging digital technologies to implement new operating models;
- Launching new services to support client compliance needs in the digital world.

In the course of 2018, Bureau Veritas continued to implement and ensure the global deployment of multiple digital solutions (3D, Internet of Things, Robotics, Artificial Intelligence, and e-commerce) by market across the Group. These solutions were successfully tested with clients in various businesses such as:

- Marine & Offshore: adaptation of the Marine classification directly on the 3D representation of a vessel, with a first pilot with Naval Group and the Group's partner Dassault Systèmes. The division signed in 2018 the first new TIC digital services, i.e., the "Cyber Managed" notation, already adopted by some clients;
- Consumer Products: creation of a new international e-commerce platform for mass market supplier audits (inSpec-bv.com), launched globally in Q4;
- Buildings & Infrastructure: (i) Global deployment of the in-house Project Management Assistance tool: PriManager, now available in 11 countries managing more than USD 10 billion of client's assets; (ii) Creation of a global BIM (Building Information Modeling) Center in China, leveraging the Group global alliance with Autodesk, leader in 3D software used as a technical support for automated verification;

- Opex services: Improvement of the Group services through digital partnerships based on Industry 4.0 techniques (e.g., digital twins of Oil & Gas industrial assets in partnership with Edoxx or Bentley System or implementation of artificial intelligence-based inspections for distribution and transmission lines of Power & Utilities clients in partnership with Avitas Systems);
- Agri-Food & Commodities: (i) Deployment of SurvAgri, a new digital platform enabling the end-to-end quality assurance of agribusiness commodities from production to the final trade; (ii) Launch of Origin, an innovative food traceability tool using blockchain technology in partnership with Worldline.

Such deployments have been executed via the numerous key partnerships with global digital players. The Group is pleased to announce its new global partnership with Microsoft on Artificial Intelligence. The purpose of this partnership is to focus on leveraging Artificial Intelligence to improve the efficiency of Bureau Veritas laboratories operations, with first successes notably in the fields of oil condition monitoring and Metals & Minerals chemical analysis. This was enabled thanks to the creation of a dedicated internal data lab, and will be enhanced by the global partnership with Microsoft.

Management changes strengthening the Group's organization

In 2018, Bureau Veritas appointed new members to the Group Executive Committee:

- Jacques Pommeraud, as Executive Vice-President, in charge of the Commodities, Industry & Facilities division in France and Africa as well as the Government Services and International Trade operating group (effective May 1, 2018);
- Laurent Louail, as Executive Vice-President, in charge of the Commodities, Industry & Facilities division in South & West Europe (effective May 1, 2018);
- Helen Bradley, as Executive Vice-President, in charge of Group Human Resources. Helen's responsibilities further extend to Quality, Health & Safety and Environment, Corporate Social Responsibility and External affairs (effective June 1, 2018);
- François Chabas, as Executive Vice-President and Group Chief Financial Officer (effective September 3, 2018).

On January 17, 2019, Bureau Veritas announced the appointment, effective January 1, of Matthieu de Tugny as Executive Vice-President, in charge of the Marine & Offshore Division, succeeding Philippe Donche-Gay who retired from the Bureau Veritas Group on January 31, 2019. Matthieu de Tugny was also appointed member of the Group Executive Committee.

Bureau Veritas announced the appointment, effective February 1, 2019, of Eduardo Camargo as Executive Vice-President, Group Transformation & Business Development. Eduardo Camargo retains his responsibility as head of the Commodities, Industry & Facilities (CIF) division in Latin America, which will be managed locally by a dedicated leader for this region.

These changes strengthen the governance of Bureau Veritas, with even more international leadership, aligned with the broad global presence of Bureau Veritas. It also strengthens the management of the Group's operations on a day-to-day basis with a leaner decision-making process, thereby enhancing its transformation throughout the 2020 Strategic Plan.

Following these appointments, the Group Executive Committee is now composed of ten members.

A sustained financing activity in favor of greater diversification and optimization of the average cost of funds

Bureau Veritas' funding activity over 2018 demonstrates the strong support and confidence in its business model from the Group's banks and credit investor base:

- On March 29, 2018, Bureau Veritas SA successfully issued a EUR 200 million, unrated, zero-coupon senior fixed rate note with a 13-month maturity. This new instrument allowed the Group to benefit from incremental liquidity without incurring additional interest costs;
- On May 17, 2018, Bureau Veritas SA signed a EUR 600 million multicurrency Revolving Credit Facility replacing the previous EUR 450 million facility on more favorable terms. This new facility has a five-year maturity, with two 1-year extension options which can be exercised in 2019 and 2020. This facility, which further enhances the Group's liquidity profile, was substantially oversubscribed by an international syndicate of 14 banks;
- On September 27, 2018, Bureau Veritas SA successfully issued a EUR 500 million non-rated new bond issue maturing in January 2025 and carrying a coupon of 1.875%. This transaction was 2 times oversubscribed, illustrating the quality of the Group's credit profile.

Following these successful operations, Bureau Veritas further diversified its debt profile, with access to various sources of liquidity, including the bank loan market, euro-denominated bonds, US private placements, *Schuldschein* notes and commercial paper. In addition, these transactions enabled the Group to anticipate the refinancing of its 2019 maturities and to lengthen the average maturity of its debt while optimizing its cost.

At the end of December 2018, the average duration of the Group's financial debt is around 5 years[4], with a blended average cost of funds over the full year of 3.0%.

ANALYSIS OF THE GROUP'S RESULTS AND FINANCIAL POSITION

Revenue up 2.3% year-on-year (+7.0% at constant currency)

Revenue in 2018 amounted to EUR 4,795.5 million, a 2.3% increase compared with 2017. Organic growth was +4.0%, accelerating in H2 compared with H1 (4.6% vs. 3.5% respectively). Q4 2018 saw a 4.4% organic growth rate.

5 out of 6 businesses posted organic growth, with Certification being the best performer (+7.8%) alongside Agri-Food & Commodities (+4.5%), Buildings & Infrastructure and Consumer Products (both at +4.3%). Only Marine & Offshore revenue slightly declined on a full year basis though the trends turned positive in the second half.

By geography, activities in Europe showed an improvement (35% of revenue; 5.5% organic growth), driven by France (up 5.0% organically, primarily led by Certification, Buildings & Infrastructure and Industry) and Eastern countries (up double digit organically). The growth in Asia Pacific (31% of revenue; 2.9% organic growth) remained cushioned by the end of large contracts in Oil & Gas in Australia while the other businesses performed well. Activities in the Americas (25% of revenue) increased by 4.3% organically, primarily driven by Latin America (up 6.5% organically), which benefited from the pursuit of the diversification strategy towards Opex (in Power & Utilities and Oil & Gas markets), and Canada primarily led by Food and Oil & Petrochemicals activities.

Net acquisition growth was 3.0%, combining the contribution of acquisitions made in 2018, notably in the Buildings & Infrastructure businesses, acquisitions finalized in 2017 and the reduction following divestment of non-strategic NDT activities in Europe.

[4] On the basis of the core debt adjusted from 2019 maturities, for an amount of EUR 444 million, which were refinanced during 2018

Currency fluctuations had a significant negative impact of 4.7%, mainly due to the appreciation of the euro against the US dollar and pegged currencies, as well as most emerging countries' currencies.

Adjusted operating profit up 1.7% to EUR 758 million (+8.4% at constant currency)

The Group full year 2018 adjusted operating margin was up 20 basis points organically and at constant exchange rates, to 16.1%. On a reported basis, the adjusted operating margin declined by c.10 basis points to 15.8% compared to 15.9% in 2017.

CHANGE IN ADJUSTED OPERATING MARGIN

IN PERCENTAGE AND BASIS POINTS	
Adjusted operating margin at December 31, 2017	**15.9%**
Organic change	20bps
Organic adjusted operating margin	**16.1%**
Scope	0bp
Constant currency adjusted operating margin	**16.1%**
Currency	(30)bps
Adjusted operating margin at December 31, 2018	**15.8%**

4 out of 6 business activities posted improving margins, adding 30 basis points to the Group's organic margin: This was driven by a significant improvement in Certification and strong performances in both Consumer Products and Industry. This improvement is the result of a combination of operating leverage, strict cost management, lean efforts and restructuring pay back.

Agri-Food & Commodities and Buildings & Infrastructure experienced lower margins due to price pressure and/or change of mix in these activities.

Other operating expenses decreased to EUR 120.8 million vs. EUR 139.2 million in 2017. These include:

- EUR 75.1 million in amortization of acquisition intangibles (EUR 77.1 million in 2017);
- EUR 42.1 million in restructuring charges, with actions taken mainly in government services, Buildings & Infrastructure, and commodities related-activities (EUR 57.1 million in 2017);
- EUR 3.6 million in acquisition related items (EUR 5.0 million in 2017).

Operating profit totaled EUR 637.2 million, up 5.0% compared to EUR 606.3 million in 2017.

Adjusted EPS of EUR 0.96, up 0.4% year-on-year (+15.3% at constant currency)

Net financial expense achieved EUR 93.2 million compared with EUR 103.7 million in 2017, reflecting mostly lower foreign exchange losses (EUR 5.7 million vs. EUR 12.1 million in 2017) due to the appreciation of the euro against the US dollar and pegged currencies, but also against the currencies of emerging countries.

Net finance costs decreased to EUR 82.5 million (vs. EUR 86.8 million in 2017), mainly explained by the following items: (i) a decrease in average indebtedness, to some extent the lower average cost of debt (3.0% vs. 3.1%); (ii) a charge related to the hedging of financial foreign exchange risk as opposed to income in 2017; (iii) and finally an increase in income from cash and cash equivalents.

Other items (including pensions and other finance charges) stood at EUR 5.0 million, stable from EUR 4.8 million in 2017.

Income tax expense totaled EUR 189.3 million in 2018, compared with EUR 164.8 million in 2017.

This represents an effective tax rate (ETR) of 34.8% for the period, compared with 32.8% in 2017.
The adjusted ETR is 33.3%, up 150 basis points compared with 2017. This increase is explained by the variance of 2018 non-recurring items versus 2017, as the Group benefited from the refund in 2017 of the 3% dividend contribution in France, and from the positive adjustment recognized in 2017 on deferred taxes as a result of US tax reform.

Attributable net profit for the period was EUR 332.6 million, vs. EUR 308.0 million in 2017.
Earnings Per Share (EPS) stood at EUR 0.76, compared with EUR 0.71 in 2017.
Adjusted attributable net profit totaled EUR 417.2 million, vs. EUR 416.1 million in 2017.
Adjusted EPS stood at EUR 0.96, a 0.4% increase vs. 2017.

Strong improvement in free cash flow

Full year 2018 operating cash flow stood at EUR 685.5 million vs. EUR 581.2 million in 2017, up 17.9% year-on-year. This increase is primarily driven by a working capital inflow of EUR 4.1 million from a EUR 59.5 million outflow the prior year. Despite accelerating organic revenue growth in Q4, the improvement in working capital requirement benefited notably from the Move For Cash program. This positive effect was also supported by the improvement in profit before income tax and the favorable change in non-cash items (increase in unrealized foreign exchange income on non-operating items and positive effect of deferred lease payments) in 2018.

The working capital requirement stood at EUR 433.1 million at December 31, 2018, compared to EUR 426.7 million at December 31, 2017 (EUR 453.2 million published in 2017, before restatement for the application of IFRS 9). As a percentage of sales, WCR decreased to 9.0%, compared to 9.1% in 2017 (9.7% published in 2017, before restatement for the application of IFRS 9).

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to EUR 124.1 million in 2018, a decrease compared to EUR 133.4 million in 2017. This showed disciplined control over the Group's net capex-to-revenue ratio at 2.6%, slightly down compared to the level achieved in 2017 (2.8%).

Free cash flow (available cash flow after tax, interest expenses and capex) achieved EUR 478.4 million compared to EUR 349.6 million in 2017, up 36.8% year-on-year and up 45.8% on a constant currency basis. On an organic basis, free cash flow increased by 42.2% in 2018.

CHANGE IN FREE CASH FLOW

IN EUR MILLIONS	
Free cash flow at December 31, 2017	**349.6**
Organic change	+147.4
Organic free cash flow	**497.0**
Scope	+12.9
Free cash flow at constant currency	**509.9**
Currency	(31.5)
Free cash flow at December 31, 2018	**478.4**

At December 31, 2018, adjusted net financial debt was EUR 2,115.1 million, i.e., 2.34x trailing twelve-month EBITDA as defined in the calculation of the bank covenant, compared with 2.37x at December 31, 2017. The slight increase in adjusted net financial debt of EUR 20.7 million vs. December 31, 2017 (EUR 2,094.4 million) reflects:

- Free cash flow of EUR 478.4 million;
- Dividend payments totaling EUR 277.7 million;

- Acquisitions, accounting for EUR 144.4 million;
- Share buybacks net of the capital increase carried out to cover stock option plans and allocation of performance shares, amounting to EUR 28.3 million;
- Other items that increased the Group's debt by EUR 48.7 million, mainly attributable to currency fluctuations.

PROPOSED DIVIDEND

Bureau Veritas is proposing a dividend of EUR 0.56 per share for 2018, unchanged compared to 2017. The Group will offer to shareholders the option to receive the dividend in cash or in shares. In the latter case, a 10% discount will be applied. The issue price of new shares will include the 10% discount on the average opening price of Bureau Veritas shares during the 20 trading days preceding the Combined Shareholders' Meeting.

In this context, Wendel has informed Bureau Veritas of its intention to opt for the payment of the dividend in shares. The Group welcomes this decision, which illustrates the strong support from Wendel for the Group's strategy.

This is subject to the approval of the Combined Shareholders' Meeting to be held on May 14, 2019 at 3:00pm at Pavillon Gabriel, 5 Avenue Gabriel, 75008 Paris, France. The dividend will be paid in cash or in new shares on June 11, 2019, (shareholders on the register on May 21, 2019 will be entitled to the dividend and the share will go ex-dividend on May 20, 2019). Between May 22, and June 3, 2019 (included), shareholders can choose between payment of the dividend in cash or in shares. The dividend will be paid in cash, if an option is not made by the shareholder upon the expiry of said period. This proposed dividend corresponds to a payout ratio of 58% of adjusted attributable net profit.

2019 OUTLOOK

For full year 2019, the Group expects:

- A solid organic revenue growth
- A continued adjusted operating margin improvement at constant currency
- A sustained strong cash flow generation

2020 AMBITION

Bureau Veritas reaffirms its 2020 financial Ambition:

- Adding EUR 1.5 billion of incremental revenue based on the 2015 plan's initial exchange rates, half organic and half through external growth
- Reaching 5% to 7% of organic growth by 2020
- Achieving above 17% adjusted operating margin in 2020[5]
- Generating continuous high free cash flow

The Group is also committed through 2020 to its non-financial performance and mainly aims to:

- Health and Safety: Reduce accident rates by 50% (TAR, LTR)[6];
- Inclusion: Achieve 25% female representation on the Group's executive management team;
- Environment[7]: Reduce CO_2 emissions by 10% per full-time equivalent; Increase the use of renewable energy by 10%; Achieve 75% of Group activities ISO 14001 certified.

[5] At the 2015 plan's initial exchange rates, as presented at the October 2015 Investor Days

[6] TAR: Total Accident Rate, 0.41 in 2018; LTR: Lost Time Rate, 0.21 in 2018; Compared to 2014 consolidated results

[7] Compared to 2015 consolidated results

FULL YEAR 2018 BUSINESS REVIEW

MARINE & OFFSHORE

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Revenue	348.6	364.9	(4.5)%	(0.9)%	+0.2%	(3.8)%
Adjusted Operating Profit	73.5	80.2	(8.4)%			
Adjusted Operating Margin	21.1%	22.0%	(90)bps	+10bps		

Revenue was marginally down (-0.7%) on a constant currency basis, including 0.9% negative organic growth and 0.2% acquisition-led growth after accelerating recovery in the second half, mainly driven by new construction activity in China. Q4 2018 revenue rose 6.9% on an organic basis.

Revenue for the In-service ship segment (61% of divisional revenue) was slightly negative year-on-year (-1.0%), with the following situation by sub-segment: Core In-Service decreased slightly, a reflection of some price pressure and a broadly stable fleet (+0.3% in number of ships). Offshore-related activities recorded a low single-digit growth, driven by the rebound of risk assessment studies and the extension of services provided to customers. Loss adjusting services showed some stabilization in Q4 2018.

At December 31, 2018, the fleet classified by Bureau Veritas comprised 11,332 ships and represented 119.8 million of Gross Register Tonnage (GRT), up 1.6% on a yearly basis.

Revenue from the New Construction segment (39% of divisional revenue) also slightly decreased over the full year (-0.8%), with an improvement in the second half, which was primarily driven by the equipment certification business in China.

New orders amounted to 6.1 million gross tons at the end of December 2018, up from 5.1 million gross tons in the prior year period. The order book progressed by 11% to 14.0 million gross tons at the end of the period (vs. 12.6 million GRT at December 31, 2017). It remains very diversified by type of ships with Bulk, Tankers and LNG vessels expanding their share.

Adjusted operating margin for the year came in at 21.1%, down 90 basis points compared to 2017, primarily explained by a negative foreign exchange impact while the organic was up 10 basis points, benefiting from restructuring measures. In the course of 2018 the Group undertook additional restructuring actions to transform the operating model of its In-Service activity.

Outlook: In 2019, Bureau Veritas expects organic revenue growth in this business to be positive. This reflects (i) a recovery in New Construction thanks to solid new orders won end-2017 and 2018, notably led by China; (ii) resilient In-Service activity including the Offshore-related activities, and limited benefit from IMO 2020. Profitability wise, the Group expects the adjusted operating margin to improve with the restructuring benefit being mitigated by a negative foreign exchange impact.

AGRI-FOOD & COMMODITIES

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Revenue	1,073.7	1,072.6	+0.1%	+4.5%	+1.1%	(5.5)%
Adjusted Operating Profit	132.0	134.6	(1.9)%			
Adjusted Operating Margin	12.3%	12.5%	(25)bps	(10)bps		

Revenue grew by 5.6% on a constant currency basis, including organic growth of 4.5% and acquisition led growth of 1.1%, driven primarily by Agri-Food acquisitions (Shandong Cigna, FEAC, Labomag and Permulab). Q4 revenue rose 4.9% on an organic basis.

Oil & Petrochemicals (O&P) segment (37% of divisional revenue) reported 1.9% organic growth, with low growth in O&P trade activities - in the context of a challenging price and competitive environment - and a much stronger performance for O&P upstream activities. Growth was particularly strong in Africa, high in China, robust in Europe and low in North America (primarily fueled by Maxxams Analytics). The Group strategic initiatives (oil condition monitoring, marine fuels testing) delivered a double-digit performance and increasingly contributed to the growth of the business. In Q4 2018, cargo inspection services improved in most geographies.

Metals & Minerals segment (28% of divisional revenue) achieved a strong performance with organic growth of 8.7% in 2018, led primarily by Upstream activities. These activities, including coal, recorded double-digit growth driven by the strength in the gold sector and positive trends in base metals (especially copper) and some other non-ferrous metals (new bauxite mine development in West Africa). Significant mine site outsourcing contract wins also contributed to growth. Coal activities benefited from a strong recovery due to the development of Bureau Veritas' Mozambique business following a large contract win. Trade activities experienced low single digit growth led by robust growth for non-coal trade minerals and, with particularly steady growth in Europe and in Africa.

Agri-Food (20% of divisional revenue) recorded solid 4.4% organic growth for the full year, benefiting from high single-digit growth in Food activities while agricultural testing and inspection activities grew slightly. The Agri business overall was impacted by poor weather conditions (poor crops in Northern Europe due to dry summer, drought in Argentina) and other exogenous factors (truckers' strike in Brazil disrupting the export supply chain, US-China disputes impacting US export programs) though growth resumed in the last quarter supported by contract wins and new services (including precision agriculture). Conversely, Food activities remained buoyant, led by new labs openings, contract wins and the benefits from past acquisitions. In Canada, Maxxams Analytics performed very well. At the end of 2018, including acquisitions, the Group enjoys a network of 75+ Agri-Food laboratories across the globe.

Government Services (15% of divisional revenue) achieved 4.1% organic revenue growth with an improvement in the second half compared to H1 (-1.5% organically). Despite the end of some PSI (Pre-Shipment Inspection) contracts, revenue benefited from the ramp-up of VOC (Verification of Conformity) and single window contracts in Ghana, Ivory Coast and in the Democratic Republic of the Congo. Also, the Iraq contract stabilized throughout the year. 2018 was characterized by the further gradual disappearance of PSI in the revenue mix (18% of divisional revenue at the end of 2018 with an ambition to tend to zero by end 2019). This participates in the overall reduction of the risk profile from the Government Services activities.

Adjusted operating margin for the year was broadly stable on an organic basis, although slightly lower on a reported basis at 12.3% due to currency effects, versus 12.5% in 2017.

Outlook: In 2019, the Group expects its Agri-Food & Commodities business to deliver similar organic revenue growth compared to 2018, fueled by solid Metals & Minerals markets, robust Agri-Food businesses, improving Government Services and resilient Oil & Petrochemicals markets. The Group expects a margin improvement driven by restructuring benefits and positive mix effects.

INDUSTRY

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Revenue	1,061.3	1,096.3	(3.2)%	+3.5%	+0.0%	(6.7)%
Adjusted Operating Profit	131.1	133.1	(1.5)%			
Adjusted Operating Margin	12.4%	12.1%	+20bps	+35bps		

Revenue increased by 3.5% on a constant currency basis for the full year. Organic growth in Industry confirmed its recovery in 2018, up +3.5% of which +6.2% in the last quarter. This reflects the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets together with improving market conditions in Oil & Gas towards the second half of the year.

The Group registered robust growth in Opex-related activities (+7.3%), being part of the Group's strategic plan Growth Initiatives. Power & Utilities Opex-related activities grew by 17.4%, with the ramp up of several contracts in Latin America. The Nuclear segment performed well, notably in Europe (including the UK).

In Oil & Gas markets (36% of divisional revenue), the situation improved throughout the year on all fronts: Opex-related activities grew mid-single digit organically, benefiting from strong volume increases, across nearly all geographies (and in Latin America notably), largely offsetting persistent price pressure. The large Qatargas contract won in H1 2018 started to contribute to growth. Capex-related activities declined at a high mid-single digit pace, although a return to growth in the second half (including +5.5% in Q4 2018) saw them on improving trends. This was fueled by positive developments in the United States and in South Korea, thanks to a number of Capex projects, while business stabilized in Latin America, including Brazil. In Asia, the business remained weak. During the year, the Group experienced a build-up of predominantly small-sized capex opportunities in the pipeline.

By geography, growth was strong in Latin America (led primarily by Colombia, Peru and Argentina) thanks to sector diversification, while business remained solid in North America (led by the US) and in certain European countries (including the UK and Eastern countries).

Adjusted operating margin for the year climbed 20 basis points to 12.4%, from 12.1% in 2017, including a 35 basis point improvement organically thanks to restructuring actions and a less negative mix effect on the back of the decline in Oil & Gas Capex.

Outlook: In 2019, Bureau Veritas expects its Industry business to deliver similar organic revenue growth compared to 2018, fueled by the pursuit of its successful Opex services diversification alongside improving Oil & Gas Capex markets skewed to the second half of the year. The Group expects a margin improvement driven by restructuring benefits and positive mix effects.

BUILDINGS & INFRASTRUCTURE

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Revenue	1,267.2	1,119.9	+13.2%	+4.3%	+10.9%	(2.0)%
Adjusted Operating Profit	188.2	170.1	+10.6%			
Adjusted Operating Margin	14.8%	15.2%	(35)bps	(35)bps		

The Buildings & Infrastructure business posted strong revenue growth of 15.2% at constant currency in 2018 with a 10.9% impact from external growth due notably to the completion of the acquisition of EMG in the US.

Organically, growth amounted to 4.3% for the year (of which 4.5% in the last quarter) spread across most geographies. Slightly stronger organic growth was recorded in Building In-Service activities (58% of divisional revenue) than for Construction-related activities (42% of divisional revenue).

Growth in Europe (55% of divisional revenue) was above the divisional average, led notably by a robust performance in France (41% of revenue). The latter was primarily powered by Opex-related activities (regulatory driven) where the Group gained market share in the mass market and launched several growth initiatives.

In Asia Pacific (23% of divisional revenue), solid growth was primarily driven by Australia (up double-digit on the back of the McKenzie acquisition). China (15% of Buildings & Infrastructure revenue), also continued to deliver healthy growth in energy and infrastructure project management assistance thanks to past acquisitions.

In the Americas (19% of divisional revenue), growth was below the divisional average, with mixed growth in Latin America (dragged down by Chile while Brazil recovered in the last quarter) and solid growth in the United States, in particular for code compliance services. In the US, the Group also recorded a significant scope effect, following the acquisitions of California Code Check (June 2017), Primary Integration Solutions (November 2017) and EMG (February 2018). The integration of EMG continued on track with several synergy opportunities underway.

Adjusted operating margin for the year decreased by 35 basis points to 14.8%, due to price pressure and geographical mix effects.

Outlook: In 2019, the outlook for the business remains positive overall with similar organic revenue growth led by both Capex and Opex related services. Profitability wise, the Group expects its margin to slightly improve year-on-year.

CERTIFICATION

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Revenue	374.5	368.6	+1.6%	+7.8%	+0.0%	(6.2)%
Adjusted Operating Profit	66.4	62.9	+5.6%			
Adjusted Operating Margin	17.7%	17.1%	+65bps	+185bps		

The Certification business recorded strong organic growth of 7.8% for the full year 2018, with growth spread across most regions and categories.

Growth was primarily fueled by the revision of standards (ISO 9001, 14001, AS 9100 in the Aerospace and IATF in the Automotive sectors), especially in both Q2 and Q3 2018, ahead of the transition deadline on September 15, 2018. At end December 2018, 99% of Bureau Veritas' clients had transitioned to the new QHSE Standards (ISO 9001: 2015 and ISO 14001: 2015), showing a very high transition and retention rate. In the last quarter, organic revenue growth declined by 3.5% reflecting the end of the 3-years standards revision period. After the transition in Q4 2018 and 2019, QHSE and Transportation Certification markets are expected to decline due to the absence of transition man-days.

Double-digit growth was posted in Supply Chain, led by Automotive and Aeronautics. Energy Management, Forestry, Food Management Systems and Organic Certification also recorded double-digit growth, while Social & Customized audits delivered mid-single digit growth.

The Group also benefited from strong growth on the back of the development of its Enterprise Risks offering including anti-bribery, business continuity, cybersecurity and GDPR Data privacy certification.

Global Certification contracts grew by 6.5% organically, with the ramp-up of new contracts signed with international companies, notably in Automotive, Aerospace, Food, Services, Utilities and Oil & Gas sectors.

By geography, double-digit growth was achieved in Northern Europe (Germany) and Southern Europe (Italy and Spain), high single-digit in France and Asia (led by China), while a mid-single digit pace was recorded in Latin America (led by Argentina and to some extent Brazil).

Adjusted operating margin for the year rose 65 basis points to a healthy 17.7%. This reflects a strong organic increase led by operating leverage and mix, mostly offset by a negative forex impact (owing to the depreciation of most emerging countries' currencies, and especially in Latin America).

Outlook: In 2019, the Certification business is expected to deliver slightly negative organic revenue growth: this reflects: (i) the impact of the QHSE and Transportation transition which ended in September 2018 and creates challenging comparables for the first nine months of the year; (ii) solid growth elsewhere primarily driven by Food schemes, Sustainability, Training and Customized audits. Profitability wise, the Group will focus on margin protection.

CONSUMER PRODUCTS

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Revenue	670.2	667.1	+0.5%	+4.3%	+0.7%	(4.5)%
Adjusted Operating Profit	166.8	164.6	+1.3%			
Adjusted Operating Margin	24.9%	24.7%	+25bps	+50bps		

Revenue increased by 5.0% on a constant currency basis, of which 4.3% was organic, with a solid performance across all service categories. Q4 2018 revenue was up 4.5% at constant currency, benefiting from a 4.0% increase on an organic basis.

The Electrical & Electronics segment (34% of divisional revenue) posted mid-single digit organic revenue growth led by double-digit growth in Automotive and high single-digit growth in Mobile testing, primarily in South Asia, East Asia and Europe.

Hardlines performed slightly above the divisional average, driven by China and strong momentum with key accounts, notably in Europe; Toys remained broadly stable compared to last year.

Lastly, Softlines (35% of divisional revenue) grew mid-single digit, with strong growth in Europe fueled by large contract wins as well as very strong momentum in South Asia and South East Asia benefiting from the relocation of Chinese manufacturing activities. South Asia and South East Asia now represent a significant proportion of the Consumer Products business.

As regards the escalating tariffs between the US and China, the Group continues to closely monitor the situation. Bureau Veritas is engaged proactively with customers and ideally positioned to follow any manufacturing relocation with its wide geographical network of laboratory capabilities. In this uncertain context, the Group has further accelerated development in the Chinese domestic market and outside of the US (notably in South East Asia and Europe). The tariff increases may also provide an opportunity for the Group, as its services will become even more important to ensure that product quality is maintained during sourcing shifts.

Adjusted operating margin for the year improved by 25 basis points to a strong 24.9% including a 50 basis point organic improvement led by margin initiatives (cost management/Lean) as well as negative forex and scope effects.

Outlook: In 2019, the Group expects similar organic growth compared to 2018, with strong momentum in South Asia and South East Asia, solid growth in Europe and resilient performance in both US and China. Profitability wise, the Group will focus on margin protection.

PRESENTATION

- Full year results will be presented on Thursday, February 28, 2019, at 3:00 p.m. (Paris time).
- A video conference will be webcast live. Please connect to: Link to video conference
- The presentation slides will be available on: https://group.bureauveritas.com
- All supporting documents will be available on the website.

2019 FINANCIAL CALENDAR

- April 25, 2019: Q1 2019 revenue
- May 14, 2019: Shareholders' meeting
- July 25, 2019: H1 2019 results
- October 24, 2019: Q3 2019 revenue

About Bureau Veritas

Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has more than 75,000 employees located in more than 1,500 offices and laboratories around the globe. Bureau Veritas helps its clients improve their performance by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility.
Bureau Veritas is listed on Euronext Paris and belongs to the Next 20 index.
Compartment A, ISIN code FR 0006174348, stock symbol: BVI.
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APPENDIX 1: Q4 AND FULL YEAR 2018 REVENUE BY BUSINESS

IN EUR MILLIONS	2018	2017	CHANGE	ORGANIC	ACQUIS.	CURRENCY
Marine & Offshore	93.4	88.3	+5.8%	+6.9%	+0.4%	(1.5)%
Agri-Food & Commodities	277.2	265.9	+4.2%	+4.9%	+1.6%	(2.3)%
Industry	276.1	270.8	+2.0%	+6.2%	+0.0%	(4.2)%
Buildings & Infrastructure	346.3	305.6	+13.3%	+4.5%	+9.5%	(0.7)%
Certification	95.0	100.3	(5.3)%	(3.5)%	+0.0%	(1.8)%
Consumer Products	172.6	165.7	+4.2%	+4.0%	+0.5%	(0.3)%
Total Q4 revenue	**1,260.6**	**1,196.6**	**+5.3%**	**+4.4%**	**+2.9%**	**(2.0)%**
Marine & Offshore	348.6	364.9	(4.5)%	(0.9)%	+0.2%	(3.8)%
Agri-Food & Commodities	1,073.7	1,072.6	+0.1%	+4.5%	+1.1%	(5.5)%
Industry	1,061.3	1,096.3	(3.2)%	+3.5%	+0.0%	(6.7)%
Buildings & Infrastructure	1,267.2	1,119.9	+13.2%	+4.3%	+10.9%	(2.0)%
Certification	374.5	368.6	+1.6%	+7.8%	+0.0%	(6.2)%
Consumer Products	670.2	667.1	+0.5%	+4.3%	+0.7%	(4.5)%
Total Full Year revenue	**4,795.5**	**4,689.4**	**+2.3%**	**+4.0%**	**+3.0%**	**(4.7)%**

APPENDIX 2: ADJUSTED OPERATING PROFIT AND MARGIN BY BUSINESS

	ADJUSTED OPERATING PROFIT			ADJUSTED OPERATING MARGIN		
IN EUR MILLIONS	2018	2017	CHANGE (%)	2018	2017	CHANGE (BASIS POINTS)
Marine & Offshore	73.5	80.2	(8.4)%	21.1%	22.0%	(90)
Agri-Food & Commodities	132.0	134.6	(1.9)%	12.3%	12.5%	(25)
Industry	131.1	133.1	(1.5)%	12.4%	12.1%	+20
Buildings & Infrastructure	188.2	170.1	+10.6%	14.8%	15.2%	(35)
Certification	66.4	62.9	+5.6%	17.7%	17.1%	+65
Consumer Products	166.8	164.6	+1.3%	24.9%	24.7%	+25
Total Group	**758.0**	**745.5**	**+1.7%**	**+15.8%**	**+15.9%**	**(10)**

APPENDIX 3: 2018 REVENUE BY QUARTER

	2018 REVENUE BY QUARTER			
IN EUR MILLIONS	Q1	Q2	Q3	Q4
Marine & Offshore	83.6	86.8	84.8	93.4
Agri-Food & Commodities	250.1	273.6	272.8	277.2
Industry	250.2	269.3	265.7	276.1
Buildings & Infrastructure	291.8	317.8	311.4	346.3
Certification	84.9	106.0	88.6	95.0
Consumer Products	139.7	184.5	173.4	172.6
Total revenue	**1,100.3**	**1,238.0**	**1,196.7**	**1,260.6**

APPENDIX 4: EXTRACTS FROM THE FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS

Extracts from the full year consolidated financial statements audited and approved on February 27, 2019 by the Board of Directors. The audit procedures for the full year accounts have been undertaken and the Statutory Auditor's report has been published.

CONSOLIDATED INCOME SATEMENT

IN EUR MILLIONS	2018	2017
Revenue	**4,795.5**	**4,689.4**
Purchases and external charges	(1,418.0)	(1,394.1)
Personnel costs	(2,507.1)	(2,449.0)
Taxes other than on income	(46.2)	(46.4)
Net (additions to)/reversals of provisions	(11.8)	(11.5)
Depreciation and amortization	(200.3)	(203.7)
Other operating income and expense, net	25.1	21.6
Operating profit	**637.2**	**606.3**
Share of profit of equity-accounted companies	0.4	0.6
Operating profit after share of profit of equity-accounted companies	**637.6**	**606.9**
Income from cash and cash equivalents	1.8	1.3
Finance costs, gross	(84.3)	(88.1)
Finance costs, net	(82.5)	(86.8)
Other financial income and expense, net	(10.7)	(16.9)
Net financial expense	**(93.2)**	**(103.7)**
Profit before income tax	**544.4**	**503.2**
Income tax expense	(189.3)	(164.8)
Net income from continuing operations	355.1	338.4
Net income (loss) from discontinued operations	0.0	(8.6)
Net profit	**355.1**	**329.8**
Non-controlling interests	22.5	21.8
Attributable net profit	**332.6**	**308.0**
Earnings per share (in euros):		
Basic earnings per share	0.76	0.71
Diluted earnings per share	0.76	0.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN EUR MILLIONS	DEC. 2018	DEC. 2017 RESTATED	FIRST TIME APPLICATION OF IFRS 9	DEC. 2017 PUBLISHED
Goodwill	2,011.6	1,965.1		1,965.1
Intangible assets	634.6	640.2		640.2
Property, plant and equipment	471.1	486.3		486.3
Other non-current financial assets	114.8	124.3		124.3
Deferred income tax assets	135.3	145.3	6.9	138.4
Total non-current assets	**3,367.4**	**3,361.2**	**6.9**	**3,354.3**
Trade and other receivables	1,615.9	1,546.6	(26.5)	1,573.1
Current income tax assets	49.8	52.8		52.8
Current financial assets	13.1	20.3		20.3
Derivative financial instruments	3.8	3.8		3.8
Cash and cash equivalents	1,046.3	364.3		364.3
Total current assets	**2,728.9**	**1,987.8**	**(26.5)**	**2,014.3**
Assets held for sale	0.0	1.2		1.2
TOTAL ASSETS	**6,096.3**	**5,350.2**	**(19.6)**	**5,369.8**

Share capital	53.0	53.0		53.0
Retained earnings and other reserves	906.3	917.4	(18.7)	936.1
Equity attributable to owners of the Company	959.3	970.4		989.1
Non-controlling interests	48.3	42.7	(0.9)	43.6
Total equity	**1,007.6**	**1,013.1**	**(19.6)**	**1,032.7**
Non-current borrowings and financial debt	2,655.7	2,240.0		2,240.0
Derivative financial instruments	6.7	6.7		6.7
Other non-current financial liabilities	125.0	120.2		120.2
Deferred income tax liabilities	127.4	143.3		143.3
Pension plans and other long-term employee benefits	185.6	190.1		190.1
Provisions for other liabilities and charges	105.1	109.6		109.6
Total non-current liabilities	**3,205.5**	**2,809.9**		**2,809.9**
Trade and other payables	1,182.8	1,119.8		1,119.8
Current income tax liabilities	71.2	73.6		73.6
Current borrowings and financial debt	499.0	209.0		209.0
Derivative financial instruments	4.4	9.7		9.7
Other current financial liabilities	125.8	114.1		114.1
Total current liabilities	**1,883.2**	**1,526.2**		**1,526.2**
Liabilities held for sale	0.0	1.0		1.0
TOTAL EQUITY AND LIABILITIES	**6,096.3**	**5,350.2**	**(19.6)**	**5,369.8**

CONSOLIDATED STATEMENT OF CASHFLOWS

IN EUR MILLIONS	2018	2017
Profit before income tax	**544.4**	**503.2**
Elimination of cash flows from financing and investing activities	87.4	103.8
Provisions and other non-cash items	25.8	(0.3)
Depreciation, amortization and impairment	200.3	203.7
Movements in working capital requirement attributable to operations	4.1	(59.5)
Income tax paid	(176.5)	(169.7)
Net cash generated from operating activities	**685.5**	**581.2**
Acquisitions of subsidiaries	(141.5)	(164.8)
Proceeds from sales of subsidiaries	-	-
Purchases of property, plant and equipment and intangible assets	(130.9)	(142.3)
Proceeds from sales of property, plant and equipment and intangible assets	6.8	8.9
Purchases of non-current financial assets	(18.6)	(32.2)
Proceeds from sales of non-current financial assets	9.9	10.3
Change in loans and advances granted	(0.8)	7.3
Dividends received from equity-accounted companies	0.2	0.7
Net cash used in investing activities	**(274.9)**	**(312.1)**
Capital increase	2.6	3.4
Purchases/sales of treasury shares	(30.9)	(36.8)
Dividends paid	(277.7)	(295.4)
Increase in borrowings and other debt	833.4	172.6
Repayment of borrowings and other debt	(166.4)	(717.0)
Repayment of amounts owed to shareholders	-	(3.4)
Interest paid	(83.0)	(98.2)
Other	-	(0.3)
Net cash generated from (used in) financing activities	**278.0**	**(975.1)**
Impact of currency translation differences	(8.5)	(27.7)
Impact of changes in accounting method	-	0.2
Net increase (decrease) in cash and cash equivalents	**680.1**	**(733.5)**
Net cash and cash equivalents at beginning of the period	354.5	1,088.0
Net cash and cash equivalents at end of the period	**1,034.6**	**354.5**
o/w cash and cash equivalents	1,046.3	364.3
o/w bank overdrafts	(11.7)	(9.8)

APPENDIX 5: FINANCIAL INDICATORS NOT DEFINED BY IFRS ACCOUNTING RULES

ADJUSTED OPERATING PROFIT

IN EUR MILLIONS	2018	2017
Operating profit	637.2	606.3
Amortization of acquisition intangibles	75.1	77.1
Restructuring costs	42.1	57.1
Acquisition and disposals	3.6	5.0
Impairment of goodwill	0.0	0.0
Total adjustment items	120.8	139.2
Adjusted operating profit	**758.0**	**745.5**

NET FINANCIAL EXPENSES

IN EUR MILLIONS	2018	2017
Net financial charges	(82.5)	(86.8)
Foreign exchange gain/loss	(5.7)	(12.1)
Interest charge on pension plans	(2.3)	(3.1)
Other	(2.7)	(1.7)
Net financial expenses	**(93.2)**	**(103.7)**

ADJUSTED EFFECTIVE TAX RATE[(a)]

IN EUR MILLIONS	2018	2017
Profit before Tax	544.4	503.2
Tax	(189.3)	(164.8)
ETR[(b)]	34.8%	32.8%
Adjusted ETR	**33.3%**	**31.8%**

(a) Adjusted ETR = Income tax expense adjusted for tax effect on adjustment items / Profit before tax adjusted for adjustment items
(b) Effective tax rate (ETR) = Income tax expense / Profit before income tax

ATTRIBUTABLE NET PROFIT

IN EUR MILLIONS	2018	2017
Attributable net profit	332.6	308.0
EPS[(a)] (€ per share)	*0.76*	*0.71*
Adjustment items	115.4	139.2
Net income from operations to be sold	0.0	8.6
Tax effect on adjustment items	(30.8)	(39.7)
Adjusted attributable net profit	**417.2**	**416.1**
Adjusted EPS[(a)] (€ per share)	*0.96*	*0.95*

(a) Calculated using the weighted average number of shares of 435,786,895 in FY 2018 and 436,422,741 in FY 2017

FREE CASH FLOW

IN EUR MILLIONS	2018	2017
Net cash generated from operating activities (operating cash flow)	685.5	581.2
Purchases of property, plant and equipment and intangible assets net of disposals	(124.1)	(133.4)
Interest paid	(83.0)	(98.2)
Free cash flow	**478.4**	**349.6**

ADJUSTED NET FINANCIAL DEBT

IN EUR MILLIONS	2018	2017
Gross financial debt	3,154.7	2,449.0
Cash and cash equivalents	1,046.3	364.3
Consolidated net financial debt	**2,108.4**	**2,084.7**
Currency hedging instruments	6.7	9.7
Adjusted net financial debt	**2,115.1**	**2,094.4**

APPENDIX 6: GROWTH INITIATIVES ORGANIC REVENUE GROWTH

YEAR-ON-YEAR CHANGE, IN PERCENTAGE	Q4 2018	FY 2018
Opex Services	+5.6%	+6.7%
Buildings & Infrastructure	+3.5%	+6.9%
Agri-Food	+9.0%	+4.3%
Automotive	(2.3)%	+5.4%
SmartWorld	+9.6%	+8.0%
Growth Initiatives	+5.0%	+6.3%
Base Business	+4.1%	+2.9%
Total organic growth	**+4.4%**	**+4.0%**