

SGS Group
Consolidated profit and loss accounts

	2000 CHF 000	Continuing business 1999 CHF 000	Discontinued business 1999 CHF 000	1999 CHF 000
Revenues	2'368'862	2'282'218	802'839	3'085'057
Salaries and wages	-1'245'828	-1'208'015	-465'398	-1'673'413
Subcontractors' expenses	-146'676	-148'857	-21'504	-170'361
Depreciation	-103'502	-107'055	-37'249	-144'304
Goodwill amortisation	-4'314	-5'421	-5'264	-10'685
Other operating expenses	-714'982	-658'075	-245'616	-903'691
Operating profit before exceptional income/(expense)	153'560	154'795	27'808	182'603
Exceptional operating income/(expense)	8'695	5'266	-206	5'060
Operating profit	162'255	160'061	27'602	187'663
Financial income, net	24'566	6'774	-7'215	-441
Profit before taxes and minority interests	186'821	166'835	20'387	187'222
Taxes	-51'358	-47'870	-9'297	-57'167
Profit after taxes	135'463	118'965	11'090	130'055
Minority interests	-6'749	-6'645	-9'807	-16'452
Net profit before disposals	128'714	112'320	1'283	113'603
Gain on disposals (net)	0	0	202'867	202'867
Net profit	128'714	112'320	204'150	316'470
Earnings per share (in CHF)				
- registered	16.46			40.46
- bearer	82.30			202.30

SGS Group
Information by business segment and geographical area
Revenues by segment:

CHF (million)	31 Dec 2000	%	31 Dec 1999	%	Total variance	% Total	Exchange	% Exchange	Acq.	% Acq.	Disp.	% Disp.	Organic
Verification, Testing and Certification Services													
- SGS Agricultural Services	217.4	9.2%	215.2	7.0%	2.2	1.0%	4.7	2.2%					(2.5)
- SGS Minerals Services	212.4	9.0%	200.4	6.5%	12.0	6.0%	11.4	5.7%					0.6
- SGS Redwood Services	397.5	16.8%	345.2	11.2%	52.3	15.2%	20.6	6.0%	2.5	0.7%			29.2
- SGS International Certification Services	194.1	8.2%	165.6	5.3%	28.5	17.2%	11.7	7.1%	0.9	0.5%			15.9
- SGS Consumer Products Services	251.0	10.6%	215.2	7.1%	35.8	16.6%	14.1	6.6%	6.1	2.8%			15.6
- SGS Global Trade Solutions	353.4	14.9%	394.1	12.8%	(40.7)	-10.3%	7.3	1.9%					(48.0)
Core businesses	1'625.8	68.7%	1'535.7	49.9%	90.1	5.9%	69.8	4.5%	9.5	0.6%	-		10.8
- SGS Industrial Services	401.2	16.9%	355.3	11.5%	45.9	12.9%	22.3	6.3%				0.0%	23.6
- Other Services	341.9	14.4%	391.3	12.6%	(49.4)	-12.6%	3.7	0.9%			(30.4)	-7.8%	(22.7)
	2'368.9	100.0%	2'282.3	74.0%	86.6	3.8%	95.8	4.2%	9.5	0.4%	(30.4)	-1.3%	11.7
Discontinued activities			802.8	26.0%	(802.8)						(802.8)		
Total	2'368.9	100.0%	3'085.1	100.0%	(716.2)	-23.2%	95.8	3.1%	9.5	0.3%	(833.2)	-27.0%	11.7

Revenues by geographical area:

CHF (million)	31 Dec 2000	%	31 Dec 1999	%	Total variance	% Total	Exchange	% Exchange	Acq.	% Acq.	Disp.	% Disp.	Organic
Europe	1'157.2	48.8%	1'142.1	37.0%	15.1	1.3%	(7.6)	-0.7%	9.5	0.8%	(29.8)	-2.6%	43.0
Africa/Middle East	132.0	5.6%	117.5	3.8%	14.5	12.3%	-	0.0%			(0.6)	-0.5%	15.1
North America	482.9	20.4%	462.7	15.0%	20.2	4.4%	51.7	11.2%					(31.5)
Latin America	184.7	7.8%	157.9	5.1%	26.8	17.0%	11.6	7.3%					15.2
Asia/Pacific	412.1	17.4%	402.1	13.1%	10.0	2.5%	40.1	10.0%					(30.1)
Discontinued activities			802.8	26.0%	(802.8)						(802.8)		
Total	2'368.9	100.0%	3'085.1	100.0%	(716.2)	-23.2%	95.8	3.1%	9.5	0.3%	(833.2)	-27.0%	11.7

SGS Group

Operating profit before exceptional items by segment:

CHF (million)	31 Dec 2000	%	31 Dec 1999	%	Total variance	% Total	Exchange	% Exchange	Acq.	% Acq.	Disp.	% Disp.	Organic
Verification, Testing and Certification Services													
- SGS Agricultural Services	20.4	9.7%	28.5	12.1%	(8.1)	-28.4%	0.5	1.8%			-		(8.6)
- SGS Minerals Services	24.2	11.5%	15.0	6.3%	9.2	61.3%	1.4	9.3%			-		7.8
- SGS Redwood Services	40.0	19.0%	33.0	14.0%	7.0	21.2%	1.4	4.2%	0.5	1.5%	-		5.1
- SGS International Certification Services	25.2	12.0%	17.6	7.5%	7.6	43.2%	1.9	10.8%	0.1	0.6%	-		5.6
- SGS Consumer Products Services	19.2	9.1%	19.9	8.4%	(0.7)	-3.5%	1.4	7.0%	0.7	3.5%	-		(2.8)
- SGS Global Trade Solutions	59.0	28.0%	45.3	19.1%	13.7	30.2%	0.2	0.4%			-		13.5
Core businesses	188.0	89.3%	159.3	67.4%	28.7	18.0%	6.8	4.3%	1.3	0.8%	-		20.6
- SGS Industrial Services	18.4	8.8%	15.6	6.6%	2.8	17.9%	0.6	3.8%					2.2
- Other Services	25.7	12.2%	33.9	14.3%	(8.2)	-24.2%	0.4	1.2%	-		(0.3)	-0.9%	(8.3)
	232.1	110.3%	208.8	88.3%	23.3	11.2%	7.8	3.7%	1.3	0.6%	(0.3)		14.5
SGSonSite	(21.7)	-10.3%			(21.7)								(21.7)
Discontinued activities			27.8	11.7%	(27.8)						(27.8)		
Total before corporate costs and exceptional items	210.4	100.0%	236.6	100.0%	(26.2)	-11.1%	7.8	3.3%	1.3	0.5%	(28.1)	-11.9%	(7.2)
less:													
Corporate costs	(56.8)		(54.0)		(2.8)	-5.2%							(2.8)
Group operating profit before exceptional operating income/(expenses)	153.6		182.6		(29.0)	-15.9%	7.8	4.3%	1.3	0.7%	(28.1)	-15.4%	(10.0)

Operating profit before exceptional items by geographical area:

CHF (million)	31 Dec 2000	%	31 Dec 1999	%	Total variance	% Total	Exchange	% Exchange	Acq.	% Acq.	Disp.	% Disp.	Organic
Europe	89.3	42.4%	101.6	42.9%	(12.3)	-12.1%	(0.6)	-0.6%	1.3	1.3%	(0.4)	-0.4%	(12.6)
Africa/Middle East	13.8	6.6%	4.0	1.7%	9.8	245.0%	0.3	7.5%			0.1	2.5%	9.4
North America	23.9	11.4%	29.7	12.6%	(5.8)	-19.5%	2.0	6.7%					(7.8)
Latin America	22.2	10.6%	16.7	7.1%	5.5	32.9%	0.8	4.8%					4.7
Asia/Pacific	61.2	29.0%	56.8	24.0%	4.4	7.7%	5.3	9.3%					(0.9)
Discontinued activities			27.8	11.7%	(27.8)						(27.8)		
Total before corporate costs and exceptional items	210.4	100.0%	236.6	100.0%	(26.2)	-11.1%	7.8	3.3%	1.3	0.5%	(28.1)	-11.9%	(7.2)
less:													
Corporate costs	(56.8)		(54.0)		(2.8)	-5.2%							(2.8)
Group operating profit before exceptional operating income/(expenses)	153.6		182.6		(29.0)	-15.9%	7.8	4.3%	1.3	0.7%	(28.1)	-15.4%	(10.0)

%
Organic

-1.2%
0.3%
8.5%
9.6%
7.2%
-12.2%
0.8%
6.6%
-5.7%
0.5%
0.4%

%
Organic

3.8%
12.8%
-6.8%
9.7%
-7.5%
0.4%

%

Organic

-30.2%
52.0%
15.5%
31.8%
-14.0%
29.8%
12.9%
14.1%
-24.5%
6.9%

-3.0%

-5.2%

-5.5%

%

Organic

-12.4%
235.0%
-26.2%
28.1%
-1.6%
-3.0%

-5.2%

-5.5%

SGS Group
Consolidated balance sheets

	December 2000 CHF 000	December 1999 CHF 000
Assets		
Fixed assets		
Land, buildings and equipment	386'485	403'752
Investment in associated and other companies	6'439	7'213
Long-term loans and other assets	85'841	88'171
Goodwill and other intangible assets	33'180	33'214
Total fixed assets	511'945	532'350
Current assets		
Work-in-progress and inventories	113'977	117'672
Trade accounts and notes receivable	641'526	607'486
Other receivables and prepayments	212'546	233'146
Cash and short-term investments	641'577	762'545
Total current assets	1'609'626	1'720'849
Total	2'121'571	2'253'199

Shareholders' equity and liabilities

Shareholders' equity		
Share capital	156'443	156'443
Reserves	942'869	840'954
Total shareholders' equity	1'099'312	997'397
Minority interests	20'469	21'731
Liabilities		
<i>Long-term liabilities</i>		
Other loans	43'831	48'212
Provisions for liabilities and commitments	313'910	397'262
	357'741	445'474
<i>Current liabilities</i>		
Loans	109'540	98'193
Accounts payable	283'305	369'688
Other creditors and accruals	251'204	320'716
	644'049	788'597
Total liabilities	1'001'790	1'234'071
Total	2'121'571	2'253'199

SGS Group
Consolidated cash flow statements

CHF mio	December 2000	December 1999
Net cash beginning of period	616.1	85.1
Net cash end of period	488.2	616.1
(Decrease)/increase in net cash	(127.9)	531.0
<i>Explained by:</i>		
Operating profit/(loss)	162.3	187.7
Adjustment for non cash items - Amortisation	107.8	155.0
- Other	(5.4)	(4.5)
Adjusted operating profit	264.7	338.2
Tax paid	(39.0)	(56.4)
Restructuring expenses (provided in 1998)	(79.5)	(45.1)
(Increase) in working capital	(91.1)	(48.9)
Cash flow from operating activities	55.1	187.8
Net purchase of fixed assets	(98.6)	(155.0)
Net financial income	24.6	(0.4)
Other (including exchange)	(17.4)	19.8
Free cash flow	(36.3)	52.2
Dividend paid	(37.5)	-
	-	-
Net cash paid for acquisitions	(11.3)	(15.2)
Net cash received from disposals	(42.8)	494.0
(Decrease)/increase in net cash	(127.9)	531.0