

SGS INVESTOR
DAYS CHILE AND PERU
29-30 OCTOBER 2015

AFRICA @ SGS: EPPURE SI MUOVE...

FRED HERREN – COO – AFRICA

INVESTORS DAYS, 29-30 OCTOBER 2015

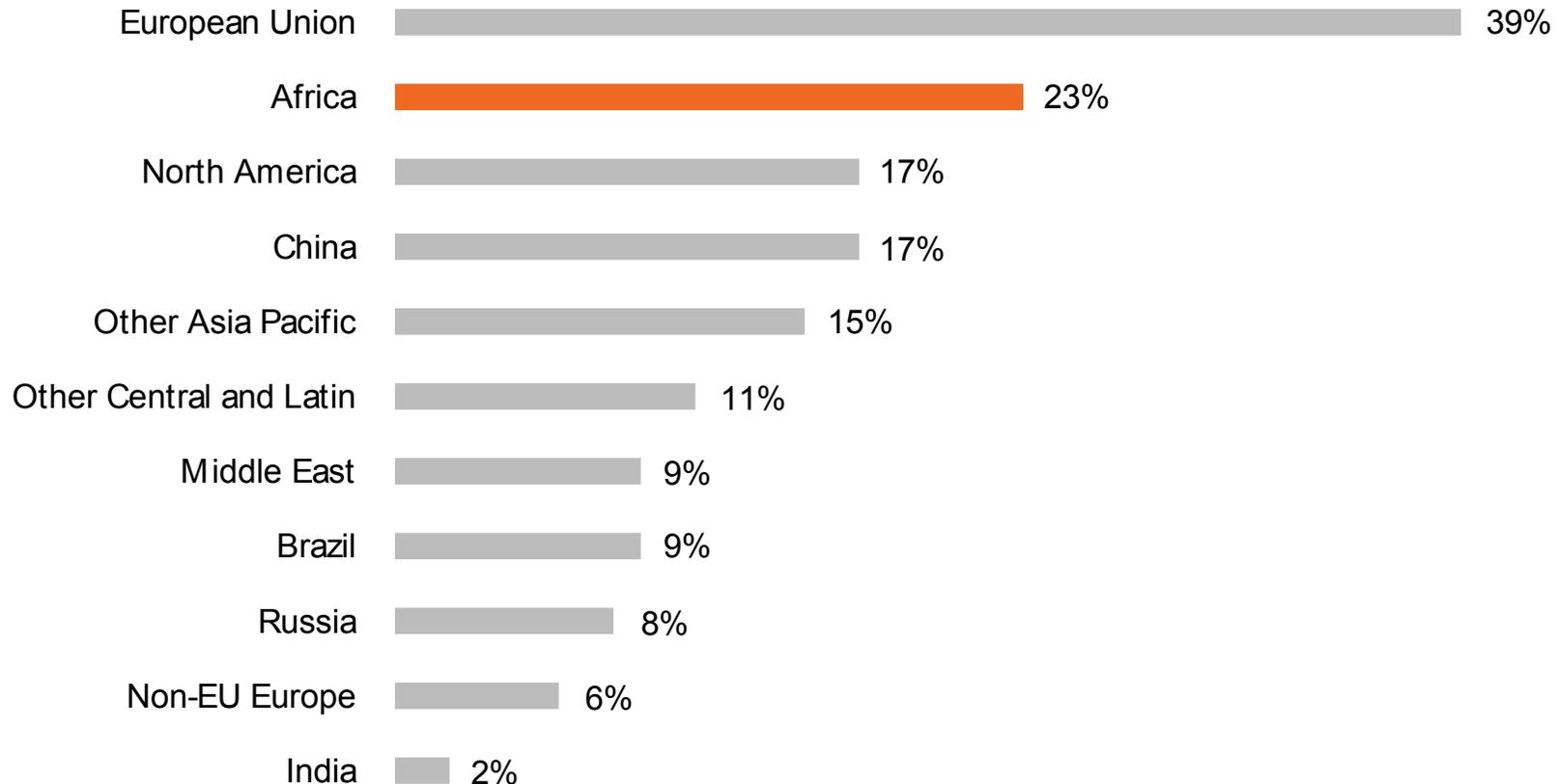
WHEN YOU NEED TO BE SURE

SGS

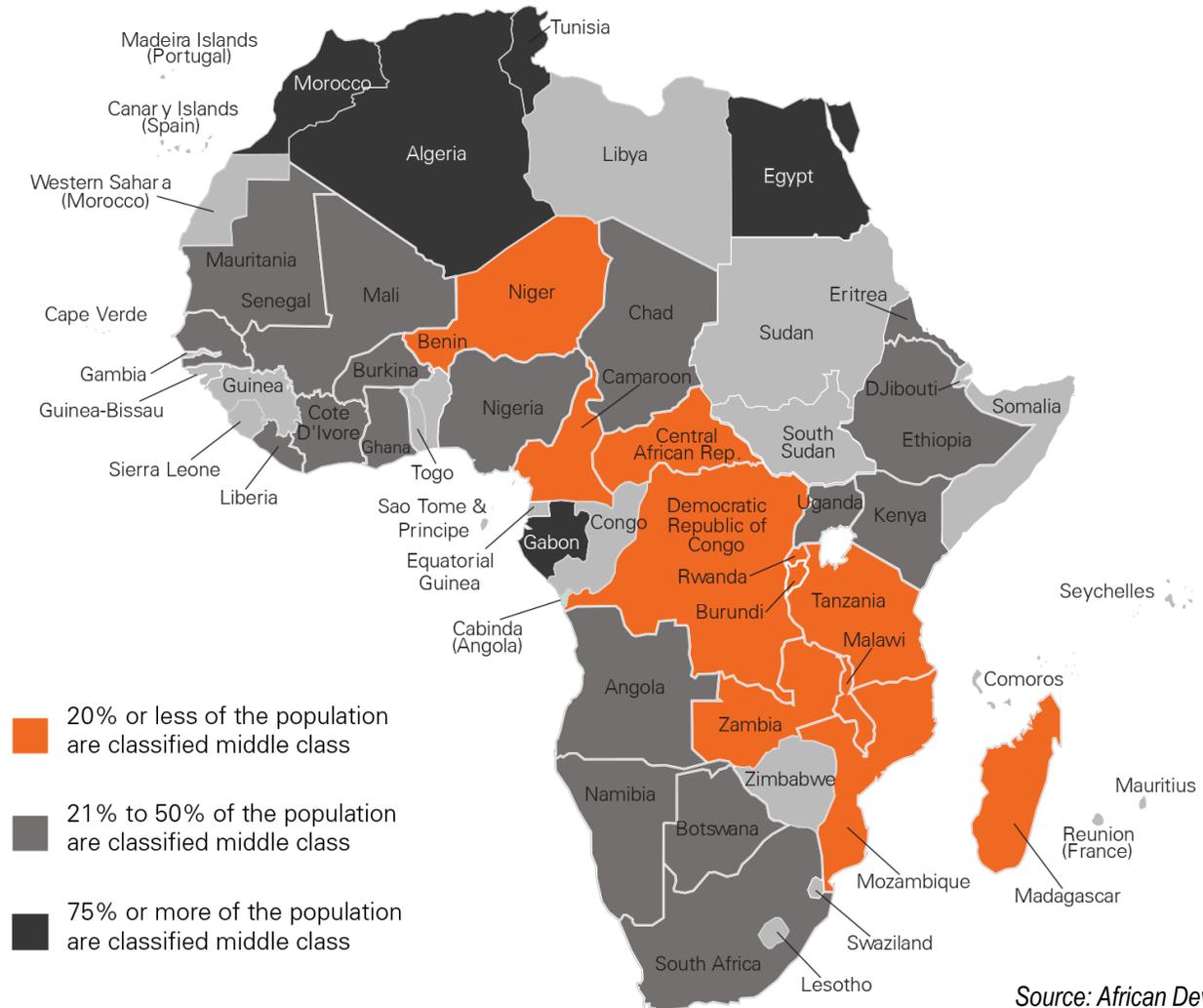
- Significant decline in commodity prices impacts:
 - Investment
 - State revenue and expenditure
 - Export and import
 - Deficit and currency
- Policy shifts on royalties and local content
- Power shortages and economic slowdown
- Unrest and terrorism

- **So, SGS must be suffering too – right?**

- African investors have tripled their investment
 - Agriculture and food
 - Service industries
- Industrial development
- Reduced dominance of extractive industries:
 - 24% of FDI in 2004
 - Only 5% in 2013
- Retail development, e.g. Carrefour
- E-commerce: 40% growth
- Telecoms: 600 million mobile subscribers
- More new cars imported than used ones in key countries

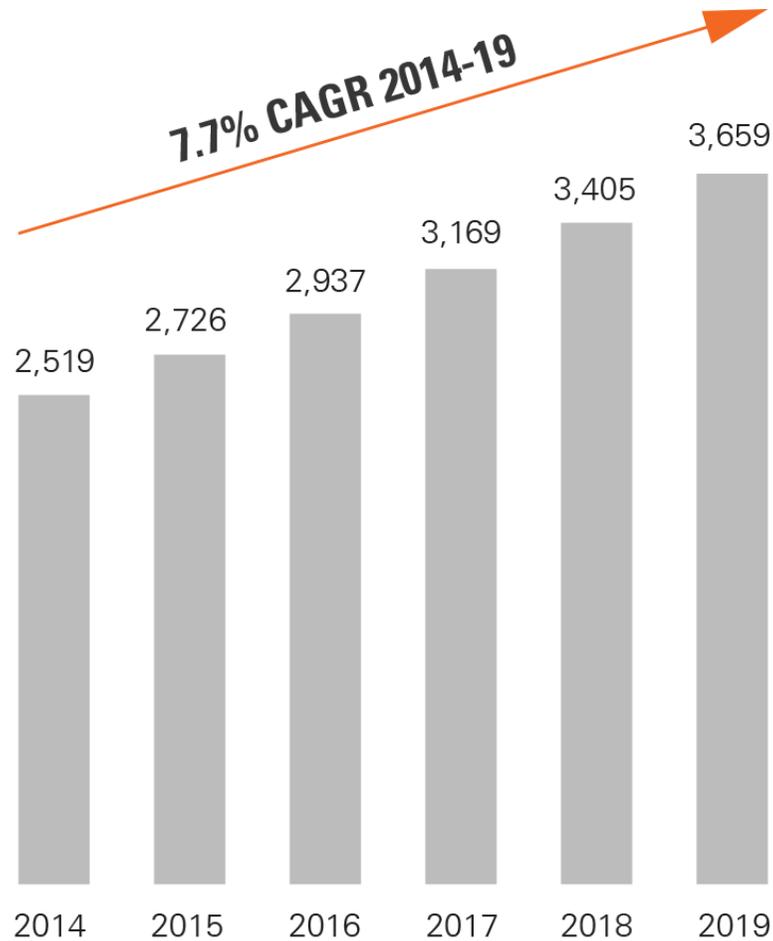


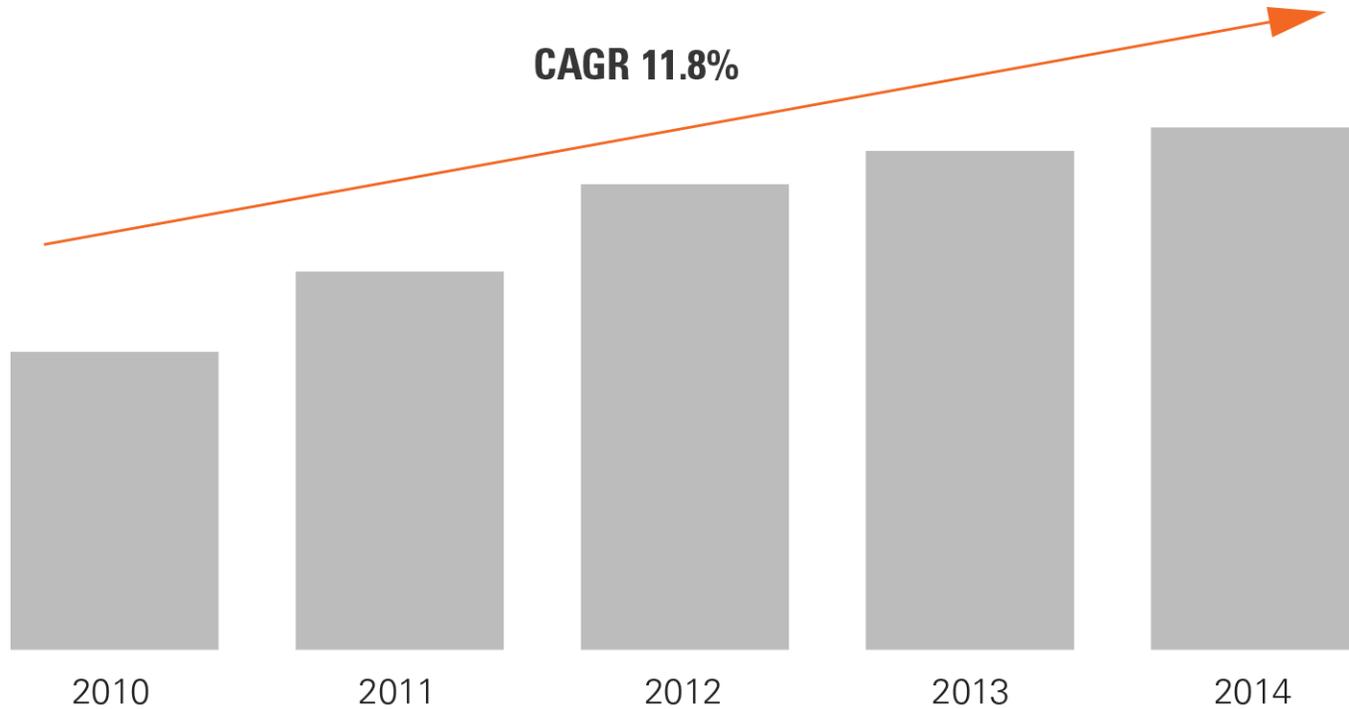
A GROWING MIDDLE CLASS



Source: African Development Bank, Deloitte analysis

ECONOMIC GROWTH (USD BILLION)





- Two new fuel marking projects
- New contracts and labs for oil condition monitoring
- 4 new MIN on-site laboratories, including major coal lab in South Africa
- AUTO win in Uganda
- Geographical expansion for IND: Congo, Ivory Coast, Madagascar, Réunion
- Several new contracts to monitor quality at gas stations
- Expansion of DEI activities
- Acquisitions

- Award of the **innovation prize** 2015:
 - Major oil company in Africa
 - Tracking and quality program in Ghana
 - From tank to gas station:
 - Quality
 - Fraud detection
 - Image protection
 - Paving the way for further growth
- **Drone** for the road:
 - MCC USA funding road rehabilitation in Senegal
 - Supervision and database by SGS
 - High quality images
 - Drone from South Africa
 - MCC D.C. screen



- Africa is suffering
- Africa is still growing
- Room for innovation and new ideas
- The desire and the need for growth
- Strong potential across businesses



