



## 2009 Full-Year Revenue Conference call

*February 4, 2010*

*Frank Piedelièvre – Chairman & Chief Executive Officer  
François Tardan – Chief Financial Officer*



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## Key highlights

***François Tardan***

*Chief Financial Officer*



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# Bureau Veritas at a glance



A global leader in conformity assessment services in the areas of quality, health and safety, environment and social responsibility (QHSE)

- FY 2009 revenue of €2.65bn and adjusted operating profit<sup>(1)</sup> estimated at above €430m
- Network of more than 900 locations in 140 countries

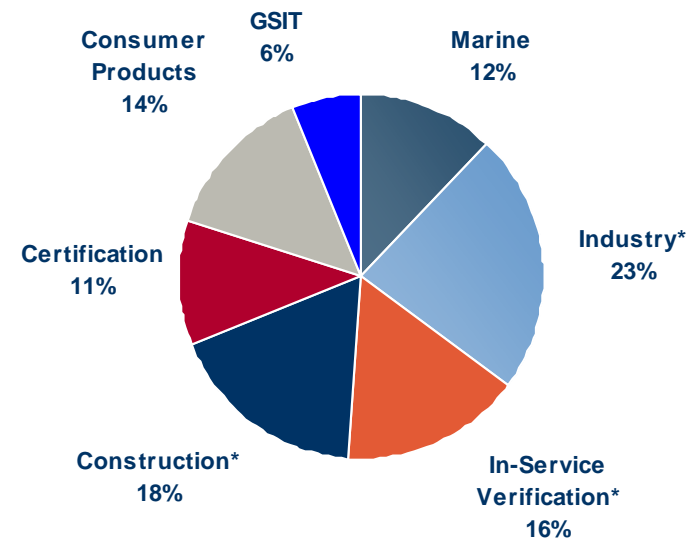
Over 39,000 skilled employees at Dec'09

Seven global businesses providing a complete set of services

- Inspection, testing, audit, certification, risk management, outsourcing, consulting and training services

Servicing 370,000 customers across a wide range of end markets

## FY 2009 revenue breakdown by business



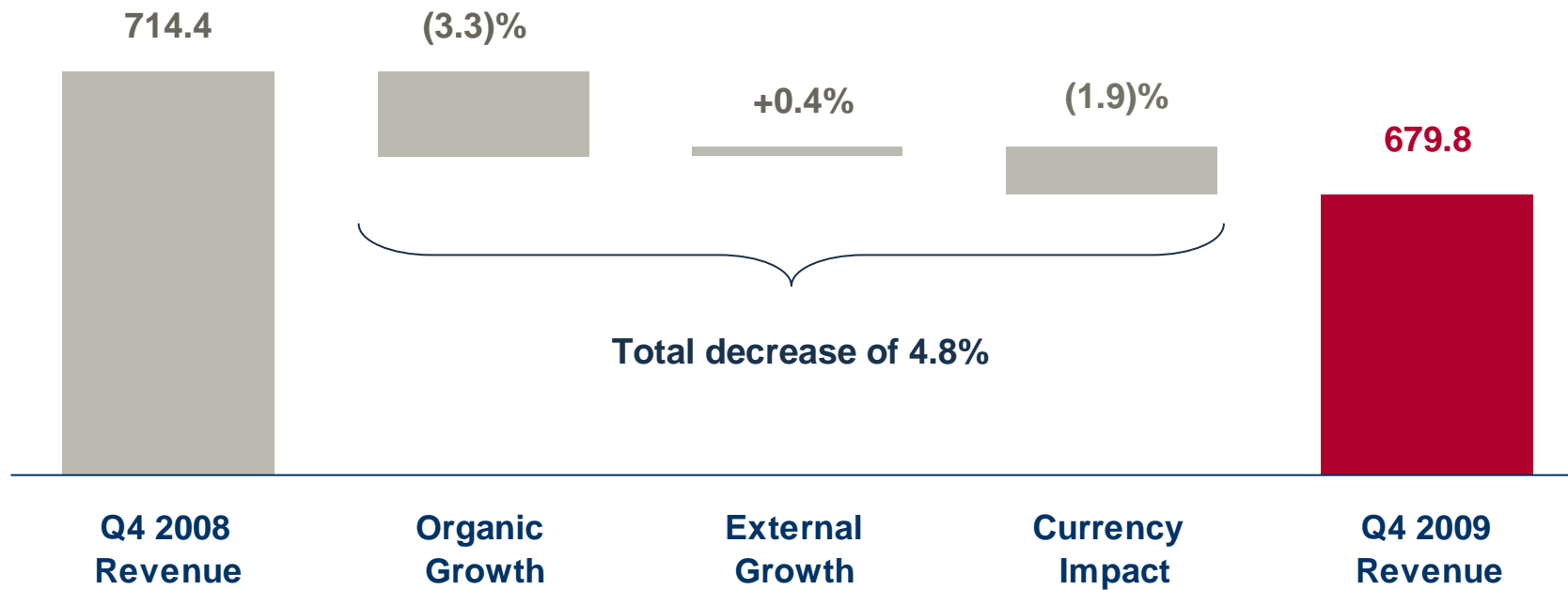
\* Including HSE activities

(1) Adjusted operating profit before inclusion of income and expenses from acquisitions and other non-recurring items.

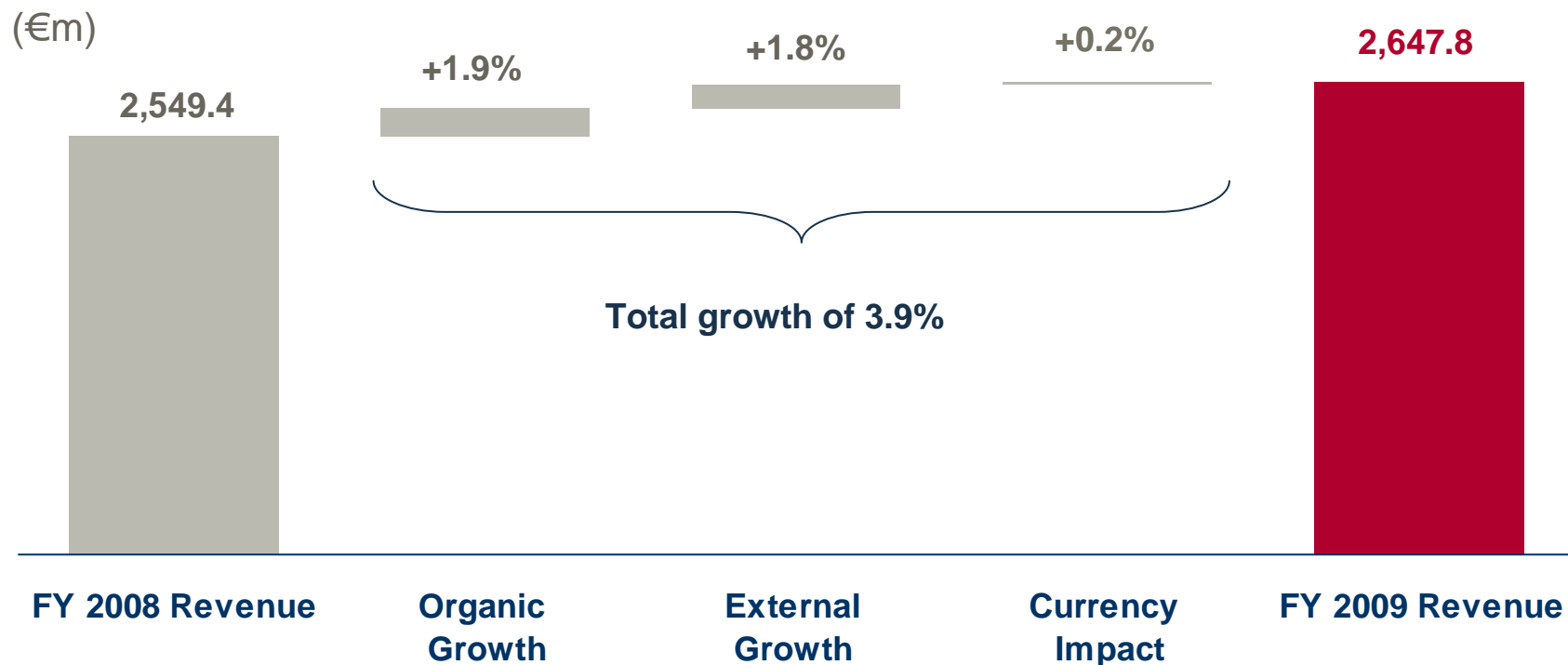
# Q4 2009 revenue



(€m)



# FY 2009 revenue



FY 2009 adjusted operating profit<sup>(1)</sup> estimated at above €430m (+12% versus 2008)

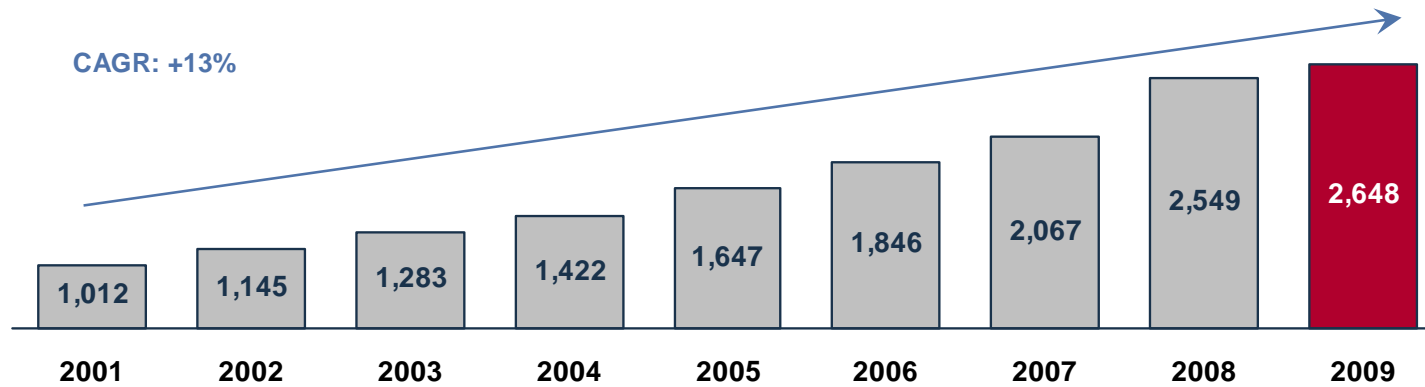
FY 2009 adjusted operating margin<sup>(1)</sup> estimated at around 16.4%, +120 bps compared to 2008

(1) Adjusted operating profit before inclusion of income and expenses from acquisitions and other non-recurring items.

# Financial performance

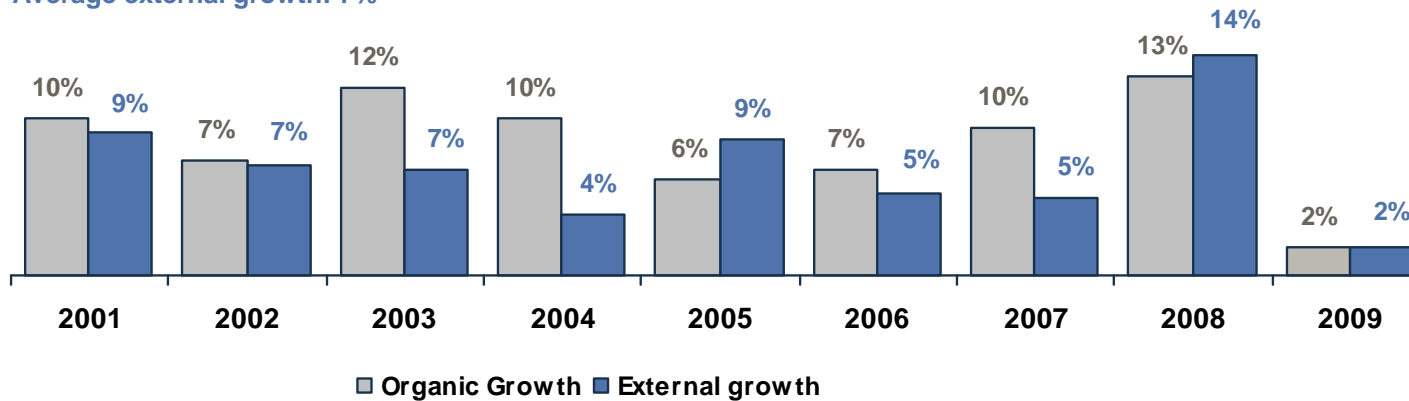


## Consolidated revenue

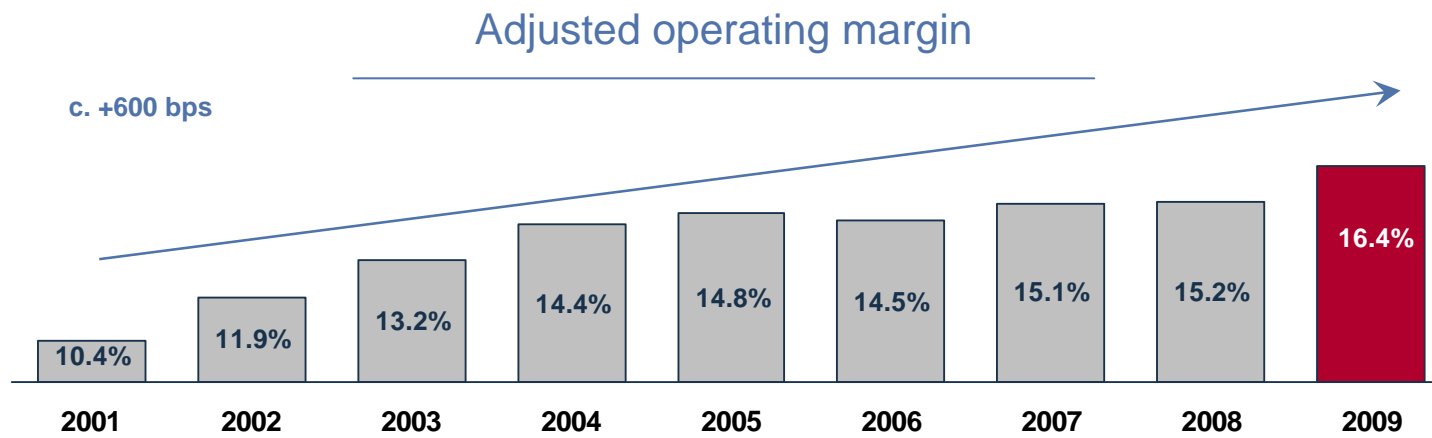


## Organic top-line & external growth

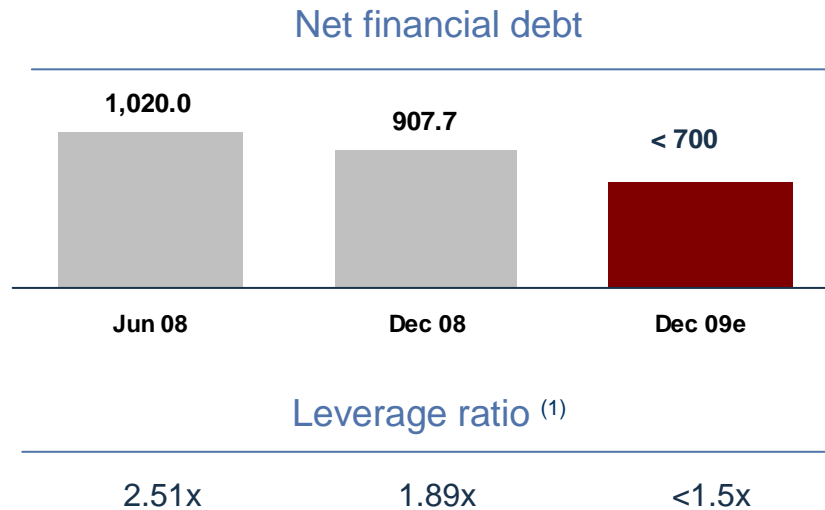
Average organic growth: 9%  
Average external growth: 7%



# Financial performance



# Financial structure



- ▶ Strong operating cash flow generation
- ▶ Accelerated de-leveraging with only bolt-on acquisitions
- ▶ Estimated leverage ratio<sup>(1)</sup> below 1.5x at the end of Dec. 2009

(1) Net debt after hedging instruments / EBITDA (earnings before interest, tax, depreciation, amortization and provisions) adjusted for all units acquired over the past 12 months





## Business review

***Frank Piedelièvre***

*Chairman & Chief Executive Officer*

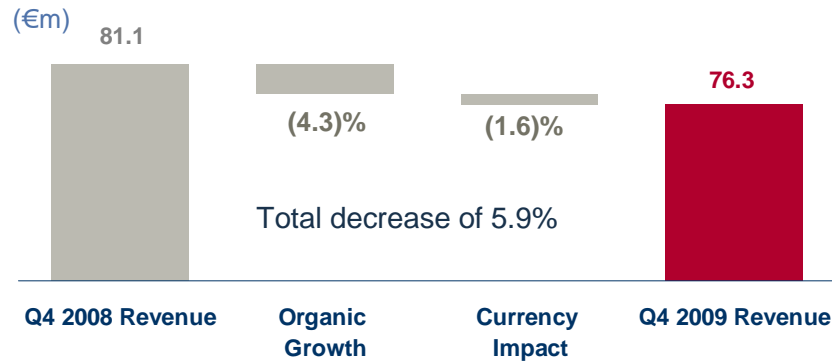


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## Q4 2009 revenue



## 2009 highlights

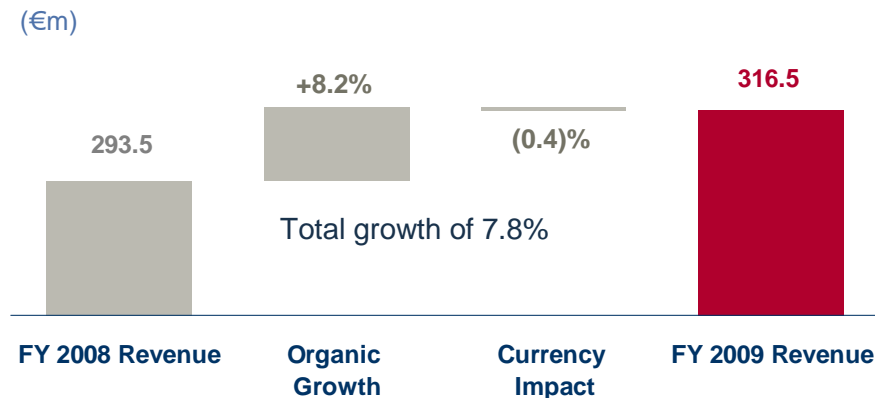
New ships and equipments certification services (57% of revenues) –Drop in worldwide new orders

- BV new orders at GRT 4.6m (607 ships)
- Market share increase at 14.2% in GRT
- Diversified order book amounting to GRT 31.0m at Dec. '09 (vs. GRT 35.6m at Dec. '08)

In service activity (43% of revenues)

- 6.1% increase in fleet in-service compared to Dec. '08
- GRT 68.4m / 8,933 ships

## FY 2009 revenue



## Outlook

Further delays in new-ships start-ups (risk of cancellation)

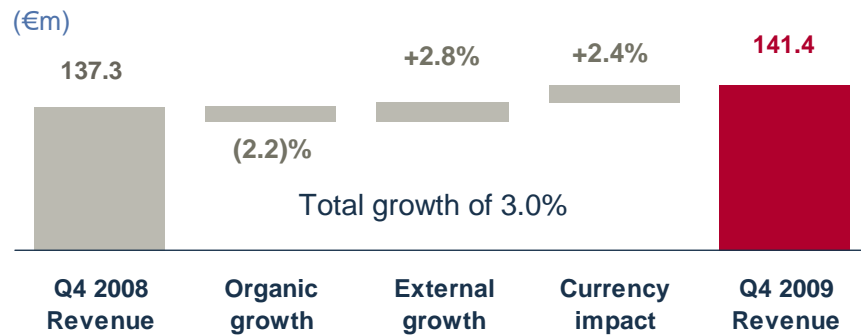
Q4 '09 reduction in activity to continue in 2010



# Industry



## Q4 2009 revenue



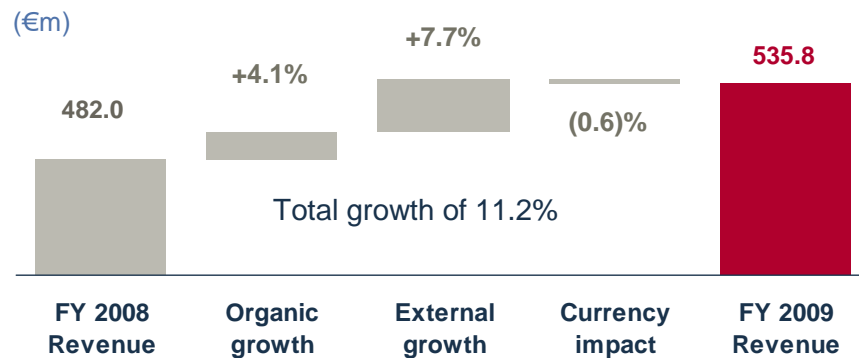
## 2009 highlights

Industry, Oil & Gas and Power: strong growth

- Excluding Mining & Minerals YTD organic growth of 8.5%

Mining & Minerals: (15.7)% organic reduction mostly concentrated in base metals in Australia

## FY 2009 revenue



## Outlook

Oil & Gas Capex (onshore and offshore)

New energies: nuclear and wind turbines

Oil & Gas OPEX services

Mining & Minerals

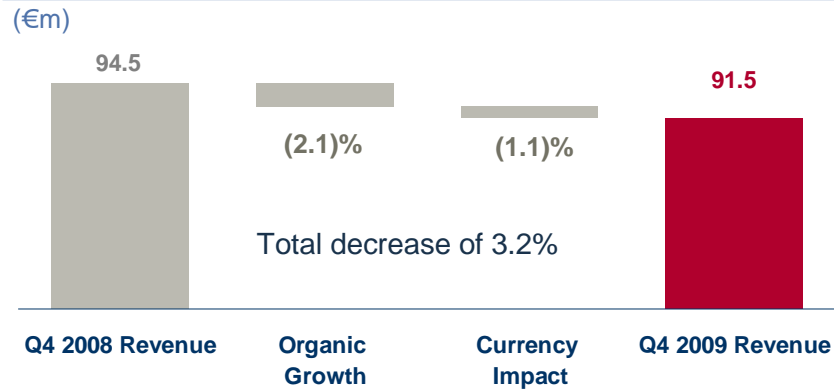
- Progressive recovery in Australia (Q2 2010)
- Developments in Africa and Latin America



# In-Service Inspection & Verification



## Q4 2009 revenue

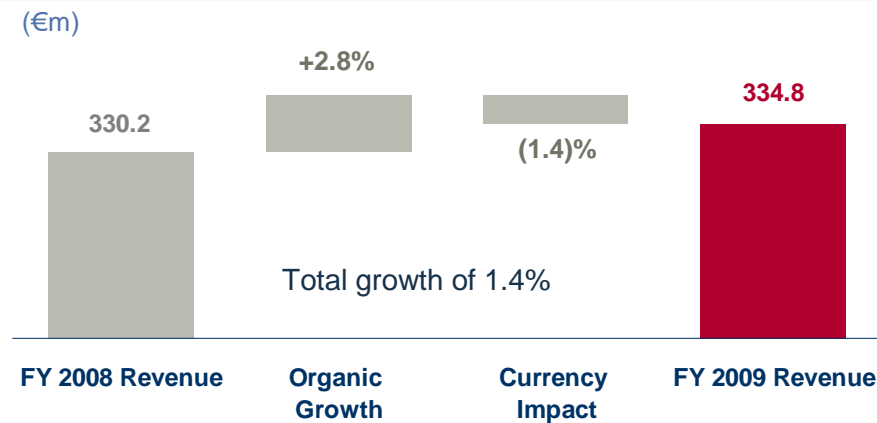


## 2009 highlights

Unprofitable electrical PAT (Portable Appliance Testing) activities phase-out in the UK

Solid FY organic growth of 4.5% when excluding the UK

## FY 2009 revenue



## Outlook

Periodical inspections scope extension in Europe

New Multinational Key Accounts addition

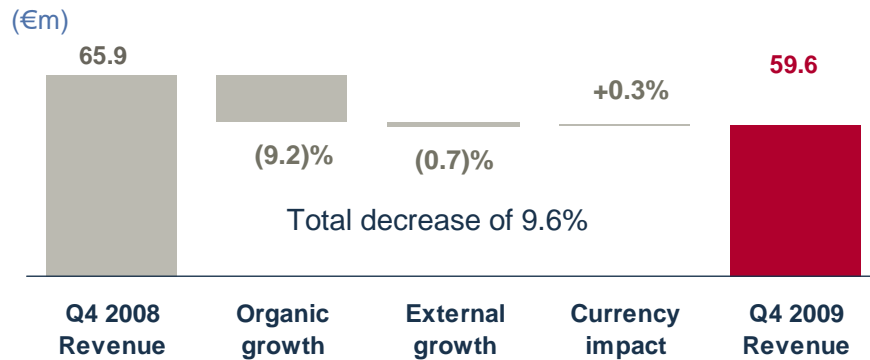
Geographical expansion: US and Latin America



# Health, Safety and Environment



## Q4 2009 revenue



## 2009 highlights

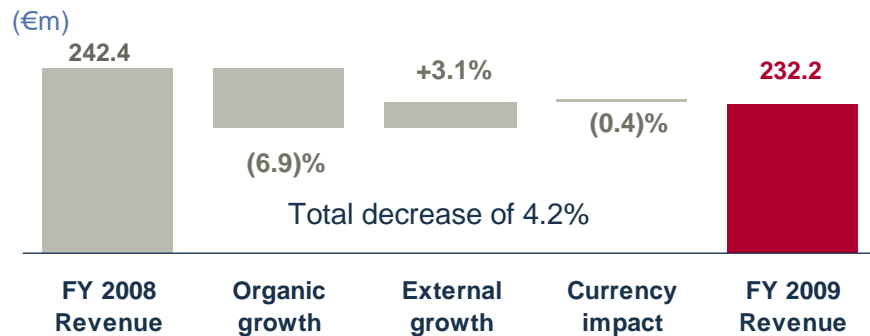
Significant drop of activity in the US in environmental and to a lesser extent in occupational health and safety

## Outlook

Restore commercial and operational performance through in-depth reorganization

- Risk analysis and environmental conformity assessment of industrial processes merged into the Industry business (40% of HSE revenue)
- Emissions measuring services merged into the IVS business (30% of HSE revenue)
- Sustainability, energy efficiency and green building services merged into the Construction business (15% of HSE revenue)
- Non-core and under-performing activities discontinued (€20m of revenues – 8% of HSE revenue)

## FY 2009 revenue

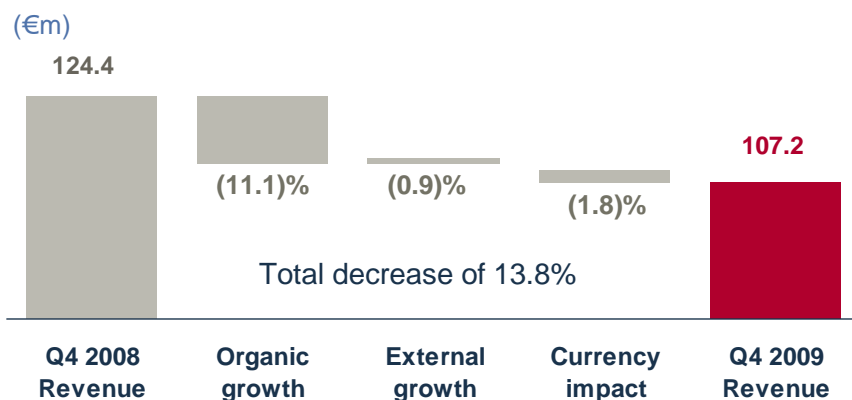




# Construction



## Q4 2009 revenue



## 2009 highlights

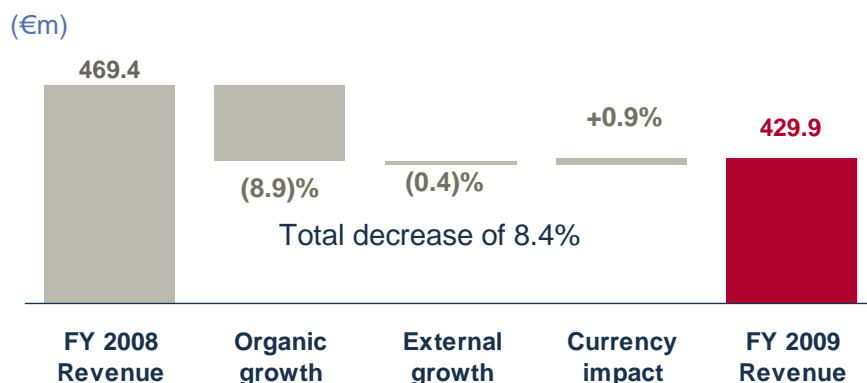
Drop in new building permits number in all geographies

Partly balanced by market share increase, addition of new city privatization contracts and growth in infrastructure

Divestment of commoditised Construction Material Testing services (€28m of revenues – 6.5% of the business' revenue)

- UK done
- US in progress

## FY 2009 revenue



## Outlook

Market: progressive return to stability y-o-y late 2010

Penetrate Infrastructure in selected emerging countries

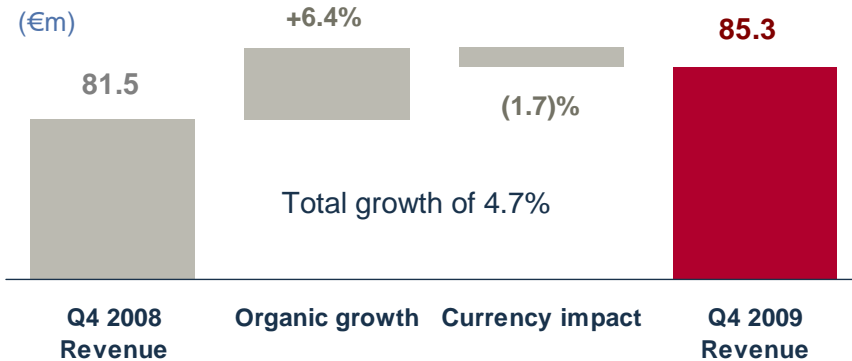
New regulations / Green building in developed countries



# Certification



## Q4 2009 revenue



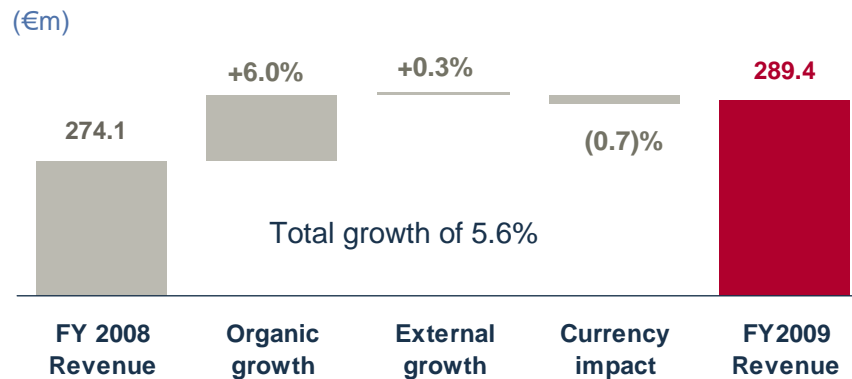
## 2009 highlights

Superior organic growth and improved market share

New industry specific schemes (i.e. cryogenics fluids in France)

Addition of new key-accounts looking for global integrated solutions

## FY 2009 revenue



## Outlook

New industry specific standards

Customized audit solutions for large multinational companies

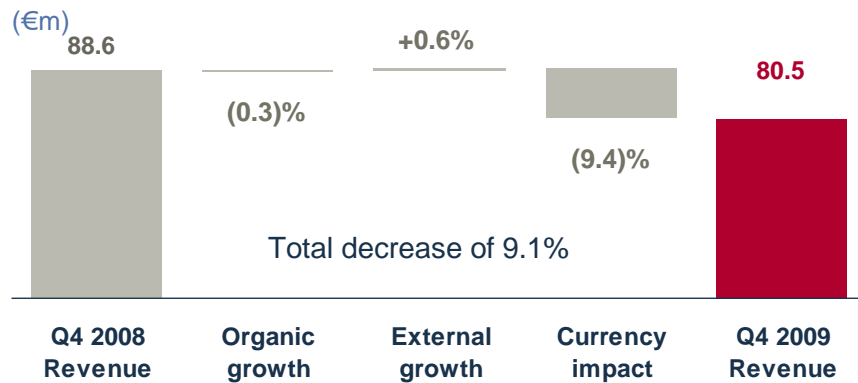
Double-digit growth in China, South-East Asia, India and Africa



# Consumer Products



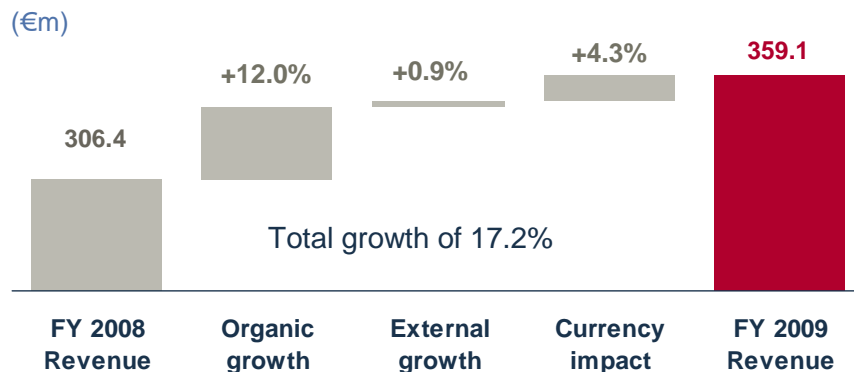
## Q4 2009 revenue



## 2009 highlights

- Growth concentrated in H1 due to CPSIA impact
- BV One Source (IT tool) successful launch
- China service delivery platform strongly reinforced

## FY 2009 revenue



## Outlook

- High comps in H1 due to the one-off CPSIA inventory testing in Q1 '09
- Europe environmental and safety regulations: REACH, EuP, Toys Directive
- Expiry date of the CPSIA enforcement stay in February
- New supply chain services
- New segments development:
  - Shoes, furnishing and packaging in Asia
  - Cosmetics in Europe

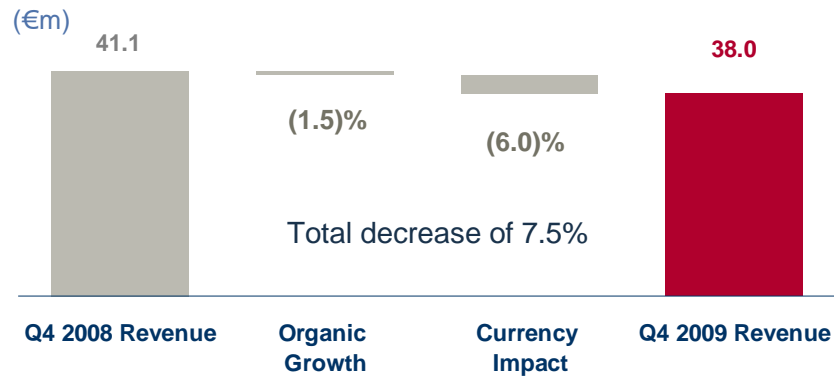




# Government Services & International Trade



## Q4 2009 revenue



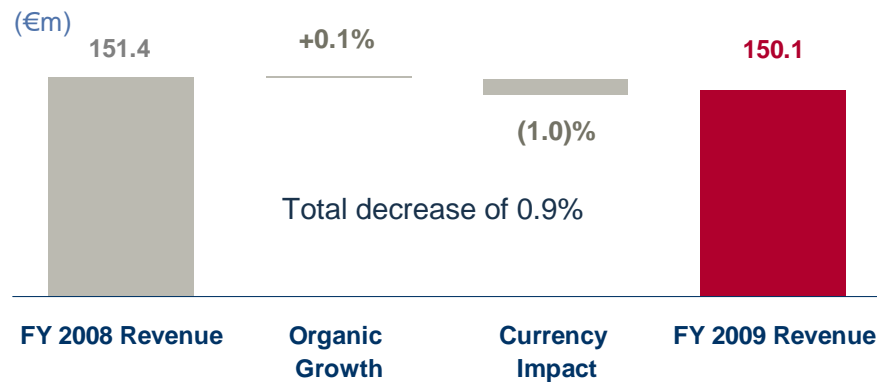
## 2009 highlights

Slowdown in PSI volumes and termination of Cambodia contract, balanced by

New contracts in Algeria and Indonesia

All the contracts expiring in 2009 were renewed (except Cambodia)

## FY 2009 revenue



## Outlook

New VOC contracts in Uganda and Tanzania

Start-up of 3 new VIS contracts in Ghana, Mozambique and Senegal

Expected signing of 2 additional VOC contracts in H1



## Outlook

***Frank Piedelièvre***

*Chairman & Chief Executive Officer*



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## Perspectives for 2010

- Progressive return to positive organic growth in H2 when cyclical businesses stop decreasing
- Maintain 2009 operating margin level thanks to renewed cost containment efforts and progressive deployment of new production IT tools
- Continuous high cash flow generation allowing the Group to actively reengage in sizeable acquisitions

## 2011 targets reconfirmed

- Double 2006 revenue by 2011 (at constant exchange rate): supposes c.€500m contribution of additional acquisitions in 2010/2011
- 150 bps operating margin improvement at constant perimeter (excluding acquisitions) since 2006
- 15-20% average annual net income growth over the period (excluding non-operating items)



## Q&A



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