



**Seventh Annual European Business Services Conference – London, 21 June 2011**

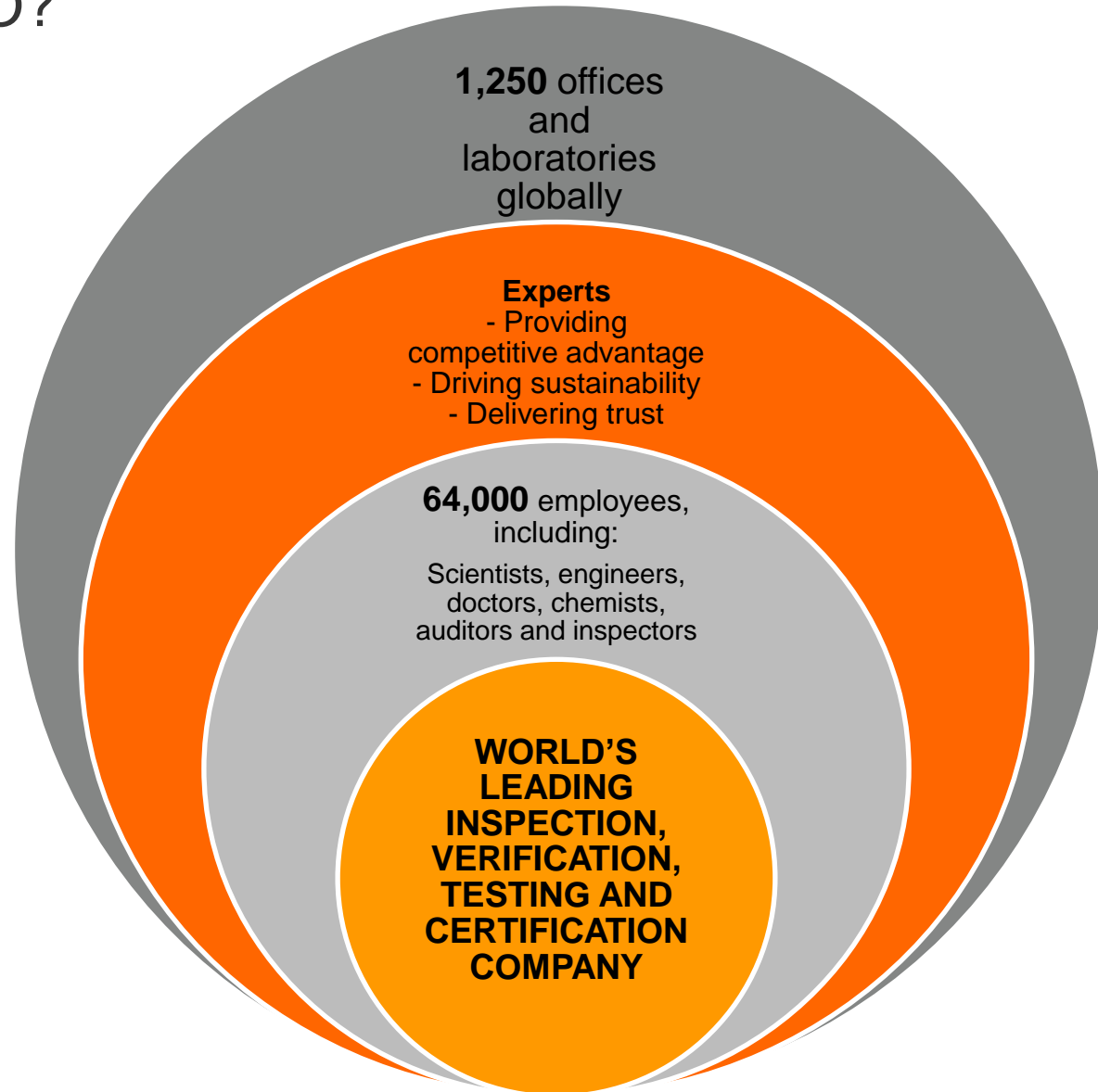
**SGS S.A.**

**Jean Luc de Buman**

Corporate Development, Communications & IR

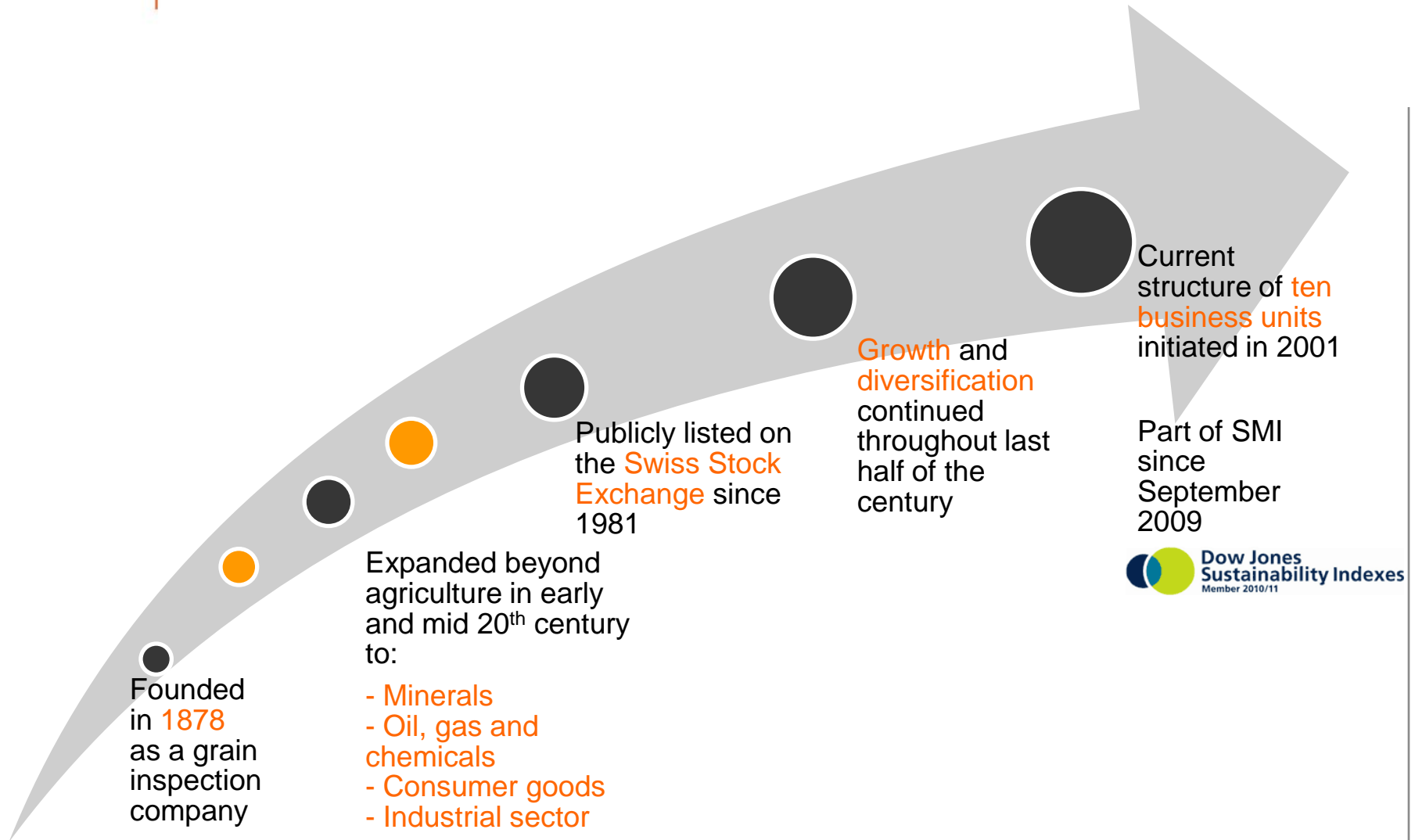
**WHEN YOU NEED TO BE SURE**





# WHAT MAKES US DIFFERENT?







**REVENUE**  
(CHF Million)

Constant rates  
**4,757**

Δ%  
**4.1**

**ADJUSTED EBITDA** <sup>(1)</sup>  
(CHF Million)

**1,065**

**ADJUSTED EBITDA MARGIN**

**22.4%**

**ADJUSTED OPERATING INCOME** <sup>(1)</sup>  
(CHF Million)

**848**

**ADJUSTED OPERATING INCOME MARGIN**

**17.8%**

**OPERATING INCOME (EBIT)**  
(CHF Million)

**836**

**OPERATING INCOME MARGIN**

**17.6%**

**NET INCOME**  
(CHF Million)

**588**

Δ%  
**3.9**

**EPS** (CHF)

**77.64**

Δ%  
**2.9**

## STRUCTURAL DRIVERS

- Safety and Quality issues
  - California gas pipeline, GoM, Earthquakes, food, cars, toys
- Regulation and legislation
  - RoHS, REACH, CPSIA, EU Toys, China GB.
  - Increasing daily
- Product variety
  - More than trade volume
- Global supply Chains
  - Control and certainty. Safe, sustainable and good quality
- Global Trade
- Outsourcing and Privatisation



CHF million	Dec. 2010	Dec. 2009
Revenue	344.1	356.3
Adjusted Operating Inc.	54.0	57.2
Margin %	15.7	16.1

### OVERVIEW 2010

- Revenue contraction due to lower trade volumes. Russia export ban and Ukraine quotas imposed.
- Small decline in margin with a switch in supply origins to higher cost geographies.
- Germany, France, Canada, Argentina and China delivered strong growth. USA turnaround successful and margins improved.
- 30%+ growth in inland activity.

### STRATEGIC DIRECTION

- Trade Facilitation
- Soil and seed testing services
- Crop research for grains and fruits
- Precision farming: Team with CNH
- Market research and Information Services



CHF million	Dec. 2010	Dec. 2009
Revenue	615.6	536.0
Adjusted Operating Inc.	117.9	87.2
Margin %	19.2	16.3

### OVERVIEW 2010

- Strong business rebound from prior year
- Increased demand for Energy Minerals and bulk commodities
- Network efficiencies produced strong incremental margins.
- Exploration spending recovered to 2007 levels with a strong focus on gold and iron ore.
- Acquisitions performed at or above expectations.

### STRATEGIC DIRECTION

- Recognised No. 1 worldwide
- Capitalize on urbanisation
  - 44 m new urbanites per year
  - 20,000 new dwellings per day
  - 250 km of new roads per day
- Entire value chain coverage
  - Pit to port and Beyond



CHF million	Dec. 2010	Dec. 2009
Revenue	956.6	951.0
Adjusted Operating Inc.	148.9	149.2
Margin %	15.6	15.7

### OVERVIEW 2010

- Trade business grew steadily due global economic recovery and oil price stability.
- Growth in Plant and Terminal Operations driven by rebounding refining and chemicals segments
- Upstream: Significant growth in Middle East and Asia Pacific impacted by reduced activity in Gulf of Mexico and severe flooding in Australia.

### STRATEGIC DIRECTION

- Operational excellence in downstream business
  - Market share gains and bolt-on acquisitions
- Upstream
  - Production fluids labs / PAL's / Well testing / Flow metering
- Cargo Treatment / Fuel Integrity Services
- Plant and Terminal Operations
- Laboratory Outsourcing
- Used Oil Testing



### CHF million

	Dec. 2010	Dec. 2009
Revenue	193.6	199.9
Adjusted Operating Inc.	28.8	29.0
Margin %	14.9	14.5

### OVERVIEW 2010

- Organic growth of 2.6% was driven by:
  - Solid performance in R&D/QC laboratory services and Biometrics
  - Tailor-made services grow double-digit
- Difficult conditions within Clinical Research market
- Operating margin improvement driven by increased capacity utilization and high demand from key accounts but negatively impacted by Clinical Research.

### STRATEGIC DIRECTION

- Biologics (Top 3 by 2014)
  - Monoclonal antibodies / Vaccines
- High-end R&D quality control laboratory for big pharma
  - Acquisition of M-Scan
- Focus on Early Phase clinical research
  - First in man drug testing
- Geographic development in emerging markets



CHF million	Dec. 2010	Dec. 2009
Revenue	821.4	790.4
Adjusted Operating Inc.	211.9	201.1
Margin %	25.8	25.4

### OVERVIEW 2010

- Overall demand strong despite prior year comparisons with CPSIA. (US Consumer law)
- Textiles, hard goods, food and especially auto with solid revenue growth across all regions.
- Stabilisation of worldwide economy aided business
- Parts of Europe still sluggish, especially for electronics testing.
- Continuous Improvement efforts and continued cost control contributed to improved margins.

### STRATEGIC DIRECTION

- Supply chain quality control
- Sustainability management
- Development of Strategic Business Units
  - Medical devices
- Comprehensive consulting group



CHF million	Dec. 2010	Dec. 2009
Revenue	386.1	367.3
Adjusted Operating Inc.	81.6	77.6
Margin %	21.1	21.1

### OVERVIEW 2010

- Increasing number of contracts from multinational companies key to growth
- Excellent growth in the automotive, food, medical device and pharma sectors
- Double digit growth and market share gains in the Americas, Eastern Europe, South East Asia Pacific and China.
- Maintained strong level of operating margin through operational efficiencies and improved IT functionality.

### STRATEGIC DIRECTION

- Service enhancement
  - Training / audit and verification / Certification
- Segment Growth
  - Automotive / Medical / Pharma / Food / Finance
- Needs fulfilment
  - Social Responsibility / safety and security / business continuity / sustainable development



CHF million	Dec. 2010	Dec. 2009
Revenue	737.9	743.6
Adjusted Operating Inc.	97.1	104.3
Margin %	13.2	14.0

### OVERVIEW 2010

- Good organic growth in most regions.
- Difficult construction sector in Europe, especially Spain and delayed contracts in Middle East.
- Material testing services (destructive and non-destructive) driving underlying growth in Europe, Asia and Africa.
- Strong presence now established in offshore inspection and testing in West Africa.
- Investments made for growth in the European and Asia statutory inspection markets.

### STRATEGIC DIRECTION

- Asset Integrity management and Risk based Inspection
- Non Destructive Testing (Become world No.1)
- Infrastructure / Buildings
- Renewables, Conventional and Nuclear Power
- Wind turbine blade testing Centre in Tianjin



CHF million	Dec. 2010	Dec. 2009
Revenue	278.4	287.7
Adjusted Operating Inc.	29.8	33.6
Margin %	10.7	11.7

## OVERVIEW 2010

- Unusually cold weather conditions in Q1 impacted European and North American operations.
- Emerging markets partially offset this drop with expansion into new geographies: Tanzania, Mozambique and Poland
- Roll out of biogenic carbon and fugitive emission services with contract wins in Middle East, Africa, India, Asia, South America and Europe.

## STRATEGIC OVERVIEW

- Growth of field services (sampling and monitoring)
- Develop consultancy services leveraging the data generated by our laboratories
  - Air monitoring / fugitive emissions
  - Green Buildings
  - Modelling



### CHF million

Revenue  
Adjusted Operating Inc.  
Margin %

### Dec. 2010

195.1  
35.9  
18.4

### Dec. 2009

266.2  
43.5  
16.3

### OVERVIEW 2010

- Increased operating margin primarily in North America following the successful restructuring of commercial operations.
- On time implementation and fee increase in statutory vehicle testing in Albania.
- Political events in Ivory Coast affected performance in Africa during the last two months of the year.
- Acquired ITV in Spain and Argentina

### STRATEGIC DIRECTION

- Grow existing Road Safety Services
  - Growing vehicle populations (BRICSA >130M cars)
  - Replicate New and remarketing vehicle services
- Roll-out new services
  - Speed control device calibration
  - Driver licensing / Vehicle registration
  - Taxi Services / School bus inspections
  - Dealership programmes



CHF million	Dec. 2010	Dec. 2009
Revenue	228.6	214.0
Adjusted Operating Inc.	41.6	39.4
Margin %	18.2	18.4

### OVERVIEW 2010

- Excellent performance for TradeNet in Ghana, Madagascar and Ivory Coast.
- Scanning services progressing well with new mandates in Capo Verde, Maldives and Benin.
- New Forestry Monitoring programme in the Democratic Republic of Congo.
- PSI volumes impacted by Haiti situation and slight reduction in scope in Bangladesh.

### STRATEGIC DIRECTION

- Continue development of Local Solutions
  - Product conformity assessment
  - Cargo Scanners
  - e-Government services
  - Forestry
  - Cargo tracking
- Further geographical roll-out of Tradenet

# ACQUISITIONS 2010 - 2011

WHEN YOU NEED TO BE SURE





M-Scan



KCQT

TIANJIN TIANBAO CONSTRUCTION



gResearch ASSOCIATES™



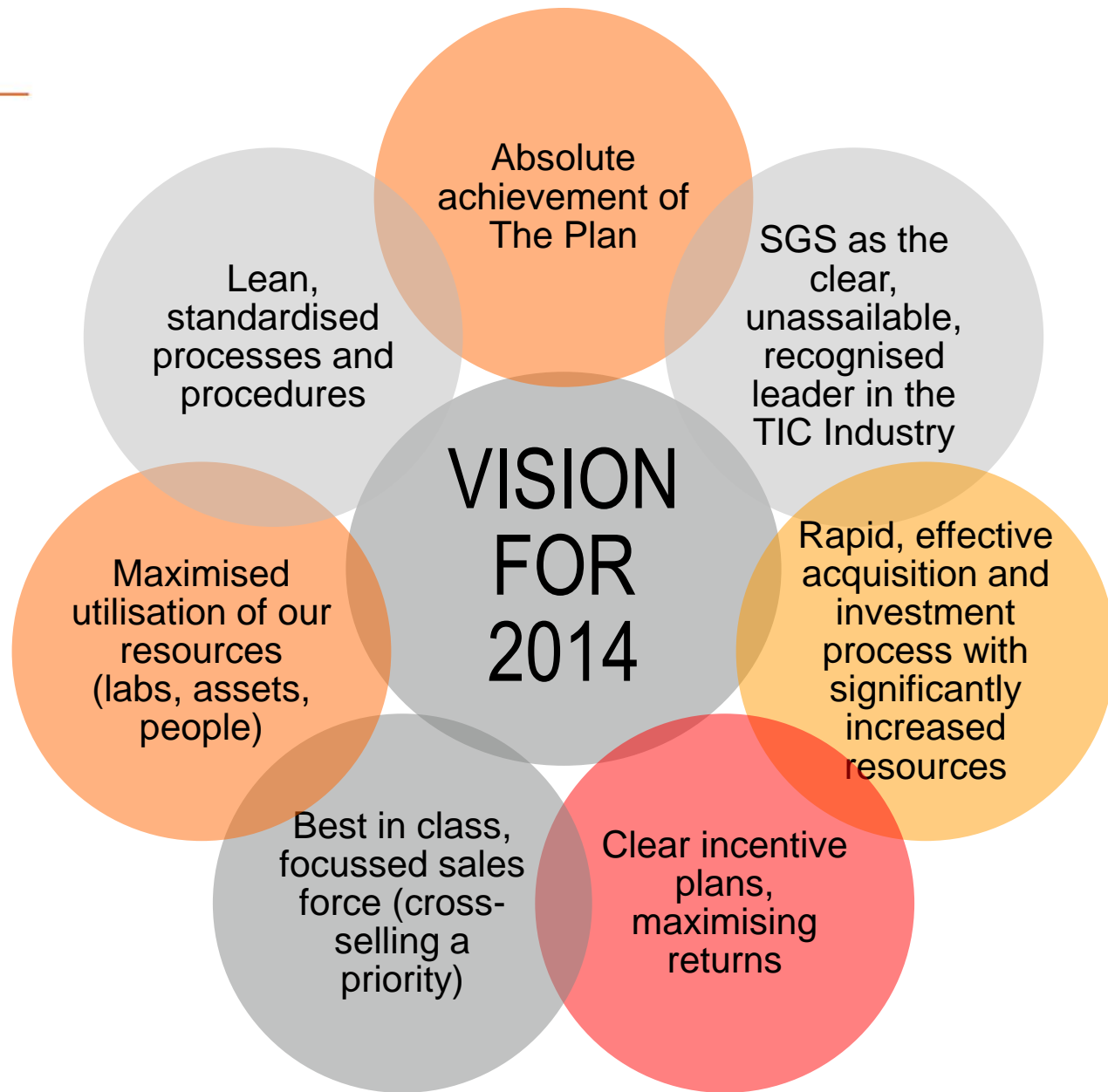
VERILAB S.A.

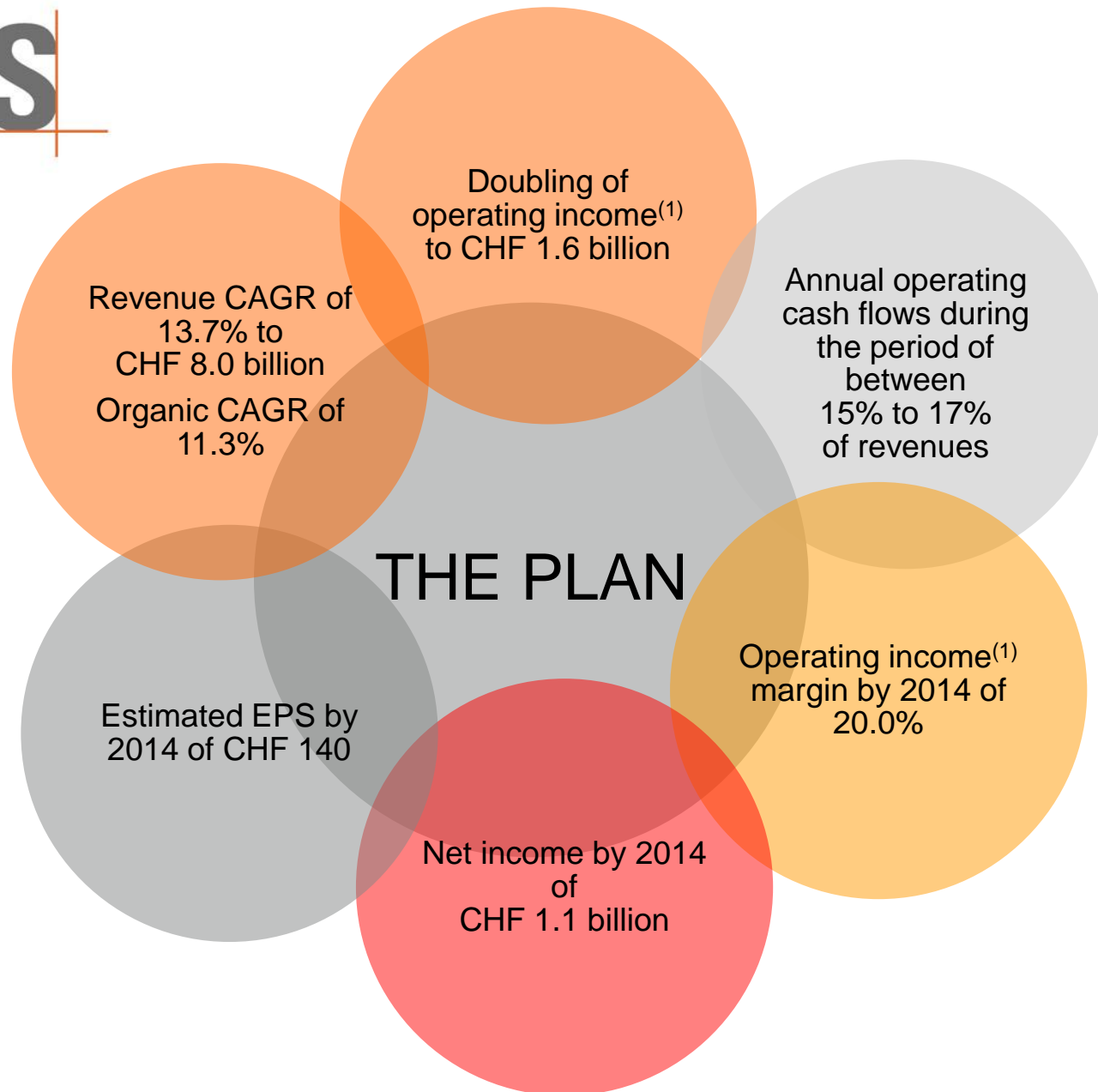


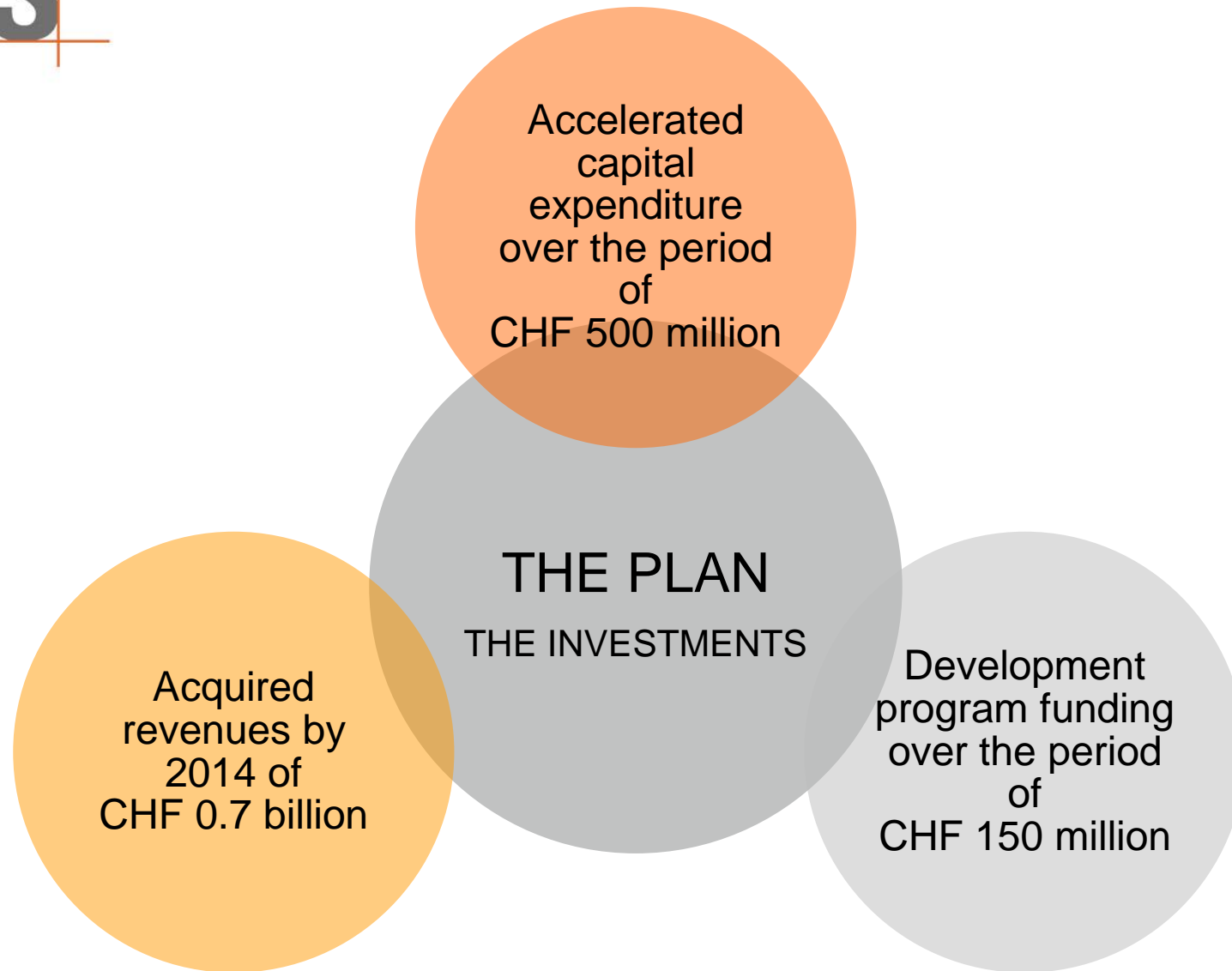
# THE PLAN 2014

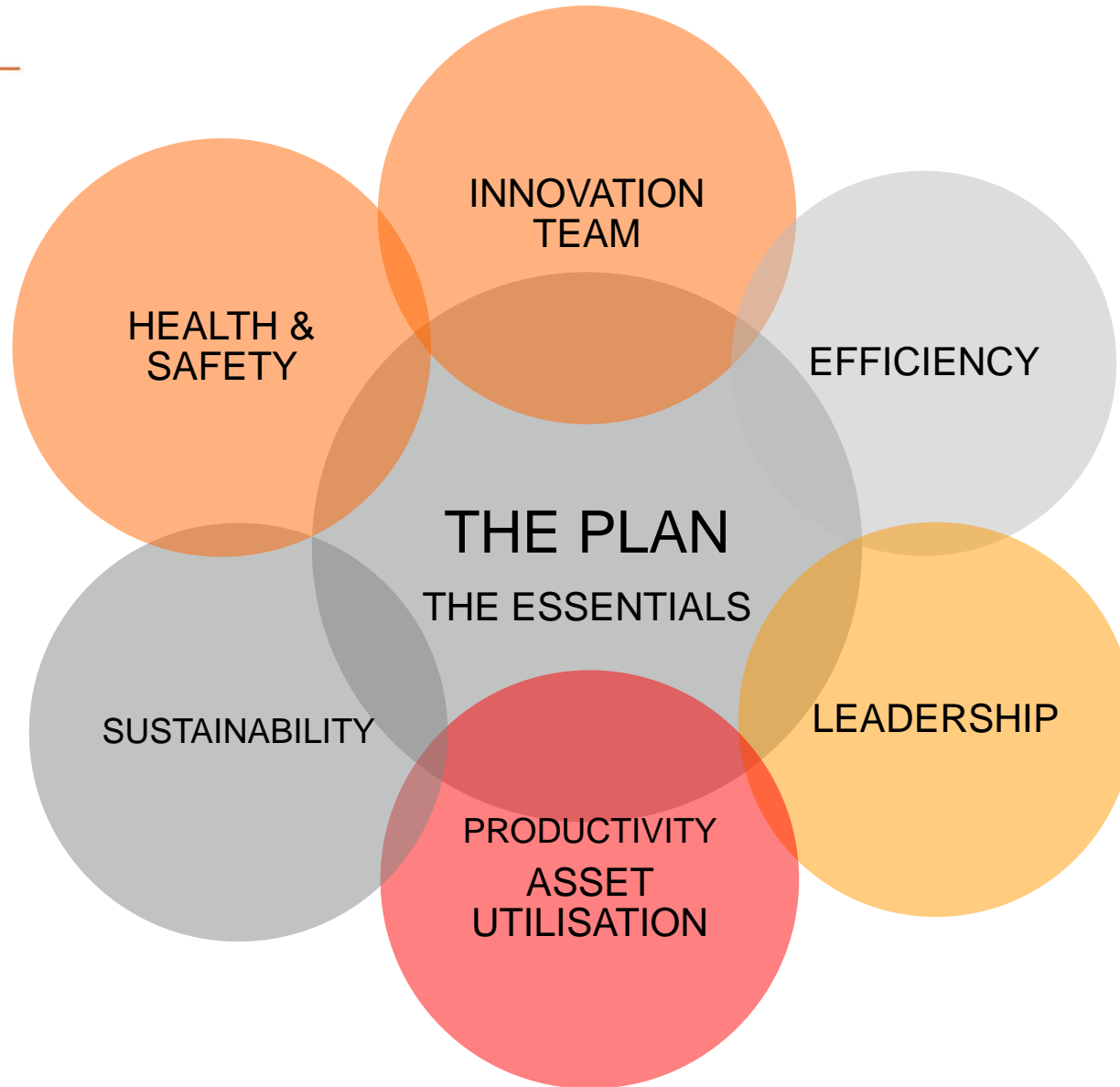
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