



**Annual General Meeting
Geneva – 22 March, 2010**

Speech by Mr. Chris Kirk, Chief Executive Officer

Thank you, Mr Chairman and thank you and the Board for your continued support.

Ladies and Gentlemen, Dear Shareholders, good afternoon.

I am very pleased to report another good year for SGS despite the challenging and volatile economic environment. It would not have been possible without the dedication of the Operations Council and the dynamism of our 59'000 employees around the world. I would like to thank them all for their hard work, drive and enthusiasm to make this happen.

Your Group reported revenue growth of 2.5% in constant currencies to 4.7 billion Swiss Francs.

Our operating income, before exceptionals, showed a solid increase of 50 basis points to a new record operating margin of 17.3%.

After exceptionals, net profit attributable to you, dear shareholders, amounts to 566 million.

Roughly, we added 1'300 new colleagues through organic growth and 200 through acquisition.

8 of our ten businesses were able to grow despite the very tough trade environment.

Agri showed solid revenue growth with excellent crop conditions and improved inland service packages driving profitability.

Minerals showed a decline of 10.4% as very difficult trading conditions persisted across the sector. The extremely low level of exploration activity impacted profitability but restructuring measures taken early in the year allowed us to minimize the downside actually improving profitability in the second half.

Oil and Gas had a good year but as you know the Chemical industry was especially weak last year.

We invested CHF 52 million to support our push into oil production testing services, metering and well engineering. You may have read that we entered into a Joint Cooperation Agreement with Halliburton to complement their suite of solutions for acquiring fluid samples, with our full range of fluid analysis services. It is our clear ambition to become a major player in the upstream exploration and production market.

Life Science Services showed growth of 3.3%, mainly driven by increased capacity utilisation and widening of service scope in Germany, Canada, Singapore and India.

Consumer Testing Services grew strongly at 11.1% on the back of CPSIA related testing in the first half and an overall increase in consumer safety regulation. Operating margin climbed to 25.3% a new, all time record.

Systems & Services Certification broke for the first time the threshold of 20% margin as the result of ongoing efforts in productivity enhancements and back-office automation. Growth of 4.8% was achieved across the entire network.

Industrial Services recorded a 6.4% growth of which more than 4% came out of the acquisition of PiD in Brazil. Thanks to tight cost control measures taken in the very weak Spanish market, we managed to slow the margin decline to only 40 basis points.

Environmental Services showed 2% growth for the year and, more importantly, completed several laboratory expansion projects particularly in Australia

In 2008 we had the one-time benefit of driver testing in Ireland which did not recur last year which was a difficult one for both commercial and fleet automotive services. And as you read in our Press release in January, we lost our Vehicle Inspection Contract in Ireland.

Last but not least, Governments & Institutions Services had a very solid year winning several interesting contracts especially in Ghana and Mozambique.

We completed 2 acquisitions in 2009.

The first, UPM is a Czech company engaged in the testing of fuels, lubricants and operating fluids and the performance of functional tests on combustion engines

The second was EKO-PROJEKT Ltd. a leading provider of environmental testing in Poland.

With this acquisition, our Environmental Services business has become the leader in commercial environmental testing in Poland.

In January this year we acquired the Intron Group in the Netherlands
The group provides inspection, testing, certification, consulting as well as project management services to the building materials industry.
It provides us with a solid footing in the building materials industry and like EKO-PROJEKT, it will further strengthen our presence in the EU.

In February we acquired Verilab in Chile. Verilab performs exploration and grade control analysis using fire assay, wet chemistry and instrumental techniques. This acquisition adds geochemical and analytical services to our existing metallurgical and trade related services in Northern Chile.

Dear Shareholders, last year I outlined some measures we were taking to prepare the Company for what was going to be a difficult year. Having been used to rapid growth and expansion, the Team was faced with restructuring, downsizing, reduced expenditure and headcount reduction. In this environment we were able to flex our operating model rapidly and effectively even growing our margin in the second half.

These measures along with our Continuous Improvement programme will remain in force. Not only because the crisis is not yet over but also because these measures remain at the core of what we are.

At this point I would like to thank Rich Tobin our CFO for the last five years for his support, guidance and unflinching hard work. Rich we all wish you good fortune in your new role at CNH and I am sure all of your friends and colleagues at SGS will stay regularly in touch.

Ladies and Gentlemen, you will have received a second brochure as you entered.

This is our first Corporate Sustainability Report for our employees, customers, suppliers, and you, dear Shareholders who each play a vital role in shaping our future. It is an opportunity to share what it means to us to be a responsible and sustainable company in the 21st century.

Our strategic priorities are focused on maintaining the ethical integrity of our business operations, reducing our environmental impact, improving our safety performance and involving our employees in meaningful grass-roots activities in the communities where they live and work.

As we enter 2010, it is timely to pause and consider what the next decade might mean for us. Above all, we must continue to foster a culture of professionalism, integrity and personal safety and prepare our employees to act responsibly and appropriately in challenging situations and new territories.

We will keep you regularly updated on how we progress on our journey.

So where are we today?

The year did not start as expected particularly with the earthquake in Haiti where we lost one of our 50 employees.

Today, our staff have returned to work. Despite personal losses, injuries or deaths in their families, they are all trying get back to their normal lives and we are helping as much as possible.

In Chile, fortunately, all of our staff are safe but our premises have been severely damaged. Our lab in Concepcion was completely destroyed and our main office in Santiago has been severely affected. Here again we are helping our team to get back to normality quickly.

Generally speaking, we suffered from the very cold winter in the Northern Hemisphere which slowed down some of our activities.

Nevertheless, thanks to our many growth initiatives, and a slightly improving trading environment, we are forecasting another good performance at SGS with revenue and earnings increasing over last year results.

Ladies and Gentlemen, Thank you for your attention.

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