2014 HALF YEAR RESULTS

AT A GLANCE

- REVENUES OF CHF 2.8 BILLION, UP 5.3%
- ADJUSTED EBITDA OF CHF 554 MILLION, UP 5.3%
- ADJUSTED OPERATING INCOME OF CHF 420 MILLION, UP 4.9%
- ADJUSTED OPERATING MARGIN OF 15.0%, IN LINE WITH H1 2013
- RESTRUCTURING EXPENSE NET OF TAX OF CHF 8 MILLION

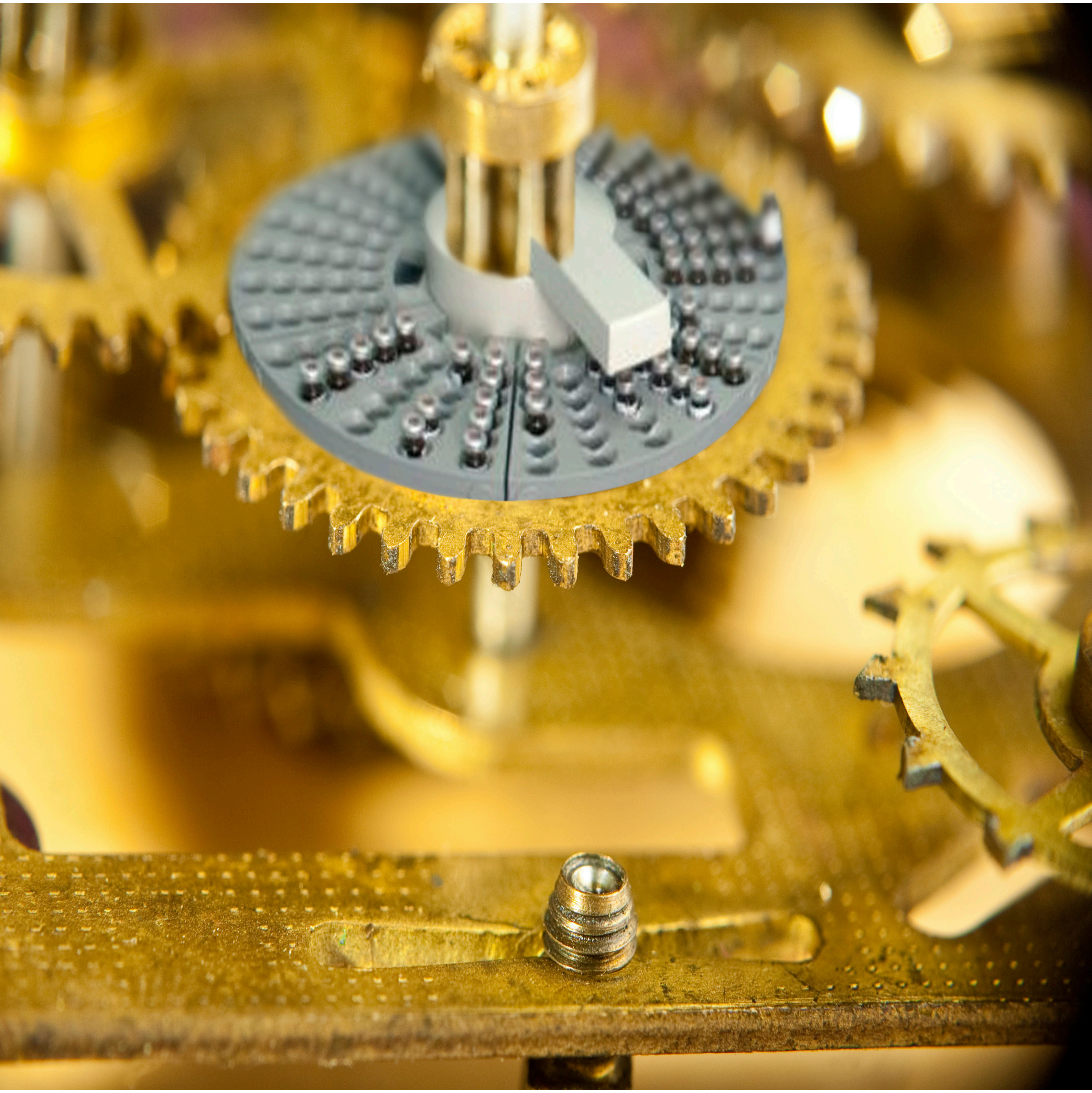
SGS

JUNE 2014

FINANCIAL HIGHLIGHTS

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**2 805**	**2 663**	**2 857**
Change in %		*5.3*	*(1.8)*
ADJUSTED EBITDA [1]	**554**	**526**	**574**
Change in %		*5.3*	*(3.5)*
ADJUSTED OPERATING INCOME [1]	**420**	**400**	**439**
Change in %		*4.9*	*(4.2)*
ADJUSTED OPERATING MARGIN IN % [1]	**15.0**	**15.0**	**15.4**
OPERATING INCOME (EBIT)	**397**	**374**	**411**
Change in %		*6.1*	*(3.4)*
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF SGS SA	**255**	**240**	**265**
Change in %		*6.3*	*(3.8)*
ADJUSTED PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF SGS SA [1]	**275**	**261**	**288**
Change in %		*5.4*	*(4.5)*
ADJUSTED BASIC EPS (CHF)	**35.82**	**34.15**	**37.57**
BASIC EPS (CHF)	**33.27**	**31.36**	**34.59**
DILUTED EPS (CHF)	**33.11**	**31.10**	**34.30**
CASH FLOW FROM OPERATING ACTIVITIES	**260**		**316**
(NET DEBT)/NET CASH	**(721)**		**(670)**
WEIGHTED AVERAGE NUMBER OF SHARES ('000)	**7 667**		**7 649**
AVERAGE NUMBER OF EMPLOYEES	**82 316**		**79 322**

1. *Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs*
2. *Figures stated on a constant currency basis*



OVERVIEW

The SGS Group delivered a first semester revenue growth of 5.3% (constant currency basis) to CHF 2.8 billion, with an organic revenue growth of 4.0% and an additional 1.3% contributed by recently acquired companies. However, due to the significant appreciation of the Swiss Franc against the majority of currencies SGS operates in around the world, Group revenues for the period declined 1.8% in comparison with published figures for June 2013 (historical basis).

Resilient organic growth for the period was achieved despite market conditions continuing to worsen throughout the semester for Minerals Services. This was offset by Oil, Gas & Chemicals Services delivering high single digit growth supported by Upstream activities, and Agricultural Services also achieving strong results as trade flows regained momentum. In Europe, economic headwinds continued to affect top-line growth for Industrial Services and Systems & Services Certification, and intense commercial pressure on retailers has progressively impacted volumes for Consumer Testing Services. Excluding the Minerals business, which experienced an organic revenue decline of 7.6%, the remaining businesses delivered organic growth of 5.8%.

The Group reported an adjusted EBITDA of CHF 554 million, up 5.3% (constant currency basis) over prior year and an adjusted operating income of CHF 420 million, resulting in a margin of 15.0% in line with prior year at constant currency. On a reported basis however this margin dropped from 15.4% to 15.0%, impacted by the strength of the Swiss Franc.

While restructuring measures taken in 2013 improved the profitability of our Industrial and Environmental Services in Europe, the measures taken for Minerals Services were offset by declining revenues and competitive pressures. In view of market expectations regarding a limited recovery in exploration spend in 2015, additional measures to adjust capacity and concentrate sample flows have been taken for Minerals Services resulting in an after tax expense of CHF 8 million.

Net financial expenses for the period increased slightly to CHF 23 million following the issuance of new corporate bonds for a total of CHF 362 million and the overall effective tax rate for the period remained 27%, consistent with the Group's full year expectation.

Profit Attributable to Equity Holders reached CHF 255 million for the period, up 6.3% over prior year on a constant currency basis, but down 3.8% compared with the CHF 265 million reported in June 2013 due to the strength of the Swiss Franc.

Operating cash flows amounted to CHF 260 million for the semester, in line with expectations and corresponding to 9.3% of Group revenues versus 11.1% in prior year. This inflow was used primarily to fund net investments in fixed assets of CHF 123 million, resulting in an operating free cashflow of CHF 130 million. Outflows on acquisitions for the period amounted to CHF 17 million and the Group paid a dividend of CHF 499 million.

At June 30, the Group's net debt position amounted to CHF 721 million (30 June 2013: net debt of CHF 670 million) from a net debt position of CHF 334 million at 31 December 2013, in line with expectations.

ACQUISITIONS

During the first semester the Group completed four acquisitions, strengthening our Group service offering and expanding our global footprint. Automotive Services in North America acquired Commercial Aging Services, a specialist in catalyst aging testing, as well as Advanced Testing & Engineering, a leading independent fatigue durability testing laboratory, specialized in exhaust, suspension and emissions systems. Consumer Testing Services acquired RF Technologies, a leading certification body in Japan with expertise in specific absorption rate, radio frequency, electromagnetic compatibility and electrical safety testing; as well as Nemko in Finland, providing testing services to the telecom, electrical and electronics sector, as well as machinery manufacturers. These four companies combined generate revenues of CHF 12 million on an annualised basis.

Since the close of the semester, the Group completed two additional acquisitions: Search Group in the Netherlands offering asbestos management and engineering services for construction, sustainability, safety, energy, soil and environment; and Courtray Consulting in France, a leading provider of performance testing, validation and expertise services in the global hygiene disposable industry.

MANAGEMENT

Roger Kamgaing has been appointed EVP of Governments & Institutions Services, a function previously held by Fred Herren, who continues in his role as COO of Africa.

Effective July 2014, Géraldine Matchett, CFO of SGS, is leaving the Group. The Board of SGS is grateful for her leadership as the Group CFO, a position she has held since 2010, and wishes her well in her future endeavours. In addition, after 29 years with the Group, Anne Hays, EVP Life Sciences, has left to pursue new opportunities. Their replacements will be announced in due course.

SIGNIFICANT SHAREHOLDERS

As at 30 June 2014, Groupe Bruxelles Lambert acting through Serena Sàrl held 15.00%, Mr. August von Finck and members of his family acting in concert held 14.97% and the Bank of New York Mellon Corporation held 3.11% of the share capital and voting rights of the Company.

At the same date, SGS Group held 1.88% of the share capital of the Company.

2014 OUTLOOK

SGS expects to achieve organic growth of around 6%, with an improvement in margin year on year, and reaffirms its intention to maintain its dividend policy.

17 July 2014

Sergio Marchionne
Chairman of the Board

Christopher Kirk
Chief Executive Officer

AGRICULTURAL SERVICES

Agricultural Services delivered strong organic revenue growth of 8.1% to CHF 181 million for the period, mainly driven by trade-related inspection and laboratory activities that benefited from favourable cereals and oilseeds export programmes.

Despite difficult weather conditions in North America during the start of the year, good results were achieved in Canada thanks to the grain market deregulation. Central & Eastern Europe maintained healthy growth supported by solid trade activity, although the continuing political uncertainty in Ukraine is starting to hamper some activities. South America also delivered good top-line growth, supported by the strong trade volumes.

These positive results offset the impact of a slower start for Seed & Crop services in North America and in Australia, due primarily to project timing, as well as reduced warehouse monitoring and collateral management activities. Brazil and Africa continued to deliver double digit growth for inland services, respectively in field trials and precision farming activities.

The adjusted operating margin for the period increased to 14.9% from 13.4% in prior year (constant currency basis), supported by the strong trade-related activities and cost savings initiatives implemented in North America.

During the semester, the business successfully expanded its Fertigation Monitoring services into several African and South American countries, helping enhance yields while reducing input costs. The business also invested in a quarantine facility in Brazil in close collaboration with the authorities. Both these areas of innovation contributed to further expanding the Group's offering in precision farming and contract research related activities.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**180.5**	**167.0**	**179.1**
Change in %		*8.1*	*0.8*
ADJUSTED OPERATING INCOME [1]	**26.9**	**22.3**	**24.2**
Change in %		*20.6*	*11.2*
MARGIN % [1]	**14.9**	**13.4**	**13.5**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

MINERALS SERVICES

Market conditions remained challenging for Minerals Services throughout the semester with low exploration spend continuing to impact Geochemistry and Metallurgy volumes in all geographies, including the larger operations in Canada, Australia, South Africa and South America. As a result, revenues declined 6.0% versus prior year, despite positive trends towards the end of the period with higher coal export volumes through Far East ports in Russia, solid results from onsite laboratories, and higher trade and energy minerals volumes in China.

Our market share in outsourced laboratories increased as seven new laboratories began operations during the period and the Time Mining Group, acquired in 2013, continued to deliver profitable growth with a healthy pipeline of projects.

The adjusted operating margin for the period decreased from 15.2% in prior year to 14.1% (constant currency basis), as the benefits resulting from cost alignment measures taken in the second semester 2013 were offset by declining revenues and competitive pressures.

Additional restructuring measures have been initiated to reduce headcount further, as well as adjust capacity and concentrate Geochemistry, Metallurgy and Mineralogy volumes, increasing operational efficiency and closing under-utilised locations. These measures were required as exploration spend is anticipated to only slightly recover in 2015.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**341.1**	**362.9**	**410.0**
Change in %		*(6.0)*	*(16.8)*
ADJUSTED OPERATING INCOME [1]	**48.0**	**55.1**	**62.9**
Change in %		*(12.9)*	*(23.7)*
MARGIN % [1]	**14.1**	**15.2**	**15.3**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

OIL, GAS & CHEMICALS SERVICES

Oil, Gas & Chemicals Services delivered strong organic revenue growth of 8.9% to CHF 576 million for the period, fuelled primarily by Upstream activities and Plant & Terminal Operations (PTO).

In line with momentum initiated in 2013, Upstream services continued to generate top-line growth in excess of 20% with new assets deployed in Australia and Middle East, as well as contract wins in the Middle East and Mexico. This non-trade related growth was also supported by Laboratory Outsourcing services that experienced double digit growth thanks to new projects in Spain, the United Kingdom and India. PTO activities contributed significantly, benefitting from changes to the logistics infrastructure in the USA, allowing the Group to penetrate the increasing crude-by-rail transportation flows. In Asia, Oil Condition Monitoring expanded largely in Asia (Singapore, China and Australia).

These strong results were sufficient to offset limited growth in trade-related services impacted by soft petroleum markets and constantly changing trading patterns. The Group succeeded in compensating these negative market trends with significant contract wins.

The adjusted operating margin remained under pressure during the period, decreasing slightly to 11.6% from 11.9% in prior year (constant currency basis), impacted by the weaker trade-related services volumes and lower volumes of Ethanol exports out of Brazil to the USA due to regulatory changes.

While market conditions for trade activities are expected to remain difficult due to a decline in the European refinery base, most other activities are expected to benefit from continued positive momentum, supported by laboratory commissioning contracts, the expansion of the PTO activities in new geographies and additional Upstream assets being deployed.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**576.2**	**529.0**	**558.5**
Change in %		*8.9*	*3.2*
ADJUSTED OPERATING INCOME [1]	**67.0**	**62.8**	**67.9**
Change in %		*6.7*	*(1.3)*
MARGIN % [1]	**11.6**	**11.9**	**12.2**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

LIFE SCIENCE SERVICES

Life Sciences Services delivered organic revenue growth of 7.9% to CHF 108 million for the period. Adjusted for the winding-down of the Paris clinical trial activities, this represents an organic growth of 9.9%, supported mainly by a solid performance in Clinical Research.

Laboratory activities experienced a slower start than expected to the year, resulting in a 6.1% organic growth for the semester. In particular, postponements of large molecular characterization projects at M-Scan in the United Kingdom affected the Biologics activities, while North America experienced weaker sales following the implementation of a laboratory facility upgrade. This was partly offset by strong growth in Germany, in addition to continued high growth in India and China following investments made in prior years to expand capacity and service offerings.

Clinical Research experienced a good start to the year with high double digit growth (excluding the Paris clinic). This was driven mainly by activities at the Antwerp clinical trial unit, as well as by a few large late phase trial management projects in the USA.

The adjusted operating income margin for the period decreased from 14.1% in prior year to 8.4% (constant currency basis), impacted by the slow start in Biologics, ramp up costs in the USA laboratories and continued pricing pressures in Clinical Research as the volumes of molecules coming to trial remain low.

During the period, the business continued to strengthen key account management and drive operational excellence initiatives at most locations in order to improve margins.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**107.5**	**99.6**	**102.3**
Change in %		*7.9*	*5.1*
ADJUSTED OPERATING INCOME [1]	**9.0**	**14.0**	**14.7**
Change in %		*(35.7)*	*(38.8)*
MARGIN % [1]	**8.4**	**14.1**	**14.4**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

CONSUMER TESTING SERVICES

Consumer Testing Services delivered comparable revenue growth of 7.3% (of which 6.8% organic) to CHF 511 million for the period, with strong growth in East Asia, Africa, the Americas and the Middle East being partly offset by continuing difficult market conditions in Europe.

Solid double digit growth was achieved in the Electrics & Electronics (E&E) segment, with high levels of activity in restrictive substance testing (RoHS) and excellent results in Wireless for Korea, Taiwan and the USA. Automotive Parts testing also continued to expand at a high double digit rate benefiting from investments in additional capacity completed in prior year; this was also the case for Cosmetics, Personal Care and Household hygiene product testing.

These strong results helped offset lower growth in the retail sector towards the end of the semester as clients attempt to optimize their testing spend following prolonged challenging economic conditions, affecting growth in Softlines as well as Toys & Juvenile Product testing.

The adjusted operating income margin for the period increased to 22.7% from 22.4% in prior year (constant currency basis), supported by the solid growth in Wireless, good momentum in Food testing for the domestic and export markets in Asia, the completion of the Hong Kong laboratory optimization and positive impact from restructuring measures in Europe during 2013.

During the period, the Group acquired RF Technologies, a leading certification body in Japan with expertise in specific absorption rate, radio frequency, electromagnetic compatibility and electrical safety testing. The business also acquired Nemko in Finland, providing testing services in the telecom, electrical and electronics sector, as well as machinery manufacturers.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**511.0**	**476.3**	**501.7**
Change in %		*7.3*	*1.9*
ADJUSTED OPERATING INCOME [1]	**116.1**	**106.8**	**113.9**
Change in %		*8.7*	*1.9*
MARGIN % [1]	**22.7**	**22.4**	**22.7**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

SYSTEMS & SERVICES CERTIFICATION

Systems & Services Certification delivered comparable revenue growth of 5.7% (of which 4.4% organic) to CHF 194 million for the period, impacted by sustained difficult market conditions in Europe. This was partly compensated by strong double digit growth in Eastern Europe, Middle East, Africa and Asia Pacific regions. North America also delivered high single digit growth despite a slow start to the year, with several important inspection and ISO gap audit contract wins.

Performance Assessments and Training both played a strong role in offsetting the lack of growth in Systems Certification in Europe, delivering double digit growth and expanding into several new countries. Second Party Audits and Technical Assistance services also performed well, supported by the successful roll out of a web-based Learning Management System in eight countries and the successful post-acquisition expansion of Hart Aviation services in South America.

The adjusted operating income margin for the period decreased from 16.2% in prior year to 15.7% (constant currency basis), impacted in part by the long winter conditions and auditor utilisation ramp up costs in North America at the start of the year, as well as slowing market conditions in Brazil resulting in low auditor utilisation rates.

During the period, the business continued to align cost structures in Europe to reflect current market conditions and introduced a centralised back office structure. It also invested in growth areas, introducing new services for Food certification focusing on allergens and food fraud prevention.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**193.6**	**183.1**	**194.1**
Change in %		*5.7*	*(0.3)*
ADJUSTED OPERATING INCOME [1]	**30.4**	**29.7**	**32.0**
Change in %		*2.4*	*(5.0)*
MARGIN % [1]	**15.7**	**16.2**	**16.5**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

INDUSTRIAL SERVICES

Industrial Services delivered comparable revenue growth of 8.3% (of which 3.3% organic) to CHF 472 million for the period, supported by six acquisitions completed in the past twelve months.

Overall organic revenue growth for the semester remained weak at 3.3% compared to 3.4% in prior year, impacted by revenue streams terminated as part of the 2013 restructuring phase and continued challenging market conditions across Europe.

This was offset by double-digit organic growth achieved in other regions. North America contributed significantly with the USA benefiting from additional supply chain work and increased pipeline integrity work, while revenues in Mexico were temporarily impacted by contract timing. South America also performed well, with Brazil achieving strong growth from new commissioning inspection contracts and Technical Staffing services for shipyards. In Asia, momentum came primarily from China and Malaysia, while acquisitions in Australia and New Zealand delivered results in line with expectations.

The adjusted operating income margin for the period increased to 10.8% from 9.8% in prior year (constant currency basis), resulting from the completion of major restructuring in Europe, as well as solid profitable growth in South America and China.

Businesses acquired in 2013 have been fully integrated into the Group and achieved results in line with expectations during the period.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**472.3**	**436.0**	**462.8**
Change in %		*8.3*	*2.1*
ADJUSTED OPERATING INCOME [1]	**50.9**	**42.7**	**46.2**
Change in %		*19.2*	*10.2*
MARGIN % [1]	**10.8**	**9.8**	**10.0**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

ENVIRONMENTAL SERVICES

Environmental Services delivered revenues in line with prior year (constant currency basis) to CHF 152 million for the period, impacted by the mining sector slowdown, especially in Australia, Africa and Canada, as well as the collapse of the carbon market causing a decline in Clean Development Mechanism studies in China and India.

This pressure on growth was partly offset by a much stronger semester in Europe, with increased Health & Safety activities in Spain, growth in the asbestos business in the United Kingdom, new Legionella business in Germany and increased field and testing services in Italy. South America also delivered excellent growth, especially in Brazil where Industrial Hygiene services expanded rapidly, while revenues from shale gas and dioxin testing activities progressed well in the USA.

The adjusted operating income margin for the period increased to 8.0% from 7.6% in prior year (constant currency basis) resulting primarily from improved profitability in Europe following restructuring initiatives undertaken in prior year, laboratory network optimizations and the successful integration of the MIS acquisition in the United Kingdom. In the Americas, margins improved following a laboratory capacity consolidation in the USA and solid growth in South America. These were sufficient to offset the impact of the mining and carbon sector.

During the period, global contract wins in Health & Safety and Sustainability have been secured thanks to our now unequalled geographical network, helping maintain growth and increase service diversification.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**152.4**	**149.3**	**159.8**
Change in %		*2.1*	*(4.6)*
ADJUSTED OPERATING INCOME [1]	**12.2**	**11.3**	**12.9**
Change in %		*8.0*	*(5.4)*
MARGIN % [1]	**8.0**	**7.6**	**8.1**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

AUTOMOTIVE SERVICES

Automotive Services delivered comparable revenue growth of 5.3% (of which 4.5% organic) to CHF 147 million for the period, with overall solid results from both the statutory and commercial activities.

The statutory inspection business performed well in most regions, with strong double digit growth coming from South America. Europe, Africa and North America delivered mid-single digit growth in line with expectations. This was sufficient to offset the impact of two emissions programs ending in the USA in December 2013. New statutory vehicle inspection operations have been established in Ecuador and Mauritius during the semester.

Commercial activities continued to perform well, supported in Western Europe by additional revenues from contracts with the Irish Road Safety Authorities. Africa also contributed significantly to top-line growth, primarily in Kenya from weighbridge management activities and in Ivory Coast from a vehicle tax collection contract.

The adjusted operating income margin for the period decreased from 21.8% in prior year to 20.5% (constant currency basis), impacted by the end of the statutory programmes in the USA, the end of the Transport for London concession and increased competition in Spain following the transition to a liberalised model in the Madrid region.

During the period, the Group acquired two operations in the USA: Commercial Aging Services, a specialist in catalyst aging testing, and Advanced Testing & Engineering, a leading independent fatigue durability testing laboratory, specialized in exhaust, suspension and emissions systems. These acquisitions expand the Group's capabilities in the engine and vehicle testing arena.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**147.4**	**140.0**	**155.8**
Change in %		*5.3*	*(5.4)*
ADJUSTED OPERATING INCOME [1]	**30.2**	**30.5**	**33.3**
Change in %		*(1.0)*	*(9.3)*
MARGIN % [1]	**20.5**	**21.8**	**21.4**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis

GOVERNMENTS & INSTITUTIONS SERVICES

Governments & Institutions Services delivered organic revenue growth of 2.9% for the period, with high double digit growth in Local Solution services successfully offsetting the expected termination of two major contracts in Africa; the Pre-Shipment Inspection (PSI) programme in Angola and Mauritania, as well as the scanning activities in Nigeria at the end of 2013.

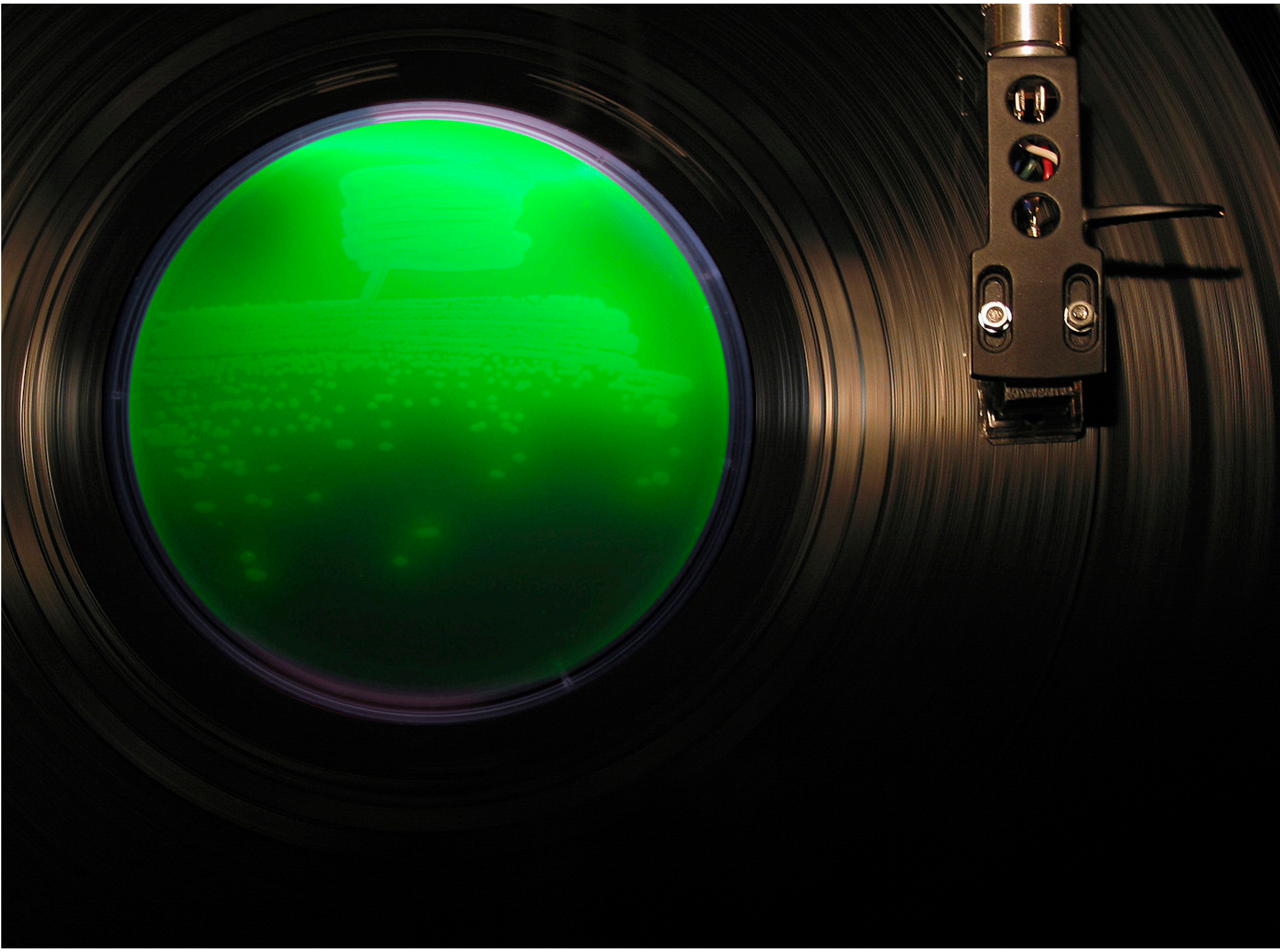
Local Solution services, now representing over 75% of total revenues for the division, grew during the period across all service categories. TradeNet delivered the strongest performance driven by operations in Ghana and Mozambique. For Product Conformity Assessment (PCA), two new programmes were signed in Burundi and Rwanda, in addition to two new selective PCA programmes in Indonesia for cosmetics and wheat flour. Due to improved business recognition, TransitNet also delivered strong growth and added new routes in the Balkans. Newer services also continued to perform well, with cargo tracking services delivered through the SGS Omnis solution introduced in Ghana.

The adjusted operating income margin for the period increased to 23.8% from 21.0% in prior year (constant currency basis), supported by the substantial growth and revenue mix within Local Solution activities.

During the period, the Group continued to invest in new activities moving away from PSI, with increasing revenues now coming from telecom activities.

(CHF million)	JUNE 2014	JUNE 2013 PRO-FORMA [2]	JUNE 2013
REVENUE	**123.2**	**119.7**	**132.8**
Change in %		*2.9*	*(7.2)*
ADJUSTED OPERATING INCOME [1]	**29.3**	**25.1**	**30.6**
Change in %		*16.7*	*(4.2)*
MARGIN % [1]	**23.8**	**21.0**	**23.0**

1. Before amortisation of acquisition intangibles, restructuring, transaction and integration-related costs
2. Figures stated on a constant currency basis



CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED INCOME STATEMENT

(CHF million)	NOTES	JUNE 2014	JUNE 2013
REVENUE		**2 805**	**2 857**
Salaries, wages and subcontractors' expenses		(1 588)	(1 614)
Depreciation, amortisation and impairment		(144)	(145)
Other operating expenses		(676)	(687)
OPERATING INCOME (EBIT)	3	**397**	**411**
Analysis of Operating income			
Adjusted operating income		420	439
Restructuring costs	3	(11)	(12)
Amortisation of acquisition intangibles		(10)	(10)
Transaction and integration-related costs	3	(2)	(6)
Operating income		**397**	**411**
Net financial expenses		(23)	(21)
PROFIT BEFORE TAXES		**374**	**390**
Taxes		(101)	(105)
PROFIT FOR THE PERIOD		**273**	**285**
Profit attributable to:			
Equity holders of SGS SA		255	265
Non-controlling interests		18	20
BASIC EARNINGS PER SHARE (IN CHF)	4	**33.27**	**34.59**
DILUTED EARNINGS PER SHARE (IN CHF)	4	**33.11**	**34.30**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(CHF million)	JUNE 2014	JUNE 2013
Actuarial gains/(losses) on defined benefit plans	(22)	37
Income tax on actuarial gains/(losses) taken directly to equity	8	(8)
Items that will not be subsequently reclassified to income statement	**(14)**	**29**
Exchange differences and other	(27)	8
Items that may be subsequently reclassified to income statement	**(27)**	**8**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**(41)**	**37**
Profit for the period	273	285
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**232**	**322**
Attributable to:		
Equity holders of SGS SA	224	306
Non-controlling interests	8	16

CONDENSED CONSOLIDATED BALANCE SHEET

(CHF million)	JUNE 2014	DECEMBER 2013
NON-CURRENT ASSETS		
Land, buildings and equipment	1 003	1 029
Goodwill and other intangible assets	1 225	1 216
Other non-current assets	266	233
TOTAL NON-CURRENT ASSETS	**2 494**	**2 478**
CURRENT ASSETS		
Trade accounts and notes receivable	995	952
Other current assets	748	636
Cash and marketable securities	956	973
TOTAL CURRENT ASSETS	**2 699**	**2 561**
TOTAL ASSETS	**5 193**	**5 039**
TOTAL EQUITY	**1 981**	**2 212**
NON-CURRENT LIABILITIES		
Loans and obligations under financial leases	1 662	1 293
Provisions and other non-current liabilities	292	256
TOTAL NON-CURRENT LIABILITIES	**1 954**	**1 549**
CURRENT LIABILITIES		
Trade and other payables	496	502
Other liabilities	762	776
TOTAL CURRENT LIABILITIES	**1 258**	**1 278**
TOTAL LIABILITIES	**3 212**	**2 827**
TOTAL EQUITY AND LIABILITIES	**5 193**	**5 039**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(CHF million)	JUNE 2014	JUNE 2013
Profit for the period	273	285
Non-cash items	264	278
(Increase) in working capital	(180)	(139)
Taxes paid	(97)	(108)
CASH FLOW FROM OPERATING ACTIVITIES	**260**	**316**
Net (purchase) of fixed assets	(123)	(163)
Acquisition of businesses	(17)	(68)
Other from investing activities	1	11
CASH FLOW FROM INVESTING ACTIVITIES	**(139)**	**(220)**
Dividend paid to equity holders of SGS SA	(499)	(444)
Dividend paid to non-controlling interests	(2)	(2)
Net cash received on treasury shares	31	25
Proceeds of corporate bonds	362	-
Interest paid	(28)	(26)
Net flows on interest rate swaps	5	5
(Decrease)/increase in borrowings	(3)	8
CASH FLOW FROM FINANCING ACTIVITIES	**(134)**	**(434)**
Currency translation	(5)	5
(DECREASE) IN CASH AND CASH EQUIVALENTS	**(18)**	**(333)**

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 2013	**2 060**	**58**	**2 118**
Total comprehensive income for the period	306	16	322
Dividends paid	(444)	(2)	(446)
Share-based payments	8	-	8
Movement in non-controlling interests	-	-	-
Movement on treasury shares	25	-	25
BALANCE AS AT 30 JUNE 2013	**1 955**	**72**	**2 027**
BALANCE AS AT 1 JANUARY 2014	**2 143**	**69**	**2 212**
Total comprehensive income for the period	224	8	232
Dividends paid	(499)	(2)	(501)
Share-based payments	7	-	7
Movement in non-controlling interests	-	-	-
Movement on treasury shares	31	-	31
BALANCE AS AT 30 JUNE 2014	**1 906**	**75**	**1 981**

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 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared in accordance with the accounting policies applied by the Group in the consolidated financial statements for the year ended 31 December 2013.

Several new amendments and interpretations were adopted effective 1 January 2014 but have no material impact on the Group consolidated financial statements.

3. SEGMENT INFORMATION

JUNE 2014 *(CHF million)*	**REVENUE**	**ADJUSTED OPERATING INCOME**	**AMORTISATION OF ACQUISITION INTANGIBLES**	**OPERATING INCOME BY BUSINESS**
Agricultural Services	**181**	27	-	27
Minerals Services	**341**	48	(1)	47
Oil, Gas & Chemicals Services	**576**	67	(1)	66
Life Science Services	**108**	9	(1)	8
Consumer Testing Services	**511**	116	-	116
Systems & Services Certification	**194**	31	-	31
Industrial Services	**472**	51	(3)	48
Environmental Services	**152**	12	(1)	11
Automotive Services	**147**	30	(3)	27
Governments & Institutions Services	**123**	29	-	29
TOTAL	**2 805**	**420**	**(10)**	**410**
			Unallocated costs	(13)
			GROUP OPERATING INCOME	**397**

JUNE 2013 *(CHF million)*	**REVENUE**	**ADJUSTED OPERATING INCOME**	**AMORTISATION OF ACQUISITION INTANGIBLES**	**OPERATING INCOME BY BUSINESS**
Agricultural Services	**179**	24	-	24
Minerals Services	**410**	63	(1)	62
Oil, Gas & Chemicals Services	**558**	68	(1)	67
Life Science Services	**102**	15	(1)	14
Consumer Testing Services	**502**	114	-	114
Systems & Services Certification	**194**	32	-	32
Industrial Services	**463**	46	(2)	44
Environmental Services	**160**	13	(1)	12
Automotive Services	**156**	33	(4)	29
Governments & Institutions Services	**133**	31	-	31
TOTAL	**2 857**	**439**	**(10)**	**429**
			Unallocated costs	(18)
			GROUP OPERATING INCOME	**411**

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 2014

During the first semester 2014, the Group incurred CHF 2 million of integration-related costs and transaction-related costs that have been expensed in accordance with IFRS 3 (revised).

At the same time, the Group incurred a pre-tax restructuring charge of CHF 11 million, largely as a result of personnel reorganisation due to the decline in the mining sector (CHF 3 million) and other related charges including asset impairments (CHF 8 million).

Unallocated costs 2013

During the first semester 2013, the Group incurred CHF 6 million of integration-related costs and transaction-related costs that have been expensed in accordance with IFRS 3 (revised).

At the same time, the Group incurred a pre-tax restructuring charge of CHF 12 million, largely as a result of personnel reorganisation due to the decline in market conditions in certain businesses and geographies (CHF 9 million) and other charges (CHF 3 million).

4. EARNINGS PER SHARE

	JUNE 2014	JUNE 2013
Profit attributable to equity holders of SGS SA (CHF million)	255	265
Weighted average number of shares ('000)	7 667	7 649
BASIC EARNINGS PER SHARE (CHF)	**33.27**	**34.59**
Profit attributable to equity holders of SGS SA (CHF million)	255	265
Diluted weighted average number of shares ('000)	7 703	7 714
DILUTED EARNINGS PER SHARE (CHF)	**33.11**	**34.30**

Adjusted earnings per share:

	JUNE 2014	JUNE 2013
Profit attributable to equity holders of SGS SA (CHF million)	255	265
Amortisation of acquisition intangibles (CHF million)	10	10
Restructuring costs net of tax (CHF million)	8	9
Transaction and integration-related costs net of tax (CHF million)	2	4
Adjusted profit attributable to equity holders of SGS SA (CHF million)	275	288
ADJUSTED BASIC EARNINGS PER SHARE (CHF)	**35.82**	**37.57**
ADJUSTED DILUTED EARNINGS PER SHARE (CHF)	**35.65**	**37.25**

5. FAIR VALUE MEASUREMENT RECOGNISED IN THE BALANCE SHEET

Marketable securities and derivative assets and liabilities are the only financial instruments measured at fair value subsequent to their initial recognition.

Marketable securities of CHF 9 million qualify as Level 1 fair value measurement category. Derivative assets of CHF 11 million and liabilities of CHF 16 million qualify as Level 2 fair value measurement category in accordance with the fair value hierarchy.

Level 1 fair value measurements are those derived from the quoted price in active markets. Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Derivative assets and liabilities consist of foreign currency forward contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contract. In addition, the Interest Rate Swap is measured using quoted interest rates and yield curves derived from quoted interest rates matching maturities of the contract.

6. BUSINESS COMBINATIONS AND OTHER SIGNIFICANT TRANSACTIONS

Acquisitions

Since January 2014, the Group has completed four acquisitions.

- 100% of Nemko Oy, the company provides testing, calibration and expert services to the domestic and international communication, electronical and electronics industry, based in Finland.
- 100% of RF Technologies Ltd., a certification body authorised by the Ministry of Internal Affairs and Communications (MIC) of Japan, based in Yokohama, Japan.
- 100% of Advanced Testing & Engineering Inc., a company specialised in fatigue durability testing laboratory, based in Michigan, USA.
- 100% of Commercial Aging Services LLC, a company specialised in catalyst aging testing, based in Michigan, USA.

Total

These companies were acquired for an equivalent of CHF 15 million and the total goodwill generated on these transactions amounted to CHF 9 million. All the above transactions contributed in total CHF 3 million in revenues and CHF 1 million in operating income. Had all acquisitions been effective 1 January 2014, the revenues for the period would have increased by CHF 3 million and the Group operating income for the period would have increased by less than CHF 1 million.

The goodwill arising from two of these transactions is expected to be tax deductible.

Fair value of assets and liabilities arising from the acquisitions for the period:

(CHF million)	TOTAL
Tangible and other long-term assets	**3**
Intangible assets	**2**
Trade accounts and notes receivable	**2**
Cash and cash equivalents	**2**
Other current assets	**-**
Current liabilities	**(3)**
Non-current liabilities	**-**
NET ASSETS ACQUIRED	**6**
Goodwill	**9**
TOTAL PURCHASE PRICE	**15**
Acquired cash and cash equivalents	**(2)**
Consideration payable at date of acquisition	**(1)**
Consideration paid in the period	**2**
NET CASH OUTFLOW ON ACQUISITIONS	**14**

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

The Group incurred transaction-related costs of CHF 1 million related to external legal fees, due diligence expenses as well as the costs of maintaining an internal acquisition department. These expenses are reported within Other operating expenses in the condensed consolidated income statement.

Consideration payable relates mainly to environmental and commercial warranty clauses.

7. GOODWILL

(CHF million)	2014	2013
COST		
AT 1 JANUARY	**1 009**	**959**
Current period acquisitions	9	57
Consideration on prior years' acquisitions	-	-
Exchange differences	3	3
AT 30 JUNE	**1 021**	**1 019**

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.

8. 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 13 million has been recorded.

9. BONDS

In February 2014 the company issued a ten year CHF 250 million straight bond with a coupon of 1.75 per cent. At the same time bond holders of CHF 133 millions accepted to exchange their existing 2016 bonds into new bonds with a term of 8 years, maturing in 2022 and a coupon of 1.375 per cent. Finally the company re-opened the bond maturing in 2022 and increased the amount by CHF 112 million to a total of CHF 250 million.

10. 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 2014.

On 2 July 2014, the Group announced the acquisition of Search Group based in the Netherlands and of Courtray Consulting SARL in France.

11. 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 2014	**DECEMBER 2013**	**JUNE 2014**	**JUNE 2013**
Australia	AUD	100	83.83	79.57	81.44	95.11
Brazil	BRL	100	40.64	37.85	38.82	46.14
Canada	CAD	100	83.44	83.98	81.26	92.25
Chile	CLP	100	0.16	0.17	0.16	0.20
China	CNY	100	14.37	14.70	14.45	15.13
Eurozone	EUR	100	121.61	122.76	122.14	122.97
United Kingdom	GBP	100	151.71	146.93	148.67	144.69
Hong Kong	HKD	100	11.50	11.50	11.48	12.07
India	INR	100	1.48	1.44	1.47	1.71
Taiwan	TWD	100	2.99	2.98	2.95	3.16
USA	USD	100	89.15	89.20	89.07	93.66

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The English version is binding.

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2014 FULL YEAR RESULTS

Wednesday, 21 January 2015

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Thursday, 12 March 2015

Geneva, Switzerland

INVESTOR DAYS

China and Hong Kong
Thursday - Friday
23-24 October 2014

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