



## PRESS RELEASE

### **Bureau Veritas presents its strategic plan for 2015 Aiming for strong growth following the success of the 2007-2011 plan**

Neuilly-sur-Seine, France, September 20, 2011 – Bureau Veritas is to present its strategic plan “BV 2015: Moving forward with confidence” at the Investor Day to be held in Paris today.

#### **2012-2015 objectives**

**An international services group with global revenue of around €5 billion and 80,000 employees by end-2015**

- **Average annual revenue growth: 9-12% <sup>(1)</sup>**, of which:
  - Two-thirds from organic growth: 6-8% average annual growth
  - One-third from external growth: 3-4% average annual growth
- **Improvement in adjusted operating margin of 100-150bps**
- **Average annual growth in adjusted EPS: 10-15%**
- **Significant reduction in leverage ratio (below 1x EBITDA)**

**Frank Piedelièvre, Chairman and CEO, stated:**

*"Bureau Veritas is proud to have respected all the commitments made when the Group was listed despite the deterioration in the economic environment. The quality of our business portfolio and our global network, which have been consolidated over the past five years, make us stronger and confident in our ability to set new objectives for sustained and profitable growth by 2015. The BV 2015 strategic plan that we present today is a major project for the company, that mobilises our teams and creates value for all, and is part of our long-term aim to become the global leader in the testing, inspection and certification (TIC) industry".*

#### **2007-2011 PLAN: OBJECTIVES DELIVERED, A STRONGER GROUP**

**Bureau Veritas' 2007-2011 strategy has been successful.** All of the 2011<sup>(2)</sup> objectives presented when the Group was listed in October 2007 are about to be delivered, despite a more difficult than expected economic backdrop. Bureau Veritas has virtually doubled in size over the period and now generates more than €3 billion in revenue with more than 50,000 employees. The Group has proved its ability to grow and to improve operating performance, even during crisis years, and has rounded out its activities with the new commodities inspection and testing business, a large and rapidly-expanding market from where the Group was historically absent but now holds a world-leading position. Bureau Veritas has confirmed its leadership in all of its activities while consolidating its network, in particular in fast-growing economies which now represent around half of the Group's revenue.

(1) On a constant-currency basis

(2) 2007-2011 targets:

- Doubling in constant-currency revenue
- 150bps widening in adjusted operating margin to 16.0%
- Average annual growth of 15-20% in adjusted net profit (excluding non-recurring items)



Strengthened by this success, Bureau Veritas has decided to re-examine its markets in the light of the changes witnessed during recent years, to review its growth opportunities and on this basis, to define a strategy and objectives for 2015.

### **BV2015: "MOVING FORWARD WITH CONFIDENCE"**

**Growth potential in the TIC market remains intact, still driven by strong and structural long-term trends:** the multiplication and strengthening of QHSE standards and regulations, safety of more complex supply chains, increasing demand in terms of sustainable development, the industrialization and urbanization of fast-growing countries, ageing industrial networks and the extension of their life-cycle in mature countries as well as the outsourcing and privatization of control and inspection functions.

**In recent years, the TIC market has also undergone significant changes** that are set to continue. Bureau Veritas considers it is best positioned to benefit in the future from those changes. These include the rising share of control and inspection activities for local clients in fast-growing countries and purchasing policies at major clients who are increasingly favouring setting up framework contracts with a limited number of inspection companies.

Given this framework, **the 2015 Group strategy will build on from the previous plan**, based on greater critical mass, an extended and more balanced portfolio and a stronger network.

For 2012-2015, Bureau Veritas is targeting an **average annual revenue growth<sup>(3)</sup> of 9-12% in a normal economic environment**, excluding a major recession and any transforming acquisition project. Two-thirds of the growth will be generated by robust organic growth of around 6-8% per year on average and the rest by the continuation of the Group's targeted acquisitions strategy providing further annual growth of around 3-4%.

The Group's growth strategy will focus on three main actions:

- Densifying geographical coverage of the network and rolling out the entire portfolio of services, a source of widely unexploited opportunities.
- Extending the services offering in attractive market segments such as food safety, upstream inspection for the oil industry (drilling, offshore, LNG) and in renewable energies, as well as infrastructure projects in emerging economies.
- Remaining a major consolidating player in the sector by pursuing a strategy of targeted acquisitions.

The Group is to step up its expansion in fast-growing geographies that are to provide the majority of revenue further out while pursuing initiatives in the most attractive markets in mature countries.

Organic growth should be strong in the Industry and Commodities businesses and solid in Consumer Products, Certification and Government Services, whereas it is likely to be more modest in the Marine, In-Service Inspection & Verification and Construction businesses.

Despite the expected decline in margins in the most profitable businesses (Marine, Consumer Products), the Group **aims to increase the adjusted operating margin by 100-150bps<sup>(4)</sup>** from an increased profitability in all its other businesses (especially Commodities and Industry). This improvement will be enabled by a portfolio of higher valued-added services, economies of scale generated by the increasing size of the Group, the roll-out of new tools and more standardised production methods as well as the successful integration of acquisitions.

<sup>(3)</sup> On a constant currency basis

<sup>(4)</sup> Relative to adjusted pro-forma operating margin of past 12 months on June 30, 2011 (16.3%). Adjusted operating margin is defined as Group operating profit before income and expense relative to acquisitions and other non-recurring items, as a percentage of Group revenues.

**High cash-flow generation over the period should enable the Group to finance organic and external investments while reducing the leverage ratio<sup>(5)</sup> to less than 1.0x EBITDA at end-2015.** Bureau Veritas intends to spend 3-4% of revenue on organic investments notably to step up development of the Commodities platform, to continue expanding the Consumer Products business and to provide the Group with more efficient production tools.

**Bureau Veritas is targeting average annual growth in adjusted EPS<sup>(6)</sup> of 10-15%** including a continually attractive pay-out policy for shareholders as has been the case since the Group was listed, with a pay-out ratio of around 40%.

**The targets of this plan will be delivered through three main levers: the Group's human resources policy, its excellence in IT/IS tools and its continuously adapting organization.** With prospective employees totalling 80,000 in 2015, Bureau Veritas is to focus on strengthening existing processes in terms of recruitment, leadership and talents development, and acquisitions integration. The Group will also continue using its technical and technological edge to serve commercial innovation and operating excellence while relying on a strengthened network organized into regional hubs enabling it to generate significant scale effects.

## INVESTOR DAY

**Date:** Tuesday September 20, 2011

**Time:** 10 a.m. CET

The Investor Day is to take place at the *Académie Diplomatique Internationale*, 4 bis avenue Hoche, 75008 Paris. The strategic and financial presentation will be broadcasted live and recorded on the Group's Finance website: <http://finance.bureauveritas.com>

## FINANCIAL AGENDA 2011

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

(5) Adjusted net financial debt/pro-forma EBITDA (adjusted for units acquired over 12 months)

(6) Earnings per share before income and expense relative to acquisitions and other non-recurring items



**About Bureau Veritas**

*Bureau Veritas is a world leader in conformity assessment and certification services. Created in 1828, the Group has more than 50,000 employees in 900 offices and 330 laboratories located in 140 countries. Bureau Veritas helps its clients to improve their performances by offering services and innovative solutions in order to ensure that their assets, products, infrastructure and processes meet standards and regulations in terms of quality, health and safety, environmental protection and social responsibility (QHSE).*

*Bureau Veritas is listed on the Euronext Paris and belongs to the Next 20 (Compartment A, code ISIN FR 0006174348, stock symbol: BVI).  
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