Bureau Veritas announces high growth in H1 2009 earnings

Revenue of €1.3 billion, +11%

Adjusted operating profit of €214.5 million, +19%

Improvement in adjusted operating margin of 110bp

Adjusted attributable net profit of €137.3 million, +22%

Net cash generated from operating activities of €194.1 million, +103%

Neuilly-sur-Seine, August 27, 2009 - Bureau Veritas, the world's second-largest group in conformity assessment and certification services in the fields of quality, health and safety, environment and social responsibility, has announced the publication of H1 2009 earnings.

Frank Piedelièvre, Chairman and Chief Executive Officer stated that:

"While revenue growth at Bureau Veritas slowed in H1 2009, it remained solid at more than 10%. Earnings were higher than expected, with growth in adjusted operating profit and adjusted net profit of around 20%. These healthy figures reflected Bureau Veritas' ability to resist and the efficiency of the cost control and process improvement programmes put in place over the past year in response to the deterioration in the economic backdrop."

Main consolidation items on June 30, 2009

millions of euros	H1 2009	H1 2008	Change
Revenue	1,329.5	1,198.9	+10.9%
Adjusted operating profit [(a)]	**214.5**	**180.3**	**+19.0%**
as a % of revenue	*16.1%*	*15.0%*	*+110 bps*
Other operating expense	(9.1)	(8.1)	+12.3%
Operating profit	205.4	172.2	+19.3%
Net financial expense	(28.2)	(24.7)	+14.2%
Income tax	(44.7)	(37.9)	+17.9%
Attributable net profit	130.5	106.5	+22.5%
Adjusted attributable net profit [(a)]	**137.3**	**112.5**	**+22.0%**
Adjusted net profit per share	**1.27€**	**1.05€**	**+21.0%**
Net cash generated from operating activities	**194.1**	**95.5**[(b)]	**+103.2%**
Net financial debt on June 30	880.1	1 020.0	(139.9)

(a) Before amortization of intangible assets and goodwill impairment
(b) Before taking account of IPO costs paid in H1 2008

Revenue growth of 10.9%

H1 2009 revenue totalled €1,329.5 million up 10.9% relative to H1 2008 and broke down as follows:

- Organic growth of 6.0%,
- A 3.3% contribution from acquisitions,
- A positive impact from exchange rates of 1.6%.

Change in revenue by business

millions of euros	H1 2009	H1 2008	*Total growth*	*Same-currency growth*	*Organic growth*
Marine	165.9	138.9	+19.4%	+18.9%	+18.9%
Industry	258.0	213.3	+21.0%	+22.9%	+8.9%
In-Service Inspection & Verification (IVS)	166.6	160.5	+3.8%	+5.5%	+5.5%
Health, Safety & Environment (HSE)	117.4	114.9	+2.2%	+2.7%	(4.2)%
Construction	219.0	233.3	(6.1)%	(8.4)%	(8.3)%
Certification	139.5	132.3	+5.4%	+5.4%	+5.0%
Consumer Products	188.2	134.9	+39.5%	+25.4%	+24.3%
Government Services & International Trade (GSIT)	74.9	70.8	+5.8%	+3.6%	+3.6%
Total Group	**1,329.5**	**1,198.9**	**+10.9%**	**+9.3%**	**+6.0%**

During H1 2009, Bureau Veritas acquired two small companies (Sprim and SPD) in order to strengthen its positions in the HSE business in Asia, notably in the agri-food sector in Korea, and electrical and electronic product testing and inspection in Germany. In addition, the Group increased its stakes in the capital of two Chinese companies (Bosun and BV CPS Shanghai) positioned in high-growth segments.

Change in H1 revenue by business was commented on when H1 2009 revenue was published on July 28, 2009. The press release is available on the Group's website : www.bureauveritas.fr/investors.

Improvement in operating performance: +110 basis points

Adjusted operating profit[1] rose 19.0% to €214.5 million in H1 2009 vs. €180.3 million in H1 2008.

Adjusted operating margin widened from 15.0% in H1 2008 to 16.1% in H1 2009.

[1] As in previous years, adjusted operating profit is defined as operating profit before income and expense relative to acquisitions and other items considered as non-recurring.

Change in adjusted operating profit by business

millions of euros	Adjusted operating profit			Adjusted operating margin		
	H1 2009	H1 2008	Change	H1 2009	H1 2008	Change
Marine	54.1	43.2	+25.2%	32.6%	31.1%	*+150 bps*
Industry	31.3	24.4	+28.3%	12.1%	11.4%	*+70 bps*
In-Service Inspection & Verification	15.8	17.6	(10.2)%	9.5%	11.0%	*(150)bps*
Health, Safety & Environment	3.5	5.6	(37.5)%	3.0%	4.9%	*(190) bps*
Construction	18.9	26.4	(28.4)%	8.6%	11.3%	*(270) bps*
Certification	24.9	23.7	+5.1%	17.8%	17.9%	*(10) bps*
Consumer Products	53.3	29.1	+83.2%	28.3%	21.6%	*+670 bps*
Government Services & International Trade	12.7	10.3	+23.3%	17.0%	14.5%	*+250 bps*
Total Group	**214.5**	**180.3**	**+19.0%**	**16.1%**	**15.0%**	***+110 bps***

Operating margin in the Marine business widened by 150 basis points, driven notably by higher selling prices combined with good cost control, especially in China and Korea.

Improvement in operating margin in the Industry business was mainly concentrated in Latin America, Africa, India and the Caspian Sea region and stemmed from constant progress made in negotiation and management of major inspection contracts for new oil and gas infrastructure. In contrast, the operating margin in the Mining and Minerals activity in Australia suffered from under-capacity in a number of laboratories.

Operating margin in the In-Service Inspection & Verification business narrowed by 150 basis points due mainly to a number of delays incurred in H1 in merging the ECA and Bureau Veritas' inspection networks in Spain. This situation is currently being rectified and the business should rapidly restore operating margin to a level in line with that seen in 2008.

The 190 basis points narrowing in operating margin in the HSE business was mainly due to adaptation and restructuring moves in France, Spain, the US and Australia.

The narrowing in operating margin in the Construction business was concentrated in France and Spain where lower revenue was combined with a slight decline in prices. In contrast, the business restored a margin of more than 10% in the US where restructuring of the organisation is currently being completed.

Adjusted operating margin in the Certification business was stable in H1 2009 at 17.8% vs. 17.9% in H1 2008.

The high 670 basis points widening in adjusted operating margin in the Consumer Products business was driven by:

- Growth in volumes of analytical testing, which have a higher added-value than physical testing.
- Rising output at laboratories located in continental China where productivity is higher than at laboratories located in Hong Kong.
- Completion of the restructuring of the laboratory platform in the UK (grouping of three sub-critical sites into one single site).
- Improvement in processes and production methods of laboratories for electrical and electronic product testing in China and Taiwan.

Growth in adjusted operating margin in the GSIT business stemmed entirely from the government services activity which benefited from good stability in the portfolio of contracts in 2009, contrary to the previous year when the business was faced with costs for halting existing contracts and higher than average start-up costs for new contracts.

Adjusted attributable net profit: €137.3 million, +22.0%

After taking account of €9.1 million in amortization of intangible assets resulting from business combinations, operating profit totalled €205.4m, up 19.3% relative to H1 2008.

The small €3.5 million increase in net financial expense from €24.7 million in H1 2008 to €28.2 million in H1 2009 was mainly prompted by the decline in net financial debt from €1,020.0 million on June 30, 2008 to €880.1 million on June 30, 2009. Finance costs net totalled €23.9 million on June 30, 2009, compared with €16.8 million in the same period in 2008, owing primarily to the €8.7 million negative impact from fair value adjustments on interest rate hedges.

Income tax expense on consolidated earnings totalled €44.7 million on June 30, 2009 vs. €37.9 million in 2008. The effective tax rate, defined as the income tax expense divided by pre-tax profit, worked out to 25.2%, which was identical to the rate on December 31, 2008.

Attributable net profit in the period totalled €130.5 million, up 22.5% relative to the year-earlier period. Earnings per share stood at €1.21 in H1 2009 vs. €0.99 in H1 2008.

Adjusted attributable net profit rose 22.0% relative to H1 2008 to stand at €137.3 million while adjusted earnings per share totalled €1.27 vs. €1.05 in H1 2008.

High cash flow generation

Net cash generated from operating activities totalled €194.1 million in H1 2009, up by €98.6 million relative to H1 2008.

Levered free cash flow (after tax, interest expenses and capex) stood at €143.2 million in H1 2009 vs. €34.1 million in H1 2008.

Reduction in net financial debt: 1.76x adjusted LTM EBITDA

On June 30, 2009, net financial debt totalled €880.1 million compared with €1,020.0 million on June 30, 2008. The €139.9 million decline was prompted by high cash flow generation during H1. On June 30, 2009, the leverage ratio stood at 1.76x adjusted LTM EBITDA vs. 2.51x on June 30, 2008.

On June 30, 2009, more than 75% of Bureau Veritas' financial debt was made up of medium and long-term loans due to mature between 2012 and 2020. Amortization is set to total €62m a year over 2009/2011. On June 30, 2009, the Group had €105.7 million in cash, and €267.1 million of the syndicated loan had not been drawn down.

Outlook: 2009 operating margin set to widen

Revenue at Bureau Veritas should continue to grow during 2009, but at a slower pace in H2 compared with H1 2009 due to the slowdown noted in the Construction business and the Mining and Minerals segment of the Industry business, as well as lower performances in the Marine and Consumer Products businesses. The Group is maintaining its priority to control costs but has changed its forecast for a stable operating margin to now expect growth in the operating margin.

The Group is forecasting growth in operating cash flow over the year owing to operating profit growth, reduction of investments and limited working capital requirements.

The slowdown observed should not prevent the Group from achieving the strategic plan presented when the Group was floated in October 2007, which aimed at doubling revenue and earnings between 2006 and 2011 (at 2006 exchange rates).

H1 financial report as of June 30, 2009

The H1 financial report as of June 30, 2009 has been registered today with the French financial markets watchdog, the AMF, and can be consulted on the Bureau Veritas' website at the following address: www.bureauveritas.fr/Investors under "Publications/Regulatory Information".

Financial agenda

November 4, 2009 (after trading): Publication of Q3 2009 revenue

Appendix 1: Consolidated profit and loss account

millions of euros	H1 2009	H1 2008
Revenue	**1,329.5**	**1,198.9**
Purchases and external charges	(373.3)	(348.8)
Personnel costs	(678.5)	(626.1)
Taxes other than on income	(31.8)	(25.7)
Net (additions to) / reversals of provisions	(10.6)	1.9
Depreciation and amortization	(34.7)	(28.2)
Other operating income	6.5	3.8
Other operating expense	(1.7)	(3.6)
Operating profit	**205.4**	**172.2**
Income from cash and cash equivalents	0.9	1.1
Finance costs, gross [(1)]	(24.8)	(17.9)
Finance costs, net	**(23.9)**	**(16.8)**
Other financial income [(1)]	0.4	0.2
Other financial expense	(4.7)	(8.1)
Net financial expense	**(28.2)**	**(24.7)**
Share of profit of associates	-	0.1
Profit before income tax	**177.2**	**147.6**
Income tax expense	(44.7)	(37.9)
Profit from continuing operations	**132.5**	**109.7**
Profit from discontinued operations and operations held for sale	0.4	0.8
Net profit for the period	**132.9**	**110.5**
Attributable to:		
Equity holders of the company	130.5	106.5
Minority interests	2.4	4.0
Earnings per share (euros):		
Net earnings per share	1.21	0.99
Diluted earnings per share	1.19	0.97

(1) *In 2009, the Group decided to apply the CNC 2009-R-03 recommendation (former 2004-R02 recommendation) concerning the determination of gross financial debt by including gains and losses made on foreign exchange and interest rate hedging. These items were previously booked under Other Financial Income on June 30, 2008. The figures for June 30, 2008 have been restated above to take into account this new method.*

Appendix 2: Consolidated statement of comprehensive income

millions of euros	H1 2009	H1 2008
Net profit	**132.9**	**110.5**
Currency translation adjustments	(0.7)	(1.5)
Actuarial gains/(losses)	-	1.4
Cash flow hedge instruments	9.5	(7.3)
Income tax on other comprehensive income	(3.3)	2.0
Other comprehensive income for the period, net of income tax	**5.5**	**(5.4)**
Comprehensive income	**138.4**	**105.1**

Appendix 3: Consolidated financial position

millions of euros	June 2009	Dec. 2008
Goodwill	823.2	769.7
Intangible assets	164.1	154.9
Property, plant and equipment	197.1	193.4
Investments in associates	2.8	2.8
Deferred income tax assets	83.0	107.4
Investments in non-consolidated companies	0.4	2.0
Other non-current financial assets	31.8	28.6
Total non-current assets	**1,302.4**	**1,258.8**
Trade and other receivables	807.3	800.8
Current income tax assets	-	-
Current financial assets	9.4	15.2
Derivative financial instruments	22.3	40.0
Cash and cash equivalents	105.7	153.4
Total current assets	**944.7**	**1 009.4**
Assets held for sale	-	20.6
TOTAL ASSETS	**2,247.1**	**2,288.8**

Share capital	13.1	13.0
Retained earnings and other reserves	321.2	257.4
Equity attributable to shareholders of the company	**334.3**	**270.4**
Minority interests	9.0	13.4
Total equity	**343.3**	**283.8**
Bank borrowings	892.0	973.2
Other non-current financial liabilities	5.9	5.4
Deferred income tax liabilities	46.9	80.2
Pension plans and other long-term employee benefits	80.4	78.5
Provisions for other liabilities and charges	89.3	87.9
Total non-current liabilities	**1,114.5**	**1,225.2**
Trade and other payables	570.4	584.3
Current income tax liabilities	74.0	50.4
Derivative financial instruments	41.1	18.3
Current financial liabilities	103.8	103.3
Total current liabilities	**789.3**	**756.3**
Liabilities held for sale	-	23.5
TOTAL EQUITY AND LIABILITIES	**2,247.1**	**2,288.8**

Appendix 4: Consolidated cash flow statement

Millions of euros	**June 2009**	**June 2008**
Profit before income tax	177.2	147.6
Elimination of cash flows from financing and investing activities	24.2	23.1
Provisions and other non-cash items	4.5	(3.7)
Depreciation, amortization and impairment, net	34.7	28.6
Change in working capital requirements attributable to operations	(11.0)	(86.3)
Income tax paid	(35.5)	(22.5)
Net cash generated from operating activities	**194.1**	**86.8**
Acquisitions of subsidiaries	(32.7)	(322.7)
Purchases of property, plant and equipment and intangible assets	(27.8)	(31.8)
Proceeds from property, plant and equipment and intangible assets	0.1	0.5
Purchases of non-current financial assets	(5.1)	(5.8)
Proceeds from non-current financial assets	2.1	2.6
Other	5.2	0.8
Net cash used in investing activities	**(58.2)**	**(356.4)**
Capital increase	1.8	1.2
(Purchases) / Sales of treasury shares	0.8	0.3
Dividends paid	(77.9)	(63.2)
Increase in borrowings and other debt	66.1	428.9
Repayment of borrowings and other debt	(158.6)	(104.9)
Interest paid	(23.2)	(21.4)
Net cash (used in)/generated from financing activities	**(191.0)**	**240.9**
Impact of currency translation differences	(0.3)	(3.4)
Net decrease/increase in cash, cash equivalents and bank overdrafts	**(55.4)**	**(32.1)**
Cash, cash equivalents and bank overdrafts at beginning of period	145.4	134.1
Cash, cash equivalents and bank overdrafts at end of period	**90.0**	**102.0**
Of which cash and cash equivalents	105.7	123.0
Of which bank overdrafts	(15.7)	(21.0)

Bureau Veritas

Founded in 1828, Bureau Veritas is an international group specialised in the inspection, analysis, audit, and certification of products, infrastructure (buildings, industrial sites, equipment, ships, etc.) and management systems (ISO standards etc.) in relation to regulatory or voluntary frameworks.

Bureau Veritas ranks as the world's second largest group in conformity assessment and certification services in the fields of quality, health and safety, environment, and social responsibility ("QHSE") and the world leader in QHSE services not including raw materials inspection. Bureau Veritas is recognised and accredited by major national and international organisations.

Bureau Veritas is present in 140 countries through a network of 900 offices and laboratories. It has more than 40,000 employees and a client base of more than 370,000.

Since 1996, Bureau Veritas has posted average annual growth of 15% in revenue and 22% in adjusted operating profit. In 2008, the group reported revenue of €2.549 billion, adjusted operating profit of € 388 million and adjusted attributable net profit of €231 million.

Bureau Veritas has been listed on the Euronext Paris (Compartment A, code ISIN FR 0006174348, stock symbol: BVI) since October 24, 2007.

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This press release 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 documents filed by Bureau Veritas with the *Autorité des marchés financiers* (Reference Document, *Document de base*, *Note d'opération*) that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These such 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.