



Annual General Meeting

Geneva – 19 March, 2013

Speech by Mr. Chris Kirk, Chief Executive Officer
(Refers to the slide presentation)

Ladies and Gentlemen, dear Shareholders, good afternoon.

I am very pleased to report another solid year for SGS despite it being another difficult year for the global economy.

SGS, your company, is a truly innovative organization. As you can read in our Annual Report, all of us at SGS are listening to our customers to better respond to their needs.

In this very challenging environment, we focus on what we know best, our core capabilities, anticipating future needs and providing innovative solutions.

This allows us to consolidate our leadership position and to be considered as the benchmark in the Testing, Inspection and Certification Industry.

Our results would not have been possible without the dedication of the Operations Council, all of whom are here today, and the passion and innovative spirit of our almost 80'000 employees around the world.

I would like to thank all of them and express my gratitude to the Board of Directors without whose support these very good results would not have been possible

FINANCIAL HIGHLIGHTS

Your Group reported revenue growth of 16.3 % to 5.6 billion Swiss Francs, a new record, with Oil, Gas & Chemicals Services becoming our first business to exceed the one billion threshold in revenue.

We achieved strong organic growth of 10.2%, with Agricultural, Minerals, Oil, Gas&Chemicals and Consumer Testing Services all achieving double digit organic growth.

Growth was double digit all around the world, except the Eurozone.

Acquisitions accounted for additional growth of 4.3%, benefiting most regions and business lines, with the majority in South America which grew by 36%!

Our adjusted Operating Income showed a strong increase of 12.9% with an Operating Margin of 16.9%, marginally down as a result of investments in innovation, a few, initially margin dilutive, acquisitions and weaker results in some businesses.

These weaknesses, mainly in Europe and in our Life Science Business drove us to take restructuring measures resulting in one-off expenses of CHF 47 million net of tax. I will come back to that later.

Net profit including these restructuring costs amounted to 556 million Swiss francs, up 1.5% % at constant currency.

We added 4'700 new colleagues through organic growth, gearing up to achieve our growth plan and more than 3'300 through acquisitions.

Agri delivered strong double digit growth with good performances in the traditional trade related activities and excellent results in our new seed and crop services.

We commissioned a very innovative Food Safety and Cold Chain facility in India and acquired Gravena, a contract research provider in Brazil and Ware Care, a pest management company in the Netherlands.

Minerals showed very strong growth of 24.2%, of which 13.8% was organic. The highlight of the year was the acquisition of CIMM in January and its successful and promising integration. We continued to expand our network with twelve new laboratories and we acquired E&S Engineering Solutions, adding the development of mineral processing facilities to our portfolio. More recently we announced our intention to acquire the South African Time Mining Group, a specialist in providing process plant design and project management.

Oil, Gas & Chemicals was our first billionaire! With double digit growth, OG&C reported revenue of CHF 1.046 billion. Our new Upstream services delivered growth of 35%, confirming our strategy to develop this sector!

We continued investing in new equipment for well-side services, adding new laboratories and down-well sampling facilities. We acquired Roplex and EMICS, both in the UK, as well as Herguth, a lubricant testing laboratory in California.

Life Science Services grew by 3.7%.

As already mentioned, the performance of our clinical research was disappointing. Therefore we launched initial consultations to close the Paris clinic and restructuring costs of CHF 21 million net of tax were provisioned. These are included in the CHF 47 million I mentioned earlier.

On the other hand, our Laboratory operations showed very good growth of 15.5%. We strengthened our biologics service offering through the acquisition of Vitrology in the UK and we acquired Exprimo, a Belgian consultancy firm.

Consumer Testing Services grew strongly at 12.9% on the back of very good performances in our new services such as automotive parts testing. We acquired the French Sercovam Group, a leader in European automotive, aeronautic and material testing.

Systems & Services Certification reached 6.2% growth. Here again new services are key to growth.

I am glad to report that our new programmes such as sustainability-related supplier audits are performing very well and SGS certified the London 2012 Olympics against the new Sustainable Events Management Standard.

Industrial Services delivered solid growth of 20.2%, almost half organically, half through acquisitions.

With new management, the strategy has been reviewed and a stronger need for testing is currently being addressed.

Materials Testing, Non Destructive Testing, Project Monitoring as well as Supply Chain services were the main growth drivers.

In South Africa, we acquired Metlab and Sentinel. In Colombia, we acquired ETSA, a leading engineering project supervision and management company.

In Canada, we acquired Ludwig and last but not least, we acquired the Labmat Group in Brazil.

As you can see, we are convinced that our Industrial Services have a bright future!

Environmental Services had a good performance during the year with 13.2% growth mainly in emerging markets. We had to restructure some of our European operations and we deployed new integrated services combining field, laboratory and data interpretation. We acquired Analytical Perspectives in the US and in Brazil, we acquired Environ, the leading occupational health and safety laboratory there.

Automotive Services grew by 6.4%, on the back of solid statutory vehicle inspection services. We continued to invest in new centres in France, Ivory Coast and Argentina and recently acquired a French operator, RDFI.

Governments & Institutions Services had an excellent performance with 17.3% growth driven primarily by the introduction of new services with Local Solutions representing almost 70% of the business today. We continued to invest into very innovative services such as telecommunications monitoring programmes in Haiti, Rwanda and Uganda.

Acquisitions have been, as last year, a very important driver for growth, and more importantly, driver of innovation.

The 18 acquisitions this year are all contributing to reinforce our ability to remain open to new ways of doing business, new ways of integrating people and talent and new ways to answer our clients' needs.

Dear Shareholders, may I ask you to spend some time reading our Sustainability report.

Did you know that 71'000 colleagues received training on our new Code of Integrity?
 We spent 322'000 hours on safety training and introduced the SGS Rules for Life
 We monitor and reduce our CO2 emissions and we embarked on Green IT, Green Building, and Green Car programmes. We also participated in 251 community projects worldwide?

We are passionate about Sustainability and proud to be a true Global Citizen.

SO WHERE ARE WE TODAY?

We are mid-way on our journey towards our 2014 targets!
 And I can repeat, we are doing everything to make it happen.
 We have a strong Management Team, the best in the Industry
 We have strong innovation and efficiency improvement teams,
 We have great people, growing in strength and expertise everyday and collectively we are all striving for Operational Excellence

Ladies and Gentlemen, dear Shareholders, thank you for your attention and good afternoon.

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