HALF YEAR RESULTS

JUNE 2012

SGS

SGS

HALF YEAR

RESULTS

The SGS Group posted a strong first semester performance with revenue growth of 15.1% over prior year to CHF 2.7 billion (constant currency basis), reflecting both organic revenue growth of 11.1% and the integration of twenty four recently acquired companies contributing an additional 4.0% in revenues.

Adjusted operating income, up 12.2% over prior year on a constant currency basis, reached CHF 413 million, resulting in a margin of 15.6%. This was slightly down from 16.0% in prior year as the Group continues its investment programme towards the achievement of the 2014 plan. Restructuring activities including permanent headcount reductions during the semester resulted in a one-off expense of CHF 26 million.

Net Profit for the period reached CHF 245 million, slightly above prior year (2011: CHF 241 million on a constant currency basis). During the semester, net capital investments amounted to CHF 176 million and the Group completed seven acquisitions for a total cash outflow of CHF 100 million. The Group confirms solid top line growth and improved operating results for the full year on a constant currency basis.

FINANCIAL HIGHLIGHTS

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	2 651	2 303	2 345
Change in %		*15.1*	*13.1*
ADJUSTED EBITDA [1]	531	472	479
Change in %		*12.5*	*10.9*
ADJUSTED OPERATING INCOME [1]	413	368	374
Change in %		*12.2*	*10.4*
ADJUSTED OPERATING MARGIN IN % [1]	15.6	16.0	16.0
OPERATING INCOME (EBIT)	373	357	363
Change in %		*4.5*	*2.8*
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF SGS SA	245	241	246
Change in %		*1.7*	*(0.4)*
ADJUSTED BASIC EPS (CHF)	36.26	33.08	33.71
BASIC EPS (CHF)	32.16	31.72	32.30
DILUTED EPS (CHF)	32.00	31.56	32.14
CASH FLOW FROM OPERATING ACTIVITIES	244		228
(NET DEBT)/NET CASH	(585)		(233)
WEIGHTED AVERAGE NUMBER OF SHARES ('000)	7 617		7 589
AVERAGE NUMBER OF EMPLOYEES	74 965		65 347

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs

2. Constant currency basis

OVERVIEW

During the semester, the Group generated CHF 2.7 billion in revenues, representing an increase of 15.1% (constant currency basis) over prior year. This was achieved through solid organic revenue growth of 11.1% and through additional revenues from acquired companies of 4.0%. On a historical reported basis, despite the continued strengthening of the Swiss Franc against most currencies, Group revenues increased by 13.1% for the period.

The double digit organic revenue growth for the period was achieved in five business lines. Minerals Services maintained its strong momentum throughout the period generating top line organic growth of 20.6%, the key drivers continuing to be exploration and metallurgical projects. Other business lines with double digit organic growth include Government & Institutions, Agricultural, Oil Gas & Chemicals and Consumer Testing Services, supported by high activity levels across most geographies. Acquisitive growth for the period primarily benefited South America with three acquisitions adding 33.2% to its revenues, as well as North America with six acquisitions accounting for 6.2% of its growth.

The Group reported an adjusted EBITDA of CHF 531 million, up 12.5% (constant currency basis) over prior year and an adjusted operating income of CHF 413 million, resulting in a margin of 15.6% slightly down from 16.0% in prior year as the Group continues its investment programme towards the 2014 target. Restructuring activities during the semester addressing underperformance in some legacy operations and creating permanent headcount reductions, resulted in a one-off expense of CHF 26 million. Despite this charge, EBIT for the semester reached CHF 373 million, up 4.5% over prior year (constant currency basis). The restructuring phase is expected to yield benefits from 2013 onwards.

Net financial expense for the period increased to CHF 18 million (2011: CHF 11 million) reflecting the issuance of corporate bonds part way through 2011 for a total of CHF 725 million. The overall effective tax rate for the period was 27.0% consistent with the Group's full year expectations.

Profit attributable to equity holders reached CHF 245 million for the period, slightly above prior year on a constant currency basis, and in line with the reported CHF 246 million in 2011.

Operating cash flows remained strong at CHF 244 million for the semester, up 7.0% from CHF 228 million in prior year, and corresponding to 9.2% of Group revenues versus 9.7% in prior year. This inflow was used primarily to fund acquisitions for a total of CHF 100 million and net investments in fixed assets of CHF 176 million compared with CHF 134 million in prior year. During the period the Group also paid a dividend of CHF 497 million.

At June 30, the Group's net debt position amounted to CHF 585 million (June 2011: net debt of CHF 233 million) from a net debt position of CHF 95 million at 31 December 2011, in line with expectations.

ACQUISITIONS

The Group completed seven acquisitions during the semester, extending our service portfolio particularly in South America with the CIMM T&S minerals acquisition in Chile, the ETSA industrial acquisition in Colombia and the Environ environmental acquisition in Brazil. Combined, these seven acquisitions generate revenues of approximately CHF 146 million on an annualised basis.

MANAGEMENT

Francois Marti was appointed to the role of EVP Systems & Services Certification and Strategic Transformation.

SIGNIFICANT SHAREHOLDERS

As at 30 June 2012, Exor held 15.00%, Mr. August von Finck and members of his family acting in concert held 14.96%, the Bank of New York Mellon Corporation held 3.23% and the Capital Group Companies held 3.03% of the share capital and voting rights of the Company.

At the same date, SGS Group held 2.43% of the share capital of the Company.

OUTLOOK

Current trading conditions present significant challenges, especially as they relate to economies in or connected to the Eurozone. The Group continues to be proactive in reshaping its operations in view of changes in demand, and has undertaken a number of initiatives designed to right-size its infrastructure, for which most costs have already been reflected in the first semester of 2012.

Notwithstanding these challenges and the continuing investment in growth initiatives mainly in non-Eurozone markets to meet the Group's medium term targets, SGS maintains its expectations to deliver strong revenue growth and an adjusted operating income in excess of prior year levels.

17 July 2012

Sergio Marchionne
Chairman of the Board

Christopher Kirk
Chief Executive Officer

AGRICULTURAL SERVICES

Agricultural Services delivered strong comparable revenue growth of 14.0% (of which 13.3% organic) to CHF 173 million for the period, sustained by positive trends across most regions.

Revenues from trade related services increased markedly, benefiting in part from good export volumes out of the Black Sea region and from solid demand for agricultural commodities. Seed and Crop services also performed well delivering growth in excess of 40%. This was achieved through the development of field trial capabilities in new geographies such as Western Europe and through the successful integration and geographical leverage of acquisitions made in North America and Africa over the past few years.

The adjusted operating margin for the period increased to 14.4% from 13.7% in prior year (constant currency basis), with profitable volume growth offsetting start-up costs for a new food safety laboratory in Canada and weaker results in Thailand following extensive floods early in the year.

During the period, the business continued to invest in the development of new services focusing on process plant monitoring and supply chain services. It also participated in the restructuring programme aimed at resolving operational underperformance in legacy operations, primarily in the Americas, as well as initiatives to improve service delivery through enhanced IT capabilities.

In line with its strategy to develop a global Seed and Crop service footprint, the Group acquired Gravena, a contract research services provider headquartered in Jaboticabal, Brazil, in early July. Founded in 1993, Gravena employs more than 120 specialists and will provide a strong base for further development in South America.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**173.1**	**151.8**	**155.8**
Change in %		*14.0*	*11.1*
ADJUSTED OPERATING INCOME [1]	**24.9**	**20.8**	**21.4**
Change in %		*19.7*	*16.4*
MARGIN % [1]	**14.4**	**13.7**	**13.7**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs

2. Constant currency basis

MINERALS SERVICES

Minerals Services delivered excellent comparable revenue growth of 31.5% (of which 20.6% organic) to CHF 422 million for the period with all regions and services in the portfolio contributing to the increased top line.

Despite ongoing concerns surrounding the global macroeconomic environment, demand was strong throughout the period and the key growth drivers remain record high exploration spend and metallurgical projects. Investments made in prior years have enabled the business to rapidly respond to client requests, in particular in high growth geographies such as West Africa, Asia and South America. In countries with mature mining industries, laboratory capacity expansions completed in 2011 have allowed the Group to handle increased volumes especially in Australia, Canada, Chile and South Africa.

In January 2012 the Group finalised the acquisition of CIMM T&S, the leading provider of technical services to the mining industry in Chile, through a privatisation process. CIMM T&S and SGS operations are being merged, combining locations, workforce and capabilities throughout the country to further strengthen our leading market position. While the process has yet to be completed, synergies are already being realised and operating margins are rising rapidly towards Group standards.

The adjusted operating margin for the period remained stable at 18.4% versus prior year (constant currency basis), with the currently dilutive effect of the CIMM acquisition being compensated by high capacity utilisation across the network and a favourable product mix.

During the period, the Group continued to invest in capacity expansion, focusing on its commercial laboratory network. New facilities in Mackay and Brisbane are operational, serving coal export flows out of Australia, particularly for a large contract win with a major Australian coal exporter. Commercial geochemistry laboratories have been established in Turkey and Liberia, enabling the Group to address important new markets.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**421.7**	**320.7**	**323.2**
Change in %		*31.5*	*30.5*
ADJUSTED OPERATING INCOME [1]	**77.6**	**58.8**	**59.4**
Change in %		*32.0*	*30.6*
MARGIN % [1]	**18.4**	**18.3**	**18.4**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs

2. Constant currency basis

OIL, GAS & CHEMICALS SERVICES

Oil, Gas and Chemicals Services delivered comparable revenue growth of 11.8% (of which 11.2% organic) to CHF 499 million for the period with growth coming mainly from the expansion of non-trade related services.

Strong trade volumes throughout the period drove trade inspection revenues across most geographies, however, the double digit organic revenue growth was mainly driven by non-trade services. Non-trade related services, a key to our growth strategy, include Upstream services with contract wins in Australia, Middle East and Europe; Oil Condition Monitoring in South America and Asia; Cargo Treatment services mainly in the USA and South East Asia and ongoing growth in Plant & Terminal Operations (PTO) in the USA and Europe.

Growth in non-trade related services is expected to continue, leveraging existing facilities and assets and will require minor ongoing investments to expand our geographical footprint to capture new opportunities.

Services based on technological innovation continue to be deployed. These include the launch of new services based on our new proprietary technologies. These technologies have been developed by the newly formed SGS Applied Technology & Innovation Centre.

The adjusted operating margin for the period declined slightly to 12.2% from 12.9% in prior year (constant currency basis), reflecting the one-off impact of refinery closures in the Caribbean and Europe as well as continued investment in development and expansion of non-trade services.

During the period, the Group acquired Roplex in the UK, a company specialised in support and testing of vapour recovery systems, complementing an already extensive service offering.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**498.9**	**446.2**	**451.0**
Change in %		*11.8*	*10.6*
ADJUSTED OPERATING INCOME [1]	**60.9**	**57.7**	**58.8**
Change in %		*5.5*	*3.6*
MARGIN % [1]	**12.2**	**12.9**	**13.0**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Constant currency basis

LIFE SCIENCE SERVICES

Life Science Services experienced a difficult semester with comparable revenues down 1.6% versus prior year to CHF 95 million as double digit revenue growth in laboratory services was not sufficient to offset poor results in clinical research.

Laboratory operations delivered strong organic revenue growth of 13.8% supported by excellent results from the M-Scan activities, a group specialised in advanced chemical and biochemical testing acquired in 2010, and sustained by the expansion of the laboratory network in Europe, North America, India and China. This network provides laboratory services for both small and large molecules, but with a clear intent to invest primarily in expanding biologics-related expertise that already accounts for an important part of this revenue stream.

Revenues from clinical research activities declined 14.9% versus prior year, hampered by a significant drop in the number of molecules reaching early phase trial stage and market over capacity amongst Clinical Research Organisations with an immediate impact on volumes and operating income. Activities in late phase clinical trials also experienced a decline in volumes but with a lesser impact on margins.

Overall, the adjusted operating margin for the period declined from 10.4% in prior year to 7.9% (constant currency basis), with the strong performance in laboratory services unable to offset the impact of the low clinical research results.

During the period, the Group acquired Vitrology, a biopharmaceutical testing organisation based in the UK and very active in biosafety testing. This acquisition is an important step in developing the Group's capabilities in the biologics arena, creating a platform for further development in virology and molecular biology in combination with SGS M-Scan and leveraging the global network.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**94.8**	**96.3**	**99.5**
Change in %		*(1.6)*	*(4.7)*
ADJUSTED OPERATING INCOME [1]	**7.5**	**10.0**	**10.3**
Change in %		*(25.0)*	*(27.2)*
MARGIN % [1]	**7.9**	**10.4**	**10.4**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Constant currency basis

CONSUMER TESTING SERVICES

Consumer Testing Services delivered strong comparable revenue growth of 13.0% (of which 11.5% organic) to CHF 438 million for the period, sustained by profitable growth in both traditional and new services.

Organic revenue growth was achieved across all regions, with resilient demand from Western Europe, continued growth in Asia on the back of ongoing investments, as well as solid growth in South America, particularly in Brazil, Chile and Peru. In traditional services, Softlines continued to lead the increase in top line, supported by efficient key account management structures and expanded laboratory capacity in several geographies. New services also continued to gain traction during the period, with volumes in automotive parts testing ramping up rapidly.

The adjusted operating margin for the period declined from 23.9% in prior year to 22.5% (constant currency basis), reflecting a transition period in product mix with stable volumes in mature services and investments in new activities. In addition, the acquisitions in December of four food laboratories in Turkey and Baseefa in the UK, while adding valuable new activities to the service portfolio, currently remain dilutive to the overall business margin due primarily to seasonality.

During the period, capital investments amounted to CHF 37 million, enabling the Group to address constantly evolving client needs. Asia, Europe and North America attracted a significant portion of these investments, while other geographies also benefited from new laboratory capabilities in softlines and food testing. In addition to these investments, the business initiated several restructuring programmes, closing inefficient operations in smaller markets and reorganising some operations in Asia to improve overall productivity.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**437.8**	**387.4**	**387.5**
Change in %		*13.0*	*13.0*
ADJUSTED OPERATING INCOME [1]	**98.7**	**92.7**	**91.4**
Change in %		*6.5*	*8.0*
MARGIN % [1]	**22.5**	**23.9**	**23.6**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs

2. Constant currency basis

SYSTEMS & SERVICES CERTIFICATION

Systems and Services Certification delivered organic revenue growth for the period of 6.0% to CHF 186 million, with strong profitable growth in most regions being partly offset by difficult market conditions in Spain and Italy.

Excellent market share gains enabled Asia, Eastern Europe, South America and Africa to deliver double digit revenue growth over prior year, with particularly robust business evolution in Taiwan, Indonesia, China, Russia, Turkey, Brazil and South Africa. This was reinforced by a strong recovery in Japan following the natural disaster in prior year. In Western Europe, all countries except Spain and Italy succeeded in delivering some profitable revenue growth through the introduction of new services and strategic key account management structures.

While statutory certification remains an important revenue stream, top line growth during the semester came mostly from the roll-out of second party audit programmes and demand for sustainability-related audit schemes. In addition, through its global network, the Group is strongly positioned to assist clients in ensuring compliance of their supply chain with applicable environmental, health and safety, and social standards.

The adjusted operating margin for the period declined from 17.4% in prior year to 16.9% (constant currency basis), reflecting the increasingly competitive environment in mature European and North American markets as well as continued investments in the development of new industry bespoke services.

Cost optimisation measures have been undertaken in key affiliates during the period to compensate for pressure on margins, with restructuring programmes where needed and IT platform developments that will enhance productivity and service delivery on global programmes.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**186.0**	**175.5**	**177.4**
Change in %		*6.0*	*4.8*
ADJUSTED OPERATING INCOME [1]	**31.4**	**30.6**	**30.8**
Change in %		*2.6*	*1.9*
MARGIN % [1]	**16.9**	**17.4**	**17.4**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs

2. Constant currency basis

INDUSTRIAL SERVICES

Industrial Services delivered solid comparable revenue growth of 18.4% (of which 9.0% organic) to CHF 422 million for the period, supported by six acquisitions within the past twelve months.

Double digit organic revenue growth for the semester was achieved primarily in Asia, Australasia and the Middle East. Demand for construction materials testing remained strong in Taiwan and Korea, while in China the growth also included increasing supply chain services. Other growth drivers included India with large monitoring projects, statutory inspections in Malaysia and non-destructive testing services in New Zealand. Acquisitions completed in 2011 also delivered profitable growth with particularly strong results from the PfiNDE pipeline testing activities in the USA.

The adjusted operating margin for the period declined from 10.7% in prior year to 9.5% (constant currency basis) with margins under pressure in Europe, North America and Africa as many customer investment projects are being delayed and public spend is decreasing. During the period, several restructuring plans have been initiated in response to changes in market conditions particularly in Spain where both commercial services and statutory inspections remain very weak.

During the period, two acquisitions were completed in this sector. In South Africa, the Group acquired Metlab, the main metallurgical testing laboratory in the country, while in Colombia, the Group acquired ETSA, a leading engineering project supervision and management company. While being an important addition to the Industrial division footprint in South America, ETSA was dilutive to the overall business margin in the first semester due to strong seasonality.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**422.1**	**356.4**	**368.7**
Change in %		*18.4*	*14.5*
ADJUSTED OPERATING INCOME [1]	**40.3**	**38.1**	**39.8**
Change in %		*5.8*	*1.3*
MARGIN % [1]	**9.5**	**10.7**	**10.8**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Constant currency basis

ENVIRONMENTAL SERVICES

Environmental Services delivered comparable revenue growth of 11.6% (of which 5.5% organic) to CHF 151 million for the period, sustained by solid growth in emerging markets and six acquisitions during the past twelve months.

Strong organic revenue growth was achieved primarily in emerging markets, with investments made in prior years enabling the Group to capture many new opportunities in Africa, South America and Asia. In Europe and Canada, thanks to a diversified portfolio of services, operations maintained an overall high level of activity despite difficult market conditions. Within Europe however, good results in Germany and Belgium were unable to offset underperformance in France and Italy where operational issues are currently being addressed through restructuring plans.

The adjusted operating margin for the period declined slightly from 8.5% in prior year to 8.0% (constant currency basis), reflecting ongoing investments aimed at accelerating the development of field and data interpretation services and the weak results in Western Europe. The four acquisitions completed in 2011 contributed very positively to the results of the semester with CHF 5.4 million in revenues and accretive margins.

In the first semester, the Group invested in several emerging markets where demand for environmental services is growing, especially from mining customers requiring on-site monitoring of soil, water and air. These investments include new laboratories in Congo and Guinea as well as a strengthened regional commercial team in Africa.

During the period the Group acquired Analytical Perspectives in North Carolina, USA, specialised in ultra-trace analysis of various persistent organic pollutants complementing the existing service portfolio. The Group also acquired Environ, the leading occupational health and industrial hygiene laboratory in Brazil, to enter this fast growing market.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**151.4**	**135.7**	**140.2**
Change in %		*11.6*	*8.0*
ADJUSTED OPERATING INCOME [1]	**12.1**	**11.6**	**12.0**
Change in %		*4.3*	*0.8*
MARGIN % [1]	**8.0**	**8.5**	**8.6**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Constant currency basis

AUTOMOTIVE SERVICES

Automotive Services delivered comparable revenue growth of 8.4% (of which 5.3% organic) to CHF 143 million for the period, sustained by solid statutory inspection results and the acquisition of ETC, an engine and vehicle testing business in the USA, in August 2011.

Organic revenue growth was achieved across all statutory inspection operations during the semester. In Europe, the long established networks in France performed well and the Spanish ITV operations the Group acquired in December 2010 maintained good results in line with expectations, despite the worsening economic environment. In Africa, the new centres in Morocco are now fully operational with volumes increasing in excess of 20% and pushing margins up as capacity utilisation levels improve. In Ivory Coast and South Africa, new centres were opened during the period leading to an uplift in the top line.

The adjusted operating margin for the period increased to 21.8% from 20.7% in prior year (constant currency basis), supported by the above-mentioned strong performance in statutory inspections. These fully offset the impact of weaker results in the USA where non-statutory activities continue to suffer from low volumes, especially in off-lease inspections, with no prospect of an improvement until next year.

During the period, the Group was awarded a contract for the delivery of a solution for the control, monitoring and enforcement of commercial vehicle inspections by the Irish Road Safety Authority. This is an important achievement in line with the Group's ambition of expanding into road safety services.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**143.1**	**132.0**	**136.6**
Change in %		*8.4*	*4.8*
ADJUSTED OPERATING INCOME [1]	**31.2**	**27.3**	**28.8**
Change in %		*14.3*	*8.3*
MARGIN % [1]	**21.8**	**20.7**	**21.1**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Constant currency basis

GOVERNMENTS & INSTITUTIONS SERVICES

Governments & Institutions Services delivered an excellent organic revenue growth for the period of 20.5% to CHF 122 million, supported by the expansion of Local Solution services and stable volumes on the Pre-Shipment Inspection (PSI) programmes.

Local Solution services, now representing around 70% of total revenues for the division, delivered organic revenue growth of 31.0% over prior year. This was achieved mainly through the steady expansion of existing Product Conformity Assessment (PCA) programmes in Kenya and Saudi Arabia, as well as additional revenues from new PCA programmes in Kurdistan, Tanzania and Kuwait. TradeNet solutions also performed well during the period in Ghana and Madagascar and a new TradeNet is being implemented in Mozambique.

Revenues from Global Solution activities remained solid throughout the period, with volumes on PSI programmes in Cameroon, Angola and Haiti remaining stable.

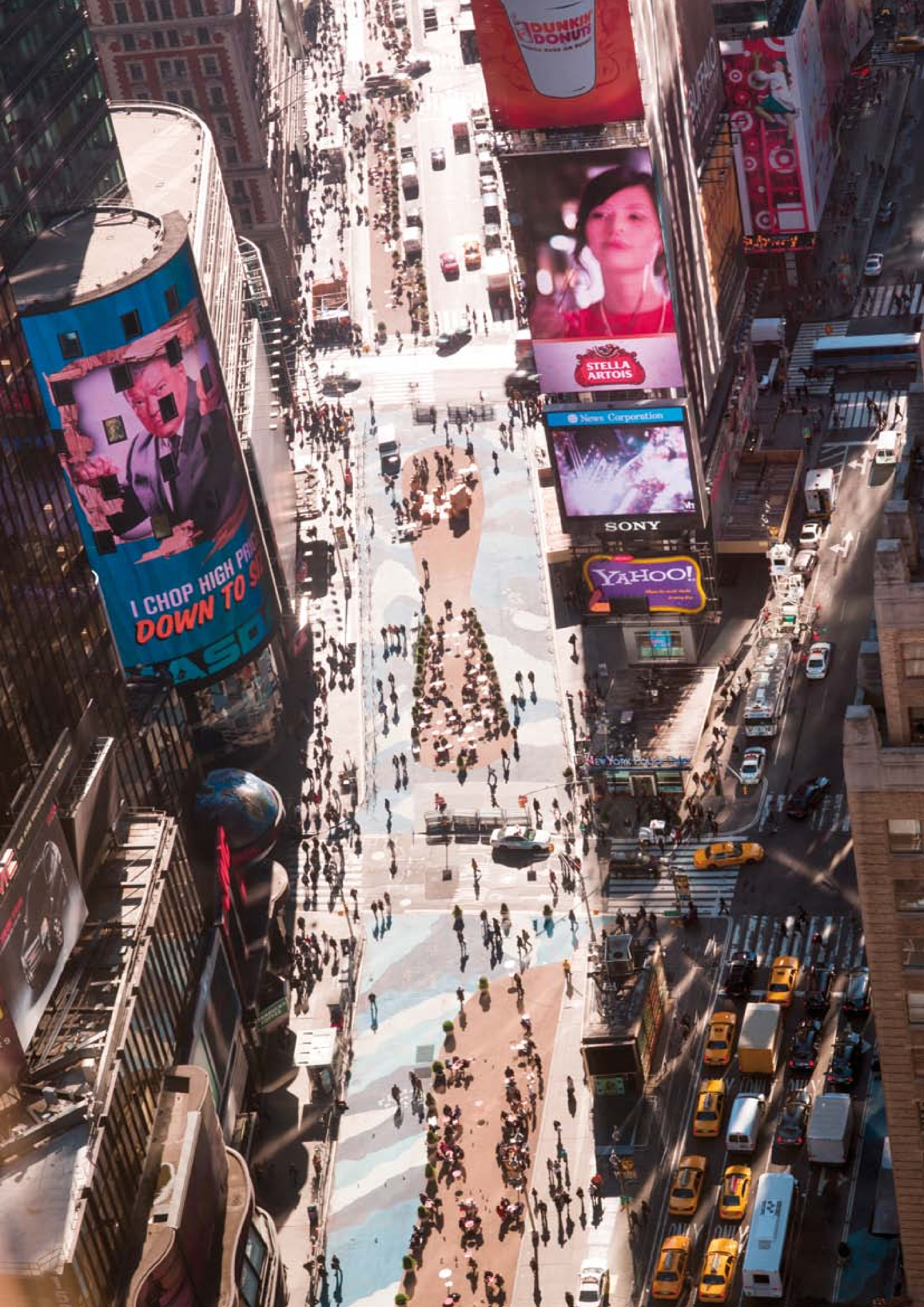
The adjusted operating margin for the period increased to 22.8% from 19.9% (constant currency basis), supported by the higher overall PCA volumes for which incremental execution costs across the network are limited. This was achieved despite losing the Iraq PCA programme early in the year.

In line with its strategy of diversifying away from pre-shipment inspections, the division has successfully developed new activities that now form a significant part of the service portfolio.

Forestry services, after several pilot phases, are now fully operational in Cameroon, Liberia, Papua New Guinea and the Democratic Republic of Congo. Vehicle tracking services are also expanding with operations ongoing in Ghana and roll-outs in East Africa, while services surrounding government duties on mobile phone communications are in operation in Haiti.

(CHF million)	JUNE 2012	JUNE 2011 PRO-FORMA [2]	JUNE 2011 PUBLISHED
REVENUE	**122.3**	**101.5**	**104.7**
Change in %		*20.5*	*16.8*
ADJUSTED OPERATING INCOME [1]	**27.9**	**20.2**	**21.7**
Change in %		*38.1*	*28.6*
MARGIN % [1]	**22.8**	**19.9**	**20.7**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Constant currency basis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CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

(CHF million)	NOTES	JUNE 2012	JUNE 2011
REVENUE		**2 651**	**2 345**
Salaries, wages and subcontractors' expenses		(1 483)	(1 309)
Depreciation, amortisation and impairment		(130)	(113)
Other operating expenses		(665)	(560)
OPERATING INCOME (EBIT)	3	**373**	**363**
Analysis of Operating income			
Adjusted operating income		413	374
Amortisation of acquisition intangibles		(9)	(8)
Restructuring costs	3	(26)	-
Transaction and integration-related costs	3	(5)	(3)
Operating income		**373**	**363**
Net financial expenses		(18)	(11)
PROFIT BEFORE TAXES		**355**	**352**
Taxes		(96)	(93)
PROFIT FOR THE PERIOD		**259**	**259**
Profit attributable to:			
Equity holders of SGS SA		245	246
Non-controlling interests		14	13
BASIC EARNINGS PER SHARE (IN CHF)	4	**32.16**	**32.30**
DILUTED EARNINGS PER SHARE (IN CHF)	4	**32.00**	**32.14**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(CHF million)	JUNE 2012	JUNE 2011
Actuarial gains/(losses) on defined benefit plans	(31)	(14)
Income tax on actuarial gains/(losses) taken directly to equity	8	4
Exchange differences and other	(1)	(168)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**(24)**	**(178)**
Profit for the period	259	259
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**235**	**81**
Attributable to:		
Equity holders of SGS SA	225	74
Non-controlling interests	10	7

CONDENSED CONSOLIDATED BALANCE SHEET

(CHF million)	JUNE 2012	DECEMBER 2011
NON-CURRENT ASSETS		
Land, buildings and equipment	962	888
Goodwill and other intangible assets	1 135	1 044
Other non-current assets	287	248
TOTAL NON-CURRENT ASSETS	**2 384**	**2 180**
CURRENT ASSETS		
Trade accounts and notes receivable	948	868
Other current assets	651	501
Cash and marketable securities	728	1 211
TOTAL CURRENT ASSETS	**2 327**	**2 580**
TOTAL ASSETS	**4 711**	**4 760**
TOTAL EQUITY	**1 863**	**2 045**
NON-CURRENT LIABILITIES		
Loans and obligations under financial leases	1 302	1 299
Provisions and other non-current liabilities	370	333
TOTAL NON-CURRENT LIABILITIES	**1 672**	**1 632**
CURRENT LIABILITIES		
Trade and other payables	486	447
Other liabilities	690	636
TOTAL CURRENT LIABILITIES	**1 176**	**1 083**
TOTAL EQUITY AND LIABILITIES	**4 711**	**4 760**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(CHF million)	JUNE 2012	JUNE 2011
Profit for the Period	**259**	**259**
Non-cash items	251	208
(Increase) / decrease in working capital	(155)	(130)
Taxes paid	(111)	(109)
CASH FLOW FROM OPERATING ACTIVITIES	**244**	**228**
Net (purchase) of fixed assets	(176)	(134)
Cash (paid) for acquisitions	(103)	(27)
Other from investing activities	4	(5)
CASH FLOW FROM INVESTING ACTIVITIES	**(275)**	**(166)**
Dividend paid to equity holders of SGS SA	(497)	(494)
Dividend paid to non-controlling interests	(5)	(4)
Acquisition of non-controlling interests	-	-
Net cash (paid)/received on treasury shares	76	(30)
Proceeds of corporate bonds	-	714
Interest paid	(26)	(14)
Net flows on interest rate swaps	7	-
Increase/(decrease) in borrowings	(15)	8
CASH FLOW FROM FINANCING ACTIVITIES	**(460)**	**180**
Currency translation	7	(10)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(484)**	**232**

CONDENSED STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

	ATTRIBUTABLE TO		
(CHF million)	EQUITY HOLDERS OF SGS SA	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS AT 1 JANUARY 2011	**2 069**	**39**	**2 108**
Total comprehensive income for the period	74	7	81
Dividends paid	(494)	(4)	(498)
Share-based payments	9	-	9
Movement in non-controlling interests	-	-	-
Movement on treasury shares	(30)	-	(30)
BALANCE AS AT 30 JUNE 2011	**1 628**	**42**	**1 670**
BALANCE AS AT 01 JANUARY 2012	**1 995**	**50**	**2 045**
Total comprehensive income for the period	225	10	235
Dividends paid	(497)	(5)	(502)
Share-based payments	9	-	9
Movement in non-controlling interests	-	-	-
Movement on treasury shares	76	-	76
BALANCE AS AT 30 JUNE 2012	**1 808**	**55**	**1 863**

NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011.

2. 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 2011.

Several new amendments were adopted effective 1 January 2012 but have no impact on the Group consolidated financial statements.

3. SEGMENT INFORMATION

JUNE 2012 (CHF million)	REVENUE	ADJUSTED OPERATING INCOME	AMORTISATION OF ACQUISITION INTANGIBLES	OPERATING INCOME BY BUSINESS
Agricultural Services	173	25	-	25
Minerals Services	422	78	(1)	77
Oil, Gas & Chemicals Services	499	61	(1)	60
Life Science Services	95	8	(1)	7
Consumer Testing Services	438	99	-	99
Systems & Services Certification	186	31	-	31
Industrial Services	422	40	(2)	38
Environmental Services	151	12	-	12
Automotive Services	143	31	(4)	27
Governments & Institutions Services	122	28	-	28
TOTAL	**2 651**	**413**	**(9)**	**404**
			Unallocated costs	(31)
			GROUP OPERATING INCOME	**373**

JUNE 2011 (CHF million)	REVENUE	ADJUSTED OPERATING INCOME	AMORTISATION OF ACQUISITION INTANGIBLES	OPERATING INCOME BY BUSINESS
Agricultural Services	156	21	-	21
Minerals Services	323	59	(1)	58
Oil, Gas & Chemicals Services	451	59	(1)	58
Life Science Services	100	10	(1)	9
Consumer Testing Services	387	91	-	91
Systems & Services Certification	177	31	-	31
Industrial Services	369	40	(1)	39
Environmental Services	140	12	-	12
Automotive Services	137	29	(4)	25
Governments & Institutions Services	105	22	-	22
TOTAL	**2 345**	**374**	**(8)**	**366**
			Unallocated costs	(3)
			GROUP OPERATING INCOME	**363**

All segment revenues reported above are from external customers.

The adjusted operating income represents the profit earned by each segment. This is the main measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

There have been no material changes to the total assets by segment as disclosed in the last annual financial statements.

Unallocated costs 2012

During the first semester 2012, the Group incurred a pre-tax restructuring charge of CHF 26 million largely as a result of personnel reorganisation due to the decline in market conditions in certain businesses and geographies (CHF 20 million) as well as fixed asset impairment and other charges (CHF 6 million). At the same time, the Group incurred CHF 5 million of integration and transaction-related costs that have been expensed in accordance with IFRS 3 (revised).

Unallocated costs 2011

During the first semester 2011, the Group incurred CHF 3 million of integration-related costs and transaction-related costs that have been expensed in accordance with IFRS 3 (revised).

4. EARNINGS PER SHARE

	JUNE 2012	JUNE 2011
Profit attributable to equity holders of SGS SA (CHF million)	245	246
Weighted average number of shares ('000)	7 617	7 589
BASIC EARNINGS PER SHARE (CHF)	**32.16**	**32.30**
Profit attributable to equity holders of SGS SA (CHF million)	245	246
Diluted weighted average number of shares ('000)	7 654	7 629
DILUTED EARNINGS PER SHARE (CHF)	**32.00**	**32.14**

Adjusted earnings per share:

	JUNE 2012	JUNE 2011
Profit attributable to equity holders of SGS SA (CHF million)	245	246
Amortisation of acquisition intangibles (CHF million)	9	8
Restructuring costs net of tax (CHF million)	19	-
Transaction and integration-related costs net of tax (CHF million)	3	2
Adjusted profit attributable to equity holders of SGS SA (CHF million)	276	256
ADJUSTED BASIC EARNINGS PER SHARE (CHF)	**36.26**	**33.71**
ADJUSTED DILUTED EARNINGS PER SHARE (CHF)	**36.08**	**33.53**

5. BUSINESS COMBINATIONS AND OTHER SIGNIFICANT TRANSACTIONS

Acquisitions

During the period, the Group completed seven acquisitions.

- 100% of CIMM Tecnologías y Servicios S.A. (CIMM T&S), effective 6 January 2012 – a leading provider of technical services to the mining industry in Chile.
- 100% of Roplex Engineering Ltd, effective 1 February 2012 – a UK-based company specialising in engineering support and test services for vapour recovery systems.
- 100% of Estudios Técnicos SA, (ETSA), effective 15 March 2012 – a leading engineering project supervision and management company based in Bogota, Colombia.
- 100% of Metlab (Pty) Ltd., effective 1 April 2012 – an independent metallurgical testing laboratory in Boksburg, South Africa.
- 100% of Environ Cientifica Ltda, effective 1 April 2012 - a leading Occupational Health and Industrial Hygiene (OIH) laboratory based in Sao Paulo, Brazil.
- 100% of Analytical Perspectives of North Carolina, LLC, effective 1 April 2012 – a laboratory specialised in the ultra-trace analysis of various persistent organic pollutants (POPs) based in Wilmington, USA.
- 100% of Vitrology Limited, effective 18 May 2012 – an organisation specialising in biosafety testing for the pharmaceutical industry, based in Glasgow, UK.

Total

These companies were acquired for an equivalent of CHF 118 million and the total goodwill generated on these transactions amounted to CHF 78 million. All the above transactions contributed in total CHF 55 million in revenues and CHF 4 million in operating income. Had all acquisitions been effective 1 January 2012, the revenues for the period would have been increased by CHF 17 million and the Group operating income for the period would have been increased by CHF 2 million.

None of the goodwill arising from these transactions is expected to be tax deductible.

Total assets and liabilities arising from the acquisitions for the period

(CHF million)	CIMM			OTHER		
	BOOK VALUE	FAIR VALUE ADJUSTMENTS	FAIR VALUE ON ACQUISITION	BOOK VALUE	FAIR VALUE ADJUSTMENTS	FAIR VALUE ON ACQUISITION
Tangible and other long-term assets	22	-	22	3	-	3
Intangible assets	1	6	7	-	14	14
Trade accounts and notes receivable	15	-	15	14	-	14
Cash and cash equivalents	8	-	8	4	-	4
Other current assets	5	-	5	13	-	13
Current liabilities	(29)	-	(29)	(20)	-	(20)
Non-current liabilities	(10)	(1)	(11)	-	(5)	(5)
NET ASSETS ACQUIRED	**12**	**5**	**17**	**14**	**9**	**23**
Goodwill			19			59
TOTAL PURCHASE PRICE			**36**			**82**
Acquired cash and cash equivalents			(8)			(4)
Consideration payable			-			(6)
NET CASH OUTFLOW ON ACQUISITIONS			**28**			**72**

(CHF million)	TOTAL		
	BOOK VALUE	FAIR VALUE ADJUSTMENTS	FAIR VALUE ON ACQUISITION
Tangible and other long-term assets	25	-	25
Intangible Assets	1	20	21
Trade accounts and notes receivable	29	-	29
Cash and cash equivalents	12	-	12
Other current assets	18	-	18
Current liabilities	(49)	-	(49)
Non-current liabilities	(10)	(6)	(16)
NET ASSETS ACQUIRED	**26**	**14**	**40**
Goodwill			78
TOTAL PURCHASE PRICE			**118**
Acquired cash and cash equivalents			(12)
Considerations payable			(6)
NET CASH OUTFLOW ON ACQUISITIONS			**100**

Due to their timing, the initial accounting for all seven acquisitions has only been provisionally determined at the balance sheet date.

Within transaction and integration-related costs the Group incurred CHF 2 million related to external legal fees and due diligence expenses. These expenses are reported within Other Operating Expenses in the condensed consolidated income statement.

Considerations payable relate mainly to environmental and commercial warranty clauses.

6. GOODWILL

(CHF million)	2012	2011
COST		
AT 1 JANUARY	**830**	**772**
Current period acquisitions	78	14
Consideration on prior years' acquisition	-	-
Exchange differences	-	(46)
AT 30 JUNE	**908**	**740**

The goodwill arising on acquisitions relates to the value of expected synergies and the value of the qualified workforce that do not meet the criteria for recognition as separable intangible assets.

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 net pension liabilities of CHF 19 million has been recorded.

In 2011, IAS 19 revised on Employee Benefits was issued for adoption by January 1, 2013. If this standard had been adopted by SGS in 2011, it is estimated that operating income for the full year 2011 would have been lower by approximately CHF 14 Mio with no material impact on the equity or the balance sheet. As required by the standard, SGS will retrospectively adopt the standard on January 1, 2013.

8. APPROVAL OF INTERIM FINANCIAL STATEMENTS AND SUBSEQUENT EVENTS

These condensed interim financial statements were authorised for issue by the Board of Directors on 16 July 2012.

Effective 1 July 2012, the Group acquired:

- 75% of Gravena Pesquisa, Consultoria e Treinamento Agrícola Ltda. (Gravena), a leading field trial contract research service provider in Brazil.
- 100% of Exprimo NV, a Belgium-based life science consultancy company with strong focus and skills in the application of quantitative, model-based simulations during all stages of pharmaceutical development.

9. EXCHANGE RATES

The most significant currencies for the Group were translated at the following exchange rates into Swiss Francs.

			BALANCE SHEET END OF PERIOD RATES		INCOME STATEMENT AVERAGE RATES	
			JUNE 2012	DECEMBER 2011	JUNE 2012	JUNE 2011
Australia	AUD	100	97.14	95.47	95.84	93.66
Brazil	BRL	100	45.96	50.40	50.02	55.55
Canada	CAD	100	93.16	92.16	92.34	92.87
China	CNY	100	15.02	14.93	14.69	13.87
Eurozone	EUR	100	120.12	121.68	120.52	127.13
United Kingdom	GBP	100	149.29	145.14	146.43	146.50
Hong Kong	HKD	100	12.31	12.10	11.97	11.66
India	INR	100	1.69	1.76	1.78	2.02
Taiwan	TWD	100	3.20	3.11	3.13	3.12
USA	USD	100	95.45	94.03	92.87	90.72

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The English version is binding.

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2012 FULL YEAR RESULTS

Wednesday, 16 January 2013

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Tuesday, 19 March 2013

Geneva, Switzerland

INVESTOR DAYS

South Africa
Thursday - Friday
25-26 October 2012

STOCK EXCHANGE LISTING

SIX Swiss Exchange, SGSN

STOCK EXCHANGE TRADING

SIX Swiss Exchange

COMMON STOCK SYMBOLS

Bloomberg: Registered Share: SGSN.VX

Reuters: Registered Share: SGSN.VX

Telekurs: Registered Share: SGSN

ISIN: Registered Share: CH0002497458

Swiss security number: 249745

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WHEN YOU NEED TO BE SURE