2019

HALF-YEAR FINANCIAL REPORT

This half-year financial report was prepared in accordance with Article L.451-1-2 (III) of the French Monetary and Financial Code (*Code monétaire et financier*). It includes a business report for the six months ended June 30, 2019, the condensed half-year consolidated financial statements of the Bureau Veritas Group for the six months ended June 30, 2019, the Statutory Auditors' report and the statement by the person responsible for the half-year financial report.

Contents

1. HALF-YEAR BUSINESS REPORT AT JUNE 30, 2019

1.1. PRELIMINARY NOTE

Readers are invited to refer to the information set out herein on the Group's financial position and results together with the Group's 2019 condensed half-year consolidated financial statements and the notes thereto set out in Chapter 2 of this 2019 half-year financial report, as well as the Group's 2018 consolidated financial statements and the notes thereto set out in section 5.1 – Consolidated financial statements of the 2018 Registration Document.

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002 on the application of international financial reporting standards, the condensed consolidated financial statements of Bureau Veritas for the first half of 2019 and the first half of 2018 were prepared in accordance with IFRS (International Financial Reporting Standards), as adopted by the European Union.

For comparative purposes, and to enable readers to better understand the information presented, analysis of changes in activity and results, as well as cash flows, will be made by comparing data for first-half 2019 before applying IFRS 16 with data for first-half 2018.

1.2. FIRST-HALF 2019 HIGHLIGHTS

1.2.1. ORGANIC GROWTH DRIVEN BY BOTH GROWTH INITIATIVES AND BASE BUSINESS

The Group delivered 4.0% organic revenue growth in H1 2019, with similar growth in Q1 and Q2. This is explained by:

- robust growth for the five Growth Initiatives (37% of Group revenue), up 5.1% organically year on year. High single-digit growth was achieved in both Agri-Food and Opex services, and mid-single-digit organic growth for Buildings & Infrastructure and SmartWorld. The Automotive Initiative recorded a high single-digit decline due to the end of revision of standards in the Automotive industry;
- improving growth for the Base Business (63% of Group revenue), up 3.4% organically in the first half, with organic growth of 4.2% in the second quarter. The Group's activities performed well during the period. Solid growth was recorded by Marine & Offshore (7% of Group revenue) and Oil & Gas Capex related activities (4% of Group revenue), which recovered further during the first half of 2019 with organic growth of 5.4% and 7.8%, respectively. The underlying Certification business continued to develop, even if the headline numbers were down as expected, due to the year-on-year comparison with the one-off standards revision activity last year.

1.2.2. M&A: FOUR TRANSACTIONS IN 2019 YTD, FOCUSED ON GROUP STRATEGIC GROWTH INITIATIVES

In H1 2019, Bureau Veritas completed four transactions in different countries to strengthen its footprint, representing around €45 million in annualized revenue (or 0.9% of 2018 Group revenue). These supported two of the five Growth Initiatives:

	Annualized revenue	Country	Date	Field of expertise
Buildings & Infrastructure				
Capital Energy	€23m	France	Jan. 2019	Consulting and support services for white certificate projects
Owen Group	€7m	US	Mar. 2019	Asset management and project compliance services
Agri-Food				
BVAQ	Joint venture created with AsureQuality €4m additional revenue	Singapore	Jan. 2019[1]	Food testing company providing services to South East Asian markets
Shenzhen Total-Test Technology	€10m	China	Apr. 2019	Agricultural products, processed food, additives, baby food, animal feed and non-medical cosmetic testing services

1.2.3. DISPOSAL OF THE NORTH AMERICAN HSE CONSULTING BUSINESS

On June 28, 2019, Bureau Veritas completed the disposal of its non-strategic consulting business unit providing health, safety and environmental services in North America (HSE Consulting) to Apex Companies, LLC, a North American leader in HSE services. The HSE Consulting business unit in North America, with approximately 170 employees, generated c. USD 30 million in revenue in 2018 (accounted in the Industry business activity) but weighed on the overall divisional margin. It will be deconsolidated from Q3 2019 onwards.

The transaction is part of the Group's active portfolio management and represents a further step towards margin growth in North America. The Group will continue to invest in core strategic activities in providing testing, inspection and certification services for the Buildings & infrastructure, Oil & Gas, food & agriculture, and Power & Utilities markets.

[1] Closed on December 28, 2018 and announced on January 3, 2019.

1.2.4. SUCCESSFUL DIVIDEND PAYMENT IN SHARES, OPTED FOR BY 78% OF SHAREHOLDERS

The combined shareholders' meeting of Bureau Veritas approved the payment of a dividend of €0.56 per share for 2018 with an option for payment in cash or in new shares.

The take-up for payment in shares was a great success with a 78.47% subscription rate (66.45% excluding Wendel). Consequently, 9,943,269 new ordinary Bureau Veritas shares with a nominal value of €0.12 each were issued on June 11, 2019, representing a 2.25% capital increase based on the share capital on May 31, 2019.

1.3. CHANGE IN ACTIVITY AND RESULTS

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018	Change[1]
Revenue	**2,476.6**	**2,476.6**	**2,338.3**	**+5.9%**
Purchases and external charges	(690.6)	(732.7)	(689.8)	
Personnel costs	(1,294.6)	(1,294.6)	(1,243.9)	
Other expenses	(160.2)	(123.1)	(113.6)	
Operating profit	**331.2**	**326.2**	**291.0**	**+12.1%**
Share of profit of equity-accounted companies	0.5	0.5	0.7	
Operating profit after share of profit of equity-accounted companies	**331.7**	**326.7**	**291.7**	**+12.0%**
Net financial expense	(57.4)	(48.9)	(45.2)	
Profit before income tax	**274.3**	**277.8**	**246.5**	**+12.7%**
Income tax expense	(89.3)	(90.3)	(84.4)	
Net profit	**185.0**	**187.5**	**162.1**	**+15.7%**
Non-controlling interests	(13.9)	(14.0)	(12.4)	
Net profit (loss) from discontinued operations	-	-	-	
ATTRIBUTABLE NET PROFIT	**171.1**	**173.6**	**149.7**	**+16.0%**

1) Year-on-year changes are calculated by comparing data for first-half 2019 before applying IFRS 16 with data for first-half 2018.

1.3.1. REVENUE

Revenue in H1 2019 amounted to €2,476.6 million, a 5.9% increase compared with the first half of 2018.

- Organic growth was 4.0%, with 4.0% growth in both Q1 and Q2. Five out of six businesses posted an average organic growth of 4.7%, with Agri-Food & Commodities (7.9%), Marine & Offshore (5.4%), Industry (4.8%) and Buildings & Infrastructure (3.1%). Consumer Products experienced a slowdown (up 2.2%) mainly due to the phasing of new product launches in the second quarter. Only Certification declined, as anticipated, with a negative 4.1% organic revenue growth in H1 2019 of which a negative 5.9% in the second quarter, which faced challenging comparables following the revision of standards in 2018.

By geography, activities in the Americas (26% of Group revenue) increased by 5.6% organically, primarily driven by Latin America (up 9.4% organically). These are also supported by a solid performance in North America (Canada and US), led by Food and Oil & Gas activities in particular. The growth in Asia Pacific has improved (31% of Group revenue; 4.5% organic growth), driven by China (up 6.5% organically, fueled by Marine & Offshore, Agri-Food & Commodities and Buildings & Infrastructure) and South East Asian countries (up double-digit organically). The growth in Europe (34% of Group revenue; 2.1% organic growth) was held back by the end of the standard revisions in Certification. Market conditions in Europe remained subdued in Buildings & Infrastructure while other businesses performed well. In Africa and the Middle East, growth improved (5.5% organically, of which high single-digit growth in Q2), strongly benefiting from the recovery of government services activities and from buoyant commodities markets.

- Net acquisition growth was 1.3%, combining the contribution of acquisitions made in the first half of 2019, notably in the Buildings & Infrastructure and Agri-Food businesses, acquisitions finalized in 2018 and minor divestments.
- Currency fluctuations had a positive impact of 0.6%, mainly due to the appreciation of the USD and pegged currencies against the euro partly offset by the depreciation of some emerging countries' currencies. In Q2 the positive impact eased at 0.3%.

1.3.2. OPERATING PROFIT

Operating profit totaled €326.2 million, up 12.1% from €291.0 million in first-half 2018 (up 12.4% on a constant currency basis).

Operating profit after applying IFRS 16 amounts to €331.2 million.

1.3.3. ADJUSTED OPERATING PROFIT

The Group internally monitors and publishes "adjusted" operating profit, which management considers more representative of the operating performance in its business sector. This indicator is also used by most companies in the TIC industry.

Adjusted operating profit is defined as operating profit before the adjustment items described in Note 4, section 5.1 – Consolidated financial statements of the 2018 Registration Document.

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018	Change[1]
Operating profit	**331.2**	**326.2**	**291.0**	**+12.1%**
Amortization of intangible assets	38.5	38.5	35.8	
Gains and losses on disposals of businesses and other income and expenses relating to acquisitions	(1.3)	(1.3)	1.8	
Restructuring costs	12.1	12.1	19.5	
ADJUSTED OPERATING PROFIT	**380.5**	**375.5**	**348.1**	**+7.9%**

1) Year-on-year changes are calculated by comparing data for first-half 2019 before applying IFRS 16 with data for first-half 2018.

Adjustment items totaled €49.3 million in first-half 2019, compared with €57.1 million in first-half 2018, and comprised:

- €38.5 million in amortization of intangible assets, up from €35.8 million in first-half 2018;
- €12.1 million in restructuring costs, relating chiefly to Industry, Buildings & Infrastructure, and commodities-related businesses (€19.5 million in first-half 2018);
- €1.3 million in net gains from disposals and acquisitions (net expenses of €1.8 million in first-half 2018).

Adjusted operating profit was €375.5 million, up 7.9% compared with first-half 2018 and up 6.9% at constant currencies. Adjusted operating profit after applying IFRS 16 was €380.5 million.

The adjusted operating margin at constant currencies was 15.1% in first-half 2019, an increase of 25 basis points on first-half 2018, of which 20 basis points were attributable to an organic increase and 5 basis points to a positive scope effect. On a reported basis, the adjusted operating margin improved 30 basis points to 15.2% compared with 14.9% in first-half 2018. Adjusted operating margin after applying IFRS 16 was 15.4% in first-half 2019.

Change in adjusted operating margin (before applying IFRS 16)

(in percentage and basis points)	
Adjusted operating margin at June 30, 2018	**14.9%**
Organic change	+20 bps
Organic adjusted operating margin	**15.1%**
Scope	+5 bps
Constant currency adjusted operating margin	**15.1%**
Currency	+5 bps
ADJUSTED OPERATING MARGIN AT JUNE 30, 2019	**15.2%**

Three of the six business activities posted stable or improving organic margins, adding 50 basis points to the Group's organic margin. This was driven by a significant organic improvement in Agri-Food & Commodities and solid underlying performance in Consumer Products. This improvement is the result of a combination of operating leverage, strict cost management, lean efforts and restructuring pay back.

Three business activities showed margin declines: Certification experienced lower margins due to negative operating leverage and mix. Marine & Offshore margin slightly declined due to a one-off positive item recorded last year. Industry was still impacted by a negative mix effect (with large Opex contract ramping up) which offset the restructuring benefit.

1.3.4. NET FINANCIAL EXPENSE

(€ millions)	**First-half 2019 after applying IFRS 16**	**First-half 2019 before applying IFRS 16**	**First-half 2018**
Finance costs, gross	(51.1)	(43.1)	(41.9)
Income from cash and cash equivalents	0.9	0.9	1.0
Finance costs, net	**(50.2)**	**(42.2)**	**(40.9)**
Foreign exchange losses	(4.8)	(4.3)	(2.0)
Interest cost on pension plans	(1.4)	(1.4)	(1.1)
Other	(1.0)	(1.0)	(1.2)
NET FINANCIAL EXPENSE	**(57.4)**	**(48.9)**	**(45.2)**

Net financial expense totaled €48.9 million in first-half 2019, compared with €45.2 million in the same period one year earlier. After applying IFRS 16, net financial expense totals €57.4 million.

The increase in net finance costs to €42.2 million from €40.9 million in first-half 2018 is primarily attributable to the increase in average debt, which in turn is mainly due to the October 2018 €500 million bond issued as early refinancing for debt falling due in 2019. After applying IFRS 16, net finance costs amount to €50.2 million.

The Group's net foreign exchange losses resulted from the impact of currency fluctuations on the assets and liabilities of the Group's subsidiaries denominated in a currency other than their functional currency. In first-half 2019, the Group posted foreign exchange losses of €4.3 million, reflecting the sharp depreciation of currencies in some emerging countries (foreign exchange losses of €2.0 million in first-half 2018).

1.3.5. INCOME TAX EXPENSE

Consolidated income tax expense stood at €90.3 million for first-half 2019, compared with €84.4 million for first-half 2018. The effective tax rate (ETR), corresponding to income tax expense divided by the amount of pre-tax profit, was 32.5% in first-half 2019 versus 34.2% in first-half 2018. The adjusted effective tax rate, corresponding to the effective tax rate adjusted for the tax effect on non-recurring items, fell 170 basis points compared with the first six months of 2018, to 31.1%. The decrease is essentially attributable to new tax deductibility rules for interest applicable in France as of 2019.

1.3.6. ATTRIBUTABLE NET PROFIT

Attributable net profit was €173.6 million in first-half 2019.
Earnings per share came in at €0.40, up 17.6% on the first-half 2018 figure of €0.34 and up 17.2% on a constant currency basis.

After applying IFRS 16, attributable net profit amounted to €171.1 million, and earnings per share €0.39.

1.3.7. ADJUSTED ATTRIBUTABLE NET PROFIT

Adjusted attributable net profit is defined as attributable net profit adjusted for other operating expenses after tax.

(€ millions)	**First-half 2019 after applying IFRS 16**	**First-half 2019 before applying IFRS 16**	**First-half 2018**
Attributable net profit	**171.1**	**173.6**	**149.7**
EPS[a] (in euros per share)	*0.39*	*0.40*	*0.34*
Adjustment items	47.0	47.0	54.3
Tax impact on adjustment items	(11.5)	(11.5)	(14.5)
Net profit (loss) from operations to be sold	-	-	-
ADJUSTED ATTRIBUTABLE NET PROFIT	**206.6**	**209.1**	**189.5**
ADJUSTED EPS[a] *(in euros per share)*	**0.47**	**0.48**	**0.44**

Adjusted attributable net profit amounted to €209.1 million in first-half 2019, up on the first-half 2018 figure. Adjusted earnings per share came out at €0.48, a rise of 9.8% on first-half 2018 and of 9.6% based on constant currencies.

After applying IFRS 16, adjusted attributable net profit amounted to €206.6 million, and earnings per share to €0.47.

1.3.8. RESULTS BY BUSINESS

Unless otherwise specified, analyses of changes in activity and results will be made by comparing data for first-half 2019 before applying IFRS 16 with data for first-half 2018.

Change in revenue by business for the first half of the year

(€ millions)	First-half 2019	First-half 2018	Growth			
			Total	Organic	Scope	Currency
Marine & Offshore	180.9	170.4	+6.2%	+5.4%	+0.4%	+0.4%
Agri-Food & Commodities	574.3	524.1	+9.6%	+7.9%	+1.1%	+0.6%
Industry	534.4	515.2	+3.7%	+4.8%	(0.1)%	(1.0)%
Buildings & Infrastructure	664.7	613.9	+8.3%	+3.1%	+4.0%	+1.2%
Certification	182.6	190.5	(4.1)%	(4.1)%	-	-
Consumer Products	339.7	324.2	+4.8%	+2.2%	-	+2.6%
TOTAL	**2,476.6**	**2,338.3**	**+5.9%**	**+4.0%**	**+1.3%**	**+0.6%**

Revenue for second-quarter and first-half 2018 was restated owing to reclassifications between Commodities and Industry & Infrastructure (Buildings & Infrastructure, Industry, Agri-Food & Commodities and Certification) businesses.

Change in adjusted operating profit by business for the first half of the year

(€ millions)	Adjusted operating profit			Adjusted operating margin		
Before applying IFRS 16	First-half 2019	First-half 2018	Change	First-half 2019	First-half 2018	Total change (bps)
Marine & Offshore	38.2	36.3	+5.2%	21.1%	21.3%	(20)
Agri-Food & Commodities	77.5	58.6	+32.3%	13.5%	11.2%	+230
Industry	58.1	59.5	(2.4)%	10.9%	11.5%	(60)
Buildings & Infrastructure	88.6	83.0	+6.7%	13.3%	13.6%	(30)
Certification	30.6	34.2	(10.5)%	16.8%	17.9%	(110)
Consumer Products	82.5	76.5	+7.8%	24.3%	23.6%	+70
TOTAL	**375.5**	**348.1**	**+7.9%**	**15.2%**	**14.9%**	**+30**

(€ millions)	Adjusted operating profit			Adjusted operating margin		
After applying IFRS 16	First-half 2019	First-half 2018	Change	First-half 2019	First-half 2018	Total change (bps)
Marine & Offshore	38.4	36.3	+5.8%	21.2%	21.3%	(10)
Agri-Food & Commodities	79.6	58.6	+35.8%	13.9%	11.2%	+270
Industry	59.3	59.5	(0.3)%	11.1%	11.5%	(40)
Buildings & Infrastructure	88.6	83.0	+6.7%	13.3%	13.6%	(30)
Certification	30.9	34.2	(9.6)%	16.9%	17.9%	(100)
Consumer Products	83.7	76.5	+9.4%	24.6%	23.6%	+100
TOTAL	**380.5**	**348.1**	**+9.3%**	**15.4%**	**14.9%**	**+50**

MARINE & OFFSHORE

(€ millions) Before applying IFRS 16	First-half 2019	First-half 2018	% change	Organic	Scope	Currency
Revenue	180.9	170.4	+6.2%	+5.4%	+0.4%	+0.4%
Adjusted operating profit	38.2	36.3	+5.2%			
Adjusted operating margin	21.1%	21.3%	(20)bps	(25)bps		

The Marine & Offshore business posted robust organic revenue growth of 5.4% in the first-half of 2019 (7.6% in Q2), benefiting from the recovery in new orders. This results mainly from:

- high single-digit growth in New Construction, notably driven by the equipment certification business in North Asia. In Q2, the double-digit growth benefited from a catch-up effect following a timing issue in the scheduling of deliveries by the shipowners in Q1;
- low single-digit growth in Core In-service, a reflection of the fleet's modest growth against continuing price pressure;
- high single-digit growth for Services (including Offshore) primarily fueled by the extension of services provided to customers and the stabilization of risk assessment studies.

New orders totaled 3.5 million gross tons at the end of June 2019, stable year-on-year, reflecting the good dynamic for the Group's Marine & Offshore division against a market being down year to date. The Group benefits from its strong positioning on the most dynamic market segments, namely LNG/LPG (as fuel) and passenger ships (particular focus on expedition/polar cruise and eco-friendly concepts).

The order book stood at 14.1 million gross tons at the end of the quarter, broadly stable compared to December 2018 (14.0 million gross tons). The order book remains well diversified, with categories in bulk, dual-fuels and LNG vessels, tankers and passenger ships representing a significant share of the orders.

The adjusted operating margin for H1 2019 came in at 21.1%, slightly down 20 basis points compared to H1 2018, due to negative foreign exchange impact. At constant currency, margin was nearly stable, impacted by a one-off positive item recorded last year.

Outlook: in 2019, Bureau Veritas expects organic revenue growth in this business to be positive. This reflects (i) a recovery in New Construction attributed to solid new orders won, notably led by North Asia; (ii) resilient In-Service activity including the Offshore-related activities, and limited benefit from IMO 2020 regulation. Profitability wise, the Group expects the adjusted operating margin to improve with the restructuring benefit being mitigated by a negative foreign exchange impact.

AGRI-FOOD & COMMODITIES

(€ millions) Before applying IFRS 16	First-half 2019	First-half 2018	% change	Organic	Scope	Currency
Revenue	574.3	524.1	+9.6%	+7.9%	+1.1%	+0.6%
Adjusted operating profit	77.5	58.6	+32.3%			
Adjusted operating margin	13.5%	11.2%	+230bps	+195bps		

In the first half of 2019, revenue increased by 7.9% organically (8.0% in Q2 2019), pursuing the strong trend observed in the first quarter (7.8%), with the following performances across sub-segments:

Oil & Petrochemicals (36% of divisional revenue) reported 1.4% organic growth, due to mixed geographical trends. The Group saw strong growth in Europe thanks to new services (marine fuels testing, growing at double-digit) and new outsourcing contracts (Romania), very high growth in Africa (extension of footprint and services) and a robust performance in Canada (new outsourcing contracts); in contrast, slightly negative growth was achieved in the US as a result of bad weather conditions in the key Gulf Coast area and the challenging competitive environment. Non trade-activities (OCM, Marine fuel) achieved good growth in the first half of 2019.

Metals & Minerals (27% of divisional revenue) achieved a strong performance with a 10.0% organic improvement, led by similar growth for both upstream activities (including Coal) and trade related activities across most geographies. Upstream continued to record strong growth (9.8%) led notably by Africa, Australia and the Americas, although at a slower pace in Q2 owing to more difficult comparables. Gold and base metals (notably copper and iron ore) continued to be strong performers. Key mine site outsourcing contract wins (Africa and Australia) contributed significantly to growth. Coal activities continued to benefit from a healthy recovery attributed to the development of Bureau Veritas' Mozambique business (following a large contract win) as well as from Australian operations. Trade activities grew 10.4% organically, primarily led by non-coal trade minerals, with particularly high growth in Europe, China and in West Africa.

Agri-Food (22% of divisional revenue) recorded a strong 9.2% organic increase in the first half (with a similar growth in Q2), led by strong performances for both Agri and Food products. The Agri business recovered from last year, benefiting from new contract wins notably in precision farming, new services diversification (Truck Load Inspections in Brazil) and from favorable comparables (following poor weather conditions and external factors in 2018). The Food business maintained strong trends across all geographies, thanks to the development of several growth initiatives and the benefits of past acquisitions.

Government Services (15% of divisional revenue) recorded a strong 20.2% organic growth in the first half, strongly benefiting from the full ramp-up of VOC (Verification of Conformity) and single window contracts in the Democratic Republic of the Congo, Ghana and Ivory Coast. The contracts phasing is expected to moderate growth in the second half.

The adjusted operating margin for the Agri-Food & Commodities business improved strongly to 13.5% in the first half of 2019 (up 230 basis points compared to last year). This reflects a strong organic increase fueled by the operating leverage, a positive mix and the benefit of past restructuring actions, partly offset by a negative foreign exchange.

Outlook: in 2019, the Group expects its Agri-Food & Commodities business to deliver slightly higher organic revenue growth compared to 4.5% in 2018, fueled by solid Metals & Minerals markets, robust Agri-Food businesses, improving Government Services and resilient Oil & Petrochemicals markets. The Group anticipates a margin improvement driven by restructuring benefits and positive mix effects.

INDUSTRY

(€ millions) Before applying IFRS 16	First-half 2019	First-half 2018	% change	Organic	Scope	Currency
Revenue	534.4	515.2	+3.7%	+4.8%	(0.1)%	(1.0)%
Adjusted operating profit	58.1	59.5	(2.4)%			
Adjusted operating margin	10.9%	11.5%	(60)bps	(75)bps		

The Industry business confirmed its recovery with a 4.8% organic revenue increase year on year. In Q2 the growth accelerated to 5.8%. This reflects gradual improving market conditions in Oil & Gas alongside the benefits of the strategy of diversification towards Opex and non-Oil & Gas markets.

Part of the Group's strategic plan Growth Initiatives, Opex-related activities registered a robust 7.6% in growth. This was primarily supported by the Power & Utilities segment, for which Opex-related activities grew by 16.8%, with the ramp-up of several contracts in Latin America notably, though cushioned by contracts ending in Europe. The Nuclear segment performed well, notably in the UK.

In Oil & Gas markets (37% of divisional revenue), the situation further improved in the first half: Opex-related activities grew 9.2% organically, benefiting from strong volume increases, across nearly all geographies (notably in Latin America, the Middle East and South & West Europe), against persistent price pressure. Capex related activities grew by 7.8% organically with Q2 accelerating 11.0% following the positive trend observed since H2 2018. This was fueled by positive developments in the United States, Latin America, Africa and in South Korea, attributed to several Capex projects, while business stabilized in Asia.

During the first half, the Group continued to experience a build-up of predominantly small-sized Capex opportunities in the pipeline.

Overall for the Industry business, growth was strong in Latin America (primarily led by Brazil, Colombia and Argentina), as a result of sector diversification; in the Middle East, growth was led by Qatar, and in South Korea by new Capex contracts. Business remained solid in North America (led by the US), in Australia and in certain European countries (including Italy, Spain, the UK and Eastern countries).

The adjusted operating margin for the first half of 2019 slightly declined year on year at 10.9%, mainly attributed to a negative mix effect with the high growth in Opex-related activities (Power & Utilities and Oil & Gas, notably in Latin America), still in a ramp-up/investment phase.

Outlook: in 2019, Bureau Veritas expects Industry to deliver slightly higher organic revenue growth compared to 3.5% in 2018, fueled by the pursuit of its successful Opex services diversification, alongside improving Oil & Gas Capex markets. The Group anticipates a margin improvement driven by restructuring benefits and positive mix effects.

BUILDINGS & INFRASTRUCTURE

(€ millions) Before applying IFRS 16	First-half 2019	First-half 2018	% change	Organic	Scope	Currency
Revenue	664.7	613.9	+8.3%	+3.1%	+4.0%	+1.2%
Adjusted operating profit	88.6	83.0	+6.7%			
Adjusted operating margin	13.3%	13.6%	(30)bps	(5)bps		

The Buildings & Infrastructure business posted good revenue growth of 8.3% in H1 2019 (including 6.5% in Q2) versus last year, with a 4.0% impact from external growth due notably to the completion of the acquisition of EMG in the US and Capital Energy in France.

Organically, growth amounted to 3.1% for the first half (including 3.2% in Q2) spread across selective geographies. Stronger organic growth was recorded in Construction-related activities (43% of divisional revenue) than in the Buildings In-service activities (57% of divisional revenue).

High single-digit organic growth was experienced in Asia Pacific (23% of divisional revenue) in H1, including 10.4% organic growth for operations in China (15% of Buildings & Infrastructure revenue). China continued to benefit from healthy growth in energy and infrastructure project management assistance. Australia also recorded double-digit organic growth, benefiting from the McKenzie acquisition.

In the Americas (21% of divisional revenue), mid-single-digit growth was achieved with a recovery of Brazil, strong growth in Colombia and solid growth in the United States, in particular for code compliance services and in data center commissioning (Primary Integration acquisition). In Q1 2019, the Group announced the acquisition of Owen Group, a US regional leader in buildings and infrastructure compliance services including ADA accessibility compliance, deferred maintenance compliance, commissioning, and code compliance (revenue of around €7 million in 2018).

Growth in Europe (53% of divisional revenue) was stable, mainly due to negative performances in both Spain and in the UK (project-led growth) as well as limited growth in France (40% of revenue), due to subdued conditions in the Capex-related activities and a weak start to the year for Opex-related works (on negative calendar effects and recruiting issues).

The adjusted operating margin for the first half of 2019 was down slightly (30 basis points) to 13.3%, primarily due to negative impact from acquisitions (30 basis points) partly offset by positive foreign exchange impact. On organic basis margin was nearly stable compared to last year.

Outlook: in 2019, the Group expects its Buildings & Infrastructure business to deliver slightly lower organic revenue growth compared to 4.3% in 2018, led by both Capex and Opex related services. Profitability wise, the Group expects its margin to slightly improve year on year.

CERTIFICATION

(€ millions) Before applying IFRS 16	First-half 2019	First-half 2018	% change	Organic	Scope	Currency
Revenue	182.6	190.5	(4.1)%	(4.1)%	-	-
Adjusted operating profit	30.6	34.2	(10.5)%			
Adjusted operating margin	16.8%	17.9%	(110)bps	(110)bps		

As anticipated, the Certification business recorded negative organic growth of (4.1)% in the first half of 2019, of which (5.9)% in Q2 2019, against very challenging comparables. This is attributed to the end of the three-year revision period on QHSE and Transportation standards.

As anticipated, QHSE and Transportation Certification markets declined significantly as a result of the absence of transition man-days, notably in the second quarter. This mainly impacted the countries which are highly dependent on QHSE and Transportation certification, namely Germany, the US, Canada, Japan and to some extent Spain.

Growth was achieved elsewhere. Double-digit organic growth was recorded in Social & Customized audits, Sustainability & CSR and Food Certification. High double-digit growth was also delivered in the Enterprise Risk Management offering, including anti-bribery, business continuity, cybersecurity and GDPR Data privacy certification. The Group's portfolio diversification is key contributor to the growth, with new products development being up 22.1% in the first-half of 2019.

By geography, growth was achieved in the Group's three largest countries (representing all together a third of divisional revenue), which benefiting from their diversified portfolios: France (notably led by Enterprise Risk, Supplier audits and Organic Food schemes), Italy (led by Social & Ethical audits, Food safety, Training and Personnel Certification) and China (led by Customized audits, Forestry, CSR and Sustainable Development); while the other geographies showed negative growth as a result of the three-year standards revision period ending.

The adjusted operating margin for the first half of 2019 declined to 16.8% (110 basis points) due to the impact of negative revenue growth associated with negative mix effect.

Outlook: in 2019, the Certification business is expected to deliver negative organic revenue growth. This reflects: (i) the impact of the QHSE and Transportation transition, which ended in September 2018 creating challenging comparables for the first nine months of the year; (ii) solid growth elsewhere primarily driven by Food schemes, Sustainability, Training and Customized audits. Profitability wise, the Group will focus on margin protection.

CONSUMER PRODUCTS

(€ millions) Before applying IFRS 16	First-half 2019	First-half 2018	% change	Organic	Scope	Currency
Revenue	339.7	324.2	+4.8%	+2.2%	-	+2.6%
Adjusted operating profit	82.5	76.5	+7.8%			
Adjusted operating margin	24.3%	23.6%	+70bps	+60bps		

The Consumer Products business experienced a 2.2% organic revenue growth in the first half. In Q2, as anticipated, the growth marked a slowdown at 0.8%, mainly due to the phasing of new product launches. By region, growth was notably driven by a strong performance in Europe, in South and South East Asia, as well as in North East Asia. In the meantime, the performance was slightly negative in China, in line with the trend observed in the previous quarters.

Electrical & Electronics (34% of divisional revenue) posted low single-digit organic revenue growth driven by mid-single-digit growth in Mobile testing primarily in South Asia, South East Asia and Europe. This reflects a temporary slowdown for new products development ahead of the 5G launch by year end. Automotive also faced challenging comparables in the first half.

Hardlines (31% of divisional revenue) performed slightly below the divisional average, driven by new contract wins in Europe (Turkey, Germany and Italy notably); Toys was stable compared to last year while Cosmetics achieved high double-digit growth.

Lastly, **Softlines** (35% of divisional revenue) grew in line with the divisional average, reflecting a contrasted situation by geography: solid growth in Europe as well as strong momentum in South and South East Asia (notably Vietnam and India), which continued to benefit from the sourcing shift out of China; in contrast, weak trading conditions in the US.

The adjusted operating margin for the first half improved to a healthy 24.3% (up 70 basis points) thanks to efficiency gains, despite slower organic revenue growth, notably in Q2.

Outlook: in 2019, the Group expects slightly slower organic growth compared to 4.3% in 2018, with gradual improvement in the second half, which will benefit from a solid backlog and more favorable comparables. By region, it expects strong momentum in South Asia and South East Asia, solid growth in Europe, resilient performance in China while more challenging in the US. Profitability wise, the Group will focus on margin protection.

1.4. CASH FLOWS AND SOURCES OF FINANCING

1.4.1. CASH FLOWS

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018
Profit before income tax	274.3	277.8	246.6
Elimination of cash flows from financing and investing activities	67.2	57.5	44.0
Provisions and other non-cash items	(6.5)	(6.5)	3.8
Depreciation, amortization and impairment	142.2	105.1	98.1
Movements in working capital attributable to operations	(161.6)	(161.6)	(148.8)
Income tax paid	(83.3)	(83.3)	(77.9)
Net cash generated from operating activities	**232.3**	**189.0**	**165.9**
Acquisitions of subsidiaries	(55.9)	(55.9)	(122.7)
Proceeds from sales of subsidiaries and businesses	16.6	16.6	-
Purchases of property, plant and equipment and intangible assets	(56.4)	(56.4)	(63.1)
Proceeds from sales of property, plant and equipment and intangible assets	5.1	5.1	4.1
Purchases of non-current financial assets	(8.4)	(8.4)	(14.8)
Proceeds from sales of non-current financial assets	8.4	8.4	10.6
Change in loans and advances granted	(11.4)	(11.4)	(1.9)
Dividends received from equity-accounted companies	1.4	1.4	0.5
Net cash used in investing activities	**(100.6)**	**(100.6)**	**(187.3)**
Capital increase	0.7	0.7	2.6
Purchases/sales of treasury shares	2.8	2.8	(26.7)
Dividends paid	(69.3)	(69.3)	(254.8)
Increase in borrowings and other financial debt	204.9	204.9	263.8
Repayment of borrowings and other financial debt	(424.7)	(424.7)	(5.7)
Repayment of amounts owed to shareholders	(3.2)	(3.2)	-
Repayment of lease liabilities	(43.3)	-	-
Interest paid	(40.1)	(40.1)	(44.0)
Net cash generated used in financing activities	**(372.2)**	**(328.9)**	**(64.8)**
Impact of currency translation differences	(0.2)	(0.2)	(7.2)
Impact of changes in accounting policy	-	-	-
Net decrease in cash and cash equivalents	**(240.7)**	**(240.7)**	**(93.4)**
Net cash and cash equivalents at beginning of period	1,034.6	1,034.6	354.5
Net cash and cash equivalents at end of period	**793.9**	**793.9**	**261.1**
o/w cash and cash equivalents	804.8	804.8	286.7
o/w bank overdrafts	(10.9)	(10.9)	(25.6)

Net cash generated from operating activities

Cash generated from operating activities (operating cash flow) was up 13.9% to €189.0 million in first-half 2019, buoyed by solid revenue growth (up 4.0% on an organic basis) and especially by an improvement in profit before income tax. Working capital requirement increased slightly compared with first-half 2018, due mainly to the unfavorable calendar effect (June 29 and 30 were not working days), which meant that the Group did not collect the amounts owed to it by its customers before the June 30 cut-off.

At June 30, 2019, working capital requirement was €581.4 million, or 11.4% of annualized revenue, compared with €577.7 million or 12.4% of revenue at June 30, 2018.

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018
Net cash generated from operating activities	**232.3**	**189.0**	**165.9**
Purchases of property, plant and equipment and intangible assets, net of disposals	(51.3)	(51.3)	(59.0)
Interest paid	(40.1)	(40.1)	(44.0)
FREE CASH FLOW	**140.9**	**97.6**	**62.9**

Free cash flow (net cash flow generated from operating activities after tax, interest expense and purchases of property, plant and equipment and intangible assets) was €97.6 million in first-half 2019, up 55.2% on the first-half 2018 figure of €62.9 million (up 54.4% at constant currencies). On an organic basis, free cash flow improved by 59.2% during first-half 2019.

Change in free cash flow (before applying IFRS 16)

(€ millions)

Free cash flow at June 30, 2018	**62.9**
Organic change	+37.2
Organic free cash flow	**100.1**
Scope	(3.0)
Free cash flow at constant currency	**97.1**
Currency	+0.5
FREE CASH FLOW AT JUNE 30, 2019	**97.6**

Purchases of property, plant and equipment and intangible assets

The Group's inspection and certification activities are generally non capital-intensive, whereas its laboratory testing and analysis activities require investment. These investments concern in particular the Consumer Products and Agri-Food & Commodities businesses.

The Group's total capital expenditure (net of disposals) in property, plant and equipment and intangible assets was €51.3 million in first-half 2019, down from €59.0 million in first-half 2018. The Group recognized €5.1 million in disposal gains during the period, versus €4.1 million in disposal gains in first-half 2018.

The Capex-to-revenue ratio came out at approximately 2.1%, lower than the first-half 2018 figure of 2.5%. The Group is targeting a ratio of around 3.0% for full-year 2019, in particular to drive its digital transformation.

Interest paid

Interest paid fell to €40.1 million from €44.0 million in first-half 2018. This was primarily due to a favorable currency effect related to the refinancing in July 2018 of the USD 155 million US Private Placement by a second US Private Placement for the same amount but at a lower rate.

Acquisitions

A brief description of the main acquisitions carried out in the first half of the year is set out in section 1.2 – First-half 2019 highlights.

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018
Purchase price of acquisitions	(52.5)	(52.5)	(103.6)
Remeasurement of securities at fair value	4.1	4.1	-
Cash and cash equivalents of acquired companies	14.2	14.2	0.7
Contingent price consideration payable in respect of acquisitions in the period	2.2	2.2	0.4
Purchase price paid in relation to acquisitions in prior periods	(22.0)	(22.0)	(18.3)
Impact of acquisitions on cash and cash equivalents	**(54.0)**	**(54.0)**	**(120.8)**
Acquisition fees	(1.9)	(1.9)	(1.9)
ACQUISITIONS OF SUBSIDIARIES	**(55.9)**	**(55.9)**	**(122.7)**

Net cash generated used in financing activities

Capital transactions (capital increases/reductions and share buybacks)

In first-half 2019, purchases and sales of the Company's own shares, notably used to cover stock option and performance share plans, led to net cash inflows of €2.8 million, plus €0.7 million in capital increases.

Dividends paid

In first-half 2019, the "Dividends paid" item mainly comprised dividends paid to shareholders in respect of the 2018 financial year in an amount of €54.0 million (dividend per share of €0.56). This represents a significant decrease on the dividend paid to shareholders in respect of the 2017 financial year (€243.7 million), reflecting the significant take-up of the stock dividend option granted to shareholders.

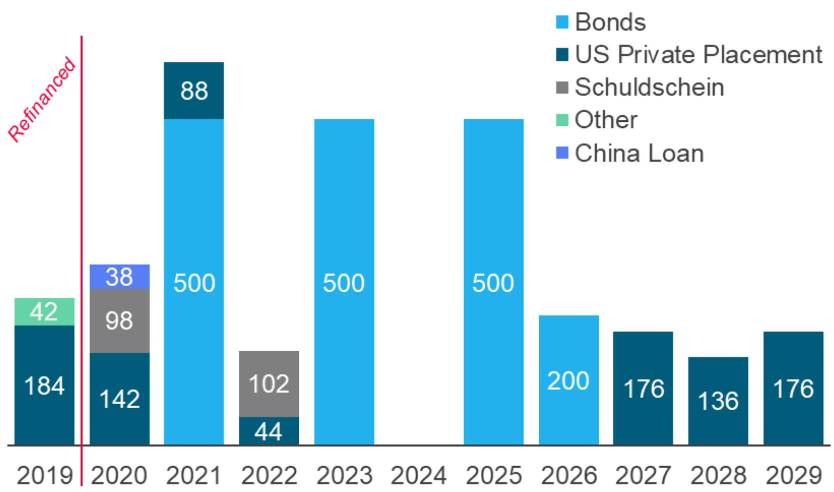
A brief description of payment arrangements for the 2018 dividend is set out in section 1.2 – First-half 2019 highlights.

Borrowings and debt

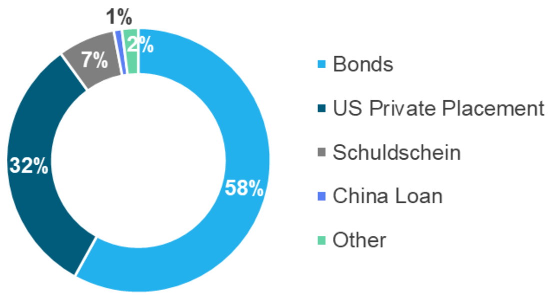
Borrowings and debt decreased by €228.2 million at June 30, 2019 compared with December 31, 2018.

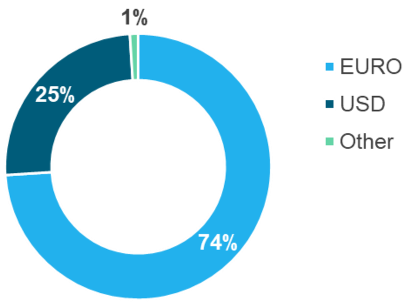
1.4.2. FINANCING

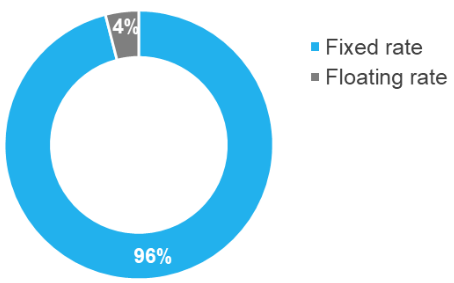
Debt maturity profile at June 30, 2019



Breakdown of debt







Sources of Group financing

Main sources of financing

At June 30, 2019, the Group's gross debt totaled €2,926.5 million, comprising:

- Non-bank financing:
  - 2008 US Private Placement (€142.2 million);
  - 2010 US Private Placement (€184.1 million);
  - 2011 & 2014 US Private Placement (€87.9 million);
  - 2013 & 2014 US Private Placement (€44 million);
  - 2017 US Private Placement (€312 million) carried on the books of Bureau Veritas Holdings, Inc.;
  - 2018 US Private Placement (€175.7 million) carried on the books of Bureau Veritas Holdings, Inc.;
  - various tranches of the *Schuldschein* "SSD" notes (€200 million);
  - 2014, 2016 and 2018 bond issues (€1.7 billion).
- Bank financing:
  - 2018 syndicated credit facility (undrawn);
  - bank financing (€38.4 million) carried on the books of Bureau Veritas Investment Shanghai Co., Ltd.;
  - other bank debt (€2.2 million); and
  - bank overdrafts (€10.9 million).
- Other bank debt and accrued interest (€29.1 million).

The change in the Group's gross debt is shown below:

(€ millions)	**June 30, 2019**	**Dec. 31, 2018**
Bank borrowings due after one year	2,691.6	2,655.7
Bank borrowings due within one year	224.0	487.3
Bank overdrafts	10.9	11.7
GROSS DEBT	**2,926.5**	**3,154.7**

The table below shows the change in cash and cash equivalents and net debt:

(€ millions)	**June 30, 2019**	**Dec. 31, 2018**
Marketable securities	256.2	607.5
Cash at bank and on hand	548.6	438.8
Cash and cash equivalents	**804.8**	**1,046.3**
Gross debt	2,926.5	3,154.7
NET DEBT	**2,121.7**	**2,108.4**
Currency hedging instruments	6.4	6.7
ADJUSTED NET FINANCIAL DEBT	**2,128.1**	**2,115.1**

Adjusted net financial debt (net financial debt after currency hedging instruments as defined in the banking covenants) amounted to €2,128.1 million at June 30, 2019, compared with €2,115.1 million at December 31, 2018.

Bank covenants[2]

Some of the Group's financing requires compliance with certain bank covenants and ratios. The Group complied with all such commitments at June 30, 2019. The commitments can be summarized as follows:

- the first covenant is defined as the ratio of adjusted net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the last 12 months. This ratio should be less than 3.25. At June 30, 2019, it stood at 2.25;
- the second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the last 12 months, divided by consolidated net financial expense. This ratio should be higher than 5.5. At June 30, 2019, it stood at 10.28.

Main terms and conditions of financing

2008 US Private Placement

On July 16, 2008, the Group put in place a private placement in the United States (2008 USPP) for USD 266 million and GBP 63 million. The terms and conditions of this financing are as follows:

Maturity	Amounts *(€ millions)*	Currency	Repayment	Interest
July 2020	142.2	GBP & USD	*At maturity*	Fixed

2010 US Private Placement

The terms and conditions of this financing (USPP 2010) are as follows:

Maturity	Amounts *(€ millions)*	Currency	Repayment	Interest
July 2019	184.1	EUR	*At maturity*	Fixed

2011 & 2014 US Private Placement

In 2011, the Group set up a US Private Placement (2011 USPP) for USD 200 million with an investor.

The Group confirmed it had drawn down USD 100 million of this facility in 2011 with a ten-year term, and USD 100 million in May 2014 with an eight-year term.

The floating-rate tranche, due in May 2022, was repaid early in January 2019 in an amount of USD 100 million.

Maturity	Amounts *(€ millions)*	Currency	Repayment	Interest
October 2021	87.9	USD	*At maturity*	Fixed

[2] Bank covenant calculation methods are defined by contract based on data prior to the application of IFRS 16.

2013 & 2014 US Private Placement

In October 2013, the Group set up a US Private Placement (2013 USPP) with an investor for USD 150 million.

The floating-rate tranche, due in September 2020 (USD 75 million) and in July 2022 (USD 25 million), was repaid early in January 2019.

Maturity	**Amounts** *(€ millions)*	**Currency**	**Repayment**	**Interest**
July 2022	44.0	USD	*At maturity*	Fixed

2017 US Private Placement

In July 2017, the Group set up two US Private Placements (2017 USPP) for an aggregate amount of USD 355 million. The terms and conditions of these facilities are as follows:

Maturity	**Amounts** *(€ millions)*	**Currency**	**Repayment**	**Interest**
September 2027	175.7	USD	*At maturity*	Fixed
July 2028	136.3	USD	*At maturity*	Fixed

At June 30, 2019, the USD 200 million and USD 155 million financing facilities carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down in USD.

2018 US Private Placement

In December 2018, the Group set up a US Private Placement (2018 USPP) with an investor for USD 200 million. The terms and conditions of this financing are as follows:

Maturity	**Amounts** *(€ millions)*	**Currency**	**Repayment**	**Interest**
January 2029	175.7	USD	*At maturity*	Fixed

At June 30, 2019, the USD 200 million financing facility carried on the books of Bureau Veritas Holdings, Inc. had been fully drawn down in USD.

Schuldschein notes (SSD)

In July 2015, the Group set up a *Schuldschein*-type private placement for €200 million, maturing at five and seven years. Two tranches of a previous *Schuldschein* debt were redeemed at maturity, in January 2019 (€50 million) and March 2019 (€10 million), respectively. The total amount outstanding under this facility represented €200 million at June 30, 2019.

2014, 2016 and 2018 bond issues

The Group carried out three unrated bond issues in 2014, 2016 and 2018 totaling €1.7 billion. The bonds have the following terms and conditions:

Maturity	**Amounts** *(€ millions)*	**Currency**	**Repayment**	**Interest**
January 2021	500	EUR	*At maturity*	3.125%
September 2023	500	EUR	*At maturity*	1.250%
January 2025	500	EUR	*At maturity*	1.875%
September 2026	200	EUR	*At maturity*	2.000%

In April 2019, the Group redeemed its €200 million unrated note.

Negotiable European Commercial Paper ("NEU CP")

The Group put in place a NEU CP program with Banque de France to optimize its short-term cash management. The maturity of the commercial paper is less than one year. The ceiling for this program is €600 million.

The Group did not issue any negotiable European commercial paper at June 30, 2019.

Negotiable European Medium-Term Notes ("NEU MTN")

The Group has a NEU MTN program with Banque de France in order to establish a legal framework for its one- to three-year private placement issues. The ceiling for this program is €300 million.

At June 30, 2019, the NEU MTN program had not been used.

2018 syndicated credit facility

The Group has a confirmed revolving syndicated credit facility for €600 million. This facility was set up in May 2018 for a five-year term and includes two one-year extension options that can be exercised at the end of the first and second years, respectively.

The first extension option was exercised in May 2019, extending the maturity of the 2018 syndicated facility to May 2024.

At June 30, 2019, this facility had not been drawn down.

CNY bank financing ("China facility")

In September 2018, the Group set up a two-year bank facility for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd.

At June 30, 2019, CNY 300 million had been drawn on the China facility.

Sources of financing anticipated for future investments

The Group estimates that its operations will be able to be fully funded by the cash generated from its operating activities.

In order to finance its external growth, at June 30, 2019 the Group had sources of funds provided by:

- free cash flow after tax, interest and dividends;
- available cash and cash equivalents;
- a confirmed amount of €600 million available under the 2018 syndicated credit facility. The availability of this facility depends on the Group complying with its covenants.

1.5. MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE FINANCIAL YEAR

Readers are invited to refer to the 2018 Registration Document filed with the French financial markets authority (*Autorité des marchés financiers* – AMF) on March 27, 2019 under number D.19-0206 (section 1.11 – Risk factors). This paragraph includes information concerning the risk factors, the insurance and coverage of the risks, as well as the method used for the provisioning of the risks and legal disputes.

A detailed description of the financial and market risks for this six-month period is provided in Note 19 to the condensed half-year consolidated financial statements, presented in Chapter 2 of this 2019 half-year financial report.

With the exception of these points, the Group is not aware of any other material risks or uncertainties than those presented in this document.

Legal, administrative, government and arbitration procedures or investigations

In the normal course of business, the Group is involved in a large number of legal proceedings seeking to establish its professional liability. Although the Group pays careful attention to managing risks and the quality of the services it provides, some services may result in adverse financial penalties.

Provisions may be set aside to cover expenses resulting from such proceedings. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The costs the Group ultimately incurs may exceed the amounts set aside to such provisions due to a variety of factors such as the uncertain nature of the outcome of the disputes.

At the date of this Report, the Group is involved in the main proceedings described below.

Dispute concerning the construction of a hotel and commercial complex in Turkey

Bureau Veritas Gozetim Hizmetleri Ltd Sirketi (“BVG”) and the Turkish company Aymet are parties to a dispute before the Commercial Court of Ankara relating to the construction of a hotel and business complex in respect of which the parties entered into a contract in 2003. In 2004, construction on the project was halted following the withdrawal of funding for the project by the Aareal Bank. Aymet filed an action against BVG in 2008, claiming damages for alleged failures in the performance of its project inspection and supervision duties and BVG’s responsibility in the withdrawal of the project’s financing.

Regarding the merits of the case, the documents presented to the court by BVG and Aareal Bank, which provided a loan for the project and which was also summoned to the proceedings by Aymet, along with legal opinions provided by several distinguished professors of Turkish law, support the Company’s position according to which Aymet’s claims are without firm legal or contractual foundation.

In November 2017, a decision was handed down in the case between Aareal Bank and Aymet via its legal representative, within the scope of the same affair. The Court considered that Aareal Bank had legitimately terminated its financing on account of a breach of contract by the lender, Aymet.

Under local law, Aymet’s claim is capped at 87.4 million Turkish lira, plus interest charged at the statutory rate and court costs.

At the hearing on December 5, 2018, the Court upheld Aymet’s application in its entirety and ordered BVG to pay the amounts claimed. As BVG contests both the principle of its liability and the loss assessment, it has appealed this decision, filing a bank guarantee in order to oppose any attempt at executing it.

At the current stage of proceedings, the outcome of this dispute is uncertain, even though BVG's counsel are optimistic regarding the appeal decision. Based on the provisions set aside by the Group, and on the information currently available, and after considering the opinion of its legal counsel, the Company considers that this claim will not have a material adverse impact on the Group's consolidated financial statements.

Dispute concerning the Gabon Express airplane crash

Following the crash of an airplane of Gabon Express at Libreville on June 8, 2004 causing the death of 19 passengers and crew members and injuries to 11 persons, the General Director of the subsidiary Bureau Veritas Gabon SAU ("BV Gabon") at that time was sued for involuntary homicide and injury. BV Gabon has been sued for civil liability in Gabon.

At the date of this Report, no quantified claim has been made in a court of law and the assignment of liability is not yet known. The main proceedings have not yet begun, due to procedural difficulties. The application for withdrawal of the judgment of June 18, 2013 filed by BV Gabon in September 2013 was dismissed in February 2015 by a decision of the Court of Cassation in Libreville. The evidence should have subsequently been referred back to the Criminal Court to set a hearing on the merits, although this has not yet occurred. BV Gabon had summonses delivered directly to the foreign brokers and insurers who had illegally invested the policy covering the aircraft in order to include them as party in the proceedings.

Based on the available insurance coverage and on the information currently available, and after considering the opinion of its legal counsel, the Company considers that this claim will not have a material adverse impact on the Group's consolidated financial statements.

Dispute concerning technical inspector accreditation in France

Proceedings were brought before the Cergy-Pontoise Administrative Court by Fédération CINOV, an association of trade unions in the intellectual property, consulting, engineering and digital sectors, seeking annulment of the November 2, 2016 ruling in which the French Ministry for the Environment, Energy and the Sea, responsible for international relations focused on climate issues (now known as the Ministry for Ecological and Solidary Transition) and the Ministry for Housing and Sustainable Habitat (now known as the Ministry for Regional Cohesion) (hereafter the "Ministries") awarded Company subsidiary Bureau Veritas Construction SAS accreditation as a technical inspector for a period of three years as from the date of the accreditation decision.

Bureau Veritas Construction SAS, the receiving party of the disputed ruling, resolved to join the defense proceedings in support of the findings presented by the Ministries concerned.

After considering the opinion of its legal counsel, the Group believes that the arguments put forward by Fédération CINOV are unfounded and that the Ministries are likely to be able to assert their position in the courts. Although the consequences and/or costs of this claim cannot be predicted with any certainty, the Group does not expect the claim to have a material impact on its financial position or profitability. Consequently, no provision has been accrued in this respect in the consolidated financial statements.

Tax contingencies and positions

The French tax authorities are currently examining Bureau Veritas SA's books for financial years 2015 and 2016. After it was notified of proposed tax adjustments in several countries, the Group initiated discussions with the competent local authorities for matters at the litigation or pre-litigation stage. Given the current status of the pending matters and based on the information available to date, the Group believes that the tax contingencies and positions reported in its consolidated financial statements in respect of these risks, audits and adjustments are appropriate.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which the Company is aware that are pending or with which the Group is threatened) that could have, or have had over the last six months, a material impact on the Group's financial position or profitability. A description of the provisions for claims and disputes booked by the Group is provided in Note 25 to the 2018 consolidated financial statements in section 5.1 of the 2018 Registration Document. This note continues to be relevant since the disputes relate to taxes other than income taxes (IAS 12).

1.6. RELATED-PARTY TRANSACTIONS

Readers are invited to refer to Note 20 – Related-party transactions presented in Chapter 2 of this 2019 half-year financial report.

1.7. OUTLOOK

2019 outlook confirmed

For full-year 2019, the Group expects:

- solid organic revenue growth;
- continued adjusted operating margin improvement at constant currency;
- sustained strong cash flow generation.

1.8. EVENTS AFTER THE END OF THE REPORTING PERIOD

None.

2. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2019

2.1. CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Half-year consolidated income statement

(€ millions, except per share data)	Notes	First-half 2019	First-half 2018
Revenue	6	**2,476.6**	**2,338.3**
Purchases and external charges	7	(690.6)	(689.8)
Personnel costs	7	(1,294.6)	(1,243.9)
Taxes other than on income		(24.0)	(23.3)
Net additions to provisions	7	(1.3)	(0.3)
Depreciation and amortization		(142.2)	(98.1)
Other operating income and expense, net	7	7.3	8.1
Operating profit	**6**	**331.2**	**291.0**
Share of profit of equity-accounted companies		0.5	0.7
Operating profit after share of profit of equity-accounted companies		**331.7**	**291.7**
Income from cash and cash equivalents		0.9	1.0
Finance costs, gross		(51.1)	(41.9)
Finance costs, net		**(50.2)**	**(40.9)**
Other financial income and expense, net		(7.2)	(4.3)
Net financial expense		**(57.4)**	**(45.2)**
Profit before income tax		**274.3**	**246.5**
Income tax expense	8	(89.3)	(84.4)
Net profit from continuing operations		**185.0**	**162.1**
Non-controlling interests		(13.9)	(12.4)
NET PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		**171.1**	**149.7**
Earnings per share (in €):			
Basic earnings per share	17	0.39	0.34
Diluted earnings per share	17	0.39	0.34

The notes on pages 34 to 69 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of comprehensive income

(€ millions)	Notes	First-half 2019	First-half 2018
Net profit		**185.0**	**162.1**
Other comprehensive income			
Items to be reclassified to profit			
Currency translation differences(1)		32.7	(41.7)
Cash flow hedges(2)		0.1	(0.4)
Tax effect on items to be reclassified to profit	8	(0.1)	0.1
Total items to be reclassified to profit		**32.7**	**(42.0)**
Items not to be reclassified to profit			
Actuarial gains/(losses)(3)		(14.6)	4.1
Tax effect on items not to be reclassified to profit	8	3.7	(1.1)
Total items not to be reclassified to profit		**(10.9)**	**3.0**
Total other comprehensive income/(expense), after tax		**21.8**	**(39.0)**
TOTAL COMPREHENSIVE INCOME		**206.8**	**123.1**
Attributable to:			
owners of the Company		193.1	107.2
non-controlling interests		13.7	15.9

(1) Currency translation differences: this item includes exchange differences arising on the conversion of the financial statements of foreign subsidiaries into euros.
The differences result mainly from fluctuations during the period in the Canadian dollar (€18.2 million), Singapore dollar (€6.1 million) and Australian dollar (negative 4.5 million).

(2) The change in cash flow hedges results from changes in the fair value of derivative financial instruments eligible for hedge accounting.

(3) Actuarial gains and losses: the Group recognizes actuarial gains and losses arising on the measurement of pension plans and other long-term employee benefits in equity. These actuarial differences reflect the impact of experience adjustments and changes in valuation assumptions (discount rate, salary inflation rate and rate of increase in pensions) regarding the Group's obligations in respect of defined benefit plans.

The notes on pages 34 to 69 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of financial position

(€ millions)	Notes	June 30, 2019	Dec. 31, 2018
Goodwill	9	2,056.6	2,011.6
Intangible assets		644.3	634.6
Property, plant and equipment		445.7	471.1
Right-of-use assets		301.5	-
Non-current financial assets		115.9	114.8
Deferred income tax assets		135.4	135.3
Total non-current assets		**3,699.4**	**3,367.4**
Trade and other receivables		1,492.9	1,409.0
Contract assets		236.7	206.9
Current income tax assets		56.5	49.8
Derivative financial instruments		1.9	3.8
Other current financial assets		23.2	13.1
Cash and cash equivalents		804.8	1,046.3
Total current assets		**2,616.0**	**2,728.9**
TOTAL ASSETS		**6,315.4**	**6,096.3**
Share capital		54.2	53.0
Retained earnings and other reserves		981.8	906.3
Equity attributable to owners of the Company		**1,036.0**	**959.3**
Non-controlling interests		63.5	48.3
Total equity		**1,099.5**	**1,007.6**
Non-current borrowings and financial debt	13	2,691.6	2,655.7
Non-current lease liabilities		277.3	-
Derivative financial instruments		6.4	6.7
Other non-current financial liabilities		98.8	125.0
Deferred income tax liabilities		125.0	127.4
Pension plans and other long-term employee benefits		203.5	185.6
Provisions for liabilities and charges	15	83.2	105.1
Total non-current liabilities		**3,485.8**	**3,205.5**
Trade and other payables		1,148.2	1,182.8
Current income tax liabilities		153.3	71.2
Current borrowings and financial debt	13	234.9	499.0
Current lease liabilities		75.2	-
Derivative financial instruments		4.5	4.4
Other current financial liabilities		114.0	125.8
Total current liabilities		**1,730.1**	**1,883.2**
TOTAL EQUITY AND LIABILITIES		**6,315.4**	**6,096.3**

The notes on pages 34 to 69 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of changes in equity

(€ millions)	Share capital	Share premium	Currency translation reserves	Other reserves	Total equity	Attributable to owners of the Company	Attributable to non-controlling interests
At December 31, 2017	**53.0**	**39.1**	**(234.2)**	**1,174.8**	**1,032.7**	**989.1**	**43.6**
First-time application of IFRS 9				(19.6)	(19.6)	(18.7)	(0.9)
Capital increase		2.5		0.1	2.6	2.5	0.1
Fair value of stock options				10.9	10.9	10.9	
Dividends paid				(246.8)	(246.8)	(243.7)	(3.1)
Treasury share transactions				(23.0)	(23.0)	(23.0)	
Additions to the scope of consolidation				9.7	9.7	-	9.7
Other movements[1]				(37.5)	(37.5)	(23.8)	(13.7)
Total transactions with owners	**-**	**2.5**	**-**	**(286.6)**	**(284.1)**	**(277.1)**	**(7.0)**
Net profit				162.1	162.1	149.7	12.4
Other comprehensive income			(41.7)	2.7	(39.0)	(42.5)	3.5
Total comprehensive income	**-**	**-**	**(41.7)**	**164.8**	**123.1**	**107.2**	**15.9**
At June 30, 2018	**53.0**	**41.6**	**(275.9)**	**1,033.4**	**852.1**	**800.5**	**51.6**
At December 31, 2018	**53.0**	**41.6**	**(296.2)**	**1,209.2**	**1,007.6**	**959.3**	**48.3**
First-time application of IFRS 16 and IFRIC 23				(83.2)	(83.2)	(83.5)	0.3
Capital increase	**1.2**	189.7			190.9	190.9	
Capital reduction		(4.1)			(4.1)	(4.1)	
Fair value of stock options				11.0	11.0	11.0	
Dividends paid				(246.9)	(246.9)	(244.3)	(2.6)
Treasury share transactions				11.1	11.1	11.1	
Additions to the scope of consolidation				10.3	10.3		10.3
Other movements[1]				(4.0)	(4.0)	2.5	(6.5)
Total transactions with owners	**1.2**	**185.6**	**-**	**(301.7)**	**(114.9)**	**(116.4)**	**1.5**
Net profit				185.0	185.0	171.1	13.9
Other comprehensive income			32.7	(10.9)	21.8	22.0	(0.2)
Total comprehensive income			**32.7**	**174.1**	**206.8**	**193.1**	**13.7**
At June 30, 2019	**54.2**	**227.2**	**(263.5)**	**1,081.6**	**1,099.5**	**1,036.0**	**63.5**

(1) The "Other movements" line mainly relates to:

- transfers of reserves between the portion attributable to owners of the Company and the portion attributable to non-controlling interests;
- changes in the fair value of put options on non-controlling interests.

The notes on pages 34 to 69 are an integral part of the condensed consolidated financial statements.

Half-year consolidated statement of cash flows

(€ millions)	Notes	First-half 2019	First-half 2018
Profit before income tax		274.3	246.6
Elimination of cash flows from financing and investing activities		67.2	44.0
Provisions and other non-cash items		(6.5)	3.9
Depreciation, amortization and impairment		142.2	98.1
Movements in working capital attributable to operations	16	(161.6)	(148.8)
Income tax paid		(83.3)	(77.9)
Net cash generated from operating activities		**232.3**	**165.9**
Acquisitions of subsidiaries	10	(55.9)	(122.7)
Proceeds from sales of subsidiaries and businesses		16.6	-
Purchases of property, plant and equipment and intangible assets		(56.4)	(63.1)
Proceeds from sales of property, plant and equipment and intangible assets		5.1	4.1
Purchases of non-current financial assets		(8.4)	(14.8)
Proceeds from sales of non-current financial assets		8.4	10.6
Change in loans and advances granted		(11.4)	(1.9)
Dividends received from equity-accounted companies		1.4	0.5
Net cash used in investing activities		**(100.6)**	**(187.3)**
Capital increase	11	0.7	2.6
Purchases/sales of treasury shares		2.8	(26.7)
Dividends paid		(69.3)	(254.8)
Increase in borrowings and other financial debt		204.9	263.8
Repayment of borrowings and other financial debt		(424.7)	(5.7)
Repayment of amounts owed to shareholders		(3.2)	-
Repayment of lease liabilities		(43.3)	-
Interest paid		(40.1)	(44.0)
Net cash used in financing activities		**(372.2)**	**(64.8)**
Impact of currency translation differences		(0.2)	(7.2)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(240.7)**	**(93.4)**
Net cash and cash equivalents at beginning of period		1,034.6	354.5
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		**793.9**	**261.1**
Of which cash and cash equivalents		804.8	286.7
Of which bank overdrafts	13	(10.9)	(25.6)

The notes on pages 34 to 69 are an integral part of the condensed consolidated financial statements.

2.2 NOTES TO THE CONDENSED HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

Note 1: General information

Since it was formed in 1828, Bureau Veritas has developed recognized expertise for helping its clients to comply with standards and/or regulations on quality, health and safety, security, the environment and social responsibility. The Group specializes in inspecting, testing, auditing and certifying the products, assets and management systems of its clients in relation to regulatory or self-imposed standards, and subsequently issues compliance reports.

Bureau Veritas SA (the "Company") and all of its subsidiaries make up the Bureau Veritas Group ("Bureau Veritas" or the "Group").

Bureau Veritas SA is a joint stock company (*société anonyme*) incorporated and domiciled in France. The address of its registered office is Immeuble Newtime, 40/52 Boulevard du Parc, 92200 Neuilly-sur-Seine, France.

At June 30, 2019, Wendel held 35.58% of the capital of Bureau Veritas and 51.76% of its voting rights.

These condensed half-year consolidated financial statements were adopted on July 24, 2019 by the Board of Directors.

Note 2: First-half 2019 highlights

Acquisitions and disposals

The Group's main acquisitions during the first half of 2019 were the following:

- Capital Energy, a French white certificates management company;
- Owen Group, a regional leader in buildings and infrastructure compliance services in the US;
- Shenzhen Total-Test Technology, a Chinese firm specializing in food testing.

On June 28, 2019, Bureau Veritas sold its consulting business unit providing health, security and environment services in North America (HSE Consulting) to Apex Companies, LLC, a leading provider of HSE services in North America.

Further details of these transactions, along with their impacts on the half-year financial statements, are presented in Note 10 – Acquisitions and disposals.

Capital reduction

Pursuant to a decision of the Board of Directors, on February 27, 2019 the Company canceled 220,212 of its own shares, representing 0.05% of its share capital.

Dividend payout

During first-half 2019, the Group paid out a dividend of €0.56 per share in respect of 2018, with shareholders offered the choice of having their dividends paid in cash or in new shares.
The price of the new shares issued in payment of the dividend was set at €19.13. As a result, a total of 9,943,269 ordinary new Bureau Veritas shares were issued, each with a par value of €0.12.
On June 11, 2019, the dividend paid in cash represented a total amount of €54.0 million.

Note 3: Summary of significant accounting policies

Basis of preparation

The 2019 condensed half-year consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union. They should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

IFRS developments

The Group applies the standards effective for accounting periods beginning on or after January 1, 2019. These are as follows:

- IFRS 16, Leases
- IFRIC 23, Uncertainty over Income Tax Treatments
- Annual improvements to IFRSs 2015-2017 cycle

First-time application of IFRS 16, Leases

- Methodology

The Group applies the simplified retrospective approach and recorded the impact of the first-time application of the standard in equity at January 1, 2019, with no restatement of the comparative 2018 period.

As permitted under IFRS 16, the Group applied the standard to leases identified in accordance with IAS 17 and with IFRIC 4, Determining Whether an Arrangement Contains a Lease.

The right-of-use assets relating to the Group's main property leases are measured as though IFRS 16 had always been applied, except as regards initial direct costs. The right-of-use assets relating to other property leases and leases of equipment are aligned with the amount of the related liabilities at January 1, 2019 (adjusted for lease payments made in advance or due).

Future lease payments were discounted based on the incremental borrowing rates applicable to subsidiaries according to the remaining term of their leases at January 1, 2019.

As the Group's strategy is to introduce a certain degree of flexibility into its lease portfolio by using renewal options that it may choose to exercise at its discretion, a number of leases have been considered as virtually certain and taken into account for the first-time application of IFRS 16 at January 1, 2019. This was systematically the case for "3/6/9" leases in France, the term of which was aligned with that used for the depreciation of improvements to leased assets, i.e., a maximum of nine years. For leases entered into outside of France, the Group considered whether any renewal options were reasonably certain to be exercised based on the level of payments for the optional periods compared with market rates, historical data on renewals of similar leases in the past, management's intention and the costs of terminating the lease.

The adjustments resulting from applying IFRS 16 give rise to the recognition of deferred tax.

The Group has opted to apply the IFRS 16 recognition exemption for short-term leases and leases of low value assets (i.e., assets with a unit value of less than €5,000 when new), for which lease payments continue to be recognized in operating expenses as of January 1, 2019.

- Reconciliation with non-cancelable minimum future lease payments at December 31, 2018

The table below reconciles future minimum lease payments reported by the Group under non-cancelable operating leases at December 31, 2018 with the increase in lease liabilities recognized in accordance with IFRS 16 at January 1, 2019:

€ millions	January 1, 2019
Off-balance sheet commitments at December 31, 2018 (property leases)	316.2
Off-balance sheet commitments (equipment leases)	35.5
Virtually certain payments net of payments under short-term leases	72.5
Present value of payments relating to IFRS 16 lease liabilities	(71.1)
IFRS 16 lease liabilities as of January 1, 2019	**353.1**

At December 31, 2018, future minimum lease payments due by the Group under non-cancelable operating leases amounted to €316.2 million, plus €35.5 million due under equipment leases. These amounts include payments due under short-term leases or leases of low-value assets covered by the recognition exemption in IFRS 16.

The first-time application of IFRS 16 at January 1, 2019 increased liabilities by €353.1 million. The effect of discounting represents €71.1 million, or a weighted average incremental borrowing rate of 4.2%. This rate represents the 2019 interest expense on lease liabilities at January 1, 2019, divided by these same lease liabilities.

- Impacts

The table below shows the adjustments resulting from the first-time application of IFRS 16 at January 1, 2019:

€ millions	January 1, 2019
Right-of-use assets	304.3
Deferred tax assets	9.4
Trade and other receivables	(0.8)
Total assets	**312.9**
Equity	(27.7)
Other non-current financial liabilities	(12.4)
Non-current lease liabilities	287.3
Current lease liabilities	65.8
Trade and other payables	(0.1)
Total liabilities	**312.9**

The adjustments include:

- cancellation of non-current financial liabilities in connection with the straight-line recognition of lease expenses under contracts with a rent-free period, in an amount of €12.4 million;
- decrease in other receivables, including €0.8 million in respect of prepaid lease payments and €0.1 million in accrued lease payments;

The right to use leased assets and the corresponding liabilities are shown on the statement of financial position, respectively within "Right-of-use assets" in non-current assets and "Lease liabilities" in non-current liabilities.

The repayment of lease liabilities and the related interest paid are shown as financing transactions in the consolidated statement of cash flows within "Repayment of lease liabilities", leading to an increase in cash flows relating to operating activities and a decrease in cash flows relating to financing activities in an amount of €43.3 million at June 30, 2019.

The impact on consolidated operating profit was €5.0 million in first-half 2019.

First-time application of IFRIC 23, Uncertainty over Income Tax Treatments

The Group applies the simplified retrospective approach and recorded the impact of the first-time application of the standard in retained earnings at January 1, 2019, with no restatement of the comparative 2018 period.

The first-time application of IFRIC 23 at January 1, 2019 led to a €55.5 million adjustment recorded as a deduction from retained earnings.

The provision for tax risks amounted to €80.4 million at January 1, 2019 and is included in current income tax liabilities within current liabilities.

Note 4: Alternative performance indicators

In its external reporting, the Group uses several financial indicators that are not defined by IFRS.

These are defined below:

Adjusted operating profit represents the Group's operating profit prior to adjustments for the following:

- amortization of acquisition intangibles;
- impairment of goodwill;
- fees and costs on acquisitions of businesses;
- contingent consideration on acquisitions of businesses;
- gains and losses on disposals of businesses;
- restructuring costs.

When an acquisition is carried out during the financial year, the amortization of the related intangible assets is calculated on a time proportion basis.

Since a measurement period of 12 months is allowed for determining the fair value of acquired assets and liabilities, amortization of intangible assets in the year of acquisition may, in some cases, be based on a temporary measurement and be subject to minor adjustments in the subsequent reporting period, once the definitive value of the intangible assets is known.

Like revenue, adjusted operating profit is a key indicator monitored internally and is considered by management to be representative of the Group's operating performance in its business sector.

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018
Operating profit	**331.2**	**326.2**	**291.0**
Amortization of intangible assets resulting from acquisitions	38.5	38.5	35.8
Restructuring costs	12.1	12.1	19.5
Gains and losses on disposals of businesses and other income and expenses relating to acquisitions	(1.3)	(1.3)	1.8
ADJUSTED OPERATING PROFIT	**380.5**	**375.5**	**348.1**

Adjusted attributable net profit is defined as attributable net profit adjusted for other items after tax, and concerns continuing operations only.

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018
Attributable net profit	**171.1**	**173.6**	**149.7**
Income and expenses relating to acquisitions and other adjustments	47.0	47.0	54.3
Tax impact	**(11.5)**	**(11.5)**	**(14.5)**
ADJUSTED ATTRIBUTABLE NET PROFIT	**206.6**	**209.1**	**189.5**

Free cash flow relates to net cash generated from operations adjusted for net purchases of property, plant and equipment, intangible assets and interest paid.

(€ millions)	First-half 2019 after applying IFRS 16	First-half 2019 before applying IFRS 16	First-half 2018
Net cash generated from operating activities	**232.3**	**189.0**	**165.9**
Purchases of property, plant and equipment and intangible assts	(56.4)	(56.4)	(63.1)
Proceeds from sales of property, plant and equipment and intangible assets	5.1	5.1	4.1
Interest paid	(40.1)	(40.1)	(44.0)
FREE CASH FLOW	**140.9**	**97.6**	**62.9**

Adjusted net financial debt is defined in Note 13 – Borrowings and financial debt.

Note 5: Seasonal fluctuations

Revenue, operating profit and cash flows are sensitive to seasonal fluctuations, with the Group typically recording a stronger performance in the second half of the year.

Seasonal fluctuations in revenue and operating profit essentially concern the Consumer Products, Buildings & Infrastructure and Certification businesses. In the Consumer Products business, seasonality arises from the fact that end consumers tend to concentrate the bulk of their purchases in the closing stages of the calendar year. For Buildings & Infrastructure and Certification businesses, this phenomenon results from clients' wish to obtain certification before the end of the fiscal and corporate year (typically December 31). Profit is more sensitive to seasonal fluctuations than revenue, due to a lower absorption of fixed costs in the first half of the year.

Cash flows are affected by:

- the seasonal fluctuations in operating profit described above;
- strong cyclical trends in working capital requirement, as the following three types of expenses are incurred only in the first few months of the year:
  - insurance premiums;
  - bonuses and profit-sharing payments, along with the related payroll charges (payable in March);
  - income tax balances in respect of the previous financial period (payable during the first six months of the year, at a date that varies according to the country concerned).

Note 6: Segment information

The following table provides a breakdown of revenue and operating profit by business segment:

	Revenue		Operating profit	
(€ millions)	First-half 2019	First-half 2018	First-half 2019	First-half 2018
Marine & Offshore	180.9	170.4	35.5	33.3
Agri-Food & Commodities	574.3	523.7	59.5	40.0
Industry	534.4	519.5	46.7	46.8
Buildings & Infrastructure	664.7	609.6	82.4	67.6
Certification	182.6	190.9	30.1	32.9
Consumer Products	339.7	324.2	77.0	70.4
TOTAL	**2,476.6**	**2,338.3**	**331.2**	**291.0**

Note 7: Operating income and expense

(€ millions)	First-half 2019	First-half 2018
Supplies	(62.4)	(49.1)
Operational subcontracting	(221.5)	(198.6)
Lease payments	(36.6)	(72.0)
Transport and travel costs	(192.7)	(197.9)
Service costs rebilled to clients	51.4	47.7
Other external services	(228.8)	(219.9)
Total purchases and external charges	**(690.6)**	**(689.8)**
Salaries and bonuses	(1,029.1)	(982.5)
Payroll taxes	(219.1)	(218.3)
Other employee-related expenses	(46.4)	(43.1)
Total personnel costs	**(1,294.6)**	**(1,243.9)**
Provisions for receivables	(5.8)	(5.7)
Provisions for liabilities and charges	4.5	5.4
Total additions to provisions	**(1.3)**	**(0.3)**
Gains and losses on disposals of property, plant and equipment and intangible assets	0.3	(3.0)
Gains and losses on disposals of businesses	8.0	-
Other operating income and expense	(1.0)	11.1
TOTAL OTHER OPERATING INCOME AND EXPENSE, NET	**7.3**	**8.1**

Note 8: Income tax expense

Consolidated income tax expense stood at €89.3 million for the first half of 2019, compared to €84.4 million in first-half 2018. The effective tax rate (ETR), corresponding to income tax expense divided by pre-tax profit, was 32.5% in first-half 2019 versus 34.2% in first-half 2018.

The effective tax rate adjusted for non-recurring items was 31.1%, down 1.7 basis points on first-half 2018. The fall in the effective tax rate is essentially attributable to new tax deductibility rules for interest, applicable in France as of January 1, 2019.

At both December 31, 2018 and June 30, 2019, deferred tax assets and liabilities were offset at the level of each tax consolidation group.

Deferred taxes before offsetting at the level of taxable entities mainly relate to pension obligations, tax loss carryforwards, customer relationships and non-competition agreements acquired within the scope of business combinations, as well as provisions for disputes and accrued charges and fair value adjustments on financial instruments.

The breakdown of the tax effect on other comprehensive income is as follows:

(€ millions)	First-half 2019 Before tax	First-half 2019 Tax	First-half 2019 After tax	First-half 2018 Before tax	First-half 2018 Tax	First-half 2018 After tax
Currency translation differences	32.7		32.7	(41.7)		(41.7)
Actuarial gains/(losses)	(14.6)	3.7	(10.9)	4.1	(1.1)	3.0
Cash flow hedges	0.1	(0.1)	-	(0.4)	0.1	(0.3)
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENSE)	**18.2**	**3.6**	**21.8**	**(38.0)**	**(1.0)**	**(39.0)**

Note 9: Goodwill

Changes in goodwill in first-half 2019

(€ millions)	First-half 2019	First-half 2018
Gross value	2,152.9	2,111.1
Accumulated impairment	(141.3)	(146.0)
Net goodwill at January 1	**2,011.6**	**1,965.1**
Acquisitions of consolidated businesses during the period	24.6	69.6
Disposals of businesses	(2.4)	-
Currency translation differences and other movements	22.8	(12.8)
Net goodwill at June 30	**2,056.6**	**2,021.9**
Gross value	2,197.8	2,165.5
Accumulated impairment	(141.2)	(143.6)
NET GOODWILL AT JUNE 30	**2,056.6**	**2,021.9**

Changes

The acquisitions made during the first half of 2019 resulted in an increase of €24.6 million in goodwill. The main item of goodwill concerns Capital Energy for €12.9 million and is allocated to the Buildings & Infrastructure cash-generating unit (CGU).

Methodology

The net carrying amount of goodwill is assessed at least yearly as part of the annual accounts closing process and tested for impairment. For the purposes of impairment testing, goodwill is allocated to CGUs.

At June 30, 2019, the approach used by the Group to confirm the carrying amount of goodwill consisted in reviewing the business performance for the first half and projections through to end-2019, and comparing these data with the budget to ensure that the tests carried out during the annual accounts closing remained valid.

Results of impairment tests

All analyses performed at June 30, 2019 confirm the value of goodwill carried on the Group's statement of financial position.

Note 10: Acquisitions and disposals

Acquisitions during the period

Acquisitions of 100% interests:

Month	Company	Business	Country
January	Capital Energy SAS	Buildings & Infrastructure	France

Other acquisitions:

Month	Company	Business	% acquired	Country
March	Owen Group Inc.	Buildings & Infrastructure	75,0%	United States
April	Shenzhen Total-Test Technology Co., Ltd.	Agri-Food & Commodities	75,0%	China

Increase in percentage interests:

Month	Company	Business	Ownership interest	Country
January	Beijing 7Layers Huarui Communications Technology Co., Ltd.	Certification	51.0%	China

The main acquisitions in first-half 2019 are detailed below:

- Capital Energy, a French white certificates management company, which reported annual revenue of around €23 million in 2017;
- Owen Group, a regional leader in buildings and infrastructure compliance services in the US, which reported annual revenue of some €7 million in 2018;
- Shenzhen Total-Test Technology, a Chinese firm specializing in food testing, which reported annual revenue of around €10 million in 2018.

The table below was drawn up prior to completing the final purchase price accounting for companies acquired in the first six months of 2019:

(€ millions)	June 30, 2019		June 30, 2018	
PURCHASE PRICE OF ACQUISITIONS		**52.5**		**103.6**
Cost of assets and liabilities acquired/assumed		**52.5**		**103.6**
Assets and liabilities acquired/assumed	***Carrying amount***	***Fair value***	**Carrying amount**	**Fair value**
Non-current assets	4.7	35.7	3.7	47.4
Current assets (excluding cash and cash equivalents)	25.9	25.9	23.9	23.9
Current liabilities (excluding borrowings)	(24.1)	(23.4)	(15.9)	(15.9)
Non-current liabilities (excluding borrowings)	(7.2)	(14.2)	(0.4)	(12.2)
Borrowings	-	-	(0.2)	(0.2)
Non-controlling interests acquired	(10.3)	(10.3)	(9.7)	(9.7)
Cash and cash equivalents of acquired companies	14.2	14.2	0.7	0.7
Total assets and liabilities acquired/assumed	**3.2**	**27.9**	**2.1**	**34.0**
GOODWILL		**24.6**		**69.6**

The residual unallocated goodwill is chiefly attributable to the human capital of the companies acquired and the significant synergies expected to result from these acquisitions.

The impact of these acquisitions on cash and cash equivalents for the period was as follows:

(€ millions)	June 30, 2019	June 30, 2018
Purchase price of acquisitions	**(52.5)**	**(103.6)**
Remeasurement of securities at fair value[(1)]	4.1	
Cash and cash equivalents of acquired companies	14.2	0.7
Purchase price outstanding at June 30 in respect of acquisitions in the period	2.2	0.4
Purchase price paid in relation to acquisitions in prior periods	(22.0)	(18.3)
IMPACT OF ACQUISITIONS ON CASH AND CASH EQUIVALENTS	**(54.0)**	**(120.8)**

1) Business combination achieved in stages (step acquisition).

The negative amount of €55.9 million shown on the "Acquisitions of subsidiaries" line of the consolidated statement of cash flows includes €1.9 million in acquisition-related fees.

Unpaid contingent consideration

Contingent consideration for acquisitions carried out prior to July 1, 2018 and not yet disbursed was remeasured at June 30, 2019. The resulting net impact on the consolidated income statement is an expense of €5.6 million in first-half 2019 versus income of €0.2 million in first-half 2018.

Disposals during the period

On June 28, 2019, Bureau Veritas finalized the sale of its consulting business unit providing health, security and environment services in North America (HSE Consulting) to Apex Companies, LLC (Apex), a leading provider of HSE services in North America.

This sale generated an €8.0 million pre-tax disposal gain, included within "Other operating income and expense, net" in the income statement.

The disposal gain after tax amounted to €6.1 million.

Note 11: Share capital

Capital increases

Following the exercise of 32,433 stock options, the Group carried out a share capital increase that included a share premium of €0.7 million.

On June 11, 2019 the Chairman of the Board of Directors, acting pursuant to the powers vested in him by the Board of Directors and in light of the choice by certain shareholders to have their dividend paid in shares, noted that 9,943,269 ordinary new Bureau Veritas shares had been created with a par value of €0.12 per share, representing 2.25% of the Company's share capital before taking into account the issue of new shares based on the share capital at May 31, 2019.

Capital reduction

Pursuant to a decision of the Board of Directors, on February 27, 2019 the Company canceled 220,212 of its own shares, representing 0.05% of its share capital.

Share capital

The total number of shares comprising the share capital was 451,971,490 at June 30, 2019 and 442,216,000 at December 31, 2018.

All shares have a par value of €0.12 and are fully paid up.

Treasury shares

At June 30, 2019, the Group held 5,328,175 of its own shares. The carrying amount of these shares was deducted from equity.

Note 12: Share-based payment

Stock purchase option plans

In first-half 2019, the Group recognized a net share-based payment expense of €10.2 million (first-half 2018: €9.0 million).

Description

Pursuant to a decision of the Board of Directors on June 21, 2019, the Group awarded 1,081,260 stock options to certain employees and to the Executive Corporate Officer. The options granted may be exercised at a fixed price of €21.26.

Beneficiaries must have completed three years of service to be eligible for the stock option plans. Eligibility for stock options also depends on meeting a series of performance targets based on 2019 adjusted operating profit and on the adjusted operating profit/revenue ratio for 2020 and 2021. The options are valid for ten years after the grant date.

Measurement

The average fair value of options granted during the period was €2.3 per option. Fair value was determined using the Black-Scholes option pricing model and the following key assumptions:

- expected share volatility: 19.9%;
- dividend yield: 3.0%;
- expected option life: 6 years;
- risk-free interest rate: negative 0.4%, determined by reference to the yield on government bonds over the estimated life of the option.

The number of shares that will vest under all plans was estimated using an attrition rate of 1% per year (June 30, 2018: 1%). The performance condition attached to the June 22, 2018 stock purchase option plan was based on 2018 adjusted operating profit. The attainment rate for this performance condition was 100%. The net share-based payment expense recognized by the Group for first-half 2019 was €0.8 million (first-half 2018: €1.0 million).

Performance share plans

Description

Pursuant to a decision of the Board of Directors on June 21, 2019, the Group awarded 1,286,455 performance shares to certain employees and to the Executive Corporate Officer. Beneficiaries must have completed three years of service to be eligible for the performance share plans. Eligibility for performance shares also depends on meeting a series of performance targets based on 2019 adjusted operating profit and on the adjusted operating profit/revenue ratio for 2020 and 2021.

Measurement

The fair value of the shares awarded to select employees and to the Executive Corporate Officer in first-half 2019 was €20.1 per share. Fair value was determined using the Black-Scholes option pricing model and the following key assumptions:

- share price at the grant date;
- dividend yield: 2.7%.

The expense recognized by the Group in first-half 2019 in respect of performance share awards was €9.4 million (first-half 2018: €8.0 million). The number of shares that will vest under all plans awarded to select employees and to the Executive Corporate Officer was estimated using an attrition rate of 5% per year, as in first-half 2018. The number of shares that will vest under the plan awarded to the Executive Corporate Officer was estimated using an attrition rate of 0% per year, as in first-half 2018. The performance condition attached to the June 22, 2018 performance share plan was based on adjusted operating profit for 2018. The attainment rate for this performance condition was 100%.

Note 13: Borrowings and financial debt

(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due beyond 5 years
At June 30, 2019					
Bank borrowings and debt (long-term portion)	991.6		274.8	229.9	486.9
Bond issue	1,700.0		500.0	500.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	**2,691.6**	**-**	**774.8**	**729.9**	**1,186.9**
Current bank borrowings and debt	224.0	224.0			
Bond issue	-	-			
Bank overdrafts	10.9	10.9			
CURRENT BORROWINGS AND FINANCIAL DEBT	**234.9**	**234.9**			
At December 31, 2018					
Bank borrowings and debt (long-term portion)	955.7		304.8	341.9	309.0
Bond issue	1,700.0		-	1,000.0	700.0
NON-CURRENT BORROWINGS AND FINANCIAL DEBT	**2,655.7**	**-**	304.8	1,341.9	1,009.0
Current bank borrowings and debt	287.3	287.3			
Bond issue	200.0	200.0			
Bank overdrafts	11.7	11.7			
CURRENT BORROWINGS AND FINANCIAL DEBT	**499.0**	**499.0**			

The private placement negotiated in the United States in 2018 for USD 200 million (2018 USPP) and carried on the books of Bureau Veritas Holdings Inc. was drawn down on January 16, 2019. This facility refinances the floating-rate tranches of the 2011 USPP and 2013 USPP, which were repaid ahead of maturity in January 2019.

The Group negotiated fixed-rate bank financing for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd. (China facility). At June 30, 2019, CNY 300 million had been drawn down on this facility.

In April 2019, the Group redeemed its €200 million unrated fixed-rate note at maturity.

The Group also redeemed two tranches of its *Schuldschein* notes at maturity: in January 2019 (€50 million) and March 2019 (€10 million), respectively.

Gross debt at June 30, 2019 amounted to €2,926.5 million, a decrease of €228.2 million compared to December 31, 2018.

(€ millions)	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due beyond 5 years
Estimated interest payable on bank borrowings and debt	348.2	76.2	58.5	118.8	94.8
Impact of cash flow hedges (principal and interest)	5.7	0.2	5.5	-	-

In the table above, interest takes into account the impact of debt hedging (currency derivatives).

At June 30, 2019, virtually all of the Group's gross debt related to the facilities described below:

Non-bank financing

Non-bank financing includes:

- the 2008, 2010, 2011 & 2014, 2013 & 2014, 2017 and 2018 US Private Placements amounting to USD 816 million, €184.1 million and GBP 40 million;
- the different tranches of *Schuldschein* notes totaling €200 million;
- the bond issues launched in January 2014, September 2016 and September 2018 for a total amount of €1.7 billion.

Bank financing

Bank financing includes:

- a confirmed, undrawn 2018 syndicated facility for an amount of €600 million;
- fixed-rate bank financing for CNY 750 million carried on the books of Bureau Veritas Investment Shanghai Co., Ltd., on which CNY 300 million had been drawn down at June 30, 2019.

Available financing

At June 30, 2019, the Group had a confirmed financing line totaling €600 million in the form of the 2018 syndicated credit facility.

Leverage ratios

Some of the Group's financing requires compliance with certain contractually defined covenants, applicable at December 31, 2018 and June 30, 2019.

- The first covenant is defined as the ratio of adjusted consolidated net financial debt divided by consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the last 12 months. This ratio should be less than 3.25. At June 30, 2019, it stood at 2.25.
- The second covenant represents consolidated EBITDA (earnings before interest, tax, depreciation, amortization and provisions), adjusted for any acquisitions over the last 12 months, divided by consolidated net financial expense. This ratio should be higher than 5.5. At June 30, 2019, it stood at 10.28.

Breakdown by currency

Current and non-current bank borrowings and debt can be analyzed as follows by currency:

Currency (€ millions)	**June 30, 2019**	**Dec. 31, 2018**
US dollar (USD)	726.3	725.8
Euro (€)	2,150.4	2,407.1
Other currencies	38.9	10.1
TOTAL	**2,915.6**	**3,143.0**

The GBP tranches of the 2008 USPP were converted into euros using a currency swap and are therefore included on the "Euro (€)" line. Derivative financial instruments are described in Note 19 – Additional financial instrument disclosures.

Fixed rate/floating rate breakdown

At June 30, 2019, gross borrowings and debt can be analyzed as follows:

(€ millions)	**June 30, 2019**	**Dec. 31, 2018**
Fixed rate	2,804.3	2,844.3
Floating rate	111.3	298.7
TOTAL	**2,915.6**	**3,143.0**

The contractual repricing dates for floating rates are six months or less. The reference rate used is Euribor for floating-rate borrowings in euros.

The interest rates (including margins) applicable to the Group's floating-rate borrowings at June 30, 2019 and December 31, 2018 are detailed below:

Currency	**June 30, 2019**	**Dec. 31, 2018**
US dollar (USD)		4.01%
Euro (€)	1.10%	1.10%

Effective interest rates approximate nominal rates for all financing facilities.

Analyses of sensitivity to changes in interest and exchange rates as defined by IFRS 7 are provided in Note 19 – Additional financial instrument disclosures.

Alternative performance indicator

In its external reporting on borrowings and debt, the Group uses an indicator known as **adjusted net financial debt**. This indicator is not defined by IFRS but is determined by the Group based on the definition set out in its bank covenants:

(€ millions)	June 30, 2019	Dec. 31, 2018
Non-current borrowings and financial debt	2,691.6	2,655.7
Current borrowings and financial debt	234.9	499.0
BORROWINGS AND FINANCIAL DEBT, GROSS	**2,926.5**	**3,154.7**
Cash and cash equivalents	(804.8)	(1,046.3)
NET FINANCIAL DEBT	**2,121.7**	**2,108.4**
Currency hedging instruments (as per banking covenants)	6.4	6.7
ADJUSTED NET FINANCIAL DEBT	**2,128.1**	**2,115.1**

Note 14: Guarantees given

The amount and maturity of guarantees given can be analyzed as follows:

(€ millions)	Total	Due within 1 year	Due between 1 and 5 years	Due beyond 5 years
At June 30, 2019	**439.2**	**185.6**	**228.0**	**25.6**
At December 31, 2018	397.2	183.4	192.7	21.1

Guarantees given include bank guarantees and parent company guarantees:

- Bank guarantees: these are primarily bid and performance bonds:
  - bid bonds cover their beneficiaries in the event that a commercial offering is withdrawn, a contract is not signed, or requested guarantees are not provided;
  - performance bonds guarantee the buyer that the Group will meet its contractual obligations as provided under contract. They usually represent a percentage of the contract price – generally around 10%;
- Parent company guarantees: these concern performance bonds, which may be for a limited amount and duration or an unlimited amount. The amount taken into account to measure performance bonds for an unlimited amount is the total value of the contract.

At June 30, 2019, the Group considered that the risk of a cash outflow on these guarantees was low.

Note 15: Provisions for liabilities and charges

(€ millions)	Dec. 31, 2018	Additions	Utilized provisions reversed	Surplus provisions reversed	Impact of discounting	Changes in scope of consolidation	IFRIC 23 transition	Currency translation differences and other movements	June 30, 2019
Provisions for contract-related disputes	44.3	1.8	(1.5)	(2.0)	-	0.2		0.2	43.0
Other provisions for liabilities and charges	60.8	18.5	(19.6)	(1.7)	-	7.4	(24.9)	(0.3)	40.2
TOTAL	**105.1**	**20.3**	**(21.1)**	**(3.7)**	**-**	**7.6**	**(24.9)**	**(0.1)**	**83.2**

Provisions for contract-related disputes

Provisions for contract-related disputes recognized in the statement of financial position at June 30, 2019 take into account the disputes described in section 1.5 – Main risks and uncertainties for the remaining six months of the financial year, in the management report.

Based on the available insurance coverage, the provisions booked by the Group and the information currently available, the Group considers that these disputes will not have a material adverse impact on its consolidated financial statements.

Other provisions for liabilities and charges

"Other provisions for liabilities and charges" include provisions for restructuring, provisions for losses on completion and miscellaneous other provisions, the amounts of which are not material taken individually.

There are no other legal, administrative, government and arbitration procedures or investigations (including any proceedings of which the Group is aware, pending, or threatened) likely to have or to have had a material impact on the financial position or profitability of the Group within the last six months.

Note 16: Movements in working capital attributable to operations

This caption represented a negative €161.6 million in first-half 2019 and a negative €148.8 million in first-half 2018, and can be analyzed as follows:

(€ millions)	June 30, 2019	June 30, 2018
Trade receivables	(63.9)	(109.6)
Trade payables	8.2	2.7
Other receivables and payables	(105.9)	(41.9)
MOVEMENTS IN WORKING CAPITAL ATTRIBUTABLE TO OPERATIONS	**(161.6)**	**(148.8)**

Note 17: Earnings per share

Details of the calculation of the weighted average number of ordinary and diluted shares outstanding used to compute basic and diluted earnings per share are provided below:

(in thousands)	First-half 2019	First-half 2018
Number of shares comprising the share capital at January 1	**442,216**	**442,000**
Number of shares issued during the period (accrual basis)		
Stock purchase or subscription options exercised	150	84
Stock dividend	1,099	-
Number of shares held in treasury	(6,243)	(6,673)
Weighted average number of ordinary shares outstanding	**437,222**	**435,411**
Dilutive impact		
Performance shares awarded	3,737	3,705
Stock subscription or purchase options	(121)	604
WEIGHTED AVERAGE NUMBER OF DILUTED SHARES USED TO CALCULATE DILUTED EARNINGS PER SHARE	**440,838**	**439,720**

Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

	First-half 2019	First-half 2018
Net profit attributable to owners of the Company (€ thousands)	171,100	149,721
Weighted average number of ordinary shares outstanding (in thousands)	437,222	435,411
BASIC EARNINGS PER SHARE (€)	**0.39**	**0.34**

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to reflect the conversion of dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares: stock options and performance shares.

For stock options, a calculation is carried out in order to determine the number of shares that could have been issued based on the exercise price and the fair value of the subscription rights attached to the outstanding stock options. The number of shares calculated as above is then compared with the number of shares that would have been issued had the stock options been exercised.

Performance shares are potential ordinary shares whose issue is contingent on beneficiaries completing a minimum period of service as well as meeting a series of performance targets.

	First-half 2019	First-half 2018
Net profit attributable to owners of the Company (€ thousands)	171,100	149,721
Weighted average number of ordinary shares used to calculate diluted earnings per share (in thousands)	440,838	439,720
DILUTED EARNINGS PER SHARE (€)	**0.39**	**0.34**

Note 18: Dividend per share

On June 11, 2019, the Group paid out a dividend of €0.56 per share in respect of financial year 2018 (€0.56 in first-half 2018).

The cash dividend represented a total amount of €54.0 million. The stock dividend resulted in the creation of 9,946,269 ordinary new shares.

Note 19: Additional financial instrument disclosures

The table below presents the carrying amount, valuation method and fair value of financial instruments classified in each IFRS 9 category at the end of each reporting period:

(€ millions)	Carrying amount	IFRS 9 basis of measurement in SOFP: Amortized cost	Fair value through equity	Fair value through profit or loss	Fair value
At June 30, 2019					
Financial assets					
Other financial assets	139.1	136.7	-	2.4	139.1
Derivative financial instruments	1.9	-	-	1.9	1.9
Cash and cash equivalents	804.8	-	-	804.8	804.8
Money market funds (SICAV)	256.2	-	-	256.2	256.2
Cash and cash equivalents	548.6	-	-	548.6	548.6
Financial liabilities					
Bank borrowings and debt	2,926.5	2,915.6	-	10.9	3,002.5
Other financial liabilities	212.8	87.1	125.7	-	212.8
Financial lease liabilities	352.5	352.5			352.5
Derivative financial instruments	10.9		6.4	4.5	10.9
At December 31, 2018					
Financial assets					
Other financial assets	127.9	121.3	-	6.6	127.9
Derivative financial instruments	3.8	-	-	3.8	3.8
Cash and cash equivalents	1,046.3	-	-	1,046.3	1,046.3
Money market funds (SICAV)	607.5	-	-	607.5	607.5
Cash and cash equivalents	438.8	-	-	438.8	438.8
Financial liabilities					
Bank borrowings and debt	3,154.8	3,143.1	-	11.7	3,225.7
Other financial liabilities	250.8	132.1	118.7	-	250.8
Financial lease liabilities					
Derivative financial instruments	11.1		6.7	4.4	11.1

With the exception of the items listed below, the Group considers the carrying amount of the financial instruments reported on the statement of financial position to approximate their fair value.

The fair value of current financial instruments such as SICAV mutual funds is their last known net asset value (level 1 in the fair value hierarchy).

The fair value of cash, cash equivalents and bank overdrafts is their face value in euros or equivalent value in euros translated at the closing exchange rate. Since these assets and liabilities are very short-term items, the Group considers that their fair value approximates their carrying amount.

The fair value of each of the Group's fixed-rate facilities (2008 USPP, 2010 USPP, 2011 USPP, 2014 USPP, 2017 USPP, SSD facilities and the four bond issues) is determined based on the present value of future cash flows discounted at the appropriate market rate for the currency concerned (euro, pound sterling or US dollar) at the end of the reporting period, adjusted to reflect the Group's own credit risk. The fair value of the Group's floating-rate facilities (2018 syndicated credit facility, 2013 USPP, 2014 USPP, and certain tranches of the SSD facilities) approximates their carrying amount. This corresponds to level 2 in the fair value hierarchy (fair value based on observable market inputs).

The fair value of exchange derivatives is equal to the difference between the present value of the amount sold or purchased in a given currency (translated into euros at the futures rate) and the amount sold or purchased in this same currency (translated into euros at the closing rate).

The fair value of currency derivatives (mainly in pounds sterling) is determined by discounting the present value of future cash flows (interest receivable in pounds sterling and payable in euros, along with the future purchase of pounds sterling against euros) over the remaining term of the instrument at the end of the reporting period. The discount rates used are the market rates that correspond to the maturity of the cash flows. The present value of the cash flows denominated in pounds sterling is translated into euros at the closing exchange rate.

The fair value of foreign exchange derivatives and other currency instruments is calculated using valuation techniques drawing on observable market inputs (level 2 of the fair value hierarchy) and generally accepted pricing models.

The nature of the gains and losses arising on each financial instrument category can be analyzed as follows:

		Adjustments					
(€ millions)	Interest	Fair value	Amortized cost	Exchange differences	Accumulated impairment	Net gains/ (losses) in first-half 2019	Net gains/ (losses) in first-half 2018
Financial assets carried at amortized cost	-	-	-	(3.0)	2.2	(0.8)	-
Financial assets and liabilities at fair value through profit or loss	0.9	-	-	(0.9)	-	-	6.4
Borrowings and financial debt carried at amortized cost	(43.1)	-	-	0.1	-	(43.0)	(45.1)
Financial lease liabilities	(8.0)			(0.5)		(8.5)	
TOTAL	**(50.2)**	**-**	**-**	**(4.3)**	**2.2**	**(52.3)**	**(38.7)**

Sensitivity analysis

Due to the international scope of its operations, the Group is exposed to currency risk on its use of several different currencies, even though hedges arise naturally with the matching of income and expenses in a number of Group entities where services are provided locally.

Operational currency risk

For the Group's businesses present in local markets, income and expenses are mainly expressed in local currencies. For the Group's businesses relating to international markets, a portion of revenue is denominated in US dollars.

A total of 9% of first-half 2019 consolidated US dollar revenue was generated in countries with functional currencies other than the US dollar or currencies linked to the US dollar.

The impact of a 1% rise or fall in the US dollar against all other currencies would have had an impact of 0.09% on consolidated Group revenue.

Translation risk

Since the presentation currency of the financial statements is the euro, the Group translates any foreign currency income and expenses into euros when preparing its financial statements, using the average exchange rate for the period. As a result, changes in the value of the euro against other currencies affect the amounts reported in the consolidated financial statements, even though the value of the items concerned remains unchanged in their original currencies.

For the first half of 2019, more than 72% of Group revenue came from the consolidation of financial statements of entities with functional currencies other than the euro:

- 19.8% of revenue was generated by entities whose functional currency is the US dollar or a currency linked to the US dollar (including the Hong Kong dollar);
- 11.4% of revenue was generated by entities whose functional currency is the Chinese yuan;
- 3.9% of revenue was generated by entities whose functional currency is the pound sterling;
- 3.8% of revenue was generated by entities whose functional currency is the Australian dollar;
- 3.6% of revenue was generated by entities whose functional currency is the Canadian dollar;
- 3.3% of revenue was generated by entities whose functional currency is the Brazilian real.

Taken individually, other currencies did not account for more than 3% of Group revenue.

The impact of a 1% rise or fall in the euro against the US dollar and other linked currencies would have had an impact of 0.198% on consolidated revenue for the first half of 2019 and of 0.237% on operating profit for the first half of 2019.

Financial currency risk

If it deems appropriate, the Group may hedge certain commitments by matching financing costs with operating income in the currencies concerned.

When financing arrangements are set up in a currency other than the country's functional currency, the Group takes out foreign exchange or currency hedges for the main currencies or uses perpetuity financing to protect itself against the impact of currency risk on its income statement.

The table below shows the results of the sensitivity analysis for financial instruments exposed to currency risk on the Group's main foreign currencies (euro, US dollar and pound sterling) at June 30, 2019:

	Non-functional currency		
(€ millions)	USD	EUR	GBP
Financial liabilities	(674.7)	(89.6)	(76.7)
Financial assets	749.4	59.7	107.1
Net position (assets - liabilities) before hedging	**74.7**	**(29.9)**	**30.4**
Currency hedging instruments	241.7		(30.0)
Net position (assets - liabilities) after hedging	**316.4**	**(29.9)**	**0.4**
Impact of a 1% rise in exchange rates			
On equity	-	-	0.3
On net profit before income tax	3.2	(0.3)	-
Impact of a 1% fall in exchange rates			
On equity	-	-	0.2
On net profit before income tax	(3.2)	0.3	-

The Group is exposed to currency risk inherent to financial instruments denominated in foreign currencies (i.e., currencies other than the functional currency of each Group entity). The sensitivity analysis presented above shows the impact that a significant change in the value of the euro, US dollar and pound sterling would have on earnings and equity in a non-functional currency. The analysis for the US dollar does not include entities whose functional currency is strongly correlated to the US dollar, for example Group entities based in Hong Kong. Liabilities denominated in a currency other than the functional currency of the entity, for which a hedge has been taken out converting the liability to the functional currency, have not been included in the analysis. The impact of a 1% change in exchange rates on hedges is shown in the table above. Financial instruments denominated in foreign currencies that are included in the sensitivity analysis relate to key monetary statement of financial position items and in particular, current and non-current financial assets, trade and operating receivables, cash and cash equivalents, current and non-current borrowings and financial debt, current liabilities, and trade and other payables.

Interest rate risk

The Group's interest rate risk arises primarily from assets and liabilities bearing interest at floating rates. The Group seeks to limit its exposure to a rise in interest rates and may use interest rate instruments where appropriate. Interest rate exposure is monitored on a monthly basis.

The Group continually analyses the level of hedges put in place and ensures that they are appropriate for the underlying exposure. The Group's policy at all times is to prevent more than 60% of its consolidated net debt being exposed to the risk of a rise in interest rates. The Group may therefore enter into other swaps, collars or similar instruments for this purpose. No financial instruments are contracted for speculative purposes. At June 30, 2019, the Group had no interest rate hedges. The table below shows the maturity of fixed- and floating-rate financial assets and liabilities at June 30, 2019:

(€ millions)	Less than 1 year	Between 1 and 5 years	More than 5 years	Total at June 30, 2019
Fixed-rate bank borrowings and debt	(221.8)	(1,395.7)	(1,186.9)	(2,804.4)
Floating-rate bank borrowings and debt	(2.2)	(109.0)	-	(111.2)
Bank overdrafts	(10.9)	-	-	(10.9)
Total - Financial liabilities	**(234.9)**	**(1,504.7)**	**(1,186.9)**	**(2,926.5)**
Total - Financial assets	**804.8**			**804.8**
Floating rate net position (assets - liabilities) before hedging	791.7	(109.0)	-	682.7
Interest rate hedges	-	-	-	-
Floating rate net position (assets - liabilities) after hedging	**791.7**	**(109.0)**	**-**	**682.7**
Impact of a 1% rise in interest rates				
On equity				
On net profit before income tax				6.8
Impact of a 1% fall in interest rates				
On equity				
On net profit before income tax				(6.8)

At June 30, 2019, given the net floating-rate position after hedging, the Group considers that a 1% rise in short-term interest rates across all currencies would lead to an increase of around €6.8 million in interest income.

Debts maturing after five years, representing a total amount of €1.186 billion, are essentially at fixed rates. At June 30, 2019, 96% of the Group's gross debt was at fixed rates.

Note 20: Related-party transactions

Parties related to the Company are its majority shareholder Wendel as well as the Chairman of the Board of Directors and the Chief Executive Officer (Corporate Officers of the Company).

The compensation due or awarded to the Chairman of the Board comprises fixed compensation and Directors' fees, and excludes any and all types of variable compensation, benefits in kind, stock subscription options and performance shares.

At June 30, 2019, amounts recognized with respect to compensation paid (fixed and variable portions) and long-term compensation plans (stock purchase options and performance share awards) are as follows:

(€ millions)	First-half 2019	First-half 2018
Wages and salaries	1.7	1.6
Stock options	0.3	0.1
Performance shares awarded	1.8	0.5
TOTAL EXPENSE RECOGNIZED FOR THE YEAR	**3.8**	**2.2**

The amounts in the above table reflect the fair value for accounting purposes of options and shares in accordance with IFRS 2. Consequently, they do not represent the actual amounts that may be paid if any stock subscription options were exercised or any performance shares vested. The stock option and performance share awards require a minimum period of service and are also subject to a number of performance conditions.

Shares are measured at fair value as calculated under the Black-Scholes model rather than based on the compensation effectively received. The performance share awards require a minimum period of service and are also subject to a number of performance conditions.

The Chief Executive Officer was awarded a total of 720,000 stock options at June 30, 2019 (June 30, 2018: 750,960), with a fair value per share of €2.25 (June 30, 2018: €2.39).

The number of performance shares awarded to the Chief Executive Officer amounted to 960,000 at June 30, 2019 (970,320 at June 30, 2018).

Note 21: Events after the end of the reporting period

NONE

Note 22: Scope of consolidation

Fully consolidated companies

Type: Subsidiary (S); Bureau Veritas SA branch (B).
The table below lists fully consolidated companies at June 30, 2019.

Country	Company	Type	% interest 2019	% interest 2018
Algeria	Bureau Veritas Algérie SARL	S	100.00	100.00
Angola	Bureau Veritas Angola Limitada	S	100.00	100.00
Argentina	Bureau Veritas Argentina SA	S	100.00	100.00
Argentina	CH International Argentina S.R.L	S	100.00	100.00
Argentina	Net Connection International S.R.L	S	100.00	100.00
Armenia	BIVAC Armenia	S	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Australia Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas Asset Integrity & Reliability Services Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas AsureQuality Finance Pty Ltd.	S	51.00	51.00
Australia	Bureau Veritas AsureQuality Holding Pty Ltd.	S	51.00	51.00
Australia	Bureau Veritas Australia Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas HSE	S	100.00	100.00
Australia	Bureau Veritas International Trade Pty Ltd.	S	100.00	100.00
Australia	Bureau Veritas Minerals Pty Ltd.	S	100.00	100.00
Australia	Dairy Technical Services Pty Ltd.	S	51.00	51.00
Australia	MatthewsDaniel Int. (Australia) Pty	S	100.00	100.00
Australia	McKenzie Group Consulting (NSW) Pty Ltd.	S	64.70	64.70
Australia	McKenzie Group Consulting (QLD) Pty Ltd.	S	64.70	64.70
Australia	McKenzie Group Consulting (VIC) Pty Ltd.	S	64.70	64.70
Australia	McKenzie Group Consulting Pty Ltd.	S	64.70	64.70
Australia	TMC Marine Pty Ltd.	S	100.00	100.00
Australia	Ultra Trace Pty Ltd.	S	100.00	100.00
Austria	Bureau Veritas Austria GmbH	S	100.00	100.00
Azerbaijan	Bureau Veritas Azeri Ltd Liability Company	S	100.00	100.00
Bahamas	Inspectorate Bahamas Ltd.	S	100.00	100.00
Bahrain	Bureau Veritas SA – Bahrain	B	100.00	100.00
Bangladesh	BIVAC Bangladesh	S	100.00	100.00
Bangladesh	Bureau Veritas Bangladesh Private Ltd.	S	100.00	100.00
Bangladesh	Bureau Veritas CPS Bangladesh Ltd.	S	100.00	100.00
Bangladesh	Bureau Veritas CPS Chittagong Ltd.	S	99.80	99.80
Belarus	Bureau Veritas Bel Ltd FLLC	S	100.00	100.00
Belgium	Association Bureau Veritas ASBL	S	100.00	100.00
Belgium	Bureau Veritas Certification Belgium	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
Belgium	Bureau Veritas Marine Belgium & Luxembourg SA	S	100.00	100.00
Belgium	Bureau Veritas SA – Belgium	B	100.00	100.00
Belgium	Inspectorate Antwerp NV	S	100.00	100.00
Belgium	Inspectorate Ghent NV	S	100.00	100.00
Belgium	SA Euroclass NV	S	100.00	100.00
Belgium	Schutter Belgium BVBA	S	100.00	100.00
Belgium	Unicar Benelux SPRL	S	100.00	100.00
Benin	BIVAC International Bénin SARL	S	100.00	100.00
Benin	Bureau Veritas Bénin SARL	S	100.00	100.00
Benin	Société d'exploitation du guichet unique du Bénin – SEGUB SA	S	46.00	46.00
Bermuda	MatthewsDaniel Holdings (Bermuda) Ltd.	S	100.00	100.00
Bermuda	MatthewsDaniel Services (Bermuda) Ltd.	S	100.00	100.00
Bolivia	Bureau Veritas Argentina SA Bolivia branch	S	100.00	100.00
Bolivia	Bureau Veritas Fiscalizadora Boliviana SRL	S	100.00	100.00
Bosnia	Bureau Veritas BH d.o.o. Sarajevo	S	100.00	100.00
Brazil	Associação NCC Certificações do Brasil	S	100.00	100.00
Brazil	Auto Reg Serviços Técnicos de Seguros Ltda	S	100.00	100.00
Brazil	Bureau Veritas Do Brasil Inspeçoes Ltda	S	100.00	100.00
Brazil	Bureau Veritas do Brasil Sociedade Classificadora e Certificadora Ltda	S	100.00	100.00
Brazil	BVQI do Brasil Sociedade Certificadora Ltda	S	100.00	100.00
Brazil	Ch International do Brazil Ltda	S	100.00	100.00
Brazil	Kuhlmann Monitoramente Agricola Ltda	S	100.00	100.00
Brazil	MatthewsDaniel do Brasil Avaliaçao de Riscos Ltda	S	100.00	100.00
Brazil	NCC Certificaçoes do Brazil Ltda	S	100.00	100.00
Brazil	Schutter do Brazil Ltda	S	100.00	100.00
Brunei	Bureau Veritas SA – Brunei	B	100.00	100.00
Bulgaria	Bureau Veritas Bulgaria Ltd	S	100.00	100.00
Bulgaria	Inspectorate Bulgaria EOOD	S	100.00	100.00
Burkina Faso	Bureau Veritas Burkina Faso Ltd.	S	100.00	100.00
Cambodia	Bureau Veritas (Cambodia) Ltd.	S	100.00	100.00
Cameroon	Bureau Veritas Douala SAU	S	100.00	100.00
Canada	Bureau Veritas Canada (2019) Inc.	S	100.00	100.00
Canada	Bureau Veritas Certification Canada Inc.	S	100.00	100.00
Canada	Bureau Veritas Commodities Canada Ltd.	S	100.00	100.00
Canada	Bureau Veritas Marine Canada Inc.	S	100.00	100.00
Canada	MatthewsDaniel International (Canada) Ltd.	S	100.00	100.00
Canada	MatthewsDaniel International (Newfoundland) Ltd.	S	100.00	100.00
Central African Republic	BIVAC Export RCA SARL	S	100.00	100.00
Central African Republic	BIVAC Export RCA SARL (Central African Republic branch)	S	100.00	100.00
Chad	BIVAC Tchad SA	S	100.00	100.00
Chad	Bureau Veritas Tchad SAU	S	100.00	100.00
Chad	Société d'inspection et d'Analyse du Tchad (SIAT SA/CA)	S	51.00	51.00

Country	Company	Type	% interest 2019	2018
Chile	Bureau Veritas Certification Chile SA	S	100.00	100.00
Chile	Bureau Veritas Chile Capacitacion Ltd.	S	100.00	100.00
Chile	Bureau Veritas Chile SA	S	100.00	100.00
Chile	Bureau Veritas do Brasil Soc Classificadora e Certicadora, Agencia en Chile (Chile branch)	S	100.00	100.00
Chile	Centro de Estudios Medicion y Certificacion de Calidad Cesmec SA	S	100.00	100.00
Chile	ECA Control y Asesoramiento SA	S	100.00	100.00
Chile	Inspectorate Servicios de Inspeccion Chile Ltda	S	100.00	100.00
China	ADT (Shanghai) Corporation	S	100.00	100.00
China	Beijing 7Layers Huarui Communications Technology Co. Ltd.	S	51.00	50.00
China	Beijing Huali Bureau Veritas Technical Service Co. Ltd.	S	60.00	60.00
China	Beijing Huaxia Supervision Co. Ltd.	S	97.00	97.00
China	BIVAC Asian Cre (Shanghaï) Inspection Co. Ltd.	S	100.00	100.00
China	Bizheng Engineering Technical Consulting (Shanghai) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas (Tianjin) Safety Technology Co. Ltd.	S	100.00	100.00
China	Bureau Veritas 7 Layers Communications Technology (Shenzen) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Certification Beijing Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Certification Hong Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Commodities (Hebei) Co. Ltd.	S	67.00	67.00
China	Bureau Veritas CPS (Shenou) Zhejiang Co. Ltd.	S	51.00	51.00
China	Bureau Veritas CPS Guangzhou Co. Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Hong-Kong Ltd.	S	100.00	100.00
China	Bureau Veritas CPS Jiangsu Co. Ltd.	S	51.00	51.00
China	Bureau Veritas CPS Shanghai Co. Ltd.	S	85.00	85.00
China	Bureau Veritas Hong Kong Ltd.	S	100.00	100.00
China	Bureau Veritas Investment (Shanghai) Co. Ltd.	S	100.00	100.00
China	Bureau Veritas LCIE China Company Ltd.	S	100.00	100.00
China	Bureau Veritas Marine China Co. Ltd	S	100.00	100.00
China	Bureau Veritas Quality Services Shanghai Co. Ltd.	S	100.00	100.00
China	Bureau Veritas Shenzhen Co. Ltd.	S	80.00	80.00
China	Bureau Veritas Solutions Marine & Offshore Co. Ltd.	S	100.00	-
China	Bureau Veritas Solutions Marine & Offshore Ltd.	S	100.00	100.00
China	Bureau Veritas-CQC Testing Technology Co. Ltd.	S	60.00	60.00
China	Bureau Veritas-Fairweather Inspection & Consultants Co. Ltd.	S	100.00	100.00
China	Centre of Testing Service (Ningbo) Co. Ltd.	S	100.00	100.00
China	Changsha Total-Test Technology Co. Ltd.	S	75.00	-
China	Chongqing Liansheng Construction Project Management Co. Ltd.	S	80.00	80.00
China	Chongqing Liansheng Seine Cost Consulting Co. Ltd.	S	80.00	80.00
China	Hangzhou VEO Standards Technical Services Co. Ltd.	S	100.00	100.00
China	Inspectorate (Shanghai) Ltd. JV China	S	85.00	85.00
China	MatthewsDaniel Offshore (Hong Kong) Ltd.	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
China	NDT Technology Holding Company	S	100.00	100.00
China	Ningbo Hengxin Engineering Testing Co. Ltd.	S	95.80	95.80
China	Shandong Chengxin Engineering Consulting & Jianli Co. Ltd.	S	70.00	70.00
China	Shandong Cigna Detection Technology Co., Ltd.	S	70.00	70.00
China	Shanghai Davis Testing Technology Ltd.	S	100.00	100.00
China	Shanghai Project Management Co., Ltd.	S	68.00	68.00
China	Shanghai TJU Engineering Service Co. Ltd.	S	95.00	70.00
China	Shenzhen Total-Test Technology Co. Ltd.	S	75.00	-
China	SIEMIC (Nanjing-China) Infotech Ltd.	S	100.00	100.00
China	SIEMIC (Shenzhen-China) InfoTech Ltd.	S	100.00	100.00
China	Smart Car Testing and Certification Co.	S	60.00	60.00
China	Wuhu Liansheng Construction Project Management Co. Ltd.	S	80.00	80.00
China	Zhejiang Bureau Veritas CPS Shenyue Co. Ltd.	S	51.00	51.00
China	ICTK Shenzhen Co. Ltd.	S	55.00	55.00
China	Wuhan Detect Technology Company Ltd.	S	100.00	100.00
Colombia	Bureau Veritas Colombia Ltda	S	100.00	100.00
Colombia	BVQI Colombia Ltda	S	100.00	100.00
Colombia	ECA Interventorias Y Consultorias de Colombia Ltd.	S	100.00	100.00
Colombia	PRI Colombia SAS	S	100.00	100.00
Colombia	Tecnicontrol SAS	S	100.00	100.00
Congo	Bureau Veritas Congo SAU	S	100.00	100.00
Côte d'Ivoire	BIVAC Côte d'Ivoire CI SAU	S	100.00	100.00
Côte d'Ivoire	BIVAC Scan Côte d'Ivoire SA	S	61.99	61.99
Côte d'Ivoire	Bureau Veritas Côte d'Ivoire SAU	S	100.00	100.00
Côte d'Ivoire	Bureau Veritas Mineral Laboratories SAU	S	100.00	100.00
Croatia	Bureau Veritas Croatia SARL	S	100.00	100.00
Croatia	Bureau Veritas Solutions Marine & Offshore d.o.o.	S	100.00	100.00
Croatia	Inspectorate Croatia Ltd.	S	100.00	100.00
Cuba	Bureau Veritas SA – Cuba	B	100.00	100.00
Cyprus	Bureau Veritas Cyprus Ltd.	S	100.00	100.00
Czech Republic	Bureau Veritas Czech Republic, spol. s r.o.	S	100.00	100.00
Democratic Republic of Congo	BIVAC République Démocratique du Congo SARL	S	100.00	100.00
Democratic Republic of Congo	Bureau Veritas BIVAC BV	S	100.00	100.00
Democratic Republic of Congo	Société d'Exploitation du Guichet Unique du Commerce Extérieur de la RDC	S	70.00	70.00
Denmark	Bureau Veritas Certification Denmark A/S	S	100.00	100.00
Denmark	Bureau Veritas HSE Denmark AS	S	100.00	100.00
Denmark	Bureau Veritas SA – Denmark	B	100.00	100.00
Dominican Republic	Acme Analytical Laboratories (RD) SRL	S	100.00	100.00
Dominican Republic	Inspectorate Dominicana SA	S	100.00	100.00
Ecuador	Andes Control Ecuador SA Ancoesa	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
Ecuador	BIVAC Ecuador SA	S	100.00	100.00
Ecuador	Bureau Veritas Ecuador SA	S	100.00	100.00
Ecuador	Inspectorate del Ecuador SA	S	100.00	100.00
Egypt	Bureau Veritas Egypt LLC	S	100.00	100.00
Egypt	MatthewsDaniel Int. (Egypt) Ltd.	S	100.00	100.00
Egypt	Watson Gray Egypt Ltd. (UK branch)	S	100.00	100.00
Equatorial Guinea	Bureau Veritas SA – Equatorial Guinea	B	100.00	100.00
Estonia	Bureau Veritas Estonia	S	100.00	100.00
Estonia	Inspectorate Estonia AS	S	100.00	100.00
Ethiopia	Bureau Veritas Services PLC	S	100.00	100.00
Finland	Bureau Veritas SA – Finland	B	100.00	100.00
France	BIVAC International SA	S	100.00	100.00
France	BIVAC Mali SAS	S	100.00	100.00
France	Bureau Veritas Certification France SAS	S	100.00	100.00
France	Bureau Veritas Certification Holding SAS	S	100.00	100.00
France	Bureau Veritas Construction	S	100.00	100.00
France	Bureau Veritas CPS France SAS	S	100.00	100.00
France	Bureau Veritas Exploitation	S	100.00	100.00
France	Bureau Veritas GSIT	S	100.00	100.00
France	Bureau Veritas Holding 4	S	100.00	100.00
France	Bureau Veritas Holding 6	S	100.00	100.00
France	Bureau Veritas Holding 7	S	100.00	100.00
France	Bureau Veritas Holding 8	S	100.00	100.00
France	Bureau Veritas Holding France	S	100.00	100.00
France	Bureau Veritas International SAS	S	100.00	100.00
France	Bureau Veritas Laboratoires	S	100.00	100.00
France	Bureau Veritas Marine & Offshore SAS	S	100.00	100.00
France	Bureau Veritas Middle East SAS	S	100.00	100.00
France	Bureau Veritas Services France	S	100.00	100.00
France	Bureau Veritas Services SAS	S	100.00	100.00
France	Bureau Veritas Solutions	S	100.00	100.00
France	Bureau Veritas Solutions Marine & Offshore SAS	S	100.00	100.00
France	Capital Energy	S	100.00	-
France	Coreste SAS	S	99.60	99.60
France	Environnement Contrôle Services SAS	S	100.00	100.00
France	GUCEL SAS	S	90.00	90.00
France	Laboratoire Central des Industries Électriques SAS (LCIE)	S	100.00	100.00
France	MEDI Qual SAS	S	100.00	100.00
France	Océanic Développement SAS	S	100.00	100.00
France	Transcable Halec SAS	S	100.00	100.00
France	Unicar Group SAS	S	100.00	100.00
French Polynesia	Bureau Veritas SA – Tahiti	B	100.00	100.00

Country	Company	Type	% interest 2019	2018
Gabon	Bureau Veritas Gabon SAU	S	100.00	100.00
Georgia	Bureau Veritas Georgie LLC	S	100.00	100.00
Georgia	Inspectorate Georgia LLC	S	100.00	100.00
Germany	7 Layers GmbH	S	100.00	100.00
Germany	BT Mülheim GmbH	S	100.00	100.00
Germany	Bureau Veritas Certification Germany GmbH	S	100.00	100.00
Germany	Bureau Veritas Construction Services GmbH	S	100.00	100.00
Germany	Bureau Veritas CPS Germany GmbH	S	100.00	100.00
Germany	Bureau Veritas Germany Holding GmbH	S	100.00	100.00
Germany	Bureau Veritas Industry Services GmbH	S	100.00	100.00
Germany	Bureau Veritas SA – Germany	B	100.00	100.00
Germany	Bureau Veritas Solutions Marine & Offshore SAS (German branch)	S	100.00	100.00
Germany	Inspectorate Deutschland GmbH	S	100.00	100.00
Germany	Schutter Deutschland GmbH	S	100.00	100.00
Germany	Unicar Germany GmbH	S	100.00	100.00
Germany	Wireless IP GmbH	S	100.00	100.00
Ghana	BIVAC International Ghana	S	100.00	100.00
Ghana	Bureau Veritas Ghana	S	100.00	100.00
Ghana	Bureau Veritas Oil and Gas Ghana Limited	S	80.00	80.00
Ghana	Inspectorate Ghana Ltd.	S	100.00	100.00
Greece	Bureau Veritas Hellas AE	S	100.00	100.00
Greece	Bureau Veritas Solutions Marine & Offshore (Greek branch)	S	100.00	-
Guatemala	Bureau Veritas CPS Guatemala SA	S	100.00	100.00
Guinea	BIVAC Guinea SAU	S	100.00	100.00
Guinea	Bureau Veritas Guinea SAU	S	100.00	100.00
Guyana	Bureau Veritas Minerals (Guyana) Inc.	S	100.00	100.00
Hungary	Bureau Veritas Magyarorszag	S	100.00	100.00
Iceland	Bureau Veritas EHF	S	100.00	100.00
India	Bhagavathi Ana Labs Private Ltd.	S	100.00	100.00
India	Bureau Veritas CPS India Pvt Ltd.	S	100.00	100.00
India	Bureau Veritas India Pvt Ltd.	S	100.00	100.00
India	Bureau Veritas Industrial Services Ltd.	S	100.00	100.00
India	Bureau Veritas SA – India	B	100.00	100.00
India	Inspectorate Griffith India Pvt Ltd.	S	100.00	100.00
India	Sievert India Pvt Ltd.	S	100.00	100.00
Indonesia	PT Bureau Veritas AsureQuality Indonesia Lab	S	51.00	51.00
Indonesia	PT Bureau Veritas CPS Indonesia	S	85.00	85.00
Indonesia	PT Bureau Veritas Indonesia LLC	S	100.00	100.00
Indonesia	PT IOL Indonesia	S	100.00	100.00
Indonesia	PT. Matthews Daniel International Indonesia	S	80.00	80.00
Iran	Bureau Veritas SA – Iran	B	100.00	100.00
Iran	Inspectorate Iran QESHM Ltd.	S	99.00	99.00

Country	Company	Type	% interest 2019	2018
Iraq	Tariq Al Sedak	S	100.00	100.00
Ireland	Bureau Veritas Ireland Ltd.	S	100.00	100.00
Ireland	Primary Integration Solutions Europe Ltd.	S	76.21	76.21
Italy	Bureau Veritas Certest SRL	S	100.00	100.00
Italy	Bureau Veritas Italia Holding SPA	S	100.00	100.00
Italy	Bureau Veritas Italia Spa	S	100.00	100.00
Italy	Bureau Veritas Nexta SRL	S	100.00	100.00
Italy	Bureau Veritas Solutions Marine & Offshore Italy (Italy branch)	S	100.00	100.00
Italy	CEPAS Srl	S	100.00	100.00
Italy	Inspectorate Italia SRL	S	100.00	100.00
Jamaica	Inspectorate America Corporation (Jamaica branch)	S	100.00	100.00
Japan	Bureau Veritas Human Tech Co. Ltd.	S	100.00	100.00
Japan	Bureau Veritas Japan Co. Ltd.	S	100.00	100.00
Japan	FEAC Co. Ltd.	S	100.00	100.00
Japan	IPS Tokai Corporation	S	100.00	100.00
Japan	Kanagawa Building Inspection Co. Ltd.	S	100.00	100.00
Jordan	BIVAC for Valuation Jordan LLC	S	100.00	100.00
Kazakhstan	Bureau Veritas Kazakhstan Industrial Services LLP	S	60.00	60.00
Kazakhstan	Bureau Veritas Kazakhstan LLP	S	100.00	100.00
Kazakhstan	Bureau Veritas Marine Kazakhstan LLP	S	100.00	100.00
Kazakhstan	Kazinspectorate Ltd.	S	100.00	100.00
Kenya	Bureau Veritas Kenya Limited	S	99.90	99.90
Kuwait	Bureau Veritas SA – Kuwait	B	100.00	100.00
Kuwait	Inspectorate International Ltd. Kuwait	S	100.00	100.00
Kyrgyzstan	Bureau Veritas Kyrgyzstan (Rep Office BV KZ)	S	100.00	100.00
Laos	BIVAC LAO Sole Co. Ltd.	S	100.00	100.00
Laos	Lao National Single Window	S	75.00	75.00
Latvia	Bureau Veritas Latvia Ltd.	S	100.00	100.00
Latvia	Inspectorate Latvia Ltd.	S	100.00	100.00
Lebanon	BIVAC Rotterdam (Lebanon branch)	S	100.00	100.00
Lebanon	Bureau Veritas Liban SAL	S	100.00	100.00
Liberia	BIVAC Liberia	S	100.00	100.00
Liberia	Bureau Veritas Liberia Ltd.	S	100.00	100.00
Libya	Bureau Veritas Lybia for Inspection & Conformity	S	51.00	51.00
Lithuania	Bureau Veritas Lithuania Ltd.	S	100.00	100.00
Lithuania	Inspectorate Klaipeda UAB	S	100.00	100.00
Luxembourg	Bureau Veritas Luxembourg SA	S	100.00	100.00
Luxembourg	Soprefira SA	S	100.00	100.00
Malaysia	Bureau Veritas (M) Sdn Bhd	S	49.00	49.00
Malaysia	Bureau Veritas Certification Malaysia Ltd.	S	100.00	100.00
Malaysia	Bureau Veritas CPS Sdn Bhd	S	100.00	100.00
Malaysia	Inspectorate Malaysia Sdn Bhd	S	49.00	49.00
Malaysia	MatthewsDaniel (Malaysia) Sdn Bhd	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
Malaysia	Permulab Sdn Bhd	S	35.70	35.70
Malaysia	Schutter Malaysia Sdn Bhd	S	100.00	100.00
Malaysia	Scientige Sdn Bhd	S	100.00	100.00
Mali	Bureau Veritas Mali SA	S	100.00	100.00
Malta	Bureau Veritas SA – Malta	B	100.00	100.00
Malta	Inspectorate Malta Ltd.	S	100.00	100.00
Mauritania	Bureau Veritas SA – Mauritania	B	100.00	100.00
Mauritius	Bureau Veritas SA – Mauritius	B	100.00	100.00
Mexico	Bureau Veritas CPS Mexico SA de CV	S	100.00	100.00
Mexico	Bureau Veritas Mexicana SA de CV	S	100.00	100.00
Mexico	BVQI Mexicana SA de CV	S	100.00	100.00
Mexico	CH Mexico International I sociedad de responsabilidad Limitada de CV	S	100.00	100.00
Mexico	Chas Martin Mexico City Inc.	S	100.00	100.00
Mexico	GS COVI SA DE CV	S	75.00	75.00
Mexico	Ingeniería, Control y Administración, SA de CV (INCA)	S	100.00	100.00
Mexico	Inspectorate de Mexico SA de CV	S	100.00	100.00
Mexico	MatthewsDaniel Company Inc (Mexico branch)	S	100.00	100.00
Mexico	Supervisores de Construccion y Asociados, SA De CV	S	100.00	100.00
Mexico	Unicar Automotive Inspection Mexico LLC	S	100.00	100.00
Monaco	Bureau Veritas Monaco SAM AU	S	100.00	100.00
Mongolia	Bureau Veritas Inspection & Testing Mongolia LLC	S	100.00	100.00
Morocco	Bureau Veritas Maroc SA	S	100.00	100.00
Morocco	Bureau Veritas SA – Morocco	B	100.00	100.00
Morocco	Labomag	S	51.00	51.00
Morocco	Qualimag	S	51.55	51.55
Mozambique	Bureau Veritas – Laboratorios de Tete Ltd.	S	66.66	66.66
Mozambique	Bureau Veritas Mozambique Ltda	S	100.00	100.00
Myanmar	Myanmar Bureau Veritas Ltd.	S	100.00	100.00
Namibia	Bureau Veritas Namibie Pty Ltd.	S	100.00	100.00
Netherlands	BIVAC Rotterdam	S	100.00	100.00
Netherlands	Bureau Veritas Inspection & Certification The Netherlands BV	S	100.00	100.00
Netherlands	Bureau Veritas Marine Netherlands BV	S	100.00	100.00
Netherlands	Bureau Veritas Nederland Holding	S	100.00	100.00
Netherlands	Certificatie Instelling Voor Beveiliging en Veiligheid BV	S	100.00	100.00
Netherlands	Inspectorate BV	S	100.00	100.00
Netherlands	Inspectorate Curaçao NV	S	100.00	100.00
Netherlands	Inspectorate II BV	S	100.00	100.00
Netherlands	Inspectorate Inpechem Inspectors BV	S	100.00	100.00
Netherlands	IOL Investments BV	S	100.00	100.00
Netherlands	Risk Control BV	S	100.00	100.00
Netherlands	Schutter Certification BV	S	100.00	100.00
Netherlands	Schutter Groep BV	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
Netherlands	Schutter Havenbedrijg BV	S	100.00	100.00
Netherlands	Schutter International BV	S	100.00	100.00
Netherlands	Schutter Rotterdam BV	S	100.00	100.00
New Caledonia	Bureau Veritas SA – New Caledonia	B	100.00	100.00
New Zealand	Bureau Veritas New Zealand Ltd.	S	100.00	100.00
Nicaragua	Inspectorate America Corporation – Nicaragua	S	100.00	100.00
Nigeria	Bureau Veritas Nigeria Ltd.	S	60.00	60.00
Nigeria	Inspectorate Marine Services (Nigeria) Ltd.	S	100.00	100.00
Norway	Bureau Veritas Norway AS	S	100.00	100.00
Norway	MatthewsDaniel International (Norge) A/S	S	100.00	100.00
Oman	Bureau Veritas Middle East Co. LLC	S	70.00	70.00
Oman	Sievert Technical Inspection LLC	S	70.00	70.00
Pakistan	Bureau Veritas CPS Pakistan Ltd.	S	80.00	80.00
Pakistan	Bureau Veritas Pakistan (Private) Ltd.	S	100.00	100.00
Panama	Bureau Veritas Panama SA	S	100.00	100.00
Panama	Inspectorate de Panama SA	S	100.00	100.00
Paraguay	BIVAC Paraguay SA	S	100.00	100.00
Paraguay	Inspectorate Paraguay SRL	S	100.00	100.00
Paraguay	Schutter Paraguay SA	S	100.00	100.00
Peru	BIVAC del Peru SAC	S	100.00	100.00
Peru	Bureau Veritas del Peru SA	S	100.00	100.00
Peru	Inspectorate Services Peru SAC	S	100.00	100.00
Philippines	Bureau Veritas SA – Philippines	B	100.00	100.00
Philippines	BVCPS Philippines	S	100.00	100.00
Philippines	Inspectorate Philippines Corporation	S	80.00	80.00
Philippines	Inspectorate UK International Ltd. (Philippines branch)	S	100.00	100.00
Philippines	Schutter Philippines Inc	S	100.00	100.00
Poland	Bureau Veritas Polska Spolka Spolka z ograniczona odpowiedzialnioscia	S	100.00	100.00
Portugal	BIVAC Iberica Unipessoal, Lda	S	100.00	100.00
Portugal	Bureau Veritas Certification Portugal SARL	S	100.00	100.00
Portugal	Bureau Veritas Rinave Sociedade Unipessoal Lda	S	100.00	100.00
Portugal	Inspectorate Portugal SA	S	100.00	100.00
Portugal	Registro International Naval – Rinave SA	S	100.00	100.00
Puerto Rico	Inspectorate America Corporation Puerto Rico	S	100.00	100.00
Qatar	Bureau Veritas International Doha LLC	S	100.00	100.00
Qatar	Bureau Veritas SA – Qatar	B	100.00	100.00
Qatar	Inspectorate International Ltd. Qatar LLC	S	97.00	97.00
Qatar	Sievert International Inspection WLL	S	100.00	100.00
Romania	Bureau Veritas Romania Controle International Srl	S	100.00	100.00
Romania	Inspect Balkan SRL	S	100.00	100.00
Russia	Bureau Veritas Certification Russia	S	100.00	100.00
Russia	Bureau Veritas Rus OAO	S	100.00	100.00
Russia	LLC MatthewsDaniel International (Rus)	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
Russia	Unicar Russia LLC	S	100.00	100.00
Rwanda	Bureau Veritas Rwanda Ltd.	S	100.00	100.00
Saint Lucia	Inspectorate America Corporation (St Lucia branch)	S	100.00	100.00
Saudi Arabia	Bureau Veritas SA – Saudi Arabia	B	100.00	100.00
Saudi Arabia	Bureau Veritas Saudi Arabia Testing Services Ltd.	S	75.00	75.00
Saudi Arabia	Inspectorate International Saudi Arabia Co. Ltd.	S	65.00	65.00
Saudi Arabia	MatthewsDaniel Loss Adjusting and Survey Company Ltd.	S	100.00	100.00
Saudi Arabia	Sievert Arabia Co Ltd.	S	100.00	100.00
Senegal	Bureau Veritas Sénégal SAU	S	100.00	100.00
Serbia	Bureau Veritas Serbia d.o.o.	S	100.00	100.00
Singapore	7Layers Asia Private Ltd.	S	100.00	100.00
Singapore	AsureQuality Singapore Pte. Ltd.	S	51.00	51.00
Singapore	Atomic Technologies Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas AsureQuality Singapore Holdings Pte Ltd.	S	51.00	51.00
Singapore	Bureau Veritas Buildings & Infrastructure Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas Marine Singapore Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas Singapore Pte Ltd.	S	100.00	100.00
Singapore	Bureau Veritas Solutions Marine and Offshore SAS (Singapore branch)	S	100.00	100.00
Singapore	Inspectorate (Singapore) Pte Ltd.	S	100.00	100.00
Singapore	MatthewsDaniel International Pte Ltd.	S	100.00	100.00
Singapore	Schutter Inspection Services Pte Ltd.	S	100.00	100.00
Singapore	TMC Marine Pte Ltd.	S	100.00	100.00
Slovakia	Bureau Veritas Slovakia Spol	S	100.00	100.00
Slovenia	Bureau Veritas Slovenia d.o.o.	S	100.00	100.00
South Africa	Bureau Veritas Gazelle (Pty) Ltd.	S	70.00	70.00
South Africa	Bureau Veritas Inspectorate Laboratories (Pty) Ltd.	S	73.30	73.30
South Africa	Bureau Veritas Marine Surveying (Pty) Ltd.	S	37.38	37.38
South Africa	Bureau Veritas South Africa (Pty) Ltd.	S	76.00	76.00
South Africa	Bureau Veritas Testing and Inspections South Africa (Pty) Ltd.	S	100.00	100.00
South Africa	Carab Technologies (Pty) Ltd.	S	76.00	76.00
South Africa	M&L Laboratory Services (Pty) Ltd.	S	73.30	73.30
South Africa	Tekniva (Pty) Ltd.	S	76.00	76.00
South Korea	Bureau Veritas CPS ADT Korea Ltd.	S	100.00	100.00
South Korea	Bureau Veritas CPS Korea Ltd.	S	100.00	100.00
South Korea	Bureau Veritas Korea Co. Ltd.	S	100.00	100.00
South Korea	Bureau Veritas SA – South Korea	B	100.00	100.00
South Korea	ICTK Korea	S	55.00	55.00
Spain	Activa, Innovación Y Servicios, SAU	S	100.00	100.00
Spain	Bureau Veritas Formacion SAU	S	95.00	95.00
Spain	Bureau Veritas Iberia SL	S	100.00	100.00
Spain	Bureau Veritas Inversiones SL	S	100.00	100.00
Spain	Entidad Colaborada De La Administración SLU	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
Spain	Inspectorate Española SAU	S	100.00	100.00
Spain	Instituto De La Calidad, SAU	S	100.00	100.00
Spain	Lubrication Management SL	S	100.00	100.00
Spain	Unicar Spain SRL	S	100.00	100.00
Sri Lanka	Bureau Veritas CPS Lanka (Pvt) Ltd.	S	100.00	100.00
Sri Lanka	Bureau Veritas Lanka Private Ltd	S	100.00	100.00
Sweden	Bureau Veritas Certification Sverige AB Ltd.	S	100.00	100.00
Sweden	Bureau Veritas SA – Sweden	B	100.00	100.00
Switzerland	Bureau Veritas Switzerland AG	S	100.00	100.00
Switzerland	Inspectorate Suisse SA	S	100.00	100.00
Syria	BIVAC Rotterdam (Syria branch)	S	100.00	100.00
Taiwan	Advance Data Technology Corporation	S	99.10	99.10
Taiwan	Bureau Veritas Certification Taiwan Co. Ltd.	S	100.00	100.00
Taiwan	Bureau Veritas CPS Hong Kong Ltd. (Taiwan branch)	S	100.00	100.00
Taiwan	Bureau Veritas CPS Hong-Kong (Hsinchu branch)	S	100.00	100.00
Taiwan	Bureau Veritas CPS Hong-Kong Ltd. (Taiwan branch)	S	100.00	100.00
Taiwan	Bureau Veritas SA – Taiwan	B	100.00	100.00
Taiwan	Bureau Veritas Taiwan Ltd.	S	100.00	100.00
Taiwan	SIEMIC Inc (Taiwan branch)	S	100.00	100.00
Tanzania	Bureau Veritas GSIT (Tanzania branch)	S	100.00	-
Tanzania	Bureau Veritas Tanzania Ltd.	S	100.00	100.00
Tanzania	Bureau Veritas-USC Tanzania Ltd.	S	60.00	60.00
Thailand	Bureau Veritas AsureQuality Lab Thailand Ltd.	S	51.00	51.00
Thailand	Bureau Veritas Certification Thailand Ltd.	S	49.00	49.00
Thailand	Bureau Veritas CPS Thailand Ltd.	S	100.00	100.00
Thailand	Bureau Veritas Thailand Ltd.	S	49.00	49.00
Thailand	Inspectorate (Thailand) Co. Ltd.	S	100.00	100.00
Thailand	MatthewsDaniel International (Thailand) Ltd.	S	100.00	100.00
Thailand	Sievert Thailand Ltd.	S	100.00	100.00
Togo	Bureau Veritas Togo SARLU	S	100.00	100.00
Togo	Société d'Exploitation du Guichet Unique pour le Commerce Extérieur – SEGUCE SA	S	100.00	100.00
Trinidad and Tobago	Inspectorate America Corporation (Trinidad and Tobago branch)	S	100.00	100.00
Tunisia	Société Tunisienne de Contrôle Veritas SA	S	49.96	49.96
Turkey	ACME Analitik Lab. Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	Bureau Veritas CPS Test Laboratuvarlari Ltd Stirketi	S	100.00	100.00
Turkey	Bureau Veritas Deniz ve Gemi Siniflandirma Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	Bureau Veritas Gozetim Hizmetleri Ltd Sirketi	S	100.00	100.00
Turkey	Inspectorate Uluslararasi Gozetim Servisleri AS	S	100.00	100.00
Uganda	Bureau Veritas Uganda Ltd.	S	100.00	100.00
Ukraine	Bureau Veritas Certification Ukraine	S	100.00	100.00
Ukraine	Bureau Veritas Ukraine Ltd.	S	100.00	100.00
Ukraine	Inspectorate Ukraine LLC	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
United Arab Emirates	Bureau Veritas SA – Abu Dhabi	B	100.00	100.00
United Arab Emirates	Bureau Veritas SA – Dubai	B	100.00	100.00
United Arab Emirates	Inspectorate UK International Ltd. (Dubai branch)	S	100.00	100.00
United Arab Emirates	Inspectorate UK International Ltd. (Fujairah branch)	S	100.00	100.00
United Arab Emirates	MatthewsDaniel Services Bermuda Ltd. (Abu Dhabi branch)	S	100.00	100.00
United Arab Emirates	Sievert Emirates Inspection LLC	S	49.00	49.00
United Kingdom	Bureau Veritas Certification Holding SAS (UK branch)	S	100.00	100.00
United Kingdom	Bureau Veritas Certification UK Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas CPS UK Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas SA – United Kingdom	B	100.00	100.00
United Kingdom	Bureau Veritas UK Holdings Ltd.	S	100.00	100.00
United Kingdom	Bureau Veritas UK Ltd.	S	100.00	100.00
United Kingdom	HCD Building Control Ltd.	S	100.00	100.00
United Kingdom	HCD Group Ltd.	S	100.00	100.00
United Kingdom	Inspectorate Holdings PLC	S	100.00	100.00
United Kingdom	Inspectorate International Ltd.	S	100.00	100.00
United Kingdom	Maritime Assurance & Consulting Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel Holdings Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel International (Africa) Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel International (London) Ltd.	S	100.00	100.00
United Kingdom	MatthewsDaniel Ltd.	S	100.00	100.00
United Kingdom	TMC (Marine Consultants) Ltd.	S	100.00	100.00
United Kingdom	TMC OFFSHORE Ltd.	S	100.00	100.00
United Kingdom	UCM Global Ltd.	S	100.00	100.00
United Kingdom	Unicar GB Ltd.	S	100.00	100.00
United Kingdom	Watson Gray Ltd.	S	100.00	100.00
United States	7 Layers Inc.	S	100.00	100.00
United States	BIVAC North America Inc.	S	100.00	100.00
United States	Bureau Veritas Certification North America Inc.	S	100.00	100.00
United States	Bureau Veritas CPS Inc.	S	100.00	100.00
United States	Bureau Veritas Holdings, Inc.	S	100.00	100.00
United States	Bureau Veritas Marine Inc.	S	100.00	100.00
United States	Bureau Veritas North America Inc.	S	100.00	100.00
United States	California Code check Inc.	S	100.00	100.00
United States	Clampett Industries LLC/DBA EMG	S	86.00	86.00
United States	EMG Holding Corporation	S	86.00	86.00
United States	EMG Holding LLC	S	86.00	86.00
United States	EMG Subsidiary Corporation	S	86.00	86.00
United States	Henrikson Owen & Associates Limited Partnership (CA)	S	75.00	-
United States	Inspectorate America Corporation	S	100.00	100.00
United States	Inspectorate America Corporation (St Croix branch)	S	100.00	100.00

Country	Company	Type	% interest 2019	2018
United States	MatthewsDaniel Company Inc.	S	100.00	100.00
United States	National Elevator Inspection Services Inc.	S	100.00	100.00
United States	OG Acquisition Corp. (DE)	S	75.00	-
United States	OG GP LLC (DE)	S	75.00	-
United States	OG Holdco Corp. (DE)	S	75.00	-
United States	OneCIS Insurance Company	S	100.00	100.00
United States	Owen Group Limited Partnership (NV)	S	75.00	-
United States	Primary Integration Acquisition Co.	S	76.21	76.21
United States	Primary Integration Solutions, Inc.	S	76.21	76.21
United States	Quality Project Management LLC	S	86.00	86.00
United States	Quiktrak Inc.	S	100.00	100.00
United States	SIEMIC Inc.	S	100.00	100.00
United States	TMC Marine Inc.	S	100.00	100.00
United States	Unicar USA Inc.	S	100.00	100.00
Uruguay	Bureau Veritas Uruguay SRL	S	100.00	100.00
Uruguay	Schutter Americas SA	S	100.00	100.00
Uzbekistan	Bureau Veritas Tashkent LLC	S	100.00	100.00
Uzbekistan	BV Kazakhstan Industrial Services LLP	S	100.00	-
Venezuela	Bureau Veritas de Venezuela	S	100.00	100.00
Venezuela	BVQI Venezuela SA	S	100.00	100.00
Vietnam	Bureau Veritas AsureQuality Vietnam Company Ltd.	S	51.00	51.00
Vietnam	Bureau Veritas Certification Vietnam Ltd.	S	100.00	100.00
Vietnam	Bureau Veritas CPS Vietnam Ltd.	S	100.00	100.00
Vietnam	Bureau Veritas Vietnam Ltd.	S	100.00	100.00
Vietnam	Inspectorate Vietnam LLC	S	100.00	100.00
Vietnam	MatthewsDaniel International (Vietnam) Ltd.	S	100.00	100.00
Zambia	Bureau Veritas Zambia Ltd.	S	100.00	100.00
Zimbabwe	Bureau Veritas Zimbabwe	S	100.00	100.00

Companies accounted for by the equity method

Type: Subsidiary (S)

The table below lists companies accounted for by the equity method at June 30, 2019:

Country	Company	Type	% interest 2019	2018
France	Assistance Technique et Surveillance Industrielle – ATSI SA	S	49.92	49.92
Japan	Japan Analysts Co. Inc.	S	50.00	50.00
Jordan	Middle East Laboratory Testing & Technical Services JV	S	50.00	50.00
Russia	Bureau Veritas Safety LLC	S	49.00	49.00

2.3. STATUTORY AUDITORS' REVIEW REPORT ON THE 2019 INTERIM FINANCIAL INFORMATION (SIX MONTHS ENDED JUNE 30, 2019)

This is a translation into English of the Statutory Auditors' review report issued in French and is provided solely for the convenience of English-speaking users. This report also includes information relating to the specific verification of information given in the Group's half-year management report. It should be read in conjunction with and construed in accordance with French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of Article L.451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Bureau Veritas for the period from January 1 to June 30, 2019;
- the verification of the information presented in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Information, as adopted by the European Union.

Without qualifying our conclusion, we draw your attention to Note 3 to the condensed half-year consolidated financial statements regarding the first-time application of IFRS 16 Leases and IFRIC 23, Uncertainty over Income Tax Treatments as of January 1, 2019.

2. Specific verification

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Paris-La-Défense, July 25, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit	Ernst & Young Audit
François Guillon	Nour-Eddine Zanouda

3. STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I hereby declare that, to the best of my knowledge, the condensed half-year consolidated financial statements presented in Chapter 2 – Condensed half-year consolidated financial statements at June 30, 2019 have been prepared in accordance with applicable accounting standards and provide a true and fair view of the capital, financial position and results of the Company and all of the businesses included in the consolidation, and that the half-year business report appearing in Chapter 1 – First-half 2019 business report, presents a true and fair view of the significant events that occurred in the first six months of the financial year, their impact on the consolidated financial statements as at June 30, 2019, the principal related-party transactions and a description of the main risks and uncertainties for the remaining six months of the 2019 financial year.

Neuilly-sur-Seine, July 25, 2019

Didier Michaud-Daniel
Chief Executive Officer, Bureau Veritas

BUREAU
VERITAS

Shaping a world of trust

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