

## Bureau Veritas: Q1 2015 revenue up 19.1%

Revenue of EUR 1,106 million, up 19.1% versus the same period last year, and +10.6% at constant exchange rates

- Solid organic growth across the business portfolio: +4.4%
- Three acquisitions in China, in addition to those of last year, leading to 6.2% external growth
- Tailwind from currencies of 8.5%: strengthening of most currencies against the euro

Organic growth has improved compared with the last quarter of 2014 (+3.4%). It was particularly strong in Marine & Offshore, Commodities and Consumer Products. Activities in Europe have benefitted from a low comparison base and the improvement in the economic environment with the exception of the French construction market.

As expected, activities related to Oil&Gas have started to experience the impact of a lower price environment, mainly in the Americas. Further progressive impact is anticipated during the remainder of the year.

Bureau Veritas continued to increase its footprint in China with three acquisitions, strategically positioned in the domestic market for Construction, Industry and Consumer Products.

After two years of currency headwinds, the strengthening of most currencies versus the euro, and particularly the US dollar, contributed to a positive translation impact of 8.5% on Group revenue.

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

*“Bureau Veritas has made a good start to the year; commercial initiatives are beginning to pay off. We are in a position to reiterate our guidance for full year 2015: we expect a slight improvement in organic growth over 2014, as weak Oil&Gas market conditions should be balanced by growth in other end-markets. 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.”*

### Revenue by business

(EUR millions)			Growth			
	2015	2014 <sup>(a)</sup>	Total	Organic	Acquisitions	Currencies
Marine & Offshore	98.9	72.4	36.6%	13.7%	14.9%	8.0%
Industry	258.8	220.0	17.6%	4.6%	3.6%	9.4%
In-service Inspection & Verification	140.8	129.6	8.6%	1.1%	3.3%	4.2%
Construction	132.0	105.3	25.4%	0.5%	18.1%	6.8%
Certification	80.7	73.9	9.2%	4.5%	-	4.7%
Commodities	189.8	157.0	20.9%	6.3%	5.6%	9.0%
Consumer Products	140.8	112.9	24.7%	5.1%	2.3%	17.3%
Government Services & International Trade	64.6	57.9	11.6%	(0.7)%	7.6%	4.7%
<b>Total First Quarter (Q1)</b>	<b>1,106.4</b>	<b>929.0</b>	<b>19.1%</b>	<b>4.4%</b>	<b>6.2%</b>	<b>8.5%</b>

(a) Following a change in consolidation method for two entities, for which the Group has chosen the equity method, revenue for the first quarter of 2014 was restated by EUR -0.4 million.

## MARINE & OFFSHORE

The business posted very strong organic growth in Q1 2015, with expansion across the two segments:

- the In-service segment (58% of revenue) was boosted by expansion in the classed fleet and an increase in special surveys;
- the New construction segment (42% of revenue) benefitted from continued growth in equipment certification, reflecting market share gains. In the first quarter of 2015, new orders continued to slow in line with the market and stood at 1.5 million gross tons.

Acquisitions growth came from MatthewsDaniel, acquired in September 2014.

The Group expects 2015 to be a strong year for the Marine & Offshore business, driven by new ship deliveries and continued In-service growth. The Group is working on commercial initiatives to mitigate the slowdown in new orders, and will leverage the expertise in warranty survey and risk assessment brought by MatthewsDaniel.

## INDUSTRY

Organic growth in Industry slowed in Q1 2015, with mixed performances across geographies. As expected, activities relating to the Oil&Gas sector have started to see the impact of lower prices, with projects delays and price pressure, mainly in Latin America and North America. Europe benefitted from a low comparison base, and activity was strong in the Middle East. Asia-Pacific was stable, despite the completion of Prelude, as the Yamgaz contract started to generate revenue.

Acquisitions growth included the consolidation of Ningbo Hengxin, a Chinese company specialized in non-destructive inspection and metallurgical testing, and DTI in the US.

For 2015, the Group expects organic growth to flatten over the course of the year, as the impact from weaker activity in Oil&Gas intensifies. An emphasis on OPEX services and diversification (across segments including power, manufacturing, transportation and mining) are key areas of focus.

## IN-SERVICE INSPECTION & VERIFICATION (IVS)

Organic growth in IVS was still limited in Q1 2015. Europe posted positive growth, with the ramp-up of new contracts in the UK, and slight positive growth in France. In Canada, business with Oil & Gas customers was reduced, with mandatory remediation work being delayed. In other geographies, business grew, with the reshuffling of the US sales organization proving successful.

For 2015, the Group expects the activity to be resilient in Europe, and to benefit from the launch of new services in Asia and in Latin America, and new commercial initiatives in the US. Work with Oil & Gas customers is likely to continue to suffer from delays.

## CONSTRUCTION

The Construction business reported slightly positive organic growth, improving from the last quarters of 2014. Activity in France remained challenging and Oil&Gas related activities experienced some slowdown in China. Growth came from Latin America and the Middle-East (Riyadh), validating the strategy to increase exposure to fast growing countries (37% in Q1 Construction revenue).

External growth related to the consolidation of Shandong Chengxin in China and Sistema-PRI in Brazil.

For 2015, the Group will benefit from the ramp-up of contracts in the Middle East and turnaround actions launched in the US. It will pursue its expansion strategy outside of Europe, namely in China and Latin America. France should stabilize towards the end of the year.

## CERTIFICATION

The business confirmed its recovery in Q1 2015, on the back of improved levels of activity in Europe and in the Americas for conventional QHSE schemes (ISO 9K, 14K, 18K), Supply Chain management schemes (TS-Auto) and training services. Asia was still impacted by the end of CDM certificates.

The Certification business should benefit from for the launch of new QHSE standards, to be issued by the end of the year, the development of global contracts for international Key Accounts as well as developments in supply-chain related services (food, automotive, aerospace), IT Security, medical devices, and training. In terms of geographies, the Group sees growth opportunities in the Americas and in Asia.

## COMMODITIES

The Commodities business also posted strong organic growth in Q1 2015, with all segments contributing to this performance:

- the Oil & Petrochemicals segment (O&P) was up 5.1% on an organic basis, reflecting the resilience of activities except those related to oil sands in Canada;
- the Metals & Minerals segment (M&M) posted positive organic growth of 4.1%, driven by an increase in trade-related activities and stabilization in upstream-related services;
- the Agriculture segment continued to enjoy strong double-digit organic growth of 24.6%.

External growth related to the consolidation of Maxxam's petroleum activities (Canada) and Analyst (US).

For the rest of the year 2015, the O&P segment should continue to deliver resilient organic growth and Agriculture should enjoy double-digit organic growth, while the Metals & Minerals segment continues to recover.

## CONSUMER PRODUCTS

The Consumer products business demonstrated sustained organic growth in Q1 2015. Growth in Softlines accelerated, driven by market share increase with US retailers. Toys and Hardlines stabilized. Electrical & Electronics grew slightly, against high comparables in Q1 2014, and with fewer new product launches in the quarter. New labs were opened in China, notably for the Automotive testing.

External growth related to the consolidation of the Maxxam food analysis business and the acquisition of CTS in China.

In 2015, the business will continue to post solid organic growth driven by growth initiatives to develop the business in domestic markets in Asia (China, India), and in new categories (SmartWorld, automotive, food, wearable).

## GOVERNMENT SERVICES & INTERNATIONAL TRADE

Organic growth stabilized in Q1 2015, as strong performance from existing contracts in the Democratic Republic of Congo (DRC) and the Middle East, as well as good growth in Automotive & General trade, offset the low level of activity in Iraq. The single window contracts in Togo and Armenia won last year were still in ramp-up phase, and a new VOC contract was signed in Zimbabwe, which should generate revenue starting Q2.

External growth related to the acquisition of Quiktrak (US).

For 2015, the Group expects growth to resume in the second half, helped by the ramp-up of new contracts, a lower comparison base and the expansion of diversification activities, notably in Automotive.

## Financial position

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At end-March 2015, the Group's adjusted net financial debt has slightly increased compared with the level at December 31, 2014, mainly due to the financing of the acquisitions made in China in January 2015.

## Outlook

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The Group reiterates its outlook. In 2015, Bureau Veritas expects a slight improvement in organic growth over 2014, as weak Oil&Gas market conditions should be balanced by growth in other end-markets. 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.

## Conference call

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Tuesday May 5, 2015 at 6 p.m. CET

The conference call in English 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.

## Financial agenda 2015

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May 20, 2015: Shareholders' meeting

September 1, 2015: 2015 first half results

October 6 & 7, 2015: Investor Days

November 4, 2015: Q3 2015 trading update

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### About Bureau Veritas

*Bureau Veritas is a world leader in laboratory testing, inspection and certification services. Created in 1828, the Group has more than 66,700 employees in around 1,400 offices and laboratories located all across the globe. 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, ISIN code FR 0006174348, stock symbol: BVI.*

*For more information, go to [www.bureauveritas.com](http://www.bureauveritas.com)*

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