REFERENCE DOCUMENT 2007

BUREAU VERITAS

Move Forward with Confidence

CONTENTS

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This document is a non-certified free translation of the French language *Document de reference 2007*, which was filed with the Autorité des marches financiers (AMF)* on April 21, 2008, under number R.08-028, pursuant to the provisions of Article 212-13 of its General Regulations. It may be used in support of a financial transaction where it is supplemented by a prospectus approved by the AMF.

This document was drawn up by the issuer and binds the signatories.

This filing, carried out pursuant to the provisions of Article L621-8-1-I of the French Monetary and Financial Code, after the AMF had checked *"that the document is complete and understandable, and that the information therein is consistent"*, does not imply verification by the AMF of the accounting and financial items presented.

Copies of this reference document are available free of charge from the registered office of Bureau Veritas at 17 bis, Place des Reflets, La Défense 2 - 92400 Courbevoie - France. It may also be consulted on the website of Bureau Veritas **(www.bureauveritas.com)** and on the website of the AMF **(www.amf-france.org)**.

Pursuant to Article 28 of Commission Regulation (EC) No. 809/2004, the following information is included by reference in this reference document:

- The consolidated financial statements in respect of fiscal years 2005 and 2006 as well as the corresponding audit reports set out on pages 177 to 234 of the Document de base filed with the AMF on July 11, 2007 under number I.07-127.

** French market regulator*

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PRESENTATION OF THE GROUP

1.1. Overview

Founded in 1828, Bureau Veritas considers itself to be the world's second largest group (based on revenue and number of employees in 2007) offering conformity assessment services in the areas of quality, health, safety, environment and social responsibility ("QHSE"), and considers itself to be the world leader for QHSE services excluding commodities testing. The Group's business involves inspecting, testing, auditing or certifying products, assets (such as buildings, industrial infrastructure, equipment and ships) and management systems (particularly ISO norms) based on regulatory or voluntarily adopted standards.

The Group is one of the leading world players in each of the market segments where its eight businesses are present:

- ship classification (Marine business);
- services for industry (Industry business);
- inspection and verification of equipment in service (In-Service Inspection & Verification business (IVS));
- inspection, audit, measuring and testing services in the fields of health, safety and environment (Health, Safety & Environment business (HSE));
- construction services (Construction business);
- certification of management systems or services (Certification business);
- inspection and testing of consumer products (Consumer Products business); and
- services related to customs control and international trade services (Government Services & International Trade business - GSIT).

The Group is currently present in 140 countries through a network of 850 offices and laboratories. It employs over 33,000 people and serves approximately 300,000 customers.

1.2. Selected financial information

The tables below set forth information taken from the Group's consolidated financial statements for the years ended December 31, 2005, 2006 and 2007 which were prepared and audited in accordance with IFRS.

This information should be read and evaluated in conjunction with the Group's audited financial statements and the notes thereto presented in Chapter IV - Consolidated financial statements.

Selected income statement data of Bureau Veritas

(in millions of euros)	2007	2006	2005
Revenue	2,066.9	1,846.2	1,647.2
Adjusted operating profit[1]	312.1	268.3	243.7
Adjusted operating margin in %	15.1%	14.5%	14.8%
Net finance costs	(47.7)	(37.9)	(17.5)
Attributable net profit	**158.4**	**154.0**	**150.5**

(1) Adjusted operating profit is defined as operating profit before income and expenses related to acquisitions and other elements considered as non-recurring. Adjusted operating margin is calculated on the basis of adjusted operating profit as a portion of revenue.

Reconciliation of operating profit with adjusted operating profit

(in millions of euros)	2007	2006	2005
Operating profit	**265.5**	**257.1**	**236.6**
Amortization of intangible assets resulting from business combinations	9.6	5.0	0.7
Goodwill impairment	0.3	-	3.8
Income from disposal of businesses	-	1.9	-
Reorganization costs	-	2.3	0.6
Management fees paid to the principal shareholder	1.6	2.0	2.0
Initial public offering related expenses	35.1	-	-
Adjusted operating profit	**312.1**	**268.3**	**243.7**

Selected cash flow data of Bureau Veritas

(in millions of euros)	2007	2006	2005
Consolidated net profit	**163.4**	**157.1**	**153.1**
Movements in working capital	(10.1)	(17.5)	(20.4)
Net cash generated from operating activities	**217.3**	**203.0**	**195.6**
Purchases of property, plant and equipment	(51.0)	(44.4)	(42.4)
Proceeds from sales of property, plant and equipment	1.5	4.9	7.3
Dividends received	1.3	2.8	0.6
Interest paid	(35.5)	(28.8)	(20.3)
Levered free cash flow	**133.6**	**137.5**	**140.8**

Selected balance sheet data

(in millions of euros)	2007	2006	2005
Total non-current assets	898.9	718.9	675.4
Total current assets	910.3	701.1	656.3
Total equity	165.5	228.1	204.3
Non-current financial liabilities	742.2	449.8	454.3
Other non-current liabilities	190.3	177.9	175.9
Current liabilities	716.7	564.2	497.2
Net financial debt[1]	**667.3**	**387.6**	**356.5**

(1) Net financial debt is defined as the Group's total financial liabilities less marketable securities and similar assets and cash on hand.

Revenue by business 2005-2007

(in millions of euros)	2007	2006	2005
Marine	247.2	208.9	180.3
Industry	299.1	231.5	200.3
In-Service Inspection & Verification	268.3	242.9	209.4
Health, Safety & Environment	201.2	188.9	146.7
Construction	393.1	375.4	354.7
Certification[1]	247.1	230.4	184.1
Consumer Products	259.2	248.3	209.0
Government Services & International Trade[1]	151.7	145.1	162.7
Consolidated revenue	**2,066.9**	**1,846.2**	**1,647.2**

(1) As of January 1, 2007, the civil aviation certification business was moved from the Government Services & International Trade business to the Certification business and 2006 figures have been restated accordingly.

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Adjusted operating profit by business 2005-2007

(in millions of euros)	2007	2006	2005
Marine	71.0	51.0	41.9
Industry	35.0	26.7	20.0
In-Service Inspection & Verification	24.1	25.5	25.9
Health, Safety & Environment	11.6	16.9	7.0
Construction	45.6	35.7	36.9
Certification[1]	46.0	42.7	33.5
Consumer Products	57.1	54.8	50.1
Government Services & International Trade[1]	21.7	15.0	28.4
Consolidated adjusted operating profit	**312.1**	**268.3**	**243.7**

(1) As of January 1, 2007, the aircraft certification business was moved from the Government Services & International Trade business to the Certification business and 2006 figures have been restated accordingly.

1.3. History

Bureau Veritas was founded in 1828 in Anvers, Belgium, for the initial purpose of collecting, verifying and providing maritime insurance companies with precise and up-to-date information about the condition of ships and their equipment around the world. Bureau Veritas' headquarters were transferred to Paris in 1833, and an international network was rapidly created to follow classed ships, first in Europe, then in North and South America, and ultimately in the principal ports in the rest of the world.

At the beginning of the twentieth century, the Company engaged in new activities such as the inspection of metallic parts and equipment inspection for the steel industry, and subsequently for the whole industrial sector. In 1922, the French government hired Bureau Veritas to control the airworthiness of civil aircraft. In 1927, the Company created a department in charge of inspecting trucks and buses.

In 1929 Bureau Veritas created a building technical control department and opened its first laboratories near Paris to provide clients with metallurgical and chemical analyses, as well as testing services for construction materials.

From 1980 to 1990, two new global businesses were launched which enabled the Group to increase the scope of its operations:

- in 1984, the government of Nigeria asked Bureau Veritas to set up a merchandise inspection system for goods to be imported into the country before their shipment. This contract initiated a new global business, called Government Services. Numerous countries in Africa, Latin America and Asia have since hired Bureau Veritas to set up pre-shipment inspection programs for products they import; and
- in 1988, as quality management was becoming a priority for businesses, Bureau Veritas created a subsidiary called BVQI (renamed Bureau Veritas Certification) to help client businesses and organizations obtain the ISO 9001 quality certification. A strategy of worldwide deployment of this business was carried out from the beginning, and Bureau Veritas Certification is today the world leader in systems certification.

In 1995, CGIP (now, Wendel) and Poincaré Investissements together acquired the majority of the capital of Bureau Veritas, giving a new impetus to the development of the Company. In addition, several changes in the market benefited the business of inspection, certification and laboratory testing: strong growth in world trade, the sophistication and globalization of supply chains, the reinforcement of the regulatory environment in the fields of health and safety, environment and social responsibility as a result of growing pressure from public opinion and non-governmental organizations, and more recently the renewal of global investments in the energy production and transportation and commodities sectors.

The Group has adopted an active growth strategy, both internally and externally, to become the world leader in the market for conformity assessment and certification services, to strengthen its leadership position in each of its eight global businesses and acquire critical size in each of the countries where it operates. Among the initiatives launched in the last ten years, some are particularly significant:

- in 1996, the Group acquired 100% of the capital of CEP in France, thus becoming the leader for conformity assessment in the field of construction in France;
- the acquisition and merger of the American companies ACTS (in 1998) and MTL (in 2001), both specializing in consumer products laboratory testing, enabled Bureau Veritas to add a new business to its portfolio. Accordingly, over the period of a few years Bureau Veritas became one of the principal global players for laboratory testing and inspecting the full range of consumer products manufactured in Asia and sold through major distributors in the United States and Europe. More recently, the Group reinforced this business by developing a solid presence in the electric and electronic products laboratory testing markets, with the acquisition of specialized laboratories in France, the United States, China and Taiwan;
- in the United States, Bureau Veritas became a key player in the field of construction services, with the successive acquisitions of US Laboratories in 2003, of Berryman & Henigar (West Coast and Florida), Graham Marcus (Texas) and LP2A (Northern California). Similarly, in the field of HSE (Health, Safety & Environment) services, Bureau Veritas acquired Clayton Group Services, followed by the integration of NATLSCO. Finally, an industrial inspection group was created using the capabilities of the Hunt and Unitek companies and the inspection business of the OneBeacon insurance group;
- in the United Kingdom, the acquisition in 2002 of the Weeks group enabled the Group to create an inspection and consulting group in the environmental field, and to take advantage of strong capabilities in testing construction materials and analytical chemistry. The acquisition of the inspection business of the Norwich Union insurance company, and more recently, the integration of Casella enabled the Group to establish an IVS (In-Service Inspection & Verification) business and an HSE services group; and
- in Australia, Bureau Veritas has established a platform via successive acquisitions in 2006 and 2007 in the HSE, industry services (more specifically for the mining industry) and laboratory testing of coal fields. Three companies were acquired in 2006 (Kilpatrick, Intico and IRC). In June 2007, Bureau Veritas acquired CCI Holdings, the second largest inspection services group and the leader in the laboratory testing of coal in Australia. This acquisition allowed Bureau Veritas to double its presence in Australia by strengthening its position in inspection services for the mining industry and by rounding off its mineral testing services offering;
- in Spain, Bureau Veritas, which held 43% of the share capital of the Spanish company ECA Global, acquired the remaining share capital in this company, thereby bringing its interest to 100% in October 2007. Following this acquisition, Bureau Veritas has more than tripled in size in Spain, with leadership in the field of industry services, in-service equipment verification, certification and building technical control. Spain now represents the Group's second largest operation (behind France).

Acquisition of Bureau Veritas by Wendel

The Wendel group, co-shareholder of Bureau Veritas since 1995 with the Poincaré Investissements group, progressively acquired the full control of Bureau Veritas during 2004.

In 2004, the Wendel group and Poincaré Investissements held, respectively, 33.8% and 32.1% of the capital and voting rights of Bureau Veritas, the balance being held by individual investors. On September 10, 2004, Wendel and the shareholders of Poincaré Investissements reached an agreement for the sale to Wendel of 100% of the capital held by Poincaré Investissements. Following the conclusion of this transaction at the end of 2004, Wendel held 65.9% of the capital and voting rights of Bureau Veritas; the acquisition of the interest held by Poincaré Investissements represented a €660 million investment for Wendel.

Concurrently with acquiring control of Bureau Veritas, Wendel proposed to the minority shareholders of Bureau Veritas to sell their interests under terms similar to those offered in connection with the acquisition of control. This private purchase and sale offer (the "Offer") included two options:

- a cash offer to purchase shares of Bureau Veritas for €140 per share; and
- an offer to exchange ten shares of Bureau Veritas for 27 shares of Wendel. The cash offer was presented by SOFU Participations, a 100% held subsidiary of Wendel, and the exchange offer by Wendel.

The Offer enabled the Wendel group to increase its interest to 99% of the capital and voting rights of Bureau Veritas.

In total, the consolidated cost for Wendel of its investment in Bureau Veritas amounts to €1.41 billion.

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Initial public offering (IPO)

Bureau Veritas listed on Euronext Paris on October 24, 2007. The listing was a great success with French and international institutional investors as well as with individual investors. The high quality of the demand and the high level of institutional take-up, exceeding ten times the initial offering, made it possible to set the listing price at the top of the range, at €37.75 per share.

The offering, comprised of existing shares, primarily disposed of by the Wendel Group, amounted to €1,240 million, namely around 31% of the share capital of Bureau Veritas. Accordingly, upon completion of the stock market listing, Wendel held 63.6% of the share capital of Bureau Veritas (excluding treasury stock).

1.4. Business overview

This chapter presents information concerning the Group's markets and market positioning, including information about market size and share. The Group defines its business as the market for conformity assessment and certification services in the areas of quality, health and safety, security, environment and social responsibility ("QHSE").

To the Group's knowledge, there is no comprehensive report covering or dealing with the market for conformity assessment and certification services. As a result, and unless otherwise stated, the information presented in this chapter regarding market and segment size and share for conformity assessment and certification services reflects the Group's estimates and is provided on an indicative basis only. The Group gives no assurance that a third party using other methods for collecting, analyzing or compiling market data would arrive at the same results. In addition, the Group's competitors may define these markets differently. Because the data regarding market share and size presented in this chapter are only Group estimates, they do not constitute official data.

1.4.1. Overview

Founded in 1828, Bureau Veritas believes it is the world's second largest group (based on revenue and number of employees in 2007) in conformity assessment and certification services in the areas of quality, health and safety, security, environment and social responsibility and believes it is the world leader in QHSE services excluding commodities testing.

As of the end of 2007, the Group is present in more than 140 countries through a network of over 850 offices and laboratories. It employs more than 33,000 people and serves approximately 300,000 customers.

The Group's business involves inspecting, testing, auditing or certifying products, assets (such as buildings, industrial infrastructure, equipment and ships) and management systems (particularly against ISO standards) based on regulatory or voluntarily adopted standards. The Group delivers to its clients reports prepared by its experts or specialists that present the results of its observations and analyses, and which measure any differences with respect to the reference, regulation and/or standard. In some cases, the Group may propose solutions to enable its clients to improve their QHSE performance or to comply with the relevant references or regulations. The Group also possesses a range of advisory and training services.

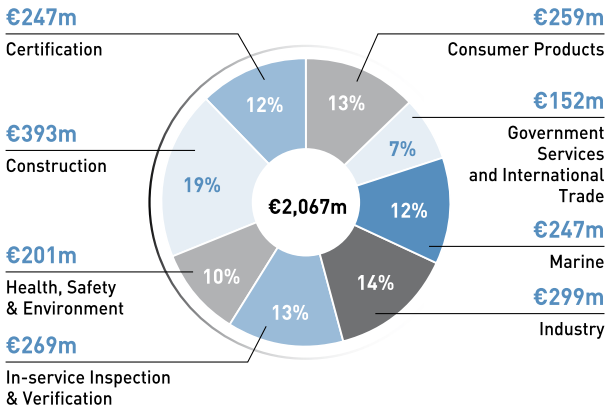
The Group is one of the leading world players in each of the market segments where its eight businesses are present:

- ship classification (Marine);
- industry services (Industry);
- inspection and verification of equipment in service (In-Service Inspection & Verification - IVS);
- inspection, audit, measurement and testing services in the fields of heath, safety and environment (Heath, Safety & Environment - HSE);
- construction services (Construction);
- certification of management systems or services (Certification);
- inspection and testing of consumer products (Consumer Products); and
- services related to customs control and international trade services (Government Services & International Trade - GSIT).

Due to the nature of their operations, the Marine, Consumer Products and GSIT businesses have been organized on a global basis. On the other hand, the Industry, IVS, HSE, Construction and Certification businesses, which serve similar clients and which have complementary service portfolios, are grouped together in a larger organization called the "Industry & Facilities" division (accounting for 68% of the Group's revenue in 2007), which facilitates cross-selling and takes advantage of economies of scale.

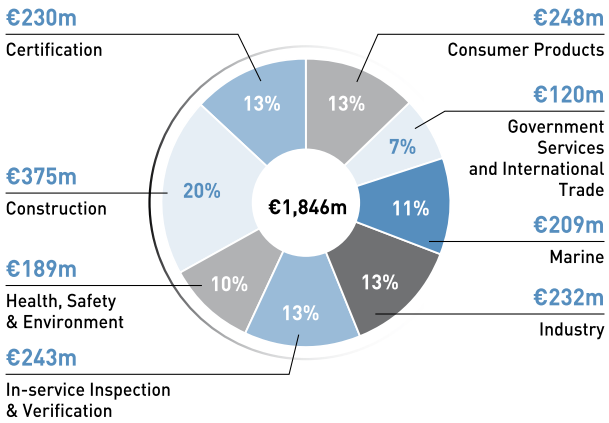
The charts below present the Group's revenue by business and geographic zone in 2007 and 2006:

Group revenue in 2007 by business

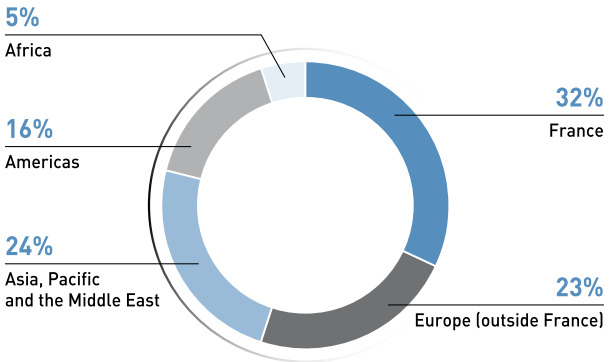


In 2007, the Group carried out an internal reorganization of its activities. The main impact was moving the aviation certification activity from the "Government Services & International Trade" business to the "Certification" business. The 2006 segment analysis was restated in order to be comparable to the 2007 one.

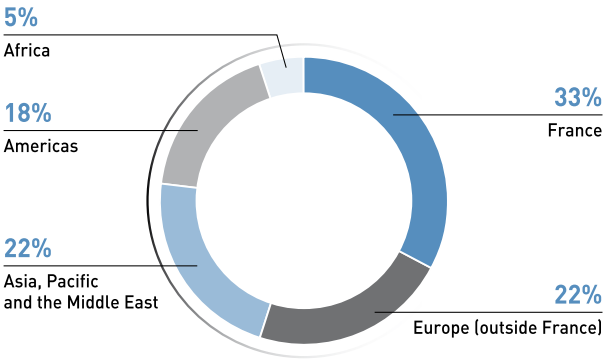
Group revenue in 2006 by business



Group revenue in 2007 by geographic zone



Group revenue in 2006 by geographic zone



In 2007, the Group recorded revenue of €2,066.9 million and attributable net profit of €158.4 million. The table below illustrates the Group's main financial indicators over the past three years.

(in millions of euros)	2007	2006	2005
Revenue	2,066.9	1,846.2	1,647.2
Adjusted operating profit[1]	312.1	268.3	243.7
Attributable net profit	158.4	154.0	150.5
Net cash generated from operating activities	**217.3**	**203.0**	**195.6**
Net financial debt	667.3	387.6	356.5
Levered free cash-flow	**133.6**	**137.5**	**140.8**

(1) Adjusted operating profit is defined as operating profit before income and expenses related to acquisitions and other elements considered as non-recurring.

1.4.2. The market

MARKETS WITH FAVORABLE LONG-TERM TRENDS

The Group believes that the markets it serves represent a total level of accessible revenue of approximately €50 billion. It considers that the accessible market includes Group revenue, the revenue of its competitors and similar activities conducted internally by clients of the Group or its competitors and which could be outsourced to the Group or its competitors.

The Company believes that the total accessible market should increase in the medium-term (assuming no material change in macro-economic conditions) at a rate of 5% to 7% per year (excluding outsourcing and privatization), although this may vary considerably between markets and geographic zones.

These markets benefit from favorable long-term trends, in particular:

- the multiplication and strengthening of QHSE regulations and standards:

  The increasing sensitivity of public opinion to the management of QHSE-related risks has led to the multiplication, strengthening and convergence of QHSE regulations, as well as the development of non-regulatory standards and quality labels in the industrialized countries. As an example, between 2004 and 2007, the European Community issued more than 260 new directives regarding environmental and consumer protection, 47 of which were in 2007;

- the privatization of control and inspection functions:

  Public authorities tend increasingly to request the assistance of, or delegate their control activities to, private companies, which are organized to be very responsive and possess an international network of expertise. The Group has taken a lead in this area. For example, over the last five years, Japanese

authorities have decided to privatize the activities related to the assessment of conformity of construction permits to local codes for new constructions, thus opening a new market in which the Group is now active. In June 2007, the law governing the assessment of conformity of driving licenses was strengthened in order to increase the number of controls to be carried out by third parties. The coming into force of this new law multiplied by a factor of two the potential of this market for Bureau Veritas. In the United States, the Group has also developed, through acquisitions, a business in conformity assessment of construction permits in Texas and California, where this activity has been privatized. The Group also intends to position itself for the anticipated privatization of this activity in other States such as Colorado, Arizona or Florida;

- the outsourcing of audit and inspection functions:

  Companies increasingly outsource their control and inspection functions in QHSE areas to specialized companies. By relying on companies such as Bureau Veritas, which possess experts, know-how and methodologies applied consistently throughout the world, they are able to improve their management of QHSE-related risks across their facilities worldwide, thereby reducing costs.

  This increasing trend toward outsourcing of audit and inspection functions can be seen in all of the Group's markets (as set forth in the table below showing growth factors in key markets); in particular the IVS and Construction businesses. For example, for the IVS business, in certain countries in Europe, managers responsible for carrying out periodic inspections of their facilities (for example, elevators, pressure equipment, electric installations and fire protection systems) increasingly rely on companies such as the Group rather than perform these functions internally. There is also an underlying trend toward outsourcing laboratory testing in the areas of consumer products, commodities trade or HSE;

- increased demand for improved management of QHSE risks:

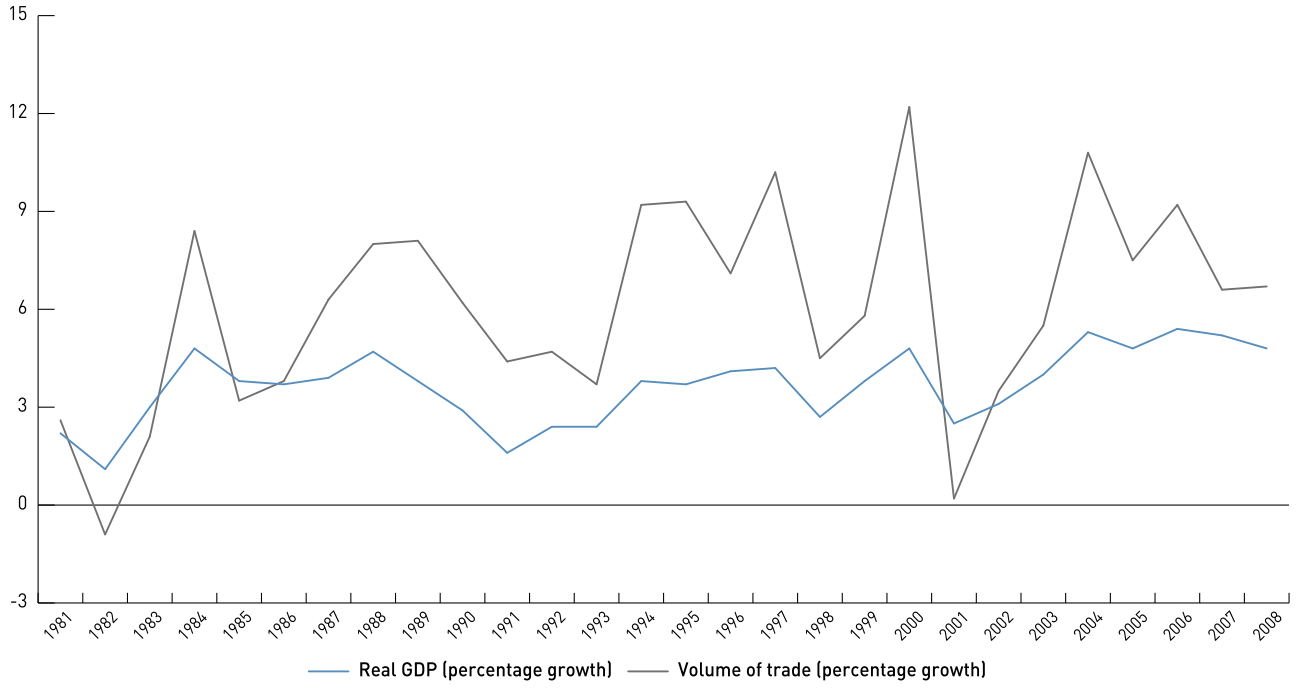
  The increased concern among consumers and the public in general regarding the management of QHSE risks has led companies to increase investments in QHSE areas to reassure their clients of the quality of their products and services. New labels designed to ensure that the construction of new buildings is done in a sustainable manner (HQE in France, LEED in the United States, BREEAM in the United Kingdom) are being established worldwide;

- the development of responsible management:

  Beyond complying with regulations and the desire to appear as responsible corporate "citizens", companies now believe that proactive management of QHSE issues offers a way to create value and provide corporate stability. They increasingly seek to manage asset integrity and product quality throughout the supply and distribution chain, and the control of QHSE-related risks has become a management priority;

- market globalization and growth in international trade:

  The globalization of trade and markets, as well as the migration of manufacturing to low-cost regions, creates an increasing need for services such as the inspection and verification of traded goods' quality and the conformity assessment of manufacturing facilities or building facilities with health, safety and environment standards. As illustrated by the graph below, international trade growth has historically been about 2%-3% above the rate of world economic growth.



Source: IMF (International Monetary Fund) - World Economic Outlook.

The globalization of markets has also led to strong growth in newly industrialized countries (such as Brazil, Russia, India and China), that now also invest in large infrastructure and energy projects, and the growing internationalization of large industrial and service companies.

The Group believes that the main growth drivers in its markets are as set forth below:

Sector	Estimated market size[1]	Growth factors	Extent of outsourcing
Marine	Over €2 billion	Growth in international trade New regulations (for example, regarding used ships) Migration of manufacturing activities to Asia	High
Industry	Over €7 billion	Migration of manufacturing activities to Asia Investments in industrial infrastructures (such as oil and gas, electricity, minerals) or in certain countries (such as China, India, Brazil, Russia) New QHSE regulations and strengthening of existing regulations	Medium
IVS	Over €7 billion in Europe	Regulatory harmonization in Europe Privatizations Outsourcing of inspection functions	Low
HSE	Between €10 and €15 billion (excluding laboratory testing)	Increased HSE awareness (global warming, occupier risks and work-related risks) New regulations Development of responsible management	Medium
Construction	Over €10 billion	New regulations (high-performance, energy efficiency) Privatization New services (asset management)	Low
Certification	Over €3 billion	Globalization of ISO standards New certification schemes	High (except for specifically designed audits)
Consumer Products	Approximately €3.5 billion (excluding food testing)	Shorter product life cycles Outsourcing inspection and verification services New regulations Optimization of supply chains	Medium
Government Services & International Trade	Over €4 billion (excluding automotive services)	Growth in international trade Increasing demand for greater international trade security	High for Government Services; Medium for International Trade Services

(1) Source: Company.

A MARKET WITH HIGH BARRIERS TO ENTRY

The emergence of new global players is made difficult by the existence of substantial barriers to entry, in particular:

- the need to possess authorizations and accreditations in each country and region of the world in order to do business. Obtaining an authorization or accreditation is a lengthy process which requires establishing effective internal control systems of inspection and verification activities. Acquiring a broad portfolio of authorizations and accreditations is therefore a long-term process;
- the need to have a dense geographic network at both local and international levels. Local network density is particularly important to easily expand the portfolio of services to approach local clients and benefit from economies of scale. At the same time, an international network makes it possible to support global clients at all their facilities and for all of their QHSE needs throughout the world;
- the need to offer a broad range of services and inspections, particularly to serve key accounts, to undertake certain large contracts, or to be differentiated from local players who do not have the resources or capabilities to offer a variety of services and high value-added solutions. For instance, retailers usually require their testing services providers also to inspect their source manufacturers. Similarly, major oil companies require their QHSE service providers to assist them across the entire lifecycle of their facilities (technical audit services, inspection services upon equipment installation or assistance in managing facilities' maintenance);

- the need to have first rank technical experts. The technical skills and professionalism of its teams allow the Group to distinguish itself relative to its competitors by providing its clients with high added-value solutions;
- the need for a strong reputation of integrity and independence to enable the creation of long-term partnerships with companies in connection with the management of their QHSE-related risks; and
- the importance of having an internationally recognized brand.

These substantial barriers to entry explain the high level of stability among the world leaders in QHSE conformity assessment and certification services.

A FRAGMENTED MARKET UNDERGOING CONSOLIDATION

Most of the markets in which the Group operates are highly fragmented, particularly for those addressed by the businesses in the Industry & Facilities division. There are several hundreds of local or regional players specialized by market or type of service, as well as a few global players (the Swiss company SGS, the British company Intertek and the Norwegian company DNV). Some competitors are also state-owned or quasi-state-owned organizations or are registered as associations (for example, the American Bureau of Shipping in the marine sector, Underwriters Laboratories in the consumer products sector, or the German TUV companies in the broad industrial sector).

The Group believes that the competitive environment of its different markets can be summarized as set forth below:

	Degree of market fragmentation	Competitive environment
Marine	Medium	10 members of the International Association of Classification Societies (IACS), including Bureau Veritas, classify 90% of the global shipping fleet
Industry	High	A few large European or global players (Bureau Veritas, DNV, TÜV Sud, TÜV Rheinland, TÜV Nord, SGS, Lloyd's Register, Apave, Moody International). Large number of specialized local players.
IVS	High	A few large local or European players (Bureau Veritas, Apave, Norisko-Dekra, Socotec, TÜV Sud, TÜV Rheinland, Lloyd's Register, Applus, insurance companies). Large number of local specialized players.
HSE	High	A few global players (RPS, URS, ERM, Bureau Veritas, Dupont Safety, SGS) with very differing service offerings. A large number of local and national players.
Construction	High	A few large regional players (Socotec and Apave in France, Applus in Spain, PSI and RPS in the United States, Nihon Teri in Japan), many local players. Only one global player: Bureau Veritas.
Certification	High	A few global players (Bureau Veritas, SGS, DNV, BSI, Lloyd's Register), quasi-state-owned national certification bodies, and many local players.
Consumer Products (excluding food testing)	Medium	A relatively concentrated market for toys, textiles and furnishings, with three world leaders (Bureau Veritas, SGS, Intertek). More fragmented markets for electrical and electronic products, where Underwriters Laboratories is the leader ahead of Intertek.
Government Services & International Trade	Low	4 main players for government services (SGS, Intertek, Bureau Veritas, Cotecna). 4 main players in each of the commodities inspection markets (food, oil products, minerals). These markets are largely dominated by SGS and Intertek.

The Group believes that the consolidation of the QHSE services market, particularly in the most fragmented segments, is becoming more pronounced principally due to the major players' desire to increase their local market presence and position themselves to serve large international clients for all their QHSE needs throughout the world.

In light of its global presence, its position as one of the world leaders in each of its businesses and its experience in carrying out acquisitions, the Group believes that it is well positioned to be one of the key consolidators of the industry.

1.4.3. The Group's competitive advantages

A WORLD LEADER IN EACH OF ITS EIGHT GLOBAL BUSINESSES

The Group believes it is the world's second largest (based on its global revenue and number of employees in 2007) provider of conformity assessment and certification services in the fields of quality, safety, health, the environment and social responsibility ("QHSE") and believes it is the world leader in QHSE services excluding commodities inspection. It is one of the leading world players in each of the market segments where its eight businesses are present, and it believes that in some market segments it is the world leader:

- Marine: number two worldwide by number of classed vessels;
- Industry: one of the three world leaders. Strong positions in Europe, the United States and Australia, as well as in Energy markets in the Middle East, Asia and Latin America;
- IVS: one of the three world leaders, with key positions in France, Spain, the United Kingdom and the Benelux;
- HSE: number four in the world, with strong positions in France, the United Kingdom, the United States, Brazil and Australia;
- Construction: world leader, with strong positions in France, Spain, the United Kingdom, the United States and Japan;
- Certification: world leader with more than 80,000 customers;
- Consumer Products: world leader for toys testing and number two worldwide for textiles testing; and
- GSIT: one of the four world leaders in government services and developing a niche position in the commodities sector.

SOLID POSITIONS ON GROWING MARKETS WITH STRONG POTENTIAL

The Group is a world leader in key market segments that have a strong growth potential.

The Group enjoys leadership positions in market segments which have recently shown strong growth, such as Marine, Consumer Products or Energy. Over the last three years, the Group's revenue in the Marine, Consumer Products and Energy sectors has increased at an average annual rate of 17%, 11% and 33%, respectively (including a 35% growth for the Oil and Gas segment of the Industry & Facilities division).

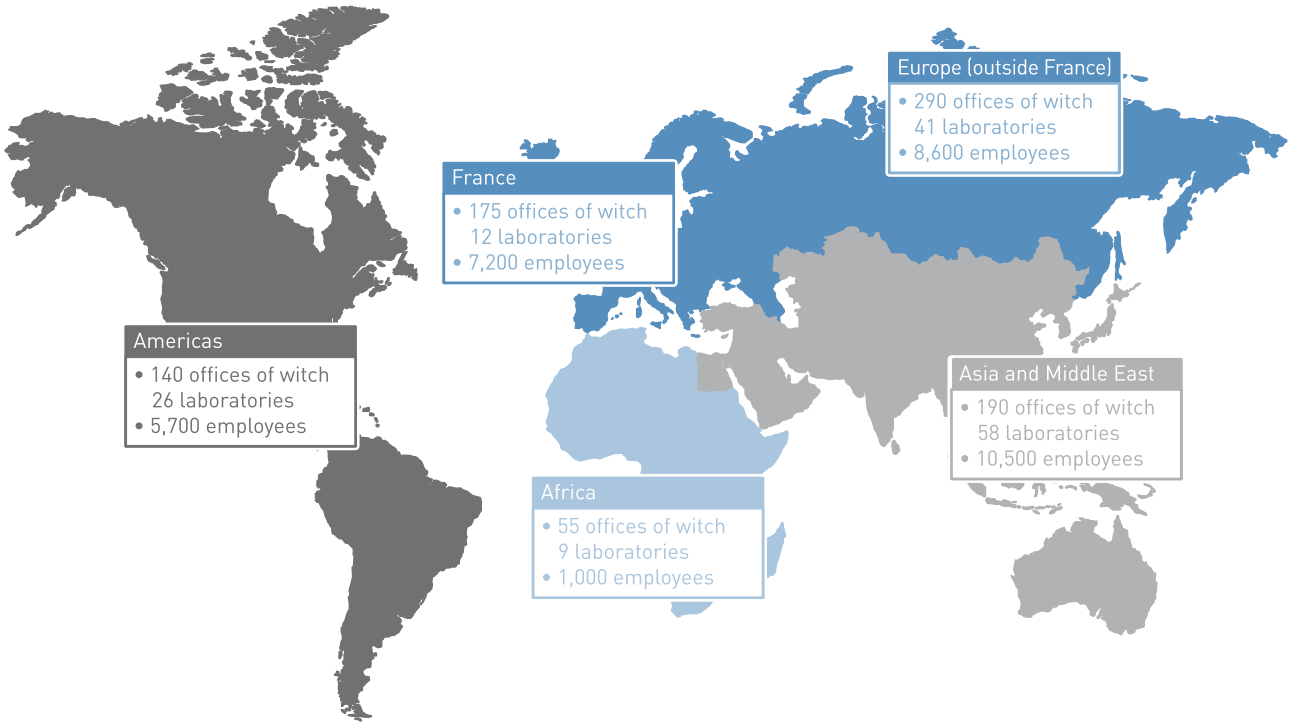
Through the five businesses forming the Industry & Facilities division (Industry, IVS, HSE, Construction and Certification), Bureau Veritas is also the only global player positioned in all areas of industry and construction. This unique presence in complementary segments allows the Group to support its clients throughout the lifecycle of their equipment, facilities or infrastructure and offers important opportunities to cross-sell its services among different businesses. The Group believes that strengthening its presence in these five segments should offer attractive growth opportunities over the coming years in view of their size and degree of fragmentation and the trend toward privatization and outsourcing of control and inspection activities.

The Group has operations in all regions with strong economic growth potential (Asia, the Middle East, India, Latin America, Russia and the Caspian Sea), which together represented 31% of the Group's consolidated revenue in 2007. In these regions, the Group's revenue has grown on average 22% since 2004 with operating margins in these regions superior to the Group's average. Reinforcing the Group's positions of each of its eight businesses in these regions is a major component of its growth strategy.

For example, the Group, which in 1902 was the first foreign classification company to establish a presence in China and Taiwan, recorded €215 million in revenue in China in 2007 and had around 5,000 employees in the region in its Marine, Consumer Products, Industry, Construction and Certification businesses. The Group plans to continue to expand its presence in China by opening new offices and laboratories and systematically developing its eight global businesses, in order to continue to benefit from growth in the China-Hong Kong-Taiwan zone. The Group's revenue in this zone grew at an average annual rate of 20% between 2004 and 2007.

EFFICIENT INTERNATIONAL NETWORK

With 850 offices and laboratories in 140 countries, the Group is one of the three market players with a comprehensive worldwide network.



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Bureau Veritas' worldwide network offers significant competitive advantages:

- key geographic positions allow the Group to accompany multinational clients on a worldwide basis;
- extensive knowledge of the regulations, standards and norms in effect in a large number of countries (both developed and developing) enable the Group to help its customers export to or invest in new markets while complying with local regulations and contributing to the development of sustainable development;
- multicultural teams, with expertise in a large number of technical fields and extensive knowledge of industrial markets allow the Group to better understand its customers' QHSE-related issues and thus to provide them with unique solutions; and
- a solid reputation for technical expertise in the leading industrialized countries generates strong recognition among customers.

TECHNICAL EXPERTISE RECOGNIZED BY DELEGATING AUTHORITIES AND NUMEROUS ACCREDITATION BODIES

The Group acts in most of its businesses as a second party (participating on behalf of a client) or as a third party (participating as an independent entity with regard to several parties), on behalf of accreditation authorities or organizations to verify that its clients are complying with their regulatory requirements.

Over the years, the Group has acquired skills and know-how in a large number of technical areas, as well as a broad knowledge of QHSE regulations. The Group is currently authorized or accredited as a second or third party by a large number of national and international delegating authorities and accreditation bodies.

For example, in its Marine business, the Group is recognized by 130 states that delegate to the Group their ship certification functions. In its Certification business, the Group is also accredited by more than 30 national certification organizations. The Group is also accredited by the European Union as a "notified body" for inspecting the application of European directives for the certification of equipment destined to be used in Europe ("CE marking").

The Group constantly seeks to maintain, renew and extend its portfolio of accreditations and authorizations. It is subject to regular controls and audits by authorities and accreditation bodies to ensure that the Group's procedures, the qualification of its employees and its management systems comply with applicable standards, norms, references or regulations.

In addition, and with respect to its non-delegated activities, the Group enjoys a reputation of technical expertise and independence which results in a solid position as a long-term partner of companies that must comply with QHSE rules and obtain the required authorizations to fully engage in their business.

SUCCESSFUL ACQUISITION TRACK RECORD

To accelerate its growth, reinforce its network (both to expand its presence and to densify its existing network) and acquire new capabilities, for ten years the Group had a policy of acquiring small- and mid-sized businesses whose activities match those of its eight businesses. The Group has thus acquired over 60 companies over the period from 2001 to 2007, representing an additional revenue exceeding €700 million. Historically, these acquisitions were carried out mainly in the Consumer Products business and the Industry & Facilities division. In 2007 the Group carried out its first major project in commodity inspection and testing following its acquisition of CCI.

The table below illustrates the share of growth in the Group's revenue growth since 2001 represented by external growth and illustrates the balance between external growth (through acquisitions) and organic growth, a key factor in the Group's development.

	2001	2002	2003	2004	2005	2006	2007
Organic growth	10%	7%	12%	10%	6%	7%	10%
External growth	9%	7%	7%	4%	9%	5%	5%
Effect of currency fluctuations	(2%)	(4%)	(8%)	(4%)	1%	-	(3%)
Other (inclusion in consolidation perimeter)[1]	1%	3%	1%	1%	-	-	-
TOTAL GROWTH	**19%**	**13%**	**12%**	**11%**	**16%**	**12%**	**12%**

(1) Indicates the impact of the consolidation of companies created by the Group.

The Group achieved revenue and cost synergies that have enabled it to progressively improve the profitability of acquired companies and integrate them into the Group's business model.

For example, the Group created the Consumer Products business through successive acquisitions in the United States, Europe and Asia. Within its Industry & Facilities division, the growth platforms were established in the United States, the United Kingdom and, more recently, Australia initially through acquisitions. The Group also used acquisitions to expand the geographic network of its HSE business since 2002.

A PORTFOLIO OF DIVERSIFIED AND RECURRING BUSINESS

The Group's resilience to different economic cycles results from the factors below:

- the Group possesses a business portfolio which is diversified both geographically and by activity. In 2007, the Construction business, the largest business in the Group, represented only 19% of its consolidated revenue, and each of the seven other businesses represented between 7% and 14% of consolidated revenue. Revenue by geographic zone was split in 2007 between France (32% of consolidated revenue), the rest of Europe (23%), the Americas (16%), the Asia-Pacific region and the Middle East (24%) and Africa (5%). Each of the Group's eight global businesses offers a portfolio of services provided throughout the investment cycle and the lifecycle of equipment, infrastructure and products;
- the Group benefits from a fragmented client base. With approximately 300,000 customers, average annual revenue per customer amounts to around €7,000. In addition, the Group's revenue is only marginally dependent on major customers. In 2007, revenue from the Group's largest customer amounted to less than 2% of total revenue, and revenue from the Group's 10 largest customers amounted to less than 7% of total revenue; and
- the Group benefits from high visibility on its revenue, as a result of a high proportion of work that is related to multiyear contracts, particularly in the Marine, IVS, Certification and GSIT businesses. As an example, in its Marine business, the Group benefits from several years of visibility on its performance through its order book relating to the certification of ships in construction. In addition, certain businesses have a high renewal rate for existing contracts due to a high level of repeat business from the same customers.

The table below illustrates the Group's estimate of the proportion of long-term contracts for its eight businesses:

Business	Proportion of long-term contracts	Commentary
Marine	Very high	Ship in-service activity (nearly half of the business' revenue) is mostly recurring, since a ship classed by Bureau Veritas generally remains on the Bureau Veritas register until it is taken out of service Order book provides good multi-year visibility on new construction activity
Industry	Low	Few long-term contracts but a high level of repeat business
IVS	High	High proportion of contracts are signed for several years (2 to 6 years) High renewal rate of annual contracts
HSE	Medium	Recurring revenue for services related to regulatory requirements (for example, air quality control) High level of repeat business
Construction	Low	Few long-term contracts but high level of repeat business
Certification	Very high	Certification contracts are generally for three years. In addition, their rate of renewal upon termination is very high
Consumer Products	Low	Few long-term contracts but high level of repeat business (38 out of the Group's 40 largest clients in 2001 are still Group clients)
Government Services & International Trade	High	Government Services contracts are for 1 to 3 years Risks of unilateral termination

In addition, the Group believes that the general trend to increased QHSE regulation is likely to reduce the effect of economic cycles on the Group's performance.

HIGH CASH GENERATION

The Group has developed an economic model of profitable growth. Over the last years, the Group has regularly generated double-digit revenue growth. As a result, between 1996 and 2007, the Group increased its revenue by a factor of four, with an average annual growth rate of 15%. The Group also seeks to continue to improve its profitability. Between 1996 and 2007, the Group's adjusted operating margin increased from 7.8% to 15.1%.

Over the last three years, the Group generated net cash flow after capital expenditures of an average of €235 million per year. This cash flow is due to three factors:

- high operating margin;
- low capital expenditures (excluding acquisitions) due to the nature of the Group's business, which is focused on inspection, audit and certification rather than testing. During the last three years, capital expenditures (excluding acquisitions) represented on average 2.5% of the Group's revenue; and
- disciplined management of working capital.

The table below illustrates the Group's conversion rate of EBITDA into cash from operating activities after capital expenditures during the last three years. The Group's conversion rate is, on average, 78% of EBITDA.

(in millions of euros)	2007	2006	2005
Adjusted EBITDA[1]	344.8	296.0	270.7
Net operating cash flow before tax and after investments	259.7[2]	227.5	217.5
Conversion rate	**75.4%**	**76.9%**	**80.3%**

(1) EBITDA is defined as adjusted operating profit before depreciation and amortization.

(2) Before the payment of €18 million in 2007 in respect of IPO related expenses.

AN EXPERIENCED MANAGEMENT TEAM

The members of the Group's management team (in particular, the members of the Group's Executive Committee) have, on average, nearly 13 years of experience in the industry. The current Chairman of the Management Board, Frank Piedelièvre, has headed the Group since 1996.

The consistency and experience of the Group's management team have allowed it to develop a strong business culture founded on merit and initiative. This team has enabled the Group to achieve excellent results over the last 11 years: between 1996 and 2007, the Group's revenue has been multiplied by four, €2,067 million in 2006 compared to €455 million in 1996, its adjusted operating profit by a factor of seven, €312 million in 2006 compared to €36 million in 1996 (or an average annual growth of 22%), and the number of employees by more than four times.

The Group's top managers (approximately 350 people) have been granted stock options since 1996. The Company is looking to continue this profit-sharing policy aimed at a large number of Group managers, in particular by establishing stock option plans and/or granting bonus shares to Group employee managers and/or executives.

1.4.4. Group strategy

The Group believes that, through its eight businesses, it runs a portfolio of activities with strong growth potential and which allow the Group to mitigate the impact of economic cycles and generate a high level of cash. This portfolio of activities should allow the Group to continue to create value over the coming years.

In particular, the Group believes that it enjoys through its eight businesses:

- a solid position in all QHSE conformity assessment services, and in particular inspection, audit and certification services. This category of services, which represents most of the Group's revenue (compared to less than 20% for its laboratory testing business) and requires important technical capabilities, is closely tied to regulatory requirements and thus provides the Group with strong visibility on revenue while needing low levels of investment; and
- eight complementary businesses, in terms of technical capabilities, geographic presence and client base, which should enable the Group to develop cross-selling between the eight businesses in the future.

Based on the strength of its current positions, the Group aims to become the world leader in the market for conformity assessment and certification services in the QHSE fields, to reinforce its leadership position in each of its eight businesses and to achieve critical size in each location where it operates.

The Group's development strategy thus involves:

- densifying the geographic network of its eight businesses;
- expanding the portfolio of services in each of its eight businesses;
- pursuing an active policy of targeted acquisitions; and
- retaining and reinforcing its teams of managers and experts.

The Group also constantly seeks to improve its operating performance and generate high levels of cash flow.

CONTINUE THE DEVELOPMENT OF THE GEOGRAPHIC NETWORK OF ITS EIGHT BUSINESSES

The Group's current network of offices has been created over the years by organic growth and acquisitions. Its expansion is not over.

The Group is seeking to achieve critical size in the key countries of each of its eight businesses (both by densifying its existing positions and establishing new facilities) in order to create a dynamic global network adapted to all its sectors. The Group considers the following "platform countries" as key:

- 15 countries for the businesses of the Industry & Facilities division (France, the United Kingdom, Benelux, Germany, Spain, Italy, the United States, Brazil, Mexico, Russia, India, the United Arab Emirates, China, Japan and Australia);
- 7 countries for the Consumer Products business (the United States, France, the United Kingdom, Germany, China and Taiwan, India and Vietnam); and
- 12 countries for the Marine business (France, Benelux, the United Kingdom, Spain, Germany, Greece, Turkey, Brazil, Singapore/Malaysia, China and Taiwan, South Korea and Japan).

The GSIT business leverages the network of the other businesses for its development and is in particular targeting countries that have a low level of infrastructure, the main commodity producers and the countries in which the business has government contracts.

In the near future, the Group intends to prioritize investments in these "platform countries" to reinforce its global network for each of the eight businesses. The Group believes that the expansion of its geographic network (in terms of both size and number of sites) should enable it:

- to generate a high level of long-term growth, particularly through improved access to local clients, to expand its service offering in each country and to improve its coverage of large accounts at the global level. The densification of the global network should also help promote cross-selling between the businesses; and
- to improve its operating margin by generating economies of scale resulting in particular from sharing offices, organizing back-office functions on a collective basis, sharing IT tools and diversifying costs for developing new services. In addition, the densification of the network should enable increased replicability and industrialization of the inspection processes.

MAINTAIN A HIGH LEVEL OF ORGANIC GROWTH

In order to maintain a high level of long-term organic growth and benefit fully from market opportunities and the growing trend toward outsourcing, the Group has undertaken the following steps:

Improve commercial efficiency

Until recently, the Group's revenue and marketing efforts were undertaken only by operational managers.

Three years ago, the Group decided to reinforce its revenue and marketing efforts by creating dedicated teams in each "platform country". Revenue and marketing teams may be established in each geographic organization or to reinforce business lines, according to the specific nature of the businesses, markets or geographic locations. For example, the Industry & Facilities division now has more than 450 business developers throughout its network.

In 2007, the Group strengthened the sales teams of its Consumer Products business in mainland China in order to better cover local manufacturers. The Industry & Facilities division has established central tracking of 6 global key accounts and continued the rollout of a CRM tool, which is now in place in all of the platform countries.

The Group plans to continue growing its investments in the commercial training of its employees, rolling out tools for managing client relationships and measuring indicators of commercial performance, and developing specific commercial processes for key accounts, mid-sized clients and mass markets.

The development of these commercial structures is a strategic priority for all "platform countries" of the Group's eight global businesses.

Optimize the business portfolio on an annual basis and concentrate investments in businesses and geographic zones with high potential

The Group seeks to prioritize investments in market segments and geographic areas offering the highest growth potential.

To respond to developments in markets and regulations, the Group conducts an annual review of its business portfolio, by operational unit, country and business, in order to define investment priorities and growth objectives. Over the last years, the Group has decided to invest particularly in the Marine and Consumer Products businesses, in specialized services for the oil and gas and power industries, and to develop a worldwide network in HSE.

In the future, the Group plans to continue to define its investment priorities each year to:

- develop its presence in market segments and geographic zones with high potential, and in particular in key emerging countries such as Brazil, China, India or Russia;
- seize market opportunities related to the adoption of new regulations or the privatization of QHSE control and inspection functions; and
- expand its service offering in countries benefiting from critical size.

Create differentiating value-added service offerings

The Group develops customized service offerings in each of its eight businesses to differentiate its offering and increase the proportion of revenue from higher value-added services. The Group therefore develops technical solutions and methodologies adapted to the specific needs of its customers.

For example, the Group has launched over the past three years certification services tailored to the needs of key accounts to enable them to audit their suppliers or their distribution network. The Group has also launched asset management services for customers in the Construction, IVS and Industry businesses to help them manage their equipment and facilities maintenance,

thereby extending their usable life. The Group has finally launched a range of technical support services in France revolving around energy efficiency and the reduction of the environmental impact of buildings (water, air, waste, greenhouse gas) that are now available throughout its network.

In the future, the Group plans to continue its efforts to develop new services that are better adapted to the specific needs of its clients according to their size, business and geographic locations.

Develop its business with key international accounts

Several Group businesses have for a long time developed sales and marketing organizations dedicated to key international accounts. For example, this approach has been adopted by the Marine business (ship owners, shipyards) and the Consumer Products business (general or specialized retailers). The Marine business currently has approximately over 100 employees responsible for servicing one or more key accounts (existing or potential clients).

More recently, the Group has decided to put in place a "Key Account" organization within its Industry & Facilities division. In this regard, in each of its locations and sectors, the Group has identified key account targets, for which it has invested in dedicated commercial and technical resources. This approach is designed to ensure a personalized relationship and to offer the entire range of services provided by the Group. Centrally, the Group also established a Strategic Markets and Key Accounts organization that is responsible for maximizing the Group's growth in four strategic markets (oil and gas, energy, infrastructure and retailing) and vis-à-vis their respective key accounts. This business is also responsible for coordinating the development of certain key accounts worldwide (6 currently) and to help the platform countries roll out their local key accounts organization.

In total, the Industry & Facilities division has 80 people dedicated to key accounts spread between its geographic organizations and its central teams.

Looking forward, the Group's goal is to grow the revenue from the key accounts in its Industry and Facilities division at twice the pace of its organic growth. In 2007, revenue from the 50 top clients of the Industry & Facilities division (accounting for 16% of this division's revenue) grew 19%.

Using its international network, its matrix organization and its know-how in sharing best practices, the Group is in general planning to increase its initiatives toward key accounts and accelerate the implementation of cross-selling and synergies between its different businesses.

For example, the Group accordingly offers major oil and gas companies the entire range of services of its business portfolio. In the off-shore oil sector, the classification and certification of a new floating production and storage offshore unit ("FPSO") requires the capabilities of the Marine business for the classification of the structure, and the capabilities of the Industry Group for certifying processing equipment and subsea pipelines. Once built and certified, the FPSO unit will require throughout its lifecycle the service of the IVS and HSE businesses to perform annual safety and performance inspections required by law or undertaken on a voluntary basis.

PURSUE AN ACTIVE POLICY OF TARGETED ACQUISITIONS

The Group has acquired more than 60 companies since 2001, enabling it to accelerate the creation of its global operating network and progressively expand its service offering to create eight global businesses. Since 2001, the Group has spent an average of €120 million per year on acquisitions. These 60 acquisitions have mainly been carried out in the Consumer Products business and the Industry & Facilities division, contributing over €700 million to the Group's revenue over the period.

Going forward, pursuing targeted acquisitions will remain an important element in the Group's growth strategy. The Group will primarily pursue small- and mid-sized bolt-on acquisitions to expand its growth potential and acquire a unique portfolio of services, in particular in the Industry & Facilities division, which remains slightly fragmented.

To achieve this goal, the Group has established a rigorous process to source potential targets and analyze external growth opportunities ensuring that the potential acquisition:

- reinforces the Group's presence in regions with high growth potential;
- increases the market share of some businesses;
- expands its service portfolio;
- allows it to increase its technical skills; and
- creates value for the Group, particularly through revenue and cost synergies.

The Group plans in particular to pursue small- and medium-size bolt-on acquisitions:

- in the businesses in its Industry & Facilities division (the Industry, IVS, HSE, Construction and Certification businesses) in the electric and electronics product testing activities of the Consumer Products business and in the mineral testing business; and
- in the main developed countries and in some countries where targets enjoy local leadership positions that would enrich the Group's business portfolio (Eastern Europe, Asia-Pacific, Latin America).

The Group also reviews opportunities for larger acquisitions (with revenue in excess of €100 million) which would allow it to accelerate the globalization of its geographic network or reinforce its position in certain high potential markets.

IMPROVE OPERATIONAL PERFORMANCE

Between 1996 and 2007, the Group's adjusted operating margin has increased from 7.8% to 15.1%.

This increase resulted from:

- a continuous improvement of production processes, for example through centralized inspection planning, standardization and simplification of inspection and reporting methods, and improvements in the invoicing process;

- the improvement in under-performing units' profitability. Under-performing units are identified and analyzed each year during the budget review and are subject to an annual action plan. The action plan, which is reviewed quarterly, establishes specific performance indicators and creates a team dedicated to improving the unit's profitability;
- the use of effective information technology and the work coordination within the network; and
- the achievement of economies of scale and cost optimization, particularly through centralizing support functions and optimizing purchasing.

For example, in the Industry & Facilities division in France, where the Group recorded an adjusted operating margin of 8% in 2001, the Group carried out all of these actions. The Group put in place a new computerized planning system for inspections planning and invoicing, redesigned its production methods by re-focusing agencies on a more limited number of businesses, and then carried out a global plan for improving the profitability of under-performing units. In 2005, the Group also launched an IT system intended to automatize the delivery of inspection reports and invoices and reengineered the organization of back-office functions. Altogether, these initiatives allowed the Industry & Facilities division to achieve an adjusted operating margin in France of 13% in 2007.

During the coming years, the Group plans to pursue the initiatives described above, particularly through increasing investments in advanced information technology and resources.

RETAIN AND REINFORCE A LEADING TEAM OF MANAGERS AND EXPERTS

The Group's future performance and growth depends on its ability to recruit, develop and retain managers and experts having the requisite experience and capabilities to hold key positions throughout its network and successfully carry out client projects.

The Group has adopted a number of initiatives to build and take advantage of a wealth of skills to support its growth:

- creating training programs for the Group's key managers (BV Academy) and its employees, engineers, technicians and members of support functions, to enable them to adapt to technical changes in their businesses or markets;
- sharing best practices, both technical and managerial, by establishing practice communities ("tribes") which bring together experts or managers from around the world who have strong knowledge of a given business or market; and
- proactively managing the Group's talents to identify, develop and promote the future leaders of the Group.

Going forward, the Group will continue to launch training and development programs for its employees to internally generate the skills needed to achieve its growth objectives.

The Group also plans to continue its policy of using compensation incentives to encourage an entrepreneurial spirit and motivate and retain its employees:

- a salary policy adapted to its different businesses and a bonus policy extended to all the Group's management; and
- stock option plans or bonus shares, first established more than ten years ago, which currently cover approximately 350 of the Group's managers.

1.4.5. Organization

AN ORGANIZATION ADAPTED TO THE GROUP'S BUSINESSES AND STRATEGY

To better address the specific characteristics of some of the markets it operates in and to improve the management of its geographic network, the Group has organized its activities into eight worldwide operating businesses, with five businesses constituting the Industry & Facilities division.

Marine

The Marine business has offices located near most major shipbuilding and marine repair centers around the world, as well as in the most active countries in maritime transport. The Marine business has organized its operations into two zones: the West Zone, which covers Europe and the Americas, and the East Zone, which covers the Middle East and Asia.

The Marine business has four central departments:

- the technical department, which is responsible for relations with international organizations (such as flag administrations, and the International Maritime Organization); the drafting of the Group's classification rules; internal quality control and the development of information technology; and supervising the "new construction" and "equipment certification" businesses;
- the department responsible for the ships-in-service activities;
- the department responsible for the consulting and outsourcing activities; and
- the commercial department, which coordinates the network efforts to serve the major ship owners and shipyards.

Industry & Facilities

The five businesses (Industry, IVS, HSE, Construction and Certification) which serve a similar client base and offer complementary services, are managed together as the Industry & Facilities division, and share the same network.

The Industry & Facilities division is managed as a matrix covering six geographic zones (South Europe, North and Central Europe, Asia-Pacific, North America, South America, and Middle East-India-Russia-Africa), which puts together the main countries where the Group is operating, and the central departments from the five businesses (Industry, IVS, HSE, Construction and Certification).

The geographic entities generally are responsible for the profit and loss of their operations.

The central departments of the businesses are responsible for encouraging best practice sharing across the network, defining and proposing new services and new cutting edge computer tools, ensuring the technical supervision of their respective businesses and facilitating the execution of major contracts and coverage of key accounts within the network. The central departments of the businesses are also responsible for supporting country business development with regard to identification, preparation of sales proposals and the performance of major contracts. The businesses have personnel in each of the "platform countries", which create a matrix organization at the country level.

The Industry & Facilities division also has a Strategic Markets and Key Accounts department and a technical department.

The Strategic Markets and Key Accounts department is responsible for maximizing the Group's growth in four strategic markets (oil and gas, energy, infrastructure and retailing) and vis-à-vis their respective key accounts. In this regard, it provides business development support in these four markets, facilitates the rollout of major contracts across the network, aids the sharing of best practices, in particular sales practices, and detects needs for new services in these key markets and from key accounts. It also coordinates the development of 6 key accounts worldwide and helps platform countries to roll out their local key accounts organization and their key accounts strategy.

The technical department is responsible for defining inspection methodologies and procedures. It oversees their application by conducting audits in the network and supervises the training and qualification of inspectors. The technical department also oversees maintenance of the Group's portfolio of accreditations and is in charge of obtaining the new accreditations and certifications needed to conduct its business.

Consumer Products

The structure of the Consumer Products division changed in early 2008 in order to better meet the changing requirements of its clients and to ensure the implementation of key initiatives. It is now organized along five strategic lines:

- the Global Operations department is responsible for the quality of the services provided across all production centers (laboratories and inspection centers). It is responsible for planning capacity requirements throughout the network, standardizing services globally, improving testing methods, the accuracy of reports, and the production cost of reports;
- the Account Management and Business Development department is responsible for managing the portfolio of existing clients and for acquiring new clients. It also coordinates the establishment of sales organizations in the main geographic zones (Americas, Europe and Asia);
- the Strategic Markets and Product Line department is responsible for managing existing product lines (toys, textiles, furniture, electrical products, analytical tests, inspections) and for developing new products and services;
- the Electrical/Electronics Product Line department is responsible for contributing to the growth of this business through the launching of new certification schemes, the acquisition of new accreditations and the technical supervision of the network; and
- lastly, the Information Service department is responsible for supporting existing IT systems and for defining new applications to meet the changing needs of clients and operations.

The business's geographic locations (laboratories, inspection centers) are organized into seven zones: China, South-East Asia, South Asia, France/Spain, Germany/Turkey, the United Kingdom and the Americas.

Government Services & International Trade

The GSIT business is organized in a decentralized manner through four levels of implantation.

The Government Services business involves centers of relations with exporters (CRE), inspection centers associated with the CREs, and liaison offices in countries where the Group has a government contract and which issue locally all import certificates.

The International Trade business involves inspection centers and commodities' laboratories in the producers' countries.

At the central level, the business has three departments:

- a commercial department, which manages all the main tenders for government contracts;
- an operations department, which controls and supervises the operational units; and
- a technical department, which is responsible for developing new services as well as defining and periodically reviewing the inspection methods used by the network of operational units.

A MATRIX ORGANIZATION WHICH ENCOURAGES SYNERGIES AND CROSS-SELLING AND ENABLES THE GROUP TO ADAPT TO MARKET CHANGES

Within the Industry & Facilities division and the Marine, Consumer Products and GSIT divisions, the Group has put in place matrix organizations (based on service portfolio and geography). The Group believes that these matrix organizations are a key factor in its success. As an example, the matrix organization of the Industry & Facilities division enables it to:

- take advantage more easily of the complementary nature of services offered by its businesses and encourage opportunities for cross-selling, within its shared network and clients base;
- easily disseminate best practices throughout the network;
- benefit more rapidly from economies of scale to develop new services or invest in new tools; and
- adapt rapidly to changes in its markets segments by sharing high-level technical capabilities.

According to the level of development of its operations in a given "platform country", the Group can also adjust the functioning of the matrix organization located in such country to adapt it to the local environment or changes in local markets.

A CENTRAL LEADERSHIP ENSURING THAT THE KEY ELEMENTS OF THE GROUP'S STRATEGY ARE TAKEN INTO ACCOUNT IN ALL OPERATIONS

In addition, the Group's support functions are organized in two main groups:

- the finance, internal audit and acquisition support, investor relations, compliance, ethics, legal, risk management and information systems functions are under the responsibility of the Group's Chief Financial Officer, François Tardan; and
- the human resources, communication, training and knowledge-sharing, and internal quality-health-safety functions are grouped together under the Organization, Human Resources and QHSE group lead by Arnaud André.

This organization makes it possible to ensure global consistency of strategy and risk management. In particular, it enables the Group to benefit from a high level of internal control, while maintaining the advantages of a diversified and decentralized set of business units with an entrepreneurial culture.

1.5. Presentation of the Group's businesses

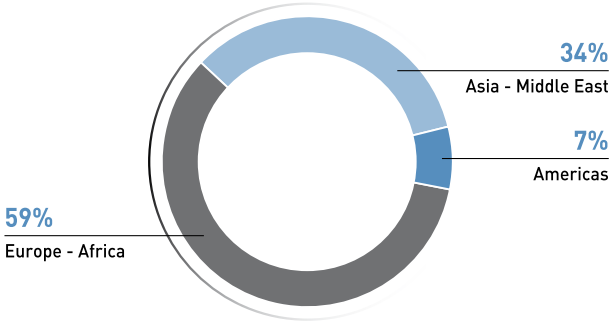
1.5.1. Marine

Through its Marine business, Bureau Veritas is a ship classification society. The business of ship classification consists of verifying the conformity of ships to the classification rules or standards issued by the classification society. Classification societies assess the conformity of a reference level for ship quality by delivering a "class certificate". The classification activity is most often carried out together with the regulatory certification mission conducted under delegation from the maritime authorities of the ship's flag administration. Most flag administrations require verification of the on-board application of technical standards defined by the international conventions on marine safety which they have joined.

Class and regulatory certificates are essential for using ships. Maritime insurance companies require such certificates to provide insurance, and port authorities regularly verify their validity when ships come into port.

The Marine business generated revenue of €247 million in 2007 (12% of the Group's consolidated revenue) and had an adjusted operating margin of 28.7%. Despite the cycles experienced in maritime shipping, the Marine business has achieved consistent organic growth exceeding 8% per year over the last ten years, with revenue growing from €112 million in 1997 to €247 million in 2007.

The chart below illustrates the Marine business' revenue in 2007 by geographic zone.



AN OFFERING OF SERVICES WITH HIGH TECHNICAL ADDED-VALUE FOR A LOYAL CLIENT BASE

Services with high technical added-value

The classification business is based on drafting regulations to ensure ship safety, and verifying the regulations' proper application through regular visits and inspections. The principal purpose of classification is to improve the safety of the ship and the business therefore involves, for this purpose, assessing the conformity of the ship and its different parts with classification rules. Classification rules are published as technical references.

Classification rules target two principal areas: first, the structural soundness of the vessel, the watertight condition of the hull, ship safety and protection against fire; and second, the reliability of the propulsion and steering systems and the auxiliary machinery which equips the ship. Specific rules are prepared for each type of vessel (steel ships, offshore facilities, boats for inland navigation, submarines, yachts, high-speed boats and military vessels).

The Group is a member of the International Association of Classification Societies (IACS), an association of the ten leading international classification societies. Through IACS, the Marine business participates in drafting some unified rules common to the industry.

Each classification society nevertheless retains full authority for the content of its own classification rules. The Group therefore possesses its own standards, which are regularly expanded in detail, updated and enhanced and enriched. It revises them according to procedures established to facilitate, through technical committees, the participation of maritime industry players such as ship-owners and shipyards in improving industry norms.

The Group participates in all the stages of the construction of the ships which it classes. Initially, the Group examines the ship's main plans, which are submitted by the shipyard, with reference to the Marine business' technical requirements. It then inspects various equipment at the manufacturers to ensure conformity with its requirements. Finally, the business supervises construction in shipyards and attends ship trials. The results from all these activities are summarized in a project report which allows to assess the ship's overall conformity with the rules to be assessed and the corresponding classification certificates to be issued.

Maintaining a ship's class certification once it has entered into service involves regulatory visits in compliance with rules defined by IACS. The most important visit is the special or fifth-year visit, whose objective is to renew the classification certificate. Annual and intermediary visits at mid-term are also conducted. Each visit involves spot checks and testing, the nature and extent of which are defined by the rules.

In addition to its classification activity, the Group's Marine business also provides certification services on behalf of flag administrations. These services verify the on-board application of technical standards set by international conventions to ensure maritime safety and prevent pollution. Certification services are performed through physical inspection of the ship and delivery of the corresponding safety certificates, under the authority of either the flag administration under which the ship is operated, or the classification society acting on behalf of the flag administration.

A loyal customer base

The Marine business' customer base includes thousands of customers, with no customer representing more than 2% of the business' revenues. The customer base can be divided into three categories:

- the world's main shipyards and ship builders, in Europe (principally Aker Yards, Fincantieri, Damen, Barreras) and in Asia (principally Hyundai, DSME, Samsung, Universal, Mitsubishi, IHI, SWS, and Dalian);
- equipment and component manufacturers: in Asia, mainly companies from the steel industry (such as Bao Steel, Hyundai, POSCO, JFE Holdings, Mitsui, Mittal Steel, Nippon Steel, Kobe Steel), and in the Western countries, mainly manufacturers of engines and various electrical, electronics, cryogenic or mechanical equipment (such as Caterpillar, MAN, Wartsilä, Reintjes, Schneider, ABB, Rolls Royce, Cummins); and
- international ship owners: Enterprises Shipping & Trading, Tsakos, Dynacom, Cardiff Maritime and Anangel in Greece; Louis Dreyfus, CMA-CGM, and Groupe Bourbon in France; Broström in Sweden; Boskalis in the Netherlands; Exmar, Jan De Nul and Dredging International in Belgium; Nisshin in Japan; Maersk and Norden in Denmark; and MSC in Switzerland.

A high level of recurring revenue

Approximately half of the Marine business' revenue is generated by the new ship or ship under construction activities, and half is generated by ship-in-service activities.

The new construction activity is carried out under specific contracts of 12 to 24 months entered into for each ship under construction both with the shipyard and the manufacturers of equipment and components involved.

On the other hand, the classification of ships-in-service is carried out under long-term contracts (generally for at least five years) with ship owners. The renewal rate for these contracts is very high, as ships-in-service typically continue to be classes by the same classification society throughout their useful lives.

Factors differentiating the Group's services

Several factors differentiate the Group's service offering for ship classification:

- the high level of technical expertise of the business's engineers and experts;
- the drafting and publication of classification rules for all types of ships;
- the effectiveness of commercial activities, characterized by an active management of key accounts, a constant growth of the client base and an adapted pricing policy; and
- the quality of service and high commitment of its personnel, together with an extensive network available at all times (24 hour-service, seven days a week), and a strong knowledge of its clients' businesses and needs.

A GROWING AND VERY SPECIALIZED MARKET

The main segments of the maritime transport market are, in order of importance, the transportation of oil products, bulk shipping (heavy products not handled in containers), containers and passengers. As of January 1, 2007, according to the International Chamber of Shipping, the world shipping fleet included cargo ships (39% of the global fleet), tankers (24%), bulkers (14%), passenger ships (12%) container ships (7%) and other types of vessels (4%).

A market supported by growth in the world economy

The Company estimates that the world market for ship classification services represented total revenue of over €2.3 billion in 2007.

The maritime transport market currently benefits from a favorable context due to the sustained growth of the world economy (3% to 5% a year between 2000 and mid-2007) (Source International Monetary Fund, World Economic Outlook). The maritime transport market also benefits from expansion in the number of active economic partners (in particular, China, Brazil, Russia and India) and the increase in distance between the main centers of production and consumption. The volume of maritime transport thus recorded particularly sustained growth between 2000 and 2006, with an average annual growth rate of 4.2% in tons transported.

As of January 1, 2008, there were over 50,000 ships representing over 730 million gross ton capacity, and 10,000 shipping companies involved in international trade. Tankers, bulkers and container ships together accounted for 80% of the gross ton capacity of the global fleet (source: IACS).

A regulatory environment in constant evolution, contributing to growth

The international regulatory context applicable to maritime safety and environmental protection has evolved considerably over the last ten years. In most cases, new regulations have represented new business opportunities for classification societies and have contributed to the sustained growth of the Group's Marine business.

The International Safety Management Code (the ISM Code), which became effective in 1998, prepared under the International Maritime Organisation (IMO), introduced new safety management requirements for maritime companies. The new requirements enabled the Group to create a new service offering for of certifying safety systems. Certifications are carried out by specialized auditors.

In addition, the entry into effect of the International Ship and Port Facility Security Code (the ISPS Code) in July 2004, prepared under IMO, allowed the Group to offer verification and certification services in this area.

The elimination of single-hull tankers required in Europe and then at the global level by the IMO following the Erika and Prestige accidents lead to an increase in both orders for new tankers and supplementary on-board visits for existing ships seeking to extend their useful lives under the new regulations.

Finally, the adoption of common structural rules (CSR) by the IACS in 2005 placed the Group among the leading classification societies for new orders of bulk carriers due to the development of effective calculation tools and the creation of specialized teams, particularly, in China.

In the future, the Company believes that four new regulations should bring additional business to the Group:

- the consolidated convention of the International Labor Organization (ILO) on maritime work should make it mandatory to obtain a certificate of conformity to social standards and labor law for all ships;
- the convention on ballast water management (BWM) of 2004, adopted under the IMO, should make it mandatory to obtain approval of ballast water treatment systems and impose changes in ship design;
- the future convention on ship recycling, which may be adopted in 2008 or 2009, may require the delivery of a green passport for ships as well as an inventory of potentially dangerous materials and equipment on board, and
- the regulations currently being drafted on the prevention of air pollution from ships.

A very specialized market requiring a high level of expertise

The Group is one of the ten members of the IACS. According to IACS, these ten members classify 90% of world tonnage, with the remaining 10% either classed by small classification societies operating mainly at the national level or not classed. The IACS imposes strict conditions regarding service level and quality on its members: a minimum number of ships and tonnage classed, professional personnel, at least 15 years of experience in the field of classification, the publication of regularly updated classification rules, and compliance with a demanding quality control system. European Union regulations also apply qualitative criteria (experience, publication of classification rules, ship register and independence) and quantitative criteria (number of ships and tonnage classed) to obtain the recognition of organizations working in the member States.

Ship classification and certification are, by nature, international activities and require, on the part of the leading players, a global presence, whether for following ships under construction, inspecting and certifying equipment or visiting ships-in-service.

The new construction business requires substantial technical and commercial resources in the principal ship building countries (South Korea, China, Japan, Turkey, Vietnam, the Netherlands, Croatia and Finland). These resources provide contract negotiation and follow up, teams to monitor ship construction in relevant shipyards and, when justified by the level of business, the establishment in the country concerned of a decentralized technical center with delegated competence to review the conformity of plans and calculations with applicable rules. These resources are put into place to enable faster responsiveness to lead to a quality of service appreciated by both shipyards and ship owners.

A classification society's success is therefore closely linked to its technical reputation and image of quality service.

Size also plays a role in inspecting and certifying on-board equipment, part of the ship's classification activity. Thus, denser and broadly-spread facilities make it possible to optimize the organization of inspections.

For the ship-in-service activities, the presence of qualified inspectors in the principal ports of the world is indispensable to ensure that visits can be conducted upon demand and without delays which could harm the ship's operating schedule and the ship owner. Once again, sufficient size allows network optimization, greater efficiency and a strong service quality image.

Generally, critical size and the number of classed ships help to develop a high-level of expertise and service while providing the capacity for investments in research and development necessary to position the Group as one of the leading classification societies. In addition, a ship classed by one company is generally followed for periodic inspections by the same company throughout the ship's useful life.

A SOLID PRESENCE IN THE MARKET

Accelerating gains in market share since 2003

The fleet classed by the Group is the second largest in the world in number of ships and sixth largest by tonnage. As of December 31, 2007, it included 7,919 ships representing a 58.3 million gross ton capacity (compared to 38 million in 2001). The Group holds a leading position in the market for highly technical ships (liquefied natural gas ("LNG") and liquefied petroleum gas carriers, cruise ships, ferries and specialized ships). As of December 31, 2007, the fleet (in gross ton capacity) classed by the Group consisted of: bulk carriers 31%, tankers 24%, cargo ships 11%, container ships 11%, gas carriers 8%, passenger ships 6% and other types of ships 9%.

In terms of gross ton capacity, the Group's market share in the global fleet in service has increased regularly since 1996 to 8% in 2007. Since 2003, growth has accelerated, with market share increasing by 13% over the last three years.

In terms of the number of classed ships, the Group's market share grew from 13% in 2001 to 15% in all sectors on an aggregate basis in 2007. Market share nevertheless varies according to market segment, as shown by the table below (Source: IACS):

- Bulk carriers: 8%;
- Cargo ships: 14%;
- Container ships: 6%;
- Gas carriers: 16%;
- Passenger ships: 22%;
- Tankers: 10%;
- Others: 22%;

The table below sets forth the market share of the leading classification societies (also members of the IACS) expressed as a percentage of the number of ships classed, as of December 31, 2007 (Source: IACS):

Company	Country	Percentage of the number of ships classed
American Bureau of Shipping	United States	17%
Bureau Veritas	France	15%
Lloyd's Register	United Kingdom	13%
Germanischer Lloyd	Germany	13%
ClassNK	Japan	11%
DNV	Norway	11%

Through its reputation for technical expertise and its presence in all segments of the market, the Group has been able to take full advantage of market growth and record strong growth in its "new construction" business during the last years: 5.6 million tons of gross ton capacity in newly ordered ships classed by the Group in 2005, 9.7 million gross ton capacity in 2006 and 18 million gross ton capacity in 2007. Market share in the new construction market has increased regularly, year after year, to approximately 12% in gross tonnage and 19% in number of ships at the end of 2007.

2007 saw what can be considered an exceptional level of orders for new ships, with ever longer delivery timeframes of up to four and even five years from the order. These long delivery lead times will likely result in more normal new order levels in 2008 which should make it possible to keep the order book filled up, while assuring steady growth in production.

The new construction order book has increased from 13.5 million gross ton capacity in 2005 to 17.4 million gross ton capacity in 2006 and to 30.2 million gross ton capacity in 2007 (compared to 5.5 million in 2001). Bulk carriers represent 49% of this tonnage, tankers 14%, container ships 19%, gas carriers 8%, cargo ships 4% and passenger ships 3%.

Recognized technical expertise

Founded in 1828, the Group is one of the oldest ship classification societies in the world. The Group enjoys a long-standing reputation for technical expertise in the various segments of maritime transport and associated sectors, such as the offshore oil industry: bulk carriers, tankers, container ships, ferries and cruise ships, and offshore facilities of all kinds for the exploration and development of deep-water oil and gas fields. More recently, the Group has also participated in the classification of naval ships and provided technical consulting to navies, particularly in France.

The Group's Marine business also participates in several European or oil industry research programs. With this investment, the business has been able to develop areas of expertise such as hydrodynamics, vibration phenomena and structural fatigue, and develop improved calculation and simulation tools to analyze the behaviour of ships and their structures. The Group is therefore

able to reproduce the effects of the sea on the movement of liquids in the tanks of liquefied natural gas carriers, on stresses borne by anchorage systems, and the hydro-elastic phenomena and structural response to the pressures created by different types of sea swells. In other areas, various simulation and analysis tools have also been developed, regarding, for example, the propagation of fire on board ships, fighting the fire or evacuating passengers.

Numerous synergies and opportunities for cross-selling with other businesses of the Group

There are numerous synergies with other businesses of the Group:

- commercial synergies for key accounts have been developed;
- the Marine business takes advantage particularly of the know-how and experience of other businesses of the Group in the areas of health safety and environment which can be transposed to enrich its offering of services to ships and ship owners. For example, the Clean Air/Clean Sea programs are intended to enable ship owners to respond to the new requirements of international regulations against pollution, or the Health program, which specifically addresses the cruising industry and measures to protect passengers' health, particularly against Legionnaires' Disease, which were developed initially for the hotel industry; and
- the Marine business' technical expertise and its tools and methods of calculation are used by other businesses within the Group in a variety of fields, such as industrial projects requiring calculations of complex structures, or naval civil engineering projects such as port construction, for which hydrodynamic analyses play an important role.

A strategy founded on quality of service, responsiveness, technical competence and a strong presence among ship owners and shipyards

The market is characterized by two key factors: (i) the choice of classification society is usually made by the ship owner, who has both ownership of and responsibility for the ship, and (ii) the "new construction", "equipment certification" and "ships-in-service" activities are closely linked both technically, commercially and with respect to the client relationships. The ship owner's decision to use one classification society rather than another for the construction of a ship is most often guided by the previous experience he has had with the society for his ships-in-service. Similarly, when a ship owner decides to retain a classification society for the construction of a new ship due to the society's technical capabilities and quality of service, in most cases he will retain that company once the ship is put into service. With respect to classed equipment, the essential component parts of a ship, the choice of a classification society will typically depend on which company was chosen for the ship itself.

Over the last years, in a ship building market stimulated by strong demand, the influence of shipyards in selecting the classification society that will class a ship under construction has become an important factor in pursuing the development strategy.

The Group's strategy for organic growth is based on several components:

- geographic expansion: reinforcing the Group's presence in the main ship building countries and developing a presence in emerging markets (Southeast Asia and India);
- adapting both the commercial strategy and technical services to the new position of shipyards and their expanding role in selecting the classification society by entering early on into projects with dedicated local teams working in close collaboration with the shipyards;
- pursuing investments in information technology to respond to the expectations of shipyards and ship owners and to bring high level technical support in developing innovative solutions;
- allocating specific resources to the fast-growing and high-value-added segments: tankers, cargo ships, container ships, liquefied natural gas carriers, and offshore units; and
- developing a client base of ship owners through focused sales and marketing initiatives.

The Group's goal is to increase its share of the worldwide classed fleet by building on the growth of its "new construction" business and, toward this end, maintain a market share in the new construction business greater than 10% of tonnage. This strategy will also decrease the average age of its in-service fleet.

The measures described above and the growth in the businesses are supported by important investments in human resources, namely recruitment and training.

The Marine business also undertook a major initiative in 2006 when it took advantage of the entry into effect of new rules applicable to cargo ships and tankers developed by the IACS (CSR) and immediately positioned itself close to Chinese, South Korean and Japanese shipyards. Towards this end, the business used special calculation tools, which it developed in a limited period of time by making specialized support teams available to shipyards.

Accelerate automatization and the use of information technology

The ship classification and certification business is subject to strong price competition as well as continuous evaluation of technical support capabilities and quality of service. In this context, organizational efficiency, automatization of procedures and economies of scale play a particularly important role in maintaining strong profitability.

In this regard, the Marine business equipped itself early on with information technology for task management and automation and real-time monitoring of the fleet classed by Bureau Veritas. Such tools include the Neptune and ASMS systems for "ships-in-service" (covering, for example, ship characteristics and status, visits conducted and related reports, and invoicing), VeriSTAR Project Management for "new constructions" and "equipment certification", or the VeriSTAR Info portal for client access to information relating to their ships and regulations in effect. These tools and organization have allowed the business to take maximum advantage of economies of scale to maintain high profitability.

OPERATIONAL ORGANIZATION

The Marine business has a decentralized operational organization. Resources are located around the world near the major centers of ship building and repair, as well as in the most active countries in maritime transport.

The Marine business has 15 plan approval offices near clients which enable rapid responses to clients' requests: Paris, Nantes, Rotterdam, Hamburg, Copenhagen, Madrid, Pyreaus, Istanbul,

Dubai, Rio de Janeiro, Busan, Kobe, Shanghai, Singapore and Turku.

Ships-in-service are supported from nine key marine centers (Paris, Newcastle, Rotterdam, Madrid, Pyraeus, Istanbul, Shanghai, Miami and Singapore) and 330 visit centers. The Copenhagen Marine Center was merged with the Rotterdam one in 2007.

In addition, the Marine business has a centralized technical department, furthering the Group's goal of providing identical services regardless of the construction location or inspection.

Finally, technical assistance and consulting are carried out by a specific department, and activities taken on by the network for the benefit of the principal ship owners and shipyards are coordinated by a key accounts department.

1.5.2. Industry

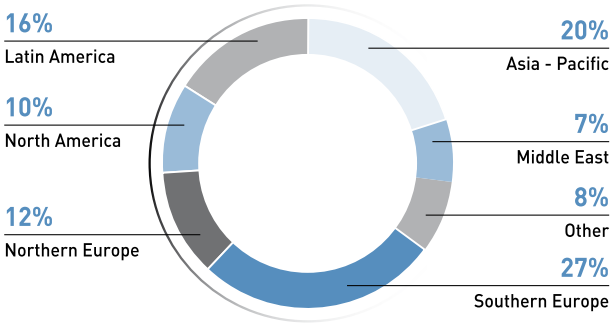
The Industry business verifies the conformity of projects, equipment or industrial facilities to applicable norms: national and European standards, standards established by the American Society of Mechanical Engineers (ASME) or standards set by or for certain clients or industrial projects. The Group's market segments that are most active and most promising in terms of revenue growth are:

- the energy sector (oil and gas and power);
- process industries (chemicals, petrochemicals, fertilizers, wood and paper, steel and metal transformation); and
- the mining and minerals industries.

The Group is involved at all stages of the life-cycle of equipment or facilities: from design (plan approvals) to manufacturing (factory visits), commissioning (site visits) and verifying in-service conditions.

The Industry business generated revenue of €299 million in 2007 (14% of the Group's consolidated revenue) and had an adjusted operating margin of 11.7%.

In 2007, the business' revenues were relatively evenly spread among the various geographic zones as can be seen from the graph below.



AN INTEGRATED SERVICES OFFERING COVERING ALL QUALITY, INTEGRITY AND SAFETY ASPECTS OF AN INDUSTRIAL PROJECT

A strongly diversified offering

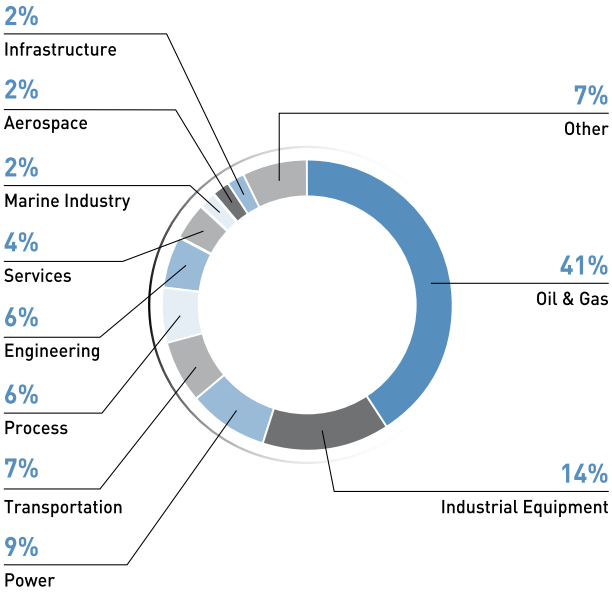
The Group's services for industry reflect the strong diversity of the sectors served, the services offered and the geographic zones covered.

A variety of sectors served

The Group has a particularly strong presence in the oil and gas, power, the processing, industrial equipment and transportation sectors. The Group provides services for all types of facilities or equipment in these different sectors:

- in the oil and gas sector, the Group works on facilities used for production, storage and distribution, whether on-shore or off-shore;
- in the power sector, the Group works on nuclear power stations, thermal power stations, cogeneration plants, equipment and facilities in the field of renewable energy.

The chart below presents the Industry business' revenue in 2007 by sector of activity:



A complete services offering

The Industry business offers services across all stages of the lifecycle of an infrastructure from feasibility to the de-commissioning stage:

- auditing feasibility studies;
- design review and plan verification;
- suppliers' selection and supervision;
- shop and site inspections;

- insurance and quality control;
- inspections and audits for certifying equipment under European directives ("CE marking") or American standards (ASME);
- laboratory testing of materials, on-site non-destructive testing; and
- asset integrity management.

Broad geographic coverage

The Industry business is present in all major industrial countries (France, Italy, the United Kingdom, Germany, the Netherlands, Spain, the United States, Japan and Australia) and in the BRIC countries (Brazil, Russia, India and China) as well as other high growth areas (the Middle East, Turkey and Mexico).

A relatively concentrated client base

The Industry business' client base is relatively concentrated: the 20 largest clients represented 28% of revenue in 2007. Key accounts include mainly oil and gas groups (Petrobras, Total, ENI, Shell, ADNOC, PEMEX), power groups (Areva, EDF, Suez) and engineering companies.

However, the Group generally enters into a large number of contracts with each of its clients, and its contracts are of all sizes (from minor shop inspection contracts to multisite inspection contracts). In addition, for some key accounts, the Group maintains commercial relations in other businesses (IVS, HSE, Marine). Finally, the Group has had historic relationships with some of the Industry business' principal clients, such as Total, EDF and Petrobras.

THE GROUP IS GROWING IN AN ACTIVE MARKET

A market with sustained growth

The Industry business is growing in an extremely active global market, with a market value estimated by the Company at over €7 billion. Several factors contribute to solid growth:

- factors common to all industrial sectors, such as:
  - the strengthening of QHSE regulations,
  - increasing awareness of industrial risks,
  - the ageing of certain industrial infrastructures in industrialized countries and the desire to extend infrastructure's useful life and bring them into line with new standards, and
  - the accelerated growth of industrial investments in emerging countries, lead by China, and
  - the growing complexity of projects and operations closely involving multiple countries, players and disciplines;
- factors unique to energy sectors:
  - growth in infrastructure investments (oil, gas and other energy sources). In its World Energy Outlook 2007 the IEA (International Energy Agency) revised its forecasts for total investment over the 2006-2030 period upwards by 1.7 trillion dollars to 22 trillion dollars,
  - in addition to the growth in investments, the Group benefits from the market transformations, characterized by ageing existing facilities used to their maximum capacity and even beyond their initially expected useful life, the emergence of the integrated "asset integrity management" approach and the trend among clients to externalize QHSE functions. The Group also benefits from new demand for certification generated by the regulation of carbon dioxide emissions.

A market with high barriers to entry for major international contracts

The Group believes that, for major international contracts, providers of QHSE industry services for the industry need to fulfill some conditions, which constitute substantial barriers to entry:

- possession of all required accreditations: as recognized organizations in the countries of the European Union and as ASME certification agencies in the United States;
- existence of a global network of experts present in all the major industrial sites around the world; and
- technical know-how and a reputation as first-rate technical experts.

A LEADING POSITION BASED ON SOLID COMPETITIVE ADVANTAGES AND AN GROWTH STRATEGY

A leading position in a fragmented market

The market of QHSE services to the industry is highly fragmented due to the large number of local players in addition to a few large global players.

The Group is one of the three world leaders in industrial inspection and certification. The Group's main competitors, by revenue, diversity of sectors served and types of services offered, are the regional German certification organizations (TÜV Sud, TÜV Nord and TÜV Rheinland), the Norwegian company DNV and the Swiss company SGS.

Other players, of smaller size and with a more limited range of sectors and services, compete with the Group in specific sectors (for example, Lloyd's Register in the rail sector), in a given market (for example, Moody International in the field of manufacturing inspection) or in a geographic zone (for example, Apave, in France).

Solid competitive advantages

The Group believes that its position as one of the world leaders in the market of QHSE industry services is based on the competitive advantages described below:

- its worldwide network;
- a leading position in key market segments: oil and gas, power and transport;
- an internal organization adapted to the nature of each project and which allows support throughout its useful life;

- a complete portfolio of services, from project design to assessment of asset reliability;
- a high degree of internal technical expertise;
- portfolio of accreditations needed to issue any required certifications; and
- efficient information technology tools for reporting to the client.

An ambitious growth strategy

The Industry business' strategy is built around the following components:

- the geographic expansion of its offering: the Group will continue to strengthen its network to further expand its global platform, leveraging the many facilities already in place (particularly in Europe, the United States, China, Japan, South Korea, Australia, Brazil or Turkey);
- the development of its service offering, taking advantage of the Group's ability to offer on a worldwide basis its European and ASME certification services, and focusing on high value-added services, such as asset integrity management and risk-based inspection; and
- the continuous improvement of the Group's position in its main markets (oil, gas, power and environment) and the acquisition of a significant position in other key markets (mining, construction materials, chemistry and steel).

In a highly fragmented market, the Group also plans to pursue opportunities for acquisitions which could allow it to accelerate development based on the components described above.

Strong opportunities for cross-selling with other businesses in the Group

The Industry business is developing many commercial synergies with the Group's other global businesses, particularly the IVS, HSE, Marine and Construction businesses. For example, in the off-shore oil sector, the classification and certification of a new floating production, storage and offloading (FPSO) unit can draw on the capabilities of the Marine business for structure classification and of the Industry business for process equipment and subsea pipelines certification. Once built and certified, the production and storage unit will require the capabilities of the Industry, IVS and HSE businesses throughout its life to respond to annual regulatory safety and performance inspections or voluntarily imposed requirements.

OPERATIONAL ORGANIZATION

Within the framework of the matrix organization, the global Industry business' organization is decentralized. The Industry business relies on 17 key countries possessing specific technical resources that provide competency centers for their regions. These key countries are France, Spain, Italy, Germany, the United Kingdom, the Netherlands, Russia, the United States, Brazil, Mexico, Australia, Turkey, the United Arab Emirates, India, Malaysia, China and Japan.

The 17 key countries are supported by a central organization dedicated to the development of new products, their distribution throughout the network as well as the rolling out of IT platforms for the production of our services. This organization also supports the countries with the preparation of major international tenders.

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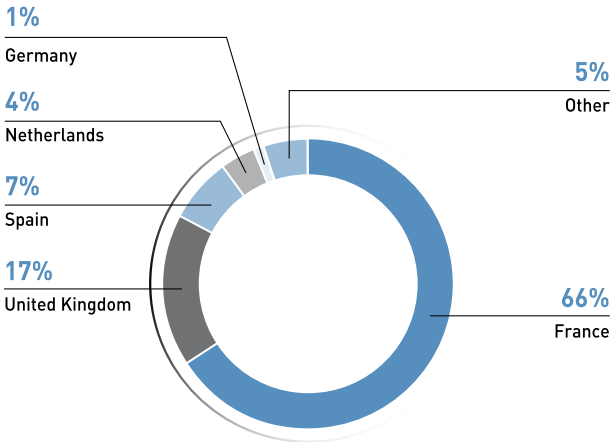
1.5.3. In-Service Inspection & Verification

The In-Service Inspection & Verification (IVS) business verifies conformity of technical installations to applicable regulatory requirements applicable to buildings and infrastructures technical installations (electrical installations, elevators, lifting equipment, pressure equipment, fire safety equipment).

In 2007, the IVS business generated revenue of €269 million (13% of the Group's consolidated revenue) and had an adjusted operating margin of 9.0%. The Group is one of the leaders in Europe of the In-Service Inspection & Verification market. The IVS business has historic key positions in France and the United Kingdom and has more recently developed its position in the Benelux countries, Spain with the acquisition of ECA, Germany, and Eastern Europe.

The IVS business' revenue by geographic zone in 2007 is shown below:



A GLOBAL OFFERING OF TECHNICAL INSTALLATIONS INSPECTION

The Group offers a comprehensive range of services covering all the regulatory requirements for periodic inspection applicable to the Group's clients.

The technical installations covered by the business' inspection services include:

- electrical installations;
- lifting equipment and other work tools;
- pressure equipment;
- fire equipment (rescue equipment, fire safety systems);
- elevators;
- heating equipment (particularly furnaces and aerothermodynamic equipment);
- automatic doors; and
- ionizing ray equipment.

In France, the business' principal market (66% of the business' 2007 revenue and an operational margin of 11%), assignments concern principally electrical installations (60% of the business' revenue in France), with the balance covered by lifting equipment (15%), fire safety equipment (7%), elevators (4%), machinery (3%), high pressure equipment (1%), heating equipment (5%) and other projects (5%).

In Spain, following the acquisition of ECA, assignments all of the above-mentioned technical areas, with significant growth in the assessment of low voltage electrical installations.

In the United Kingdom, assignments concern principally fixed electrical and lifting installations, elevators and pressure equipment. In the Netherlands, they primarily involve electrical installations, fire safety systems, elevators and pressure equipment.

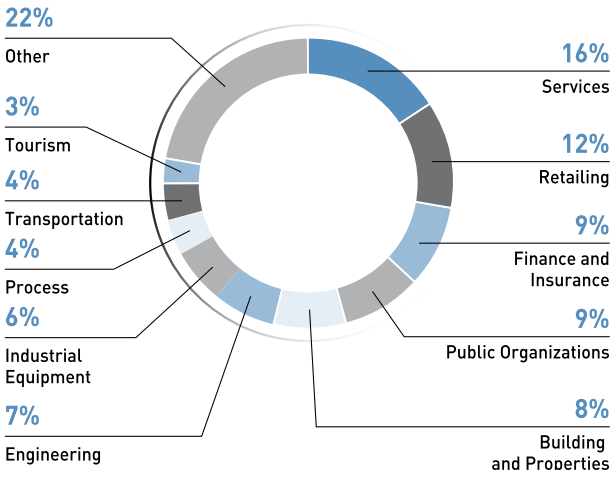
Conformity assessment assignments are carried out during initial inspection visits (before the equipment is put in service) or on a periodic basis (during the equipment's useful life).

As a complement to the principal in-service inspection activities the Group also offers its clients:

- technical support to bring equipment into compliance following regulatory inspections (relating to computer aided maintenance management systems) and compliance audits; and
- management of conformity for groups of buildings: monitoring of periodic control obligations and corrective actions, development of summary reports and statistics.

A HIGHLY RECURRENT BUSINESS

The business' client base shown below as a percentage of the business' revenue, is diversified and includes companies in a broad range of sectors including services, retailers, public organizations and insurance companies.



Over 60% of the business' revenue is considered recurring and corresponds to multiyear contracts and automatically renewed yearly contracts, particularly for regulatory inspections. The proportion of long-term contracts varies by country. In 2007, recurring revenue was calculated at 70% in France, 60% in the United Kingdom and Spain and only 10% in Italy, a market that is in the process of opening up. The higher level of recurring revenue in France is due to (i) market practices, as clients do not typically change their suppliers; (ii) the number of major clients requesting this service under two- to six-year contracts; and (iii) the Group's reputation on the French market. In addition, clients generally use the business' services for conformity assessment of several technical installations (between two and four, according to the country).

In general, the average size of the business' contracts is relatively low, particularly in Spain (€350), with the maximum average obtained in the United Kingdom (€3,000) and with an average of €1,200 in France. However, contracts with key accounts (multinational companies) can be for greater amounts, from €150,000 to €5 million per contract. Such contracts are typically for more than three years.

For example, the Group has long-term contracts for between three and six years with the following clients: Carrefour, CEA, France Telecom, BNP, EDF, RTE, SUEZ in France; ENI, SANOFI AVENTIS in Italy; British Airways, Norwich Union, Tarmac Group and Rolls-Royce in the United Kingdom, Generalidad de Catalogne in Spain.

MARKETS WHOSE DYNAMICS ARE LINKED TO THE REGULATORY ENVIRONMENT AND THE GRADUAL OPENING OF THE MARKETS TO COMPETITION

The Group believes that the market for In-Service Inspection & Verification, which is today mainly a European market, represents more than €7 billion in revenue in Europe.

The countries where the IVS business operates have certain common characteristics which determine the level of market activity:

- the regulatory environment (safety in public facilities, local labor codes) is increasingly strict, and criminal liability of managers is increasingly at risk. Local regulatory requirements in terms of initial expertise, ongoing training, methodology and IT tools strengthen the trend towards the corporate outsourcing of these activities to companies specialized in inspection;
- governments are reducing their role in regulatory inspections and relying more on accredited or approved companies (Italy, Eastern Europe); and
- insurance companies are also reducing their traditional inspection activities prior to issuing damage policies, and are outsourcing these activities to inspection companies.

The level of market openness varies substantially by country:

- certain markets are open to competition from the private sector (France, Spain, Portugal, Benelux);
- certain markets remain with public monopolies (Russia, China) or those which are progressively opening to the private sector (Eastern Europe, Italy); and
- certain markets remain with monopolies through professional or semi-state-owned associations (Germany) or the inspection subsidiaries of insurance companies which offer combined inspection and insurance services (United Kingdom).

A LEADING POSITION IN EUROPE AND A STRATEGY OF GLOBAL GROWTH

A leading position in Europe based on numerous competitive advantages

The Group believes it is one of the leading players on the market for In-Service Inspection & Verification in Europe, with a leading position in France, equivalent with Apave for certain technical installations and ahead of Norisko-Dekra and Socotec. In the highly fragmented Spanish market, the Group is one of the leading players following the acquisition of ECA as it is in the Netherlands, a market dominated by Lloyd's Register. In Italy, the market continues to be controlled by a small number of semi-public entities (ASL and ISPEL). In the United Kingdom, the insurance companies Royal Sun Alliance, Zurich, Allianz and HSB hold approximately 80% of the market, but the Group nevertheless has a strong presence.

The Group believes that it has many advantages which enable it to establish a competitive position on the market for In-Service Inspection & Verification services:

- the Group can provide a global offering both to local clients and international clients (key accounts, multiple-site clients) due to its broad geographical coverage and the diverse technical capabilities of its local teams, allowing it to offer a full range of services; and
- the Group possesses unique technical expertise, based on advanced methodologies, tools and technologies, in particular ergonomic reports which identify all essential inspection aspects, embarked information technology tools which provide real-time report delivery, and tools for optimizing inspector planning (rollout of IT tools in France, the United Kingdom, Italy and the Netherlands).

A global growth strategy adapted to each country

The Group's global growth and consolidation strategy in IVS is built around several components:

- consolidate and complete its European network by obtaining authorizations to operate in the principal countries and through partnerships with leading local players in other countries. In particular, the Group plans to complete its European network with accreditations in the following major markets: fire safety (United Kingdom, Germany, Scandinavia and Eastern Europe), pressure equipment (Germany and Scandinavia), lifting equipment (Italy, Germany and Eastern Europe) and electrical installations (Germany and Sweden);
- consolidate its position in opening markets through targeted acquisitions to reach critical size (Eastern Europe, Italy, Scandinavia, the Baltic countries);
- reinforce its portfolio of services to offer a consistent offering of services for Key Accounts to ensure equal coverage of equipment and facilities safety at all locations; and
- launch new services using the business' capabilities (such as assistance to outsourced maintenance supervision where major contracts were won in 2007).

The strategy is adapted according to the business' targeted geographic zones:

- France: continue to develop tools to ensure client loyalty (dedicated portals) and improve the profitability of services by rolling out hand-hold, web-based tools for inspectors (computerized reports, portable equipment) and simplifying technical methods;
- Spain: strengthen the market leadership position following the acquisition of ECA both from a commercial (dense network, comprehensive offering) and technical perspective (optimized production tools, client portal);
- the Netherlands: carry out a targeted acquisition policy to extend the services offering across the entire local market;
- United Kingdom: develop marketing specifically directed towards key accounts, improve returns on services by establishing appropriate computerized tools and establish new services taking advantage of the Group's network (global multisite services, assistance combining the services of several businesses);
- Italy: consolidate the fragmented market by becoming market leader through a targeted acquisition policy, continue the roll out of technological tools used in France, adapted to the local context, and increase sales by building on the regional sales structures established in 2007; and
- Germany: strengthen the local presence to support the business' international clients for their projects in Germany.

Important synergies with other Group businesses

The IVS business benefits from important synergies with other Group businesses, particularly the Construction and HSE businesses. For example, in connection with new buildings serviced by the Construction business, In-Service Inspection & Verification services are systematically proposed once the

building is put into service. In addition, when a client requests In-Service Inspection & Verification services for its facilities, the Group is well positioned for any necessary HSE inspection or audit, due to the technical information acquired by the Group through the provision of other services.

Means for improving the operating margin

The main profit improvement initiatives taken by the Group in France consist in centralizing planning of inspection visits and optimizing inspector tours, standardizing and simplifying inspection methods and computerizing reports. The Group has also started to implement and take advantage of these measures in other European countries where it is beginning to have a significant presence on the IVS market, particularly the United Kingdom, Spain, Italy and the Netherlands.

OPERATIONAL ORGANIZATION

The IVS business is organized around key major countries and geographic zones:

- European countries, with priority given to France, Italy, Spain, Portugal, the United Kingdom, Germany, Poland and the Netherlands; and
- Australia, Turkey, China, India and the Middle East.

A central technical department, shared with the Industry business' technical department, ensures the operational coordination of the network and provides support to local teams:

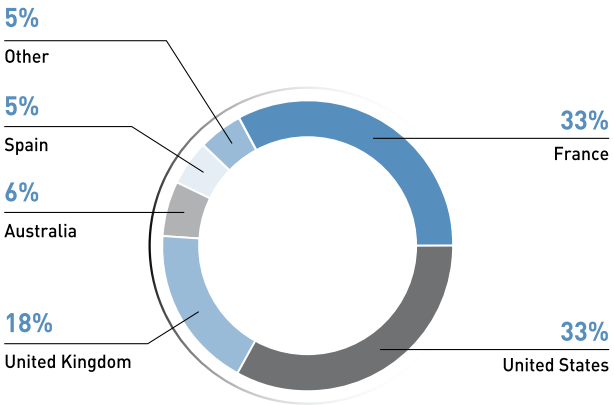
- for obtaining national accreditations and approvals required in each country;
- for maintaining and supervising the technical quality of service (through putting in place methodologies and technological tools, inspector training processes); and
- for re-engineering processes and optimizing production processes.

1.5.4. Health, Safety & Environment

The Health, Safety & Environment business assists clients in managing the risks of workplace-related accidents and illnesses (Occupational, Health and Safety) or ground, air and water pollution (Environment). Toward this goal, the HSE conducts inspections, diagnostic missions and audits.

In 2007, the HSE business generated revenue of €201 million (10% of the Group's consolidated revenue) and had an adjusted operating margin of 5.8%.

The HSE business' revenue in 2007 by geographic zone are shown below.



A SERVICE OFFERING THAT ADDRESSES ALL HSE ISSUES FOR A DIVERSIFIED CLIENT BASE

A global offering addressing all HSE issues

The number and complexity of regulations intended to manage health, safety and environmental risks increase with industrial development and global awareness of these potential risks. Corporations are primarily concerned with ensuring conformity to legal obligations, but also, and increasingly, establishing voluntary measures to improve HSE performance and demonstrate a positive contribution to sustainable development.

To respond to this complex need, the HSE business provides services for conformity assessment, risk evaluation and consulting, grouped by type of services into two major product families:

- services to control and improve the effects of business activities on the environment, including services for measuring atmospheric emissions, evaluating ground pollution and preparing administrative reports (such as impact studies, emissions authorizations, classed facilities and identification-management-elimination of waste). These services represented 40% of the business' revenue in 2007. Among these services, the Group has decided to prioritize on services to support its clients in improving the energy efficiency of their buildings and industrial processes and, more generally, in their strategy for reducing greenhouse gas emissions, segments that offer major growth potential; and
- services to protect employee and public health and safety, including support for controlling different pollutants inside buildings, measuring noise levels, identifying and managing materials containing asbestos, reducing work accidents and analyzing risks related to industrial processes. These services represented 60% of the business' revenue in 2007.

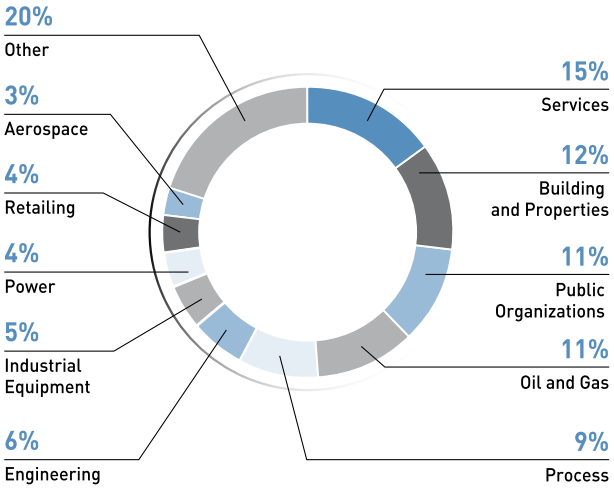
Beyond technical control and assistance services, the HSE business provides clients, particularly in-house HSE departments, with high value-added support for monitoring regulations, analyzing risks and auditing regulatory compliance and HSE performance. The business' services can cover all sites and subsidiaries in France or abroad. The HSE business thus assists its key accounts in developing their global strategy of sustainable development.

The HSE business' service offering covers most HSE requirements of its clients using consistent tools and methods based on a worldwide network of experts.

A diversified portfolio of clients

The HSE business serves a highly diversified client base. For regulatory compliance services assessing conformity to Occupational, Health and Safety standards, the Group's clients include companies in all business sectors, particularly industries which may have an environmental impact: oil and gas (for example, Total or YPF), chemicals, pharmaceuticals, paper and power. For services contracted on a voluntary basis, particularly due to concerns regarding sustainable development, the client base consists principally of major international companies seeking to convey a positive corporate image (for example, General Electric, Arcelor, EDF, HP, Schindler, Nexans, Oxy or Sony).

The chart below presents the HSE business' revenues in 2007 by client sector and illustrates the diversity of its client base.



A MARKET WITH MANY SOURCES OF GROWTH IN BOTH ENVIRONMENTAL AND HEALTH AND SAFETY AREAS

The Group believes that the HSE business' worldwide addressable market amounts to between 10 and €15 billion (excluding laboratory testing).

Several favorable trends contribute to market development.

In the environmental field, the following factors influence market growth:

- global warming has resulted in numerous regulations on greenhouse gas emissions, under the Kyoto protocol (tradable emission certificates, independent or joint development mechanisms) and through voluntary reductions of emissions as in California or the northeast United States. All the regulations generate substantial demand for compliance, certification and verification services;
- the sharp rise in energy costs has lead companies to identify and adopt energy saving measures, particularly through energy consumption diagnostic studies;
- most industrialized countries have adopted regulations to protect ground and water conditions which create a strong demand for controls and tests; and
- the implementation of the REACH (Registration, Evaluation and Authorization of CHemicals) European Directive planned for June 2008. The European directive requires manufacturers or distributors of products in Europe to trace, identify and register the chemical substances in products distributed in Europe. The application of this directive creates new opportunities for the Group in terms of consultancy on the implementation of REACH specific policies, training as well as monitoring and control services.

In addition, for health and safety, the risk of financial and criminal responsibility for companies and their management in the event of work accidents and illnesses has considerably increased over the past years, leading to strong demand for diagnostic, compliance and prevention services.

Finally, institutional and private investors pay increasing attention to criteria of social responsibility and sustainable development in their investment choices, which has lead companies, particularly publicly listed companies, to place greater emphasis on improving their HSE performance.

A market offering many opportunities for differentiation

In light of requests for audits or inspection services that require a physical presence on the client's site, the business' ability to offer all HSE services, allowing for cost optimization and reducing disturbance to the client's teams, is a factor that strongly differentiates it from other players in the market.

In addition, international groups seek visibility and control of HSE risks over all their activities on a worldwide basis. Their goal is to ensure conformity to local rules, and thus prevent possible criminal penalties or damage to their reputation, and improve their operational efficiency and financial performance. The Group believes that its global coverage allows it to respond to the expectations of major international groups.

Authorizations and accreditations issued by international organizations and local authorities also offer a differentiating factor in terms of credibility, as does the reputation of a company such as the Group which has been operating for more than 150 years in the industry and which has client references in all economic sectors.

A LEADERSHIP POSITION SUPPORTED BY AN AMBITIOUS DEVELOPMENT STRATEGY IN A HIGHLY FRAGMENTED MARKET

A leadership position in a highly fragmented market

The Group's international presence was developed over the last three years through numerous acquisitions, particularly in the

United States, the United Kingdom, in Spain, the Netherlands and in Australia. The Group believes that in 2007, it was the fourth largest player in the world in this market in terms of revenue.

The market is highly fragmented and consists of three types of players:

- a dozen large global players (particularly the American companies URS, ERM and Dupont Safety, the British company RPS and the Swiss company SGS), including the Group, which represent approximately 20% of the market;
- large local players, such as National Britannia in the United Kingdom, Tetratech in the United States or Coffey in Australia, which represent approximately 20% of the market; and
- small local players, generally specialized, which represent more than half of the market.

Solid competitive advantages

The Group possesses solid competitive advantages which should enable it to consolidate its position among the world leaders in the HSE market:

- it is accredited as a certifying organization by numerous local and regional public authorities, as well as the main professional organizations;
- it offers a broad range of services covering all HSE services as well as services oriented to the investment and operation phases of facilities;
- it has a worldwide network which enables it to respond to contracts requiring support on numerous sites throughout the world; and
- it has developed a high level of technical expertise.

A strategy for growth and improved profitability

The Group's strategy for its HSE business is similar to the strategy developed for the more mature businesses, such as Certification: to offer a complete set of high value-added services to international clients by taking advantage of a broad portfolio of local services and strong geographic presence. The driving forces for putting this strategy into effect are:

- geographic expansion, mainly through acquisitions, in line with its strategy initiated three years ago, notably the acquisitions made in 2005 of Clayton Group Services Inc. in the United States, Casella Consulting Ltd in the United Kingdom and the taking over of ECA in Spain in 2007;
- "cross-fertilization" of the services portfolio by exchanging and sharing capabilities and areas of expertise among different countries. For example, the Group's expertise in the air quality and waste management sector developed in France is used to accelerate the expansion of these activities in the United Kingdom and the rest of Europe, in particular with existing clients. Opportunities for cross-selling generally exist with most of the Group's other businesses, particularly the IVS business (inspection of high pressure equipment may lead to HSE projects under Directive 94/9/CE, the "Atex Directive", on controlling explosion risks), the Construction business (environmental impact, energy efficiency), the Industry business (inspections of dangerous equipment) and the Certification business (customized audits addressing HSE issues); and
- strengthening of multi-disciplinary teams capable of providing high value-added services such as studies and consulting on drawing up sustainable development strategies, risk analysis and environmental impact and energy optimization. This approach will be firstly implemented in France, the United Kingdom and the United States.

This strategy, coupled with local efforts to improve the operational efficiency of recently acquired companies and under-performing operational units, should make it possible to generate a growth rate substantially greater than the market and improve operational performance.

OPERATIONAL ORGANIZATION

Within the matrix structure, the HSE business comprises specialized operational units responsible for marketing and providing HSE services on a local basis. The business also has a central team responsible for defining the Group's HSE strategy and adapting it to each country, coordinating product and service development and directing sales and marketing efforts for international opportunities, in particular for key accounts.

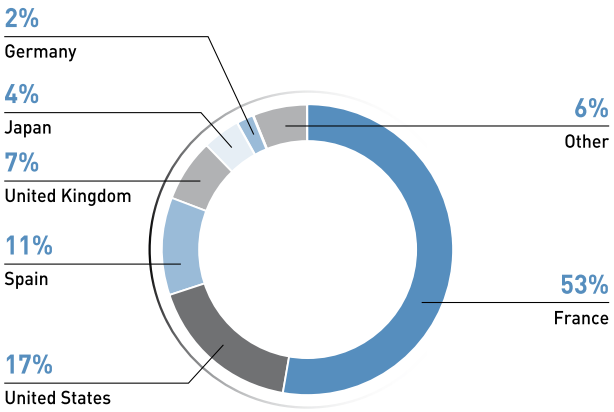
The central team of the HSE business is made up of three departments focusing on Occupational Health and Safety, Energy Efficiency and Business Development & HSE Tribe Animation.

1.5.5. Construction

The Construction business assesses the conformity of construction projects, such as buildings, civil engineering projects or works of art, with different technical standards of stability, water tightness, safety, comfort and zoning codes. Conformity assessment is performed through review and approval of plans, assignments to establish and monitor project specific quality organizations during the design stage and inspections, tests and/or product qualifications during the construction stage. The Construction business also offers complementary services such as asset management and technical due-diligence, as well as services linked to the post-construction life of a building (maintenance, rehabilitation and demolition) which allow its clients to control the Quality/Safety/Environmental issues of their real estate assets under construction or in service.

The Construction business generated revenue of €393 million (19% of the Group's consolidated revenue) in 2007 and had an adjusted operating margin of 11.6%. The Group is a world leader on the market for conformity assessment applied to the field of construction, with key positions in France, the United States,

Spain, the United Kingdom and Japan. The Construction business' revenue in 2007 by geographic zone is shown below.



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SERVICES COVERING THE ENTIRE LIFECYCLE OF PUBLIC, INDUSTRIAL, COMMERCIAL OR RESIDENTIAL BUILDINGS AND INFRASTRUCTURE (ROADS, RAILROAD, MARITIME AND HYDRAULIC)

An extensive offering of services covering the entire lifecycle of a construction project

The Group's services allow it to offer a complete response to a comprehensive range of regulatory and contractual construction requirements. Its services consist of assessing the conformity of construction projects, such as buildings, civil engineering projects or works of art, to different technical standards for:

- stability (structural, earthquake, geotechnical);
- water tightness (building exteriors, roofing, basements);
- safety (intrusion, fire and falls);
- comfort (acoustics, temperature, air quality); and
- zoning (compliance with applicable codes).

Conformity assessment is performed through review and approval of plans during the design stage and inspections, tests and/or product qualifications during the construction stage.

The business also offers:

- services to verify measures taken on construction sites to prevent accidents (safety and protection of workers, presence of on-site security agents);
- project monitoring with respect to quality and compliance with contract terms and timetable (particularly for financial clients distant from the construction site) and on major infrastructure projects;
- support services for technical asset management and maintenance supervision of in-service facilities; and
- technical diagnosis for selling or renting real estate (regulatory technical reviews) and technical due diligence prior to sale or rental.

The Group assists its clients in managing all aspects of their construction projects and provides support for the entire lifecycle of a building, construction project or industrial facility: from design (new projects or rehabilitation), to construction (risks, quality control), through commissioning (conformity clearance, participation in safety committees), use (maintenance, preparing visits) and in some cases sale or purchase transactions.

A cyclical business but with a stable client base

In general, the proportion of recurring revenue in the Construction business is lower than the Group average, since an important portion of the business' activities is tied to cycles in the construction sector and to project design and building phases.

The relatively cyclical nature of the business is mitigated by a stable client base, of which 50% are regular clients. In addition, the Group is also positioned on market segments that are less sensitive to private building construction (residential and office buildings), such as construction of state projects, including infrastructure construction and operation, which depends on national investment policies, and construction in the retail sector or in the health sector, which depends on public health policy. In France, 2007 revenue by market broke down as follows: real-estate developers (offices and residential) 36%, public services (including subsidized housing) 20%, service companies (banks, insurance, retail) 21%, industry 17%, hospitals and others (7%).

The Construction business' main clients include:

- real estate developers;
- large services companies (hotels, leisure facilities, bank, insurance companies, property rental businesses);
- public institutions (such as hospitals and schools, road, rail and maritime infrastructure);
- real estate investors and managers of major international real-estate portfolios;
- large retail companies; and
- industrial companies moving closer to their markets or migrating production sites (in the automobile, energy and collective services sectors).

A MARKET WITH DIFFERENT CHARACTERISTICS DEPENDING ON THE COUNTRY AND SEGMENT

The Construction business' market, which the Company estimates amounts to over €10 billion on a global level, is composed of domestic and international markets.

The expected long-term global increase in market volume is weaker than the Group's overall market. However, the portion of the market which is outsourced and privatized should experience strong growth in light of the increased trend toward outsourcing and privatizing. This trend varies by country and segment and is more exposed to economic cycles than in other sectors.

Domestic markets

Domestic markets include services provided to private companies (real estate developers, industrial companies, engineering) and public administrations (national and local administrations). These markets have different types of barriers to entry:

- regulatory barriers: authorizations and accreditations required for certain types of construction;
- recognition barriers: recognition by insurance companies (or re-insurers) of the ability to deliver compliance certificates; and
- personnel qualification barriers: the need to use professionals who are qualified and/or certified by a regulatory authority.

International markets

International markets include services provided to major international players involved in building, acquiring or managing assets in numerous countries. This market consists principally of companies working on behalf of public services, companies managing international service networks (leisure, hotels, insurance, banks, etc.), existing real-estate investors and managers, retail companies and industrial companies that are moving closer to their markets or migrating their production facilities.

Global growth potential due to new regulations and the opening of new markets

In each of the major markets where the business is present (Europe, the United States and Japan), growth in the market for conformity assessment services depends on:

- the construction market for new buildings, particularly the two principal segments of collective housing and offices;
- investment activity and, more generally, the volume of real estate transactions;
- the enactment of new regulations (such as earthquake resistance, asbestos and lead standards);
- the creation of new product labeling creating demand for certification (high environmental quality, energy performance);
- the opening up of the market for infrastructure quality control and monitoring following the rolling back of State services (roads, bridges, dams, etc.)
- the increasing desire among property management companies and industrial and large retail companies to outsource the monitoring of the technical and administrative aspects of regulatory compliance for their buildings and facilities; and
- the increasing trend among a number of national and local administrations to delegate to private accredited companies an increasing number of conformity assessment functions for existing buildings or new constructions. This trend has been observed in particular for five years in Japan, in the Gulf states (Abu Dhabi, Saudi Arabia) and in most of the western and southern states of the United States.

Different market characteristics according to the geographic zone

The French market is divided into three principal segments:

- the Building Technical Control segment, which covers services for preventing technical problems during construction. This business is subject to the French law n° 78-12 of January 4, 1978 (the "Spinetta Law");
- the Health and Safety Protection segment, which provides services for on-site safety coordination during construction: prevention plans and regulatory verifications (scaffolding, cranes, work site facilities, machines) the development of which is underpinned across Europe by a directive; and
- the Asset Management Services segment, which is the most fragmented one, but which is experiencing faster growth than the two other segments. This segment includes technical assistance services for construction: safety audits; stability of construction site enclosures; technical assistance to prepare for, or upon completion of, construction; start-up assistance for facilities open to the public; assistance for site management of fire security systems; and support for labeling and certifying projects.

The Spanish house building market is in decline, but this is offset by growing business in the road, rail and hydraulic infrastructure sector. The Asset Management segment, which is as fragmented as in France, has experienced sustained growth.

The American market is potentially the largest in the world. However, the degree of market openness varies by segment and geographic zone:

- the segment for testing construction materials is entirely open to private companies; and
- the segment for assessing plan compliance with construction codes remains mostly under the public control of municipalities and counties. However, outsourcing to private sector companies, which began ten years ago (essentially in California, Florida, Texas and Colorado), is a major market trend. The Group recorded revenue of US$60 million in this segment in 2007, is positioned as market leader and should experience strong growth in the coming ten years.

In Japan, a similar market for assessing plan compliance with zoning and building codes opened to privatization five years ago. In June 2007, the law governing the assessment of conformity of driving licenses was strengthened in order to increase the number of controls to be carried out by third parties. The coming into force of this new law multiplied by a factor of two the potential of this market for Bureau Veritas.

In the United Kingdom, the Group is currently present only on the segment for construction material testing.

The residential, service sector and shopping center construction, development and trading activities are moving towards Eastern Europe and certain high-growth countries; players in Western Europe are exporting their know-how by engaging with their partners, of which the Group is part.

Similarly, thanks to the expertise developed in the United States, the Group won outsourcing contracts for the plan approval activities of municipalities in the United Arab Emirates (Abu Dhabi, Dubai) and in Saudi Arabia (Rabigh).

A GLOBAL LEADERSHIP POSITION SUPPORTED BY A GROWTH STRATEGY TARGETED BY COUNTRY AND SEGMENT

A leading position in the construction market

In France, the Group is co-leader in the market with Socotec and ahead of Apave. On the Spanish market, the Group has been one of the leading players since the acquisition of ECA.

In the United States, in the market for testing construction materials, the Group is a mid-sized player with US$28 million in revenue in 2007 in a market dominated by PSI and RPS.

In the United States the Group is a leading player in the market for assessing plan compliance with zoning and construction codes.

In Japan, the Group is number two in the same very fast growing market, behind Nihon Teri.

Strong competitive advantages

The Group is the only player in the market bringing together:

- a presence in all market segments;
- extensive geographic coverage; and
- a unique international reputation as an independent third party company.

The existence of a worldwide network offers commercial and organizational advantages. From the commercial perspective, the Group can position itself with respect to global players such as hotel and retail groups or the major investment funds focused on acquiring and reselling real estate in all major urban and industrial areas of the world. From an organizational perspective, the Group is able to develop and specialize technical competence centers offering continental or regional support (capabilities in earthquake and geotechnical matters, energy efficiency and construction material performance).

A growth strategy targeted by country and segment

The Group plans to pursue the following main strategies to reinforce its leadership position:

- develop the Group's presence in all key countries where the technical control activities are being privatized and where regulations are becoming more stringent; this development is aided by recognition by insurers and re-insurers and by the references and know-how built up in the sphere of European regulations;
- consolidate its network of high level technical capabilities and develop a homogeneous global network sharing common methodologies;
- increase the Group's business with key accounts in the hotel, retail and leisure industries; and
- extend the Group's geographic coverage to be able to support major international clients, particularly in Eastern Europe, Asia and the Middle East and Latin America.

In a highly fragmented market, the Group also plans to pursue opportunities for acquisitions which could enable it to accelerate its development along the above-described lines.

Real opportunities for cross-selling with other Group businesses

The Group plans to take advantage of cross-selling opportunities with the IVS business. As an example, in France, all new construction projects controlled by the Construction business receive an offer for "in-use" services. The transformation rate is very high at approximately 90%.

Means for improving the operating margin

The Group's strategy for the Construction business also aims at improving the business' operating margin. The Group plans to introduce in a number of key countries, particularly the United States and Spain, all the methods, processes and systems which have enabled the Construction business to achieve a high operating margin in France. Toward this end, several Process Optimization Projects ("POP") have been initiated and will be fully deployed by the end of 2008. The business segments at stake are technical control of new constructions in Spain, construction material testing laboratories in the United States and the United Kingdom, and plan approval offices for new construction in California and Texas.

A plan has been put in place to improve the operating margin of the infrastructure monitoring business in Spain, brought in via the acquisition of ECA.

OPERATIONAL ORGANIZATION

The Construction business is organized around major countries in Western Europe (France, Spain, the United Kingdom, Germany and Italy), the United States and Japan.

In addition to this geographic organization, the business has a presence in some countries in Eastern Europe, the Middle East and Africa, for which the Group's facilities in France serve as competence centers.

The decentralized organization uses a central team based in Paris and focused on two specific segments: key accounts, currently limited to clients in the hotel and retail sector, and major investors requiring technical audits on large portfolios of real estate assets.

Within the matrix structure, a transversal practice and knowledge group was created to allow the business' main geographic entities to:

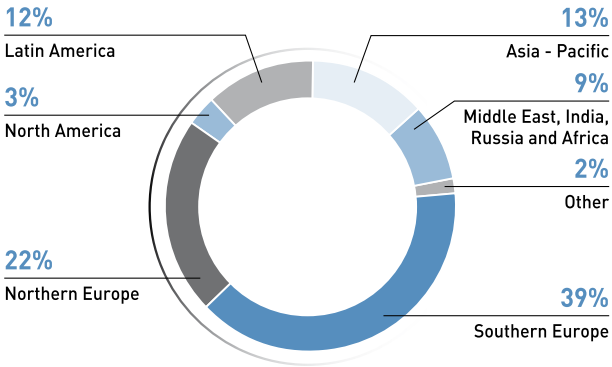
- share best practices, standards and tools;
- make an inventory of and allow for the sharing of high level technical capabilities;
- prepare technical notes for each country (risks, legal environment, work methodologies); and
- manage major multinational projects for asset management and technical due diligence.

In 2008 a central organization was created, wholly dedicated to coordinating this set of practices, whilst also making it possible to uncover competent managers in these fields, geographically mobile and able to help the target countries to develop these services while offering relevant advice with regard to the swift establishment of local strategies.

1.5.6. Certification

The Certification business certifies that the quality, safety, health and environment management systems utilized by the Group's clients comply with international standards, usually ISO norms, or national and/or sector standards. In addition, the business offers certification services to large companies that wish to audit and/or certify certain elements of their organization, particularly their suppliers and franchise networks.

The Certification business generated revenue of €247 million in 2007 (12% of the Group's consolidated revenue) and had an adjusted operating margin of 18.6%. The Group is the world market leader for certification with key positions in France, Spain, Italy, the Netherlands, Denmark, Sweden, Turkey, Brazil, India, Japan, China and Thailand. The Certification business is present in 78 countries. The Certification business' revenue in 2007 are presented below by geographic zone:



SERVICES COVERING ALL MAJOR STANDARDS OF QUALITY, SAFETY AND ENVIRONMENTAL MANAGEMENT

Services covering a broad range of standards based on standard or customized audits

The Certification business mainly offers certification services for quality, environmental, health-security and social responsibility management systems. In France, the business also provides certification services for product labels in agro-food industry under the Quality France brand (5% of the business' total revenue) as well as aircraft industry certification services for aircraft operated under the French flag, operated under a delegation of powers from the French civil aviation authority (Direction Générale de l'Aviation Civile).

The main quality standards covered by the business' services are: ISO 9001 (quality management), ISO/TS 16949 (quality management in the automobile industry), ISO 14001 (environmental management), OHSAS 18001 (health and safety management), SA 8000 (social responsibility), ISO 22000 and HACCP (health and food safety management).

Systems certification services include:

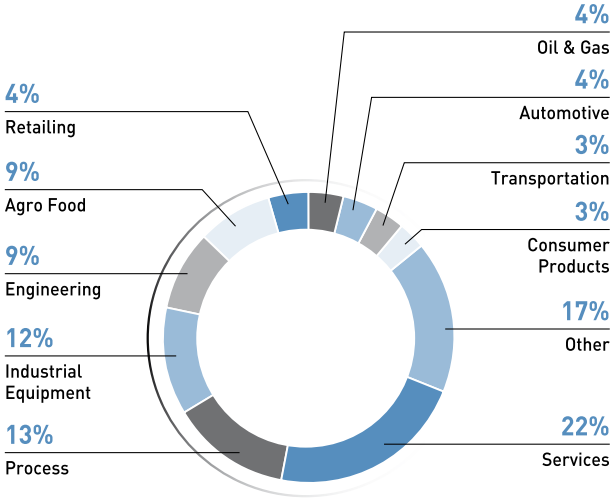
- standard audits for certification of management systems, based on public standards applicable to each market segment (Quality, Environment, Safety, Agro industry and Social Responsibility) and/or to the industrial sector where the client operates (such as the automotive, aerospace, food, forestry/wood industries); and
- customized audits according to standards developed by the client itself or by the Group: such as supplier audits, network audits and internal audits. This type of service is particularly adapted to large companies.

In 2006-2007, the Certification business launched "Vericert", an innovative approach to certification which consists of creating a client-customized performance audit and evaluation tool. This approach integrates the parameters of the ISO 9001 (Quality) and 14001 (Environment) norms and the OHSAS 18001 (workplace health and safety management) norms. It uses an auditing tool which permits the audit to be adapted and focused on risks specific to the company's business and organization in order to evaluate compliance and performance through a scoring system.

The Certification business' services allow the Group to cover all its clients' needs with a broad range of standards in the fields of quality, health, security, the environment and social responsibility.

As at January 1, 2007, the Group integrated its civil aviation certification services for aircraft operated under the French flag, operated under a delegation of powers from the French civil aviation authority (Direction Générale de l'Aviation Civile) (representing €28 million of revenue in 2007) from GSIT, to its Certification business.

In 2007, the breakdown of the Certification business' revenue by type of assignment can be seen from the graph below:



A diversified portfolio of clients

The Certification business' client base, which has close to 100,000 clients, is divided into two categories:

- large international companies (such as Sony, IBM, Nestlé, Peugeot or Audi) seeking external certification of their management systems for quality, safety and the environment for all their sites in the world. These companies may also need specific certification on the basis of standards which they have designed for their franchise networks, resellers, brand carriers or suppliers;
- small- and mid-sized companies for which certification of their management systems may be a condition of access to their principal markets: export markets, public markets and high volume markets such as the oil, automobile, aerospace or pharmaceutical industries.

A strong level of recurring revenue

The revenue of the Certification business is recurring as approximately 90% of the contracts are multi-year. Due to the long-term contract portfolio, taking into account the new contracts acquired each year and the growth of the business, the Group considers that it has a strong visibility on 70% of the revenue to be made the following year. Certification services are generally provided on the basis of a three-year cycle, with an initial audit phase during the first year and renewed audits effected through annual or semi-annual supervision visits during the next two years. The certification process is generally renewed by the client for a new cycle at the end of the three years cycle. The attrition rate observed for three-year certification missions is extremely low, varying by country from 1% to 5%, and generally reflects clients who have ceased their activity or who no longer seek to be active in the markets for which certification was required.

AN ACTIVE MARKET WITH HIGH BARRIERS TO ENTRY

A market experiencing strong global expansion

A client's decision to use a certification service reflects a voluntary choice, since no regulation requires certification, but there are various driving factors:

- some countries grant advantages to companies which initiate certification procedures (subsidies, tax reductions); and
- possession of a certificate is often required to participate in public bids and/or to be considered by certain clients.

For small- and mid-sized companies, certification represents a competitive advantage, or even a requirement by their clients or parties requesting missions. For large international companies with facilities throughout several countries or continents, certification offers a means to rationalize processes and spread best practices around the world.

Different growth trends depending on the market segment

The market for systems certification is estimated by the Group to represent more than €3 billion at the global level, and is divided into three principal segments with different growth trends:

- the Quality segment represents approximately 55% of the world market for systems certification. This segment should experience relatively slight growth during the coming years. The quality segment mainly encompasses certification services based on ISO 9001 norms and norms specific to the aerospace sector (EN/AS/JISQ 9100) and automotive sector (ISO/TS 16949);
- the Safety, Health, Environment, Social Responsibility and food safety sector represents approximately 35% of the world market for systems certification. The rapid growth of this sector is supported by the increased use of the environmental norm ISO 14001, standards in the forestry/wood sector, standards for workplace safety (OHSAS 18001) and social responsibility (SA 8000), standards for health and safety in agro food (HACCP, ISO 22000) or standards for safety in information management (ISO 27000); and
- according to the Group, customized certification services for the specific needs of large companies currently represent approximately 10% of the world market for certification services. This segment is also experiencing rapid growth, which should be sustained by the desire of large international companies to outsource supervision of their supply chain (suppliers) and distribution chain (distributors, agents, branches or franchises) to reduce economic and financial exposure as well as quality and reputation risk. The certifications are performed using audit standards and methodologies adapted for each client, its priorities and objectives.

High barriers to entry limit the emergence of new players

The emergence of new players on the certification market is made difficult by high barriers to entry:

- the need to obtain and maintain a portfolio of worldwide accreditations, based on internal rules and procedures validated by accrediting organizations. The Group is accredited by more than 30 national certification organizations. Certain accreditations may be utilized on a global basis, for example the UKAS accreditation (United Kingdom) and the ANAB accreditation (United States);
- the need to own and operate through a network of auditors qualified in different products and having appropriate experience in each industrial sector covered; and
- the need to achieve critical size at local level, since minimal market share is necessary to be profitable in large countries.

A LEADERSHIP POSITION ON THE CERTIFICATION MARKET IN TERMS OF REVENUE

Services adapted to client needs

The Group believes that in 2007 it was the leading player, together with some other global players (SGS, DNV, BSI and Lloyd's Register), on a market which is still fragmented, with more than two thirds of the world's certification business being conducted by local and/or small players.

In particular, the Group believes that it is the leading market player in Brazil, the Netherlands, Denmark, Spain, Belgium and Thailand, and that it is the largest company in the sector after the national certification organizations in France, Japan, Turkey, Poland and Russia.

Strong competitive advantages

The Group possesses strong competitive advantages:

- a diversified services offering covering all certification services;
- numerous synergies with other activities of the Group offering opportunities for cross-selling, collaborative marketing for key accounts (multisite clients with international networks) and sharing back-office functions and marketing tools; and
- a global network of qualified auditors in the principal geographic zones, which ensures that the Group has critical size on local markets.

A targeted growth strategy

The Group plans to pursue a growth strategy based on the following principal components:

- concentrating its marketing efforts on key accounts in key industrial sectors (aerospace, automobile, electronic, transportation, oil and gas) and on all players in some sectors (agro food, wood-paper-furniture);
- increasing the penetration of the mass market by taking advantage of business related to ISO 9000 standards in areas where the potential for growth remains strong, and developing business on segments experiencing strong growth, such as ISO 14000 (environmental management), OHSAS (workplace health and safety) or ISO 27000 (safety management for information systems);
- pursuing a policy of targeted acquisitions in some industrialized countries (United States, Canada, Germany, United Kingdom and Japan) to seek additional coverage in the local market in terms of specific industrial segments or branches; and
- maintaining a high level of profitability within the business through reorganizing under-performing units and continuously deploying the Process Optimization Project ("POP") specific to the business in all operating units. The plan's goal is to improve the utilization rate for employee auditors (above 75%), optimize the workload among employee or sub-contracted auditors to better respond to production seasonality, optimize back-office functions, and introduce effective information technology tools for auditor planning and the production of audit reports.

Opportunities for cross-selling with other Group businesses

The Group plans to take advantage of opportunities for cross-selling with other Group businesses, in particular the Consumer Products business (audits of suppliers or production sites, audits of client services in automobile manufacturing networks), the Industry and IVS businesses (internal audit programs for international clients seeking to verify that their sites apply internal management systems typically based on a mix of ISO norms and other QHSE requirements) and the Marine business (ISO certification of equipment providers at the request of shipyards).

OPERATIONAL ORGANIZATION

Within the matrix structure, the business uses a decentralized structure of approximately 70 operational units supported by a central sector department based in London. The sector department has four responsibilities: the supervision of major international contracts; the development of new products adapted to new standards or to changes in international standards; the technical direction of the business and the maintenance of all existing accreditations throughout the world; and the launching and supervision of operational performance optimization projects (POP) in all decentralized units.

1.5.7. Consumer Products

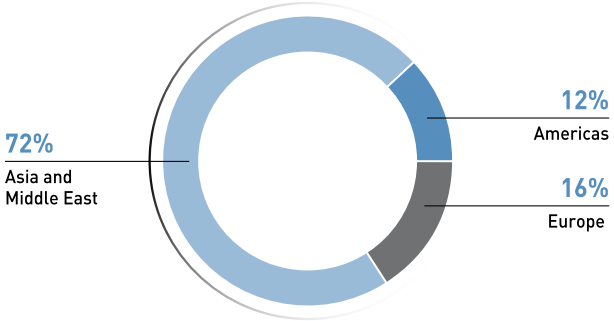
The Consumer Products business provides inspection services, laboratory testing and certification services to retailers and manufacturers of consumer products.

Services are provided throughout the clients' manufacturing and supply chains to ensure that products offered to the market comply with regulatory safety standards or voluntary standards of quality and performance.

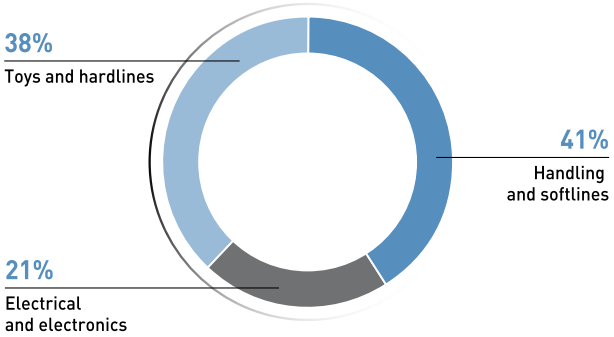
The Consumer Products business generated revenue of €259 million in 2007 (13% of the Group's consolidated revenue) and had an adjusted operating margin of 22.0%.

The Consumer Products business' revenue in 2007 are set forth below by geographic zone and category:

2007 revenue by geographic zone



2007 revenue by product category



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A COMPLETE AND COHERENT RANGE OF SERVICES COVERING THE ENTIRE CONSUMER PRODUCTS MANUFACTURING AND SUPPLY CHAIN

Services across the entire supply chain

The Group provides inspection services, laboratory testing and product certification, as well as audits of production sites and social responsibility audits.

The principal product categories include toys and juvenile products, textiles and clothing, leather and shoes, furniture, sports and leisure accessories, electric and electronic products (domestic appliances and consumer electronics) and health, beauty and household products.

The Group provides services for the entire supply, manufacturing and distribution chain:

- during the design and development stage of a product: consulting regarding regulations and standards applicable in all countries in the world, assistance for defining a quality assurance program;
- at the sourcing stage for materials and components: inspections and quality control tests for materials and components used in manufacturing the product;
- at the manufacturing stage: inspections and tests to assess regulatory compliance and product performance, as well as compliance of product packaging, factory audits focused on quality systems and social responsibility audits; and
- at the distribution stage: tests and assessment of compliance with specifications, and comparative tests with equivalent products.

A concentrated but loyal client base

The Group provides its services principally to large retailers or branded manufacturers, mainly in the United States but also in Europe. The Group's business with Asian manufacturers is also growing.

Revenue for the business are traditionally generated by a few dozen key accounts, essentially large American groups (large retailers, textiles, mass-consumption products). Key accounts include the American groups Target, Gap, Toys R Us, Wal-Mart, as well as Auchan in France and Lidl in Germany. However, the client portfolio is currently less concentrated than a few years ago. The 20 largest clients represented 38% of the business' revenue in 2007 compared to 49% in 2004. This change reflects the business' commercial efforts, which have lead to winning several new key accounts over the last three years.

There are three types of contractual relationships with clients:

- the Group may be chosen by a client-retailer as exclusive supplier of inspection and testing services. In this situation, all manufacturers who wish to sell their products to the retailer must send their products to the Group's network of inspectors and laboratories;
- the Group may be accredited by a client-retailer as one of two or three companies (generally its major competitors, SGS and Intertek) to provide inspection and testing services. In this situation, manufacturers can choose which company will inspect and test their products; and
- the Group may contract directly with a manufacturer who believes that the Group's reputation assures the manufacturer that inspections and tests carried out by the Group will be accepted by all client-retailers.

None of the three types of contractual relationships is currently predominant. Generally, existing clients are very loyal. Thus, 38 of the 40 business' largest clients in 2001 are still clients.

AN ACTIVE MARKET WITH HIGH BARRIERS TO ENTRY

An active market

The Group believes that the market of the Consumer Products business represents approximately €3.5 billion (excluding food product testing) and should benefit from the following factors:

- the strengthening of standards and regulations regarding safety, health and environmental protection;
- consumer demands for products that are safer and higher quality;
- the shortening of product life-cycles;
- shorter time-to-market for consumer products;

- the on-going migration of manufacturing facilities to Asia;
- the increasing number of retailers' private labels; and
- the continuing tendency of retailers to outsource quality control and product compliance.

High barriers to entry

The Consumer Products business is present in a market protected by high barriers to entry, of which the most significant are:

- the need to possess a network of laboratories and inspection centers in all exporting countries;
- the need to possess licenses to operate in China; and
- the need to possess a large network of accreditations. For example, the business possesses the following principal accreditations: American Association for Laboratory Accreditation (A2LA), French Accreditation Committee (COFRAC), Hong Kong Laboratory Accreditation Scheme (HOKLAS), IEC System for Conformity testing and Certification of Electrical Equipment (IECEE), National Environmental Laboratory Accreditation Program (NELAP), Singapore Laboratory Accreditation Scheme (SINGLAS), United Kingdom Accreditation Services (UKAS) and the Chinese National Laboratory Accreditation Council (CNLA).

KEY POSITIONS IN CERTAIN MARKET SEGMENTS

A particularly strong presence in the United States

The Group distinguishes itself from competitors by its strong presence in the United States and its deep penetration of the large retailer market in America, which has resulted from the successful integration of two American companies: ACTS, the American leader for testing toys and products for children, acquired in 1998, and MTL, the American leader for testing fabrics and clothes, acquired in 2001.

The Group's solid platform in the United States resulting from these two acquisitions has been consistently reinforced by:

- the effective management of key accounts, often including the presence of responsible Group personnel on-site with their major clients;
- technical experts with established reputation in the different product segments; and
- dedicated information systems and portals for each key account.

Growth in market share in Europe

Business in Europe grew rapidly over the past two years with a growth rate in excess of 30%. This mainly stemmed from strong growth in Germany where the Group was able to establish relationships with retailers and develop major test programs.

Key positions recently acquired in electrical and electronic segment

Through the acquisition in 2005 of Curtis-Straus in the United States and ADT in Taiwan, the Consumer Products business acquired key positions on the electrical and electronic products segment. The Group believes that it has become world leader in testing and certification of products incorporating Wifi and Wimax technologies. In 2007, ADT was elected the best laboratory for Wimax technology by the Taiwan Wimax forum.

On the electrical and electronic products segment, the Group is one of the ten principal world players in a market dominated by Underwriters Laboratories (United States) and Intertek (United Kingdom). The Group believes that it is the principal player on the toys and "hardline" products (such as home repair tools and equipment, household equipment, etc.) segment ahead of Intertek and SGS, and the second largest player in the "softline" products (such as textiles and clothes) segment, behind Intertek.

An ambitious growth strategy

The Group's strategy aims at delivering strong organic growth:

- by reinforcing its client base in the retail sector and specialized distribution sector in the United Kingdom, Germany, France and Spain;
- by increasing commercial resources dedicated to industrial companies and manufacturers in Asia;
- by expanding geographically the network of laboratories in South Asia: the business plans to open two additional laboratories in India, and acquire a laboratory in Pakistan to better respond to the demands of European importers and retailers;
- by developing new services for testing and certification: environmentally friendly or energy efficient products, products complying with new directives under REACH (European Directive 2006/121/CE on registrations, evaluations, authorizations and restrictions on chemical substances) and EuP (Directive on the energy efficiency of products); and
- by capitalizing on the new capabilities and expertise of the platform for electrical and electronic products through recent acquisitions in the United States and Taiwan. The Group aims to expand its electrical and electronics products services to large American retailers that are already Group clients in the toys and softlines sectors.

The business' strategy is also based on identifying and carrying out complementary acquisitions which provide access either to new market segments (wood-furniture, food, cosmetics, telecommunications) or to new geographic markets (Germany, Japan).

Means for improving productivity

The Consumer Products business' market is highly competitive, and major retail clients constantly seek to lower the cost of quality assurance, laboratory testing, inspection and certification services. Faced with such pricing pressure, the business continuously seeks to achieve productivity gains which will allow it to maintain margins at their current level, or even increase them slightly.

Two major initiatives are currently being undertaken:

- relocating certain testing capabilities from Hong Kong to new sites with lower operating costs in southern China (for textile and toys) at Shenzen and Panyu; and
- the reengineering process, underway, to improve productivity and timelines.

Opportunities for synergies with other Group businesses

Two types of synergies will be emphasized in the future:

- network and resource synergies with the Certification business (sharing the worldwide network of auditors), particularly with audits of social responsibility and sustainable development, and with the GSIT business (sharing the worldwide network of laboratories), for example in bidding for conformity assessment contracts; and
- synergies with the client base in the United States with the IVS and Construction businesses, as large retailers also need conformity assessment services for their real estate assets (shopping centers and warehouses).

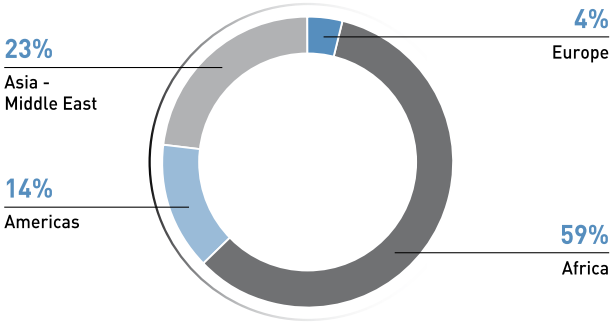
OPERATIONAL ORGANIZATION

The Consumer Products business runs operational units (laboratories and inspection centers) in 25 countries. Since early 2008, the structure was changed in order to better satisfy customer requirements and to ensure the implementation of key initiatives. Five departments were established to meet these goals (Global Operations, Account Management and Business Development, Strategic Markets and Product Line Management, Electrical and Electronics Product Line and Information Service). In addition, the electrical business was moved into the core testing business and operations were restructured into seven regions: Greater China, South-East Asia, South Asia, France/Spain, Germany/Turkey, United Kingdom and the Americas.

1.5.8. Government Services & International Trade

The GSIT business provides merchandise inspection services (finished products, equipment, commodities) in connection with international trade transactions. These services are targeted at governments (customs authorities), exporters, importers, trade intermediaries, banks, and international organizations managing development aid programs (the European Union, the World Bank and the International Monetary Fund).

The GSIT business generated revenue of €152 million (7% of the Group's consolidated revenue) and had an adjusted operating margin of 14.3% in 2007. The business' revenues by geographic zone in 2007 are shown below.



SERVICES DIRECTED MAINLY TO THE GOVERNMENTS OF EMERGING COUNTRIES, PARTICULARLY CUSTOMS AUTHORITIES

The GSIT business includes three segments: government services, services related to commodities trading and agricultural products and services related to the international trade and automotive industry supply chain.

Government services

The GSIT business provides governments with a range of services for inspecting and verifying all their import transactions, whether through pre-shipment inspection services and scanner verification (accounting for 70% of the business' revenue) or verification of conformity:

- *Pre-Shipment Inspection (PSI):* contracts for pre-shipment inspection are intended to ensure that import duties and taxes are paid in compliance with applicable regulations. Clients include customs authorities, finance ministries and trade ministries. The contracts have an average duration of one to three years;
- Scanners: contracts for inspection by scanner have the same purposes as PSI contracts and also allow governments to fight illegal imports and terrorism. Clients include customs services, finance ministries, trade ministries and port or airport authorities. Scanner concession contracts have a maximum duration of eight years;
- Verification of conformity (VOC): contracts for verification of conformity of imported merchandise are intended to protect consumers and local industry, and prevent unfair competition and imports of fraudulent products that do not comply with required technical, quality and safety standards. Clients include standardization organizations (for example, the Saudi Arabia Standard Organization) and trade and industry ministries. Verification of conformity contracts are generally for one to three year renewable periods.

In 2007, the business had 12 contracts with governments in Africa (Angola, the Ivory Coast, Ghana, Republic of Congo, Mali, Benin, Liberia, Chad and the Republique Centrafricaine), as well as in Asia (Bangladesh, Cambodia) and Latin America (Ecuador). It should be noted that the contract with Ecuador will terminate in the first quarter of 2008 (€11.8 million in revenue in 2007). Several new contracts are being negotiated in particular in Kuwait, Senegal, Burkina, Yemen and Guinea. In addition, the Group has four Verification of Conformity accreditations (Jordan, Lebanon, Saudi Arabia and Kuwait) as well as a China USA pilot accreditation for US Customs.

Commodities and agricultural product related services

This consists of inspection and laboratory test services designed to provide guarantees as to the quality and the quantity of product shipments, as well as conformity to product specifications.

Clients are producers, importers, exporters and dealers in oil, minerals and other commodities, such as grains, rice, coffee, cocoa and other agricultural products.

Automotive services

Automotive services cover mainly:

- inspection services of used vehicles imported or in circulation (periodic technical control based on five to ten-year contracts). Clients include customs authorities and ministries of transportation;
- vehicle damage tracking services: this business covers investigation of vehicle damage by visual inspection of new vehicles throughout the logistical chain to identify responsible parties. Clients include major automotive groups; and
- vehicle stock controls services: the Group assists automotive groups to better control stocks of vehicles at dealers. this business includes updating stocks in real time. Clients include automotive groups and/or organizations financing dealer stocks.

DIFFERENT MARKET DYNAMICS IN DIFFERENT SEGMENTS

The Company estimates that the government services and commodities market is worth more than €4 billion (excluding technical controls of vehicles in service), of which approximately €500 million for government services.

Government services: different growth according to market segment

The increase in international trade since 1980 has generated a large and growing need for trade inspections and verification.

For example, the World Health Organization estimates that 10% of all medicines are counterfeit, and that the percentage may be as high as 60% in developing countries. The terrorist attacks of September 11, 2001, and the creation in the United States of the Department of Homeland Security are the source of new regulations, such as the Container Security Initiative and the International Ship and Port Securities (ISPS) Code, which create increased need for monitoring commercial transactions.

The traditional government services business is the provision of pre-shipment inspection (PSI) services. Due to new liberalization rules issued by the World Trade Organization and the reduction in customs duties in most countries, traditional PSI control appears less strategic for the countries concerned. The Group believes that this market should not increase in the coming years.

On the other hand, the market for scanner inspection of in-coming containers should experience rapid growth, as should verification of conformity (VOC) programs. However, these two business areas require substantial investments: several million euros for a scanner or VOC laboratory.

Commodities and agricultural products: still a relatively weak presence

The commodities service segment includes three principal areas of business: agro food, oil and minerals. The Group's presence on this fragmented market remains relatively weak compared to its principal competitors but the Group is looking to grow in the mineral segment. The acquisition of the Australian company CCI in June 2007, the leader in the laboratory testing of coal in Australia is a first step. In January 2008, Bureau Veritas signed an agreement with a view to acquiring the Chilean group Cesmec, thereby holding a strong position in Chile in inspection and laboratory testing services for the mining industry.

Supply Chain and Automotive: a coming sector

This service segment has two principal areas of business: safety of the supply chain and technical control of vehicles. In the case of the former, the GSIT business has already developed services as a solutions integrator and in this regard signed an MOU with various partners such as Soget (Le Havre Port) and DCW (Dubai Port Authorities)

In the second sub-segment (Control of vehicles) the GSIT business has taken part in tender calls for tenders targeted at emerging markets (Ecuador) or developing markets (Mozambique), and also works with recognized partners.

SOLID COMPETITIVE ADVANTAGES SUPPORTING A MARKET STRATEGY DESIGNED FOR A COMPETITIVE ENVIRONMENT

Solid competitive advantages

The Group believes that its main competitive advantages for its growth strategy are:

- recognized know-how and expertise on the market for more than 20 years;
- a strong ability to rapidly put in place new programs throughout the world;
- strong synergies with other businesses in the Group, particularly the Industry business (revenue synergies in the oil and mineral sectors). The GSIT and Industry businesses offer to the same clients (oil and mining groups) services for testing their products (oil, coal) and inspecting and certifying their production, storage and distribution facilities. There are also important synergies with the Consumer Products business' global network of testing laboratories in connection with contracts for verification of conformity (VOC); and
- a dense network of inspectors, laboratories and test centers, allowing a reduction in costs and project completion time.

In 2007, the Group was one of four main players worldwide in the government services sector and had a niche position in the commodities and agricultural products sector.

The Group's main competitors are the Swiss companies SGS and Cotecna and the British company Intertek. On the Government Services market, market share at the global level is relatively equal, with SGS and the Group leading in the principal segment of PSI contracts. On the commodities inspection and testing market, SGS and Intertek have a dominant position, and the Group has only

a niche position. On the automotive services market, there are many important players, such as the German TÜV, the Spanish company Applus and the Swiss SGS, with the Group holding a very marginal position.

A targeted growth strategy

To ensure the future growth of the GSIT business and strengthen its position on a highly competitive market, the Group has launched several initiatives:

- the establishment of a new organization for the business in July 2007 and the reinforcement of sales and marketing teams;
- concentrating marketing efforts on non-governmental services to reduce dependence on respect to government services;
- creating a technical department responsible for developing and rolling-out new products, and strengthening technical expertise in oil and mineral products;
- developing a presence in regional niche markets such as commodities (rice, sugar, soybeans) and in automotive services by taking advantage of the existing network (in the Middle East, Africa, China, India, Australia and Latin America) or relations with local governments;
- developing new services for governments by taking advantage of existing relationships (scanners, VOC, automotive);
- pursuing a policy of targeted acquisitions: the Group is currently in the process of acquiring an Australian company, CCI, which represents a first step in progressively creating a worldwide platform of laboratories specialized in coal inspection and testing. CCI brings to the Group access to the coal market in Australia, Indonesia and the Ukraine. The acquisition of Cesmec enables the Group to gain a foothold in the inspection and mineral testing services sector (in particular copper); and
- developing commercial and operational synergies within the Group's network, particularly in the Middle East, China, India, Australia and Latin America.

Initiatives to improve the cost structure

To offset the anticipated decline in revenue from the PSI activity, the GSIT business has continuously reviewed its organization and processes over the past five years, which has enabled it to consolidate its network of Centers of Relations with Exporters (CRE). The number of CRE has progressively been reduced from 30 in 2002 to six in 2006 and four in 2007. The resulting significant gains in productivity allowed the business to improve its adjusted operating margin to 14.3% (compared to 12.5% in 2006), despite the dilutive impact of the integration of CCI.

OPERATIONAL ORGANIZATION

The GSIT business is present in approximately 700 inspection sites in the world, grouped together in 65 operational units. The Government Services business is carried out through centers for relations with exporters, inspection centers associated with the CRE and liaison offices based in countries which have entered into an agreement with the government. Liaison offices issue all import certificates locally. The commodities inspection business operates through inspection centers in the producer countries.

At the central level, the business possesses three departments based in Paris: a commercial department, which manages all major bids for government contracts; an operations department, which controls and supervises operating units and possesses the resources needed to create and start up liaison offices in every new country where a government contract is entered into; and a technical department, which is responsible for developing new products and defining and periodically reviewing inspection methods used by the network of operational units.

1.6. Accreditations, approvals and authorizations

To carry out its business, the Group has numerous licenses to operate ("Authorizations") which vary depending on the country or business concerned: accreditations, approvals, delegated authority, official recognition, certifications or listings. The Authorizations may be issued by national governments, public or private authorities, and national or international organizations.

Marine business

The Group, as a classification society, is a certified member of the International Association of Classification Societies (IACS), which brings together the ten largest international classification societies. At the European level, the Group is a "notified body" under the European Directive concerning classification societies. Finally, the Group holds more than 130 delegations of authority on behalf of authorities in flag administrations.

Industry & Facilities division

The Group has more than 150 accreditations issued by numerous national and international organizations, including COFRAC in France, ENAC in Spain, UKAS and IRCA in the United Kingdom, ANAB in the United States, JASANZ in Australia and New Zealand, INMETRO in Brazil, SINCERT in Italy, TGA in Germany, and RVA in the Netherlands. In addition, the Group is a notified body under the European Directives and holds more than 300 approvals, certifications, official acknowledgements and authorizations. The principal international approvals concern high-pressure equipment, lifting equipment, electric installations, transportation of hazardous materials and environmental measurements.

Government Services & International Trade

The Group is a member of the International Federation of Inspection Agencies (IFIA), which brings together the principal international inspection companies. In this area, Authorizations to conduct business are issued as accreditations or delegations granted by national governments with respect to contracts entered into with the government authorities.

Consumer Products business

The Group holds the following principal accreditations: American Association for Laboratory Accreditation (A2LA), COFRAC Hong Kong Laboratory Accreditation Scheme (HOKLAS), IEC System for Conformity testing and Certification of Electrical Equipment (IECEE), National Environmental Laboratory Accreditation Program (NELAP), Singapore Laboratory Accreditation Scheme (SINGLAS), United Kingdom Accreditation Services (UKAS), Chinese National Laboratory Accreditation Council (CNLA) Consumer Products. In addition, the Group's laboratories have accreditations in 20 countries issued by recognized organizations such as HOKLAS, A2LA, UKAS and COFRAC. Finally, the Group is a notified body under European directives concerning electric products and toys.

Each of the Group's businesses has established an organization dedicated to managing and monitoring on a centralized basis Authorizations subject to regular audits by the authorities concerned.

Obtaining, renewing and maintaining Authorizations must be justified by qualitative and quantitative criteria concerning the independence, impartiality and professional capabilities of the beneficiary of the Authorization, such as experience in the field concerned over a certain length of time, the existence of trained and qualified technical personnel, and an internal quality control system conforming to applicable requirements, such as the EN 4005 standards for inspection companies.

1.7. Information and management systems

The Group's information systems department is responsible for:

- determining the Group's technology architecture by defining the standards for software application development and network infrastructure applicable to all businesses and geographic zones;
- selecting, adapting and deploying integrated corporate applications used in all operational units (messages, ERP, finance, client management and human resources);
- guaranteeing the availability and security of all applications used by the Group; and
- managing the Group's global relationship with its principal suppliers of equipment, software applications and telecommunications services.

The department based in Paris has three Continental Shared Services Centers: in Nantes for the Europe – Africa – Middle East zone, in Hong-Kong for the Asia – Pacific zone and in Buffalo, New York for the Americas zone. The shared service centers

manage the infrastructure for the global network and provide different support services through helpdesks to their respective continents.

In addition, the businesses and certain major geographic zones have their own information services which manage the development and deployment of operational applications specific to different sectors or certain markets (planning services, inspector qualification, time and costs related to services, invoicing, formats for client reports).

In 2007, the total cost of the Group's information systems represented approximately 3.2% of the Group's consolidated revenue. Approximately 70% of the total cost was due to infrastructure costs (servers, work stations and telecommunications networks) and 30% was due to maintenance costs and applications development.

The Group's policy is to continue dedicating at least an equivalent percentage of its revenue to information systems while seeking to reduce the portion dedicated to infrastructure costs and increasing the portion dedicated to maintenance costs and applications development.

1.8. Risk factors

Investors are advised to carefully read the risks described in this chapter, as well as the other information contained in this reference document. The risks described below are, as of the date of this reference document, the main risks which the Group believes could have, should they occur, a significant adverse effect on the Group, its business, financial condition, results of operations or future growth. The occurrence of one or more of these risks could result in a decrease in the value of the Company's shares, and investors could lose all or a part of their investment.

1.8.1. Risks related to the industry

RISKS RELATED TO MACROECONOMIC DEVELOPMENTS

The Group is present in more than 140 countries through a network of approximately 850 offices and laboratories. Through its eight global businesses (Marine; Industry; In-Service Inspection & Verification; HSE; Construction; Certification; Consumer Products; and GSIT), the Group offers its clients services in numerous sectors of the economy. While the Group is able, to some extent, to protect itself against different economic cycles, its business could be affected by developments in the macroeconomic environment, and particularly by changes in world trade and the level of investment and consumption. The Group's business could also be affected by changes in economic policies affecting its clients. Demand for the Group's services, the price and the margin which the Group is able to achieve are directly related to the level of its clients' business activity, which itself can be affected by developments in macroeconomic conditions.

In addition, developments in certain sectors of the world economy or in specific geographic zones can have a significant impact on certain of the Group's eight global businesses. In particular, developments in international trade could impact the Marine business and the GSIT business, developments in investments in the energy sector could impact the Industry business, developments in household consumption could impact the Consumer Products business and developments in new building construction in the industrialized countries could impact the Construction business.

Similarly, since the Group recorded 55% of its 2007 revenue in Europe (notably in France), 16% in the Americas and 29% in Asia, Africa and the Middle East, the Group's business is currently vulnerable to developments in economic conditions in these geographic areas.

Developments in the macroeconomic environment, and particularly an economic slowdown affecting one or more markets where the Group currently operates, could have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO THE GROUP'S COMPETITIVE ENVIRONMENT

The markets in which the Group is present are subject to intense competition, which could increase in the future.

The Group's principal competitors, SGS (Switzerland), Intertek (United Kingdom), DNV (Norway) and the TUVs (Germany), operate at the national or global level in one or more of the Group's markets and may, given their size, possess financial, commercial, technical or human resources greater than those of the Group. Competitors may in the future adopt aggressive pricing policies, diversify their service offering or develop increased synergies within their range of service offerings. They may develop long-term strategic or contractual relationships with current or potential clients in

markets where the Group is present or seeking to develop its business, or even acquire companies or assets representing potential targets for the Group. The Group could thus lose market share, or its profitability may be affected, if it cannot offer prices, services or a quality of service at least comparable to those offered by its competitors, or if it does not take advantage of new commercial opportunities. The intensification of competition in the Group's markets could therefore result in decreased revenue, a loss of market share and/or a decline in profitability, and could thus have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

In addition, in certain of the Group's markets, such as the Industry, IVS, HSE, Construction and Certification markets, which are currently highly fragmented, there is a trend toward industry consolidation to create major international groups. Over time, if the Group does not consolidate in these markets, its ability to reach its objectives may be affected. By increasing competition (creating, for example, additional price pressure and greater competition in open bidding), the trend toward consolidation could impact the Group's business and thus its ability to maintain and increase market share.

RISKS RELATED TO INCREASED PERSONNEL COSTS AND A SHORTAGE OF LABOR

In the conformity assessment and certification services sector, the personnel involved includes principally qualified technicians who are frequently highly sought after in the market for their specialized knowledge (particularly in the oil, gas and construction sectors). The Group's continued success depends to a large extent on its ability to attract, motivate and/or retain qualified personnel with the requisite capabilities and experience. The Group is also exposed to the risk that its clients or competitors may offer attractive employment opportunities to its employees upon conclusion of particularly successful projects. If the Group is not able to attract, motivate and/or retain enough qualified personnel to satisfy its clients' requests and respond to changes in both their needs and technological developments, the Group's business, financial condition, results of operations or future growth may be seriously adversely affected.

In 2007, personnel expenses represented 50.8% of total revenue. The Group may not be able to pass on through, either immediately or in the long-term, any salary increases it may be required to grant employees. The Group may experience particular difficulties passing on salary increases in the event of a substantial change in labor regulations or labor market tensions in the principal countries or sectors where it operates. As a result, an increase in salary expenses could impact the Group's operating margins and have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO THE DEPARTURE OF KEY PERSONNEL

The Group's key personnel, namely the members of the Executive Committee, have worked an average of nearly 12 years for the Group and, as a result, have an excellent understanding of the Group's business and, more generally, the industry as a whole. The departure of one of the key personnel could, therefore, lead to a loss of know-how and knowledge of the Company and its business and may, in some cases, enable the Group's competitors and clients to obtain sensitive information. The loss of key personnel could also have a negative effect on the Group's ability to retain its most important clients, pursue the development of its services or carry out its growth strategy. The Group's success depends in part on maintaining the loyalty of its senior management and other key employees, and on its ability to continue to attract, motivate and retain highly qualified personnel. If the Group does not succeed in retaining its key personnel, its business, financial condition, results of operations or future growth could be seriously adversely affected.

1.8.2. Risks related to the Group's business

RISKS RELATED TO THE NON-RENEWAL, SUSPENSION OR LOSS OF CERTAIN AUTHORIZATIONS

A significant part of the Group's business is subject to obtaining accreditations, approvals, permits, delegated authority, official recognition and, more generally, authorizations ("Authorizations") at the local, regional or global levels, which are issued by public authorities or professional organizations following investigations which are often long and complex. Certain Authorizations are granted for limited periods of time and are subject to periodic renewal by the authority concerned. In addition, for certain businesses, particularly for the Marine and GSIT businesses, the Group must be a member of certain professional organizations to be eligible for certain projects.

Although the Group monitors closely the quality of services performed under the Authorizations, as well as the renewal and maintenance of its portfolio of Authorizations, any failure to meet its professional responsibilities, or real or perceived conflicts of interest, could lead the Group to lose, either temporarily or on a permanent basis, one or more of its Authorizations. In addition, a public authority or professional organization which has granted one or more Authorizations to the Group could decide unilaterally to withdraw such Authorizations.

The non-renewal, suspension or loss of certain of these Authorizations, or of membership in certain professional organizations, could have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO ACQUISITIONS

The Group's growth strategy is largely based on the acquisition of local players providing access to new markets and/or creating

synergies with the Group's existing business. The Group may not be able to identify appropriate targets, complete the acquisitions on satisfactory terms, particularly as to price, or efficiently integrate the acquired companies or activities and achieve the anticipated benefits in terms of cost and synergies. In addition, the Group may not be able to obtain financing for acquisitions on favorable terms, and it may thus decide to finance the acquisitions with cash which could have been allocated to other purposes in connection with the Group's existing business. In addition, in the event of significant acquisitions, the Group may be required to rely on external sources of financing, including the capital markets.

The Group may also encounter difficulties and/or experience delays in integrating acquired companies, including the possible loss of clients; possible incompatibilities between systems and procedures (particularly accounting systems and controls) or corporate policies and cultures; a reduction in management attention paid to daily matters; the loss of personnel, particularly senior management; and the assumption of liabilities or costs, particularly material non-insured litigation.

Finally, the Group's competitors, as well as financial investors, particularly investment funds, could acquire companies or assets representing potential targets for the Group, or could cause acquisitions sought by the Group to be more difficult or expensive.

If the Group does not succeed in pursuing an active and competitive acquisition policy in comparison with other actors on the market, its ability to reach its growth objectives for revenue and develop or maintain market share could be affected, which could have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO THE GROUP'S DEPENDENCE ON MAJOR CLIENTS IN CERTAIN MARKETS

The Group's sales are generated from approximately 300,000 active clients, and the average level of sales per client is less than approximately €7,000 per year. Sales to the Group's ten largest clients in 2007 represented less than 7% of consolidated revenue, with the largest client representing less than 2% of consolidated revenue.

However, certain Group businesses, particularly the Consumer Products business and the GSIT business, as well as the Industry business' "Oil and Gas" segment, record a significant portion of their revenue from certain clients. For example, the major client of the Consumer Products business represented 6.4% of the business' revenue, and the major client of the Government Services business represented 11.0% of its revenue in 2007. The loss of one of these principal clients could have a significant adverse effect on the business, financial condition, results of operations or future growth of the business concerned.

1.8.3. Regulatory, social, legal, political, economic and financial risks

FINANCIAL, ECONOMIC AND POLITICAL RISKS AFFECTING THE GROUP'S MARKETS

Because of the variety and number of facilities maintained by the Group in more than 140 countries throughout the world, the Group's businesses may be affected by numerous external risk factors, including:

- fluctuations in exchange rates, particularly the exchange rates between the euro and the US dollar, the Hong Kong dollar and the pound sterling, and currency devaluations;
- restrictions on capital transfers;
- changes in tax regimes, including regulations on price transfer and withholding on transfers and other payments made by the Group's entities;
- the lengthening of payment cycles for client receivables and collection difficulties;
- inflation, the possibility of recession and instability in financial markets;
- increasing interest rates;
- natural catastrophes which could disrupt the Group's or its clients' businesses; and
- political instability and the risk of terrorism and war.

The Group cannot ensure that it will be able to develop and apply procedures, policies and practices which will allow it to anticipate and control these risks or manage them effectively. If it does not succeed, the Group's business, financial condition, results of operations or future growth may be adversely affected.

RISKS RELATED TO LITIGATION OR PRE-LITIGATION PROCEDURES TO WHICH THE GROUP IS A PARTY

In the normal course of business, the Group is involved with respect to some of its activities in a large number of litigation or pre-litigation procedures seeking to establish the Group's professional liability in connection with services provided. Although the Group pays careful attention to controlling risks and the quality of services provided, services may give rise to claims and result in adverse financial judgments, particularly in connection with the Construction business in France. In France, there is a high and recurring claim rate due to the Spinetta Law of January 4, 1978, which establishes a presumption of responsibility and joint (*in solidum*) liability for technical controllers. The Group's other businesses are not subject to a presumption of responsibility, and the litigations to which the Group is a party are proportionately fewer compared to the number of services provided than for the Construction business in France.

The different litigations involving the Group could give rise to significant claims, particularly in connection with the Marine business and the Construction business in France. They could also result in criminal liability for the person or the entity involved and/or have a significant negative effect on the Group's reputation and

image (see paragraph Procedures, government, administrative, legal and arbitration investigations of Chapter VII – Supplementary information).

In professional liability litigation, there may be a substantial delay between the provision of services and the making of a related claim. In addition, claims notified to the Group may, at the outset, be substantial, but the portion of the claim eventually attributed to the Group cannot generally be clearly determined when procedures are commenced. In the past, judgments adverse to the Group in major cases have generally been for amounts significantly lower than those initially claimed.

In the future, new claims made against the Group may lead to a substantial liability for the Group and thus have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO THE GROUP'S INSURANCE COVERAGE

The Group seeks to adequately insure itself against all financial consequences of claims asserting professional civil liability. However, there can be no guarantee that all claims made against the Group or all losses suffered are or will be effectively covered by its insurance, nor that the policies in place will always be sufficient to cover all costs and financial awards it may be required to pay as a result. In the event of claims which are not covered or which significantly exceed the insurance policy coverage, or if insurance companies demand reimbursement, the costs and financial judgments against the Group could have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

Insurance premiums paid by the Group over the last five years, as well as the terms of coverage, have remained relatively stable and comparable overall for the Group. However, the insurance market could evolve in a manner unfavorable to the Group, generating an increase in premiums or making it impossible or much more expensive to obtain adequate insurance coverage. These factors could result in a substantial increase in insurance costs, or possibly cause the Group to withdraw from certain markets, which could have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO REGULATIONS AND CHANGES IN REGULATIONS

The Group conducts its business in a heavily regulated environment, with regulations differing, sometimes substantially, from one country to another.

Regulations applicable to the Group's businesses may change either favorably or unfavorably for the Group. The strengthening or enforcement of regulations, while in some cases creating new business opportunities, may also create operating conditions that increase the Group's operating costs, limit its business areas (for example, in connection with real or alleged conflicts of interests) or more generally slow the Group's development.

Important changes in law or jurisprudence applicable to the Group's businesses in the principal countries where it operates may lead to frequent, or even systematic, claims against the professional liability of employees, the Company or its subsidiaries. The Group could become subject to multiple litigations and may be required to pay substantial damages and interest, which may not be covered by insurance, despite the fact that the Group provided services in the jurisdiction prior to any regulatory changes. In extreme cases, such changes in the regulatory environment could lead the Group to exit certain markets where it considers the regulation to be overly burdensome.

In general, the Group cannot guarantee that rapid and/or important changes in current regulations will not in the future have a significant adverse effect on its business, financial condition, results of operations or future growth.

RISKS RELATED SPECIFICALLY TO THE GOVERNMENT SERVICES & INTERNATIONAL TRADE BUSINESS

The GSIT business, and in particular inspection and verification services for import transactions, involves a relatively limited number of contracts with governments or governmental agencies. As of the date of this reference document, the Group was party to 13 government contracts, most of which involved services for African countries. These contracts are generally for a period of one to three years, and most of them may be unilaterally terminated at the discretion of the authority concerned and with short notice. They are also subject to the uncertainties inherent in conducting business in developing countries, some of which have been or could be subject to political instability. The cancellation or non-renewal of a significant number of these contracts could have a significant adverse effect on the Group's business, financial condition, results of operation or future growth.

In addition, when servicing contracts with governments or governmental agencies, the Group may also face difficulties in collection which may be complex to resolve. Non-payment, or late or partial payment, of significant amounts due under these contracts could have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

REPUTATIONAL RISK

The continued success of the Group depends on its ability to maintain its reputation for professionalism, integrity and independence. Although the Group closely monitors the quality of its services, it cannot guaranty that it will be able to defend itself against damage to its reputation which could result from an accident, disaster, conflict of interest or litigation giving rise to substantial media coverage, particularly if such publicity suggests substantial failures, real or alleged, by the Group in meeting its responsibilities. Such events could significantly damage the Group's reputation, thereby affecting its ability to maintain client confidence and attract new clients, and could thus have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISK OF ETHICAL VIOLATIONS

Although the Group places a priority on respecting strict ethical values in conducting its business, as demonstrated by the Group's Code of Ethics (see Chapter II – Corporate governance), the risk of isolated acts in violation of the Group's values and principles by Group personnel cannot be excluded. Such acts may lead potential plaintiffs to claim that Group employees, management or companies are responsible. Such circumstances could affect the Group's reputation and thus have a significant adverse effect on the Group's business, financial condition, results of operations or future growth.

RISKS RELATED TO RIGOROUS LABOR LAWS IN CERTAIN COUNTRIES WHERE THE GROUP CONDUCTS BUSINESS

Labor laws applicable to the Group's business in certain countries, particularly in Europe and Asia, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employee interests. In addition, in certain countries, the Group's employees are members of unions or, based on applicable regulations, represented within the company by an employee committee. In many cases, the Group must consult with and request the consent or opinion of union representatives or employee committees in managing its business. These labor laws and consultative procedures with unions or employee committees could limit the Group's flexibility with respect to employment policy and its ability to respond to market changes.

In addition, because the Group's employees in certain countries benefit from similar collective conventions or agreements (all full-time employees at the date of this reference document), the Group may not be able to negotiate collective agreements on acceptable terms, and actions undertaken by employees could disrupt the Group's business. In the event of a strike, work-stoppage or work-slowdown by the Group's employees, the Group may experience substantial business disruption which could have a significant adverse effect on its business, financial condition, results of operation or future growth.

RISKS RELATED TO THE GROUP'S SHAREHOLDER BASE

The Company's principal shareholder, the Wendel group, continues to hold the majority of the Company's capital and voting rights. As a result, Wendel could have a significant influence on the Company's strategic decisions, and/or cause the adoption or rejection of any resolution submitted for shareholder approval at an Ordinary or Extraordinary Shareholders' Meeting, including: the nomination of members of the Supervisory Board, the approval of annual financial statements and the distribution of dividends, authorizations for capital increases, mergers or asset transfers, or any other decision requiring the approval of the Company's shareholders.

In addition, Wendel may find itself in a position where its own interests and those of the Company or other shareholders are in conflict.

RISKS RELATED TO THE COMPANY'S STOCK MARKET LISTING

The Company's increased media exposure together with all the information published as part of the initial public offering process could contribute to increasing exposure to the risks set out above (image, reputational, ethical risks).

In addition, the public offering constitutes an additional risk for the Company that could result in additional exposure: the potential civil liability of the entity or of its managers with regard to the financial communication of the results and management operations.

These risks may have repercussions on the stock price and are likely to have a negative impact on the Group's business, financial position, results or outlook.

1.8.4. Risks related to the Group's indebtedness, sources of financing and commitments

RISKS RELATED TO THE GROUP'S INDEBTEDNESS

At December 31, 2007, the Group's consolidated total debt amounted to €810.2 million, and its consolidated net debt amounted to €667.3 million. The Group's debt consists principally of amounts drawn down from a syndicated credit facility (€625.6 million, the "2006 Syndicated Loan"), the sums drawn down as part of a multi-lateral loan (€150 million, the "2007 Club Deal") and other bank loans (€34.6 million). For a detailed description of the Group's indebtedness, see paragraph Financing of Chapter III – Management Board's management report.

The Group's indebtedness could have the following consequences:

- the 2006 Syndicated Loan as well as the 2007 Club Deal contain customary covenants limiting the operational flexibility of the Group, particularly its ability to grant security interests, incur indebtedness, provide guaranties, undertake acquisitions, asset sales, mergers or restructuring, or make certain investments. In addition, the 2006 Syndicated Loan and the 2007 Club Deal include provisions regarding external growth transactions, providing for total or partial mandatory early repayment in certain events, and change of control (see paragraph Financing of Chapter III – Management Board's management report of the 2007 reference document). These restrictions could affect the Group's ability to carry out its external growth policy and to

adapt its business to competitive pressures, a slowdown in its markets or general economic conditions;

- the Group may need to allocate a substantial portion of its cash flow to repaying principal or interest on its debt, which could result in a reduction in funds available to finance on-going business, investments or internal or external growth; and
- the Group may be disadvantaged, particularly with respect to its development strategy, compared with competitors who may not be subject to comparable indebtedness during the same period.

The Group has always complied with the covenants and fulfilled its obligations under these agreements. However, the Group's future ability to comply with the contractual covenants and obligations contained in certain loans or agreements (particularly the 2006 Syndicated Loan and the 2007 Club Deal), or to refinance or repay its loans according to the conditions agreed, will depend on its future operating performance and could be affected by numerous factors beyond its control, such as economic conditions, market conditions for debt and regulatory changes. Failure to respect its contractual obligations could result in mandatory early repayment, which may cause the Group to reduce or postpone investments, sell assets, seek additional capital or restructure its debt.

1.8.5. Market risks

The management of the Group's financial risks mainly involves market and liquidity risks. The overall goal is to identify, assess and potentially hedge these risks. This policy provides for specific procedures in respect of interest rate risk, exchange rate risk as well as the use of derivatives and the investment of liquid assets. The Group's policy consists of not undertaking transactions involving speculative instruments or which render the Group's net position speculative. Accordingly, all transactions involving financial instruments are exclusively agreed for the purpose of managing the hedging of interest rate and exchange rate risk.

INTEREST RATE RISK

Interest rate risk is generated primarily by assets and liabilities carrying variable rate interest. The Group's policy in this regard is to limit the impact of a rise in interest rates by using swaps, collars, caps or floors which allow it retain the possibility of benefiting from favorable changes in interest rates.

The Group tracks its exposure to interest rate risk on a monthly basis and assesses the level of coverage maintained as well as its appropriateness for the underlying exposure. Its policy consists of not being exposed over the long-term (in excess of six months) to the risk of an increase in interest rates for the portion in excess of 60% of the consolidated net debt. Accordingly, the Group will seek to put in place other swaps, collars or other instruments so as to comply with the goals set. The instruments used are non-speculative in nature.

The table below sets forth, at December 31, 2007, the maturity profile of its financial assets and liabilities:

(in millions of euros) – Assets/(Liabilities)	Less than 1 year	1 to 5 years	More than 5 years	Total
Loans from and debts to financial institutions	(66.2)	(705.2)	(30.0)	(801.4)
Bank overdrafts	(8.8)	-	-	(8.8)
Total financial liabilities	**(75.0)**	**(705.2)**	**(30.0)**	**(810.2)**
Total financial assets	**142.9**	**-**	**-**	**142.9**
Net position (Assets – Liabilities) before coverage	67.9	(705.2)	(30.0)	(667.3)
Off-balance sheet (interest rate coverage)	67.9	217.9	50.0	335.8
Net position (Assets – Liabilities) after coverage	135.8	(487.3)	20.0	(331.5)
Impact of a 1% increase in interest rates	**1.4**	**(4.9)**	**0.2**	**(3.3)**

The Group believes that an increase of 1% in short-term interest rates in all currencies, at December 31, 2007, would have caused an increase in the Group's interest expense of approximately €3.3 million.

The overall notional amount of the interest rate hedges as of December 31, 2007 was €335.8 million. This sum includes four €50 million transactions and four US$50 million transactions.

In fact, to hedge its debt in euros, the Group put in place:

- a fixed rate swap maturing in May 2011 where it receives 3-month Euribor (European Inter-Bank Offered Rate) and pays 3.7385% on a notional amount of €50 million;
- a fixed-rate swap maturing in June 2010 where it receives 3-month Euribor (European Inter-Bank Offered Rate) and pays 4.578%;
- a collar maturing in June 2012 where the Group pays 3-month Euribor (European Inter-Bank Offered Rate) between a floor of 4.49% and a cap of 4.98%, receives 3-month Euribor and pays 4.98% if 3-month Euribor exceeds 4.98% and receives 3-month Euribor and pays 4.49% if 3-month Euribor is below 4.49%; and
- a collar maturing in June 2013 where the Group pays 3-month Euribor (European Inter-Bank Offered Rate) between a floor of 4.51% and a cap of 4.95%, receives 3-month Euribor and pays 4.95% if 3-month Euribor exceeds 4.95% and receives 3-month Euribor and pays 4.51% if 3-month Euribor falls below 4.51%.

In addition, to hedge its US dollar debt, the Group put in place:

- an interest rate swap maturing in December 2009 where it receives 3-month Libor (London Inter-Bank Offered Rate) and pays 4% on a notional amount of US$50 million.
- a collar maturing in December 2009 where the Group receives 3-month Libor and pays 5-year CMS (Constant Maturity Swap) with a cap of 4.43% and a floor of 2.95% on a notional amount of US$50 million;
- a collar maturing in March 2008 where the Group receives 3-month Libor and pays 3-year CMS with a cap of 4.2244% and a floor of 3.10% on a notional amount of US$50 million; and
- a collar maturing in March 2008 where the Group receives 3-month Libor and pays 5-year CMS with a cap of 5.18% and a floor of 3.50% on a notional amount of US$50 million.

As a result of these arrangements, 42% of the Group's consolidated gross debt is either fixed rate or capped.

LIQUIDITY RISK

The Group does not have significant repayment obligations in the short- or medium-term under its current debt.

The amortizable tranche of the 2006 Syndicated Loan, which is denominated in US dollars for an amount of $485.6 million, is amortized at an annual rate of 16.66% of the initial amount less any early repayments (or approximately $88.2 million per annum), except in 2007, during which the amortization rate amounted to 8.33%, or approximately $44.1 million.

As part of the 2006 Syndicated Loan, the Group has a revolving credit line for a total of €550 million expiring in 2012. The amount drawn down from this revolving credit line as of December 31, 2007 amounted to €295.7 million. The amount available as of the same date was accordingly €254.3 million.

Lastly as of December 31, 2007, the Group was in compliance with all applicable financial covenants. Accordingly, the Group feels that it is not exposed to liquidity risk.

EXCHANGE RATE RISK

The Group operates internationally and, as a result, is subject to an exchange rate risk associated with several foreign currencies.

In 2007, more than half of the Group's revenue was earned in currencies other than the euro, with 18% in US dollars, 7% in pounds sterling and 7% in Hong Kong dollars. Other currencies represented on an individual basis not more than 5% of the Group's revenue. This situation is mainly due to the strong development of the Group's activities outside the euro zone, particularly in US dollars or currencies linked to the US dollar. In general, however, in each country where it is present, the Group provides services locally and incurs expenses locally. As a result, the Group is only slightly exposed to exchange rate risk resulting from transactions in different currencies.

In addition, when preparing its consolidated financial statements, which are presented in euro, the Group must convert into euro its assets, liabilities, revenue and expenses which are denominated in other currencies. Results of operations are consolidated in the Group's statement of income after conversion using average exchange rates over the period. Assets and liabilities are converted at period-end rates. As a result, variations in exchange rates between the euro and other currencies affect the amounts in the related consolidated financial statement line items even if their value remains unchanged in their original currency.

As a result, a change of 1% in the value of the euro as compared to:

- the US dollar would have an impact of 0.18% on consolidated revenue in 2007 and of 0.15% on 2007 operating profit;
- the Hong Kong dollar would have an impact of 0.07% on consolidated revenue in 2007 and 0.11% on 2007 operating profit; and
- the pound sterling would have an impact on 0.07% on consolidated revenue in 2007 and of 0.01% on 2007 operating profit.

Finally, the 2006 Syndicated Loan put in place in May 2006 is multi-currency and permits loans in local currencies. If it considers it necessary, the Group can thus ensure coverage for certain obligations by aligning financing expenses with operating profit in the relevant currencies.

The table below sets forth assets (cash and tradable securities) and financial liabilities (non-current loans) in the Group's principal currencies at December 31, 2007:

(in millions of euros)	EUR	USD	GBP	Others	Total
Financial liabilities	435.7	306.6	50.4	17.5	810.2
Financial assets	37.5	22.8	2.8	79.8	142.9
Net position (assets – liabilities) before coverage	**(398.2)**	**(283.8)**	**(47.6)**	**62.3**	**(667.3)**
Off-balance sheet	-	-	-	-	-
Net position after coverage	**(398.2)**	**(283.8)**	**(47.6)**	**62.3**	**(667.3)**
Impact of a 1% increase in exchange rates	-	(2.8)	(0.5)	0.6	-

CREDIT RISK

The Group provides its services to around 300,000 clients in some 140 countries. The Group's top 10 clients are spread across the 8 businesses and account for less than 10% of the Group's consolidated revenue. Accordingly, the Group feels that it is not exposed to a credit risk that could have a significant negative impact on the Group's business, financial position, results or outlook.

1.9. Insurance

The Group has taken out worldwide centralized insurance policies. Each of the three policies described below covers professional civil liability, operational liability and director and officer liability, in each case where the insurance regulatory market permits.

Due to the segmentation of the insurance market by type of business, the Group has subscribed to three principal insurance programs, which provide different coverage depending on the specific risks of the businesses. The three programs are:

- the "Marine" program, which covers the business of the Marine business. This policy is placed on the London market through Ace;
- the "Aviation" program, which covers aircraft inspections for the delivery of flight certificates. This insurance does not cover business performed for GSAC in France, as GSAC has taken out specific insurance since January 1, 2007. This policy is placed on the London market through AXA; and
- the "Land" program, which covers the Group's other businesses, with the exception of part of the Construction business. This policy is placed with AXA for the first three lines and additional coverage is provided by AIG and Swiss Ré. The AXA policy is subject to a three-year agreement (2008-2010) which allows the Group to benefit from strong medium-term visibility.

The Construction business' operations in France and the United States are not included in the Land program insurance and are insured locally due to the high level of risk arising from the Spinetta Law in France (joint (*in solidum*) liability with a ten-year construction guaranty (see paragraph Construction of Chapter I – Group Overview) and the specific nature of the US insurance market. In addition, local insurance policies exist in Spain, Germany and the United Kingdom for which the AXA policy offers a supplement to the limits and conditions.

To benefit from better long-term visibility and to reduce costs, the Group has created a dedicated captive reinsurance company (Soprefira) in Luxembourg in 1990. This company, which provides first line coverage for the Marine and Land programs, has enabled the Group to maintain control over its litigation and smooth the effect of price changes in the insurance market. Activities covered by the dedicated captive reinsurance company of the Group represent approximately 85% of the consolidated revenue. The Group ensures that the yearly amount of undertakings of such company is capped. In 2007, the yearly amount of undertakings of the reinsurance company for the Marine program was €3 million per claim and €5 million per year. For the Land program, it was €3 million per claim and €4 million per year.

The overall cost of the management of the Group's professional civil liability and operational liability claims including the insurance premiums paid, the sums not covered by the insurance programs as well as the costs relating to monitoring disputes, respectively accounted for, on the basis of the information available to date, 2.4%, 2.0% and 1.7% of the Group's consolidated revenue in respect of the 2005, 2006 and 2007 fiscal years. This amount does not include non-material disputes not notified to the insurance companies.

Other on-going risks require local management. Subscription of these insurance agreements (for example, for buildings, automobile fleets or work accidents in countries where such risks are covered by private insurance) is carried out on a national basis according to local circumstances and needs.

The Group believes that the coverage provided by these programs is generally similar to those subscribed by global companies of the same size operating in the same sector. The Group intends to continue its policy of subscribing global insurance policies when possible, increasing coverage where necessary and reducing costs through the self-insurance programs as appropriate.

2

CORPORATE GOVERNANCE

2.1. Management Board and Supervisory Board

Bureau Veritas is a French limited liability Company *(société anonyme)* managed by a Management Board and a Supervisory Board.

2.1.1. Management Board

In compliance with the Company's by-laws (Article 14), the Management Board must have at least two and at most seven members.

The members of the Management Board are appointed by the Supervisory Board for terms of three years. The age limit is 65 years.

On the date of this reference document, the Management Board has two members:

- **Frank Piedelièvre**: Chairman of the Management Board and member of the Management Board of Bureau Veritas since September 16, 1999; and
- **François Tardan**: member of the Management Board of Bureau Veritas since June 19, 2002.

The terms of the members of the Management Board were renewed at the meeting of the Supervisory Board on June 27, 2005, for three years until the conclusion of the Ordinary Shareholders' Meeting in 2008 called to approve the financial statements for the year 2007.

LIST OF OTHER POSITIONS HELD BY THE MEMBERS OF THE MANAGEMENT BOARD (OUTSIDE THE GROUP)

Frank Piedelièvre

Professional address:

17 bis Place des Reflets, La Défense 2, 92400 Courbevoie

Current positions:

- President of SAS Financière Murat;
- Member of the Supervisory Board SAS Group CM-EXEDRA.

Positions held during the past five years:

- manager of SAM CMR;
- Chairman of the Management Board of SA Poincaré Investissements;
- member of the Board of directors of SA SOFU.

François Tardan

Professional address:

17 bis Place des Reflets, La Défense 2, 92400 Courbevoie

Current positions:

- Chairman of the Board of directors of Financière Saint Geran – FSG.

Positions held during the past five years:

- Member of the Board of directors of Concept Group HK Ltd.

BACKGROUND INFORMATION REGARDING THE MEMBERS OF THE MANAGEMENT BOARD

Frank Piedelièvre has been the Chairman and a member of the Management Board of Bureau Veritas since September 16, 1999. He began his career in 1979 as General Secretary, then deputy General Manager of a small- to mid-size company specialized in manufacturing medical devices. From 1982 to 1992, he occupied various positions in the group Chantiers Modernes, a construction and technical services company in the building and industry sectors, first as Director of international markets, Director of Development then as President. In this capacity, he was responsible for the operation of the Services and Environment business and the Road business. From 1993 to 1996, he was Chairman and Chief Executive Officer of CMR, a road construction, networks and improvements company and Chairman of the Management Board of Poincaré Investissements. In June 1996, Mr. Piedelièvre became Assistant General Director and Executive Vice-President of the Company and, in 1997, Director of the Group's International business. He was appointed Chairman of the Management Board in 1999. Mr. Piedelièvre is a graduate of the École des Hautes Études Commerciales.

François Tardan has been a member of the Management Board of Bureau Veritas since June 19, 2002. He began his career in 1980 as a Civil Administrator in the Ministry of Equipment and Organization of the Territory (Ministère de l'Equipement et de l'Aménagement du Territoire) in the Department of Economic and International Affairs (DAEI). From 1985 to 1994, he was Director of Development in the group Chantiers Modernes, where he was responsible for external growth in the sector for energy management and environmental engineering in France and the United States. From 1995 to 1998,

he was Chairman and Chief Executive Officer of Fondasol SA, an engineering company and geotechnical consultant. In 1998, he joined the Company as Group Chief Financial Officer. He was appointed to the Management Board in 2002. The legal, risks and compliance department, internal audit and acquisition support department, and information systems department report to him. Mr. Tardan is a graduate of the École des Hautes Études Commerciales, the Institut d'Études Politiques de Paris and the École Nationale d'Administration.

2.1.2. Supervisory Board

In accordance with the Company's by-laws (Article 19), the Supervisory Board must have at least three and at most 18 members. The members of the Supervisory Board are appointed by the Ordinary General Meeting of shareholders for terms of six years, but this duration may be shortened to comply with the rule of renewal by thirds of the Supervisory Board. The number of members of the Supervisory Board over 70 years old may not, upon the conclusion of each annual Ordinary General Meeting of Shareholders, exceed one third of the number of active members of the Supervisory Board.

At the date of this reference document, the Supervisory Board had the following nine members and one censor:

- Jean-Bernard Lafonta: Chairman;
- Pierre Hessler: Vice Chairman;
- Patrick Buffet: Member;
- Jérôme Charruau: Member;
- Philippe Louis-Dreyfus: Member;
- Yves Moutran: Member;
- Bernard Renard: Member;
- Jean-Michel Ropert: Member;
- Ernest-Antoine Seillière: Member;
- Aldo Cardoso: Censor

As the terms of office of the following members of the Supervisory Board were set to expire upon conclusion of the General Shareholders' Meeting held in 2008 to approve the 2007 financial statements, their renewal will be put to this meeting:

- Pierre Hessler;
- Jérôme Charruau;
- Jean-Michel Ropert.

MEMBERS OF THE SUPERVISORY BOARD

Name, professional address and age	First appointed Appointment renewed Term expires	Position within the Company	Other positions held in the last five years
Jean-Bernard Lafonta 89 rue Taitbout 75009 Paris Born on December 30, 1961 47 years old	***First appointment:*** Coopted at the meeting of the Supervisory Board on December 9, 2004 ***Appointment renewed:*** Shareholders' Meeting on May 2, 2006 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2011 Appointed Chairman of the Supervisory Board at the meeting of the Supervisory Board on June 27, 2005	***Chairman of the Supervisory Board***	***Current positions*** Chairman of the Management Board: ■ Wendel Chairman of the Supervisory Board: ■ Editis Holding Chairman of the Board of directors: ■ WINVEST INTERNATIONAL SA SICAR (Luxembourg) President: ■ Compagnie de l'Audon Member of the Supervisory Board: ■ Oranje Nassau Groep BV (Netherlands) ■ Altineis 2 (société civile) Director: ■ Legrand Member of the Management Committee: ■ Materis Parent SARL (Luxembourg) Manager: ■ Granit SARL ■ JB Mac Nortance (Luxembourg) ■ Winvest Conseil (Luxembourg) ■ Société Civile HAUTMER ■ Société Civile ILBANO ***Past positions*** Member of the Board and Associate Executive Director: ■ Wendel Investissement Director: ■ Lumina Parent ■ Cap Gemini ■ Valeo ■ Legrand France Permanent representative of SOFU on the Board of directors: ■ Bureau Veritas

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Name, professional address and age	First appointed Appointment renewed Term expires	Position within the Company	Other positions held in the last five years
Pierre Hessler 23 rue Oudinot 75007 Paris Born on November 22, 1943 65 years old	***First appointment:*** Shareholders' Meeting on June 19, 2002 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2007 Appointed Vice-Chairman of the Supervisory Board at the meeting of the Supervisory Board on June 27, 2005	***Vice-Chairman of the Supervisory Board***	***Current positions*** Censor: ■ Cap Gemini SA Chairman of the Supervisory Board: ■ Software Design & Management AG Germany Director: ■ A Novo, Paris ■ Companies of the Cap Gemini group in the United States Manager: ■ Actideas SARL ■ Médias holding SARL ■ Médias SARL ***Past positions*** Chairman and Chief Executive Officer: ■ Gemini Consulting Director: ■ Different companies of the Groupe Cap Gemini Chairman of the Supervisory Board: ■ Bureau Veritas
Jérôme Charruau 28 rue Latesta 33200 Bordeaux Born on February 8, 1956 53 years old	***First appointment:*** Coopted at the meeting of the Board of directors on September 16, 1997 ***Current appointment:*** Shareholders' Meeting on September 16, 1999 ***Appointment renewed:*** Shareholders' Meeting on June 19, 2002 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2007	***Member of the Supervisory Board***	***Current positions*** Director: ■ EADS Maroc Aviation ■ EADS Composites Atlantic ■ EADS Sogerma Services ■ EADS Composites Aquitaine President: ■ EADS SECA Permanent representative of SOGERMA on the Board of directors: ■ EADS Revima ***Past positions*** Director: ■ EADS Sogerma Tunisie ■ EADS Sogerma Barfield Chairman: ■ SOGERMA SERVICES

Name, professional address and age	First appointed Appointment renewed Term expires	Position within the Company	Other positions held in the last five years
Ernest-Antoine Seillière 89 rue Taitbout 75009 Paris Born on December 20, 1937 71 years old	***First appointment:*** Coopted at the meeting of the Supervisory Board on March 25, 2005 ***Appointment renewed:*** Shareholders' Meeting on May 2, 2006 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2011	***Member of the Supervisory Board***	***Current positions*** Chairman of the Board of directors: ■ Société Lorraine de Participations Sidérurgiques – SLPS (formerly Wendel Participations) Director: ■ Legrand ■ Sofisamc (Switzerland) Chairman of the Supervisory Board: ■ Oranje Nassau Groep BV (Netherlands) ■ Wendel Member of the Supervisory Board: ■ Hermes International (SCA) ■ Peugeot SA ■ Gras Savoye & Cie ■ Editis Holding Manager: ■ DELSEL ■ ASEAS Participations ■ ODYSSAS ***Past positions*** Chairman of the Board of directors and Chief Executive Officer: ■ Wendel Investissement (formerly CGIP) ■ Société Lorraine de Participations Sidérurgiques Chairman of the Board of directors: ■ Legrand ■ Lumina Parent Chairman of the Supervisory Board: ■ Trader Classed Media Vice-Chairman of the Supervisory Board ■ BiomMerieux- Pierre-Fabre ■ Valeo Vice-Chairman of the Board of directors: ■ Cap Gemini Director: ■ Société Générale ■ Société Lorraine de Participations Sidérurgiques ■ Valeo Permanent representative of Sofiservice, then Orange-Nassau Groep on the Supervisory Board: ■ Bureau Veritas

Name, professional address and age	First appointed Appointment renewed Term expires	Position within the Company	Other positions held in the last five years
Bernard Renard 59 boulevard de la Saussaye 92200 Neuilly Born on December 2, 1935 73 years old	***First appointment:*** Coopted at the meeting of the Board of directors on February 27, 1996 ***Current appointment:*** Shareholders' Meeting on September 16, 1999 ***Appointment renewed:*** Shareholders' Meeting on June 30, 2004 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2009	***Member of the Supervisory Board***	***Current position*** Director: ■ Cedest Engrais ***Past positions*** Chairman: ■ GIP Director: ■ WA
Jean-Michel Ropert 89 rue Taitbout 75009 Paris Born on December 15, 1966 42 years old	***First appointment:*** Coopted at the meeting of the Supervisory Board on December 21, 2005 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2007	***Member of the Supervisory Board***	***Current positions*** Chairman: ■ Compagnie de l'Audon Member of the Supervisory Board: ■ Editis Holding Director: ■ Coba President and Director: ■ Sofiservice Executive Director ■ Poincaré Participations Legal representative: ■ Sofiservice, President of Sofe Member of the Management Committee: ■ Materis Parent SARL (Luxembourg) Liquidator: ■ Lormetal ***Past positions*** Chairman of the Board of directors ■ SOFU (1999-2005 every other year) Director ■ Solfur ■ GIP Executive Director and Member of the Management Board ■ Poincaré Investissements

Name, professional address and age	First appointed Appointment renewed Term expires	Position within the Company	Other positions held in the last five years
Philippe Louis-Dreyfus Les Écluses 28 quai Gallieni 92158 Suresnes Cedex Born on March 9, 1945 64 years old	***First appointment:*** Coopted at the meeting of the Supervisory Board on June 27, 2005 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2009	***Member of the Supervisory Board***	***Current positions*** Member of the Board of directors: ■ Grimaldi & Louis Dreyfus Lines ■ Louis Dreyfus & Co. Limited ■ Louis Dreyfus Marine Corporation ■ Orchard Maritime Services Pte Limited ■ UK Club (P&I) ■ MEDEF International ■ Comité National des Conseillers du Commerce Extérieur de la France Member of the Strategy Committee: ■ Florentz President and member of the Supervisory Board: ■ Louis Dreyfus SAS Chairman: ■ Louis Dreyfus Armateurs SAS Director: ■ Neuf Cegetel Chairman and Chief Executive Officer: ■ Saget SA Permanent representative: ■ of the Manager, Louis Dreyfus Armateurs SAS, at CETRAGPA SNC ■ of the Chairman, Louis Dreyfus Armateurs SAS at France Euro Tramp SA ■ of the Chairman, Louis Dreyfus Armateurs SAS, at Louis Dreyfus Cargo SAS ■ of the Chairman, Louis Dreyfus SAS at Louis Dreyfus Citrus SAS ■ of the Chairman, Louis Dreyfus Armateurs SAS at Louis Dreyfus Ferry SAS ■ of the Chairman, Louis Dreyfus Armateurs SAS at Louis Dreyfus Maritime SAS ■ of the Chairman, Louis Dreyfus SAS at Louis Dreyfus Technologies SAS ■ of the Chairman, Louis Dreyfus SAS at Materis SAS ■ of the Manager, Louis Dreyfus Armateurs SAS at Methane Transport SNC ■ of the Chairman, Louis Dreyfus SAS at Société d'Études Et De Commerce SAS ***Past positions*** Member of the Board of directors: ■ Louis Dreyfus Asia Pte ■ Louis Dreyfus Comunicaciones Espana ■ Banque Chabrieres (Groupe Intermarché)

Name, professional address and age	First appointed Appointment renewed Term expires	Position within the Company	Other positions held in the last five years
Yves Moutran 89 rue Taibout 75009 Paris Born on October 14, 1970 38 years old	***First appointment:*** Coopted at the meeting of the Supervisory Board on June 27, 2005 ***Appointment renewed:*** Shareholders' Meeting on May 2, 2006 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2011	***Member of the Supervisory Board***	***Current positions*** Member of the Management Committee ■ Materis Parent SARL (Luxembourg) Manager: ■ Moutran Patrimoine ■ Moutran Saint Elias ***Past positions*** Director: ■ Louis Dreyfus Communications ■ MAT SA SICAR ■ Poincaré Participations Manager: ■ 2MWIN
Patrick Buffet Tour Maine Montparnasse 33, avenue du Maine 75755 Paris cedex Born on October 19, 1953 55 years old	***First appointment:*** Shareholders' Meeting on June 18, 2007 ***Term expires:*** Shareholders' Meeting approving the financial statements for the year ended December 31, 2009	***Member of the Supervisory Board***	***Current positions*** Chairman of the Board of directors and Chief Executive Officer ■ Eramet Chairman and Chief Executive Officer: ■ Société Le Nickel (Eramet Group) Member of the Supervisory Board: ■ Arcole Industries Director: ■ Banimmo (Belgium) ■ Comilog (Eramet Group) Observer – consultant: ■ Caravelle ***Past positions*** Member of the Supervisory Board: ■ Areva ■ Astorg-partners Director: ■ CDC Ixis ■ Suez Energy Services ■ Tractebel (Belgium) ■ Electrabel (Belgium) ■ Société Générale de Belgique (Belgium) ■ Fluxys (Belgium)

BACKGROUND INFORMATION REGARDING THE MEMBERS OF THE SUPERVISORY BOARD

Jean-Bernard Lafonta has been Chairman of the Supervisory Board of Bureau Veritas since June 2005. Mr. Lafonta began his career as a manufacturing engineer and held different positions in the government from 1986 to 1992, particularly at the level of Ministerial offices. In 1993, he joined the Mergers and Acquisitions teams of the Lazard bank as Executive Vice-President. In 1996, he became Director of Strategy at BNP, before becoming Director of Capital Markets, then President of Banque Directe and member of the general management committee at BNP Paribas. He joined Groupe Wendel in September 2001 as Chief Executive Officer and has been Chairman of the Management Board since May 31, 2005. Mr. Lafonta is an engineer of the Corps des Mines de Paris and a past student of the École Polytechnique.

Pierre Hessler was Chairman of the Supervisory Board of Bureau Veritas from 2002 to 2005, and since June 2005 has been Vice-Chairman. Mr. Hessler began his career with IBM, where he stayed approximately 27 years, holding positions in IBM Switzerland (from 1965 to 1980), where he was director of agencies in the computer field, then IBM Europe from 1980 to 1993, where he held positions as director of operations, director of marketing and services, regional general director, Chairman of IBM France and general director of operations, marketing and services. From 1982 to 1984, he held positions as director of development in IBM Corporation, then as director of "corporate marketing" from 1989 to 1991, and finally "IBM Vice-President". In 1993 he joined Cap Gemini where he held different positions in senior management, including Chairman and Chief Executive Officer of Gemini Consulting, member of the Management Board and assistant executive director, then director in 2002. Mr. Hessler currently is manager of Actideas, a member of the observer-consultants on the Board of directors of Cap Gemini, and adviser to Cap Gemini, and he holds other positions with other companies. Mr. Hessler is a graduate in law and economic policy from the University of Lausanne, in Switzerland.

Jérôme Charruau has been a member of the Supervisory Board of Bureau Veritas since September 1997. He has pursued his entire career at EADS. He started in 1982 at Airbus in management control, then as director of general management services. He joined GIE ATR in 1988 as director of management control. In 1994, he became the chief financial officer of American Eurocopter Corporation in Dallas, then Director of management control for the Eurocopter group in 1998. Since 2005, he has held the position of chief financial officer of the Sogerma group (EADS Sogerma). He is also director for several companies in the EADS Sogerma group. Mr. Charruau is a graduate of the École des Hautes Études Commerciales.

Ernest-Antoine Seillière has been a member of the Supervisory Board of Bureau Veritas since March 2005. Mr. Seillière was an advisor at the Office of Jacques Chaban-Delmas in 1969, and subsequently of Pierre Messmer, Maurice Schumann and Robert Galley. After one year at the Center for International Affairs at Harvard University, he joined the Group in 1976. He became the Group's Chairman and Chief Executive Officer in 1987. A director of Wendel from 1985 to 2005, he has been Chairman of the Supervisory Board of Wendel since May 31, 2005. Mr. Seillière is a past student of the ENA and diplomacy.

Bernard Renard was Chairman and Chief Executive Officer from June 1996 to September 1999 and subsequently Chairman of the Supervisory Board from September 1999 to June 2002, and is currently a member of the Supervisory Board of Bureau Veritas. He began his career with Wendel in 1960 as an engineer, then a director of the factory at Sorcy. Afterwards, he was appointed as general director of the Cement Companies of the group CEDEST, where he currently is a director. Mr. Renard is a civil engineer of Mines and a past student at the École des Ponts et Chaussées.

Jean-Michel Ropert has been a member of the Supervisory Board of Bureau Veritas since December 2005. He joined Groupe Wendel in 1989 where he was successively in charge of the accounting and consolidation departments. Since 2002, Mr. Ropert has been Chief Financial Officer of Wendel. Mr. Ropert holds a degree of Études Comptables et Financières.

Philippe Louis-Dreyfus has been a member of the Supervisory Board of Bureau Veritas since June 2005. He has been President of Louis Dreyfus SAS, the parent company of the Groupe Louis Dreyfus, since 2003. Mr. Louis-Dreyfus has pursued most of his career in the banking sector, first as a Member of the Executive Committee of the Banque Louis Dreyfus, then of Banque Pallas France, responsible for the Corporate Department. He then became Chairman and Chief Executive Officer of Crédit Naval. Mr. Louis-Dreyfus joined Groupe Louis Dreyfus to become in 1996 Chairman of its maritime branch, Louis Dreyfus Armateurs. Since 1998, Mr. Louis Dreyfus has actively participated in the creation of LD Com, now Neuf Cegetel. Mr. Louis-Dreyfus hold a Masters degree in economics from the Faculté de droit de Paris. In addition, he is Chairman of the ECSA (European Community Shipowners' Association), Vice-Chairman of Armateurs de France and director of the Advisers for International Trade in France and of Medef International. Mr. Louis-Dreyfus is an Officer of the Legion of Honor, Officer of National Merit and has an Order of the British Empire (OBE).

Yves Moutran has been a member of the Supervisory Board of Bureau Veritas since June 2005. He acquired his experience in strategic studies and development projects as a consultant at Boston Consulting Group, then as assistant to the Director for Strategy at Cegetel Entreprises. He joined the Wendel group as manager in 2000 then as director of investments; since 2006, he has been Managing Director. Mr. Moutran is a past student of the École Polytechnique and holds a degree from Harvard Business School (MBA).

Patrick Buffet has been a member of the Supervisory Board of Bureau Veritas since June 18, 2007. As engineer from the Corps des Mines, he began his career at the Ministry of Industry in the fields of power and commodities. In 1986, he joined the Entreprise Minière et Chimique, as Director of Planning, Development and Management Control. He then became Chairman and Chief Executive Officer of the agro food company Sanders. From 1991 to 1994, he was Industrial Advisor to the President of France. In 1994, he joined Groupe Suez, first in Belgium as Director of Industrial Investments and of Strategy for Société Générale de Belgique, then in 1998 as Chief Executive Officer, and finally, beginning in 2001, as Executive Director, Member of the Executive Committee of Groupe Suez. Since April 2007, he has been Chairman and Chief Executive Officer of the metallurgical and mining group Eramet.

Aldo Cardoso has been a member of the Supervisory Board of Bureau Veritas, observer-consultant since June 27, 2005. From 1979 to 2003, he held several positions at Arthur Andersen: associate consultant (1989), Chairman France (1994), member of the Board of directors of Andersen Worldwide (1998), Non-Executive Chairman of the Board of directors of Andersen Worldwide (2000) and chief executive officer of Andersen Worldwide (2002, 2003). Since 2003 he has been director of French and foreign companies. Aldo Cardoso holds a degree from the École Supérieure de Commerce de Paris and a masters in business law and he is a certified public accountant.

2.1.3. Executive Committee

The Executive Committee is the operational management body for the Group. Chaired by Frank Piedelièvre, the Chairman of the Management Board, it includes:

- the Chief Financial Officer, the Director of human resources and the Group General Counsel, Legal, Risks and Compliance Officer;
- the Directors of the Group's vertical operating businesses (Marine, GSIT, Consumer Products); and
- the Directors of the major geographic zones and the five businesses comprising the Industry & Facilities division.

The Executive Committee studies and approves questions and decisions regarding the Group's strategy and general organization. It establishes policies and procedures used throughout the Group. In addition, each of the three vertical businesses, as well as the Industry & Facilities division, have their own Executive Committees.

In addition to the members of the Management Board, the Executive Committee is made up of 13 members:

- Arnaud André, in charge of Human Resources, Quality and Organization;
- Andrew Hibbert, in charge of Legal Risks and Compliance;
- Patrick Aubry, in charge of the Industry & Facilities division for the Southern Europe area and of the Construction business;
- Laurent Bermejo, in charge of the Industry & Facilities division for the Northern and Eastern Europe area;
- Pedro Paulo Guimaraes, in charge of the Industry & Facilities division for the North America and Latin America area;
- Laurent Clavel, in charge of the Industry & Facilities division for the Asia Pacific area;
- Jacques Lubetzki, in charge of the Industry & Facilities division for France;
- Philippe Lanternier, in charge of the HSE and Certification businesses;
- Olivier Guize, in charge of the Industry & Facilities division for global key accounts;
- Eduardo Camargo, in charge of the Industry & Facilities division for the Latin America area;
- Kevin O'Brien, in charge of the Consumer Products business;
- Bernard Anne, in charge of the Marine business; and
- Tony Mouawad, in charge of the GSIT Industry & Facilities division for the Middle-East, India, Russia and Africa areas.

2.1.4. Declarations concerning the Management Board and the Supervisory Board

Pursuant to the declarations received by the Company from the members of the Management Board and the Supervisory Board:

- there is no family relationship between members of the Company's Management Board and Supervisory Board;
- none of the members of the Company's Management Board or Supervisory Board has been convicted of fraud in the past five years;
- none of the members of the Company's Management Board or Supervisory Board has been declared bankrupt or had their property impounded or liquidated in the past five years;
- none of the members of the Company's Management Board or Supervisory Board has been subject to an official accusation or penalty delivered by legal or regulatory authorities in the past five years, except for Mr. Frank Piedelièvre, who was convicted of impeding the proper functioning of the Company's Committee for health, security and working conditions in 2002 and given a suspended penalty in 2003; and
- none of the members of the Company's Management Board or Supervisory Board has been prohibited by a tribunal from becoming a member of an administrative, management or supervisory body of a company, or from being involved in the management or direction of the affairs of a company in the past five years.

2.1.5. Conflicts of interest at the level of the Management Board and the Supervisory Board

Mr. Frank Piedelièvre and Mr. François Tardan are members of the Management Board and directors and officers (*mandataires sociaux*) of the Company.

Pursuant to the declarations received by the Company from Management Board members, Mr. Piedelièvre and Mr. Tardan do not have a conflict of interest in connection with carrying out their functions.

Mr. Jean-Bernard Lafonta and Mr. Ernest-Antoine Seillière are directors and officers (*mandataires sociaux*) of the Company and of Wendel, the majority shareholder of the Company.

Pursuant to the declarations received by the Company from Supervisory Board members, Mr. Lafonta and Mr. Seillière do not have a conflict of interest in connection with carrying out their functions.

Mr. Jean-Michel Ropert and Mr. Yves Moutran are directors and officers (*mandataires sociaux*) of the Company and employees of Wendel, the majority shareholder of the Company.

Pursuant to the declarations received by the Company from Supervisory Board members, Mr. Ropert and Mr. Moutran do not have a conflict of interest in connection with carrying out their functions or employment contracts.

2.2. Functioning of the Management Board and the Supervisory Board

The functioning of the Company's Management Board and Supervisory Board as described below reflects the Company's by-laws.

2.2.1. Management Board

FUNCTIONS AND RESPONSIBILITIES OF THE MANAGEMENT BOARD

The Management Board is responsible for the management of the Company under the supervision of the Supervisory Board, in accordance with law and the Company's by-laws.

The Management Board has broad powers to act in all circumstances on behalf of the Company within the Company's corporate purpose and subject only to the powers expressly granted by law or the by-laws to the Supervisory Board or Shareholders' Meeting.

The Chairman and, if applicable, the member(s) of the Management Board named as executive officers (*directeurs généraux*) by the Supervisory Board, represent the Company in its dealings with third parties. The Company is bound even if the actions of the Chairman or one of the executive officers are not within the Company's corporate purpose, unless the Company proves that the third party knew that the action exceeded the corporate purpose or that it could not fail to have such knowledge in light of the circumstances.

The Management Board convenes all meetings of the shareholders, sets the agenda and carries out the decisions adopted.

ALLOCATION OF RESPONSIBILITIES AMONG THE MEMBERS OF THE MANAGEMENT BOARD

The members of the Management Board, with the authorization of the Supervisory Board, have allocated management functions between them. In no case, however, does such an allocation relieve the Management Board of its duty to meet and discuss the most important issues regarding the management of the Company, nor can it be raised as a defence against the joint responsibility of the Management Board and each of its members.

FUNCTIONING OF THE MANAGEMENT BOARD

The members of the Management Board meet as often as needed in the interest of the Company, upon notice by the Chairman or half of its members, either at corporate headquarters or such other location as indicated in the notice. The notice is made by any means, including orally. The agenda can be fixed at the time of the meeting.

Meetings are presided over by the Chairman of the Management Board or, if not possible, by the oldest of the executive officers

(*directeurs généraux*) present or, if not possible, by the oldest of the members present.

The Management Board must have a quorum of half its members. Decisions are taken by majority vote of the members present, each member having one vote. In case of deadlock, the Chairman's vote is final.

Voting by proxy at the Management Board is permitted.

The members of the Management Board may establish internal regulations (*règlement interne*) to address all issues regarding the functioning of the Management Board not set out in the by-laws. The internal regulations of the Management Board can fix the rules for participating in meetings of the Management Board and voting by video-conference or other means of telecommunications. As a result, members of the Management Board who participate in meetings by video-conference or other means of telecommunications in compliance with the internal regulations are deemed present for determining a quorum and majority of votes.

2.2.2. Supervisory Board

AUTHORITY OF THE SUPERVISORY BOARD

The Supervisory Board exercises permanent control over the management of the Company conducted by the Management Board. It carries out verifications and controls as it judges appropriate and requests the documents it deems necessary for performing its functions.

MEETINGS OF THE SUPERVISORY BOARD

The Supervisory Board meets as often as needed in the interest of the Company, and at least once each quarter, upon notice by the Chairman or Vice-Chairman.

Members are called to meetings of the Supervisory Board by any means, including orally, and with no required prior notice.

Meetings take place at the company's registered office or at any other location indicated in the notice.

However, the Chairman of the Supervisory Board must call a meeting of the Supervisory Board at a date which may not be more than 15 days following receipt of a reasoned request by at least one member of the Management Board or at least two members of the Supervisory Board. If the request is not responded to, the persons making the request may themselves call a meeting and set the agenda. Except in this case, the agenda is set by the Chairman and must in all cases be mentioned in the notice.

Meetings of the Supervisory Board must have a quorum of at least half its members.

Decisions are taken by majority vote of the members present or represented, each member having one vote and not being permitted to represent more than one other member of the Supervisory Board.

In accordance with applicable regulations, internal regulations (*règlement intérieur*) for the Supervisory Board have been established to set rules for participating in meetings and voting by video-conference or any other means of telecommunications.

Provided that the internal regulations of the Supervisory Board so allow, members of the Supervisory Board who participate in meetings by video-conference or other means of telecommunications in compliance with the internal regulations are deemed present for determining a quorum and majority of votes.

In case of deadlock, the Chairman's vote is final, only if the Supervisory Board is made up of an even number of members and only if the meeting is chaired by the Chairman of the Supervisory Board.

The members of the Supervisory Board sign a register of attendance which, if appropriate, must include the names of members who participated by video-conference or other means of telecommunications.

Decisions of the Supervisory Board are documented by notes prepared in compliance with the legal requirements in effect and signed by the Chairman of the meeting and at least one other member of the Supervisory Board or, if not possible for the Chairman, by two members of the Supervisory Board.

Copies or extracts of the notes of meetings are certified by the Chairman of the Supervisory Board, the Vice-Chairman, a member of the Management Board or a person granted appropriate authority.

COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board has at least three and at most 18 members, subject to the exception provided by law in the event of merger.

The members of the Supervisory Board can be physical or legal persons. Legal persons who are members of the Supervisory Board must, at the time of their appointment, designate a permanent representative who is subject to the same conditions and obligations and who has the same responsibilities as if he were a member of the Supervisory Board in his own name, and without prejudice to the joint responsibility of the corporate person he represents. The role of permanent representative has the same duration as the appointment of the legal person he represents. It must be renewed upon each reappointment of the legal person as a member of the Supervisory Board.

If the legal person revokes the mandate of its representative, he must notify the revocation to the Company without delay by registered letter, as well as the identity of his new permanent representative. The same applies in the event of death or resignation, or of a prolonged unavailability of the permanent representative.

Members of the Supervisory Board are appointed at the Ordinary Meeting of Shareholders, except that the Supervisory Board may, in the event one or more positions are vacant, coopt a replacement

for the remainder of the term of its predecessor, subject to ratification at the next Shareholders' Meeting.

Members of the Supervisory Board are appointed for terms of six years, their appointment ending upon the termination of the Shareholders' Meeting approving the financial statements for the year during which their six-year term expires. They may be re-elected.

However, as an exception, and in order for the Supervisory Board to be renewed by thirds (rounded, as may be needed, to the next higher whole number):

- the first members of the Supervisory Board have been appointed for one year; and
- at the time of the first re-election, one third of the members of the Supervisory Board has been appointed for two years, one third has been appointed for four years, and one third has been appointed for six years.

In the event additional members are appointed to the Supervisory Board, the Ordinary Shareholders' Meeting has the possibility of reducing to less than six years the term of the new members to continue to comply with the rule of renewal by thirds of the Supervisory Board.

The number of members of the Supervisory Board older than 70 years must not, upon the conclusion of each Ordinary Shareholders' Meeting to approve the Company's financial statements, exceed one third (rounded, if needed, to the next high number) of the active members of the Supervisory Board.

If this fraction is exceeded, the oldest of the members of the Supervisory Board, other than the Chairman, ceases to exercise his functions at the end of the next Ordinary Shareholders' Meeting.

No one can be appointed a member of the Supervisory Board if he does not comply with rules regarding multiple board memberships, incompatibility, loss of rights or prohibitions set forth under law.

The number of members of the Supervisory Board under employment contract with the Company may not exceed one third of the number of active members.

The members of the Supervisory Board must each hold at least 100 shares of the Company.

If, on the date of their appointment, the members of the Supervisory Board do not own 100 shares of the Company, or if during their term they cease to own at least 100 shares, they are deemed to have terminated their functions, if they do not correct the situation within a period of three months.

ETHICS

The internal regulation of the Supervisory Board, the Code of Ethics of Bureau Veritas, and the Market ethics charter apply to the members of the Supervisory Board.

REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Members of the Supervisory Board are paid attendance fees, which are distributed equally amongst the members.

The breakdown of attendance fees is set out in the Management Remuneration section of Chapter II – Corporate governance.

INDEPENDENT MEMBERS OF THE SUPERVISORY BOARD

At the date of registration of this reference document, the Supervisory Board has four independent members:

- Mr. Patrick Buffet;
- Mr. Jérôme Charruau;
- Mr. Philippe Louis-Dreyfus; and
- Mr. Bernard Renard.

CENSORS

The Ordinary Meeting of Shareholders can appoint, upon the proposal of the Supervisory Board, up to four censors. The censors can be chosen from among the shareholders or otherwise.

Censors are appointed for six years, their term ending upon the conclusion of the shareholders' Meeting approving the financial statements for the year during which their six-year term expires.

The age limit for censors is 70. Any censor who reaches this age is considered to have resigned.

In the event of vacancy by death or resignation of one or more censors, the Supervisory Board may nominate provisional replacements. The nominations are subject to ratification at the next Ordinary Meeting of Shareholders.

Censors attend meetings of the Supervisory Board, which can request their opinion when deemed useful, but they are not required to involve themselves deeply in the management of the Company. They take part in decisions as non-voting consultants, but their presence is not required for decisions to be valid.

The Supervisory Board can remunerate censors out of the amount provided by the shareholders for attendance tokens for members of the Supervisory Board.

The Supervisory Board currently has one censor, Mr. Aldo Cardoso.

2.2.3. Supervisory Board Committees

In 2005, the Supervisory Board created three specialized committees whose purpose is to assist the Supervisory Board prepare its deliberations: an Audit Committee, a Compensation and Nomination Committee and a Risk Committee.

AUDIT COMMITTEE

Composition of the Audit Committee

The Chairman of the Audit Committee is appointed by the Supervisory Board. The other members of the Audit Committee are appointed by the Supervisory Board upon the proposal of the Chairman of the Audit Committee. The terms of the members of the Audit Committee chosen from the Supervisory Board are coincident with their terms as members of the Supervisory Board; members of the Audit Committee who are not members of the Supervisory Board have the same terms as that of the Chairman of the Audit Committee.

Members of the Audit Committee must have a competency in finance or accounting.

At the date of this document, the Audit Committee has the following members:

- Jérôme Charruau: Chairman;
- Jean-Michel Ropert: Member;
- Patrick Buffet: Member;
- Aldo Cardoso: Member.

Purpose of the Audit Committee

The Audit Committee prepares and facilitates the work of the Supervisory Board in management control and verifying the reliability and clarity of the information provided to shareholders and the market. In this context, its purpose is to:

- verify the appropriateness of the accounting principles;
- verify that accounting methods applied are up to date;
- verify the accounting positions adopted and the estimations made to account for significant transactions;
- verify the scope of consolidation;
- verify and evaluate the procedures for internal control and for securing information systems;
- verify, before they are made public, all accounting and financial documents issued by the Company;
- verify significant off-balance sheet risks and commitments;
- assist the Supervisory Board in nominating Statutory Auditors and approving accounting fees requested; and
- evaluate the quality of work of the Statutory Auditors, monitor their independence and approve the completion by the Statutory Auditors of associated tasks (such as acquisition audits). In connection with monitoring the Statutory Auditors' independence, the Committee requests information on the audit and advisory fees paid by the Company and companies within the Group under the Company's control to the Statutory Auditors and their network.

The Audit Committee must report on its work to the Supervisory Board and bring to its attention any matters which appear to raise issues or require that a decision be taken. It also reviews all issues raised for it by the Supervisory Board on the matters set forth above.

Organization and functioning

The Audit Committee meets as often as it deems necessary, and at least twice each year (one meeting before the Supervisory Board reviews the annual financial statements and one meeting before the Supervisory Board reviews the 6-month financial statements).

The Audit Committee can invite to its meetings, if it deems necessary, one or more members of the accounting and financial department and the Company's Statutory Auditors.

The Audit Committee may request a presentation, if it deems necessary, by the members of the accounting and finance department, internal audit and the Statutory Auditors without the presence of Company management, but after having informed it. It can request the delivery from them of any document or information needed to carry out its functions.

The Audit Committee can call upon an external expert at the expense of the Company to perform its mission, after having informed the Chairman of the Supervisory Board.

The secretariat of the Audit Committee is provided by a member named by the Audit Committee from among its members or otherwise.

Minutes of each meeting of the Audit Committee are maintained and are provided to the Supervisory Board.

COMPENSATION AND NOMINATION COMMITTEE

Composition of the Compensation and Nomination Committee

At the date of this reference document, the Compensation Committee is composed of the following members:

- Jean-Bernard Lafonta: Chairman;
- Pierre Hessler: Member;
- Philippe Louis-Dreyfus: Member.

Members of the Compensation and Nomination Committee are chosen by the Supervisory Board from among its members. The Chairman of the Compensation and Nomination Committee is appointed by the Supervisory Board. The terms of the members of the Compensation and Nomination Committee are coincident with their terms as members of the Supervisory Board. The members of the Compensation and Nomination Committee are appointed by the Supervisory Board.

The Compensation and Nomination Committee is responsible for proposing to the Supervisory Board the compensation of the members of the Management Board as well as the means for setting their compensation (fixed and variable portions, method of calculating and indexation).

The Compensation and Nomination Committee meets as often as it deems necessary.

RISK COMMITTEE

Composition of the Risk Committee

Members of the Risk Committee are chosen from among the members of the Supervisory Board. The Chairman of the Risk Committee is appointed by the Supervisory Board, and the other members are appointed by the Supervisory Board upon the proposal of the Chairman of the Risk Committee. The terms of the members of the Risk Committee are coincident with their terms as members of the Supervisory Board.

At the date of this reference document, the Risk Committee is composed of the following members:

- Pierre Hessler: Chairman;
- Yves Moutran: Member;
- Bernard Renard: Member.

Role and Functions of the Risk Committee

The Risk Committee assists the Supervisory Board in controlling and supervising risk management within the Group. This role focuses on defending against the risk of Group professional liability.

To perform its function, the Risk Committee has the following functions:

- review and analyze, and inform and advise the Supervisory Board regarding, the strategy of risk management adopted within the Group (policy, organization and tools);
- review and analyze, and inform and advise the Supervisory Board regarding, the geographic distribution of risk and the resulting action plans;
- review and analyze, and inform and advise the Supervisory Board regarding, the structure and coverage of insurance for professional civil liability, operating liability and executive officer (*mandataires sociaux*) liability, as well as the levels and withholding mechanisms in place; and
- monitor developments in major disputes in progress and inform the Supervisory Board.

In this context, the Risk Committee studies each matter raised by the Supervisory Board and may, if appropriate, call upon outside resources.

The Risk Committee reviews its functioning at least once each year.

Meetings

The Risk Committee meets as often as it deems necessary, and at least twice each year at corporate headquarters.

The Risk Committee can invite to its meetings, if it deems necessary, one or more members of the Company's management or the departments concerned by its work.

The secretariat of the Risk Committee is provided by a member named by the Chairman of the Risk Committee who maintains notes of each meeting.

The Risk Committee must have a quorum of at least half of its members, present either physically or by telephone.

Meetings of the Risk Committee are called by the Chairman of the Risk Committee by any means, including electronic means, addressed to each member at least 48 hours before and including an agenda for the meeting.

Resources

The Risk Committee may, in carrying out its functions, and with the prior approval of the Supervisory Board, call upon an expert or outside analyses, at the expense of the Company, which can assist its work. The Risk Committee must report to the Supervisory Board as to the results obtained from such actions.

The Risk Committee can, in carrying out its functions, interview if needed management of the Group, after having informed the Chairman of the Management Board.

The Chairman of the Risk Committee reports to the Supervisory Board regarding its work, opinion, proposals or recommendations and informs the Supervisory Board regarding all matters which seem to raise issues or require a decision.

Rights and duties of the members of the Risk Committee

Each member must comply with the internal regulations and in addition respect the following duties:

Conflict of interest

Members of the Risk Committee must inform the Risk Committee, as soon as they are aware, of any situation of a real or potential conflict of interest, and must abstain from participating in the

related work and discussions. The member must resign in the event of a permanent conflict of interest.

Information

Each member must ensure that he receives on a timely basis all information necessary to fulfill his mission. He must demand from the Chairman of the Risk Committee on a timely basis the information which he judges useful for accomplishing his mission and participating in the discussion of matters raised in the agenda for the Risk Committee's meeting.

Confidentiality and professional secret

When they receive non-public information in the context of their functions, the members of the Risk Committee are bound by a professional duty to maintain such information secret and must personally protect its confidentiality. Information provided to them is communicated for their exclusive use and must not be communicated.

Commitment

The members of the Risk Committee must commit to their functions the time and attention necessary and must consider, when accepting additional functions, whether they will be able to satisfy this duty. They must participate, unless subject to a true impossibility, in each meeting of the Risk Committee, as well as in meetings of the Supervisory Board.

Duty to Abstain

Each member must abstain from carrying out transactions in securities of companies for which he possesses, as a result of his functions, non-public information. In addition, he agrees to comply with the internal regulations of the Company concerning the use or communication of privileged information and any applicable legal or regulatory requirement. The member must bring to the attention of the Chairman of the Risk Committee any difficulty in applying such regulations which may be encountered.

2.3. Report of the Chairman on internal controls

REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD ON THE CONDITIONS OF PREPARATION AND ORGANIZATION OF THE WORK OF THE BOARD AND ON THE INTERNAL CONTROL PROCEDURES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2007

Pursuant to Paragraph 7 of Article L. 225-68 of the French Commercial Code, the Chairman of the Supervisory Board of Bureau Veritas Registre international de navires et d'aéronefs, reports herein on:

- the conditions of preparation and organization of the work of the Supervisory Board during the financial year ended December 31, 2007;
- as well as the internal control procedures established by the Company.

2.3.1. Conditions of preparation and organization of the work of the Supervisory Board

As part of the listing of its stock on the Euronext Paris regulated market, the Company carried out a comprehensive review in 2007 of its corporate governance practices and as a result put in place a certain number of measures enabling it to in particular apply the corporate governance recommendations published by the French Association of Private Enterprise (AFEP) and the French Business Confederation (MEDEF) on October 20, 2003, entitled "Principles for corporate governance based on the consolidation of the 1995, 1999 and 2002 AFEP and MEDEF reports".

The Company believes that this set of measures, listed below, will enable it to apply the corporate governance principles stemming from applicable recommendations, to the extent that these principles are compatible with the Company's organization, size, resources and shareholder structure.

COMPOSITION OF THE SUPERVISORY BOARD

The Company's Supervisory Board is comprised of nine members and a censor appointed by the General Shareholders' Meeting: Jean-Bernard Lafonta, Chairman, Pierre Hessler, Vice-Chairman, Patrick Buffet, Jérôme Charruau, Philippe Louis-Dreyfus, Yves Moutran, Bernard Renard, Jean-Michel Ropert and Ernest-Antoine Seillière, Members and Aldo Cardoso, censor.

As of the date of filing of this reference document, the Supervisory Board had four members who were classed as independent on the basis of the independence criteria set out in the internal regulations of the Supervisory Board: Patrick Buffet, Jérôme Charruau, Philippe Louis-Dreyfus and Bernard Renard.

These independence criteria comply with the stock market corporate governance principles and best practices.

A summary table setting out the detailed information on each of the current members of the Supervisory Board (ages, dates of first appointment and expiry of their terms, positions held by them in the Company as well as positions and offices held in other companies) is included in the Supervisory Board section of this chapter of the reference document.

Each member of the Supervisory Board has declared that he satisfies the conditions prescribed by law and in the by-laws regarding the exercise of his position, in particular holding the minimum number of shares required under the Company's by-laws and that he is not affected by any measure that would prevent him from sitting on the Supervisory Board of a limited company, and that he complies with the legal limitation on the number of limited company Supervisory Board positions he can hold.

PREPARATION AND ORGANIZATION OF THE WORK OF THE SUPERVISORY BOARD

Organization and preparation of Supervisory Board meetings

The Supervisory Board meets whenever the Company's interests so require, and at least once a quarter, at the request of its Chairman or of its Vice-Chairman.

The annual schedule of Supervisory Board meetings (excluding extraordinary meetings) must be sent out to each member by the latest at the start of each fiscal year.

On top of the Board's mandatory meetings (closure of the annual and interim financial statements) are added meetings that are required in the normal course of business (quarterly reports from the management board, planned acquisitions, pledges and guarantees) or authorizations to be provided to the Management Board pursuant to internal governance rules set out in Article 23 of the Company's by-laws.

The Chairman of the Supervisory Board is responsible for calling Board meetings and for chairing them. In his absence, this responsibility falls to the Vice-Chairman. Meetings notices are sent, whenever possible, by letter at least five days in advance. If urgent, the Supervisory Board can be called right away by telephone or other means of telecommunications.

The Statutory Auditors must be invited to all Supervisory Board meetings discussing the annual or interim financial statements.

To prepare meetings, the Chairman must:

- send out the documentation prepared by the Company's internal departments on the instructions of the Management Board;
- organize and steer the work of the Supervisory Board;
- ensure that Board members are capable of fulfilling their responsibilities and in particular check that they have the documentation and information necessary to carry out their responsibilities;
- ensure that the employee representatives are duly invited and have the information and documentation necessary to carry out their responsibilities.

Via the quarterly report, the Board is notified on a quarterly basis of the Company's financial and cash position and of the Company's commitments.

Supervisory Board meetings

Proceedings at Supervisory Board meetings are recorded in minutes, drawn up by the Chairman and put to the subsequent Board meeting for approval.

In 2007, the Supervisory Board met 14 times. This high number stemmed from the activities surrounding the Company's stock market listing.

All Supervisory Board meetings are chaired by the Board Chairman.

Representatives of the Works Council were invited to all Board meetings.

Internal regulations of the Supervisory Board and the stock market ethical guidelines

All current members of the Supervisory Board have agreed to comply with the internal regulations of the Supervisory Board, approved at its meeting of June 18, 2007, and with the stock market ethical guidelines, which came into force on October 23, 2007.

Internal regulations of the Supervisory Board:

The internal regulations of the Supervisory Board also constitute the governance charter for members of the Supervisory Board and govern their own relations and those with members of the Management Board in a spirit of cooperation designed in particular to ensure ease of communication between the governing bodies in the interests of the Company and of its shareholders.

The Board's internal regulations are designed to improve the quality of the work of Supervisory Board members favoring the application of corporate governance principles and best practices mandated by ethical and efficiency considerations.

The key items set out in these internal regulations are as follows:

- rules governing the functioning of the Supervisory Board (in particular the holding of meetings via telecommunications);

- ethical rules applying to all Supervisory Board members (loyalty and good faith, professionalism and participation, independence and conflicts of interest, compliance with the Group's Code of Ethics);
- criteria necessary for members to be classed as independent; and
- the roles of committees and observer-consultants.

Pursuant to Article 5.4 of these Regulations, starting from financial year 2008, the Supervisory Board must add to the agenda of one meeting a year the assessment of the work of the Supervisory Board, an account of which will be included in the report on internal control procedures presented to the General Shareholders' Meeting by the Chairman of the Supervisory Board pursuant to Article L. 225-68 of the French Commercial Code.

Stock market ethical guidelines:

The Company's goal is to ensure compliance with the recommendations issued by the stock market authorities regarding the management of risks relating to the possession, disclosure and possible use of Privileged information.

In this regard, the Management Board of Bureau Veritas was looking to put in place measures that would enable it to check compliance with the relevant recommendations issued by the stock market authorities and accordingly published stock market ethical guidelines, which came into force on October 23, 2007 and appointed a Compliance Officer.

These stock market ethical guidelines are meant to call to mind the regulations applicable to Executive Directors, Deemed Persons and Informed Management as well as Occasional Insiders and to draw their attention to (i) the applicable laws and regulations in this area, as well as the administrative sanctions and/or penalties of not complying with these laws and regulations, and (ii) the putting in place of preventive measures that enable everybody to invest in BUREAU VERITAS shares while in full compliance with the rules on market integrity

Supervisory Board committees

Since 2005, the Supervisory Board has had three permanent specialized committees, the role of which is to provide Board members with food for thought and assist them with the preparation of their meetings: an Audit Committee, a Compensation and Nomination Committee and a Risk Committee.

Information on the organization, functioning and responsibilities of each committee in the internal regulations of the Supervisory Board, of the Audit Committee and of the Risk Committee is set out in the Functioning of the Management Board and of the Supervisory Board section of this chapter.

Audit Committee

The Audit Committee prepares and facilitates the work of the Supervisory Board in management control and the verification of the reliability and clarity of the information provided to shareholders and the market.

The Audit Committee is comprised of four members, a majority of whom, including its Chairman, are independent members: Jérôme Charruau, Chairman, Jean-Michel Ropert, Patrick Buffet and Aldo Cardoso.

All members of the Audit Committee have the financial and accounting expertise necessary to be on the committee.

The Audit Committee has internal regulations that set out its responsibilities, resources and functioning.

The Audit Committee met six times in fiscal year 2007.

Minutes are drafted following each meeting and approved at the subsequent meeting.

The Chairman of the Audit Committee sets out the conclusions or observations of the Audit Committee on the annual and interim financial statements at the Supervisory Board meeting at which these financial statements are checked and controlled. The same applies for reports that may be drawn up on specific issues by the Audit Committee at the request of the Supervisory Board.

Risk Committee

The Risk Committee is responsible for assisting the Supervisory Board in controlling, supervising, preventing and managing risks within the Group.

The Company's management regularly provides it with a synopsis of the Group's insurance coverage, major lawsuits, and an update on Risk Management within the Group. The Risk Committee is consulted when existing insurance coverage is being renewed.

The Committee is comprised of three members: Pierre Hessler, Chairman, and Yves Moutran and Bernard Renard.

The Risk Committee has internal regulations that set out its responsibilities, resources and functioning.

Minutes are drafted following each meeting and approved at the subsequent meeting.

The Chairman of the Risk Committee sets out the Committee's conclusions or observations on issues put to it by the Supervisory Board.

The Risk Committee met three times in fiscal year 2007.

Compensation and Nomination Committee

The Compensation and Nomination Committee is responsible for making proposals to the Supervisory Board with regard to the selection of Management Board members, the selection of independent Supervisory Board members, the succession of executive directors and the compensation of Management Board members as well as the means of determining their compensation (fixed and variable portions, formula and indexing).

Minutes are drafted following each meeting and approved at the subsequent meeting.

The Committee is comprised of three members: Jean-Bernard Lafonta, Chairman, Pierre Hessler and Philippe Louis-Dreyfus.

The Compensation and Nomination Committee met twice in fiscal year 2007.

DIVISION OF POWERS BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Supervisory Board exercises permanent control over the management of the Company conducted by the Management Board. It carries out verifications and controls it judges appropriate and requests the documents it deems necessary to carry out its responsibilities.

In line with its legal obligations, the Supervisory Board gives the Management Board prior authorizations to grant pledges or guarantees (including for Group companies), to sell property, to sell all or part of equity interests and to grant security interests.

In addition, the following decisions also require the prior approval of the Supervisory Board:

1. any major strategic transaction, or any action that may have a material effect on the Group's and/or the Company's economic, financial or legal situation;
2. any action to implement an authorization from the general Shareholders' Meeting resulting immediately or over time in an increase or reduction in share capital, the cancellation of shares or the granting of free shares;
3. the establishment of any stock option plan and any grant to key managers of the Company of options to subscribe for or purchase shares or of free shares;
4. the allocation of earnings and the distribution of dividends or any distribution of an interim dividend by the Company;
5. any merger or split to which the Company would be party;
6. any debt, financing or off-balance sheet liability of the Company in excess of €40 million per annum or per transaction;
7. any transaction to acquire assets, in particular equity interests or investments in the context of a partnership, involving an investment by the Company of in excess of €5 million per transaction;
8. any sale of assets where the transaction exceeds €5 million;
9. any change in or the initial appointment of Statutory Auditors for any French or foreign company in which the Company has a share capital interest of at least €20 million; and
10. any authorization or instruction for companies or entities directly or indirectly controlled by the Company to carry out a transaction of the type listed in points 6, 7 and 8 above.

For some of these transactions, the Supervisory Board has set amounts in excess of the amounts indicated above and under which its authorization would not be required.

Finally, the agreements covered by Article L. 225-86 of the French Commercial Code are subject to the prior approval of the Supervisory Board.

2.3.2. Determining management remuneration

MEMBERS OF THE SUPERVISORY BOARD

In respect of financial year 2007, the General Shareholders' Meeting decided to grant the members of the Supervisory Board an unchanged amount of €180,000 in attendance fees. This sum was split equally amongst the members of the Supervisory Board.

The individual amount received by each member is set out in the Management Remuneration section in this chapter.

No other remuneration was received by the Chairman and Vice-Chairman of the Supervisory Board in respect of fiscal year 2007.

MANAGEMENT BOARD

The principles and rules laid down by the Supervisory Board for determining the remuneration of Management Board members, the amount of which is set out in the Management Remuneration section in this chapter, are as follows:

The remuneration of Management Board members is comprised of two parts: a fixed portion and a variable portion.

In 2006, the variable portion of the remuneration of Frank Piedelièvre was a percentage of adjusted attributable earnings of the Group, whereas the variable portion of François Tardan was based on both the achievement of financial targets and personal goals.

In 2007, the variable portion of the remuneration of Frank Piedelièvre and of François Tardan had two parts:

- a quantitative component linked to the achievement of an "Adjusted Operating Profit" budgetary goal;
- and a qualitative component linked to qualitative goals such as: the integration of acquisitions, the recovery of under-performing businesses, changes in the organization, etc.

This remuneration is supplemented by a free share grant, which took place on December 13, 2007, the breakdown of which is set out in the section on the Interests of members of the Management Board, Supervisory Board and certain employees in the capital of Bureau Veritas in Chapter III – Management Board's management report.

2.3.3. Internal control procedures

This report on internal control procedures is presented pursuant to Article 225-68 of the French Commercial Code. It provides an overview of the internal control procedures established by the Company within the Group.

INTERNAL CONTROL DEFINITION AND GOALS/ THE CONTROL FRAMEWORK

The Company decided to employ the internal control framework recommended by the French market regulator (AMF) in January 2007. The reference framework was implemented: general principles plus accounting and financial internal control framework, analysis and control of operational risks.

The roll-out of the application guide on accounting and financial information internal controls will take place in the course of fiscal year 2008.

In line with the reference framework, the internal control procedures applicable within the Company and the Group are designed to:

- firstly, ensure that the management or operational activities and employee behavior are in line with the framework established on the basis of the guidance provided in respect of the Company's activities by the management bodies, by applicable laws and regulations and by the Company's internal values, standards and rules;
- secondly, check that accounting, financial and management information provided to the Company's management bodies accurately reflects the Company's business and position.

One of the goals of the internal control system is to prevent and control risks stemming from the Company's business activities and the risk of error or fraud, in particular in the accounting and financial fields. As with any control system, no absolute guarantee can be given that these risks have been completely eliminated.

GENERAL RISK AND INTERNAL CONTROL APPROACH

The Company's Management Board has established principles and a structure designed to achieve these goals, in particular with regard to the control environment, risk assessment and management, internal control processes, reliable financial reporting and steering the Group's business activities.

The internal controls in place within each Group company are based on the following core principles:

- recognition of the absolute responsibility of the management of Group companies;
- a valid financial reporting system; and
- regular and occasional reviews of items defined in the formal or occasional frameworks.

This general framework is nevertheless adapted on the basis of the following criteria:

- a flexibility criteria so that management of Group companies can fully carry out their responsibilities;
- a simplicity criteria so that the internal control process continues to suit the size of the companies within the Group.

The internal controls put in place within the Company are in line with the framework described.

The implementation of internal control procedures is the responsibility of each of the central functions within their respective fields (Legal, Risks and Compliance, Human Resources, Finance and Management Control, Quality, Technology):

- the Legal, Risks and Compliance Department manages the professional liability risk via a network of risk managers in charge of reviewing proposals and contracts, managing lawsuits and insurance. It also manages the reputational risk through a network of ethics managers responsible for the application of the Code of Ethics;
- the Human Resources Department sets out the policies for assessing and remunerating Group management and ensures that all Group employees are remunerated and assessed on the basis of objective published criteria;
- the Finance Department manages all of the consolidated financial information produced by the Group and manages the necessary reconciliations. It ensures the strict application of Group standards and frameworks. It manages the interest rate and exchange rate hedging risks. It supervises credit risks;
- via a network of quality managers, the Quality Department manages the Group quality management system. It checks the application of procedures and measures customer satisfaction;
- the Technical Department is tasked with checking the technical compliance of organizations and for the application of methodologies and technical guides established by the Group. Depending on its business activities, Bureau Veritas has put in place a more or less centralized operational structure, with the role of the Technical Departments differing depending on the circumstances:
  - in businesses that are managed globally (marine, certification, consumer products, government contracts) and that offer the same services worldwide, the technical departments are centralized and provide the methodologies and rules applicable throughout the world,
  - in other businesses that are managed locally and provide their services on the basis of local technical frameworks, the control of operational risks is carried out by regional technical centers under the supervision of a Central Technical Department.

Each of these departments employs local networks that distribute and check compliance with procedures within operating entities. These central departments are also tasked with auditing the operating entities, for specifying corrective actions that need to be taken (if any) and for ensuring that these actions are implemented.

RISK CONTROL AND LITIGATION MONITORING

The Group's operational risk management policy is based principally on avoiding professional civil liability in the event of damage of a product or facility which was subject to inspection services by one of the Group's entities.

Operational risks are managed through a structured risk management organization established within the different sectors and geographic zones. This organization is built around two departments: a technical department, which sets and controls the procedures used by the Group's technical personnel to carry out their services, and a quality department, which is responsible for compliance with the quality system and procedures within the Group.

The variety of local operations and the need to grant management autonomy to operations managers has led to the establishment of a global policy formalized in legal and risk management handbooks prepared under the responsibility of the risk managers for each sector and zone. The handbooks include specific procedures to be applied for organizing delegations of authority, reviews of proposals and contracts, and litigation and insurance management.

The application of the risk management policy, and the constant evolution of services requested from the Group, requires the risk manager network and the technology and quality departments to coordinate their efforts to reduce the risk of the Group incurring professional liability. The goal is to cause risk management methods and objectives to be shared with operational teams, together with the information they need to take decisions consistent with the objectives set by the Management Board. The Group has also established procedures to enable semi-annual evaluations of litigation by risk managers, in collaboration with the operational units and the legal, risks and ethics and financial departments.

The procedures for managing litigation are included in the risk management policy. These procedures include conflict management methods, involving coordination between the directors of operational units, the businesses, the risk managers and the legal and risks and ethics departments. Each global business defines and establishes an organization to achieve the Group's objectives which must:

- identify conflict situations early on;
- ensure that the insurers concerned are informed;
- organize an effective approach to defending the Group's interests; and
- permit significant litigation to be managed centrally by the legal and the risks and ethics departments.

The Group's method for recognizing provisions for liabilities is described in the notes to the consolidated financial statements and in Chapter IV – 2007 consolidated financial statements.

In addition, the Group has defined goals and developed internal procedures and rules designed to protect assets, prevent and detect fraud, and ensure the reliability and accuracy of accounting information. The Group's management has established a framework designed to achieve these objectives, particularly with respect to environmental control, risk assessment and management, the internal control process, reliable financial information and guiding the Group's business. In addition, in connection with management reporting and preparing financial statements, the finance department has defined procedures, tools and rules to ensure the quality and coherence of information provided.

Finally, the Risk Committee established by the Supervisory Board assists the Supervisory Board in controlling and supervising risk management within the Group. The Risk Committee makes recommendations to the Supervisory Board regarding: the risk management strategy adopted by the Group (policies, organization and tools); the risk results by risk mapping and related action plans; and the insurance structure and coverage for professional civil liability, operational liability and director and officer liability, as well as the levels and mechanisms for protection.

INTERNAL CONTROL PROCEDURES IN PLACE

Internal control procedures on financial and accounting information

The finance department's role is to rapidly provide financial information and quality analyses. It plays the role of expert with respect to financial questions and financing within the Group.

The central finance department is responsible for establishing accounting standards, consolidating results, managing cash, directing tax policy and acting as a motivating force in improvement initiatives, such as the development of shared services centers or globalizing purchasing.

The finance department uses a structured network of finance officers in all the Group's subsidiaries. The finance officers work together with operational personnel but report functionally to the Group finance director. Subsidiaries operating in different countries must implement the policies, accounting standards and procedures defined by the Group.

The rules for internal control

The internal control procedures in force within the Group are designed to:

- first, ensure that management actions, transaction implementation and employee conduct fit within the framework of business objectives provided by the corporate bodies, applicable laws and regulations, and internal Group values, standards and rules:
  - the internal rules include the Group's values shared by all personnel, the code of ethics and related internal procedures, the Group's manual of organization and general quality procedures, and the manual of management (MAG), which groups together all the financial, accounting and tax procedures, and
  - the external rules include all national accounting laws and regulations. The Group has prepared its consolidated financial statements according to IFRS (International Financial Report Standards) since 2005;
- second, verify that the accounting, financial and management information communicated to the Management Board and the Supervisory Board properly reflect the business and condition of the Group. The internal control system is designed to prevent and manage the risks resulting from the Group's business, prevent and detect risks of error or fraud, particularly in the accounting and financial field, and assure the accuracy and completeness of accounting records. As for any control system, there can be no absolute guarantee that these risks are entirely eliminated.

The monthly management review of results of operations, net cash and consolidation data allows the Group's finance department to review and verify financial and accounting information on a centralized, on-going basis.

Internal Audit and Acquisitions Support Department

Internal Audit

The internal audit department's mission is to perform internal audits, principally financial audits, in the different entities of the Group. The audits are carried out on an annual schedule approved by the Management Board. The principal criteria for carrying out an audit are an absence of recent audits, results of operations that differ from budget or from comparable entities, or changes in management.

These audits are aimed at analyzing and controlling the correct application of management and reporting rules, as well as the optimization and efficiency of operational support functions. The principal cycles and procedures which are subject to audits are:

- internal organization;
- cash management;
- purchasing and suppliers;
- sales and clients;
- human resources; and
- closing financial statements and reporting.

The audit reports are issued to the management of the operational entities, as well as being sent to the Central Functions and to the Group's Senior Management. They include recommendations and require commitments to corrective short- and mid-term action plans.

Acquisitions support

Internal audit also has a coordination and assistance mission in connection with acquisitions and their integration. Since 2004, a specific procedure has been put in place to improve the integration process. The Post Merger Integration Plan (PMIP) defines for each management function (Finance, Human Resources, Communications, Computer, Information Systems, Legal, Insurance and Quality) the integration actions to be carried out and the applicable timetable on the basis in particular of the information collected during the audit phase.

Integration is performed by the management responsible for the zones or businesses concerned, and supported by all the headquarters support functions. Integration planning, in particular, is reviewed prior to the acquisition. Once the PMIP has been completed, a critical review of the process enables the strengths and weaknesses to be assessed and procedures to be improved.

The other internal control procedures

Quality/ISO certification

The Quality Department is responsible for developing and controlling the application of the Group's business model and for ensuring compliance with the quality procedures within the Group. These procedures have been in receipt of ISO 9001 certification for eleven years from an independent body (BSI France).

The goal of the Quality Department is to grow sales by improving the Group's reputation *vis-à-vis* regulatory authorities, by developing a culture of quality amongst managers in the network and by constantly measuring customer satisfaction.

The Quality Department uses a structured network of Quality Officers in all geographic zones (covering the Construction, IVS, Industry and HSE businesses) and centrally for the vertically integrated divisions (Marine, Consumer Products, GSIT) as well as for the Certification business. It is responsible for producing a clear definition of each person's goals and for ensuring that the tools are in place to measure performance.

Code of Ethics

A key component of the Group's active risk management is the sharing of a certain number of values and ethical principles by all employees.

Bureau Veritas, a founding member of IFIA (*International Federation of Inspection Agencies*), accordingly formalized and published its Code of Ethics in October 2003. This Code, which reflects all the requirements of the IFIA's compliance code, is based on three core principles:

- integrity (including concepts of conflict of interest, confidentiality and safety);
- fighting corruption; and
- respecting equitable trading practices.

This Code was revised in early 2008 to reflect new obligations stemming from the stock market listing of Bureau Veritas last October. This new version will be presented and distributed to all Group employees as well as to its major suppliers and subcontractors. Respect for the principles and values set out in the Code is monitored within each business, zone and region by an ethics officer. At Group level, the Compliance Officer reports directly to the Management Board.

When an ethics officer is notified of a possible serious breach of the Code of Ethics, the Compliance Officer must be informed so that the necessary measures can be taken. An internal or external audit may subsequently be carried out and, depending on the findings of the Ethics Committee (comprised of the members of the Management Board and the Compliance Officer), sanctions are imposed including the possible dismissal of the employees in question.

Internal and external audits are carried out annually on the application and compliance with the principles of the Code of Ethics, and a certificate of compliance is issued by an independent auditor (PricewaterhouseCoopers) and sent to the compliance committee of the IFIA.

These measures as a whole are designed to prevent any activities that go against Group ethical principles. Although the Company goes to great pains in this regard, no guarantee can be given that these measures are, or have been, complied with in all circumstances.

DEVELOPMENTS IN INTERNAL CONTROL MEASURES

During 2008 and 2009 the AMF framework will be supplemented by an application guide on the internal control of accounting and financial information.

The entities that will be subject to it will be defined via the priority rules on the basis of a set of characteristics including those relating to their risk exposure.

During the same 2008-2009 period, the management of operational risks will be improved through the increase in and specialization of technical centers. The Group is looking to develop "Bureau Veritas" technical standards that can be applied throughout the world, while satisfying the requirements of countries that apply the most stringent regulations.

Another change that the Group would like to promote over the coming years consists of taking a much more coordinated and integrated approach to network audits (internal audit, external financial audit, quality audit, external ISO audit, technical audit).

The Chairman of the Supervisory Board

2.3.4. Report of the Statutory Auditors on internal control procedures relating to the preparation and processing of accounting and financial information

REPORT OF THE STATUTORY AUDITORS DRAWN UP PURSUANT TO ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ON THE REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD OF BUREAU VERITAS SA, ON THE INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

To the shareholders of

BUREAU VERITAS SA
17 bis, place des Reflets
92400 Courbevoie

In our role as Statutory Auditors of Bureau Veritas and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we hereby present you with our report on the report of the Chairman of your Company pursuant to the provisions of Article L. 225-68 of the French Commercial Code in respect of the fiscal year ended December 31, 2007.

It is the responsibility of the Chairman to give an account in his report of in particular the conditions of preparation and organization of the work of the Supervisory Board and the internal control procedures put in place within the Company.

It is our responsibility to report to you on our observations on the information set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We carried out our work in accordance with professional standards applicable in France. These require us to carry out checks to assess the fairness of the information in the report of the Chairman on internal control procedures relating to the preparation and processing of accounting and financial information. This work primarily consists of:

- reviewing the internal control procedures relating to the preparation and processing of accounting and financial information underlying the information set out in the report of the Chairman as well as existing documentation;
- reviewing the work that made it possible to prepare this information and the existing documentation;
- determining whether the major internal control deficiencies relating to the preparation and processing of financial and accounting information that we identified in the course of our work are sufficiently covered in the Chairman's report.

As a result of this work, we have no observations to make on the information on the Company's internal control procedures relating to the preparation and processing of accounting and financial information in the report of the Chairman of the Supervisory Board, drawn up pursuant to the provisions of Article L. 225-68 of the French Commercial Code.

Paris and Neuilly-sur-Seine, April 15, 2008

The Statutory Auditors

Bellot Mullenbach & Associés	PricewaterhouseCoopers Audit
Pascal de Rocquigny	Jean-François Châtel

2.4. Management remuneration

2.4.1. Remuneration of executive directors

ATTENDANCE FEES PAID TO MEMBERS OF THE SUPERVISORY BOARD

The total amount of attendance fees paid to members of the Supervisory Board was set by the General Shareholders' Meeting at €180,000 for fiscal years 2006 and 2007.

In the context of the Company's stock market listing the number of members on the Supervisory Board was increased to ten at the Ordinary Shareholders' Meeting of June 18, 2007.

The table below sets out the attendance fees actually paid out in 2007 to each member of the Supervisory Board as well as the total amount to be received in respect of fiscal year 2007:

Members of the Supervisory Board	Amount paid in January 2007 in respect of the balance for fiscal year 2006 *(in euros)*	Amount paid in July 2007 in respect of the first half of fiscal year 2007 *(in euros)*	Amount paid in January 2008 in respect of the second half of 2007 *(in euros)*
Jean-Bernard Lafonta	10,000	9,926.47	9,000
Pierre Hessler	10,000	9,926.47	9,000
Jérôme Charruau	10,000	9,926.47	9,000
Ernest-Antoine Seillière	10,000	9,926.47	9,000
Bernard Renard	10,000	9,926.47	9,000
Jean-Michel Ropert	10,000	9,926.47	9,000
Philippe Louis-Dreyfus	10,000	9,926.47	9,000
Yves Moutran	10,000	9,926.47	9,000
Patrick Buffet[1]	0	661.76	9,000
Aldo Cardoso	10,000	9,926.47	9,000
TOTAL	**90,000**	**90,000**	**90,000**

(1) Mr. Patrick Buffet was appointed to the Supervisory Board on June 18, 2007.

The table below sets out the attendance fees paid in 2006.

Members of the Supervisory Board	Amount paid in 2006 in respect of the first half of fiscal year 2006 *(in euros)*	Amount paid in 2006 in respect of the balance for fiscal year 2005 *(in euros)*
Jean-Bernard Lafonta	10,000	21,121
Pierre Hessler	10,000	21,121
Jérôme Charruau	10,000	21,121
Ernest-Antoine Seillière [1]	10,000	16,192
Bernard Renard	10,000	21,121
Jean-Michel Ropert [3]	10,000	587
Philippe Louis-Dreyfus [2]	10,000	10,795
Yves Moutran [2]	10,000	10,795
Aldo Cardoso [2]	10,000	10,795

(1) Ernest-Antoine Seillière was appointed to the Supervisory Board on March 25, 2005.

(2) Philippe Louis-Dreyfus, Yves Moutran and Aldo Cardoso were appointed to the Supervisory Board on June 27, 2005.

(3) Jean-Michel Ropert was appointed to the Supervisory Board on December 21, 2005.

REMUNERATION OF EXECUTIVE DIRECTORS OF WENDEL SITTING ON THE COMPANY'S SUPERVISORY BOARD

Pursuant to Paragraph 1 of Article L. 225-102-1 of the French Commercial Code, since the Company is controlled by a company with shares listed on a regulated market, the amount of the remuneration and benefits of all kinds received during the fiscal year by an executive director holding at least one office in a company with shares listed on a regulated market from (i) this Company and (ii) companies controlled by it and (iii) the company that controls it as well as the amount of remuneration, allowances or benefits due or that may become due in the event of acquiring, terminating or changing functions as an executive director of Bureau Veritas SA is set out below.

The remuneration received during the course of fiscal year 2007, including that received from companies controlled as per the terms of Article L. 233-16 and from the controlling company WENDEL, are set out below.

	2007					2006
(in euros)	Gross fixed	Remuneration variable	Attendance fees	Benefits in kind	Total remuneration	Total remuneration
J-B. Lafonta	1,208,247	750,000	93,734(*)	22,712	2,074,693	1,563,790
E.A. Seillière	170,910		150,751(*)	5,031	326,692	507,694

(*) Including the attendance fees paid in respect of their positions as members of the Supervisory Board, the breakdown of which is set out in the Management Board and Supervisory Board section of this chapter.

This remuneration is decided for each fiscal year by the Supervisory Board the previous December, on the proposal and following a review by the Governance Committee; the latter backs up its overall remuneration recommendation by reference to the market practices of listed companies and the average of European private equity companies; the amount of the bonus is set on the basis of the performance of Wendel with regard to its medium-term goals. The attendance fees are included in the overall remuneration.

REMUNERATION AND BENEFITS IN KIND PAID TO MEMBERS OF THE MANAGEMENT BOARD

Fiscal Year 2007

During the fiscal year ended December 31, 2007, Mr. Frank Piedelièvre, Chairman of the Management Board, received total gross remuneration of €1,275,550, comprised of a fixed portion of €910,000, a variable portion of €365,550, a profit-share of €15,510, a matching contribution of €1,525, a profit-share supplement of €431.57 and a benefit in kind (company car) of €2,880. This remuneration covers all the positions held within the Company and its subsidiaries.

During the fiscal year ended December 31, 2007, Mr. François Tardan, a member of the Management Board, received total gross remuneration of €507,500, comprised of a fixed portion of €380,000, a variable portion of €127,500, a gross profit-share of €6,651.44, a matching contribution of €1,525, a profit-share supplement of €431.57 and a benefit in kind (company car) of €2,880. This remuneration covers all the positions held within the Company and its subsidiaries.

The information on stock options and free shares is set out in the section on the Interests of members of the Management Board, of the Supervisory Board and certain employees in the capital of Bureau Veritas in Chapter III – Management Board's management report.

Fiscal Year 2006

During the fiscal year ended December 31, 2006, Mr. Frank Piedelièvre, Chairman of the Management Board, received total gross remuneration of €1,023,492, comprised of a fixed portion of €702,450, a variable portion of €307,500 and a profit-share of €13,542. This remuneration covers all the positions held within the Company and its subsidiaries.

During the fiscal year ended December 31, 2006, Mr. François Tardan, a member of the Management Board, received total gross remuneration of €530,107, comprised of a fixed portion of €380,671, a variable portion of €140,000, a profit-share of €6,556 and a benefit in kind (company car) of €2,880. This remuneration covers all the positions held within the Company and its subsidiaries.

The manner in which the variable portion of the remuneration of members of the Management Board is determined is set out in the Determining management remuneration section in Chapter II – Corporate governance.

Elements of remuneration, indemnities or benefits due or which may become due in the event of acquiring, terminating or changing functions as a director and officer *(mandataire social)*

No officer benefits from elements of remuneration, indemnities or benefits due or which may become due in the event of acquiring, terminating or changing functions as a director and officer *(mandataire social)* of the Company.

Other benefits

The Company does not grant any loans, advances or guarantees to its directors and officers *(mandataires sociaux)*.

Total amount reserved or recorded for pension or retirement payments or other benefits

No amount has been provisioned or recorded by the Company for purposes of making pension or retirement payments or special supplementary benefits on behalf of the Company's directors and officers *(mandataires sociaux)*.

2.4.2. Service contracts between members of the Management Board and Supervisory Board and Bureau Veritas or its subsidiaries

As of the date of filing of this reference document, there were no service contracts between members of the Management Board or the Supervisory Board and the Company or its subsidiaries providing for any benefits.

3

MANAGEMENT BOARD'S MANAGEMENT REPORT ON THE COMPANY AND ON THE GROUP

This report covers the results and business activities of the Company and the Group during the financial year ended December 31, 2007 and is based on the 2007 statutory accounts and consolidated financial statements.

3.1. Overview of the Company and the Group

Founded in 1828, Bureau Veritas considers it is the world's second largest group (based on revenue and number of employees in 2007) offering 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 excluding commodities testing.

The Group's business involves inspecting, testing, auditing and certifying products, assets (such as buildings, industrial infrastructure, equipment and ships) and management systems (using, for example, ISO norms) based on regulatory or voluntarily adopted standards. The Group delivers reports to its clients, which are prepared by its experts or specialists and present the results of its observations, and which measure any deviations from reference norms, regulations and/or standards. In some cases, the Group may propose solutions to enable its clients to improve their QHSE performance or to comply with the relevant reference norms or regulations. The Group also offers a range of consulting and training services.

The Group is one of the world leaders in the markets where its eight businesses are present:

- ship classification (Marine, 12% of the Group's consolidated revenue in 2007);
- services for industrial clients (Industry, 14% of the Group's consolidated revenue in 2007);
- inspection and verification of equipment in service (In-Service Inspection & Verification – IVS, 13% of the Group's consolidated revenue in 2007);
- inspection, audit, measuring and testing services in the fields of health, safety and environment (HSE, 10% of the Group's consolidated revenue in 2007);
- construction services (Construction, 19% of the Group's consolidated revenue in 2007);
- certification of management systems or services (Certification, 12% of the Group's consolidated revenue in 2007);
- inspection and analysis of consumer products (Consumer Products, 13% of the Group's consolidated revenue in 2007); and
- services related to customs control and international trade (GSIT, 7% of the Group's consolidated revenue in 2007).

The Group's consolidated revenue amounted to €2,066.9 million in 2007, and attributable net profit was €158.4 million.

The Group currently operates in more than 140 countries through a network of approximately 850 offices and laboratories. It employs more than 33,000 people and possesses a base of approximately 300,000 clients. In 2007, the Group's consolidated revenue was earned in France (32%), Europe – outside France (23%), the Americas (16%), Asia-Pacific and the Middle East (24%) and Africa (5%).

3.1.1. Factors significantly affecting the Group's results of operations

MACRO-ECONOMIC FACTORS AND FACTORS RELATED TO CERTAIN MARKETS

As a result of the variety of its businesses and its worldwide presence, the development of the Group's revenue and profitability are relatively unaffected by the fluctuation of specific macro-economic factors or markets conditions. However, developments in certain sectors of the world economy or certain geographic zones can have a significant influence on the revenue and results of operations of the Group's eight global businesses, in particular:

- international trade: changes in the level of international trade may significantly impact the level of growth expected in the Marine business by causing the rate of new ship orders to vary on a global level. Changes in international trade may also impact on the level of growth expected in the GSIT business by affecting growth in the FOB (free on board) value of imports inspected by the Group in certain emerging countries;
- investments in the energy sector: growth in investments in the energy sector around the world (and particularly in the oil and gas sector and the power sector) can have a significant impact on the level of growth expected in the Industry business in the producing countries of Africa, the Middle East, Latin America and Russia, and in the consuming countries of Europe, North America and Asia;
- household consumption in the industrialized countries: changes in the level of household consumption in the United States and Western Europe can have a significant impact on the level of growth expected in the Consumer Products business, by

causing changes in the growth in demand for inspections and laboratory testing by major American and European distributors of consumer products; and

- new building construction in France, Southern Europe, the United States and Japan: changes in the level of investments in new building construction in France, Southern Europe, the United States and Japan can have a significant impact on the level of growth expected in the Construction business by affecting demand for technical controls on new buildings.

IMPACT OF ACQUISITIONS

Each year, the Group acquires more than ten small- or mid-sized companies. Over the past three years, external growth has thus accounted for between 5% and 9% of annual growth in the Group's consolidated revenue.

The integration of these acquisitions is carried out through key processes established under the Post-Merger Integration Plan ("PMIP"). These integration plans demand a significant effort on the part of the management of the acquired companies, which can result in reduced focus on business development. Historically, the Group has observed that revenue of acquired companies generally declines by up to 5% during the 18 months following acquisition, but that revenue subsequently recovers. Beginning in the third year following acquisition, growth rates recorded by acquired companies become substantially similar to the organic growth rate of the Group business into which they are integrated.

The average operating margin of purchased businesses is generally below the operating margin of the Group business into which they are integrated. Consolidation of the newly acquired businesses in the Group's consolidated financial statements thus causes, all else being equal, a decline in the Group's operating margin. However, integration plans are prepared to take advantage of cost synergies identified during the due diligence phases and thus help progressively improve the operating margin of acquired companies.

As a result, the operating margins of acquired companies improve as they are integrated into the Group and progressively converge toward the operating margin of the Group business in which they are located.

IMPACT OF SIZE

Growth in the Group's size with respect to the markets in which it operates has a positive effect on the Group's operating margin.

First, growth in the Group's global size offers benefits of scale which enable it to better absorb the cost of central functions: senior management and financial services, legal, insurance and risk management, human resources, quality control, communications, and information systems and networks. In the aggregate, costs related to central functions amounted to:

- €34.6 million in 2004, or 2.4% of the Group's consolidated revenue;
- €35.3 million in 2005, or 2.1% of the Group's consolidated revenue;
- €33.4 million in 2006, or 1.8% of the Group's consolidated revenue; and
- €39.8 million in 2007, or 1.9% of the Group's consolidated revenue.

The cost of central functions rose slightly in 2007 on the back of the strengthening of certain functions as part of the Company's stock market listing: creation of a Financial Communications and Investor Relations Department, strengthening of the Legal and Risk Management Department and the increased professionalization of the Human Resources Department.

Second, the Group believes that growth in its size on certain national markets should increase the density of its inspections network, permitting improved optimization and utilization of inspectors due to reduced transportation time and inspector specialization in certain projects. Such specialization should permit an improved rate of replicated missions and greater industrialization of inspection procedures, thus offering potential gains in productivity.

SEASONALITY

Revenue, operating profit and net cash generated from operating activities reflect a certain seasonality, in particular for operating profit and net cash flow, with lower levels traditionally recorded for the first half of the year:

- revenue in the first half of the year, adjusted for acquisitions, accounted for 48.3% of total revenue excluding acquisitions in 2007, and 48.5% of total revenue in 2006. The Consumer Products, IVS and Certification businesses are primarily responsible for this seasonality. As to the Consumer Products business, end-user consumption is typically concentrated at the end of the calendar year. As to the Certification and IVS businesses, seasonality results from clients' desire to obtain their certifications before the end of the tax and company financial year (typically December 31);
- operating profit excluding acquisitions for the first half of the year accounted for 45.9% of operating profit for the full year 2007, and 43.8% in 2006. The Consumer Products, IVS and Certification businesses are also the main cause of this seasonality, which, however, is more pronounced for operating profit than for revenue, since the businesses' fixed costs are less well covered during the first half of the year;
- net cash generated from operating activities for the first half of the year accounted for 34% of total net cash generated from operating activities for the full year 2007 and 22.0% in 2006. Independently of the impact of the seasonality of operating profit on cash flow, the sharp difference between the first and second halves of the year results principally from a high seasonality in working capital needs, since three categories of expenses are incurred entirely in the first months of the year:
- insurance premiums, which are payable in January;
- employee bonuses and profit-sharing and the related social charges, which are payable in April; and
- balances of corporate income taxes due relating to the preceding year, which are payable, depending on the country, at different dates during the first half of the year.

IMPACT OF CHANGES IN EXCHANGE RATES

As a result of the international nature of its businesses, the Group is exposed to exchange rate risk related to several foreign currencies. In 2007, nearly half of the Group's revenue was recorded in currencies other than the euro, of which 18% in US dollars, 7% in pound sterling and 7% in Hong Kong dollars. Taken individually, other currencies did not represent over 5% of the Group's revenue.

Nevertheless, in every country in which it operates, the Group both provides services and incurs expenses locally. As a result, the Group is not very exposed to exchange rate risks stemming from transactions in other currencies.

Thus a 1% change in the euro against:

- the US dollar would have had a 0.18% impact on 2007 consolidated revenue and 0.15% on 2007 operating profit;
- the Hong Kong dollar would have had an impact of 0.07% on 2007 consolidated revenue and 0.11% on 2007 operating profit;
- pound sterling would have had an impact of 0.07% on 2007 consolidated revenue and 0.01% on 2007 operating profit.

A detailed description of the Group's exposure to exchange rate risk is included in the Risk Factors section in Chapter I – Overview of the Group.

3.1.2. Elements of the consolidated income statement

REVENUE

Revenue represents the fair value (net of tax) of the consideration received or to be received in exchange for services provided by the Group's companies in their normal course of business and after elimination of intra-group transactions. The Group records revenue when it can be measured reliably and it is likely that future economic benefit will flow to the Group.

The majority of the Group's contracts are short term but multi-year or highly recurrent, most frequently due to tacit extension or a high level of repeat business. Under these contracts, particularly for the Industry, IVS, HSE Certification and Consumer Products businesses, the Group records revenue once the service has been performed for the client.

For other contracts, particularly for the Marine, Construction and Industry businesses, the Group uses the percentage of completion method to determine the amount which should be recorded as revenue over a given period, to the extent that the margin of contracts can be reliably determined.

The percentage of completion of each contract is determined by reference to the costs incurred at the period end compared to the total estimated costs. This percentage, applied to the total anticipated results of the contract, represents the margin recorded for the period. For loss-making contracts, provisions are recorded for the entire contract. A detailed description of the accounting policies used by the Group for revenue recognition is set forth in note 2.23 to the consolidated financial statements in Chapter IV – Consolidated financial statements.

OPERATING EXPENSES

Operating expenses are made up of three principal categories: personnel expenses, purchases and external charges, and other expenses. A detailed presentation of operating expenses is set forth in note 6 to the consolidated financial statements in Chapter IV – Consolidated financial statements.

Personnel costs

Personnel costs represented €1,050.7 million in 2007 and represented the largest expense item. As a portion of revenue, personnel costs have fallen and represented 50.8% of consolidated revenue in 2007 compared to 51.3% in 2006.

Personnel costs include all the fixed and variable components of employee remuneration, as well as related social charges. Variable remuneration is determined according to the Group's bonus policy (see Employees section in Chapter III – Management Board's management report).

Purchases and external charges

Purchases and external charges represented €619.8 million in 2007. As a percentage of revenue, purchases and external charges have remained stable over the last two years, representing, respectively, 30.0% of consolidated revenue in 2007 like in 2006. This item includes subcontracting as well as all other purchases of goods or services.

The most important elements of purchases and external charges in 2007 were operating sub-contracts (€142.1 million), transportation and travel (€181.8 million) and other external services, including principally various fees, facilities maintenance, insurance, telecommunications costs and postage (€244.1 million).

Other expenses

Other expenses include taxes and duties, depreciation and amortization and other operating income and expenses.

OPERATING PROFIT AND ADJUSTED OPERATING PROFIT

The consolidated income statement sets forth operating profit, which is widely used in corporate financial communications and defined as the difference between all revenue and expenses not arising from financing activities, and not arising from income from associates or income tax.

However, the Group follows internally an "adjusted" operating profit which the Group's management considers more representative of the Group's operating performance. Adjusted operating profit is defined as operating profit before income and expenses related to acquisitions and other elements considered as non-recurring.

Specifically, adjusted operating profit excludes amortization charges for intangibles acquired in business combinations, goodwill impairment charges and gains and losses on sales of businesses to rationalize the businesses of acquired entities

Adjusted operating profit also excludes non-recurring income and expenses. In 2007, these non-recurring items included the stock market listing expenses (of €35.1 million) and management fees paid to the shareholder Wendel (of €1.6 million), fees that are no longer being paid since the date of the stock market listing.

NET FINANCE COSTS

Net finance cost includes essentially interest and amortization of the cost of issuing debt, interest and other income received in connection with loans, financial assets or other financial instruments held by the Group, and unrealized gains or losses on marketable securities as well as gains or losses on currency transactions and adjustments to the fair value of financial derivatives. It also includes financial costs related to pension plans and the expected revenue or return from the assets of funded pension plans.

3.2. Summary of significant accounting policies applied by the Group

Pursuant to the provisions of Article L. 233-16 of the French Commercial Code, the Company prepared the consolidated financial statements in line with the methods set out in Article 233-18 of said Code. The list of companies within the scope of consolidation as of December 31, 2007 is set out in note 34 to the consolidated financial statements included in Chapter IV – Consolidated financial statements.

The consolidated financial statements of Bureau Veritas have been prepared in accordance with IFRS as adopted by the European Union. The preparation of the financial statements in accordance with IFRS requires certain accounting estimates to be made. The Management Board must also use its judgment when applying the Group's accounting principles. The accounting policies described below are those which require the greatest reliance on management estimates and judgments. Details regarding the Group's accounting methods are set forth in note 2 to the Group's consolidated financial statements in Chapter IV – Consolidated financial statements.

The accounting policies described below were applied consistently across all financial years presented.

3.2.1. Revenue recognition

The Group records revenue when their amount can be measured reliably and it is likely that future economic benefits will flow to the Group.

The majority of the Group's contracts are short term. Under these contracts, the Group records revenue once the service has been rendered to the client. For other contracts, particularly for the Marine, Construction and Industry businesses, the Group uses the percentage of completion method to determine the amount which should be recorded as revenue over a given period, to the extent that the margin on the contracts can be reliably determined.

The percentage of completion of each contract is determined by reference to the costs incurred at the period end compared to total estimated costs. The amount of this percentage, applied to the total anticipated results of the contract, represents the margin recorded for the period. For loss-making contracts, provisions are recorded for the entire contract.

3.2.2. Income tax

Income tax recorded by the Group includes current and deferred income taxes.

Deferred taxes are accounted for on a carry-forward basis for any temporary differences between the accounting and the tax value of assets and liabilities in the consolidated financial statements. Deferred taxes are calculated using the tax rate (and tax regulations) in effect at the balance sheet date and which is expected to be applied once the deferred tax assets are realized or the deferred tax liability paid.

Deferred tax assets are recognized on the balance sheet to the extent it is likely that future taxable income will be available which would allow the temporary differences to be used.

The Group is subject to income tax in many jurisdictions. Calculating the income tax expense on companies around the world requires that management exercise its judgement.

3.2.3. Goodwill

The excess of acquisition costs (including directly attributable costs) for interests in subsidiaries or associates over the fair value of the Group's share in the identifiable net assets at the date of acquisition constitutes goodwill.

Goodwill is not amortized but is subject to an annual impairment test. Goodwill impairment is not reversible.

3.2.4. Goodwill impairment

For purposes of evaluating goodwill impairment, all assets are grouped together into cash generating units ("CGU"), which represent the lowest organizational level at which cash flows are generated independently.

Goodwill impairment is recorded for the excess of the net book value over the recoverable amount of the CGU. The recoverable amount of a CGU corresponds to its fair value less costs of sale, or its value in use, whichever is greater.

Where the value in use is below the net book value of a CGU, the recoverable amount shall be based on its fair value less costs of sale. Fair value is estimated, based on past experience, using a multiple of the operating profit of the CGU adjusted for other operating profit and expenses and amortization of the value of client relationships acquired in business combinations.

A detailed description of the goodwill impairment method is set forth in note 9 to the consolidated financial statements in Chapter IV – Consolidated financial statements.

3.2.5. Share-based compensation

The Group has established share-based compensation plans and in particular stock options.

As part of the stock market listing, the Group established other share-based compensation plans in the form of stock options on preferential terms and free shares as well as cash-based compensation plans in the form of stock appreciation rights (SAR).

STOCK OPTIONS

The fair value of services provided by employees and compensated for by grants of stock options is accounted for as an expense. The total amount recorded as an expense during the vesting period is based on the fair value of the options granted, without taking into account their non-market vesting conditions (such as objectives for profitability or revenue growth).

The amounts received when the options are exercised are recorded under "share capital" for the shares' nominal value, and the remainder is recorded under "share premium", less costs directly attributable to the issuance of shares.

STOCK OPTIONS ON PREFERENTIAL TERMS

Employees subscribed for shares issued as part of the capital increase for cash reserved for them at a subscription price set at 20% under the price of the overall offering. The shares subscribed for are locked up for 5 years.

The sums received from the stock options are credited to the "Capital" line item for the portion relating to the par value and to the "Issue premium" line item, net of directly attributable transaction fees. The fair value of the services provided by employees in consideration for the granting of the 20% reduction of the price of the overall offering is expensed for an amount corresponding to the 20% reduction less the impairment loss stemming from the fact that the shares are locked up for 5 years. This impairment loss is estimated on the basis of the cost of a two-stage strategy consisting of forward-selling the shares that are locked up for 5 years and buying the same number of shares in the market (and hence shares that can be transferred at any time), and financing this purchase with a loan. This strategy represents the cost incurred to cover the risk run during the lockup period.

FREE SHARE GRANTS

The accounting treatment of free shares is the same as the one described for the stock options.

STOCK APPRECIATION RIGHTS

The fair value of services provided by employees in consideration for the granting of stock appreciation rights is wholly expensed and offset in liabilities as of the date of the grant, to the extent that the rights have vested. At each balance sheet date, the liability is determined on the basis of the fair value of the rights estimated via an option measurement model. Changes in the value of the liability are recognized in operating income.

3.2.6. Risk provisions

Provisions for risks are recorded when the Group believes that on the balance sheet date, a legal or constructive obligation with respect to a third party is likely to give rise to an outflow of for the benefit of a third party, and that a reliable estimate of the outflow can be determined.

The amount recorded as a provision is the best estimate of the expenditure necessary to satisfy the obligation, discounted to the balance sheet date. The costs that may actually be incurred by the Group may exceed the amount provisioned for litigations due to numerous factors, particularly the uncertain nature of the outcome of litigation. Provisions for long-term litigation are discounted based on the expected timing of probable outflows. The pre-tax discount rate reflects current market assessments of the time value of money and the risks inherent to the obligation. An increase in provisions due to the unwinding of the discount is accounted for in the income statement under "Other financial income and expense".

3.2.7. Pension plans and other long-term employee benefits

The Group's companies have long-term commitments to their employees in terms of retirement benefits and seniority bonuses, as well as other retirement benefits.

The Group has defined contribution plans and defined benefit plans.

DEFINED CONTRIBUTION PLANS

The Group makes regular payments to public or private pension plans, either on a contractual or voluntary basis. Once the payments have been made, the Group is not bound by any other payment obligation. Payments are accounted for as personnel expenses when due.

DEFINED BENEFIT PLANS

The liability recorded on the balance sheet for defined benefit plans corresponds to the net present value of the amount owed under the plans at the balance sheet date, less plan assets.

The amount owed under defined benefit plans is calculated each year by independent actuaries according to the projected unit credit method. The net present value of the amount owed under defined benefit plans is determined by discounting future cash outflows estimated using the interest rate on bonds of top-rated entities denominated in the currency of payment and having a maturity similar to the average estimated maturity of the retirement benefit obligation concerned.

Actuarial gains and losses are accounted for through equity in the statement of recognized income and expenses in the period during which they occur.

3.3. Highlights of the financial year

3.3.1. Continued acquisitions

Over the course of financial year 2007, Bureau Veritas acquired 16 companies representing annual revenue of around €260 million. Bureau Veritas continued its strategy of acquiring companies that enhance its positions in Europe, North America, South America and Asia, across almost all of its businesses. The principal acquisitions were as follows:

ACQUISITION OF CCI HOLDINGS ON JUNE 29, 2007

CCI Holdings is the second-largest inspection services group and the leader in laboratory testing of coal in Australia (2007 revenue of around €47 million). This acquisition means that Bureau Veritas will double its presence in Australia, strengthening its position in inspection services and testing for the mining industry.

TAKING COMPLETE CONTROL OF ECA GLOBAL ON OCTOBER 15, 2007

Bureau Veritas, which already held 43% of the capital of the Spanish company ECA Global, acquired the outstanding shares in this company, thereby taking its stake to 100%. The ECA Group posted revenue of or €191 million in 2007 in the scope retained by Bureau Veritas (excluding activities disposed of or in the process of being disposed of). Following this acquisition, Bureau Veritas has grown threefold in Spain, with a leadership position in the field of industrial services, in-service verification, certification and construction technical control. Spain is now the country in which the Group has its second largest operation (behind France and ahead of China).

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3.3.2. Additional financing of €150 million

On October 8, 2007 the Group signed a 5-year loan agreement for €150 million, repayable upon maturity. This loan is intended to finance the Group's ordinary requirements and to support the development strategy.

The amounts drawn down incur interest at a rate calculated by summing the market rate and the applicable spread. The market rate is the Euribor (European Inter-bank offered rate). The spreads vary from between 0.325% and 0.575% depending on the Leverage Ratio, defined as the ratio of consolidated net debt to adjusted EBITDA over the past 12 months.

3.3.3. Initial public offering (IPO)

Bureau Veritas was listed on Euronext Paris on October 24, 2007. The listing was a great success with French and international institutional investors as well as with individual investors. The high quality of the demand and high level of institutional take-up, exceeding 10 times the initial offering, made it possible to set the listing price at the top of the range, at €37.75 per share.

The offering, comprised of existing shares, for the most part disposed of by the Wendel Group, amounted to €1,240 million, namely around 31% of the capital of Bureau Veritas. Accordingly, upon completion of the stock market listing, Wendel held 63.6% of the capital of Bureau Veritas (excluding treasury stock and prior to the offering reserved for employees).

3.3.4. Offering reserved for employees

In the context of its stock market listing, Bureau Veritas invited over 18,000 employees worldwide to participate in the employee stock ownership plan "BV2007".

Three offerings enabled eligible employees to subscribe to BV2007 on special terms, namely a 20% reduction off the offering price to the public (i.e. at a price of €30.20 per share). Around 10,000 employees of the Bureau Veritas Group took up these offerings. These offerings resulted in a €34 million capital increase.

3.4. Analysis of the 2007 consolidated financial statements

3.4.1. 2007 activity and results

The Group is organized into eight global businesses: Marine, Consumer Products, GSIT, as well as the five businesses which make up the Industry & Facilities division (Industry, In-Service Inspection & Verification, Health & Safety & Environment, Construction & Certification). The comparison of the years 2007 and 2006 is thus based on analyzing the changes in revenue and results of operations of the eight global businesses.

(in millions of euros)	2007	2006	Variation
Revenue	**2,066.9**	**1,846.2**	**+12.0%**
Purchases and external charges	(619.8)	(554.0)	
Personnel costs	(1,050.7)	(947.1)	
Other expenses	(130.9)	(88.0)	
Operating profit	**265.5**	**257.1**	**+3.3%**
Net finance costs	**(47.7)**	**(37.9)**	**+25.9%**
Profit before income tax	**217.8**	**219.2**	**(6.4)%**
Income tax expenses	(54.9)	(62.1)	
Profit for the year	**163.5**	**157.1**	**+4.1%**
Minority interests	5.1	3.1	
ATTRIBUTABLE NET PROFIT	**158.4**	**154.0**	**+2.9%**

REVENUE

Consolidated revenue increased by 12% to €2,066.9 million in 2007 from €1,846.2 million in 2006, reflecting:

- a 9.6% increase in revenue at constant scope of consolidation;
- a 2.8% reduction in revenue attributable to unfavorable changes in exchange rates; and
- a 5.2% increase in revenue due to changes in the scope of consolidation in 2007 compared to 2006, with the consolidation of ECA in Spain, CCI Holdings, Intico, IRC and Alert Solutions in Australia, NEIS, AQSR and Guardian Inspection in the United States and Innova in Germany. Overall, the contribution of the changes in the scope of consolidation to 2007 revenue was €96 million. 2007 revenue net of changes in the scope of consolidation amounted to €1,971 million.

Changes in Group revenue stemmed from an increase in revenue across all businesses.

The change in revenue by business between 2007 and 2006 was as follows:

in millions of euros	2007	2006	Total growth	Organic growth
Marine	247.2	208.9	18.3%	21.2%
Industry	299.1	231.5	29.2%	18.1%
In-Service Inspection & Verification	268.4	242.9	10.5%	4.8%
Health, Safety & Environment	201.2	188.9	6.5%	0.1%
Construction	393.1	375.4	4.7%	3.1%
Certification	247.1	230.4	7.3%	6.9%
Consumer Products	259.1	248.3	4.4%	11.8%
Government Services & International Trade	151.7	119.9	26.5%	18.6%
TOTAL	**2,066.9**	**1,846.2**	**12.0%**	**9.6%**

OPERATING PROFIT

The Group's operating profit rose 3.3% to €265.5 million in 2007 compared to €257.1 million in 2006. This modest €8.4 million increase came on the back of:

- a sharp increase in adjusted operating profit (+€43.8 million) from €268.3 million in 2006 to €312.1 million in 2007;
- and a non-recurring expense of €35.1 million relating to the cost of the Company's stock market listing.

The table below shows the breakdown of the costs incurred in 2007 relating to the Company's initial public offering:

(in thousands of euros)	
Banks institutional offering	19,213.3
Banks retail offering	1,569.6
Lawyers	1,440.0
Auditors	990.0
Communication	1,617.1
Printing	250.8
Euronext and regulatory fees	811.8
Employee offering: employer contribution	9,239.7
TOTAL	**35,132.3**

ADJUSTED OPERATING PROFIT

The "adjusted" operating profit is defined as the operating profit before inclusion of income and expenses from acquisitions and other items deemed non-recurring.

The table below shows a breakdown of adjusted operating profit in 2006 and 2007.

(in millions of euros)	2007	2006
Operating profit	**265.5**	**257.1**
Amortization of intangibles resulting from business combinations	9.6	5.0
Goodwill impairment	0.3	-
Losses on sales of businesses	-	1.9
Reorganization costs	-	2.3
Management fees paid to the principal shareholder	1.6	2.0
Stock market listing expenses	35.1	-
Adjusted operating profit	**312.1**	**268.3**

The adjusted operating profit rose 16.3% to €312.1 million in 2007 compared to €268.3 million in 2006. This €43.8 million increase stems from the improvement in adjusted operating profit at the following six businesses:

- Marine: +€20.0 million;
- Construction: +€9.9 million;
- Industry: +€8.3 million;
- GSIT: +€6.7 million;
- Certification: +€3.3 million;
- Consumer Products: +€2.3 million.

On the other hand, two businesses saw a decline in their adjusted operating profit:

- HSE: -€5.3 million;
- In-Service Inspection & Verification: -€1.4 million.

Adjusted operating profit expressed as a percentage of revenue rose year-on-year from 14.5% in 2006 to 15.1% in 2007.

The contribution of changes in the scope of consolidation in 2007 compared to 2006, to adjusted operating profit amounted to €10.0 million. The adjusted operating profit net of changes in the scope of consolidation amounted to €302.1 million. Adjusted operating profit net of changes in the scope of consolidation expressed as a percentage of revenue net of changes in the scope of consolidation amounted to 15.4%.

NET FINANCE COSTS

The Group's net finance costs in 2007 represented a net expense of €47.7 million compared to a net expense of €37.9 million in 2006, namely an increase of €9.8 million.

(in millions of euros)	2007	2006
Interest paid	(34.5)	(28.8)
Other finance income and expenses	(13.2)	(9.1)
NET FINANCE COSTS	**(47.7)**	**(37.9)**

Interest paid

Net interest paid rose €5.7 million from €28.8 million in 2006 to €34.5 million in 2007. This was due to an increase in debt levels and a rise in interest rates.

Other finance income and expenses

The net expense stemming from other finance income and expenses rose €4.1 million from €9.1 million in 2006 to €13.2 million in 2007.

(in millions of euros)	2007	2006
Change in the fair value of financial assets and liabilities	(2.9)	0.7
Translation adjustments	(8.3)	(9.7)
Finance cost of pension plans	(3.2)	(3.0)
Other	1.2	2.9
OTHER FINANCE INCOME AND EXPENSES	**(13.2)**	**(9.1)**

The negative change in the fair value of financial instruments is primarily due to the fall in value of interest rate hedges on the debt denominated in US dollars.

Translation adjustments represented an expense of €8.3 million in 2007, stemming primarily from the impact of intra-group financing across all Group entities (scenario where the internal financing currency differs from the functional currency of one of the parties) and exchange rate losses on the holding of assets denominated in foreign currencies (mainly the US dollar).

The finance cost of pension schemes remained unchanged at €3.2 million.

The decline in the "other" line item is mainly due to lower dividend payouts following the integration of ECA during financial year 2007.

INCOME TAX EXPENSE

Income tax expense amounted to €54.9 million in 2007 compared to €62.1 million in 2006, a decline of 11.6%. The effective income tax rate, which is the income tax expense divided by profit before income tax, declined to 25.2% in 2007 compared to 28.3% in 2006. The reduction resulted essentially from the rise in profits in countries where tax rates are lower as well as the favorable impact of the rationalization of the Group's corporate organization.

ATTRIBUTABLE NET PROFIT

Consolidated profit for the year attributable to the equity holders of the Company amounted to €158.4 million in 2007 compared to €154.0 million in 2006 (an increase of 2.9%), and reflected principally:

- an increase in operating profit of €8.4 million;
- an increase of €9.8 million in net financial expense; and
- a decrease of €7.2 million in income tax expense.

ADJUSTED ATTRIBUTABLE NET PROFIT

Adjusted net profit for the year is defined in the same way as adjusted operating profit, less net finance costs and the income tax expense calculated using the Group's effective tax rate.

(in millions of euros)	2007	2006	Variation
Adjusted operating profit	312.1	268.3	16.3%
Net finance costs	(47.7)	(37.9)	-25.9%
Tax[1]	(66.7)	(65.3)	-2.1%
Earnings from activities held for sale	0.6	-	
Adjusted net profit	198.3	165.1	20.1%
ADJUSTED ATTRIBUTABLE NET PROFIT	**193.2**	**162.0**	**19.3%**

(1) Resulting from the application of the effective tax rate of 25.2% in 2007 and 28.3% in 2006.

Adjusted net profit amounted to €198.3 million in 2007 compared to €165.1 million in 2006, namely an increase of 20.1%.

Adjusted net profit attributable to the equity holders of the Company amounted to €193.2 million in 2007 compared to €162.0 million in 2006, namely an increase of 19.3%.

RESULTS BY BUSINESS

Marine

	2007	2006	Variation
Revenue *(in millions of euros)*	247.2	208.9	+18.3%
Adjusted operating profit *(in millions of euros)*	71.0	51.0	+39.2%
Adjusted operating margin	*28.7%*	*24.4%*	

The Marine business' revenue increased by 18.3% to €247.2 million in 2007 from €208.9 million in 2006 due to:

- an increase of 21.2% in revenue at constant scope of consolidation and constant exchange rates; and
- a fall of 2.9% in revenue attributable to unfavorable changes in exchange rates.

The increase in revenue was principally due to a strong increase in the business activity of classification and supervision of new ships in construction. This sustained growth involved all categories of ships: tankers, bulkers, container ships, gas carriers, passenger ships and cargo ships.

Geographically, growth was particularly strong in China (+60.6%).

The order book at December 31, 2007 represented a total of 30.2 million gross tons compared to 17.4 million gross tons at December 31, 2006.

The increase in revenue in the Marine business was also due to the increase in the in-service ship inspection. At December 31, 2007, the fleet classed by Bureau Veritas represented a total of 7,919 ships with total gross tonnage of 58.3 million compared to 7,482 ships with total gross tonnage of 54.6 million at December 31, 2006.

Adjusted operating profit for the Marine business increased 39.2% to €71.0 million in 2007 compared to €51.0 million in 2006, reflecting the increase of 18.3% in revenue and an improvement in adjusted operating margin to 28.7% in 2007 compared to 24.4% in 2006.

The improvement in operating adjusted operating margin was due to a better amortization of the business' central costs (research and development and information systems), to a fall in insurance and litigation costs and to the greater weight of China where the business makes higher margins.

Industry

	2007	2006	Variation
Revenue *(in millions of euros)*	299.1	231.5	+29.2%
Adjusted operating profit *(in millions of euros)*	35.0	26.7	+31.1%
Adjusted operating margin	*11.7%*	*11.5%*	

Revenue at the Industry business rose 29.2% to €299.1 million in 2007 compared to €231.5 million in 2006 on the back of:

- an 18.1% increase in revenue at constant scope of consolidation and constant exchange rates;
- a 3.0% decline in revenue attributable to the unfavorable change in exchange rates; and
- a 14.1% increase in revenue due to changes in the scope of consolidation in 2007 compared to 2006, with in particular the consolidation of CCI in Australia and the full-year consolidation of Intico, also in Australia.

The 18.1% organic revenue growth at the Industry business stemmed from strong growth in Latin America (in particular Brazil), in Asia (in particular China and India), in the Middle East and the Caspian Sea (in particular the United Arab Emirates, Kuwait and Kazakhstan) as well as in the United Kingdom and Russia. In all these countries, demand was sustained by oil and gas investments.

The adjusted operating profit of the Industry business rose 31.1% to €35.0 million in 2007 compared to €26.7 million in 2006, on the back of a 29.2% increase in revenue and a slight improvement in the adjusted operating margin which stood at 11.7% in 2007 compared to 11.5% in 2006.

The relative stability in the adjusted operating margin is the result of an improvement in the margin across the whole organic scope (and in particular in France) offset by the negative impact of the acquisitions (and in particular Intico) in Australia.

In-Service Inspection & Verification

	2007	2006	Variation
Revenue *(in millions of euros)*	268.4	242.9	+10.5%
Adjusted operating profit *(in millions of euros)*	24.1	25.5	(5.5)%
Adjusted operating margin	*9.0%*	*10.5%*	

Revenue at the In-Service Inspection & Verification business rose 10.5% to €268.4 million in 2007 compared to €242.9 million in 2006, on the back of:

- a 4.8% increase in revenue at constant scope of consolidation and constant exchange rates;
- a 0.3% decline in revenue attributable to the unfavorable change in exchange rates; and
- a 6.0% increase in revenue due to changes in the scope of consolidation in 2007 compared to 2006, with in particular the consolidation of ECA in Spain since October 15, 2007.

2007 revenue at the In-Service Inspection & Verification business came mainly from France (66% of the total), the United Kingdom (17% of the total), Spain (6% of the total) and the Benelux region (5% of the total), with these countries alone accounting for 94% of the total revenue of the business.

In France (66% of the total revenue of the business), sales were up 5.2% over the year as a whole, with the winning and renewal of multi-site contracts with key accounts in industry and retailing.

In the United Kingdom (17% of revenue), in what remains a competitive environment, sales were down 3.4% at constant exchange rates.

In Spain (6% of revenue), sales were up fourfold, with the integration of the market leader ECA since October 15, 2007.

In the Netherlands (4% of revenue), sales were up 8.1%, 1.7% of which at constant scope of consolidation, with the remainder coming from the full-year consolidation of Nagtglas.

Adjusted operating profit at the In-Service Inspection & Verification business was down €1.4 million at €24.1 million in 2007 compared to €25.5 million in 2006, as a result of the fall in the adjusted operating margin which stood at 9.0% in 2007 compared to 10.5% in 2006.

The fall in the adjusted operating margin stems from the following developments:

- a stabilization of the margin in France at around 11%. The performance improvement plan implemented towards the end of 2006 to offset lower prices should start to be felt in 2008 with the full roll-out of the new computerized production tools;
- a sharp fall in the margin in the United Kingdom which went from 8% in 2006 to 3% in 2007. The performance improvement plan will be in place from the second half of financial year 2008 with in particular the roll-out of new computerized production tools in June 2008;
- the negative impact caused by the start-up costs of the In-Service Inspection business in Italy (loss of €1.0 million) and in Germany (similar loss of €1.0 million). The target for these two countries continues to be to break even by mid-2008.

In addition, the business will benefit in 2008 from the full-year integration of the In-Service Inspection business of ECA in Spain: around €60 million in revenue with discounted profitability close to the profitability generated in France.

Health, Safety & Environment

	2007	2006	Variation
Revenue *(in millions of euros)*	201.2	188.9	+6.5%
Adjusted operating profit *(in millions of euros)*	11.6	16.9	(31.4)%
Adjusted operating margin	*5.8%*	*9.0%*	

Revenue at the Health, Safety & Environment business rose 6.5% to €201.2 million in 2007 compared to €188.9 million in 2006 on the back of:

- a 0.1% increase in revenue at constant scope of consolidation and constant exchange rates;
- a 3.2% reduction in revenue attributable to unfavorable changes in exchange rates; and,
- a 9.6% increase in revenue due to changes in the scope of consolidation in 2007 compared to 2006, with in particular the full-year consolidation of three Australian companies Kilpatrick, Alert and IRC acquired in the course of 2006, as well as the first-time consolidation of Trotters in Denmark and ECA in Spain.

2007 revenue at the HSE business came mainly from the United States (33% of total), France (33% of total), the United Kingdom (18% of total) and Australia (6% of total), with these four countries alone accounting for 90% of total sales at the business in 2007.

The low level of organic revenue growth at the business in 2007 stemmed from the following developments:

- solid growth in France (+6.7%) generated by a portfolio of dynamic products (occupational risk, corporate social responsibility and energy efficiency) and the winning of contracts with key accounts for emission measurements;
- a fall in sales across all companies recently acquired in the United States, the United Kingdom and Australia. This stems from the desire to streamline the portfolio of business activities acquired by phasing out certain services such as soil remediation in the United States or noise monitoring in the United Kingdom so as to reposition itself in growing service segments (carbon and greenhouse gas strategy, energy efficiency of assets and industrial processes, occupational health and safety at work).

The adjusted operating profit of the HSE business fell €5.3 million to €11.6 million in 2007 compared to €16.9 million in 2006 on the back of the lower adjusted operating margin, which stood at 5.8% compared to 9.0% in 2006. This margin reduction was focused in the United States, the United Kingdom and Australia where cost cutting and structural changes have not followed pace with the streamlining of the portfolio of business activities and services.

Construction

	2007	2006	Variation
Revenue *(in millions of euros)*	393.1	375.4	+4.7%
Adjusted operating profit *(in millions of euros)*	45.6	35.7	+27.7%
Adjusted operating margin	*11.6%*	*9.5%*	

Revenue at the Construction business rose 4.7% to €393.1 million in 2007 compared to €375.4 million in 2006 on the back of:

- a 3.1% increase in revenue at constant scope of consolidation and constant exchange rates;
- a 2.2% fall in revenue attributable to unfavorable changes in exchange rates; and,
- a 3.8% increase in revenue due to changes in the scope of consolidation in 2007 compared to 2006, with in particular the consolidation of Guardian in the United States and ECA in Spain.

In 2007, revenue at the Construction business came mainly from France (53% of total), the United States (17% of total), Spain (11% of total), the United Kingdom (6% of total) and Japan (4% of total), with these five countries alone accounting for 91% of the total revenue of the business. The moderate organic revenue growth of 3.1% at the Construction business, excluding acquisitions, is due to the combination of a range of developments in these four markets:

- in France, revenue at the Construction business rose 9.1%. This growth mainly stemmed from new housing and commercial buildings. It is also due to the growth in new inspection and audit services such as technical due diligence, property audits and HQE building certification;
- in the United States, revenue at the Construction business fell 20.1% at constant scope of consolidation and constant exchange rates. The low point in this decline was seen in June 2007. The first half of 2007 was down 23.8% compared to the first half of 2006 whereas the second half of 2007 was down 16.1% on the second half of 2006. The Code Compliance business continues to suffer from the drop off in the number of construction permits but it is starting to benefit from new code compliance outsourcing contracts in particular in California, Texas and Pennsylvania;
- in Spain, organic growth stood at 6.2% with a certain slowdown in the second half of the year in the technical control of private buildings. On the other hand, the infrastructure works control business is performing well. It should be noted that the exposure of ECA's Construction business to the residential market is limited to 22% of sales at this business, the other 78% being related to the inspection of infrastructure projects (high-speed trains, airports, other structures);
- in Japan, organic growth amounted to 25.3%, below what was expected following a change in the Construction Code that temporarily slowed down the number of construction permits. This review instituted more stringent technical controls, hence the expected very strong growth in 2008.

The adjusted operating profit of the Construction business rose 27.7% to €45.6 million in 2007 compared to €35.7 million in 2006, on the back of moderate revenue growth of 4.7% and the improvement in the adjusted operating margin, which stood at 11.6% in 2007 compared to 9.5% in 2006. This sharp improvement was due to a recovery in margins in Spain where the Performance Optimization Process put in place in 2006 was fully effective. In France, the adjusted operating margin remained high (17%). In the United States, against a background of a strong fall-off in sales volumes, margins fell to 1% despite changes to the cost structure. In Japan, the adjusted operating margin continues to improve, year-on-year, in line with the business plan established in 2003 when the Group decided to enter the privatized code compliance market in connection with the issue of construction permits. This margin now stands at 10%.

Certification

	2007	2006	Variation
Revenue *(in millions of euros)*	247.1	230.4	+7.3%
Adjusted operating profit *(in millions of euros)*	46.0	42.7	+7.7%
Adjusted operating margin	*18.6%*	*18.5%*	

Revenue at the Certification business rose 7.3% to €247.1 million in 2007 compared to €230.4 million in 2006 on the back of:

- a 6.9% increase in revenue at constant scope of consolidation and constant exchange rates;
- a 1.6% decline in revenue attributable to unfavorable changes in exchange rates; and
- a 2.0% increase in revenue due to changes in the scope of consolidation in 2007 compared to 2006 with the first-time consolidation of Zertifizierung Bau in Austria, AQSR in North America and ECA in Spain.

The 6.9% organic revenue growth at the Certification business in 2007 represented a good performance in light of the fact that 2006 saw ISO 9000-2000 recertification, which had generated a surge in business. This good performance is down to:

- the good performance of the environment, social responsibility and health and safety related certification businesses (ISO 14001, OHSAS 18001, SA 8000, ISO 22 000 and HACCP);
- steady growth in the customized audit programs adapted to the needs of major companies (network audits, supply chain, solution oriented audits);
- increased signing of major global contracts with key accounts;
- double digit growth in emerging markets (China, India, Brazil, Russia).

The adjusted operating profit of the Certification business rose €3.3 million to €46.0 million in 2007 compared to €42.7 million in 2006, on the back of a 7.3% increase in revenue and a slight improvement in the adjusted operating margin, which stood at 18.6% in 2007 compared to 18.5% in 2006.

Consumer Products

	2007	2006	Variation
Revenue *(in millions of euros)*	259.1	248.3	+4.4%
Adjusted operating profit *(in millions of euros)*	57.1	54.8	+4.1%
Adjusted operating margin	*22.0%*	*22.1%*	

Revenue at the Consumer Products business rose 4.4% to €259.1 million in 2007 compared to €248.3 million in 2006 on the back of:

- an 11.8% increase in revenue at constant scope of consolidation and at constant exchange rates;
- a 7.3% reduction in revenue attributable to unfavorable changes in exchange rates in 2007 compared to 2006; and
- a 0.1% decline in revenue due to changes in the scope of consolidation in 2007 compared to 2006, with the disposal of Laboratoire MTL in Italy and the acquisition of Innova in Germany.

The organic revenue growth stemmed from growth across all segments (toys, textiles, electrical and electronic products). The fourth quarter was particularly strong for the testing of toys (research into lead-based paints) following various recalls by a number of manufacturers and distributors. Geographically speaking, growth in demand in Europe, and in particular Germany, outpaced that in the United States.

As of January 1, 2007, the Group relocated the head office of the Consumer Products business from Boston to Hong Kong.

The adjusted operating profit of the Consumer Products business rose 4.1% to €57.1 million in 2007 compared to €54.8 million in 2006, in line with the growth in revenue.

Government Services & International Trade

	2007	2006	Variation
Revenue *(in millions of euros)*	151.7	119.9	+26.5%
Adjusted operating profit *(in millions of euros)*	21.7	15.0	+44.7%
Adjusted operating margin	*14.3%*	*12.5%*	

As of January 1, 2007, the civil aviation certification business was moved from the Government Services & International Trade business to the Certification business and 2006 figures have been restated accordingly. Revenue at the Government Services & International Trade business rose 26.5% to €151.7 million in 2007 compared to €119.9 million in 2006 on the back of:

- an 18.6% increase in revenue at constant scope of consolidation and constant exchange rates;
- a 1.8% decline in revenue attributable to unfavorable changes in exchange rates;
- a 9.7% increase due to changes in the scope of consolidation in 2007 compared to 2006 with the consolidation of CCI in Australia.

Following two years of decline resulting from the termination of two major government contracts (Kenya in June 2005 and Venezuela in August 2005), revenue at the business is once again up as a result of:

- full-year business generated by two pre-shipment inspection contracts signed during 2006: Cambodia (May 2006) and Mali (December 2006);
- strong growth in imports inspected in Angola and the Democratic Republic of Congo;
- the increase in conformity assessment contracts in the Middle East and in particular in Saudi Arabia.

2008 saw the termination of the PSI contract in Ecuador, which represented €11.8 million in revenue in 2007. Several new contracts are being negotiated.

The adjusted operating profit of the Government Services & International Trade business rose 44.7% to €21.7 million in 2007 compared to €15.0 million in 2006, on the back of a 26.5% growth in revenue and the improvement in the adjusted operating margin, which stood at 14.3% in 2007 compared to 12.5% in 2006.

The improvement in the operating margin stemmed from two different developments:

- strong growth in the margin in the Government Services business due to a combination of higher sales and the full effect of restructuring measures taken over the past two years with regard to the global network of centers for relations with exporters. As of the end of 2007, there were now only four continental centers (Shanghai, Dubai, Houston and Paris) supported by a global back office in Mumbai;
- a decline in the margin in the International Trade business due to the integration of CCI's laboratory analysis and testing of coal activities in Australia, the profitability of which is currently under the average for the business.

3.4.2. Investments and sources of financing

INVESTMENTS

Investments during financial years 2006 and 2007

In general, the inspection and certification businesses of Bureau Veritas are service activities that are not very capital intensive. Only the laboratory analysis and testing activities in the Consumer Products business as well as, to a lesser extent, certain border goods inspection activities of the GSIT business, using scanners, require higher investment levels.

The total amount of the Group's investments in property, plant and equipment and intangible assets amounted to €51.0 million in 2007. It was €44.4 million in 2006.

This represents an investment rate of 2.5% of consolidated revenue in 2007, compared to 2.4% in 2006.

Acquisitions

During fiscal year 2007, the Group made acquisitions for €237.5 million. In 2006, total acquisitions amounted to €56.4 million.

In 2007, the Group acquired ECA (Spain), CCI (Australia), AQSR (Canada) and a dozen other smaller companies.

A detailed description of the acquisitions can be found in the Subsidiaries and equity participations section in Chapter VI – Information on the Company and the capital.

The table below shows the investments in property, plant and equipment, intangible and financial assets made by the Company in financial years 2006 and 2007:

(in million of euros)	2007	2006
Property, plant and equipment and intangible assets	51.0	44.4
Financial assets[1]	0.4	-

(1) Investments in financial assets relate to acquisitions of minority stakes (see note 15 to the consolidated financial statements in Chapter IV – Consolidated financial statements).

Principal ongoing investments

In Mali, the GSIT business is in the process of buying four scanners for €7.1 million as part of a recently signed government contract. This investment began in 2007 and will be completed in 2008.

The Consumer Products business had anticipated investing US$2.1 million on a new 10-meter acoustic chamber for ADT (an electrical and electronic product and equipment testing company) in Taiwan. This investment was postponed and will be wholly carried out in 2008 at a cost of US$3.2 million, as a result of the addition of further acoustic chambers. In addition, following the receipt of Wimax certification during 2007, ADT invested a total of US$1.6 million in equipment in 2007 and expects to continue these investments during 2008 at a cost of US$2.4 million.

In addition, the Consumer Products business invested US$2.3 million during 2007 to build a Consumer Products test laboratory at Panyu in Southern China. It is planned to expand the equipment in this laboratory at a cost of US$1.1 million, to expand the Consumer Products test laboratory in Shanghai at a cost of US$3.4 million and to expand the Consumer Products test laboratory in Vietnam at a cost of US$1.3 million. These three investments will be wholly carried out in financial year 2008.

Principal anticipated investments

The table below shows the investments anticipated in the normal course of the Group's business in 2008 compared to those carried out in 2007. Certain major projects were described in the above section. The others should be spread throughout the year in line with the requirements of the various units.

(in millions of euros)	2007	Budget 2008	% variation
Information systems and software and other intangible assets	11.2	12.8	14%
Facilities set-up and moving	7.7	12.2	58%
Operational equipment	24.2	30.1	24%
Equipment, furniture and transportation	7.9	8.9	13%
TOTAL	**51.0**	**64.0**	**25%**

Overall, investments excluding acquisitions should rise 25% in 2008.

The budget for facilities set-up and moving is up sharply, largely as a result of the relocation of the head office scheduled for May 2008. This relocation is made necessary by the termination of the lease by the owner of the current head office at La Défense. The bulk of the relocation costs will be covered by the indemnity being negotiated with the owner.

The budget for operational equipment also rose on the back of:

- the acquisition of new laboratories in Asia and new operational software by the Consumer Products business in Asia;
- new investments anticipated for the purchase of scanners in Mali by the GSIT business.

SOURCES OF FINANCING

Group cash flow statement for the financial years ended December 31, 2007 and December 31, 2006

(in millions of euros)	2007	2006
Profit before income tax	217.8	219.2
Elimination of cash flows from financing and investing activities	36.0	29.7
Provisions and other non-cash items	5.2	2.8
Depreciation, amortization and impairment, net	42.3	32.8
Movements in working capital	(10.1)	(17.5)
Income tax paid	(73.9)	(64.0)
Net cash generated from operating activities	**217.3**	**203.0**
Acquisitions of subsidiaries	(209.6)	(50.2)
Proceeds from sales of subsidiaries	-	2.4
Purchases of property, plant and equipment and intangible assets	(51.0)	(44.4)
Proceeds from property, plant and equipment and intangible assets	1.5	4.9
Purchases of non-current financial assets	(4.4)	(7.8)
Proceeds from non-current financial assets	3.3	2.7
Dividends received	1.3	2.8
Other	(4.8)	0.2
Net cash flow used in investing activities	**(263.7)**	**(89.4)**
Proceeds from issuance of shares	383.2	5.8
Capital reduction	(152.6)	(152.5)
Share buybacks	(337.9)	-
Dividends paid	(107.5)	(2.0)
Increase in borrowings	695.1	504.0
Repayment of borrowings	(360.5)	(431.9)
Interest paid	(35.5)	(28.8)
Net cash (used in) generated from financing activities	**84.3**	**(105.4)**
Impact of exchange gains (losses)	(3.3)	(8.7)
Net (decrease) increase in cash, cash equivalents and bank overdrafts	**34.6**	**(0.5)**
Cash, cash equivalents and bank overdrafts at beginning of year	99.5	100.0
Cash, cash equivalents and bank overdrafts at end of year	**134.1**	**99.5**
o/w cash and cash equivalents	142.9	106.8
o/w bank overdrafts	(8.8)	(7.3)

Cash flows from the Group's operating activities

The table below sets out the net cash generated from the Group's operating activities for the financial years ended December 31, 2007 and December 31, 2006.

(in millions of euros)	2007	2006
Profit before income tax	217.8	219.2
Elimination of cash flows from financing and investing activities	36.0	29.7
Provisions and other non-cash items	5.2	2.8
Depreciation, amortization and impairment, net	42.3	32.8
Movements in working capital	(10.1)	(17.5)
Income tax paid	(73.9)	(64.0)
Net cash generated from operating activities	**217.3**	**203.0**
Purchases of property, plant and equipment and intangible assets	(51.0)	(44.4)
Proceeds from property, plant and equipment and intangible assets	1.5	4.9
Dividends received	1.3	2.8
Interest paid	(35.5)	(28.8)
Levered Free Cash Flow	**133.6**	**137.5**

Net cash generated from the Group's operating activities amounted to €217.3 million in 2007, compared to €203.0 million in 2006. Before taking account of the impact of the costs incurred for the stock market listing in 2007 (€18 million), the net cash flow generated by the business amounted to €235.3 million, up 16% on 2006.

As of December 31, 2007, the working capital requirement stood at €149.7 million, breaking down as follows:

- the working capital requirement of the Bureau Veritas Group (excluding ECA), which amounted to €99.6 million and represented 4.9% of the Group's consolidated revenue (excluding ECA). As of December 31, 2006, the Group's working capital requirement amounted to €103.2 million, representing 5.6% of the Group's consolidated revenue;
- the working capital requirement of ECA (acquired in October 2007), which amounted to €50.1 million.

The levered free cash flow amounted to €133.6 million in 2007 and €137.5 million in 2006.

The change in the interest paid between financial year 2007 and financial year 2006 mainly stemmed from the following items impacting the cost of the gross borrowings:

- an increase in debt levels (volume impact of approximately €8.1 million): combined impact of a second share buyback for €152.6 million in February 2007, the distribution of €107.5 million in dividends in June 2007 and acquisitions made during the year;
- the rise in interest rates (price impact excluding the spread but including the interest rate hedging of €1.4 million) in financial year 2007;
- a reduction in the spread in the Group's sources of financing (spread impact generating a gain of approximately €1.7 million).

Cash flows from the Group's investing activities

(in millions of euros)	2007	2006
Acquisition of subsidiaries	(209.6)	(50.2)
Proceeds from sales of subsidiaries	-	2.4
Purchases of property, plant and equipment and intangible assets	(51.0)	(44.4)
Proceeds from sales of property, plant and equipment and intangible assets	1.5	4.9
Acquisition of non-current financial assets	(4.4)	(7.8)
Proceeds from sales of non-current financial assets	3.3	2.7
Dividends received	1.3	2.8
Other	(4.8)	0.2
NET CASH USED IN INVESTING ACTIVITIES	**(263.7)**	**(89.4)**

The net cash used in the Group's investing activities reflects its growth through acquisitions during the past two financial years. The breakdown of acquisitions made by the Group during financial years 2007 and 2006 can be presented as follows:

(in millions of euros)	2007	2006
Cost of acquired businesses	(238.0)	(62.4)
Cash of acquired companies	(1.6)	3.8
Acquisition costs outstanding at December 31	7.4	7.5
Disbursements in respect of earlier acquisitions	(5.5)	-
Acquisition costs paid in prior years	28.1	0.9
IMPACT ON CASH FLOW OF ACQUIRED BUSINESSES	**(209.6)**	**(50.2)**

The table below presents the principal acquisitions, all wholly acquired, made in 2007 and 2006:

Entity acquired	Countries	Business	Nature of the business
2007			
ECA	Spain	Construction IVS/HSE/Industry/ certification	In-service inspection and verification, Industry, Certification, Construction
CCI	Australia/Ukraine	Industry/International trade	Laboratory testing, certification and technical assistance
AQSR	United States/Canada	Certification	Certification for automotive, industry, retailing
2006			
Kilpatrick	Australia	HSE	Analysis and control of health, safety and environment
Intico	Australia	Industry	Inspection of industrial equipment and non-destructive testing
IRC	Australia	HSE	Control of health, safety and environment
NEIS	United States	Construction	Inspection of elevators
Nagtglas	The Netherlands	IVS	Inspection of fire safety and electrical installations

In 2007, there was no major disposal. In 2006, the Group disposed of marginal activities stemming from prior acquisitions with a combined cash impact of €2.4 million.

The acquisition of property, plant and equipment and intangible assets is in line with the growth of the Group's businesses over the past two financial years.

Industrial investments represented a relatively small amount at Group level. The Group's businesses are generally not very capital intensive, with the exception of the GSIT (acquisition of scanners) and Consumer Products (acquisition of laboratories) businesses. Industrial investments accordingly accounted for 2.5% and 2.4% respectively of the Group's consolidated revenue in 2007 and 2006.

Lastly, the acquisition of financial assets line item primarily reflects the acquisition of non-consolidated equity securities.

Cash flows from the Group's financing activities

(in millions of euros)	2007	2006
Proceeds from issuance of shares	382.3	5.8
Capital reduction	(152.6)	(152.5)
Share buybacks	(337.9)	-
Dividends paid	(107.5)	(2.0)
Increase in borrowings	695.1	504.0
Repayments of borrowings	(360.5)	(431.9)
Interest paid	(35.5)	(28.8)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	**84.3**	**(105.4)**

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Capital transactions (increase, reduction and share buybacks)

In 2006, capital transactions were related to:

- the exercise of stock options by Group employee beneficiaries;
- a capital reduction via share buybacks for €152.5 million in May 2006.

In 2007, the following transactions were carried out:

Capital increases

- Employee beneficiaries of stock options exercised their rights for an amount of €11 million.
- On October 23, 2007, as part of the stock market listing, the Company carried out two capital increases:
  - the first for €1.1 million in capital and €143.6 million in issue premiums following the exercise of 895,100 warrants,
  - the second for €0.6 million in capital and €192.5 million in issue premiums in consideration for Winvest 7 shares.
- On December 13, 2007, as part of the offering reserved for employees and certain managers as part of the stock market listing, the Company carried out a capital increase for €0.1 million in capital and €34.4 million in issue premiums.

Capital reduction

On March 5, 2007, the Bureau Veritas SA parent company carried out a capital reduction via the buyback of shares for €152.6 million, with the par value of €1.1 million deducted from the share capital and €151.5 million from other reserves. It was financed by a further drawdown from the syndicated loan.

For reference, on May 2, 2006, the Group had carried out a similar transaction. The Group had bought back 881,300 shares, which were subsequently cancelled. The total amount of the buyback was €152.5 million, with the par value of €1.1 million deducted from the share capital and €151.4 million deducted from other reserves.

Share buybacks

Following the acquisition of 100% of Winvest 7, initially held by Wendel and the main managers of Bureau Veritas, the Group dissolved Winvest 7 and, via the transfer of all of its assets and liabilities, obtained 8,951,000 Bureau Veritas shares, which represented the sole asset of Winvest 7. The Group's intention is to cancel the bulk of these shares at the General Meeting of Shareholders on June 2, 2008.

Dividends

In 2007, the Company paid out dividends of €107.5 million, €100 million of which was paid to the shareholder Wendel in respect of financial year 2006.

Borrowings

The net of the increases and repayments of borrowings was an increase of €335 million during financial year 2007. This increase is linked to share buybacks in February 2007 for €152.6 million, the €107.5 million dividend payment and the program of acquisitions, in particular ECA Global (Spain) and CCI (Australia).

Interest paid

Interest paid primarily related to interest paid on the syndicated loan and on the club deal put in place in October 2007.

Sources of Group financing

In addition to using equity capital, the Group finances its activities principally through the 2006 Syndicated Loan and the 2007 Club Deal. Almost all of the Group's debt as of December 31, 2007, namely 96%, was drawn from the 2006 Syndicated Loan agreed on May 22, 2006 and the 2007 Club Deal agreed in October 2007.

As of December 31, 2007, the Group's gross debt amounted to €810.2 million and was thus primarily comprised of the syndicated loan (€625.6 million), the October 2007 Club Deal (€150 million) and other bank debt (€34.6 million).

The Group's gross borrowings for 2007 and 2006 were as follows:

(in millions of euros)	2007	2006
Bank borrowings due after 1 year	735.2	444.7
Bank borrowings due within 1 year	66.2	42.4
Bank overdrafts	8.8	7.3
GROSS FINANCIAL DEBT	**810.2**	**494.4**

The following table presents cash and cash equivalents for financial years 2007 and 2006 as well as the Group's net debt for these two financial years:

(in millions of euros)	2007	2006
Marketable securities and similar receivables	20.6	12.4
Cash on hand	122.3	94.4
Total cash and cash equivalents	142.9	106.8
Gross financial debt	**810.2**	**494.4**
NET FINANCIAL DEBT	**667.3**	**387.6**

The Group's cash on hand is spread amongst over 250 entities located in more than 140 countries. In some countries (particularly Brazil, China and South Korea), the Group's entities are subject to strict currency controls, which make intra-group loans difficult or impossible.

Principal terms of the 2006 Syndicated Loan

The 2006 Syndicated Loan, which is repayable early, in part or in full, without penalty upon maturity of each drawdown by the Group's borrowing entities (either 1, 3 or 6 months), includes two tranches:

- the A Facility (term loan), amortizable, for an initial amount of US$560 million. The A Facility has been completely drawn. An early repayment of US$18 million was carried out in 2006. Because the repaid amounts cannot be borrowed again, the A Facility now amounts to US$542 million. The A Facility has a maturity of and due in seven years, in May 2013; and
- the B Facility (revolving credit facility), a revolving facility of €550 million. The B Facility permits drawings in several currencies. The B Facility will mature in May 2012, with the possibility of a one-year extension.

At December 31, 2007, the key terms of the amounts drawn down under the 2006 Syndicated Loan are set forth in the table below:

Facility	Loan draw downs (in millions of euros)	Currency	Amortization
A (amortizable)	306.3	USD	Half yearly
	-	EUR	
B (revolving)	273.1	EUR	Upon maturity
	46.4	GBP	

Early redemption for all amounts borrowed is mandatory in the event of:

- a change in control, particularly if following the Company's stock exchange listing, the principal shareholder, the Wendel group, came to hold directly or indirectly less than 33 1/3% of the capital and voting rights;
- sale of all or a substantial portion of the Group's assets; or
- failure to comply with the covenants set forth under the Loan agreement, particularly with respect to the ratios described below.

The 2006 Syndicated Loan requires compliance with certain financial covenants and ratios. As of December 31, 2007, all the conditions were met by the Group. The financial covenants can be summarized as follows:

- the Interest Cover ratio must be greater than 5.5. The Interest Cover ratio represents consolidated EBITDA (earnings before interest, tax, amortization and provisions) for the preceding 12 months adjusted for any acquired entity, divided by the Group's net financial expenses. At December 31, 2007 this ratio was 9.35;
- the Leverage Ratio must be less than 3. The Leverage Ratio is defined as the ratio of consolidated net debt, divided by adjusted EBITDA for the last 12 months. On December 31, 2007, the Leverage Ratio was 2.07.

The 2006 Syndicated Loan also includes default clauses. The main default clauses are standard for a syndicated financing and include clauses limiting the Group's ability to pledge its assets, carry out merger or restructuring operations or take out loans outside the syndicated credit facility.

The agreement includes total and partial mandatory early redemption clauses in the event of a default on payment of amounts due under the Loan, non-compliance with the financial ratios described above or other events which may have a significant adverse effect on the payment obligations of the Group's borrowing entities.

The 2006 Syndicated Loan also provides that funds made available under the B Facility cannot be used to finance external growth transactions except under certain conditions. The B Facility can only be used to finance an acquisition by the Company or one of its subsidiaries:

- with the agreement of the members of the bank syndicate; or
- if the target acquisition is a "Permitted Acquisition" (defined under the credit agreement as any company whose business is similar or complementary to the Company's business, that is (i) not subject to a class action and (ii) to the extent that the acquisition represents a cost of over €50 million, not likely to bring about non-compliance with the financial ratios described above).

On December 31, 2007, the Group was not in default under the 2006 Syndicated Loan.

The amounts borrowed carry interest at a rate determined by the sum of the market rate and the applicable margin. The market rate is Libor (London Inter-Bank offered rate) for the corresponding currency, when the funds borrowed are in currencies other than the euro, or Euribor (European Inter-bank offered rate), when the funds made available are in euros.

The margins under the 2006 Syndicated Loan vary from 0.25% to 0.50% according to the Leverage Ratio defined above. Until December 31, 2006, the margin applied was 0.50% after which the margin applicable in 2007 varied in line with the following grid:

Leverage Ratio	Margin *(in basis points)*
$2.5 \leqslant L < 3.0$	50
$2.0 \leqslant L < 2.5$	40
$1.5 \leqslant L < 2.0$	32.5
$L < 1.5$	25

Principal terms of the 2007 Club Deal

The 2007 Club Deal has been 100% drawn down for €150 million and matures in October 2013. The terms of the 2007 Club Deal are the same in all respects as those of the 2006 Syndicated Loan, except for the margin grid which is as follows:

Leverage Ratio	Margin *(in basis points)*
$2.5 \leqslant L < 3.0$	57.5
$2.0 \leqslant L < 2.5$	47.5
$1.5 \leqslant L < 2.0$	40
$L < 1.5$	32.5

Other debt

The Group's principal debt other than the syndicated loan includes:

- a loan for Bureau Veritas Italy SpA, a 100% owned subsidiary of the Company, entered into in July 2006 with the Banca Intesa, for an amount of €10 million. This loan is amortizable with two payments of €1million per year, and matures on July 24, 2011;
- a loan for Bivac Scan Ivory Coast, entered into in June 2004 with a pool of local banks to finance the acquisition of a scanner, for an amount equivalent to €5.5 million.
- a loan for Bureau Veritas Mali, taken out in August 2007 with a local bank in order to finance the acquisition of equipment (scanners) for a sum equivalent to €5.1 million.

Other commitments

Off-balance sheet commitments include adjustments and increases in acquisition prices, rental agreement commitments and guarantees and pledges. The table below sets forth a summary of the guarantees, pledges and operating lease commitments in 2007 and 2006:

(in millions of euros)	2007	2006
Guarantees and pledges	77.7	46.1
Rental commitments	123.2	128.2

The increase in the amount of guarantees and pledges granted is linked to the acquisition of ECA. The amount of rental commitments was stable between 2006 and 2007.

Contingent purchase price consideration

At the date of this document, there is no significant off-balance sheet commitment relating to external growth (such as contingent purchase price consideration).

Operating lease commitments

The Group rents offices (notably its headquarters at Paris-La Défense), laboratories and equipment under cancellable or non-cancellable operating lease agreements that may or may not be terminated. These agreements are for variable terms and include in some cases indexation and renewal clauses. The table below sets forth in detail total future aggregate minimum lease payments (excluding the rental charges) under non-cancellable operating leases:

(in millions of euros)	2007	2006
Less than one year	33.1	34.2
Between one and five years	72.4	74.6
More than five years	17.7	19.4
Future minimum lease payments	**123.2**	**128.2**

Guarantees and pledges

Guarantees and pledges granted during 2007 and 2006 are summarized below:

(in millions of euros)	2007	2006
Less than one year	35.5	24.9
Between one and five years	31.5	13.8
More than five years	10.7	7.4
TOTAL	**77.7**	**46.1**

Guarantees and pledges include bank guarantees and parent company guarantees.

- Bank guarantees include bid bonds as well as performance bonds, with none yet called at the time of this reference document. Bid bonds enable the beneficiary to protect itself in the event of a withdrawal of a commercial offer, a refusal to sign a contract or a failure to provide the guarantees requested. Performance bonds guarantee the buyer that the Group will meet its contractual obligations as provided under contract. Performance bonds are usually issued for a percentage (in the order of 10%) of the value of the contract.
- Parent company guarantees concern mainly guarantees granted by the parent company to financial institutions to cover financial pledges given by the financial institutions in connection with the Group's business activities, and rental payment guarantees. By granting guarantees for rental payments, the parent company undertakes to pay rent to the lessor in the event of default by the subsidiary concerned.

On December 31, 2007 and 2006, the Group believes that the risk of payment under one of the guarantees described above was low. As a result, no provision was recorded.

On December 31, 2007, the guarantees and pledges granted by the Group were as follows:

(in millions of euros)	2007
Bank guarantees	56.2
Parent company guarantees	21.5
TOTAL	**77.7**

The presentation of off-balance sheet commitments in this document does not omit any significant off-balance sheet commitment, in accordance with the applicable accounting standards.

Sources of financing anticipated for future investments

The Group estimates that its financing needs for operations will be fully met by its cash generated from operating activities. To finance its acquisitions the Group possesses significant financing resources provided essentially under the 2006 Syndicated Loan, whose terms are summarized in this document. These resources can be made available rapidly.

3.5. Outlook

The trends and objectives presented in this section are based on data, assumptions and estimates considered to be reasonable by the Group's management. The data, assumptions and estimates may change as a result of uncertainties related principally to the economic, financial, accounting, competitive and regulatory environment, or as a result of other factors unknown to the Group on the date of this reference document. In addition, the occurrence of certain risks described in the Risk Factors section in Chapter I – Overview of the Group could affect the Group's business, financial condition, results of operations and ability to reach its objectives, including in connection with acquisitions.

3.5.1. Outlook

By approximately 2011, excluding the effect of economic cycles, the Group's objective is to double its revenue as compared to 2006, on the basis of an average organic growth rate of approximately 8% per year and the continuation of the Group's external growth strategy, representing an average annual contribution to revenue growth of around 7%.

Based on the above and in the absence of a deterioration in economic conditions, the Group has set the following goals:

- growth in adjusted operating margin of approximately 150 basis points over the period, excluding the affect of acquisitions (at constant scope of consolidation);
- average annual growth over the period in the Group share of adjusted net profit (excluding non-recurring items) of 15% to 20%;
- maintain the level of capital expenditure at approximately 2.5% of the Group's consolidated revenue, in line with the Group's historic pattern; and
- an annual dividend distribution policy of approximately one-third of attributable net profit.

3.5.2. Forecasts for financial year 2008

ASSUMPTIONS

The Group has established its assumptions based on the 2007 financial statements, the 2008 budget, the last monthly management accounts and the following assumptions:

- organic revenue growth of at least 8%;
- the full-year consolidation of the acquisitions made in financial year 2007 and in particular that of the Spanish company ECA, acquired on October 15, 2007 and that of CCI Holdings acquired on June 29, 2007;
- exchange rate stability in 2008 compared to 2007.

The forecasts and estimates presented below were prepared in accordance with European Directive No. 809/2004 of the European Commission on April 29, 2004 and the recommendations of CESR regarding forward-looking information. They are based on data, assumptions and estimates considered to be reasonable by the Group's management. The data, assumptions and estimates may change as a result of uncertainties related principally to the economic, financial, accounting, competitive and regulatory environment, or as a result of other factors unknown to the Group on the date of registration of this reference document. In addition, the occurrence of certain risks described in the Risk Factors section in Chapter I – Overview of the Group could affect the Group's business, financial condition, results of operations and ability to reach its objectives. The Group can make no commitment or give any guarantee as to the actual realization of the forecasts set forth in this section.

The forecasts have been determined on the basis of accounting principles adopted by the Group for the preparation of its financial statements for the year ended December 31, 2007.

GROUP FORECASTS FOR 2008

Based on the assumptions above (and taking into account the acquisitions carried out during financial year 2007), in 2008 the Group is expecting:

- revenue up in excess of 15%; and
- adjusted operating profit also up over 15%.

3.5.3. Report of the independent Statutory Auditors

To the Chairman of the Management Board,

In our capacity as Statutory Auditors of Bureau Veritas and as required by Regulation No. 809/2004 of the European Commission, we have prepared the accompanying report on performance forecasts of the Bureau Veritas Group as included in Chapter 3.5 of the reference document to be registered on April 21, 2008.

These forecasts and the significant assumptions that form their basis were prepared under your responsibility, in accordance with the provisions of Regulation No. 809/2004 of the European Commission as well as recommendations of CESR on performance forecasts.

Our responsibility is to express an opinion, based on our work and according to the terms set out in Appendix I, point 13.2 of Regulation No. 809/2004 of the European Commission, on whether these forecasts have been appropriately established.

We conducted our work in accordance with professional standards applicable in France. This work included an assessment of the procedures put in place by management to prepare these forecasts. Our procedures also enabled us to ensure the fairness of the accounting principles with those used to prepare the historical financial information of the Bureau Veritas Group. These procedures also consisted in collecting information and obtaining explanations which we deemed necessary to obtain reasonable assurance that the forecasts were adequately prepared based on the assumptions set out.

We remind you that, as these forecasts are variable by nature, the actual results may sometimes differ significantly from the current forecasts and we express no opinion as to whether these forecasts will be realised.

In our opinion:

- the forecasts have been adequately prepared based on the stated assumptions;
- the accounting basis used for these forecast data complies with the accounting principles applied by the Bureau Veritas Group.

Paris and Neuilly-sur-Seine, April 15, 2008

The Statutory Auditors

Bellot Mullenbach & Associés	PricewaterhouseCoopers Audit
Pascal de Rocquigny	Jean-François Châtel

3.6. QHSE Policy (Quality, Health, Safety, and Environment)

3.6.1. General policy and goals

Bureau Veritas provides its clients with services that enable them to design and implement quality, health, safety, environment and social responsibility management systems (QHSE&SR) in conformity with recognized international standards (SA 8000, ISO 9000, ISO 14001 and OHSAS 18001). In addition, Bureau Veritas audits and verifies the information in the reports of countless companies relating to sustainable development. Bureau Veritas also offers support services to companies that are looking to reduce their environmental footprint via programs to reduce energy consumption and waste as well as general environmental-related services. Accordingly, "environmental protection" and "sustainable development" are an integral part of the culture of Bureau Veritas employees.

In general, the Bureau Veritas business model guides management with regard to the development and roll-out of internal QHSE programs.

The goal of senior management at Bureau Veritas is to have a clean bill of health with regard to QHSE. The Group's QHSE commitment applies at all levels and is shared by all, with the support of a network of internal QHSE professionals. Goals and key performance indicators relating to QHSE issues are set and their progress tracked across the whole Group.

Aware of the fact that it has a Health and Safety responsibility vis-à-vis its employees, Bureau Veritas is really determined to, over time, achieve its "zero accident" goal, developing the necessary programs to bring this about.

3.6.2. Organization

Bureau Veritas has been ISO 9001 (quality management) certified since 1996.

In 2007, Bureau Veritas undertook to improve its internal HSE and social responsibility management programs by appointing a full-time HSE – SR Manager. Following the creation of this management position, the Group HSE declaration was once again published, a five-year HSE and SR strategic action plan drawn up at Group level and the internal HSE management structures redefined.

In 2007, Bureau Veritas expanded and improved its internal HSE network. Its main goal is to offer advice and provide guidance on the Group's HSE initiatives and programs. This network, which supports the implementation of internal environmental programs and activities, is 25 strong (end 2007).

In 2008, Bureau Veritas will publish a policy identifying the minimum necessary internal HSE management systems. This policy satisfies the requirements of ISO 14001 and OHSAS 18001.

Senior management reviews Bureau Veritas QHSE management systems on an annual basis.

3.6.3. Quality

QUALITY POLICY

A top priority for Bureau Veritas, Quality is the responsibility of management. The Quality process is in line with the Bureau Veritas global operating model. It is built on four key pillars:

- bringing the organization into line by setting priorities and putting an action plan in place;
- improving the expertise of the networks by training and supporting our employees;
- using indicators to monitor our progress while identifying and rectifying our delays;
- ensuring that progress is sustainable via internal and external audits.

The Group has a Quality manual that supplements the declarations on Quality, Health, Safety and Environment approved by the Chairman of the Management Board.

The implementation of the Quality policy remains the responsibility of the operational managers. A Quality network is established at business, regional and country levels to help management to give shape to the Bureau Veritas Quality policy. The Quality network is comprised of the Quality Managers of the businesses and the regional and country Quality Managers.

A Quality Leadership Group (QLG) is chaired and coordinated by the central Quality Manager. This Group is comprised of Quality Managers of the businesses as well as the representatives of the regional Quality Managers. Its goal is to define and review the Quality policy, to monitor progress on the action plans and to share best practices.

Within this structure, goals and key performance indicators are set and passed down from Group level down to business, regional and country levels. The Quality process, which is closely followed by all management at Bureau Veritas, is the guarantor of consistency and sustainability of progress towards excellence and customer satisfaction.

2007 ACHIEVEMENTS AND 2008 GOALS

In 2007, Bureau Veritas strengthened its processes in the following areas:

- management of claims thanks to better integration with the customer relationship management (CRM) tools;
- internal supervision of Bureau Veritas employees;
- training of new employees as to the importance of quality in their work and for the Company;
- internal audit of operations – carried out by the local entities and the Group Quality Department.

In order to closely monitor the application of these priorities, internal reports are published on a quarterly basis. They are consolidated at Group level and sent to senior management.

Bureau Veritas will take further initiatives in 2008 by focusing in particular on the following aspects:

- management of customer satisfaction. Thanks to standard and regular customer satisfaction surveys, and the tracking of the results of the surveys by management, we generate sustainable advantages in terms of increasing the loyalty of our customers.
- tracking the measurement of the cost of non-quality. Operational efficiency will be measured using a model that applies to the Group as a whole in order to identify possible savings. Improvement measures will be proposed and tracked in order to contribute to the achievement of these possible improvements.

3.6.4. Occupational Health and Safety

POLICY ON OCCUPATIONAL HEALTH AND SAFETY

At a global level, the Group actively encourages its network to voluntarily seek ISO 14001 (environmental management systems) and OHSAS 18001 (health and safety management system) certification. In 2008, Bureau Veritas will publish the standards for the internal HSE management system, in conformity with the ISO 14001 and OHSAS 18001 standards, which will be applied systematically throughout the Group.

In 2007, BV Colombia became the first Bureau Veritas country (5 sites) to obtain OHSAS 18001 certification. BV France is continuing with its initiatives designed to obtain MASE (Manuel d'Amélioration Sécurité des Entreprises) certification for all its sites. BV Brazil has undertaken to obtain OHSAS certification in 2008.

STATISTICS

Bureau Veritas has always measured statistics on safety performance in the countries in which it has a legal obligation to do so. Nevertheless, as part of its ongoing improvement initiatives, since Q4 2006 Bureau Veritas has been monitoring all occupational accidents with work stoppage, whether or not so required by local law. These accident statistics are now reported to Group level where they are consolidated in order to be sent to senior management on a quarterly basis.

In addition, risk analyses are carried out throughout the Group in order to identify high-risk and high-frequency types of accidents. On the basis of this Group-wide corporate assessment, Bureau Veritas will draw up the Group's 2008 HSE policies that will have to be implemented within all entities with the goal of improving and harmonizing the control of these activities.

Bureau Veritas proposes to use this analysis as a basis for developing appropriate corrective measures in order to improve HSE performance such that the health and safety programs in place will be capable of achieving the long-term "zero accident" goal. As part of this process, for the first time we are summing the number of working days lost. Bureau Veritas redrafted its accident notification rules. Similarly, since January 2008, these cover all accidents notified throughout the Group. Serious accidents must be notified to the Group within 24 hours.

Since road accidents continue to be a concern, the Company decided to raise the awareness of its employees regarding driving safely. The Group's HSE department decided to organize trainings on raising the awareness of drivers regarding the risks they face. This initiative, paid for by the Group, is offered to employees in a number of countries.

In 2007, the end of year safety statistics returned a lost time rate[1] of 0.89 and a severity rate[2] of 0.08. These numbers represent a total of 239 lost time accidents[3] and 4,112 working days lost.

*(1) Lost time rate = (Number of lost time accidents in excess of 3 days) * 200,000 / Number of hours worked. This is equivalent to the number of accidents per 100 employees.*

*(2) Sevrity rate = Number of working days lost * 1,000 / number of hours worked. This is equivalent to the number of lost days in a 6-month reference period.*

(3) Lost time accident = work related accident resulting in time away from work in excess of 3 days.

3.6.5. Environment

ENVIRONMENTAL POLICY

The Bureau Veritas environmental policy is an integral part of the new HSE declaration that has just been republished. It clearly states that Group employees must:

- contribute to the protection of the environment;
- respect Group requirements and local HSE legislation;
- reduce environmental impact through sustainable development initiatives that minimize the level of resources consumed as well as the quantity of waste generated;
- ensure that all our HSE management processes and programs are proactive.

The importance of the environmental impact in terms of sustainable development is at the heart of the services that we offer our clients and is an integral part of ongoing projects driven by Group QHSE and by our corporate culture.

The Bureau Veritas Group is set on putting in place proactive and concrete goals in order to reduce its environmental footprint. In this regard, a certain number of initiatives have been put in place at country level, including:

- the management and elimination of waste generated by the laboratories and non-destructive testing;
- the analysis of carbon emissions generated by the business, including travel with in particular the development of a carbon emissions monitoring tool for Bureau Veritas sites;
- the reduction of raw material consumption;
- the distribution of Group information bulletins by email or by printing them on recycled paper/carrying the FSC label (Forestry Stewardship Council), that is to say from responsibly managed forests;
- initiatives designed to produce electronic reports for clients and to electronically store our internal archives.

MEASURES IMPLEMENTED

Purchasing policy

In 2007, the Bureau Veritas Purchasing department launched a pilot initiative in France, Spain, the United Kingdom, Italy, Hong Kong and Japan in order to analyze and increase the budget spent on environmentally friendly stationary items from the Company's suppliers. As of the end of 2007, some 28% of all stationary items that we buy in these countries were considered environmentally friendly by the suppliers.

This pilot initiative will act as a reference in order to put together an environmentally friendly purchasing policy at Group level.

Environmental projects

BV UK and BV Brazil began preparatory work on obtaining ISO 14001 certification by the end of 2008. (The United Kingdom already has ISO 14001 certification for one of its sites). BV France recently put in place a 3-year environmental action plan that will culminate in ISO 14001 certification for all French sites by the end of 2010.

These initiatives, as well as the OHSAS and MASE initiatives (see above), will result in over 100 sites worldwide being certified under recognized HSE management system frameworks.

Following the measures on energy audits that resulted in both energy and paper savings in France, the Bureau Veritas Group launched a pilot initiative in 10 sites worldwide in order to cut our energy consumption and waste generation as much as possible. This pilot project, which brings together offices from China to Angola and includes the United States, involves some 5,700 employees. For 2008, the goals consist of cutting energy consumption by at least 10% and paper consumption by at least 15%. The sites covered include the new headquarters to which Bureau Veritas will move in May 2008 in Neuilly-sur-Seine.

As part of a partnership with Bureau Veritas UK, the Group's QHSE department also sponsored the development of a "carbon footprint" measurement tool that will enable Bureau Veritas sites to determine the extent of the carbon emissions they generate as a result of their activities. This tool will be tested in the United Kingdom in 2008 before being made available to other sites by 2009.

In 2007, the Consumer Products business created an environment committee that is currently tasked with identifying environmental improvement opportunities and for developing initiatives covering energy and waste across all sites during 2008.

3.7. Employees

3.7.1. Number and distribution of employees

As of December 31, 2007, the Group had 33,018 employees across 140 countries, compared to 26,207 employees as of December 31, 2006. This 26% increase in employee numbers is 15% down to the integration of acquired companies (around 3,300 employed at ECA and 650 employees at CCI) and 11% down to Group growth.

On a global level, employees are made up of approximately two-thirds men and one-third women, and divided into operational functions (inspectors, auditors, experts, business developers, etc.) and support functions (technical, finance, IT, human resources, etc.).

The table below shows the change in Group employees as of December 31, 2007, 2006 and 2005, by geographic zone and function.

	Number of employees at December 31,		
	2007	2006	2005
TOTAL	33,018	26,207	23,683
By geographic zone			
Africa	987	974	1,026
Americas	5,673	4,694	4,578
Asia, Pacific and the Middle East	10,547	8,715	7,279
Europe (outside France)	8,639	5,457	4,673
France	7,172	6,367	6,127
By function			
Operational functions	22,889	18,341	18,781
Support functions	10,129	7,866	4,902

At the Group level, the rate of voluntary departure (resignations) was around 15% in 2007. The highest rates recorded are in Asia and the Middle East due to the strong demand for qualified personnel. In France, the Group benefits from the image and reputation of the name Bureau Veritas, which helps maintain employee stability (the rate of voluntary departure is around 4%).

Information on employees at the Bureau Veritas SA parent company

As of December 31, 2007, the Company had 6,419 employees (4,117 men and 2,302 women), compared to 6,045 employees as of December 31, 2006, namely an increase of over 6% between 2006 and 2007.

In 2007, there were 993 new hires, with 313 fixed-term contracts and 680 open-ended contracts. 52 people were let go.

In 2007, the voluntary departure rate (resignations) stood at 3.72%. In addition, 5,787 overtime hours were recognized in 2007, representing an amount of €57,083. The Company's outside workforce amounted to 120 employees.

The Company's Social Audit is available from the registered office upon request.

3.7.2. A Human Resources policy to serve the Group's strategy

The Group's human resources policy is determined and led by the Human Resources department. In 2007, the Group acquired an information system designed for human resources (PeopleSoft), which is now used by the Group's 1,500 managers and by Bureau Veritas France. Bureau Veritas France used the installation of this new tool to change its pay management system. In the short-term, PeopleSoft HR will be rolled out in all countries, managing over 1,000 employees.

Given the sharp rise in the number of employees and the growth strategy of the Bureau Veritas Group, the human resources department is being strengthened on three levels: career management and development, professionalization of human resource activities, audit and operational support. The goal is to deal with the major HR challenges of Bureau Veritas: streamline the department, develop, attract and retain talent, manage skills on the offerings and businesses of the future.

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EXPERTS THAT FOCUS ON CLIENTS AND SERVICES

The Group's business has historically been a public service mission (for example, in connection with the Spinetta Law, regulatory verification, ship classification). Nevertheless, the Group has developed activities that benefit its clients by encouraging a corporate culture oriented toward the client, building and offering a rich array of services, and moving from a reactive to a proactive development posture. The Group currently presents itself as much as a technical expert as a service company offering Business to Business products and services. In its business sector, the Group believes it is one of the first players to have established dedicated sales forces and a developed marketing team.

A CULTURE OF PROFITABILITY AND CONTROL OVER EXPENSES

The Group's growth over the last ten years is also due to the finance function (such as accounting, management control and auditing) and the fact that all operational management is fully responsible for their profit centers. The budget process is central in this organization. Management, including operational management, have a portion of their compensation based on the operating profit of the Group. In addition, the Group exercises strict control over accounting and operating expenses.

AN ORGANIZATION BASED ON TRAINING AND KNOWLEDGE MANAGEMENT

The Group is constantly concerned about maintaining and developing the knowledge of its experts (such as through training tools, qualifications processes, knowledge sharing tools). The Group's knowledge management process has lead to the establishment of communities of experts in support of operational teams. This makes it possible to share best practices and be able to respond in each entity with the same level of quality to clients' global needs. One hundred practice communities have been created to bring thousands of specialists and experts into contact. A collective site created on the Group's intranet portal, combined with a powerful search engine, facilitates the sharing of documents and experience and skill refreshing at Bureau Veritas.

Within the Group, the integration program is systematically used for each new hire, regardless of their professional level or group. Organized in sessions to bring different backgrounds together, the program facilitates knowledge sharing and an understanding of the Group's organization and businesses.

For operational personnel, the Group emphasizes training on location. Technical training usually satisfies qualification standards, and qualification is controlled by the Group's technical departments (Industry & Facilities and Marine) and audited by independent authorities (COFRAC, IACS).

In addition, the Group created a company university in July 2005, the Bureau Veritas Academy, which continuously offers training to all Group managers. This initiative includes programs to bring together the skills of management with respect to major issues facing Bureau Veritas, and programs for developing managerial and leadership skills. An initial program to focus the Group's principal managers on the issue of "organic growth" was held in 2006: 300 managers were thus trained during six sessions. The program was then transferred locally to share the training at all levels of the organization (for example, with local sessions in Northern Europe and Eastern Europe in January 2007). A second program based on "growth" and "development of the organization and personnel" is also being developed and will be put in place in 2008.

A STRATEGY ADAPTED TO THE RECRUITING CONSTRAINTS AND EMPLOYEE LOYALTY

As a service company, one of the principal challenges which the Group must face, in terms of human resources, is developing its ability to recruit expert personnel on increasingly competitive employment markets. To meet this challenge, the Group has launched several global initiatives to ensure excellence in recruitment at the global level: the development of relationships with the press and leading schools and universities, participation in recruitment forums, hiring temporary service personnel, training for managers on recruitment, single media campaign worldwide.

In addition, the Group's bonus policy represents a means for developing employee loyalty and motivation. In addition to their annual base salary, approximately 1,500 managers may receive each year a bonus attributed on the basis of achieving financial and individual objectives. The percentage bonus varies from 15% to 50% of the annual base salary depending on the managers' responsibility band:

- for band 1 (approximately 15 managers), the bonus represents 40% to 50% of the annual base salary;
- for band 2 (approximately 60 managers), the bonus represents 30% to 40% of the annual base salary;

- for band 3 (approximately 260 managers), the bonus represents 20% to 30% of the annual base salary; and
- for band 4 (approximately 1,160 managers), the bonus represents 15% to 20% of the annual base salary.

Since 2007, this individual bonus is subject to a coefficient, which may increase or decrease the applicable percentage, depending on the Group's operating profit.

As explained in the sections that follow, the remuneration package is complemented with profit-sharing schemes and an employee stock ownership plan launched in 2007 ("BV 2007").

In terms of employee representation, the Company has the standard representative bodies, particularly in France (union representatives, personnel representatives, employee committee, health, safety and working conditions committee, Group works council).

3.7.3. Profit-sharing agreements

The profit-sharing and shareholding agreements described below do not cover the non-French subsidiaries of Bureau Veritas SA.

LEGAL PROFIT-SHARING

Legally required profit-sharing gives employees a right to a portion of the profit earned by the Company. All employees, regardless of the time employed at Bureau Veritas, have a right, for purposes of profit-sharing, to a special reserve calculated according to the method set out under article L. 442-2 of the French Labor Code.

At the date of this reference document, in the absence of an agreement on profit-sharing, Bureau Veritas applies the profit-sharing regime provided for under article L. 442-12 of the French Labor Code. The amount of profit-sharing relating to 2004 was €115,623. For 2005, 2006 and 2007, there was no payment, due to the absence of a profit-sharing reserve (the increase in the Company's shareholders' equity and a supplementary deduction for risk reserves).

CONTRACTUAL PROFIT-SHARING

On June 30, 2005, Bureau Veritas reached agreement with its Workers' Council covering a period of three years, 2005, 2006 and 2007. The employees of Bureau Veritas with more than three months in the Group have a right to contractual profit sharing proportional to their salary and length of time employed at the Company.

The formula used is based on a measure of corporate earnings, the REG (management operating profit). The global amount involved totals 10.75% of the REG of the French operating units of Bureau Veritas France (CRE France, Aero France, Marine France, Zone France excluding subsidiaries).

Under this agreement, 6,364 employees shared €6,290,067 in 2006. In addition, following a decision of the Management Board on August 28, 2007, a profit-share supplement of 4.25% of the REG of French operating units in respect of financial year 2006 was paid out in October 2007 for a total of €2,486,771. In 2005, 5,981 employees shared €5,779,000.

Under this agreement for the 2007 financial year, 6,786 employees received a total of €6,883,309. A proposal for further payments to employees for the 2007 financial year is currently being studied.

Negotiations relating to the renewal of this agreement must take place before June 30, 2008.

GROUP SAVINGS PLAN

An agreement on the conversion of the company savings plan into a group savings plan was signed with the Works Council on July 19, 2007 enabling the companies linked to the Bureau Veritas Group within the meaning of article L. 444-3 of the French Labor Code to join this group savings plan.

A group savings plan is a collective savings scheme offering employees of adhering companies the opportunity to create, with the help of their employer, a portfolio of securities. It may permit, in particular, the deposit of funds resulting from an employee profit-sharing or participation plan. Amounts invested into a group savings plan are frozen for five years, running from July 1 on the vesting year, except in the case of an early release provided for by the regulations. A group savings plan may offer various investment means allowing its members to elect the most adapted to their savings strategy.

The group savings plans is comprised of two mutual funds:

- an FCPE (employee mutual fund – *fonds commun de placement d'entreprise*) with multiple FCPE BV VALEURS sub-funds into which employees may make deposits either on their own initiative or in relation to the profit-share.

  The sums paid in by the employees are matched as follows:

  - for the first €500, the contribution is set at 60% of the employee deposit, and
  - beyond €500, the rate is set at 30% of the employee deposit.

  Annual contributions do not exceed €1,525 per calendar year and per beneficiary.

  As of December 31, 2007, the amount invested in this FCPE was €85.46 million broken down as follows:

  - BV VALEUR sub-fund: €67.42 million,
  - BV DYNAMIQUE sub-fund: €11.35 million,
  - BV EQUILIBRE sub-fund: €6.69 million;
- a "BV next" FCPE invested in Company stock and dedicated to capital increases reserved for Company employees.

  This fund was opened as part of the capital increase carried out in October 2007. It may be reopened in the event of other capital increases decided by the Supervisory Board.

  When making their voluntary deposit, employees enjoyed a matching contribution of 100% up to a maximum of €600.

  As of December 31, 2007, the amount invested in the "BV next" FCPE was €38.62 million.

STOCK OWNERSHIP PLANS AND FREE SHARE GRANT PLAN

On the occasion of its stock market listing, Bureau Veritas offered certain Group employees the option of subscribing for Bureau Veritas shares at a price of €30.20 per share (public offering price less a 20% deduction).

8,092 employees subscribed for 1,100,826 shares under a Group Savings Plan and an International Group Savings Plan for Group employees in France and in nine other countries and territories (Germany, Spain, the United States, Italy, Japan, Hong Kong, the Netherlands, the United Kingdom and Taiwan).

The overall participation rate of this offering was 51.99% worldwide and 73.85% in France. The prospectus for this offering received approval number 07-349 from the Autorités des marches financiers (French market regulator) on October 8, 2007.

43,079 shares were issued to 197 Managers as part of a Bureau Veritas share offering for certain Managers in 54 countries worldwide. The overall participation rate for this offering was in excess of 67%.

Lastly, in China, employees were invited to participate in a special plan. In total 1,605 employees ultimately participated in this plan (representing 71.97% of employees in China). Stock appreciation rights were granted to employees in Group subsidiaries in China. They give the right to a future cash payment based on the increase in the stock price over and above 80% of the listing price, namely €30.20, over a period of five years, followed by a period of one year during which the employees can choose the date of the payment of their rights. Employees are not required to continue working for the Company and exercise their rights during the year following their departure, the rights being calculated as of that date. Stock appreciation rights are a benefit paid by the subsidiaries employing the beneficiaries and are tax deductible.

In France, employee subscriptions in the Group Savings Plan were 100% matched up to a maximum of €600. Internationally, shares were freely granted to employees who participated in the above-mentioned share offerings. 88,890 shares were granted free to the whole workforce worldwide.

3.8. Interests of members of the Management Board, Supervisory Board and certain employees in the capital of Bureau Veritas

3.8.1. Interests of members of the Management Board and Supervisory Board in the Capital of Bureau Veritas

As at February 29, 2008, the interests of the members of the Management Board and Supervisory Board in the capital of Bureau Veritas were as follows:

Board Member	Number of shares	Percentage of capital and voting rights
Frank Piedelièvre(*)	613,190	0.53%
François Tardan	438,240	0.38%

(*) Of which 612,990 through the company Piedelièvre et Associés to which the shares were allotted in February 2008.

Members of the Supervisory Board	Number of shares	Percentage of capital and voting rights
Jean Bernard Lafonta	100	NS
Pierre Hessler	100	NS
Jérôme Charruau	1,100	NS
Ernest-Antoine Seillière	200	NS
Bernard Renard	4,500	NS
Jean-Michel Ropert	100	NS
Philippe Louis-Dreyfus	100	NS
Yves Moutran	100	NS
Patrick Buffet	100	NS
Aldo Cardoso	3,000	NS

Mr. Frank Piedelièvre, Chairman of the Management Board, no longer holds any share subscription options.

Mr. François Tardan, a member of the Management Board, holds 170,000 share subscription options (adjusted) granted under the plans of December 11, 2001 and July 25, 2003 (see following table).

FREE SHARES

Mr. Frank Piedelièvre, Chairman of the Management Board, was granted 100,000 free shares in the Company on December 13, 2007.

This allocation shows the following main characteristics:

- these shares will be acquired or not depending on the achievement of the performance objectives for 2007 and 2008; if the annual rate of growth of the net result share of the Group (excluding non-recurring items) is above or equal to 20%, the number of free shares actually acquired is equal to 100,000. If this annual rate of growth is below or equal to 15%, the number of free shares actually acquired is reduced by half;
- Mr. François Tardan, a member of the Management Board, benefited from an allocation of 50,000 free shares in the Company on December 13, 2007, the characteristics and performance objectives of which are the same as those in relation to the plan above.

3.8.2. Share subscription or purchase options

The table below sets forth an account of the position regarding the share subscription option plans which were applicable on December 31, 2007:

Date of the Share-holders' Meeting	Date of grant	Number of shares under subscription options granted (adjusted)[1]	Maximum total number of Company shares which may be acquired under the options (adjusted)[1]	Number of subscription options granted and outstanding (shares which may still be taken up)[1]	Number of options exercised[1]
16/09/1999	Plan of 12/04/2000[5]	1,630,000	1,630,000	20,000	1,060,800
11/12/2001	Plan of 11/12/2001	1,392,600	1,392,600	230,000	1,067,600
11/12/2001	Plan of 17/12/2002	1,159,000	1,159,000	311,600	641,890
11/12/2001	Plan of 25/07/2003	1,549,000	1,549,000	572,000	791,000
30/06/2004	Plan of 15/11/2004	117,500	117,500	58,000	5,000
27/06/2005	Plan of 01/02/2006[2]	1,711,000	1,711,000	1,546,000	-
27/06/2005	Plan of 12/07/2006	142,000	142,000	137,000	-
18/01/2007	Plan of 31/01/2007	700,000	700,000	678,500	-
	TOTALS	**8,401,100**	**8,401,100**	**3,553,100**	**3,566,290**

(1) These amounts have been adjusted in order to take account of the share split in the nominal value of the Company's shares by a factor of 10 in accordance with the resolution of the Shareholders' Meeting of June 18, 2007.

(2) The number of options initially granted was 1,711,000 (adjusted) ; 2 cancellations for a total of 27,500 options (adjusted) having occurred at the time of allocation, the number of options actually granted was 1,683,500 (adjusted).

(3) The subscription price for shares in the Company was set by the Management Board at €15.165 (adjusted) per share with a nominal value of €0.12 (adjusted), with this price having to be increased at the rate of 8.5% per annum applied prorata temporis to the period running from June 30, 2005 up until the date on which the options are exercised by the beneficiary.

(4) The subscription price for shares in the Company was set by the Management Board at €17.304 (adjusted) per share with a nominal value of €0.12 (adjusted), with this price having to be increased at the rate of 8.5% per annum applied prorata temporis to the period running from June 30, 2006 up until the date on which the options are exercised by the beneficiary.

(5) These amounts have been adjusted in order to take account of the share split in the nominal value of the Company's shares by a factor of 20 in accordance with the resolution of the AGM of June 14, 2001.

(6) The two directors and officers who were granted share subscription option plans are Messrs. Piedelièvre and Tardan, Chairman and member of the Management Board of the Company respectively.

Number of options canceled[1]	Total number of shares which may be taken up by the directors and officers[1][6]	Total number of shares which may be taken up by the ten largest employee option holders[1]	First possible option exercise date	Expiry date for options	Adjusted subscription price at the date of registration of the present reference document (in euros)[1]
549,200	-	-	12/04/2003	12/04/2008	4.084
95,000	80,000	120,000	11/12/2004	11/12/2009	6.190
205,510	-	30,000	17/12/2005	17/12/2010	7.487
186,000	90,000	240,000	25/07/2006	25/07/2011	9.582
54,500	-	-	15/11/2007	15/11/2012	12.094
165,000	-	-	01/02/2011	01/02/2014	15.165[3]
5,000	-	-	12/07/2011	12/07/2014	17.304[4]
21,500	-	-	31/01/2012	31/01/2015	17.304
1,281,710	**170,000**	**390,000**			

Options granted during financial year 2007

Overall Information

Number of options granted[1]	Plan	Strike Price[1] *(euros)*
700,000	31/01/07	17.304
TOTAL: 700,000		

(1) These amounts have been adjusted to take account of the share split in the nominal value of the Company's shares by a factor of 10 in accordance with the resolution of the Shareholders' Meeting of June 18, 2007.

Information concerning the ten largest employee option holders who benefited from the largest number of options in 2007

Number of options received[1]	Plan	Strike Price[1] *(euros)*
95,000	31/01/07	17.304
TOTAL: 95,000		

(1) These amounts have been adjusted to take account of the share split in the nominal value of the Company's shares by a factor of 10 in accordance with the resolution of the Shareholders' Meeting of June 18, 2007.

Information concerning the directors and officers who benefited from options in 2007

Frank Piedelièvre

None

François Tardan

None

Options exercised during financial year 2007

Overall Information

Number of options exercised[1]	Plan	Strike Price[1] *(euros)*
334,600	11/12/01	6.19
30,000	07/03/02	6.19
342,750	17/12/02	7.487
636,000	25/07/03	9.582
5,000	15/11/04	12.094
TOTAL: 1,348,350		

(1) These amounts have been adjusted to take account of the split in the nominal value of the Company's shares by a factor of 10 in accordance with the resolution of the Shareholders' Meeting of June 18, 2007.

Information concerning the ten largest employee option holders who subscribed to the largest number of shares by exercising their options in 2007

Number of options exercised[1]	Plan	Strike Price[1] *(euros)*
153,000	17/12/02	7.487
34,660	25/07/03	9.582
TOTAL: 187,660		

(1) These amounts have been adjusted to take account of the share split in the nominal value of the Company's shares by a factor of 10 in accordance with the resolution of the Shareholders' Meeting of June 18, 2007.

Information concerning the directors and officers who subscribed to shares in the Company by exercising their options in 2007

Frank Piedelièvre

Number of options exercised[1]	Plan	Strike Price[1] *(euros)*
186,600	11/12/01	6.19
150,000	25/07/03	9.582
TOTAL: 336,600		

(1) These amounts have been adjusted to take account of the share split in the nominal value of the Company 's shares by a factor of 10 in accordance with the resolution of the Shareholders' Meeting of June 18, 2007.

François Tardan

None

As at December 31, 2007 the total number of shares able to be issued in the event of all 3,553,100 share subscription options in Bureau Veritas being exercised (adjusted) is 3,553,100 shares (adjusted). Based on the number of shares making up the share capital of Bureau Veritas as at December 31, 2007, that is 116,159,775 shares, issuing all of these shares would represent 3.06% of the capital of Bureau Veritas.

Based on the share capital as at December 31, 2007, issuing all of the 238,890 free shares granted would result in a maximum potential additional dilution of 0.21%, thus bringing the total dilution (stock options and free shares) to 3,791,990 shares, or 3.26% of the share capital of Bureau Veritas.

The Company intends to pursue this incentive policy aimed at a significant number of Group managers, in particular by putting in place share subscription option plans and/or by granting free shares to the benefit of salaried staff in the Group and/or the directors and officers in 2008, as the 24th and 25th resolutions passed by the joint Meeting of the Shareholders of the Company on June 18, 2007 authorize it to do.

3.9. Additional information concerning the Company in view of the approval of the 2007 accounts

3.9.1. Operations and results of the parent company

In the course of the financial year ended December 31, 2007, the Company turnover rose to €770,697,659 compared to €726,693,054 in 2006.

The operating profit for 2007 works out at €95,065,150 compared to €93,349,506 in 2006.

In 2007, the figure for exceptional items rose to -€85,414,631 compared to -€29,252,915 in 2006.

The net profit of Bureau Veritas SA for 2007 rose to €119,934,475.16 compared to €102,807,345.50 in 2006.

The equity capital rose to €915,150,371 compared to €665,409,980 at the end of the preceding financial year.

The rules concerning presentation and the methods of evaluation accepted for the drawing up of company accounts are identical to those adopted for previous financial years.

3.9.2. Proposal for the appropriation of the profit for financial year 2007

The Management Board pointed out to shareholders that as at December 31, 2007:

- the legal reserve has risen to €1,711 097.00 for a share capital of €13,939,173.00 and has, therefore, reached a tenth of the share capital as at December 31, 2007;
- all of the 116,159,775 shares making up the share capital have been released;
- the result for the accounting period ended December 31, 2007 reveals a profit of €119,934,475.16;
- the balance brought forward account is equal to €76,280,295.30;
- and that, consequently, the distributable profit of the Company has risen to €196,214,770.46.

The Management Board will propose to the Shareholders' Meeting that the profit be appropriated as follows:

- a sum of €0.60 per share by way of a dividend, that is based on the number of shares making up the capital as at December 31, 2007, or 116,159,775 shares (of which 8,951,000 were self-held on that date), a total sum of €69,695,865,
- the balance, or the sum of €126,518,905.46 to the "Carry Forward" account.

In accordance with Article 158-3, 2° of the French General Taxe Code, those shareholders who are physical persons may benefit from a 40% allowance on the amount distributed to them as a dividend. This allowance will not be applicable from the time that the beneficiary who is a physical person has opted for the deduction of the standard tax at source.

The dividend will be paid out with effect from June 11, 2008. A proposal will be submitted to the Shareholders' Meeting that the dividend which could not be paid to the self-held shares in Bureau Veritas be appropriated to the "Carry Forward" account.

DISTRIBUTIONS MADE BASED ON THE LAST THREE FINANCIAL YEARS

Applying the legal provisions of Article 243 b of the French General Taxe Code, the Management Board reminds us that, based on the three previous financial years, dividends have been distributed solely on the basis of financial year 2006 as follows:

Financial Year	Total distributed	Number of shares involved	Total earnings per share[2]
2006	€99,998,189.16	99,599,790[1]	€1.004[1]

(1) Number of shares and dividend adjusted to take account of the share split in the nominal value of the shares by a factor of 10 on October 23, 2007

(2) These earnings were paid out in the course of 2007. It is pointed out that, applying Article 243 b of the French General Taxe Code, this dividend led to the entitlement to a rebate of 40% mentioned in Article 158-3, 2° of the French General Taxe Code.

The policy regarding the distribution of dividends is described in the paragraph "Policy on Distribution of Dividends" in Chapter VI – Information on the Company and the capital.

3.9.3. Total for sumptuary expenses and relevant tax

In accordance with the provisions of Article 223-4 of the French General Taxe Code it is pointed out that the accounts of the Company based on the financial year that has just ended, and which closed on December 31, 2007, cover those expenses which are non-deductible from the result for tax purposes with regard to Article 39-4 of the French General Taxe Code amounting to a total of €444,803.43 which will be submitted for approval to the Shareholders' Meeting.

3.9.4. Subsidiaries and holdings

The chart showing the subsidiary companies and the holdings of the Company appears in Section V – Corporate Accounts.

Bureau Veritas SA took control of the following French companies in the course of the financial year ended December 31, 2007:

- Qualista

In October 2007, Bureau Veritas took over the business assets of two French companies, SARL Qualista and EURL Qualista Audits, which specialise in certification, auditing and training for various players in the agro-industrial sector (food distribution, group and hospital catering).

The combined operations of these two companies showed a turnover of €0.4 million in 2007. This acquisition has allowed Bureau Veritas to strengthen its position in certification for the food industry and food distribution in France.

- Serma

In December 2007, Bureau Veritas acquired the operations of two laboratories in France (Belfort and Pessac) which specialise in materials analysis for the aeronautics and energy sectors. Serma achieved a turnover of €3 million in 2007. With this acquisition, Bureau Veritas has strengthened its network of laboratories in France in relation to the aeronautics and energy sectors.

3.9.5. Results of Bureau Veritas SA for the last five financial years

	2007	2006	2005	2004	2003
I - Financial position					
a) Share capital (in thousands of euros)	13,939	13,010	13,973	13,820	17,111
b) Number of shares issued	116,159,775	10,841,857	11,644,538	11,516,403	14,259,145
c) Maximum number of shares to be created in the future	3,791,990	1,638,596	1,561,115	499,250	625,200
II - Aggregate result of actual operations *(in thousands of euros)*					
a) Revenue excl. Taxes	770,698	726,693	664,661	634,057	617,031
b) Profit before profit-sharing, taxes, depreciation and provisions	108,241	133,610	110,594	660,726	129,836
c) Corporate tax	18,121	22,093	11,997	28,887	18,512
d) Share in profits by employee on the basis of the financial year	-	-	-	3,289	3,516
e) Profit after profit-sharing, taxes, depreciation and provisions	119,935	102,807	72,576	589,233	80,873
f) Total for profits distributed[1]	99,998	-	-	-	33,081
III - Result of operations reduced to a single share *(euros)*					
a) Profit after tax and before depreciation and provisions	0.78	10.29	8.47	54.86	7.56
b) Profit after tax, depreciation and provisions	1.03	9.48	6.23	51.16	5.67
c) Net dividend paid on each share[2]	10.04	-	-	-	2.27
IV - Staff					
a) Number of employees	8,395	7,641	7,351	7,139	7,913
b) Total payroll *(in thousands of euros)*	319,327	298,070	272,229	255,559	251,404
c) Total for sums paid by way of social benefits *(in thousands of euros)*	131,477	118,382	111,355	102,377	99,244
(1) Including deductions made at source and paid to the state					
Dividends excl. sums deducted at source and before tax credit	*99,998*	-	-	-	*32,368*

(2) On the number of shares prior to the division of the capital by a factor of 10

3.9.6. Reference table of information from the Management Board's management report appearing elsewhere in the reference document

RISKS AND UNCERTAINTIES

A detailed description of the main risks and uncertainties facing Bureau Veritas appears in the paragraph "Risk Factors" in Chapter I – Overview of the Group.

RESEARCH AND DEVELOPMENT

The information relating to research and development operations appears in the paragraph "Research and Development, Patents and Licenses" in Chapter VII – Additional Information.

SIGNIFICANT EVENTS WHICH HAVE OCCURRED SINCE THE END OF THE FINANCIAL YEAR

This information is shown in note 32 of the appendix to the consolidated accounts which appears in Chapter IV – Consolidated financial statements.

INFORMATION CONCERNING THE SHARE CAPITAL

The information concerning the flow and the spread of the share capital, the operations involving the purchase of its own shares and the summary table showing the delegation of responsibilities and powers appear in the paragraph "Share Capital" in Chapter VI – Information on the Company and the Capital.

REMUNERATION OF DIRECTORS AND OFFICERS

The information concerning the remuneration of the directors and officers appears in Chapter II – Corporate Governance.

POWERS OF ATTORNEY

The list of powers and functions exercised throughout the Company by each of the directors and officers in the course of the last five years as well as the position with regard to the powers of attorney of the members of the Supervisory Board and Board of Management appear in Chapter II – Corporate governance.

The position with regard to the powers of attorney of the auditors is mentioned in the paragraph "Legal Auditors of the Accounts" in Chapter VII – Additional Information.

DIRECTORS' FEES

The amount proposed in relation to directors' fees on the basis of the financial year 2008 appears in Chapter II – Corporate Governance.

SHARE TREND ON THE STOCK MARKET

The trend and the volumes exchanged with regard to the Bureau Veritas stock are shown in the paragraph "Bureau Veritas and Its Shareholders" in Chapter VII – Additional Information.

REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

The report of the Chairman of the Supervisory Board on the conditions for the preparation and organization of the work of the Supervisory Board and the internal auditing procedures appears in Chapter II – Corporate Governance.

4

2007 CONSOLIDATED FINANCIAL STATEMENTS

4.1. Consolidated financial statements prepared under IFRS for the year ended December 31, 2007

Consolidated income statement

(in millions of euros, except per share data)	Notes	2007	2006
Revenue	5	**2,066.9**	**1,846.2**
Purchases and external charges	6	(619.8)	(554.0)
Personnel costs	6	(1,050.7)	(947.1)
Taxes other than on income		(46.2)	(43.1)
Net (additions to)/reversals of provisions	6	(9.4)	(10.9)
Depreciation and amortization		(42.0)	(32.7)
Other operating income	6	5.9	6.3
Other operating expense	6	(39.2)	(7.6)
Operating profit		**265.5**	**257.1**
Income from cash and cash equivalents		1.8	1.6
Finance costs, gross		(36.3)	(30.4)
Finance costs, net		**(34.5)**	**(28.8)**
Other financial income	7	3.7	6.0
Other financial expense	7	(16.9)	(15.1)
Net financial expense		**(47.7)**	**(37.9)**
Share of profit of associates	13	-	-
Profit before income tax		**217.8**	**219.2**
Income tax expense	8	(54.9)	(62.1)
Profit from continuing operations		**162.9**	**157.1**
Profit from discontinued operations and operations held for sale	26	**0.6**	**-**
Net profit for the year		**163.5**	**157.1**
Attributable to:			
Equity holders of the Company		158.4	154.0
Minority interests		5.1	3.1
Earnings per share (in euros)			
Basic earnings per share	27	1.51	1.39
Diluted earnings per share	27	1.50	1.37

Consolidated balance sheet

(in millions of euros)	Notes	2007	2006
Goodwill	9	569.4	459.8
Intangible assets	11	108.5	50.3
Property, plant and equipment	12	134.0	106.3
Investments in associates	13	2.2	2.1
Deferred income tax assets	14	61.8	51.4
Investments in non-consolidated companies	15	1.2	28.9
Other non-current financial assets	16	21.8	20.1
Total non-current assets		**898.9**	**718.9**
Trade and other receivables	18	686.8	523.2
Current income tax assets		56.7	48.4
Current financial assets	16	23.9	19.9
Derivative financial instruments	17	-	2.8
Cash and cash equivalents	19	142.9	106.8
Total current assets		**910.3**	**701.1**
Assets held for sale	26	**28.4**	**-**
TOTAL ASSETS		**1,837.6**	**1,420.0**
Share capital	20	13.9	13.0
Retained earnings and other reserves		141.7	207.7
Equity attributable to shareholders of the Company		**155.6**	**220.7**
Minority interests		9.9	7.4
Total equity		**165.5**	**228.1**
Bank borrowings	22	735.2	444.7
Other non-current financial liabilities	22	7.0	5.1
Deferred income tax liabilities	14	38.8	23.1
Pension plans and other long-term employee benefits	23	78.0	85.1
Provisions for other liabilities and charges	24	73.5	69.7
Total non-current liabilities		**932.5**	**627.7**
Trade and other payables	25	537.1	420.0
Current income tax liabilities		85.7	81.6
Derivative financial instruments	17	0.2	-
Current financial liabilities	22	93.7	62.6
Total current liabilities		**716.7**	**564.2**
Liabilities held for sale	26	**22.9**	**-**
TOTAL EQUITY AND LIABILITIES		**1,837.6**	**1,420.0**

Consolidated statement of recognized income and expense

	Actuarial gains/(losses) net of taxes	Currency translation differences	Net income/ (expense) recognized directly in equity	Net profit for the year	Total recognized income and expense for the year	Attributable to equity holders of the Company	Attributable to minority interests
2006 financial year	(1.5)	16.5	15.0	157.1	172.1	169.4	2.7
2007 financial year	**4.6**	**(24.4)**	**(19.8)**	**163.5**	**143.7**	**138.7**	**5.0**

Consolidated statement of changes in equity

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	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to equity holders of the Company	Attributable to minority interests
January 1, 2006	**14.0**	**22.7**	**(21.4)**	**189.0**	**204.3**	**197.1**	**7.2**
Capital reduction	(1.1)	-	-	(151.4)	(152.5)	(152.5)	-
Exercise of stock options	0.1	5.7	-	-	5.8	5.8	-
Fair value of stock options	-	-	-	0.9	0.9	0.9	-
Dividends paid	-	-	-	(2.0)	(2.0)	-	(2.0)
Other movements	-	-	-	(0.5)	(0.5)	-	(0.5)
Total transactions with equity holders	**(1.0)**	**5.7**	**-**	**(153.0)**	**(148.3)**	**(145.8)**	**(2.5)**
Total recognized income and expense	**-**	**-**	**16.5**	**155.6**	**172.1**	**169.4**	**2.7**
December 31, 2006	**13.0**	**28.4**	**(4.9)**	**191.6**	**228.1**	**220.7**	**7.4**
Capital reduction	(1.1)	-	-	(151.5)	(152.6)	(152.6)	-
Capital increase	1.8	370.5	-	-	372.3	372.3	-
Exercise of stock options	0.2	10.8	-	-	11.0	11.0	-
Fair value of share-based payments	-	-	-	5.0	5.0	5.0	-
Dividends paid	-	-	-	(102.5)	(102.5)	(100.0)	(2.5)
Revaluation adjustments	-	-	-	(0.3)	(0.3)	(0.3)	-
Purchases of treasury shares	-	-	-	(337.9)	(337.9)	(337.9)	-
Other movements	-	-	-	(1.3)	(1.3)	(1.3)	-
Total transactions with equity holders	**0.9**	**381.3**	**-**	**(588.5)**	**(206.3)**	**(203.8)**	**(2.5)**
Total recognized income and expense	**-**	**-**	**(24.4)**	**168.1**	**143.7**	**138.7**	**5.0**
December 31, 2007	**13.9**	**409.7**	**(29.3)**	**(228.8)**	**165.5**	**155.6**	**9.9**

Consolidated cash flow statement

	Notes	2007	2006
Profit before income tax		**217.8**	**219.2**
Elimination of cash flows from financing and investing activities		36.0	29.7
Provisions and other non-cash items		5.2	2.8
Depreciation, amortization and impairment, net		42.3	32.8
Movements in working capital attributable to operations		(10.1)	(17.5)
Income tax paid		(73.9)	(64.0)
Net cash generated from operating activities		**217.3**	**203.0**
Acquisitions of subsidiaries	10	(209.6)	(50.2)
Proceeds from sales of subsidiaries	10	-	2.4
Purchases of property, plant and equipment and intangible assets		(51.0)	(44.4)
Proceeds from property, plant and equipment and intangible assets		1.5	4.9
Purchases of non-current financial assets		(4.4)	(7.8)
Proceeds from non-current financial assets		3.3	2.7
Dividends received		1.3	2.8
Other		(4.8)	0.2
Net cash used in investing activities		**(263.7)**	**(89.4)**
Capital increase	20	383.2	5.8
Capital reduction	20	(152.6)	(152.5)
Share buybacks	20	(337.9)	-
Dividends paid		(107.5)	(2.0)
Increase in borrowings and other debt		695.1	504.0
Repayment of borrowings and other debt		(360.5)	(431.9)
Interest paid		(35.5)	(28.8)
Net cash (used in)/generated from financing activities		**84.3**	**(105.4)**
Impact of currency translation differences		(3.3)	(8.7)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**34.6**	**(0.5)**
Cash, cash equivalents and bank overdrafts at beginning of year		99.5	100.0
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS AT END OF YEAR		**134.1**	**99.5**
Of which cash and cash equivalents	19	*142.9*	*106.8*
Of which bank overdrafts	22	*(8.8)*	*(7.3)*

Notes to the consolidated financial statements

SUMMARY OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - General information

Since it was formed in 1828, Bureau Veritas has developed recognized expertise for helping its clients to comply with standards and/or regulations on quality, health and safety, security, the environment and social responsibility. The Group specializes in inspecting, testing, auditing and certifying the products, assets and management systems of its clients in relation to regulatory or self-imposed standards, and subsequently issues compliance reports.

Bureau Veritas SA ("the Company") and all of its subsidiaries make up the Group ("Bureau Veritas" or "the Group").

Bureau Veritas SA is a joint stock company (*société anonyme*) incorporated and domiciled in France. The address of its registered office is 17 bis, place des Reflets, La Défense 2, 92400 Courbevoie, France. Between 2004 and October 2007, the Group was more than 99%-owned by Wendel. On October 24, 2007, Bureau Veritas SA shares were admitted for trading on the Euronext-Paris market. At December 31, 2007, Wendel held an interest of 62.8% in Bureau Veritas (excluding treasury shares).

These consolidated financial statements were prepared on March 17, 2008 by the Management Board.

Note 2 - Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The Group's consolidated financial statements for the years ended December 31, 2007 and December 31, 2006 were prepared in accordance with IFRS issued by the IASB and adopted by the European Union (see European Commission regulation on internal accounting standards at http://ec.europa.eu/internal_market/accounting/ias_fr.htm). They were prepared based on the going concern principle and historical cost convention, except in the case of financial assets and liabilities measured at fair value through profit or loss such as marketable securities and derivative financial instruments.

The preparation of financial statements in compliance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The most significant accounting estimates and judgments used in the preparation of the consolidated financial statements are disclosed in note 4.

IFRS – new standards/amendments to existing standards

As from January 1, 2007, the Group applies the following standards and interpretations:

- *IFRS 7, Financial Instruments: Disclosures (effective for accounting periods beginning on or after January 1, 2007)*

  IFRS 7 introduces additional disclosure requirements enabling users to evaluate the significance of financial instruments for the Group's financial position and performance. In accordance with this standard, entities are required to disclose qualitative and quantitative information about their exposure to risks arising from financial instruments, including specified minimum disclosures about credit, liquidity, and market risks and a market risk sensitivity analysis.

  Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective for accounting periods beginning on or after January 1, 2007).

  The amendment to IAS 1 introduces additional disclosure requirements concerning an entity's capital enabling users of financial statements to evaluate the objectives, policies and processes for managing capital.

  Having assessed the impact of IFRS 7 and the amendment to IAS 1, the Group has concluded that the main additional disclosures to be provided will concern the market risk sensitivity analysis and the information relating to capital required by the afore-mentioned IAS 1 amendment.

Interpretations IFRIC 8 and IFRIC 10 have no impact on the consolidated financial statements for the year ended December 31, 2007.

- *IFRIC 8, Scope of IFRS 2* (effective for accounting periods beginning on or after May 1, 2006)

  IFRIC 8 states that IFRS 2 applies to all transactions in which an entity receives goods or services as consideration for equity instruments of the entity as well as transactions in which an entity incurs liabilities, in respect of goods or services received, that are based on the price (or value) of the entity's shares or other equity instruments. This includes transactions in which the entity cannot identify specifically some or all of the goods or services received.

- *IFRIC 10, Interim Financial Reporting and Impairment (effective for accounting periods beginning on or after November 1, 2006)*

  IFRIC 10 prohibits the impairment losses recognized in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost from being reversed at a subsequent balance sheet date.

New standards, interpretations and amendments to standards that are not yet effective and have not been early adopted:

- *IFRS 8, Operating Segments (effective for accounting periods beginning on or after January 1, 2009)*

  IFRS 8 is a convergence standard and aligns segment reporting under IFRS with the requirements of the US standard SFAS 131, Disclosures about Segments of an Enterprise and Related Information. It replaces IAS 14, Segment Reporting which is currently in force. IFRS 8 requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are defined as the operating segments identified for the purposes of management reporting. The presentation of information by business and geographical reporting format is no longer required. The Group will apply IFRS 8 from January 1, 2009.

- *IFRIC 14 Defined Employee Benefit Assets and Minimum Funding Requirement (effective for accounting periods beginning on or after January 1, 2008).*

  The Group will apply IFRIC 14 from January 1, 2008 but it is not expected to have a significant impact on the consolidated financial statements.

The following new standards, interpretations and amendments to existing standards – effective for accounting periods beginning on or after January 1, 2007 – are not relevant to the Group's operations:

- IAS 39 (amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions (effective from January 1, 2006);
- IAS 39 (amendment), The Fair Value Option (effective from January 1, 2006);
- IFRS 1 (amendment), First-time Adoption of International Financial Reporting Standards and IFRS 6 (amendment), Exploration for and Evaluation of Mineral Resources;
- IFRS 6, Exploration for and Evaluation of Mineral Resources (effective from January 1, 2006);
- IFRIC 4, Determining whether an Arrangement contains a Lease (effective from January 1, 2006);
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (effective from January 1, 2006);
- IFRIC 6, Liabilities arising from Participating in a Specific Market: Waste Electrical and Electronic Equipment (effective from December 1, 2005);
- IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies (effective from March 1, 2006);
- IFRIC 9, Reassessment of Embedded Derivatives (effective for accounting periods beginning on or after June 1, 2006);
- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions (effective for accounting periods beginning on or after March 1, 2007);
- IFRIC 12, Service Concession Arrangements (effective for accounting periods beginning on or after January 1, 2008);
- IFRIC 13, Customer Loyalty Programmes (effective for accounting periods beginning on or after July 1, 2008).

2.2 CONSOLIDATION

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern their financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus the costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (see note 9). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

In accordance with IFRS 3, the Group has 12 months from the acquisition date to finalize the allocation of the purchase price to the fair values of the acquiree's identifiable assets and liabilities.

Intra-group transactions, balances and unrealized gains on transactions between Group companies are eliminated in full. Accounting policies of subsidiaries have been aligned where necessary with those adopted by the Group.

Minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Purchases of shares from minority interests result in goodwill, which is the difference between the price paid and the corresponding equity in the carrying amount of the acquiree's net assets.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are recognized at cost as from the date significant influence was acquired.

The Group's share of its associates' post-acquisition profits or losses is recognized in the income statement.

Joint ventures

Joint ventures are companies controlled jointly by the Group pursuant to an agreement concluded with a view to carrying on a business activity over an average period of three to four years. The consolidated financial statements include the Group's proportional interest in the assets, liabilities, income and expenses of joint ventures. Similar items are grouped together on a single line, from the date joint control is effective until the date on which it ceases.

2.3 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that is subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.4 TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in millions of euros, which is the Company's functional and presentation currency.

Foreign subsidiaries

The functional currency of subsidiaries is the local currency of the country in which they operate. No country in which the Group's subsidiaries or branches are located was considered to be a highly inflationary country in 2006 or 2007.

Assets and liabilities of foreign subsidiaries are translated into euros at the closing rate at the balance sheet date and income and expense items are translated at average exchange rates for the year. All resulting currency translation differences are recognized under "Currency translation reserves" within equity.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are re-translated at the year-end rate. Foreign exchange gains and losses resulting from the settlement of transactions in foreign currencies and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement as financial income or expense.

2.6 GOODWILL

Goodwill represents the excess of the cost of an acquisition (including transaction expenses) over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the acquisition date.

Goodwill on acquisitions of subsidiaries is presented on a separate line of the balance sheet. Goodwill on acquisitions of associates is included in "Investments in associates".

Any residual unallocated goodwill following an acquisition may be adjusted within 12 months of the acquisition date when the process of allocating the purchase price to the acquiree's identifiable assets and liabilities is completed.

Goodwill is carried at cost less any accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is not amortized but instead is tested annually for impairment.

For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGUs). The allocation is made to those cash-generating units or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates, apart from the Consumer Products segment for which goodwill is recognized on an aggregate basis for all countries combined as the business is managed globally.

Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. Any impairment losses are recognized in the currency of the related goodwill which corresponds to the currency of the acquiree. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.7 INTANGIBLE ASSETS

Intangible assets include the following items:

- customer relationships, brands, concessions, accreditations and non-competition agreements acquired in a business combination;
- computer software purchased externally or developed internally.

Start-up and research costs are expensed as incurred.

Customer relationships, brands, concessions, accreditations and non-competition agreements acquired as part of a business combination

Customer relationships, brands, concessions and non-competition agreements acquired as part of a business combination are recognized at historical cost, less any accumulated amortization. Historical cost corresponds to the fair value of the assets concerned at the acquisition date.

The fair value and economic life of these assets are generally determined by independent experts at the acquisition date, and adjusted where appropriate within 12 months of that date. The amortization charge is calculated as from the acquisition date.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. At December 31, 2007, the estimated useful lives of intangible assets were as follows:

Customer relationships	5 to 12 years
Brands	10 years
Concessions	7 years
Non-competition agreements	2 to 3 years

Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortized over their estimated useful lives, not to exceed seven years.

Costs associated with developing or maintaining computer software are expensed as incurred.

2.8 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment except for land are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items. Subsequent costs are included in an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the period in which they are incurred.

Land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method over their estimated useful lives, as follows:

Buildings	20 to 25 years
Fixtures and fittings	10 years
Machinery	5 to 10 years
Vehicles	4 to 5 years
Office equipment	5 to 10 years
IT equipment	3 to 5 years
Furniture	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets are carried at the lower of their carrying amount and estimated recoverable amount (see note 2.9 – Impairment of non-financial assets).

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset sold and are recognized within other operating income and expense in the income statement.

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGUs).

The following circumstances are examples of indicators that an asset may be impaired and an impairment test should be carried out:

- the loss of one or more major contracts;
- where the entity's performance is significantly worse than expected;
- where significant changes with an adverse effect on the entity have taken place in the technological, market, economic or legal environment in which it operates.

An impairment loss is recognized for the amount by which a CGU's carrying amount exceeds its recoverable amount. The recoverable amount of a CGU corresponds to the higher of its fair value less costs to sell and its value in use. Non-financial assets other than goodwill that suffered an impairment loss are reviewed at each reporting date to determine whether the impairment should be reversed. If a CGU's value in use is lower than its carrying amount, the CGU's fair value less costs to sell is used as the recoverable amount. Based on past experience, the former is estimated by reference to a multiple of operating profit adjusted for other operating income and expenses and amortization of customer relationships arising from business combinations.

Note 9 sets out the methods and main assumptions used for carrying out impairment tests.

2.10 DEFERRED INCOME TAX

Deferred income tax is recognized using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, no deferred income tax is accounted for if it arises from initial recognition of an asset or liability in a transaction – other than a business combination or actuarial gains and losses recognized in equity – that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income taxes are determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are assessed on a taxable entity basis, which may include several subsidiaries in one country, and are offset at the level of the same taxable entity.

2.11 INVESTMENTS IN NON-CONSOLIDATED COMPANIES

This caption includes investments in companies over which the Group does not exercise control or significant influence.

At initial recognition, these investments are stated at purchase price plus transaction costs. If the fair value of these financial assets cannot be measured reliably at the balance sheet date, the assets are carried at historical cost less any accumulated impairment losses.

Dividends attached to the investments are recognized in the income statement under "Other financial income" when the Group's right to receive payment is established.

At each balance sheet date, the Group assesses whether there is any objective indication that its investments in non-consolidated companies are impaired. Examples of such indications include:

- evidence that the entity is in a loss-making situation;
- where the entity's performance is significantly worse than expected;
- where significant changes have taken place in the economic environment in which it operates.

Where the Group considers that such an investment is impaired, an impairment loss is recorded in the income statement under "Other financial expense".

2.12 OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets mainly comprise guarantees and deposits and other financial assets.

Guarantees and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets as they have maturities that are greater than 12 months after the balance sheet date. Guarantees and deposits are initially recognized at fair value.

2.13 NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

Non-current assets (or disposal groups/liabilities) are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction.

2.14 CURRENT FINANCIAL ASSETS

This class of assets generally corresponds to financial assets held for trading purposes and primarily includes non-monetary SICAV mutual funds. These assets are initially recognized at fair value, and the transaction costs are expensed in the income statement. At the balance sheet date, current financial assets are measured at fair value and any gains or losses arising from changes in fair value are presented in the income statement within "Other financial income" or "Other financial expense".

2.15 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivatives such as interest rate swaps and collars in order to hedge its exposure to changes in interest rates on borrowings.

The Group does not apply hedge accounting to its derivative contracts as they do not fulfill the required criteria in IAS 39. Consequently, these instruments are designated as assets or liabilities at fair value through profit or loss. They are measured at fair value and any gains or losses arising from changes in fair value are presented in the income statement within "Other financial income" or "Other financial expense".

2.16 TRADE AND OTHER RECEIVABLES

Trade receivables are measured at fair value less any provisions for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the transaction. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. An analysis of doubtful receivables is performed based on the age of the receivable, the credit status of the client and whether or not the related invoice is disputed. The carrying amount of the asset is reduced through the use of a provision, and the amount of the loss is recognized in the income statement under additions to provisions.

When a trade receivable is uncollectible, it is written off against the provision for impairment of trade receivables. Subsequent recoveries of amounts previously written off are credited to "Other operating income".

2.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, monetary mutual funds, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within current financial liabilities on the balance sheet.

Changes in the fair value of cash and cash equivalents are recognized through the income statement.

2.18 BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost.

Interest on borrowings is recorded in the income statement under financial expense using the effective interest method. Debt issuance costs are recorded as a reduction in the carrying amount of the related debt and are amortized through profit or loss over the estimated term of the debt using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.19 PENSION PLANS AND OTHER LONG-TERM EMPLOYEE BENEFITS

The Group's companies have various long-term obligations towards their employees for termination benefits, pension plans and long-service awards. The Group has both defined benefit and defined contribution plans.

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a designated pension fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations in excess of these contributions. The contributions are recognized in personnel costs when they fall due. Prepaid contributions are recognized as an asset to the extent that they result in a cash refund or a reduction in the future payments.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. An example is a plan which defines the amount of the pension that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of top-rated bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions when estimating pension obligations are recognized in equity in the consolidated statement of recognized income and expense in the period in which they arise.

2.20 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions for other liabilities and charges are recognized when the Group considers that at the balance sheet date it has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The costs which the Group ultimately incurs may exceed the amount of the related provision due to a variety of factors such as the uncertain nature of the outcome of the dispute. Provisions for claims and disputes whose outcome will only be known in the long term are measured at the present value of the expenditures expected to be required to settle the obligation concerned using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized in "Other financial expense".

2.21 TRADE PAYABLES

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. All of the Group's trade payables have maturities of one year or less and are classified under current liabilities.

2.22 SHARE-BASED COMPENSATION

The Group has awarded stock options and has set up new compensation plans in connection with its stock market listing.

Stock options

The fair value of the employee services received in exchange for the grant of stock options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (such as profitability and sales growth targets). The assumptions used to value the Group's stock options are described in note 21. The proceeds received net of any directly attributable transaction costs are credited to capital (nominal value) and to share premium for the balance when the options are exercised.

Compensation plans set up in connection with the Group's stock market listing

The Group has set up equity-settled compensation plans consisting of (i) stock options on preferential terms and (ii) free share grants. It has also set up a cash-settled compensation plan in the form of stock appreciation rights.

Stock options on preferential terms

Employees have subscribed for shares under a cash capital increase carried out for this purpose. The subscription price represents a 20% discount on the IPO price. The shares are locked-up for five years.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and to share premium for the balance when the shares are subscribed. The fair value of the employee services received in exchange for the 20% discount granted on the IPO price is recognized as an expense. The total amount to be expensed corresponds to the 20% discount less the loss in value resulting from the five-year non-transferability requirement. The loss in value is estimated based on the cost of a two-step strategy consisting of selling the shares at the end of

the non-transferability period and purchasing the same number of shares in cash (i.e. readily transferable shares), and financing the transaction with a loan. This strategy represents the cost to the Group of offloading the risk associated with the shares during the non-transferability period.

Free share grants

Free shares are accounted for in the same way as stock options.

Stock appreciation rights

The fair value of the employee services received in exchange for stock appreciation rights is recognized in full as an expense with an offsetting entry against debt at the grant date (provided that the rights have vested). At each year-end, the debt entry is determined by reference to the fair value of the rights estimated by applying an option pricing model. Changes in the fair value of the debt are recognized in operating profit.

2.23 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for services rendered by the Group's companies in the ordinary course of their business. Revenue is shown net of value-added tax and after eliminating intra-group transactions.

The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group. The majority of the Group's contracts are short-term and the related revenue is recognized when the service has been rendered to the client.

For the Group's other contracts – notably in the Marine, Construction and Industry segments (see note 5 – Segment information), the Group uses the percentage of completion method to determine the amount of revenue recognized during a given period to the extent that the outcome of the contracts concerned can be reliably estimated.

The stage of completion is determined for each contract by reference to the contract costs incurred up to the balance sheet date as a percentage of the estimated total costs for the contract. This percentage of completion, applied to the total estimated margin of the contract, represents the margin to be recognized in that period. If the estimated margin is negative a provision is recorded immediately for the entire estimated amount of the contract.

2.24 LEASES

Leases pursuant to which the majority of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Bureau Veritas acquires minor items of equipment under finance leases which transfer to the Group substantially all the risks and rewards of ownership. These assets are reported as property, plant and equipment for an amount equal to the estimated present value of future minimum lease payments. The corresponding liabilities are included in short- or long-term borrowings.

2.25 DIVIDEND DISTRIBUTION

Dividends distributed to the Company's shareholders are recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Note 3 - Financial risk management

The Group is exposed to a variety of financial risks (currency, interest rate, credit and liquidity risks) that may affect its assets, liabilities and operations.

The Group's policy is to constantly identify, assess and, where appropriate, hedge such risks with a view to limiting its exposure. Derivative instruments are used only to hedge identified risks and not for speculative purposes. The Group has specific procedures for dealing with each of the risks mentioned above and with each instrument used (derivatives, cash investments). Hedges are contracted exclusively with partners of the Group's financing programs. Group entities are not authorized to enter into market transactions other than currency spot transactions with their financial partners and may not enter into other market transactions involving interest rate or other instruments.

The Finance and Treasury department is in charge of setting up hedges. Simulations are carried out or mandated by the Finance and Treasury department to allow it to assess the impact of different scenarios on the Group's accounts.

3.1 CURRENCY RISK

The Group operates internationally and is therefore exposed to currency risk arising from its exposures to different currencies. This risk is incurred both on transactions carried out by Group entities in currencies other than their functional currency (transaction risk on operations), as well as on assets and liabilities denominated in foreign currencies (translation risk).

Regarding transaction risk, Group entities carry on business in their local currency which is also their functional currency. Revenue and costs (mainly personnel costs and related expenses) are denominated in the same currency (also the functional currency of the entity concerned). The Group's exposure to transaction risk on its operating activities is therefore not considered material and no specific hedging transactions have been entered into to protect the Group against this risk.

No hedges have been contracted against the risk arising on translation of foreign financial statements into the Group's reporting currency. In fact, any hedges that may be used would hedge currency risk, which unlike translation risk can impact the income statement or cash flow generated by the Group. However, the Group does not rule out setting up translation risk hedges in the future if it were to consider this appropriate.

The Group has a multi-currency financing policy which enables its subsidiaries to borrow in local currencies. Where appropriate, the Group may hedge certain commitments by matching financing costs with operating income and cash flow in the currencies concerned.

3.2 INTEREST RATE RISK

The Group is exposed to the risk of fluctuations in interest rates on its variable-rate debt, which represents the majority of the Group's debt. This risk arises mainly in the euro zone, the United States, the United Kingdom and Hong Kong. The Group assesses and monitors interest rate risk by geographic area and underlying currency, and uses swaps, collars, caps and floors to limit the impact of rises in interest rates.

Taking hedging instruments into account, 41% of the Group's consolidated gross debt is at a fixed or capped rate of interest.

The Group monitors its interest rate exposure on a monthly basis. At the same time, it continually analyses the level of hedges put in place and ensures that they are appropriate for the related underlying exposure. Group policy is to hedge between 40% and 60% of its consolidated debt against the risk of rises in interest rates. These operations are monitored on a monthly basis by the Finance and Treasury department, which recommends adjustments to be made given the debt structure and forecast changes in the level of the Group's consolidated debt.

Hedging instruments contracted by the Group are described in note 17.

3.3 CREDIT RISK

The Group considers that it is not exposed to significant concentrations of credit risk as its clients operate in a wide range of business sectors. The Group provides services to some 300,000 clients in 140 countries, and its ten largest clients – representing less than 10% of its consolidated revenue – are spread evenly across its eight divisions. The Group therefore has a broad client portfolio, with no client representing a material proportion of its revenue. Policies have also been set up to ensure that the clients purchasing its services have an appropriate credit standing.

3.4 LIQUIDITY RISK

The Group does not have any significant short- or medium-term repayment commitments.

Annual installments due on the amortizable tranche of the US$485.6 million syndicated loan are equal to 16.66% of the principal less any early repayments made. This represents $88.2 million per annum, except in 2007 when the annual installment was 8.33% of the principal ($44.1 million).

As part of its 2006 syndicated loan agreement, the Group has a revolving line of credit for €550 million maturing in 2012. At December 31, 2007, €295.7 million had been drawn down from this facility, leaving an available balance of €254.3 million.

At the end of 2007, the Group respected all of its financial commitments. Accordingly, the Group considers that it is not exposed to any liquidity risk.

Note 4 - Use of estimates

The preparation of financial statements involves the use of estimates, assumptions and judgments that may affect the reported amounts of certain items in the balance sheet and/or income statement as well as the disclosures in the notes.

The estimates, assumptions and judgments used were determined based on the information available when the financial statements were drawn up and may not reflect actual conditions in the future.

The main estimates and judgments used are analyzed below.

- **Measurement of provisions for claims and litigation and for impairment of trade receivables**

  The Group records provisions for claims and litigation using the accounting policy described in note 2.20.

  These provisions are measured using various estimates and assumptions by reference to statistical data based on historical experience. They are discounted based on an estimate of the average duration of the obligation, an assumed rate of inflation and a discount rate that reflects the term to maturity of the obligation concerned.

  In addition, provisions for claims representing material amounts for which a lawsuit has been filed are measured on a case-by-case basis relying on independent experts' reports where appropriate. The costs which the Group ultimately incurs may exceed the amounts set aside in such provisions due to a variety of factors such as the uncertain nature of the outcome of the dispute.

  Provisions for impairment in value of trade receivables are measured on a case-by-case basis based on the financial situation of the debtor concerned and the probability of default.

- **Measurement of intangible assets acquired in business combinations**

  Intangible assets acquired in business combinations carried out by the Group include customer relationships, brands, concessions and non-competition agreements. The fair value of these items is generally measured by independent experts using assumptions relating to earnings forecasts for the companies concerned. Details of the Group's acquisitions during the year are provided in note 10.

- **Impairment of goodwill**

  The Group tests annually whether the value of goodwill is impaired, in accordance with the accounting policy described in note 2.9. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions which are described in note 9.

- **Income taxes**

  The Group is subject to income taxes in numerous jurisdictions. Judgment is required by management in determining the worldwide provision for income taxes. The Group considers that its ultimate tax determination is reasonable in the ordinary course of its business.

  The Group recognizes deferred tax assets for deductible temporary differences and tax loss carryforwards to the extent that it deems probable such assets will be recovered in the future (see note 14 for details of the deferred taxes recognized by the Group).

- **Revenue recognition**

  The Group uses the percentage-of-completion method in accounting for certain service contracts (see note 2.23). Use of this method requires the Group to estimate the services provided to date as a proportion of the total services to be provided.

- **Measurement of long-term employee benefits**

  The cost of long-term employee benefits under defined benefit plans is estimated using actuarial valuation methods. These methods require the use of assumptions which are described in note 23. Due to the long-term nature of these plans such estimates are subject to a significant degree of uncertainty.

- **Fair value of share-based compensation**

  Share-based compensation is expensed over the vesting period based on their fair value at the grant date (equity-settled instruments) or at the balance sheet date (cash-settled transactions). Fair value is measured using appropriate valuation models requiring the use of assumptions, which are described in note 21.

Note 5 - Segment information

The Group's primary reporting format is business segments and its secondary reporting format is geographical segments. Information by business segment is analyzed based on client specialization and the type of service provided by the Group.

Assets and liabilities of the Group's holding companies which are not allocated to a specific segment have been classified as non-operating assets and liabilities. Intra-segment transactions have been eliminated.

Segment assets correspond to operating assets and consist primarily of property, plant and equipment, intangible assets, goodwill, trade receivables, investments in associates and cash and cash equivalents. Unallocated assets are non-operating assets and principally comprise deferred income tax assets, as well as current and non-current financial assets.

Segment liabilities correspond to operating liabilities which primarily comprise trade and other payables, retirement benefit obligations and provisions for liabilities. Unallocated liabilities are non-operating liabilities and mainly include borrowings and other financial liabilities as well as current and deferred income tax liabilities.

Intra-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Since 2006, the Group has monitored its performance based on eight business segments by reference to the type of service provided. Consequently, the presentation of its segment information has been amended to align the reporting format with this change in the Group's internal management structure and to enhance comprehension of the financial position of the Industry & Facilities division. This entailed breaking down the data for the Industry & Facilities division into its five different business segments.

Financial income and expense and income tax expenses are not allocated by business segment as they are managed at country level rather than by business.

	Marine	Industry	Inspection & In-Service Verification	Health, Safety & Environment	Construction	Certification	Consumer Products	Government Services & International Trade	Total
2007 financial year									
Revenue	247.2	299.1	268.4	201.2	393.1	247.1	259.1	151.7	2,066.9
Operating profit	**66.6**	**28.0**	**17.2**	**5.5**	**36.5**	**41.4**	**51.6**	**18.7**	**265.5**
o/w depreciation and amortization	(3.1)	(7.0)	(3.4)	(5.1)	(7.2)	(2.7)	(11.7)	(1.8)	(42.0)
Share of profit of associates	-	-	-	-	-	-	-	-	-
Other information at Dec. 31, 2007									
Operating assets	99.8	228.7	224.6	240.8	298.1	132.9	287.5	61.5	1,573.9
Non-operating assets									263.7
TOTAL ASSETS	99.8	228.7	224.6	240.8	298.1	132.9	287.5	61.5	1,837.6
Operating liabilities	77.4	78.8	108.2	57.6	169.2	54.1	47.8	31.1	624.2
Non-operating liabilities									1,047.9
TOTAL LIABILITIES	77.4	78.8	108.2	57.6	169.2	54.1	47.8	31.1	1,672.1
Capital expenditure for the year	2.8	6.7	3.0	3.5	6.1	3.5	16.8	7.9	50.3
Net goodwill	***-***	***68.0***	***76.0***	***125.5***	***92.7***	***23.0***	***167.2***	***17.0***	***569.4***
Gross goodwill	-	68.0	76.4	125.5	106.5	23.0	167.2	17.0	583.6
Accumulated impairment	-	-	(0.4)	-	(13.8)	-	-	-	(14.2)
2006 financial year									
Revenue	208.9	231.5	242.9	188.9	375.4	230.4	248.3	119.9	1,846.2
Operating profit	**50.6**	**25.5**	**24.2**	**14.4**	**32.9**	**42.2**	**52.6**	**14.7**	**257.1**
o/w depreciation and amortization	(3.1)	(4.0)	(2.7)	(3.4)	(6.9)	(2.3)	(9.4)	(0.9)	(32.7)
Share of profit of associates	-	-	-	-	-	-	-	-	-
Other information at Dec. 31, 2006									
Operating assets	86.2	155.3	129.3	177.6	228.6	92.6	302.1	33.1	1,204.8
Non-operating assets									215.2
TOTAL ASSETS	86.2	155.3	129.3	177.6	228.6	92.6	302.1	33.1	1,420.0
Operating liabilities	79.1	65.6	88.7	38.9	150.2	46.8	38.6	16.5	524.4
Non-operating liabilities									667.5
TOTAL LIABILITIES	79.1	65.6	88.7	38.9	150.2	46.8	38.6	16.5	1,191.9
Capital expenditure for the year	4.6	4.2	3.6	3.2	6.4	2.0	17.4	2.3	43.7
Net goodwill	***-***	***47.8***	***40.3***	***98.3***	***81.7***	***2.3***	***189.4***	***-***	***459.8***
Gross goodwill	-	47.8	40.4	98.3	95.4	2.3	189.4	-	473.6
Accumulated impairment	-	-	(0.1)	-	(13.7)	-	-	-	(13.8)

In 2007, the Group made a number of changes to its internal organization. These included reclassifying the aeronautics business from the Government Services & International Trade division to the Certification division. Segment information for 2006 has been restated so that it can be meaningfully compared with 2007.

In the following table, information is presented by geographical segment based on the geographical area in which the services were provided.

	France	Other European countries	Americas	Asia-Pacific & Middle East	Africa	Total
2007 financial year						
Revenue	654.2	480.3	328.3	493.2	110.9	2,066.9
Operating profit	**32.6**	**56.0**	**24.8**	**136.5**	**15.6**	**265.5**
Other information at Dec. 31, 2007						
Operating assets	250.8	544.2	304.6	420.0	54.3	1,573.9
Non-operating assets						263.7
TOTAL ASSETS	250.8	544.2	304.6	420.0	54.3	1,837.6
Capital expenditure for the year	10.3	8.6	5.9	17.2	8.3	50.3
2006 financial year						
Revenue	606.7	402.9	342.2	405.4	89.0	1,846.2
Operating profit	**62.7**	**41.5**	**32.2**	**106.8**	**13.9**	**257.1**
Other information at Dec. 31, 2006						
Operating assets	226.4	267.4	328.7	346.8	35.5	1,204.8
Non-operating assets	-	-	-	-	-	215.2
TOTAL ASSETS	226.4	267.4	328.7	346.8	35.5	1,420.0
Capital expenditure for the year	11.4	7.8	7.4	15.2	1.9	43.7

Data for France includes the assets, profits and losses relating to the Group's head office and central services. In 2007, operating profit for France reflects the costs incurred in connection with the Group's stock market listing.

Note 6 - Operating income and expense

	2007	2006
Supplies	(13.0)	(10.3)
Subcontracting	(142.1)	(129.2)
Lease payments	(78.7)	(68.9)
Transport and travel costs	(181.8)	(166.3)
Service costs rebilled to clients	39.9	38.3
Other external services	(244.1)	(217.6)
Total purchases and external services	**(619.8)**	**(554.0)**
Salaries and bonuses	(831.8)	(746.8)
Payroll taxes	(203.1)	(179.1)
Other employee-related expenses	(15.8)	(21.2)
Total personnel costs	**(1,050.7)**	**(947.1)**
Provisions for receivables	(8.2)	(12.6)
Provisions for other liabilities and charges	(1.2)	1.7
Total (additions to)/reversals of provisions	**(9.4)**	**(10.9)**
Goodwill impairment	(0.3)	-
Gains/(losses) on disposals of businesses	-	(1.9)
Reorganization costs	-	(2.3)
Majority shareholder management fees	(1.6)	(2.0)
IPO-related expenses	(35.1)	-
Other operating expense	(2.2)	(1.4)
Total other operating expense	**(39.2)**	**(7.6)**

IPO-related expenses consist of external consulting, brokerage and communication fees, as well as costs incurred in connection with the employee stock ownership plan, which include personnel costs in an amount of €6.4 million.

"Other operating income" (2007: €5.9 million; 2006: €6.3 million) includes numerous items, none of which are material taken individually.

Note 7 - Other financial income and expense

	2007	2006
Gains/(losses) on disposals of non-current financial assets	-	0.1
Income from non-current financial assets	1.2	2.8
Expected return on funded pension plan assets	1.8	1.5
Fair value adjustments on current financial assets	-	0.7
Other	0.7	0.9
Other financial income	**3.7**	**6.0**
Interest cost on pension plans	(5.0)	(4.5)
Foreign exchange gains/(losses)	(8.3)	(9.7)
Fair value adjustments on current financial assets	(2.9)	-
Other	(0.7)	(0.9)
Other financial expense	**(16.9)**	**(15.1)**
TOTAL	**(13.2)**	**(9.1)**

Income from non-current financial assets primarily comprises dividends received from investments in non-consolidated companies.

Note 8 - Income tax expenses

	2007	2006
Current tax	(68.8)	(65.1)
Deferred tax	13.9	3.0
TOTAL	**(54.9)**	**(62.1)**

The difference between the effective tax expense and the theoretical tax obtained by applying the French standard tax rate to consolidated profit before income tax can be analyzed as follows:

	2007	2006
Profit before income tax	**217.8**	**219.2**
French parent company tax rate	34.4%	34.4%
Theoretical income tax expense based on the parent company tax rate	(75.0)	(75.5)
Income tax impact of transactions subject to a reduced tax rate	0.7	0.6
Differences in foreign tax rates	18.4	11.7
Impact of unrecognized tax losses	(2.7)	(0.9)
Utilization of previously unrecognized tax losses	0.6	0.6
Permanent differences	5.3	2.0
Changes in estimates	(1.5)	0.8
Other	(0.7)	(1.4)
ACTUAL INCOME TAX EXPENSE	**(54.9)**	**(62.1)**
EFFECTIVE INCOME TAX RATE	**25.2%**	**28.3%**

The reduction in the effective income tax rate in 2007 is mainly attributable to an improvement in earnings in countries with lower tax rates, and to the favorable impact of streamlining the Group's legal structures.

Note 9 - Goodwill

	2007	2006
Gross book value	473.7	434.0
Accumulated impairment	(13.9)	(13.9)
Net goodwill at beginning of year	**459.8**	**420.1**
Additional consideration relating to prior-year acquisitions	0.5	6.0
Acquisitions during the year	161.0	45.3
Disposals of consolidated businesses	-	(2.9)
Allocation to identified (assets)/liabilities	(4.4)	3.1
Impairment for the year	(0.3)	-
Exchange differences	(47.2)	(11.8)
Gross book value	583.6	473.7
Accumulated impairment	(14.2)	(13.9)
Net goodwill at end of year	**569.4**	**459.8**

Goodwill allocated to the Group's main cash-generating units (CGUs) at December 31, 2007 and 2006 can be analyzed as follows:

	Industry	Inspection & In-Service Verification	Health, Safety & Environment	Construction	Certification	Total Industry & Facilities	Consumer Products	Government Services & International Trade	Total
2007	**68.0**	**76.0**	**125.5**	**92.7**	**23.0**	**385.2**	**167.2**	**17.0**	**569.4**
USA	18.8		55.0	64.3	6.0	144.1		-	
Spain	6.9	33.3	31.4	13.6	8.3	93.5		-	
United Kingdom	10.1	24.4	20.0	7.8	-	62.3		-	
Australia	26.8	-	12.8	-	-	39.6		17.0	
Other countries	5.4	18.3	6.3	7.0	8.7	45.7		-	
2006	**47.8**	**40.3**	**98.3**	**81.7**	**2.3**	**270.4**	**189.4**	**-**	**459.8**
USA	28.9	-	62.0	64.7	-	155.6			
United Kingdom	10.6	25.6	20.9	8.1	-	65.2			
Other countries	8.3	14.7	15.4	8.9	2.3	49.6			

No goodwill has been allocated to the Marine business.

Impairment tests

The goodwill allocated to the above CGUs was tested for impairment at December 31, 2007 and 2006.

The recoverable amount of a CGU is determined using value-in-use calculations. These calculations are made based on future cash flows and on the residual value of the CGU as per (i) results for 2007 and 2006 respectively, and (ii) performance forecasts covering a five-year period, with forecasts beyond this period estimated using a perpetuity growth rate approximating the CGU's rate of inflation.

The discount rate used is based on the Group's average cost of capital determined for each CGU, and corresponds to 8% for all CGUs except for Australia, where a rate of 10% is applied. These discount rates are post-tax rates applied to net-of-tax future cash flows.

At December 31, 2007, the recoverable amounts of the Group's CGUs were significantly higher than their carrying values. The recoverable amount of the Consumer Products business was 64% higher than its carrying value, while the recoverable amounts of Construction and Health, Safety & Environment CGUs in North America were almost 18% higher than their carrying values.

The sensitivity of the assumptions used to determine the recoverable amount of Construction and Health, Safety & Environment CGUs in North America is as follows:

- if the operating margin used for the five-year performance forecasts had been 1.9% lower for the Construction segment and 2.2% lower for the Health, Safety & Environment segment, the recoverable amounts of the CGUs would have approximated their carrying values;
- if the discount rate had been 1.2% higher than the rate used specifically for North America, the recoverable amounts of the CGUs would have approximated their carrying values.

At the end of 2006, an impairment loss was recognized in respect of German subsidiary IPM following the termination of major Industry & Facilities contracts. In 2007, an impairment loss of €0.3 million was taken against the Austrian In-Service Inspection & Verification business.

Note 10 - Acquisitions and disposals

The table below sets out the main companies in which the Group acquired a 100% interest in 2007 and 2006:

Acquired entity	Country	Business	Business activity
2007			
ECA	Spain	Construction IVS/HSE/Industry/ Certification	In-service inspection and verification, industry, certification, construction
CCI	Australia	Industry / International Trade	Laboratory tests, certification and technical assistance
AQSR	United States/ Canada	Certification	Certification services for car, manufacturing and retail industries
2006			
Kilpatrick	Australia	HSE	Control of health, safety and environment
Intico	Australia	Industry	Inspection of industrial equipment and non-destructive testing
IRC	Australia	HSE	Control of health, safety and environment
NEIS	United States	Construction	Inspection of elevators
Nagtglas	Netherlands	IVS	Inspections of fire security and electrical installations

The purchase price for companies acquired in 2007 was allocated to their identifiable assets, liabilities and contingent liabilities at the end of the year, based on information and valuations available at that date.

The allocation of the purchase price for companies acquired in 2006 to the identifiable assets, liabilities and contingent liabilities based on their fair values was not completed by the end of that year due notably to the fact that the fair value of intangible assets such as customer relationships was not available. The final adjustments to the provisional accounting were made during 2007, 12 months after the acquisition date. The adjustments concerned mainly intangible assets for a fair value of €3.7 million at the acquisition date (see note 11). 2006 comparatives were not restated as they do not represent a material amount.

The table below was calculated prior to completing the provisional accounting for companies acquired in 2007.

The residual unallocated goodwill is attributable to the human capital of the companies acquired and the significant synergies expected.

	2007		2006	
Cost of acquisitions		230.2		52.0
Transaction expenses		7.3		4.4
Purchase consideration relating to prior-year acquisitions		0.5		6.0
Total purchase price		**238.0**		**62.4**
Assets and liabilities acquired/assumed	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Non-current assets	71.9	93.5	8.4	8.0
Current assets (excluding cash and cash equivalents)	101.0	101.4	5.9	6.1
Assets held for sale	-	28.4	-	-
Current liabilities (excluding debt)	(86.7)	(86.0)	(4.9)	(5.2)
Liabilities held for sale	-	(22.9)	-	-
Non-current liabilities (excluding debt)	(7.4)	(22.4)	(1.6)	(2.0)
Borrowings	(33.3)	(13.9)	-	-
Minority interests acquired	-	-	0.5	0.5
Cash and cash equivalents of acquired companies	(1.6)	(1.6)	3.7	3.7
Total assets and liabilities acquired/assumed	**43.9**	**76.5**	**12.0**	**11.1**
GOODWILL		**161.5**		**51.3**

In 2007, the Group did not adjust the 2006 comparatives as the amount of the additional purchase consideration was not deemed material in relation to the total value of the goodwill.

The €6 million recorded in 2006 under "Purchase consideration relating to prior-year acquisitions" primarily concerns the acquisitions of LP2A and Curtis Straus in 2005 and corresponds to additional purchase consideration paid on the fulfillment of conditions precedent concerning the transactions.

The Group's acquisitions were paid exclusively in cash. The impact of these acquisitions on cash and cash equivalents was as follows:

	2007	2006
Total purchase price	**(238.0)**	**(62.4)**
Cash and cash equivalents of acquired companies	(1.6)	3.8
Purchase price due at December 31	7.4	7.5
Payments made in respect of prior-period acquisitions	(5.5)	-
Purchase price paid in prior periods	28.1	0.9
IMPACT OF ACQUISITIONS ON CASH AND CASH EQUIVALENTS	**(209.6)**	**(50.2)**

The purchase price paid in prior periods and recognized in 2007 relates exclusively to shares in ECA. These were acquired prior to January 1, 2007 and have been included in investments in non-consolidated companies.

No significant disposals took place in 2007. In 2006, Bureau Veritas sold certain non-strategic businesses that it had acquired in prior years.

	2007	2006
Goodwill	-	(2.9)
Non-current assets		(0.6)
Current assets	-	(1.9)
Current liabilities (excluding debt)	-	0.1
Non-current liabilities (excluding debt)	-	0.1
Carrying amount of assets sold	**-**	**(5.2)**
Net gain/loss on disposals of consolidated companies	-	(1.9)
Proceeds from disposals of consolidated companies	**-**	**3.3**
o/w		
Cash received	-	2.4
Deferred payments	-	0.9

Proforma data

In 2007, Bureau Veritas acquired companies and groups with aggregate revenue of €257.6 million for 2007 and operating profit of €25.4 million before amortization of intangible assets resulting from business combinations.

In 2006, Bureau Veritas acquired companies and groups with aggregate revenue of €56.6 million for 2006 and operating profit of €4.3 million before amortization of intangible assets resulting from business combinations.

The table below sets out the Group's key financial indicators. It includes the major acquisitions of ECA and CCI in 2007 as if these companies had been included in the consolidated financial statements at January 1, 2007. No major acquisitions were carried out in 2006. Operating profit includes 12-month amortization charged against intangible assets resulting from the business combination.

	2007	2006
Revenue:		
As per financial statements	2,066.9	1,846.2
Proforma	2,234.7	1,846.2
Operating profit:		
As per financial statements	265.5	257.1
Proforma	274.2	257.1
Net profit for the year:		
As per financial statements	163.5	157.1
Proforma	167.2	157.1

Note 11 - Intangible assets

	Software	Customer relationships	Brands	Total
At January 1, 2006				
Gross book value	24.0	48.5	2.0	74.5
Accumulated amortization	(20.3)	(0.9)	(1.6)	(22.8)
CARRYING AMOUNT	**3.7**	**47.6**	**0.4**	**51.7**
Movements during the year				
Additions	3.4	0.8	-	4.2
Disposals	(1.4)	-	-	(1.4)
Amortization charge	(1.8)	(5.0)	-	(6.8)
Acquisitions of subsidiaries	1.3	4.0	-	5.3
Exchange differences	(0.5)	(1.8)	(0.4)	(2.7)
Total movements – net	**1.0**	**(2.0)**	**(0.4)**	**(1.4)**
At December 31, 2006				
Gross book value	25.9	51.2	1.6	78.7
Accumulated amortization	(21.2)	(5.6)	(1.6)	(28.4)
CARRYING AMOUNT	**4.7**	**45.6**	**-**	**50.3**
Movements during the year				
Additions	2.2	4.0	0.2	6.4
Amortization charge	(2.3)	(9.0)	(0.4)	(11.7)
Acquisitions of subsidiaries	3.5	57.3	6.6	67.4
Exchange differences	(0.1)	(3.8)	-	(3.9)
Total movements – net	**3.3**	**48.5**	**6.4**	**58.2**
At December 31, 2007				
Gross book value	34.0	107.7	8.4	150.1
Accumulated amortization	(26.0)	(13.6)	(2.0)	(41.6)
CARRYING AMOUNT	**8.0**	**94.1**	**6.4**	**108.5**

None of the Group's intangible assets had been pledged at December 31, 2007 or 2006.

Note 12 - Property, plant and equipment

	Land	Buildings	Machinery	IT equipment and other	PPE in progress	Total
At December 31, 2005						
Gross book value	1.3	54.2	92.3	121.0	6.4	275.2
Accumulated depreciation	-	(29.8)	(57.5)	(87.1)	-	(174.4)
CARRYING AMOUNT	**1.3**	**24.4**	**34.8**	**33.9**	**6.4**	**100.8**
Cost						
Acquisitions	-	6.5	16.3	14.7	2.7	40.2
Disposals	(0.1)	(1.8)	(2.9)	(20.4)	-	(25.2)
Acquisitions and disposals of subsidiaries	-	0.2	4.7	4.6	-	9.5
Exchange differences and other movements	(0.1)	(1.8)	(4.2)	(3.8)	(1.1)	(11.0)
Total	**(0.2)**	**3.1**	**13.9**	**(4.9)**	**1.6**	**13.5**
Depreciation						
Depreciation charge	-	(3.8)	(9.1)	(13.0)	-	(25.9)
Disposals and retirements	-	0.7	1.2	16.8	-	18.7
Acquisitions and disposals of subsidiaries	-	(0.1)	(3.1)	(3.0)	-	(6.2)
Exchange differences and other movements	-	1.0	1.7	2.7	-	5.4
Total	**-**	**(2.2)**	**(9.3)**	**3.5**	**-**	**(8.0)**
At December 31, 2006						
Gross book value	1.1	57.3	106.2	116.1	8.0	288.7
Accumulated depreciation	-	(32.0)	(66.8)	(83.6)	-	(182.4)
CARRYING AMOUNT	**1.1**	**25.3**	**39.4**	**32.5**	**8.0**	**106.3**
Cost						
Acquisitions	-	7.7	13.4	16.5	10.6	48.2
Disposals	-	(3.0)	(8.1)	(10.3)	-	(21.4)
Acquisitions and disposals of subsidiaries	0.1	11.9	22.2	14.9	-	49.1
Exchange differences and other movements	(0.1)	(0.8)	(0.5)	(5.9)	(8.7)	(16.0)
Total	**-**	**15.8**	**27.0**	**15.2**	**1.9**	**59.9**
Depreciation						
Depreciation charge	-	(5.8)	(10.5)	(14.0)	-	(30.3)
Disposals and retirements	-	2.0	7.7	9.4	-	19.1
Acquisitions and disposals of subsidiaries	-	(7.7)	(12.8)	(10.0)	-	(30.5)
Exchange differences and other movements	-	0.9	4.0	4.6	-	9.5
Total	**-**	**(10.6)**	**(11.6)**	**(10.0)**	**-**	**(32.2)**
At December 31, 2007						
Gross book value	1.1	73.1	133.2	131.3	9.9	348.6
Accumulated depreciation	-	(42.6)	(78.4)	(93.6)	-	(214.6)
CARRYING AMOUNT	**1.1**	**30.5**	**54.8**	**37.7**	**9.9**	**134.0**

None of the Group's property, plant and equipment had been pledged at December 31, 2007 or 2006.

The value of property, plant and equipment sold as part of business disposals carried out by the Group in 2007 and 2006 was not material.

Note 13 - Investments in associates

	2007	2006
Investments in associates at January 1	2.1	2.0
Dividends and share of results	-	0.1
Gains during the year	0.1	-
Investments in associates at December 31	2.2	2.1

Investments in associates	Country	Assets	Liabilities	Revenue	Contribution to consolidated net profit for the year	% owned
2006						
ATSI	France	1.9	1.2	3.3	-	49.9%
GIE Sécurité Aviation Civile	France	14.3	10.1	24.1	0.1	45.0%
BV EM & LTD	United Kingdom	3.3	7.7	7.6	(0.1)	50.0%
2007						
ATSI	France	2.5	1.1	3.0	-	49.9%
GIE Sécurité Aviation Civile	France	17.1	10.9	21.5	-	45.0%
BV EM & LTD	United Kingdom	4.9	4.7	9.0	-	50.0%

Note 14 - Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The offset amounts are as follows:

	Dec. 31, 2007	Dec. 31, 2006
Deferred income tax assets		
Deferred income tax asset to be recovered beyond one year	24.0	27.6
Deferred income tax asset to be recovered within one year	37.8	23.8
Total	**61.8**	**51.4**
Deferred income tax liabilities		
Deferred income tax liability to be recovered beyond one year	(33.6)	(17.4)
Deferred income tax liability to be recovered within one year	(5.2)	(5.7)
Total	**(38.8)**	**(23.1)**
DEFERRED INCOME TAX ASSETS (NET)	**23.0**	**28.3**

Movements during the year were as follows:

	2007	2006
Deferred income tax assets (net) at beginning of year	**28.3**	**26.6**
Deferred tax income/(charge) for the year	14.1	3.0
Deferred taxes recognized directly in equity	(2.6)	0.9
Acquisitions of subsidiaries	(17.1)	(2.2)
Exchange differences	0.3	-
DEFERRED INCOME TAX ASSETS (NET) AT END OF YEAR	**23.0**	**28.3**

At December 31, 2007 unrecognized tax loss carryforwards totaled €10.0 million (2006: €2.7 million). The corresponding unrecognized deferred income tax assets totaled €2.8 million (2006: €0.9 million).

Movements in deferred income tax assets and liabilities during the year were as follows:

Deferred income tax liabilities	Gains taxable in future periods	Customer relationships	Other	Total
At January 1, 2006	**4.5**	**13.5**	**10.0**	**28.0**
Recognized in the income statement	1.4	(1.2)	(5.5)	(5.3)
Acquisitions of subsidiaries	-	0.6	0.5	1.1
Exchange differences	-	(0.4)	(0.3)	(0.7)
At December 31, 2006	**5.9**	**12.5**	**4.7**	**23.1**
Recognized in the income statement	1.1	(2.1)	(0.6)	(1.6)
Acquisitions of subsidiaries	-	18	0.6	18.6
Exchange differences	-	(0.7)	(0.6)	(1.3)
AT DECEMBER 31, 2007	**7.0**	**27.7**	**4.1**	**38.8**

Deferred income tax assets	Retirement benefit obligations	Provisions for contract-related disputes	Tax loss carryforwards	Other	Total
At January 1, 2006	**22.6**	**6.6**	**2.1**	**23.3**	**54.6**
Recognized in the income statement	3.0	(2.4)	0.2	(3.7)	(2.9)
Recognized directly in equity	0.9	-	-	-	0.9
Acquisitions of subsidiaries		-	-	(0.6)	(0.6)
Exchange differences	-	-	-	(0.6)	(0.6)
At December 31, 2006	**26.5**	**4.2**	**2.3**	**18.4**	**51.4**
Recognized in the income statement	0.8	(0.2)	7.6	4.3	12.5
Recognized directly in equity	(2.6)	-	-	-	(2.6)
Acquisitions of subsidiaries	(2.3)	-	0.8	2.9	1.4
Exchange differences	(0.1)	-	(0.5)	(0.3)	(0.9)
AT DECEMBER 31, 2007	**22.3**	**4.0**	**10.2**	**25.3**	**61.8**

Other deferred tax assets and liabilities essentially concern temporary differences relating to current assets and liabilities. The column "Other" relating to deferred income tax assets corresponds principally to the tax impact of provisions and accrued payables which are not tax deductible.

Note 15 - Investments in non-consolidated companies

	2007	2006
ECA shares	28.1	28.1
Other shares	0.8	2.0
Balance at beginning of year	**28.9**	**30.1**
Movements during the year		
Acquisitions – ECA shares		-
Acquisitions – Other shares	0.4	-
Disposals	-	(0.3)
Acquisitions of subsidiaries	(28.1)	(0.9)
ECA shares	-	28.1
Other shares	1.2	0.8
BALANCE AT END OF YEAR	**1.2**	**28.9**

All of the Group's investments in non-consolidated companies correspond to shares in unlisted companies, denominated in euros.

In 2007, Bureau Veritas raised its interest in Inversiones y Patrimonios de ECA Global SA (ECA) to 100%, from 42.9% at end-2006. ECA is fully consolidated in the 2007 consolidated financial statements. In 2006, these shares were included in investments in non-consolidated companies as Bureau Veritas did not exercise significant influence over the company's management or policies within the meaning of IAS 28.7. As the fair value of the investment cannot be reliably measured, the shares were carried at their historical cost in the 2006 consolidated financial statements.

Note 16 - Other current and non-current financial assets

	Dec. 31, 2007	Dec. 31, 2006
Other non-current financial assets		
Deposits and guarantees	16.4	15.3
Other	5.4	4.8
TOTAL	**21.8**	**20.1**
Current financial assets		
Non-monetary mutual funds (SICAV)	21.7	18.5
Other	2.2	1.4
TOTAL	**23.9**	**19.9**

Deposits and guarantees primarily correspond to deposits relating to lease payments on office premises and do not bear interest. All of the Group's deposits and guarantees are presented within non-current financial assets. The vast majority of these assets have maturities of one to five years.

The Group considers that the fair value of these deposits and guarantees approximated their carrying amount at December 31, 2007 and 2006.

Marketable securities including certain non-monetary mutual funds (SICAV) and some other non-current financial assets have been pledged by the Group. These pledged assets represented a total carrying amount of €8.0 million at December 31, 2007 compared with €7.9 million at December 31, 2006.

Note 17 - Derivative financial instruments

In first-half 2005 the Group set up a variable-rate syndicated loan and put in place interest rate swaps to hedge a portion of the interest rate risk arising on its USD-denominated debt (fixed-rate lender/variable-rate borrower swaps and collars). Further similar hedging arrangements were set up at the end of 2006 and first half of 2007 to protect the Group against interest rate risk arising on its euro-denominated debt.

These contracts are recognized as derivative financial instruments held for trading as they do not satisfy the hedge accounting criteria set out in IAS 39. They are consequently recognized at fair value through profit or loss.

The derivative financial instruments in place at year-end 2007 and 2006 were as follows:

Interest rate derivatives	Maturity	Notional amount	Fair value of derivative asset
Swap	12/30/2009	USD 50 million	1.1
Collar	12/30/2009	USD 50 million	0.7
Collar	03/30/2008	USD 50 million	0.3
Collar	03/30/2008	USD 50 million	0.1
Swap	05/30/2011	EUR 50 million	0.6
TOTAL AT DECEMBER 31, 2006			**2.8**
Swap	12/30/2009	USD 50 million	(0.2)
Collar	12/30/2009	USD 50 million	-
Collar	03/30/2008	USD 50 million	0.1
Collar	03/30/2008	USD 50 million	0.1
Swap	05/30/2011	EUR 50 million	1.1
Collar	06/15/2012	EUR 50 million	(0.4)
Collar	06/14/2013	EUR 50 million	(0.6)
Swap	06/28/2010	EUR 50 million	(0.3)
TOTAL AT DECEMBER 31, 2007			**(0.2)**

Note 18 - Trade and other receivables

	Dec. 31, 2007	Dec. 31, 2006
Beyond one year	-	-
Within one year	**731.0**	**570.4**
Trade receivables	669.1	522.8
Inventories	1.3	0.9
Other	60.6	46.7
Total – gross	**731.0**	**570.4**
Provisions at beginning of year	**(47.2)**	**(43.7)**
Net increases/reversals	(1.9)	(6.7)
Acquisitions of subsidiaries	(4.1)	(0.2)
Exchange differences	2.7	2.9
Other movements	6.3	0.5
Provisions at end of year	**(44.2)**	**(47.2)**
TRADE AND OTHER RECEIVABLES, NET	**686.8**	**523.2**

The Group considers that the fair value of its trade and other receivables approximates their carrying amount as they all fall due within one year.

Government receivables include an amount of around €17 million which has been fully provisioned for a number of years.

There is no concentration of credit risk in relation to the Group's trade receivables due to the significant number of clients and their geographic diversity.

The following table presents an aged balance of trade and other receivables for which no provisions have been set aside:

	Dec. 31, 2007	Dec. 31, 2006
TRADE RECEIVABLES	**669.1**	**522.8**
o/w		
Not provisioned and not yet due	416.6	299.1
Not provisioned and due:		
Less than 1 month past due	106.9	93.2
1 to 3 months past due	63.2	54.9
3 to 6 months past due	29.4	24.2
More than 6 months past due	9.4	5.7

Note 19 - Cash and cash equivalents

	Dec. 31, 2007	Dec. 31, 2006
Marketable securities	20.6	12.4
Cash at bank and on hand	122.3	94.4
TOTAL	142.9	106.8

Marketable securities primarily correspond to units in monetary mutual funds (SICAV) which meet the definition of cash and cash equivalents set out in IAS 7.

Note 20 - Share capital

SHARE CAPITAL

The total authorized number of ordinary shares is 116,159,775 (2006: 10,841,857 before the 10-for-1 stock split in 2007) with a par value of €0.12 per share (2006: €1.20 per share). All issued shares are fully paid.

CAPITAL INCREASES

On October 23, 2007, Bureau Veritas carried out two capital increases in connection with its stock market listing:

- an increase of €1.1 million in capital and €143.6 million in the share premium following the exercise of 895,100 stock warrants;
- an increase of €0.6 million in capital and €192.5 million in the share premium in consideration for Winvest 7 shares.

On December 13, 2007, the Company carried out an increase of €0.1 million in capital and €34.4 million in the share premium within the scope of stock ownership plans awarded to employees and certain managers at the time of the stock market listing.

Following the exercise of 134,835 stock options, the Group carried out several capital increases resulting in a total increase of €0.2 million in capital and €10.8 million in the share premium.

CAPITAL REDUCTION

On March 5, 2007, the parent company Bureau Veritas SA reduced its capital by purchasing €152.6 million worth of its own shares, of which €1.1 million (corresponding to the par value) was deducted from share capital and €151.5 million from other reserves. This purchase was financed by an additional drawdown on the Group's syndicated credit line (see note 22 – Financial liabilities).

On May 2, 2006, the Group carried out a similar transaction, purchasing 881,300 of its own shares which it subsequently cancelled. The total purchase price came to €152.5 million, of which €1.1 million (the par value of the canceled shares) was deducted from share capital and €151.4 million from other reserves.

STOCK SPLIT

On June 18, 2007 the Shareholders' Meeting resolved to carry out a 10-for-1 stock split subject to the condition precedent of the Group's stock market listing. At the date it was listed (October 23, 2007), the par value of shares was €0.12.

TREASURY SHARES

Following its acquisition of the entire share capital of Winvest 7, a company previously owned by Wendel and Bureau Veritas' key management personnel, the Group dissolved Winvest 7 and obtained 8,951,000 Bureau Veritas shares in a full asset transfer (*transmission universelle de patrimoine*). These shares represented all of Winvest 7's assets. At December 31, 2007, these treasury shares were recorded as a deduction from equity in an amount of €337.9 million. The Group intends to cancel the bulk of these shares at its Shareholders' Meeting of June 2, 2008.

Note 21 - Share-based compensation

The Group has set up equity-settled compensation plans in the form of stock options.

The equity-settled compensation plans were awarded on December 13, 2007 in connection with the Group's stock market listing and consisted of (i) stock options on preferential terms and (ii) free share grants. The Group also set up a cash-settled compensation plan in the form of stock appreciation rights.

All stock warrants issued in 2005 were either exercised or cancelled in 2007.

STOCK OPTION PLANS

Stock options are granted to senior managers and selected other employees. All of the Group's stock option plans entitle their holders to subscribe for newly-issued shares on exercise of their options. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Options are conditional on the employee having completed three or five years' service depending on the plan. They have a contractual option term of eight years after the grant date.

The exercise price of the options is set at the grant date and may not be changed, except for the February and July 2006 plans whose initial exercise price is subject to an increase at a rate of 8.5% per year applied on an accruals basis until the date when the options are exercised by the beneficiary.

Plans prior to December 2001 entitle their holders to purchase two hundred shares for each option. For all plans set up after that date each option is exercisable for ten shares. In order to facilitate year-on-year comparisons the tables below show the number of options for all plans based on the equivalent number of shares.

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Movements in stock options (based on equivalent numbers of shares)

	Weighted average exercise price of options (share equivalents)	Number of options (share equivalents)	Average residual life of outstanding options
At January 1, 2006	**81.00**	**361,115**	**5.0 years**
Options granted during the year	153.31	185,300	7.1 years
Options canceled during the year	104.69	(26,450)	5.0 years
Options exercised during the year	72.86	(78,619)	3.6 years
At December 31, 2006 before the 10-for-1 stock split	**111.43**	**441,346**	**5.3 years**
At December 31, 2006 after the 10-for-1 stock split	**11.14**	**4,413,460**	**5.3 years**
Options granted during the year	17.30	700,000	9.2 years
Options canceled during the year	12.91	(212,010)	5.4 years
Options exercised during the year	8.14	(1,348,350)	4.1 years
AT DECEMBER 31, 2007	**14.36**	**3,553,100**	**5.9 YEARS**

Of the total number of outstanding options, 1,191,600 were exercisable at December 31, 2007 and 251,646 at end-2006 (prior to the 10-for-1 stock split).

Stock options outstanding at the end of the year had the following expiry dates and exercise prices

Start date of plan	Expiry date	Exercise price (in euros per share)	Number of options (share equivalents) 2007	2006
04/12/2000 plan	04/11/2008	4.08	20,000	20,000
12/11/2001 plan	12/11/2009	6.19	230,000	564,600
03/07/2002 plan	03/07/2010	6.19	-	30,000
12/17/2002 plan	12/17/2010	7.49	311,600	694,860
07/25/2003 plan	07/25/2011	9.58	572,000	1,226,000
11/15/2004 plan	11/15/2012	12.09	58,000	99,500
02/01/2006 plan	02/01/2014	15.17	1,546,000	1,641,500
07/12/2006 plan	07/12/2016	17.30	137,000	137,000
01/31/2007 plan	01/31/2017	17.30	678,500	-
NUMBER OF OPTIONS AT DECEMBER 31			**3,553,100**	**4,413,460**

The fair value of the options outstanding during the year was determined using the Black-Scholes option pricing model, except for the 2006 plans which were measured using the binomial model.

The weighted average fair value of options granted during the year was €14.36 per option (2006: €12.54).

The main assumptions used in the valuation models for the 2007 plans were as follows:

- the exercise prices stated in the table above;
- expected share volatility of 20% (2006: 20%), determined based on the volatility of shares of listed companies in the same industry;
- dividend yield of 2.2% (2006: 2.2%);
- an expected option life of 5 years (2006: 8 years);
- an annual risk-free interest rate of 4.0% (2006: 3.3%), determined by reference to the rates on government bonds over the estimated lives of the options.

In 2007, the Group recorded stock option expense of €0.8 million (2006: €0.9 million).

Of the options outstanding at December 31, 2007, 1,191,600 were exercisable.

Stock options on preferential terms

The Group set up an employee stock ownership plan pursuant to an authorization of the Shareholders' Meeting held on June 18, 2007 and to a decision of the Management Board of December 13, 2007. Under this plan, the Group's employees have subscribed to 1,143,905 shares under a cash capital increase carried out for this purpose at a 20% discount on the IPO price. The shares are locked up for five years.

The fair value of the employee services received in exchange for the 20% discount granted on the IPO price is estimated at €1.87 per share based on the methodology described in note 2.22.

The main valuation assumptions used were as follows:

- share price at the listing date: €37.75;
- subscription price: €30.20;
- discount corresponding to risks and liquidity requirements: 15.05%.

In 2007, the expense recognized by the Group for stock options on preferential terms amounted to €2.1 million.

FREE SHARE GRANTS

Pursuant to the authorization of the Shareholders' Meeting held on June 18, 2007 and to a decision of the Management Board of December 13, 2007, the Group has granted free shares:

- to certain Group employees, subject to completing a minimum of between two or four years service depending on the plan;
- to Group management, subject to completing a minimum period of service and to meeting performance criteria based on 2007 and 2008 earnings.

The shares have a non-transferability period of between four to five years from the grant date depending on the plan.

Overview of free share plans outstanding at year-end

Grant date	Expiry date	2007 Number of shares
12/13/2007 Plan (employees)	12/12/2012	9,811
12/13/2007 Plan (employees)	12/12/2011	79,079
12/13/2007 Plan (management)	12/12/2011	150,000
NUMBER OF SHARES AT DECEMBER 31		**238,890**

The weighted average fair value of free shares granted in 2007 is €33.83 per share.

The main valuation assumptions used were as follows:

- share price at the grant date;
- dividend yield of 1.5%;
- discount corresponding to risks and liquidity requirements: 15%.

In 2007, the expense recognized by the Group in respect of free share grants amounted to €1.2 million.

STOCK APPRECIATION RIGHTS

Pursuant to the authorization of the Shareholders' Meeting held on June 18, 2007 and to a decision of the Management Board of December 13, 2007, stock appreciation rights have been awarded to certain Group employees.

These rights are not subject to any vesting conditions. They are for a maximum term of six years from the grant date and may be exercised ahead of maturity should the employees concerned leave the Group. The exercise price is set at the grant date and may not be subsequently modified.

Overview of stock appreciation rights outstanding at year-end

Start date	Expiry date	Exercise price	2007 Number of shares
12/13/2007 Plan	12/12/2013	30.20	78,311

The fair value of these instruments was estimated at €20.85 using an option pricing model.

The main valuation assumptions used were as follows:

- share price at the grant date;
- dividend yield of 1.5%.

In 2007, the expense and debt recognized by the Group in respect of stock appreciation rights totaled €1.6 million.

Note 22 - Financial liabilities

	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due beyond 5 years
At December 31, 2006					
Bank borrowings (long-term portion)	444.7	-	73.1	268.8	102.8
Other non-current financial liabilities	5.1	-	1.4	3.7	-
Total non-current financial liabilities	**449.8**	**-**	**74.5**	**272.5**	**102.8**
Bank borrowings (short-term portion)	42.4	42.4			
Bank overdrafts	7.3	7.3			
Other current financial liabilities	12.9	12.9			
Total current financial liabilities	**62.6**	**62.6**			
At December 31, 2007					
Bank borrowings (long-term portion)	735.2	-	66.1	639.1	30.0
Other non-current financial liabilities	7.0	-	1.0	6.0	-
Total non-current financial liabilities	**742.2**	**-**	**67.1**	**645.1**	**30.0**
Bank borrowings (short-term portion)	66.2	66.2			
Bank overdrafts	8.8	8.8			
Other current financial liabilities	18.7	18.7			
Total current financial liabilities	**93.7**	**93.7**			

The year-on-year increase in debt is due mainly to share buybacks in February 2007, dividends paid out in June 2007 and acquisitions made in the second half of 2007, in particular ECA Global.

SYNDICATED LOAN AGREEMENT

The Group's main source of financing is a syndicated loan taken out in May 2006. The loan comprises a US$560 million amortizable tranche repayable in 2013 and a €550 million revolving facility whose maturity has been extended to May 2012.

Drawdowns on both tranches of this syndicated credit line totaled €625.6 million at December 31, 2007. The amortizable tranche had been fully drawn down. In November 2007, the first principal repayment was made following an 18-month grace period. An amount of €254.3 million remained available under the revolving facility.

"CLUB DEAL 2007" LOAN AGREEMENT

In October 2007, the Group set up a new five-year loan for €150 million. The terms and conditions of the "Club Deal 2007" agreement are similar to those of the 2006 syndicated loan except for the margin grid.

COVENANTS

The syndicated credit line and "Club Deal 2007" agreement include the following financial covenants:

- the interest cover ratio must be greater than 5.5. The interest cover ratio represents consolidated EBITDA (earnings before interest, tax, depreciation and amortization) for the preceding 12 months, divided by the Group's net financial expense;
- the leverage ratio must be less than 3. The leverage ratio is defined as the ratio of consolidated net debt, divided by EBITDA for the preceding 12 months.

The Group complied with both covenants at June 30, 2007 and December 31, 2007.

CURRENCY RISK

Short- and long-term bank borrowings can be analyzed as follows by currency:

	2007	2006
US dollar (USD)	304.5	381.2
Euros (EUR)	434.2	47.3
Pound sterling (GBP)	46.4	50.6
Other	16.3	8.0
TOTAL	**801.4**	**487.1**

INTEREST RATE RISK

Bank borrowings are contracted at variable rates indexed to the reference rates according to the currency of drawdowns (Euribor, USD Libor and GBP Libor for euro, USD and GBP drawdowns respectively).

The contractual repricing dates for virtually all borrowings are within six months.

The interest rates applicable to the Group's bank borrowings together with the margin at December 31, 2007 and 2006 are detailed below:

Borrowing currency	2007	2006
Euro	5.04%	4.22%
US dollar	5.22%	5.86%
Pound sterling	6.29%	5.83%

Effective interest rates approximate nominal rates for all tranches of the Group's borrowings with the exception of the USD tranche of the syndicated loan, for which the effective interest rate was 4.75% at December 31, 2007 (5.78% at December 31, 2006).

The analyses of sensitivity to changes in interest and exchange rates as defined by IFRS 7 are provided in note 30 which contains additional financial instrument disclosures.

Note 23 - Pension plans and other long-term employee benefits

The Group's pension plans and other long-term employee benefits cover the following:

- pension schemes, primarily comprising plans that have been closed to new entrants for several years. The Group's pension schemes are generally unfunded – except for a very limited number that are funded through payments to insurance companies – and are valued based on periodic actuarial calculations;
- termination benefits; and
- long-service awards.

The related obligations recorded in the balance sheet were as follows:

	2007	2006
Present value of defined benefit obligations	**107.6**	**118.3**
o/w pension benefits(1)	66.0	73.5
o/w termination benefits(1)	31.0	34.3
o/w long-service awards	10.6	10.5
Fair value of plan assets	**(29.6)**	**(33.2)**
DEFICIT/(SURPLUS)	**78.0**	**85.1**

(1) Further to an additional analysis, the breakdown of amounts at end-2006 between retirement obligations and termination benefits was adjusted. This has no impact on total long-term employee benefits.

Income statement charge by type of benefit:

	2007	2006
Pension benefits	(3.9)	(5.8)
Termination benefits	(5.5)	(4.5)
Long-service awards	0.3	(1.3)
TOTAL	**(9.1)**	**(11.6)**

PENSION BENEFITS

The amounts recognized in the balance sheet were determined as follows:

	2007	2006
Present value of funded obligations	37.2	42.1
Fair value of plan assets	(29.6)	(33.2)
Deficit/(surplus) on funded obligations	**7.6**	**8.9**
Present value of unfunded obligations	28.9	31.4
Unrecognized actuarial losses	-	-
LIABILITY IN THE BALANCE SHEET	**36.5**	**40.3**

The amounts recognized in the income statement were as follows:

	2007	2006
Current service cost, included in operating profit	**(2.5)**	**(4.5)**
Interest cost	(3.2)	(2.8)
Expected return on plan assets	1.8	1.5
TOTAL, INCLUDED IN NET FINANCIAL EXPENSE	**(1.4)**	**(1.3)**

The actual return on plan assets was a negative €5.4 million in 2007 compared to a positive €1.5 million in 2006.

Movements in the related defined benefit obligation were as follows:

	2007	2006
Beginning of year	**73.5**	**58.4**
Current service cost	2.5	4.5
Interest cost	3.3	2.8
Actuarial losses/(gains)	(10.3)	7.2
Currency translation differences	(1.2)	(0.2)
Benefits paid	(2.7)	(2.8)
Liabilities assumed in a business combination and other movements	0.9	3.6
END OF YEAR	**66.0**	**73.5**

Movements in the fair value of plan assets were as follows:

	2007	2006
Beginning of year	**33.2**	**29.9**
Expected return on plan assets	1.8	1.5
Actuarial (losses)/gains	(7.2)	-
Currency translation differences	(0.8)	(0.2)
Employer contributions	2.3	2.0
Benefits paid	-	-
Other movements	0.3	-
END OF YEAR	**29.6**	**33.2**

Contributions to funded plans in future periods are expected to approximate those paid in 2007.

Plan assets break down as follows by type of financial instrument:

	2007		2006	
Equity instruments	6.4	24%	5.9	18%
Debt instruments	20.3	76%	26.9	81%
Other	-	-	0.4	1%
TOTAL	**26.7**	**100%**	**33.2**	**100%**

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity and property investments reflect long-term actual rates of return experienced in the respective markets.

The main actuarial assumptions used were as follows:

	2007	2006
Discount rate	5.4%	4.5%
Expected return on plan assets	5.8%	5.0%
Estimated increase in future salary levels	3.0%	2.6%
Estimated increase in future pension benefit levels	2.2%	1.9%

Assumptions concerning future mortality rates are based on published statistics and historical data for each geographical region. For France – which represents 71% of the Group's total net pension liability – INSEE 2002 tables were used.

TERMINATION BENEFITS

The Group's obligations for termination benefits generally relate to lump-sum payments made to employees on retirement. However, in certain countries these obligations also include termination benefits payable to employees who are not retiring. These benefits are covered by unfunded plans.

Movements in the related defined benefit obligation were as follows:

	2007	2006
Beginning of year	**34.3**	**37.0**
Current service cost	4.9	3.5
Interest cost	1.3	1.3
Actuarial losses/(gains)	(4.1)	(4.8)
Currency translation differences	(0.3)	(0.3)
Benefits paid	(5.1)	(2.3)
Liabilities assumed in a business combination and other movements	0.7	0.2
Curtailments and settlements	(0.7)	(0.3)
END OF YEAR	**31.0**	**34.3**

Further to an additional analysis, the breakdown of amounts at end-2006 between retirement obligations and termination benefits was adjusted. This has no impact on total long-term employee benefits.

The main actuarial assumptions used were as follows:

	2007	2006
Discount rate	5.3%	4.3%
Estimated increase in future salary levels	3.0%	2.3%

LONG-SERVICE AWARDS

Movements in the Group's obligation relating to long-service awards were as follows:

	2007	2006
Beginning of year	**10.5**	**12.5**
Current service cost	0.9	1.0
Interest cost	0.4	0.4
Exchange gains/(losses)	(0.1)	(0.1)
Benefits paid	(0.5)	(0.8)
Other movements	(0.6)	(2.5)
END OF YEAR	**10.6**	**10.5**

ACTUARIAL GAINS AND LOSSES

	2007	2006
Cumulative actuarial (gains)/losses recognized in equity	2.3	9.5
Actuarial (gains)/losses recognized in equity during the year	(7.2)	2.4
Of which arising from:		
Experience adjustments	*(0.9)*	*4.6*
Changes in actuarial assumptions	*(13.5)*	*(2.2)*
Changes in return on plan assets	*7.2*	-

DEFINED CONTRIBUTION PLANS

Payments made under defined contribution plans in 2007 totaled €45.7 million (2006: €39.6 million).

Note 24 - Provisions for other liabilities and charges

	Provisions for contract-related disputes	Other provisions for liabilities	Total
At January 1, 2006	**59.3**	**10.6**	**69.9**
Additions	3.4	7.6	11.0
Unused amounts reversed	(0.8)	(1.1)	(1.9)
Used during the year	(5.3)	(5.6)	(10.9)
Acquisitions of subsidiaries	0.5	0.6	1.1
Unwinding of discount	0.8	-	0.8
Exchange differences	(0.1)	(0.2)	(0.3)
At December 31, 2006	**57.8**	**11.9**	**69.7**
Additions	5.9	8.7	14.6
Unused amounts reversed	(4.4)	(3.9)	(8.3)
Used during the year	(2.6)	(2.8)	(5.4)
Acquisitions of subsidiaries	0.5	2.8	3.3
Unwinding of discount	(0.2)	-	(0.2)
Exchange differences	(0.1)	(0.1)	(0.2)
At December 31, 2007	**56.9**	**16.6**	**73.5**

Bureau Veritas and its subsidiaries are involved in various disputes and legal claims arising in the ordinary course of business in connection with the services they provide. The majority of these services are covered by business-specific insurance. The future cash outflows in relation to these disputes are uncertain as they will depend on developments in legal proceedings currently under way, including appeals. The Group considers that most of the cash outflows relating to such disputes will occur more than one year after the balance sheet date.

CONTINGENT LIABILITIES

Based on information available to date, the Group considers that the outcome of the disputes and legal claims currently in process is unlikely to have a significant adverse impact on the consolidated financial statements.

Note 25 - Trade and other payables

	Dec. 31, 2007	Dec. 31, 2006
Due beyond one year	-	-
Due within one year	537.1	420.0
Trade payables	86.9	47.8
Accrued invoices	81.9	62.1
Prepaid income	69.6	59.9
Accrued taxes and payroll costs	298.7	250.2
TOTAL	537.1	420.0

Prepaid income primarily corresponds to amounts invoiced on contracts in progress for services that have not yet been performed.

Note 26 - Non-current assets and liabilities held for sale

These relate to a vehicle leasing subsidiary of the ECA group acquired in 2007 solely for the purpose of resale. Bureau Veritas plans to sell the subsidiary within 12 months of the balance sheet date and has begun to implement the measures required to carry out this transaction.

Non-current assets and liabilities held for sale break down as follows:

	Dec. 31, 2007	Dec. 31, 2006
Assets held for sale		
Property, plant and equipment	23.6	-
Trade and other receivables	4.8	-
TOTAL	28.4	-
Liabilities held for sale		
Provision for other liabilities and charges	0.3	-
Total non-current financial liabilities	17.8	-
Total current financial liabilities	2.6	-
Trade and other payables	2.1	-
TOTAL	22.9	-

Note 27 - Earnings per share

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
Net profit attributable to equity holders of the Company *(€ thousands)*	158,343	154,062
Weighted average number of ordinary shares in issue *(thousands)*	104,900	111,130
Number of treasury shares *(thousands)*		
Adjusted weighted average number of ordinary shares in issue *(thousands)*		
BASIC EARNINGS PER SHARE (€ PER SHARE)	**1.51**	**1.39**

Profit attributable to operations in the process of sale is not material and does not alter earnings per share figures.

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect conversion of dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares: stock options and free share grants. For stock options, a calculation is made in order to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the stock options.

Free share grants are potential ordinary shares whose issue is contingent on beneficiaries completing a minimum level of service as well as meeting a series of performance criteria. Free shares that could have been issued had the vesting period ended on December 31, 2007 have been taken into account.

The 1,200,000 stock warrants outstanding (see note 21 on share-based compensation) are potential ordinary shares whose issue is contingent on the occurrence of liquidity-related events. As the conditions for exercising these warrants – and consequently for the allocation of ordinary shares – were not fulfilled at December 31, 2006, the warrants were not included in the calculation of diluted earnings per share for that year. The impact of stock warrants on 2007 is reflected in the number of shares outstanding in that year.

	2007	2006
Net profit attributable to equity holders of the Company *(in thousands of euros)*	158,343	154,062
Weighted average number of ordinary shares in issue *(thousands)*	104,900	111,130
Adjustments for:		
■ Stock options *(thousands)*	778	1,760
Weighted average number of ordinary shares used to calculate diluted earnings per share *(thousands)*	105,678	112,890
DILUTED EARNINGS PER SHARE *(€ PER SHARE)*	**1.50**	**1.37**

Note 28 - Dividends per share

In respect of the 2006 financial year, the Group paid a dividend in 2007 totaling €100.0 million before tax credits and deductions. This represented a net dividend of €10.04 per share at December 31 before tax credits and deductions. The dividend was paid before the 10-for-1 stock split and the ensuing 10-fold increase in the number of shares. No dividends were paid in 2006.

Note 29 - Commitments given and received

Commitments given by the Group primarily include guarantees and commitments under operating leases.

GUARANTEES GIVEN

Guarantees given break down as follows by maturity:

	Total	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
At December 31, 2006	**46.1**	**24.9**	**13.8**	**7.4**
At December 31, 2007	**77.7**	**35.5**	**31.5**	**10.7**

Commitments given include bank guarantees and parent company guarantees:

- bank guarantees: these include bid and performance bonds. Bid bonds cover their beneficiaries in the event that a commercial offering is withdrawn, a contract is not signed, or requested guarantees are not provided. Performance bonds provide purchasers with a guarantee that Bureau Veritas will perform its contractual obligations as agreed. They usually represent a percentage of the contract price – generally around 10%;
- parent company guarantees: these mainly correspond to (i) guarantees given by the parent company to financial institutions in order to cover bank guarantees granted by these financial institutions in connection with the Group's commercial operations, and (ii) guarantees relating to lease payments, under which the parent company undertakes to make the lease payments to the lessor in the event the subsidiary concerned defaults.

At December 31, 2007 and 2006, the Group considered that the risk of a cash outflow on these guarantees was low. Accordingly, no provisions have been recorded;

- guarantees received: in connection with its acquisition of ECA, Bureau Veritas International received guarantees totaling €7 million expiring in less than five years.

OPERATING LEASES: COMMITMENTS AND RECOGNIZED LEASE CHARGES

The Group leases offices, laboratories and equipment under both non-cancelable and cancelable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Recognized lease charges can be analyzed as follows:

	2007	2006
OPERATING LEASE CHARGES	**78.8**	**68.9**
o/w property leases	*62.2*	*55.1*
o/w equipment leases	*16.6*	*13.8*

The future aggregate minimum lease payments under non-cancelable operating leases relating to property (excluding rental service charges) are as follows:

	2007	2006
FUTURE MINIMUM LEASE PAYMENTS	**123.2**	**128.2**
Due within 1 year	33.1	34.2
Due between 1 and 5 years	72.4	74.6
Due beyond 5 years	17.7	19.4

Note 30 - Additional financial instrument disclosures

The table below presents financial instruments by IAS 39 category, carrying amount, valuation method and fair value at year-end:

	IAS 39 category	Carrying amount	IAS 39 measurement method				Fair value
			Amortized cost	Cost	Fair value through equity	Fair value through profit or loss	
At December 31, 2007							
Financial assets							
Investments in non-consolidated companies	FVPL	1.2	-	-	-	1.2	1.2
Other non-current financial assets	HTM	21.8	21.8	-	-	-	21.8
Trade and other receivables	LR	663.5	663.5	-	-	-	663.5
Current financial assets	LR	2.2	2.2	-	-	-	2.2
Current financial assets	FVPL	21.7	-			21.7	21.7
Derivative financial instruments	FVPL	-	-	-	-	-	-
Cash and cash equivalents	FVPL	142.9	-	-	-	142.9	142.9
Financial liabilities							
Bank borrowings	AC	810.2	810.2	-	-	-	810.2
Other non-current financial liabilities	AC	7.0	7.0	-	-	-	7.0
Trade and other payables	AC	537.1	537.1	-	-	-	537.1
Current financial liabilities	AC	18.7	18.7	-	-		18.7
Derivative financial instruments	FVPL	0.2	-	-	-	0.2	0.2
At December 31, 2006							
Financial assets							
Investments in non-consolidated companies	FVPL	28.9	-	-	-	28.9	28.9
Other non-current financial assets	HTM	20.1	20.1	-	-	-	20.1
Trade and other receivables	LR	505.6	505.6	-	-	-	505.6
Current financial assets	LR	1.4	1.4	-	-	-	1.4
Current financial assets	FVPL	18.5	-			18.5	18.5
Derivative financial instruments	FVPL	2.8	-	-	-	2.8	2.8
Cash and cash equivalents	FVPL	106.8	-	-	-	106.8	106.8
Financial liabilities							
Bank borrowings	AC	494.4	494.4	-	-	-	494.4
Other non-current financial liabilities	AC	5.1	5.1	-	-	-	5.1
Trade and other payables	AC	419.9	419.9	-	-	-	419.9
Current financial liabilities	AC	7.4	7.4	-	-	-	7.4
Derivative financial instruments	FVPL	-	-	-	-	-	-

The following abbreviations are used for financial instrument categories as defined by IAS 39: FVPL for instruments at fair value through profit or loss, HTM for held-to-maturity assets, LR for loans and receivables, and AC for debt measured at amortized cost.

The Group considers that the carrying amount of its financial instruments approximates their fair value.

The nature of the gains and losses arising on each financial instrument category can be analyzed as follows:

		Interest	Adjustments for			Net gains/ (losses) 2007	Net gains/ (losses) 2006
			Fair value	Exchange differences	Impairment		
Held-to-maturity assets	HTM	-	-	-	-	-	-
Loans and receivables	LR	-	-	(1.4)	(1.9)	(3.3)	(8.9)
Financial assets at fair value through profit or loss	FVPL	-	(2.9)	(4.5)	-	(7.4)	(4.5)
Debt carried at amortized cost	AC	(37.4)	1.0	(2.5)	-	(38.9)	(33.1)
TOTAL		**(37.4)**	**(1.9)**	**(8.4)**	**(1.9)**	**(49.6)**	**(46.5)**

SENSITIVITY ANALYSES

Currency risk

Due to the international scope of its operations, the Group is exposed to currency risk on several different currencies.

In 2007, almost half of the Group's revenue was generated in currencies other than the euro, including 17.72% in US dollars, 6.79% in pounds sterling, and 6.92% in Hong Kong dollars. Taken individually, other currencies do not represent more than 3.0% of the Group's revenue. The Group's evolving currency mix reflects the fast-paced development of its activities outside the euro zone, particularly in US dollars and other dollar-linked currencies. However, in every country in which it is present, the Group generally provides local services and incurs costs in local currencies. Its exposure to currency risk arising on transactions carried out in foreign currencies is not therefore material.

As the Group's presentation currency is the euro, it must convert into euros any assets, liabilities, income and expenses denominated in other currencies at the time of preparing its financial statements. The results of the Group's foreign currency operations are consolidated in its income statement after being converted into euros using the average exchange rate for the period. Assets and liabilities are converted at the year-end rate. As a result, changes in the value of the euro against other currencies affect the corresponding amounts in the consolidated financial statements, even if the value of the items concerned remains unchanged in their original currencies.

The impact of a 1% rise or fall in the value of the euro against a number of different currencies is described below:

- a 1% change in the value of the euro against the US dollar would have had an impact of 0.18% on consolidated revenue and 0.15% on operating profit for 2007;
- a 1% change in the value of the euro against the Hong Kong dollar would have had an impact of 0.07% on consolidated revenue and 0.11% on operating profit for 2007;
- a 1% change in the value of the euro against the pound sterling would have had an impact of 0.07% on consolidated revenue and 0.01% on operating profit for 2007.

The syndicated loan set up in May 2006 is a multi-currency facility which allows the Group to borrow in local currencies. If it deems appropriate, the Group may hedge certain commitments by matching financing costs with operating income in the currencies concerned.

The Group is exposed to currency risk inherent to financial instruments denominated in foreign currencies (i.e., currencies other than the functional currency of each Group entity). The sensitivity analysis presented below shows the impact that a significant change in the value of the euro and US dollar would have on earnings in a non-functional currency. The analysis for the US dollar does not include entities whose functional currency is strongly correlated to the US dollar, for example Group entities based in Hong Kong. Financial instruments denominated in foreign currencies which are included in the sensitivity analysis relate to key monetary balance sheet items and in particular, current and non-current financial assets, trade and other receivables, cash and cash equivalents, current and non-current financial liabilities, current liabilities, and trade and other payables.

The table below shows the results of the sensitivity analysis for financial instruments exposed to currency risk on the Group's main foreign currencies (euro and US dollar) at December 31, 2007:

	Non-functional currency	
(in millions of euros)	*(USD)*	*(EUR)*
Net value of exposed financial instruments	11.6	10.0
Assumed change in exchange rates at December 31	10%	10%
Impact on the income statement (rise in currency)	1.2	1.0
Impact on the income statement (fall in currency)	(1.2)	(1.0)

Interest rate risk

The Group's interest rate risk primarily arises from assets and liabilities bearing interest at variable rates. The Group seeks to limit its exposure to a rise in interest rates through swaps, collars, caps and floors which allow it to capitalize on any favorable interest rate movements.

The Group monitors its interest rate exposure on a monthly basis. At the same time, it continually analyses the level of hedges put in place and ensures that they are appropriate for the related underlying exposure. The Group's policy is to prevent more than 60% of its consolidated net debt being exposed to a rise in interest rates over a long period (more than six months). The Group may enter into other swaps, collars or other instruments for this purpose. No financial instruments are contracted for speculative purposes.

The Group compares the amount of its borrowings, debt and bank credit facilities less any financial assets (cash and cash equivalents) with interest rate hedging transactions in order to assess it net exposure to interest rate risk, representing the amount of interest-bearing debt contracted at variable rates or for which no caps have been set up. The Group applies to this amount a potential rise or fall of one percentage point in interest rates. At December 31, 2007, the Group considers that a one percentage point rise in short-term interest rates across all currencies would lead to an increase of around €3.3 million in interest payable.

Note 31 - Related party transactions

As intra-group transactions are eliminated on consolidation they are not included in this note. Parties related to the Group are its majority shareholder Wendel as well as certain key management personnel, such as members of the Management Board.

Compensation paid by the Group to its key management personnel breaks down as follows:

	2007	2006
Salaries	1.3	1.2
Stock options	-	0.1
Free share grants	1.4	-
TOTAL EXPENSE FOR THE YEAR	**2.7**	**1.3**

Key management personnel held a total of 170,000 stock options at December 31, 2007 (December 31, 2006: 506,600), with an average exercise price of €7.99 (end-2006: €7.79).

The number of free shares granted to key management personnel totaled 150,000 at December 31, 2007.

The Group's related parties also indirectly subscribed to an issue of stock warrants which were included in equity at December 31, 2006 in an amount of €16.0 million. These warrants were either exercised or cancelled in 2007.

The Group paid €1.6 million in management fees to Wendel in 2007 (2006: €2.0 million).

Note 32 - Events after the balance sheet date

The draft resolutions of the Ordinary Shareholders' Meeting of June 2, 2008 include a dividend distribution of €0.60 per share in respect of 2007.

In January 2008, Bureau Veritas entered into an agreement to purchase Chilean group Cesmec. Cesmec has operations in Chile, Peru and Argentina and provides a broad spectrum of compliance evaluation services. In 2007, Cesmec reported €21.5 million in revenue and EBITA of €2.1 million. The acquisition will allow Bureau Veritas to strengthen its foothold considerably in South America, where it will have 3,700 employees and a leading position in the inspection and laboratory testing market in Chile. It will also enable the Group to extend its activities to the mining industry, thereby boosting and rounding out the services offered by CCI Holdings, an Australian company that was acquired by the Group in June 2007.

Note 33 - Summary of options and exemptions selected by the Group at the time of its transition to IFRS

The IFRS financial information for 2004 is based on an opening IFRS balance sheet prepared in accordance with IFRS 1 – First-time Adoption of International Financial Reporting Standards at January 1, 2004, the date of the Group's transition to IFRS.

IFRS 1 provides first-time adopters of IFRS with a number of exemptions from full retrospective application of IFRS at the transition date. The Group consequently made the following policy choices for the preparation of its balance sheet at January 1, 2004:

- business combinations: the Group elected not to restate business combinations carried out prior to the IFRS transition date;
- employee benefits: all unrecognized actuarial gains and losses arising on employee benefit obligations were recognized in a reserve account at the IFRS transition date;
- cumulative translation adjustments: at the IFRS transition date, the Group transferred to consolidated reserves all cumulative translation adjustments arising on the translation of the financial statements of its foreign subsidiaries;
- share-based compensation: the Group elected to apply IFRS 2 to stock options issued after November 7, 2002 which had not yet vested at January 1, 2005.

The Group has applied IAS 32 and IAS 39 since January 1, 2004.

Note 34 - Scope of consolidation

Fully consolidated companies at December 31, 2007

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Algeria					
BV Algeria	S	100	100		
Andorra					
ECA Andorra	S	100	100		
Pirineu Payma	S	100	100		
ECA OCT Andorra	S	100	100		
Angola					
BV Angola	S	100	100	100	100
Arab Emirates					
BV SA – Abu Dhabi	B	100	100	100	100
BV SA – Dubai	B	100	100	100	100
Argentina					
BIVAC Argentina	S	100	100	100	100
BV Argentina	S	100	100	100	100
BVQI Argentina	S	100	100	100	100
Australia					
BV SA - Australia	B	100	100	100	100
Bureau Veritas Australia Pty Ltd.	S	100	100	100	100
Bureau Veritas HSE	S	100	100	100	100
Bureau Veritas Asset Integrity & Reliability Services Australia	S	100	100	100	100
IRC	S	100	100	100	100
CCI Holdings	S	100	100		
Bureau Veritas International Trade	S	100	100		
Carbon Consulting International	S	100	100		
Bureau Veritas Asset Integrity & Reliability Services	S	100	100		
Austria					
BV SA - Austria	B	100	100	100	100
BV Austria	S	100	100	100	100
BVQI Austria	S	100	100	100	100
Zertifizierung Bau	S	100	100		

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Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Azerbaijan					
BV Azeri	S	100	100	100	100
Bahrain					
BV SA – Bahrain	B	100	100	100	100
Bangladesh					
BIVAC Bangladesh	S	100	100	100	100
BVCPS Bangladesh	S	96.00	96.00	96.00	96.00
BV Bangladesh Private Ltd.	S	100	100	100	100
Belarus					
BV Belarus Ltd.	S	100	100	100	100
Belgium					
BV SA – Belgium	B	100	100	100	100
BV Marine Belgium & Luxembourg	S	100	100	100	100
BV Certification Belgium	S	100	100	100	100
AIBV	S	100	100	100	100
Benin					
BV Benin	S	100	100	100	100
Brazil					
BV do Brazil	S	96.40	96.40	96.40	96.40
BVQI do Brazil	S	100	100	100	100
Tecnitas do Brazil	S	99.99	96.40	99.99	96.40
MTL Engenharia	S	100	100		
Brunei					
BV SA – Brunei	B	100	100	100	100
Bulgaria					
BV Varna	S	100	100	100	100
Cameroon					
BV Douala	S	100	100	100	100
Canada					
BV Canada	S	100	100	100	100
ECA Vérification de Qualité	S	100	100		
AQSR Canada Inc.	S	100	100		

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Chad					
BV Chad	S	100	100	100	100
Chile					
BV Chile	S	100	100	100	100
BVQI Chile	S	100	100	100	100
BV Chile Capacitacion Ltda	S	100	100	100	100
ECA Chile Formacion	S	99.90	99.90		
ECA Chile	S	99.97	99.97		
China					
BV Consulting China	S	100	100	100	100
BVCPS Hong Kong	S	100	100	100	100
MTL Shanghai	S	60.00	60.00	60.00	60.00
LCIE China	S	100	100	100	100
BV SA – Hong Kong	B	100	100	100	100
Falide International Quality Assessment	S	100	100	100	100
BV Certification Hong Kong	S	100	100	100	100
Tecnitas Far East	S	100	100	100	100
Bureau Veritas Hong Kong	S	100	100	100	100
Colombia					
BV Colombia	S	100	100	100	100
BVQI Colombia	S	100	100	100	100
ECA Colombia	S	99.80	99.80		
Congo					
BV Congo	S	100	100	100	100
Bivac Congo	S	100	100	100	100
Croatia					
BV Croatia	S	100	100	100	100
Cuba					
BV SA – Cuba	B	100	100	100	100
Czech Republic					
BV Czech Republic	S	100	100	100	100
BV Certification Czech Republic	S	100	100	100	100
Analab	S	100	100		

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Denmark					
BV SA – Denmark	B	100	100	100	100
BV Certification Denmark	S	100	100	100	100
Trotters	S	100	100		
Chemtox	S	100	100		
Dominican Republic					
BVCPS Dominican Republic	S	100	100	100	100
Ecuador					
BV Ecuador	S	100	100	100	100
BVQI Ecuador	S	100	100	100	100
Egypt					
BV SA – Egypt	B	100	100	100	100
BV Egypt	S	90.00	90.00	90.00	90.00
Equatorial Guinea					
BV Equatorial Guinea	B	100	100	100	100
Estonia					
BV Estonia	S	100	100	100	100
Finland					
BV SA – Finland	B	100	100	100	100
France					
BV SA – France	B	100	100	100	100
BV International	S	100	100	100	100
BV France	S	100	100	100	100
BVCPS France (formerly ACTS France)	S	100	100	100	100
Bivac International	S	100	100	100	100
BV Monaco	S	99.96	99.96	99.96	99.96
BV Certification France	S	100	100	100	100
BV Certification Holding	S	100	100	100	100
CEP Industrie	S	100	100	100	100
Sedhyca	S	100	100	100	100
Tecnitas	S	100	100	100	100
LCIE France	S	100	100	100	100
Qualité France	S	98.85	98.85	95.02	95.02

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
France					
Transcable	S	100	100	100	100
BV SA Mayotte	B	100	100	100	100
BV SA Antilles	B	100	100	100	100
BV SA La Réunion	B	100	100	100	100
SSICOOR	S	100	100	100	100
ECS	S	100	100	100	100
Haztec	S	100	100	100	100
Operendi	S	100	100	100	100
Arcalia	S	50.33	50.33		
Aprob	S	95.96	95.96		
Coreste	S	99.60	99.60		
ECA Cert Certification	S	100	100		
Ecalis	S	100	100		
Bureau Veritas Laboratoires	S	100	100		
Gabon					
BV Gabon	S	100	100	100	100
Germany					
BV SA – Germany	B	100	100	100	100
BV Certification Germany	S	100	100	100	100
PKB Hambourg	S	100	100	100	100
IPM	S	100	100	100	100
BV German Holding	S	100	100	100	100
Bureau Veritas Industry Services	S	100	100	100	100
BVCPS Germany	S	100	100	100	100
Bureau Veritas Rail	S	100	100	100	100
One Tüv	S	67.00	67.00	67.00	67.00
Innova	S	100	100		
Ghana					
BIVAC Ghana	S	100	100	100	100
Greece					
BV SA – Greece	B	100	100	100	100
BV Certification Hellas	S	100	100	100	100
Guatemala					
BVCPS Guatemala	S	100	100	100	100
Guinea					
BV Guinea	S	100	100	100	100

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Hungary					
BV Hungary	S	100	100	100	100
India					
BV SA – India	B	100	100	100	100
BVIS – India	S	96.90	96.90	96.90	96.90
BV Certification India	S	100	100	100	100
BVCPS India	S	100	100	100	100
Bureau Veritas India	S	100	100	100	100
Indonesia					
BV Indonesia	S	100	100	100	100
BVCPS Indonesia	S	85.00	85.00	85.00	85.00
Iran					
BV SA – Iran	B	100	100	100	100
Ireland					
BV SA – Ireland	B	100	100	100	100
BV Ireland Ltd.	S	100	100	100	100
Italy					
BV Italy	S	100	100	100	100
BVQI Italy	S	100	100	100	100
ECA Certificazione	S	60.00	60.00		
PMI CERT	S	60.00	60.00		
Ivory Coast					
BV Ivory Coast	S	100	100	100	100
Bivac Ivory Coast	S	100	100	100	100
Bivac Scan CI	S	100	99.99	100	62.00
Japan					
BV SA – Japan	B	100	100	100	100
BV Japan Company	S	100	100	100	100
Nihon Testing	S	100	100	100	100
Bureau Veritas Human Tech	S	100	100		
Kazakhstan					
BVI Ltd Kazakhstan	B	100	100	100	100
BV Kazakhstan Industrial Services	S	60.00	60.00	60.00	60.00
BV Kazakhstan	S	100	100	100	100
Kenya					
BV Kenya	S	99.90	99.90	99.90	99.90

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Korea					
BV SA – Korea	B	100	100	100	100
BVQI Korea	S	100	100	100	100
Kuwait					
BV SA – Kuwait	B	100	100	100	100
Latvia					
Bureau Veritas Latvia	S	100	100	100	100
Jadzis	S	100	100		
BV Moravia	S	100	100		
Lebanon					
BV Lebanon	S	100	100	100	100
Lithuania					
Bureau Veritas Lit	S	100	100	100	100
Luxembourg					
Soprefira	S	100	100	100	100
BV Luxembourg	S	100	100	100	100
Madagascar					
BV Madagascar	S	100	100	100	100
Malaysia					
BV Malaysia	S	49.00	49.00	49.00	49.00
BVQI Malaysia	S	100	100	100	100
Mali					
BV Mali	S	100	100	100	100
Malta					
BV SA – Malta	B	100	100	100	100
Mauritania					
BV SA – Mauritania	B	100	100	100	100
Mauritius					
BV SA – Mauritius	B	100	100	100	100
Mexico					
BV Mexicana	S	100	100	100	100
BVCPS Mexico	S	100	100	100	100
BVQI Mexico	S	100	100	100	100
AQSR de R.L. de C.V.	S	100	100		
ECA Mexico	S	99.85	99.85		
Morocco					
BV SA – Morocco	B	100	100	100	100
BV Certification Morocco	S	100	100	100	100

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Mozambique					
BV SA – Mozambique	B	100	100	100	100
Netherlands					
BV SA – Netherlands	B	100	100	100	100
BIVAC Rotterdam	S	100	100	100	100
BIVAC World Market	S	100	100	100	100
BV Certification Netherlands	S	100	100	100	100
Bureau Veritas Metingen, Inspecties & Validities	S	100	100	100	100
Nagtglas Versteeg Inspecties	S	100	100	100	100
Risk Control	S	100	100	100	100
DASS	S	100	100	100	100
Inspecties Beheer	S	100	100	100	100
BV Marine Netherlands	S	100	100		
New Caledonia					
BV SA – New Caledonia	B	100	100	100	100
New Zealand					
BV New Zealand	S	100	100	100	100
Nigeria					
BV Nigeria	S	60.00	60.00	60.00	60.00
Norway					
BV SA – Norway	B	100	100	100	100
Chemtox Norge	S	100	100		
Oman					
BV SA – Oman	B	100	100	100	100
Pakistan					
BV SA – Pakistan	B	100	100	100	100
BV CPS Pakistan	S	80.00	80.00		
BV Pakistan	S	100	100		
Panama					
BV Panama	S	100	100	100	100
Paraguay					
BIVAC Paraguay	S	100	100	100	100
Peru					
BV Peru	S	100	100	100	100
BIVAC Peru	S	100	100	100	100

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Philippines					
BV SA – Philippines	B	100	100	100	100
BVCPS Philippines	S	100	100	100	100
Poland					
BV Poland	S	100	100	100	100
BV Certification Poland	S	100	100	100	100
Portugal					
BV SA – Portugal	B	100	100	100	100
BV Certification Portugal	S	100	100	100	100
Rinave Registro Int'l Naval	S	100	100	100	100
Rinave Consultadorio y Servicios	S	100	100	100	100
Rinave Qualidade y Seguranca	S	100	100	100	100
Rinave Certificao e Auditoria	S	90.00	90.00	90.00	90.00
ECA Totalinspe	S	60.00	60.00		
ECA Certificacao	S	99.82	99.82		
Infoloures	S	55.00	33.00		
EIFC	S	100	60.00		
Qatar					
BV SA – Qatar	B	100	100	100	100
Romania					
BV Romania CTRL	S	100	100	100	100
Russia					
BV Russia	S	100	100	100	100
Bureau Veritas Certification Russia	S	100	100	100	100
Saudi Arabia					
BV SA – Saudi Arabia	B	100	100	100	100
BV SATS	S	60.00	60.00	60.00	60.00
Senegal					
BV – Senegal	S	100	100	100	100
Serbia					
Bureau Veritas DOO	S	100	100	100	100
Singapore					
BV SA – Singapore	B	100	100	100	100
BVCPS Singapore	S	100	100	100	100
BVQI Singapore	S	100	100	100	100
Tecnitas	B	100	100	100	100

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Slovakia					
BV Slovakia	S	100	100	100	100
BV Certification Slovakia	S	100	100	100	100
Slovenia					
BV SA - Slovenia	B	100	100	100	100
Bureau Veritas DOO	S	100	100	100	100
South Africa					
BV SA – South Africa	B	100	100	100	100
BV South Africa	S	100	100	100	100
Spain					
BV SA – Spain	B	100	100	100	100
IPM Spain	S	100	100	100	100
BV Spain	S	99.32	99.32	99.32	99.32
BV Certification Spain	S	100	100	100	100
Surveycan	S	100	100		
ECA Entidad Colaborada De La Administración	S	100	100		
ECA Cert, Certificación	S	100	100		
ECA Preven	S	100	100		
Activa, Innovación Y Servicios	S	100	100		
Idt Docuteca	S	100	100		
Servi Control	S	100	100		
Geopayma	S	100	100		
Payject Xxi	S	49.50	49.50		
Payma Cotas	S	100	100		
ECA Control Engineering International	S	100	100		
Instituto De La Calidad	S	100	100		
ECA Instituto De Tecnología Y Formación	S	95.00	95.00		
ECA, Control Y Gestión De Servicios	S	55.00	55.00		
Prevenout	S	65.00	65.00		
A77 Servicios Y Contratas	S	100	100		
Aceplus, Servicios Integrales	S	100	100		
ECA Global'S Investments, Heritage And Assets	S	100	100		
Gimnot Innovación Y Servicios	S	100	100		
Inversiones Y Patrimonios De ECA Global	S	100	100		

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Sri Lanka					
BVCPS Lanka	S	100	100	100	100
BV Lanka	S	100	100	100	100
Sweden					
BV SA – Sweden	B	100	100	100	100
BV Certification Sverige	S	100	100	100	100
Chemtox Sverige	S	100	100		
Switzerland					
BV Bivac Switzerland	S	100	100	100	100
BV Certification Switzerland	S	100	100	100	100
Tahiti					
BV SA - Tahiti	B	100	100	100	100
Taiwan					
BV SA – Taiwan	B	100	100	100	100
BVQI Taiwan	S	100	100	100	100
BV Taiwan	S	100	100	100	100
Advance Data Technology	S	99.10	99.10	99.10	99.10
AQSR Taiwan	S	100	100		
Thailand					
BV Thailand	S	49.00	49.00	49.00	49.00
BV Certification Thailand	S	49.00	49.00	49.00	49.00
BVCPS Thailand	S	100	100	100	100
Togo					
BV Togo	S	100	100	100	100
Tunisia					
BV SA – Tunisia	B	100	100	100	100
BV SA – MST – Tunisia	B	100	100	100	100
STCV – Tunisia	S	49.98	49.98	49.98	49.98
Turkey					
BV Gozetim Hizmetleri	S	100	100	100	100
BVCPS Turkey	S	100	100	100	100
BVQI Turkey	S	100	100	100	100
Ukraine					
BV Ukraine	S	100	100	100	100
BV Certification Ukraine	S	100	100	100	100
CCI Ukraine	S	100	100		

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
United Kingdom					
BV SA – United Kingdom	B	100	100	100	100
BV Certification LTD – UK	S	100	100	100	100
BV Certification Holding	B	100	100	100	100
TT Neptunus London	S	50.00	50.00	50.00	50.00
BV Inspection UK	S	100	100	100	100
BV UK	S	100	100	100	100
Weeks Technical Services	S	100	100	100	100
Bureau Veritas Consulting	S	100	100	100	100
Bureau Veritas Laboratories Limited	S	100	100	100	100
Pavement Technologies Limited	S	75.00	75.00	75.00	75.00
Bureau Veritas Consumer Products Services UK	S	100	100	100	100
LJ Church	S			100	100
Technicare	S	100	100	100	100
Tenpleth UK	S	100	100	100	100
Casella Consulting	S	100	100	100	100
BV HS&E	S	100	100	100	100
Winton	S			100	100
Casella Science & Environment	S			100	100
Casella Analytic	S			100	100
BV B&I	S	100	100	100	100
Winton Holding	S			100	100
Merchandise Testing Laboratories	S			100	100
X Reference	S			100	100
Bureau Veritas Consumer Products Services Holding UK	S	100	100	100	100
BV UK Holding	S	100	100	100	100
United States					
BVHI – USA	S	100	100	100	100
BV Certification North America	S	100	100	100	100
ISI / UNICON	S	100	100	100	100
BVCPS	S	100	100	100	100
BV Marine	S	100	100	100	100
Terra Mar	S	100	100	100	100
Testing Engineers San Diego	S	100	100	100	100

Country Company	Subsidiary (S) Branch (B)	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
Unitek Technical Services	S	100	100	100	100
Testing Engineers Los Angeles	S	100	100	100	100
BTC Laboratories	S	100	100	100	100
Earth Consultant	S	100	100	100	100
US Engineering Laboratories	S	100	100	100	100
US Laboratories	S	100	100	100	100
Professional Eng Inspections Co	S			100	100
RW Hunt	S	100	100	100	100
Testing Engineers Nevada	S	100	100	100	100
Bureau Veritas North America	S	100	100	100	100
Berryman & Henigar Enterprises	S	100	100	100	100
Berryman & Henigar West California	S			100	100
Berryman & Henigar East Florida	S	100	100	100	100
Graham Marcus	S	100	100	100	100
Bivac North America	S	100	100	100	100
One Cis Insurance	S	100	100	100	100
LP2A	S			100	100
Clayton Engineering	S	100	100	100	100
Curtis Straus	S	100	100	100	100
Natlsco Risk & Safety	S	100	100	100	100
NEIS	S	100	100	100	100
AQSR International Inc.	S	100	100		
Venezuela					
BV Venezuela	S	100	100	100	100
BVQI Venezuela	S	100	100	100	100
AQSR de Sudamerica	S	100	100		
Vietnam					
BV Vietnam	S	100	100	100	100
BVQI Vietnam	S	100	100	100	100
BV Consumer Product Services Vietnam	S	100	100	100	100

Companies accounted for the equity method at December 31, 2007

Country Company	2007 % Control	2007 % Interest	2006 % Control	2006 % Interest
ATSI – France	49.92	49.92	49.92	49.92
BV EM & I Ltd – United Kingdom	50.00	50.00	50.00	50.00
GIE Sécurité Aviation Civile – France	45.00	45.00	45.00	45.00

4.2 Statutory Auditors' report on the consolidated financial statements – Year ended December 31, 2007

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Bureau Veritas SA
17 bis, place des Reflets
92400 Courbevoie

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Bureau Veritas for the year ended December 31, 2007.

The consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the consolidated Group as at December 31, 2007, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

Goodwill

Your Company tests goodwill for impairment annually or more frequently when there is an indication that it may be impaired, in accordance with the methods described in notes 2.6, 2.9 and 9 to the consolidated financial statements. We reviewed the methods used to implement these impairment tests as well as the cash flow forecasts and assumptions used, and verified that the disclosures in the notes to the consolidated financial statements were appropriate.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

Specific verification

In accordance with professional standards applicable in France, we have also verified the information given in the Group's management report. We have no matters to report as to its fair presentation and consistency with the consolidated financial statements.

Paris and Neuilly-sur-Seine, April 15, 2008

The Statutory Auditors

Bellot Mullenbach & Associés	PricewaterhouseCoopers Audit
Pascal de Rocquigny	Jean-François Châtel

5

2007 STATUTORY FINANCIAL STATEMENTS

5.1. Bureau Veritas SA statutory financial statements for the year ended December 31, 2007

Balance sheet

Assets	Notes	Gross value	Depreciation, amortization, and impairement	Net at Dec. 31, 2007	Net at Dec. 31, 2006
Intangible assets	1	222,347	(14,868)	207,479	24,989
Property, plant and equipment	1	72,537	(48,984)	23,553	24,652
Long-term investments	2	948,004	(52,018)	895,985	859,566
Total non-current assets		**1,242,888**	**(115,870)**	**1,127,018**	**909,207**
Work-in-progress		33,262	-	33,262	25,359
Trade receivables	4	214,792	(3,907)	210,885	192,205
Other receivables	4	465,747	(2,769)	462,978	130,044
Marketable securities		12,763	-	12,763	176
Cash at bank and on hand		47,093	-	47,093	31,328
Total current assets		**773,656**	**(6,676)**	**766,980**	**379,111**
Accrual accounts					
Prepaid expenses		10,784	-	10,784	8,670
Currency translation losses		448	-	448	278
TOTAL ASSETS		**2,027,776**	**(122,545)**	**1,905,230**	**1,297,267**
Equity and liabilities					
Share capital				13,939	13,010
Share premium				409,591	28,335
Reserves and retained earnings				369,649	519,831
Profit for the year				119,935	102,807
Regulated provisions				2,036	1,427
Total equity	3			**915,150**	**665,410**
Provisions for other liabilities and charges	5			***108,668***	***114,331***
Payables					
Bank borrowings	4			364,672	40,038
Trade payables				84,434	61,012
Other payables	4			383,481	371,451
Accrual accounts					
Prepaid income				48,774	44,973
Currency translation gains				51	53
TOTAL EQUITY AND LIABILITIES				**1,905,230**	**1,297,267**

Income statement

	Notes	2007	2006
Revenue	8	770,698	726,693
Other income		117,505	97,826
Total operating income		**888,203**	**824,519**
Operating expense			
Supplies		(781)	(644)
Other purchases and external charges		(298,074)	(250,972)
Taxes other than on income		(23,259)	(23,755)
Wages and salaries		(319,327)	(298,070)
Payroll taxes		(131,477)	(118,382)
Depreciation, amortization and impairment			
Depreciation and amortization of non-current assets		(7,573)	(7,646)
Change in provisions on operating items		7,027	(9,094)
Other expenses		(19,673)	(22,606)
Operating profit		**95,066**	**93,350**
Net financial income	9	128,405	60,804
Profit from ordinary operations before income tax		**223,471**	**154,154**
Net exceptional expense	10	(85,415)	(29,253)
Income tax expense	11	(18,121)	(22,093)
PROFIT FOR THE YEAR		**119,935**	**102,807**

Cash flow statement

	2007	2006
Cash flow from operations	178,080	145,391
Change in working capital	(5,060)	(6,415)
Net cash from operating activities	**173,020**	**138,976**
Capital expenditure	(9,416)	(11,666)
Acquisitions of equity interests	(13,663)	(71,835)
Sales of equity interests	80,286	52,137
Sales of non-current assets	127	4,047
Change in loans and other financial assets	(369)	(58)
Net cash from (used in) investing activities	**56,966**	**(27,375)**
Capital increase	383,244	5,728
Purchases of treasury shares	(337,898)	(151,443)
Capital reduction	(152,600)	(1,058)
Dividends paid	(99,998)	-
Net cash used in financing activities	**(207,253)**	**(146,771)**
Decrease (increase) in net debt	**22,733**	**(35,170)**
Decrease (increase) in gross debt	**(9,393)**	**(28,451)**
Increase (decrease) in cash and cash equivalents	**32,126**	**(6,720)**
Cash position at beginning of year	26,814	33,534
Cash position at end of year	58,940	26,814

Summary of significant accounting policies

The balance sheet and income statement are prepared in accordance with the French Commercial Code (*Code du Commerce*), French chart of accounts and French generally accepted accounting standards applicable to unlisted companies, as defined by Regulation 99-03.

The financial statements are prepared based on the going concern, consistency of accounting methods and accrual basis principles.

The Company is organized as a head office with a number of subsidiaries based within and outside France. Subsidiaries are fairly autonomous with regard to financial and managerial matters. Each entity keeps its own accounts, which are linked to the head office accounting system via an intercompany account.

Financial statements of foreign subsidiaries are translated using the closing rate method: assets and liabilities are translated at the year-end exchange rate, while income statement items are translated at the average exchange rate for the year. All resulting currency translation differences are recognized directly in equity.

MEASUREMENT METHODS

Non-current assets

Non-current assets are carried at historical cost, in particular assets located outside France. The exchange rate applied to the currency in which the assets were purchased is the rate prevailing at the acquisition date.

Intangible assets

Software developed in-house is capitalized in accordance with the benchmark treatment. The cost of production for own use includes all costs directly attributable to analyzing, programming, testing and documenting software specific to Bureau Veritas' activities.

Software is amortized over its estimated useful life, which does not currently exceed seven years.

Property, plant and equipment

Depreciation is provided according to the straight-line or declining balance method, depending on the asset concerned. The following useful lives generally apply:

- Buildings — 20 to 25 years;
- Installations, machinery and equipment:
  - Fixtures & fittings — 10 years,
  - Machinery and equipment — 5 to 10 years;
- Other property, plant and equipment:
  - Vehicles — 4 to 5 years,
  - Office equipment — 5 to 10 years,
  - IT equipment — 3 to 5 years,
  - Furniture — 10 years.

Long-term investments

Equity investments are carried in the balance sheet at acquisition cost or subscription price.

- Subsidiaries and affiliates are generally measured based on the Company's share in their net book assets, adjusted where appropriate for items with an economic value that are not recorded in the accounting books.

A provision is set aside for any difference between the value in use and gross value of the investments.

Current assets

Work-in-progress

Work-in-progress is measured using the percentage of completion method. Short-term contracts whose value is not material continue to be valued using the completed contract method.

An impairment provision is set aside when net realizable value falls below book value. If this is the case, work-in-progress is reported directly on a net basis.

The provision is calculated for each contract based on the projected margin as revised at year-end. Losses on completion are recognized on any onerous contracts.

To improve the presentation of work-in-progress and bring it into line with the provisions of the French chart of accounts, in 2007 the Bureau Veritas Group decided to record the revised lower standard cost of a unit of output used to calculate work-in-progress, as a deduction from gross value rather than within provisions for impairment.

At December 31, 2007, an amount of €7.6 million was reclassified as a deduction of the gross value of work-in-progress.

Trade and other receivables

Provisions for impairment of trade receivables are set aside to cover any risks of non-collection that may arise. Provisions are based on a case-by-case analysis of receivables, except for non-material amounts for which statistical provisions are calculated based on collection experience.

In 2007, the Bureau Veritas Group modified its calculation of the bad debt provision in accordance with the French chart of accounts, in a bid to improve the presentation of reported information. This change resulted in a gain of €2.2 million. At December 31, 2007, amounts receivable from customers in liquidation are fully provisioned, while amounts owed by customers subject to legal proceedings are provisioned at a rate of 50%.

Accrual accounts

Accrual accounts reported in assets include operating expenses recognized in 2007 in relation to prior periods, as well as operations in progress between Group entities.

Currency translation losses

This item represents translation losses on credit notes and foreign currency receivables and payables. Translation losses are covered by a provision for liabilities in the balance sheet.

Currency translation reserve

The functional currency of the independent foreign entity is used as its measurement currency. As a result, historical cost data is expressed in foreign currency. The closing rate method is therefore used to translate the financial statements of foreign subsidiaries.

Accordingly:

- balance sheet items (except for the intercompany account) are translated at the year-end exchange rate;
- income statement items are translated at the average exchange rate for the year;
- the intercompany account continues to be carried at a historical exchange rate.

Retirement and other employee benefit obligations

The Company has adopted the benchmark treatment for retirement and other employee benefit obligations and recognizes all such obligations in the balance sheet. Actuarial gains and losses resulting from changes in assumptions or in the valuation of assets are recognized in full in the income statement.

Accrual accounts

Currency translation gains

This account includes gains on the translation of the Company's foreign currency credit notes, receivables and payables at December 31.

Prepaid income

This account represents the portion of contract billing in excess of the percentage of completion (see note concerning revenue below).

INCOME STATEMENT

Presentation method

The income statement is presented in list format. Income and expense items are classified to successively show operating, financial, exceptional, pre-tax and post-tax amounts.

Revenue and other income

Revenue is the value (excluding VAT) of services provided by fully consolidated companies in the ordinary course of their operations, after elimination of intra-group transactions.

Revenue is recognized on a percentage-of-completion basis. Short-term contracts whose value is not material are valued using the completed contract method.

Other income includes mainly royalties and expenses rebilled to customers and other Group entities.

Other operating income and expense

All other income and expense relating to the Company, head office, French and foreign subsidiaries is reported in this caption by type. Income and expense is recognized according to the local regulations in the countries in which our subsidiaries are located. Depreciation and amortization are calculated using the usual methods (see non-current assets). Additions to provisions include amounts to cover a decline in value of our external customer accounts and other operating provisions.

Financial income and expense

This caption includes:

- depreciation, amortization and provisions, representing amounts set aside in respect of equity investments for certain Group subsidiaries;
- interest paid on borrowings and interest received on loans granted to BVSA subsidiaries, together with investment income;
- exchange differences on foreign currency loans and borrowings, and on operating transactions.

Exceptional income and expense

Exceptional income includes recoveries of receivables previously written off, insurance refunds and proceeds from sales of non-current assets.

Exceptional expense includes miscellaneous penalties paid and the net book values of non-current assets sold or retired.

Consolidation

Bureau Veritas SA is the parent and consolidating company of the Bureau Veritas Group.

Significant events of 2007

- On March 5, 2007, the Company reduced its capital by €1.1 million and its reserves by €151.5 million.
- On June 22, 2007, the Company paid out a dividend totaling €99.9 million, pursuant to a decision of the Shareholders' Meeting held on June 18, 2007.
- On October 23, 2007, Bureau Veritas carried out two capital increases in connection with its stock market listing:
  - an increase of €1.1 million in capital and €143.7 million in the share premium following the exercise of 895,100 stock warrants;
  - an increase of €0.6 million in capital and €192.5 million in the share premium in consideration for Winvest 7 shares (see note 1).
- On October 23, 2007, the Company carried out a 10-for-1 stock split: the number of Bureau Veritas shares therefore increased ten-fold.
- On October 24, 2007, Bureau Veritas SA shares were admitted for trading on the Eurolist market of Euronext Paris.
- On December 13, 2007, the company carried out an increase of €0.1 million in capital and €34.4 million in the share premium within the scope of stock ownership plans awarded to employees and certain managers at the time of the stock market listing.

Notes to the statutory financial statements

Note 1 - Non-current assets

Non-current assets – gross values

	Jan. 1, 2007	Increases	Decreases	Reclassifications and other movements	Currency translation differences	Dec. 31, 2007
Goodwill	-	-	-	181,257	-	181,257
Other intangible assets	38,643	1,972	(81)	587	(32)	41,090
Intangible assets	**38,643**	**1,972**	**(81)**	**181,844**	**(32)**	**222,347**
Land	17	-	-	-	-	17
Buildings	262	-	-	-	-	262
Fixtures & fittings	16,948	1,654	(502)	(675)	(56)	17,369
Machinery	19,286	2,503	(224)	56	(26)	21,596
Vehicles	2,696	498	(357)	2	(132)	2,706
Furniture and office equipment	14,167	1,118	(445)	(948)	(172)	13,721
IT equipment	16,671	1,609	(620)	(612)	(238)	16,811
Construction in progress	703	62		(708)	(2)	55
Property, plant and equipment	**70,750**	**7,444**	**(2,148)**	**(2,884)**	**(625)**	**72,537**
Investments in subsidiaries and affiliates	907,972	3,180	(164,940)	38,716	-	784,928
Investments in non-consolidated companies	28,464	2	(249)	(28,100)	-	116
Deposits, guarantees and receivables	6,279	1,316	(948)	(24)	(305)	6,317
Treasury shares	-	156,642	-	-	-	156,642
Long-term investments	**942,714**	**161,140**	**(166,137)**	**10,592**	**(305)**	**948,004**
TOTAL	**1,052,108**	**170,556**	**(168,366)**	**189,552**	**(962)**	**1,242,888**

At the time of its stock market listing, Bureau Veritas acquired the entire share capital of Winvest 7, a company controlled by the Wendel group and key Bureau Veritas executives. Winvest 7's only assets were its shares in Bureau Veritas SA.

Winvest 7 was dissolved without liquidation in December 2007, as a result of which Bureau Veritas SA obtained its own shares via a full asset transfer *(transmission universelle de patrimoine)*. This transaction gave rise to a merger deficit which was included in goodwill. The treasury shares repurchased were reported in long-term investments.

Depreciation, amortization and provisions for impairment of long-term investments

	Jan. 1, 2007	Additions	Reversals	Reclassifications and other movements	Currency translation differences	Dec. 31, 2007
Intangible assets	**(13,654)**	**(1,354)**	**78**	**39**	**23**	**(14,868)**
Land	-	-	-	-	-	
Buildings	(117)	(1)	-	-	-	(118)
Fixtures & fittings	(7,592)	(1,506)	299	222	24	(8,553)
Machinery	(13,091)	(1,893)	159	5	17	(14,802)
Vehicles	(1,773)	(431)	347		95	(1,762)
Furniture and office equipment	(9,277)	(953)	376	461	102	(9,291)
IT equipment	(14,248)	(1,436)	575	456	195	(14,458)
Construction in progress	-	-	-	-	-	
Property, plant and equipment	**(46,098)**	**(6,219)**	**1,757**	**1,144**	**433**	**(48,984)**
Investments in subsidiaries and affiliates	(82,676)	(2,427)	33,188	-		(51,915)
Investments in non-consolidated companies	(472)	-	369	-	-	(103)
Deposits, guarantees and receivables	-	-	-	-	-	
Long-term investments	**(83,148)**	**(2,427)**	**33,557**			**(52,018)**
TOTAL	**(142,901)**	**(10,000)**	**35,392**	**1,182**	**457**	**(115,870)**

Note 2 - Investments in subsidiaries and affiliates

A - DETAILED INFORMATION ABOUT SUBSIDIARIES AND AFFILIATES WHOSE BOOK VALUE EXCEEDS 1% OF THE REPORTING COMPANY'S CAPITAL

	Foreign currency share capital	Foreign currency reserves	Average exchange rate in 2007		% interest
BVHI – USA	1	55,539	USD	0.730	100.00%
BV France	14,797	52,243	EUR	1.000	100.00%
BVCPS Singapour	100	362	SGD	0.485	100.00%
Bureau Veritas D.O.O.	122	1,902	EUR	1.000	100.00%
BV Metingen, Inspecties & Validities BV	45	3,552	EUR	1.000	100.00%
BV Côte d'Ivoire	1,482,140	266,954	XOF	0.002	100.00%
ECS	262	1,149	EUR	1.000	100.00%
Rinave Registro Int'l Naval	250	(155)	EUR	1.000	100.00%
BVCPS France	143	2	EUR	1.000	100.00%
BV Gabon	919,280	87,728	XAF	0.002	100.00%
BV Sénégal	840,400	(87,879)	XOF	0.002	100.00%
BV Czech Republic	5,482	19,101	CZK	0.036	100.00%
Analab	102	26,930	CZK	0.036	100.00%
Zertifizierung Bau	73	877	EUR	1.000	100.00%
QA Testing centre Ltd	-	-	HKD	0.094	100.00%
BV Consulting Shanghai	6,673	11,233	CNY	0.096	100.00%
BVCPS Dominican Republic	849	4,649	DOP	0.022	100.00%
BV Venezuela	389,400	254,455	VEB	0.000	100.00%
BV Guinée	803,590	(445,056)	GNF	0.000	100.00%
BV Austria	35	580	EUR	1.000	100.00%
BV Douala	431,050	(95,233)	XAF	0.002	100.00%
BV Moravia	628	14,510	CZK	0.036	100.00%
Operendi	38	538	EUR	1.000	100.00%
BV Slovakia	12,537	(7,904)	SKK	0.030	100.00%
BV Vietnam	4,025	517	VND	0.045	100.00%
BV Bivac Switzerland	200	100	CHF	0.609	100.00%
BV Poland	248	3,581	PLN	0.264	100.00%
BV Mali	10,000	165,733	XOF	0.002	100.00%
BVCPS Thailand	4,000	2,222	THB	0.023	99.99%
BV International	108,099	400,977	EUR	1.000	99.99%
BVCPS India Ltd	10,844	77,587	INR	0.018	99.99%
BV Chile	665,120	209,476	CLP	0.001	99.98%
Soprefira	1,262	13,547	EUR	1.000	99.98%
BV Mexicana	25,785	1,516	MXN	0.067	99.96%
BV Colombia	1,542,236	1,550,624	COP	0.000	99.96%
BVCPS Turkey	975	(311)	TRY	0.560	99.90%
BV Espanol	8,094	(1,373)	EUR	1.000	99.88%
BV Lebanon	752,000	714,873	LBP	0.000	99.84%
BV Argentine	3,200	2,080	ARS	0.232	98.00%
BVCPS Bangladesh	10	58,776	BDT	0.011	98.00%
BVIS – India	1,933	32,415	INR	0.018	96.90%
BV do Brasil	1,042	2,488	BRL	0.376	96.39%
BV Gozetim Hizmetleri	2,241	3,899	TRY	0.560	94.16%
BVCPS Indonésie	2,665	71	IDR	0.080	85.00%
BV Japan Company Ltd	150,000	(37,835)	JPY	0.006	74.51%
BV Nigeria	40,000	261,970	NGN	0.006	60.00%
BV SATS	2,000	(7,117)	SAR	0.195	60.00%
STCV - Tunisia	1,200	1,261	TND	0.571	49.86%
Affiliates (10% to 50%-owned by the Company)					
ECA GLOBAL	5,703	31,705	EUR	1.000	46.74%
Merchandise Testing Laboratories Ltd	0	259	GBP	1.461	40.00%
One Tüv	54	(152)	EUR	1.000	33.33%

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	Gross	Net	Loans and advances granted to conso. subsidiaries and other cos.	Guarantees and endorsements given by the Company	Last published revenue	Last published profit or loss	Dividends received by the Company during the year
	74,346	44,988	35,303	-	-	7,261	-
	73,971	73,971	-	-	-	3,446	-
	13,408	2,897	-	-	7,713	2,679	2,496
	4,086	3,896		67	5,387	209	254
	3,000	2,341	12,597	-	5,302	(1,256)	-
	2,260	2,260	-	53	5,740	1,155	496
	2,065	2,065	-	-	1,960	277	824
	1,578	124	1,550	28	1,187	29	-
	1,496	487	291	-	2,817	342	-
1	1,376	1,376	-	-	2,582	515	-
	1,281	1,281	-	-	2,464	698	-
2	1,170	1,170	-	-	4,089	297	155
	952	952	-	-	156	(10)	-
	900	900	-	10	629	38	-
3	870	-	-	-	-	-	-
	867	867	-	-	20,615	5,150	3,703
4	844	65	-	-	402	(47)	145
	782	402	-	-	3,785	198	393
	763	-	188	-	138	(212)	-
5	700	129	459	5	211	(486)	-
	657	534	-	81	778	345	18
6	472	472	25	-	286	(5)	-
	466	466	-	-	-	127	213
	326	211	-	-	508	74	47
7	273	273	-	-	2,127	317	749
	198	197	-	15	564	16	4
	152	152	-	39	5,033	787	1,045
	149	149	-	-	5,510	(37)	-
	169	169	50	-	764	76	55
	534,993	534,993	272,458	-	-	56,586	-
	4,652	3,376	-	-	6,570	1,542	863
	1,109	1,109	293	299	5,798	309	362
	1,262	1,262	-	-	-	3,323	-
	2,061	1,843	451	2,199	9,103	142	-
	809	809	-	-	3,733	278	151
	642	528	270	-	1,865	(144)	-
	8,722	7,872	-	1,921	42,258	1,160	-
	446	446	-	298	1,144	194	-
	3,426	1,853	-	808	9,176	760	553
	675	675	-	-	3,822	1,979	1,591
	219	219	-	72	2,526	(291)	-
	841	841	-	690	48,465	5,152	4,781
	185	185	-	364	18,512	3,368	3,061
	1,901	1,288	-	-	2,391	703	-
	1,013	1,013	694	-	31,823	2,821	-
	507	507	-	-	2,957	570	84
	266	-	6,811	-	1,210	(1,748)	-
	230	230	-	2	2,541	355	87
	28,907	28,907	34,581	1,385	42,353	3,479	858
	453	354	-	-	-	-	-
	143	143	-	-	5,747	661	100

B - GENERAL INFORMATION ABOUT OTHER SUBSIDIARIES AND AFFILIATES

	Foreign currency share capital	Foreign currency reserves	Average exchange rate in 2007		% interest
BV CPS Vietnam Ltd	2,388	4,116	VND	0.045	100.00%
Bureau Veritas Latvia	175	8	LVL	1.428	100.00%
BV Congo	69,980	1,330,637	XAF	0.002	100.00%
BV Hongrie	8,600	89,258	HUF	0.004	100.00%
IPM Espagne	61	44	EUR	1.000	100.00%
BV Azeri	74	43	AZN	0.848	100.00%
BV Kazakhstan	11,100	40,697	KZT	0.006	100.00%
BV Rus	465	(7,352)	RUB	0.029	100.00%
BV Panama	50	332	PAB	0.730	100.00%
BV Varna	85	158	BGN	0.511	100.00%
Bureau Veritas Lit	150	30	LTL	0.290	100.00%
BV Romania CTRL	48	1,487	RON	0.300	100.00%
BV Inspection (Malaysie)	-	-	MYR	0.212	100.00%
BV Marine Nederland	-	-	EUR	1.000	100.00%
BV Tchad	10,000	(180,488)	XAF	0.002	100.00%
BV Estonia	233	297	EEK	0.064	100.00%
BV Nouvelle Zélande	1	(480)	NZD	0.537	100.00%
BV Croatia	54	1,777	HRK	0.136	100.00%
Bureau Veritas D.O.O.	315	6,308	RSD	0.013	100.00%
BV Togo	1,000	(164,372)	XOF	0.002	100.00%
BV Bénin	1,000	77,471	XOF	0.002	100.00%
BV Ecuador	2	143	USD	0.730	100.00%
BV Bangladesh Private Ltd	5,500	3,180	BDT	0.011	99.99%
BV Lanka ltd	5,000	5,396	LKR	0.007	99.99%
BV Monaco	150	32	EUR	1.000	99.94%
BV Marine Belgium & Luxembourg	62	294	EUR	1.000	99.92%
BV Luxembourg	31	36	EUR	1.000	99.90%
BV Kenya	2,000	5,396	KES	0.011	99.90%
BV Algérie	500	-	DZD	0.010	99.80%
BVCPS Mexico	6,100	3,417	MXN	0.067	99.34%
BV Pérou	237	394	PEN	0.233	99.05%
BV Ukraine	45	771	UAH	0.144	99.00%
BV Indonésie	943	1,912	IDR	0.080	99.00%
BV Angola	1,980	108,584	AOA	0.010	99.00%
Bureau Veritas India	500	(16,446)	INR	0.018	99.00%
BV Pakistan (Private) Ltd	2,000	(7,558)	PKR	0.012	99.00%
BV Belarus Ltd	43,060	29,294	BYR	0.000	99.00%
BV Chile Capacitacion Ltda	954	92	CLP	0.001	99.00%
BV Madagascar	14,800	(71,344)	MGA	0.000	98.65%
BV Egypt	100	16,136	EGP	0.129	90.00%
BV Italia	776	(8,682)	EUR	1.000	67.02%
Affiliates (10% to 50%-owned by the Company)					
ATSI- France	80	538	EUR	1.000	49.92%
BV Thailand	4,000	18,510	THB	0.023	49.00%
BV Malaysia	200	15,029	MYR	0.212	39.00%
BV Certification Belgium	125	196	EUR	1.000	0.01%
Bivac International	5,337	853	EUR	1.000	0.01%
Other			EUR	1.000	
TOTAL					

	Gross	Net	Loans and advances granted to conso. subsidiaries and other cos.	Guarantees and endorsements given by the Company	Last published revenue	Last published profit or loss	Dividends received by the Company during the year
	127	127	240	-	1,452	270	-
	111	111	-	-	1,603	226	-
	107	107	-	-	2,911	456	-
	92	92	-	-	1,464	159	-
	61		-	-	1,535	(300)	117
	60	51	-	-	223	(42)	-
	59	59	1,659	-	6,730	718	401
	47	47	-	-	9,336	918	985
	47	47	-	-	727	205	154
	45	45	-	-	1,887	593	276
	30	30	-	1	2,488	326	377
1	28	28	-	2	3,244	800	800
	23	23	-	-	-	-	-
2	18	18	-	-	-	-	-
	15		256	-	14	(84)	-
	15	15	-	-	1,268	194	166
3	8		301	-	1,930	161	-
	8	8	-	1	3,285	748	469
4	4	4	-	-	535	274	66
	2		259	-	-	(20)	-
5	2	2	63	-	369	60	-
	55	55	-	116	1,384	50	21
6	88	88	-	3	321	59	63
	47	47	-	-	120	31	-
	79	79	-	-	797	175	38
7	61	61	96	40	4,616	568	450
	31	31	-	14	1,063	310	146
	19	19	50	-	1,019	161	117
	5	5	419	-	699	(218)	-
	68	68	-	-	1,200	10	154
	64	64	-	507	4,660	442	286
	21	21	-	-	4,404	467	216
	100	100	303	-	3,710	273	36
	73	73	-	-	38,375	3,486	-
	49	49	-	90	6,174	1,580	258
	25	25	-	3	568	92	-
	15	15	-	-	199	17	9
	1	1	-	-	923	303	73
	30	-	-	-	-	(17)	-
	22	22	-	51	2,892	671	-
	9	9	1,587	550	36,685	1,142	-
	38	38	-	-	2,988	47	30
	63	63	-	-	4,781	843	286
	18	18	-	16	6,172	1,089	-
	-	-	-		3,797	265	0
	-	-	-	-	-	20,350	1
	116	13	-	-	-	-	
	785,044	**733,026**	**371,256**	**9,730**	**491,282**	**141,043**	**29,086**

Note 3 - Shareholders' equity

Share capital

At December 31, 2007, share capital was composed of 116,159,775 shares with a par value of €0.12 each.

Movements in share capital during the year are shown below:

(in number of shares)	2007	2006
At beginning of year	**10,841,857**	**11,644,538**
Capital reduction	(881,878)	(881,300)
Capital increase	1,406,773	-
Exercise of stock options	115,544	78,619
10-for-1 stock split	114,822,960	
Capital increase	1,143,905	
Exercise of stock options	192,910	
AT END OF YEAR	**116,159,775**	**10,841,857**

The share premium in respect of options exercised amounted to €10,816 thousand.

Movements in equity in 2007

Share capital at January 1, 2007	**13,010**
Capital reduction on 02/16/2007	(1,058)
Capital increase on 10/23/2007	1,688
Capital increase on 12/13/2007	137
Share capital on exercise of options	162
Share capital at December 31, 2007	**13,939**
Share premium at January 1, 2007	28,335
Capital increase on 10/23/2007	336,204
Capital increase on 12/13/2007	34,409
Capital increase expenses	(173)
Share premium on exercise of options	10,816
Share premium at December 31, 2007	**409,591**
Reserves at January 1, 2007	519,831
Retained earnings (2006 profit)	102,807
Dividend distribution (Shareholders' Meeting of 06/18/2007)	(99,998)
Capital reduction on 02/16/2007	(151,542)
Currency translation differences	(1,449)
Reserves at December 31, 2007	**369,649**
Profit for 2007	**119,935**
Regulated provisions for 2007 (accelerated tax depreciation)	**2,036**
TOTAL EQUITY AT DECEMBER 31, 2007	**915,150**

All 1,200,000 stock warrants issued in 2005 were either exercised or cancelled in 2007.
The corresponding subscription premium was reclassified within the share premium.

Breakdown of equity at December 31, 2007

Share capital	**13,939**
Share premium	**409,591**
Retained earnings	76,280
Legal reserve	1,711
Other reserves	291,658
Profit for the year	**119,934**
Regulated provisions	**2,036**
TOTAL EQUITY AT DECEMBER 31, 2007	**915,150**

Note 4 - Receivables and payables

Analysis of receivables

	Gross	1 year or less	More than 1 year
Deposits, guarantees and other long-term receivables	6,317	-	6,317
Trade and other receivables	214,792	214,792	-
Social security and other social taxes	621	621	-
Income tax expense	13,069	13,069	-
Other taxes, duties and similar levies	10,605	10,605	-
Joint ventures and economic interest groupings (EIG)	4,137	4,137	-
Receivable from Group and associated companies	434,715	434,715	-
Miscellaneous debtors	2,600	2,600	-
Marketable securities	12,763	12,763	-
Prepaid expenses	10,784	10,784	-
TOTAL RECEIVABLES	**710,403**	**704,085**	**6,317**

Analysis of payables

	Gross	1 year or less	More than 1 year
Bank borrowings	360,375	3,675	354,538
Miscellaneous borrowings	4,297	4,287	10
Trade and other payables	84,434	84,434	-
Payable to employees	94,337	94,337	-
Social security and other social taxes	25,215	25,215	-
Value added tax	37,710	37,710	-
Other taxes, duties and similar levies	12,974	12,974	-
Payable to Group and associated companies	208,317	208,317	-
Miscellaneous payables	4,928	4,928	-
Prepaid income	48,774	48,774	-
TOTAL PAYABLES	**881,361**	**524,652**	**354,548**

Long-term bank borrowings include an amount of €2,161 thousand maturing beyond five years.

Note 5 - Provisions

A - Provisions for impairment of assets

	2007	2006
Long-term investments	52,018	83,148
Inventories and work-in-progress	-	5,707
Trade receivables	3,907	4,390
Other receivables	2,769	2,432
PROVISIONS FOR IMPAIRMENT OF ASSETS	**58,694**	**95,677**

B - Regulated provisions carried in liabilities

	2007	2006
REGULATED PROVISIONS	**2,036**	**1,427**

Regulated provisions comprise accelerated tax depreciation recognized on capitalized software costs and on share acquisition fees since 2007.

C - Provisions for other liabilities and charges

	2007	2006
Retirement and other employee benefit obligations	61,570	70,534
Contract-related disputes	39,519	34,146
Other risks	6,045	7,729
Losses on completion	1,534	1,922
PROVISIONS FOR OTHER LIABILITIES AND CHARGES	**108,668**	**114,331**

Movements during the year are shown below:

	2007	2006
Provisions at January 1	**114,331**	**102,082**
Additions	23,940	27,922
Reversals (utilized provisions)	(15,012)	(16,356)
Reversals (surplus provisions)	(13,090)	-
Other movements	(1,501)	683
PROVISIONS AT DECEMBER 31	**108,668**	**114,331**

Note 6 - Commitments

	2007
Commitments given	**671,261**
Bank guarantees on contracts	9,624
Miscellaneous bank guarantees	5,792
Parent company guarantees	29,476
Joint and several guarantee on Group loan	626,369
Commitments received	**(7,000)**
Bank guarantees	(7,000)

Note 7 - Leases

	Installations and equipment	Other	Total
Initial value	**85**	**10**	**95**
Accumulated depreciation in prior years	47	10	57
Depreciation charge for the year	4	-	4
Accumulated depreciation at December 31, 2007	**51**	**10**	**61**
Lease payments made in prior years	86	5	91
Lease payments made in the year	8	0	8
Total lease payments made at December 31, 2007	**94**	**5**	**99**
Lease payments outstanding: due within 1 year	-	-	-
Lease payments outstanding: due within 1 to 5 years	-	-	-
Lease payments outstanding: due beyond 5 years	-	-	-
TOTAL LEASE PAYMENTS OUTSTANDING AT DECEMBER 31, 2007			
Residual value	1	-	1

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Note 8 - Analysis of revenue by industry and geographic area

Industry analysis

	2007	2006
Marine	169,172	147,576
Industry	74,816	74,422
In-Service Inspection & Verification	192,484	190,668
Health, Safety & Environment	67,610	67,332
Construction	219,846	204,046
Certification	40,902	12,482
Consumer Products	16	105
Government Services & International Trade	5,851	30,062
TOTAL	770,698	726,693

Geographic analysis

	2007	2006
France	580,739	554,848
Other European countries	89,366	81,366
Americas	396	404
Asia-Pacific & Middle East	90,715	79,831
Africa	9,483	10,244
TOTAL	**770,698**	**726,693**

Note 9 - Financial income and expense

Financial income	2007	2006
Investment income	116,088	62,604
Income from other marketable securities and receivables on non-current assets	7,649	9,324
Other interest income	1,559	1,276
Reversals of provisions	35,212	19,682
Exchange gains	14,113	22,951
TOTAL	**174,621**	**115,837**
Financial expense		
Additions to provisions	(4,419)	(11,445)
Interest expense	(25,004)	(18,988)
Exchange losses	(16,793)	(24,600)
TOTAL	**(46,216)**	**(55,033)**
NET FINANCIAL INCOME	**128,405**	**60,804**

Note 10 - Exceptional items

Exceptional income	2007	2006
On management transactions	204	111
On capital transactions	80,413	119,286
Reversals of provisions	3,618	3,792
TOTAL	**84,235**	**123,189**
Exceptional expense		
On management transactions	(17)	(7)
On capital transactions	(165,583)	(148,437)
Additions to provisions	(4,050)	(3,998)
TOTAL	**(169,650)**	**(152,442)**
NET EXCEPTIONAL EXPENSE	**(85,415)**	**(29,253)**

Note 11 - Income tax

Breakdown of current and exceptional income tax

	2007		2006	
	Profit before income tax	Income tax	Profit before income tax	Income tax
Net profit from ordinary activities	223,470	(18,294)	154,154	(26,211)
Net exceptional expense	(85,415)	173	(29,253)	4,118

The deferred tax position at December 31 was as follows:

	2007	2006
Deferred tax assets	39,850	37,149
Deferred tax liabilities	(938)	(959)
NET DEFERRED TAX ASSETS	**38,912**	**36,190**

In 2006 and 2007, deferred tax assets comprise mainly deferred taxes on provisions for retirement and other employee benefit obligations, and provisions for contract-related disputes.

In 2007, deferred tax liabilities chiefly relate to amounts receivable from the Group and associated companies.

Note 12 - Executive compensation

(in millions of euros)	2007	2006
COMPENSATION	4.7	4.5

Compensation includes amounts paid to members of governing bodies (Supervisory Board and Executive Committee) in respect of their different activities within the Company, as well as attendance fees and remuneration for assignments approved by the Supervisory Board.

Note 13 - Employees

	2007	2006
EMPLOYEES	8,395	7,641

Note 14 - Related parties

Bureau Veritas SA is the parent and consolidating company of the Bureau Veritas Group. Amounts payable to and receivable from other Group companies, together with financial income and expense, are shown below:

	2007	2006
Assets		
Trade receivables	26,811	26,629
Other receivables	1,576	612
Loans	434,715	104,630
Liabilities		
Borrowings	207,882	193,950
Trade payables	16,448	15,913
Other payables	138	248
Income statement		
Financial income	122,549	68,954
Financial expense	(8,805)	(6,658)
Net exceptional expense	(84,654)	(28,966)

5.2. Statutory Auditors' report on the financial statements – Year ended December 31, 2007

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. The Statutory Auditors' report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

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Bureau Veritas SA
17 bis, place des Reflets
92400 Courbevoie

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2007, on:

- the audit of the accompanying financial statements of Bureau Veritas;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Management Board. Our role is to express an opinion on these financial statements based on our audit.

Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities as at December 31, 2007, and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

The section of the notes to the financial statements entitled "Long-term investments" sets out the accounting rules and methods applied to equity investments. The section entitled "Work-in-progress" describes the accounting rules and methods applied to work-in-progress.

As part of our assessment of the accounting rules and principles applied by your Company, we verified that the above-mentioned accounting methods and related disclosures in the notes to the financial statements were appropriate, and ensured that the accounting methods were correctly applied.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

Specific verifications and information

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- the fair presentation and the conformity with the financial statements of the information given in the Management Report of the Management Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements;
- the fair presentation of the information provided in the Management Board's management report in respect of remuneration granted to certain company officers and any other commitments made in their favor in connection with, or subsequent to, their appointment, termination or change in function.

In accordance with the law, we have also verified that the management report contained the appropriate disclosures concerning the identity of shareholders and reciprocal shareholdings.

Paris and Neuilly-sur-Seine, April 15, 2008

The Statutory Auditors

Bellot Mullenbach & Associés
Pascal de Rocquigny

PricewaterhouseCoopers Audit
Jean-François Châtel

5 COMPTES SOCIAUX 2007

6

INFORMATION ON THE COMPANY AND THE CAPITAL

6.1. General information

Corporate name

The corporate name is "Bureau Veritas – Registre International de Classification de Navires et d'Aéronefs" ("Bureau Veritas – International Classification Register for Ships and Aircraft").

Registration place and number

Bureau Veritas is registered with the Nanterre Trade and Companies Register (*Registre du commerce et des sociétés*) under number RCS 775 690 621 Nanterre.

Date of incorporation and term

Bureau Veritas was incorporated on April 2 and 9, 1868, by Maître Delaunay, notary in Paris. Bureau Veritas' incorporation will expire, unless wound up or extended by an Extraordinary Shareholders' Meeting in accordance with the law and its by-laws, on December 31, 2080.

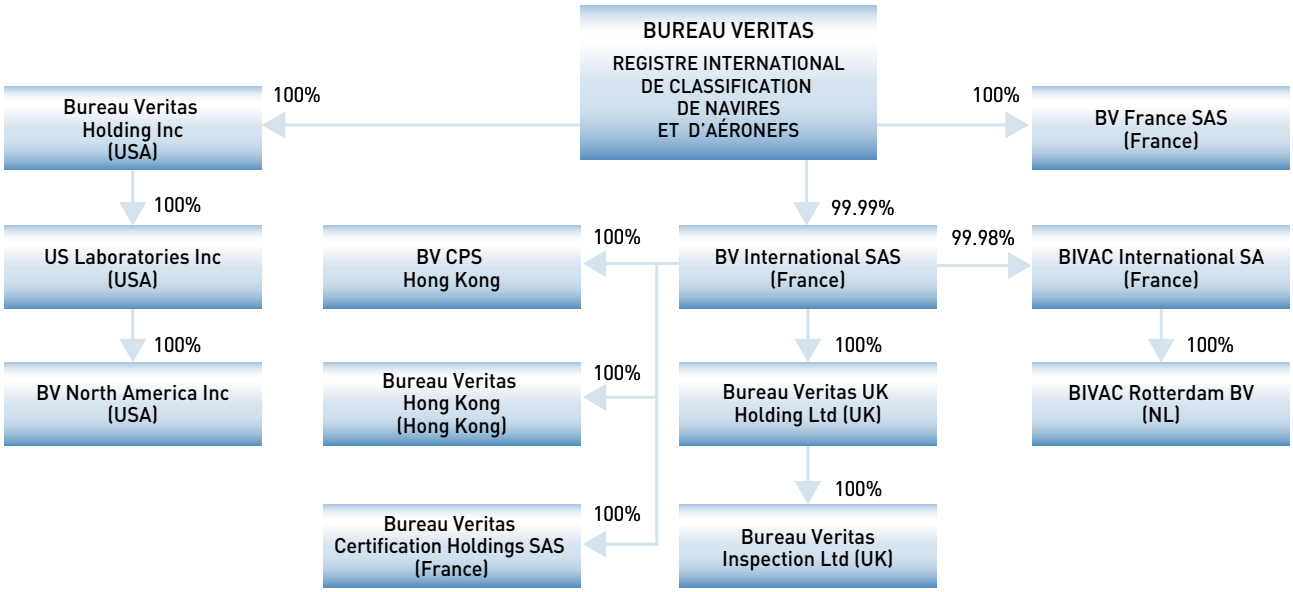
Registered office, legal form and applicable law

Bureau Veritas' registered office is located at 17 bis, Place des Reflets – La Défense 2 – 92400 Courbevoie, France (telephone: +33 1 42 91 52 91).

Bureau Veritas is a French public limited company (*société anonyme*) with a Management Board and a Supervisory Board, subject to the provisions of Book II of the French Commercial Code.

6.2. Group structure

The group structure as of December 31, 2007 was as follows:



6.3. Subsidiaries and other equity participations

6.3.1. Principal subsidiaries

The Group is made up of Bureau Veritas SA and its branches and subsidiaries. Bureau Veritas SA is not a mere holding company but also carries on business activities in its own right. In fact, Bureau Veritas SA encompasses the business activities in France of all Group businesses except for the Consumer Products business and moreover owns branches in France and abroad. Bureau Veritas SA recorded revenue of €771 million in 2007 (this amount relates to the corporate accounts of Bureau Veritas SA).

The main cash flows between Bureau Veritas and its material consolidated subsidiaries are related to the brand royalties and technical fees, centralized cash management and invoicing of relevant amounts for insurance coverage. The main cash flows between Bureau Veritas and its subsidiaries are also presented in the special reports of the Statutory Auditors in relation to related-party agreements, which are set out in the Related-party transactions section of this chapter.

A description of the Group's twelve principal direct and indirect subsidiaries is provided below. A description of the business activities of the operational subsidiaries is also provided. A detailed presentation of the Group's subsidiaries is included in the "Scope of consolidation" note to the consolidated financial statements in Chapter IV – Consolidated financial statements.

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BUREAU VERITAS INTERNATIONAL SAS (FRANCE)

Bureau Veritas International SAS is a French simplified limited liability company (*société par actions simplifiée*), headquartered in France at 17 bis place des Reflets, 92400 Courbevoie. The company was formed in March 1977 under the name "LCT", "le Contrôle Technique" ("Technical Control"), and holds certain foreign subsidiaries.

BUREAU VERITAS HOLDING INC. (UNITED STATES)

Bureau Veritas Holding Inc. is a company incorporated in the State of Delaware in June 1988, headquartered in New York at 666 Fifth Avenue, #2139, New York, NY 10103. BV Holding Inc is a 100% owned subsidiary of Bureau Veritas SA, whose principal purpose is to acquire and manage interests in the American subsidiaries.

BV FRANCE SAS (FRANCE)

Bureau Veritas France SAS is a French simplified limited liability company (*société par actions simplifiée*), with headquarters in France at 17 bis place des Reflets, 92400 Courbevoie. The company was formed in May 1981 under the name "PKB Scania France". BV France SAS is a 100% owned subsidiary of Bureau Veritas SA, and holds the principal subsidiaries in France.

BUREAU VERITAS CERTIFICATION HOLDING SAS (FRANCE)

Bureau Veritas Certification Holding SAS is a French simplified limited liability company (*société par actions simplifiée*), headquartered in France at 17 bis place des Reflets, 92400 Courbevoie. The company was formed in March 1994. BV Certification Holding SAS is a 100% owned subsidiary of BVI SAS and holds most of the subsidiaries of the Certification business.

BIVAC INTERNATIONAL SA (FRANCE)

BIVAC International SA is a French simplified limited liability company (*société par actions simplifiée*), headquartered in France at 17 bis place des Reflets, 92400 Courbevoie. BIVAC International was formed in March 1991 as a holding company and headquarters for the GSIT business. BIVAC International is a wholly owned subsidiary of BVI SAS.

BUREAU VERITAS HONG KONG LTD (HONG KONG)

Bureau Veritas Hong Kong Ltd is a company formed under Chinese law in October 2004 headquartered at 1/F Pacific Trade Centre – 2 Kai Hing Road, Kowloon Bay – Hong Kong. Bureau Veritas Hong Kong Ltd is a 100% owned subsidiary of BVI SAS, and holds certain subsidiaries in Asia. Bureau Veritas Hong Kong Ltd recorded revenue of €141.3 million in 2007.

BUREAU VERITAS UK HOLDING LTD (UNITED KINGDOM)

Bureau Veritas UK Holding Limited is a company formed under British law in November 2005 headquartered at Tower Bridge Court, 224-226 Tower Bridge Road, London, SE1 2TX, United Kingdom. Bureau Veritas UK Holding, formerly called "Bureau Veritas UK Ltd", is a 100% owned subsidiary of BVI SAS, and holds the Group's operational interests in the United Kingdom.

BUREAU VERITAS INSPECTION UK (GREAT BRITAIN)

Bureau Veritas Inspection UK is a company formed under British law in October 1983 headquartered at Tower Bridge Court, 224-226 Tower Bridge Road, London, SE1 2TX, United Kingdom. BV Inspection UK Holding, formerly called "Plant Safety Ltd", is a 100% owned subsidiary of Bureau Veritas UK Holding. Its principal business is inspection and in-service verification. Bureau Veritas Inspection UK recorded revenue of €60.4 million in 2007.

US LABORATORIES INC (UNITED STATES)

US Laboratories Inc. is a company incorporated in the State of Delaware in October 1993 headquartered in Florida at 11860 W. State Road 84, Suite 1, Fort Lauderdale, Florida 33325. US Laboratories is a 100% owned subsidiary of Bureau Veritas Holding Inc. Its main business activities are in construction.

BIVAC ROTTERDAM B.V. (NETHERLANDS)

Bureau Veritas Inspection Valuation Assessment and Control B.V. is a simplified limited liability company formed under Dutch law in September 1984 headquartered at De Witte Keizer, 3e verdieping Vissersdijk 223-241 _ 3011 GW Rotterdam, Netherlands. BIVAC Rotterdam is a 100% owned subsidiary of BIVAC International. Its principal business is the administrative management of the government services business of the GSIT. It recorded revenue of €63.4 million in 2007.

BUREAU VERITAS CPS HK LTD (HONG KONG)

Bureau Veritas CPS Hong Kong Ltd is a company formed under Chinese law in November 1985 headquartered at Vanta Industrial Centre, 21-23 Tai Lin Pai Road, Kwai Chung New Territories. Bureau Veritas Hong Kong Ltd is a 100% owned subsidiary of BVI SAS. Its principal business is to provide services through its Consumer Products business. It recorded revenue of €7.2 million in 2007.

BUREAU VERITAS NORTH AMERICA INC

Bureau Veritas North America Inc is registered in the State of Delaware and headquartered in Florida at 308 NW 170th Street, North Miami Beach, Florida 339. Its main business activities are split between health, safety and the environment on one hand and construction on the other hand. It recorded revenue of €106.8 million in 2007.

6.3.2. Recent acquisitions and divestitures

The paragraph below presents only acquisitions completed in 2007 whose acquisition price was at least €10 million. The acquisition prices set forth below include earn-outs and acquisition costs and fees.

RECENT ACQUISITIONS

CCI Holdings Ltd (Australia)

On June 29, 2007 the Group acquired 100% of CCI via the acquisition of its holding company for a cash payment of 79.3 million Australian dollars. Founded in 1977 and headquartered at Newcastle close to Sydney, CCI is the leader in its two market segments of laboratory testing of coal on one hand and inspection and in-service verification for the mining industry and the electricity generation sector on the other hand. CCI employs 650 people and has operations in the Ukraine and Indonesia for coal testing.

CCI posted revenue of 69.7 million Australian dollars (namely around €42.4 million) during the fiscal year ended June 30, 2007.

ECA

In October 2007, Bureau Veritas completed the formal acquisition of 100% of ECA GLOBAL, following the approval of the Spanish competition authorities. This acquisition turned Bureau Veritas into the leader in Spain in inspection and in-service verification services, services for industrial clients, certification and technical control of buildings.

The overall acquisition cost of the company thus amounted to €156 million, including €28 million for the acquisition of 43% in 2004 and 2005, €123.5 million for the acquisition of the remaining 57% in October 2007 and €4.5 million in additional acquisition costs, relating to a dispute with the former owners of ECA Global.

The ECA Group posted revenue of €191 million in 2007 within the scope retained by Bureau Veritas (excluding business activities disposed of or in the course of being disposed of). The contribution to consolidated revenue in Q4 2007, namely the period from October 15, 2007 to December 31, 2007, amounted to €46 million and is split into the following businesses: Construction (34% of revenue), IVS (29%), HSE (20%), Industry (10%) and Certification (7%).

6.4. Intra-group contracts

6.4.1. Intra-group contracts

Because the Group's financial policy is to centralize cash surplus, subsidiaries must place surplus with the Company. If needed, they can take out loans from the Company. Unless agreed with the Company, subsidiaries must not place cash with or borrow from any other entity.

Intra-group loans are governed by cash management agreements between the Company and each French and non-French subsidiary.

6.4.2. Industrial franchise, brand royalty and know-how licensing contracts

From 2007, for the Marine, Industry and Infrastructure, International Trade and Consumer Products activities carried on by the subsidiaries of BV SA, there is a single contract:

- industrial franchise contract: this contract is to provide remuneration for using Bureau Veritas industrial property and know-how; invoicing is done on the basis, firstly, of 3% of the third-party revenue of each subsidiary for access to the industrial property rights and, secondly, on the basis of a percentage of third-party revenue, which varies depending on the activity for the portion relating to payment for the services provided by head office.

For the other subsidiaries, namely BVCPS and BV Certification, two types of contract continue to exist:

- brand royalty contract: this contract is to provide remuneration for using the Bureau Veritas name: invoicing is based on 3% of the third-party revenue of each subsidiary, unless exempted; and
- know-how licensing contract: this contract is to provide remuneration for using Bureau Veritas know-how. Invoicing is based on a percentage of third-party revenue which varies depending on the activity.

6.5. Share capital

6.5.1. Amount of share capital

CHANGE IN SHARE CAPITAL DURING THE FISCAL YEAR ENDED DECEMBER 31, 2007

At December 31, 2006 the Company's share capital amounted to €13,010,228.40, split into 10,841,857 shares each with a par value of €1.20.

At December 31, 2007 the Company's share capital amounted to €13,939,173, represented by 116,159,775 shares, each with a nominal value of €0.12 (as a result of the 10-to-1 split in the nominal value that took place on October 23, 2007, pursuant to the decision of the Mixed Shareholders' Meeting of June 18, 2007).

At December 31, 2007 the total number of theoretical voting rights amounted to 116,441,440 and exercisable ones to 107,490,440.

The changes to the corporate capital during fiscal year 2007 were as follows:

Share cancellation:

- 8,818,780* shares were cancelled in a share capital reduction (not stemming from losses).

Share issued*:

- 1,348,350* shares as a result of the exercise of stock options;
- 8,951,000* shares as a result of the exercise of the share warrants;
- 5,116,730* shares as a result of the share capital increase resulting from the contribution to the Company of the shares held by Winvest 7;
- 1,143,905* shares as a result of the reserved share capital increases as part of offerings made to Company employees;
- namely a total of 16,559,985 shares.

In total, between December 31, 2006 and December 31, 2007 the total number of additional shares amounted to 7,741,205 shares each with a nominal value of €0.12.

* *These figures have been restated to take account of the 10-to-1 split in the nominal value pursuant to the decision of the Combined Shareholders' Meeting of June 18, 2007).*

AUTHORIZATIONS

The General Shareholders' Meeting of June 18, 2007 granted the Management Board the following authorizations:

Authorization	Duration of the authorization and expiry	Maximum par value *(in millions of euros)*	Use at December 31, 2007
Authorization to trade in the Company's shares (Resolution 9)	18 months December 17, 2008	10% of the Company's share capital existing at the time of the buyback	None at December 31, 2007 Nevertheless, this authorization was used by the Management Board when putting in place the liquidity agreement in February 2008
Issue, with retention of preferential subscription rights, of ordinary shares and/or securities giving access immediately and/or over time to the Company's capital or to debt instruments (Resolution 14)	26 months August 17, 2009	■ €2 million, (global maximum par value representing an amount shared with resolutions 15, 16, 17, 18, 19, 21 and 22) ■ €3.5 million, (global maximum par value representing an amount shared with resolutions 15, 16, 17, 18, 19, 20, 21 and 22)	This authorization was not used, although its shared threshold with resolutions 17, 18 and 19 was used in respect of 1,199,070 shares pursuant to resolutions 17, 18 and 19
Issue via public offering, without preferential subscription rights, of ordinary shares and/or securities giving access immediately and/or over time to the Company's capital or to debt instruments (Resolution 15)	26 months August 17, 2009	€2 million, (global maximum par value mentioned above), including €1 million for issues pursuant to this resolution other than for debt instruments	As with resolution 14, this authorization was not used but the shared threshold was used in respect of 1,199,070 shares pursuant to resolutions 17, 18 and 19
Authorization to increase the amount of the initial issue, with or without shareholder preferential subscription rights (Resolution 16)	26 months August 17, 2009	€2 million, representing the global maximum par value representing the amount shared between resolutions 15, 16, 17, 18, 19, 21 and 22	As with resolutions 14 and 15, this authorization was not used but the shared threshold was used in respect of 1,199,070 shares pursuant to resolutions 17, 18 and 19
Capital increase via the issue of equity securities or securities giving access to the Company's capital, without preferential subscription rights, for members of a corporate savings plan (Resolution 17)	26 months August 17, 2009	1.2% of the Company's corporate capital representing the amount shared with resolutions 18 and 19 (deductible from the abovementioned global maximum amount of €2 million)	Authorization used in respect of 1,100,826 shares as part of the employee offering and threshold. In addition, as with resolutions 14, 15 and 16, the shared threshold was used in respect of a total of 1,199,070 shares (pursuant to resolutions 17, 18 and 19 deductible from the shared amount of 1.2% of the share capital of resolutions 17, 18 and 19)
Grant of free shares to employees and/or executive directors of non-French Group subsidiaries as part of an offering reserved for members of a corporate savings plan (Resolution 18)	38 months August 17, 2010	0.05% of the Company's corporate capital (deductible from: ■ the abovementioned global amount of 1.2% of capital representing the amount shared with resolutions 17 and 19 ■ the abovementioned global maximum amount of €2 million)	55,165 free shares were granted by the Management Board meeting of December 13, 2007. In addition, the shared threshold was used in respect of a total of 1,199,070 shares issued pursuant to resolutions 17, 18 and 19 deductible from the shared amount of 1.2% of the share capital of resolutions 17, 18 and 19

Authorization	Duration of the authorization and expiry	Maximum par value *(in millions of euros)*	Use at December 31, 2007
Capital increase, without shareholder preferential subscription rights, reserved for categories of beneficiaries (Resolution 19)	18 months December 17, 2008	1.2% of the Company's share capital representing an amount shared with resolutions 17 and 18 (deductible from the abovementioned global maximum amount of €2 million)	This authorization was used to create 43,079 shares pursuant to this resolution. In addition, the shared threshold was used in respect of a total of 1,199,070 shares issued pursuant to resolutions 17, 18 and 19 deductible from the shared amount of 1.2% of the share capital of resolutions 17, 18 and 19
Capital increase via the incorporation of share premiums, reserves, earnings or any other amount that may be capitalized (Resolution 20)	26 months August 17, 2009	€1.5 million (deductible from the abovementioned global maximum amount of €3.5 million)	This authorization was not used, although its shared threshold was used in respect of a total of 1,199,070 shares pursuant to resolutions 17, 18 and 19
Issue of ordinary shares and securities giving access to the Company's capital in exchange for contributions in kind to the Company (Resolution 21)	26 months August 17, 2009	10% of the Company's share capital (deductible from the abovementioned global maximum amount of €2 million)	This authorization was not used, although its shared threshold was used in respect of 1,199,070 shares pursuant to resolutions 17, 18 and 19
Issue of ordinary shares or securities giving access to the Company's capital in exchange for the contribution of securities as part of a public exchange offer undertaken by the Company (Resolution 22)	26 months August 17, 2009	€1 million (deductible from the abovementioned global maximum amount of €2 million)	This authorization was not used, although its shared threshold was used in respect of 1,199,070 shares pursuant to resolutions 17, 18 and 19
Share capital reduction via the cancellation of all or part of the Company's shares acquired under any share buyback program (Resolution 23)	26 months August 17, 2009	10% of share capital	None
Issue of options giving the right to subscribe for new shares or to purchase shares in the Company (Resolution 24)	38 months August 17, 2009	2% of share capital representing a shared amount with resolution 25	This authorization was not used, although the shared threshold with resolution 25 was used in respect of 183,725 shares pursuant to resolution 25
Free grants of existing shares or shares to be issued for the benefit of employees of the Group and/or executive directors or some of them (Resolution 25)	38 months August 17, 2010	2% of share capital representing a shared amount with resolution 24	Authorization used via the granting of free shares: 183,725 shares

6.5.2. Securities Not Representing Corporate Capital

At December 31, 2007, the Company had not issued any securities that do not represent share capital.

6.5.3. Treasury Shares and share buybacks

At December 31, 2007, the Company held 8,951,000 shares each with a nominal value of €0.12.

No Company stock is held by any of its subsidiaries or by a third party on its behalf.

BUYBACK PROGRAM ESTABLISHED IN EARLY 2008 PURSUANT TO THE AUTHORIZATION PROVIDED BY THE MIXED SHAREHOLDERS' MEETING OF JUNE 18, 2007

The General Shareholders' Meeting of June 18, 2007 authorized the Management Board for a period of 18 months, namely until August 18, 2008, to buy back Company stock up to 10% of its share capital and to reduce the share capital via the cancellation of previously bought back shares up to 10% of the share capital.

Pursuant to this authorization, on February 8, 2008, the Company signed a liquidity agreement with Exane in line with the Code of Ethics recognized by the AMF (*French Securities and Exchange Commission*).

Upon its implementation, 100,000 shares and €1.5 million were allocated to this liquidity agreement.

At February 29, 2008, the Company held 8,953,828 treasury shares, 102,828 of which in respect of the liquidity agreement, representing 7.7% of the Company's share capital, 6,153 shares having been bought at an average price of €36.01 and 3,325 shares having been sold at an average price of €36.12 under the liquidity agreement.

NEW SHARE BUYBACK PROGRAM TO BE PUT TO THE COMBINED SHAREHOLDERS' MEETING APPROVING THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

The Company wishes to renew its 2007 share buyback program.

The main terms of this new program will be the subject of a resolution to be put to the Annual General Shareholders' Meeting approving the financial statements for the fiscal year ended December 31, 2007 and are the same as those of the program approved by the General Shareholders' Meeting of June 18, 2007:

1. the securities that the Company proposes to buy are exclusively ordinary shares with a nominal value of €0.12;
2. pursuant to Articles L. 225-209 and L. 225-210 of the French Commercial Code, the number of shares that the Company shall hold at any given time may not exceed 10% of the shares in the Company's capital as of the date in question (subject to more restrictive legal provisions);
3. the maximum purchase price of the shares under this share buyback program shall be €75.50, subject to adjustments as part of changes to the capital. The maximum amount allocated to implement the share buyback program is €800 million;
4. the maximum portion of the capital that may be bought back under the share buyback program shall be 10% of the total number of shares in the Company's capital as of the time of the buyback. This percentage must be checked on the date on which buybacks are made, and, as the case may be, shall apply to the adjusted capital resulting from transactions taking place subsequent to the Combined Shareholders' Meeting;
5. the share buyback program may be implemented for a period of eighteen months from the date of the Combined Shareholders' Meeting;
6. the goals of the program, by order of decreasing importance, are as follows:
   - ensure the liquidity and drive the market in the shares via a financial services provider acting independently under a liquidity agreement that complies with the Code of Ethics recognized by the AMF,
   - implement any Company stock option plans, any share grants under any company or Group savings plan, any free share grants and any share grants under profit-sharing arrangements and to carry out any transaction necessary to cover these transactions, in the manner mandated by the market authorities,
   - retain and subsequently swap or use as consideration in acquisitions, up to 5% of the Company's corporate capital,
   - hand over shares in the event of the exercise of rights stemming from securities giving rights to shares in the Company by any means, whether immediately or in the future,
   - cancel all or part of the shares thereby bought back (pursuant to resolution 23 approved by the Combined General Shareholders' Meeting of June 18, 2007 and in force until December 23, 2009),
   - any other practice that is subsequently accepted or recognized by law or by the AMF or any other goal that complies with applicable regulations.

6.5.4. Other securities giving access to corporate capital

The Company issued stock options, the main terms and conditions of which are set out in the section on Interests of members of the Management Board, of the Supervisory Board and of certain employees in Chapter III – Management Board's management report.

The Company also made free share grants, the main terms and conditions of which are set out in the section on Interests of members of the Management Board, of the Supervisory Board and of certain employees in Chapter III – Management Board's management report as well as in note 21 to the consolidated financial statements in Chapter IV – Consolidated financial statements.

6.5.5. Conditions governing all acquisition rights or any obligations attached to corporate capital subscribed but not fully paid up

None.

6.5.6. Security interests, guarantees and pledges

At February 29, 2008 and to the knowledge of the Company, 69,743 shares of the Company (approximately 0.06% of the number of shares representing the Company's corporate capital), held by physical persons, are subject to security interests.

At February 29, 2008 and to the knowledge of the Company, no share of the Company, other than the 69,743 shares mentioned above, is subject to a security interest, guarantee or pledge.

Moreover, the Company has pledged, for the benefit of Axa, Soprefira securities in an amount of €3.1 million (see special report of the Statutory Auditors on related party agreements for the 2007 fiscal year set out in the Related-party transactions section in Chapter VI – Information on the Company and the capital).

6.5.7. Changes in the share capital

The table below sets forth changes in the Company's share capital since 2005.

	2005	2006	2007
Capital at the beginning of the year	**13,819,684**	**13,973,446**	**13,010,228**
Number of shares cancelled during the year	**-**	**881,300**	**8,818,780[2]**
Number of shares issued during the year	**-**	**78,619**	**16,559,985[2]**
Via the exercise of stock options	128,135	78,619	1,348,350[2]
Via the exercise of share warrants	-	-	8,951,000[2]
Via the issue of new shares in respect of contributions in kind	-	-	5,116,730[2]
Via the issue of new shares in respect of share capital increases reserved for Company employees	-	-	1,143,905[2]
Capital at the end of the year[1]			
In euros	**13,973,446**	**13,010,228**	**13,939,173[1]**
In shares[2]	**11,644,538**	**10,841,857**	**116,159,775**

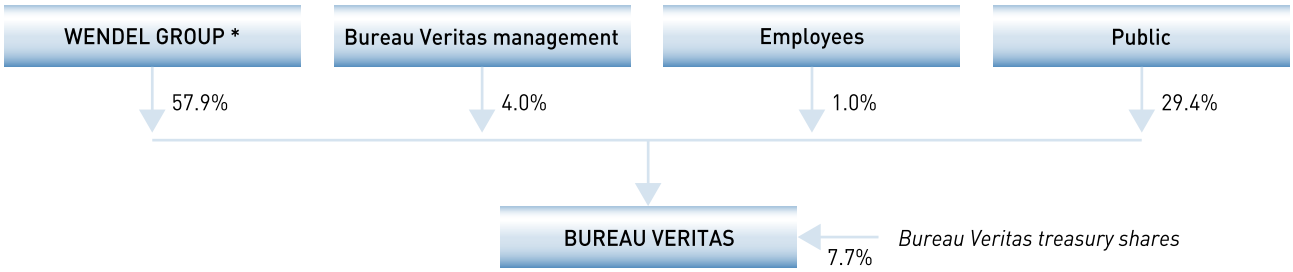
(1) Share capital as recorded by the Management Board at its meeting on January 25, 2008 (excluding the options that were exercised after January 1, 2008).

(2) It should be noted that the information above was restated to take account of the 10-to-1 split in the nominal value of the Company's shares approved by the Combined Shareholders' Meeting on June 18, 2007, reducing it from €1.20 to €0.12.

6.6. Principal shareholders

6.6.1. Group structure

SIMPLIFIED STRUCTURE AS OF DECEMBER 31, 2007



* *Primarily TRUTH 2 including the 80 shares held by WENDEL.*

PRINCIPAL DIRECT AND INDIRECT SHAREHOLDERS

Wendel is one of the largest investment companies listed in France, and one of the largest in Europe, with a market capitalization of more than €4 billion. Lead by a family holding, its strategy consists of making long-term investments as the majority or leading shareholder in industrial and service companies to accelerate their development and create market leaders. Wendel relies on highly involved management teams, participates in the establishment and pursuit of corporate strategy and arranges the financing needed. Since its creation in 2002, Wendel has made more than €3.5 billion of acquisitions in companies which are all leaders in their markets: it invested in Legrand in 2002, and acquired Editis and took control of Bureau Veritas in 2004. In 2006, Wendel acquired Materis and entered a new stage by extending its investment strategy at the international level with the acquisition of Deutsch in the United States and Stahl and AVR in the Netherlands. In 2007, Wendel acquired 18% of the capital of Compagnie de Saint-Gobain, thereby becoming the company's principal shareholder.

Wendel is listed on Euronext Paris.

Wendel's annual report is available on the web site of the *Autorité des marchés financiers* (www.amf-france.org) and can be downloaded from Wendel's web site (www.wendelgroup.com).

SHAREHOLDINGS AND VOTING RIGHTS

Shareholdings and voting rights at December 31, 2007

At December 31, 2007, the share capital amounted to €13,939,173 represented by 116,159,775 shares with a nominal value of €0.12 each (following the 10-to-1 split in the nominal value on October 23, 2007 pursuant to the authorization granted by the Mixed Shareholders' Meeting on June 18, 2007), which gave rise to 107,490,440 votes.

To the knowledge of the Company, the share capital and voting rights were held as set forth below:

	Number of shares	Percentage of capital	Number of votes	Percentage of votes
Wendel Group	67,293,340	57.93%	67,293,340	62.60%
Managing shareholders*	4,650,270	4.00%	4,650,270	4.33%
■ o/w Frank Piédelièvre	613,190			
■ o/w François Tardan	438,240			
■ o/w members of the Supervisory Board	1,400			
Employees under Company savings plan	1,143,405	0.98%	1,143,405	1.06%
■ o/w FCP BV Next	952,863			
Other shareholders	34,121,760	29.38%	34,403,425	32.01%
Treasury shares	8,951,000	7.71%	-	-
TOTAL	**116,159,775**	**100%**	**107,490,440**	**100%**

(*) Members of the Management Board, of the Supervisory Board and shareholders resulting from the W7 restructuring.

The stock held by Managing shareholders (excluding members of the Supervisory Board) is subject to a holding commitment, provided for in the guarantee agreement signed on October 23, 2007 as part of the stock market listing, namely until October 22, 2008.

To the best of the Company's knowledge, as of this date no other shareholder held in excess of 5% of the capital or voting rights. Two institutional investors notified the Company in November 2007 and in April 2008 that they had moved above the statutory threshold of 2% of capital.

Breakdown of capital and voting rights at December 31, 2006, December 31, 2005 and December 31, 2004

At December 31, 2006, the share capital amounted to €13,010,228.40 represented by 10,841,857 shares, each with a nominal value of €1.20 giving rise to 10,841,857 voting rights. To the best of the Company's knowledge, the Company's share capital and voting rights were held as follows as of that date:

	At December 31, 2006			
	Number of shares	Percentage of capital	Number of votes	Percentage of votes
Wendel	5,539,495	51.09%	5,539,495	51.09%
Poincaré Participations	4,156,129	38.33%	4,156,129	38.33%
Sofu Participations	1,040,055	9.59%	1,040,055	9.59%
Wendel Group subtotal	**10,735,679**	**99.02%**	**10,735,679**	**99.02%**
Minority shareholders	106,178	0.98%	106,178	0.98%
TOTAL	**10,841,857**	**100.0%**	**10,841,857**	**100.0%**

At December 31, 2005, the share capital amounted to €13,973,445.60 and was comprised of 11,644,538 shares, each with a nominal value of €1.20 giving rise to 11,644,538 voting rights. To the best of the Company's knowledge, the capital and voting rights were held as follows as of that date:

	At December 31, 2005			
	Number of shares	Percentage of capital	Number of votes	Percentage of votes
Wendel	5,511,571	47.33%	5,511,571	47.33%
Poincaré Participations	5,019,120	43.10%	5,019,120	43.10%
SOFU Participations	1,040,055	8.93%	1,040,055	8.93%
Wendel Group subtotal	**11,570,746**	**99.37%**	**11,570,746**	**99.37%**
Other shareholders	73,792	0.63%	73,792	0.63%
TOTAL	**11,644,538**	**100.0%**	**11,644,538**	**100.0%**

At December 31, 2004, the share capital amounted to €13,819,683.60 and was comprised of 11,516,403 shares, each with a nominal value of €1.20 giving rise to 11,516,403 voting rights. To the best of the Company's knowledge, the capital and voting rights were held as follows as of that date:

	At December 31, 2004			
	Number of shares	Percentage of capital	Number of votes	Percentage of votes
Wendel	5,367,468	46.61%	5,367,468	46.61%
Poincaré Participations	4,185,810	36.35%	4,185,810	36.35%
SOFU Participations	1,040,055	9.03%	1,040,055	9.03%
Wendel Group subtotal	**11,426,643**	**99.22%**	**11,426,643**	**99.22%**
Other shareholders	89,760	0.78%	89,760	0.78%
TOTAL	**11,516,403**	**100.0%**	**11,516,403**	**100.0%**

Shareholder voting rights

Pursuant to the Company's by-laws amended by the General Shareholders' Meeting of June 18, 2007 and which came into force on October 23, 2007, double voting rights are granted to all fully paid-up shares that are registered in the name of the same shareholder for a period of at least two years.

This double voting right is deemed terminated for any share converted to bearer form or where title to it is transferred.

Nevertheless, the above period will not be interrupted and vested rights retained for any conversion to bearer form stemming from inheritance with or without a will, the division of matrimonial property or an inter vivos gift to a spouse or relations entitled to inherit.

At December 31, 2007, 281,665 shares enjoyed double voting rights out of the 116,159,173 shares in the share capital.

Control of the Company

The Company is currently controlled directly and indirectly by Wendel, who holds 57.9% of the capital and 62.6% of the voting rights.

The Group has implemented measures in order to avoid abusive control of the Company.

The Supervisory Board thus ensures that at least one-third of its members are independent. Independent members are selected from persons who are independent and without connection to the Company within the meaning of the Company's internal regulations. At the date of registration of this reference document, Messrs. Patrick Buffet, Jérôme Charruau, Philippe Louis-Dreyfus and Bernard Renard are the independent members of the Supervisory Board. Information regarding the independent members of the Supervisory Board is set forth in the Management Board and Supervisory Board section of Chapter II – Corporate Governance.

In addition, the Company ensures that there are independent members of the Supervisory Board on the Supervisory Board's specialized committees (see the Functioning of the Management Board and the Supervisory Board section in Chapter II – Corporate Governance). The Audit Committee thus has two of the four independent members of the Board, one of whom is the Chairman of the Committee.

6.6.2. Agreements for a change in control

None.

6.7. Dividend policy

The Group has set itself the objective of paying an annual dividend representing approximately one third of its consolidated profit for the year.

This objective does not, however, represent any commitment on the Group's part, as future dividends will depend on its business results and financial position.

The amount of the dividend that will be proposed to the Annual Ordinary General Shareholders' Meeting is set out in the section providing Additional information on the Company with a view to approving the 2007 financial statements in Chapter III – Management Board's management report.

6.8. Related-party transactions

6.8.1. Principal related-party transactions

The two agreements that had been in place with the Wendel Group were terminated on the day the shares were listed on a regulated market, namely on October 23, 2007.

They involved the following two agreements:

- the service contract signed on June 28, 2005; and
- the tax integration agreement.

In addition, a detailed description of the intra-Group contracts and other related-party transactions is set forth in the Intra-group contracts section of this chapter and in note 31 to the consolidated financial statements in Chapter IV – Consolidated financial statements.

6.8.2. Special reports of the independent Statutory Auditors on related-party transactions and commitments for the fiscal year ended December 31, 2007

To the shareholders

Bureau Veritas Sa
17 bis, place des Reflets
92400 Courbevoie

Ladies, Gentlemen,

As the certified public accountants for your company, we present you our report on related-party agreements and commitments.

1. AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE FISCAL YEAR

Pursuant to Article L. 225-88 of the French Commercial Code, we have been informed of the agreements and commitments which have been subject to the prior approval of your Supervisory Board.

It is not our function to seek the possible existence of other agreements or commitments but to communicate to you, on the basis of the information which has been given to us, the essential nature and conditions of the agreements of which we have been informed, without opining as to their utility or justification. It is for you, pursuant to Article R. 225-58 of the French Commercial Code, to judge the interest of the agreements and commitments which have been approved.

We have performed our work according to the professional standards applicable in France; these standards require the performance of investigations to verify the agreement of the information which has been given to us with the documents on which it is based.

"Parent company" letter of guarantee for Bureau Veritas Malaysia

Companies concerned: Bureau Veritas SA and Bureau Veritas Malaysia.

Agreement authorized by the Supervisory Board on January 18, 2007.

A "parent company" letter of guarantee was provided by Bureau Veritas SA for a client of its subsidiary in Malaysia, Bureau Veritas Malaysia, to guarantee the commitments made by Bureau Veritas Malaysia as part of its bid for a "provision of fitness for service assessment of pipelines" tender in Malaysia.

François Tardan, a member of the Management Board of Bureau Veritas SA, is also a member of the Board of Directors of Bureau Veritas Malaysia.

"Parent company" letter of guarantee for Morton Insurance Company Ltd.

Companies concerned: Bureau Veritas SA and Soprefira.

Agreement approved by the Supervisory Board on January 18, 2007.

In connection with renewing the annual insurance program for the Professional Civil Liability of the businesses of the Marine business of Bureau Veritas, a "parent company" letter of guarantee from Bureau Veritas SA for its first line insurance company, Morton Insurance Company Ltd, reinsured with Soprefira (a subsidiary of Bureau Veritas SA), for a maximum annual amount of €5,000,000, in case of default by Soprefira.

Mr. Tardan, a member of the Management Board, is also a director of Soprefira.

"Parent company" letter of guarantee for Axa

Companies concerned: Bureau Veritas SA and Soprefira.

Agreement approved by the Supervisory Board on March 12, 2007.

A letter of intention was issued by Bureau Veritas SA in favor of AXA to guarantee the reinsurance obligations taken by Soprefira under the TERRE 2007 policy.

Mr. Tardan, a member of the Management Board, is also a director of Soprefira.

Modification of the cash pooling agreement with the Royal Bank of Scotland

Companies concerned: Bureau Veritas SA and Bureau Veritas International SAS.

Agreement approved by the Supervisory Board on May 31, 2007.

The Supervisory Board meeting of May 31, 2007 authorized Bureau Veritas International SAS to join the refinancing agreement with Royal Bank of Scotland and other banks.

Mr. Piedelièvre, Chairman of the Management Board, is also Chairman of Bureau Veritas International SAS.

Guarantee for Bureau Veritas North America (BVNA)

Companies concerned: Bureau Veritas SA and BVNA.

Agreement approved by the Supervisory Board on August 28, 2007.

A "parent company" letter of guarantee was provided by Bureau Veritas SA for BaharMar Joint Venture Ltd in which its US subsidiary, BVNA, has an interest, regarding the indemnization of BaharMar Joint Venture Ltd in the event of default by BVNA. This guarantee will be maxed at 2 million USD.

François Tardan, a member of the Management Board of Bureau Veritas SA, is also a member of the Board of Directors of BVNA.

Amendment to the refinancing agreement with Royal Bank of Scotland

Companies concerned: Bureau Veritas SA, Bureau Veritas Holding Inc. and Bureau Veritas Hong Kong Ltd.

Agreement approved by the Supervisory Board on October 5, 2007.

The Supervisory Board meeting of October 5, 2007 authorized the amendment of Article 22.10 Indebtedness of the refinancing agreement in order to raise to €250 million, from €100 million, the debt that can be taken on by the Bureau Veritas Group under financing agreements outside the refinancing agreement, it being noted that the debt that can be taken on by Bureau Veritas Group subsidiaries will be maxed at €100 million.

Frank Piedelièvre and François Tardan, members of the Management Board, are also members of the Board of Directors of the Group companies concerned by the amendment.

Guarantee for Sabah Shell Petroleum Company Limited

Companies concerned: Bureau Veritas SA and Bureau Veritas Malaysia.

Agreement approved by the Supervisory Board on October 5, 2007.

An unlimited "parent company" letter of guarantee was provided by Bureau Veritas SA for a client of its Bureau Veritas Malaysia subsidiary, Sabah Shell Petroleum Company Limited, to guarantee the commitments made by Bureau Veritas Malaysia as part of its bid on a tender for inspection and quality control services in the field of oil and gas for a value of 10 million USD.

François Tardan, a member of the Management Board of Bureau Veritas SA, is also a member of the Board of Directors of Bureau Veritas Malaysia.

Termination of the service agreement with Wendel Investissement

Companies concerned: Bureau Veritas SA and Wendel Investissement.

Agreement approved by the Supervisory Board on October 23, 2007.

Termination by mutual agreement of the parties on the date of the listing of Bureau Veritas SA of the service agreement signed on June 28, 2005 between Wendel Investissement and Bureau Veritas SA, for Wendel Investissement to provide assistance and advisory services in the following areas:

- assistance and advisory services for accounting and management control;
- assistance and advisory services for financial matters;
- assistance and advisory services for tax matters;
- assistance and advisory services for legal matters;
- assistance and advisory services for communications and human resources.

The amount recorded as expenses for the year ended December 31, 2007 was €1.6 million.

Messrs. Jean-Bernard Lafonta and Ernest-Antoine Seillière, members of the Supervisory Board of Bureau Veritas, are respectively Chairman of the Management Board and of the Supervisory Board of Wendel Investissement.

Wendel Investissement is also the principal shareholder of Bureau Veritas SA.

Approval of a planned acquisition by Bureau Veritas SA of shares in Winvest 7

Companies concerned: Bureau Veritas SA and Wendel Investissement.

Agreement approved by the Supervisory Board on October 23, 2007.

The Supervisory Board meeting of October 23, 2007 authorized the signing of an agreement by and between Wendel Investissement and Bureau Veritas under the terms of which BV would acquire shares in Winvest 7, newly issued and fully paid up by Wendel Investissement.

Following this purchase and subject to the contribution in kind of 350,450 Winvest 7 shares being approved by the Extraordinary Shareholders' Meeting of Bureau Veritas, the Company will wholly own Winvest 7.

Messrs. Jean-Bernard Lafonta and Ernest-Antoine Seillière, members of the Supervisory Board of Bureau Veritas, are respectively Chairman of the Management Board and of the Supervisory Board of Wendel Investissement.

Wendel Investissement is also the principal shareholder of Bureau Veritas SA.

Approval of a guarantee agreement between Wendel Investissement and financial institutions as part of the stock market listing of Bureau Veritas

Companies concerned: Bureau Veritas SA and Wendel Investissement.

Agreement approved by the Supervisory Board on October 23, 2007.

The Supervisory Board meeting of October 23, 2007 authorized the signing of a guarantee agreement by and between Wendel Investissement, Winvest 9 and certain managing shareholders of Bureau Veritas on one hand and the book runners on the other hand. This agreement contained certain commitments (in particular not to dispose of shares in Bureau Veritas or to issue such shares for 180 days), certain declarations and certain guarantees for the book runners and the joint lead underwriters.

Messrs Jean-Bernard Lafonta and Ernest-Antoine Seillière, members of the Supervisory Board of Bureau Veritas, are respectively Chairman of the Management Board and of the Supervisory Board of Wendel Investissement.

Wendel Investissement is also the principal shareholder of Bureau Veritas SA.

Disposal by Bureau Veritas SA of BVCPS HK to Bureau Veritas International SAS

Companies concerned: Bureau Veritas SA and Bureau Veritas International SAS.

Agreement approved by the Supervisory Board on December 13, 2007.

Bureau Veritas SA disposed of its full interest in BVCPS HK to Bureau Veritas International SAS for €80.2 million.

Mr. Piedelièvre, Chairman of the Management Board, is also Chairman of Bureau Veritas International SAS.

2. AGREEMENTS AND COMMITMENTS AUTHORIZED DURING THE FISCAL YEAR AND RATIFIED AT THE SAME TIME AS THE FINANCIAL STATEMENTS FOR THE PREVIOUS FISCAL YEAR WERE APPROVED

Agreement to share the stock listing costs of Bureau Veritas

Companies concerned: Bureau Veritas SA and Wendel Investissement.

Agreement approved by the Supervisory Board on April 24, 2007 and approved by the Mixed Shareholders' Meeting of June 18, 2007.

On April 24, 2007, the Supervisory Board authorized the signing of an agreement with Wendel Investissement, the purpose of which was, in the context of the planned stock market listing of Bureau Veritas, to share the costs of this transaction with Wendel Investissement: 65% of the costs would be payable by Bureau Veritas and 35% by Wendel Investissement.

The amount recognized in income in respect of the rebilling of the portion of expenses borne by Wendel Investissement amounted to €11.9 million.

Messrs. Ernest-Antoine Seillière and Jean-Bernard Lafonta, members of the Supervisory Board of Bureau Veritas, are executive directors of Wendel Investissement.

Wendel Investissement is also the principal shareholder of Bureau Veritas SA.

3. AGREEMENTS AND COMMITMENTS APPROVED DURING PRIOR YEARS AND PERFORMED DURING THE YEAR

In addition, pursuant to the French Commercial Code, we have been informed that the following agreements and commitments, which were approved during prior years, were performed during the last year.

Letter of guarantee for Axa

Companies concerned: Bureau Veritas SA and Soprefira.

Agreement approved by the Supervisory Board on March 14, 2006 and continued until the Supervisory Board meeting of March 12, 2007.

In the context of the renewal of the annual insurance program, Professional Civil Liability, in respect of the TERRE 2006 policy, a letter of comfort from Bureau Veritas SA for its primary insurer, Axa, reinsured by Soprefira (a subsidiary of Bureau Veritas SA), for an annual maximum of €5,000,000, in the event of default by Soprefira.

Mr. François Tardan, a member of the Management Board, is also director of Soprefira.

Letter of comfort for Morton Insurance Company Ltd

Companies concerned: Bureau Veritas SA and Soprefira.

Agreement approved by the Supervisory Board on March 14, 2006, and continued until the Supervisory Board meeting on January 18, 2007.

As part of the renewal of the annual insurance program, Professional Civil Liability, covering the activities of the Marine Business of Bureau Veritas, a letter of comfort from Bureau Veritas SA for its primary insurer, Morton Insurance Company Ltd, reinsured by Soprefira (a subsidiary of Bureau Veritas SA), for an annual maximum of €5,000,000, in the event of default by Soprefira.

Mr. François Tardan, a member of the Management Board, is also director of Soprefira.

Guarantee for BV Malaisie

Companies concerned: Bureau Veritas SA and BV Malaysia.

Agreement authorized by the Supervisory Board on April 10, 2006 and continued until the Supervisory Board meeting of January 18, 2007.

A letter of guarantee was provided by Bureau Veritas SA for its subsidiary in Malaysia in the event that it won a specific contract. This guarantee would be limited to 1 million USD.

François Tardan, a member of the Management Board of Bureau Veritas, is also a member of the Board of Directors of BV Malaysia.

Collateral security as part of the signing of a new financing agreement to replace the Senior Credit agreement

Companies concerned: Bureau Veritas SA, Bureau Veritas Holding Inc. and Bureau Veritas Hong Kong Ltd.

Agreement authorized by the Supervisory Board meeting of May 2, 2006 and continued until the Supervisory Board meeting of October 5, 2007.

Bureau Veritas SA granted collateral security for the benefit of the Lenders under the Refinancing Agreement, to guarantee the obligations of its subsidiaries that will be party to the Refinancing Agreement or that will subsequently join it. This provision concerns Bureau Veritas Holding Inc. and Bureau Veritas Hong Kong Ltd.

Frank Piedelièvre and François Tardan, members of the Management Board, are also members of the Board of Directors of Bureau Veritas Holdings Inc. and Bureau Veritas Hong Kong Ltd.

Cash pooling agreement with Royal Bank of Scotland

Companies concerned: Bureau Veritas SA, Bureau Veritas Inspection Ltd and Bureau Veritas UK Holding Ltd.

Agreement authorized by the Supervisory Board meeting of July 12, 2006.

By signing the guarantee agreement entitled "Unlimited Inter Company Composite Guarantee with Accession", Bureau Veritas (like the other companies participating in the cash pooling) becomes guarantor for all the sums due by the other cash pooling participants and not only for the positive balance in its RBS bank account, as in the past.

The participating companies are:

- BVQI Holding (France);
- BVQI Ltd;
- Bureau Veritas UK Holding Ltd;
- Bureau Veritas Consulting Ltd (formerly Weeks Consulting Ltd);
- Bureau Veritas Inspection Ltd (formerly Plant Safety Ltd);
- Weeks Technical Services Ltd;
- Bureau Veritas Laboratories Ltd (formerly Weeks Laboratories Ltd);
- LJ Church Ltd;
- Casella Consulting Ltd and its subsidiaries and their subsidiaries;
- Casella Analytic Ltd, Casella Science & Environment Ltd;
- Winton Environmental Management Ltd;
- Bureau Veritas HS&E (formerly Stanger Ltd);
- Bureau Veritas B&I Ltd (formerly Stanger Environmental Analysis Ltd);
- Winton Holdings Ltd;
- Bureau Veritas UK Holding Ltd (formerly BV UK Ltd).

Mr. Tardan, a member of the Management Board of Bureau Veritas, is also a member of the Board of Directors of Bureau Veritas Inspection Ltd (formerly Plant Safety Ltd) and Bureau Veritas UK Holding Ltd.

Paris and Neuilly-sur-Seine, April 15, 2008

Statutory auditors

Bellot Mullenbach & Associés	PricewaterhouseCoopers Audit
Pascal de Rocquigny	Jean-François Châtel

6.9. By-laws

The Company's by-laws *(statuts)* prepared in accordance with the provisions applicable to a French limited liability company *(société anonyme de droit français)* were adopted by the Combined Shareholders' Meeting on June 18, 2007, and came into force on October 23, 2007, the date on which the Company's shares were listed on Euronext Paris.

Legal form (Article 1 of the by-laws)

The Company is a limited liability corporation *(société anonyme)*. It is governed by Articles L. 225-57 *et seq.* of the French Commercial Code and the other legal and regulatory provisions applicable in France, and by its by-laws.

Incorporated by deeds dated on April 2 and 9, 1868, drawn up by Mr. Delaunay, notary in Paris, the Company adopted the form of a Management Board and Supervisory Board at its Shareholders' Meeting on September 16, 1999.

Corporate purpose (Article 3 of the by-laws)

The Company has the following corporate purpose, which it may pursue in any country:

- classification, inspection, expertise and monitoring of the construction or repair of ships and aircraft of all categories and nationalities;
- inspection, control, assessment, diagnostics, expertise, measures and analyses of the function, conformity, quality, health, safety, environmental protection, production, performance and value of all materials, products, assets, material, constructions, equipment, factories or facilities;
- any service, study, method, program, technical assistance and consulting in the fields of industry, sea, land or air transport and national or international trade; and
- inspection of real property constructions and civil engineering projects.

Unless prohibited by applicable law, the Company may carry out any study and research and accept any mandates for expertise or arbitration in the fields related to its business.

The Company may publish any document, and particularly marine and aeronautical regulations and registers, and perform all training actions related to these activities.

More generally, the Company may perform any action which, directly or indirectly, in whole or in part, is attached to its corporate purpose and supports its achievement: in particular, any industrial, commercial, financial, securities or real property transactions, the creation of subsidiaries, making financial, technical or other investments in companies, associations or organizations whose purpose is related, in whole or in part, to that of the Company.

Finally, the Company may perform all transactions permitting the use, direct or indirect, of the property and rights of which it is owner, and particularly the placement of corporate funds.

Corporate name (Article 2 of the by-laws)

The Company's name is:

"Bureau Veritas, Registre international de classification de navires et d'aéronefs."

Registered Office (Article 4 of the by-laws)

The Company's registered office is located at 17 bis place des Reflets, La Défense 2, 92400 Courbevoie.

The Company's registered office may be transferred to another location in the same or in neighboring French local administrative businesses (*départements*) by decision of the Supervisory Board subject to ratification at the next Ordinary Shareholders' Meeting, or to any other location by decision of an Extraordinary Shareholders' Meeting.

Upon transfer of the registered office decided by the Supervisory Board, the Management Board is authorized to make the corresponding change in the by-laws.

The Management Board is authorized to create any office or branch.

Term of incorporation (Article 5 of the by-laws)

The term of incorporation of the Company expires on December 31, 2080, unless wound up beforehand or extended upon a decision taken in compliance with the law and by-laws.

Management and supervisory bodies (Articles 14 to 26 of the by-laws)

A description of the functioning of the Company's Management Board and Supervisory Board is provided in Chapter II – Corporate governance of this reference document.

Shareholders' rights and duties (Articles 8, 9, 11, 12 and 13 of the by-laws)

Shares subscribed for in cash are issued and fully paid-up under the conditions set by law.

The Company's shares are in registered or bearer form, as decided by the shareholder, unless legal or regulatory provisions require, in certain cases, registered form. Ownership of the Company's shares gives rise to an inscription in a securities account under the conditions and terms set by law.

The shares are fully transferable, unless legal or regulatory provisions provide otherwise. They can be transferred from one account to another under the conditions and terms set by law.

Each share gives a right to ownership in the Company's assets and to sharing in its profits in an amount proportional to the portion of the Company's corporate capital it represents.

In addition, each share gives the right to vote and to be represented in Shareholders' Meetings according to law and the Company's by-laws.

Shareholders are not liable for the Company's liabilities except to the extent of their contribution to the Company.

Rights and obligations are attached to the share, regardless of its holder.

Ownership of a share means by law acceptance of the Company's by-laws and decisions taken by Shareholders' Meetings.

Each time that it may be necessary to hold several shares to exercise a given right, in the event of an exchange, reverse split or share grant, or if there is a capital increase or reduction, merger or other corporate transaction, owners of single shares, or of a number of shares less than the number required, may exercise their rights only if they acquire the necessary number of shares on their own and purchase or sell, as the case may be, the needed shares.

Shares may not be divided with respect to the Company.

Co-owners of indivisible shares must be represented to the Company by a single one of the co-owners or by a single authorized representative. In the absence of agreement among them on the choice of an authorized representative, the authorized representative will be named by the President of the Court of Commerce at the request of the most diligent of the co-owners.

The voting right attached to a share belongs to the holder of the right at Ordinary Shareholders' Meetings and to the owner of the share at Extraordinary Shareholders' Meetings.

Changes in shareholder rights

Changes in the rights attached to shares are submitted to the requirements of law, unless the by-laws provide specific provisions.

Shareholders' Meetings (Articles 28 to 35 of the by-laws)

Collective decisions of the shareholders are taken at Shareholders' Meetings, which may be ordinary, extraordinary or special according to the nature of the decisions to be taken.

Every Shareholders' Meeting properly constituted represents all shareholders.

Decisions taken at Shareholders' Meetings are binding on all shareholders, even if absent, dissenting or disqualified from voting.

NOTICE OF SHAREHOLDERS' MEETINGS (ARTICLE 29 OF THE BY-LAWS)

Notice of Shareholders' Meetings is given by the Management Board under conditions and according to the timing set by law. Meetings can also be called by the Supervisory Board, or by any person authorized by law.

Shareholders' Meetings are held at the Company's headquarters or at such other location as indicated in the notice.

AGENDA (ARTICLE 30 OF THE BY-LAWS)

The agenda for Shareholders' Meetings is prepared by the person calling the meeting.

The meeting cannot discuss an issue which is not on the agenda; the agenda may not be revised for an adjourned meeting. However, any Shareholders' Meeting may under any circumstances remove one or more members of the Supervisory Board and elect replacements.

ATTENDANCE AT SHAREHOLDERS' MEETINGS (ARTICLE 31 OF THE BY-LAWS)

In order to attend Shareholders' Meetings, the shareholder must:

- if holding registered shares, record his name in the Company's share register at least three (3) business days before the Shareholders' Meeting;
- if holding bearer shares, deposit the shares in a share account as provided for by law, and present a shareholder certificate from the authorized intermediary at least three (3) business days before the Shareholders' Meeting.

Any shareholder can only be represented by his or her spouse or by another shareholder. In such circumstances, the authorized shareholder must provide evidence of his or her authority.

Any shareholder can vote by mail using a prepared form addressed to the Company under conditions set by law.

The form may be the same document as the proxy; in this case, the single document must include the information and instructions required by regulation. The form must be received by the Company at least three (3) days before the Shareholders' Meeting, or it will not be taken into consideration. The electronic signature may be provided under conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code.

Any shareholder may also, if the Management Board so determines at the time notice of the Shareholders' Meeting is given, participate and vote at the Shareholders' Meeting by electronic means of telecommunications or transmission which permit the identification of the shareholder under conditions set by law.

Shareholders participating by video-conference or electronic communications or transmission which permits their identification under conditions set by law will be deemed present for purposes of determining quorum and majority.

RECORD OF ATTENDANCE, MINUTES OF MEETINGS (ARTICLE 32 OF THE BY-LAWS)

At each Shareholders' Meeting, a record of attendance is maintained including the information required by law.

The record of attendance, duly initialed by the shareholders present and the authorized representatives and to which are attached the powers given to each authorized representative, and, as the case may be, forms for voting by mail, is certified as correct by the secretariat to the meeting.

Meetings are presided over by the Chairman of the Supervisory Board or, in his absence, by the Vice-Chairman of the Supervisory Board or by a member of the Supervisory Board with specifically delegated authority for this purpose.

If the meeting is called by the independent Statutory Auditors, by a representative of the court or by liquidators, the meeting is presided over by such person.

In the event there is no authorized person or no one designated to preside over the meeting, the meeting shall elect a Chairman.

The role of vote counting is performed by the two shareholders, present and willing, that represent on their own, or as authorized representatives, the largest number of shares.

The secretariat thus created appoints a secretary, who may not be a shareholder.

The members of the secretariat are responsible for verifying, certifying and signing the record of attendance, overseeing the proper conduct of discussions, managing matters which may arise during the meeting, controlling voting and compliance with voting rules, and ensuring preparation of the minutes and signing them.

Minutes are formalized and copies or extracts of the discussions are provided and certified in accordance with the law.

QUORUM, VOTING, NUMBER OF VOTES (ARTICLE 33 OF THE BY-LAWS)

In Ordinary and Extraordinary Shareholders' Meetings, quorum is calculated on the basis of all votes included in the share capital, less shares without voting rights in accordance with the law.

For votes by mail, only forms received by the Company before the meeting, under conditions and in the periods of time set by law, are considered for determining quorum.

In Ordinary and Extraordinary Shareholders' Meetings, each shareholder has the number of votes corresponding to the number of shares held or represented, without limitation.

However, a double-voting right is given to each fully paid-up share which has been registered in the name of the same shareholder for at least two years. The double-voting right is lost for any share converted into bearer form or for which ownership is transferred. Nevertheless, the double-voting right will not be lost, and the holding period will be deemed to have continued, in the event of transfer from registered to bearer form as a result of inheritance, sharing of assets held in common between spouses or in vivo donations from a spouse or from immediate family members.

Voting takes place and votes are given, as may be decided by the secretariat for the meeting, by show of hands, electronic means or any means of telecommunications permitting the identification of shareholders under the regulations in effect.

ORDINARY SHAREHOLDERS' MEETINGS (ARTICLE 34 OF THE BY-LAWS)

The Ordinary Shareholders' Meeting is called for all decisions which do not affect the by-laws.

The Ordinary Shareholders' Meeting is held at least once each year, according to the timing set by law and regulations in effect, to approve the Company's financial statements and, as the case may be, the consolidated financial statements of the preceding year.

Ordinary Shareholders' Meetings, acting in accordance with the conditions for quorum and majority set by applicable provisions, exercise the authority granted by law.

EXTRAORDINARY SHAREHOLDERS' MEETINGS (ARTICLE 35 OF THE BY-LAWS)

Only Extraordinary Shareholders' Meetings are authorized to change any aspect of the by-laws. However, Extraordinary Shareholders' Meetings may not increase shareholder obligations, except in the case of transactions resulting from an exchange of shares or reverse share split properly decided and carried out.

Extraordinary Shareholders' Meetings, acting in accordance with the conditions for quorum and majority set by applicable provisions, exercise the authority granted by law.

Shareholders right to information (Article 36 of the by-laws)

Each shareholder has the right to obtain all documents needed to enable him to form an opinion and make an informed decision regarding the management and conduct of the Company.

The nature of the documents and the conditions for providing them or making them available are set by law.

Provisions of the by-laws which may have an impact on a change in control

No provision in the by-laws could, to the knowledge of the Company, have the effect of delaying, postponing or preventing a change in control of the Company.

Thresholds of share ownership and identification of the shareholders (Articles 10 and 11 of the by-laws)

SHAREHOLDERS IDENTIFICATION (ARTICLE 10 OF THE BY-LAWS)

The Company seeks to keep informed regarding the make-up of its shareholder base under the conditions set by law.

For this purpose, the Company may use any provision provided under law to identify the holders of shares with the right, immediately or over time, to vote at Shareholders' Meetings.

The Company may thus request as at any time, pursuant to legal and regulatory conditions in effect, that the central depositary that maintains the register of issued shares provide, for payment, information as to the holders of securities with the right, immediately or over time, to vote at Shareholders' Meetings, as well as the number of securities held by each of them and, as the case may be, the restrictions which may be applicable to such securities.

After having followed the procedure described in the preceding paragraph and on the basis of the list transmitted by the central depositary, the Company may also request, either through the central depositary or directly of the persons included on the list and who the Company considers may be registered on behalf of third parties, information concerning the owners of the securities as set forth in the preceding paragraph. These persons are required, when acting as intermediaries, to reveal the identity of the owners of the securities.

As regards shares in registered form, the intermediary registered under conditions set by law is required to reveal the identity of the owners of the securities and the number of securities held by each of them upon the simple demand of the Company or its authorized representative. The demand can be made at any time.

As long as the Company considers that certain holders whose identity has been communicated to it are holding for the account of third parties, the Company may request that the holders reveal the identity of the owners of the securities, and the number of securities held by each of them.

Following the identification procedures, and without limiting the obligations to declare significant shareholdings established by law, the Company may request of any legal person owning shares in excess of 2.5% of the Company's corporate capital or voting rights to identify the persons holding directly or indirectly more than one third of the capital or voting rights of this legal person.

In case of violations of the obligations set forth above, the shares or securities giving access immediately or over time to share capital, and held in a share account under the name of the violating persons, will lose the right to vote in any Shareholders' Meeting which may be held until the date proper identification is provided, and the payment of the corresponding dividends will be deferred until such date.

In addition, if the person registered knowingly fails to comply with these obligations, the court of the jurisdiction of the Company's registered office may, upon request of the Company or of one or more shareholders holding at least 5% of the Company's capital, decide upon the suspension for a period not exceeding five years of all or part of the voting rights attached to the shares subject to the request for information by the Company and, for up to the same period, all corresponding dividend payment rights.

SHAREHOLDINGS EXCEEDING CERTAIN THRESHOLDS (ARTICLE 11 OF THE BY-LAWS)

In addition to the legal requirement to inform the Company of shareholdings which exceed thresholds set by law, each physical or legal person who, acting alone or with others, holds directly or indirectly, within the meaning of the law (and particularly Article L. 233-9 of the French Commercial Code), a number of shares representing a portion of the Company's share capital or voting rights equal to or more than 2%, must inform the Company of the total number of shares and voting rights held within five business days of the date on which the threshold was crossed, regardless of the date of registration in the share register, by registered, return receipt requested letter addressed to the Company's registered office, or by any equivalent means for shareholders or holders of securities resident outside France, indicating the number of securities held giving access over time to the Company's share capital and the number of the attached voting rights. The declaration of crossing the shareholding threshold should also indicate whether or not the shares or corresponding voting rights are held for the account of or together with other physical or legal persons and should indicate, in addition, the date on which the shareholding threshold was crossed. The declaration must be repeated each time an additional threshold of 1% of capital or voting rights is crossed, including above 5%.

If the shareholding thresholds are not properly declared in the conditions described above, the shares exceeding the fraction which should have been declared are deprived of voting rights in Shareholders' Meetings if one or more shareholders holding at least 5% of the Company's share capital or voting rights so requests, with recording in the minutes of the Shareholders' Meeting. The loss of voting rights applies for each Shareholders' Meeting held until two years have passed following the date that the declaration is properly made.

Each shareholder whose holding of capital and/or voting rights in the Company decreases below one of the thresholds described above is also required to so inform the Company in the same period of time and using the same means, whatever the reason.

For purposes of calculating the thresholds set forth above, the total number of shares making up the Company's share capital and having a voting right, even if the voting right has been suspended, as published by the Company in accordance with the law, should be included in the denominator (the Company is required to specify in its publications the total number of shares with voting rights and the portion thereof with suspended voting rights).

Changes to the share capital (Article 7 of the by-laws)

The Company's share capital may be increased or decreased by any means or in any manner authorized by law. The Extraordinary Shareholders' Meeting may also decide on a split in the nominal value of the shares, or on a reverse split.

6 INFORMATION ON THE COMPANY AND THE CAPITAL

7

ADDITIONAL INFORMATION

7.1. Bureau Veritas and its shareholders

The initial public offering (IPO) of Bureau Veritas on Euronext Paris was a great success

The shares were listed on October 23 and began trading on October 24, 2007. The initial public offering was a great success with French and international institutional investors as well as with individual investors. The high quality of the demand and the high level of institutional take-up, exceeding 10 times the initial offering, made it possible to set the listing price at the top of the range, at €37.75 per share.

The offering, comprised of existing shares, for the most part disposed of by the Wendel Group, amounted to €1,240 million, namely around 31% of the capital of Bureau Veritas. Accordingly, upon completion of the initial public offering, Wendel held 63.6% of the capital of Bureau Veritas (excluding treasury shares).

The Bureau Veritas share

Listing market	Euronext Paris, compartment A, eligible for the SRD
Inclusion in the indices	SBF 120 CAC Mid 100
Codes	ISIN: FR 0006174348 Ticker: BVI Reuters: BVI.PA Bloomberg: BVI-FR
Number of shares in circulation (excluding treasury shares) at March 31, 2008	107,240,397
Number of voting rights exercisable at March 31, 2008	107,613,068
Stock market capitalization at March 31, 2008	€3,882 million

Dividend

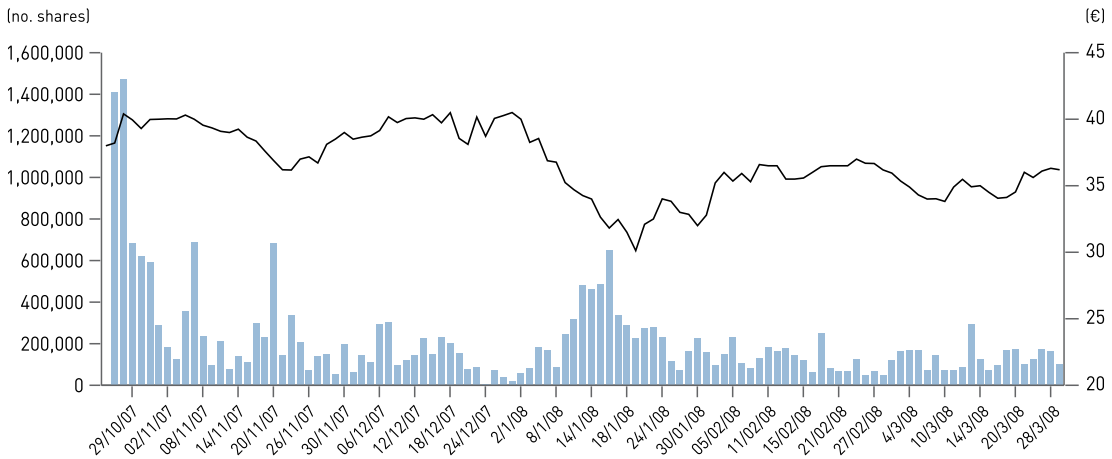
A €0.60 dividend per share will be proposed to the Annual General Shareholders' Meeting of June 2, 2008. Pursuant to the goals set out by the Group when listing, this represents a third of the adjusted earnings per share (€1.84).

Share price performance since the IPO

Having performed well during the two months following its IPO, the Bureau Veritas share was affected by the fall in markets in January 2008. Fears of a recession in the United States, following the sub-prime crisis, and its likely contagion in Europe, impacted the Paris stock market and in particular resulted in withdrawals from investment funds specialized in small and mid caps. Against this chaotic market background, the Bureau Veritas share held up pretty well. In fact, the fall in the Bureau Veritas share price was limited to -4% compared to its listing price (€37.75). Over the same period (from October 24, 2007 to March 31, 2008), the SBF 120 index lost 17.7%.

Following significant turnover in the float in the two weeks following the stock market listing, the daily volumes stabilized at an average of around 170,000 shares traded daily, namely around €6 million.

Bureau Veritas stock price performance since October 24, 2008



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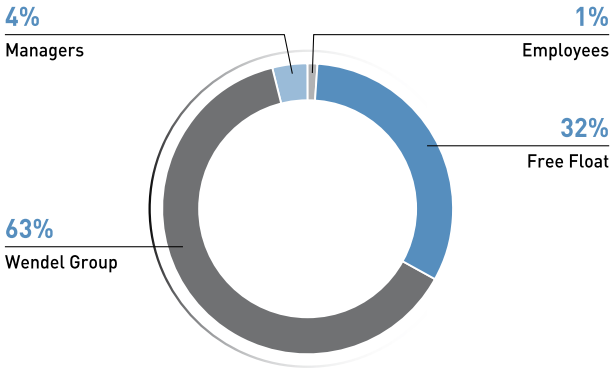
TRANSACTIONS SINCE THE INITIAL PUBLIC OFFERING

Period	Number of shares traded	Capital *(in millions of euros)*	Adjusted highs and lows *(euros)*	
			Low	High
October 2007	22,364,315	855.83	37.65	41.23
November 2007	5,255,509	202.48	35.71	40.99
December 2007	2,808,229	110.95	37.01	41.00
January 2008	5,922,828	198.79	27.20	40.50
February 2008	2,552,113	92.01	33.29	37.01
March 2008	2,614,714	91.57	33.50	37.00

Source: NYSE Euronext.

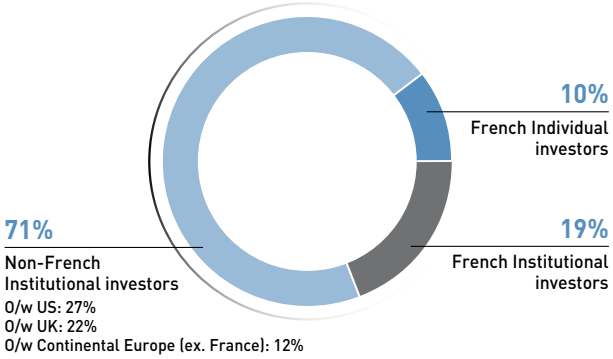
Shareholder base

Breakdown of the capital at March 31, 2008[1]



(1) Excluding treasury stock.

Breakdown of float at March 31, 2008



Shareholder information

Bureau Veritas undertook to communicate on a regular basis with regard to its business activities, strategy and outlook with individual or institutional shareholders and, more broadly, with the financial community.

All Group publications (press releases, annual reports, annual and interim presentations, etc.) and regulated information are available upon request or from its website www.bureauveritas.com/investors. This site offers the option of signing up for email alerts to receive news and download all of the Group's publications since its IPO, the list of analysts who watch the share as well as real-time share quotes.

2008 financial calendar

MAY 7, 2008
1st Quarter 2008 information

JUNE 2, 2008
Annual General Shareholders' Meeting

JULY 30, 2008
2rd Quarter 2008 revenue

AUGUST 28, 2008
1st Half 2008 results

NOVEMBER 6, 2008
3rd Quarter 2008 information

Contact details

ANALYST / INVESTOR INFORMATION

Claire Plais
Bureau Veritas
17 bis Place des Reflets – La Défense 2
92400 Courbevoie - France
Tel: +33 1 42 91 28 54
financeinvestors@bureauveritas.com

7.2. Documents available to the public

Copies of the reference document are available without charge from the Company and on its website (www.bureauveritas.com).

Legal documents relating to the Company and required to be made available to shareholders under applicable regulations, and the Group's historical financial information, may be consulted at the Company's headquarters.

7.3. Significant contracts

In light of the nature of its business, the Company has not entered into, at the date of this reference document, significant contracts other than those entered into in the ordinary course of business, with the exception of the 2006 Syndicated Loan described in the Sources of Financing section in Chapter III – Management Board's management report.

7.4. Legal, administrative, government and arbitration proceedings and investigations

In the ordinary course of business, the Group is involved in respect to some of its businesses in a significant number of legal proceedings seeking in particular to establish the Group's professional civil liability in connection with services provided. Although the Group pays careful attention to managing risk and the quality of the services provided, some services can give rise to claims and result in adverse financial judgments.

Expenses which may result from litigation are subject to provisioning. The amount recorded as a reserve is the best estimate of the expenses needed to meet the Group's obligations, reviewed and updated at each period closing date. Costs which the Group may be required to incur may exceed the amounts reserved for litigations due to numerous factors, and in particular the uncertain nature of the outcome of litigation.

At the date of this reference document, the Group is involved in the following principal procedures:

Terminal 2E at the Paris-Roissy CDG Airport

On May 23, 2004, a part of the roof of the departure hall of Terminal 2E at the Roissy CDG Airport collapsed, causing the death of four persons, injuries to six persons and the closing of the terminal.

A criminal investigation, for which the expert investigation phase is still underway, was opened soon after the accident, as well as two procedures of judicial investigation initiated upon the request of the principal parties to the construction, the Aéroports de Paris (the party responsible for the construction project, architect and general contractor) and companies of the Vinci group (that participated in the construction of the outer structure of the hall). The Company, which participated as technical controller, is a party to the expert investigations still underway. During the expert investigation, a deal was made regarding the "ten-year" physical damage, borne, in so far as the Company was liable, by its insurers.

At the date of this reference document, no judicial proceedings have been begun, including with respect to the Company.

As for the non-material damages, on the basis of the assessment already carried out by the Company and its advisers regarding the amount thereof and the percentage liability likely to be incurred by the Company as technical controller (in light of the initial advice given by the legal experts), and on the basis of available insurance and reserves taken by the Group, the Company believes, at the date of this reference document and given the information currently known to the Company, that this event should not have a significant adverse effect on the consolidated financial statements of the Group.

Gabon Express airplane crash

Following the crash of an airplane of Gabon Express at Libreville on June 8, 2004, which caused the death of 19 passengers and crew members and injuries to eleven persons, the general director of Bureau Veritas Gabon SAU ("BV Gabon"), a subsidiary of the

Company, was charged with involuntary homicide and injury. The company BV Gabon, whose employees performed the agreement delegating authority for technical control and monitoring of civil aircraft in Gabon, has been charged with civil liability in Gabon. At the date of this reference document, no quantified claim has been made in a court of law and the assignment of liability is not yet known.

United Nations investigation

The Company was subject to an investigation by the United Nations (UN) in connection with a call for tenders launched in 1996 (not won by Bureau Veritas) involving firstly the sending of confidential UN documents by UN managers to Group employees who received them, and secondly a request by the UN managers and their go-between for the payment by the Company of possible commissions in the event that it won the tender, which, according to the UN, three Group employees at the time agreed to pay, and lastly involving certain untruths told by two Group employees during the UN investigation.

Bureau Veritas cooperated with the UN commission of enquiry (UN Office of Internal Oversight Services) which presented its report to the UN. On January 28, 2008, the UN notified the Company of its removal from the UN's list of approved suppliers for a period ending on July 27, 2008. The Company is contesting this decision.

As of the date of filing of this reference document, and on the basis of currently available information, the Company feels that the UN investigation and its decision to suspend the Company from the UN's list of approved suppliers should not have a material negative impact on the Group's consolidated financial statements.

European Commission Inspection

Like several other European ship classification societies, members of IACS, the Company's head office was raided on January 29 and 30, 2008 by the European Commission, with regard to its possible participation in and/or knowledge of possible anti-competitive agreements, decisions and/or practices in breach of Articles 81/82 of the EC Treaty and of Articles 53 and/or 54 of the EEA agreement on the ship classification services sector.

The Company believes that there is no foundation to allegations that together with other classification societies, members of IACS, the Company could have infringed the competition rules in force within the European Union.

There are no other government, administrative, legal, or arbitration proceedings or investigations (including any proceeding of which the Company is aware, pending, or of which the Group is threatened), which are likely to have or have had within the last twelve months a material impact on the financial position or profitability of the Group.

7.5. Significant changes in financial or commercial conditions

With the approval of the Company's Extraordinary Shareholders' Meeting on January 18, 2007, the Management Board decided on February 16, 2007 and March 5, 2007 (i) that the Company would repurchase 881,878 of its own shares, nominal value €1.20, at a price of €173.04 per share, for cancellation and (ii) cancel the 881,878 shares thus repurchased. As a result of the cancellation of the 881,878 shares, the Company's corporate capital was reduced by €1,058,253.60 and shareholders' equity was reduced by €152,600,169 (the balance having been recorded as a reserve). The corporate capital was thus reduced to eleven million, nine hundred fifty-one thousand, nine hundred seventy-four euros and eighty centimes (€11,951,974.80), represented by nine million, nine hundred fifty-nine thousand, nine hundred seventy-nine (9,959,979) shares, of the same class, nominal value one euro and twenty centimes (€1.20), fully paid up. The reduction in corporate capital through the share repurchase was carried out on February 20, 2007. It was financed by an additional drawdown on the Syndicated Loan (see note 22 – Financial liabilities in Chapter IV – 2007 consolidated financial statements).

In addition, the Combined Shareholders' Meeting on June 18, 2007, decided, under the suspensive condition of a listing of the Company's shares for trading on Euronext Paris, to effect a 10-to-1 split in the nominal value of the Company's shares. As a result of this split, the corporate capital of the Company would amount to €11,951,974.80 represented by 99,599,790 shares fully paid up, of the same class, and each with a nominal value of twelve centimes (€0.12).

In addition, the Combined Shareholders' Meeting of June 18, 2007, decided to distribute a dividend of €99,998,189.16 from net profit for the year ended December 31, 2006.

On June 29, 2007, the Group acquired 100% of the CCI Group by buying the holding company for a cash payment of AU$79.3 million. CCI was a listed Australian group, and is specialized in services to the mining, oil and power industries.

Lastly, in October 2007, Bureau Veritas completed the formal acquisition of 100% of ECA GLOBAL. The overall acquisition cost of the company amounted to €156 million, including €28 million for the acquisition of 43% in 2004 and 2005, €123.5 million for the acquisition of the remaining 57% in October 2007 and €4.5 million in additional acquisition costs, relating to a dispute with the former owners of ECA Global. This acquisition enabled Bureau Veritas to become the leader in Spain in In-Service Inspection & Verification services, services for industrial clients, certification and technical control of buildings.

To the knowledge of the Company, and except for the transactions described above, there has been no significant change since the end of the year ended December 31, 2006.

7.6. Information from third parties, expert certificates and interested parties

None.

7.7. Principal property, plant and equipment

At December 31, 2007, the value of tangible property, plant and equipment was approximately €348.6 million, and was made up of the following elements:

- buildings and facilities for €73.1 million: this property includes principally laboratories, facilities and offices at all Group sites;
- operational equipment for €133.2 million: this property includes principally operational equipment for the laboratory testing business, as well as vehicles. The Consumer Products business and the Industry & Facilities division represented €55.5 million and €71.6 million, respectively, of operational equipment;
- computer equipment for €131.3 million: this property is made up of the traditional computer equipment and infrastructure needed to process the Group's information; and
- other plant, property and equipment for €11.0 million.

As a general rule, the Group rents its work locations (including the Company's headquarters). However, in some cases, for example laboratories, the Group owns the property. The Group's rental expenses represented €78.8 million in 2007 compared to €68.9 million in 2006. A detailed description of future payments under real estate rental agreements is set forth under note 29 to the consolidated financial statements in Chapter IV – 2007 consolidated financial statements.

The Group also holds rented or leased assets (including its IT equipment and its vehicle fleet). Lastly, the Group owns scanners used in its GSIT business, as well as the equipment used in its laboratories.

7.8. Research and development, patents and licenses

In light of the nature of its business, the Group does not pursue specific actions with regard to research and development, other than expenses incurred in connection with its on-going operations to develop analytical tools, particularly computerized tools, which consist principally of software applications used by the Marine business.

7.9. Date of the most recent financial information

The latest audited financial information of Bureau Veritas included in this document concerns the year ended December 31, 2007.

7.10. Interim and other financial information

None.

7.11. Persons responsible

Persons responsible for the reference document

Mr. Frank Piedelièvre, Chairman of the Management Board of Bureau Veritas.

Certification of the person responsible for the reference document

"I certify, after taking all reasonable measures for such purpose, that the information contained in the French language reference document is, to my knowledge, consistent with reality and does not include any omission which could change its meaning.

I certify that, to the best of my knowledge, the financial statements are drawn up pursuant to the applicable accounting standards and give a fair picture of the assets and liabilities, financial position and profits and losses of the Company and of the companies within its scope of consolidation, and the management report (Chapter III – Management Board's management report) presents a fair overview of business developments, profits and losses and financial position of the Company and the companies within its scope of consolidation as well as a description of the main risks and uncertainties they face.

I have received from the Statutory Auditors a letter stating that their work has been completed, in which they indicate that they have verified the information concerning the financial condition and the financial statements presented in this document, and have read the entire document."

Frank Piedelièvre

Chairman of the Management Board of Bureau Veritas

Person responsible for the financial information

Mr. François Tardan
Chief Financial Officer of the Group

Address: 17 bis, Place des Reflets – La Défense 2
92400 Courbevoie – France
Telephone: +33 1 42 91 54 59
Telecopy: + 33 1 42 91 52 94

7.12. Statutory Auditors

7.12.1. Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT

Represented by Mr. Jean-François Châtel

63, rue de Villiers
92200 Neuilly-sur-Seine - France

PricewaterhouseCoopers Audit's mandate as Statutory Auditors was renewed at the Ordinary General Shareholders' Meeting on June 30, 2004, for a period of six financial years.

PricewaterhouseCoopers Audit is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles.*

BELLOT MULLENBACH & ASSOCIÉS

Represented by Mr. Pascal de Rocquigny

14, rue Clapeyron
75008 Paris - France

Bellot Mullenbach & Associés was appointed Statutory Auditors at the Ordinary General Shareholders' Meeting on June 30, 2004 for a period of six financial years.

Bellot Mullenbach & Associés is a member of the *Compagnie Régionale des Commissaires aux Comptes de Paris.*

7.12.2. Alternate Auditors

Mr. Pierre Coll

63, rue de Villiers
92200 Neuilly-sur-Seine - France

Mr. Pierre Coll's mandate as Alternate Auditor was renewed at the Ordinary General Shareholders' Meeting on June 30, 2004 for a period of six financial years.

Mr. Jean-Louis Brun d'Arre

14, rue Clapeyron
75008 Paris - France

Mr. Jean-Louis Brun d'Arre was appointed Alternate Auditor at the Ordinary General Shareholders' Meeting on June 30, 2004 for a period of six financial years.

7.12.3. Statutory Auditors' fees

(in thousands of euros) **Amounts excluding tax**	PricewaterhouseCoopers Audit				Bellot, Mullenbach & Associés			
	2007	%	2006	%	2007	%	2006	%
Audit								
Statutory Auditors' duties, certification, review of corporate and consolidated accounts								
Issuer	344		462		320		327	
Globally consolidated subsidiaries	1,653		1,890		191		79	
Other duties and services directly linked to the duties of Statutory Auditors								
Issuer	832		250		315		-	
O/w initial public offering	*731*		-		*305*		-	
Globally consolidated subsidiaries	1,240		596		-		-	
Subtotal	**4,068**	**96%**	**3,198**	**96%**	**826**	**100%**	**406**	**100%**
Other services provided by the networks to the globally consolidated subsidiaries								
Legal, tax, labor	134		138		-		-	
Other services provided by the networks to the globally consolidated subsidiaries	15		-		-		-	
Subtotal	**149**	**4%**	**138**	**4%**	**-**	**-**	**-**	**-**
TOTAL	**4,217**	**100%**	**3,336**	**100%**	**826**	**100%**	**406**	**100%**

7.13. Cross-reference index

The cross reference index below matches up with the main sections required under European Regulation no. 809/2004 implementing the so-called "Prospectus" directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading. The information that does not apply to Bureau Veritas is marked "N/A".

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7. Organizational structure		
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BUREAU VERITAS
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