Bureau Veritas: 2013 first half results

Neuilly-sur-Seine, France, August 28, 2013 - The Bureau Veritas Board of Directors, met yesterday and closed the accounts for the first half of 2013.

- Revenue of EUR 1,958 million
- Growth of 7.5% on a constant currency basis
- Organic growth of 4.7%
- Adjusted operating profit of EUR 313 million, up 6%
- Adjusted operating margin of 16%, up 10 basis points
- Operating cash flow of EUR 222 million, up 55%
- Adjusted earnings per share of EUR 0.44, up 2.3%

Didier Michaud-Daniel, CEO of Bureau Veritas stated:

"During the first half of 2013, revenue growth at Bureau Veritas stood at 7.5% on a constant currency basis.

First half organic growth of 4.7% was in line with the first quarter level. Growth remained driven by the Industry, Consumer Products and Government Services businesses and was more modest in businesses exposed to Europe, especially In-Service Inspection & Verification and Certification. The Construction business returned to growth on the back of increased exposure to Asia, whereas the Marine business remained in decline; however new orders more than doubled. Revenue in the Commodities business increased slightly, with the decline in mining exploration related activities having been made up for by better than expected growth in oil products.

The Group now derives 55% of revenue from fast-growing geographies. Momentum remains intact since our activities are more associated with the strengthening of regulations and investments in energy infrastructure than with growth in domestic product alone.

Lean management initiatives and portfolio optimization helped improve adjusted operating margin by 10 basis points and operating cash flow by 55%.

In 2013, Bureau Veritas should deliver solid growth in revenue and adjusted operating profit, despite an ongoing challenging economic environment in Europe and a decline in mining exploration. Organic growth in the second half of 2013 should be in line with the first half level. The priority is to continue improving profitability."

Main consolidated financial items on June 30

(EUR millions)	H1 2013	H1 2012	Change
Revenue	**1,957.5**	**1,861.6**	**+5.1%**
Adjusted operating profit [(a)]	**313.2**	**295.6**	**+6.0%**
as a % of revenue	*16.0%*	*15.9%*	*+10 bps*
Operating profit	**283.1**	**259.7**	**+9.0%**
Net financial expense	(33.7)	(28.2)	
Income tax	(73.0)	(65.4)	
Attributable net profit	**170.2**	**160.8**	**+5.8%**
Attributable adjusted net profit [(a)]	**192.5**	**189.2**	**+1.7%**
Operating cash flow	**221.5**	**143.4**	**+54.5%**
Adjusted net financial debt [(a)]	1,386.0	1,318.4	

(a) Financial indicators not defined by IFRS accounting rules presented in Appendix 3

Highlights

Since the beginning of the year, Bureau Veritas has announced four acquisitions with combined annual revenue of more than EUR 70 million, enabling the Group to develop its technical expertise in fast-growing market segments.

- In January, the Group acquired 7Layers, a German company specialized in testing and certification of electronic appliances and wireless technologies. The acquisition has positioned the Group among the global leaders by doubling the size of its activities in this segment. The market should continue to grow rapidly driven by constant innovation in telecommunications and machine-to-machine communication.
- In April, the Group acquired LVQ-WP, a German group specialized in non-destructive testing and industrial inspection services. The acquisition of LVQ-WP has enabled Bureau Veritas to round out its industrial services offering in Germany and Eastern Europe.
- In March, Bureau Veritas announced it had signed an agreement to acquire Sievert, a leading company in non-destructive testing in India, South-East Asia and the Middle East. These services are notably provided during the construction of onshore and offshore pipelines, used for the transport of oil, gas and water. The market is driven by rising needs for testing in both mature economies facing ageing infrastructure issues, and in fast-growing countries investing in new infrastructure. The acquisition was finalized at the beginning of the third quarter of 2013.
- On August 21, 2013, Bureau Veritas announced the acquisition of Kanagawa Building Inspection (KBI), a Japanese building inspection and certification company. This acquisition extends Bureau Veritas' geographical presence in the country, while strengthening its client base and increasing market share in building conformity assessment services.

In February, the Group disposed of its infrastructure inspection activity in Spain as well as the company Anasol (laboratory testing activity) in Brazil in January.

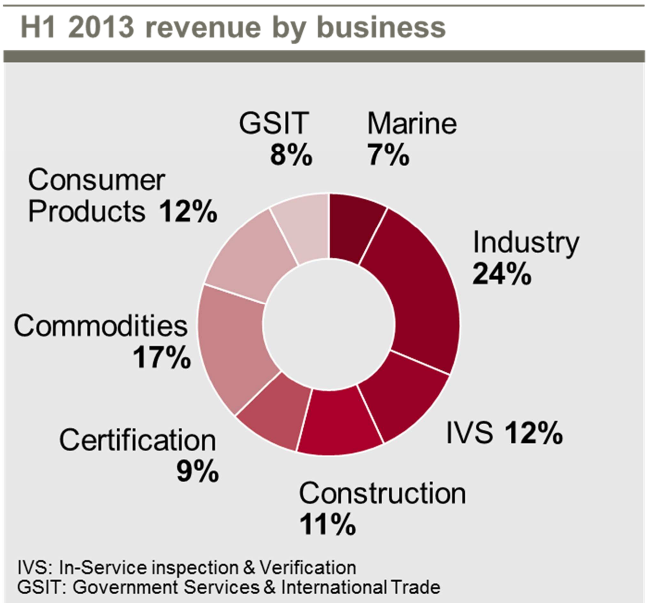
In June, the Company also undertook successively a capital increase by incorporation of reserves followed by a four-for-one stock split.

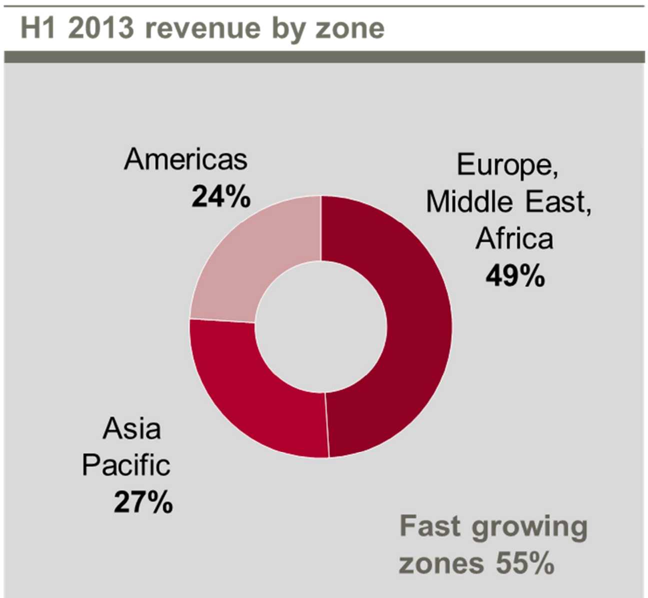
Revenue up 7.5% on a constant currency basis

Revenue for the first half of 2013 (H1 2013) totaled EUR 1,957.5 million, up 5.1% relative to H1 2012. On a constant currency basis, revenue rose by 7.5%.

- First-half organic growth stood at 4.7% and was in line with the Q1 level.
  - Five businesses posted similar growth levels in both quarters. The Industry, Consumer Products and Government Services & International Trade (GSIT) businesses continued to drive growth. The Marine business remained in decline; however new orders more than doubled. The Commodities business showed slight growth, with the decline in revenue from mining exploration related activities having been offset by higher than expected growth in oil products.
  - Growth was more modest in activities highly exposed to Europe, especially In-Service Inspection & Verification (IVS) and Certification. In contrast, revenue in the Construction business increased during the second quarter on the back of strengthened exposure to Asia.
- The consolidation of companies acquired accounted for 3.8% of growth and mainly concerned Tecnicontrol (Industry), 7Layers (Consumer Products), TH Hill (Industry) and AcmeLabs (Commodities).
- Disposals of activities caused a 1.0% decrease in revenue and concerned infrastructure control in Spain (Construction), Anasol in Brazil (IVS) and laboratories in New Zealand (Industry).
- Exchange rate fluctuations had a negative impact of 2.4% and stemmed from the decline in the majority of currencies relative to the euro, especially those in emerging markets (Brazil, India, South Africa) and a number of major countries (Australia, Japan, UK).

During the first half, revenue generated in fast-growing geographies (Latin America, Asia-Pacific excluding Japan, Eastern Europe, Middle-East and Africa) increased further to account for 55% of overall revenue. Momentum showed no signs of slowing, since activities in these regions are associated more with the strengthening of regulations and investments in energy infrastructure than with growth in domestic product alone.





Revenue growth by business is set out in Appendix 1

Adjusted operating profit up 6.0%

H1 2013 adjusted operating profit rose by 6.0% to EUR 313.2 million compared with EUR 295.6 million in H1 2012. Adjusted operating margin expressed as a percentage of revenue stood at 16.0% in H1 2013, up 10 basis points from the 15.9% reported in H1 2012. Adjusted operating profit rose in all businesses with the exception of Marine and Commodities.

Adjusted operating profit by business is presented in Appendix 1.

Other operating expenses decreased to EUR 30.1 million from EUR 35.9 million in H1 2012. These primarily included:

- EUR 26.4 million in amortization of acquisition intangibles, compared with EUR 27.2 million in the year-earlier period.
- EUR 3.5 million in exceptional expenses for Spain (restructuring costs and infrastructure disposals) compared with EUR 8.0 million in H1 2012 (goodwill impairment).

After taking account of other operating expenses, operating profit totaled EUR 283.1 million, up 9.0% relative to H1 2012.

Adjusted earnings per share up 2.3%

H1 2013 net financial expense stood at EUR 33.7 million compared with EUR 28.2 million in H1 2012. The increase stemmed primarily from a higher average cost of debt after the extension of debt maturities and the rise in average debt volumes.

Income tax expense totaled EUR 73.0 million compared with EUR 65.4 million in H1 2012. The effective tax rate worked out to 29.3% compared with 28.2% in H1 2012. The adjusted effective tax rate was 28.9%.

H1 2013 attributable net profit rose by 5.8% to EUR 170.2 million. Earnings per share were up 8.3% to EUR 0.39 compared with EUR 0.36 in H1 2012 (adjusted for the four-for-one stock split undertaken on June 21, 2013).

H1 2013 attributable net profit adjusted for other operating expenses net of tax totaled EUR 192.5 million, up 1.7% relative to H1 2012. Adjusted earnings per share rose by 2.3% to EUR 0.44 compared with EUR 0.43 in H1 2012 (adjusted for the four-for-one stock split undertaken on June 21, 2013).

Operating cash flow up 54.5% and levered free cash flow up 62.3%

The 54.5% increase in net cash from operating activities to EUR 221.5 million stemmed mainly from the rise in earnings and well-controlled working capital requirements (WCR). On June 30, 2013, WCR totaled EUR 361.3 million, or 9.0% of revenue over the past 12 months adjusted for companies acquired, compared with EUR 352.2 million on June 30, 2012 (or 9.4% of revenue).

Net CAPEX rose to EUR 67.1 million compared with EUR 52.5 million in the year-earlier period. The Group's capex-to-revenue ratio stood at 3.4%, similar to the level seen in the full-year 2012.

Levered free cash flow (cash flow available after tax, interest expense and CAPEX) stood at EUR 111.5 million, up 62.3% relative to H1 2012.

On June 30, 2013, adjusted net financial debt (after currency hedging instruments) totaled EUR 1,368.0 million, or 1.83x EBITDA, as defined in the calculation of banking covenants.

The EUR 235.3 million increase in adjusted net financial debt compared with December 31, 2012 (EUR 1,150.7 million) stemmed from:

- Levered free cash flow of EUR 111.5 million,
- Dividend payments of EUR 207.6 million,
- Acquisitions undertaken for EUR 63.8 million,
- Share buybacks, net of capital increases, in order to serve stock option and performance share programs for EUR 55.8 million,
- Other items, primarily concerning currency effects, which increased net debt by EUR 19.6 million.

Outlook

In 2013, Bureau Veritas should deliver solid growth in revenue and adjusted operating profit, and despite an ongoing challenging economic environment in Europe and the decline in mining exploration. Organic growth in H2 2013 should be in line with the H1 level. The priority is to continue improving profitability.

The Group confirms the 2012-2015 financial targets set out in the “BV2015: Moving forward with confidence" strategic plan:

- Revenue growth: +9-12% on average per year, on a constant-currency basis:
  - Two-thirds from organic growth: +6-8% on average per year
  - One-third from acquisitions: +3-4% on average per year
- Improvement in adjusted operating margin:+100-150bps (relative to 2011)
- Growth in adjusted EPS: +10-15% on average per year between 2011 and 2015.

Analyst/investor conference call

Wednesday, August 28, at 2 p.m. CET

The conference call will be broadcast live and after the event on the Group's website

http://finance.bureauveritas.com.

The presentation document will also be available on the website.

2013 Half-year financial report

The 2013 half-year financial report is to be notified to the French Financial Markets Authority (AMF) today and can be consulted on the Bureau Veritas website at the following address:
http://finance.bureauveritas.com.

2013 Financial agenda

November 6, 2013: publication of Q3 2013 information (after trading)

About Bureau Veritas

Bureau Veritas is a world leader in conformity assessment and certification services. Created in 1828, the Group has more than 60,000 employees in around 1,330 offices and 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.
Bureau Veritas is listed on Euronext Paris and belongs to the Next 20 index.
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This press release contains forward-looking statements, which are based on current plans and forecasts of 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 registration document filed by Bureau Veritas with the French Autorité des marchés financiers that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These 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, according to applicable regulations.

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Appendix 1: Results by business

2nd quarter revenue by business

(EUR millions)	2013	2012	% growth			
			Overall	Organic	Scope	Currencies
Marine	76.3	84.4	(9.6)%	(8.4)%	0.1%	(1.3)%
Industry	243.0	217.3	11.8%	11.0%	5.0%	(4.2)%
IVS	115.1	119.4	(3.6)%	(1.0)%	(1.3)%	(1.3)%
Construction	108.1	113.6	(4.8)%	3.4%	(5.2)%	(3.0)%
Certification	90.8	92.9	(2.3)%	0.1%	(0.1)%	(2.3)%
Commodities	177.6	178.7	(0.6)%	2.6%	0.3%	(3.5)%
Consumer Products	139.6	120.5	15.9%	10.0%	7.1%	(1.2)%
GSIT	76.4	66.5	14.9%	15.2%	2.5%	(2.8)%
Total 2nd quarter (Q2)	**1,026.9**	**993.3**	**3.4%**	**4.7%**	**1.4%**	**(2.7)%**

First half revenue by business

(EUR millions)	2013	2012	% growth			
			Overall	Organic	Scope	Currencies
Marine	145.3	160.7	(9.6)%	(8.6)%	0.1%	(1.1)%
Industry	466.7	400.5	16.5%	10.9%	9.4%	(3.8)%
IVS	231.7	237.9	(2.6)%	(0.5)%	(1.2)%	(0.9)%
Construction	213.3	224.1	(4.8)%	1.5%	(3.8)%	(2.5)%
Certification	170.2	170.1	0.1%	2.4%	(0.1)%	(2.2)%
Commodities	339.9	334.5	1.6%	2.7%	1.9%	(3.0)%
Consumer Products	244.0	207.3	17.7%	10.6%	8.0%	(0.9)%
GSIT	146.4	126.5	15.7%	16.0%	2.9%	(3.2)%
Total first half (H1)	**1,957.5**	**1,861.6**	**5.1%**	**4.7%**	**2.8%**	**(2.4)%**

First half adjusted operating profit by business

(EUR millions)	Adjusted operating profit			Adjusted operating margin		
	2013	**2012**	**Change**	**2013**	**2012**	**Change** (basis points)
Marine	39.5	47.4	(16.7)%	27.2%	29.5%	(230)
Industry	68.1	53.1	+28.2%	14.6%	13.3%	+130
IVS	24.4	22.5	+8.4%	10.5%	9.5%	+100
Construction	25.4	24.1	+5.4%	11.9%	10.8%	+110
Certification	30.4	29.8	+2.0%	17.9%	17.5%	+40
Commodities	39.7	44.2	(10.2)%	11.7%	13.2%	(150)
Consumer Products	55.9	47.4	+17.9%	22.9%	22.9%	-
GSIT	29.8	27.1	+10.0%	20.4%	21.4%	(100)
Total first half (H1)	**313.2**	**295.6**	**+6.0%**	**16.0%**	**15.9%**	**+10**

IVS: In-Service Inspection & Verification
GSIT: Government Services & International Trade

MARINE

Revenue fell by 9.6% and 8.6% on a same structure and exchange rate basis.

The ships in service activity (57% of H1 2013 revenue in the division) benefited from growth of 2.7% in the fleet classed by Bureau Veritas. On June 30, 2013, the fleet was made up of 10,325 ships and represented 94.8 million gross tons (GRT).

Revenue from the classification and certification of new ships activities (43% of revenue) was in decline. The order book totaled GRT 14.4 million, down 20% relative to June 30, 2012. However, new order intake more than doubled relative to H1 2012 to stand at GRT 4.3 million.

Adjusted operating margin fell to 27.2%. The impact of lower volumes was partly offset by restructuring and by the optimization of central costs.

In the second half of 2013, the Marine business should post growth in the ships in service segment, but expects no recovery in revenue from new construction. The recovery in new orders nevertheless suggests that revenue from new construction should pick up over the medium term. The Group is also continuing its strategy to expand in the offshore and liquefied natural gas (LNG) segments.

INDUSTRY

H1 2013 revenue rose by 16.5%, including organic growth of 10.9% and growth of 9.4% stemming from acquisitions (Tecnicontrol in Colombia, TH Hill in the US and LVQ-WP in Germany) as well as a negative impact from exchange rates of 3.8%.

Performances in the Industry business were driven by investments in new energy infrastructure in fast-growing geographies as well as the ramp-up in major contracts signed in 2012.

Adjusted operating margin widened by 130 basis points to 14.6% on the back of higher volumes and an improvement in the business mix.

In 2013, organic growth should remain robust in the Industry business, driven by structural growth factors stemming from strengthening of regulations and outsourcing in a number of sectors, especially in oil & gas and power.

IN-SERVICE INSPECTION & VERIFICATION (IVS)

Revenue fell 2.6%, including virtually stable organic growth (-0.5%), the impact of the Anasol disposal in Brazil (-1.2%) and exchange rate effects (-0.9%).

Business in Europe (82% of H1 2013 revenue in the business) resisted the economic crisis, except in Spain. Development in fast-growing geographies continued, especially in the Middle East (new activities in elevators), in Latin America (inspection of lifting equipment) and in Bangladesh.

Adjusted operating margin widened by 100 basis points to 10.5%, on the back of lean management initiatives in France and improved profitability in Brazil (disposal of Anasol) and in Italy.

For the rest of 2013, the business should benefit from a recovery in organic growth, especially in France and ongoing development in fast-growing geographies.

CONSTRUCTION

The 4.8% decline in revenue stemmed from the disposal of the infrastructure business in Spain (-3.8%) and exchange rate fluctuations (-2.5%), with a positive 1.5% impact from organic growth and some recovery in Q2 (+3.4%). The deterioration in France (52% of revenue) was more than balanced by high growth in Asia, especially China, Japan and India, whereas activities in the US picked up gradually.

Operating margin widened by 110 basis points to 11.9%, primarily following the exit from infrastructure activities in Spain.

For the rest of 2013, the decline in revenue in France should be contained thanks to the diversity of the services portfolio. The Group is continuing its strategy to expand in fast-growing geographies, which now account for 18% of revenue.

CERTIFICATION

Revenue was virtually stable with organic growth of 2.4% offset by a 2.2% negative impact from exchange rates.

Business slowed in Europe, especially in the conventional QHSE schemes. Fast-growing geographies continued to grow at a healthy pace but were affected by the end to carbon certificates required by the Kyoto protocol program.

Adjusted operating margin widened by 40 basis points to 17.9%, on the back of improved operating efficiency.

Over the rest of 2013, the business should benefit from a recovery in organic growth, prompted especially by the development of major contracts, sustainable development services and sector schemes (agri-food, aviation and timber supply chain).

COMMODITIES

Revenue growth of 1.6% was made up of organic growth of 2.7%, a 1.9% contribution from acquisitions stemming from the consolidation of Acme, and a negative impact from exchange rates of 3.0%.

The diverse nature of activities helped cushion the decline in revenue in Metals & Minerals. Oil & Petrochemicals segment (38% of revenue in H1 2013 in the business) posted high revenue growth, prompted by new laboratories and the development of new services as well as favorable market conditions.

Revenue in the Metals & Minerals segment (39% of revenue) was in decline due to lower capex in exploration of mining companies, especially in Australia and Canada.

Revenue growth in the Coal segment (14% of revenue) remained solid, with growth in South Africa and Indonesia helping to offset the slowdown in Australia.

Revenue from the Agriculture segment (9% of revenue) also increased on the back of robust activity in South America.

Adjusted operating margin narrowed to 11.7% of revenue from 13.2% in H1 2012 due to the decline in volumes in exploration activities and restructuring costs. Headcount reductions in Australia and Canada as well as initiatives to reduce back-office costs were also implemented.

Growth prospects for the second half remain robust for Oil & Petrochemicals and Agriculture segments, driven by new services and new geographies. A recovery in mining exploration activities is unlikely to take place before 2014.

CONSUMER PRODUCTS

Revenue growth of 17.7% broke down into organic growth of 10.6%, an 8% positive impact from acquisitions (mainly 7Layers) and a 0.9% negative impact from exchange rates.

The Textiles & Softlines segment (41% of revenue in the business in H1 2013) posted sharp growth primarily from testing activities in northern China and South-East Asia as well as inspections and social audits.

Electrical & Electronics segment (30% of revenue) also generated high revenue growth. The acquisition of 7Layers has positioned the Group among the world leaders by doubling in size its wireless technologies activities (SmartWorld).

Revenue from the Toys & Hardlines segment (29% of revenue) also increased, thereby confirming a stabilization in the toys testing activity and growth in other consumer goods (Hardlines).

Adjusted operating margin remained at 22.9%, with higher volumes and productivity initiatives having helped offset the disadvantageous mix effect and wage inflation in Asia.

In H2 2013, the business should continue to post growth in all these segments.

GOVERNMENT SERVICES & INTERNATIONAL TRADE (GSIT)

H1 2013 revenue rose 15.7%, including organic growth of 16.0%, a 2.9% contribution from acquisitions and a negative exchange rate impact of 3.2%.

The business benefited from growth in Verification of Conformity programs and activities for the automotive sector, which now account for more than half of revenue.

Adjusted operating margin totaled 20.4% and compared to the high level of 21.4% posted in H1 2012. The narrowing was due to the diversification in the business portfolio (automotive).

Revenue growth is likely to be more mixed in the second half of 2013 due to demanding comparison base and a slowdown in the traditional pre-shipment inspections activities.

Appendix 2: Extracts of half-year consolidated financial statements audited and closed on August 27, 2013 by the Board of Directors

Examination procedures for the half-year accounts have been undertaken and the Statutory Auditor's report has been published.

CONSOLIDATED INCOME STATEMENT

(EUR millions)	H1 2013	H1 2012
Revenue	**1,957.5**	**1,861.6**
Purchases and external charges	(560.4)	(542.4)
Personnel costs	(1,018.0)	(954.2)
Taxes other than on income	(25.3)	(34.5)
Net (additions to) / reversals of provisions	(5.5)	4.4
Depreciation and amortization	(73.8)	(70.7)
Other operating income and expense, net	8.7	(4.5)
Operating profit	**283.1**	**259.7**
Income from cash and cash equivalents	0.6	1.1
Finance costs, gross	(30.7)	(25.0)
Finance costs, net	**(30.1)**	**(23.9)**
Other financial income and expense, net	(3.6)	(4.3)
Net financial expense	**(33.7)**	**(28.2)**
Share of profit of associates	(0.1)	-
Profit before income tax	**249.3**	**231.5**
Income tax expense	(73.0)	(65.4)
Net profit	**176.3**	**166.1**
Non-controlling interests	*6.1*	5.3
Attributable net profit	**170.2**	**160.8**
Earnings per share **(euros)**:		
Basic earnings per share	**0.39**	**0.36**
Diluted earnings per share	**0.38**	**0.36**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR millions)	**June 2013**	**December 2012**
Goodwill	1,457.6	1,486.3
Intangible assets	361.8	385.4
Property, plant and equipment	390.6	379.4
Investments in associates	0.6	0.7
Deferred income tax assets	116.0	110.4
Investments in non-consolidated companies	1.6	1.8
Derivative financial instruments	1.8	22.4
Other non-current financial assets	48.6	43.9
Total non-current assets	**2,378.7**	**2,430.3**
Trade and other receivables	1,137.9	1,060.5
Current income tax assets	39.2	55.0
Current financial assets	6.0	7.7
Derivative financial instruments	1.5	2.6
Cash and cash equivalents	226.1	243.5
Total current assets	**1,410.6**	**1,369.3**
Assets destined to be sold off	-	5.4
TOTAL ASSETS	**3,789.3**	**3,805.0**
Share capital	53.1	13.3
Retained earnings and other reserves	916.0	1,131.2
Equity attributable to owners of the Company	**969.0**	**1,144.5**
Non-controlling interests	23.1	23.3
Total equity	**992.1**	**1,167.8**
Bank borrowings	1,284.3	1,282.7
Derivative financial instruments	26.8	21.5
Other non-current financial liabilities	1.5	2.7
Deferred income tax liabilities	89.2	89.6
Pension plans and other long-term employee benefits	126.1	124.6
Provisions for other liabilities and charges	67.7	71.2
Total non-current liabilities	**1,595.5**	**1,592.3**
Trade and other payables	776.6	787.7
Current income tax liabilities	71.7	75.8
Bank borrowings	319.7	128.3
Derivative financial instruments	0.7	3.3
Other current financial liabilities	33.0	48.8
Total current liabilities	**1,201.7**	**1,043.9**
Liabilities destined to be sold off	-	1.0
TOTAL EQUITY AND LIABILITIES	**3,789.3**	**3,805.0**

CONSOLIDATED CASH FLOW STATEMENT

(EUR millions)	**June 2013**	**June 2012**
Profit before income tax	249.3	231.5
Elimination of cash flows from financing and investing activities	31.4	28.2
Provisions and other non-cash items	2.4	(9.4)
Depreciation, amortization and impairment	73.8	78.8
Change in working capital attributable to operations	(71.1)	(98.1)
Income tax paid	(64.3)	(87.6)
Net cash generated from operating activities	**221.5**	**143.4**
Acquisitions of subsidiaries	(60.2)	(216.8)
Disposals of subsidiaries	4.3	6.4
Purchases of property, plant and equipment and intangible assets	(71.8)	(56.9)
Proceeds from sales of property, plant, equipment and intangible assets	4.7	4.4
Purchases of non-current financial assets	(8.8)	(15.8)
Proceeds from sales of non-current financial assets	4.1	3.4
Net cash used in investing activities	**(127.7)**	**(275.3)**
Capital increase	1.3	8.4
Purchases/sales of treasury shares	(57.1)	(20.7)
Dividends paid	(207.6)	(143.9)
Increase in borrowings and other debt	258.8	895.0
Repayment of borrowings and other debt	(102.5)	(592.6)
Interest paid	(42.9)	(22.2)
Net cash generated from (used in) financing activities	**(150.0)**	**124.0**
Impact of currency translation differences	0.8	2.7
Net decrease in cash and cash equivalents	**(55.4)**	**(5.2)**
Cash and cash equivalents at the beginning of the period	234.8	230.9
Net cash and cash equivalents at the end of the period	**179.4**	**225.7**
o/w cash and cash equivalents	226.1	245.0
o/w bank overdrafts	(46.7)	(19.3)

Appendix 3: Financial indicators non-defined by IFRS accounting rules

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

(EUR millions)	H1 2013	H1 2012
Operating profit	**283.1**	**259.7**
Amortization of acquisition intangibles	26.4	27.2
Goodwill impairment and restructuring (Spain)	3.5	8.0
Acquisitions and disposals	0.2	0.7
Adjusted operating profit	**313.2**	**295.6**

Attributable "adjusted" net profit is defined as attributable net profit adjusted for other operating expenses net of tax.

(EUR millions)	H1 2013	H1 2012
Attributable net profit	**170.2**	**160.8**
EPS [a] *(EUR per share)*	0.39	0.36
Other operating expenses	30.1	35.9
Tax effect on other operating expenses [b]	(7.8)	(7.5)
Attributable adjusted net profit	**192.5**	**189.2**
Adjusted EPS [a] *(EUR per share)*	**0.44**	**0.43**

(a) Calculated using the weighted average number of shares of 438,925,614 in H1 2013 and 440,670,804 in H1 2012 (adjusted to take account of the four-for-one share split on June 21, 2013).
(b) Calculated using a specific tax rate for each adjustment.

"Levered free cash flow" is defined as follows:

(EUR millions)	H1 2013	H1 2012
Net cash generated from operating activities (operating cash flow)	**221.5**	**143.4**
Purchases of property, plant and equipment and intangible assets, net of disposals	(67.1)	(52.5)
Interest paid	(42.9)	(22.2)
Levered free cash flow	**111.5**	**68.7**

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

(EUR millions)	H1 2013	H1 2012
Gross financial debt	1,604.0	1,411.0
Cash and cash equivalents	226.1	243.5
Consolidated net financial debt	**1,377.9**	**1,167.5**
Currency hedging instruments	8.1	(16.8)
Adjusted net financial debt	**1,386.0**	**1,150.7**