

A BRIEF HISTORY OF SGS

- Founded in Rouen in 1878, under the name of Goldstück, Hainzé & Co.
- First registration as Société Générale de Surveillance in Geneva in 1919
- Growth by agglomerations of various companies which until 2002 had great degree of autonomy
- Listed publicly in 1985
- Until 1998, relieved heavily on governmental contracts for pre-shipment inspections (customs related)
- Under significant family influence (voting trust of founding families and multiple vote securities) until 1999
- Single share structure introduced in 2001
- Two significant shareholder groups
 - August von Finck and family (23.7%)
 - Worms & Cie. (23.8%)

We aim to be the most competitive and the most productive service organization in the world.

Our core competences in testing, inspection, verification and certification are being continuously improved to be best-in-class. They are at the heart of what we are.

Our chosen markets will be solely determined by our ability to be the most competitive and to consistently deliver unequalled service to our customers, both locally and trans-nationally.



**9'500 employees
in North & Latin
America**

**18'000 employees
in Europe,
Middle East
& Africa**

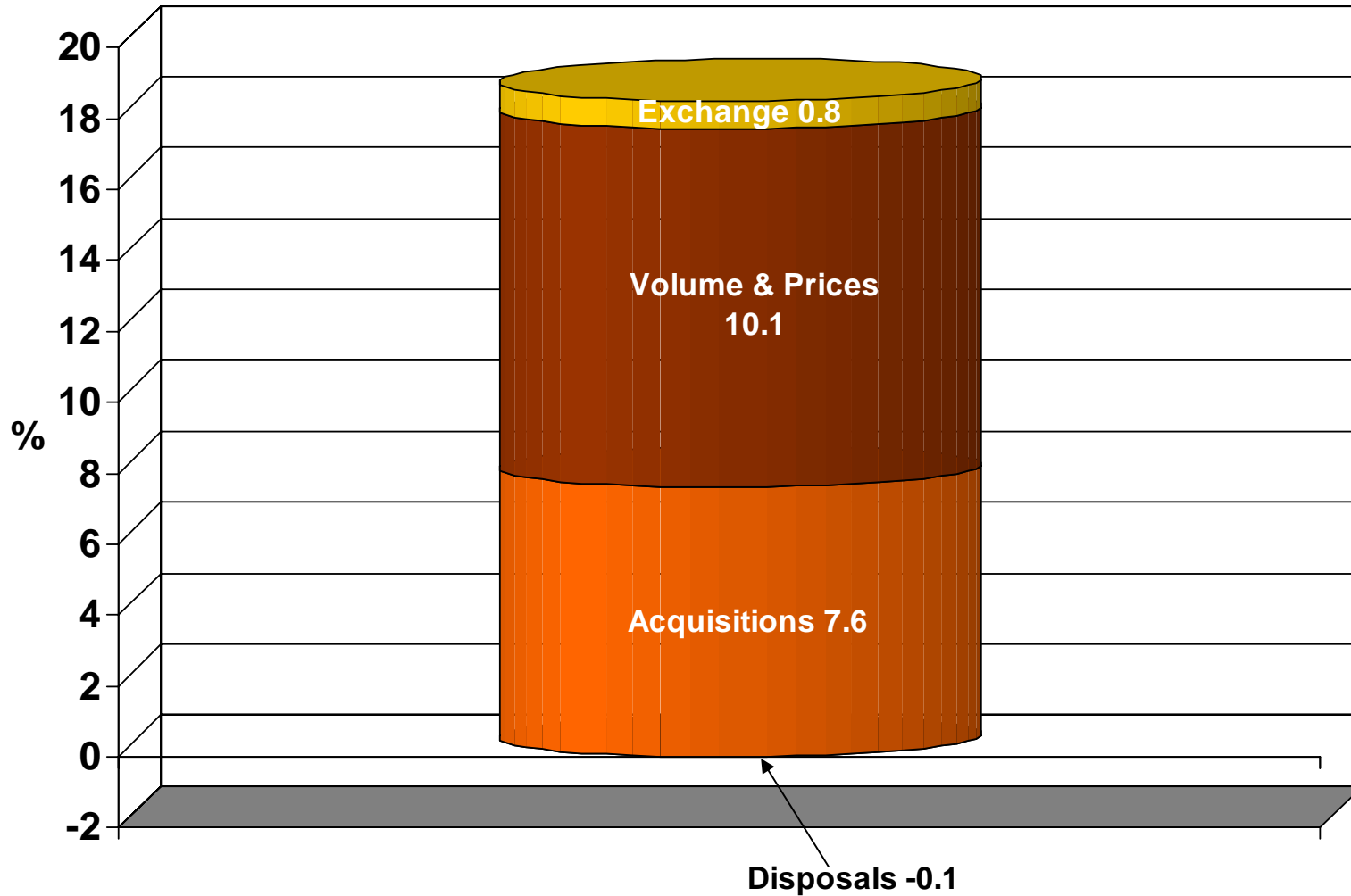
**9'500 employees
in Asia/Pacific**

With 37'000 employees, SGS operates a network of almost 1000 offices and laboratories around the world.

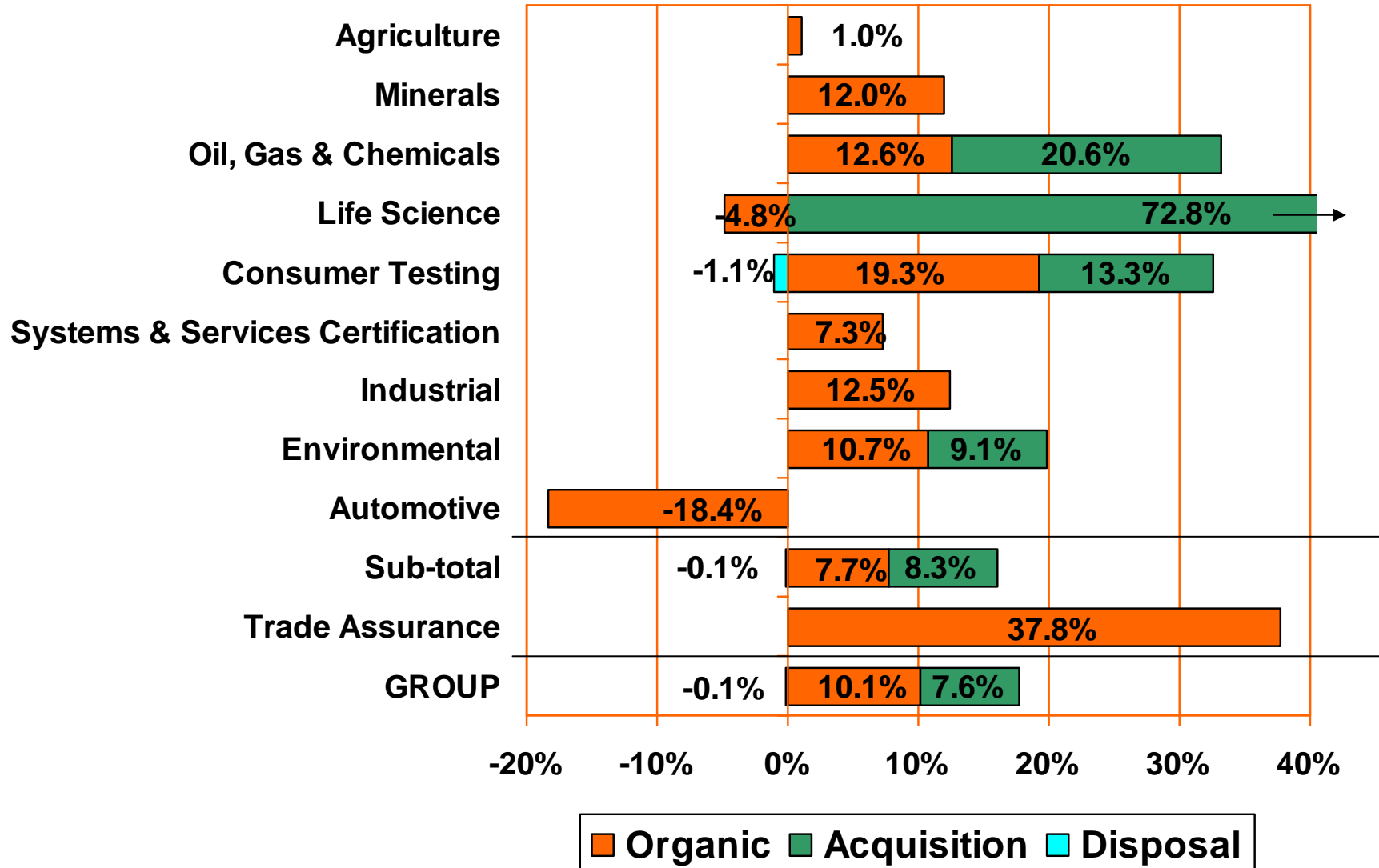
CHF million	2002	2003	Change YoY
Revenue - historical rates	2'392	2'454	2.6%
- constant rates	2'291	2'454	7.1%
EBITDA	311	396	27%
<i>EBITDA Margin</i>	13.0%	16.1%	
Operating Income Group	216	300	39%
<i>Operating Margin Group</i>	9.0%	12.2%	
Net Income before exceptionals	159	224	41%
Exceptionals after tax	-50	3	
Net income after exceptionals	109	227	108%
CHF Earnings / Share bef. exceptionals	20.46	29.24	43%
CHF Earnings / Share aft. exceptionals	14.02	29.63	111%
Period end no. of employees (incl acquisitions)	32'008	33'006	3.1%

CHF million	H1 2003	H1 2004	Change YoY
Revenue - historical rates	1'174	1'390	18.4%
- constant rates	1'181	1'390	17.7%
EBITDA	184	234	27%
<i>EBITDA Margin</i>	15.7%	16.8%	
Operating Income Group	137	181	32%
<i>Operating Margin Group</i>	11.7%	13.0%	
Net Income before exceptionals	100	128	28%
Exceptionals after tax	0	0	
Net income after exceptionals	100	128	28%
CHF Earnings / Share	13.06	16.77	28%
Period end no. of employees (incl acquisitions)	32'347	36'982	14.3%

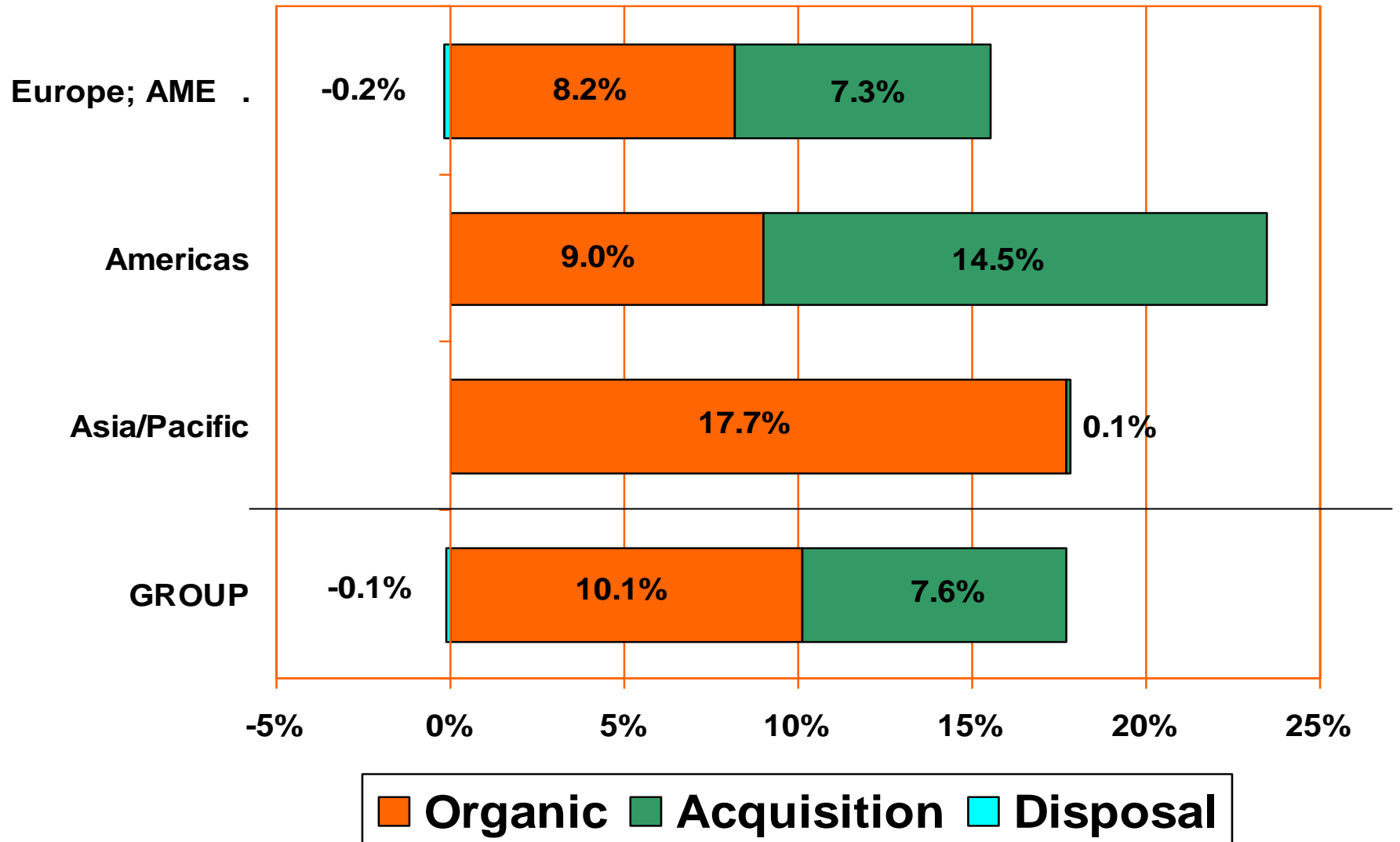
REVENUE GROWTH COMPOSITION H1 2004



LOCAL CURRENCY GROWTH BY BUSINESS H1 2004



LOCAL CURRENCY GROWTH BY AREA H1 2004

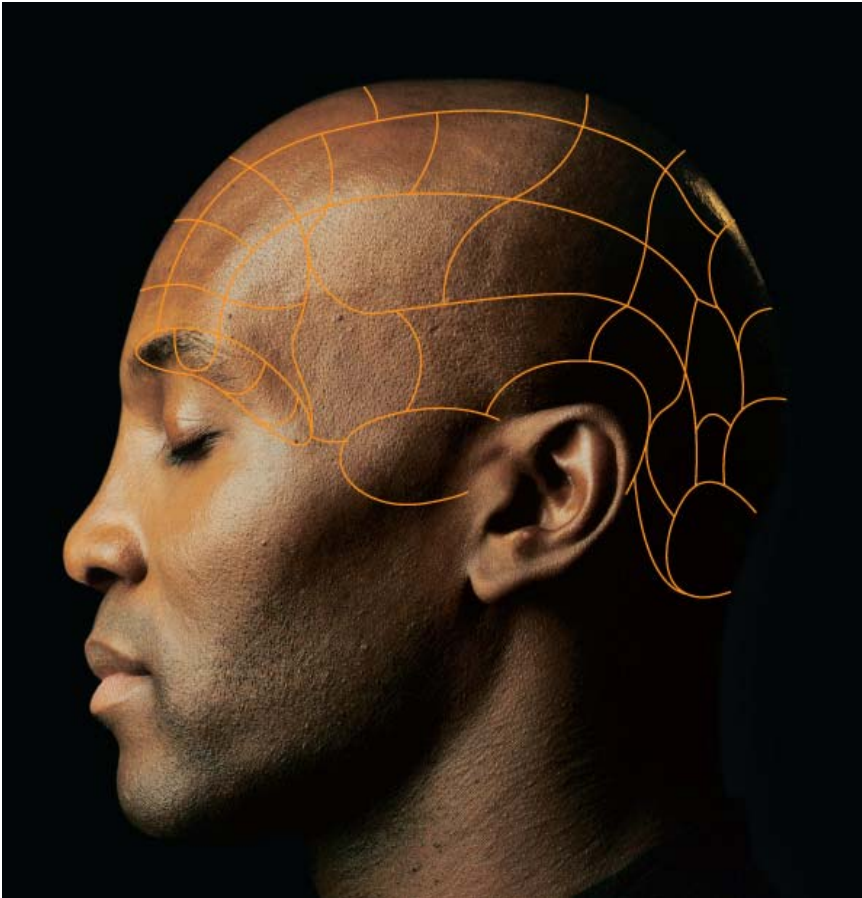


COMPETITIVE ADVANTAGES

- Our range of geographical network
- The cross selling of the various businesses
- The skill and leadership of our people
- The depth of our expertise
- The quality of our laboratories
- Our Brand
- Our independence
- Our culture of integrity
and our performance ethics

OUR CODE OF PROFESSIONAL CONDUCT

"Integrity is at the core of the business of the SGS Group, it is the common thread through all our activities".



SGS people lead change by

- Being competitive and profit driven
- Challenging the status quo
- Having a compulsion to reinvent competitive advantage
- Having the energy to deliver
- Delivering as a way of life
- Keeping things simple
- Acting quickly and decisively

SGS leaders lead by

- Coaching people beyond what they believe possible and giving them the freedom to act
- Ensuring freedom of information
- Holding themselves and others accountable
- Demanding, sharing and recognising success
- Generating optimism through a customer focused vision
- Making tough calls
- Building only the best teams
- Treating people with dignity and fairness

- EVA based metric adopted by SGS Group in 2004
 - Improve capital efficiency:
 - Allocation of capital (capital budgeting, acquisitions, etc..)
 - Evaluation of capital usage
- Performance metric has been tied to management incentive system
- Training of group operations management and finance is being conducted throughout the group
- CerTIVVA™ has been incorporated into the monthly Group financial reporting

Johan Allegaert (a.i.)
Chief Executive Officer

Chief Operating Officers

Fernando Basabe
 Western Europe

Abdelkrim Belhia
 Eastern Europe

Agnes Berki
 South Eastern Europe

Dirk Hellemans
 Central & North West Europe

Gerald Houet-Dutrige
 Africa & Middle East

Alim Saidov
 North America

Alejandro Gomez de la Torre
 South America

Christian Jilch
 South Eastern Asia & Pacific

Dennis Yang
 Eastern Asia

Helmut Chik
 China & Hong Kong

Senior Vice Presidents

Richard Tobin
 Chief Financial Officer & IT

Jean-Luc de Buman
 Corporate Communications & IR

Hugh Markey
 Corporate Development

Jean-Pierre Mean
 Legal & Compliance

Executive Vice Presidents

Francis Lacroze
 Agricultural Services

Christopher Kirk (a.i.)
 Oil, Gas & Chemicals Services

Christopher Kirk
 Minerals Services

Frankie NG
 Consumer Testing Services

Fritz Hecker
 Industrial Services

Fred Herren
 Automotive Services

Helge Bastian
 Life Sciences Services

Rolf Jeker
 Trade Assurance Services

Jeffrey McDonald
 Systems & Services Certification

Christopher Kirk
 Environmental Services

AGRICULTURAL SERVICES

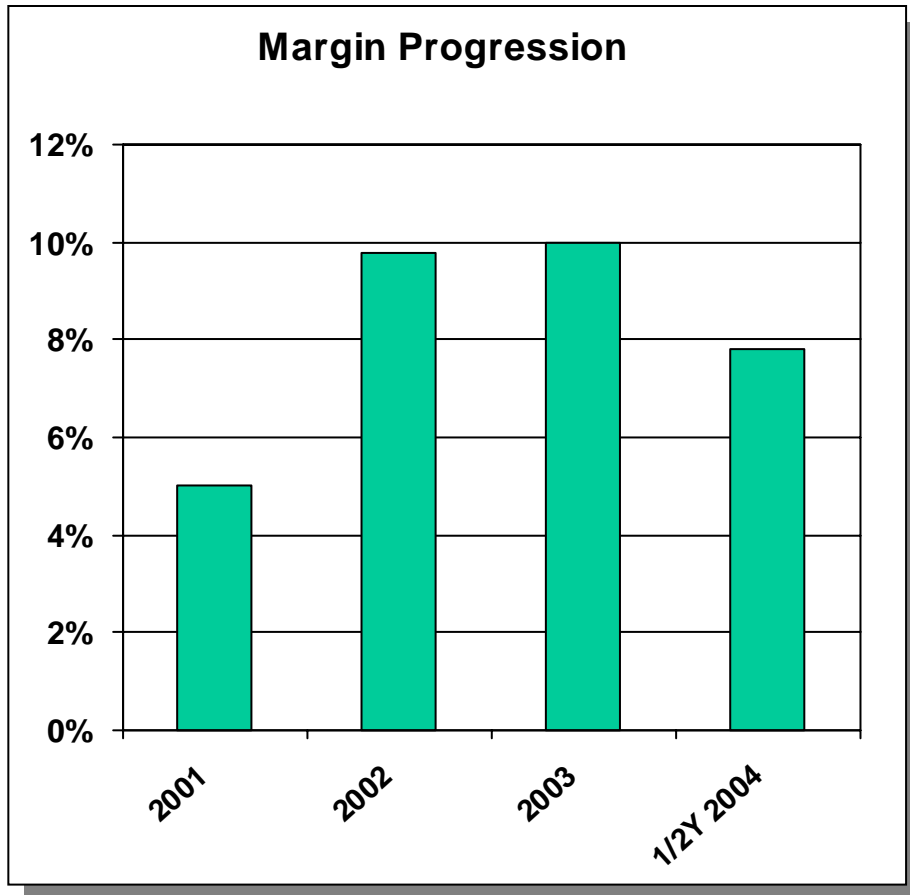
"You can't be a farmer and not be a businessman these days. Just as in nature, balance is everything".



Agricultural Services inspects millions of tons of commodities shipped world-wide each year. SGS Agricultural inspectors are engaged in increasingly diverse tasks, including: weighing and quality. Over 100 specialised laboratories are located in the key agricultural economies world-wide.

CHF million	2002	2003	First Half 2004
Sales	250.4	241.8	124.3
Change in %		-3.4%	
Change due to			
<i>Volumes & Prices</i>		0.0	1.2
<i>Currency Translation</i>		(8.6)	1.1
<i>Acquisitions/(Disposal)</i>		0.0	0.0
Op. Income	24.6	24.3	9.7
<i>Margin</i>	9.8%	10.0%	7.8%

- Business impacted by last year's low crop yield.
- Crop estimates quite encouraging for the new season.
- Asian growth in revenues and profits driven by cotton and guarantee services.
- Americas revenue growth continues
 - new contract in Peru for fishery discharge control
 - over 35% growth in USA
- Business strategy under review
 - leadership change
 - designed to decrease reliance on trade related services and balance geographic coverage



■ Outlook

- Continuing efforts in expansion of services
 - Guaranteed Business Solutions (Quantity and Quality)
 - Collateral management
 - Fumigation
 - Inland Grading
- e-documents platform will strengthen choice of SGS by financial institutions
- NAFTA region targeted for significant growth in 2004 and 2005

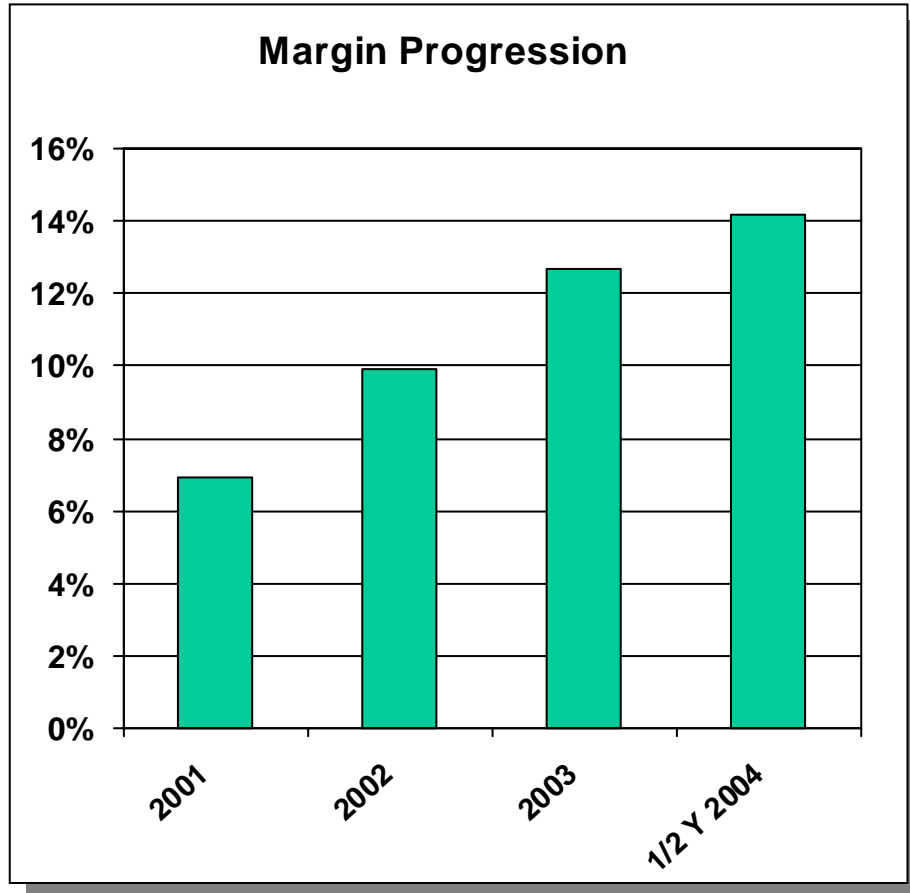
"There's so much more to mining than just getting rock out of the ground".



Minerals Services is the market leader, delivering a broad spectrum of services to clients concerned with value chains in association with coal and coke, fertilisers, non-ferrous and precious metals and steelmaking raw materials. Its expertise, extensive laboratory network and comprehensive sampling procedures meet the globalised service requirements of clients engaged in exploration, mineral and coal processing, power generation, risk management and seaborne trade in bulk commodities. Minerals Services develops strategic partnerships with clients in order to enhance performance.

CHF million	2002	2003	First Half 2004
Sales	268.4	279.9	150.7
Change in %		4.3%	
Change due to			
<i>Volumes & Prices</i>		13.0	16.1
<i>Currency Translation</i>		(15.1)	2.1
<i>Acquisitions/(Disposal)</i>		13.6	0.0
Op. Income	26.7	35.5	21.4
<i>Margin</i>	9.9%	12.7%	14.2%

- Buoyant prices and strong demand for minerals.
- Mine-site outsourcing services grew rapidly with the addition of a further 5 on-site laboratories.
- India and Russia continued to deliver strong and profitable growth.
- South America delivered excellent results with high growth driven by both trade and mine-site services
- Lakefield acquisition now capable of full integration (earn-out arrangement settled)



■ Outlook

- Precious metals, especially gold, to drive Geochem laboratories utilization
- Continued efficiency gains from lab automation and service delivery standardization
- Coal market remains buoyant with however some reduction in Chinese coal and coke exports due to export licensing
- Steel markets are stable with continued good prices
- Fertilizers and non-ferrous businesses continue to grow apace

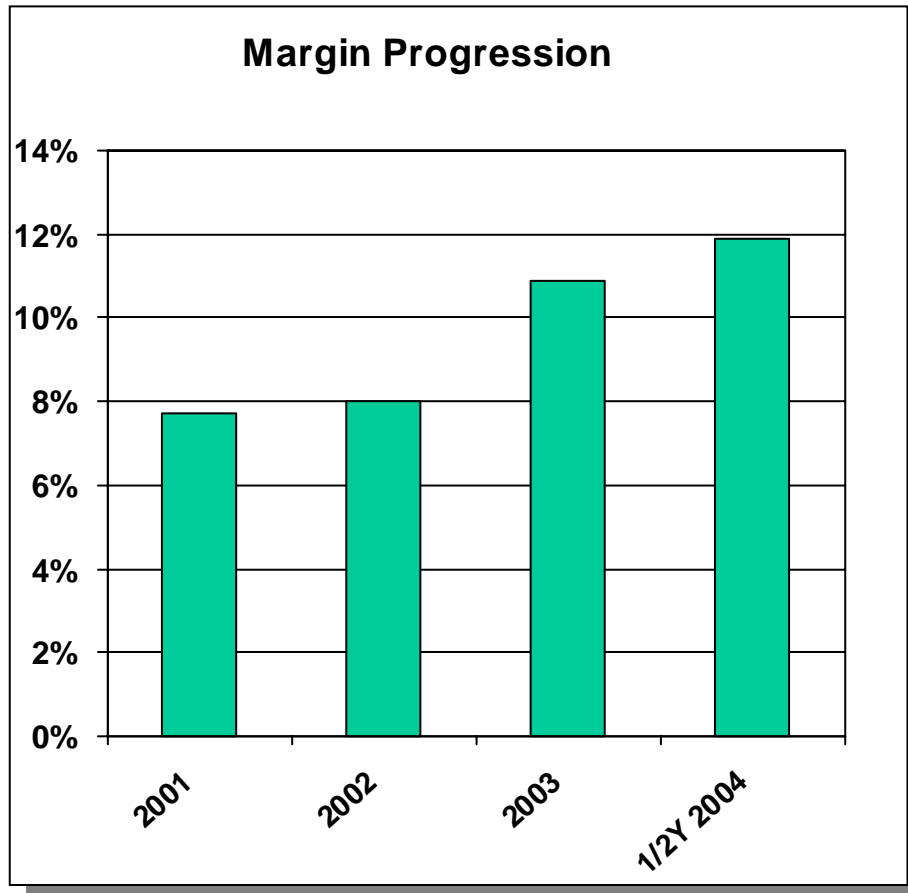
"We may live in a digital age where technology is the future, but the fuel that drives the world economy is still oil".



Oil, Gas & Chemicals Services is the leading global provider of trade inspection and testing services, quality assurance, risk management and technical support services to the petroleum and chemical industries. Areas of expertise include: quantity and quality control during statutory transfer; laboratory testing; automatic sampling; static and dynamic calibration; gas technical services for the conditioning and purging of gas carriers; lubricant predictive maintenance testing; packing and forwarding of samples; tank and container inspection services; offshore support services and logistics; together with contract laboratory and terminal manning and management.

CHF million	2002	2003	First Half 2004
Sales	398.7	439.1	282.5
Change in %		10.1%	
Change due to			
<i>Volumes & Prices</i>		62.8	26.7
<i>Currency Translation</i>		(25.2)	0.0
<i>Acquisitions/(Disposal)</i>		2.8	43.8
Op. Income	32.0	47.9	33.7
<i>Margin</i>	8.0%	10.9%	11.9%

- Gains in market share and new outsourcing contracts together with geographic expansion have driven growth
- Petroleum Service Corporation and Vernolab acquisitions completed - extending the range of downstream services.
- Value added products (e.g. cargo treatment) also contributed to revenue growth



■ Outlook

- New petrochemical capacity in Mid East and Asia will drive volumes.
- Russia and Caspian export growth will continue, with key marketing efforts underway in Eastern Europe
- Expansion of service portfolio in South America into gas station monitoring.



ENVIRONMENTAL SERVICES

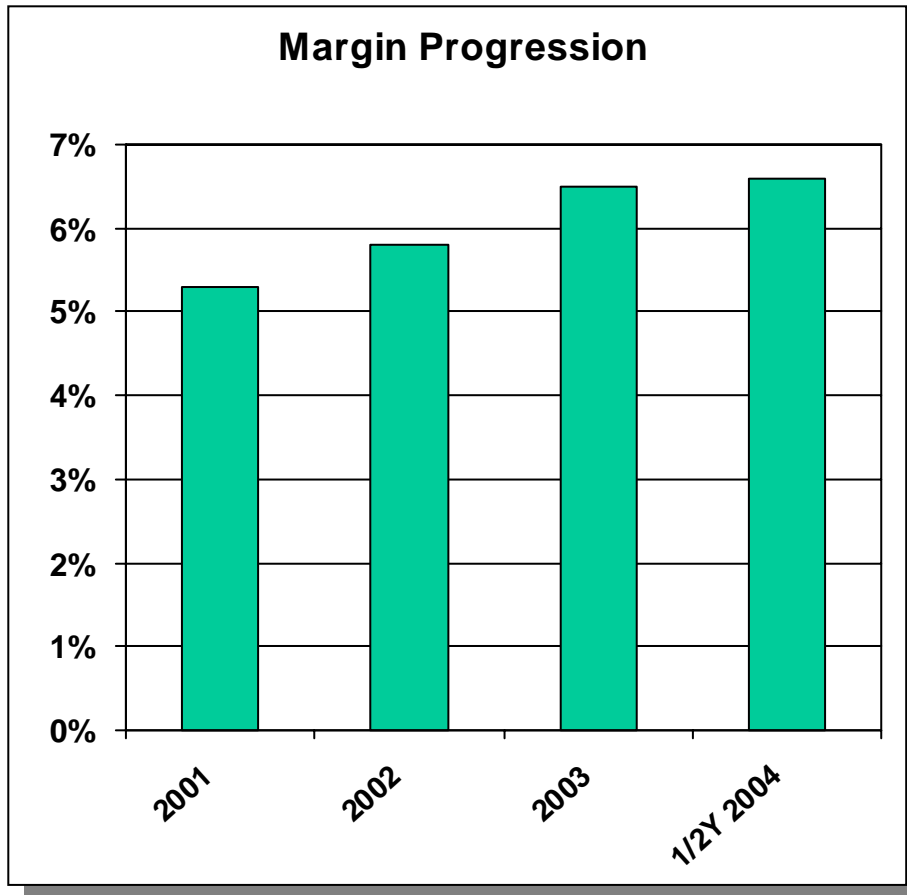
"Better for the planet and better for the business".



Trust, liability reduction & client satisfaction are the cornerstones to delivering competent, independent assessment and management of our customers' environmental issues.

CHF million	2002	2003	First Half 2004
Sales	162.6	172.0	97.3
Change in %	5.8%		
Change due to			
<i>Volumes & Prices</i>		10.0	8.8
<i>Currency Translation</i>		(2.3)	2.6
<i>Acquisitions/(Disposal)</i>		1.7	7.4
Op. Income	9.5	11.2	6.4
Margin	5.8%	6.5%	6.6%

- Organic revenue growth driven by Southern Europe and Asia.
- The acquisition of Institut Fresenius in March has provided SGS with a platform to enter the high volume European soil and water testing market
- Introduction of 6-sigma project in the Benelux lab is improving operational efficiencies.
- US has been re-structured for profitable growth



■ Outlook

- Plans in place for USA (refocus), new leadership in Germany and completion of lab restructuring in Benelux should correct profit issues.
- Strong pipeline of lab outsourcing and new products continues to be developed in Europe, North America and Australasia.
- Focus
 - indoor environmental quality product
 - improved efficiency in key operations

CONSUMER TESTING SERVICES

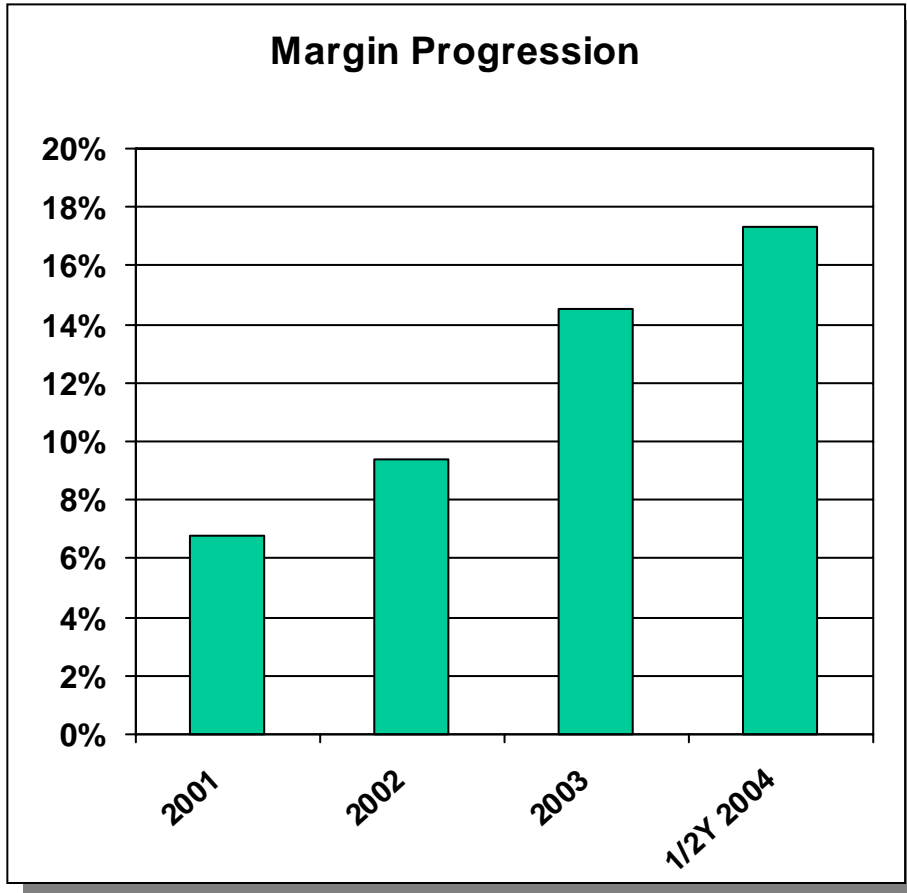
"When it comes to food and nutrition, we all need to know what we are buying. After all we are what we eat".



Consumer Testing Services has particular expertise in laboratory testing, product constancy, process assessment and statistical product verification for manufacturers, importers, exporters and retailers of consumer products. These services are available on a global basis for most goods, including textiles, toys, footwear, electric and electronic goods and mechanical equipment. In various countries, Consumer Services cover the entire food production chain from primary production through food processing, transportation and distribution networks for the final consumer.

CHF million	2002	2003	First Half 2004
Sales	268.4	272.3	165.6
Change in %		1.5%	
Change due to			
<i>Volumes & Prices</i>		33.6	24.1
<i>Currency Translation</i>		(13.1)	(0.3)
<i>Acquisitions/(Disposal)</i>		(16.6)	15.4
Op. Income	25.1	39.4	28.6
Margin	9.4%	14.5%	17.3%

- Investment in labs completed in Asia, the Mediterranean and the Americas
- Testing continues to be key driver of growth (~70% of revenues)
- Strong growth continues through geographic expansion and market share gains
- Marketing efforts continuing strong in Europe and US
- Institut Fresenius acquisition has given SGS a strong position in German market
 - growing automotive involvement
 - good foothold in high-end food testing
- Smooth leadership transition



■ Outlook

- Emphasis is on hard, soft lines and E&E
- aggressive sales efforts in the USA and key countries in Europe and Asia under Business management (not local)
- E&E
 - heavy investment in lab infrastructure in Far East to continue
 - significant volume growth expected out of high end electronics and communications
- Food
 - re-focus of business on supplier audits and food chain custody

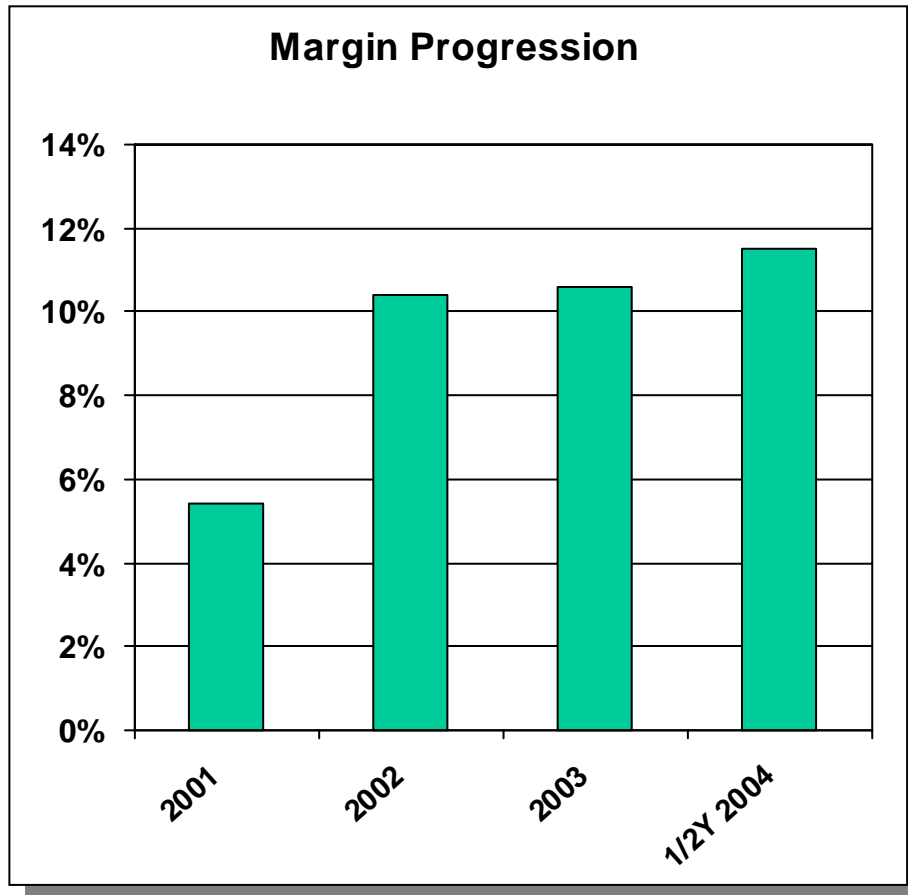
"When you are dealing with virtually every country, time zone and industry, trust is our most valuable commodity".



Industrial Services covers all types of services related to quality in industry provided through the world-wide SGS network. Clients rely on such applications as quality inspection, expediting, testing, project management, risk management, vendor pre-qualification surveys, design reviews, commissioning, statutory certification, quality assurance services, consultancy etc. These services are applied to engineering, procurement and construction projects, related to new construction, upgrading and maintenance activities.

CHF million	2002	2003	First Half 2004
Sales	320.6	330.1	182.3
Change in %		3.0%	
Change due to			
<i>Volumes & Prices</i>		11.0	20.2
<i>Currency Translation</i>		(3.9)	3.4
<i>Acquisitions/(Disposal)</i>		2.4	0.0
Op. Income	33.5	34.9	21.0
Margin	10.4%	10.6%	11.5%

- Statutory business has again grown significantly, particularly in Spain and the Benelux. The non-destructive testing business is doing well.
- The Chinese construction laboratory has received local accreditation, the first international laboratory to do so.
- The Taiwan materials testing laboratory continues to perform well.
- Import certification schemes (e.g. Russian GOST) continue to deliver profitable growth



■ Outlook

- Most difficult strategic area for group
- Push of services into Oil, Gas and Petrochemical and Power sectors
 - focus on areas with large investments in complexes and offshore
- Leverage network presence
 - project support combining inspection, testing, technical staffing and assessment (standard compliance, vendor surveillance and audit)
- Statutory Inspection and Certification
 - Emphasis on efficiency
 - focus on gas and construction
- Expansion in China
 - Port / shipbuilding yards

SYSTEMS & SERVICES CERTIFICATION

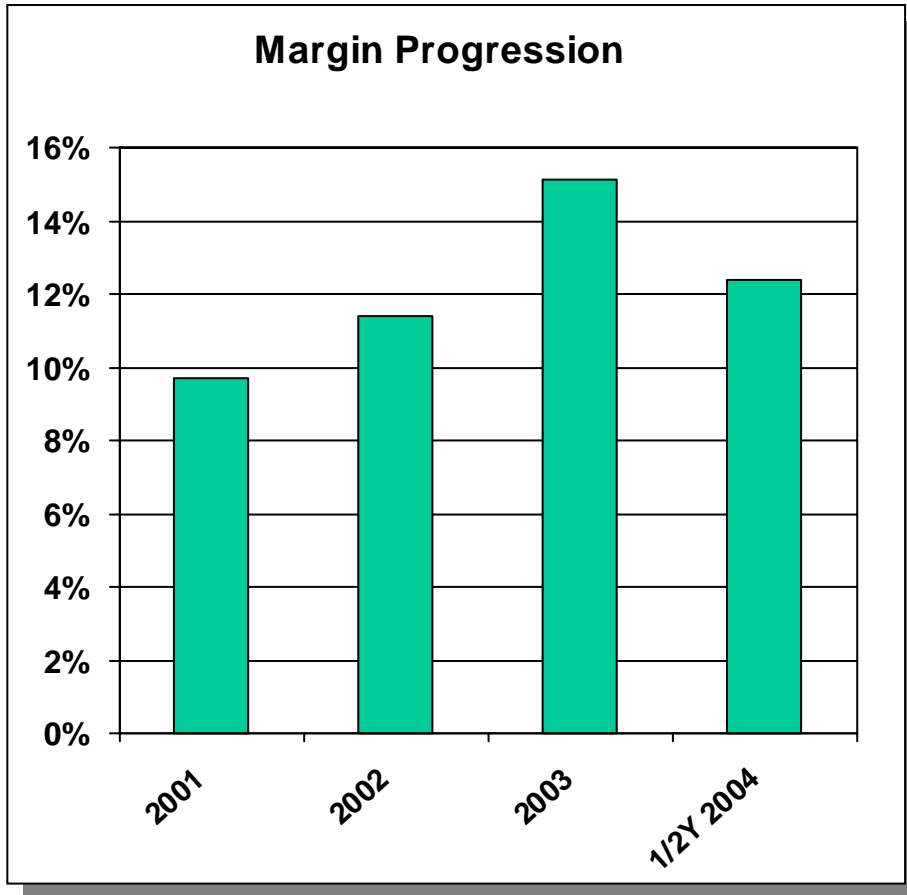
"Today the quality of services is important to customers, suppliers and stakeholders. Showing a commitment to quality is the first vital step".



Systems & Services Certification Services is the leading participant in the global quality management systems certification market. Activity is spread over 70 countries and ISO 9000 accreditation is offered in nearly 30 countries. Services embrace a wide range of management systems, auditing competencies and related training. They include ISO 14001 (environmental management), QS 9000/TS 16494 (automotive industry), OHSAS 18000 (occupational health and safety), CE Marking, PM 9000 (public sector management), SA 8000 (social accountability), SQF 2000/HACCP (food safety), and sustainability evaluations.

CHF million	2002	2003	First Half 2004
Sales	212.7	229.7	114.2
Change in %	8.0%		
Change due to			
<i>Volumes & Prices</i>		28.2	7.8
<i>Currency Translation</i>		(11.2)	1.0
<i>Acquisitions/(Disposal)</i>		0.0	0.0
Op. Income	24.2	34.7	14.2
Margin	11.4%	15.1%	12.4%

- Significant revenue and profit growth particularly in Southern Europe and South America.
- Start-up costs of new products impacted margins
- End of transition of ISO9000 to the 2000 version has resulted in a drop of renewal revenue in this product line.
- Global contracts have been won for integrated certification audits within the beverage, energy, chemical and skin care industries.
- Six Sigma project to increase auditors' productivity has been rolled out in 20 countries.



■ Outlook

- Growth in integrated audits (quality, environment, safety) expected for key accounts in Europe and North America
- Automotive sector certification
 - new global standard introduced
 - Global training effort of auditors underway
- Increasing demand for supplier assessments
- Product differentiation strategy for price-competitive ISO 9000 standard launched and to be fully implemented in 2004
- Productivity push on auditor utilization

"In the pharmaceutical industry, innovation is a long, costly and risky process, but one that can yield magnificent results for patients."

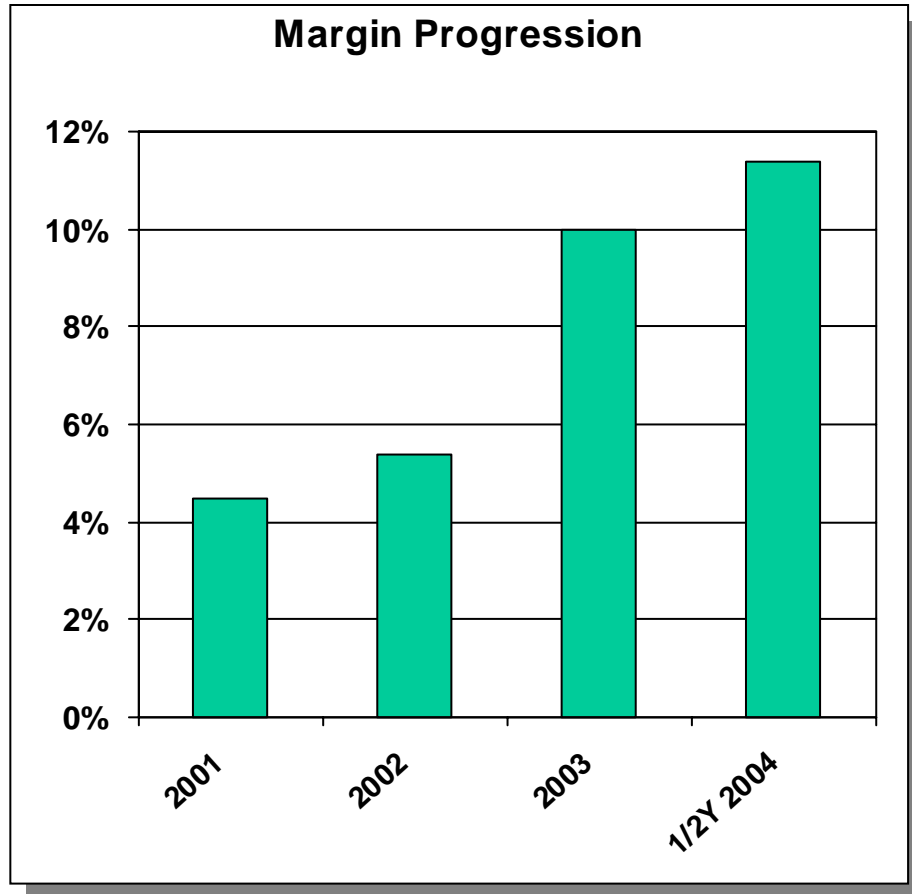


The Life Science Services respond to various needs of the pharmaceutical and the biotechnology industry. In the R&D step of the value chain, contract research (toxicology, stability testing, clinical trials and derivate services such as bioanalysis, data management and clinical supplies) ascertains the efficacy and safety of the product. In the production phase of pharmaceuticals, the quality of raw materials, finished products and excipients is safeguarded through testing in the state-of-the-art labs. Via our strategically located sites, we cover the most important pharma markets: Northern America and Europe.

CHF million	2002	2003	First Half 2004
Sales	61.6	59.1	50.9
Change in %		-4.1%	
Change due to			
<i>Volumes & Prices</i>		(2.8)	(1.4)
<i>Currency Translation</i>		0.3	0.7
<i>Acquisitions/(Disposal)</i>		0.0	22.0
Op. Income	3.3	5.9	5.8
Margin	5.4%	10.0%	11.4%

- Quality control testing off to a weak start but recovering
 - Instuit Fresenius acquisition crucial to development
 - activities now of sufficient scale in Europe

- Clinical Research business is performing well.
 - Medisearch acquisition provided a platform for reverse integration
 - US presence established



■ Outlook

- Business size under critical in its present shape
- Acquisition of Medisearch first step in implementation of strategy
- Strategic growth options and initiatives evaluated and will be outlined separately

"A car is a valuable asset and you will want to make sure it is in good condition".



Focusing on the design, construction and operation of motor vehicle inspection solutions throughout the world. These are provided to governments, manufacturers, distributors/car dealers, financial institutions as well as insurance companies on four continents.

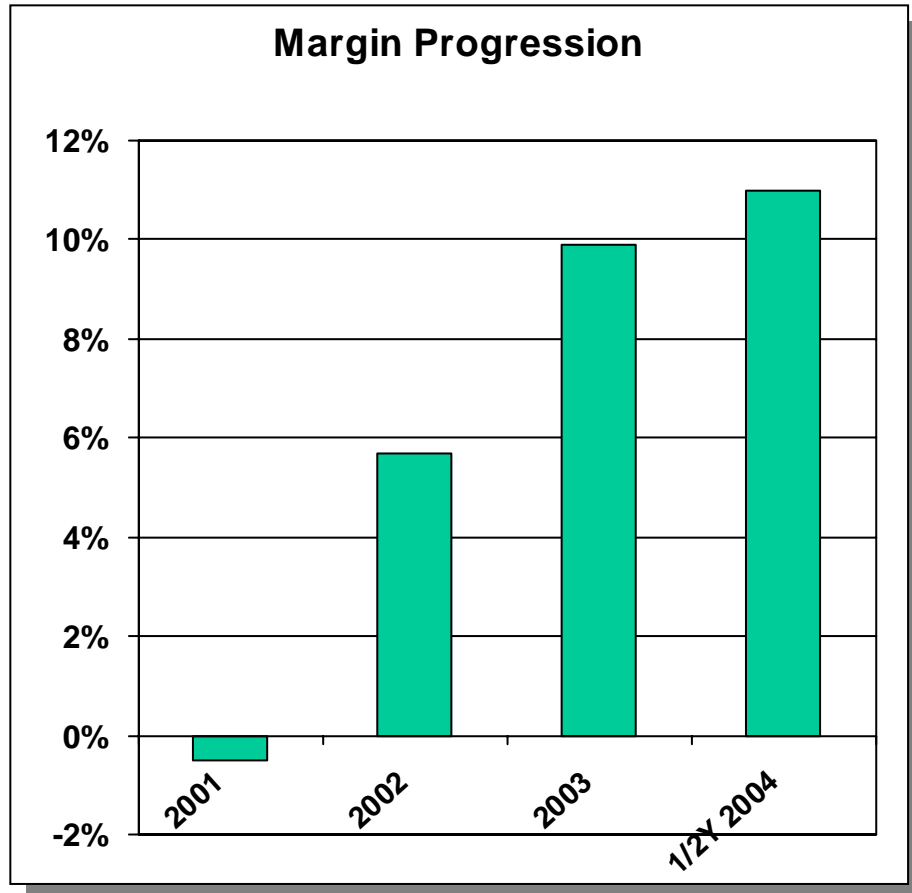
Statutory Vehicle Inspection involves checking at regular intervals the general condition and/or emission of vehicles in accordance to the legislation in force.

Motor vehicle manufacturers and distributors, marine insurance companies and ocean carriers use SGS as an independent partner to inspect conditions of vehicles during their lengthy distribution cycles.

Leasing or finance companies as well as individuals request SGS condition reports to accelerate the sale process while improving the level of comfort regarding the actual condition of the used car.

CHF million	2002	2003	First Half 2004
Sales	238.9	211.0	89.0
Change in %	-11.7%		
Change due to			
<i>Volumes & Prices</i>		(7.9)	(20.0)
<i>Currency Translation</i>		(20.0)	(2.9)
<i>Acquisitions/(Disposal)</i>		0.0	0.0
Op. Income	13.7	20.8	9.8
Margin	5.7%	9.9%	11.0%

- North American off lease and auctions markets remain depressed.
 - Cost reduction measures have been taken along with a diversification of the range of services.
- SGS has been selected by State of California for the data management (live in 2005).
- In Europe a significant contract for off lease inspections across the region starts July.
- Statutory vehicle inspection is performing well with new concession wins
 - Chile – starting in 2005



■ Outlook

- Contract won for emission testing data management for Upstate New York, operational from late 2004 with revenues of CHF 70 million over 7 years
- Contract awarded for the state of Virginia (CHF 2 million over 3 years)
- Short listed for state of California
- Contract with e-Bay to provide vehicle inspection for on-line auctions
- New EVP in place to drive growth
 - Aggressively pursuing vehicle inspection opportunities as various governments deregulate the market
 - Transfer of NA know-how (new car and off lease inspections) to Europe and Far East

TRADE ASSURANCE SERVICES

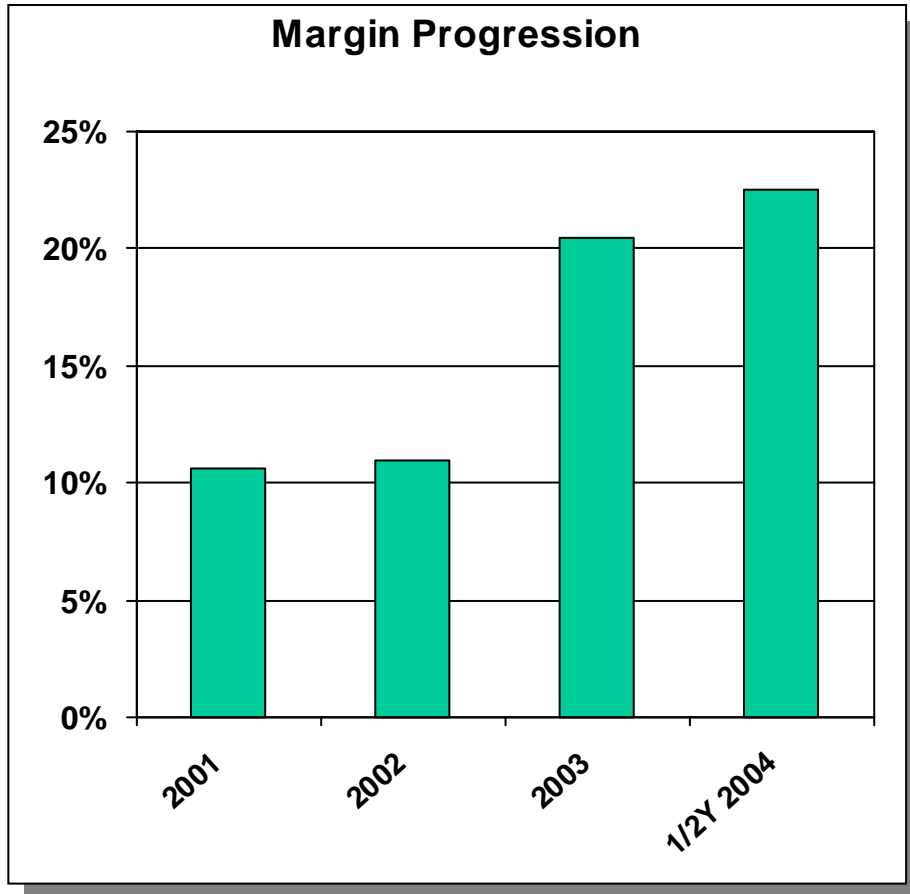
"The globalisation of trade presents many challenges but also many opportunities".



Responding proactively to a changing global business environment, Trade Assurance Services has developed comprehensive solutions and programmes to protect government revenues and facilitate trade. Services include import verification, valuation support, origin validation, risk management, single-window pre-export verification and certification, electronic trading community networks and export promotion. Trade Assurance is also expanding independent monitoring services in areas such as foreign direct investment and natural resources.

CHF million	2002	2003	First Half 2004
Sales	209.7	219.5	133.0
Change in %	4.7%		
Change due to			
<i>Volumes & Prices</i>		11.5	36.5
<i>Currency Translation</i>		(1.7)	(0.2)
<i>Acquisitions/(Disposal)</i>		0.0	0.0
Op. Income	23.0	45.1	29.9
Margin	11.0%	20.5%	22.5%

- Several new commodity sector programs have started in Indonesia.
- PSI contracts in Cameroon, Mauritania and Burundi were renewed.
- Peru, Burkina Faso and Ethiopia PSI programs ended during H1 2004.
- Non-PSI revenues grew with a full semester of TradeNet operations in Ghana, ValueNet in Mexico, and the start of emission verification in preparation for the European Union Emission Trading Scheme



■ Outlook

- Opportunities exist for new PSI contracts (commodity specific)
- Vigorous marketing for new services:
 - ValuNet
 - Forestry
- Efforts continue in collections but timing unknown

MOST RECENT ACQUISITIONS



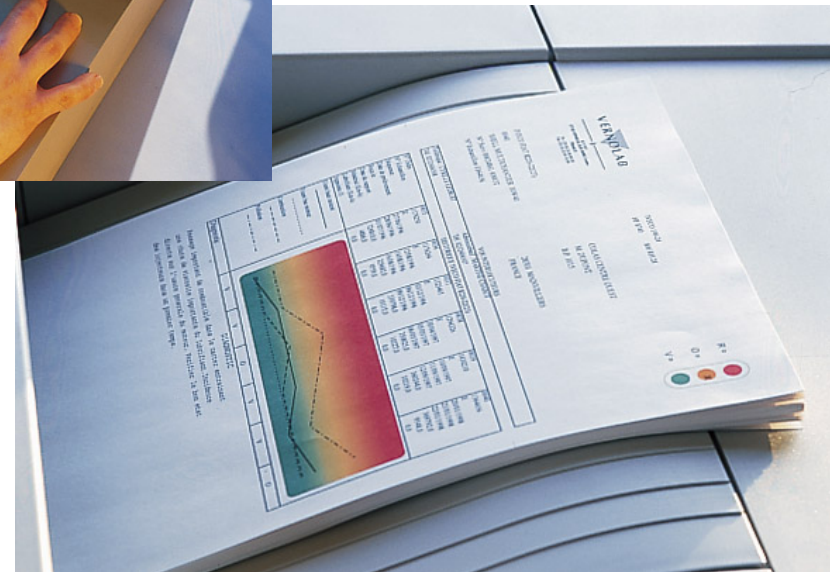
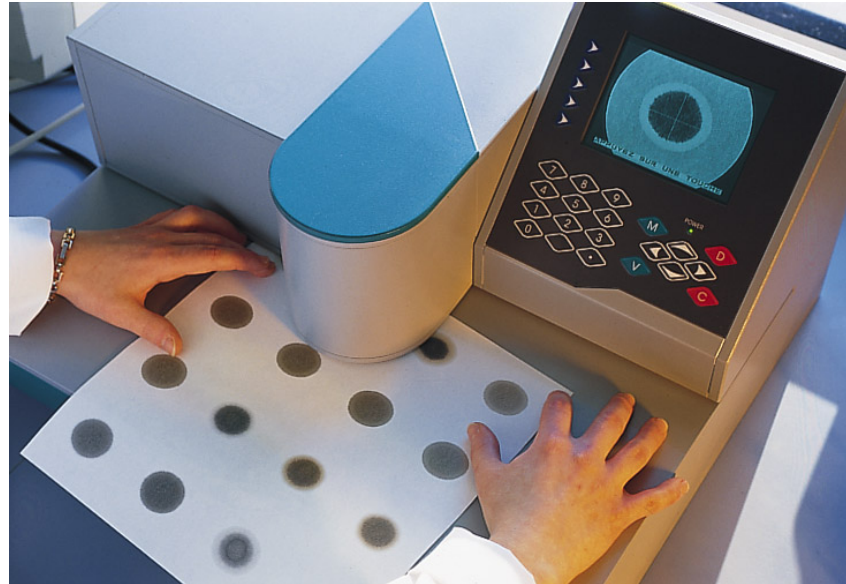
- Full service clinical research organisation
- Revenues 03: Euro 17.8 mio
- 200 employees
- 3 locations in Belgium, Spain and USA





- Laboratory service provider
- Leader in environmental, chemical, Pharmaceutical (QA -QC), microelectronic, mineral water testing
- Revenues 03: Euro 47 mio
- 570 employees
- 19 locations in Germany





- International analytical services specialist
- Used lubes oil analysis
- Car engines' diagnosis unit
- Revenues 03: Euro 8 mio
- 90 employees
- 2 locations in France and 1 in the UK



- North American leader in outsourcing services for the refining, chemical and marine transportation industries
- Revenues in excess of US\$ 50 mio
- 800 employees in 20 locations
- Logical extension of SGS' services to its oil, chemical, mineral businesses

- Largest Statutory vehicle inspection network in France
- 200 employees
- Revenues were in excess of € 15mio.
- Reinforcement of SGS' position in the European statutory vehicle inspection market



OUTLOOK

- Significant improvement over 2003 net income level expected
- Commitment to the 2005 target of CHF 45 eps confirmed
- Acquisition activity on-going