PRESS RELEASE

October 18, 2016

Bureau Veritas Nine Months 2016 Revenue

As announced on October 13, 2016, Bureau Veritas takes the opportunity of its Combined Shareholders' meeting due today to anticipate its 9 months 2016 revenue publication

Resilient revenue, improvement delayed due to market-specific headwinds
Positive momentum on BV 2020 strategic plan execution
All in all, full-year 2016 outlook slightly revised down

- **9 months 2016 revenue of €3,358 million, up 1.0% at constant currencies versus last year; slight 0.8% organic[1] contraction, including a 1.0% decline in the third quarter**
- **Two specific market headwinds weigh on Q3 revenue**
  - Marine hit earlier than expected by the shipping cycle downturn
  - Persistently challenging markets in Oil & Gas capex (down 21%)
- **Improving trends in several businesses**
  - Accelerating growth in Consumer Products and Certification
  - Recovering trends in Commodities with Metals & Minerals back in positive territory
- **BV 2020 Strategic Plan execution gaining momentum**
  - 7 Growth Initiatives out of 8 delivering (at the exception of M&O)
    - Growth Initiatives adding €71m organically to 9 months 2016 revenue
    - YTD acquisitions representing circa €150m of annualized revenue, including Shanghai Project Management
  - China focus on track
    - Signing of Shanghai Project Management, third Chinese acquisition of the year (Building & Infrastructure)
    - China well underway to become the leading country of BV in revenue this year
- **Slight downward revision of full-year 2016 outlook**
  - Full-year 2016 organic revenue growth expected to be slightly negative, primarily due to Marine shortfall and persistent Oil & Gas capex weakness
  - Consequently, full-year 2016 adjusted operating margin lowered to the 16.0%-16.5% range, amongst the highest in the TIC industry
  - Full-year 2016 cash flow generation to remain strong, below last year's record level
- **Successful bond refinancing:** €700 million raised through a 7-year and 10-year non-rated bond issue on August 31, 2016, with coupons of 1.25% and 2% respectively.

Revenue as of September 30

€ millions	**2016**	**2015**	***Total growth***	***Organic***	***Scope***	***Currencies***
3rd quarter	**1,136.4**	1,143.0	*-0.6%*	*-1.0%*	*+2.7%*	*-2.3%*
9 months	**3,357.7**	3,461.7	*-3.0%*	*-0.8%*	*+1.8%*	*-4.0%*

[1] Organic growth is the increase in revenue versus last year, at constant currency and scope (i.e. acquisitions excluded)

Chief Executive Officer, Didier Michaud-Daniel, commented:

"As we continue to operate in a mixed economic environment, the slow start to the year observed in the first half of 2016 is confirmed in the third quarter.

Two market factors - weakness in Oil & Gas and downturn in Marine market - should not hide the good progress across the rest of the Group. These headwinds fully validate BV's diversification strategy. We are showing good resilience thanks to the less cyclical part of our portfolio and our eight Growth Initiatives are globally delivering good performances. Our Consumer Products business is back to a sustained pace of growth, our Certification business is expanding robustly, and our Commodities business is recovering, led by Agri-Food and a stabilized situation in Metals & Minerals.

Against this revenue picture, we are accelerating our efforts to improve revenues and to reduce costs so as to maintain a high level of operating margin and a strong financial position. We now anticipate 2016 organic revenue growth to be slightly negative. Accordingly, we expect the adjusted operating margin to be within the 16.0% to 16.5% range for the full-year 2016 and our cash flow generation to remain strong.

Our ambition is intact: we remain highly committed to the execution of our 2020 strategic plan."

Revenue

Revenue for the nine months ended September 30, 2016 totaled €3,357.7 million, a 1.0% increase versus the same prior-year period at constant currencies. Third-quarter 2016 revenue came out at €1,136.4 million, up 1.7% compared to the same period one year ago at constant currencies.

Organic growth came in at a negative 0.8% for the first nine months of 2016, including a contraction of 1.0% in the third quarter. The slowdown versus the first six months of the year primarily reflects an earlier-than-expected deterioration in the Marine division, due to the Offshore business, a fresh construction slowdown in Asia and particularly challenging comparatives. On a positive note, several businesses are showing strong resilience, notably the less cyclical part of our portfolio, including Consumer Products, Certification, IVS and the Commodities business, which is recovering led by Agri-Food and a Metals & Minerals activity back in positive territory.

In the first nine months of 2016, the activities falling under the eight Growth Initiatives represented incremental revenues of €71 million and contributed 2.1 points to Group organic growth, broadly in line with the momentum of the first six months of the year despite the drag from Marine (-€9.4m in Q3 16). The other activities made a negative 2.9 points contribution to Group organic growth, including a negative 1.6 points impact from Oil & Gas capex-related activities. The latter activities, which represent 6% of Group revenue, declined by 21% in the first nine months of 2016.

Organic revenue growth in the EMEA region (44% of revenue) slowed in the first nine months of 2016, with a deceleration in Europe owing to a challenging comparison base, partly offset by much more dynamic trends in the Middle East. APAC (31%) posted modest growth, held back by its exposure to the Mining and Oil & Gas end-markets. The Americas (25%) were also strongly impacted by Oil & Gas capex cuts, with Latin America on an improving trend however, thanks to diversification efforts in prior periods.

Changes in the scope of consolidation contributed 1.8% to growth in the first nine months of 2016 and 2.7% in the third quarter.

In October 2016, Bureau Veritas signed its third Chinese acquisition of the year, Shanghai Project Management, a company specialized in mandatory construction project supervision for infrastructure and non-residential high rise buildings with leading position in China, in particular in the Shanghai area. Its revenue in 2015 was around €50m. This acquisition fits perfectly the 2020 strategic ambitions to expand the Group's presence in China, and reinforce its position in Building & Infrastructure. The completion is pending local authorities' approval.

Currency fluctuations had a smaller negative 2.3% impact in the third quarter, and represented a negative 4.0% impact in the first nine months of the year.

Revenue by business

(€ millions)	2016	2015	Growth			
			Total	Organic	Scope	Currencies
Marine & Offshore	92.0	101.6	-9.4%	-9.8%	+1.9%	-1.5%
Industry	225.7	255.0	-11.5%	-9.0%	+1.0%	-3.5%
In-service Inspection & Verification	146.7	145.9	+0.6%	+3.7%	-	-3.1%
Construction	150.1	140.2	+7.1%	-1.6%	+8.5%	+0.2%
Certification	80.4	76.7	+4.8%	+7.6%	+0.1%	-2.9%
Commodities	214.6	202.1	+6.2%	+3.9%	+4.8%	-2.5%
Consumer Products	165.7	157.0	+5.5%	+4.5%	+2.9%	-1.9%
Government Services & International Trade (GSIT)	61.2	64.5	-5.1%	-4.1%	-	-1.0%
Total Q3	**1,136.4**	**1,143.0**	**-0.6%**	**-1.0%**	**+2.7%**	**-2.3%**
Marine & Offshore	295.7	303.8	-2.7%	-1.2%	+1.5%	-3.0%
Industry	674.4	797.2	-15.4%	-9.5%	+0.3%	-6.2%
In-service Inspection & Verification	440.1	433.0	+1.6%	+4.7%	-	-3.1%
Construction	433.2	411.8	+5.2%	-0.3%	+7.4%	-1.9%
Certification	252.9	247.6	+2.2%	+6.1%	-	-3.9%
Commodities	614.0	619.8	-0.9%	+2.1%	+2.1%	-5.1%
Consumer Products	465.9	451.9	+3.1%	+3.0%	+2.6%	-2.5%
GSIT	181.5	196.6	-7.7%	-4.2%	-	-3.5%
Total 9M	**3,357.7**	**3,461.7**	**-3.0%**	**-0.8%**	**+1.8%**	**-4.0%**

MARINE & OFFSHORE

The Marine & Offshore business posted a slight 1.2% decline in revenue in the first nine months of 2016 as expansion in New Construction and the core In-Service activities was offset by a sharp decline in the offshore business.

After a robust first six months of 2016, growth in the third quarter was sharply negative in New Construction, reflecting (i) the fact that a number of Equipment certification engagements had been brought forward to the second quarter, (ii) a challenging comparison base, and (iii) the overall sluggish market environment for new builds, especially in China. New orders at the end of September 2016 amounted to 1.6 million gross tons, down sharply on the prior-year period. Revenue for the In-Service business was down in the third quarter, as a result of weakness in the otherwise resilient core in-service ships activities due to a surge in vessels put into lay-up, and a double-digit decline in risk assessment for offshore activities.

For full-year 2016, the Group expects organic growth to be slightly negative, reflecting the impact from weaker activity in New Construction and from continued offshore drag. Going forward in this challenging market environment, the Group is taking actions on costs to safeguard margins.

INDUSTRY

Organic growth was down sharply by 9.5% in the first nine months of 2016, with consistent rates of declines across the three quarters. This performance mostly reflects the significant fall in revenue of Oil & Gas capex-related activities (down 21% across all businesses), with double-digit declines in regions highly exposed to this end-market (Americas, Australia). Europe and the Middle East were more resilient, owing to their country and sector diversification.

For full-year 2016, the Group expects organic growth to be negative, reflecting the impact of persistently weak activity in Oil & Gas, although the negative trends are likely to ease in the fourth quarter, primarily as a result of a more favorable comparison base.

IN-SERVICE INSPECTION & VERIFICATION (IVS)

Organic growth was robust in the first nine months of 2016 at 4.7%, reflecting the strength of the IVS model in an overall muted economic environment. The third-quarter performance reflected lower growth in Europe, penalized by the slowdown in France and a challenging comparison base in the UK. However, growth accelerated in North America, driven by the turnaround in Canada and strong commercial momentum in the US.

For full-year 2016, the Group expects IVS to continue broadly on the same growth trend. The Group will continue to develop both voluntary and mandatory services targeting the Building & Infrastructure market in mature and emerging countries.

CONSTRUCTION

Organic growth was broadly stable in the first nine months of 2016 (down 0.3%), despite the major geography (Europe) turning negative in the third quarter. Specifically, France was penalized by a high comparison base, driven by regulatory drivers that boosted opex activities in the second half of 2015 (Energy Efficiency, ADHAP). On a positive note, capex-related activities in France are trending up. China remained under pressure owing to the country’s exposure to Oil & Gas activities, while growth was solid in Latin America.

For full-year 2016, the Group expects overall growth for Construction to be muted. Mid-long term, the Group will continue its targeted geographical expansion.

CERTIFICATION

Organic growth was strong in the first nine months of 2016, coming out at 6.1%, with good performances across the board, in particular in the Americas and in Asia, and with mixed performances in Europe. Growth was fueled by Agri-Food, supplier audits and the broader brand protection theme, which is a secular growth driver for the business.

For full-year 2016, the Group expects the Certification business to deliver strong growth, and to continue to benefit from the focus on key accounts as well as the development of sector schemes and supply chain services in strategic markets (Agri-Food, Automotive and Aeronautics).

COMMODITIES

Organic growth came out at a robust 2.1% in the first nine months of 2016, with a rebound in the third quarter driven by a slight recovery in the Metals & Minerals upstream activity.

- Growth for the Oil & Petrochemicals segment (O&P, 50% of revenue) grew briskly at 3.5% in the first nine months of 2016, outperforming the market, although the pace slackened somewhat in the third quarter due to more challenging comparison bases.
- The Metals & Minerals segment (M&M, 33% of revenue), which had posted a strong decline in the first six months of 2016, was back in positive territory in the third quarter (up 2.4%), driven by volume growth in upstream-related services in Australia (notably in the Gold segment). In addition, trade-related activities remained slightly up, led by the non-coal-related activities. Overall, for the first nine months of 2016, organic growth came out at a negative 4.4%.

- The Agri-Food segment (17% of revenue) continued to enjoy strong double-digit growth of 12.9% for the first nine months of 2016.

For full-year 2016, the Group foresees continuous growth with improving trends in upstream activities, mainly reflecting a more favorable comparison base. Going forward, Bureau Veritas will develop new services for the O&P segment and more recurring opex and trade-related activities for the M&M segment.

CONSUMER PRODUCTS

The Consumer Products business experienced a gradual improvement in growth in the first nine months of 2016, with a confirmed recovery through the third quarter. Growth for the first nine months came out at 3.0% overall. With the negative impact of the two key accounts now out of the picture, growth improved in the Hardlines and Electrical & Electronics/Mobile segments, while the business in Softlines remained robust.

For full-year 2016, organic growth is expected to be moderate, reflecting the slow start to the year but a higher exit rate. Mid-long term growth will be driven by initiatives in Smartworld, Automotive, and domestic markets in Asia.

GOVERNMENT SERVICES & INTERNATIONAL TRADE

Organic growth in the first nine months of 2016 was weak (down 4.2%), as the contribution of new Single Window contracts is not yet offsetting the drop in volumes due to contract completions and lower business volumes in countries reliant on commodities (Western Africa). In the third quarter, improved trends in Verification of Conformity, driven by strong growth in Eastern Africa and the stabilization of the Iraq contract, partly offset the sharp drop in Government Inspection Services and the impact of a challenging comparison base (double-digit growth in third-quarter 2015).

For full-year 2016, the Group expects overall negative growth, with no major improvement in activity in the last three months of the year. Going forward, the Group is focusing on cost management.

Financial position

At end-September 2016, the Group's adjusted net debt increased compared with June 30, 2016, due to the recent bond issuance.

With this issuance Bureau Veritas seized attractive market conditions to anticipate the refinancing of its €500 million bond maturing in May 2017 and allowed the financing of its external growth, in line with the Group 2020 strategic plan. This transaction will positively impact financial costs from mid-2017, as the Group redeems its 2017 bond.

Outlook

Due to an earlier-than-expected deterioration in the Marine business and persistent Oil & Gas capex weakness, the Group now anticipates 2016 organic revenue growth to be slightly negative. This will negatively impact the adjusted operating margin, which the Group now expects to be in the 16.0%-16.5% range for FY2016, and the cash flow generation, which it still sees being strong, below last year’s record level.

The Group remains highly committed to executing our 2020 strategic plan as presented in October 2015.

Conference call

Tuesday, October 18, 2016 at 6.00 p.m. CET
The conference call in English will be broadcast live and after the event on the Group's website (http://finance.bureauveritas.com).
All supporting documents will also be available on the website.

2017 financial agenda

February 24, 2017: 2016 full year results

May 11, 2017: Q1 2017 trading update

May 16, 2017: Shareholders' Meeting

July 28, 2017: 2017 first half results

November 8, 2017: Q3 2017 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 68,400 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.
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