



2008 HALF YEAR RESULTS

The SGS Group's posted constant currency revenue growth of 17% (10% reported basis) to CHF 2.3 billion and an operating profit of CHF 370 million, 14.2% up on the prior year. Operating margins crossed the 16% line for the first time in the first semester, to 16.1% from 15.5%. Net profit for the period increased 61.5% to CHF 378 million from CHF 234 million as a result of solid trading conditions across the Group's businesses and an exceptional after-tax gain in the Governments and Institutions Services business of CHF 113 million, following an amicable resolution of an outstanding receivable issue with the Government of the Philippines which had been fully provided in 2001.

FINANCIAL HIGHLIGHTS		
CHF million	June 08	June 07
Revenue	2 298	2 089
Change in %	10.0	
EBITDA (before exceptionals)	473	418
Change in %	13.2	
Operating income (before exceptionals)	370	324
Change in %	14.2	
Operating margin (before exceptionals) in %	16.1	15.5
Operating income (EBIT)	497	324
Change in %	53.4	
Profit before taxes	496	324
Change in %	53.1	
Profit attributable to Equity holders of SGS SA	378	234
Change in %	61.5	
Operating cash flow	303	230
Change in %	31.7	
Net cash	81	163
Average number of shares ('000)	7 631	7 636
Basic earnings per share (CHF)	49.53	30.64
Change in %	61.7	
Diluted earnings per share (CHF)	49.16	30.34
Change in %	62.0	
Basic earnings per share before exceptionals (CHF)	34.7	30.64
Change in %	13.3	
Average number of employees	53 551	49 020
Change in %	9.2	

Overview

Revenue for the Group improved 17% (10% reported basis) to CHF 2.3 billion. This growth was achieved in good trading conditions across all the Group's businesses and reporting geographies, all of which reported top line growth. The Group's Minerals, Automotive, Consumer Testing and Industrial services business lines all posted organic growth over 15% (constant currencies). For the Group, organic revenue growth for the period was 15.1% in constant currencies, fuelled by continuing favourable trading conditions in the commodities markets, a tightening of the regulatory environment in consumer goods and the benefits of prior period investments in infrastructure and expansion of service capabilities. This growth was augmented by net acquisition/disposal revenue growth of 2%.

Pre-exceptional operating income improved by CHF 46 million or 14.2% to CHF 370 million. Group pre-exceptional EBITDA and operating margin expanded to 20.6% and 16.1% respectively as a result of operating leverage, service mix and improved geographic distribution of the Group's activities.

Net financial expense increased to CHF 1.6 million due to reduced cash balances as a result of the dividend payment of CHF 267 million and increased interest costs as a result of increased corporate development activity in the first semester. The pre-exceptional items tax rate for the period at 25.5% (21.8% post-exceptionals basis) was consistent with the Group's expected geographical profit distribution for the year. Profit attributable to equity holders of SGS SA increased to CHF 378 million (inclusive of exceptionals) from CHF 234 million, an increase of 62%.

Cash flow from operations increased 32% to CHF 303 million. This inflow as used to fund net investments in fixed assets of CHF 121 million, a distribution to shareholders of CHF 267 million and business acquisitions of CHF 156 million. As a result, Group cash decreased from CHF 429 million to CHF 249 million during the period.

Acquisitions and Disposals

During this semester SGS further strengthened its Agricultural Services in North America with the acquisition of the Alvey Group, a leading provider of GPS soil sampling and testing services. In Australia, SGS acquired TACS, a supplier of services to the power generation industry, Wamtech, provider of the Mobile Metal Ion (MMI) geochemistry technology and Western Geotechnics Group which offers a full range of services to the construction, mining and oil industries.

In Canada, Geostat Systems International, the leader in geostatistics (ore body modelling) was acquired together with Canadian Environmental & Metallurgical Inc. (CEMI), a specialist in environmental issues facing the global mining industry.

In the Netherlands, SGS acquired Horizon Energy Partners BV, a consultancy firm providing subsurface solutions to the upstream oil and gas sector.

SGS and Nokia Siemens Networks concluded a Business and Asset Transaction in Germany and Finland, reinforcing SGS's testing position in the telecommunication industry

Management

Following Jean-Pierre Mean's retirement, Olivier Merkt, currently Corporate Development Vice President, has been appointed General Counsel and Chief Compliance Officer effective 1 August.

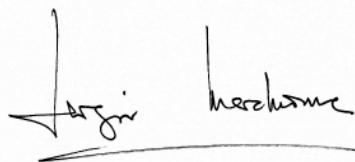
Significant shareholders

At 30 June 2008, Mr. August von Finck and his family held 23.7% of the capital and voting rights of the company; IFIL Investissements SA held 15%, Allianz SE 7.4% and FMR Corp 5.57%.

Outlook

The Group expects the trading conditions experienced in the first semester to continue in the second half of the year and confirms its objective of achieving an Earnings Per Share (EPS) target in excess of CHF 80, inclusive of the exceptional gain of CHF 113 million recorded in the first half.

SGS further confirms its commitment to achieve a minimum EPS of CHF 105 by 2011.



Sergio Marchionne
Chairman



Chris Kirk
Chief Executive Officer

AGRICULTURAL SERVICES		
CHF million	June 08	June 07
Revenues	167.4	167.7
Change in %	(0.2)	
Change due to		
Volume & Prices	9.1	
Currency Translation	(7.8)	
Acquisitions/(Disposals)	(1.6)	
Operating income before exceptionals	21.7	19.0
Change in %	14.2	
Margin %	13.0	11.3

Agricultural Services

Agricultural services delivered comparable organic revenue growth of 6.0% to CHF 167 million for the semester in a challenging trading environment. Increased demand for alternative fuel feed stocks, poor crop conditions, price volatility and export controls created supply/demand imbalances and irregular shipping patterns. Operating margin increased to 13% from 11.3% during the period largely as a result of operational efficiency measures, favourable service mix and strong performances in Western Europe, South American and Asia Pacific regions.

Agricultural services continued to transition its service portfolio during the period from trade related inspection services with the acquisition of the Alvey Group a leading independent provider of field research and soil sampling and testing based in the USA. This service targeting the precision farming market coupled with the seed testing business acquired in 2007 strengthens the Group's service platform and positions SGS to penetrate the growing area of sustainable farming.

Business initiatives in bio-fuels in conjunction with Oil, Gas and Chemicals and Environmental services have gained market acceptance with several important contract wins registered during the semester. The sector has invested into the fresh produce market with laboratory investments in the Middle East becoming operational in the 2nd semester. The greater Asia region is seeing the largest change in food stuffs related trade volume and as such the sector has taken steps to bolster its presence in this developing market place.

At the beginning of the period the sector terminated a silo management joint venture in Valencia which will have the impact of reducing annual comparable revenue by CHF 21 million.

MINERALS SERVICES		
CHF million	June 08	June 07
Revenues	320.8	259.6
Change in %	23.6	
Change due to		
Volume & Prices	75.2	
Currency Translation	(15.7)	
Acquisitions/(Disposals)	1.7	
Operating income before exceptionals	63.5	43.2
Change in %	47.0	
Margin %	19.8	16.6

Minerals Services

Revenues in Minerals Services grew by 31.5% (constant currencies) to CHF 321 million for the period on the back of continued strong demand from the trading, exploration and mining sectors. Operating income increased 47% to CHF 64 million at a margin of 19.8% as all of the Group's reporting regions posted increased activity for the semester and the sector's service mix continued to develop favourably into higher value, more complex solutions.

During the period the Group made three strategic acquisitions. In February the Group purchased Wamtech Pty. Ltd. in Australia in order to protect its leadership position as a service provider of mobile metal ion (MMI) geochemistry technology. This purchase solidified the Group's rights to this important technology. In April the Group purchased Geostat Systems International in Canada as part of its strategy to move upstream in the mining value chain to reserve modelling and geo-statistics. In May the Group purchased Canadian Environmental and Metallurgical Inc. which specialises in acid rock drainage testing and the subsequent design engineering of wastewater treatment plants for our mining clients.

During the period the sector was able to bring on line several larger scale investments from the previous period, specifically the first large scale pilot plant operation in the Canadian Oil Sands was completed demonstrating our capability in this arena. The Groups laboratory in Chita, Siberia became operational and is now being expanded due to the demand for services in this large mining area. New technology solutions continue to be deployed to the group's larger mining hubs solidifying the Groups competitive advantage in this important sector.

OIL, GAS & CHEMICALS SERVICES		
CHF million	June 08	June 07
Revenues	455.8	434.1
Change in %	5.0	
Change due to		
Volume & Prices	43.0	
Currency Translation	(34.6)	
Acquisitions/(Disposals)	13.3	
Operating income before exceptionals	63.8	65.2
Change in %	(2.1)	
Margin %	14.0	15.0

Oil, Gas & Chemicals Services

Oil Gas and Chemicals delivered first semester comparable revenue growth of 14.1% to CHF 456 million. Demand for the sector's services remained strong during the period delivering an organic growth rate of 10.8%. Operating margin for the period dipped from 15% to 14% largely due to start up costs associated with the sector's up-stream initiatives, increased business development costs and acquired intangible asset amortisation.

During the semester the sector has increased investments in several key upstream initiatives including increased capabilities in well slick-lining and production fluids testing services that had been developed in prior periods and are now ready for a concentrated expansion effort in those markets with the most potential. As part of this overall upstream strategy the sector acquired Netherlands based Horizon Energy Partners, an integrated service provider to the Oil & Gas markets providing solutions in reservoir description and well engineering. With offices in The Hague, United Kingdom, Malaysia and Nigeria, Horizon is positioned to make use of the established physical network and customer relationships of the SGS Group to expand this business further.

In recognition of the demands of the trading community the sector has now established an information network to handle our client's cargo information needs on a 24 hour basis. Traders in Geneva, London, New York and Singapore can now receive information around the clock on their high value cargoes.

LIFE SCIENCE SERVICES		
CHF million	June 08	June 07
Revenues	99.2	98.4
Change in %	0.8	
Change due to		
Volume & Prices	6.1	
Currency Translation	(3.4)	
Acquisitions/(Disposals)	(1.9)	
Operating income before exceptionals	11.2	11.0
Change in %	1.8	
Margin %	11.3	11.2

Life Science Services

Life Sciences services delivered comparable first semester organic revenue growth of 6.6% to CHF 99 million in a mixed trading environment with solid progress in selected operations being offset by flat market in European clinical research activities and capacity constraints in North American quality control. Operating margin improved marginally to 11.3% principally due to productivity measures and narrowing of operating losses in Asia due to start-ups.

In quality control, the sector's laboratories posted satisfactory performances in North America despite capacity constraints in two of the sector's principle laboratories in Canada and Chicago, USA. Both sites are currently in the process of expanding capacity which is expected to be on line in early 2009. The semester saw a much improved performance in Germany on the back of increased primary material quality control volume. In Asia, operating losses in Greenfield laboratories have been halved in India and China on increased volumes and recent wins in Singapore point to a break even performance for the year for the Asia region.

In clinical research, bio-analysis and early phase research activities performance was un-even during the period with reduced volumes in clinical research and biometry counter-balancing improved performances in other service lines. The sector has established action plans to deal with reduced volumes in clinical activities which are currently being actioned.

During the period the sector disposed of blood analysis activities in Peru which will have the impact of reducing annual revenue by CHF 4 million. This activity was part of a legacy joint venture and was determined to be non-core to the Group.

CONSUMER TESTING SERVICES		
CHF million	June 08	June 07
Revenues	342.6	311.4
Change in %	10.0	
Change due to		
Volume & Prices	51.4	
Currency Translation	(24.3)	
Acquisitions/(Disposals)	4.1	
Operating income before exceptionals	76.7	68.7
Change in %	11.6	
Margin %	22.4	22.1

Consumer Testing Services

With first semester revenue of CHF 343 million, Consumer Testing delivered comparable revenue growth of CHF 56 million, or 19.3%. This growth was achieved with a healthy distribution between the sector's four business lines and across the geographies in which it operates. Operating margin for the period increased from 22.1% to 22.4% on the back of productivity initiatives in Asia and Europe.

During the period the sector acquired the laboratory assets and business of Nokia Siemens Networks Research and Technology in Germany and Finland. This acquisition will not only strengthen the testing capabilities of the sector in the region but more importantly establishes a longer term vision for business partnership between the two organisations. Consumer testing will commercialise the laboratory outside of its current captive scope and intends to make further investments in the capabilities of these two important assets.

In addition to external initiatives the sector continues to invest in its laboratory network capabilities on the back of increased customer demand for existing services and new initiatives in response to the ever stringent product safety regulatory environment. These include capacity expansions at several key multi-lab sites in greater Asia, increased investments in services in the telecom sector and additional service lines in conjunction with our strong position in chemical testing. Many of these initiatives have started and will become fully operational over the next twelve months.

SYSTEMS & SERVICES CERTIFICATION		
CHF million	June 08	June 07
Revenues	173.8	170.1
Change in %	2.2	
Change due to		
Volume & Prices	13.2	
Currency Translation	(9.5)	
Acquisitions/(Disposals)	--	
Operating income before exceptionals	31.3	28.5
Change in %	9.8	
Margin %	18.0	16.8

Systems & Services Certification

Systems and Services Certification services delivered comparable revenue growth of 8.2% to CHF 174 million for the period lifting operating margins from 16.8% to 18%. Revenue and profit growth for the period was evenly distributed across the Group's geographies with noteworthy performances in East Asia, South East Europe and Eastern Europe and the Middle East.

The sector's primary service offering, auditing for compliance to international accreditation schemes performed satisfactorily in the first semester. The trend towards mature markets fragmenting into industry specific schemes with emerging markets adopting global schemes remained true during the period. The sector continued to bear the costs of transitioning its auditing workforce to meet these needs while protecting operating margins.

The sector continued to push its diversification strategy from its high dependence on global certification schemes to customised audit solutions and focused industry sector products. In customised audit solutions the largest successes to date have been in the retail, banking and automotive sectors as global clients have begun to recognise the value of brand protection and management of franchisee and dealership networks. In services certification, the sector has expanded on its early success in the airline industry to broaden its customer base into information technology call centres, brokerages and the insurance industry.

INDUSTRIAL SERVICES		
CHF million	June 08	June 07
Revenues	352.4	298.4
Change in %	18.1	
Change due to		
Volume & Prices	48.1	
Currency Translation	(12.6)	
Acquisitions/(Disposals)	18.5	
Operating income before exceptionals	49.6	46.8
Change in %	6.0	
Margin %	14.1	15.7

Industrial Services

Industrial services comparable revenues grew by 23.3% to CHF 352 million for the semester with the business delivering organic growth from operations of 16.8%. The decline in operating margin for the period from 15.7% to 14.1% was primarily due to timing of large scale infrastructure contracts in West Africa and the Middle East in H1 2007, the dilutive effect of prior period acquisition integration and new contract mobilisation costs.

The sector's largest operations in Spain, Germany, the Benelux and France continued to perform satisfactorily despite the softening in general construction and infrastructure during the semester. Managing service delivery costs and the impact from the upcoming liberalisation of the German market will be areas of key focus for the balance of the year in this geography.

The sector has continued to invest in the business lines and geographies with the largest growth potential during the period. These investments included a full scale training centre in China to meet demand for accredited inspectors; substantial investments in non-destructive testing equipment in the Middle East on the back of the large scale infrastructure build out in the region and increased capabilities in North America within the oil and gas sector.

During the semester the sector acquired two new companies in the Western Australian market. The TACS group is a service provider specializing in electrical maintenance and condition monitoring to the electric power industry and Western Geotechnics a specialised materials testing business with its principle focus on infrastructure projects. After a short integration period both service lines will be evaluated for their potential to develop globally utilising our network.

ENVIRONMENTAL SERVICES		
CHF million	June 08	June 07
Revenues	143.0	133.4
Change in %	7.2	
Change due to		
Volume & Prices	12.4	
Currency Translation	(4.8)	
Acquisitions/(Disposals)	2.0	
Operating income before exceptionals	12.7	11.8
Change in %	7.6	
Margin %	8.9	8.8

Environmental Services

Environmental services grew comparable revenues for the semester by 11.2% to CHF 143 million with a corresponding increase in operating margin of ten basis points to 8.9%. Organic constant currency revenue growth for the period was 9.6% principally driven by improved performances in emerging markets, Spain and Canada.

During the period the sector completed the large scale re-location and refurbishment of its activities in Western Australia with operations increasing utilisation progressively over the semester. The sector's Kolliken landfill project began operations and is also ramping up to contracted volumes.

Services to the climate change reporting market including CDM (clean development mechanism), emissions monitoring and sustainability reporting continued to gain traction during the period. The Group's large network provides a competitive advantage as large multi-nationals seek single source suppliers with the ability to aggregate multi-site data.

Trading conditions in many of the mature markets were challenging and as a result of this the sector continues to transition its service portfolio from standard organic/ inorganic lab testing to more comprehensive test packages and data management services targeting specific high value markets often in conjunction with our other service lines.

AUTOMOTIVE SERVICES		
CHF million	June 08	June 07
Revenues	144.5	121.7
Change in %	18.7	
Change due to		
Volume & Prices	27.0	
Currency Translation	(7.5)	
Acquisitions/(Disposals)	3.3	
Operating income before exceptionals	24.3	16.4
Change in %	48.2	
Margin %	16.8	13.5

Automotive Services

Automotive services delivered comparable revenue growth of 26.5% to CHF 145 million for the period. Operating margins expanded from 13.5% to 16.8% during the period largely as a result of new contract wins, operational efficiency improvements and volume leverage.

In statutory operations (74% of revenue) the principle driver for growth during the semester was the success in the driver testing program in Ireland in conjunction with the final build out of the black cabs program in London. This performance was augmented by steady operational improvements from the sector's businesses in Spain, France and the United States. In emerging markets, the sector's operations in Algeria, Ivory Coast, Argentina and Chile all improved performance from the comparable period. The sector continues to work towards bringing recently won contracts in Morocco, China and the United States to operating status by the end of the year.

The commercial automotive market (26% of revenue) began to enter a difficult trading environment during the semester as new car manufacturers came under pressure due to deteriorating market conditions. This has been partially compensated by the opening of new locations to serve new cars clients across more locations as well as moving upstream closer to the manufacturing process. Off-lease inspection gained additional momentum in Europe with new contracts wins. The Group is following closely volume shifts in demand between used car and new car inspection.

GOVERNMENTS & INSTITUTIONS SERVICES		
CHF million	June 08	June 07
Revenues	98.2	94.0
Change in %	4.5	
Change due to		
Volume & Prices	8.9	
Currency Translation	(4.7)	
Acquisitions/(Disposals)	--	
Operating income before exceptionals	15.4	13.2
Change in %	16.7	
Margin %	15.7	14.0

Governments and Institutions Services

Governments and Institutions services comparable revenues increased by 10% to CHF 98 million for the semester. This revenue growth delivered an operating profit of CHF 15 million at an operating margin of 15.7%, a 170 basis point improvement from the comparable period.

As previously announced in the sector's global solutions product line the Ecuador pre-shipment inspection contract was terminated at the beginning of the semester. Despite this, the sector was able to offset the impact with increased volumes in Angola and Bangladesh. In addition, prior period investments for scanner system mandates in Kosovo and Uruguay became operational during the period. The sector currently manages 13 scanners worldwide.

All of the sector's local solutions contracts met expectations for the period. The Madagascar and Nigeria mandates have been fully converted to local solution schemes and are operating to expectation. The sector's contracts in Latin America performed well principally in the field of Valitrade while in other regions our TradeNet product line is performing extremely well with significant potential opportunities under evaluation.

During the semester the sector began establishing its operations in Liberia for forestry protection. This program, supported by the US Government, will be one of the first country-wide forestry protection mandates awarded to an independent operator and will entail a progressive ramp up over a twenty four month period. The size, complexity and technologies to be employed in this contract will provide a benchmark for 3rd party verification of forestry protection schemes for the sector to build on in the future.

Interim condensed financial statements and related data

Basis of Preparation :

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) *IAS 34 Interim Financial Reporting* and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2007.

CONDENSED CONSOLIDATED INCOME STATEMENT		
CHF million	June 08	June 07
Revenue	2 298	2 089
Personnel & sub-contracted costs	(1 243)	(1 155)
Depreciation, amortisation & impairment	(103)	(94)
Other operating expenses	(582)	(516)
Operating income (before exceptional items)	370	324
Exceptional items	127	--
Operating income (EBIT)	497	324
Financial (expense)/income	(1)	--
Profit before taxes	496	324
Taxes	(108)	(81)
Profit for the period	388	243
Profit attributable to :		
- Equity holders of SGS SA	378	234
- Minority interests	10	9

CONDENSED CONSOLIDATED CASH FLOW		
CHF million	June 08	June 07
Profit for the period attributable to Equity holders of SGS SA	378	234
Adjustment for non-cash exceptional items	(127)	--
Adjustment for non-cash items	221	171
(Increase) in net working capital	(96)	(92)
Taxes paid	(73)	(83)
Operating cash flow	303	230
Net sale/(purchase) of fixed assets	(121)	(121)
Cash (paid)/received for acquisition/disposals	(156)	(11)
Other from investing activities	(4)	(3)
Cash flow from investing activities	(281)	(135)
Dividend paid to Equity holders of SGS SA	(267)	(153)
Dividend paid to Minority interests	(3)	(7)
Cash (paid)/received on treasury shares	(14)	19
Increase in loans	119	16
Other from financing activities	(6)	(4)
Cash flow from financing activities	(171)	(129)
Exchange differences on opening balances	(14)	4
Translation differences on flows	(17)	1
Increase/(decrease) in cash & cash equivalents	(180)	(29)

CONDENSED CONSOLIDATED BALANCE SHEET		
CHF million	June 08	Dec 07 (2)
Non-current assets		
Land, building & equipment	729	738
Goodwill & other intangible assets	813	716
Other assets	259	189
Total non-current assets	1 801	1 643
Current assets		
Trade accounts & notes receivables	914	867
Other assets	448	390
Cash & investments	258	438
Total current assets	1 620	1 695
Total assets	3 421	3 338
Total equity	1 922	1 977
Non-current liabilities		
Loans & financial leases	15	20
Provisions & other liabilities	269	275
Total non-current liabilities	284	295
Current liabilities		
Trade & other payables	434	452
Other liabilities	781	614
Total current liabilities	1 215	1 066
Total equity & liabilities	3 421	3 338

(2) 2007 data has been amended to reflect the adoption of IFRIC 14

CONDENSED STATEMENT OF RECOGNISED INCOME AND EXPENSE		
CHF million	June 08	June 07
Actuarial gains & losses on defined benefit plans	(28)	--
Income tax on income/expenses taken directly to equity	1	--
Exchange differences & other	(137)	50
Net income recognised directly in equity	(164)	50
Profit for the period	388	243
Total recognised income & expense for the period	224	293
Attributable to:		
- Equity holders of SGS SA	218	286
- Minority interests	6	7

Notes to the condensed interim financial statements

1. Significant accounting policies

The condensed financial statements have been prepared in accordance with the accounting policies applied by the Group in its consolidated financial statements for the year ended 31 December 2007, except for the adoption of the IFRIC14 interpretation on IAS 19 Employee Benefits. This adoption has no impact on earnings but comparative Balance Sheet figures have been amended to reflect in Equity the impact of limits on overfunded defined benefit plan assets (CHF 30 million).

2. Exceptional items

EXCEPTIONAL ITEMS		
CHF million	June 08	June 07
Operating income before exceptional items as reported by segment	370	324
Unallocated exceptional items :		
Settlement of pre-2002 receivables	147	--
Legal and financial fees	(20)	--
Operating income (EBIT)	497	324

3. Earnings per share

BASIC EARNINGS PER SHARE		
	June 08	June 07
Profit attributable to Equity holders of SGS SA - CHF million	378	234
Weighted average number of shares ('000)	7 631	7 636
Basic earnings per share - CHF	49.53	30.64

DILUTED EARNINGS PER SHARE		
	June 08	June 07
Profit attributable to Equity holders of SGS SA - CHF million	378	234
Diluted weighted average number of shares ('000)	7 689	7 711
Diluted earnings per share - CHF	49.16	30.34

Adjusted earnings per share are calculated based on the period's profit attributable to Equity holders less the net exceptional items reported in the period:

EARNINGS PER SHARE BEFORE EXCEPTIONALS		
	June 08	June 07
Profit attributable to Equity holders of SGS SA - CHF million	378	234
Exceptional items net of tax - CHF million	(113)	--
Profit attributable to Equity holders of SGS SA, before exceptionals - CHF million	265	234
Adjusted basic earnings per share - CHF	34.70	30.64
Adjusted diluted earnings per share - CHF	34.44	30.34

4. Acquisitions

During the period, the Group completed nine acquisitions including: 100% of the TACS electrical maintenance and condition monitoring business in Australia (effective January 2008); 100% of Alvey Group, a provider of field research and GPS soil sampling services (effective February 2008); 100% of Horizon Energy Partners, an upstream services provider to the oil and gas industry (effective April 2008); 100% of CEMI, an environmental services provider to the mining industry (effective May 2008); 100% of Western Geotechnics, a materials testing and development service provider in Western Australia (effective May 2008) and the technology research and testing facilities of Nokia Siemens Networks in Germany and Finland (effective June 2008).

During the period, the acquisitions contributed CHF 20 million to Group revenue and CHF 4 million to Group operating income. Had the effective dates of all acquisitions been 1 January 2008, Group revenues would have increased by CHF 23 million and Group operating income would have increased by CHF 4 million for the period.

Due to the timing of these transactions, the initial accounting for these acquisitions had only been provisionally determined at the balance sheet date.

CHF million	ACQUISITION OF SUBSIDIARIES						
	Horizon			Others			Total
	Book Value	Fair value adjustments	Fair value on acquisition	Book Value	Fair Value adjustments	Fair value on acquisition	Fair value on acquisition
Tangible & intangible assets	3	20	23	11	12	23	46
Current assets	9		9	6		6	15
Cash & cash equivalents	4		4	3		3	7
Current liabilities	(4)		(4)	(8)		(8)	(12)
Non-current liabilities				(1)		(1)	(1)
Net assets acquired	12	20	32	11	12	23	55
Goodwill			82			40	122
Total purchase price			114			63	177
Acquired cash & cash equivalents			(4)			(3)	(7)
Consideration payable						(10)	(10)
Net cash outflow on acquisitions			110			50	160

The total acquisition costs of CHF 177 million comprise cash settlements for CHF 175 million and directly attributable costs of CHF 2 million.

The goodwill arising on these acquisitions is attributable to the value of anticipated cost and revenue synergies, as well as the value of the qualified workforce.

5. Statement of change in consolidated equity

STATEMENT OF CHANGE IN CONSOLIDATED EQUITY			
CHF million	Attributable to equity holders of SGS SA	Minority interests	Total Equity
Balance as at Jan. 1, 2007, as published	1 562	30	1 592
Effects of change in accounting policy	(6)		(6)
As amended	1 556	30	1 586
Total recognised income and expense for the period	286	7	293
Dividends paid	(153)	(2)	(155)
Share-based payments	6	--	6
Movement on treasury shares	20	--	20
Balance as at June 30, 2007	1 715	35	1 750
Balance as at Jan. 1, 2008, as published	1 971	36	2 007
Effects of change in accounting policy	(30)		(30)
As amended	1 941	36	1 977
Total recognised income and expense for the period	218	6	224
Dividends paid	(267)	(8)	(275)
Share-based payments	10	--	10
Movement on treasury shares	(14)	--	(14)
Balance as at June 30, 2008	1 888	34	1 922

6. Equity compensation plans

During the period, the company has granted approximately 6,000,000 SGSMO options to senior executives of the Group in relation with a Long-Term Incentive Plan. These options will vest in January 2012 if a minimum target of CHF 105 earnings per share is reached by end 2011 and the executive is still employed by or rendering services to the Group on the date of vesting. 100 options give the right to acquire one share at an exercise price of CHF 1,338.69. At the date of grant each option had a value of CHF 2.37.

7. Retirement Benefit Obligations

During the period, an interim assessment of employee benefit obligations and actual return on plan assets has been performed for the major defined benefit pension plans. A resulting increase in pension liabilities of CHF 22 million has been recorded.

EXCHANGE RATES						
			Balance Sheet		Income Statement	
			End of period rates		Average rates	
			June 08	Dec. 07	2008	2007
Australia	AUD	100	98.13	99.39	97.12	99.19
EU	EUR	100	160.68	166.33	160.68	163.17
Great Britain	GBP	100	202.64	226.56	207.52	241.86
USA	USD	100	101.65	113.53	105.11	122.78

Disclaimer

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English version is binding

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2008 FULL YEAR RESULTS

Thursday, 15 January 2009

**ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

Tuesday, 24 March 2009

STOCK EXCHANGE LISTING

SWX Swiss Exchange, SGSN

STOCK EXCHANGE TRADING

SWX Europe Ltd

COMMON STOCK SYMBOLS

Bloomberg: Registered Share: SGSN.VX
Reuters: Registered Share: SGSN.VX
Telekurs: Registered Share: SGSN
ISIN: Registered Share: CH0002497458

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