



BUREAU
VERITAS

CHINA

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CHINA TIC MARKET ATTRACTIVENESS

1

The largest TIC market

2

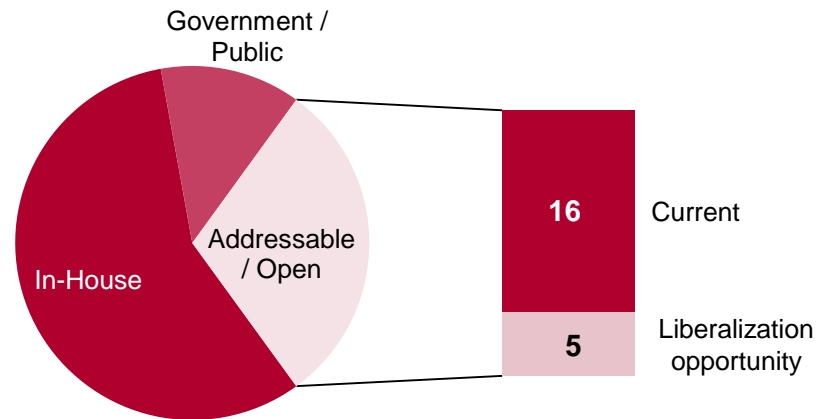
Economy in the world

Sustainable drivers



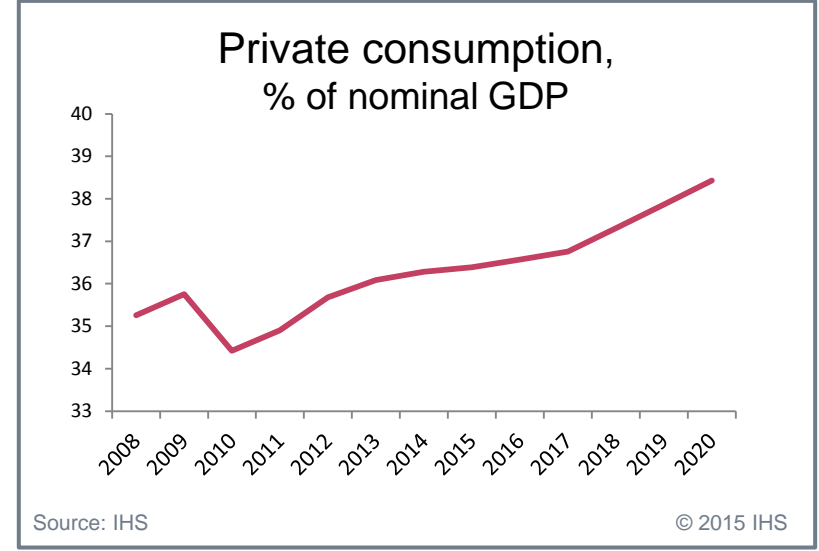
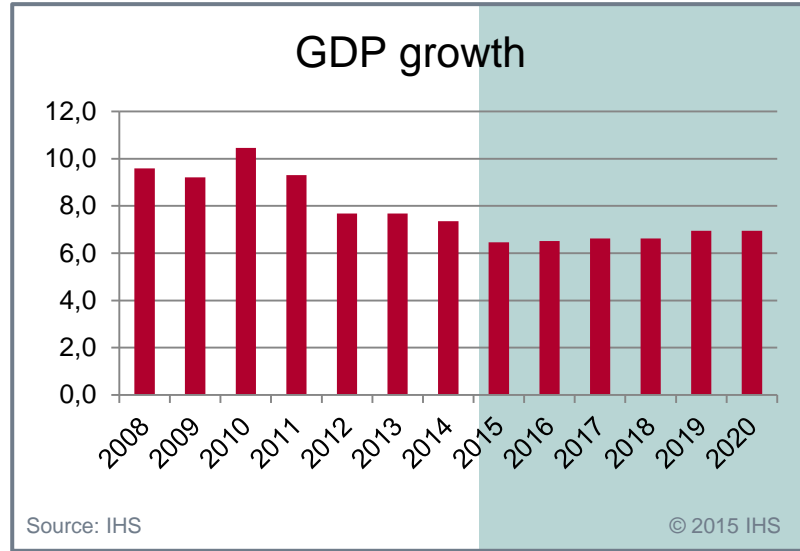
1. Growing middle class
2. Strengthening of regulations
3. Liberalization of TIC services

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

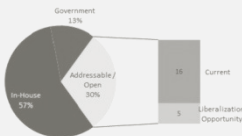
Growing middle class & urbanization



Strengthening of regulations



Progressive liberalization



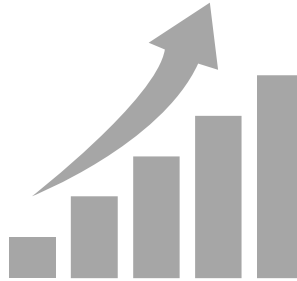
- 1 Investment in infrastructure, transport, energy production
- 2 Growing addressable TIC market
- 3 Domestic market opening

BUREAU VERITAS' JOURNEY IN CHINA

2010

Established footprint

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



2015

Revenue x2 (~15% of Group revenue)

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

COMPETITIVE POSITIONING

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

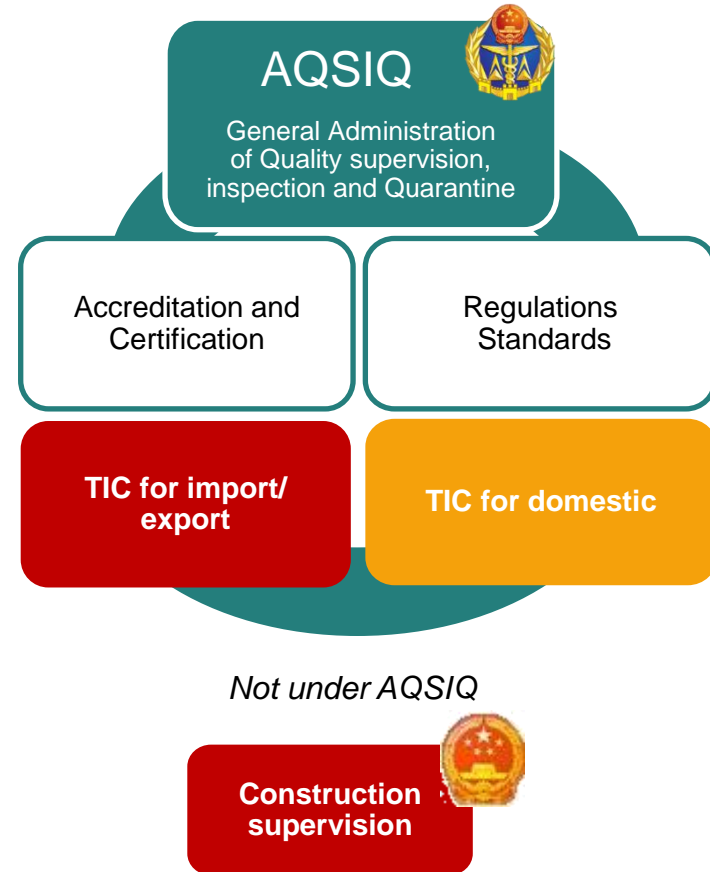
4 year to date • €65m revenue
1,500+ employees



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



TIC MARKET LIBERALIZATION

Objectives



Potential market to be privatized €5bn

Challenges



Government
TIC bodies

Public

Regulations
and supervision
management

Commercial
playing field

1. State owned
2. **International
3rd parties**
3. Domestic
3rd parties

A GREAT OPPORTUNITY THAT WILL
MATERIALIZE GRADUALLY

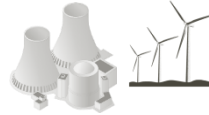
GROW IN KEY STRATEGIC SEGMENTS



**RETAIL &
CONSUMER GOODS**



URBANIZATION



ENERGY



AUTOMOTIVE

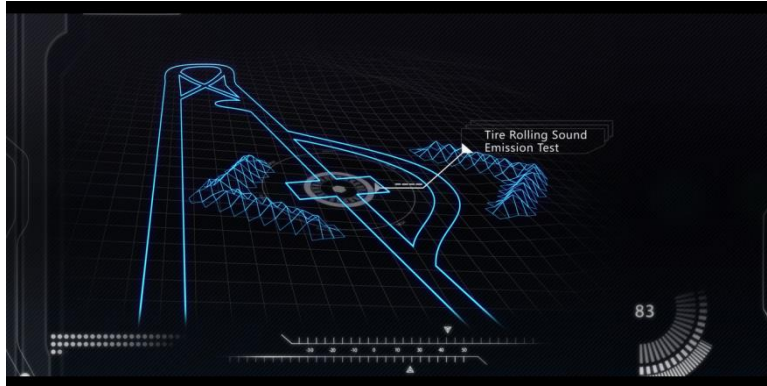


**WIRELESS /
SMARTWORLD**

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: TIRE PROVING GROUND



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

