



# SGS @ NORTH AMERICA

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COO North America

Investor Days, 26th-27th May 2011

WHEN YOU NEED TO BE SURE



## SGS PRESENCE IN NORTH AMERICAN REGION

- Established in 1918, in New York
- 150 locations and 100 laboratories
- Over 6,200 employees
  - USA 4'130
  - CANADA 1'570
  - MEXICO 580
  - CENTRAL AMERICA 100



## SGS NORTH AMERICA: 100 LABS IN THE REGION / 150 LOCATIONS IN THE REGION





**Consumer Testing**



**Agriculture**



**Minerals**



**Environmental**



**Oil, Gas  
& Chemicals**



**Automotive**



**Life Sciences**



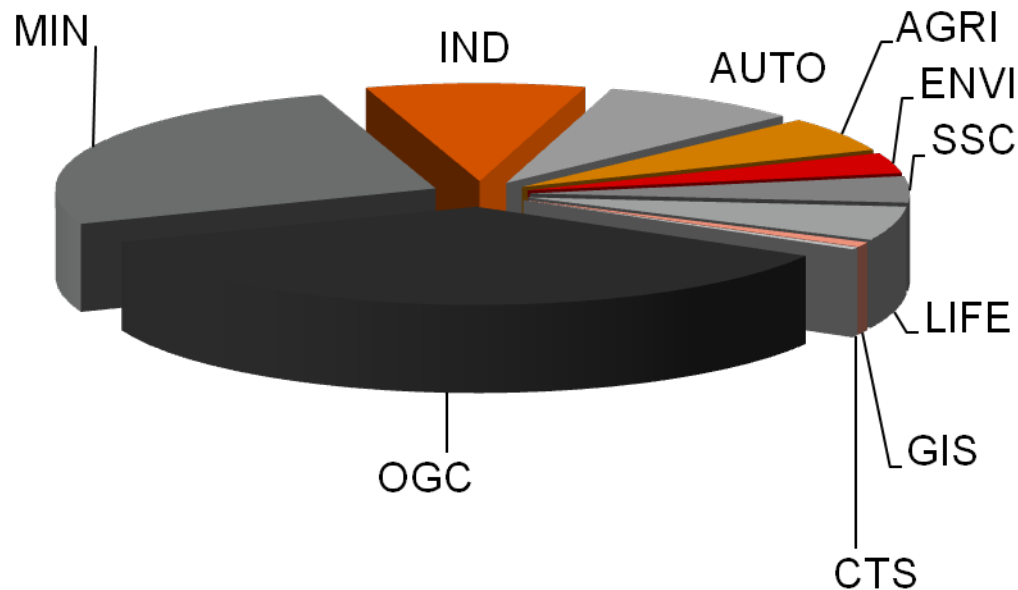
**Systems  
& Services Certification**



**Industrial**

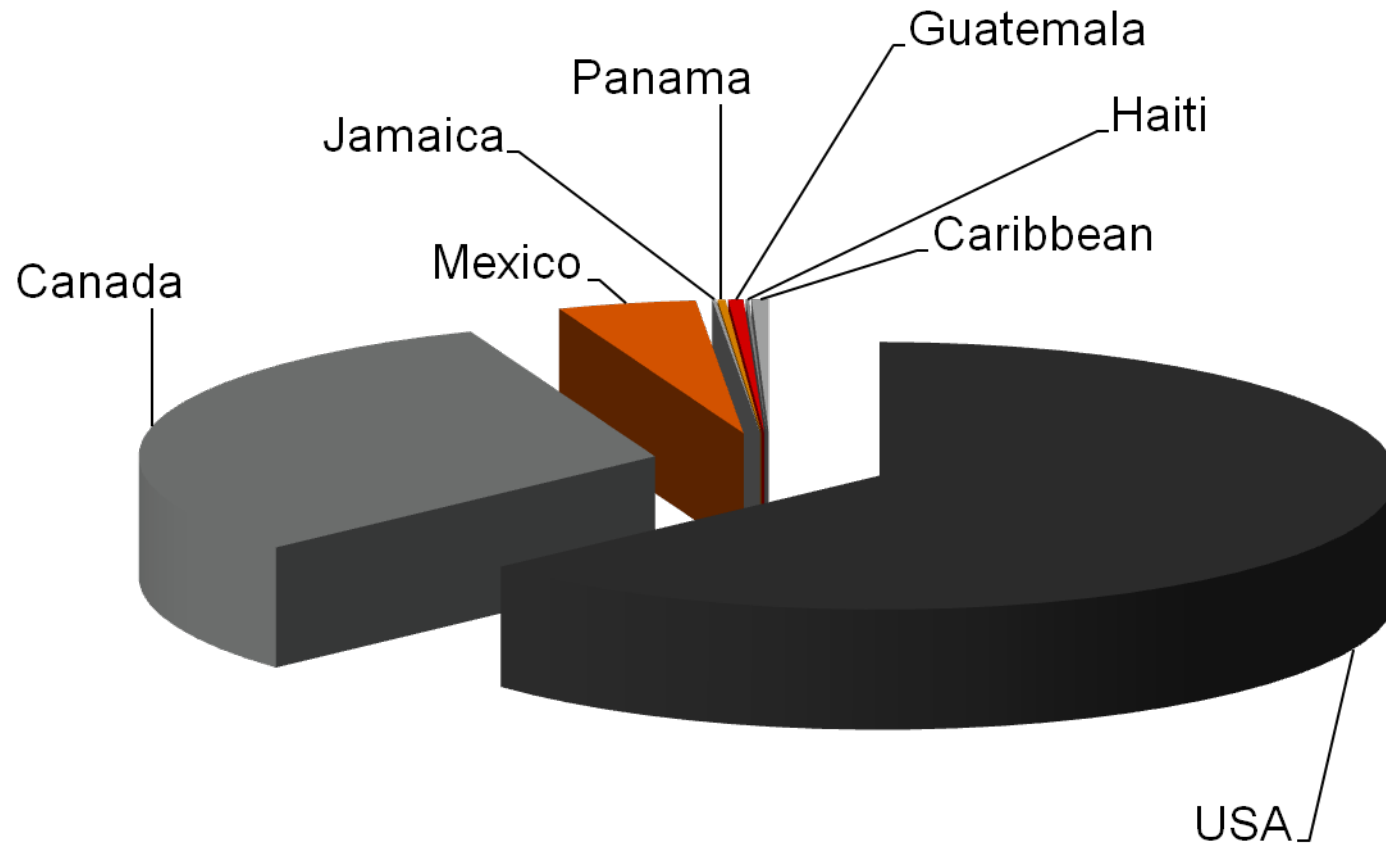


**Governments &  
Institutions**



- Diversified business portfolio with healthy balance of fast growing and high margin businesses
- Largest OGC and Minerals operations within SGS
- Several SGS Center of Excellence including world leading services and technologies:
  - Agricultural
  - Minerals
  - OGC
  - Industrial







## ■ Macro economic climate and likely changes to 2014

### ● US:

- GDP growth expected to hold steady in 2011 at 2.6% before climbing to 3.5% in 2012 and 2013 and then slowing to 3.0% in 2014
- Inflation to remain below 2% through 2013 before reaching 2% in 2014
- Short term interest rates to remain very low in 2011 before climbing to 1.8%, 3% and 4% in 2012 – 2014 respectively

### ● Canada:

- Expected GDP growth of approximately 3% peaking in 2011 with minimal decline during 2012 – 2014
- Inflation expected to hover around 2%
- Unemployment to decline slowly but average 7.4% during the four year period

### ● Mexico

- GDP expected to hover around 7.62% to 7.75% for the next 4 years
- Inflation to be approximately 3.82% in 2011 and slowly climb to 4.2% by 2014
- Unemployment rate expected to be approximately 5.5% in 2011 and slowly decrease to 5% by 2014



## ■ Strengths

- Dominant player and have a solid reputation with blue-chip customers in the Oil, Gas, Chemical and Minerals segments.
- Unmatched geographic coverage with the largest network of offices and labs in the region across the business lines.
- Our ability to provide broad range of services (including new and innovative) to meet client demands in specific segments / geographies: i.e. Off-shore / Upstream Oil & Gas, Food, Medical Device.
- Renowned technical excellence in many diverse fields
- Solid record of Safety performance which is constantly improving.
- Capable single management team



# REVENUE BY BUSINESS LINE – GROWTH 2014

## Growth Opportunities

### ■ Spillage in the GoM

- Continued growth of the Upstream market Off shore/On shore
- Testing / Inspection of Off Shore Industrial Platform equipment

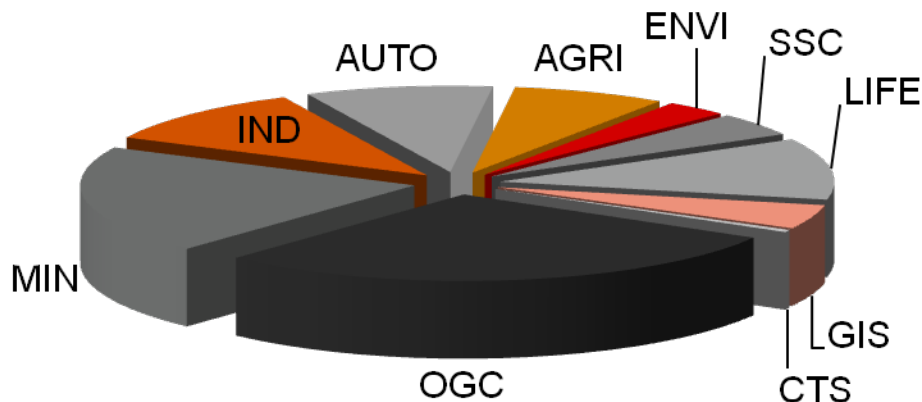
### ■ High Oil Price

### ■ Outsourcing Opportunities

- Refinery outsourcing of non-core businesses
- Pharmaceutical companies increasing outsourcing laboratory testing
- Growth in commodity prices and Minerals exploration with onsite Minerals lab and lab outsourcing.

### ■ Increased regulation in the food industry and requirements for audit and testing.

### ■ Increasing EPA regulations impacting on both Environmental and Auto



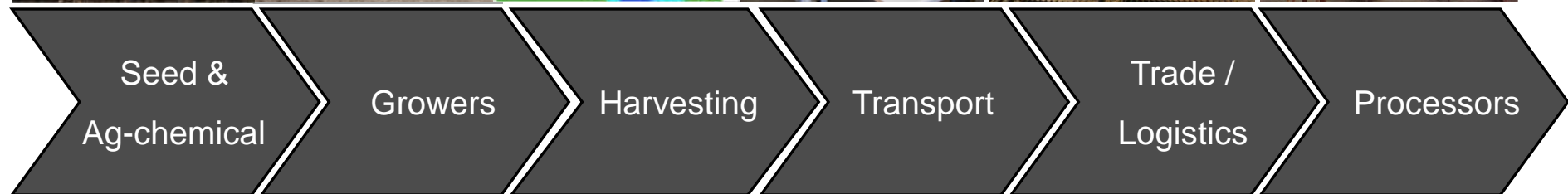
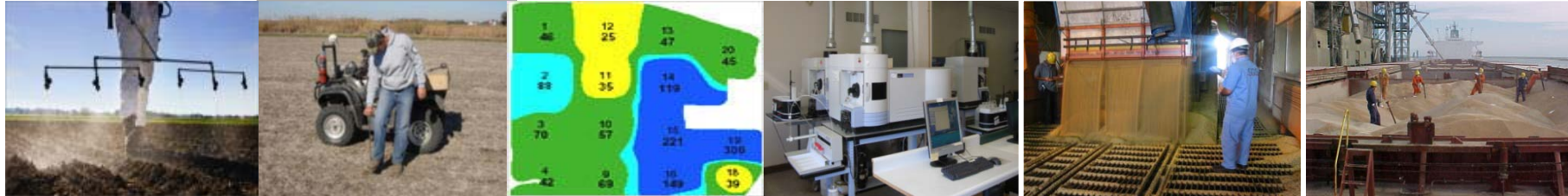


## ■ Key Challenges

- High cost labour environment
- Finding suitable technical expertise
- Movement of manufacturing and production off-shore to lower cost regions
- Evolution of industry and supply chains to new technologies focused on efficiency
- Geographic expanse

## ■ SGS Evolution

- Continual development and transition into higher end technology services offerings
- Moved to become a direct solution provider and an integral part of our client business
- Providing complex knowledge and data allowing our clients to optimize their operations and supply chains
- **Delivery and expansion of services up and down business manufacturing and supply chains to meet client needs**



- Study Coordination    ■ Soil Testing    ■ Traceability    ■ Inspections    ■ Inspection / Testing    ■ Outsourcing
- Field Research    ■ Crop Scouting    ■ Auditing    ■ Fumigation    ■ Fumigation    ■ Analytical Services
- Seed Testing    ■ Demo Trials    ■ Yield Assessment    ■ Auditing    ■ Stock Monitoring    ■ Weight & Quality
- Market Research

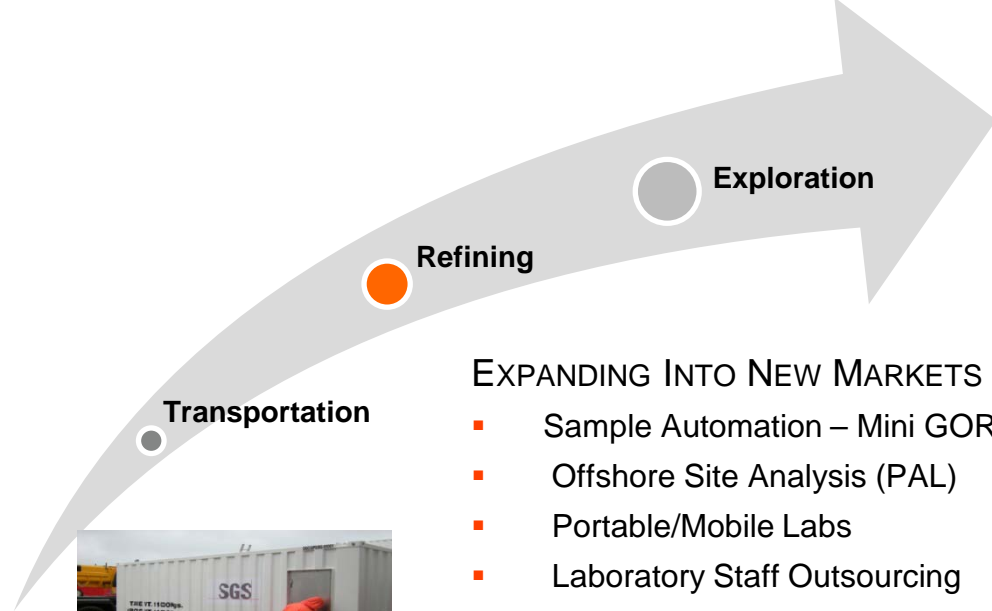
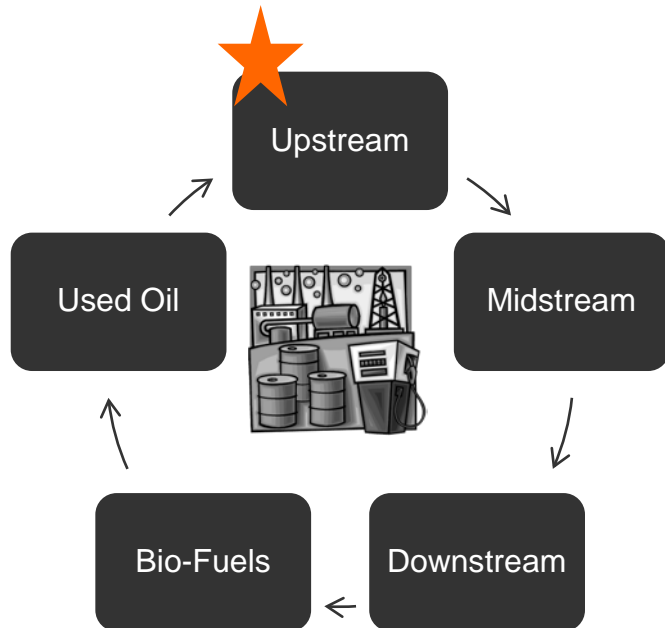
SGS has a unique leadership position in the North American agriculture supply chain. We supply our customers with a **powerful combination of network and technical expertise** leveraged on our financial strength and credibility as the world's leading independent service provider.

## OIL, GAS & CHEMICALS SERVICES MOVING UP THE VALUE CHAIN



### TRADITIONAL SERVICES

- Field Inspection
- Fixed Laboratories
- Sample Management
- Loss Control
- Oil, Gas and Chemical Analysis
- Refining, Chemical, Marine



### EXPANDING INTO NEW MARKETS

- Sample Automation – Mini GOR
- Offshore Site Analysis (PAL)
- Portable/Mobile Labs
- Laboratory Staff Outsourcing
- ARQS
- Down Hole Testing Services
- Drilling Fluid (Mud) Testing
- Shale Gas Testing
- Bio Fuels Testing
- PVT Testing
- Metering & Calibration Services

**Maximizing the value chain through upstream**



**MATERIALS TESTING**

**SUPPLY CHAIN and SURVEILLANCE SERVICES**

**ASSET INTEGRITY MANAGEMENT**



## GROWTH OPPORTUNITIES

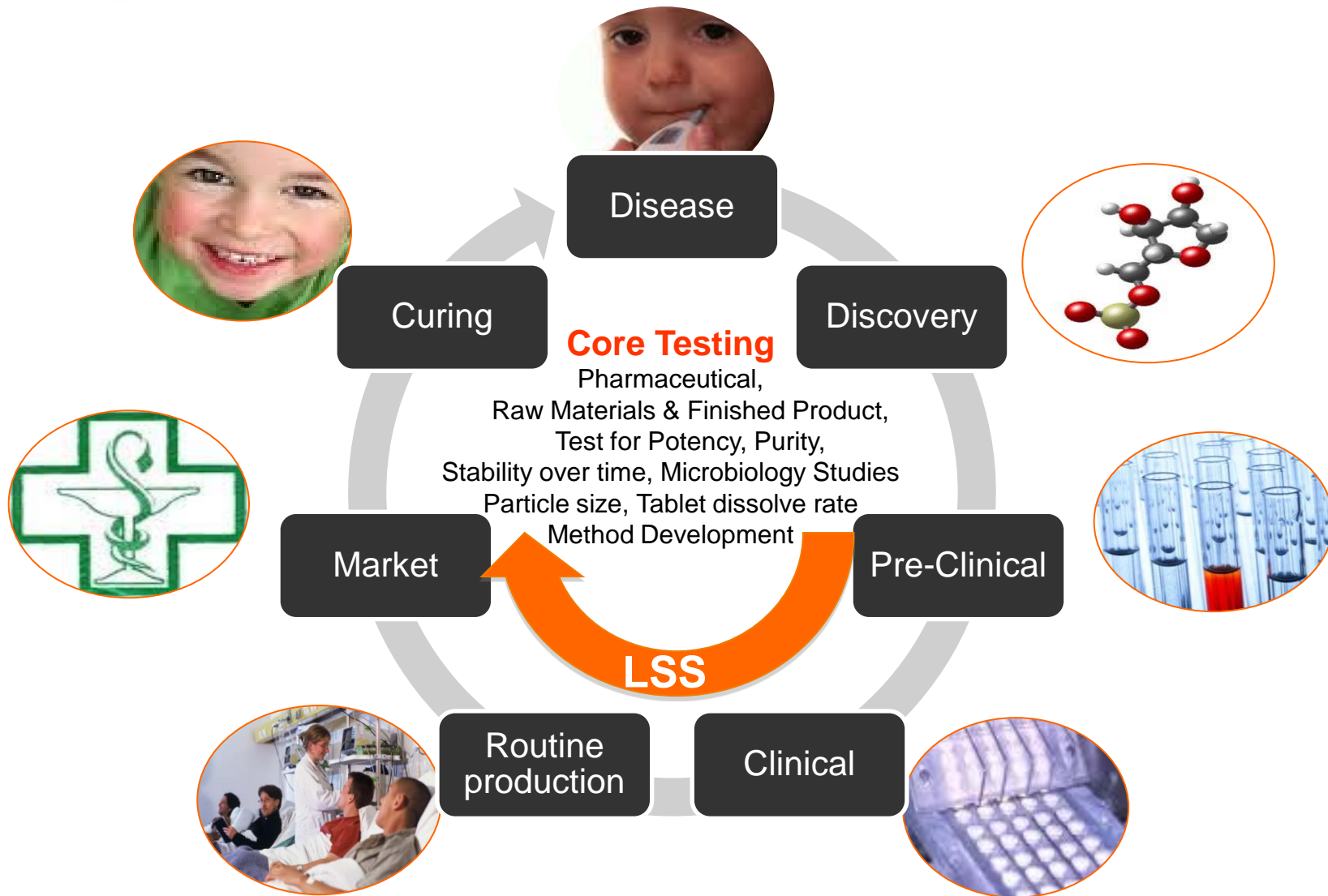
**CORROSION TESTING, WELDING TRIALS, GEOLOGICAL STUDIES  
HIGH TEMP PROPERTIES**

**PIPE MILL INSPECTION  
PIPELINE TRACKING  
SOFTWARE**

**ENTERPRISE SOFTWARE  
SOLUTION, RISK BASED  
INTEGRITY, TABLET TECHNOLOGY  
DATA ANALYSIS**



## LIFE SCIENCE SERVICES: MOLECULE TO MARKET

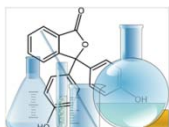


### TORONTO LAB



#### BIOLOGICS

- BioChem Quality Control
- Cell Molecular Biology
- Method Development
- Cell Banking



### CHICAGO LAB



#### STABILITY STUDIES

- Storage
- Track potency, purity over time



#### FORMULATION

- New for SGS
- Develop best medium to deliver active ingredient

#### CONTAINER TESTING

- Container seal integrity in extreme conditions
- Light emission into containers



### NJ LAB



#### EXTRACTABLES & LEACHABLES

- Testing containers (often plastics) that carry pharmaceuticals (often liquids) for heavy metals & chemicals that are harmful or react to neutralize the active ingredient

### M-SCAN PHILADELPHIA



#### CHARACTERIZATION

- Industry-leading organization for identifying unknown proteins & carbohydrates
- 25 years experience
- SGS acquired Oct 2010



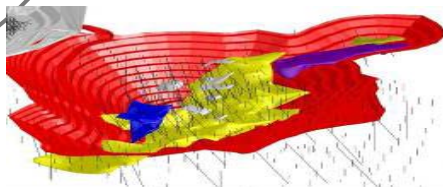
**METALLURGICAL  
TESTING**



**GEOCHEMISTRY**



**GEOLOGY**



**ANALYSE**

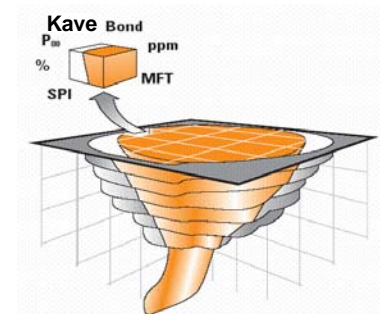
**SGS NAM  
Minerals**

**EXPLORE**

**CONTROL**

**PLANT DESIGN/  
OPTIMIZE & RISK  
MANAGEMENT**

**GEOMETALLURGY**



**MINE DESIGN &  
OPTIMIZATION**

**MINING  
SERVICES**

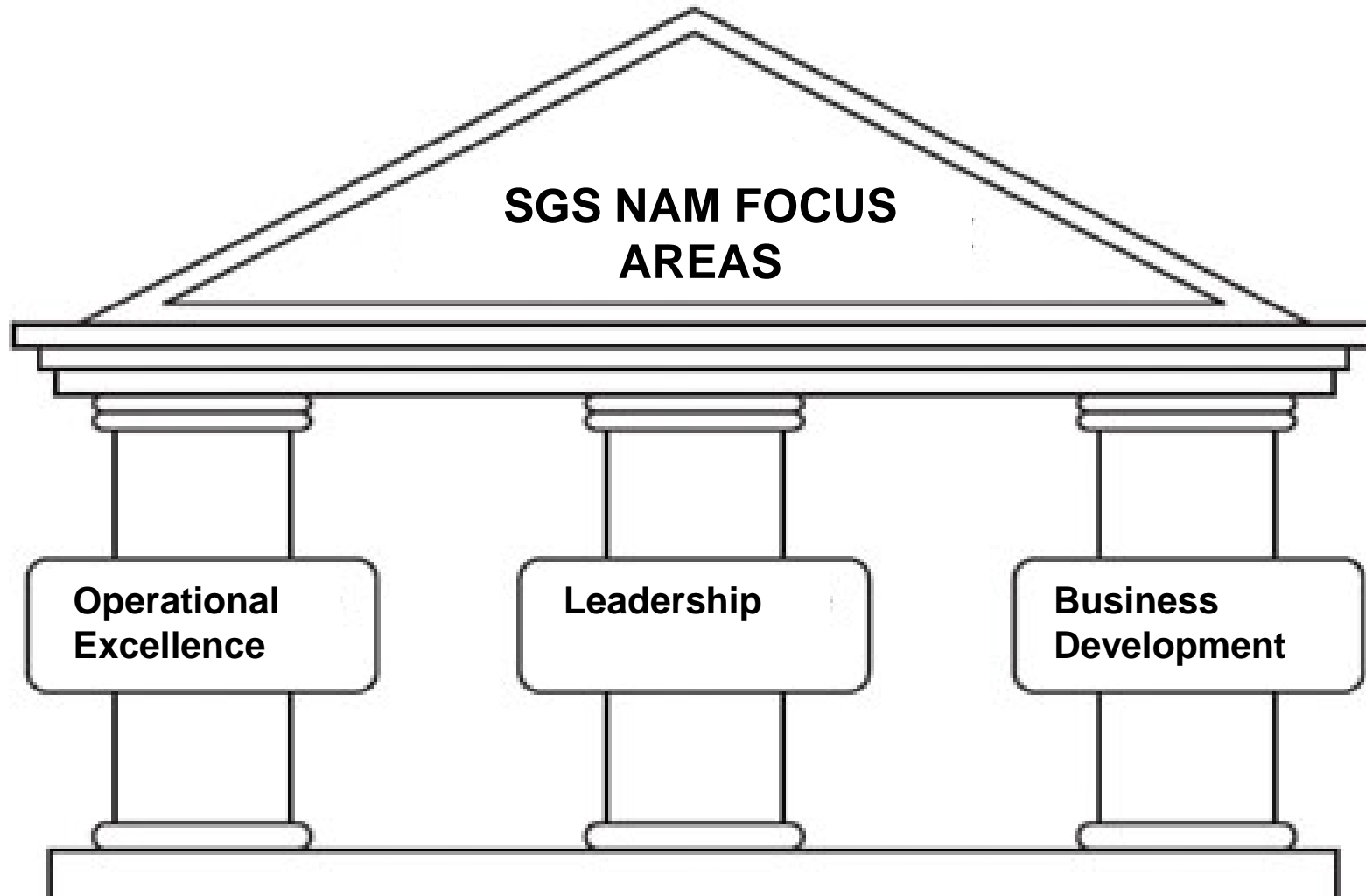


**ADVANCED PROCESS  
CONTROL**



- Investing in technology to move from labor intensive, commodity activities to high-end professional services
- Advanced Mineralogy Laboratory
  - REQUEST: Acquisition of two QEMSCAN (**Q**uantitative **E**valuation of **M**inerals Using **S**canning Electron Microscopy)
    - Knowing the physical characteristics (texture, size) of minerals helps determine optimum parameters for recovery and disposal.
  - VALUE TO CLIENTS:
    - A) Provide cutting edge technology to improve mining process, enhance cash flow and reduce costs
    - B) Ensure selection of correct process for closure and remediation. Ensures long term environmental sustainability for clients.







**SGS INVESTOR**  
**DAYS** 26 - 27 MAY 2011,  
TORONTO



**2014**  
**FOR THE**  
**COMPLETE PICTURE**

WHEN YOU NEED TO BE SURE

