



Lombard Odier Darier Hentsch

SWISS EQUITIES CONFERENCE

London, 6 May 2004

Sergio Marchionne

Chief Executive

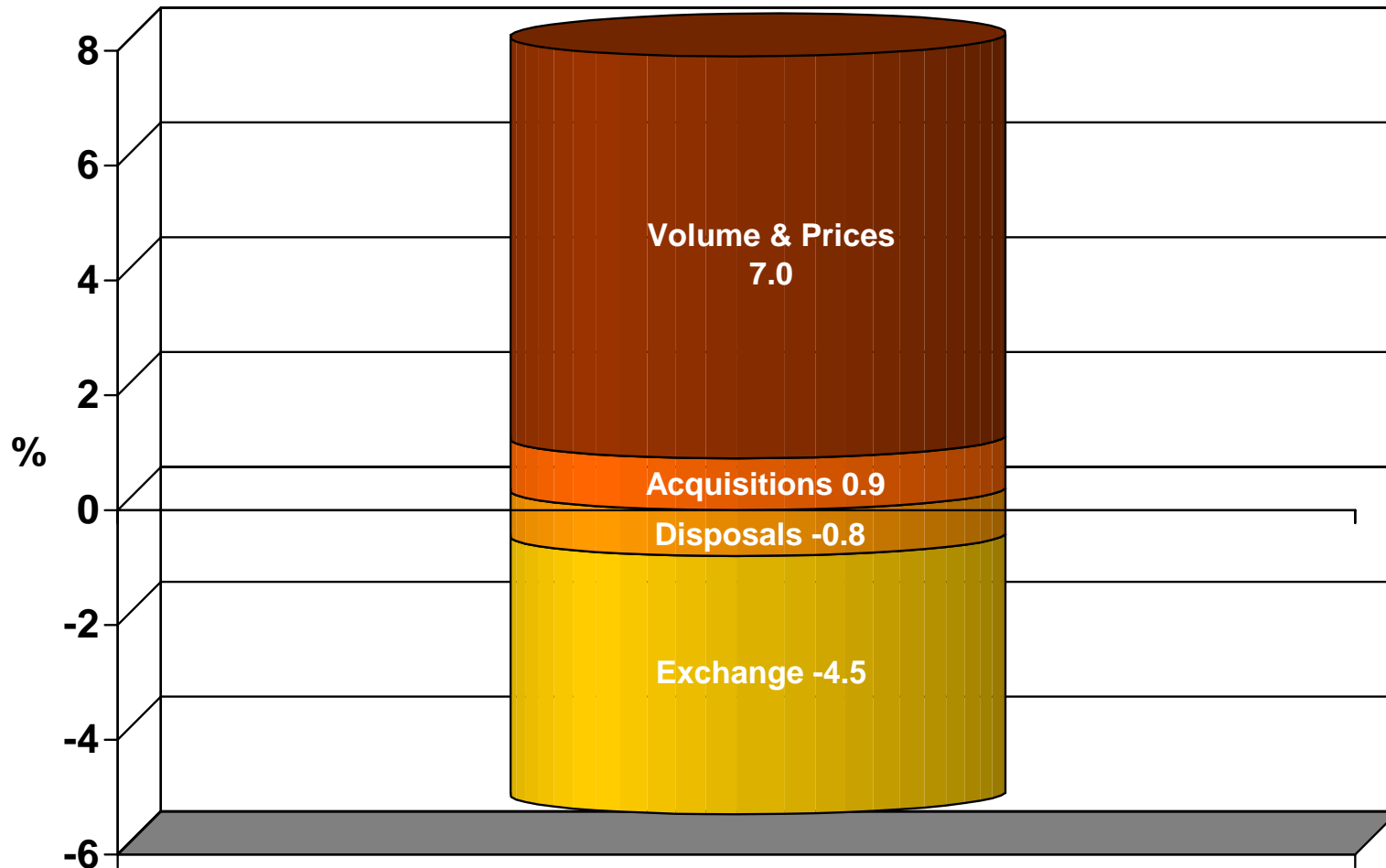
WHEN YOU NEED TO BE SURE

SGS

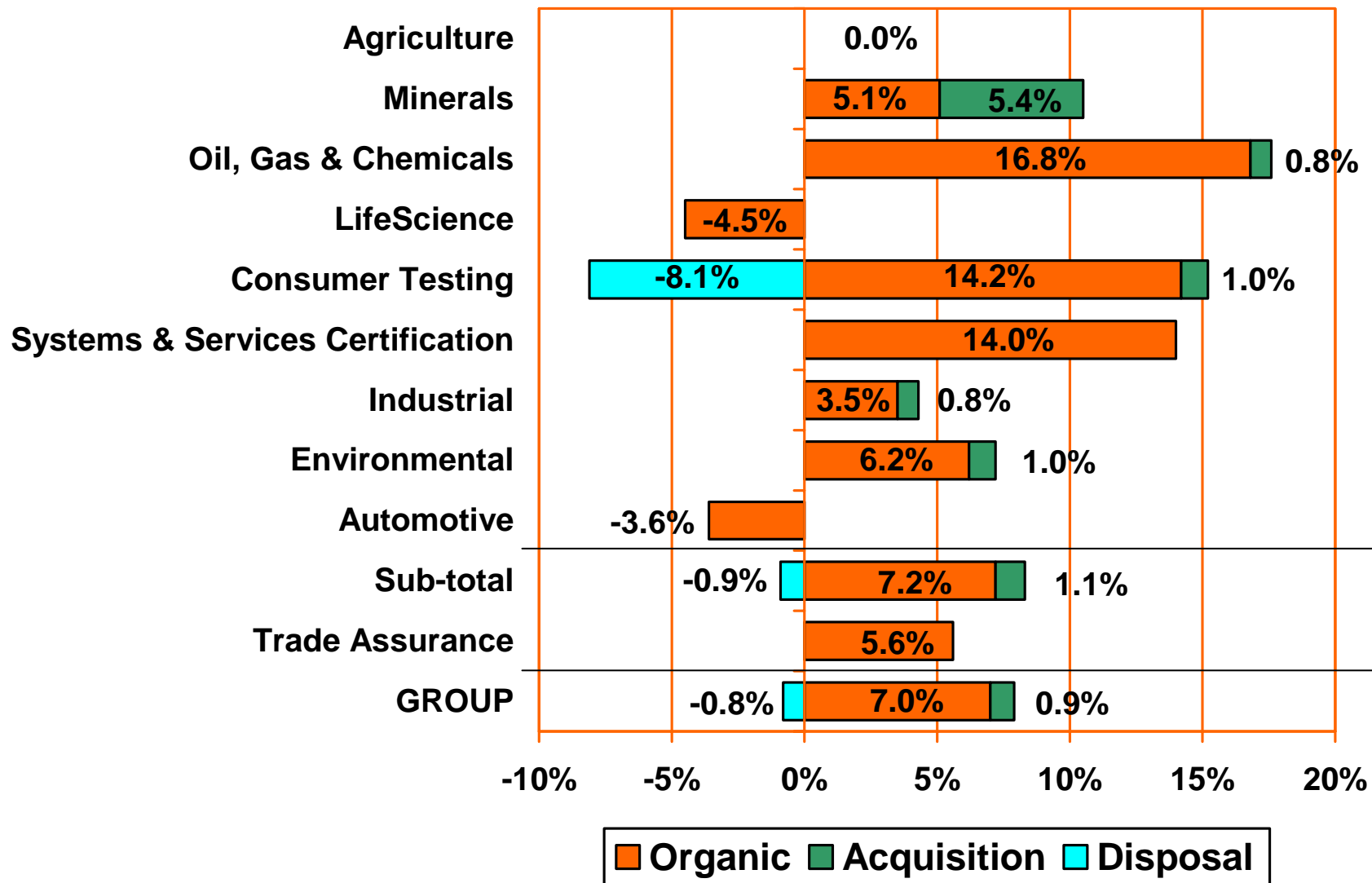
- Net Income up 50% on prior year at constant currencies
 - 41% on a reported basis
- Top line growth of 7.1% at constant currencies, 2.6% historical
- Operating margin of 12.2%
 - Achieved 12.7% margin in second half
- All businesses improved operating performance
- Regular dividend up 50% to CHF 9 per share
- First wave of six-sigma projects completed, second wave being launched, to help drive next stage of efficiency and growth programs
- CHF 10 million spent on development programs in 2003
 - CHF 25 million planned for 2004
- Targets for 2005 at CHF 45 EPS confirmed

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%

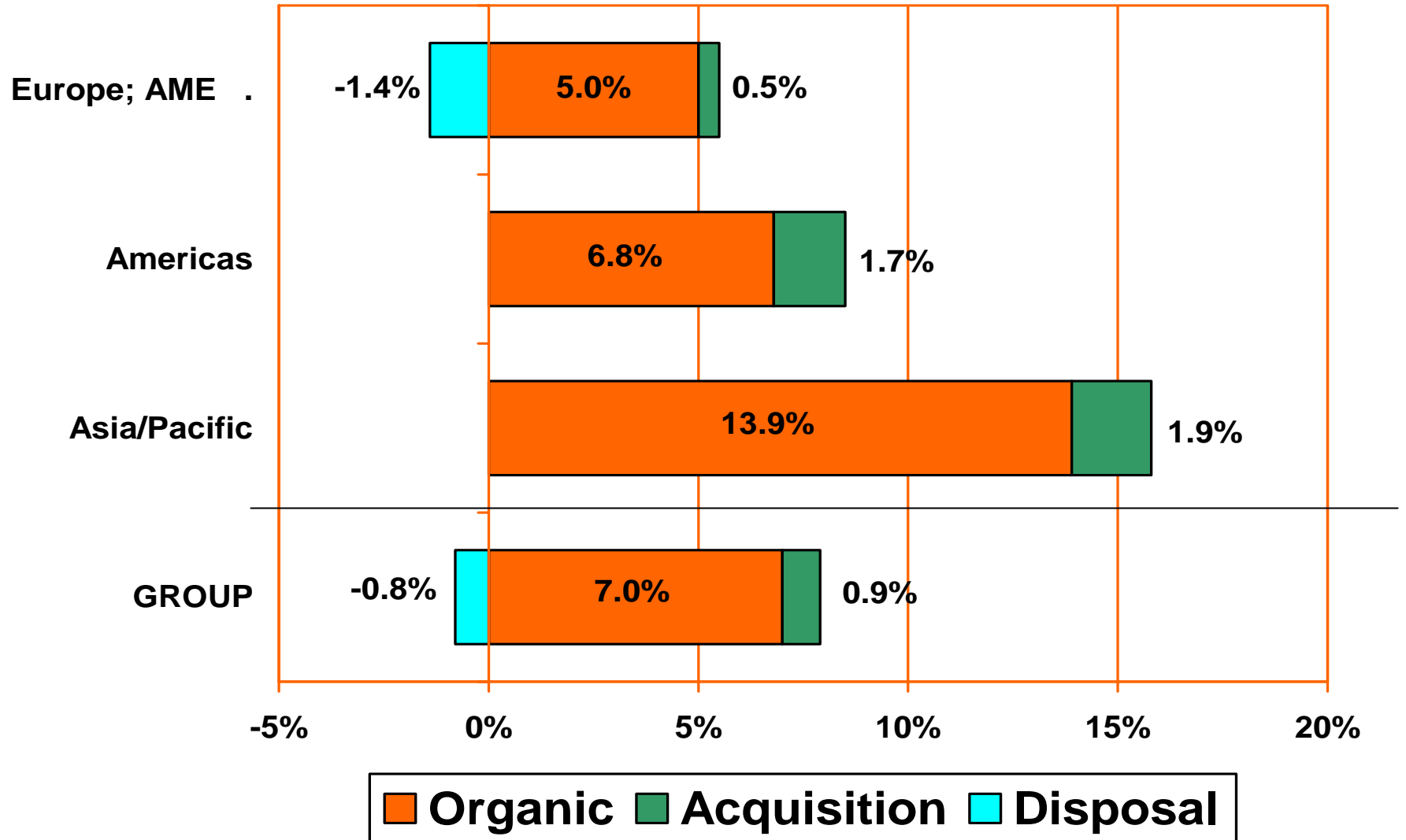
2003 REVENUE GROWTH COMPOSITION



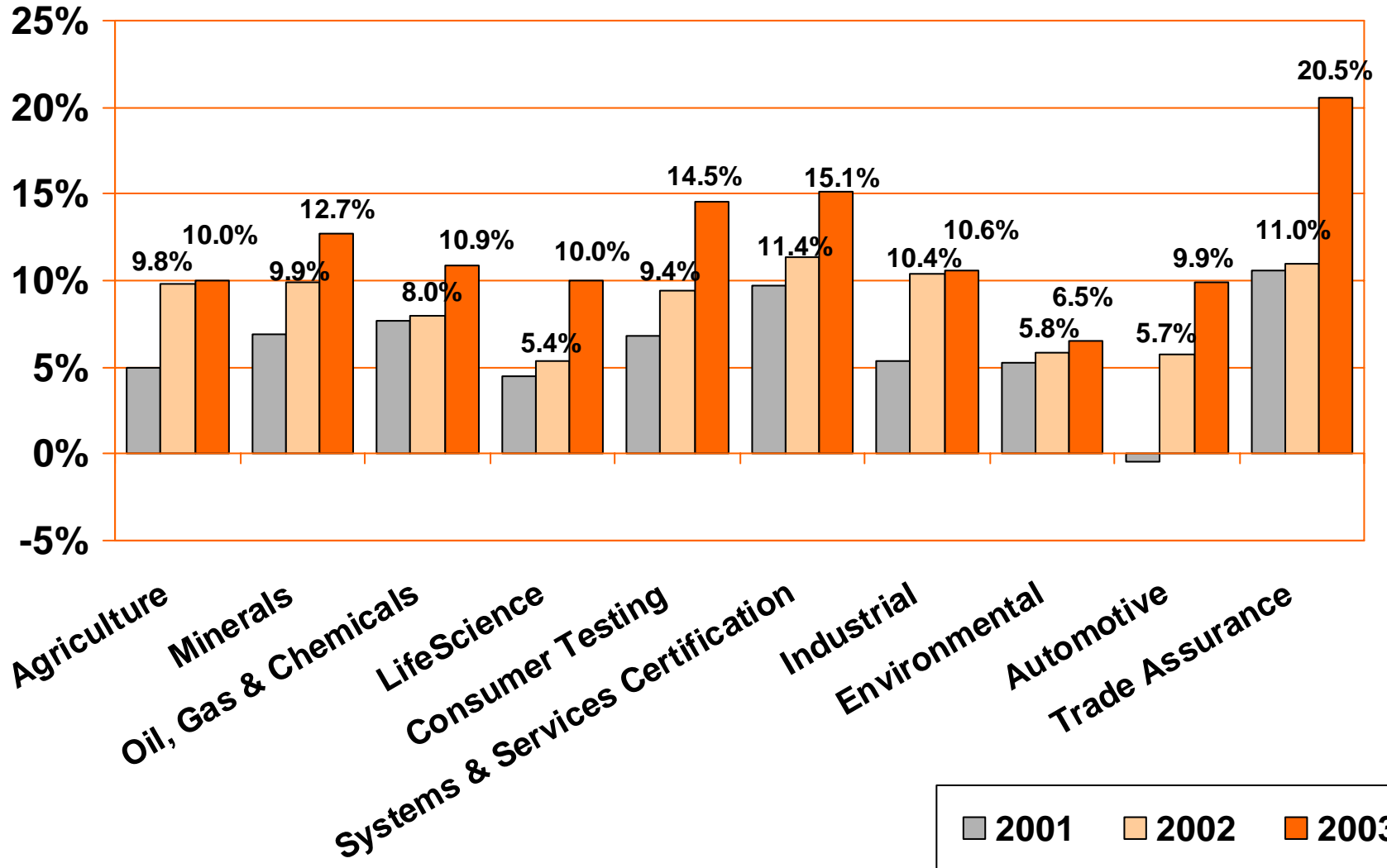
LOCAL CURRENCY GROWTH BY BUSINESS



LOCAL CURRENCY GROWTH BY AREA



OPERATING MARGIN BY BUSINESS



IMPACT OF FOREIGN CURRENCY TRANSLATION ON 2003

Impact on Revenues in CHF millions

	If exchange rate to CHF wa:		
	1.40	1.50	1.60
EURO Avg Rate 2003 1.52	(70)	(10)	45
	1.10	1.25	1.40
USD (and pegs) Avg Rate 2003 1.34	(125)	(50)	25

Impact on Net Income in CHF millions

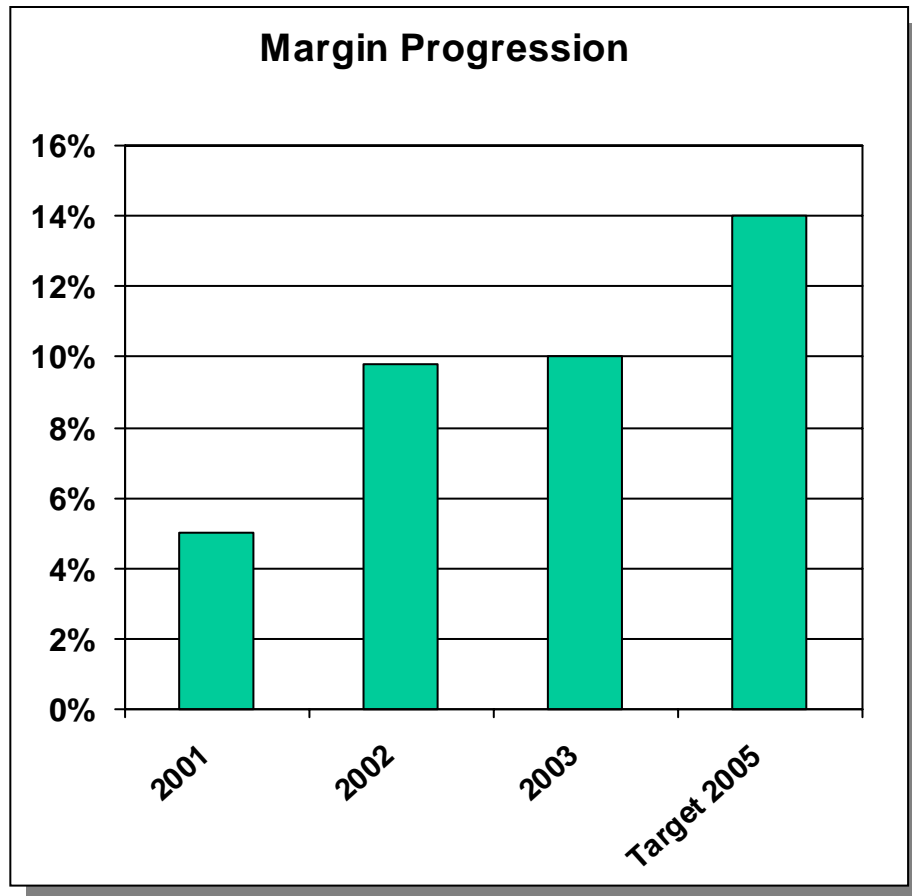
	If exchange rate to CHF was:		
	1.40	1.50	1.60
EURO Avg Rate 2003 1.52	(10)	(2)	7
	1.10	1.25	1.40
USD (and pegs) Avg Rate 2003 1.34	(20)	(8)	7

USD Reporting and Pegs

Eastern Europe
 Russia
 Gulf Region
 Malay Peninsula
 China, Taiwan
 Hong Kong
 Southern America

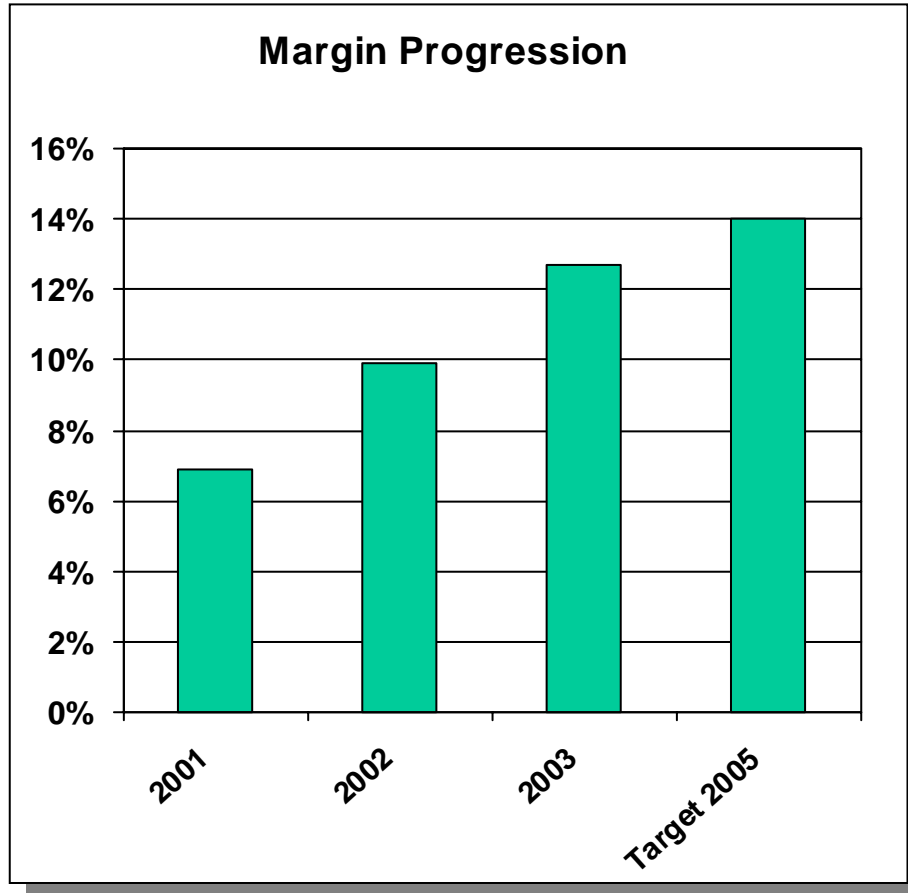
ANALYSIS OF ORGANIC HEADCOUNT INCREASE

	Headcount Increase	As %	% Revenue Growth
Asia Pacific	815	10.0%	13.9%
Americas	97	0.1%	6.8%
Europe, Africa, Middle East	731	4.6%	5.0%
Organic Increase in Headcount	1'643	5.2%	7.0%



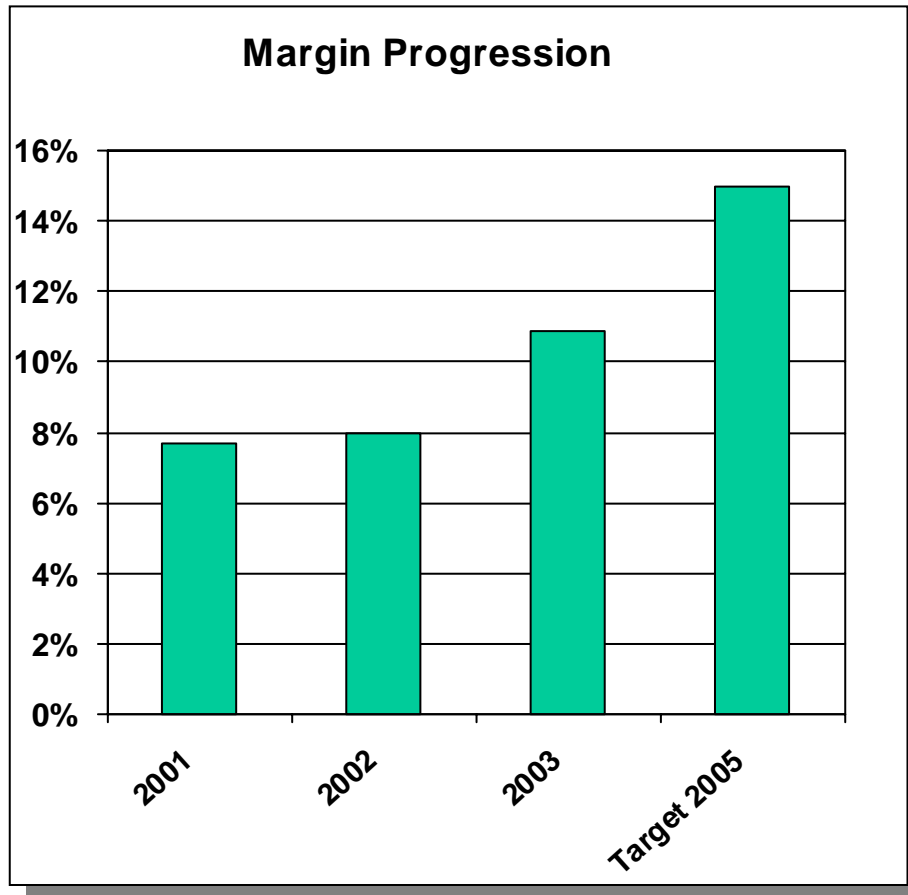
2003 Turnover: CHF 241.8 million

- 2004 seen as a hybrid / mixed year
- Only business which is still heavily reliant on trade flows
- 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
- Main markets (i.e. grains) expected to be soft in H1 2004 due to H2 2003 crop results
- Management structure and network approach changed radically H1 2004
 - H2 expected to be significantly better



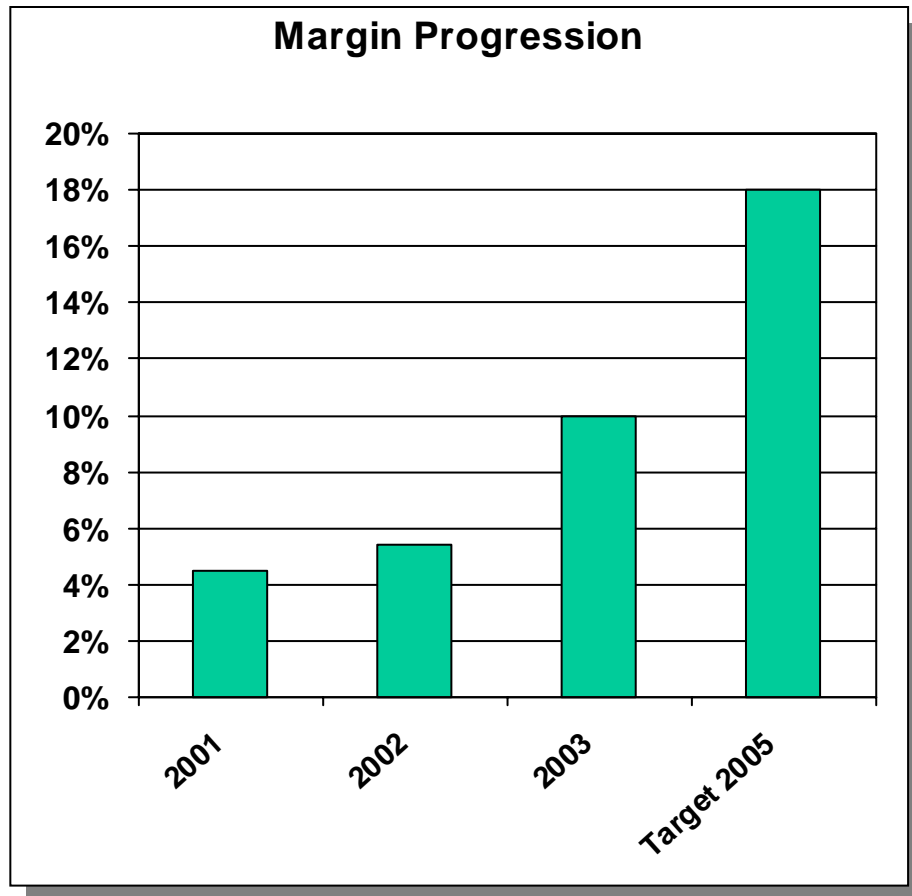
2003 Turnover: CHF 279.9 million

- 2004 seen as a good year
- Precious metals, especially gold, to drive up geochem laboratories utilization
- Steel industry consolidation will continue in a weak market place and growth will be in Eastern Europe
- Coal markets expected flat
- Mineralogy activity levels (ex 2002 Lakefield acquisition) up significantly
- Continued efficiency gains from lab automation and full integration of acquisitions



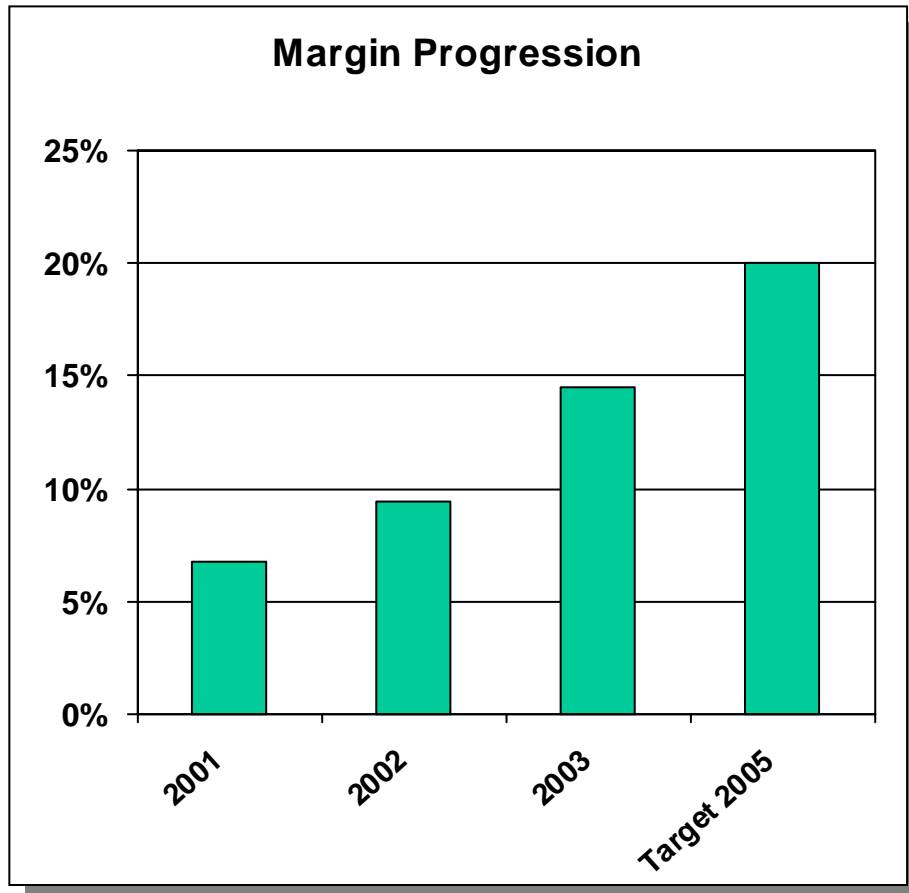
2003 Turnover: CHF 439.1 million

- Strong performance expected in 2004
- New petrochemical capacity in Mid East and Asia will drive volumes
 - Capital committed to both areas for development
 - 5 labs to be opened in China over the next 3 years
- Russia and Caspian export growth will continue, with key marketing efforts underway in Eastern Europe (historically weak)
- Expansion of service portfolio in South America into gas station monitoring
- Business on the way to assert market leadership



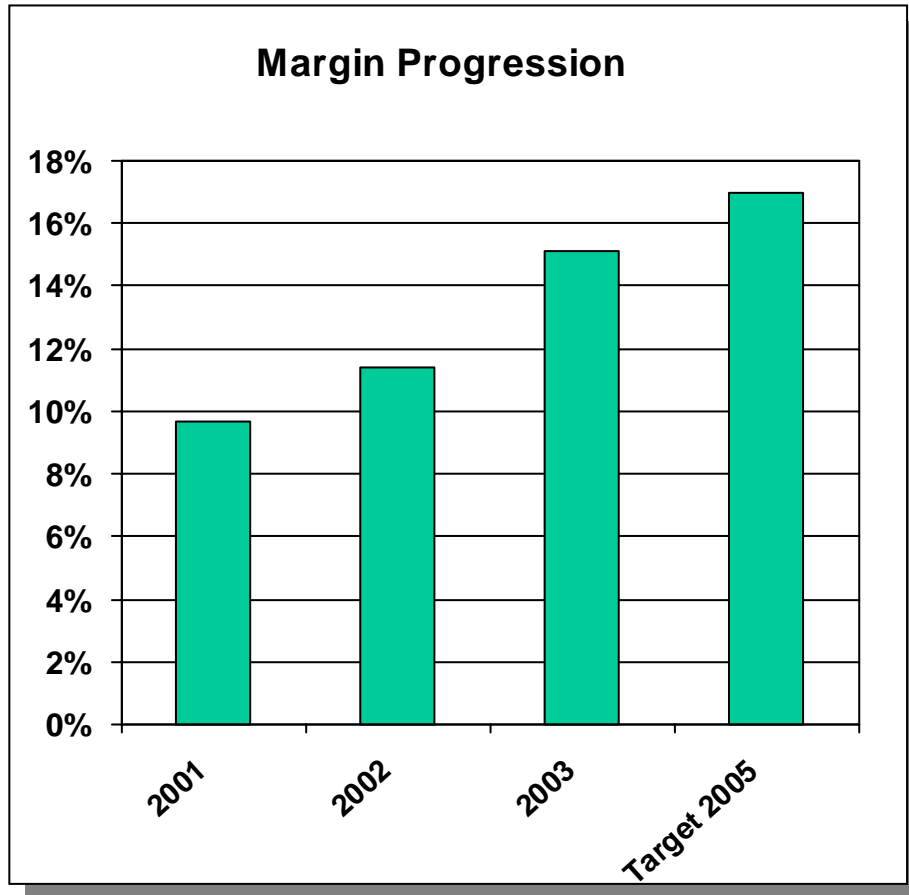
2003 Turnover: CHF 59.1 million

- 2004 should provide step change for business
 - Activities under critical in their present shape
- Strategy fleshed out in 2003 with emphasis on growth of
 - QA QC activities
 - Early stage CRO involvement
- Acquisition of Medisearch first step in implementation of CRO strategy
- Acquisition of Institut Fresenius positions SGS as largest QA QC house in central European market
- Target is achieve CHF 400 million in turnover by 2006



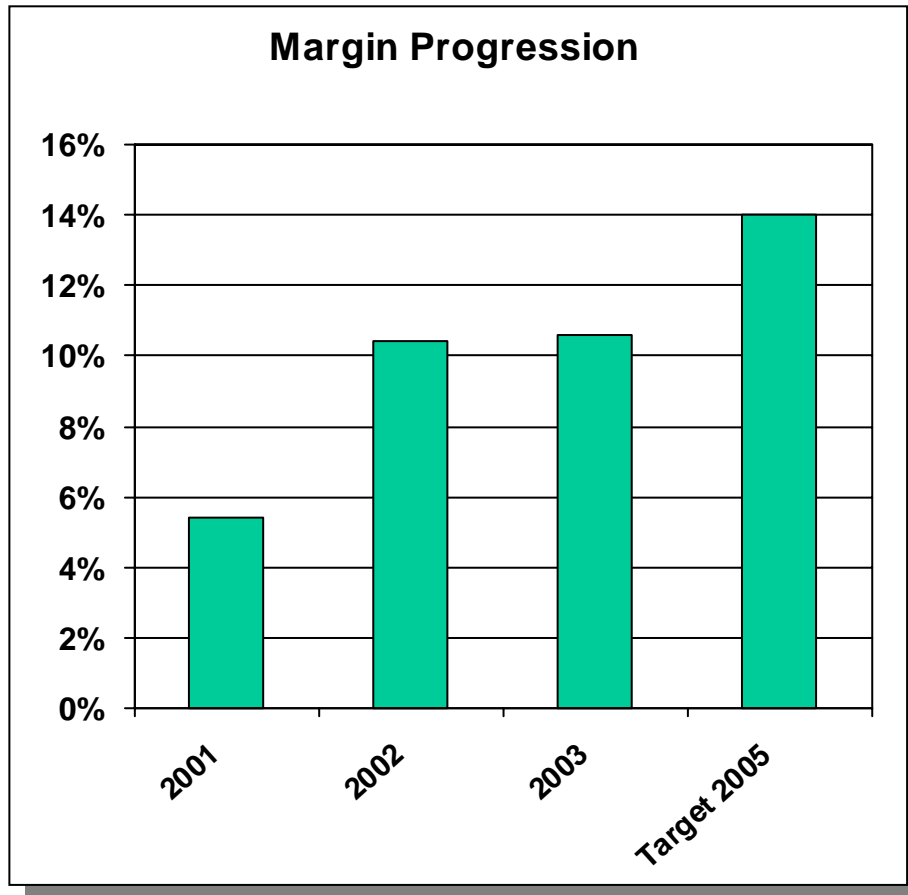
2003 Turnover: CHF 272.3 million

- Good 2004 expected, should start closing gap with main competitor
- Business emphasis is on
 - Hard lines (from 5th to 1st)
 - Soft lines (from 2nd /3rd to 1st)
 - Electrical & Electronics (from 10th to 5th)
 - Food (constant at 3rd)
- Aggressive sales efforts in the USA and key countries in Europe and Asia under global 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



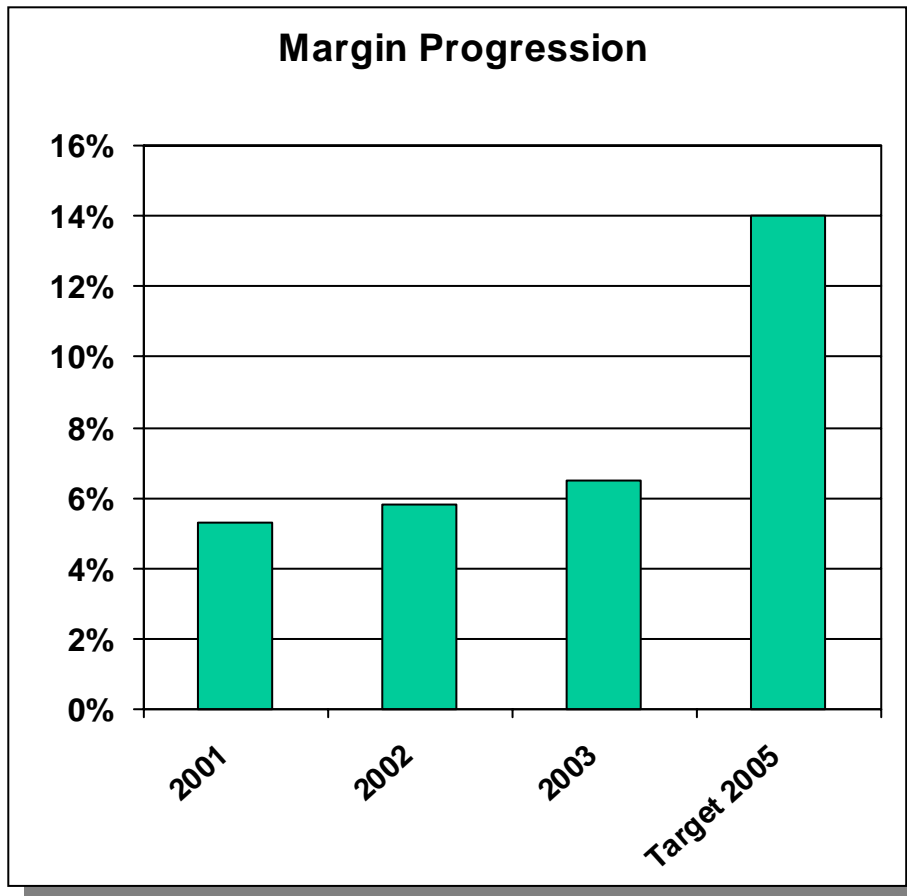
2003 Turnover: CHF 229.7 million

- Good year in 2004, after exceptionally good H2 2003
- 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



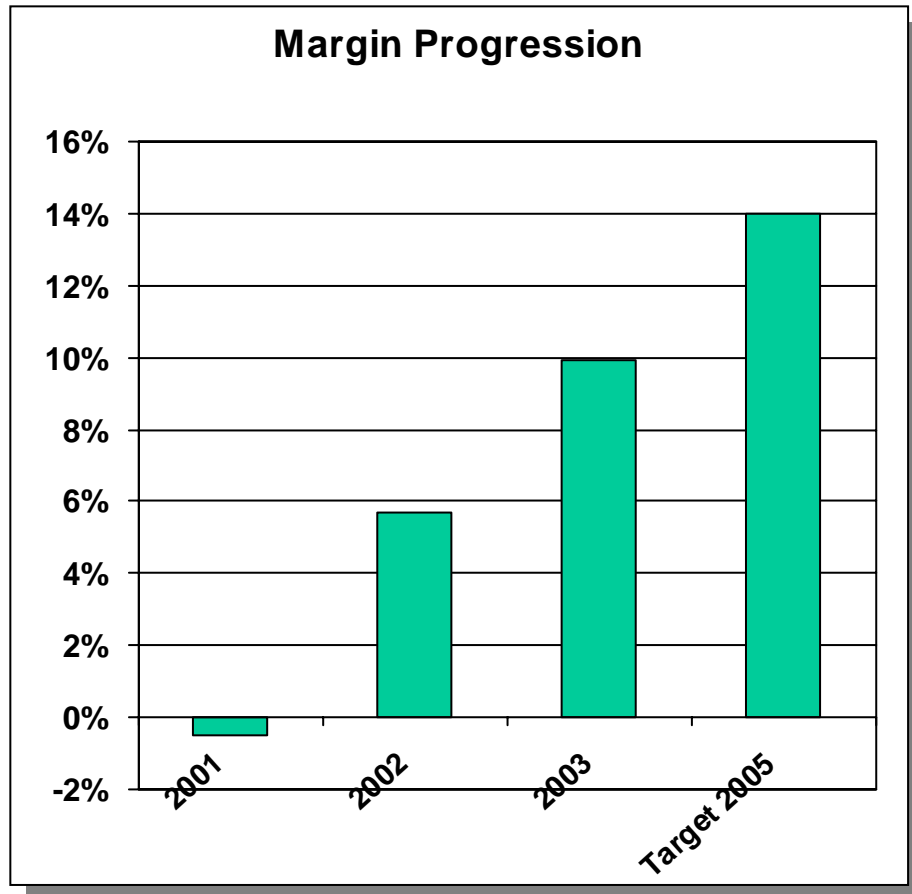
2003 Turnover: CHF 330.1 million

- Activity levels well up over 2003
- 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
 - out of area expansion (i.e. new EU members)
- Realignment of business structure within 2004



2003 Turnover: CHF 172.0 million

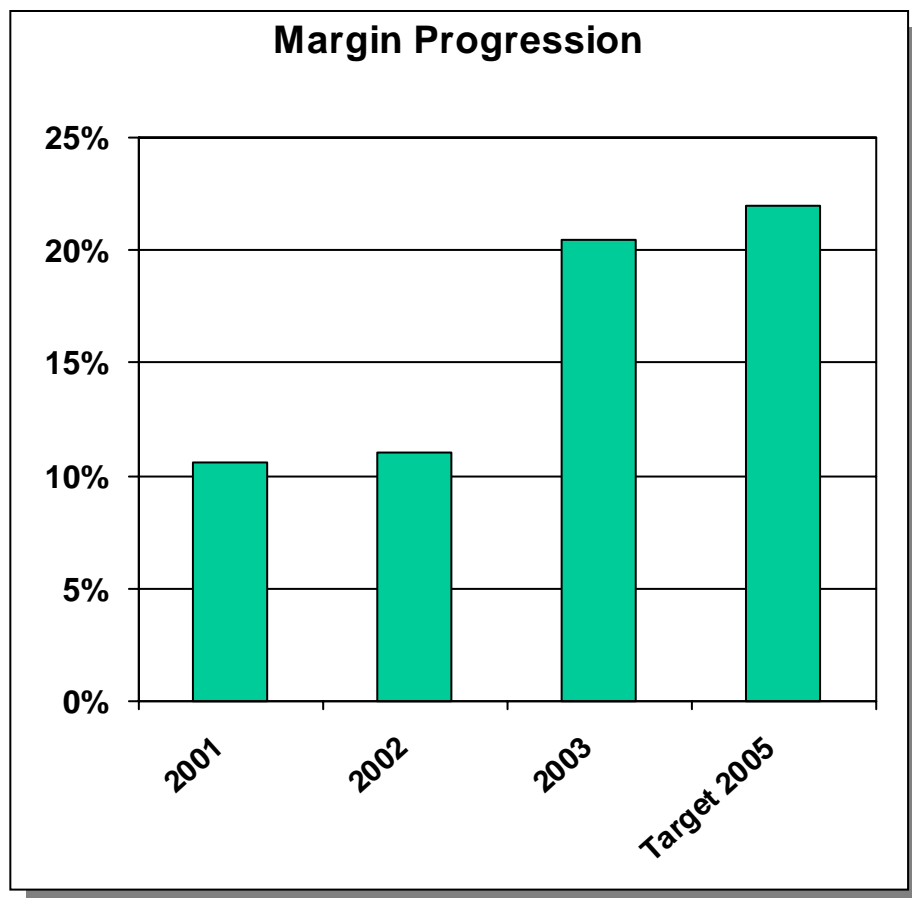
- 2004 performance better than 2003, but size and focus remain issues
- Plans in place for USA (realignment), new leadership in Germany (via Institut Fresenius acquisition) and completion of lab restructuring in Benelux should correct profit issues
- Pipeline of lab outsourcing and new products continues to be developed in Europe, North America and Australasia.
- Opportunities
 - indoor environmental quality product (limited)
 - improved efficiency in key operations
 - mass flow lab footprint in Institut Fresenius is key to development of business



2003 Turnover: CHF 211.0 million

- 2004 a mixed year with good growth offset by lower volumes in US new car and off lease inspections
- Contracts won for emission testing data management for
 - upstate New York (operational from late 2004 with revenues of CHF 70 million over 7 years)
 - State of Virginia (CHF 2 million over 3 years)
 - State of California
 - State of California /Bureau of Automotive Repair – awarded after competitive bidding process
 - Information Management System between BAR/State of California and 8'000 state – licensed inspection stations
 - support decentralized emission statutory control
 - 14 millions vehicles per year
 - US\$ 60-70 million over 7 years
 - operation to start mid 05
- 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 – OUTLOOK



2003 Turnover: CHF 219.5 million

- 2004 expected to be outstanding
- Vigorous marketing for new services:
 - ValuNet (Mexico experience outstanding)
 - Forestry
- Legacy issues
 - Philippines arbitration delivered interim position
 - jurisdiction accepted, but quantum to be determined in the Philippines
 - discussions underway to settle, but timing unknown
 - Pakistan
 - finally resolved outstanding litigation
 - payment by SGS of USD 2 million
 - new ValuNet project offered and accepted
- Renewals
 - Burundi (4 years)
 - Indonesia – Investment Masterlist Verification

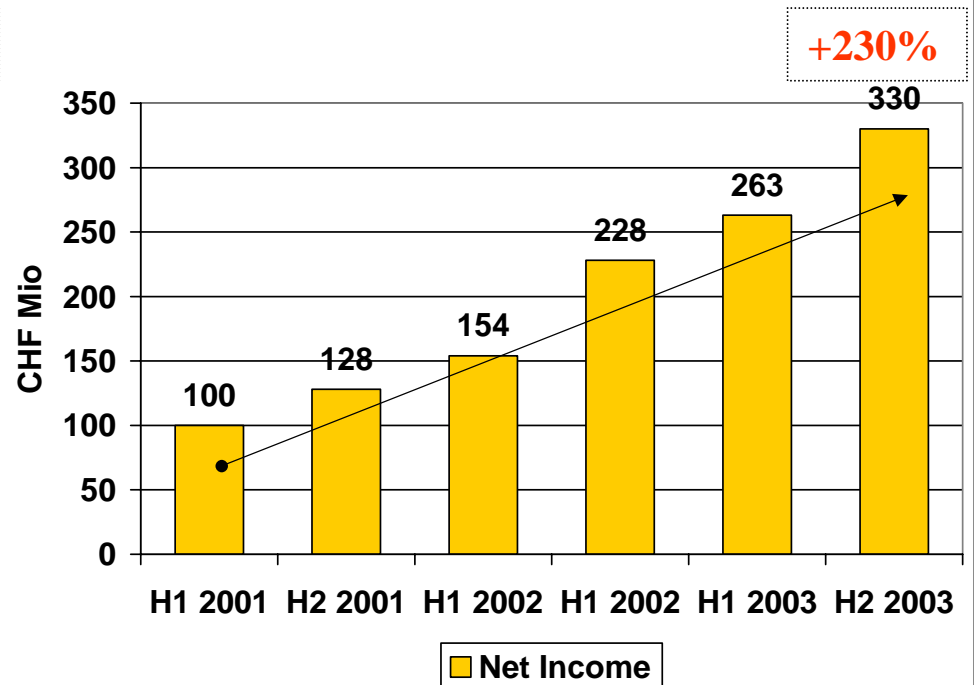
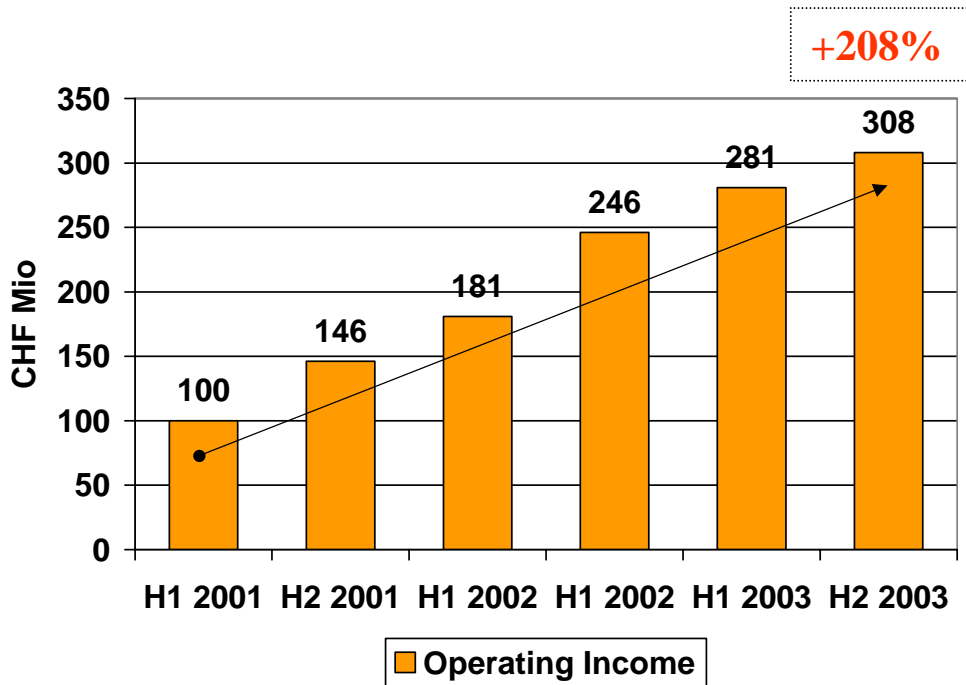
SM1

We need to put a full list of renewals here

Sergio Marchionne; 05.05.2004

DEVELOPMENT OF OPERATING INCOME AND NET INCOME (before exceptionals)

At constant exchange rates

























H1 2001 = 100



2004 YEAR-ON-YEAR COMPARABLE REVENUE GROWTH

At constant exchange rates

	Jan / Feb 2004	Expected full year
Agriculture		
Minerals		
Oil, Gas & Chemicals		
Life Science		
Consumer Testing		
Systems & Services Certification		
Industrial		
Environmental		
Automotive		
Trade Assurance		
GROUP		

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.



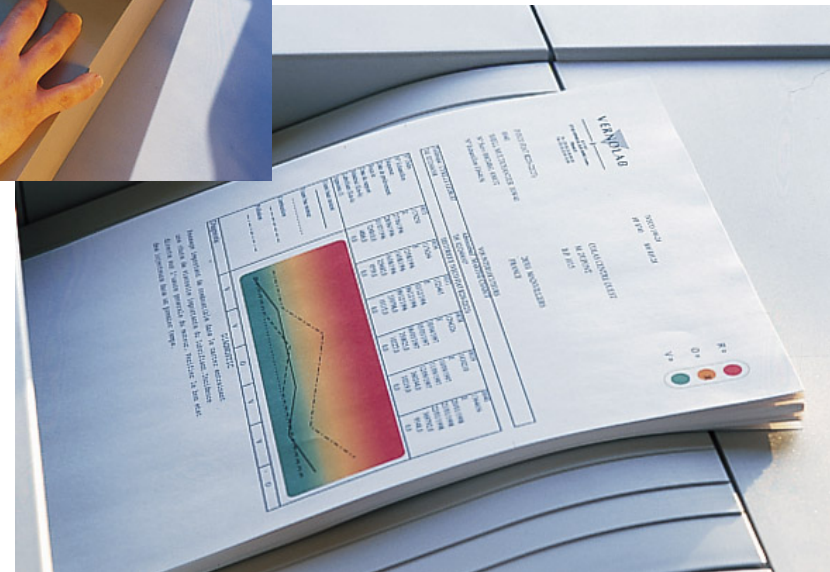
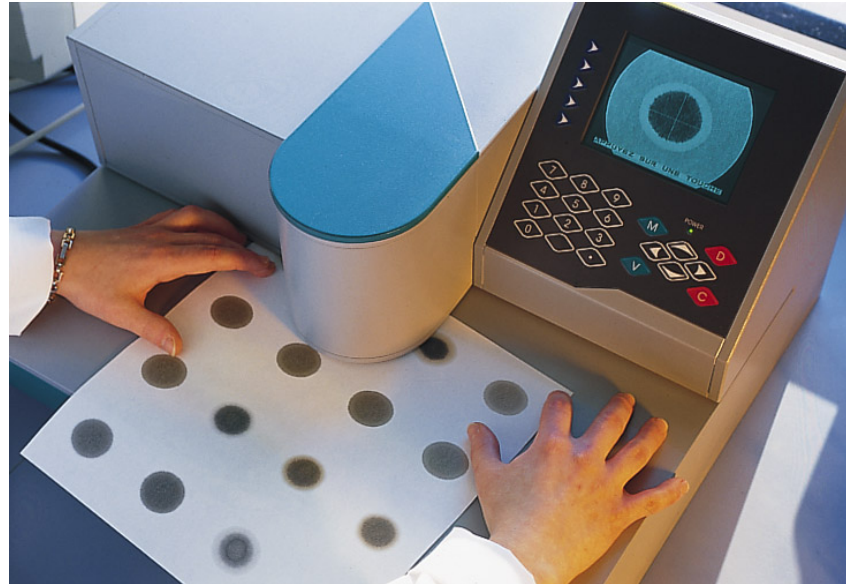
- Full service clinical research organisation
- Revenues 03: Euro 17.8 mio
- 200 employees
- 3 locations in Belgium, Spain and USA





- 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

- Regulatory clearance received to acquire major North American Oil&Chemical outsourcing service provider
- Revenues in excess of US\$ 50 mio
- 800 employees in 20 locations
- Logical extension of SGS's services to its oil, chemical, mineral
- Closing expected within next few days

"What has become clear is that all of our businesses would greatly benefit from scale expansion. In general, the industry itself needs to look at this issue in an open and unbiased way. The willingness of the participants to engage in a process of consolidation to improve service levels to our customers and yield substantial efficiency gains in that delivery provides the single largest opportunity for value creation in this industry."

OUTLOOK FOR 2004

- Significant improvement over 2003
- On track to achieve 2005 objectives
- M&A activity will utilize between CHF 250 and CHF 400 million of cash
- Major industry consolidation will not be a 2004 theme