



## PRESS RELEASE

**Neuilly-sur-Seine France, November 3, 2010** – Bureau Veritas, the world's second-largest group in conformity assessment and certification services in the fields of quality, health and safety, environment and social responsibility (QHSE), has announced its Q3 and the first nine months of 2010 revenue.

- **Q3 revenue up 16% to €739 million**
- **Acceleration in Q3 organic growth to +6%**
- **Growth in all businesses and stabilization of the Marine business**

Frank Piedelièvre, Chairman and Chief Executive Officer, stated that:

*"We saw very strong revenue growth in Q3 of 16%, with all businesses growing and the Marine business stabilizing. Given this good performance, Group total revenue growth in H2 2010 should reach the targets announced when the H1 results were published on August 26 and should be greater than 10%. For full-year 2010 we expect a slight improvement in adjusted operating margin<sup>1</sup> on an organic basis.*

*2011 should benefit from the improvement in the trends seen in most of our markets, increased Group exposure to high-growth regions, and the integration of Inspectorate."*

### Revenue at end September 2010

| <i>In millions of euros (€m)</i> | <b>2010</b>    | 2009    | Total change | Organic change | Contribution from acquisitions | Currency impact |
|----------------------------------|----------------|---------|--------------|----------------|--------------------------------|-----------------|
| Q3                               | <b>739.1</b>   | 638.5   | +15.8%       | +5.9%          | +2.6%                          | +7.3%           |
| Total 9M                         | <b>2,088.2</b> | 1,968.0 | +6.1%        | +1.8%          | (0.2)%                         | +4.5%           |

<sup>1</sup> Operating margin before amortization of intangibles, acquisition costs, and non-recurring items



## Highlights of the first nine months of 2010: resumption of acquisitions

In 2010, the Group resumed its external growth policy, acquiring five companies with cumulative annual revenue of some €330 million.

On June 1, 2010, Bureau Veritas announced the acquisition of Advanced Coal Technology (revenue of around €7 million), one of the leading providers of coal testing in South Africa and with development potential in the other countries of Southern Africa (Mozambique, Botswana, Zimbabwe).

On September 9, 2010, Bureau Veritas concluded the acquisition of Inspectorate (2010 revenue estimated at £280 million, or about €320 million). Bureau Veritas thus took a decisive step in its development by becoming one of the world leaders in inspection and commodities testing. This acquisition gives a new dimension to the Group, doubling the size of its network of laboratories (330 sites) and henceforth offering the widest range of services in the inspection and certification sector through eight lines of global services: Industry, Construction, Marine, Consumer Products, Commodities, Systems Certification, In-Service Inspection & Verification, and Government Services. Following the consolidation of Inspectorate, the Group has now around 48,000 employees in 140 countries and annual revenue in excess of €3 billion.

Over the period, the Group also concluded the acquisition of the following small companies to supplement its portfolio in the In-Service Inspection & Verification business:

- SMSI (United States), a company specializing in inspection of elevators, with revenue of about €0.2 million;
- K. Certificazioni S.r.l. (Italy), a company specializing in inspection of electrical equipment and ionizing radiation appliances, with revenue of around €1 million; and
- Halec (France), a company that inspects ski-lifts, with revenue of some €2 million.

## Business at September 30, 2010: acceleration in Q3 growth

Revenue was up 15.8% in Q3 2010 to €739.1 million, thanks to:

- organic growth of 5.9% (compared with a decline of 2.6% in Q1 2010 and a rise of 2.5% in Q2 2010) with all businesses growing and the Marine business stabilizing;
- a positive impact from acquisitions of 2.6% associated with the consolidation since September 2010, of Inspectorate, net of disposals of non-core activities; and
- a positive impact from exchange rates of 7.3%, associated mainly with the favorable trend of the Australian dollar, the Brazilian real, and the US dollar.

Revenue totaled €2,088.2 million for the first nine months of 2010, up 6.1% on the same period in 2009 owing to:

- organic growth of 1.8%;
- a negative impact from acquisitions of 0.2%, consolidation of acquisitions made (primarily Inspectorate since September 2010) having offset disposals of non-core activities; and
- a positive impact from exchange rates of 4.5%, associated mainly with the favorable trend of the Australian dollar, the Brazilian real, and the US dollar.

## Outlook

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Given the good Q3 performance, Group total revenue growth in H2 2010 should reach the targets announced when the H1 2010 results were published (August 26, 2010) and be greater than 10%. For full-year 2010, the Group expects a slight rise in adjusted operating margin<sup>1</sup> (as a percentage of revenue) on an organic basis. In addition, Inspectorate should slightly exceed its 2010 revenue budget of £280 million. Group net debt at December 31, 2010, should be less than 2x EBITDA, leaving sufficient room for maneuver to pursue its active policy of market consolidation.

2011 should benefit from the improvement in trends seen in most markets, increased Group exposure to high-growth regions, and the integration of Inspectorate.

The sector's structural growth factors are attractive, with the multiplication and the strengthening of QHSE regulations, the privatization and the outsourcing of control and inspection activities, and the globalization of commercial exchanges. The Group's strategy is to invest in market segments that offer high potential, such as commodities testing, nuclear, offshore energy, and energy efficiency of buildings and to maintain a high level of operational performance.

<sup>1</sup> Operating margin before amortization of intangibles, acquisition costs, and non-recurring items

## Change in revenue by business

| <i>In millions of euros (€m)</i>                 | <b>2010</b>    | <b>2009<sup>(a)</sup></b> | <b>Total growth</b> | <b>Organic growth</b> |
|--|----------------|---------------------------|---------------------|-----------------------|
| Marine   | <b>79.0</b>    | 73.8                      | +7.0%               | +0.0%                 |
| Industry   | <b>196.8</b>   | 159.8                     | +23.2%              | +11.6%                |
| In-Service Inspection & Verification (IVS)       | <b>100.0</b>   | 98.8                      | +1.2%               | +1.7%                 |
| Construction                                     | <b>107.5</b>   | 110.2                     | (2.5)%              | +0.6%                 |
| Certification                                    | <b>74.6</b>    | 66.2                      | +12.7%              | +6.3%                 |
| Consumer Products                                | <b>104.6</b>   | 90.4                      | +15.7%              | +5.3%                 |
| Government Services & International Trade (GSIT) | <b>47.5</b>    | 39.3                      | +20.9%              | +18.2%                |
| Inspectorate <sup>(b)</sup>                      | <b>29.1</b>    | NA                        | +100.0%             | NA                    |
| <b>TOTAL Q3</b>                                  | <b>739.1</b>   | <b>638.5</b>              | <b>+15.8%</b>       | <b>+5.9%</b>          |
| Marine   | <b>235.0</b>   | 238.8                     | (1.6)%              | (5.7)%                |
| Industry   | <b>546.0</b>   | 464.2                     | +17.6%              | +8.1%                 |
| In-Service Inspection & Verification (IVS)       | <b>309.1</b>   | 314.2                     | (1.6)%              | (0.3)%                |
| Construction                                     | <b>317.1</b>   | 344.9                     | (8.1)%              | (4.2)%                |
| Certification                                    | <b>231.7</b>   | 209.1                     | +10.8%              | +6.6%                 |
| Consumer Products                                | <b>287.3</b>   | 278.6                     | +3.1%               | (1.2)%                |
| Government Services & International Trade (GSIT) | <b>132.9</b>   | 118.2                     | +12.4%              | +12.7%                |
| Inspectorate <sup>(b)</sup>                      | <b>29.1</b>    | NA                        | +100.0%             | NA                    |
| <b>TOTAL 9M</b>                                  | <b>2,088.2</b> | <b>1,968.0</b>            | <b>+6.1%</b>        | <b>+1.8%</b>          |

(a) Since January 1, 2010, Health, Safety & Environment (HSE) activities have been reclassified under the IVS, Industry and Construction businesses. 2009 data has been adjusted according to this new organization in order to facilitate comparison.

(b) Inspectorate has been consolidated since September 1, 2010.

## Marine

| <i>Revenue (€m)</i> | <b>2010</b>  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|---------------------|--------------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3                  | <b>79.0</b>  | 73.8  | +7.0%        | 0.0%           | -                              | +7.0%           |
| Total 9M            | <b>235.0</b> | 238.8 | (1.6)%       | (5.7)%         | -                              | +4.1%           |

After three consecutive quarters of decline, revenue growth in the Marine business was 7% in Q3, thanks to the stabilization of the business on an organic basis and a favorable trend in exchange rates (mainly the US dollar and Korean won). In the first nine months of 2010, the Marine business was down 1.6% (negative organic growth of 5.7% and positive impact from exchange rates of 4.1%).

### New construction (53% of 9M 2010 revenue in the Marine business)

Revenue in the new construction segment was down 9.5% on a same structure and exchange rate basis in Q3 and down 13.3% in the first nine months of 2010.

The Marine business won 524 orders for new ships in the first nine months of 2010, representing 6.8 million gross tons (up 92.2% on the same period in 2009).

The order book for new construction, which incurred only a few cancellations, came to 28.6 million gross tons at September 30, 2010, compared with 31.0 million gross tons at December 31, 2009.

### Ships in service (47% of 9M 2010 revenue in the Marine business)

Revenue growth in the ships in service segment was 12.3% on a same structure and exchange rate basis in Q3, the Group having caught up with periodical inspections that had been delayed by certain shipowners and had thus affected Q2 activity. Revenue growth in the ships in service business was 4.5% in the first nine months of 2010, almost the same level as growth in the fleet in service.

At September 30, 2010, the fleet classed by Bureau Veritas totaled 9,370 ships (up 6.3% on September 30, 2009) and represented 74.9 million gross tons (up 11.8%).

## Industry

| Revenue (€m) | 2010  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|-------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 196.8 | 159.8 | +23.2%       | +11.6%         | (1.1)%                         | +12.7%          |
| Total 9M     | 546.0 | 464.2 | +17.6%       | +8.1%          | (1.1)%                         | +10.6%          |

Revenue growth in the Industry business was 23.2% in Q3 on the back of organic growth of 11.6% and a strong contribution from exchange rate impacts (mainly the Australian dollar and Brazilian real). Revenue growth in the first nine months of 2010 was 17.6% (with 8.1% due to organic growth).

### Inspection and certification for industry (81% of 9M 2010 revenue for the Industry business)

Revenue growth in inspection and certification for industry was 17.5% in Q3 (with 10.1% due to organic growth) and 13.8% in the first nine months of 2010 (with 7.8% due to organic growth). Business continued to benefit from ongoing investments in oil, gas, and power in fast-growing geographies (Brazil, China, Southeast Asia, Africa, and Middle East).

The level of the order book in 2010 has been satisfactory, confirming the growth prospects for the coming years. Among the main contracts signed in Q3 in the oil and gas sector were several inspection contracts for the construction of gas terminals in China, a QA/QC<sup>1</sup> contract on the development of gas fields in Chuandongbei (China), a third-party verification contract for sub sea equipment in the United States and an inspection contract on refineries and petrochemical plants in Germany and Austria. In the nuclear area, the Group won a QA/QC<sup>1</sup> contract on the development of nuclear islands in China and an in-service inspection contract for nuclear plants in the United Kingdom. In the solar energy area, Bureau Veritas won a contract for design review and inspection for the construction of a solar power plant in North America.

### Laboratory testing and inspection for Mining and Minerals (19% of 9M 2010 revenue for the Industry business)

Revenue growth in the Mining and Minerals segment of 51.1% in Q3 was made up of organic growth of 18.6%, a positive impact from acquisitions of 8.0% (acquisition of ACT in South Africa), and a positive impact from exchange rates of 24.1% (appreciation of the Australian dollar against the euro). In the first nine months of 2010, revenue growth was 37.4% (9.6% due to organic growth, 3.8% due to a positive impact from acquisitions, and 24.0% due to a positive impact from exchange rates).

<sup>1</sup> QA/QC: quality assessment/quality control

The recovery should continue thanks to the boost from mining companies' investment programs and the Group's strong development in South America and Africa. In Q3, Bureau Veritas won three significant laboratory testing contracts on copper mines in Chile and a new contract on coal exploration in South Africa.

### In-Service Inspection & Verification (IVS)

| Revenue (€m) | 2010  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|-------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 100.0 | 98.8  | +1.2%        | +1.7%          | (2.4)%                         | +1.9%           |
| Total 9M     | 309.1 | 314.2 | (1.6)%       | (0.3)%         | (2.3)%                         | +1.0%           |

Organic growth of 1.7% in Q3 was supported by moderate growth in France and the surge in business in the United States and South America, while the United Kingdom and to a lesser extent Spain continued to weigh on the business. In the first nine months of 2010, revenue in the IVS business was down 1.6% on a virtually unchanged organic basis (down 0.3%), and disposals of non-core activities dragged business down by 2.3%.

### Construction

| Revenue (€m) | 2010  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|-------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 107.5 | 110.2 | (2.5)%       | +0.6%          | (7.2)%                         | +4.1%           |
| Total 9M     | 317.1 | 344.9 | (8.1)%       | (4.2)%         | (5.6)%                         | +1.7%           |

In Q3 2010, business growth was marginally positive on a same structure and exchange rate basis (up 0.6%), thanks to the continuing recovery in Asia (particularly Japan), development in fast-growing geographies (South America, Africa), and the beginning of stabilization of business in France (46% of 9M 2010 revenue). But the two other main markets - Spain (19% of 9M 2010 revenue) and the United States (17% of 9M 2010 revenue) - continued to deteriorate, with no recovery in sight in 2011.

In Spain, activity associated with private buildings (19% of construction revenue in Spain) seems to have bottomed out, mainly thanks to the development of services on existing buildings (due diligence, green building). On the other hand, the reduction of some 40% in spending on infrastructure planned by the Spanish government in 2011 should have a significant impact on Bureau Veritas' activity in this market (81% of construction revenue in Spain).

The negative impact from acquisitions of 5.6% is associated with the disposal of construction material testing activities in the United Kingdom and the United States at end 2009.

### Certification

| Revenue (€m) | 2010  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|-------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 74.6  | 66.2  | +12.7%       | +6.3%          | -                              | +6.4%           |
| Total 9M     | 231.7 | 209.1 | +10.8%       | +6.6%          | -                              | +4.2%           |

Revenue growth was 12.7% in Q3, with 6.3% due to organic growth and 6.4% due to a positive impact from exchange rates. In the first nine months of 2010, revenue growth was 10.8%, with 6.6% due to organic growth.

Business growth was very strong in the emerging markets, particularly China, the Middle East, India, and Russia, while mass market activities on traditional schemes (ISO 9001, ISO 14001) slowed down in the mature economies.

Activity was also supported by the development of schemes associated with the environment and social responsibility and by the surge in large global contracts, such as that won with Nexans, which chose Bureau Veritas as certification body for more than 100 sites worldwide.

In France, the cessation of the GSAC (Group for Civil Aviation Safety) contract related to control and verification of civil aviation safety has been effective since October 13, 2010. The loss of this contract will have a negative impact of about €4 million on Q4 2010 revenue and about €20 million in 2011 revenue.

## Consumer Products

| Revenue (€m) | 2010  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|-------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 104.6 | 90.4  | +15.7%       | +5.3%          | +0.1%                          | +10.3%          |
| Total 9M     | 287.3 | 278.6 | +3.1%        | (1.2)%         | +0.1%                          | +4.2%           |

Revenue growth of 15.7% in Q3 came from high organic growth of 5.3% (compared with negative organic growth of 11.2% in Q1 and positive organic growth of 2.1% in Q2) and a positive impact from exchange rates of 10.3% associated with the appreciation of the main billing currencies against the euro: US dollar, Hong Kong dollar, and Yuan renminbi. In the first nine months of 2010, revenue growth was 3.1%, with negative organic growth of 1.2% and a positive impact from exchange rates of 4.2%.

In the first nine months of 2010, toys and other children's products testing was down 12.8% on a same structure and exchange rate basis on account of the high comparison base in 2009 generated by the entry into force of the Consumer Product Safety Improvement Act (CPSIA) in the United States. The Group posted a good level of growth in other business segments, namely plant audits and inspections and the Electrical and Electronics segment.

Organic growth should continue in Q4 and 2011 as the effect of the unfavorable base of comparison disappears and identified growth opportunities materialize: entry into force of the Toys Directive in Europe in June 2011, certification in accordance with local standards in China, and development of integrated solutions making it possible to optimize the production chain and opportunities identified in the food and cosmetics industries.

## Government Services & International Trade (GSIT)

| Revenue (€m) | 2010  | 2009  | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|-------|-------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 47.5  | 39.3  | +20.9%       | +18.2%         | -                              | +2.7%           |
| Total 9M     | 132.9 | 118.2 | +12.4%       | +12.7%         | -                              | (0.3)%          |

In the first nine months of 2010, revenue growth from Government Services (78% of revenue for the business) was 11.9% on a same structure and exchange rate basis. This performance resulted from the increase in the FOB (Free on Board) value of imports in most countries in the existing portfolio, the surge in verification of conformity (VOC) contracts in Algeria and Saudi Arabia, and the start of new contracts in Syria, and the Philippines.



Revenue from International Trade (22% of revenue for the business) saw 15.8% of organic growth owing to the increase in volumes exchanged and new oil and agricultural products inspection contracts.

### Inspectorate – pro forma data in millions of pounds sterling

| Revenue (£m) | PF 2010 | PF 2009 | Total change | Organic change | Contribution from acquisitions | Currency impact |
|--------------|---------|---------|--------------|----------------|--------------------------------|-----------------|
| Q3           | 75.9    | 61.9    | +22.6%       | +15.0%         | +1.4%                          | +6.2%           |
| Total 9M     | 215.8   | 181.9   | +18.6%       | +12.4%         | +3.0%                          | +3.2%           |

Inspectorate has been consolidated since September 1, 2010, and its contribution to Q3 consolidated revenue came to €29.1 million.

In Q3 (July 1 to September 30, 2010), Inspectorate's revenue was £75.9 million, up 22.6%, including 15.0% on a same structure and exchange rate basis. In the first nine months of 2010, its revenue was £215.8 million, up 18.6% on the same period in 2009, including 12.4% on a same structure and exchange rate basis.

Activity was strong in all segments, particularly in oil and petrochemical products (58% of 9M 2010 Inspectorate's revenue), with geographical expansion and developments in the United States, Argentina, the Netherlands, Russia, and Ukraine. In metal and mineral testing (28% of revenue), the recovery in the geochemical testing market was confirmed in Australia and Canada, and Inspectorate posted robust growth in inspection and in coal testing in China, Singapore, Indonesia, and Colombia. Inspections and laboratory testing of agricultural and other products (14% of revenue) benefited from the strengthening of the tests required (pesticides, GMOs, new US Food Safety Enhancement Act).

Given the good performance recorded at end September, Inspectorate should slightly exceed its 2010 revenue forecast of £280 million.

The business growth potential for the coming years is substantial, with the deployment of Inspectorate's expertise throughout the Group's geographical network, the opening of new laboratories in fast-growing geographies, and the expansion of its range of services.

### Agenda

February 28, 2011 (after trading): Publication of 2010 full-year revenue and results

March 1, 2011: Analysts' presentation of the 2010 results in French in Paris and conference call in English

May 4, 2011 (after trading): Publication of information on Q1 2011

May 27, 2011: General Shareholders Meeting

August 25, 2011: Publication of H1 2011 revenue and results

November 3, 2011 (after trading): Publication of information on Q3 2011



**Bureau Veritas**

*Bureau Veritas is the world's second-largest group in conformity assessment and certification services. Created in 1828, the Group has around 48,000 employees in 1,000 offices and 330 laboratories located in 140 countries.*

*Bureau Veritas helps its clients to improve their performances by offering innovative services and solutions in order to ensure that their assets, products, infrastructures, and processes meet standards and regulations in terms of quality, health and safety, environmental protection, and social responsibility.*

*Bureau Veritas is listed on Euronext Paris (Compartment A, ISIN code FR 0006174348, stock symbol: BVI).*

[www.bureauveritas.com](http://www.bureauveritas.com)

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This press release contains forward-looking statements based on current plans and forecasts prepared by Bureau Veritas management. Such forward-looking statements are by their nature subject to a number of important risk and uncertainty factors such as those described in the Reference Document filed by Bureau Veritas with the Autorité des Marchés Financiers that could cause actual results to differ from the plans, objectives, and expectations expressed in such forward-looking statements. Such forward-looking statements speak only as of the date on which they are made, and Bureau Veritas undertakes no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.

**Analysts'/investors' conference call**

Date: Wednesday, November 3, 2010

Time: 6 p.m. Paris time

The conference call (in English) will be transmitted live and available for later viewing on the Group website at: [www.bureauveritas.com/investors](http://www.bureauveritas.com/investors).

The presentation file will also be available online.

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