# PRESS RELEASE

***February 26, 2015***

## Bureau Veritas: 2014 full year results

## Organic growth improvement in Q4 and strong cash flow generation

- Revenue of EUR 4.17 billion, +9.4% on a constant currency basis:
  - Organic growth of 2.5% with an improvement in Q4 (+3.4%)
  - External growth of 6.9% driven by 8 acquisitions in strategic markets
- Adj. operating profit of EUR 694 million (16.6% margin), +9.7% on a constant currency basis
- Very strong free cash-flow generation of EUR 402 million, +24%
- Adjusted net profit of EUR 391 million, +3.7% on a constant currency basis
- Proposed dividend of EUR 0.48, stable versus 2013

**Organic growth has improved in the fourth quarter (+3.4%)** compared with the first nine months of the year thanks to the Group's diversified portfolio of businesses and exposure to attractive and growing end markets.

In 2014, **Bureau Veritas continued to enhance its portfolio with eight targeted acquisitions** in key strategic markets and geographies. These acquisitions helped rebalance the geographical footprint, in particular in North America, and have increased the Group's presence in strategic markets such as marine/offshore, infrastructure, food, petroleum and automotive.

**Revenue grew by 9.4% and adjusted operating profit was up 9.7%,** on a constant currency basis, demonstrating the Group's continued ability to generate profitable growth.

During the year, measures were taken to adapt to challenging conditions in Europe and in Metals and Minerals. This led to **exceptional, mostly non-cash charges of EUR 60 million this year**. As a consequence, attributable net profit was EUR 294.6 million, down by 14.6% versus 2013 and by 10.2% on a constant currency basis.

In spite of these adverse conditions, **the Group generated very strong free cash flow during the year (+24%)**, thanks to improved cash collection and disciplined capital allocation.

**Chief Executive Officer Didier Michaud-Daniel**, commented:

*"Bureau Veritas performed well in 2014. The Group delivered solid revenue growth with resilient margins, despite the challenging environment in Europe and in Minerals. Our revenue exceeded EUR 4 billion for the first time and cash flow generation was very strong.*

*Thanks to targeted acquisitions, our activity in the Americas has been reinforced. In parallel, we have launched new initiatives to accelerate growth and improve our competitive position in key markets.*

*In 2015, we expect a slight improvement in organic growth over 2014, taking into account the current oil market conditions. The operating margin should also improve moderately thanks to ongoing operational excellence initiatives. The Group will continue to generate strong cash flow. Acquisitions in attractive markets will contribute to overall growth."*

## Main consolidated financial items for 2014

The Board of Directors of Bureau Veritas met yesterday and approved the financial statements for the year ended December 31, 2014.

| *(millions of euros)* | 2014 | 2013 | Chg. | Chg. at constant currencies |
|---|---|---|---|---|
| **Revenue** | **4,171.5** | **3,933.1** | **+6.1%** | **+9.4%** |
| **Adjusted operating profit[(a)]** | **694.0** | **656.9** | **+5.6%** | **+9.7%** |
| *as a % of revenue* | *16.6%* | *16.7%* | *(0.1) pt* | *-* |
| **Operating profit** | **563.1** | **589.6** | **(4.5)%** | **(1.1)%** |
| Net financial expense | (80.9) | (64.0) | | |
| Share of profit of associates | 0.7 | - | | |
| Income tax | (175.4) | (169.1) | | |
| Minority interests | (12.9) | (11.4) | | |
| **Attributable net profit** | **294.6** | **345.1** | **(14.6)%** | **(10.2)%** |
| **Attributable adjusted net profit [(a)]** | **391.3** | **397.0** | **(1.4)%** | **+3.7%** |
| **Free cash flow[(a)]** | **402.0** | **324.3** | **+24.0%** | **+27.8%** |
| Adjusted net financial debt [(a)] | 1,879.9 | 1,328.4 | +41.5% | |

*(a) Financial indicators not defined by IFRS accounting rules presented in Appendix 4*

## 2014 Highlights

### 1 – Enhancing the Group's growth profile

- **Acquisitions in strategic markets in the Americas and in China**

During 2014, the Group continued its external growth strategy, by completing the acquisition of Maxxam, the Canadian leader and seven bolt-on acquisitions. These eight companies, representing EUR 315 million in annualized revenues, have increased the Group's presence in strategic markets including the marine/offshore, infrastructure, food, petroleum and automotive sectors.

In line with the strategy to re-balance the geographical mix of activities, these acquisitions have strengthened the Group's footprint in the Americas. In 2014, 27% of Group revenues were generated in the Americas (vs 24% in 2013), 33% in Europe (vs 35%), 28% in Asia-Pacific and 12% in Africa, the Middle East and Eastern Europe (vs 13%).

Furthermore, the Group has completed three acquisitions in China since the beginning of 2015, representing close to EUR 60 million in combined revenues in 2014. These companies reinforce the Group's positioning in the Chinese domestic market for its Construction, Industry and Consumer Products businesses.

- **Initiatives to accelerate organic growth**

The Group has started to implement a number of strategic initiatives designed to accelerate organic growth.

Amongst other initiatives, the Group is developing more resilient Opex-related services in the Oil & Gas, Mining, Chemicals and Power sectors. The overall TIC market (Testing, Inspection and Certification) for these sectors is vast (above EUR 55 billion globally) of which 75% correspond to Opex-related services.

This market offers untapped development opportunities for the Industry business. The ambition is to replicate the business model successfully implemented by both the Marine and Construction/IVS businesses where Opex-related services already represent more than 50% of revenue.

Another initiative that has been launched in 2014 is the development of a global key account strategy. The penetration of Bureau Veritas with large corporations is still very low and outsourcing opportunities are significant as around 40% of TIC services are carried out internally. The ambition is to generate around two percentage points per annum of organic growth from this initiative in the years to come.

**2 – Lower oil price environment and impact on Group activities**

The Group's activities in the Oil & Gas sector are diversified and the services provided are critical for our customers:

- Oil and petrochemicals testing (9% of 2014 Group revenue) are generally not dependent on changes in crude oil prices. They mainly relate to trade volumes and to the consumption of refined products. A very limited portion (less than 1% of Group revenue) is related to oil sands production.
- Activities related to Oil & Gas capex (8% of revenue) involve all types of projects (onshore, offshore, LNG) across the world, with diversified customers. In a context of sustained low oil prices, some projects could be delayed, mainly in Latin America and North America.
- The inspection and certification activities related to Opex or assets in operation (6% of revenue), are by nature more recurrent and an area of strategic focus for the Group. In a more competitive pricing environment, the Group's strategy is to increase its market share.

The potential impact of lower oil price environment, based on current market conditions, is included in the Group’s 2015 outlook.

However, lower oil price should be positive to economic conditions in some countries. The Group could notably benefit from a more favorable environment in the consumer products and manufacturing sectors.

**3 – Improving the efficiency of operations**

- **Adapting to the difficult environment for activities exposed to Minerals and to Europe**

In reaction to the reduced level of activity derived from minerals exploration, the Group has implemented measures to rationalize its Minerals testing operations. Continued weakness in the European economy has impacted the Group’s organic growth. The Group has taken measures to restructure its operations in France, and put in place a new commercial organization. This has led to exceptional, mostly non-cash charges of EUR 60 million.

- **Pursuing operational excellence initiatives**

In 2014, the Group continued to gradually roll out Lean Management tools to improve customer satisfaction and operational efficiency.

The centralized purchasing project now comprises six initiatives: lab equipment & supplies, office supplies, travel, car fleet, international couriers and non-exclusive contractors.

Shared service centers are ramping up, with the objective to centralize support functions such as IT services, finance and human resources.

## Analysis of the Group's results and financial position

### 1 – Revenue up 9.4% on a constant currency basis, crossing the EUR 4 billion mark

Revenue in 2014 totaled EUR 4,171.5 million, an increase of 6.1% compared with 2013.

- Organic growth in 2014 was 2.5% over the full year, improving to 3.4% in the last quarter.

Three businesses, representing 45% of revenue, posted organic growth above 5%:

- Marine & Offshore benefited from the rebound in new construction activity;
- Industry, benefited from its well-balanced geographical presence posting double digit growth in the US, the Middle East and Asia. The oil price drop had almost no impact on the business in 2014;
- Consumer Products, where growth was driven by Wireless/Smartworld and Food testing;

Organic growth was slightly positive in four other businesses:

- declining revenue in Europe for the Construction and In-Service Inspection & Verification (IVS) businesses was compensated by expansion in fast growing geographies, namely China and South America;
- after a negative first half, the Commodities business turned positive, due to continuous strong growth in the Oil & Petrochemicals and Agriculture segments, and the stabilization of the Metals & Minerals segment.
- the Certification business was slightly up, despite the end of the Kyoto protocol program.

The Government Services & International Trade (GSIT) business that was hit by the conflict in Iraq and the termination of contracts, posted an organic revenue decrease.

- 2014 was a busy year in terms of external growth: acquisitions contributed 6.9% to growth.
- Currency fluctuations had a negative impact of 3.3% as most currencies declined in value against the euro, from January to September. This trend has reversed since September due to the strengthening of the US dollar versus the euro.

### 2 – Adjusted operating profit up 9.7% on a constant currency basis

Adjusted operating profit was EUR 694 million, up 5.6% compared to 2013, and up 9.7% at constant currencies.

The adjusted operating margin was 16.6% in 2014, stable at constant currencies compared with 2013.

The Group was able to maintain or grow its margin at constant currencies in five businesses (Commodities, IVS, Certification, Construction and Consumer Products), by improving the mix, rolling out Lean initiatives and restructuring measures. The Marine & Offshore business benefited from increased volume of activity but this was offset by investment made in technical centers. The Industry margin has slightly reduced due to the reduction of activity in France and in South Africa. The GSIT business margin was impacted by the reduction in volumes.

Other operating expenses increased to EUR 130.9 million vs. EUR 67.3 million in 2013. These include:

- EUR 106.2 million in amortization of acquisition intangibles (compared with EUR 51.1 million in 2013); the increase relates to the acceleration in amortization of customer lists and brands in the Metals & Minerals segment (EUR 40.2 million) and amortization of intangibles from acquisitions made in 2014;
- EUR 19.8 million in restructuring & disposals (EUR 12.8 million in 2013); this includes EUR 14.4 million of asset write-off and cost incurred to close some installations of the Metals & Minerals segment and EUR 5.5 million in restructuring provisions for the Industry business in France;

- EUR 3.4 million in acquisitions-related costs, stable versus last year;
- EUR 1.5 million in impairment of goodwill relating to the IVS business in Portugal.

In 2014, one-offs relating to the Metals & Minerals segment and the Industry business in France totaled EUR 60 million.

After taking into account other operating expenses, operating profit came to EUR 563.1 million, versus EUR 589.6 million in 2013.

**3 – Adjusted net profit up 3.7% on a constant currency basis**

Net financial expense stood at EUR 80.9 million compared with EUR 64.0 million in 2013. This increase stemmed primarily from the higher average volume of debt (acquisitions financing).

Income tax expense stood at EUR 175.4 million in 2014, compared with EUR 169.1 million in 2013. The effective tax rate (ETR) was 36.3% for the period, compared with 32.2% in 2013. The adjusted ETR was 34.1%, versus 31.1% in 2013. The increase relative to the previous year is attributable to unfavorable exchange rates, increased withholding tax in France on dividends from foreign subsidiaries, partial non deductibility of interest charges and a net increase in exceptional items.

The Group's attributable net profit for the period was EUR 294.6 million, versus EUR 345.1 million in 2013. Earnings Per Share (EPS) stood at EUR 0.67, compared with EUR 0.79 in 2013. Tax and currencies had a negative impact of EUR 9 cents on the EPS.

Adjusted attributable net profit totaled EUR 391.3 million, up 3.7% on a constant currency basis. Adjusted EPS reached at EUR 0.90 in 2014, vs EUR 0.91 in 2013. It is up 3.3% on a constant currency basis. Tax and currencies had a negative impact of EUR 8 cents on the adjusted EPS.

**4 – Operating cash flow up 14.9% and free cash flow up 24%**

Cash generation was very strong in 2014. Operating cash flow rose by EUR 78.7 million to EUR 606.6 million, representing a 14.9% increase versus 2013.

The amount spent on the purchase of property, plant and equipment and intangible assets, net of disposals (Net Capex), was EUR 143.5 million in 2014, vs EUR 141.1 in 2013. This limited increase reflects the reduction in capex related to the Metals & Minerals segment and an increase in other businesses. The Group's capex-to-revenue ratio stood at 3.4%, slightly below the 2013 level (3.6%).

Free cash flow (cash flow available after tax, interest expenses and capex) totaled EUR 402 million, up 24% relative to 2013.

At December 31, 2014, adjusted net financial debt was EUR 1,879.9 million, i.e. 2.16x EBITDA as defined in the calculation of banking covenants, compared with 1.71x at December 31, 2013. More than 95% of the Group's financing matures between 2017 and 2022.

The increase in adjusted net financial debt of EUR 551.5 million versus December 31, 2013 (EUR 1,328.4 million) stemmed from:

- free cash flow of EUR 402 million;
- dividend payments totaling EUR 216 million;
- acquisitions, accounting for EUR 625.3 million;
- share buybacks net of the capital increase carried out to cover stock option plans, amounting to EUR 41.6 million;
- other items that added EUR 70.6 million to the Group's debt, mainly attributable to currency moves.

### 5 - Proposed dividend of EUR 0.48, 53% of Adjusted EPS

The Group will propose a dividend of EUR 0.48 per share at the Shareholders' Meeting to be held on May 20, 2015. This dividend represents 53% of the adjusted EPS for 2014.

## Outlook

In 2015, Bureau Veritas expects a slight improvement in organic growth over 2014, taking into account the current oil market conditions. The operating margin should also improve moderately thanks to ongoing operational excellence initiatives. The Group will continue to generate strong cash flow. Acquisitions in attractive markets will contribute to overall growth.

## Presentation

The results will be presented on Thursday, February 26, 2015 at 3:00 p.m. (Paris time) at the Académie Diplomatique Internationale – 4 bis avenue Hoche, 75008, Paris, France

It will be broadcast live and after the event in English on the Group's website (http://finance.bureauveritas.com). The presentation document will also be available on the website.

## 2015 financial calendar

May 5, 2015: Q1 2015 information
May 20, 2015: Annual General Meeting
September 1, 2015: Half-Year 2015 results
October 6, 7, 2015: Investor Days
November 4, 2015: Q3 2015 information

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***About Bureau Veritas***

*Bureau Veritas is a world-leading provider in testing, inspection and certification. Created in 1828, the Group has more than 66,000 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: Revenue and Adjusted operating profit by business

| *(in millions of euros)* | 2014 | 2013 [(a)] | Var. | Organic | Acquisitions | Currency |
|---|---|---|---|---|---|---|
| Marine & Offshore | 90.1 | 75.2 | +19.8% | +2.8% | +15.3% | +1.7% |
| Industry | 263.0 | 236.2 | +11.3% | +8.2% | +3.4% | (0.3)% |
| In-Service Inspection & Verification | 156.1 | 128.7 | +21.3% | (0.4)% | +19.9% | +1.8% |
| Construction | 129.6 | 117.6 | +10.2% | (1.9)% | +11.2% | +0.9% |
| Certification | 93.9 | 89.9 | +4.4% | +4.9% | - | (0.5)% |
| Commodities | 187.4 | 163.4 | +14.7% | +4.0% | +11.4% | (0.7)% |
| Consumer Products | 152.1 | 131.1 | +16.0% | +4.5% | +5.7% | +5.8% |
| Government Services & International Trade | 66.9 | 63.8 | +4.9% | (1.5)% | +6.1% | +0.3% |
| **Total Q4 revenue** | **1,139.1** | **1,005.9** | **+13.2%** | **+3.4%** | **+8.8%** | **+1.0%** |
| Marine & Offshore | 323.8 | 294.2 | +10.1% | +7.1% | +4.8% | (1.8)% |
| Industry | 976.4 | 937.0 | +4.2% | +5.8% | +4.3% | (5.9)% |
| In-Service Inspection & Verification | 560.0 | 467.2 | +19.9% | +1.2% | +19.0% | (0.3)% |
| Construction | 462.1 | 439.7 | +5.1% | +0.1% | +6.5% | (1.5)% |
| Certification | 328.2 | 335.0 | (2.0)% | +0.8% | - | (2.8)% |
| Commodities | 701.0 | 666.6 | +5.2% | +1.5% | +9.3% | (5.6)% |
| Consumer Products | 564.6 | 515.5 | +9.5% | +5.4% | +5.0% | (0.9)% |
| Government Services & International Trade | 255.4 | 277.9 | (8.1)% | (7.6)% | +4.1% | (4.6)% |
| **Total full-year revenue** | **4,171.5** | **3,933.1** | **+6.1%** | **+2.5%** | **+6.9%** | **(3.3)%** |

| *(in millions of euros)* | Adjusted operating profit | | | Adjusted operating margin | | |
|---|---|---|---|---|---|---|
| | 2014 | 2013 [(a)] | Var. (%) | 2014 | 2013 [(a)] | Var. (point) |
| Marine & Offshore | 81.0 | 78.2 | +3.6% | 25.0% | 26.6% | (1.6) |
| Industry | 146.6 | 143.0 | +2.5% | 15.0% | 15.3% | (0.3) |
| In-Service Inspection & Verification | 79.3 | 64.5 | +22.9% | 14.2% | 13.8% | +0.4 |
| Construction | 68.6 | 64.5 | +6.4% | 14.8% | 14.7% | +0.1 |
| Certification | 56.5 | 57.4 | (1.6)% | 17.2% | 17.1% | +0.1 |
| Commodities | 84.5 | 72.3 | +16.9% | 12.1% | 10.8% | +1.3 |
| Consumer Products | 135.6 | 123.5 | +9.8% | 24.0% | 24.0% | - |
| Government Services & International Trade | 41.9 | 53.5 | (21.7)% | 16.4% | 19.3% | (2.9) |
| **Total Group** | **694.0** | **656.9** | **+5.6%** | **16.6%** | **16.7%** | **(0.1)** |

(a) *The 2013 figures by business have been restated following the reclassification of the activity of two food analysis laboratories from the IVS business to the Consumer Products business.*

## Appendix 2: Acquisitions

For the year ended December 31, 2014, the Group has carried out eight acquisitions, representing EUR 315 million in annualized revenues in 2014, mainly in North and South America. These acquisitions have increased the Group's presence in the marine/offshore, infrastructure, food, petroleum and automotive sectors.

- Maxxam Analytics (January), the market leader in testing, inspection and certification in Canada;
- Jyutaku (April), a Japanese company specializing in construction conformity assessment services;
- Quiktrak (April), a US company specializing in vehicle and agricultural machinery stock audit services;
- Andes Control (April), a Chilean company specializing in chemical analytical and testing services related to food and environmental safety;
- DTI (June), a US leader in the inspection of offshore subsea and completion equipment used in drilling operations;
- Sistema PRI (July), a Brazilian company specializing in project management assistance for construction, infrastructure and energy projects;
- Analysts Inc. (August), a US company specializing in oil condition monitoring;
- MatthewsDaniel Ltd (September), a global leader in loss adjusting and risk assessment services.

## Appendix 3: Extracts from the full-year consolidated financial statements

Extracts from the full-year consolidated financial statements audited and closed on February 25, 2015 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)* | 2014 | 2013 |
|---|---|---|
| **Revenue** | **4,171.5** | **3,933.1** |
| Purchases and external charges | (1,178.6) | (1,120.5) |
| Personnel costs | (2,149.9) | (2,017.1) |
| Taxes other than on income | (56.4) | (53.8) |
| Net (additions to)/reversals of provisions | (11.4) | (19.4) |
| Depreciation and amortization | (215.2) | (149.4) |
| Other operating income and expense, net | 3.1 | 16.7 |
| **Operating profit** | **563.1** | **589.6** |
| Share of profit of associates | 0.7 | - |
| **Operating profit after share of profit of associates** | **563.8** | **589.6** |
| Income from cash and cash equivalents | 1.6 | 2.2 |
| Finance costs, gross | (79.7) | (63.0) |
| **Finance costs, net** | **(78.1)** | **(60.8)** |
| Other financial income and expense, net | (2.8) | (3.2) |
| **Net financial expense** | **(80.9)** | **(64.0)** |
| **Profit before income tax** | **482.9** | **525.6** |
| Income tax expense | (175.4) | (169.1) |
| **Net profit** | **307.5** | **356.5** |
| Non-controlling interests | 12.9 | 11.4 |
| **Attributable net profit** | **294.6** | **345.1** |
| *Basic earnings per share (in euros):* | | |
| **Net profit** | **0.67** | **0.79** |
| **Diluted earnings per share** | **0.66** | **0.77** |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| *(in millions of euros)* | Dec. 2014 | Dec. 2013 |
|---|---|---|
| Goodwill | 1,814.2 | 1,412.1 |
| Intangible assets | 650.5 | 374.5 |
| Property, plant and equipment | 475.6 | 401.3 |
| Investments in associates | 5.1 | 0.8 |
| Deferred income tax assets | 129.9 | 122.2 |
| Investments in non-consolidated companies | 1.1 | 1.2 |
| Derivative financial instruments | 1.3 | - |
| Other non-current financial assets | 50.6 | 44.3 |
| **Total non-current assets** | **3,128.4** | **2,356.4** |
| Trade and other receivables | 1,325.0 | 1,122.5 |
| Current income tax assets | 63.2 | 40.7 |
| Current financial assets | 35.6 | 6.3 |
| Derivative financial instruments | 7.5 | 0.6 |
| Cash and cash equivalents | 220.1 | 190.6 |
| **Total current assets** | **1,651.4** | **1,360.7** |
| **TOTAL ASSETS** | **4,779.8** | **3,717.1** |
| | | |
| Share capital | 53.2 | 53.0 |
| Retained earnings and other reserves | 1,054.8 | 903.1 |
| **Equity attributable to owners of the Company** | **1,108.0** | **956.1** |
| Non-controlling interests | 32.7 | 26.0 |
| **Total equity** | **1,140.7** | **982.1** |
| Bank borrowings | 1,944.8 | 1,407.1 |
| Derivative financial instruments | 13.9 | 22.5 |
| Other non-current financial liabilities | 49.6 | 1.8 |
| Deferred income tax liabilities | 166.9 | 85.8 |
| Pension plans and other long-term employee benefits | 158.3 | 125.6 |
| Provisions for other liabilities and charges | 115.1 | 71.4 |
| **Total non-current liabilities** | **2,448.6** | **1,714.2** |
| Trade and other payables | 899.1 | 787.9 |
| Current income tax liabilities | 71.7 | 80.9 |
| Bank borrowings | 153.9 | 104.2 |
| Derivative financial instruments | 23.3 | 5.6 |
| Other current financial liabilities | 42.5 | 42.2 |
| **Total current liabilities** | **1,190.5** | **1,020.8** |
| **TOTAL EQUITY AND LIABILITIES** | **4,779.8** | **3,717.1** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

| *(in millions of euros)* | **2014** | **2013** |
|---|---|---|
| Profit before income tax | 482.9 | 525.6 |
| Elimination of cash flows from financing and investing activities | 83.0 | 57.1 |
| Provisions and other non-cash items | 69.9 | 25.8 |
| Depreciation, amortization and impairment | 216.7 | 149.4 |
| Movements in working capital requirement attributable to operations | (54.4) | (75.6) |
| Income tax paid | (191.5) | (154.4) |
| **Net cash generated from operating activities** | **606.6** | **527.9** |
| Acquisitions of subsidiaries | (596.6) | (165.6) |
| Proceeds from sales of subsidiaries | - | 1.9 |
| Purchases of property, plant and equipment and intangible assets | (147.8) | (147.3) |
| Proceeds from sales of property, plant and equipment and intangible assets | 4.3 | 6.2 |
| Purchases of non-current financial assets | (11.5) | (7.4) |
| Proceeds from sales of non-current financial assets | 9.6 | 7.3 |
| Variation in loans and advances | (28.7) | - |
| **Net cash used in investing activities** | **(770.7)** | **(304.9)** |
| Capital increase | 4.5 | 6.1 |
| Purchases/sales of treasury shares | (46.1) | (107.7) |
| Dividends paid | (216.0) | (216.8) |
| Increase in borrowings and other debt | 663.4 | 254.4 |
| Repayment of borrowings and other debt | (133.3) | (149.5) |
| Interest paid | (61.1) | (62.5) |
| **Net cash generated from (used in) financing activities** | **211.4** | **(276.0)** |
| Impact of currency translation differences | 4.5 | (24.1) |
| Impact of changes in methodology | 0.8 | - |
| **Net increase (decrease) in cash and cash equivalents** | **52.6** | **(77.1)** |
| Cash and cash equivalents at beginning of period | 157.7 | 234.8 |
| **Net cash and cash equivalents at end of period** | **210.3** | **157.7** |
| o/w cash and cash equivalents | 220.1 | 190.6 |
| o/w bank overdrafts | (9.8) | (32.9) |

## Appendix 4: 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)* | 2014 | 2013 |
|---|---|---|
| **Operating profit** | **563.1** | **589.6** |
| Amortization of acquisition intangibles | 106.2 | 51.1 |
| Disposals and restructuring | 19.8 | 12.8 |
| Other acquisition-related expenses | 3.4 | 3.4 |
| Goodwill impairment | 1.5 | - |
| **Adjusted operating profit** | **694.0** | **656.9** |

**Attributable adjusted net profit** is defined as attributable net profit adjusted for other operating expense after tax.

| *(in millions of euros)* | 2014 | 2013 |
|---|---|---|
| **Attributable net profit** | **294.6** | **345.1** |
| *EPS[(a)] (EUR per share)* | *0.67* | *0.79* |
| Other operating expenses | 130.9 | 67.3 |
| Tax effect on other operating expenses | (34.2) | (15.4) |
| **Attributable adjusted net profit** | **391.3** | **397.0** |
| *Adjusted EPS[(a)] (EUR per share)* | *0.90* | *0.91* |

*(a) Calculated using the weighted average number of shares of 437,183,943 in 2014 and 438,576,063 shares in 2013*

**Free cash flow** is defined as follows:

| *(in millions of euros)* | 2014 | 2013 |
|---|---|---|
| **Cash flow generated from operating activities (operating cash flow)** | **606.6** | **527.9** |
| Purchases of property, plant and equipment and intangible assets net of disposals | (143.5) | (141.1) |
| Interest paid | (61.1) | (62.5) |
| **Free cash flow** | **402.0** | **324.3** |

**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)* | 2014 | 2013 |
|---|---|---|
| Gross financial debt | 2,098.7 | 1,511.3 |
| Cash and cash equivalents | 220.1 | 190.6 |
| **Consolidated net financial debt** | **1,878.6** | **1,320.7** |
| Currency hedging instruments | 1.3 | 7.7 |
| **Adjusted net financial debt** | **1,879.9** | **1,328.4** |