

# Bureau Veritas

Paris-La Défense, November 6, 2007

## Quarterly information

### Strong growth in revenue over first nine months of 2007

#### **Revenue of €1,467.2 million, up 9.2% on a like-for-like basis**

Q3 2007 revenue rose 10.1% relative to Q3 2006, to €497.8 million, including organic growth of 9.7%, a 2.6% increase from changes in the scope of consolidation and a 2.2% negative impact from currencies.

Over the first nine months of 2007, revenue totalled €1,467.2 million. The 8.8% rise vs. the first nine months of 2006 stemmed from the following factors:

- Organic growth of 9.2%, driven by a surge in revenue in the Marine, Industry and Government Services & International Trade businesses, healthy performances in Certification and Consumer Products, limited growth in the Inspection & In-service Verification and Construction businesses, while Health, Safety & Environment activities were virtually stable.
- A 2.1% increase in revenue prompted by changes in the scope of consolidation, primarily with the contribution from the Australian companies CCI Holdings, Intico Integrity Engineering and IRC, NEIS in the US and Innova in Germany. Note that ECA Global, the Spanish acquisition which was approved by the Spanish anti-trust authorities on October 15, did not contribute to nine-month revenue.
- A 2.5% negative impact from currencies, resulting from a stronger euro relative to the US and Hong-Kong dollars and the Japanese yen.

## Revenue growth by business

<i>Euro millions</i>	<i>2007</i>	<i>2006</i>	<i>Overall growth</i>	<i>Organic growth</i>
Marine	60.3	50.8	18.7%	<b>20.7%</b>
Industry	77.1	60.4	27.6%	<b>20.4%</b>
Inspection & In-Service Verification (IVS)	58.7	55.7	5.4%	<b>5.4%</b>
Health, Safety & Environment (HSE)	46.3	43.9	5.3%	<b>4.7%</b>
Construction	91.1	92.8	(1.9)%	<b>1.7%</b>
Certification	52.8	50.8	4.1%	<b>3.3%</b>
Consumer Products	70.8	66.4	6.6%	<b>13.0%</b>
Government Services & International Trade (GSIT)	40.7	31.3	30.1%	<b>13.1%</b>
<b>Total Q3</b>	<b>497.8</b>	<b>452.1</b>	<b>10.1%</b>	<b>9.7%</b>
Marine	182.0	154.1	18.1%	<b>20.8%</b>
Industry	210.6	166.5	26.5%	<b>18.8%</b>
Inspection & in-service Verification (IVS)	183.3	173.2	5.8%	<b>5.4%</b>
Health, Safety & Environment (HSE)	142.0	140.1	1.4%	<b>(0.6)%</b>
Construction	277.3	280.2	(1.0)%	<b>1.4%</b>
Certification	172.5	162.2	6.4%	<b>7.8%</b>
Consumer Products	191.1	185.2	3.2%	<b>9.9%</b>
Government Services & International Trade (GSIT)	108.4	87.1	24.5%	<b>20.0%</b>
<b>Total 9 months</b>	<b>1,467.2</b>	<b>1,348.6</b>	<b>8.8%</b>	<b>9.2%</b>

By business, growth in nine month 2007 revenues broke down as follows:

The **Marine** business posted high growth of 20.8% on a constant exchange rate basis driven by new construction activities in China and Korea, equipment certification (China, Korea and Germany), and also ship-in-service verification.

**Industry** also benefited from a surge in organic growth (+18.8%) primarily prompted by the oil & gas (UK, Middle-East, Russia and Brazil) and electricity sectors (France and China). Note that changes in the scope of consolidation (mainly CCI Holdings and Intico Integrity Engineering) accounted for 10.5% of growth in revenues over the first nine months of 2007.

Growth in the **Inspection & In-service Verification (IVS)** segment stood at 5.4% and was driven by a healthy performance in France (5.4%), whereas revenues were stable in the UK (-0.4%) where the environment remained very competitive, and in Benelux (-0.2%).

Revenues in the **Health, Safety & Environment** segment were virtually stable, down 0.6% on a like-for-like basis, with buoyant growth of 7.3% in France, a stabilisation in the US (-0.9%) and a further decrease in the UK (-9.6%). The contribution from acquisitions of +4.7% (mainly Kilpatrick, IRC and Alert Solutions) was partly offset by the 2.7% negative impact from currencies.

The **Construction** business posted low like-for-like growth of 1.4%. The surge in sales in France (+7.8%), Spain (+7.3%), the UK (+6.5%), and Japan (+15.7%) helped the group offset the decline in the US market (-21.4%).

Healthy organic growth in **Certification** of 7.8% stemmed from robust activity in the environmental and social responsibility management systems as well as in the new customized audit activities. Note that Q3 organic growth was more modest at 3.3% due to the triennial recertification cycle, which caused a peak in business in H2 2006.

Organic growth in the **Consumer Products** business was high at 9.9% and especially so in the electrical and electronics segment in France and the US, as well as in the toys segment in Asia. Note that currency changes negatively impacted nine-month revenues by 6.6%.

Revenues in the **Government Services & International Trade (GSIT)** segment rose 20.0% on a like-for-like basis and benefited from sharp growth in imports inspected in Angola, growth in verification of conformity contracts in Saudi Arabia and the rising momentum of recent pre-shipment inspection (PSI) contracts with the governments of Cambodia, Mali and the Democratic Republic of Congo. In contrast, the contract in Ecuador will gradually come to an end. In addition, the consolidation of CCI Holdings' coal testing business contributed 6.3% of growth in the business line.

## **Main events during Q3 2007 and in the recent period**

- **Further acquisitions**

Since July 1, 2007, Bureau Veritas has continued its acquisitions strategy to bolster positions in Europe, North America and Asia, in virtually all operating businesses: Lex Consulting (Czech Republic), Guardian Inspection (US), Jadzis (Latvia), AQSR (US), Trotters (Denmark), Analab (Czech Republic), Qualista (France) and more recently Bosum (China), a company specialised in the analysis of health, safety and environment risks for the oil sector and the petrochemicals industry.

On October 15, Bureau Veritas completed the acquisition of 100% of the capital of ECA Global, following approval by the Spanish anti-trust authorities. Note that this acquisition should enable Bureau Veritas to become the leading Spanish group in inspection and in-service verification, industrial services, certification and technical control of buildings.

- **Successful stockmarket flotation**

Bureau Veritas was floated on the Eurolist of Euronext Paris on October 24, 2007. The initial public offering met with great success with French and international institutional investors, as well as with individual private investors. The high level of demand and the high institutional oversubscription rate of over 10 times the base offering allowed the IPO price to be set at the top of the indicative price range of 37.75 euros a share.

- **Additional financing of € 150 million**

On October 8, the group signed a €150 million term loan facility with a maturity of five years. The loan aims to finance the group's general requirements and underpin its expansion strategy.

The amounts drawn carry interest at a rate defined as the sum of the market rate and the applicable margin. The margin rate is the Euribor rate (European Inter-bank offered rate). Margins vary from 0.325% to 0.575% depending on the leverage ratio, defined as the ratio of consolidated net debt to adjusted last 12 months EBITDA.

## **Outlook**

The group is maintaining its full-year forecasts for revenue of close to €2 billion and adjusted operating profit of around €300 million in 2007 (excluding the contribution from ECA Global), despite the ongoing decline in the US and Hong Kong dollars relative to the euro. Taking into account the success of the placement and of the share employee offering, IPO related costs for Bureau Veritas are estimated at around €37 million in 2007.

For 2011, Bureau Veritas is confirming its target for revenues to double relative to 2006, based on both average organic growth of 8% a year and on acquisitions, for a 150 basis point widening in adjusted operating margin on a same structure basis (excluding the impact of acquisitions), and for average annual growth over the period in net income (Group share) of 15-20% (excluding non-recurring items).

### **About 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 commodity testing. Bureau Veritas is recognised and accredited by major national and international organisations.*

*Bureau Veritas is present in 140 countries through a network of 700 offices and laboratories. It has more than 27,000 employees and a client base of more than 280,000.*

*In the last ten years, since 1996, Bureau Veritas has quadrupled its sales to €1.846 billion in 2006. Its operating profit has increased seven-fold to €268 million. In 2006, the group posted consolidated net profit of €154 million.*

*Since 24 October 2007, Bureau Veritas has been listed on the Euronext Paris Eurolist (Compartment A, code ISIN FR 0006174348, mnemonic: BVI).*

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