UBS

SGS SA

UBS Swiss Equity Conference

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WHEN YOU NEED TO BE SURE

SGS

DISCLAIMER

- “Certain matters discussed in this presentation may constitute forward-looking statements. These statements are based on current expectations and estimates of SGS SA, although SGS SA can give no assurance that these expectations and estimates will be achieved. The actual results may differ materially in the future from the forward-looking statements included in this presentation due to various factors. Furthermore, SGS SA has no obligation to update the statements contained in this presentation.”

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ABOUT SGS

FINANCIAL HIGHLIGHTS

BUSINESS OVERVIEW

ABOUT SGS

ABOUT SGS

ABOUT SGS

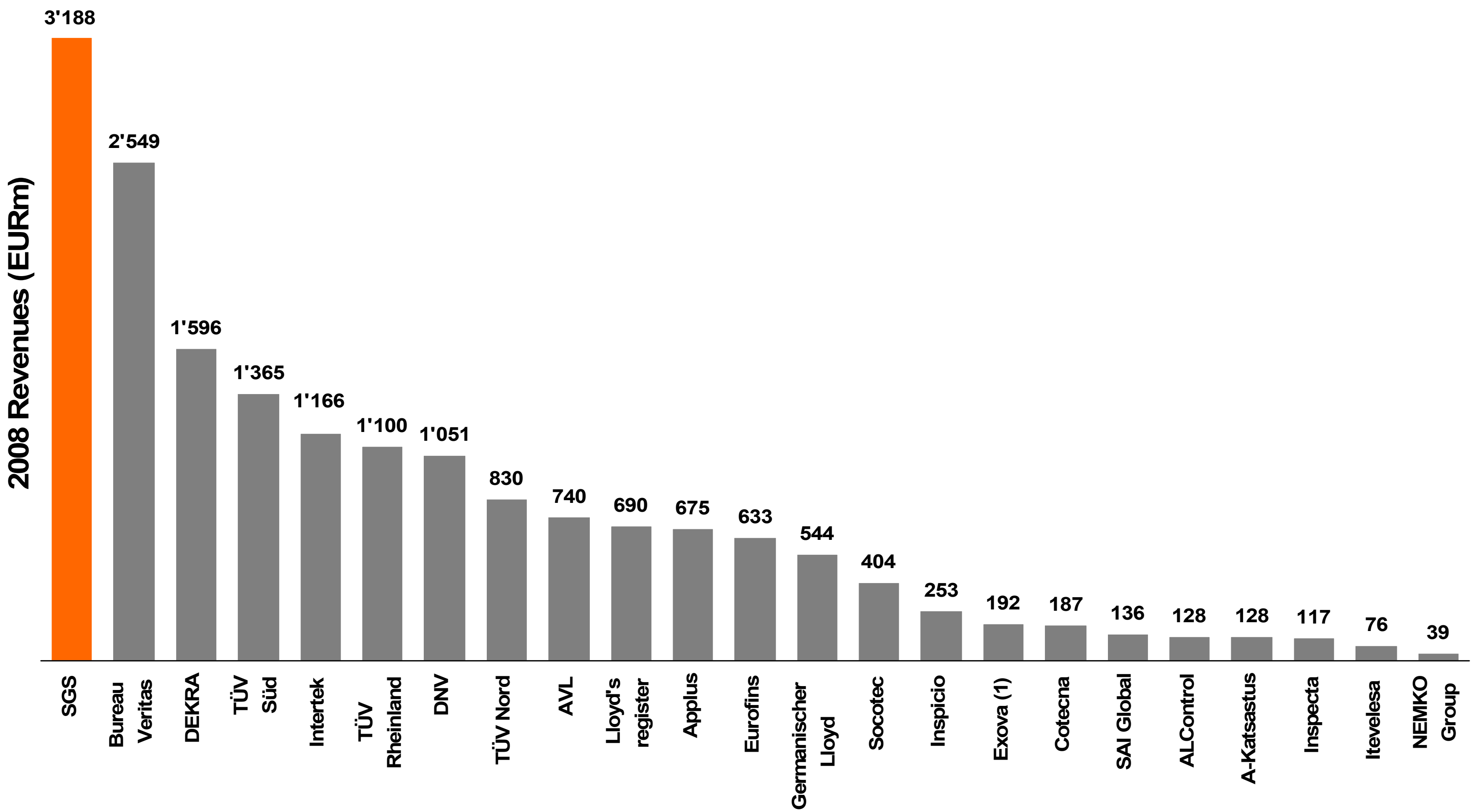
- World's leading inspection, verification, testing and certification company
  - Revenues of CHF4.8bn and operating income[(1)] of CHF810m in 2008
  - Well diversified portfolio of end-markets with more than hundreds of thousands customers
  - Unique global footprint and network of 1,000 offices and laboratories
- Experts at
  - Providing competitive advantage
  - Driving sustainability
  - Delivering trust
- More than 56,000 employees, including
  - Scientists, engineers, doctors, chemists, auditors and inspectors
- Publicly listed on the Swiss Stock Exchange since 1981
- Part of SMI since September 2009 and Dow Jones Sustainability Indexes Member 2009/10

(1) Before exceptionals

WHAT MAKES US DIFFERENT?

OUR VISION	IN PRACTICE
We aim to be the most competitive and the most productive service organisation in the world.	Working across industries
Our core competencies in inspection, verification, testing and certification are being continuously improved to be best-in-class. They are at the heart of what we are.	Thinking globally
Our chosen markets will be solely determined by our ability to be the most competitive and to consistently deliver unequalled service to our customers all over the world.	Acting locally
	Unique expertise
	Skilled employee base
	Covering supply chains
	Using the right technology
	Culture of integrity
	Acquisition track record

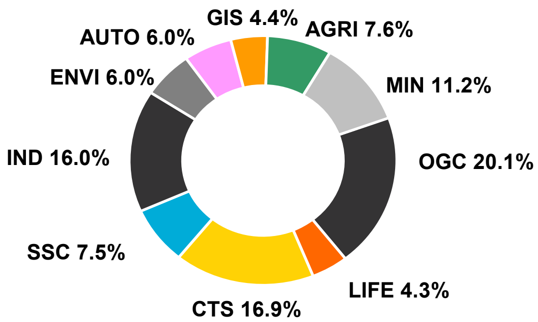
WORLD LEADER IN INSPECTION, VERIFICATION, TESTING AND CERTIFICATION



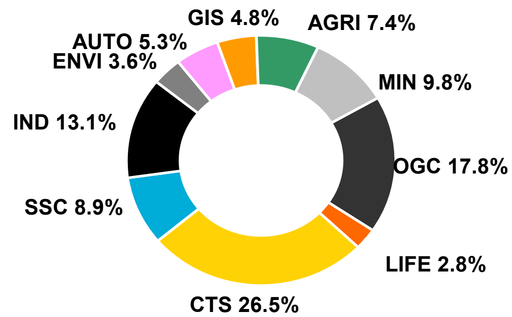
Source: Company filings, Average exchange rate used

WELL DIVERSIFIED PORTFOLIO OF END-MARKETS

Revenues (CHFm)	Operating income (1) (CHFm)



H1 2009 Revenues: CHF2,327m



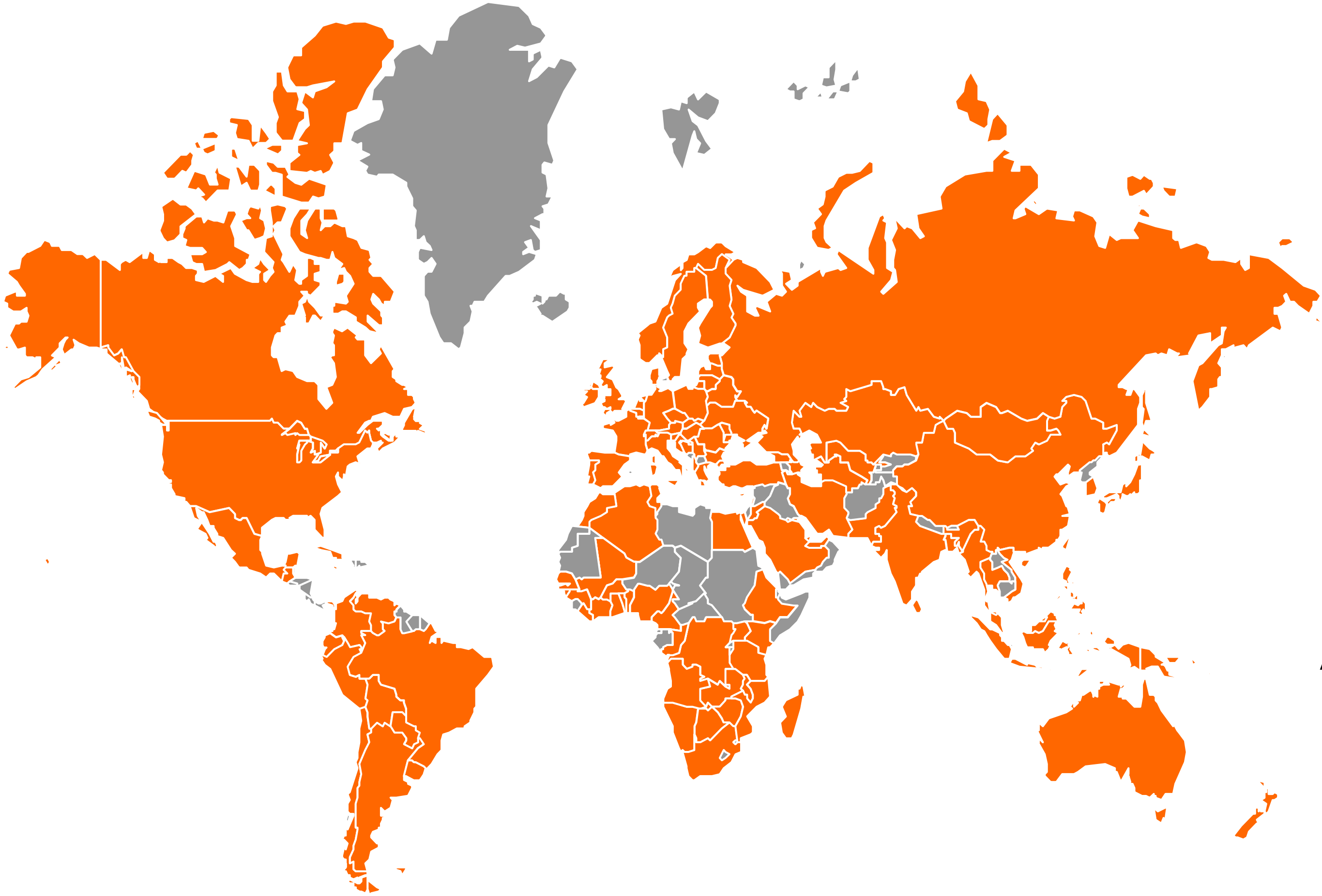
H1 2009 Operating income: CHF376m

Agricultural Services (AGRI)	Minerals Services (MIN)	Oil, Gas & Chemicals Services (OGC)	Life Science Services (LSS)	Consumer Testing Services (CTS)
■ Comprises services to the trade, supply chain, and trade finance for the soft commodities market	■ Provider of inspection, testing, outsourcing and optimization solutions to the exploration, extraction, transformation and trading firms in the minerals market place	■ Offers inspection, testing, verification and specialised technical services to the Oil, Gas and Chemical industries	■ Contract service organisation providing clinical research and quality control testing services	■ Testing, product inspection, process assessment and technical assistance for consumer goods producers

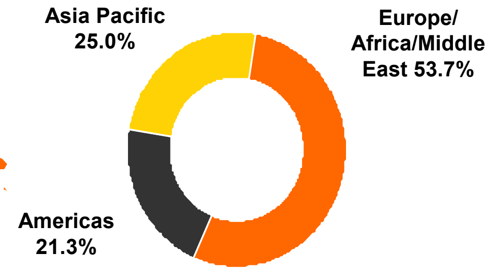
Systems & Services Certification (SSC)	Industrial Services (IND)	Environmental Services (ENVI)	Automotive Services (AUTO)	Government & Institutions Services (GIS)
■ Management systems certification and business process consulting services	■ Service provider for technical verification, inspection, testing and conformity assessment	■ Compliance with environmental regulations (environmental impact assessment, environmental auditing, environmental training)	■ Design, construction and operation of motor vehicle inspection solutions	■ Services aimed at confirming compliance with regulatory requirements (e.g. price verification, independent monitoring and validation of declared information)

(1) Before exceptionals

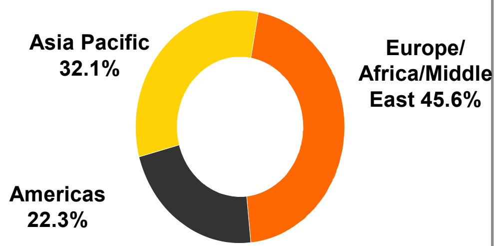
UNIQUE GLOBAL FOOTPRINT AS SIGNIFICANT BARRIER TO ENTRY



H1 2009 Revenues: CHF2,327m



H1 2009 Employees: 56,674



Network of more than 1,000 offices and laboratories

FINANCIAL HIGHLIGHTS & OUTLOOK

FINANCIAL HIGHLIGHTS

H1 2009 HIGHLIGHTS

- 1st semester 2009 results(1)
  - Constant currency revenue growth of 6% to CHF 2.3 billion
    - 1.3% at historical rates
    - 9 of the group’s 10 business increased comparable revenues
  - EBITDA margin at 20.9% (+ 30 bps)
    - EBITDA up 2.7% to CHF 486 million
  - Operating margin at 16.2% (+ 10 bps)
    - Operating income up 1.6% to CHF 376 million
  - Profit for the period of CHF 264 million
  - Basic EPS 35.23 per share

(1) Before exceptionals

HIGHLIGHTS[1]

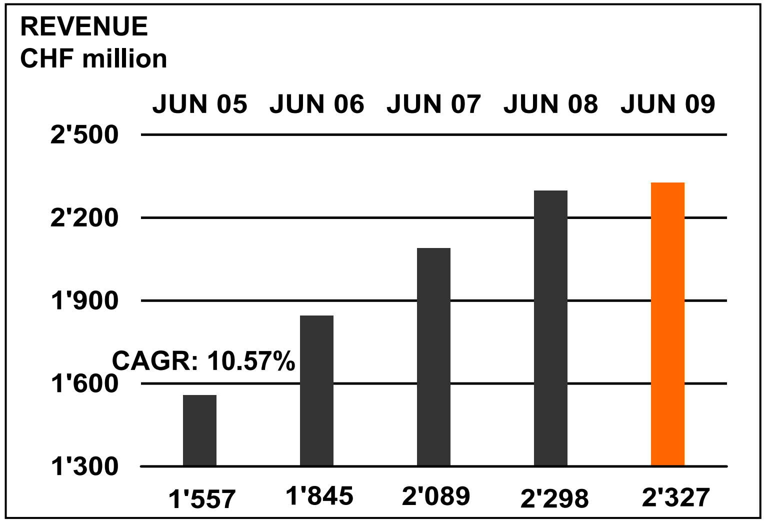
CHF million	2009 June	2008 June	Δ%
Revenue - historical rates	**2,327**	2,298	1.3 %
- constant rates	**2,327**	2,196	6.0 %
EBITDA[1]	**486**	473	2.7 %
EBITDA Margin	*20.9 %*	*20.6 %*	
Operating Income Group[1]	**376**	370	1.6 %
Operating Income Margin	*16.2 %*	*16.1 %*	
Net income[1]	**264**	265	(0.4)%
Net income (after exceptionals)	**255**	378	(32.5)%
Basic EPS	**33.98**	49.53	(31.4)%
Diluted EPS	**33.89**	49.16	(31.1)%
Basic EPS before exceptionals	**35.23**	34.70	1.5 %
Diluted EPS before exceptionals	**35.13**	34.44	2.0 %
Period end no. of employees (incl. acquisitions)	**56,674**	55,140	2.8 %

[1] Before exceptionals

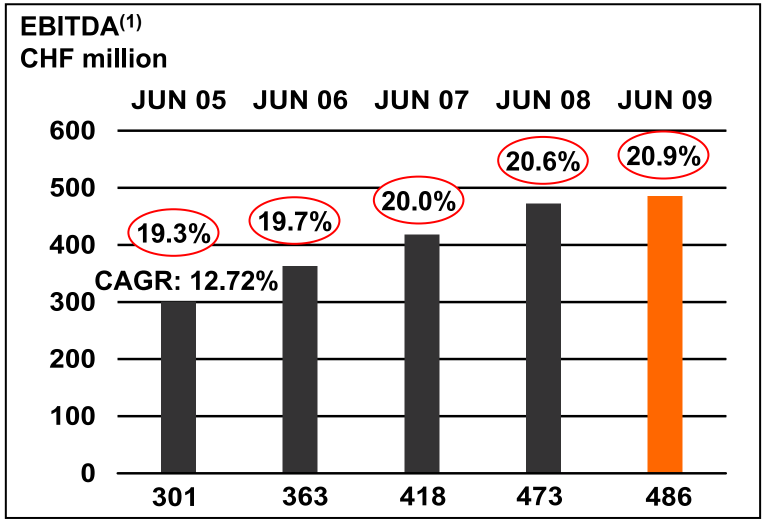
H1 2009 RESULTS

% MARGIN

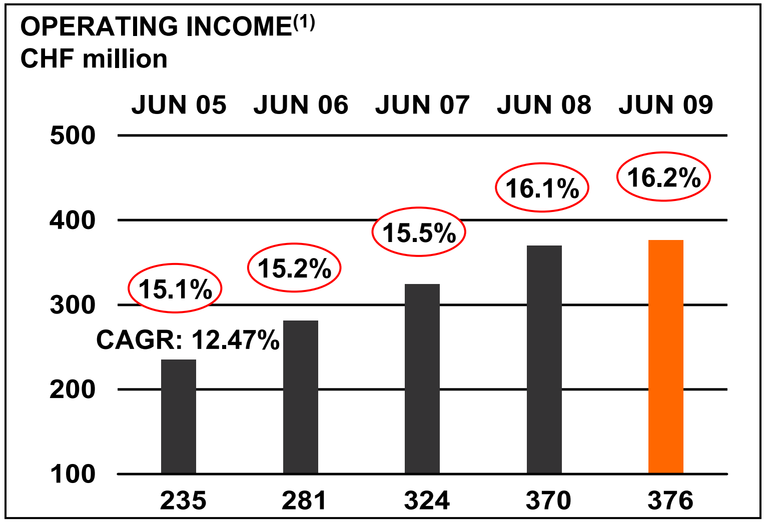
REVENUE
CHF million



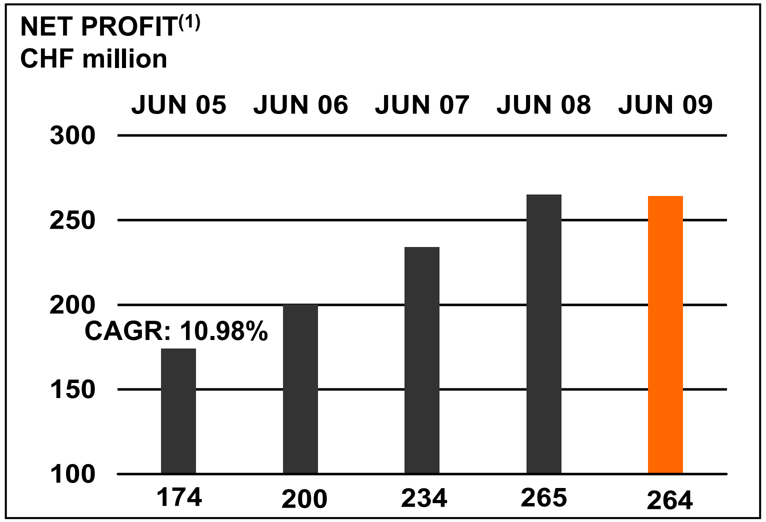
EBITDA[1]
CHF million



OPERATING INCOME[1]
CHF million

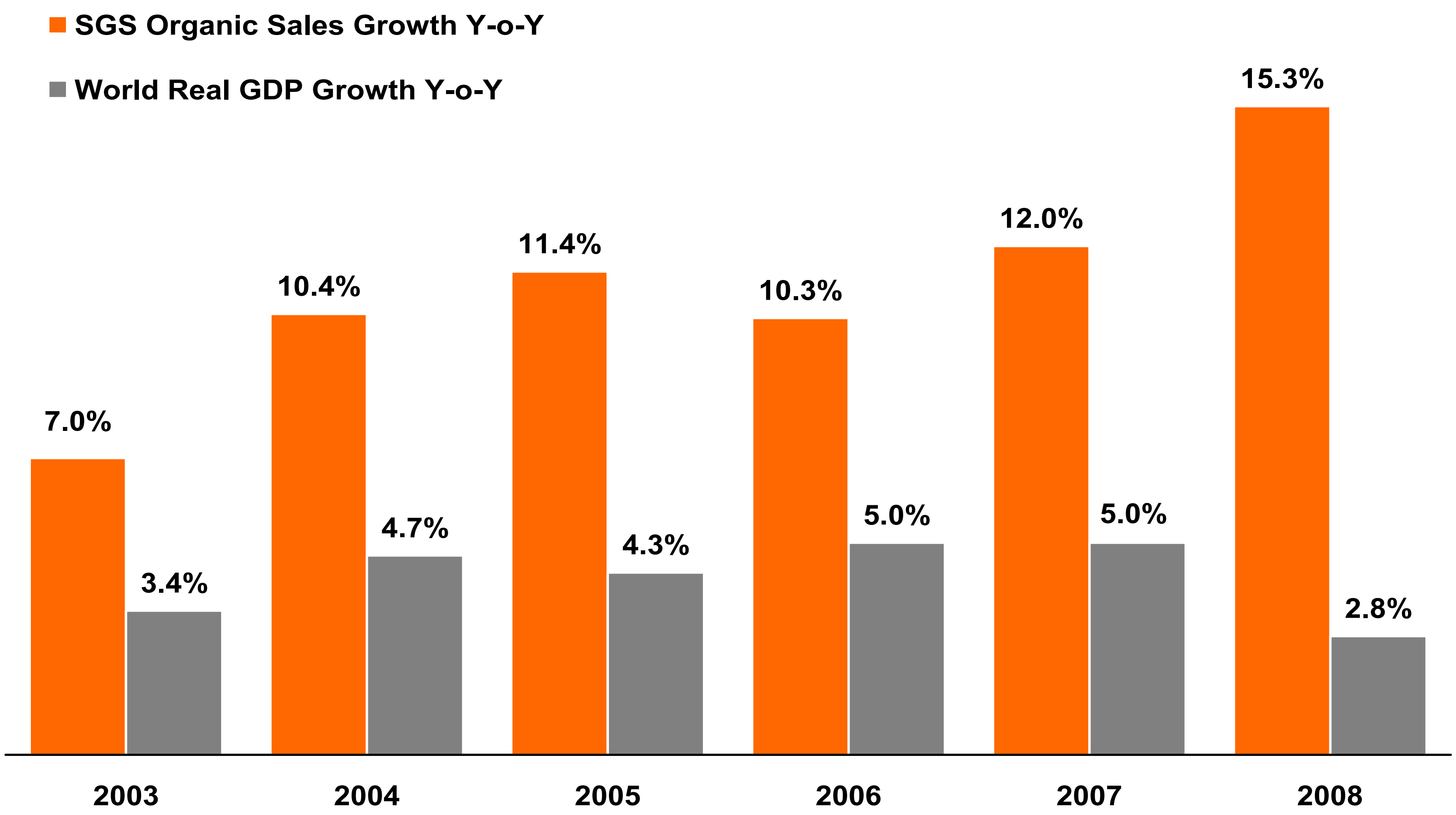


NET PROFIT[1]
CHF million



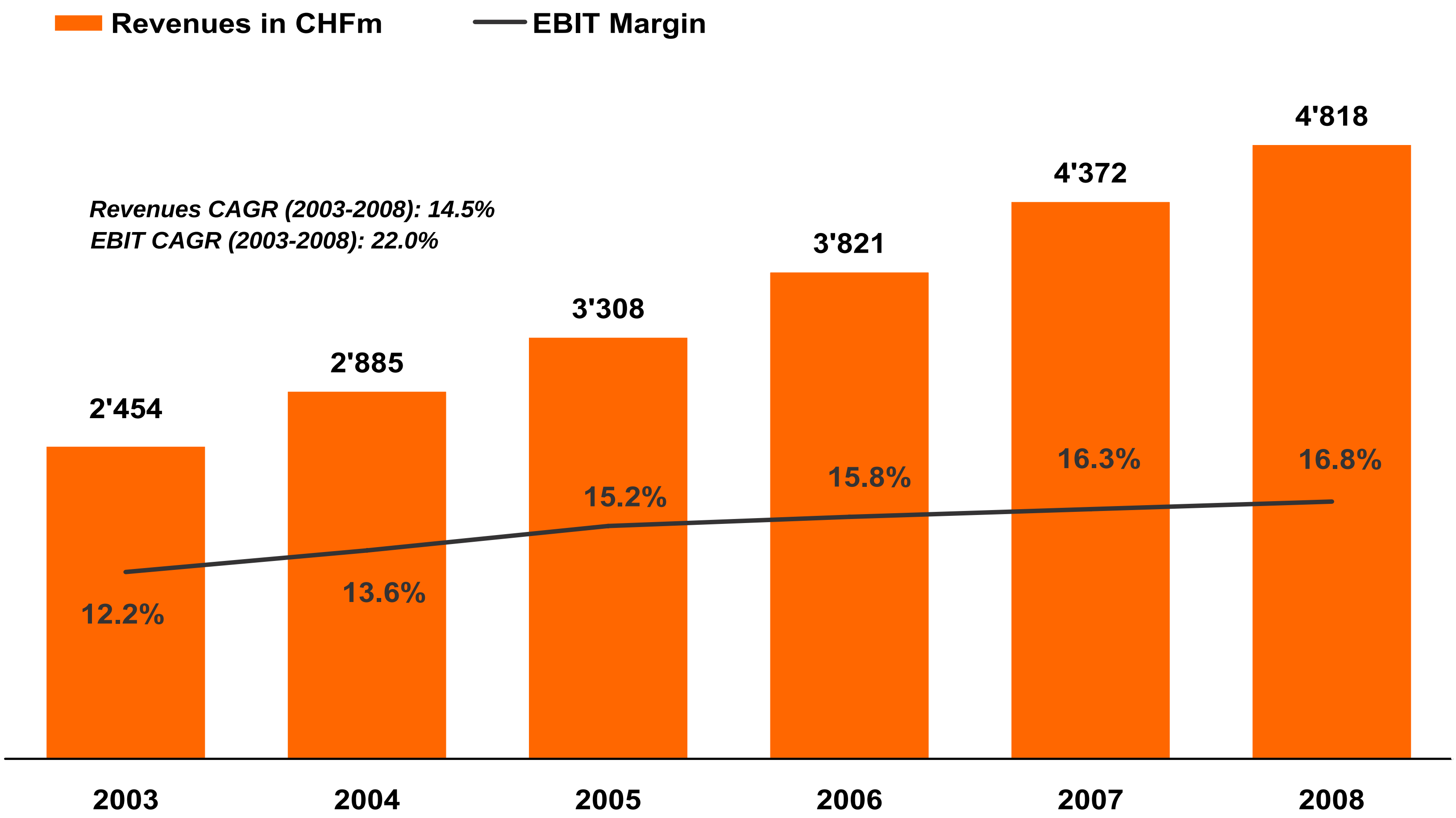
(1) Before exceptionals

ORGANIC GROWTH OUTPERFORMING GDP OVER THE CYCLE



Source: Company filings and ERWIN historical data

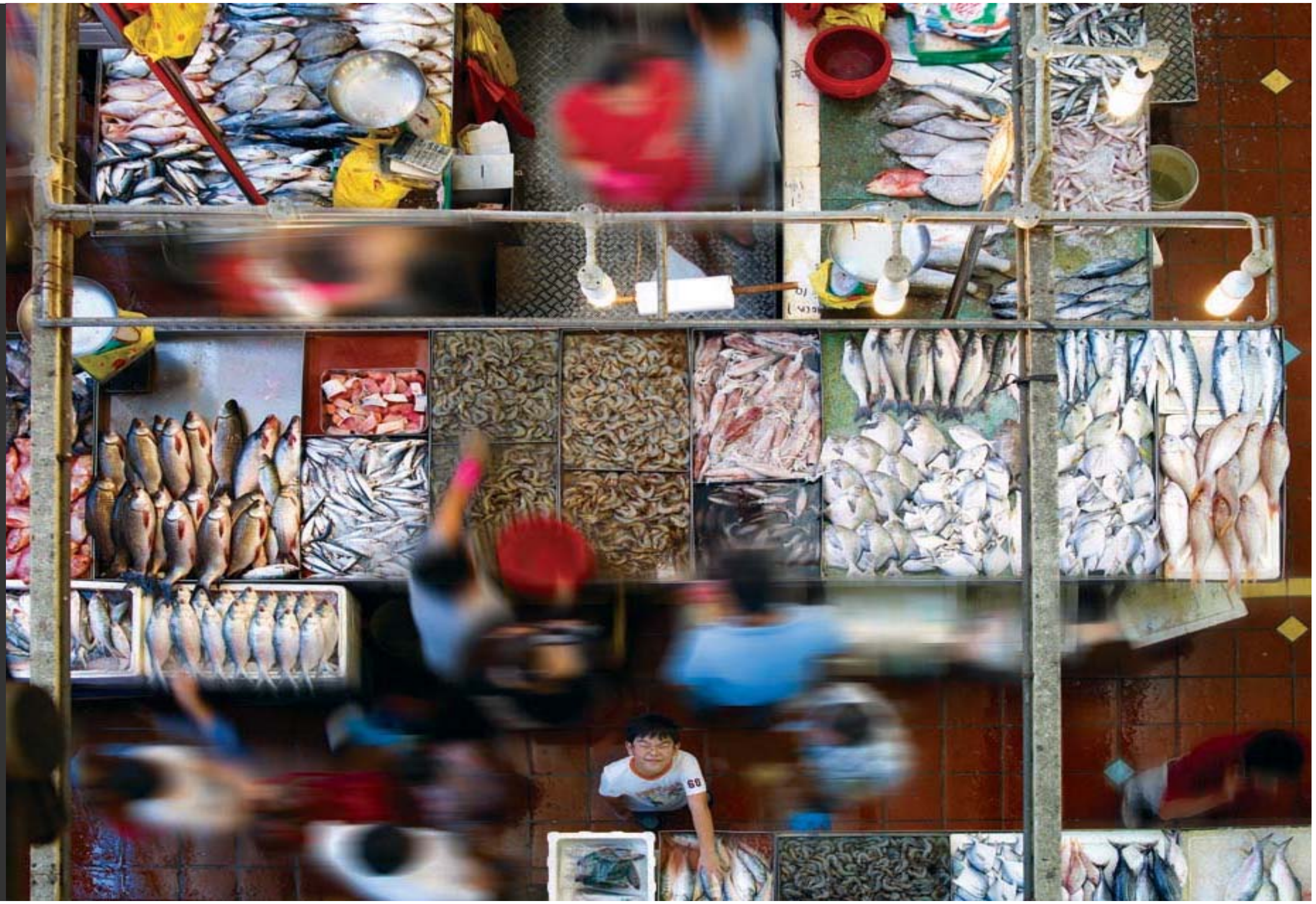
SOLID TRACK-RECORD OF GROWTH AND EFFICIENCY GAINS, HIGH RESILIENCE



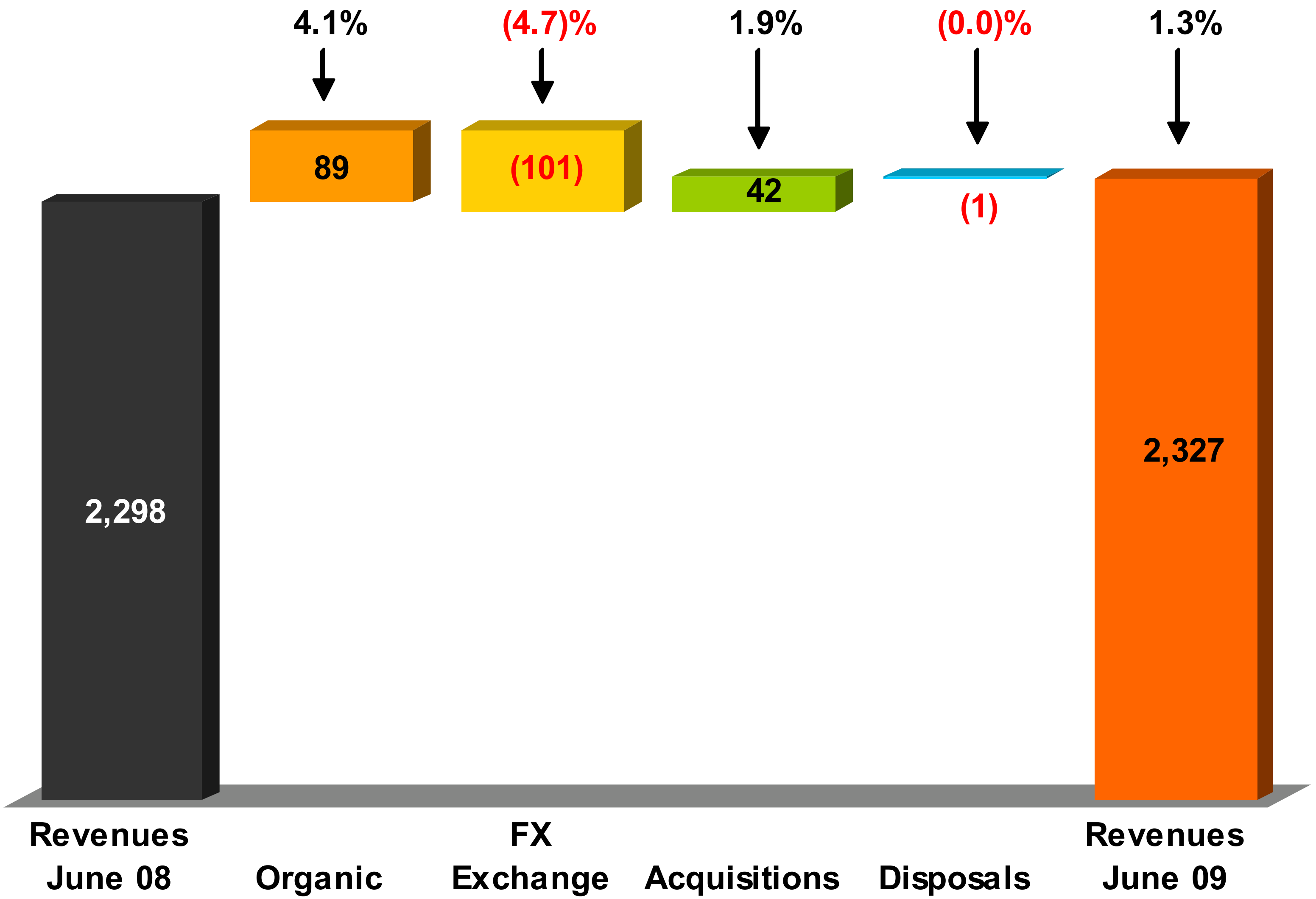
Source: Company filings

REVENUE ANALYSIS

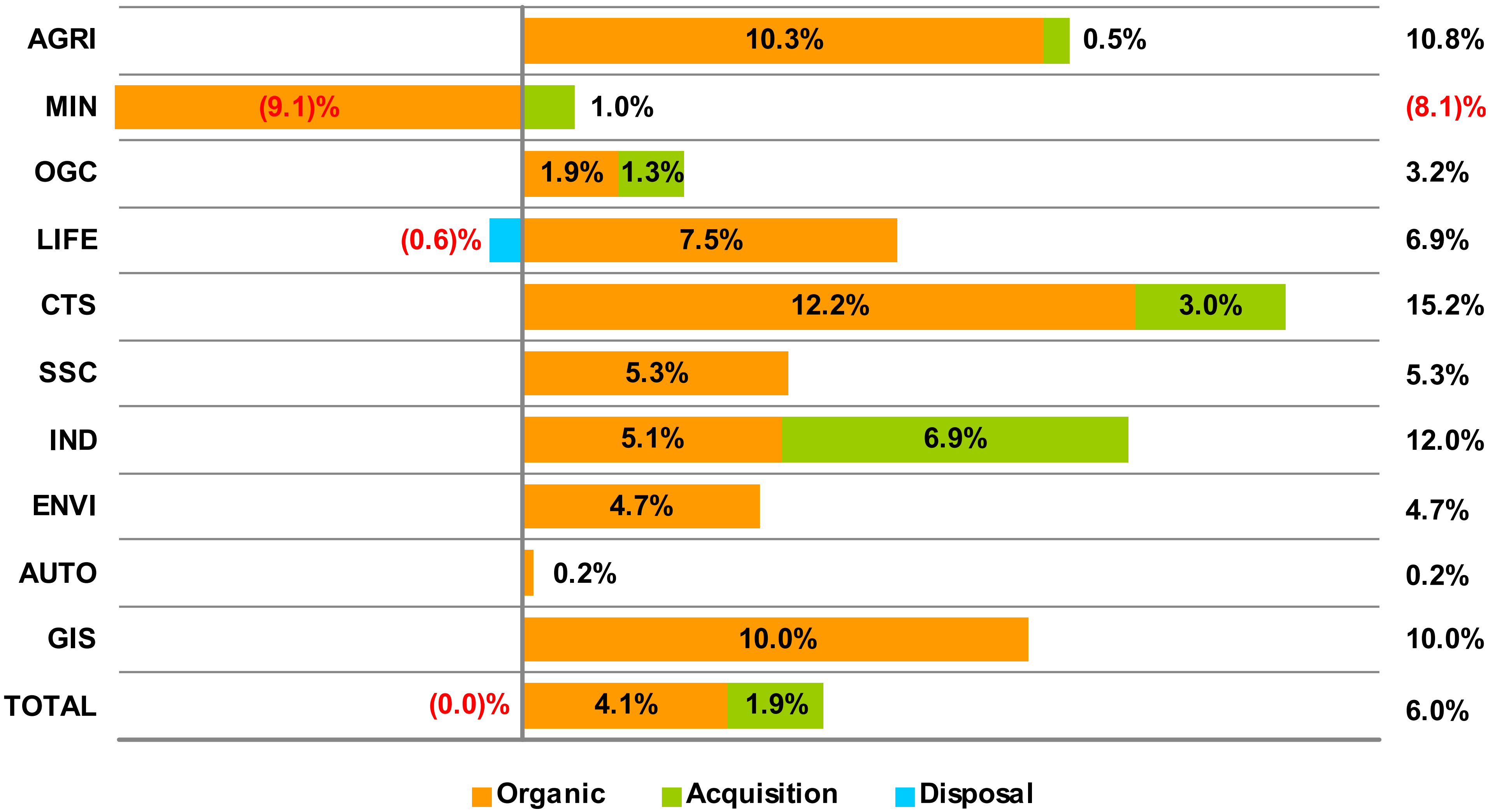
FINANCIAL HIGHLIGHTS



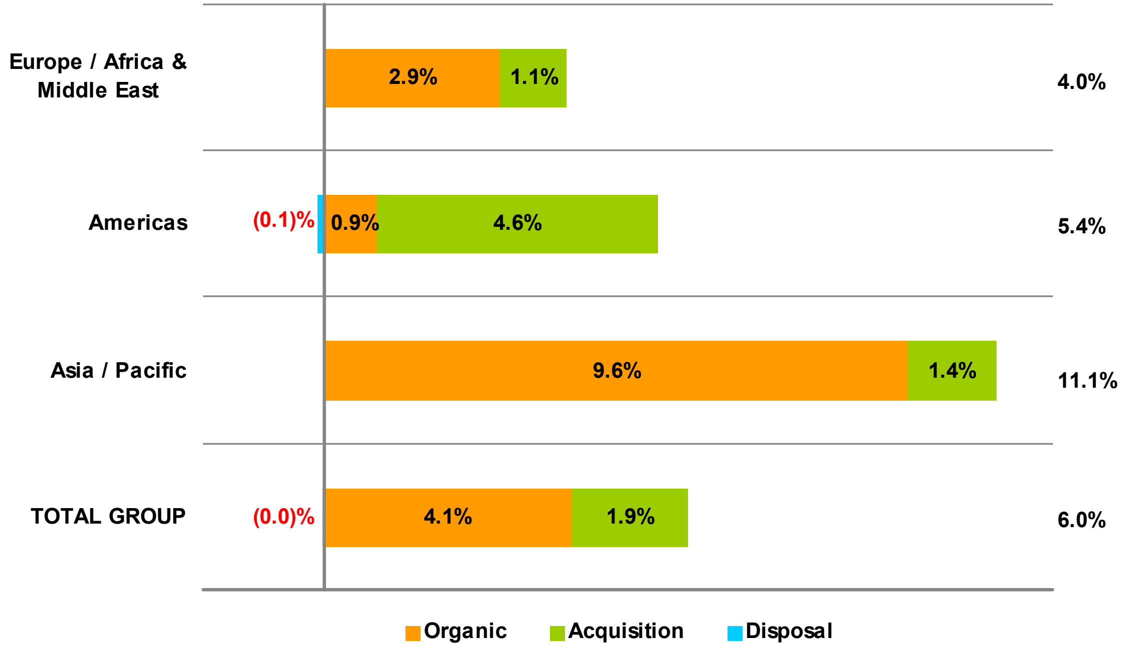
REVENUE GROWTH COMPOSITION



LOCAL CURRENCY GROWTH BY BUSINESS



REVENUE GROWTH AND HEADCOUNT CHANGE BY REGION



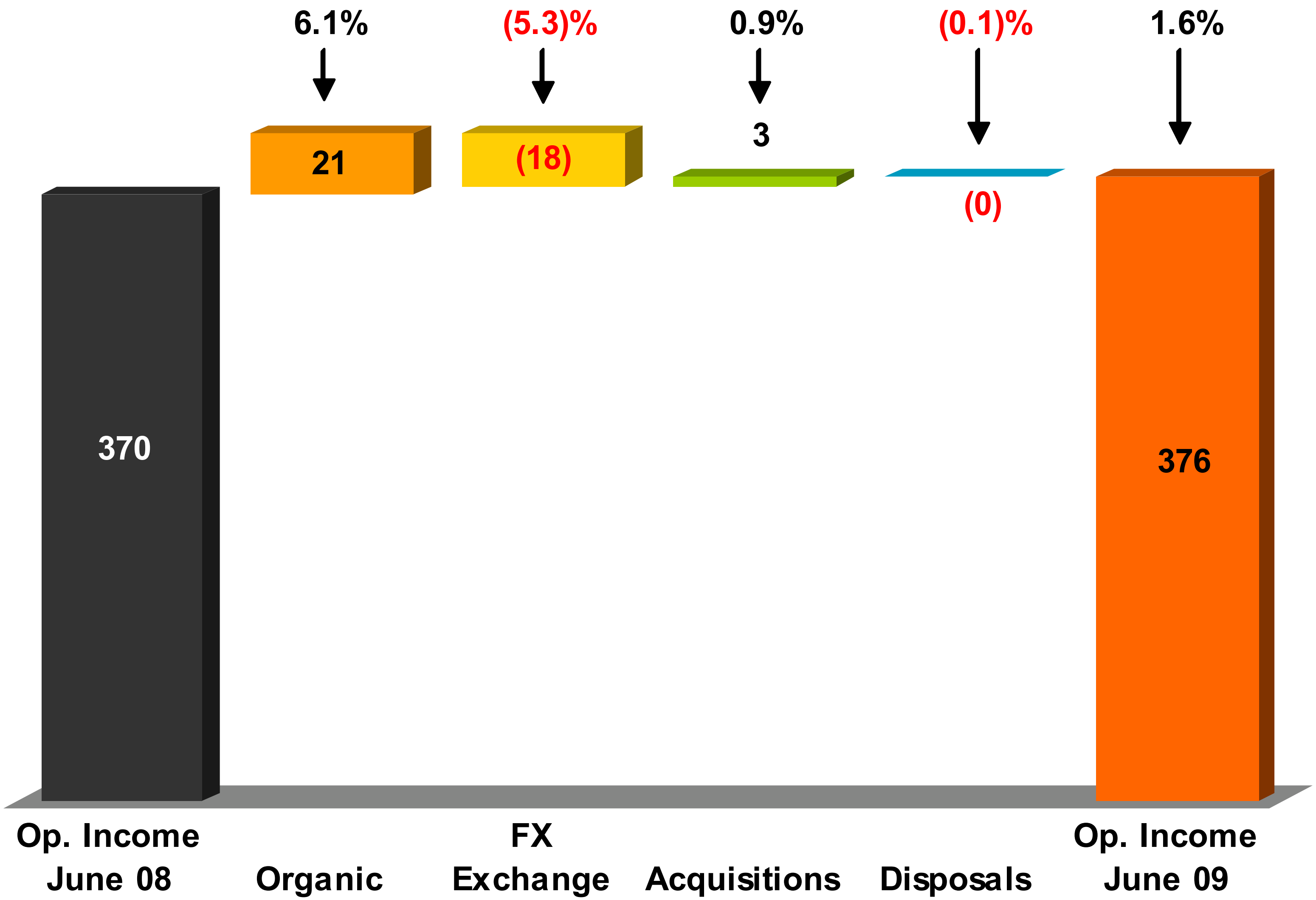
Δ in EOP headcount	2009 June	2008 June	Δ
Group Headcount	**56,674**	**55,140**	**1,534**
Organic Business Growth			1,488
Acquisitions			46
Disposals			-
Increase in Group Headcount			**1,534**

By Region	Headcount Δ	Headcount Δ%	Revenues Δ%
Europe / Africa / Middle Eas	350	1.4 %	4.0 %
Americas	(171)	(1.4)%	5.4 %
Asia / Pacific	1,355	7.7 %	11.1 %
TOTAL	**1,534**	**2.8%**	**6.0%**

OPERATING INCOME ANALYSIS

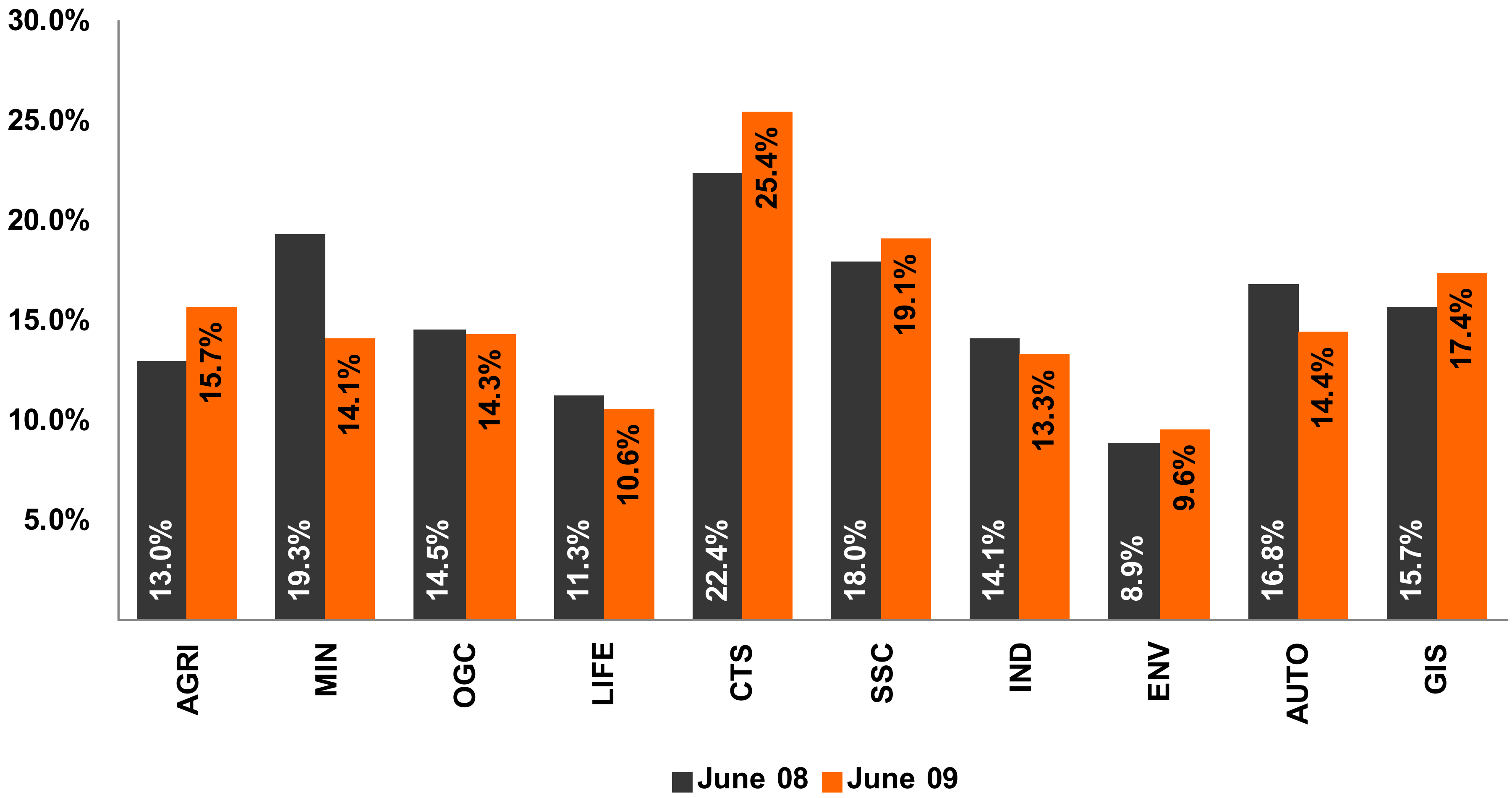
FINANCIAL HIGHLIGHTS

OPERATING INCOME[1] GROWTH COMPOSITION



[1] Before exceptionals

OPERATING MARGIN[1] BY BUSINESS



[1] Before exceptionals

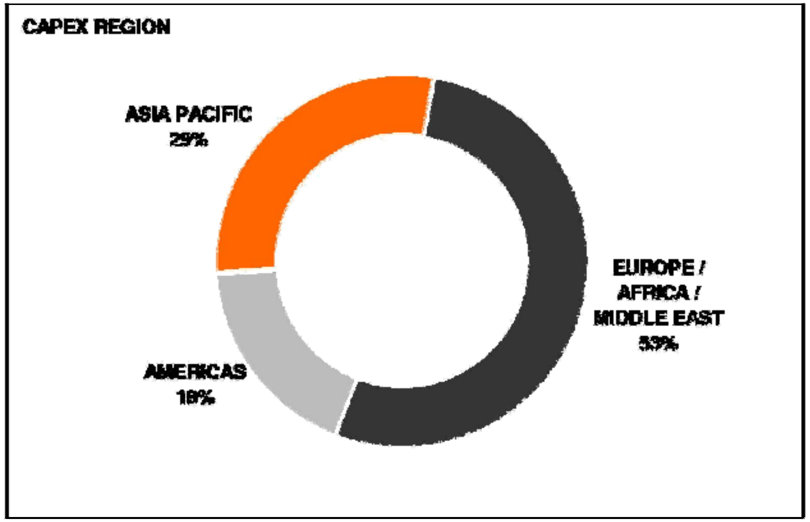
CASH FLOWS

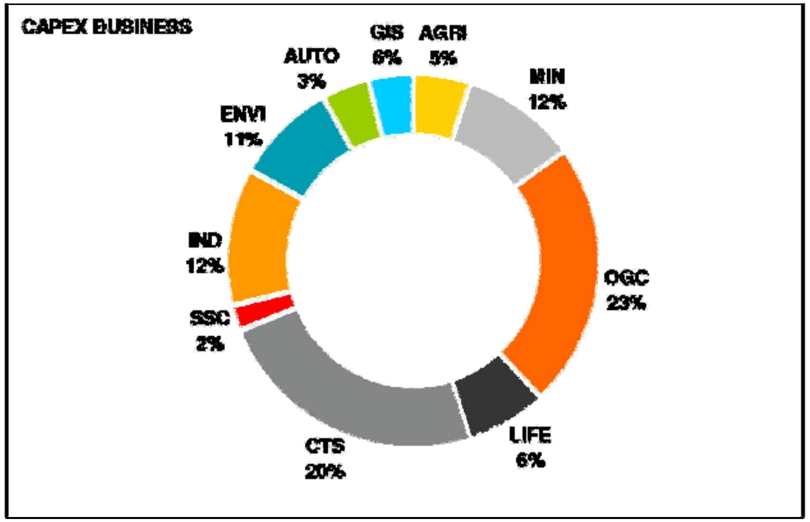
FINANCIAL HIGHLIGHTS

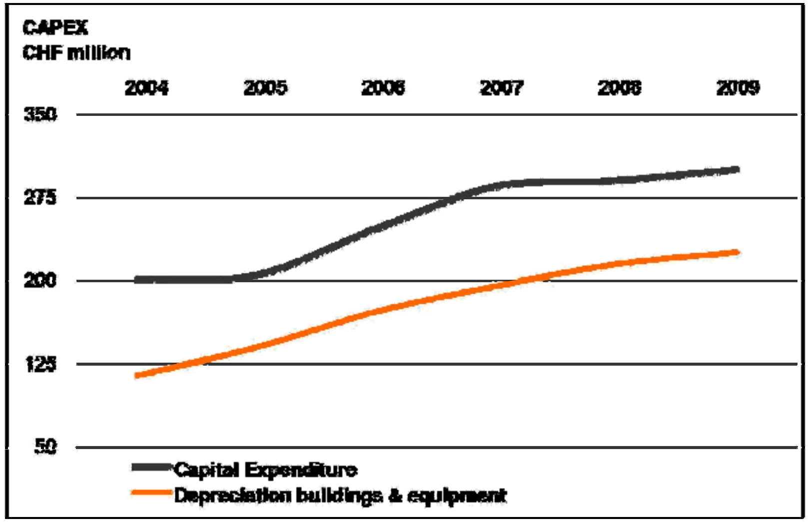
CASH FLOWS

CHF million	Jun 09	Jun 08
PROFIT FOR THE PERIOD	**267**	**388**
Adjustment for 2008 non-cash exceptional items	-	(127)
Adjustment for other non-cash items	206	211
Depreciation/Amortisation	113	103
Share based payments	*8*	*10*
Tax	*91*	*108*
Other	*(6)*	*(10)*
(Increase) in net working capital	(53)	(96)
Taxes paid	(134)	(73)
OPERATING CASH FLOW BEFORE EXCEPTIONALS	**286**	**303**
Cash flows on 2008 exceptional items	(14)	-
OPERATING CASH FLOW	**272**	**303**
Net (purchase)/sale of fixed assets	(97)	(121)
Cash received/(paid) for acquisitions/disposals	9	(156)
Other from investing activities	6	(4)
CASH FLOW FROM INVESTING ACTIVITIES	**(82)**	**(281)**
Dividend paid to equity holders of SGS SA	(375)	(267)
Dividend paid to non-controlling interests	(11)	(3)
Cash received/(paid) on treasury shares	25	(14)
(Decrease)/increase in loans	(136)	119
Other from financing activities	(9)	(6)
CASH FLOW FROM FINANCING ACTIVITIES	**(506)**	**(171)**
Exchange differences on opening balances	6	(14)
Translation differences on flows	(13)	(17)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(323)**	**(180)**

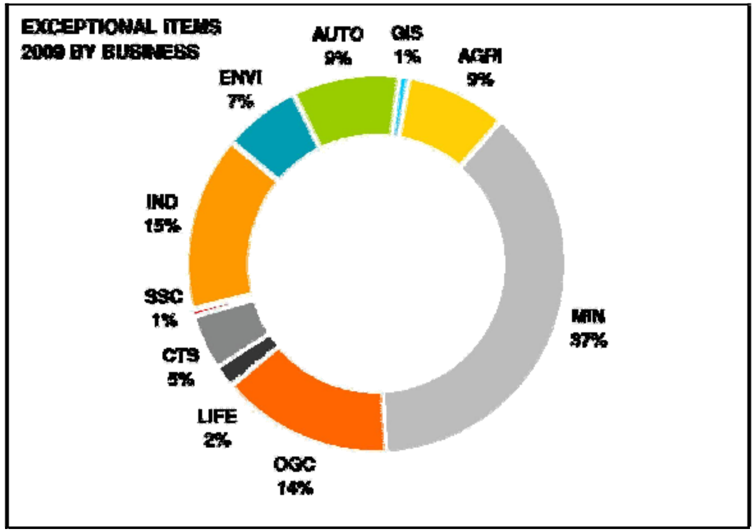
CAPITAL EXPENDITURE

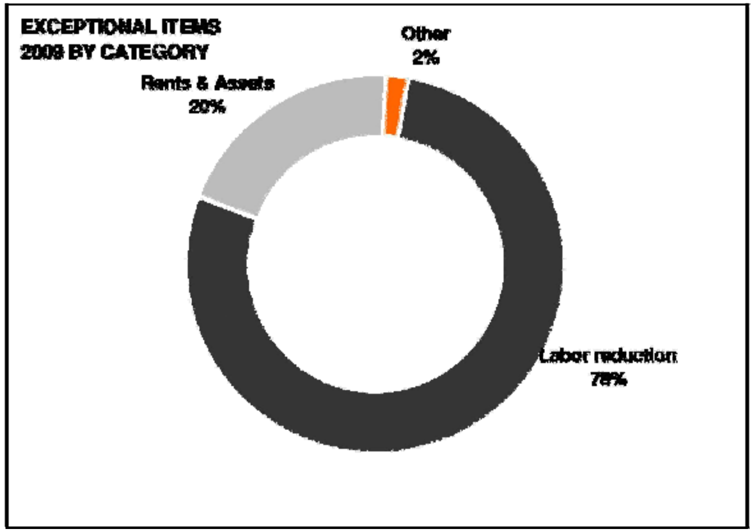






EXCEPTIONAL ITEMS





CHF million	June 2009	June 2008
Restructuring and termination	(15)	-
Settlement of pre-2002 receivables	-	147
Legal and financial fees	-	(20)
Tax thereon	6	(14)
Exceptional items after tax	**(9)**	**113**

CURRENCY IMPACTS

FINANCIAL HIGHLIGHTS

FOREIGN CURRENCY IMPACTS ON TRANSLATION

EURO	**1.45**	**1.51**	**1.60**
Revenues	(32)	0	53
Income	(5)	0	7
USD	**1.05**	**1.13**	**1.20**
Revenues	(26)	0	23
Income	(2)	0	2

OUTLOOK

OUTLOOK 2009

- **The SGS Group expects a lower growth environment in 2009:**
  - Less than double digit revenue growth
  - Full year 2008 operating margin protected
    - Operating margin protection a focus: pricing discipline, capacity utilization monitoring, pre-emptive right-sizing of operations
  - Cash flow protection measures by flexing capital spending, corporate activity, and tightening of commercial terms
- **SGS advantages**
  - Conservative capital structure with significant debt headroom and marginal debt service cost
  - Cash generative business profile with CHF 75 Mio exceptional cash gain in H2 2009 (2nd tranche Philippines)
  - Ability to flex cash consumption and cost structure to market conditions
  - Largest market player with widest business portfolio and geographic footprint (low concentration risk)- ability to commit to our client service in difficult market conditions

BUSINESS OVERVIEW

BUSINESS OVERVIEW

AGRICULTURAL SERVICES (AGRI)

SGS MEANS EFFICIENCY

- **Customer challenges:**
  - Quality and reliability in the supply chain
  - Reduced risks in transactions, improved quality and increased peace of mind

- **For example:**
  - Sustainability of biofuels

- **Our key services:**
  - Trade and shipping related services
  - Supply chain monitoring
  - Food and feed safety
  - Outsourcing
  - Seed and crop services

AGRICULTURAL SERVICES (AGRI)

CHF million	June 2009	June 2008
Revenue	**176.3**	167.4
Change in %	5.3	
Change due to		
Volume & Prices	16.3	
Currency Translation	(8.2)	
Acquisitions/(Disposals)	0.8	
Operating Income[1]	**27.7**	21.7
Change in %	27.6	
Margin %	**15.7**	13.0

[1]Before exceptionals

- **Overview H1 2009**
  - Constant currency revenue growth of 10.8%
  - Trade inspection services performed well during H1 particularly in France, Germany, Ukraine and Canada
  - Expansion of inland activities with resources devoted to Asian markets; expanding technical service package
  - Continued expansion of laboratory services; new labs in Eastern Europe and Asia to meet growing demand related to food safety and yield improvement
  - Extending supply chain food safety through combined market approach with CTS and SSC
- **Outlook**
  - Growth of seed and crop services in H2 (seasonality driven); inland projects expected to start in Asia
  - Tougher market conditions in grains expected; tightening of export market in the Black Sea and EU regions
  - Cost containment initiatives to be maintained to further drive margin growth
  - Potential for India to export large volumes of rice

MINERALS SERVICES (MIN)

SGS MEANS PRECISION

- **Customer challenges:**
  - Reduce risk, enhance value and maximise returns
- **For example:**
  - Purpose built laboratory to support exploration for a major gold company
  - Pilot plants paving the way
- **Our key services:**
  - Reliable, independent testing in the following areas:
    - Non-ferrous metals and precious minerals
    - Steel and steel making raw materials
    - Energy minerals
    - Fertilizers and dry chemicals
    - Industrial minerals
    - Technical risk reduction
    - Financial risk reduction
    - Operational expertise

MINERALS SERVICES (MIN)

CHF million	June 2009	June 2008
Revenue	**261.5**	306.4
Change in %	(14.7)	
Change due to		
Volume & Prices	(25.8)	
Currency Translation	(21.8)	
Acquisitions/(Disposals)	2.7	
Operating Income[1]	**37.0**	59.2
Change in %	(37.5)	
Margin %	**14.1**	19.3

[1]Before exceptionals

Overview H1 2009

- Market conditions were difficult across all sectors of the industry
- Inventory de-stocking of raw materials and finished products has been slower than expected
- Metallurgical project work experienced a significant slowdown in number and scope of projects
- Exploration has largely stopped in line with credit markets
- Energy minerals business has remained stable despite weakness in coking and thermal coal markets in certain geographies
- Mine site laboratory performance steady

Outlook

- Minerals markets are expected to bottom-out in Q2-Q3
- Mining and metals companies will continue to conserve cash and hold off on major investments until industrial demand improves
- Despite proactive price environment in gold exploration, companies remain constrained by tight credit markets
- Capital consumption will reduce to much lower levels than seen in the prior two years
- Margin is set to improve in H2 due to cost containment measures taken in H1

OIL, GAS & CHEMICALS SERVICES (OGC)

SGS MEANS PROGRESS

- **Customer challenges:**
  - Increase speed and quality of decision making
  - Protect and secure business interest around the globe
  - Increase flexibility to do business

- **For example:**
  - FluidPro Portable Analytic Laboratories™
  - Fuel Marking in Kenya

- **Our key services:**
  - Upstream Services
    - Exploration and Appraisal
    - Design and Commissioning
    - Production Operations
  - Downstream Services
    - Distribution and Retail
    - Logistics
    - Refining and Processing

OIL, GAS & CHEMICALS SERVICES (OGC)

CHF million	June 2009	June 2008
Revenue	**468.6**	470.1
Change in %	(0.3)	
Change due to		
Volume & Prices	8.6	
Currency Translation	(16.0)	
Acquisitions/(Disposals)	5.9	
Operating Income[1]	**67.1**	68.1
Change in %	(1.5)	
Margin %	**14.3**	14.5

[1] Before exceptionals

Overview H1 2009

- Revenue growth limited due to difficult conditions in the chemicals and distillate markets, and reduced activity in reservoir description
- Good upstream service growth in production fluid testing and drilling tools
- Discontinuation of Indian government kerosene marker program impacting comparable performance
- Cargo treatment services gaining market share across Asia-Pacific
- Completed the acquisition of UPM in Czech Republic – fuel & engine testing

Outlook

- Weakness of the chemical market expected to continue for the remainder of the year
- Positive outlook for further upstream development in production fluid testing, allocation and metering
- Margin improvement expected from investments in global network
- Recent wins in laboratory outsourcing projects to come on stream in H2
- Reservoir description and well head engineering project backlogs set to improve

SGS

LIFE SCIENCE SERVICES (LIFE)

SGS MEANS QUALITY

- **Customers challenges:**
  - Ensure the quality, safety and effectiveness of pharmaceuticals and other life science products
  - Make the “*Go / No-Go*” decisions
  - Reduce time to market
- **For example:**
  - Early phase clinical development
  - Harmonised quality control for a multinational company
- **Our key services:**
  - Quality control testing and contract analytical services
  - Clinical research for Phase I to IV clinical trials
  - Bio-analytical services

LIFE SCIENCE SERVICES (LIFE)

CHF million	June 2009	June 2008
Revenue	**101.0**	99.2
Change in %	1.8	
Change due to		
Volume & Prices	7.1	
Currency Translation	(4.8)	
Acquisitions/(Disposals)	(0.5)	
Operating Income[1]	**10.7**	11.2
Change in %	(4.5)	
Margin %	**10.6**	11.3

[1]Before exceptionals

Overview H1 2009

- Despite difficult Q1, sector posted 7.5% organic revenue growth in H1
- Strong interest from key accounts in SGS R&D/QC lab network; biotech and Asia labs capabilities
- Clinical research activities increase in profit despite flat revenue
- Quality Control laboratories:
  - Europe: moderate growth in difficult market conditions
  - North America: capacity expansions progressively coming on stream
  - Asia: laboratory volume leverage increasing, operating margins highly accretive

Outlook

- Clinical research backlog building as deferred projects are released by clients
- Capacity expansions in North America becoming operable; Asia demand to accelerate
- Investment in immunology business in Europe supported by strong client demand
- Capacity consolidation in European bio-analytical to improve profitability

SGS MEANS SUSTAINABILITY

CONSUMER TESTING SERVICES (CTS)

- **Customer challenges:**
  - Reducing quality, social and environmental risks
  - Eliminating defects at early stages of production
  - Ensuring quality, performance and compliance with local and international requirements
  - Achieving a faster time to market, avoiding regulatory and non-compliance bottlenecks
  - Managing social and environmental impacts of products throughout lifecycle
  - Substantiating product claims to maintain a competitive edge

- **For example:**
  - Product recalls
  - Demonstrating sustainability

- **Our key services:**
  - Product testing, certification, verification, inspection and assessment
  - Supplier audits and consulting services to the Electrical & Electronics, Textiles, Footwear, Hardlines and Food sectors

CONSUMER TESTING SERVICES (CTS)

CHF million	June 2009	June 2008
Revenue	**391.2**	342.1
Change in %	14.4	
Change due to		
Volume & Prices	41.3	
Currency Translation	(2.4)	
Acquisitions/(Disposals)	10.2	
Operating Income[1]	**99.2**	76.6
Change in %	29.5	
Margin %	**25.4**	22.4

[1]Before exceptionals

Overview H1 2009

- Good results with comparable revenue growth of 15.2% and operating margin expanding 300 basis points
- Revenue increase largely driven by US legislation (CPSIA) for toys and softlines; other mandatory testing requirements from EU and the US in development
- E&E safety/compliance negatively impacted by economic slowdown but compensating with strong demand in chemical and performance testing
- Tesco acquisition (E&E) in Korea in Q4 2008 delivering good results

Outlook

- Strength and timing of retail demand remains uncertain but sector is expected to post solid results for full year
- Inspection service volumes to remain volatile but testing market to remain solid due to mandatory requirements; good positioning of chemical testing capabilities and operating capacity
- Sustainability services and other new initiatives delivering as expected and will continue for the second half of 2009

SGS

SYSTEMS & SERVICES CERTIFICATION (SSC)

SGS MEANS EXCELLENCE

- **Customer challenges:**
  - Stringent quality, environmental, safety and security criteria
  - Controlling the supply chain to exceed customer requirements
  - Improving and sustaining the performance of processes and bottom-line results
  - Improving the relevant professional skills of their people

- **Our key services:**
  - Audit / certification against general management systems standards or against industry-specific standards
  - Customised audit solutions
  - Training services

- **For example:**
  - 7 Star Hotel Certification
  - Single food audit for Korea-Dongah Flour Mills Company

SYSTEMS & SERVICES CERTIFICATION (SSC)

CHF million	June 2009	June 2008
Revenue	**175.7**	174.4
Change in %	0.7	
Change due to		
Volume & Prices	8.8	
Currency Translation	(7.5)	
Acquisitions/(Disposals)	-	
Operating Income[1]	**33.6**	31.4
Change in %	7.0	
Margin %	**19.1**	18.0

[1]Before exceptionals

Overview H1 2009

- Market share gains in Central and Eastern Europe, Middle East and the Americas drove 5.3% revenue growth
- Successful focus on core activities of quality, environment and health & safety management systems
- Despite challenging economic conditions, demand for global certification contracts remains stable
- Productivity projects and geographical mix resulted in a 110 bps increase in operating margin
- Continued development of IT tools to further standardise our processes and extract efficiencies

Outlook

- Expecting stronger price pressure that will be compensated by improved productivity
- Continue to focus on market share gains and introduction of new services
- Strengthening our key account management structure to meet demand from multi national customers for global/regional service providers
- Growing demand to meet our customers’ needs in environmental, social and economic sustainability

SGS MEANS RELIABILITY

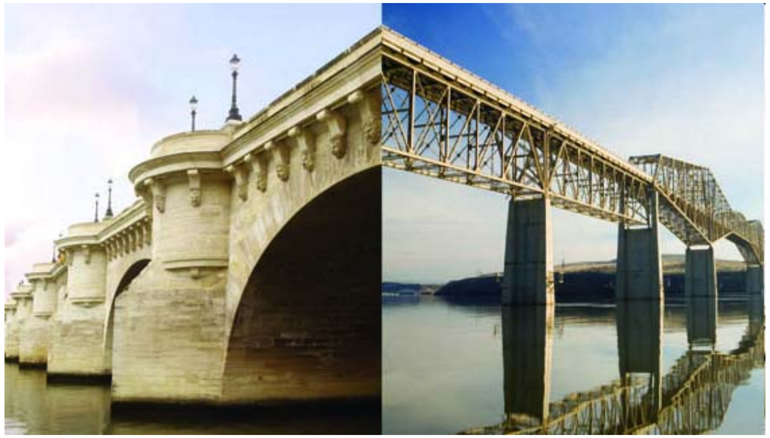
INDUSTRIAL SERVICES (IND)

- **Customer challenges:**
  - Assuring lifetime asset integrity – from design to decommissioning
  - Reducing complexity and assure quality and safety in worldwide supply chains and operations
  - Reducing technical and operational risk
  - Regulatory and contractual compliance
- **For example:**
  - Asset integrity management for Karachaganak Petroleum
- **Our key services:**
  - Project Management, Project Monitoring
  - Supply Chain Services
  - Product and Import Certification
  - Non-destructive testing (NDT) and Laboratory Material Testing
  - In-service inspection (Statutory & Voluntary)
  - Asset Integrity Management (AIM)
  - Technical Staffing Services
  - Training

INDUSTRIAL SERVICES (IND)

CHF million	June 2009	June 2008
Revenue	**371.3**	352.4
Change in %	5.4	
Change due to		
Volume & Prices	17.0	
Currency Translation	(20.9)	
Acquisitions/(Disposals)	22.8	
Operating Income[1]	**49.4**	49.6
Change in %	(0.4)	
Margin %	**13.3**	14.1

[1] Before exceptionals



Overview H1 2009

- Revenue growth driven by a high level of in-service work as a result of maintenance pull-forwards in the chemical sector and liberalisation of the German market
- Asia Pacific continues to perform well on the back of the expanding material testing service portfolio
- Renewable energy business market conditions remained positive; many project wins for wind farm certification
- Supply chain service business facing headwinds as large capex projects have been deferred, resulting in lower capital equipment exports

Outlook

- Large oil and gas capex projects to restart on the back of oil price stability; effect to be seen in 2010
- Sector will continue to invest in renewable energy and asset integrity management services
- Investments in Brazilian execution capacity to progressively ramp up
- No recovery foreseen in the European construction services business in 2009

ENVIRONMENTAL SERVICES (ENVI)

SGS MEANS
LICENSE TO OPERATE

- **Customer challenges:**
  - Understanding and reducing environmental risks
  - Optimising processes to work effectively within the environmental regulations

- **For example:**
  - Kolliken – hazardous waste site toxin analysis

- **Our key services:**
  - Air
  - Asbestos
  - Climate Change
  - Consultancy
  - Energy
  - Environmental Drilling
  - Hazardous Goods
  - Indoor Environmental Quality
  - Laboratories
  - Noise and Vibrations
  - Soil
  - Waste
  - Water

ENVIRONMENTAL SERVICES (ENVI)

CHF million	June 2009	June 2008
Revenue	**140.2**	143.0
Change in %	(2.0)	
Change due to		
Volume & Prices	6.2	
Currency Translation	(9.0)	
Acquisitions/(Disposals)	-	
Operating Income[1]	**13.5**	12.7
Change in %	6.3	
Margin %	**9.6**	8.9

[1]Before exceptionals

Overview H1 2009

- Challenging first semester as economic conditions in Spain, France, USA and Australia limited organic growth
- Efforts broadening service mix and cost containment measures drove margin expansion of 70 bps
- New contracts secured with multinational companies as the sector continued to leverage it's global laboratory network
- Asset refurbishment and capacity expansion in Scandinavia completed. Lab operations to start in Q3

Outlook

- Market conditions to remain challenging; H2 traditionally better due to seasonality
- Cost containment measures to remain a focus in order to protect operating margin
- Cross-sector product offerings with IND, MIN and OGC gaining traction
- Climate Change services will continue to expand, despite uncertainty of Copenhagen negotiations
- Market weakness driving asset prices to more attractive levels

AUTOMOTIVE SERVICES (AUTO)

SGS MEANS INSPECTION

- **Customer challenges:**
  - Effective execution of a Road Safety Program
  - Maximising remarketing value and speed to market
  - Monitoring quality of vehicles from factory to client
- **For example:**
  - London's Black Cabs
- **Our key services:**
  - Vehicle Safety and Emission Inspection
  - Road Safety Enforcement
  - Vehicle Registration
  - Driver Licensing
  - Traffic Technology Testing and Verification
  - Vehicle Inspection and Verification
  - Damage Prevention Inspection
  - Remarketing Inspection
  - Mystery Shopping and Auditing

AUTOMOTIVE SERVICES (AUTO)

CHF million	June 2009	June 2008
Revenue	**138.5**	144.5
Change in %	(4.2)	
Change due to		
Volume & Prices	0.3	
Currency Translation	(6.3)	
Acquisitions/(Disposals)	-	
Operating Income[1]	**20.0**	24.3
Change in %	(17.7)	
Margin %	**14.4**	16.8

[1] Before exceptionals

Overview H1 2009

- As expected, driver testing volumes in Europe were not repeated in 2009
- All statutory vehicle inspection programs are performing as expected
  - California contract has improved performance
  - New Jersey and Massachusetts programs coming on line
  - Capacity expansions for African contracts
- Market conditions in commercial inspection business remained difficult
  - Restructuring of commercial activity in the USA completed in Q2

Outlook

- Statutory business to remain stable with awarded contracts progressively coming on line
- Commercial business to remain weak until auto manufacturers restart production in Q3
  - Off lease product to improve gradually over the balance of the year
- Greenfield and privatisation opportunities being pursued in the statutory field.

GOVERNMENTS & INSTITUTIONS SERVICES (GIS)

SGS MEANS COMPLIANCE

- **Customer challenges:**
  - Facilitate trade, support good governance and promote sustainable development by combating counterfeits, improving import /export processing, assessing and improving visibility and accountability
- **For example:**
  - Product Conformity Programmes
- **Our key services:**
  - Revenue enhancement:
    - Import verification and destination inspection
    - Conformity assessment
    - Trade compliance and security
  - Trade efficiency:
    - ValiTrade and TradeNet
    - Cargo scanning
    - Transit monitoring
  - Aid efficiency:
    - Aid monitoring
    - NGO benchmarking
    - Forestry monitoring

GOVERNMENTS AND INSTITUTIONS SERVICES (GIS)

CHF million	June 2009	June 2008
Revenue	**103.1**	98.2
Change in %	5.0	
Change due to		
Volume & Prices	9.3	
Currency Translation	(4.4)	
Acquisitions/(Disposals)	-	
Operating Income[1]	**17.9**	15.4
Change in %	16.2	
Margin %	**17.4**	15.7

[1] Before exceptionals

Overview H1 2009

- Good performance with comparable revenue increasing 10% and corresponding lift in margins to 17.4%
- PSI volumes remained comparable to previous year
- New contract wins and market share gains in product conformity assessment (PCA) services
- Scanners in Middle East and SE Asia being implemented according to plan
- Liberia forestry scheme well accepted by the Government and the donor community
- Successful renewal of our mandate for public procurement review with JICA in Japan

Outlook

- PSI volumes should remain stable as contract economies are tied to energy production
- New PCA mandates expected to be signed in H2
- Deployment of TradeNet applications and scanning solutions to remain the focus in H2
- Successful leverage of Liberian contract as best practice reference for Forestry

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