

## Veritas DGC Inc. Revises Its Previously Announced Fourth Quarter And Fiscal 2003 Results

HOUSTON--(BUSINESS WIRE)--Oct. 14, 2003--Veritas DGC Inc. (NYSE:VTS) (TSX:VTS) announced today that it has revised its previously announced 2003 fourth quarter and fiscal year unaudited results due to an increase in its deferred tax valuation allowance. The adjustment will increase the previously reported net loss by \$11.8 million, or \$0.35 per share. The revised results are included as an attachment to this release.

The additional tax provision was based on conclusions reached during the year-end audit process. As a result of recent net operating losses, the Company determined that deferred tax assets in several jurisdictions (primarily the U.S.) should be fully reserved, resulting in an \$11.8 million reduction. Previously, the value of the Company's deferred tax asset was based on the expected realization of scheduled timing differences and net operating loss carryforwards.

The adjustment will not have a material impact on the Company's cash flow or debt covenants. This adjustment could result in a reduction in the Company's effective tax rate in future years upon the recognition of profits in these jurisdictions.

The Company expects to file its final audited results with the Securities and Exchange Commission on Form 10-K during the next week.

The Company cautions that statements in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These include statements as to expectations, beliefs and future financial performance, such as statements regarding our business prospects. All of these are based on current information and expectations that are subject to a number of risks, uncertainties and assumptions. These risks and uncertainties are more fully described in our reports filed with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary in material respect from those currently anticipated.

Veritas DGC Inc., headquartered in Houston, Texas, is a leading provider of integrated geophysical and reservoir technologies to the petroleum industry worldwide.

Veritas DGC Inc. and Subsidiaries

UNAUDITED

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

| Three Months Ended |      | Fiscal Year Ended |      |
|--------------------|------|-------------------|------|
| July 31,           |      | July 31,          |      |
| -----              |      | -----             |      |
| 2003               | 2002 | 2003              | 2002 |

|                              |            |            |            |            |
|------------------------------|------------|------------|------------|------------|
|                              | -----      | -----      | -----      | -----      |
| Revenue                      | \$119,537  | \$105,415  | \$503,001  | \$455,683  |
| Operating expenses:          |            |            |            |            |
| Cost of services             | 106,546    | 78,763     | 425,217    | 353,178    |
| Research and development     | 2,303      | 3,094      | 11,630     | 11,475     |
| General and administrative   | 5,467      | 5,877      | 27,211     | 23,763     |
| Loss on (RC)2 sale           | 7,627      |            | 7,627      |            |
| Impairment                   |            |            |            |            |
| of multi-client surveys      | 4,893      | 55,204     | 4,893      | 55,204     |
| Cost of terminated merger    |            | 10,191     |            | 14,607     |
| Impairment of goodwill       | 39,263     |            | 39,263     |            |
|                              | -----      | -----      | -----      | -----      |
| Operating loss               | (46,562)   | (47,714)   | (12,840)   | (2,544)    |
| Interest expense             | 4,175      | 3,778      | 18,534     | 13,628     |
| Other expense (income), net  | (731)      | 4,005      | 498        | 1,786      |
|                              | -----      | -----      | -----      | -----      |
| Loss before provision        |            |            |            |            |
| for income taxes             | (50,006)   | (55,497)   | (31,872)   | (17,958)   |
| Income tax expense (benefit) | 20,699     | (8,980)    | 28,052     | 5,192      |
|                              | -----      | -----      | -----      | -----      |
| Net loss                     | \$(70,705) | \$(46,517) | \$(59,924) | \$(23,150) |
|                              | -----      | -----      | -----      | -----      |
|                              | -----      | -----      | -----      | -----      |
| Diluted Earnings Per Share:  |            |            |            |            |
| Weighted average             |            |            |            |            |
| common shares                | 33,462     | 32,491     | 33,305     | 32,409     |
| Loss per common share        | \$(2.11)   | \$(1.43)   | \$(1.80)   | \$(0.71)   |

Supplemental Data:

|                                |         |          |         |          |
|--------------------------------|---------|----------|---------|----------|
| Cash                           | 72,626  | 10,586   | 72,626  | 10,586   |
| Multi-client data library      | 371,949 | 336,475  | 371,949 | 336,475  |
| Interest-bearing debt          | 194,225 | 140,000  | 194,225 | 140,000  |
| Depreciation                   |         |          |         |          |
| and amortization, gross        | 16,856  | 16,842   | 72,664  | 68,341   |
| Depreciation and amortization, |         |          |         |          |
| net of amounts capitalized     |         |          |         |          |
| to multi-client library        | 12,102  | 8,906    | 48,304  | 39,097   |
| Multi-client amortization,     |         |          |         |          |
| excluding impairments          | 35,220  | 25,720   | 142,029 | 115,287  |
| Free Cash Flow:                |         |          |         |          |
| Cash                           |         |          |         |          |
| from operating activities      | 38,572  | 36,884   | 200,714 | 185,272  |
| Less:                          |         |          |         |          |
| Multi-client expenditures,     |         |          |         |          |
| net cash                       | 29,041  | 41,985   | 151,693 | 169,039  |
| Capital expenditures           | 10,967  | 15,036   | 30,497  | 87,096   |
|                                | -----   | -----    | -----   | -----    |
| Free cash flow                 | (1,436) | (20,137) | 18,524  | (70,863) |

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