INVESTOR DAYS 2015

October 6 & 7, 2015
INVESTOR DAYS 2015

October 6 & 7, 2015
AGENDA

TUESDAY OCT. 6

10:00  CEO KEY NOTES
12:40  LUNCH
1:40   GROWTH INITIATIVES
       KEY COUNTRIES
7:00   GALA DINNER

WEDNESDAY OCT. 7

9:00   GROWTH INITIATIVES
12:40  CEO FINAL REMARKS
1:00   LUNCH
2:00   END OF EVENT

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INVESTOR DAYS 2015 /
DAY 1 – MORNING SESSIONS

10:40
TIC MARKET
Philippe LANTERNIER
Executive Vice President Corporate Development

11:05
BREAK

11:25
STRATEGY
Philippe LANTERNIER
Executive Vice President Corporate Development

FINANCE
Sami BADARANI
Executive Vice President Chief Financial Officer

12:10
Q&A

12:40
LUNCH
TIC MARKET

Philippe Lanternier
Strategy is the art of resources allocation with the objective to create a sustainable competitive advantage
CONFORMITY ASSESSMENT IS THE ESSENCE OF TIC ACTIVITIES

Test & audit plan

Verification

Data collection

Interpretation

Report & certification

Thanks to 4 methods

Testing

Auditing

Inspection

Document review
CONFORMITY ASSESSMENT IS THE ESSENCE OF TIC ACTIVITIES

1ST PARTY
Manufacturer or seller

2ND PARTY
Buyer or user

3RD PARTY
Independent organisation

According to...

Client specifications or protocols

Private schemes or labels

International standards (ISO, IEC, UN…)

Regulations

TIC: WHAT?

TIC: WHY?

TIC: WHERE?
CONFORMITY ASSESSMENT IS THE ESSENCE OF TIC ACTIVITIES

Conformity Assessment

1st Party
Manufacturer or seller

2nd Party
Buyer or user

3rd Party
Independent organisation

Verify compliance of their suppliers

According to...

- Client specifications or protocols
- Private schemes or labels
- International standards (ISO, IEC, UN...)
- Regulations

TIC: WHAT?

TIC: WHERE?

TIC: WHY?
CONFORMITY ASSESSMENT IS THE ESSENCE OF TIC ACTIVITIES

Conformity Assessment

1st Party
Manufacturer or seller

2nd Party
Buyer or user

3rd Party
Independent organisation

Verify compliance of their products, assets, and system

According to...

Client specifications or protocols

Private schemes or labels

International standards (ISO, IEC, UN…)

Regulations

TIC: WHAT?

TIC: WHY?

TIC: WHERE?

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INVESTOR DAYS 2015
FACILITATE & SECURE TRANSACTIONS & OPERATIONS

Added value of TIC

Licence to operate
Trade facilitation
Market access
Safety reliability
Cost of capital
Brand reputation

Confidence created through

Independance
Impartiality
Expertise
Integrity

TIC: WHAT?
TIC: WHERE?
TIC: WHY?
TIC SERVICES APPLY TO THE WHOLE VALUE CHAIN

**Assets in construction**
- Design Review
- Shop inspection
- Classification
- Site inspection
- Construction safety
- Risk & safety

**Assets during operations**
- Periodical inspection
- Workplace safety/HSE
- NDT

**Products**
- Product quality assessment
- Performance testing
- Commodities testing
- Food & agriculture testing
- E&E certification
- Trade Inspection

**Process & System**
- Audits & certification
- People qualification
- Data services
- Technical advisory
- Training

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TIC SERVICES APPLY TO ALL SECTORS OF ECONOMY

From producer

- Marine
- Oil & Gas
- Power & Utilities
- Chemicals
- Process
- Metals & Minerals
- Manufacturing of industrial goods
- Automotive
- Transport, aerospace, rail
- Construction & Civil Work
- Food & Agriculture
- Consumers goods & retails
- Public authorities
- Health
- Banking and insurance

To consumer

TIC: WHAT?
TIC: WHY?
TIC: WHERE?

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INVESTOR DAYS 2015
SECTORS X SERVICES = A WAY TO LOOK AT OUR MARKET THROUGH CLIENT EYES
SEGMENTATION: A CORNERSTONE FOR ESTABLISHING OUR STRATEGY

- Asset CAPEX
- Asset OPEX
- Product related services
- System, Data, People
- Geography

- Competitive positioning
- Priority segment identification
- Market sizing & dynamics
TIC MARKET SIZING METHODOLOGY

End user spent

- Capex investment
- Operational expenditure
- Production/Trade volume

TIC intensity

- More Safety
- More Complexity

Higher ratio

\[ \text{End user spent} \times \text{TIC intensity} \]
TOTAL TIC MARKET

End user spent € \times \text{TIC intensity}

\text{TIC market} > €200bn
ACCESSIBLE TIC MARKET SET FOR CONTINUOUS GROWTH

Government/insourced

Accessible/Outsourced

~ 40% of TIC Market
LARGELY UNTAPPED MARKET POTENTIAL

2015 TIC market,
in €bn

Source: IHS & Bureau Veritas estimate
TOTAL TIC MARKET LARGELY CORRELATED WITH SIZE OF LOCAL ECONOMIES

2015 TIC market,
in €bn

Source: IHS & Bureau Veritas estimate
RECONCILIATION BETWEEN SECTORS AND BUREAU VERITAS BUSINESSES

Industry

IVS

Construction

Certification

Other sectors
MACROECONOMICS WILL DRIVE THE GROWTH OF OVERALL TIC MARKET

END USER SPENT / TIC INTENSITY

- Capex investment
- Operational expenditure
- Production/Trade volume
- +/- regulations
TRADE: GLOBALIZATION HAS MATURERED

Real GDP and trade

Source: IHS
THE END OF COMMODITY SUPER CYCLE

Trade of Commodities in volume

Source: IHS

Year on Year Variation


-10% -5% 0% 5% 10% 15%

Commodities in volume

YoY variation

in billion tons

Source: IHS
EMERGING MARKETS WILL CONTINUE TO DRIVE THE MID TERM GLOBAL GROWTH

Real GDP

Source: IHS
Crude oil and natural gas prices

- Crude oil, Brent
- Crude oil, low oil scenario
- Natural gas, Henry Hub

Source: IHS
BACK TO NEW NORMAL

TIC market growth on a mid/long term

3%
CONSUMPTION DRIVEN SECTORS WILL LEAD TIC MARKET GROWTH

Number of mid-income households, PPP$

Source: IHS

~1/3 of the absolute TIC market growth generated by 3 sectors
MEGATRENDS ARE SHAPING TIC MARKET ACCESSIBILITY

Urbanization
Global power
Technology & innovation
Social media
New business models

TIC MARKET STRUCTURE

New consumptions patterns
Scarce resources management
Zero carbon
Industry 4.0
Global brand protection
Outsourcing & privatization
BUREAU VERITAS ASSETS & COMPETITIVE ADVANTAGE

REPUTATION & RECOGNITION

CLIENT BASE

CAPABILITIES & NETWORK

FINANCIALS
TIC CHANGING ENVIRONMENT

New normal

Increasing importance of consumer driven sectors

Large companies requesting more global TIC services
Further deploy an efficient operating model to improve its agility and productivity

Expand market coverage through growth initiatives

Balance a global footprint between three geographical areas (Americas, EMEA, Asia/Pacific)

Become the large companies’ partner of choice for facilitating and securing their transactions and operations

Enhance BV growth profile and resilience

Continue to play a leading role in TIC market consolidation

3 + 2 PILLARS SUPPORTING OUR STRATEGY
EXECUTING THE STRATEGY

8 GROWTH INITIATIVES
Enhanced offering
Adjacent segments
Portfolio expansion

2 COUNTRIES
USA
China

4 LEVERS
Human Resources Excellence@BV
Account Management
Digitalization
Serve emerging markets increasing needs
Leverage Bureau Veritas unique global position

+€540m
2020 incremental revenue vs 2015
Leverage existing client base and capabilities
Take advantage of outsourcing trends
Improve resilience to CAPEX cycles
Enlarge service offering to existing and new clients

+€400m

2020 incremental revenue vs 2015
Serve the needs of an increasingly global supply chain

Increase presence in one of the largest and non-cyclical TIC segment

2020 incremental revenue vs 2015

+€180m

Asset CAPEX
Asset OPEX
Product related services
System, Data, People
Take advantage of automotive sector geographical and technological transformation
Expand position along the whole value chain
Leverage established capabilities
Strengthen Bureau Veritas leadership position in this exploding segment
Respond to increasing demand for global certification by international companies

Leverage Bureau Veritas brand reputation in a favorable competitive environment

2020 incremental revenue vs 2015

+€80m
Leverage technological leadership and new services capabilities.
5 PILLARS STRATEGY TO ENHANCE BUREAU VERITAS GROWTH, RESILIENCE AND PROFITABILITY

- Expand market coverage
- Large companies’ partner of choice
- Excellence @BV
- Balance global footprint
- Leading role in consolidation
Bureau Veritas’ financial model

- 2 growth engines: organic + acquisitions
- Continuous profitability improvement
- Resilient cash flow generation
- Disciplined resource allocation

Key initiatives: +€2bn in 2020 on 60% of current portfolio revenue

Mid/long term outlook
SUSTAINED REVENUE GROWTH

Mid/long term drivers

Organic growth
- Initiative driven
- Resilience
- Portfolio diversification

Acquisitions
- New services and expertise
- Geographic footprint balancing
- Bolt-ons (no transforming deal)
- TIC Industry consolidation

TWO GROWTH ENGINES
ORGANIC AND ACQUISITIONS
MARGIN EXPANSION

CONTINUOUS PROFITABILITY IMPROVEMENT

(1) Adjusted Operating Profit, excluding amortization of acquisition intangibles, goodwill impairment, restructuring, acquisition and disposal-related items

Mid/long term drivers

- Excellence@BV
  - Lean
  - Procurement, Shared Services
- Mix management
- Scalability
- Price pressure in downturn cyclical activities
- Investment to fund growth initiatives
STRONG CASH FLOW

Mid/long term drivers

- High conversion ratio
- Low capital intensity: inspection vs testing
- Working capital requirements improvement

RESILIENT CASH-FLOW GENERATION

(1) Free cash flow after Capex and interests
(2) FCF as % of net income
MAINTAINED FINANCIAL FLEXIBILITY

Net financial debt (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Acquisitions</th>
<th>FCF</th>
<th>Dividends</th>
<th>Stock options/buybacks</th>
<th>Other</th>
<th>Net financial debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 2011</td>
<td>984</td>
<td>(1,053)</td>
<td>580</td>
<td>196</td>
<td>115</td>
<td>1,880</td>
</tr>
<tr>
<td>Dec. 2014</td>
<td>1,058</td>
<td>580</td>
<td>196</td>
<td>115</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Leverage ratio**

- **1.60x** (Dec. 2011)
- **2.16x** (Dec. 2014)

(covenant = 3.25)

**DISCIPLINED RESOURCE ALLOCATION**

Leverage ratio = Adjusted net financial debt / EBITDA (earnings before interest, tax, depreciation, amortization and provisions) adjusted for all units acquired over the past 12 months, as defined for the Group’s covenants calculation.
ENHANCE GROWTH PROFILE, RESILIENCE AND PROFITABILITY

8 key growth initiatives

60% of current portfolio revenue

€2bn of incremental revenue in 2020 vs 2015

Equally balanced between organic growth and acquisitions
## INITIATIVES TO ENHANCE GROWTH PROFILE AND RESILIENCE

<table>
<thead>
<tr>
<th>Initiative</th>
<th>% of current portfolio revenue</th>
<th>Ambition</th>
<th>2020 incremental revenue vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building &amp; Infrastructure</td>
<td>~12%</td>
<td>Leverage leading global position in sizeable and growing markets</td>
<td>€540m</td>
</tr>
<tr>
<td>Opex in specific segments (O&amp;G, P&amp;U and Chemicals)</td>
<td>~12%</td>
<td>Build recurring business models in fragmented markets, offering strong outsourcing opportunities</td>
<td>€500m</td>
</tr>
<tr>
<td>Adjacent segments (Retail &amp; Mining)</td>
<td>~22%</td>
<td>Cross-sell full scope of services and be positioned as the one-stop-shop provider</td>
<td>€400m</td>
</tr>
</tbody>
</table>
## INITIATIVES TO ENHANCE GROWTH PROFILE AND RESILIENCE

<table>
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<th>Ambition</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Agri-Food</td>
<td>~3%</td>
<td>Expand in a large market driven by supply chain globalization, be recognized as a reference player</td>
<td>€180m +120% in 5 years</td>
</tr>
<tr>
<td>Automotive</td>
<td>~2%</td>
<td>Capitalize on key expertise in supply chain services and connectivity to become a recognized player</td>
<td>€120m +110% in 5 years</td>
</tr>
<tr>
<td>Smartworld</td>
<td>~1%</td>
<td>Leverage our #1 position, and address new needs arising from connectivity</td>
<td>€100m +170% in 5 years</td>
</tr>
</tbody>
</table>
## INITIATIVES TO ENHANCE GROWTH PROFILE AND RESILIENCE

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ambition</th>
<th>2020 incremental revenue vs 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification global contracts</td>
<td>Target large companies to become their unique certification body and gain 5 points market share in large contracts</td>
<td>€80m +140% in 5 years</td>
</tr>
<tr>
<td>~1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine &amp; Offshore</td>
<td>Diversify the portfolio in innovative services and maintain technological leadership</td>
<td>€80m</td>
</tr>
<tr>
<td>~7%*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Offshore opex related services are included in the “Opex in specific segments” initiative
Revenue growth
- 8% to 10% total growth per year
  o/w Organic growth of 5% to 7% per year
  Progressive ramp-up in organic growth in the next 3 years
  Targeted acquisitions to support initiatives

Adjusted operating margin
- ~17.5%

Free cash-flow
- Continuous high free cash flow generation
INVESTOR DAYS 2015

October 6 & 7, 2015
DAY 1 – AFTERNOON SESSIONS (1/2)

1:40
OPEX O&G / P&U / CHEMICALS
Juliano CARDOSO
Executive Vice President Commodities

BUILDING & INFRASTRUCTURE
Eduardo CAMARGO
Executive Vice President Latin America

USA
Pedro Paulo GUIMARAES
Executive Vice President North America

CHINA
Catherine CHEN & Ollie BUTLER
Senior Vice president for Greater China in Consumer Products
Executive Vice President Consumer Products

3:00
Q&A

3:20
BREAK
OPEX IN SPECIFIC MARKETS

Juliano Cardoso
WHAT ARE TIC OPEX SERVICES?

- Asset Management
- Operational Integrity
- Risk Management
- Regulatory Services
OPEX WEIGHT OVER THE 3 END-MARKETS

OPEX IS A VERY LARGE AND FRAGMENTED MARKET RESILIENT TO BUSINESS CYCLES

Source: IHS and BV estimates
Asset Operational Continuity

Absolute to manage utilization demand and tighter financial conditions

- Productivity and Efficiency
- Stringent HSE regulatory framework
- Environmental protection
- Accident prevention

FAVORABLE MARKET ENVIRONMENT FOR OUTSOURCING
COMPETITIVE ADVANTAGES

OPEX in the 3 markets represents already 12% of Group revenue

- Strong position in France, Germany, South Africa, Argentina
- ~3% penetration rate

- Strong position in CAPEX and Product
- ~6% penetration rate

- New market opportunity
- Low competitive intensity
- < 1% penetration rate

HUGE POTENTIAL TO INCREASE OPEX MARKET SHARE

- Recognition & Integrity
- Expertise
- Accreditations
- Qualified personnel
Leverage and replicate
- Many success cases across the network
- Replicate Marine and IVS OPEX models
- Innovation

Key account management
- Share of wallet from CAPEX and Product to OPEX

Acquisitions
- Footprint increase within the 3 market segments

OPEX Services
€500m Incremental Revenue by 2020
OIL & GAS: KEY ACCOUNT MANAGEMENT

Long term Client relationship
Delivering inspections and innovations through “added value” service scheme (Total Cost of Ownership)

Service delivered in all life cycle
CAPEX
Procurement with vendors
Site inspections worldwide
OPEX
Full asset integrity Management program
POWER & UTILITIES: LEVERAGE AND REPLICATE

Full scope of services delivered in all life cycle

CAPEX & OPEX:
NDT services, shop inspection, safety for civil work, building, asbestos

In-service inspections:
Lifting, electrical and pressure vessel. Exposure monitoring / emissions

Nuclear key expertise and recognition

Licence to operate with:
• French Nuclear authority

Future opportunities

Life extension: €55bn to be spent for the “grand carénage”

Renewable
CHEMICALS: LEVERAGE AND REPLICATE

SADARA Chemical Complex
26 “World scale” manufacturing units, covering 12 Km²
60,000 employees
3 million tons/year

Services Delivered
CAPEX
Procurement
Inspections
Site/plant
Inspections

OPEX
Non-Destructive
Testing
Lifting inspections

Future Opportunities
Full Asset Integrity Management
Total cost of ownership model
Chemical product testing

GAME CHANGER
CHEMICAL MARKET SEGMENT
OIL & GAS: ACQUISITION IN THE USA

Large global market
€400m o/w €150m in North America

Driven by consumption and oil product flows
Not directly linked to oil prices

Reliability testing of in-service lubricants
Gearbox, compressors, turbines

Bureau Veritas expanding lab network
Canada, South Africa, Dubai, Australia
KEY TAKEAWAYS

OPEX market is very large, fragmented and resilient

Bureau Veritas has a huge potential to increase its OPEX market share

OPEX Services

€500m Incremental revenue

by 2020
BUILDING & INFRASTRUCTURE

Eduardo Camargo
BUILDING & INFRASTRUCTURE MARKET DYNAMICS

- Urbanization
- Quality
- Cost
- Sustainability
- Regulations
- Infrastructure
BUILDING & INFRASTRUCTURE MARKET CHALLENGES

€ 4 Trillion annual global infrastructure investments

- Providing the basics in big cities
- Mass transport systems
- Lower emissions energy sources
- Next generation of communications
- Maintaining existing infrastructure
- Fostering PPP’s and public concessions
China will continue to be the infrastructure powerhouse
BUILDING & INFRASTRUCTURE PLATFORM

1. ASSETS
2. SERVICES
3. GEOGRAPHIES
Building & Infrastructure Platform

Private buildings
Commercial buildings
Retails
Sports arenas
Highways
Railways
Subways
Ports
Airports
Utilities
Public housing

From private properties to the public infrastructure
BUILDING & INFRASTRUCTURE PLATFORM

From the projects design to the facilities operation

- Construction material testing
- Owner’s engineering
- Code compliance
- Project management
- Technical due diligence
- Regulatory / voluntary in service inspections
- Public concessions conformity assessment
- Green Building certification

2 SERVICES
Full solution provider to global / local clients

Leadership in mature markets

Fast development in emerging markets

Platform consolidation via strategic acquisitions

From European regulated countries to a global footprint
BUILDING & INFRASTRUCTURE FLAGSHIP CONTRACTS

Germany
Stuttgart 21, Railway
Wendlingen-Ulm
Project management

USA
SANDAG – San Diego Association of Governments
Regional transportation highways
Code compliance

Saudi Arabia
Riyadh Metro
Owner’s engineering, design review and site inspections
BUILDING & INFRASTRUCTURE FLAGSHIP CONTRACTS

China
Sichuan and Gansu provinces
Urban infrastructure
Project management

Brazil
Minha Casa Minha Vida
Social housing program
Project management

UK
London Heathrow Airport
In service inspections
of facilities and systems
BUILDING & INFRASTRUCTURE FLAGSHIP CONTRACTS

USA
New York City Manhattan
In service elevators and escalators regulatory inspection services

Spain
Barcelona Municipality
Public services concessions conformity assessment

France
Museum du Quai Branly – Paris
In service inspections and regulatory compliance verification
2015 revenue by geography

![Revenue by Geography Diagram]

- Asia Pacific: 16%
- North America: 17%
- Latin America: 8%
- Middle East and Africa: 9%
- Europe: 50%
- ~12% of Group revenue

Strategic initiatives

- Expansion in emerging markets
- Focus on infrastructure transport
- Growth of OPEX solutions

Levers

- Replicate European model
- Deploy project management platform
- Acquisitions
Key Takeaways

- Diversified portfolio
- Global footprint
- Market recognition
- Resilient growth engine

Increase revenue by €540m by 2020
A STRATEGIC COUNTRY FOR BUREAU VERITAS

A LEADING ECONOMY

A LEADING MARKET FOR TIC SERVICES...

... WITH ROOM FOR EXPANSION

#1

€34bn

Growing Economy

Strong Drivers

High Fragmentation

Low Outsourcing
USA ECONOMIC EXPANSION TO CONTINUE

+2.7% average GDP growth over 2016/2020

“Made in USA”
Low-cost & abundant energy

USA private consumption
+3.1% / year in 2015-19

Positive business impact radiating to global markets

1/3 of Forbes 2,000 companies based in USA

Source: IHS
MARKET GROWTH SUSTAINED BY SOLID TIC DRIVERS

2015 USA TIC MARKET DIVERSITY

- Oil & Gas
- Consumer & Retail
- Food & Agri
- Construction
- Automotive
- Manufacturing
- Chemicals
- Other

€34bn

New regulations
- Outsourceing
- Brand protection
- Operational continuity
- Smartworld
ABUNDANT MARKET SHARE GROWTH OPPORTUNITIES

2015 TIC MARKET: €34bn

HIGH FRAGMENTATION
Top 3 < 5% market share
Top 12 players < 10%
No generalist > 2%

LOW OUTSOURCING
Significant potential to be captured by account management strategy

GROWTH OPPORTUNITIES
BUREAU VERITAS’ JOURNEY IN THE USA

Building the Platform

- Marine & Offshore
- GSIT
- Consumer Products Platform
- Expansion of I&F Platform
  - In-Service Inspection
  - Construction
  - Certification
  - Industry

Reinforcing the Backbone

- Commodities Platform
  - Inspectorate, ACME & Analysts
- O&G Industrial OPEX and CAPEX Upstream Expansion:
  - TH Hill & DTI
- Network Conformity Assessment Platform
  - Quiktrak
BUREAU VERITAS USA AT A GLANCE

A RECOGNIZED GLOBAL PARTNER

STRONG POSITION IN KEY TIC MARKETS
Oil & Gas – Manufacturing
Consumer & Retail – Construction

BREADTH & DEPTH OF SERVICES

TOP 3 GENERALIST PLAYER

PORTFOLIO OF ACCREDITATIONS

3,600 staff
80 offices and labs
~10% Group Revenue
OUR STRATEGY IN THE USA

BALANCED INVESTMENTS IN ORGANIC AND ACQUISITION GROWTH

Reinforce leadership position
Consumer & Retail
Oil & Gas
Manufacturing (Equipment)
Construction

Penetrate new markets
Smartworld
Agri-Food
Aerospace
Automotive
OPEX: O&G
Chemicals
Mining

Expand & consolidate Excellence@BV
Lean Management
Global Procurement
Shared Services
BUSINESS CASE: RETAILERS’ SUPPLY CHAIN

BV Achievement & Targets
Top accounts double digit growth
Model to bring 75%+ of new business &
Transform 50% of existing base

Customer’s Challenge
High cost of quality and lower customer’s perception

Customer’s Benefits

Cheaper: Double digit cost reduction
Faster: Elapsed time reduction
Better: 3-fold pass rates & recall reductions

SUPPLY CHAIN APPROACH + FULL SERVICE
BUSINESS CASE: CERTIFICATION GLOBAL CONTRACTS

Target large US based companies

Grow large enterprise pipeline and improve pipeline management

ACCOUNT MANAGEMENT

Improve profitability & account retention

Optimize bid management for large enterprise opportunities

3x Contribution from global US-based companies in the Mid/Long term

$
KEY TAKEAWAYS

A STRATEGIC COUNTRY FOR BUREAU VERITAS

Healthy market growth driven by solid TIC drivers and strong economy

Market share growth opportunities from Additional outsourcing and market consolidation

LEVERAGE STRONG POSITION

Strong proven track record of faster than market growth pace

Already a top 3 USA player

TWO GROWTH ENGINES

Organic growth
New markets, new capabilities, key account management

Acquisitions
Support sustainable diversification and selectively participate in market consolidation
CHINA TIC MARKET ATTRACTIVENESS

1. The largest TIC market
   - China is at the core of BV strategy

2. Economy in the world
   - Government / Public
   - Current
   - Liberalization opportunity

3. Sustainable drivers
   1. Growing middle class
   2. Strengthening of regulations
   3. Liberalization of TIC services

2020 TIC accessible market estimation: €21bn

CHINA IS AT THE CORE OF BV STRATEGY
CHINA ECONOMIC EXPANSION TO CONTINUE

- A growing economy
- Strong domestic market
- Rebalance of growth engine: private consumption / fixed asset investment

CHINA IS A DYNAMIC ECONOMY
STRUCTURAL DRIVERS OF THE CHINESE TIC MARKET

Growing middle class & urbanization

- Growing addressable TIC market
- Domestic market opening

1. Investment in infrastructure, transport, energy production
2. Strengthening of regulations
3. Progressive liberalization
BUREAU VERITAS’ JOURNEY IN CHINA

Established footprint

- Marine & Offshore
- GSIT
- Retail & Consumer
  Export market
- Industry
  Oil & Gas

2010

Revenue x2
(~15% of Group revenue)

- Construction
  Oil & Gas, Power, Infrastructure
- Automotive
  Testing services
  Tire proving ground
- Retail & Consumer
  Domestic market
  Footprint expansion

2015
Leading international player
Present in China >100-years

Strong presence
100+ Locations • 12,000 employees

Building a domestic market footprint
Automotive • Construction • Retail

Acquisition track record
4 year to date • €65m revenue
1,500+ employees

Footprint in China
CHINESE TIC MARKET STRUCTURE

- €21bn addressable TIC market
- Governmental bodies operate in all markets; international players primarily in export
- Incremental opportunity for international players in domestic
- Construction - key sector for Bureau Veritas
Objectives

Potential market to be privatized €5bn

Challenges

Government TIC bodies

Commercial playing field
1. State owned
2. International 3rd parties
3. Domestic 3rd parties

Public

Regulations and supervision management

A GREAT OPPORTUNITY THAT WILL MATERIALIZE GRADUALLY
GROW IN KEY STRATEGIC SEGMENTS

- Leverage experience with international customers
- Build a national platform in construction
- Become key China partner in the quantity to quality journey

KEY STRATEGIC SEGMENTS DEMONSTRATING STRONG GROWTH
BUSINESS CASE: LEVERAGING COMPLEX RELATIONSHIPS

1. Cultivate government partnership
2. Engineering services partnership
3. Build world class proving ground
4. Homologation for tire brands
5. Building brand equity worldwide
BUSINESS CASE - SHANDONG CHENGXIN ACQUISITION

Expertise

• Mandatory technical supervision of power construction and distribution projects
• Thermal, wind, hydro, solar and biomass

Power market drivers

• Leader in ultra-high-voltage transmission
• “coal-to-electricity” program
KEY TAKEAWAYS

A vast and attractive market driven by structural growth drivers

Strong pillar of Bureau Veritas’ historical and future development

Well positioned to become a key domestic player
DAY 1 – AFTERNOON SESSIONS (2/2)

3:40  HUMAN RESOURCES
      Xavier SAVIGNY
            Executive Vice President Human Resources

3:40  EXCELLENCE @ BV
      Vincent DELLA VALLE
            Senior Vice President Operational Excellence

3:40  ACCOUNT MANAGEMENT
      Arnaud ANDRE
            Executive Vice President Organization & Business Development

3:40  DIGITAL
      Philippe LANTERNIER
            Executive Vice President Corporate Development

5:00  CHAIRMAN OF THE BOARD
      Frédéric LEMOINE
            Chairman of the Board of Directors of Bureau Veritas

5:10  Q&A

5:40
HUMAN RESOURCES

Xavier Savigny
HUMAN RESOURCES AS A BUSINESS PERFORMANCE DRIVER

- Significant growth
- License to operate
- 1,400 locations
- 50% + personnel related costs
2008 HEADCOUNT GEOGRAPHICAL DISTRIBUTION

- North & South America: 8,000
- Africa: 1,400
- Europe: 16,200
- Asia Pacific: 14,400
2015 HEADCOUNT GEOGRAPHICAL DISTRIBUTION

North & South America: 20,300
Africa: 3,500
Europe: 17,500 (x2.5)
Asia Pacific: 28,700 (x2.0)

+8%
Bureau Veritas operations

Deliver sustainable value to customers and society

- Quality
- Safety
- Environment

Bureau Veritas culture

3 ABSOLUTES

- Safety
- Ethics
- Financial control
Main actions

- Strengthening training & awareness
- Providing necessary & appropriate means
- Reinforcing management accountability

Main results

-31% on LTR* over 3 years
-46% on TAR* over 3 years
74% OHSAS certified

* LTR: Lost time rate, TAR: Total accident rate, OHSAS: QHSE management systems
ETHICS

ETHICS A BUREAU VERITAS ABSOLUTE

- A worldwide Compliance programme
- 99% of employees trained
- A code of ethics published in 36 languages

Creating value with our stakeholders

Strengthening relations with the society

- Clients
- Suppliers
- Subcontractors
- Accreditation bodies
- Authorities
- Communities
Two areas of focus

- Energy consumption
- Business travels

Our strategy

- Common environmental policy and CO₂ reporting tool across all entities
- Strengthening of local initiatives tightened to local challenges

Main results

- ISO 14001 certified
- 68% reduction in CO₂ emissions/FTE over 3 years
- 12% decrease in CO₂ emissions/FTE over 3 years
TALENT DEVELOPMENT

- People and organization reviews
- Cross businesses career opportunities
- Diversity
BV UNIVERSITY

MARKETING & SALES COLLEGE

ENGINEERING EXPERTISE

PROJECT MANAGEMENT COLLEGE

COMMERCIAL STRENGTH

LEADERSHIP EXCELLENCE
MOVING TOWARDS DIGITALIZED LEARNING

Everyone

One Unique Platform

Everywhere

- Increase course development
- Increase competencies
- Increase traceability
- Reduce deployment time
- Reduce costs

Everytime

GEC April 2015
Bonus pools based on operating group’s achievement

Long Term Incentive Plan

- Operating profit trigger
- Margin threshold
KEY TAKEAWAYS

HR a business performance driver leveraging Bureau Veritas growth initiatives

- Develop Human capital
- Drive Performance culture
- Accompany Business growth
EXCELLENCE@BV

Origin
- Launched in 2012 to handle BV transformation
- Expansion, diversification, internationalization, growth

Rationale
- Move from performance based on people’s experience to performance based on process control
- Establish a lean culture

Scope
- Lean, Purchasing, Shared Services
THE TWO ENGINES OF LEAN@BV

5X

Savings per project

1 x €1m + 1m x €1

Number of People engaged

Re-engineering

Culture
LEAN CULTURE: PROCESS MANAGEMENT - PEOPLE ENGAGEMENT

Scorecards in Brazil

Scorecards in China
RE-ENGINEERING EXAMPLES

**Scheduling** (Marine plan approval offices)

- As-is Client Perception (2014)
- Lean Management & Value Stream Mapping
- Scheduling tool

**Local central kick-off**

- Process re-engineering

**Value Stream Mapping in labs**

- Local leadership

**Margin**

- Δ OP YTD

**Productivity**

- 2014: 15
- 2015: 20.8
- +39%

698€

**TANGIBLE GAINS, ALL LEVELS OF THE ORGANIZATION INVOLVED**
POCKETS OF PRODUCTIVITY

- Data management
- Auto notification
- Route management
- Scheduling
- Process re-engineering
- Dematerialization
**Purchasing @BV**

**Best Value**

- **Savings**
- Increased # Global contracts

**Best Way**

- **Business Process**
  - Actionable supply base
  - # Supplier reduced
  - Harmonized processes

**Best Behavior**

- **Compliance**
  - 100% Active Compliance
  - Professional network
  - Critical suppliers secured
BEST VALUE

Coverage

- % of total spend
- €1.2bn

- 20%
- 80%

- Best value
- Others

BV Projects

Group initiatives

- Office supplies
- Travels
- Car Fleet
- Int’l Couriers
- Non Exclusive Contractors
- Lab Equipment & supply
**SHARED SERVICES**

**Active Management**
- 10 Large Country Committees (LCC)
- 9 Regional IT shared services

**Offshore Shared services (India)**
- Australia, US, Canada (partial), Singapore
- IT outsourced applications

**Processes Harmonization ERP (JDE), HRIS, CRM**
- Finance, HR, Commercial back office

**Footprint rationalization**
- Leases re-negotiation
KEY TAKEAWAYS

- Excellence@BV our operating model
- Improved productivity and efficiency
- To achieve mid/long term adj. operating margin of ~17.5%
ACCOUNT MANAGEMENT

Arnaud André
Our DNA

- Impartiality
- Technical expertise
- Quality of service

Local business Development by service

Opportunities

- Added-value based
- Solutions oriented
2 DISTINCT GO-TO-MARKETS

PORTFOLIO MANAGEMENT
- PACKAGED SERVICES
- SERVICE CENTRIC
- PUSH MODE (CAMPAIGNS)

KEY ACCOUNT MANAGEMENT
- CUSTOMIZED SERVICES
- CLIENT CENTRIC
- PULL MODE
HIGH POTENTIAL TO BE CAPTURED

1. HUNTING
   - 90% Forbes Top 2000: BV revenue
   - <€1m

2. CROSS SELLING
   - Top 140 clients: BV market share
   - <9%

3. OUTSOURCING
   - TIC market internally managed
   - 60%

4. PARTNERING
   - QHSE more and more strategic

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POSITIONING WITH KEY ACCOUNTS

- QHSE value for money
- Consistency of quality
- Brand reputation
- Time-to-market
- On time on budget CAPEX projects
- Asset integrity
- Supply chain efficiency
- Crisis management

TO BECOME THE PARTNER OF CHOICE
GROWTH CONTRIBUTION

GLOBAL KEY ACCOUNTS / 30

~30% of 2015 Group revenue

LOCAL KEY ACCOUNTS / 140

For each key account
- Dedicated account leader
- Formalized sales strategy
- Sales & revenue targets

+2 POINTS OF ADDITIONAL ORGANIC GROWTH/YEAR MID/LONG TERM
CROSS-SELLING: RETAIL

2014 Group revenue

High cross-selling potential

Examples (retailer 2)

- Project management assistance
- Suppliers’ facilities audits
- Safety-related services
Solution provided
HSE risk management

Value added

- Legislative compliance
- Brand protection
  (reduce reputational risk)
M&S PROFESSIONAL FAMILY

2,600 FTE IN 2015

WEIGHT EVOLUTION BY 2020

SALES
- Key account managers
- Business developers
- Proposal center specialists
- Inside sales representatives

MARKETING
- Operational marketing specialists
- Strategic marketing specialists

MANAGEMENT
- M&S managers
- Market sector leaders
KEY TAKEAWAYS

Account management is a key lever to support the growth initiatives of the Group

It will enable to:

- Position Bureau Veritas as the **partner of choice** for large international corporations
- Generate around **two percentage points per annum** of additional organic growth mid/long term
- Increase the share of **recurring business**
x50 Growth of data volume between 2010 & 2020

15% Of « All Things » to be connected in 2020

Shift from product to service

Source: IDC – The digital universe of opportunities, HBR (2014)
DIGITAL IS TRANSVERSAL TO A COMPANY

CUSTOMER EXPERIENCE
- Customer touch points
- Customer understanding
- Top line growth

BUSINESS MODEL
- New digital business
- Digitally-modified business
- Partnerships with pure players, direct link to end-users and regulations

OPERATIONS
- Process digitalization
- Worker enablement
- Performance management

5 LEADING TRENDS IMPACTING THE TIC INDUSTRY

Pervasion of technology

EVERYTHING IS CONNECTED

- New zones of risk to assess (security, reliability, performance...)
- New competition from technology players
- Automation of collection and processing of information
5 LEADING TRENDS IMPACTING THE TIC INDUSTRY

Pervasion of technology

EVERYTHING IS CONNECTED

Fragmentation of value chains

DILUTION OF RESPONSIBILITIES

Multiplicity of actors and geographies generating uncertainties on split of responsibilities and quality

Potential threat of substitution from “crowdsourced” testing approaches
5 LEADING TRENDS IMPACTING THE TIC INDUSTRY

- **Pervasion of technology**: EVERYTHING IS CONNECTED
- **Fragmentation of value chains**: DILUTION OF RESPONSIBILITIES
- **Acceleration of innovation pace**: CONTINUOUS CHANGE

Increase in the number and frequency of tests

Regulation & Standardization lagging behind innovation, hindering relevance of TIC services
5 LEADING TRENDS IMPACTING THE TIC INDUSTRY

- **Pervasion of technology**
  - **EVERYTHING IS CONNECTED**

- **Fragmentation of value chains**
  - **DILUTION OF RESPONSIBILITIES**

- **Acceleration of innovation pace**
  - **CONTINUOUS CHANGE**

- **Disruption of business models**
  - **SHIFT FROM PRODUCT TO SERVICE**

---

**Add complexity to contractual agreements and testing**

Platforms become trusted 3rd parties, substituting TIC by auto-regulation / insurance mechanism
### 5 LEADING TRENDS IMPACTING THE TIC INDUSTRY

<table>
<thead>
<tr>
<th>Trend</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pervasion of technology</td>
<td>Everything is connected</td>
</tr>
<tr>
<td>Fragmentation of value chains</td>
<td>Dilution of responsibilities</td>
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<tr>
<td>Acceleration of innovation pace</td>
<td>Continuous change</td>
</tr>
<tr>
<td>Disruption of business models</td>
<td>Shift from product to service</td>
</tr>
<tr>
<td>Profusion of information</td>
<td>Data is everywhere</td>
</tr>
</tbody>
</table>

**Quality, relevance, consistence and reliability of data sources used,**

New opportunities to leverage data

**Direct access to information might limit asymmetry of information, thus hindering the need for TIC services.**
NUMEROUS OPPORTUNITIES FOR NEW VALUE-ADDED SERVICES

Meet customers needs on securing the risks related to digital

Digital trust

Stay relevant by keeping delivery model up to date

Digitally-augmented TIC

Act as a trusted 3rd party in complex data ecosystems

Data gatekeeping

Enhance TIC value proposal with new analytics based services

Data intelligence
DIGITAL TRANSFORMATION IS ON-GOING
WITH MORE THAN 50 PROJECTS

Digital trust
Digitally augmented TIC
Data gatekeeping
Data intelligence

Number of projects at Bureau Veritas
CONNECTIVITY TESTING

Digital trust

- acquired 2005
- acquired in 2013
- Connectivity testing at the core or IoT testing services
- Reinforced market position to top mobile carriers and global brands
- Offer complete set of E&E services globally
How making sure products will function as planned?

Disruptive approach...

- Bureau Veritas associated with CEA in assessing software reliability, availability, maintainability and performance
- Secure the system from design to validation
- New guidelines for embedded software development

“Risk and security leaders who do not implement a risk prioritization approach that includes Embedded Software (ESS) risks will eventually find themselves unable to meet security expectations.”

© 2014 Gartner, Inc.
MOBILITY

Digitally augmented TIC

Web-based Inspection Management

- Flexible and easy to implement Inspection Management platform
- Ability for the business to configure inspection check-lists and reporting templates as per client needs

E-Reporting in the field

Value reporting online

3 in 1 solution: Back-Office, Inspectors and Clients
Data gatekeeping

System Benefits

- Launched in 2009
- 24/7 real time product monitoring
- Hold rate reduction
- Superior data quality
- 500 clients

Client view

- Faster
- Better
- Smarter

https://www.bvonesource.com/wps/portal
REAL ESTATE MARKET PLATFORM

Data gatekeeping

Unique digital platform to collect, structure and share all data associated to building’s lifecycle

Commercialization: April 2015
France, Italy, Germany, USA
Healthy pipeline

Partnership with Google for Work
http://www.building-in-one.com/
Launched in 2010 with SOGET

Enhance custom revenue collection & increase port attractiveness

Good pipeline of prospects

Positive impact on operating cash-flow
KEY TAKEAWAYS

Bureau Veritas is accelerating its digital transformation

Disseminate digital culture throughout the organization

Build on initial momentum, existing digital capabilities and brand reputation

Develop solid partnerships with both clients and technology providers
GALA DINNER

Transfer
By bus from the hotel at 6 PM
Passport or identity card required

Dress Code: casual

The Gherkin
30 saint Mary Axe, London - EC3A8
<table>
<thead>
<tr>
<th>Group number</th>
<th>Adjacent segments</th>
<th>Laurent BERMEJO</th>
<th>&amp;</th>
<th>Romain PETIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 CERTIFICATION GLOBAL CONTRACTS</td>
<td>EVP, France</td>
<td>EVP, North Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 ADJACENT SEGMENTS</td>
<td>Jacques LUBETZKI</td>
<td>EVP, Europe</td>
<td>Juliano CARDOSO</td>
<td>EVP, Commodities</td>
</tr>
<tr>
<td>4 AUTOMOTIVE</td>
<td>Tony MOUAWAD</td>
<td>EVP, COO I&amp;F* - GSIT</td>
<td>Eduardo CAMARGO</td>
<td>EVP, Latin America</td>
</tr>
<tr>
<td>5 SMARTWORLD</td>
<td>Oliver BUTLER</td>
<td>EVP, CPS</td>
<td>Catherine CHEN</td>
<td>SVP, Greater China for CPS</td>
</tr>
<tr>
<td>6 AGRI-FOOD</td>
<td>Bruno FERREYRA</td>
<td>EVP, I&amp;F * Business Lines</td>
<td>Pedro Paulo GUIMARAES</td>
<td>EVP, North America</td>
</tr>
<tr>
<td>7 MARINE &amp; OFFSHORE</td>
<td>Philippe DONCHE-GAY</td>
<td>EVP, Marine &amp; Offshore</td>
<td>Paillette PALAIIOLOGOU</td>
<td>Director, Marine &amp; Offshore</td>
</tr>
</tbody>
</table>

* Industry & Facilities: Industry, Construction, IVS, Certification
GROWTH INITIATIVES FOCUS – AGENDA

9:00
GROUPS
MOVE TO NEXT MEETING EVERY 25 MINUTES

12:40
CEO FINAL REMARKS

12:50
LUNCH

2:00
END OF EVENT

6 GROUPS

6

7

2

3

4

5
CERTIFICATION
GLOBAL
CONTRACTS

Laurent Bermejo
Romain Petit
Certification

- Management systems, processes and services
- Versus international or sector-specific standards

Output
Bureau Veritas’ certificate
A SIZEABLE MARKET

Large Companies

- Represent 1/3 of the market
- Are increasingly consolidating the number of their certification providers

Source: Oliver Wyman, Bureau Veritas’ estimates

Total Market

€5bn

Large Companies

Source: Oliver Wyman, Bureau Veritas’ estimates
While being a leader in management certification with a 7% market share, Bureau Veritas’ penetration with large companies is lower at 3%.

Source: Oliver Wyman, Bureau Veritas’ estimates
Where decisions are made

- Europe
- North America
- Japan
- Other

Sales by origin

Where audits are carried out

- Europe
- China
- North America
- Other

Sales by delivery

Source: Oliver Wyman
MARKET DRIVERS

Consistent and homogenous delivery

Internal benchmark

Brand protection

Risk management and performance

Internal cost-control & savings

Consolidation of large contracts around one to three certification bodies
Worldwide capabilities

- All geographies covered through 6 hubs
- Presence in 140 countries
- Servicing 80,000+ companies

Capacity to handle large volume of audits

- 6,300 auditors, delivering 178,000 audits per year
- 100,000+ certificates issued every year

Value added services

- A partner for tailored solutions
- Recognized by 55 accreditation bodies
- Global IT/IS tools for homogenous quality of reporting
<table>
<thead>
<tr>
<th>Roll’s Royce</th>
<th>Accor</th>
<th>Murata</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global exclusive contract</td>
<td>Exclusive partner</td>
<td>Preferred partner</td>
</tr>
<tr>
<td>19 countries, 180 sites</td>
<td>Certification of Ibis</td>
<td>Currently consolidating certification in Asia, Americas, Europe</td>
</tr>
<tr>
<td>“Best in Class” status</td>
<td>1,250 hotels, 60+ countries</td>
<td></td>
</tr>
</tbody>
</table>

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The market for global contracts is consolidating

Bureau Veritas is uniquely positioned to strengthen its penetration of large accounts

Increase market share by 5 points on global contracts

c. €80m additional revenue by 2020
ADJACENT SEGMENTS

Jacques Lubetzki
Juliano Cardoso
• Cross selling

• **Enlarging portfolio** of services with existing clients

• **Increasing share** of wallet through key account management

• **Reinforcing position** with large clients

POSITION AS THE REFERENCE
ONE-STOP-SHOP QHSE PARTNER
THE RETAIL OPPORTUNITY

ASSETS

Concrete testing
Lifting equipment inspection
Air emission control
Energy saving management
Fire protection inspection
Visitor safety
Environmental impact & sol contamination studies
Electrical inspection

PRODUCTS

Chemical composition
Food safety testing
Food supply chain traceability
Origin certification
Textile testing
Brand quality inspection
Electrical & Electronic safety testing

SHARE OF WALLET (€m)

<table>
<thead>
<tr>
<th>Retailer</th>
<th>#1</th>
<th>#2</th>
<th>#3</th>
<th>#4</th>
<th>#5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset related services</td>
<td>0</td>
<td>3</td>
<td>2</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Product related services</td>
<td>17</td>
<td>11</td>
<td>21</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

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THE RETAIL OPPORTUNITY

Market drivers
- Global market +3%/y mid/long term
- Facilities +3% sq.m/y
- Supply chain risk management
- Asset availability and reliability

Opportunities
- Recognition from global retailers
- Market fragmentation
- One-stop-shop partner

* Based on IHS and BV estimates
What we do for Walmart today

- Product testing
- Product inspections
- Supply chain audits

What we will push

- Project management assistance (Latin America, China)
- Facilities audits
- Engineering-based supply chain assessments

2014 REVENUE

- 91% ASSETS
- 9% PRODUCTS

2020 REVENUE

- 70% ASSETS
- 30% PRODUCTS
THE MINING OPPORTUNITY

TIC MARKET MIX

- 54% OPEX
- 14% CAPEX
- 32% PRODUCTS

2015 BV REVENUE MIX

- 8% OPEX
- 12% CAPEX
- 80% PRODUCTS

Market drivers

- HSE risks
- Asset availability and reliability
- OPEX cost reduction

Opportunities

- Unmatched mix of services vs. market
- Recognition from global mining leaders
- Outsourcing of non-core activities
THE MINING OPPORTUNITY

ASSETS
Industry & Facilities*

PRODUCTS
Commodities

SHARE of WALLET (€m)

* Industry, Construction, In-service Inspection & Verification

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MINING POTENTIAL: FROM PRODUCT TO ASSET

**What we do**
- Mineral Ore, Coal testing
- Mineral Processing
- Product Inspection
- Laboratory Outsourcing

**What we will push**
- Asset Integrity Management
- Advanced Non Destructive Testing
- Oil/Lubricant Condition Monitoring
- Infrastructure and Construction Testing

**Implementation Levers**
- Global mining key account management
- Share of wallet
- Limited investment on the existing capabilities
KEY TAKEAWAYS

Attractive opportunities

Leverage our client penetration

- Key account management
- Positioned as the reference one-stop-shop partner

Limited investment

Additional revenues of c. €400m by 2020

CROSS-SELL FULL SCOPE OF SERVICES AND BE POSITIONED AS THE ONE-STOP-SHOP PROVIDER
AUTOMOTIVE

Tony Mouawad
Eduardo Camargo
AUTOMOTIVE MARKET: VAST, GROWING, ATTRACTION

Automotive market
€9 trillion

World fleet
> 1 bn cars

USA
77 cars for 100 people

China
11 cars for 100 people

TIC market
€13bn

ources: IHS / Bureau Veritas

<table>
<thead>
<tr>
<th>World car production (million)</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
<td>25</td>
</tr>
</tbody>
</table>

Sources: IHS / Bureau Veritas
AUTOMOTIVE MARKET MEGATRENDS

- Emerging Markets
- Standard platforms
- Powertrain optimization
- E-fuel cell
- Connectivity
- Autonomous cars
- Urban mobility
- E-dealership

INCREASED NEEDS FOR TIC SERVICES
AUTOMOTIVE MARKET SUPPLY CHAIN TIC SERVICES

**Design**
- Components testings
- General/specific testings
- Homologations

**Production**
- Management Systems audits
- Supply chain audits

**Distribution**
- Logistic chain inspections
- Loss prevention

**Selling**
- Dealership audits
- Sales and after-sales quality control

**Operation**
- Statutory vehicle testing
- Insurance claim inspection

Market €3bn  €1.5bn  €1.3bn  €1.2bn  €6bn

Sources: IHS / Bureau Veritas
A PLATFORM BUILT OVER THE PAST 10 YEARS

ADT
Taiwan
Electrical and electronics Testing

AQSR
Canada
Automotive Certification

Autoreg
Brazil
Insurance claim Inspection

Unicar
Germany
Supply chain damage tracking

7layers
Germany
Connectivity Testing

Davis
China
Automotive Testing

Quiktrak
US
Automotive inventory control

2005
2007
2011
2012
2013
2014
Key areas of expertise

- Supply chain services
- Electronics, connectivity
- Systems certification
- Insurance damage inspection

Footprint in emerging countries
BUSINESS CASES

**Vehicle inventory control #2 North America**
- Agricultural & machinery inventory audits
- Revoquest™ auditing web system

**Vehicle damage tracking #1 Global**
- 35 years of experience
- World leading web based reporting system

**Vehicle insurance claim #1 Brazil**
- 30 regional offices in Brazil with 700 field experts
- Inspections within 24 hours with web reporting system
BUREAU VERITAS’ STRATEGIC PRIORITIES

Strategic initiatives

- Leverage key areas of expertise and recognition
  - Supply chain services
  - Connected cars
- Complement portfolio of services
  - General testing, homologation

Levers

- Invest in testing labs for strategic niches
- Deploy operating units in key geographies such as China
- Partnerships/acquisitions
KEY TAKEAWAYS

Attractive market for TIC companies

Automotive disruptive changes opening new opportunities

Bureau Veritas Automotive platform under consolidation
  • Dedicated solutions and tools
  • Global footprint

To become a recognized player

c. €120m additional revenue

by 2020
WHY SMARTWORLD?

A BUOYANT MARKET

Year

# Connected devices

- 1992: 1 million
- 2003: 500 million
- 2009: 8.7 billion
- 2012: 14.4 billion
- 2013: 11.2 billion
- 2014: 18.2 billion
- 2015: 22.9 billion
- 2016: 34.8 billion
- 2020: 80 billion
WHY ARE WE LOOKING AT THE SMARTWORLD MARKET?

Consumer & Retail
- Smart thermostat
- Wearables

Automotive
- Autonomous cars
- Infotainment systems

Construction & Infrastructure
- Smart city
- Emission monitoring

Other applications
- Autonomous mining
- Smart shipping
- Smart irrigation
- Blowout prevention

UNIVERSAL APPLICATIONS
BIG MARKET, GREAT OPPORTUNITIES

2020 market
> €2bn

Sources: Frost / IDC / McKinsey / Statista / ReportsnReports / Navigant Research / Gigaom / Markets&Markets / BV
HIGH BARRIERS TO ENTRY

Technologies

License to operate

Broad client Portfolio

INDUSTRIES

• Telecoms
• Transportation
• Wearables
• Payment
• Building

Comprehensive facilities
140+ wireless chambers
BUSINESS CASE: CONNECTED CARS

Service provider

Contract

Originator
US DOT

Proprietary interface

Connected cars

Proprietary interface

US DOT

Road side equipment

Data platforms
Regional and third party traffic center

Smart services platform

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KEY PRIORITIES

**Global footprint & growing**

**Leading in complex world**

**Staying ahead of fast pace**

**Telecoms**

**Wearables / Automotive**

**Construction**

**Information security**

**Payment services**

**Embedded software**
KEY TAKEAWAYS

A fast growing and attractive market

New requirements drive TIC opportunities

BV is well positioned as #1 global player

High barriers to entry

c. €100m additional revenue by 2020
One of the largest TIC end-market

- €23bn in total o/w €14bn related to product / process TIC services

A fast growing market

- Above global TIC market

Rising TIC intensity
Agri-Food market growth drivers

- World population ~9bn by 2050
- Globalization of food supply
- Technological progress

TIC Agri-Food market drivers

- Stringent food regulations
- Consumer & Brand
- Outsourcing
PRESENT ALONG THE ENTIRE AGRI-FOOD SUPPLY CHAIN

Production  Trading  Processing  Brands  Retail and Hospitality

Upstream (Agri)  Downstream (Food)

INSPECTION  TESTING  CERTIFICATION
BUREAU VERITAS LEADERSHIP

Production  Trading  Processing  Brands  Retail and Hospitality

RICE INSPECTION
Global  #1

Production  Trading  Processing  Brands  Retail and Hospitality

CERTIFICATION
FRANCE
Organic food processing  #1

Production  Trading  Processing  Brands  Retail and Hospitality

FOOD TESTING
Canada  #1

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A SIGNIFICANT MARKET PRESENCE

An integrated player

A global network

Leadership position in specific markets
- Canada, Chile
- Seafood, fertilizers
- Product Certification
- Rice, cocoa, sugar

KEY FIGURES

- ~3% of Group revenue
- 49 Testing labs
- 1,500 Professionals
- 50+ Countries

INTERNATIONALLY ACCREDITED

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Organization
- Food service line / Regional sales hubs / Centers of expertise

Leadership in niche markets
- Seafood, fertilizers

Targeted geographical expansion
- US / Asia / Africa

Portfolio enhancement
- Packaged comprehensive offers
- Upstream testing

Innovation
- Part of Group digital strategy
KEY TAKEAWAYS

• A fast growing market

• A market presence and a recognition to leverage

• A growth model combining organic and acquisition

... to be recognized as a reference player

Increase revenue by €180m by 2020
## ONE OF THE TOP PLAYERS

### Leading Classification Societies

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Fleet in GRTm (million gross tonnage) and market share

### Steady growth of BV fleet

- **GRTm**: 76.5, 86.2, 90.9, 97.3, 102.7, ~110
- **#**: 9,500, 9,900, 10,150, 10,530, 10,900, 11,500

Source: Clarkson's 09/2015

Bureau Veritas Marine

- **#5** in tonnage
- **#2** in number of ships

Source: Bureau Veritas 09/2015

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A RESILIENT BUSINESS MODEL

Marine & Offshore revenue breakdown

- Stable growth for the in-service business balancing the new construction volatility
- Sustained performance in H1 2015: organic revenue +11.7%, GRT 4.6m of new orders intake
A DIVERSIFIED FLEET

- Presence in all types of ships
- Strong expertise in technological ships: LNGs, containers, etc.

Fleet by vessel type as of 09/2015

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<th>Vessel Type</th>
<th>Percentage</th>
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<td>Other</td>
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<td>Offshore</td>
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<td>Cargo</td>
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<td>Container</td>
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<td>Tanker</td>
<td>18%</td>
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<tr>
<td>Bulker</td>
<td>38%</td>
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WORLD FLEET SHOULD GROW ~ 2.5% P/Y ON AVERAGE

New ships orders

World total cargo fleet growth

Source: IHS
FULL SCOPE OF SERVICES FOR THE OFFSHORE MARKET

Full scope of services… … for all type of assets

Advisory Services
- Structural analysis
- Risk & safety
- Loss adjustment

3rd party Certification
- Classification
- Equipment certification
- Marine warranty survey

Inspection Services
- 2nd party procurement
- Commissioning
- NDT & Asset Integrity Management (Opex)

Drilling
Production
Subsea
Support
OIL & GAS OFFSHORE MARKET TRENDS

O&G offshore capex ($bn)

- Strong presence in Floating Production
- Mid term, SPS will be a large opportunity

Source: IHS

SPS: Subsea Production Systems
ADDITIONAL GROWTH DRIVERS

Regulatory pressure

- Air emissions
- Ballast water
- Social responsibility

Demand for high value services

- Engineering
- Risk assessment
- Energy efficiency

- Risk assessment
- Marine warranty
- Loss adjustment

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RESPONSIVENESS IS KEY IN THE MARITIME ENVIRONMENT

Dedicated network in more than 90 countries

5 Geographical zones
- North Asia
- South Asia
- North Europe & North America
- South Europe & MEA
- Latin America

16 Local technical centers

12 Marine centres

180 Survey stations

2,300 Technical staff

- Survey stations
- Local plan approval offices
- Marine operations centre
- Regional training centre
INNOVATION AT THE HEART OF OUR SERVICES

Hydro-structure
- Hydrodynamic simulations
- Virtual tank tests

Risk management
- Simulation
- Risk based rules
- Alternative designs

Digital
- Monitoring
- Embedded SW
- Big data

4% OF REVENUE INVESTED IN RESEARCH & DEVELOPMENT (R&D)

STRATEGIC ALLIANCE ESSENTIAL TO EFFECTIVE R&D
KEY TAKEAWAYS

- High barriers to entry
- Leading expertise and innovative services
- Resilient business model

Diversify into innovative services and maintain technological leadership

Incremental revenue c. €80m by 2020