2012 Activity Report

Move Forward with Confidence

BUREAU VERITAS

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A world leader in Testing, Inspection, and Certification (TIC) services

In a world where people seek increasingly to eliminate risk and gain reassurance, Bureau Veritas provides solutions to challenges related to quality, safety, environmental protection, and social responsibility.

Through its various businesses, the Group assists its clients throughout the lifecycle of their assets, products, and infrastructure and in the continuous improvement of their processes.

Revenue
EUR 3.9 billion
+16%

Adjusted operating profit
EUR 639 million
+17%

Adjusted operating margin
16.4%

Attributable adjusted net profit
EUR 403 million
+16%

Net adjusted earnings per share
EUR 3.65
+15%

Operating cash flow
EUR 505 million
+25%

14
acquisitions, with combined revenue of more than
EUR 210 million

For more about our performance, turn to pages 48 to 55

Marine

8%
of revenue

- Ships
- Offshore platforms

No 3 worldwide in number of ships

10,152 ships classed

Industry

23%
of revenue

- Oil & Gas
- Power
- Processing & Manufacturing

No 1 worldwide

In-Service Inspection & Verification

12%
of revenue

- Electrical installations
- Elevators
- Fire safety systems, etc.

No 1 in Europe

Construction

12%
of revenue

- Industrial facilities, residential and commercial buildings
- Public facilities and infrastructure

No 1 worldwide

Certification

9%
of revenue

- Management systems
- Sustainability
- Sector-specific schemes

No 1 worldwide

More than **100,000** companies certified

Commodities

18%
of revenue

- Oil & Petrochemicals
- Metals & Minerals
- Agriculture

One of the three world leaders

Consumer Products

11%
of revenue

- Textiles & softlines
- Toys & hardlines
- Electrical & electronics

One of the three world leaders

Government Services & International Trade

7%
of revenue

- Imported goods
- Agrifood
- Automotive
- Supply chains

No 1 worldwide in government services

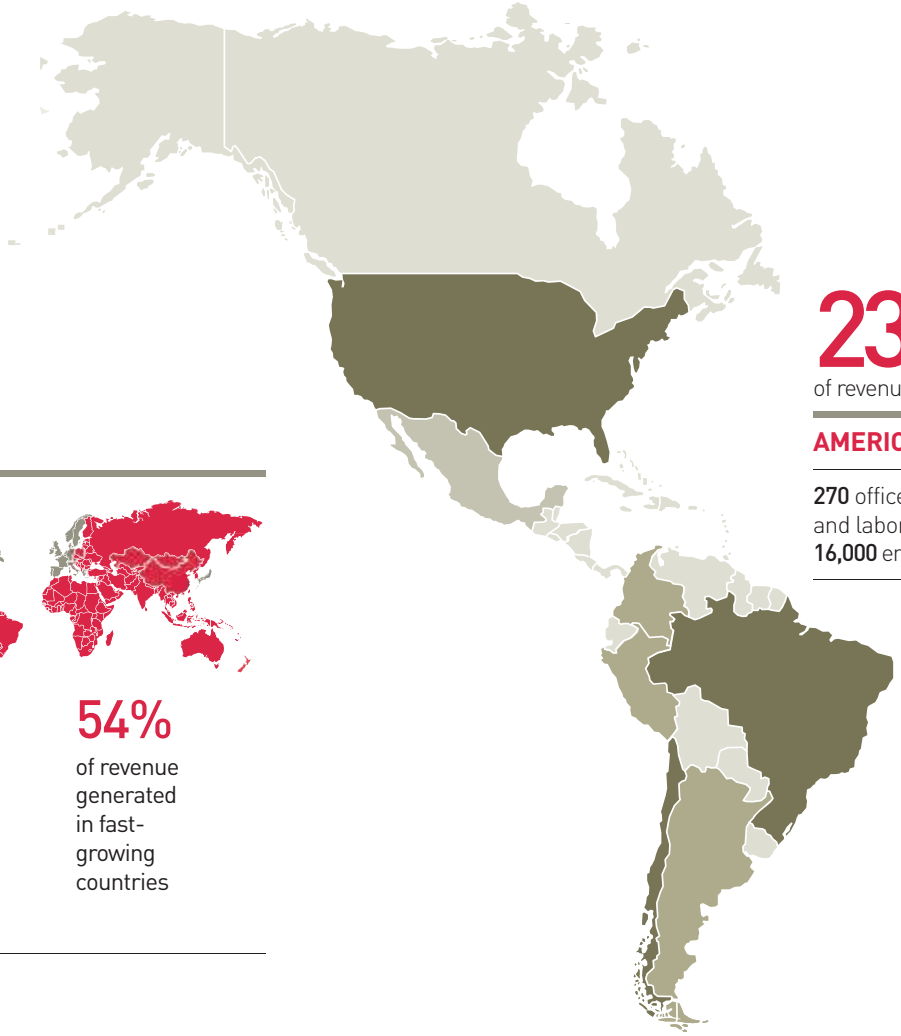
For more about our businesses, turn to pages 12 to 37

From Vancouver to Wellington and from Santiago to Sakhalin Island, Bureau Veritas is present in the largest cities and the remotest places in the world.

This global network enables Bureau Veritas to be close to its clients, to speak the same language, to understand their local and sector challenges, and to help them conquer new markets.

59,000 employees

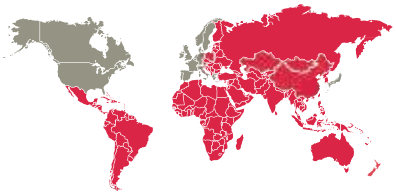
1,330 locations in **140** countries, serving more than **400,000** clients



23%
of revenue

AMERICAS

270 offices and laboratories
16,000 employees



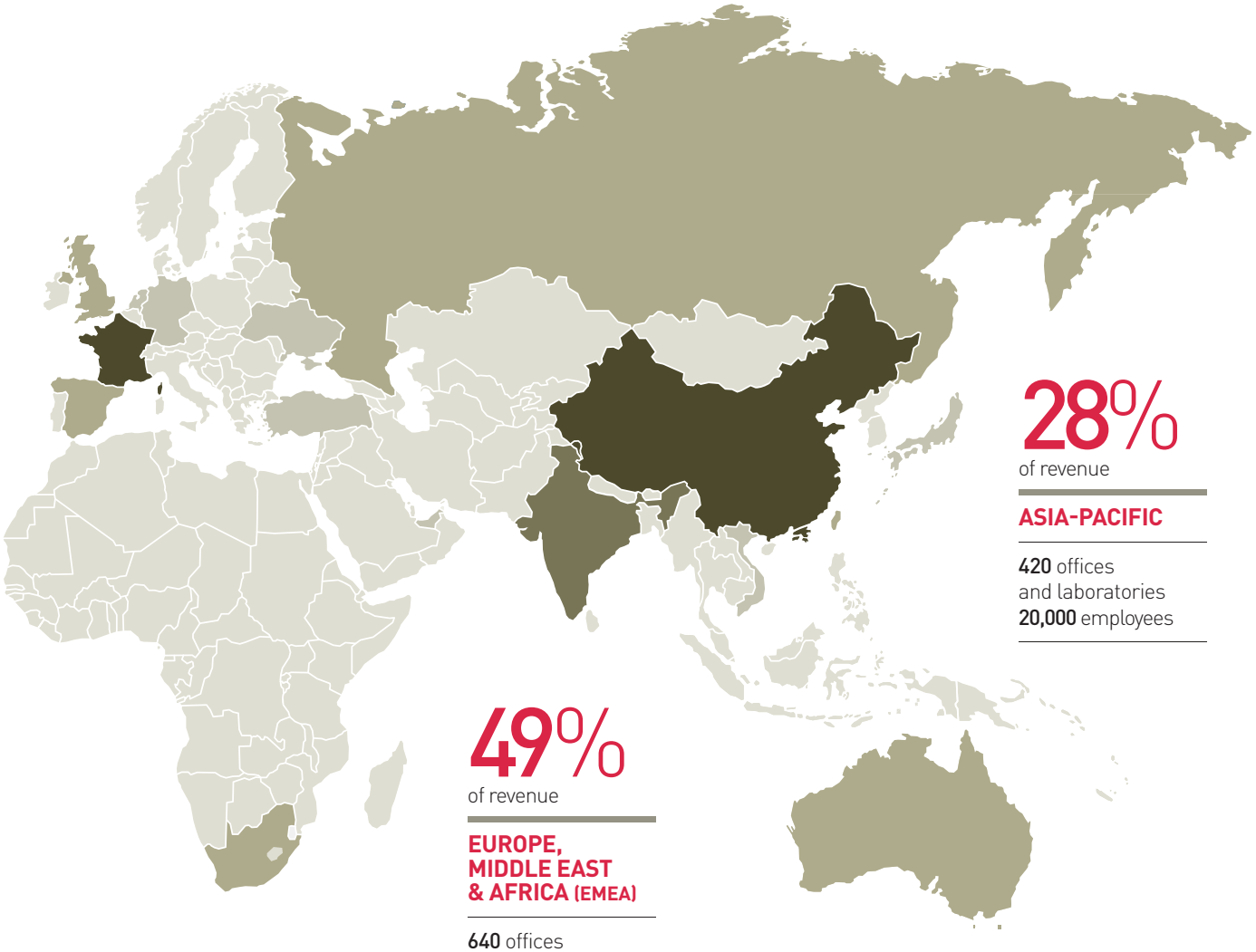
46%
of revenue generated in mature countries

54%
of revenue generated in fast-growing countries

Number of employees

Over 6,000 · 3,000 to 6,000 · 1,000 to 3,000 · 500 to 1,000 · Fewer than 500

A GLOBAL AND LOCAL GROUP



28%
of revenue

ASIA-PACIFIC

420 offices
and laboratories
20,000 employees

49%
of revenue

EUROPE, MIDDLE EAST & AFRICA (EMEA)

640 offices
and laboratories
23,000 employees

As the first year of the BV2015 strategic plan, 2012 was a new year of growth for Bureau Veritas. The Group successfully began implementing initiatives aimed at expanding its range of services, strengthening its geographical network, and optimizing the efficiency of its organization to provide its clients with ever more added value.

AMBITION IN ACTION

Board of Directors at February 28, 2013

Frank Piedelièvre
Chairman

Frédéric Lemoine
Vice-Chairman

Stéphane Bacquaert

Patrick Buffet[1]

Aldo Cardoso[1]

Barbara Vernicos[1]

Pierre Hessler[1]

Philippe Louis-Dreyfus[1]

Jean-Michel Ropert

Ernest-Antoine Seillière

(1) Independent Director.

Executive Committee at February 28, 2013

Didier Michaud-Daniel
Chief Executive Officer

Sami Badarani
Chief Financial Officer

Arnaud André
Organization, Human Resources, Communication, Quality, Health & Safety and Environment

Andrew Hibbert
General Counsel, Risk and Compliance

Philippe Donche-Gay
Marine & Offshore, Group Information Systems

Oliver Butler
Consumer Products

Neil Hopkins
Commodities

Laurent Bermejo
Industry & Facilities[2], Northern and Eastern Europe

Eduardo Camargo
Industry & Facilities[2], Latin America

Juliano Cardoso
Industry & Facilities[2], Pacific

Pedro-Paulo Guimaraes
Industry & Facilities[2], Americas

Philippe Lanternier
Industry & Facilities[2], Business Lines

Jacques Lubetzki
Industry & Facilities[2], Southeast Europe

Tony Mouawad
Government Services & International Trade
Industry & Facilities[2], Middle East, India, Russia and Africa

Romain Petit
Industry & Facilities[2], Asia

(2) The Industry & Facilities division groups the Industry, In-Service Inspection & Verification, Construction and Certification businesses.

GOVERNANCE IN ACCORDANCE WITH THE GROUP'S DYNAMIC

2012 saw a change in our mode of governance. By separating the functions of Chairman and CEO, we have both strengthened the strategic, decision-making and supervisory role of the Board of Directors, and the executive and operational responsibilities that are matters for executive management. Having occurred at the right time, when we were launching our new strategic plan, this development is suited to the Group's growth dynamic, size, and diversity.

Didier Michaud-Daniel and I have fully cooperated to ensure optimal continuity in the management of Bureau Veritas. The excellent operational and financial performance of Bureau Veritas in 2012 attests to the quality of the Group's leadership transition, the relevance of our strategic direction, and our ability to achieve our short- and medium-term targets. Anticipating the trends in our TIC industry, making the right choices, and taking calculated risks in order to prepare for the Group's future and continuously deliver outstanding operating results: this trademark approach is the reason behind Bureau Veritas' success, and must be continued in the future.

Our BV2015 strategic plan has been successfully initiated. One year into the plan, we are in line with our targets. With almost EUR 4 billion in revenue, 60,000 employees, a solid global presence and strong expansion in fast-growing countries and high-potential markets, the Group is on track to reach its ambitious objectives.

I am proud of the progress we have made and have every confidence the leadership now in place will bring positive changes and renewed energy. Didier has adapted the operational management of Bureau Veritas with a view to further increasing its efficiency and giving it the structures and processes of a very large global company.

I would like to congratulate all the executives and staff of Bureau Veritas for their remarkable contribution to the success of our company. I wholeheartedly thank our loyal shareholders and the members of the Board of Bureau Veritas for their constant support and their enthusiasm.

Frank Piedelièvre
Chairman

PERFORMANCE FULLY IN LINE WITH OUR TARGETS

The economic environment

Bureau Veritas continued to grow in 2012 despite ongoing challenges in the global economy.
Three sectors stood out. In energy, sustained demand for our services continued to be driven by countries investing in new infrastructure. In commodities, price volatility did not impact demand, resulting in an ever growing need for tests and inspections. Finally, the electrical and electronic consumer products sectors benefited from the proliferation of devices incorporating new technologies.

By contrast, the macroeconomic environment continued to weigh heavily on the maritime transport and construction industries.
The low level of global orders for ships hit our classification services, while our construction business is suffering as a result of deteriorating infrastructure and real estate markets in Europe.
In the medium term, the cyclical nature of these sectors makes us confident of their ability to bounce back.

Adapting to changes in our markets

The Group continues to demonstrate its agility, and ability to evolve continuously. First, we invest in our operations to offer our clients the services they need, where they need them. In 2012, we opened new laboratories in Asia and North America, and also substantially increased our presence in countries that offer major opportunities, such as Colombia, Germany, and Canada.
At the same time, we continued to restructure our organization in Spain in order to adapt our business portfolio to difficult market conditions. Overall, we managed to offset the slowdown in activities in the trough of the cycle by expanding in high-growth countries and markets.

2012 performance

Bureau Veritas achieved excellent performance in 2012. Revenue growth exceeded the targets set in our BV2015 strategic plan, with increased organic growth and improved profitability. We were slightly ahead of target in terms of acquisitions.

Four of our businesses — Industry, Commodities, Government Services & International Trade, and Consumer Products — recorded outstanding growth rates, largely offsetting the slowdown in the Marine and Construction businesses.

The Certification and In-Service Inspection & Verification businesses held up well despite a deteriorating economic climate in Europe. We still foresee opportunities for our industry in Europe, even though our growth has not been as strong as in other regions of the world. In 2012 the Group primarily expanded in fast-growing zones, which now account for 54% of revenue.

On the sales front, Bureau Veritas increased its number of large contracts and won several substantial orders running into the tens of millions of euros.

External growth

We completed 14 acquisitions in 2012, whose full-year revenue totals more than EUR 210 million.

These acquisitions represent a robust engine for long-term growth. They strengthen our positions in high-potential market niches, such as AcmeLabs in mineral testing, TH Hill in oil and gas drilling systems, and ECL and UniCar in electronics and automotive. Other newly acquired companies help us to expand into booming countries, such as Tecnicontrol, in Colombia, which has enabled us to become market leader in the country, or HuaXia, in China, which has provided us with the licenses needed for technical inspection in construction.

New initiatives

I have taken over the helm of a very solid business, in a buoyant industry, with excellent fundamentals and an ambitious strategy. This is the remarkable legacy of my predecessor, Frank Piedelièvre. Building on these strengths, my priority is to implement the BV2015 plan and to upgrade our company's processes to achieve it.

With a view to better balancing the entrepreneurial spirit of Bureau Veritas and the discipline required to achieve its ambitions, I have urged employees to focus on three core principles: safety at work, professional ethics, and financial control.

Given its growing size, Bureau Veritas must further strengthen its "spinal column". Three initiatives are in place to achieve this. Firstly, operating reviews are designed to oversee operations, ensure they are globally aligned and execute the strategic plan. Secondly, we are rolling out lean management across our businesses to optimize operational efficiency and increase client satisfaction. Finally, we have boosted managerial training through the BV Academy program, which focuses on operational excellence and quality of service. In corporate responsibility, notable progress has been made in health and safety, the environment and compliance.

We must make further progress, particularly in promoting executive career development for women.

"We managed to offset the slowdown in activities in the trough of the cycle by expanding in high-growth countries and markets."

Prospects

The Group should deliver solid growth in 2013 revenue and adjusted operating profit, in line with the BV2015 strategic plan and despite an economic environment in Europe that is set to remain challenging.

The commitment and skills of every employee at Bureau Veritas are at the heart of our success.

We will continue with determination and confidence to implement our BV2015 plan and the Group's long-term development.

Didier Michaud-Daniel
Chief Executive Officer

Financial objectives

Revenue growth

+9% to +12%

average per year

2/3 organic

1/3 external

Adjusted operating margin

+100 to +150 bps

Adjusted earnings per share

+10% to +15%

average per year

Bureau Veritas is implementing an ambitious strategic plan designed to achieve revenue of around EUR 5 billion and a workforce of 80,000 by end-2015.

Rolling out our offer

The Group targets average annual revenue growth of 9-12%, on a constant currency basis. Robust average annual organic growth of 6-8% will come from continued geographical expansion of our existing portfolio of services together with the development of new services. This will be supplemented by 3-4% growth from targeted acquisitions designed to increase our presence in key countries and develop our expertise.

Optimizing profitability

An improvement in the adjusted operating margin of 100-150 bps in 2015 compared to 2011 will come from a combination of several factors: development of higher value-added services, economies of scale generated by the Group's increasing size, roll-out of new tools and standardized production methods, and successful integration of acquisitions.

Earning investor confidence

Regarded by investors as both a defensive stock and a growth stock, Bureau Veritas is targeting average annual growth in adjusted EPS of 10-15%.

Bureau Veritas' strategic plan is based on three main levers:

- the Group's human resources policy,
- IT/IS excellence, and
- a continually evolving organization.

A year of expansion

In 2012, Bureau Veritas completed or launched initiatives that follow straight on from the BV2015 plan.

A series of targeted acquisitions strengthened our global network, particularly in fast-growing countries such as Colombia, the United States, Germany, and China. We also consolidated our expertise in buoyant market segments such as oil & gas drilling, minerals, electronic products, and automotive. Our success in attracting large contracts continued as we achieved several key wins during the year. Finally, a number of programs related to executive training, lean management, and health and safety at work were introduced to improve operational efficiency.

JANUARY

- Pockrandt, a German company specializing in non-destructive testing, joined the Group. Based in the Rhine-Ruhr region, a key industrial area, it provides industrial inspection services to power plant contractors and operators.
- The Consumer Products business signed an exclusive five-year partnership with a large American retailer to assess the company's products and provide quality assurance for its supply chain.

FEBRUARY

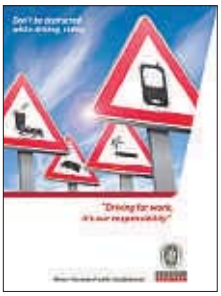
- With the acquisition of AcmeLabs, Bureau Veritas created a center of expertise in Canada, one of the world's largest producers of minerals, and strengthened its global position in metals and minerals. AcmeLabs operates 29 testing laboratories in 12 countries, chiefly in North and South America, and has almost 1,000 staff.
- In China, Bureau Veritas entered the building technical control market, acquiring a majority interest in HuaXia. The company has the licenses needed to operate in this strategic market and inspects the construction of petrochemical plants, power plants, and industrial buildings.
- Bureau Veritas inaugurated its vehicle technical control center in Dakar, Senegal. This program, which has enabled many skilled jobs to be created, aims to improve road safety and reduce vehicle pollution.

MARCH

■ Didier Michaud-Daniel, formerly President of Otis Elevator Company, was appointed Chief Executive Officer of Bureau Veritas. He succeeded Frank Piedelièvre, who continues as Chairman of the Board of Directors.

■ By acquiring TH Hill (USA), Bureau Veritas became a leader in oil & gas drilling systems failure prevention and analysis services. TH Hill enables Bureau Veritas to create an integrated offer to serve the global oil & gas industry.

APRIL



■ Bureau Veritas launched an internal communications campaign to strengthen the culture of health and safety at work within the Group.

MAY

■ Tecnicontrol became the Group's first acquisition in Colombia, enabling it to extend its presence into northern Latin America and consolidate its leadership in the fast-growing industrial markets in this region. Employing more than 1,300 engineers and technicians, Tecnicontrol provides industrial companies with services in inspection, quality assurance, non-destructive testing, and asset integrity management.

JUNE

■ Two new acquisitions in Germany: UniCar Group, a specialist in automotive inspection, and European Compliance Laboratory (ECL), an electrical and electronics testing laboratory. These acquisitions strengthen the Group's position in strategic sectors targeted in our BV 2015 plan. They also reinforce our footprint in Germany, where the automotive industry ranks third in the world and the electrical and electronics product market is the largest in Europe.

■ A construction materials testing laboratory opened in Mumbai to serve clients based in western India.

JULY

■ A construction materials testing laboratory opened in Delhi. The new laboratory supplements the testing capacities available to our clients in northern India.

AUGUST

■ The acquisition of Shanghai Davis Testing Technology, in China, a specialist in automotive equipment testing, enables Bureau Veritas to enter the world's largest automotive market.

■ The Consumer Products business opened a new laboratory in Malaysia, at Johor Bahru, for testing toys and hardlines. The laboratory meets the growing need for product testing in South-East Asia.

SEPTEMBER

■ Following the acquisition of Tecnicontrol, Bureau Veritas obtained a very large contract from the Colombian Mining and Energy Ministry to carry out inspections and technical verification of mining permits at national level.

■ In maritime services, the fleet classed by Bureau Veritas passed the 10,000 ship mark.

■ In Australia, the Group won a major contract with Santos, the national leader in gas production, for asset reliability and integrity management.

OCTOBER

■ The first session of BV Academy, a program to develop managerial skills, operational excellence, and customer service, was held in China. Intended for the Group's 1,500 operational managers, this program will be rolled out across all geographical zones by mid-2014.

DECEMBER

■ The Commodities business opens a hub laboratory specializing in mineral testing, in Vancouver, and another specializing in oil products in New Jersey.

In a world that is constantly changing, bringing new risks every day, Bureau Veritas helps clients ensure that nothing is left to chance. We go beyond pure conformity assessment, creating added value for clients to reduce risk. We implement innovative partnerships with clients and develop customized standards and guidelines to enable them to continually improve their processes and performance.

ADDING VALUE FOR CLIENTS

Higher performance, less risk

We help our clients improve performance and reduce their risks in quality, safety, environment and social responsibility.

Our business is conformity assessment, which we achieve through our three core services of testing, inspection and certification. The aim: to bring clients the confidence that a product, service or supply chain meets regulatory requirements and customer expectations.

Our services cover all areas of the world, and all industry sectors. They also cover all our clients' assets, from real estate to factories, industrial equipment to products and management systems.

We are able to do this as a result of our global network of offices and laboratories, and our technical expertise, which is recognized by national authorities and accreditation bodies all over the world.

Our clients' needs go beyond a simple license to operate: they look to improve supply chain performance, mitigate risk, and effectively market their products and services. As such, we go beyond pure verification of conformity, creating added value for clients. We also implement innovative partnerships with clients and develop customized standards and guidelines to enable them to continually improve their processes and performance.

Economic development in fast-growing countries is resulting in new industrial giants, growing demand for commodities and a new middle class hungry for safe and high quality consumer goods. The result is increasing demand for our services.

Testing

Our testing services are concentrated in two markets: Commodities and Consumer Products. Tests range from geoanalytical testing and grade control analysis of minerals to component quality and safety for electronic devices. They are carried out in around 400 laboratories worldwide.

Inspection

Inspection covers a wide range of services designed to reduce risk, control quality and quantity, and meet regulatory requirements. A product, service or installation is inspected several times during its useful life,

OUR INDUSTRIES

Bureau Veritas supports the needs of a wide range of industries throughout the world, from highly technical, research-driven industries, to mining, manufacturing and retailing.

- Aeronautics
- Agriculture
- Automotive
- Construction & Real Estate
- Consumer Products
- Food
- Governments & Public Organizations
- Industrial Equipment
- International Trade
- IT, Telecoms & Electronics
- Maritime Industry
- Metals & Minerals
- Oil & Gas
- Power & Utilities
- Process Industries
- Retail
- Services
- Transport & Infrastructure

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to ensure it is designed efficiently and remains fit for purpose. Our inspection services are vital to industry, construction, buildings management and international trade.

Certification

Certification provides third-party acknowledgement that a system, product, person or asset complies with an external requirement. Our services range from certification of management systems, for example to ISO international standards, to certification of products according to criteria determined by manufacturers, brands or regulatory authorities. Specialist certification services include ship classification.

The first port of call

Partner to the shipping industry, we help clients ensure safety, save energy and extend the life of their ships.

Bureau Veritas has been classifying ships since the company's foundation. For new ships, we verify conformity to classification rules; for ships in service, we regularly assess their structural strength and equipment reliability. We are recognized by 150 flag authorities.

Our loyal client base continues to rely on us thanks to our geographical reach, technical expertise, size and level of service provided in every major port and shipbuilding center. We hold a leadership position in the classification of highly technical ships, from liquefied natural gas carriers to floating offshore platforms and ferries. We also classify naval ships and provide technical consulting to navies.

Our expertise is reflected in our research and development activities: Bureau Veritas contributes significantly to international research programs as well as joint projects with the oil industry. Our research supports our issue of new rules and guidance to ship builders and owners. In 2012 we issued new rules on wind farm service ships; and on offshore units, including the conversion of a ship into an offshore unit.

Classed fleet passes 10,000

The Bureau Veritas classed fleet grew to 10,152 vessels, representing 91 million gross tons in 2012. The growth is attributed to strong deliveries of new build ships together with a significant inflow of vessels in service.

New software supports clients

We rolled out SEECAT, a tool that provides a model of a ship's energy flows and allows yards and owners to model and test the effect of different designs, equipment and operational changes. The aim: to help clients save energy and reduce costs. We also introduced a new IT-based certification and ship status system aimed at reducing the workload of ship owners and operators and simplifying access to ship information and status.

New services sustain demand

Following a slowdown in 2011, the ship construction market continued to decline in 2012, with worldwide orders down around 30%. With freight rates historically low, this segment of the market is unlikely to improve before 2014.

Nevertheless, the classification market continues to benefit from new opportunities in offshore and liquefied natural gas. Demand for oil is driving a trend for conversion of ships to offshore units, which in turn boosts the market for classification and certification services.

The market for survey of ships in service also remains healthy, with assessment programs for oil majors contributing to demand. Energy efficiency services represent a major growth area following the introduction of new regulations in January 2013. Designed to improve the energy efficiency of international shipping, the regulations make mandatory the Energy Efficiency Design Index (EEDI), for new ships, and the Ship Energy Efficiency Management Plan (SEEMP) for all ships of 400 gross tons and above.

Mega-projects

Bureau Veritas was involved in a number of prestigious projects in 2012. Ships classed included the largest containership in the world, the *CMA CGM Marco Polo*; the *Pacific Rubiales*, the world's leading FLNG (Floating Liquefied Natural Gas) project and the luxury cruise vessel *MSC Preziosa*, which has received our "seven Golden Pearls" award for environmental performance.

Powering ahead in industry

An innovative global TIC leader, we help our clients manage industrial risk.

In a world where industrial operations are increasingly complex and globalized, and companies face ever-greater scrutiny, Bureau Veritas helps clients control their risks. We ensure that assets are safe and conform to national and international standards and voluntary QHSE policies.

We provide services in all industrial sectors, with particular focus on oil & gas, power, transportation and manufacturing. Our services cover the lifecycle of an asset, from CAPEX (design review, risk assessments, conformity assessment) through OPEX (QHSE audits, asset integrity management, non-destructive testing) to decommissioning of the asset (risk analysis and operational safety).

Evolutions in the world energy mix have led Bureau Veritas to develop new services for clients.
For example, in wind energy, we have created a guide to offshore wind farm certification, enabling clients to gain better access to funding and lower insurance premiums.
In the O&G upstream segment, our acquisition of TH Hill enables us to offer services that add value in the growing shale oil and gas sectors.

Our international teams provide global support for large clients: present in most countries, we have recently strengthened our position in the United States, China, Germany, Colombia, Kazakhstan and South Africa.

Acquisitions boost global and technical reach

Bureau Veritas made two major acquisitions: drilling failure prevention and analysis leader TH Hill, in the US; and Tecnicontrol, in Colombia.
The acquisitions enable us to offer integrated services, strengthen our presence in the strategic US energy market and consolidate our leadership position in Latin America.

Skills recognized in nuclear

Bureau Veritas was selected to support the French nuclear safety authority by verifying work carried out by utilities companies following stress tests. We were also chosen to provide quality assurance and control at eight nuclear power sites under development in China.

Infrastructure investment drives demand

Demand for TIC services in the industrial sector continues to be driven by growth in energy infrastructure investment in fast-growing zones on the one hand, and the need to maintain ageing assets in industrialized countries on the other.

In transportation, rail continues to provide attractive opportunities, particularly in China, the Middle East and the Caspian Sea, which continues to reinforce their network of high-speed lines and subways. Europe remains an active market for certification of maintenance and equipment, particularly following the publication of an EU directive designed to stimulate competition in the railway industry.

In power, renewable energies require innovation in our services. The strengthening of safety in the nuclear market after the stress tests is increasing the demand for third party inspection and verification. Demand for gas-fired power plants continues to grow in Asia and Americas.

A solid pipeline

Renewals of historically large contracts and new frame agreements with the blue chips (oil majors, global utilities, mining companies) are enlarging our order book and fueling the next few years' organic growth.

We renewed a five-year contract in Australia with Santos to provide non-destructive testing, inspection, and assurance on asset integrity, risk and safety. Following the acquisition of Tecnicontrol, we won a major contract in Colombia to provide mining third party verification for the government.

MOVING FORWARD IN OIL AND PETROCHEMICALS

Oil continues to fuel the world's growth engine with nearly 90 million barrels produced every day worldwide. Bureau Veritas partners clients in all strategic hubs, and at all stages of the value chain, from extraction to refining, transportation and processing into petrochemicals.
Our services enable oil companies to maximize quality, reduce risks associated with storage and transportation, and ensure the safe construction and operation of facilities and offshore platforms.

Testing

We test crude and refined product cargoes at refining centers and key points of the supply chain. Our extensive network of laboratories also enables us to offer testing and support services to companies involved in oil exploration and production and processing on a worldwide basis. Specialist services include crude oil assays and blending services.

We also provide non-destructive testing of pipelines and other equipment.

Inspection

Our cargo inspection services provide assurance that deliveries of oil and petrochemicals conform to specifications.

Our industrial services include oil and gas drilling equipment failure prevention and analysis, shop inspection, construction solutions and asset integrity solutions designed to maximize the effectiveness and life of a facility.

Certification

We certify and classify structures and equipment used during extraction, production and distribution, from offshore platforms to onshore drilling rigs, pipelines and specialty tools.

We also certify management systems relating to health and safety and quality.

Reliable, safe and secure

Our full range of inspection services protects clients' business from disruption, ensuring continuity, performance and regulatory compliance.

Numerous regulations cover building installations and equipment. From electrical installations to fire equipment, elevators and pressure equipment, Bureau Veritas offers a comprehensive service covering all regulatory requirements for safety and environmental protection.

We inspect equipment and installations before they are put in service, and periodically during their useful life. The objective: enable our clients to leave compliance in the hands of experts.

Our professionals identify safety and performance risks in all types of installations. In the case of residential, commercial and industrial buildings, our services support reliability, reducing disruptions.

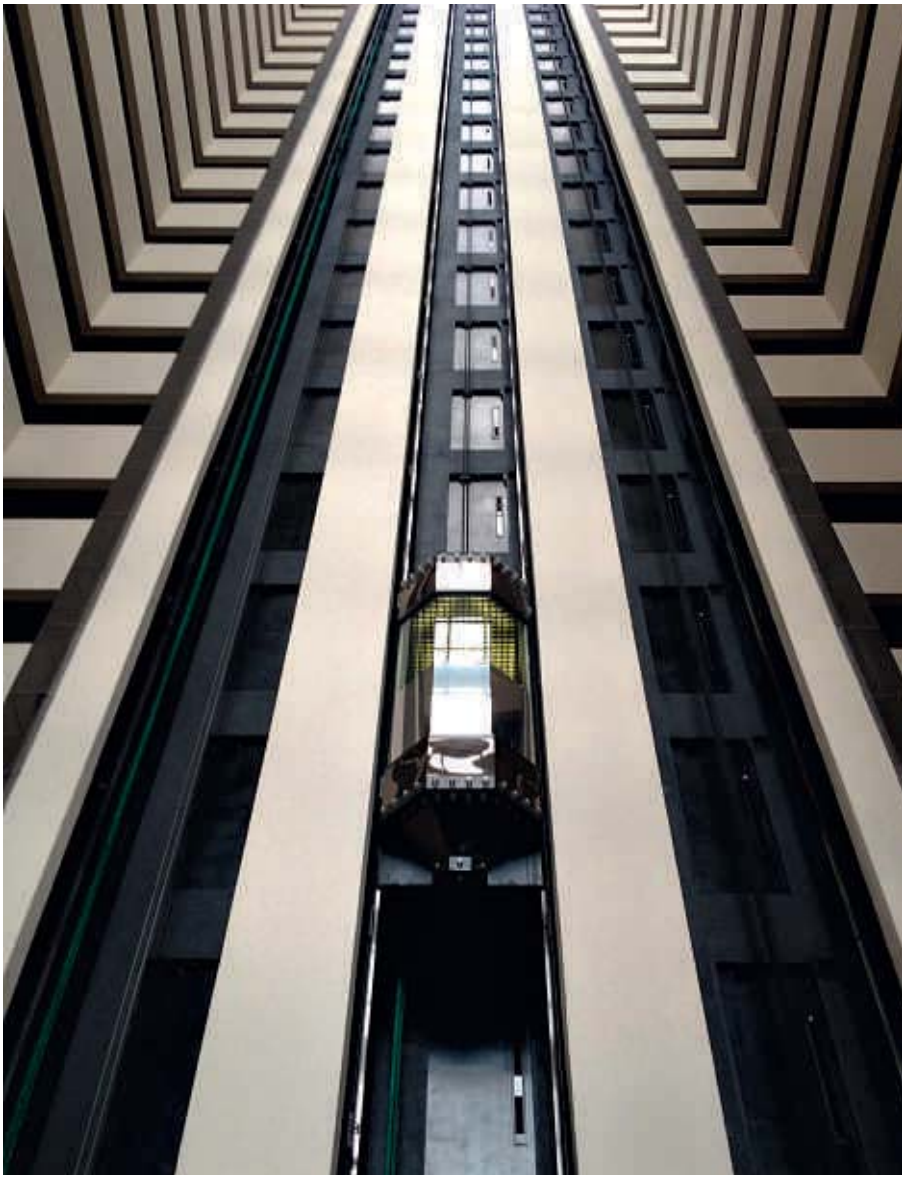
The combination of our global offering and diverse technical expertise positions us as a one-stop shop for clients' regulatory requirements in technical installations. Historically, our business has been focused on Western Europe. Increasingly, however, we are providing services to companies in fast-growing markets in the Far East and Latin America.

Our high level of service is reflected in the long-term relationships we build with clients and highly recurrent levels of business. Our management tools enable clients to track progress, plan inspections and consult documents at all times.

Major contracts

Major contracts won during the year included:
- A four-year contract with the European Parliament to provide a one-stop shop for inspection services;
- Inspection contracts with Tarmac, Aviva, Airbus and Aggregate Industries in the UK;
- Contracts with Capital Resources Land and Schneider Electric in China;
- A contract with the Ministry of Electricity and Water from Kuwait for periodical statutory inspections.

We also renewed and extended an inspection services contract with GEIE-TMB, the consortium responsible for the Mont Blanc Tunnel.



Regulation on the rise

A wide range of equipment used in buildings and industrial facilities requires regular inspection and verification. Demand for services is driven by health, safety and environmental regulations, company liability for on-site accidents and injuries and losses due to equipment failure.

Regulation is increasing around the world, creating demand for services, particularly in fast-growing countries.

In Europe, additional regulations have been introduced in France, and Italy has expanded the role of private independent companies on regulatory inspections. However, Europe saw modest growth overall following reduced activity in Spain.

Finally, insurance companies are increasingly outsourcing inspection and verification activities to specialists, resulting in opportunities for Bureau Veritas.

New accreditations

Bureau Veritas received inspection accreditation SA 17020 from Saudi Arabia for elevators, escalators, walkways and theme parks in the Middle Eastern country. In Italy, following the introduction of regulations to liberalize the market, we also gained new licenses to operate. These enable us to carry out inspections on pressure and lifting equipment.

Building long-term performance

Our services ensure the safety and performance of buildings where people live, work and shop.

Bureau Veritas helps clients manage all aspects of their office, industrial, retail and residential construction projects, ensuring that they comply with, and in many cases go beyond, regulatory requirements.

Our complete service offering spans the life of a construction project. Specific services vary from country to country, depending on local rules and conditions.
They include stability, water tightness, safety, comfort, zoning, environmental quality and quality of materials used. We also fulfill requirements for compulsory technical inspection of new constructions specified by law (France, China) or for municipal code compliance (USA and Japan).

Clients and their occupier customers increasingly demand efficient buildings with lower operational costs.
We help clients improve design, environmental quality and cost control during both construction of a building and its long-term operation and maintenance. Bureau Veritas is a founding member of the Green Rating Alliance. The association promotes Green Rating, a tool to measure energy and sustainability performance of existing building, the most widely used today in Europe.

We also play an important role in real-estate transactions, by providing environmental and technical due diligence prior to the purchase or sale of property.

Expansion in China

Bureau Veritas opened up new areas of operation with the acquisition of HuaXia, in China. The company specializes in technical control and construction supervision of petrochemical plants, buildings, municipal projects and electrical power plants. It holds key supervision licenses granted by the Chinese authorities.

Increased capabilities in India

Following the integration of Civil Aid, acquired in 2011, two new laboratories opened in India to provide materials testing and geotechnical services to the construction industry. The laboratories, located in Mumbai and Delhi, serve the north-west and western regions of India. Four existing laboratories serve the south of the country.

Environmental performance moves center stage

Deterioration in the European construction markets has impacted the TIC sector, but volumes in global construction continue to grow, particularly in China. One positive outcome of the downturn in European and US real-estate markets has been a renewed emphasis on efficient asset management. In the TIC sector, this has translated into opportunities, such as audits and energy saving certificates, and performance indicators for existing buildings.

Investors and developers also increasingly take into account future energy performance during a building's design and construction.

The creation and adoption of labeling such as HQE, LEED and BREEAM has created a demand for certification: going forward, the emphasis will be on lifecycle assessment, resulting in further certification opportunities.

Finally, owner-occupiers such as retailers and industrial manufacturers increasingly look for partners to support them in their real-estate management activities. This includes outsourcing monitoring and management of regulatory compliance for their buildings and facilities.

Acquisitions fuel new contracts

As a result of acquiring HuaXia, we gained two major contracts in China to provide project management assistance on the Shanghai Theme Park and the Fujian Refinery. Other major contracts included provision of energy audits for Carrefour stores in France and technical control for a US State utilities authority.

Testing

Our network of laboratories enables us to provide testing of commodities such as oil and petrochemicals for traders, producers and blenders at the port of shipment.

Cargo testing of foodstuffs such as grains, vegetable oils, cocoa, rice and fruit analyzes factors such as moisture and possible foreign substances.

Inspection

For goods destined for export, we carry out cargo inspections to ensure that descriptions correspond to that stated on the order form.

Our import services include Pre-Shipment Inspection, to ensure payment of import duties and Verification of Conformity, intended to protect consumers and local industry. We also operate the Single Window concession, designed to facilitate trade for the port community.

Certification

As a classification society, Bureau Veritas assesses ships for conformity with specific sets of rules, mainly determining structural soundness and reliability of machinery on-board.

We also certify implementation of the International Ship and Port Facility Security (ISPS) Code, a comprehensive set of measures to enhance the security of ships and port facilities.

MOVING FORWARD IN GLOBAL TRADE

Increasing industrialization of developing countries, combined with a focus by companies on optimizing their supply chain, has resulted in a boom in services relating to international trade. The focus of this activity is the port, where goods begin or end their journey across the world, from producer to trader to final consumer. Bureau Veritas provides services for producers, manufacturers, governments and traders, designed to facilitate the movement of goods while upholding quality, and ensuring adherence to national and international regulations.

Efficient processes, sustainable growth

For business, certification is a strategic tool that supports cost reduction by optimizing efficiency.

Certification of management systems brings several advantages to companies. Audits highlighting a system's strengths and weaknesses help companies drive efficiency and manage risk. Meanwhile, certification creates access to new markets, by providing independent assurance that management, product, service and personnel systems comply with local and international standards.

Accredited by over 55 accreditation bodies, Bureau Veritas provides a one-stop shop for clients. Our services include both core QHSE management standards such as ISO 9001, ISO 14001 and OHSAS 18001, as well as sector-specific solutions in industries such as aerospace and food. We also offer sustainability services, ranging from verification of carbon emissions reduction schemes for the purpose of carbon credit trading, to report verification.

We increasingly focus on the growing market of large clients who use our globally consistent audit processes to manage risk in their supply chain or global operations. We focus on how the company operates, and whether it has identified and addressed key risks. Our audit results allow global organizations to benchmark their own operations, resulting in lower costs and added value. As such, we build long-term relationships with our large clients: over 90% have retained our services for more than five years.

Expansion into new markets

We entered a number of new markets, signing our first EU Timber verification contract in South East Asia. The service enables timber suppliers to export to the EU, by ensuring they comply with EU Timber Regulation.

We also issued our first ISO 50001 Energy Management Systems certificate in the USA, to IBM.

Partnering large clients

New contracts were signed with Accor, Unilever and Anglo-American, and extended with Volvo, reflecting our focus on global certification programs for large accounts as part of our 2015 strategic plan. We also gained an EU contract to help non-EU countries develop organic food certification.

Opportunities in timber

Growth in core QHSE certification projects and mature markets was moderate in 2012. By contrast, fast-growing countries and sector-specific solutions in areas such as food safety and organic produce saw rapid growth.

A key example is timber. The EU Timber Regulation, which comes into force in March 2013, aims to ensure illegally harvested timber does not enter the EU market. The obligations on all parties involved in the supply chain create a market for verification of timber origin and auditing of the risk management processes.

Uncertainties continue to surround the carbon trading market following the annual UNFCCC meeting in Doha, Qatar. An extension to the Kyoto protocol ensures the future of the biggest carbon offset scheme (CDM), at least until 2020. However, an imbalance in demand and supply of carbon credits has reduced the need for new validation projects. Bureau Veritas is therefore now focusing on alternative mechanisms, such as REDD (Reducing Emissions from Deforestation and Forest Degradation) and local schemes in fast-growing countries.

Promoting sustainable palm oil

The Roundtable on Sustainable Palm Oil approved Bureau Veritas to perform audits for supply chain management systems. Palm oil is the world's leading oil crop, and is currently used in more than half of packaged supermarket products.

Minimizing risk, maximizing trade

Accuracy, integrity and service: partnering commodities clients along the value chain.

Bureau Veritas provides independent inspection and testing in three key commodities segments: Oil and Petrochemicals, Metals and Minerals, and Agriculture. Our global network of over 200 laboratories in 60 countries supports clients by providing rapid access to sampling and testing services.

Our services to the Oil and Petrochemicals industry are focused on retaining the value of our clients' bulk cargoes and minimizing risk during cargo storage or transportation. We achieve this through custody transfer inspection and testing of bulk marine cargoes in production locations and refining centers. Laboratory testing represents an important growth area, particularly support services to the upstream sector.

We play a vital role in the mining of metals, minerals and coal. Our sample testing enables mining and exploration companies to identify extractable resources, ensuring the commercial, technical and operational viability of each project.

Other upstream services such as grade control enable mining operators to optimize the efficiency of their mining. Downstream (trade) services include the verification and certification of the metal content of shipments.

Finally, in Agriculture, we inspect and certify the quantity and quality of production and shipment.

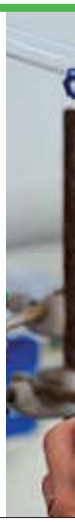
AcmeLabs acquisition

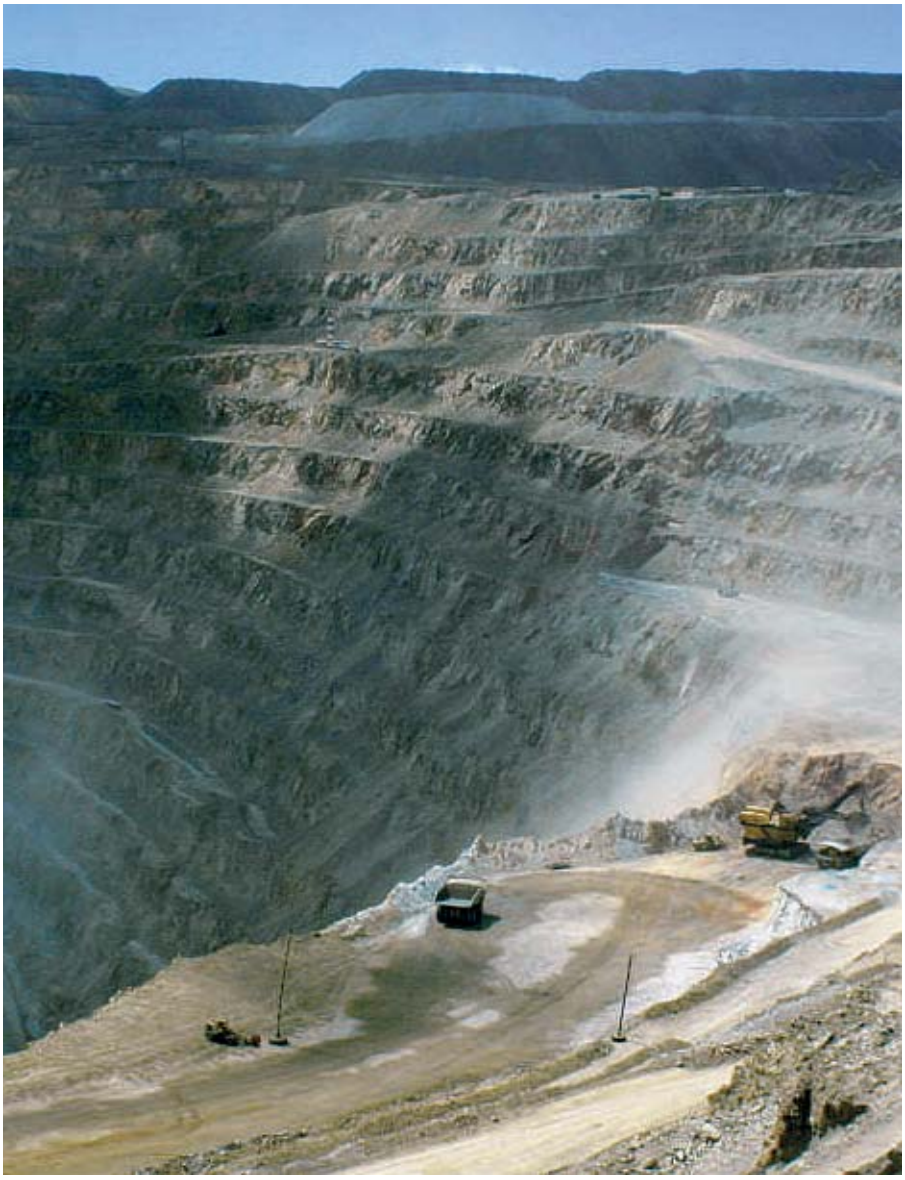
Acquired in 2012, AcmeLabs provides a full range of sample preparation, assaying and geo-analytical services and is one of the largest multi-element geochemistry laboratories in the world.

With this acquisition, Bureau Veritas has a stronger business position in the burgeoning Canadian market, and a full representation in key global mining hubs in Australia, Canada, South America and South Africa.

New laboratories

Laboratories opened in United Arab Emirates, Taiwan, UK, Holland, Spain, Canada and the US including our second-largest oil laboratory in New Jersey. The opening of new laboratories has resulted in increased market share in Western Europe.





Testing increasingly outsourced

Demand for our services in the sector remained strong, despite volatility in commodities prices, due to global economic uncertainties.

Fast-growing countries drove a rise in demand, particularly for coal, metals and minerals testing. The markets for coal testing in Southern Africa, Mozambique and Indonesia were particularly buoyant. The market for metals and minerals testing in Mexico was also strong. The sector experienced a slowdown in greenfield exploration projects in the final quarter of the year, which is to result in lower growth in our business in 2013.

Long-term, the outlook for testing services in the Commodities sector is extremely favorable. Whether miners or traders, companies increasingly look to outsource testing. Outsourcing contracts involve either sending samples for testing in existing independent laboratory, or requesting the TIC supplier to operate an on-site laboratory on behalf of the company.

Expansion in coal

Bureau Veritas grew its presence in the African coal mining market, signing a contract with Rio Tinto to provide upstream testing services for its Riversdale site, in Mozambique. We also successfully started a major new contract with Richards Bay Coal Terminal to provide services ranging from sample testing to cargo inspection.

MOVING TOWARDS A SMARTER WORLD

Smart devices are transforming our lives. From smartphones and tablets to wireless devices for the automotive and healthcare sectors and for the home, our world is increasingly connected. The result is not only enhanced communications, but improved safety, efficiency and insight. Principally provided through our Consumer Products business, our services to the wireless technology industry help validate that these devices are secure, reliable and conform to international standards.

Testing

From safety to interoperability, quality performance to emissions and battery life, we provide a comprehensive range of testing services for manufacturers, buyers and operators of smart devices.

Through our Commodities business, we also offer a range of laboratory testing services for metals such as gold and tin, essential components of smartphones and tablets.

Inspection

To validate that final product shipments conform to the quality and safety achieved during initial tests, we conduct product inspections at various stages of the production run.

These cover quantity, packaging and labeling, as well as more specific shipping requirements such as bar code checks.

Certification

The complex nature of smart technologies results in multiple market access requirements from governments, network operators and wireless associations.

We are accredited to provide type approval certification for all major markets with experience in successfully placing electrical equipment in over 150 countries worldwide.

Confidence throughout the supply chain

Millions of consumers around the world buy goods whose quality and safety have been tested and inspected by us.

With an eye on both time to market and costs, retailers and brands source from a large pool of potential suppliers in numerous manufacturing centers. We provide testing, inspection and audit services to validate the quality and performance of products provided by different manufacturers to our clients. We also assess product and factory compliance against ever-changing local and international regulations.

Our online supply chain quality management system, OneSource Suite, helps our clients make informed decisions on suppliers and sourcing locations. It provides supplier and country ratings by product line, trend analysis in areas such as product failures and regulatory updates tailored to client profiles.

Reliable sourcing and controlling quality upstream have moved to the top of clients' agendas as they expand their footprint. Our sourcing services range from regulatory compliance advice for markets worldwide to due diligence testing of products in-store. Specialist services include design evaluations, inspections and quality control tests on materials and components. Inspections and tests during manufacture assess product performance and compliance of packaging.

We also carry out factory audits focused on processes around quality, chemical, environmental and social control.

New laboratories

A new international laboratory opened in Malaysia in August 2012, offering a comprehensive range of testing services for hardline goods.

We also reinforced our offer in Turkey, through the opening of our new Istanbul softlines testing laboratory and the acquisition of a food testing laboratory, and in Japan with the acquisition of a food laboratory providing testing and certification services.

Growth in integrated supply chain solutions

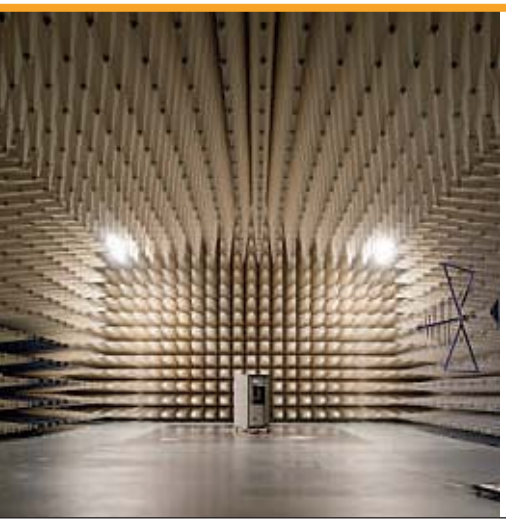
Bureau Veritas was awarded a large contract by one of the largest US department store chains for supply chain quality management services including: supplier assessment; factory assessment; social compliance and factory security audits; and inspection and testing.

Supply chain shifts

If the story of the last decade was the continued migration of consumer goods manufacturing to Asia, this decade is about relocation within Asia and even nearer to home. Retailers are increasingly sourcing from cost-effective manufacturers in countries such as Bangladesh, Cambodia and Vietnam. Switching to a new supplier, however, requires trust. The result is increasing demand for TIC services.

A second trend has been the shift in decision-making to Asia. Whereas choice of supplier used to be dictated from centers of consumption in mature markets such as the US and Europe, a more agile supply chain demands greater power of decision-making in centers of production. With offices and laboratories in 15 countries in Asia, we are close to customers in their locations of production and decision-making.

The support of an experienced, global TIC partner will be vital in the coming years. Retailers face NGO pressures for stronger chemical substances restrictions and controls, new safety requirements for children's products in the US and must also apply chemical requirements of the EU Toy Safety Directive.



Powering ahead in automotive

Bureau Veritas acquired two companies in 2012: German-based ECL and Shanghai Davis Testing Technology in China. The acquisitions enabled us to widen our electrical, reliability and material testing activities for the automotive industry and expand our foothold in China, the world's largest and fastest-growing automotive market.

Facilitating international trade

We help governments ensure import taxes collection and protect their citizens from unsafe products.

Bureau Veritas maximizes the efficiency and transparency of international trade. Thanks to our merchandise inspection services, governments are able to reduce risk, improve revenue collection and protect their citizens from substandard goods. By guaranteeing the conformity of imported product shipments, we also help manufacturers increase exports.

Many fast-growing countries' customs concerns are now focused on programs designed to improve security such as Verification of Conformity (VOC) and transparency, for example paperless Single Window.
Bureau Veritas' approach is renowned for its agility. We are able to create new programs very quickly worldwide, mobilizing the right teams and technology partners to set up systems, provide training for clients and carry out public awareness campaigns.

Clients also benefit from our 28 years of experience and our dense global network of inspectors, laboratories and test centers, which enjoy synergies with other parts of our business, such as Commodities and Consumer Products.

We also provide services to exporting companies, including voluntary pre-shipment inspection and network conformity assessment, and automotive services such as import control and damage inspection.

Moving forward in automotive

The acquisition of UniCar strengthened our expertise in automotive inspection services throughout the supply chain. Headquartered in Bremen, the company also reinforces our position in Germany, where the automotive industry is the third-largest worldwide and accounts for nearly half the country's exports.

Growing number of VOC contracts

Bureau Veritas signed or implemented contracts with the governments of Kenya, Uganda Tanzania, Botswana, Iraq and the autonomous province of Kurdistan for VOC of imported goods to standards. Services provided include inspection, testing and document verification.

Accelerated demand for national single windows

The boom in international trade over the past 30 years has generated an increasing need for trade inspections and verification.

Promoted by international bodies such as the World Bank, IMF and UNCTAD, National Single Window for foreign trade represents a set of tools and facilities to speed up clearance of goods and promote transparency. The effects of fresh input from the World Bank on new stakeholders and procedures in the Single Window process can be observed in the policies of trade blocks such as Mercosur and ASEAN.

VOC programs still represent a growing trend, as governments focus on security, and preventing substandard goods entering their country.

Finally, the International Maritime Organization ISPS Code has brought a new concept of safety and security to the international shipping economy that reinforces the role and responsibilities of governments. This is likely to result in new government services.

Rising volumes and revenue

We increased revenues from existing contracts as a result of a surge in inspected volumes in the Côte d'Ivoire, Guinea, Democratic Republic of Congo and Angola, and rising momentum of the VOC program in Iraq and the Single Window scheme in Benin.

Online tracking

The launch of Verigates, a secure interactive portal, enables companies and governments to optimize the management of the flow of goods. Operators log on to track shipments of products subject to government inspection programs. A customized version is available for government clients.

Sustainability is at the heart of our business. From health and safety at work to energy efficiency, preservation of natural resources and fair practices, Bureau Veritas provides its clients with tangible solutions, every day, throughout the world. In addition, we are stepping up efforts to put our own social and environmental responsibility commitments into practice, both in our organization and in the way we deliver our services.

COMMITTING TO SUSTAINABILITY

Building solid relationships

Bureau Veritas builds **close and constructive relationships** with all its stakeholders, while maintaining its independence, an essential condition for its activities and one of the core values of the Group.

Authorities and regulators

Bureau Veritas partners many regulatory authorities and professional organizations throughout the world, either in the context of obtaining its licenses to operate, or to offer expert advice. Each Bureau Veritas business interacts with the organizations that issue or renew the approvals or accreditations needed to deliver the Group's services. In addition, Bureau Veritas brings its expertise to the process of drafting and amending standards and regulations. By engaging with these stakeholders, Bureau Veritas makes a significant contribution to technical standardization and improvements in quality and safety. The result benefits companies and consumers.

Local initiatives

Wherever it operates, the Group creates jobs and develops the skills of its local employees. In some countries, Bureau Veritas sets up partnerships or targeted initiatives with local authorities. These are designed to promote economic and social development, notably in education and professional training.

Financial community

Bureau Veritas provides regular and transparent updates on financial information at roadshows and investor meetings. The Group answers questions from financial analysts and investors and, increasingly, from specialists in socially responsible investment (SRI). SRI funds represent a growing proportion of the Bureau Veritas investor base.

General public

The Group's activities benefit the general public and local communities by promoting sustainable development. It is developing services relating to quality, health and safety, and environmental preservation that meet the expectations of consumers and end users. Bureau Veritas also plays a facilitating role in trade operations that fosters transparency and local economic development.

SUPPORTING EDUCATION IN CÔTE D'IVOIRE

For over 50 years, the Group has had a presence in Côte d'Ivoire, where it employs almost 400 people. As well as making a contribution to the development of the Ivorian economy, Bureau Veritas is committed to supporting education and training, through a number of programs: renovation of schools, partnerships with universities, internships for students.

Fair practices

Integrity, ethics, impartiality, and independence are core Bureau Veritas values. They are embedded in our organization, our corporate culture, and the way we do business.

Code of Ethics

In 2012, Bureau Veritas published the fourth edition of its Code of Ethics. In compliance with the requirements of the International Federation of Inspection Agencies (IFIA), the Code of Ethics describes values, principles and rules applicable to all within Bureau Veritas. The code is central to the Group's development, and its ability to build relationships based on trust with its customers, employees and business partners. Adherence to this code is constantly at the forefront of the concerns of all Bureau Veritas employees and has become one of the primary competitive advantages of the Group. Bureau Veritas partners and subcontractors are also required to comply with the code when dealing with the Group.

THE CODE OF ETHICS

The Code of Ethics is available in 32 languages. The Compliance Program includes a manual of internal procedures and a training program, available in 16 languages.

Compliance program

The Bureau Veritas Compliance Program, which was also updated in 2012, includes an organization dedicated to ethics, a manual of procedures and a training program for all employees. Fighting corruption is the subject of a detailed section. The Bureau Veritas Ethics Committee deals with all the Group's ethical issues and supervises implementation of the program, in conjunction with a network of managers in the various geographical areas and businesses. Each business unit manager is responsible for ensuring that employees he manages apply the Compliance Program, including the Code of Ethics. Any serious breach of the Code has to be brought to the attention of the Group Compliance Officer who informs the Ethics Committee so that the necessary measures can be taken. Internal and external audits are performed annually on the application of and compliance with the principles of the Code of Ethics, and a certificate of compliance is issued by an independent auditor. In 2013, Bureau Veritas will implement relevant indicators enabling it to report on the effectiveness of the Compliance Program.

Developing talent

Bureau Veritas offers **a wide variety of career paths**, around the world, and in businesses that make a valuable contribution to society. The Group places great importance on training and creating development opportunities for employees.

Human resources policy

In order to achieve its objective to increase its global workforce to around 80,000 people by end-2015, Bureau Veritas must have the skills needed to meet its clients' expectations, develop today the leaders of tomorrow, integrate the employees of acquired companies effectively, and strengthen its corporate culture. Bureau Veritas has a multi-pronged approach, including an active recruitment policy, a strategy of developing skills through a combination of technical and managerial training, and standardized career management processes throughout the Group.

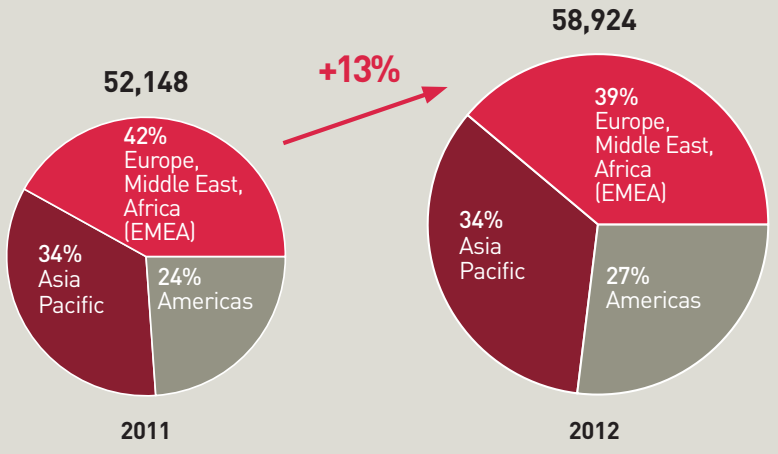
Employees

At the end of 2012, the Group had almost 59,000 employees, an accelerated increase of 13% on the previous year (vs 9% in 2011). In 2012, the Group hired more than 13,000 people across all geographical areas. At the end of 2012, there were 1,900 managers. The Group pays particular attention to the age profile of its manager group, with a view to succession planning for key employees. On a global level, 69% of employees are men and 31% are women. Bureau Veritas aims to increase the proportion of female managers in the coming years.

Proactive career management

Most employees and all managers of the Group undergo an annual performance review, at which they can discuss with their line manager achievement of targets set and define

Changes in the workforce



new targets for the year ahead. Bureau Veritas has continued to strengthen its career management policy by refining management processes and rules associated with topics including talent development and internal mobility. We have implemented Organization & Leadership Development Reviews, to help anticipate the impact of organizational changes on human resources management. As such, proposals for an individual's professional development form part of a wider plan that takes into account operational requirements, succession planning and individual performance. The pool of employees identified as having strong potential is prioritized for any position to be filled. The aim is to recruit two-thirds of the Group's management positions internally, with 50% resulting from promotions and 25% representing sideways moves. In addition, the Leadership Pipeline program identifies the best-performing employees to increase their level of responsibility. Specifically, the goal is to identify and monitor 500 talents with management potential and to provide them with a tailored career plan.

BV ACADEMY

The corporate university is focused on operational excellence, customer service, and team management. Sessions take place over three days, bringing together managers from all the different businesses within a single geographical area. This program makes it possible to strengthen the Bureau Veritas corporate culture while at the same time developing synergies within each geographical area and contributes to the professional development of participants. By the end of 2013, some 15 sessions will have been provided in around 10 countries. All the managers concerned will have followed this program by June 2014.

Training

Bureau Veritas employees benefit from training opportunities covering managerial or commercial skills, as well as technical subjects. On the operational side, some technical training is necessary to provide employees with the qualifications to carry out their duties. These qualifications are managed by the Group's technical departments and audited by independent professional authorities. In terms of managerial and sales training, BV Academy, the Group's corporate university, was re-launched in 2012 for Group managers and talents. In addition, Leadership Essentials, another development program, is gradually being rolled out. It has already been implemented in the Middle East, India, China, Africa and Australia. Finally, all new recruits and employees of newly-acquired companies benefit from an induction program, to accelerate their integration within Bureau Veritas.

Diversity and professional equality

The strong international presence of Bureau Veritas fosters diversity and respect for others, a core value for the Group. Equally, a number of local initiatives have been implemented. For example, in the UK and Australia, procedures have been developed to promote equal treatment and respect for all. In the US, the Equal Employment Opportunity policy has been put in place. In France, Bureau Veritas reports annually on equal opportunities between men and women.

▸▸▸

BRITAIN'S top EMPLOYERS 2013
CERTIFIED BY THE CRF INSTITUTE

AWARDS IN THE UK AND FRANCE

Bureau Veritas United Kingdom was among the 68 UK companies certified Top Employers by the CRF Institute in 2013. The CRF Institute is an organization offering independent HR assessment and acknowledgement.

Bureau Veritas was recognized for the working conditions offered to its employees and its exceptional human resources management and professional development practices.

In France, Bureau Veritas was one of 10 companies to obtain the StageAdvisor 2012 label created by the Job Teaser web recruitment platform to recognize companies for the quality of their internships.

▸▸▸ Other local initiatives have been put in place to fight discrimination. In France, for example, measures have been taken to promote the employment and inclusion of disabled people. In Australia, Bureau Veritas has set up a program which is intended to provide employment and training opportunities for indigenous people.

Safety at work, an absolute

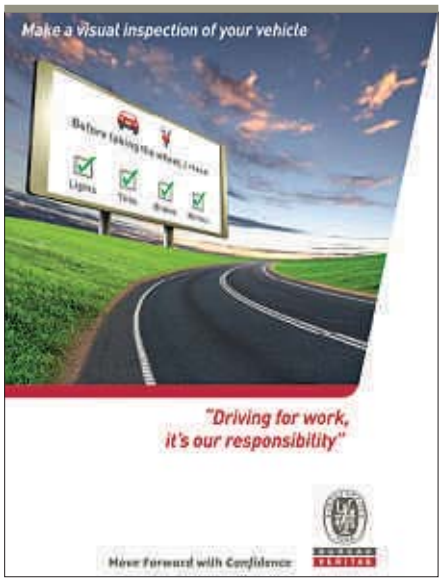
For Bureau Veritas, safety at work is an absolute, **a non-negotiable factor** that is crucial to operations. Real momentum has been generated throughout the company under the slogan: "Safety: It's our responsibility."

Strengthened processes

The general policy promoting employee safety was strengthened in 2012. This included increasing the responsibility placed on managers to emphasize safety. The Group CEO also reviews systematically investigations into serious accidents. To improve accident prevention, monitoring of near-hits has been added to the existing panel of health and safety indicators applied in each country in which the Group operates. In 2012, the accident indicators show an improvement in safety conditions, as a result of the strengthening of the Group's safety policy and of training and awareness-raising measures.

Safety campaigns

Bureau Veritas has introduced a number of initiatives and measures to train employees and raise their awareness of safety issues. In 2012, the Group focused on working at height, driving and mobility. It also rolled out e-learning modules and information campaigns in around 20 languages.



DRIVING AND MOBILITY

A safety campaign lasting one month was rolled out at more than 1,200 locations. Around 15,000 employees followed the e-learning modules, more than 20,000 employees participated in discussions on safety, and 10,000 employees attended training courses held locally.

Indicators

The Lost Time Rate fell by 21% across the Group. Despite this clear improvement, the Accident Severity Rate remained unchanged from 2011. The Total Accident Rate dropped by 17%.

	2012	2011	2012 Objectives
Total Accident Rate(1)	1.37	1.65	-10%
Lost Time Rate(2)	0.60	0.76	-10%
Accident Severity Rate(3)	0.07	0.07	-
Fatality	1	3	0

(1) Equivalent to the total number of work-related accidents (with or without lost time) per 100 employees.
(2) Equivalent to the number of work-related accidents having led to lost time per 100 employees.
(3) Equivalent to the number of days lost per 1,000 hours worked.

Managing our energy consumption

▸▸▸ In 2013, we plan to launch three additional safety campaigns on cardinal safety rules, risks related to falls, and management of chemicals.

The environmental impacts of Bureau Veritas' business relate principally to energy consumption and management of laboratory waste. We focus on **managing and reducing their use**.

OHSAS 18001 certification

The Group has set the objective of obtaining OHSAS 18001 certification for all its entities by the end of 2014. At the end of January 2013, 35% of employees were effectively covered by certification.
In 2012, the Internal Audit Manager tool for carrying out internal audits and monitoring the necessary corrective measures was implemented.
Bureau Veritas conducted 32 internal audits with a view to identifying areas for improvement in respect of Group requirements.

Energy & Waste

Indicator	Unit	2012	Scope: % of employees to which figures relate	Change vs. 2011 on a like for like basis	Objectives 2012
Energy	MWh/person/year				–10 %
Offices		2.6	58%	–20.9%	
Laboratories		5.7	90%	–7.0%	
Water	Metric tons/person/year				–10%
Offices		17.2	26%	+0.3%	
Laboratories		40.7	67%	+1.6%	
Paper	Kg/person/year				–15%
Offices		24.1	60%	–6.4%	
Laboratories		57.5	87%	+4.7%	

SAFETY AT OUR CLIENTS' SITES

Employees involved in short-term assignments receive safety management training based on their likely exposure to certain risks inherent to the sites to which they have been deployed. For major international projects, a prevention plan combining the requirements of Bureau Veritas with those of the client is drawn up and then applied to all the sites involved in the project, throughout the world. Employees are trained in this procedure, and Bureau Veritas' local HSE Managers ensure that it is correctly followed. Indicators are consolidated and sent back to the client.

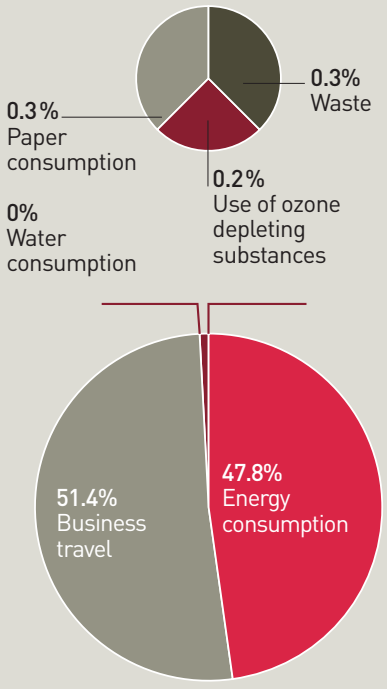
Carbon footprint

Bureau Veritas uses its own tool, BV Carbon, to measure the Group's CO_2 emissions and assess the efficiency of its environmental programs.
Six main sources of carbon emissions are measured: energy, business travel, water, paper, ozone depleting substances, and waste. In 2012, the carbon footprint per employee was 4.36 metric tons of CO_2, with the majority of emissions coming from the energy use and business travel.

Energy & Waste Program

Annual energy, water, and paper consumption per employee are measured using standard indicators. In 2012, for the first time in four years, the laboratories slightly increased their consumption of water and paper. This was mainly due to growth in testing activities. Overall, despite an increase in the number of printed analysis reports requested by customers, paper consumption decreased by 7% in 2012.

Carbon footprint



WORLD ENVIRONMENT DAY

In 2012, the Group took part in this event for the fourth time, training its employees and raising their awareness in relation to environmental issues. Over 60 entities were involved in initiatives based on the topic: "Green economy: does it include you?" Bureau Veritas teams in Abu Dhabi, Kazakhstan, and Poland were respectively awarded the prizes for Creativity, Education, and Green Economy. A trophy was also given to the South-East Asia region for its participation for the fourth year running. Growing participation at a local level testifies to increased commitment by our teams.

Fuel consumption

Bureau Veritas' operations involve a large amount of travel, making fuel consumption significant. With the aim of limiting this consumption, training has been provided in eco-driving, in the form of an e-learning module. In addition, Group entities have launched innovative local programs, such as an initiative in France to replace vehicles that are more than three years old with vehicles that are more fuel-efficient. The result of these initiatives was a decrease in average consumption per vehicle of 7% in 2012. Alternatives to physical visits, such as video conferences or conference calls, are used whenever possible.

ISO 14001 certification

The Group has set an objective to obtain ISO 14001 certification for all its entities by the end of 2014. At the end of January 2013, 38% of employees were effectively covered by certification.

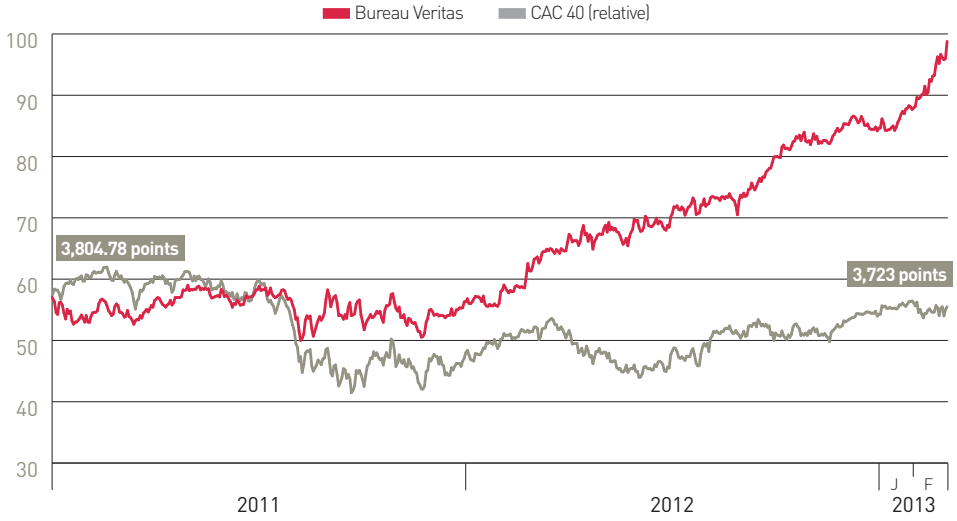
Bureau Veritas enjoyed excellent performance in 2012, the first year of the BV2015 plan, with double-digit growth across all key indicators, in line with our strategic objectives. Thanks to our achievements in the most dynamic markets and to the diversity of our services portfolio, growth remained strong throughout the year.

DRIVING PERFORMANCE

Strong value creation

Share price

in millions of euros



At December 31, 2012, the Bureau Veritas share price was EUR 84.65, an increase of 124% on its IPO price on October 24, 2007 (EUR 37.75). In 2012, it grew strongly (an increase of 50.4% on December 31, 2011), comfortably outperforming the CAC 40 (up 15.2%). On average, some 150,000 shares were traded each day in 2012, equivalent to more than EUR 11 million. At February 28, 2013, the Bureau Veritas share price was EUR 98.79, more than 16% higher than the level at December 31, 2012.

Market information

Listing market
Euronext Paris, compartment A, eligible for deferred settlement (SRD)

Initial Public Offering
October 23, 2007 at EUR 37.75 per share

Inclusion in indices
CAC Next 20
SBF 120
CAC Large 60
DJ STOXX 600
DJ STOXX 600 Industrial Goods and Services Index
Euro STOXX 600
MSCI Standard

Codes
ISIN: FR 0006174348
Ticker symbol: BVI
Reuters: BVI.PA
Bloomberg: BVI-FP

Number of outstanding shares at February 28, 2013
110,505,636

Number of exercisable voting rights at February 28, 2013
169,707,945

Market capitalization at February 28, 2013
EUR 10.9 billion

Dividend

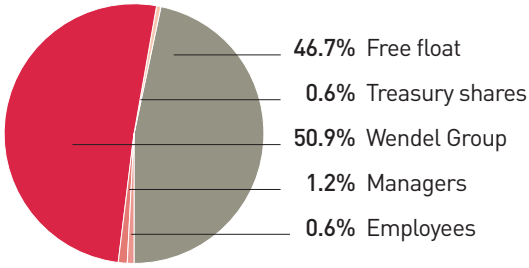
in euros

+44%

A dividend of EUR 1.83 per share will be proposed to the Annual General Meeting on May 22, 2013, an increase of 44% on the dividend paid in 2012. It represents 50% of the adjusted profit per share for 2012, equivalent to a yield of 2.2% on the share price at December 31, 2012 (EUR 84.65).

Shareholder base

(at February 28, 2013)



Financial calendar

April 30, 2013
First-quarter 2013 information

May 22, 2013
Annual Shareholders' Meeting

August 28, 2013
First-half 2013 results

November 6, 2013
Third-quarter 2013 information

Analyst and investor information

finance.investors@bureauveritas.com

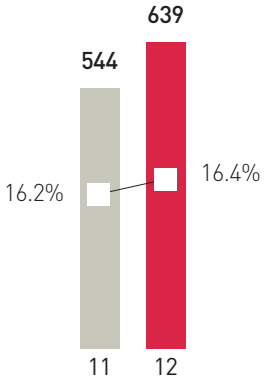
Excellent financial performance

Revenue

in millions of euros

+16%

The 16.2% rise in revenue to EUR 3,902.3 million includes organic growth of 7.8% and an increase of 4.7% on the back of acquisitions. Exchange rates provided a positive impact of 3.7%, prompted by favorable movements in most currencies against the euro.



Adjusted operating profit

in millions of euros
□ as % of revenue

+17%

Adjusted operating profit rose 17.4% to EUR 639.2 million. Adjusted operating margin, expressed as a percentage of revenue, increased by 20 basis points to 16.4%. Excluding infrastructure activity in Spain, which recorded an operating loss of EUR 7.8 million, it rose to 16.7%.

Attributable adjusted net profit

in millions of euros

+16%

Bureau Veritas achieved attributable net profit, adjusted for other operating expenses net of tax, of EUR 402.6 million, up 15.7% on 2011. Adjusted net earnings per share were EUR 3.65 in 2012 compared to EUR 3.18 in 2011, up 14.8%.

Operating cash flow

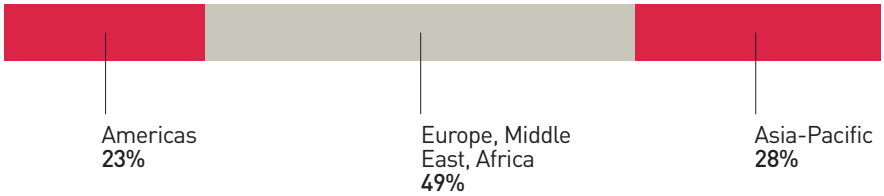
in millions of euros

+25%

Operating cash flow rose 25.4% to EUR 504.5 million in 2012 on the back of higher earnings and controlled working capital requirements.

Revenue by geographical zone

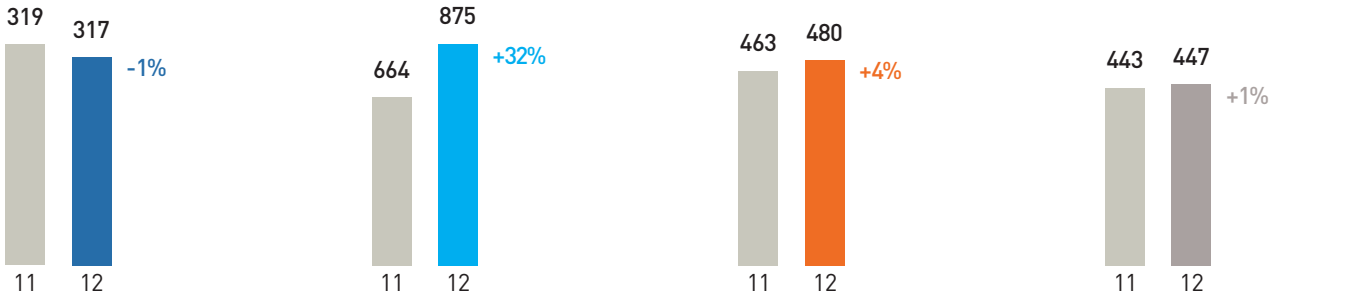
Revenue achieved in fast-growing zones (Latin America, Asia-Pacific excluding Japan, Eastern Europe, the Middle East and Africa) accounted for 54% of 2012, revenue versus 50% in 2011.



Sustained momentum

Revenue

in millions of euros



Marine

Revenue was virtually stable in 2012. Revenue in the ships in service inspection segment benefited from growth in the fleet classed by Bureau Veritas, necessitating regular inspections, and from new services associated with energy efficiency. Classification and certification of ships under construction was hit by the sharp decline in the global market.

Industry

Revenue increased 31.7%, including excellent organic performance and a significant contribution from recent acquisitions, mainly TH Hill and Tecnicontrol. Demand continues to be driven by investments in oil and energy infrastructure in fast-growing countries.

In-Service Inspection & Verification

Revenue increased 3.9% year-on-year.
The business recorded double-digit growth in zones seeing rapid development (Latin America and China), which now account for 14% of revenue. Growth was modest in Europe.

Construction

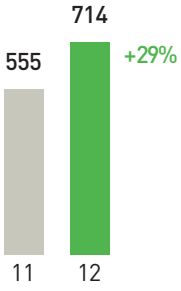
The business saw little growth in 2012, with major differences in market conditions from one zone to another. The business benefited from the momentum of fast-growing countries (16% of revenue). On the other hand, the collapse in the construction market in Spain led the Group to withdraw from its infrastructure inspection business.

Revenue by business

The Group has an extensive, diversified business portfolio and is seeing strong momentum in the Industry and Commodities businesses, which operate in high-growth global markets.

Certification

Up 6.8% year-on-year, sustained growth came from the development of global contracts, new certification schemes, particularly relating to sustainability, and a strengthened presence in rapidly expanding zones (38% of revenue).

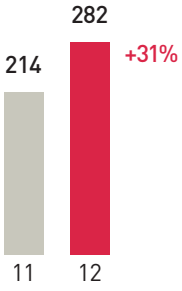


Commodities

Strong revenue growth (up 28.6%) was recorded across the business. Particularly strong growth was seen in metals and minerals exploration services, oil and petrochemicals, and coal, in South Africa, Indonesia, and Colombia.

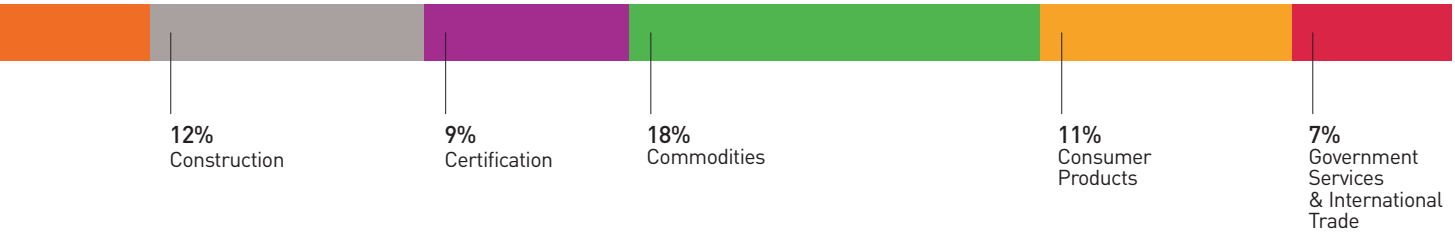
Consumer Products

Revenue rose 16.8% following a significant increase in tests of textile products, mainly in southern Asia, and electrical and electronic activities, in mobile and wireless technologies and automotive equipment.



Government Services & International Trade

Performance was excellent in 2012, with revenue increasing 31.4%. The business benefited from higher volumes of goods imported into African and Asian countries and from a surge in new verification of conformity contracts for imported goods. The car fleet quality control service offer was boosted by the acquisition of UniCar.



SUMMARY INCOME STATEMENT

in millions of euros

	2012	2011
Revenue	3,902.3	3,358.6
Adjusted operating profit[1]	639.2	544.3
Adjusted operating margin	**16.4%**	**16.2%**
Other operating expenses	(120.9)	(64.0)
Operating profit	**518.3**	**480.3**
Net financial expense	(69.3)	(58.4)
Share of profit of associates	–	0.3
Income tax expense	(141.8)	(116.9)
Minority interests	9.6	7.7
Attributable net profit	**297.6**	**297.6**
Attributable adjusted net profit[2]	402.6	348.1
Earnings per share (in euros)	2.70	2.72
Adjusted earnings per share (in euros)	3.65	3.18

(1) Before other operating expenses: depreciation and amortization of intangible assets, restructuring, transaction-related costs and discontinued activities.
(2) Before other operating expenses net of tax.

SUMMARY BALANCE SHEET

in millions of euros

	2012	2011
ASSETS		
Goodwill	1,486.3	1,378.3
Intangible assets	385.4	333.0
Property, plant and equipment	379.4	319.6
Other non-current assets	179.2	184.9
Total non-current assets	2,430.3	2,215.8
Trade and other receivables	1,060.5	974.4
Other current assets	65.3	43.3
Cash and cash equivalents	243.5	244.1
Total current assets	1,369.3	1,261.8
TOTAL ASSETS	3,805.0	3,477.6
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the company	1,144.5	1,065.4
Minority interests	23.3	18.8
Total equity	1,167.8	1,084.2
Bank borrowings	1,282.7	999.4
Provisions and other non-current liabilities	309.6	274.4
Total non-current liabilities	1,592.3	1,273.8
Trade and other payables	787.7	737.3
Bank borrowings	128.3	266.2
Other current liabilities	127.9	116.1
Total current liabilities	1,043.9	1,119.6
TOTAL EQUITY AND LIABILITIES	3,805.0	3,477.6

SUMMARY CASH FLOW STATEMENT

in millions of euros

	2012	2011
Profit before income tax	**449.0**	**422.2**
Elimination of cash flows from financing and investing activities	61.1	44.8
Provisions and other non-cash items	31.1	(4.9)
Depreciation, amortization and impairment	167.9	129.1
Movements in working capital attributable to operations	(24.6)	(39.2)
Income tax paid	(180.0)	(149.6)
Net cash generated from operating activities	**504.5**	**402.4**
Acquisitions of subsidiaries	(246.6)	(70.2)
Purchases of property, plant and equipment and intangible assets	(140.5)	(115.8)
Purchases of non-current financial assets	(12.4)	(8.8)
Proceeds from sales of subsidiaries and assets	22.1	9.6
Other	–	(0.3)
Net cash used in investing activities	**(377.4)**	**(185.5)**
Capital increase	13.2	29.5
Purchase/sale of treasury shares	(66.1)	(1.0)
Dividends paid	(147.1)	(131.2)
Increase in borrowings and other debt	933.5	515.3
Repayment of borrowings and other debt	(810.3)	(562.2)
Interest paid	(42.6)	(42.3)
Net cash generated used in financing activities	**(119.4)**	**(191.9)**
Impact of currency translation differences	(3.8)	4.5
Net increase in cash and cash equivalents	**3.9**	**29.5**
Cash and cash equivalents at beginning of year	230.9	201.4
Cash and cash equivalents at end of year	**234.8**	**230.9**
Of which cash and cash equivalents	243.5	244.1
Of which bank overdrafts	(8.7)	(13.2)

The detailed consolidated financial statements are available in the Registration Document.

More about Bureau Veritas

STRATEGY

CORPORATE GOVERNANCE

FINANCE

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

SERVICES

NEWS

CAREERS

LOCATIONS

> www.bureauveritas.com

2012 Registration document downloadable on
> www.bureauveritas.com section Finance/Publications

> www.linkedin.com/company/162834

> www.facebook.com/bureau.veritas.group

> twitter.com/_BureauVeritas

BUREAU VERITAS
Limited company with registered capital of EUR 13,259,836.32
RCS Nanterre B 775 690 621

HEAD OFFICE
67/71, boulevard du Château
92200 Neuilly-sur-Seine – France
Tel.: +33 (0)1 55 24 70 00

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May 2013

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67/71, boulevard du Château
92200 Neuilly-sur-Seine
France
Tel.: +33 (0)1 55 24 70 00
Fax: +33 (0)1 55 24 70 01
www.bureauveritas.com

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