PRESS RELEASE

February 24, 2017

2016 Full Year Results: resilient performance
Slightly positive organic growth expected in 2017
Mid-term ambition intact, with timing delayed by one year

Revenue of €4.55 billion, up 1.4% at constant currency vs. 2015

- Organic growth[1] of -0.6%
  - Two-thirds of the Group portfolio delivered positive organic revenue growth with an improving trend in Q4 (-0.3%)
  - One-third declined, primarily impacted by the oil & gas and shipping markets, while in Q4 only one-quarter remained in negative organic growth
  - Growth initiatives contributed 1.7 points to organic growth
- External growth of 2.0%: nine targeted acquisitions completed
- Negative currency impact of 3.2%

Adjusted operating margin of 16.2%, down 25 basis points organically vs. 2015

- Negative impact from activities in downturn (oil & gas, Marine and GSIT)
- Mitigated by the positive contribution of the operational excellence program

Proactive restructuring with €42.6m charges booked in 2016

Adjusted net profit of €409 million (€0.94/share), up 3.7% at constant currency vs. 2015

Operating cash-flow of €594 million, impacted by one-off items

Net income of €319 million, up 34.2% at constant currency

Proposed dividend of 55 cents per share, up 7.8% vs. 2015

Chief Executive Officer Didier Michaud-Daniel *commented:*

"In 2016 Bureau Veritas proved to be resilient despite the challenging commodities and shipping market environment. Several of the Group's portfolio activities had a solid year, notably Consumer Products, IVS, Agri-Food and Certification. The 2016 financial year closed with growth and profitability in line with our latest guidance, with an improving trend in organic growth in the last quarter. In 2016, China became the leading country of Bureau Veritas in terms of Group revenue at 16.0%.

As we progress with the global transformation of the Group, I have tightened the Executive Committee team to make the organization more agile and facilitate the roll-out of our refocused five Growth Initiatives. We strive to significantly increase our commercial development and innovation efforts while continuing proactive restructuring and operational efficiency. In a still uncertain environment, our ambition is intact but we expect the timing of our 5-year plan to be delayed by one year. We now aim at returning to a 5-7% organic revenue growth by 2020, adding circa €1.5bn to Group revenue in 2020 compared to 2015 revenue[2], achieving an adjusted operating margin above 17% in 2020, and continuously generating a high free cash flow.

In 2017, we anticipate a slightly positive organic growth with an adjusted operating margin at circa 16%, as well as higher cash flow generation compared to 2016".

[1] Organic growth is the increase in revenue versus last year, at constant currency and scope (i.e. acquisitions excluded)

[2] At initial plan exchange rates (as presented during October 2015 Investor Days)

2016 Key figures

The Board of Directors of Bureau Veritas met yesterday and approved the financial statements for 2016. The main consolidated financial items are presented below:

(millions of euros)	2016	2015	Change	@cc
Revenue	4,549.2	4,634.8	(1.8)%	+1.4%
Adjusted operating profit[(a)]	**734.9**	**775.2**	**(5.2)%**	**(0.7)%**
Adjusted operating margin	16.2%	16.7%	(55)bp	(35)bp
Operating profit	**609.7**	**576.9**	**+5.7%**	**+10.9%**
Adjusted net profit[(a)]	**409.0**	**420.3**	**(2.7)%**	**+3.7%**
Net profit	319.4	255.3	25.1%	+34.2%
Adjusted EPS[(a)]	**0.94**	**0.96**	**(2.1)%**	**+3.8%**
EPS	0.73	0.58	25.3%	+34.4%
Operating cash flow[(a)]	**594.4**	**706.1**	**(15.8)%**	**(14.4)%**
Adjusted net financial debt[(a)]	1,996.4	1,862.7	7.2%	**5.8%**

(a) Financial indicators not defined by IFRS presented in Appendix 5

2016 Highlights

1- Growth Initiatives ramp-up offsetting down-cycle activities

Organic growth was -0.6% over the full year including -0.3% in the last quarter. This number reflects mixed performances by business with notably:

- a 1.7-points positive contribution to the Group’s organic growth from the activities under the eight Growth Initiatives (€80m of incremental revenue). A strong performance was achieved in Agri-Food, Building & Infrastructure, Opex and Automotive, which positively contributed to the performances of the Commodities, Certification, Construction, IVS and Consumer Products businesses.

- a 1.9-points negative impact on the Group’s organic growth from declining commodities markets. This includes i) a 20% decline year-on-year for oil & gas activities dependent on new investments (capex; below 6% of Group revenue) and ii) a mid-single digit decline for upstream-related activities in the Metals & Minerals segment (now less than 4% of revenue) despite positive growth in the second-half of 2016 thanks to the rebound in Metallurgical testing.

These results support the Group’s emphasis on targeted Growth Initiatives, and its continuous adjustment of the cost base in commodities-related activities (including GSIT), and more recently in Marine & Offshore. This led to restructuring charges of €42.6 million, essentially people related with rapid pay back.

2- Nine acquisitions in 2016, all supporting the Growth Initiatives

In 2016, the Group completed nine acquisitions, representing €124 million in annualized revenue (or 2.7% of 2016 Group revenue). The scope effect was €80.9m in 2016.

Bureau Veritas carried out a number of bolt-on acquisitions, simultaneously broadening its services offering to existing clients and gaining access to new ones in markets where the Group already has a significant platform.

Positions were strengthened in the Building & Infrastructure market in the UK (HCD) and in China (Chongqing Liansheng), in Certification (Cepas), in the Opex services for petrochemicals in the US (Summit), and in a wide range of high value added services for the Marine & Offshore market (TMC, MAC).

Other acquisitions carried out in 2016 targeted markets where the Group is currently building its platform. The acquisition of an automotive conformity assessment body in China (VEO) and of the leading provider of Agri-food testing in Australia (DTS), complemented by a smaller deal in Agri in Brazil (KMA) are further steps taken in this process.

In February 2017, the Group finalized the acquisition of Shanghai Project Management, which reinforces the Group's position in the Building & Infrastructure market in China.

3- Successful bond refinancing: €700 million raised through a 7-year and 10-year non-rated bond issue on August 31, 2016, with coupons of 1.25% and 2% respectively.

Strengthening of Bureau Veritas' transformation to execute 2020 strategy

1- New organization and segment profit reporting

Since the beginning of the year, the Group has decided to move to a leaner Executive Committee with nine members (reduced from 16 previously) to streamline the decision-making process and give more agility to implement the global transformation of the Group. A Senior EVP position has been created to specifically drive the implementation of Bureau Veritas' strategic plan.

In relation to this new organization and to reflect the more market-centric approach adopted in 2016[1], Bureau Veritas updates its segment profit reporting. Therefore, as of January 1, 2017, the Group reports its results under six businesses (instead of eight previously): 1) Marine & Offshore; 2) Agri-Food & Commodities; 3) Industry; 4) Building & Infrastructure; 5) Certification and 6) Consumer Products. This change also simplifies the reading of the Group's portfolio. Full-year 2016 figures under the new reporting structure are disclosed in Appendix 3.

2 – Global transformation and focus on five Growth Initiatives

A year through the strategic plan, the Group conducted a full reassessment of its Growth Initiatives based on a more in depth review with the market leaders now in place within the organization.

Factoring in recent market dynamics (essentially oil & gas and Marine down-cycle) the contribution and the potential of each of the eight growth initiatives unveiled as part of its 2020 ambition, Bureau Veritas has decided to focus its development efforts on five initiatives going forward: Building & Infrastructure, Opex in the energy sectors (oil & gas, power & utilities and chemicals), Agri Food, Automotive and SmartWorld. Together, they represent circa 30% of Group revenue, and will bring additional growth drivers and the diversification the group is seeking for.

The three other Growth Initiatives are going back to the base business for specific reasons:

– Marine & Offshore's short term priority will be to deal with the challenging shipping environment. In addition, as M&O is already well advanced on its transformation notably regarding digital, there is less need to put the emphasize on that initiative.

[1] with the merger of the Commodities and Industry & Facilities divisions under a division called "CIF" along with the creation of an Agri-Food segment to be reported within the Commodities business

– The initiative on Global Certification is delivering good results and will be continued but this is a business that requires more local negotiations than to be followed centrally.

– Adjacent Retail & Mining is embedded within the business and is driven by cross-selling within existing client relationships on a local basis.

Also, for the whole of its portfolio including the Growth Initiatives, the Group has decided to accelerate its Global transformation through its maintained four main levers: 1) a more commercially and client-oriented culture with notably key Account Management, 2) the systematic deployment of Excellence@BV to improve the Group agility and productivity, 3) digitalization of the company, 4) enhanced training and talent management.

In terms of geographies, the Group's focus on two countries, namely the USA and China, is confirmed.

3 – Mid-term ambition intact, with timing delayed by one year

With a more compact organization, refocused Growth Initiatives and a deeper and more global reach, the Group moves forward in its transformation journey to execute its strategic plan with the following ambition:

- Confirmed return to a 5-7% organic revenue growth pace by 2020.
- Increased Group revenue by circa €1.5bn in 2020 vs. 2015[2], equally balanced between organic growth and acquisitions.
- An adjusted operating margin target above 17% by 2020.
- Continuous high free cash flow generation.

All in all, due to cyclical headwinds in some activities (oil & gas capex, upstream Metals & Minerals and Marine) since the plan started, the Group now expects a one-year delay in the achievement of its initial ambition.

4– Update on BV digital transformation

Digital is a main lever for Bureau Veritas to achieve its medium-to-long term growth and margin ambition. With Digital transformation high on the agenda of its clients, Bureau Veritas intends to take advantage of its position as an independent and trusted third party.

A number of axis have been defined internally to fully capture the digital opportunity, from using new digital tools to creating new digital services. After a framing and building phase, the company is now in the scale up phase of its digital transformation. The Group believes that on the mid-to-long term its digital strategy will have a measurable impact in terms of new business/services, service differentiation and client retention.

Key successes in 2016 include the launch of new solutions to:

-help clients to fully leverage digital tools such as 3D modelling (BIM, Digital TWIN, Reality Modelling...) which Bureau Veritas considers as pivotal in its offering of end to end integrity management services;

-offer new services based on data collection/analysis such as suppliers' risk or performance assessments;

-provide new simple ways to order Bureau Veritas services through global e-commerce platforms (example on Certification: http://lead.bureauveritas.com);

-continue to expand its SmartWorld testing services around markets like wearables, smart home/buildings, intelligent transportation systems and connected cars;

-the launch of SafeOps: a service to support food retailers & restaurants to digitally manage food safety & operations (http://www.bureauveritas.com/home/safeops).

[2] At initial plan exchange rates (as presented during October 2015 Investor Days)

Analysis of the Group's results and financial position

1 – Revenue up 1.4% on a constant currency basis

2016 revenue totaled €4,549.2 million, a decrease of 1.8% compared with 2015.

Organic growth was -0.6% over the full year, with all major regions, except the Americas, growing.

Activities in Europe, Middle East, and Africa (44% of revenue) are up 1.6% organically in 2016, driven by the Group commercial initiatives against a modestly supportive economic backdrop in Europe. Revenue growth in the Middle-East proved immune to the decline in oil & gas price.

Business in Asia Pacific (31% of revenue; 1.5% organic growth) regained ground in 2016, thanks to accelerating growth in Asia. Pacific remained weak, due to the country's exposure to declining commodities markets.

Activities in the Americas (25% of revenue) declined sharply by -6.5%, reflecting the high level of exposure to the oil & gas industry (and notably the capex-related activities), which equally impacted North and South America, though the latter stabilized in Q4.

Acquisitions growth was 2.0%, combining the contribution of prior-year acquisitions and those made in 2016, supporting all the Growth Initiatives.

Currency fluctuations had a negative impact of 3.2%, mainly due to the depreciation of emerging countries' currencies but also the British pound against the euro.

2 – Adjusted operating profit of €734.9 million, margin down 35 basis points at constant currency to 16.2%

2016 adjusted operating margin was down 55 basis points to 16.2% compared to 16.7% in 2015. The margin decrease is attributable to the impact of cyclical activities, namely oil & gas, Marine and GSIT (-40bp all together), the scope effect (-10bp) and the negative impact of currency changes (-20bp); this masks proactive cost management and the *Excellence@BV* program.

Non-recurring items decreased to €125.2 million in 2016 vs. €198.3 million in 2015. These include:

- €79.5 million in amortization of acquisition intangibles (compared with €86.7 million in 2015), of which €10 million due to the accelerated amortization of customer relationships in the oil & gas activities in the Americas;
- €42.6 million in restructuring charges (€20.8 million in 2015), with actions taken principally in the Americas and in Australia for Industry and Commodities and also for Marine and GSIT overall;
- €3.1 million in disposal and other acquisition related items (€0.8 million in 2015);
- No goodwill impairment in 2016 versus €90 million in impairment of goodwill relating to the Commodities business in 2015.

Operating profit came to €609.7 million, up 5.7% compared to €576.9 million in 2015.

3 – Adjusted EPS of €0.94 up 3.8%, on a constant currency basis

Net financial expense stood at €86.5 million compared with €89.3 million in 2015. This change derives from an increase in net finance costs to €89.9 million (vs € 80 million in 2015) offset by foreign exchange gains of €8.7 million (vs foreign exchange losses of €3.6 million in 2015).

Income tax expense stood at €188.9 million in 2016, compared with €220.7 million in 2015. The effective tax rate (ETR) is 36.0% for the period, compared with 45.2% in 2015.

The adjusted tax rate, adjusted for non-recurring items in the operational profit stands at 34.6%, down 2.4 points compared with 2015. This decline primarily stems from less tax one-offs in 2016.

Attributable net profit for the period was €319.4 million, versus €255.3 million in 2015. Earnings Per Share (EPS) stood at €0.73 compared with €0.58 in 2015, attributed to less exceptional items.

Adjusted attributable net profit totaled €409.0 million in 2016, versus €420.3 million in 2015. Adjusted EPS reached €0.94, versus €0.96 in 2015.

4 – Operating cash flow down 15.8%

2016 operating cash flow declined by 15.8% to €594.4 million on the back of lower EBITDA and increased working capital requirement (WCR) mainly driven by more difficult cash collection for activities in downturn, such as Oil & Gas and Metals and Mineral, and, to a lesser extent, to a change of payment terms for indirect taxes and social contributions in France. At December 31, 2016, WCR totaled €454.6 million, or 10.0% of 2016 revenue, compared with €411.4 million, or 8.9% of 2015 revenue. Excluding the impact of the 2016 acquisitions, WCR / revenue is 9.6%.

Purchases of property, plant and equipment and intangible assets, net of disposals (Net Capex), amounted to €145.9 million, vs €165.6 million in 2015. The Group's net capex-to-revenue ratio stood at 3.2% (compared with 3.6% in 2015).

Free cash flow (available cash flow after tax, interest expenses and capex) totaled €362.5 million, versus a record level of €462.1 million in 2015.

At December 31, 2016, adjusted net financial debt was €1,996.4 million, i.e. 2.2x last-twelve-month EBITDA as defined in the calculation of banking covenants, compared with 2.02x at December 31, 2015.

The increase in adjusted net financial debt of €133.7 million versus December 31, 2015 (€1,862.7 million) stemmed from:

- free cash flow of €362.5 million;
- dividend payments totaling €255.1 million;
- acquisitions, accounting for €204.7 million;
- share buybacks net of the capital increase carried out to cover stock option plans, amounting to €41.8 million;
- other items that decreased the Group's debt by €5.4 million, mainly attributable to currency moves.

5 – Proposed dividend of 55 cents per share, up 7.8% year-on-year, to be approved at the AGM of May 16, 2017.

2017 Outlook

The global macroeconomic environment is likely to remain volatile in 2017, with persistent weakness in the oil & gas and shipping markets. Thanks to its diversified portfolio and the ramp-up of its Growth Initiatives, the Group expects organic revenue growth to be slightly positive with acceleration in H2 – and an adjusted operating margin of circa 16%, amongst the highest in the TIC industry. The Group also expects its cash flow generation to improve compared to 2016.

2016 Business Review

Marine & Offshore

Revenue fell 0.6% on a constant currency basis, including 2.2% negative organic growth and acquisition-led growth of 1.6% resulting mainly from the acquisition of TMC (in May).

Revenue for the In-service ship segment (59% of 2016 revenue) was down. The Group saw an increase in the fleet classified in 2016, but was impacted by a rise in the number of ships which were put in lay-up and a double-digit fall in services for offshore clients.

At December 31, 2016, the fleet classified by Bureau Veritas comprised 11,345 ships (up 0.4% year-on-year) and represented 113.9 million of Gross Register Tonnage (GRT), up 4.4%.

Growth in revenue from the new construction segment (41% of 2016 revenue) slowed sharply in the year, reflecting a particularly challenging market for new-builds, especially in Asia. The new order intake for the year represented 1.9 million GRT, compared to 6.9 million GRT one year earlier.

2016 proved to be a mixed year, with a decline in new orders for bulk carriers and container ships (together accounting for 13% of the fleet classed by Bureau Veritas in terms of number of vessels) over the past few quarters.

The adjusted operating margin for the year came in at 25.3%, down 110 basis points compared to 2015, due mainly to the downturn in new-build activity which hit shipyards in Asia particularly hard.

Looking ahead to 2017, the market environment will remain challenging for categories such as bulk carriers and container ships, partly offset by more upbeat activity in passenger ships. The In-service ships segment is expected to prove resilient, with the exception of the offshore market which is more sensitive to fluctuations in oil prices. Regulations should be supportive, driven by Water Ballast, MRV (Monitoring, Reporting and Verification) and IHM (Inventory of Hazardous Materials) requirements.

In this context, Bureau Veritas will continue to pursue its digital drive and to roll out high value-added services.

Industry

Revenue fell 9.1% on a constant currency basis, including 9.7% negative organic growth and 0.6% growth resulting from the acquisition of Summit in the US (in June).

Oil & gas capex-related activities (around 25% of revenue) continued their sharp downward spiral in 2016. The slump was particularly noticeable in the Americas and in Australia, which saw double-digit organic decline. Opex-related activities (22% of revenue) expanded, as the rise in volumes on the back of strategic initiatives offset the downward pressure on prices.

The situation in other markets was mixed, with the end of a nuclear contract in Argentina weighing on performance.

The adjusted operating margin for the year was 13.1%, down 120 basis points on 2015. The contraction in activities relating to the Oil & Gas segment was partly offset by measures taken to reduce costs in the most affected regions.

Against a backdrop of low oil prices in 2017, leading to a drop in business volumes as well as downward pressure on prices, Bureau Veritas expects a further decline in revenue on an organic basis for the coming year. However, in the second half of 2017 the Group should benefit from weaker prior-year comparables, and from the positive impact of diversifying its industry exposure and efforts to strengthen its foothold on Opex markets.

In-Service Inspection & Verification (IVS)

The business delivered organic revenue growth of 3.5% on a constant currency basis.

Growth proved resilient overall in 2016, despite slowing in the fourth quarter on the back of a tough comparison basis, particularly in France (44% of revenue) and in the UK. The business continued to gain ground in the rest of Europe. North American operations (22% of revenue) also saw robust growth, with a sharp advance in the US driven by good sales momentum and in Canada, spurred by a peak in activity following a pipeline leak.

The adjusted operating margin remained stable year-on-year, at 13.8%.

The business should continue to grow in 2017, buoyed by commercial development in selective regions and an increase in voluntary inspection activities, particularly in Asia. The Group will continue to roll out tools aimed at increasing productivity in its network and will step up digitalization of its inspections.

Construction

Revenue increased by 8.5% on a constant currency basis, including organic growth of 1.0% and acquisition-led growth of 7.5%, resulting from the acquisition of HCD (in February) and Chongqing Liansheng (in March).

The Construction business delivered weak organic growth in 2016, reflecting flat growth in the Group's main regions, i.e. Europe (42% of revenue) and Asia (32% of revenue), more than offset by an upturn in the Americas. This region was boosted by the successful expansion in Latin American countries and by infrastructure projects in Argentina and Chile.

France (37% of revenue) saw a delay in the expected rally in 2016, with subdued growth in activities related to new investments, although Business accelerated towards the end of the year. This was more than offset by a sharp decline in services related to existing assets, owing to an unfavorable basis for comparison (new regulations had a positive impact on second-half 2015).

China reported slightly negative organic growth during 2016 owing to its exposure to oil & gas projects, although it posted a quarter-on-quarter improvement at the end of the year.

The adjusted operating margin was up 60 basis points year-on-year to 16.0%, powered by an improved geographical mix.

Looking ahead, market trends and the Group's order book point to growth in France for 2017. Business is also expected to prove upbeat in the US and Asia – particularly China – as activities exposed to the oil & gas market stabilize and opportunities for diversification into energy and infrastructure projects develop.

Certification

Revenue increased 6.1% on a constant currency basis, including organic growth of 6.0%.

The segment delivered a strong performance in all major service categories, with an improved contribution from training activities and certification schemes for the agri-food and transport segments. The Americas, Asia and the Middle East led the growth push, while Europe turned in a more uneven performance, with good growth in the UK and Eastern Europe offsetting a slowdown in France and Spain.

The adjusted operating margin remained stable year-on-year, at 17.1%.

In 2017, Bureau Veritas should benefit from standards and sector schemes that were revamped in 2015 and 2016 (ISO 9K, 14K, AS 9100 in aerospace and IATF in automotive), along with new product and service launches in fast-growing segments such as risk management and personal data. More generally, the issue of brand protection will add to growth in the certification business.

Commodities

Revenue moved up 4.8% on a constant currency basis, including organic growth of 2.0% and acquisition-led growth of 2.8%, driven by the consolidation of Australia-based DTS (in April).

The Oil & Petrochemicals segment (49% of revenue) reported robust 3.1% organic growth thanks to gains in market share stemming from the roll-out of services in the network (oil condition monitoring, marine fuel, etc.) and from new installations.

Metals & Minerals (33% of revenue) declined 2.8% on an organic basis. Upstream activities rallied in the second half, driven up particularly by gold and Australia. Trade-related activities reported weak growth in 2016 owing to downward pressure on prices and a less favorable mix, as growth chiefly came from non-ferrous metals.

Agri-Food (18% of revenue) enjoyed vigorous 9.8% organic growth in 2016, slowing sharply in the fourth quarter owing to harsh weather conditions towards the end of the year and the end of a contract in South America.

The adjusted operating margin for the year gained 70 basis points at 12.1%, up from 11.4% in 2015 thanks to an upswing in upstream activities.

The environment should be broadly upbeat for the entire division in 2017, with less growth disparity between the various segments. Metals & Minerals should benefit from the rally in commodity prices.

Consumer Products

Revenue moved up 6.5% on a constant currency basis, including organic growth of 3.8% and acquisition-led growth of 2.7% resulting from the acquisition of VEO (in May).

Softlines (37% of revenue) delivered robust growth in 2016, spurred by gains in market share and the development of major programs boosting activities in Asia. The early date of the Chinese New Year in 2017 also gave Textiles an added boost at the end of the year 2016.

Toys, Hardlines & Inspections (32% of revenue) remained broadly stable in 2016, with the reduction in Toys offset by better growth in Hardlines and a solid advance in on-site Audits.

Electrical & Electronics (31% of revenue) saw growth accelerate in 2016, more in line with market dynamics, as the negative impact of a key account in the mobile segment annualized. Automotive continued to enjoy double-digit revenue growth.

The adjusted operating margin for the year declined 110 basis points to 24.6%, owing to an unfavorable business mix and negative currency impact.

In 2017, the business should grow at least in line with 2016, with overall performance boosted by good momentum in Textiles and by developments in SmartWorld and Automotive initiatives.

Government Services & International Trade

Revenue fell 2.4% on a constant currency basis, due solely to the decline in organic growth.

Government contract business (33% of revenue) was down sharply in 2016, owing to time lags in the contribution of the new single window contracts, the termination of certain legacy contracts, and more generally the impact of lower commodity prices on volumes and the value of imports intended for West African countries.

Verification of Conformity contracts (26% of revenue) were up slightly, thanks mainly to the Group's presence in East African countries. Growth in these countries offset the decline in the Iraqi program.

Automotive operations (27% of revenue) advanced sharply in 2016, while international trade (14% of revenue) dipped slightly.

The adjusted operating margin was 9.9% in 2016, down 660 basis points on 2015 owing to the decrease in business volumes on contracts with a significant fixed cost base.

Visibility for the business in 2017 remains limited since it is contingent on commodity price trends as well as the geopolitical situation of the main countries in which the Group operates. Automotive will harbor the majority of growth opportunities.

Presentation

The results will be presented on Friday, February 24, 2017 at 3:00 p.m. (Paris time).

A video conference will be webcast live. Please connect to: Link to video conference

The presentation slides will be available on: http://finance.bureauveritas.com

All supporting documents will be available on the website.

2017 financial calendar

April 27, 2017: Q1 2017 trading update
May 16, 2017: Shareholders' meeting
July 28, 2017: H1 2017 results
October 25, 2017: Q3 2017 trading update
H2 2017: Investor Days

Contacts

Analysts/investors :

Laurent Brunelle : +33 (0)1 55 24 76 09
laurent.brunelle@bureauveritas.com

Mark Reinhard : +33 (0)1 55 24 77 80
mark.reinhard@bureauveritas.com

Press:

Cathy Pianon : +33 (0)1 55 24 76 13
cathy.pianon@bureauveritas.com

Véronique Gielec : +33 (0)1 55 24 76 01
veronique.gielec@bureauveritas.com

About Bureau Veritas

Bureau Veritas is a world-leading provider in testing, inspection and certification. Created in 1828, the Group has more than 69,000 employees in around 1,400 offices and laboratories all across the world. Bureau Veritas helps its clients to improve their performance 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.

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

For more information, visit www.bureauveritas.com

Appendix 1: Q4 and FY Revenue by business

(in millions of euros)	2016	2015	Change	Organic	Acquisitions	Currency
Marine & Offshore	96.1	101.5	(5.3)%	**(5.0)%**	1.7%	(2.0)%
Industry	226.2	249.6	(9.4)%	**(10.3)%**	1.4%	(0.5)%
In-Service Inspection & Verification	162.5	165.4	(1.8)%	**0.2%**	-	(2.0)%
Construction	159.6	140.4	13.7%	**4.9%**	7.7%	1.1%
Certification	100.5	96.9	3.7%	**5.8%**	0.1%	(2.2)%
Commodities	219.1	206.7	6.0%	**1.8%**	4.9%	(0.7)%
Consumer Products	164.0	151.3	8.4%	**6.0%**	3.1%	(0.7)%
Government Services & International Trade	63.4	61.3	3.4%	**3.2%**	-	(0.2)%
Total Q4 revenue	**1,191.4**	**1,173.1**	**1.6%**	**(0.3)%**	**2.6%**	**(0.7)%**
Marine & Offshore	391.9	405.3	(3.3)%	**(2.2)%**	1.6%	(2.7)%
Industry	900.7	1046.7	(13.9)%	**(9.7)%**	0.6%	(4.8)%
In-Service Inspection & Verification	602.5	598.4	0.7%	**3.5%**	-	(2.8)%
Construction	592.8	552.2	7.4%	**1.0%**	7.5%	(1.1)%
Certification	353.5	344.6	2.6%	**6.0%**	0.1%	(3.5)%
Commodities	833.1	826.5	0.8%	**2.0%**	2.8%	(4.0)%
Consumer Products	629.9	603.2	4.4%	**3.8%**	2.7%	(2.1)%
Government Services & International Trade	244.8	257.9	(5.1)%	**(2.4)%**	-	(2.7)%
Total FY revenue	**4,549.2**	**4,634.8**	**(1.8)%**	**(0.6)%**	**2.0%**	**(3.2)%**

2015 figures by business have been restated following a c. €15 million classification of activities to the Industry business, and a c. €50 million reclassification of Food testing activities -previously reported in Consumer Products- to the Commodities business.

Appendix 2: Adjusted operating profit by business

(in millions of euros)	Adjusted operating profit			Adjusted operating margin		
	2016	2015	Change	2016	2015	Change (basis points)
Marine & Offshore	99.2	107.1	(7.4)%	25.3%	26.4%	(110)
Industry	118.0	149.4	(21.0)%	13.1%	14.3%	(120)
In-Service Inspection & Verification	82.9	82.7	0.2%	13.8%	13.8%	-
Construction	94.6	85.3	10.9%	16.0%	15.4%	+60
Certification	60.3	58.8	2.6%	17.1%	17.1%	-
Commodities	100.5	94.4	6.5%	12.1%	11.4%	+70
Consumer Products	155.1	154.9	0.1%	24.6%	25.7%	(110)
Government Services & International Trade	24.3	42.6	(43.0)%	9.9%	16.5%	(660)
Total Group	**734.9**	**775.2**	**(5.2)%**	**16.2%**	**16.7%**	**(55)**

Appendix 3: 2016 figures under the new reporting

(in millions of euros)	**2016**	**Organic**	**AOP 2016**	**Adj. margin 2016**
Agri, Food & Commodities	1,004.6	0.8%	117.1	11.7%
Industry	1,126.8	(6.8)%	144.4	12.8%
Building & Infrastructure	1,034.1	1.5%	158.0	15.3%
Certification	353.5	6.0%	60.3	17.1%
Marine & Offshore	391.9	(2.2)%	99.2	25.3%
Consumer Products	638.3	3.7%	155.9	24.4%
FY 2016 revenue	**4,549.2**	**(0.6)%**	**734.9**	**16.2%**

	2016 Revenue by quarter			
(in millions of euros)	**Q1**	**Q2**	**Q3**	**Q4**
Agri, Food & Commodities	236.4	249.0	257.4	261.8
Industry	266.9	282.2	287.4	290.4
Building & Infrastructure	247.1	259.4	251.2	276.4
Certification	78.6	93.8	80.4	100.5
Marine & Offshore	97.7	106.1	92.0	96.1
Consumer Products	132.6	171.5	168.0	166.2
Total revenue	**1,059.4**	**1,162.0**	**1,136.4**	**1,191.4**

Appendix 4: Extracts from the full-year consolidated financial statements

Extracts from the full-year consolidated financial statements audited and approved on February 24, 2016 by the Board of Directors. The audit procedures for the full-year accounts have been undertaken and the Statutory Auditor's report has been published.

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	**2016**	**2015**
Revenue	**4,549.2**	**4,634.8**
Purchases and external charges	(1,340.3)	(1,322.9)
Personnel costs	(2,349.9)	(2,383.9)
Taxes other than on income	(44.8)	(51.3)
Net (additions to)/reversals of provisions	(31.7)	(25.5)
Depreciation and amortization	(202.4)	(205.1)
Other operating income and expense, net	29.6	(69.2)
Operating profit	**609.7**	**576.9**
Share of profit of equity-accounted companies	0.8	0.8
Operating profit after share of profit of equity-accounted companies	**610.5**	**577.7**
Income from cash and cash equivalents	2.9	6.2
Finance costs, gross	(92.8)	(86.2)
Finance costs, net	**(89.9)**	**(80.0)**
Other financial income and expense, net	3.4	(9.3)
Net financial expense	**(86.5)**	**(89.3)**
Profit before income tax	**524.0**	**488.4**
Income tax expense	(188.9)	(220.7)
Net profit	**335.1**	**267.7**
Non-controlling interests	(15.7)	(12.4)
Attributable net profit	**319.4**	**255.3**
Earnings per share (in euros):	-	
Basic earnings per share	0.73	**0.58**
Diluted earnings per share	0.73	**0.58**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in millions of euros)	Dec. 2016	Dec. 2015
Goodwill	1,977.6	1,800.4
Intangible assets	686.8	629.4
Property, plant and equipment	518.6	497.9
Investments in equity-accounted companies	5.0	4.8
Deferred income tax assets	142.9	137.2
Investments in non-consolidated companies	1.3	1.3
Derivative financial instruments	-	4.3
Other non-current financial assets	69.2	71.0
Total non-current assets	**3,401.4**	**3,146.3**
Trade and other receivables	1,496.1	1,374.2
Current income tax assets	48.9	45.5
Current financial assets	51.0	45.3
Derivative financial instruments	3.7	16.4
Cash and cash equivalents	1,094.1	522.9
Total current assets	**2,693.8**	**2,004.3**
Assets held for sale	-	6.6
TOTAL ASSETS	**6,095.2**	**5,157.2**
Share capital	53.0	53.0
Retained earnings and other reserves	1,144.4	1,042.3
Equity attributable to owners of the Company	1,197.4	**1,095.3**
Non-controlling interests	45.6	29.6
Total equity	**1243.0**	**1,124.9**
Non-current borrowings and debt	2492.9	2,311.0
Derivative financial instruments	8.1	-
Other non-current financial liabilities	74.8	52.1
Deferred income tax liabilities	164.8	152.8
Pension plans and other long-term employee benefits	178.3	148.4
Provisions for other liabilities and charges	121.6	133.7
Total non-current liabilities	**3,040.5**	**2,798.0**
Trade and other payables	1,041.5	962.8
Current income tax liabilities	66.4	72.1
Current borrowings and debt	589.5	78.9
Derivative financial instruments	8.0	1.8
Other current financial liabilities	106.3	116.9
Total current liabilities	**1,811.7**	**1,232.5**
Liabilities held for sale	-	1.8
TOTAL EQUITY AND LIABILITIES	**6,095.2**	**5,157.2**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	FY 2016	FY 2015
Profit before income tax	524.0	488.4
Elimination of cash flows from financing and investing activities	61.1	60.6
Provisions and other non-cash items	57.9	46.9
Depreciation and amortization	202.4	293.3
Movements in working capital requirement attributable to operations	(37.2)	48.5
Income tax paid	(213.8)	(231.6)
Net cash generated from operating activities	**594.4**	**706.1**
Acquisitions of subsidiaries	(189.8)	(99.7)
Proceeds from sales of subsidiaries	0.7	(1.6)
Purchases of property, plant and equipment and intangible assets	(156.6)	(169.4)
Proceeds from sales of property, plant and equipment and intangible assets	10.7	3.8
Purchases of non-current financial assets	(10.7)	(13.7)
Proceeds from sales of non-current financial assets	19.3	6.1
Change in loans and advances granted	1.0	10.5
Dividends received from companies consolidated under the equity method	0.5	-
Net cash used in investing activities	**(324.9)**	**(264.0)**
Capital increase	1.0	11.7
Purchases/sales of treasury shares	(42.8)	(45.2)
Dividends paid	(255.1)	(249.7)
Increase in borrowings and other debt	742.5	387.1
Repayment of borrowings and other debt	(35.9)	(161.4)
Repayment of amounts owed to shareholders	(13.3)	(3.9)
Interest paid	(86.0)	(78.4)
Net cash generated from (used in) financing activities	**310.4**	**(139.8)**
Impact of currency translation differences	(2.6)	(1.8)
Net increase (decrease) in cash and cash equivalents	**577.3**	**300.5**
Net cash and cash equivalents at beginning of year	510.8	210.3
Net cash and cash equivalents at end of year	**1,088.1**	**510.8**
o/w cash and cash equivalents	1,094.1	522.9
o/w bank overdrafts	(6.0)	(12.1)

Appendix 5: Financial indicators not defined by IFRS accounting rules

Adjusted operating profit is defined as Group operating profit before income and expenses relative to acquisitions and other non-recurring items.

(in millions of euros)	2016	2015
Operating profit	**609.7**	**576.9**
Amortization of acquisition intangibles	79.5	86.7
Restructuring costs	42.6	20.8
Acquisition and disposals	3.1	0.8
Impairment of goodwill	-	90.0
Total non-recurring items	**125.2**	**198.3**
Adjusted operating profit	**734.9**	**775.2**

Attributable adjusted net profit is defined as attributable net profit adjusted for non-recurring items after tax.

(in millions of euros)	2016	2015
Attributable net profit	**319.4**	**255.3**
EPS[(a)] (€ per share)	*0.73*	*0.58*
Non-recurring items	125.2	198.3
Tax effect on non-recurring items	(35.6)	(33.3)
Attributable adjusted net profit	**409.0**	**420.3**
Adjusted EPS[(a)] (€ per share)	*0.94*	*0.96*

(a) Calculated using the weighted average number of shares of 437,147,988 in FY 2016 shares and 437,776,451 in FY 2015

Free cash flow is defined as follows:

(in millions of euros)	2016	2015
Net cash generated from operating activities (operating cash flow)	**594.4**	**706.1**
Purchases of property, plant and equipment and intangible assets net of disposals	(145.9)	(165.6)
Interest paid	(86.0)	(78.4)
Free cash flow	**362.5**	**462.1**

Adjusted net financial debt is defined as net financial debt after currency hedging instruments as defined in the calculation of banking covenants.

(in millions of euros)	Dec. 2016	Dec. 2015
Gross financial debt	3,082.4	2,389.9
Cash and cash equivalents	1,094.1	522.9
Consolidated net financial debt	**1,988.3**	**1,867.0**
Currency hedging instruments	8.1	(4.3)
Adjusted net financial debt	**1,996.4**	**1,862.7**