



# BUREAU VERITAS CORPORATE PRESENTATION

**Third Forum on Unlisted Companies**

**December, 6th, 2005**

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CEO Bureau Veritas



**BUREAU  
VERITAS**

For the benefit of business and people



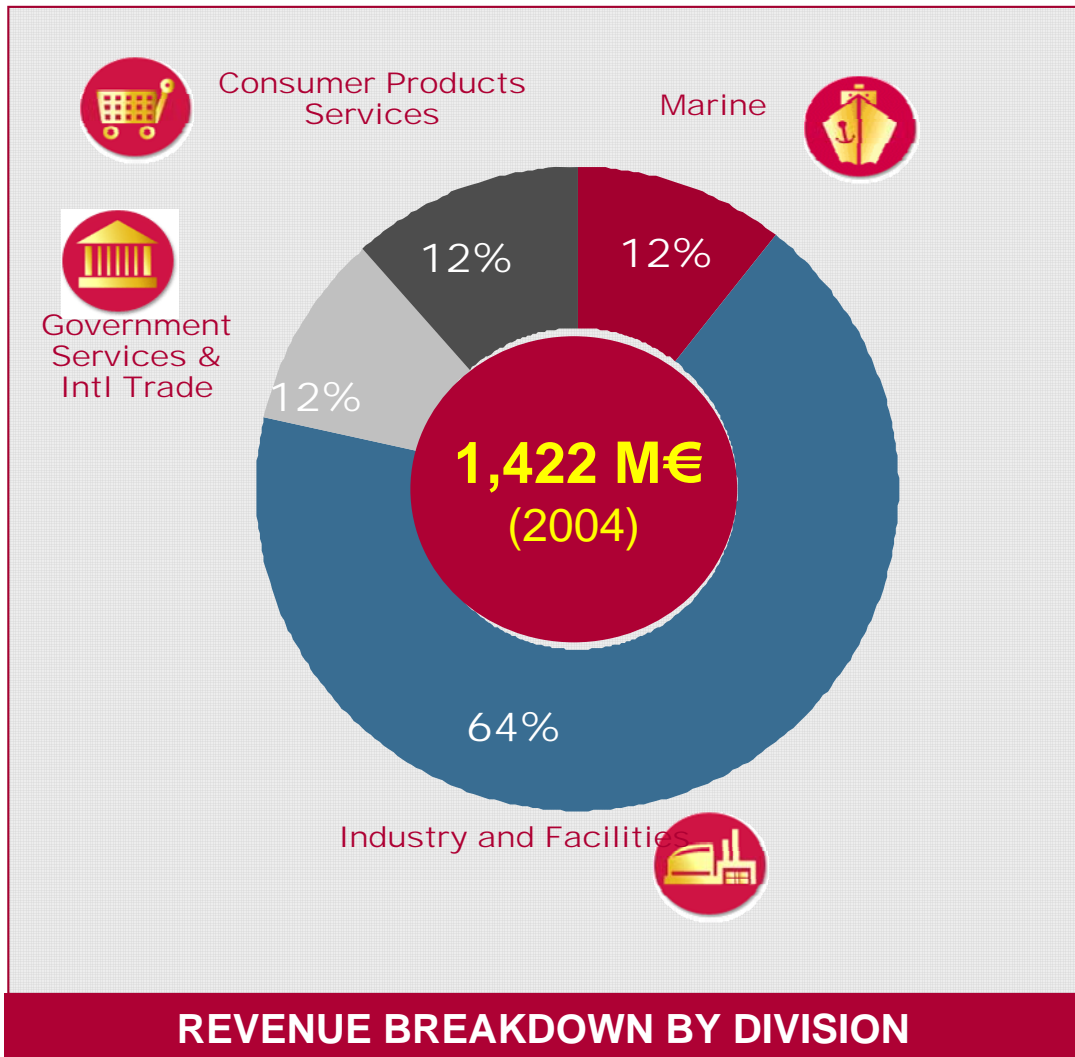
## ➤ BUREAU VERITAS AT A GLANCE

- ▶ **Independent Verifier and Advisor**
  - in the areas of Quality, Health & Safety, Environment and Social Accountability
- ▶ **A complete set of services in Conformity Assessment**
  - Inspections, Testing, Audits, Certification of management systems, Classification, Technical assistance, Training, Outsourcing
- ▶ **An international services company**
  - 22,000 employees
  - Present in 140 countries



## Four global Divisions :

- Industry & Facilities  
(Construction, Property, Energy & Process, Manufacturing, Power & Utilities, Food)
- Consumer product  
(retailers and manufacturers)
- Marine  
(shipbuilding, shipowner)
- Government Services and International Trade





## INDUSTRY AND FACILITY

- ▶ # 1 worldwide position
- ▶ Global leader in technical inspections
- ▶ Key position in :  
France, USA, UK, Spain and Japan
- ▶ Global leader in Certification  
(8% market share)



## CONSUMER PRODUCT

- ▶ # 3 worldwide position
- ▶ Second position for Toys and Textiles testing worldwide  
(market leader in USA)
- ▶ Set-up of Electrical & Electronic testing platform



## MARINE

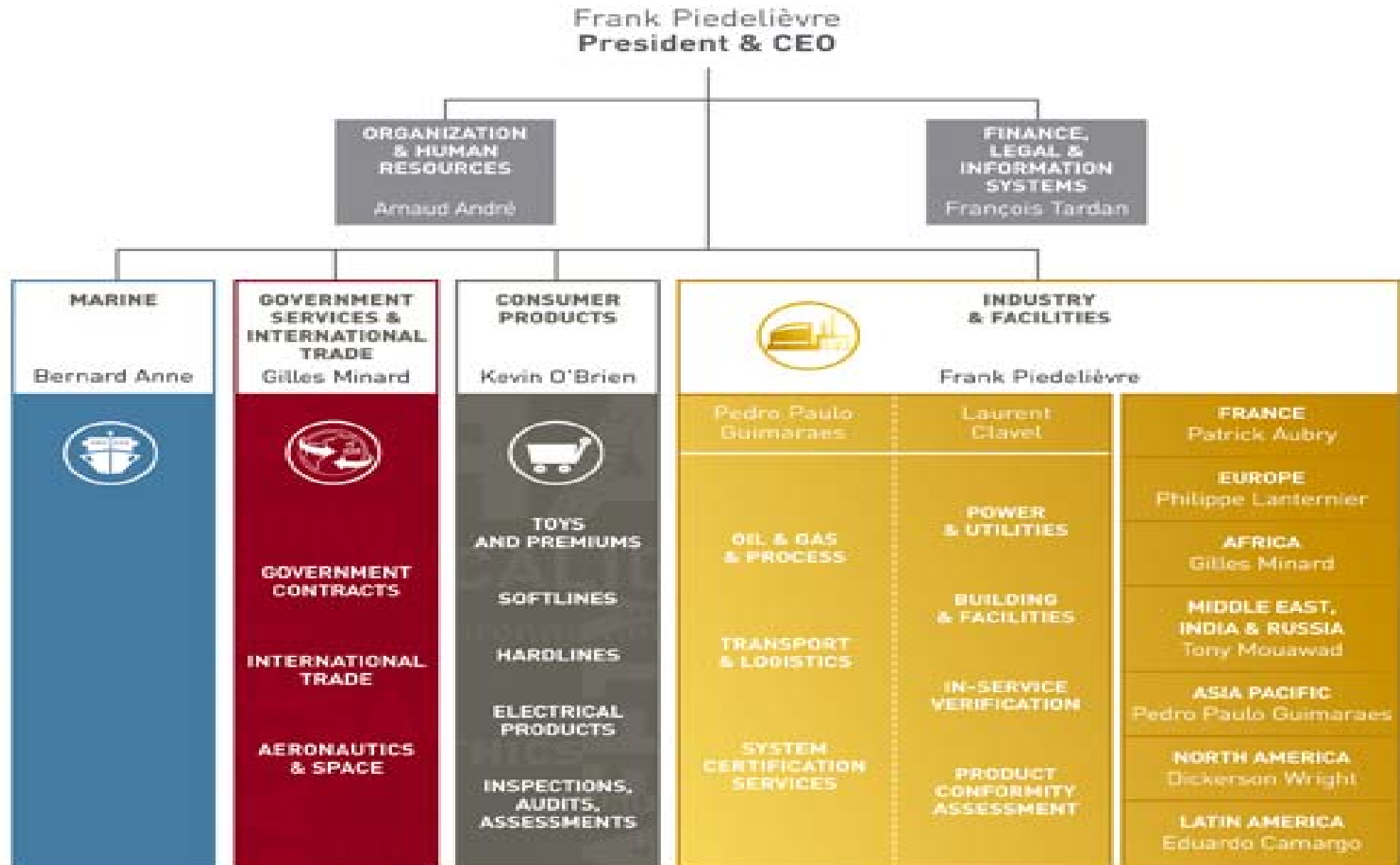
- # 2 position in number of vessels  
# 6 position in tonnage
- Growing market : development of international trade and strengthened safety regulations
- Key player in gas tankers, FPSO\*, bulkers, cruise and ferries, dredgers



## GOVERNMENT SERVICES

- Key player for Government services (16 on-going contracts)
- Niche strategy for International trade and aeronautical services





- **Technical expertise**
- **Bureau Veritas Brand**
- **Accreditation and recognition**
- **Ethics / core values**
- **Growth company**





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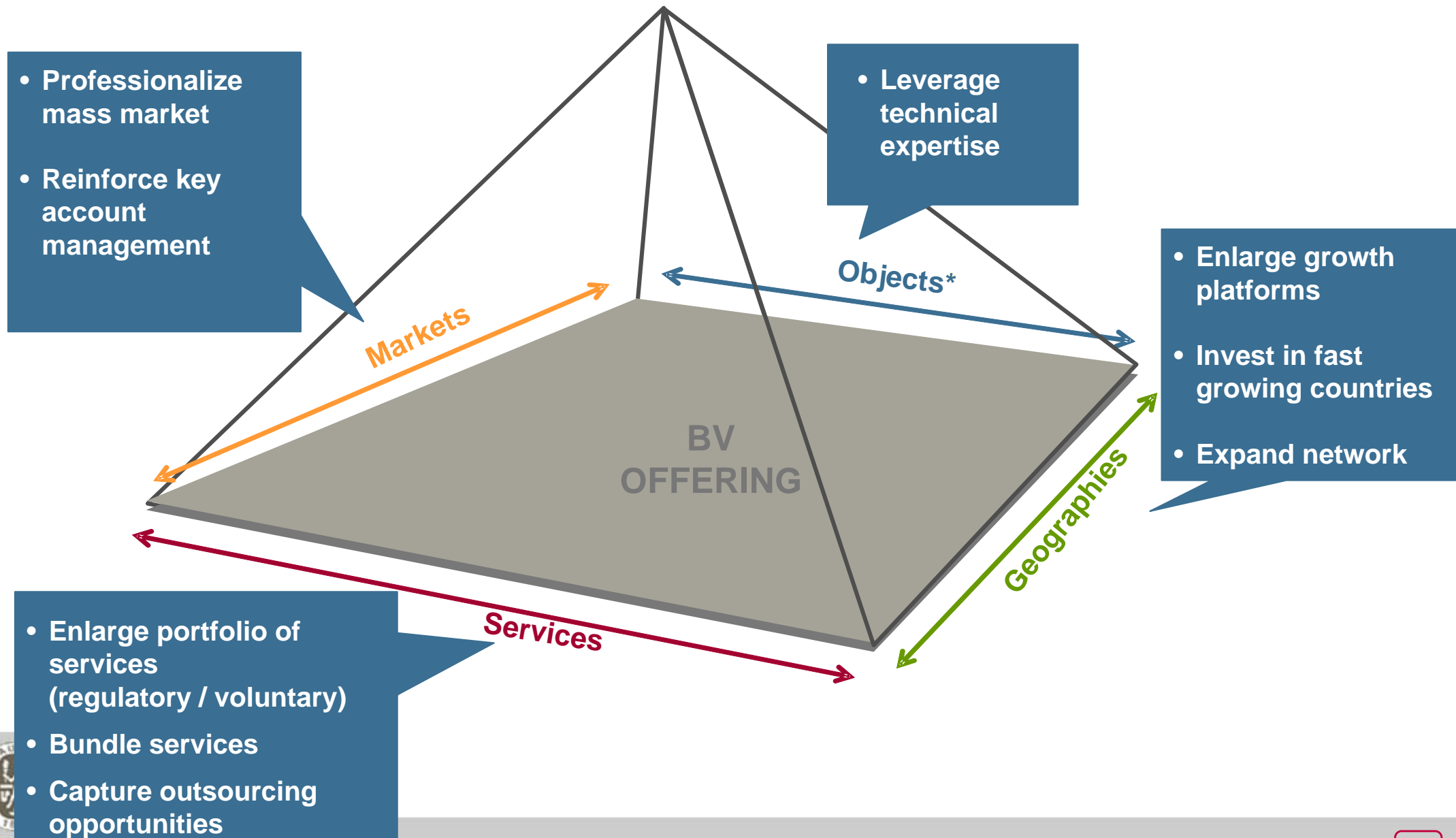
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➤ A GROWTH COMPANY







- ▶ **Greater accountability and increasing liabilities placed on companies**
  - Tougher QHSE, SA regulations or standards
  - Growing concern about quality, HSE risks and sustainability
- ▶ **QHSE, SA industry under consolidation**
  - Fragmented markets
  - Privatization of public control entities
  - Outsourcing of QHSE, SA activities
- ▶ **Globalization of the economy**
  - Continued growth of international trade
  - Global sourcing












\* Type of facility or equipment

**To Maintain**

-  Construction technical audit
  - Third party inspections of equipment for large industrial projects
-  Classification of ships
-  Consumer product testing
- 

**To Push**

-  Building permit / construction code compliance
-  Occupational Health & Safety, Environment
-  Second party audits (management systems)
-  Food
-  In-service inspections of facilities
  - Electric & electronic testing
-  Outsourcing
- 

**To Initiate**

-  Supply chain solution to retailers
-  Property management
-  Marine consulting
-  X-ray scanner control
-  Product & equipment testing

**Discrete services****Outsourcing****BV Solutions**

### Growth platforms

- Achieve leading position in large mature countries (Europe, North America, Japan)
- Enlarge service offering and increase Key Accounts penetration

### Fast growing countries

- Address demand through investments in management capabilities, technical assets and expertise
- Examples : Russia – Caspian Sea (Oil & Gas), China (nuclear), Korea - China (shipbuilding), Taiwan - China (consumer electronic), Eastern Europe (Food)

### New markets

- Timely invest to position BV in new markets (privatization, end of monopoly, outsourcing, new regulation)
- Examples : Japan (building permit), Germany (industrial inspections), Saudi Arabia (product conformity), USA (Code compliance)



- ▶ **Ten years of successful external growth**
- ▶ **Acquisitions pipeline**
- ▶ **Leverage acquisitions to**
  - Expand capabilities
  - Accelerate geographical coverage
  - Achieve critical size
- ▶ **Market consolidation accelerates**

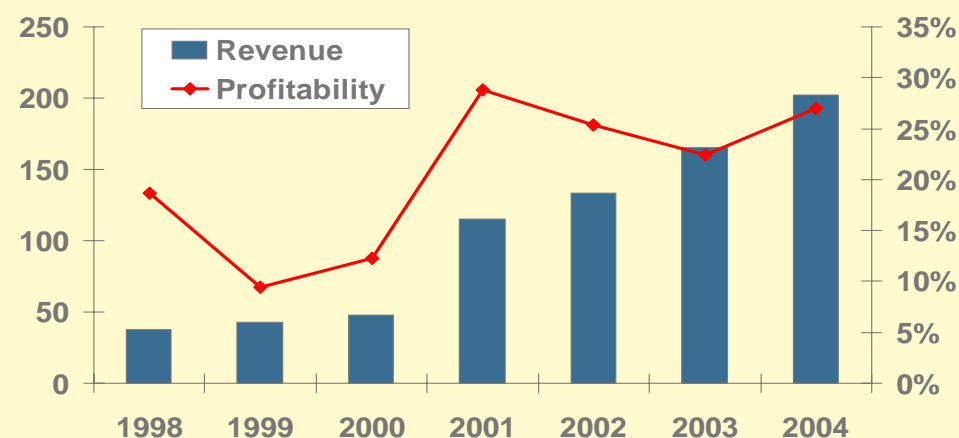


## Acquisition strategy

- ▶ Timely acquisitions based on efficient market intelligence
- ▶ Successful integration of ACTS – MTL (1998 / 2001)
- ▶ Global expansion of the Division
- ▶ Development of Electric & Electronic activity through acquisitions in USA, Europe and Asia

## Key achievements

Revenue and profitability evolution (m\$)



## Acquisition strategy

- ▶ Acquire regional position in key I&F activities (Construction, HSE and Industry)
- ▶ Integration of acquired companies to reach national coverage
- ▶ Matricial organisation

## Key achievements

- ▶ USA growth platform to reach 2006 revenues over 300 M€ (I&F Division)



	Company	Country	Revenue
2004	BERRYMAN & HENIGAR (municipal professional services consulting firm)	USA	31 M €
	GRAHAM MARCUS (Building safety compliance services to public market)	USA	6 M €
	CIS ONE BEACON (Regulatory safety inspections for pressure equipment)	USA	10 M €
2005	LP <sup>2</sup> A (Building safety compliance services)	USA	17 M €
	CEBTP (Inspections of lifting equipment)	FRANCE	7 M €
	EUROCERTIFOR (Forestry certification)	FRANCE	< 1 M €
	CLAYTON (HSE services)	USA	55 M €
	KW2 (Periodical inspections)	NETHERLANDS	4 M €
	CURTIS STRAUSS (Electronic product testing)	USA	6 M €
	CASELLA (HSE services)	UK	45 M €
	NIHON TESTING (Construction permit)	Japan	2 M €
	ECA (Construction and inspections services) – 43% participation	Spain	121 M €



▶ More than 10 acquisitions accounting for 150 M€\* revenues in 2005

\*Full year revenues - US/€exchange rate at 0.8 -  
including 4 other acquired companies but excluding ECA revenues



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➤ EFFICIENT OPERATING MODEL



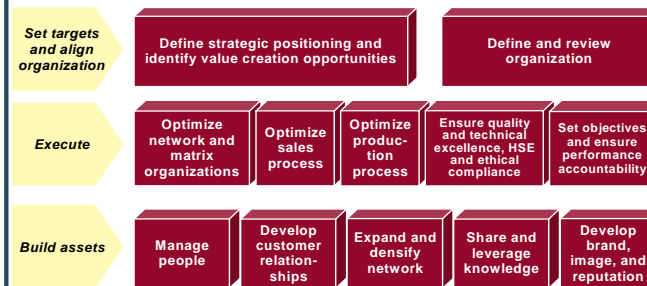
- As the company is growing, BV has launched corporate initiatives to reinforce in-house culture and common operational business model

## NURTURE AND GROW LEADERS !



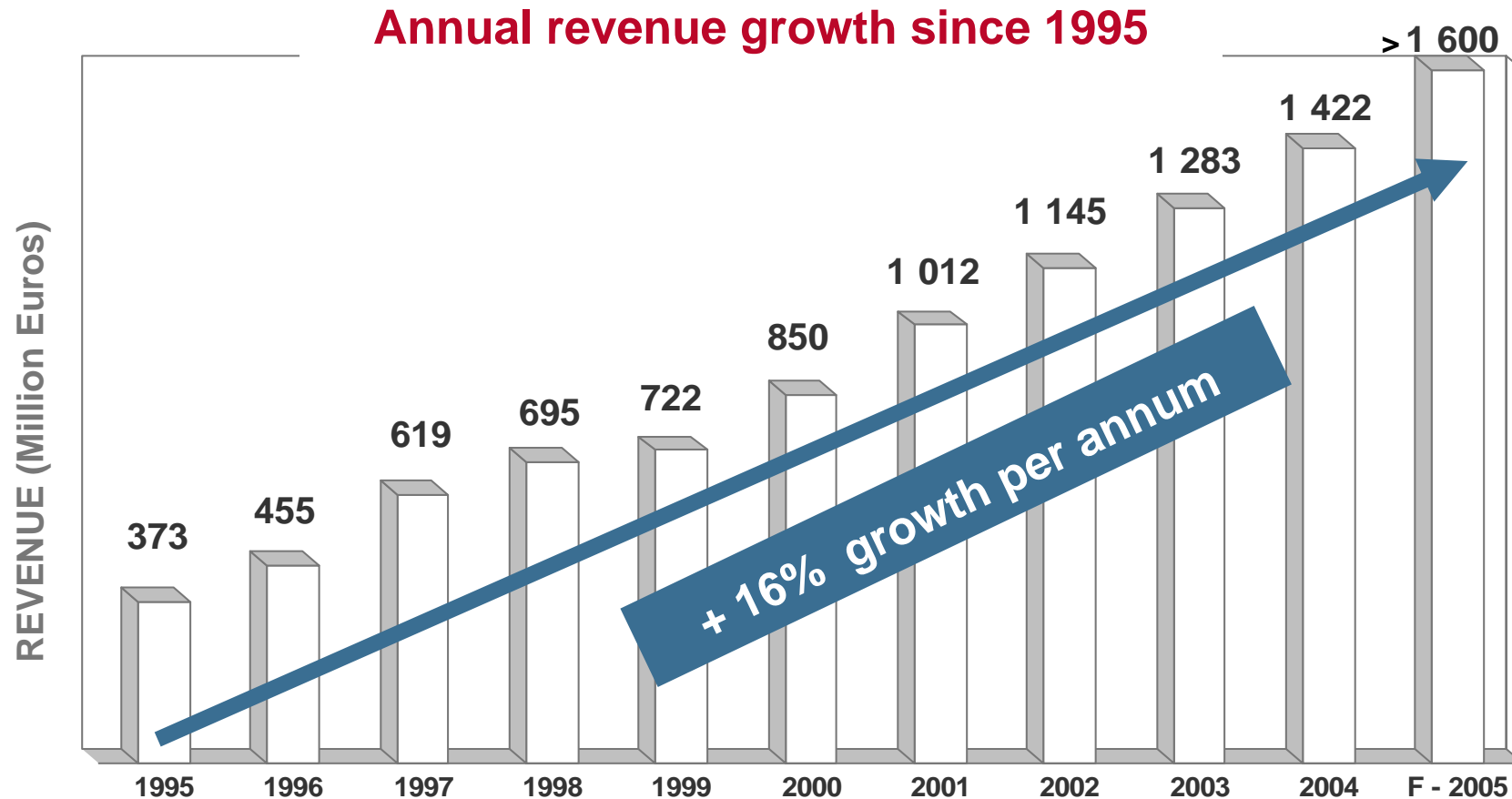
## REACH OPERATIONAL EXCELLENCE !

### BV Business Model



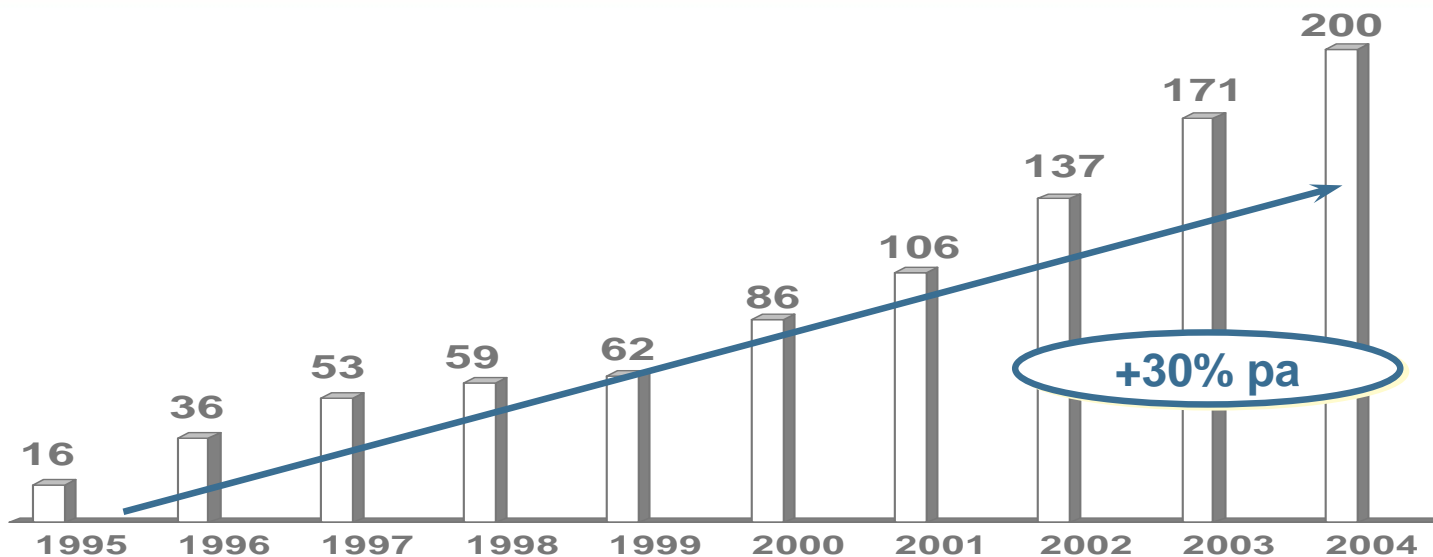
## BECOME A LEARNING COMPANY !







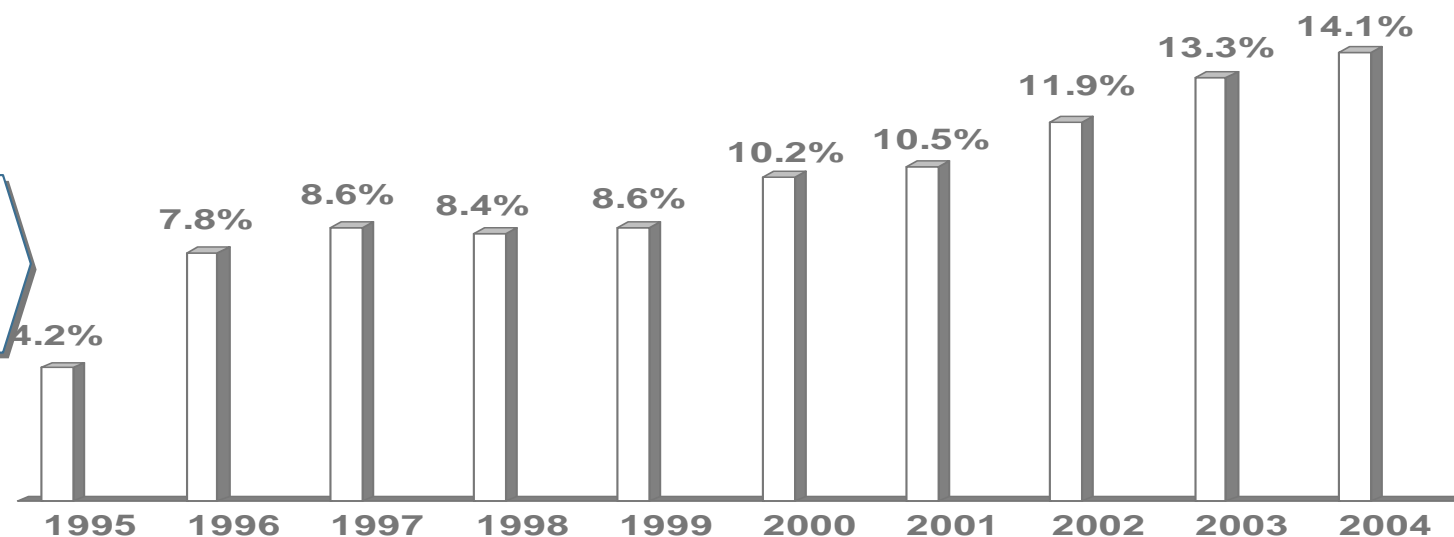
EBITA (M€)



1st Semester

2004 : 101 M€

2005 : 111 M€

EBITA  
Margin

1st Semester

2004 : 14.6%

2005 : 14.4%



Increase of profitability due to process & organisation optimisation and rigorous financial management

<i>En millions €</i>	H1 - 2005	H1 - 2004
Group revenues	771.4	691.1
EBIT	111.0	101.1
EBIT margin (%)	14.4%	14.6%
Group net results	72.3	70.8
Cash from operations	68.3	62.9
Net debt <sup>1</sup>	392.0	57.9
Group equity <sup>1</sup>	113.3	371.6

<sup>1</sup> H1-2004 net debt and group equity not restated against IFRS.  
Exceptional distribution (400 M€) end of 2004



- Revenues to exceed €1,600 millions
- Additional acquisitions to be completed
- 2005 EBIT margin over 14%



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