

2015 Full Year Results

Robust performance, with improved adjusted operating margin

Good start of new growth initiatives

Revenue of €4.6 billion, +11.1% versus 2014

- Organic growth of 1.9%
 - Slowdown in activities exposed to the drop in oil prices: -10%
 - Solid growth in the rest of the portfolio: +4%
- External growth of 3.7%: nine targeted acquisitions
- Positive currency impact of 5.5%

Adjusted operating margin of 16.7%, up 10 basis points versus 2014

- Positive contribution of the operational excellence program
- Favorable currency changes offsetting the oil & gas impact

Exceptional charges amounting to €121 million

- Proactive restructuring in the Americas and in Australia
- Asset impairment in the Commodities business

Record high operating cash-flow generation of €706 million, +16.4%

Adjusted net profit of €420 million, representing €0.96 per share, +6.7%

Increased proposed dividend of €0.51, +6.3%

Chief Executive Officer Didier Michaud-Daniel commented:

"In 2015, owing to its resilient business model and to the commitment of its 66,000 employees, Bureau Veritas achieved robust revenue growth despite adverse commodities markets. The Group improved its operating margin and reached a historically high level of cash flow.

In addition, the Group launched its medium term strategy that aims at enhancing its growth profile and profitability. The ongoing transformation of the company is our utmost priority. We will achieve this by executing our eight growth initiatives and leveraging on key account management, our operational excellence program and the digitalization of our services.

The global macroeconomic environment is likely to remain highly volatile in 2016, with persistent weakness in the oil & gas and minerals markets. Thanks to our diversified and balanced portfolio, we expect organic revenue growth ranging between 1% and 3% – with a progressive improvement in the second half – and a high adjusted operating margin between 16.5% and 17.0%. The Group will continue to generate strong cash flows. Acquisitions will remain a key growth driver, creating beneficial synergies within the Group and accelerating our growth initiatives.

We are confident in our ability to deliver our mid-to long-term ambition that has been presented during October 2015 Investor Days."

2015 Key figures

The Board of Directors of Bureau Veritas met yesterday and approved the financial statements for 2015. The main consolidated financial items are presented below:

<i>(millions of euros)</i>	2015	2014	Change
Revenue	4,634.8	4,171.5	+11.1%
Adjusted operating profit^(a)	775.2	694.0	+11.7%
Adjusted operating margin	16.7%	16.6%	+10 bp
Operating profit	576.9	563.1	+2.5%
Adjusted net profit^(a)	420.3	391.3	+7.4%
Net profit	255.3	294.6	(13.3)%
Adjusted EPS^(a)	0.96	0.90	+6.7%
EPS	0.58	0.67	(13.4)%
Operating cash flow^(a)	706.1	606.6	+16.4%
Adjusted net financial debt ^(a)	1,862.7	1,879.9	(0.9)%

(a) Financial indicators not defined by IFRS accounting rules presented in Appendix 4

2015 Highlights

1 – Renewed strategy to enhance Bureau Veritas’ growth profile, resilience and profitability

In 2015, after conducting an in-depth analysis of the Testing, Inspection and Certification (TIC) market, the Group has defined its strategy to enhance its growth profile, resilience and profitability in the medium to long term.

The strategy is based on:

- eight growth initiatives: Building & Infrastructure, Opex in Oil & Gas, Power & Utilities and Chemicals, Adjacent segments for Retail & Mining, Agri-Food, Automotive, Smartworld, Certification global contracts and Marine & Offshore ;
- a focus on two countries: the USA and China ;
- four main levers: Human Resources, Account Management, Excellence@BV and Digitalization.

The Group is now focused on the execution and the deployment of these eight initiatives which have already started and materialized into commercial successes.

The growth initiatives are planned to generate €2 billion of incremental revenue in 2020, equally balanced between organic growth and acquisitions.

2 – Nine targeted acquisitions completed

In 2015, the Group completed nine acquisitions, representing more than €80 million in annualized revenues.

Ningbo Hengxin, Shandong Chengxin, Shanghai Xietong and CTS are strategically positioned in the domestic Chinese market, respectively for Industry, Construction and Consumer Products. By increasing its presence in China, the Group will capture the potential arising from the gradual market liberalization of the TIC market, and benefit from structural growth drivers such as the development of the middle class, the increased environmental awareness, and the continuous improvement in local quality standards.

Two acquisitions aim at broadening the Group's offering in sectors driven by consumption: Certest will increase the Group's market share in luxury goods, and NCC will support the Group's development in Electrical & Electronics and Smartworld markets in Latin America.

Hydrocean adds innovative services around hydrodynamic digital simulation to the Marine & Offshore offer.

3 – Impact of the volatility in commodities prices

Low oil prices and of all major commodities (copper, iron ore, etc.) had an impact on the revenue and profitability of the Industry, IVS, and Commodities businesses.

Activities hit by the drop in the oil price are mainly the ones dependent on new investments (CAPEX) and assets in service (OPEX) for the oil & gas industry (around 13% of the Group's 2015 revenue). These are down by 10% at constant currency and perimeter.

Conversely, activities of the Oil & Petrochemicals segment (9% of revenue), which benefited from the price volatility and the strong year for refining volumes, are growing by 4.7% organically.

Activities of the Metals & Minerals segment (6% of revenue) were down 0.7% organically. Upstream-related activities are recording a larger decrease of 5.5%. By contrast, trade-related activities remained buoyant in the main areas where the Group operates.

The Group quickly took restructuring measures, mainly in the Americas and in Australia to adapt capacity to the slowdown in oil & gas and metals & minerals markets. This led to restructuring charges of €20.8 million. In addition, the Group impaired assets for an amount of €100 million in its Commodities business, in view of the deteriorated environment in the Metals & Minerals upstream segment, and the limited visibility on the recovery.

4 – Evolution towards a matrix organization

The Group is transforming itself in order to align the organization with the strategy. Since January 1, 2016, the Group has merged the Commodities and Industry & Facilities divisions, with the objective to leverage synergies and deploy an efficient matrix operating model, with market-centric service lines supporting operations organized by region.

The Group is now organized around four divisions: Marine & Offshore, Commodities and Industry & Facilities, Consumer Products and Government services and International trade.

Analysis of the Group's results and financial position

1 – Revenue up 5.6% on a constant currency basis

2015 revenue totaled €4,634.8 million, an increase of 11.1% compared with 2014.

- Organic growth was 1.9% over the full year.

Activities in Europe, the Middle East, Africa (44% of 2015 revenue; 5.3% organic growth) have benefited both from the commercial initiatives launched in 2014 and the improvement in the economic environment. Business in Asia Pacific (29% of revenue; 0.5% organic growth) reflected a slowdown in growth in Asia, and some weakness in Australia, due to the country's exposure to declining commodities markets. Activities in the Americas (27% of revenue; 2.1% organic decline) were soft, with the drop in the second half mostly attributable to the low oil price environment.

Marine & Offshore had a very strong year (+10.2%) in both In-service (60% of revenue) and New-construction (40%). The Certification business saw strong growth (+4.6%), with commercial successes with large clients. Construction showed enhanced growth (+1.3%), thanks to a better geographical diversification. As expected, Industry (1.6% organic decline) and IVS (+2.8% organic growth) have been impacted by low oil prices. In both businesses, activities outside oil & gas performed well, especially in the Power sector and in Europe. The Commodities business grew by +3.3%, with trade-related activities and Agriculture offsetting the weakness of upstream metals & minerals and oil sands in Canada. The Consumer Products business (+1.4%) experienced delays and reductions in testing programs, with respectively two major customers. The GSIT business (-1.9%) suffered from a reduction in the Verification of Conformity program in Iraq and some delays in the ramp up of new Single Window contracts.

- Acquisitions growth was 3.7%, combining the contribution of prior-year acquisitions and those made in 2015, supporting the expansion in the Chinese domestic market and in Consumer Products.
- Currency fluctuations had a positive impact of 5.5%, mainly due to the strengthening of the US dollar against the euro.

2 – Adjusted operating profit of €775.2 million, margin up 10 basis points to 16.7%

2015 adjusted operating margin was up 10 basis points to 16.7% compared to 16.6% in 2014. The margin increase is attributable to proactive cost management and to the *Excellence@BV* program, and was partly reinvested in the increase of Marketing & Sales. The positive impact of currency changes offsets the decrease related to oil & gas.

Other operating expenses increased to €198.3 million in 2015 vs. €130.9 million in 2014. These include:

- €86.7 million in amortization of acquisition intangibles (compared with €106.2 million in 2014), of which €10 million due to the accelerated amortization of customer relationships in the Metals & Minerals segment in Australia, as well as the amortization of intangibles from acquisitions made in 2015;
- €20.8 million in restructuring charges (€20 million in 2014), with actions taken principally in the Americas and in Australia for Industry and Commodities;
- €0.8 million in disposal and other acquisition related items (€3.2 million in 2014);
- € 90 million in impairment of goodwill relating to the Commodities business.

Operating profit came to €576.9 million, up 2.5% compared to €563.1 million in 2014.

3 – Adjusted EPS of €0.96 up 6.7%

Net financial expense stood at €89.3 million compared with €80.9 million in 2014. This change derives from an increase in net finance costs to €80 million (vs € 78.1 million in 2014) and foreign exchange losses of €3.6 million (vs foreign exchange gains of €3.3 million in 2014).

Income tax expense stood at €220.7 million in 2015, compared with €175.5 million in 2014. The effective tax rate (ETR) was 45.2% for the period, compared with 36.3% in 2014. The difference with the adjusted ETR of 37.0% is mainly explained by the non-deductibility of the goodwill impairment charge. The increase in adjusted ETR compared to 2014 (34.1%) is mainly due to exceptional items.

Attributable net profit for the period was €255.3 million, versus €294.6 million in 2014. Earnings Per Share (EPS) stood at €0.58, compared with €0.67 in 2014.

Adjusted attributable net profit totaled €420.3 million, versus €391.3 million in 2014. Adjusted EPS reached €0.96, a 6 euro cent increase versus 2014.

4 – Operating cash flow up 16.4%

2015 operating cash flow rose 16.4% to €706.1 million on the back of higher EBITDA and reduced working capital requirement (WCR). At December 31, 2015, WCR totaled €411.4 million, or 8.9% of 2015 revenue, compared with €425.9 million, or 10.2% of 2014 revenue.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to €165.6 million, vs €143.5 million in 2014. The Group's net capex-to-revenue ratio stood at 3.6%.

Free cash flow (available cash flow after tax, interest expenses and capex) totaled €462.1 million, versus €402 million in 2014.

At December 31, 2015, adjusted net financial debt was €1,862.7 million, i.e. 2.02x last-twelve-month EBITDA as defined in the calculation of banking covenants, compared with 2.16x at December 31, 2014.

The reduction in adjusted net financial debt of €17.2 million versus December 31, 2014 (€1,879.9 million) stemmed from:

- free cash flow of €462.1 million;
- dividend payments totaling €238.3 million;
- acquisitions, accounting for €117.6 million;
- share buybacks net of the capital increase carried out to cover stock option plans, amounting to €33.5 million;
- other items that added €55.5 million to the Group's debt, mainly attributable to currency moves.

2016 Outlook

The global macroeconomic environment is likely to remain highly volatile in 2016, with persistent weakness in the oil & gas and minerals markets. Thanks to its diversified and balanced portfolio, the Group expects organic revenue growth ranging between 1% and 3% - with a progressive improvement in the second half – and a high adjusted operating margin between 16.5% and 17.0%. The Group will continue to generate strong cash flows. Acquisitions will remain a key growth driver, creating beneficial synergies within the Group and accelerating the growth initiatives.

Presentation

The results will be presented on Thursday, February 25, 2016 at 3:00 p.m. (Paris time) at the Académie Diplomatique Internationale – 4 bis avenue Hoche, 75008, Paris, France

The presentation will be broadcast live and in replay mode in English on the Group's website:
<http://finance.bureauveritas.com>.

All supporting documents will also be available on the website.

2016 financial calendar

May 12, 2016: Q1 2016 trading update

May 17, 2016: Shareholders' meeting

July 28, 2016: H1 2016 results

November 7, 2016: Q3 2016 trading update

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About Bureau Veritas

Bureau Veritas is a world-leading provider in testing, inspection and certification. Created in 1828, the Group has 66,000 employees in around 1,400 offices and laboratories all across the world. Bureau Veritas helps its clients to 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, code ISIN FR 0006174348, stock symbol: BVI.

For more information, visit www.bureauveritas.com

This press release (including the appendices) contains forward-looking statements, which are based on current plans and forecasts of Bureau Veritas' management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors such as those described in the registration document filed by Bureau Veritas with the French Financial Markets Authority that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These forward-looking statements speak only as of the date on which they are made, and Bureau Veritas undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise, according to applicable regulations.

Appendix 1: Q4 and FY Revenue by business

<i>(in millions of euros)</i>	2015	2014	Change	Organic	Acquisitions	Currency
Marine & Offshore	101.5	90.0	12.8%	9.4%	0.7%	2.7%
Industry	244.9	264.2	(7.3)%	(7.6)%	1.2%	(0.9)%
In-Service Inspection & Verification	165.5	156.2	6.0%	4.4%	-	1.6%
Construction	141.7	129.6	9.3%	0.5%	8.6%	0.2%
Certification	98.6	93.9	5.0%	4.7%	-	0.3%
Commodities	193.2	186.2	3.8%	1.9%	-	1.9%
Consumer Products	165.2	152.1	8.6%	(0.8)%	0.7%	8.7%
Government Services & International Trade	62.6	66.9	(6.4)%	(4.8)%	-	(1.6)%
Total Q4 revenue	1,173.2	1,139.1	3.0%	-	1.4%	1.6%
Marine & Offshore	405.3	323.7	25.2%	10.2%	9.8%	5.2%
Industry	1,030.8	980.7	5.1%	(1.6)%	2.2%	4.5%
In-Service Inspection & Verification	599.0	560.2	6.9%	2.8%	0.8%	3.3%
Construction	557.5	462.1	20.6%	1.3%	15.3%	4.0%
Certification	351.8	328.2	7.2%	4.6%	-	2.6%
Commodities	772.8	696.6	10.9%	3.3%	2.0%	5.6%
Consumer Products	658.1	564.6	16.6%	1.4%	1.0%	14.2%
Government Services & International Trade	259.5	255.4	1.6%	(1.9)%	1.7%	1.8%
Total FY revenue	4,634.8	4,171.5	11.1%	1.9%	3.7%	5.5%

Appendix 2: Adjusted operating profit by business

<i>(in millions of euros)</i>	Adjusted operating profit			Adjusted operating margin		
	2015	2014	Change	2015	2014	Change (basis points)
Marine & Offshore	107.0	81.0	32.1%	26.4%	25.0%	+140
Industry	146.5	147.9	(0.9)%	14.2%	15.1%	(90)
In-Service Inspection & Verification	82.8	79.1	4.7%	13.8%	14.1%	(30)
Construction	86.4	68.5	26.1%	15.5%	14.8%	+70
Certification	60.0	56.5	6.2%	17.1%	17.2%	(10)
Commodities	87.4	83.5	4.7%	11.3%	12.0%	(70)
Consumer Products	162.0	135.6	19.5%	24.6%	24.0%	+60
Government Services & International Trade	43.1	41.9	2.9%	16.6%	16.4%	+20
Total Group	775.2	694.0	11.7%	16.7%	16.6%	+10

Appendix 3: Extracts from the full-year consolidated financial statements

Extracts from the full-year consolidated financial statements audited and closed on February 24, 2016 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 STATEMENT

<i>(in millions of euros)</i>	2015	2014
Revenue	4,634.8	4,171.5
Purchases and external charges	(1,322.9)	(1,178.6)
Personnel costs	(2,383.9)	(2,149.9)
Taxes other than on income	(51.3)	(56.4)
Net (additions to)/reversals of provisions	(25.5)	(11.4)
Depreciation and amortization	(205.1)	(215.2)
Other operating income and expense, net	(69.2)	3.1
Operating profit	576.9	563.1
Share of profit of equity-accounted companies	0.8	0.7
Operating profit after share of profit of equity-accounted companies	577.7	563.8
Income from cash and cash equivalents	6.2	1.6
Finance costs, gross	(86.2)	(79.7)
Finance costs, net	(80.0)	(78.1)
Other financial income and expense, net	(9.3)	(2.8)
Net financial expense	(89.3)	(80.9)
Profit before income tax	488.4	482.9
Income tax expense	(220.7)	(175.4)
Net profit	267.7	307.5
Non-controlling interests	12.4	12.9
Attributable net profit	255.3	294.6
<i>Earnings per share (in euros):</i>		
Basic earnings per share	0.58	0.67
Diluted earnings per share	0.58	0.66

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)

	Dec. 2015	Dec. 2014
Goodwill	1,800.4	1,814.2
Intangible assets	629.4	650.5
Property, plant and equipment	497.9	475.6
Investments in equity-accounted companies	4.8	5.1
Deferred income tax assets	137.2	129.9
Investments in non-consolidated companies	1.3	1.1
Derivative financial instruments	4.3	1.3
Other non-current financial assets	71.0	50.6
Total non-current assets	3,146.3	3,128.4
Trade and other receivables	1,374.2	1,325.0
Current income tax assets	45.5	63.2
Current financial assets	45.3	35.6
Derivative financial instruments	16.4	7.5
Cash and cash equivalents	522.9	220.1
Total current assets	2,004.3	1,651.4
Assets held for sale	6.6	-
TOTAL ASSETS	5,157.2	4,779.8
Share capital	53.0	53.2
Retained earnings and other reserves	1,042.3	1,054.8
Equity attributable to owners of the Company	1,095.3	1,108.0
Non-controlling interests	29.6	32.7
Total equity	1,124.9	1,140.7
Non-current borrowings and debt	2,311.0	1,944.8
Derivative financial instruments	-	13.9
Other non-current financial liabilities	52.1	49.6
Deferred income tax liabilities	152.8	166.9
Pension plans and other long-term employee benefits	148.4	158.3
Provisions for other liabilities and charges	133.7	115.1
Total non-current liabilities	2,798.0	2,448.6
Trade and other payables	962.8	899.1
Current income tax liabilities	72.1	71.7
Current borrowings and debt	78.9	153.9
Derivative financial instruments	1.8	23.3
Other current financial liabilities	116.9	42.5
Total current liabilities	1,232.5	1,190.5
Liabilities held for sale	1.8	-
TOTAL EQUITY AND LIABILITIES	5,157.2	4,779.8

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in millions of euros)</i>	FY 2015	FY 2014
Profit before income tax	488.4	482.9
Elimination of cash flows from financing and investing activities	60.6	83.0
Provisions and other non-cash items	46.9	69.9
Depreciation, amortization and impairment	293.3	216.7
Movements in working capital requirement attributable to operations	48.5	(54.4)
Income tax paid	(231.6)	(191.5)
Net cash generated from operating activities	706.1	606.6
Acquisitions of subsidiaries	(99.7)	(596.6)
Proceeds from sales of subsidiaries	(1.6)	-
Purchases of property, plant and equipment and intangible assets	(169.4)	(147.8)
Proceeds from sales of property, plant and equipment and intangible assets	3.8	4.3
Purchases of non-current financial assets	(13.7)	(11.5)
Proceeds from sales of non-current financial assets	6.1	9.6
Change in loans and advances granted	10.5	(28.7)
Net cash used in investing activities	(264.0)	(770.7)
Capital increase	11.7	4.5
Purchases/sales of treasury shares	(45.2)	(46.1)
Dividends paid	(249.7)	(216.0)
Increase in borrowings and other debt	387.1	663.4
Repayment of borrowings and other debt	(161.4)	(133.3)
Repayment of amounts owed to shareholders	(3.9)	-
Interest paid	(78.4)	(61.1)
Net cash generated from (used in) financing activities	(139.8)	211.4
Impact of currency translation differences	(1.8)	4.5
Impact of change in accounting methodology	0.0	0.8
Net increase (decrease) in cash and cash equivalents	300.5	52.6
Net cash and cash equivalents at beginning of year	210.3	157.7
Net cash and cash equivalents at end of year	510.8	210.3
o/w cash and cash equivalents	522.9	220.1
o/w bank overdrafts	(12.1)	(9.8)

Appendix 4: Financial indicators not defined by IFRS accounting rules

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

<i>(in millions of euros)</i>	2015	2014
Operating profit	576.9	563.1
Amortization of acquisition intangibles	86.7	106.2
Restructuring costs	20.8	20.0
Acquisition and disposals	0.8	3.2
Impairment of goodwill	90.0	1.5
Total other operating expenses	198.3	130.9
Adjusted operating profit	775.2	694.0

Attributable adjusted net profit is defined as attributable net profit adjusted for other operating expenses after tax.

<i>(in millions of euros)</i>	2015	2014
Attributable net profit	255.3	294.6
EPS ^(a) (€ per share)	0.58	0.67
Other operating expenses	198.3	130.9
Tax effect on other operating expenses	(33.3)	(34.2)
Attributable adjusted net profit	420.3	391.3
Adjusted EPS ^(a) (€ per share)	0.96	0.90

(a) Calculated using the weighted average number of shares of 437,776,451 in FY 2015 and 437,183,943 shares in FY 2014

Free cash flow is defined as follows:

<i>(in millions of euros)</i>	2015	2014
Net cash generated from operating activities (operating cash flow)	706.1	606.6
Purchases of property, plant and equipment and intangible assets net of disposals	(165.6)	(143.5)
Interest paid	(78.4)	(61.1)
Free cash flow	462.1	402.0

Adjusted net financial debt is defined as net financial debt after currency hedging instruments as defined in the calculation of banking covenants.

<i>(in millions of euros)</i>	Dec. 2015	Dec. 2014
Gross financial debt	2,389.9	2,098.7
Cash and cash equivalents	522.9	220.1
Consolidated net financial debt	1,867.0	1,878.6
Currency hedging instruments	(4.3)	1.3
Adjusted net financial debt	1,862.7	1,879.9