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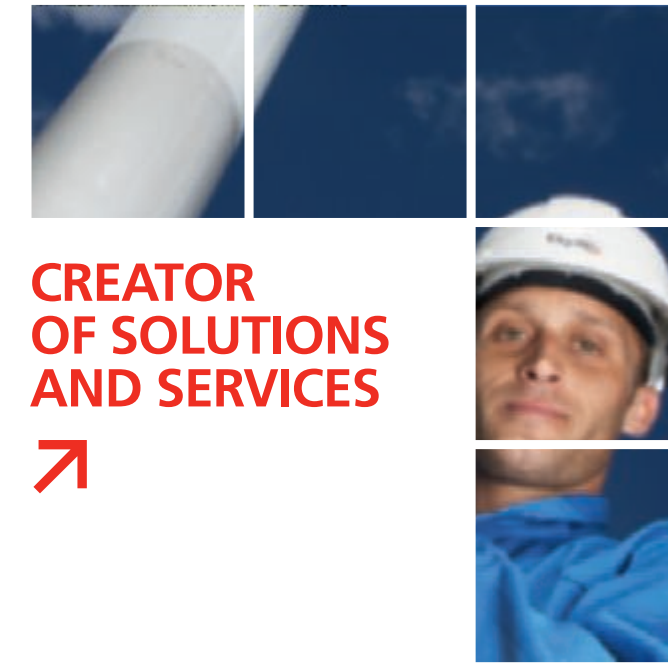
**Cegelec**  
Solutions & Services



**Cegelec**  
Solutions & Services

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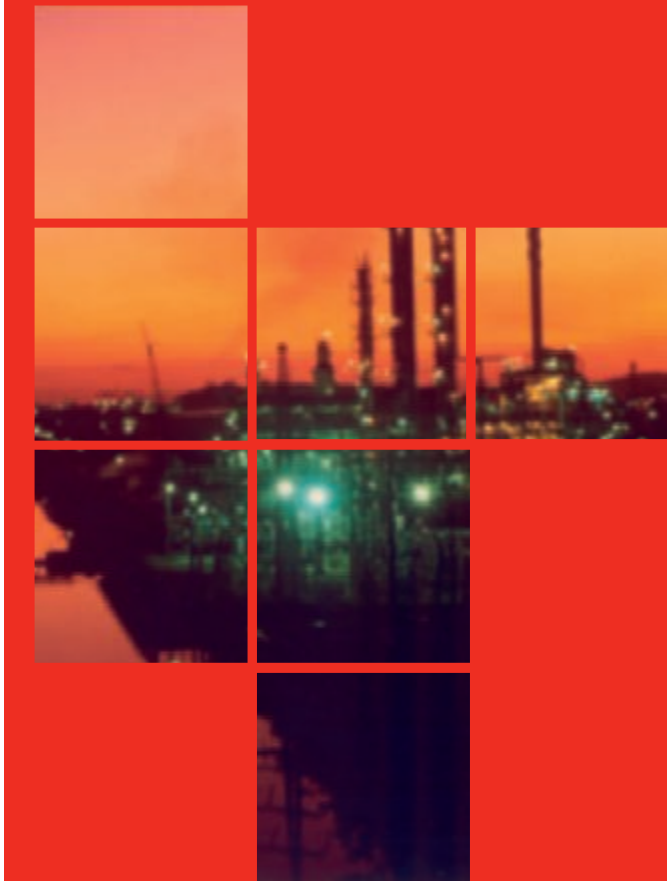
**CREATOR  
OF SOLUTIONS  
AND SERVICES**  
↗

**Cegelec** is an international group that provides technological services to businesses and local authorities, generating sales of **3 billion euros** and employing a **staff of 25,000**.

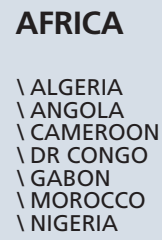
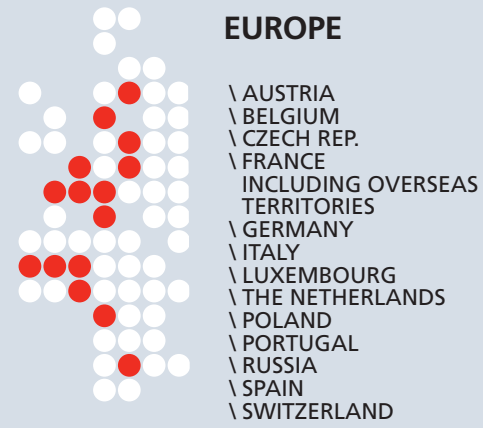
As a creator of solutions and services, Cegelec designs, installs and maintains systems and sub-systems in industry, infrastructures and the service sector.

Present in **some 30 countries**, with **3 billion euros in orders**, **Cegelec** supports its customers at all stages of their local, multi-site or international projects in the following fields:

- **Energy, Electricity**
- **Automation, Instrumentation and Control**
- **Information and Communication Technologies**
- **HVAC, Mechanics**
- **Maintenance and Services**







**EXECUTIVE COMMITTEE**

**PHILIPPE HANOUET**  
Chief Financial Officer



**PASCAL QUINT**  
General Counsel



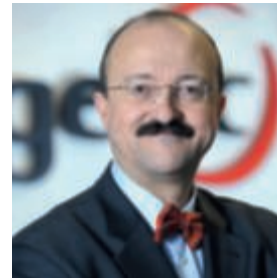
**PATRICK BOISSIER**  
Chief Operating Officer



**CLAUDE DARMON**  
Chairman



**PHILIPPE BOUQUET-NADAUD**  
Human Resources Director



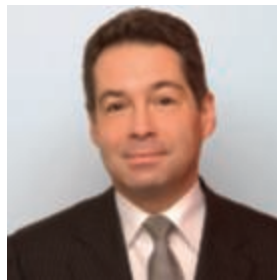
**MICHEL CANTET**  
CFB Business President



**GUY BERTELS**  
CBB Business President



**FRÉDÉRIC LALANNE**  
CWB Business President



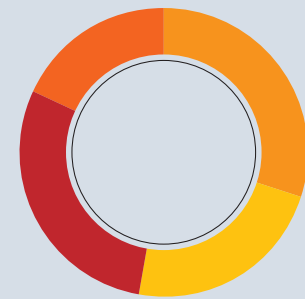
**BERNARD LEMOINE**  
GSS Business President



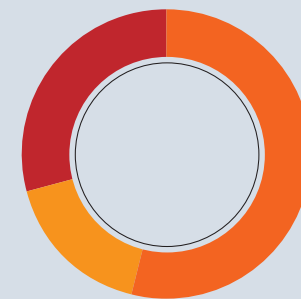
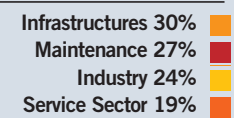
**CHRISTOPH SLABIK**  
CGB Business President

<b>Claude Darmon</b> Chairman <b>Patrick Boissier</b> Chief Operating Officer				
Finance Human Resources Legal Risk management		Ph. Hanouët Ph. Bouquet-Nadaud P. Quint D. Alexane		Sourcing Communication Technology Defence CegelecPRO
		B. Magnoux JL. Erneux O. Tissier C. Marcus L. Aubron		
<b>CBB</b> BENELUX Guy Bertels	<b>CFB</b> FRANCE Michel Cantet	<b>CWB</b> WORLDWIDE Frédéric Lalanne	<b>CGB</b> GERMANY Christoph Slabik	<b>GSS</b> GLOBAL SYSTEMS & SERVICES Bernard Lemoine
BELGIUM	PARIS	MOROCCO	SOUTH	ENERGY/INFRA
THE NETHERLANDS	MID-WEST	BAHRAIN/QATAR/OMAN	NORTH	OIL & GAS
LUXEMBOURG	SOUTH-EAST	BRAZIL	EAST	CIGMA/CNDT
	NORTH & EAST	MEXICO	WEST	TRANSPORT
	WEST	INDONESIA/SINGAPORE	AUSTRIA	SPACE/DEFENCE
	SOUTH-WEST	SWITZERLAND		ALGERIA
	SPECIALISED ACTIVITIES	SPAIN		
		POLAND		

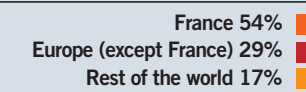
**CEGELEC  
IN FIGURES**



**sales by sector**



**sales by destination country**



—The favourable economic environment early in the year, the continuous improvement programmes across the Group and the sustained deployment of our cross-fertilization strategy resulted in being one full year ahead of schedule of our business plan.



**CLAUDE  
DARON**

Chairman

## Excellent results for Cegelec in 2007 and solid fundamentals for the future

**Cegelec** had an excellent year in 2007. Order intake was lifted by the favourable economic environment early in the year, but most of the contract wins were driven by the dedication of our teams, with their entrepreneurial spirit, disciplined project management and successful teamwork.

Our business plan is now a full year ahead of schedule, thanks to the continuous improvement programmes implemented across the Group and the sustained deployment of our cross-fertilisation strategy, which combines a strong local presence with international competence centres delivering highly advanced skills and expertise.

### **STRONG IMPROVEMENT IN EARNINGS**

Earnings improved sharply over the year, with EBIT gaining a strong 29.4% to €148.2 million. Growth was led both by our strategy of taking a more selective approach to new bids and by our disciplined management processes, which are being sup-

ported by several action programmes. A prime example is CegelecPRO, which has now been fully deployed and is sharpening our project management professionalism across the Group.

At €3 billion, revenue was up 3% as reported and 7.5% at constant scope of consolidation, after adjusting for the divestment of our UK operations in late 2006 and of Faceo in October 2007. Order intake held steady at €3 billion, despite a less favourable economic environment at year-end and the fact that growth had been particularly strong in 2006.

At the same time, the year saw further improvement in our free cash flow, which surged 102% to €237.7 million, helping to significantly reduce the debt taken on as part of our secondary buyout in 2006.

## CHAIRMAN'S MESSAGE



### TARGETED SOLUTIONS FOR THE INDUSTRY

In the industry market, Cegelec continues to offer the oil and gas industry a targeted range of solutions combining EPC contracts, project work and services, such as specialised training and maintenance contracts. We've also successfully broadened our industrial customer portfolio, for example, with Linde in Saudi Arabia and OMV in Germany.

A number of significant contracts were won during the year, reflecting our stronger presence in Algeria, Qatar and several other countries, as well as our ability to leverage synergies between our local onsite teams and our global competence centres. In Algeria, for example, where we are currently completing two natural gas plant security projects, we were awarded a very large contract to upgrade and extend the Arzew refinery's power grid.

Cegelec is also expanding its positions in the pharmaceuticals industry, signing one contract with Sanofi Aventis and several others with GSK Biologicals in Belgium and in France, where in Saint-Amand les Eaux we are participating in the industry's largest investment in Europe in the past ten years. Moreover, our Belgian subsidiary has fully integrated Ensysta, the design and build company specialised in process installations that was acquired in 2006. The seamless synergy between their capabilities is enabling us to offer customers more comprehensive solutions.

### INCREASED BUSINESS IN POWER AND TRANSPORT INFRASTRUCTURE

Cegelec is continuing to benefit from the growing need for all

types of conventional, nuclear or renewable-based power generation infrastructure. In addition to our traditional markets, we supported our partners or customers in new segments, such as a gas and steam plant in Sweden and a 35-turbine wind farm in Bulgaria.

In the tunnels segment, 2007 saw the delivery of the entire management system for the Lötschberg, Switzerland railway tunnel, the world's third longest, and the signing of new contracts to upgrade installations in Berlin, Germany; Bregenz, Austria and The Hague, Netherlands.

In the transport market, we again demonstrated our capabilities in i) tramway infrastructure, notably in Marseille and Toulouse; ii) the refurbishment of tramway traction equipment, where business is growing by 10% a year; and iii) in the railway segment, particularly catenary power rails with the delivery of part of the LGV Est high-speed line in Eastern France and contracts in South Korea and Morocco.

In Germany, Cegelec is now one of the leading suppliers of technical equipment for waste-to-energy power plants, with four new contracts won during the year.

### NEW CONTRACTS IN THE SERVICES SECTOR

Several major contracts were awarded in 2007 for new construction, upgrades and maintenance work on commercial or services buildings in France, including air conditioning systems for two large office towers in Lille and electrical equipment for the future head office of the CMA-CGM shipping group in Marseille.





Outside France, the acquisition of Flexelec has enhanced our Belgian subsidiary's ability to deliver multi-technical HVAC and electricity solutions. The services sector business also enjoyed significant growth in Bahrain, on the Durrat Al Bahrain atoll and Lulu Island, as well as in Morocco, where we are winning an increasing number of hotel infrastructure contracts, particularly with Accor and the Lucien Barrière Group.

### EXPANDING THE MAINTENANCE BUSINESS WITH ACQUISITIONS

In France, the Provence Alpes Côte d'Azur Regional Council awarded Cegelec the contract to provide maintenance services for all of its buildings, making us the benchmark maintenance provider in the EuroMed region. We also strengthened our capabilities in multi-technical maintenance, with the acquisition of Elmo in the Paris area, and in ship maintenance, with the integration of Ortec Meca Marine in Toulon. The latter acquisition has given us a major position in the fast growing yacht maintenance market, with solutions that extend our expertise in through-life support for a large number of French naval vessels, such as *Vendémiaire* frigate and the *La Raillieuse* and *L'Audacieuse* patrol boats.

We also confirmed our leadership of the Brazilian industrial maintenance market, with more than 70 multi-year contracts.

### AN ASSERTIVE COMMITMENT TO OUR HUMAN CAPITAL

In response to a scarcity of technical and engineering skills in a number of our markets, we continued to deploy our ambitious hiring and employee retention policies throughout 2007.

A new employee share offering scheme was carried out during the year, the third since Cegelec was created in 2002. Employees responded enthusiastically, with the result that around a third of them are now shareholders in their company. Corporate savings and retirement plans are now being prepared for deployment in 2008, starting in France.

Cegelec Group University, which consolidates our training and educational programmes, represents a powerful means of instilling our corporate culture across the organisation. In 2007, it delivered 35,000 hours of training to 1,500 employees, an increase of nearly 15% on the year before.

Worksite safety remains a top priority for the entire Group, which reported a particularly low number of lost-time incidents in the oil and gas division in 2007 and won several gold medals in Brazil honouring its safety record.

### NEW CONTINUOUS IMPROVEMENT PROGRAMMES

Cegelec has long been committed to driving continuous improvement in its processes, organisation and working methods. CegelecPRO, which analyses our project management feedback, is now an integrated part of our corporate culture. The financial community has responded favourably to our cash management performance, which is now in line with objectives thanks to the implementation of CashForGrowth.

Two new programmes will be launched in 2008, one concerning worksite efficiency and the other related to the organisation and working practices in our engineering offices. Together, these programmes are designed to make us more competitive,

## CHAIRMAN'S MESSAGE



—Our fundamentals are solid, giving us a profile that differentiates us from the competition.

by improving our ability to leverage our immense potential and by optimising our organisation at these two critical stages in the project cycle.

This was also the reasoning behind the 2007 decision to create a Group Technology Department, which will improve our ability to aggregate the extraordinary skills and expertise found in all of our divisions, step up the exchange of best practices and encourage technological innovation, particularly in response to customer expectations in the area of sustainable development.

Lastly, all of our purchasing teams, comprising nearly 300 people, will be involved in SourcingPRO, an ambitious strategic action plan focused on managing our supplier relationships, making the purchasing process more efficient and setting up an extremely responsive network of buyers across the Group.

### SOLID FUNDAMENTALS

Cegelec's outlook for 2008 is good, despite the more uncertain economic environment. Our fundamentals are solid, giving us a profile that differentiates us from the competition.

Proficiency in our businesses and the development of a disciplined organisation and methods mean that today, nearly 30% of our revenue stream comes from multi-year industrial or service-sector maintenance contracts. Every day, our teams are working on a large number of small, recurring flow business contracts,

which together account for nearly 40% of consolidated sales. Cegelec is also positioned in growth markets, primarily on large projects which are now managed by a dedicated organisation. This is the case, for example, in the oil and gas industry, which represents around 15% of our revenue, the power industry, which accounts for a similar percentage, and the transport sector, which accounts for around 5%.

With Patrick Boissier, Chief Operating Officer, and the entire Executive Committee, I would like to commend all of our employees for the commitment and passion they put into their work and projects. I would also like to thank our customers for their continued confidence. Keeping them satisfied, and constantly finding just the right solution to their needs, will remain our overriding concern in the months and years ahead.

Claude Darmon  
Chairman



GIS SHIELDED STATION IN BELGIUM



WARNEMÜNDE NAVAL BASE



MARSEILLES METRO



ON-BOARD VIDEO SURVEILLANCE ON VEOLIA VEHICLES



DURRAT AL BAHRAIN

## 2007 HIGHLIGHTS

### JANUARY

#### FRANCE

Third in the world for sea container transport, CMA-CGM entrusts Cegelec with the production of high and low current units, CTM (Centralised technical management), and fire detection and safety equipment for its new head office. This elegant 147 m. tower will be the highest in Marseilles.

#### GERMANY

Cegelec is recruited by the Berlin Senate to modernise the Tegel tunnel, which serves Motorway 111: new electrical installations, fire protection, and lighting management and control.

#### FRANCE

Already active in 17 French cities, Cegelec wins the electricity contract for the extension (2.8 km) of Line 1 of the Marseilles metro.

#### BAHRAIN

The State Prosecutor's Office hires Cegelec to carry out important electricity work – substations, wiring and street lighting – at the Khalifa Bin Salman port, located in the Durrat island project.

#### FRANCE

The Vendée Electricity Board entrusts Cegelec with the turnkey construction of the "La Plaine" wind park, including the supply of 17 turbines.

#### BELGIUM

In Antwerp, Cegelec wins the turnkey contract for connecting Esso to a cogeneration plant through a GIS shielded substation (150 kV).

#### BAHRAIN

Cegelec strengthens its position in the service sector by winning a contract for the installation of all electrical components for 160 luxury villas at Durrat Al

Bahrain, an atoll built at sea by the government.

### FEBRUARY

#### MEXICO

Saint Gobain entrusts Cegelec with the electrification and instrumentation of a new manufacturing plant in Mexico which produces glass for export.

#### FRANCE

Véolia Transport Ile-de-France signs a framework contract with Cegelec and partner Faiveley Transport to equip its fleet of vehicles with on-board video surveillance. The Paris region Véolia fleet numbers 2,000 buses, 350 of which will be initially equipped.

#### THE NETHERLANDS

engineering, installation and testing of all Vliettunnel technical installations for the regional tram of The Hague.

#### FRENCH GUYANA

Cegelec extends by 5 years its contract with Arianespace for the maintenance of the fluid and mechanical systems of the ARIANE 5 launch complex as well as for operation and maintenance of its payload preparation complex (satellite), and the maintenance of the individual protection equipment at the Guyana Space Centre R&D Department.

#### GERMANY

Warnemünde, the naval base of the German navy fastboat squadron, is building a new 350m. mole. Cegelec is responsible for all electrical components of the new moorings, including fire detection, telephony, video surveillance, a fibre optic network as well as 5 innovative rotating frequency transformers.





COMBINED-CYCLE POWER PLANT IN CASTELLON, SPAIN



WASTE INCINERATION PLANT IN GERMANY



THE LARGEST WASTE TREATMENT FACILITY IN THE NETHERLANDS



WIND PARK ON KALIAKRA CAPE, BULGARIA



BREGENZ TUNNEL IN AUSTRIA

## 2007 HIGHLIGHTS

### FRANCE

As part of a European group led by Vitrociset, Cegelec is selected to head fluid and fire suppression systems at the technical premises of the Soyouz Launch Complex, currently under construction at the Guyana Space Centre in Kourou.

### MARCH

### MOROCCO

The American manufacturer Fruit of the Loom invests over 162 million dollars in a new industrial park in the Rabat area and retains Cegelec for the high and low current installations of the 20 hectare textile factory.

### BRAZIL

Petrobras selects Cegelec, in a consortium with ABB, to construct a 69 KV GIS substation at the REPAR refinery in Araucaria, in southern Brazil. The project includes the construction of two substations that must meet particularly high environmental and safety standards.

### GERMANY

Cegelec is in charge of expanding the ethylene refinery of the Austrian group OMV in Burghausen, Germany.

### SPAIN

Iberdrola entrusts Cegelec with the lighting equipment at its combined cycle power plant in Castellon, near Valencia. The incorporation of analysers was later added to the contract.

### THE NETHERLANDS

AVR, the largest Dutch industrial and domestic waste management company, hires Cegelec, in a joint venture with Visser & Smit Hanab, to design and install electricity, instrumentation, and automation equipment at its largest factory, located in Rozenburg.

### GERMANY

The fourth major contract for Cegelec in the field of waste incineration in Germany is signed in Heringen, where the Group is designing and installing the

electrical and communication systems for a waste management plant.

### APRIL

### QATAR

Electrical work on instrumentation and telecommunication equipment for the Pearl Shell GTL C3 project in Qatar. Cegelec is responsible for engineering, installing and assuring and acceptance testing 32 large oil, condensate, fuel and water reservoirs.

### BULGARIA

Cegelec is hired by Mitsubishi to carry out the electric installation of a wind park with 35 turbines on Kaliakra Cape.

### MAY

### INDONESIA

Cegelec signs a 5-year maintenance contract at the BP gas development in Tangguh, with plans for work on elec-

trical, instrumentation, valve and control systems. A team of 60 people will work on an ongoing basis on the offshore oil rig platforms.

### FRANCE

The city of Toulouse entrusts Cegelec with an urban video surveillance project. The work is all-inclusive, from design to maintenance to installation, and will integrate the latest technological advances in the field.

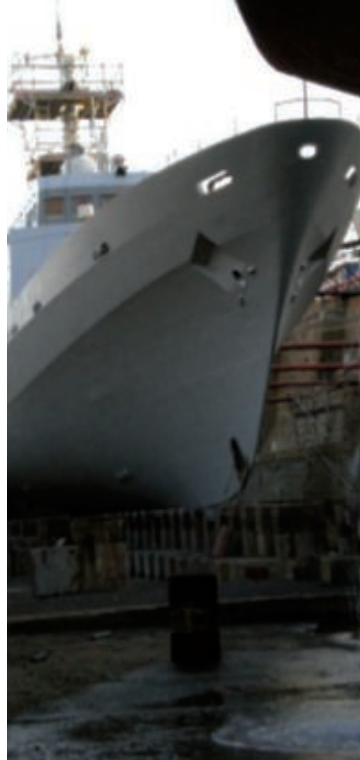
### AUSTRIA

Cegelec is commissioned to perform the electromechanical renovation of the Bregenz tunnel (1,311m.), located on the A141 near Lake Constance. The Group will also maintain the tunnel over the next three years.

### MOROCCO

Cegelec Morocco, together with French teams, sets up a multidisciplinary maintenance organisation to concurrently manage electrical, air conditioning,





PATROL CRAFT L'AUDACIEUSE  
IN FORT-DE-FRANCE



OPEN PIT MINE IN INDEN,  
GERMANY



BAGGAGE TRANSPORT SYSTEM AT  
THE MADRID BARAJAS AIRPORT

plumbing and smoke control systems at Hotel Al Morabah for the Lucien Barrière Group.

## INDONESIA

At its Tunu 11 North and South gas fields in Indonesia, Total entrusts Cegelec with energy distribution as well as command-control, safety, fire/gas detection, telecom, and ultimate safety systems at the new site, in addition to the control room.

## SPAIN

Cegelec negotiates an order for 3 analyser shelters with Dupont teams based in Philadelphia (United States) for its Asturias plant in the north of Spain.

## GERMANY

After successful work at its Hambach and Garzweiler plants, Cegelec is commissioned by RWE Power to mechanically and electrically refurbish one of the largest excavators to the world on-site at its open-pit mine in Inden, in eastern Germany.

## JUNE

### FRANCE

Cegelec gains ground in the market for technical heating, air conditioning and smoke control installations after winning the contract for two very large office buildings (20,000 sq. m.) in the Euralille business district. Implementing the systems will enable substantial energy savings.

### BAHRAIN

Foster Wheeler hires Cegelec to carry out electrical work at the gas desulfurisation unit of its Bapco refinery in Bahrain.

### FRANCE

After the *Boudeuse*, *Rieuse*, *Moqueuse*, and *Railleuse*, the patrol craft *L'Audacieuse* was called in by the French Fleet Support Division for scheduled servicing in Fort de France.

## BELGIUM

Cegelec continues its close cooperation with the GlaxoSmithKline Biologicals pharmaceutical company, working on a tight deadline to complete electrical installations and environmental engineering operations for its vaccine component production laboratory in Rixensart, Belgium.

## FRANCE

As a member of the Rhone Express consortium, Cegelec is building the electrical infrastructure of the Leslys express tram line linking downtown Lyon to St-Exupéry airport.

## JULY

### FRANCE

Cegelec develops an original bid for renovating the fire protection systems at the main public hospital in Nantes and is awarded the contract.

## SPAIN

Siemens Dematic entrusts Cegelec with the electrical installations for the luggage transport system at terminal T4 of the Madrid Barajas Airport.

## AUGUST

### FRANCE

Cegelec performs work on the lighting and communications systems of the first gas combined-cycle power plant in northern France, built by Poweo.

### MOROCCO

After work on two Ibis and Novotel hotels, the Accor group chooses Cegelec to carry out the HVAC and smoke control systems at its Sofitel hotel currently under construction in Agadir. Comprised of 98 suites and 30 rooms, this project demonstrates the Group's strong positioning in water-related activities.



OXYGEN PRODUCTION FACILITY IN SAUDI ARABIA



PUMPING STATION IN CHOISY-LE-ROI NEAR PARIS



KOREAN HIGH-SPEED LINE EXPANSION



EURO-MEDITERRANEAN BASIN BUILDING MAINTENANCE IN MARSEILLES

## 2007 HIGHLIGHTS

### QATAR

Cegelec places the winning bid for electrical and instrumentation work at the linear low-density polyethylene factory being constructed by Snam Progetti as part of the Qatofin project in Qatar.

### GERMANY

Cegelec installs safety and control systems for a substation modernisation project headed by Vattenfall Europe.

### UNITED ARAB EMIRATES

On time and without incident, Cegelec completes control system and instrumentation work on a long and complex renovation project at the Abics LNG treatment plan for Gasco in Abu Dhabi. Nearly 1,000,000 hours!

### SOUTH KOREA

Cegelec's expertise in building overhead high-speed rail lines pays dividends, as the Group is hired to design, supply, and compliance test all critical equip-

ment for expansion of the Korea Train eXpress rail network (KTX).

### SEPTEMBER

#### FRANCE

The Organic Recovery Centre in Lille is the largest centre in Europe for the transformation of domestic biowaste into biogas. Cegelec installed the wiring, low currents, and lighting in the processing areas.

#### FRANCE

EDF's Corporate Technical Support Department UTO selected Cegelec to prepare the technical qualification package for repairs to boron injection tank and safety injection nozzles in the reactor coolant system at nuclear power plants.

### OCTOBER

#### SWEDEN

Cegelec produces the electrical engi-

neering components for one of the most modern gas-steam turbine plants in the world in Malmö, for EON Sverige.

#### FRANCE

A large Paris region water utility (Syndicat des Eaux d'Île-de-France) commissions Cegelec to carry out all the renovations operations at its water treatment plant in Choisy-le-Roi (Paris).

#### IVORY COAST

Cegelec is responsible for producing analyser systems for petrol, gas oil, and fuel oil blenders for the Ivory Coast Refining Company (Société ivoirienne de raffinage SIR) in Abidjan.

#### FRANCE

Cegelec becomes the industry leader in maintenance in the Euro-Mediterranean basin by winning the PACA Regional Council contract for 45,000 sq.m. of offices.

### FRENCH GUYANA

Cegelec is contracted to perform the low- and high-current installations for Lycée de Remire (a high school) in French Guyana.

### NOVEMBER

#### SAUDI ARABIA

Cegelec is responsible for all technological control systems at the oxygen production plants in Saudi Arabia, a project headed by Linde.

#### GERMANY

Cegelec produces the energy supply, video surveillance, and all communication technologies for remotely controlling the low-rise lock at the Port of Magdeburg in Germany.

#### FRANCE

By successfully integrating Solystic teams into the group, Cegelec wins new maintenance contracts at French





INSA PETROCHEMICAL FACILITY MAINTENANCE IN MEXICO



MINI HYDRAULIC POWER PLANT FOR PNL IN MALANG



THYSSEN KRUPP CSA IRON AND STEEL COMPLEX IN BRAZIL

postal service mail and parcel sorting centres.

## DECEMBER

### MOROCCO

The ONE (National electricity producer) entrusts Cegelec with the turnkey construction of a very high tension line (225kV) between Argana and Glalcha (50 km), equipped with fibre optic cable telecom links. The project has a tight 10-month deadline.

### FRANCE

Inauguration of the facilities for maintaining Airbus A380 airplanes during assembly. Cegelec completed all the technical installations in a record time of 10 months.

### BRAZIL

Cegelec receives three new orders from Air Liquide Brazil for the installation of electrical systems at the future

Thyssen Krupp CSA iron and steel complex (Companhia Siderurgica do Atlantico) in Santa Cruz. The complex will produce nearly 5 million tonnes of steel a year.

### INDONESIA

The Indonesian public electricity utility (PNL) hires Cegelec to supply, install and commission a mini hydraulic power plant (2 X 5.5 MW) in Malang (East Java).

### ALGERIA

The largest contract of the year is signed in Algeria with Naftec, the national petrochemical company, for the revamping and expansion (in 28 months) of the electrical supply network at its Arzew refinery, near Oran.

### QATAR

Working as a subcontractor for Solios, a particularly active company in the Middle East aluminium industry, Cegelec

handles the electric installations of the Qatalum Green Anode plant in Qatar.

### FRANCE

Cegelec is chosen for the electrification of the Bourg-en-Bresse/Bellegarde segment of the high-speed Paris-Geneva line, which will save 20 minutes off travel time.

### MEXICO

The petrochemical division of the Mexican giant KUO awards Cegelec with a 3-year maintenance contract at its Nuhmo (carbon for the tire industry) and Insa sites (elastomer plant), as well as for its shipping terminal in Altamira.

### GERMANY

The Prague-based Group subsidiary provides the city of Heidelberg, Germany with traction systems, and in doing so passes the mark of 1,000 trams renovated in more than 50 European cities.



# 01

CEGELEC /  
2007  
GROUP ACTIVITY  
REPORT

## human resources

Expertise and initiative

In 2007, Cegelec strengthened its recruiting activities, and sought to better support and earn the loyalty of current employees in order to continue to provide its customers with the most skilled teams on the market; professionals who have acquired recognised expertise and possess real entrepreneurial spirit.

### AN INCLUSIVE CULTURE

A technological services company, Cegelec relies first and foremost on the talent and motivation of the men and women in its ranks. Cegelec corporate identity is rooted in togetherness, and values collective efficiency as much as individual performance. This team spirit is a key factor in the success of our projects, which often involve several business units. This means that all our customers benefit from the same high level of professionalism for which Cegelec is recognised, and enables the Group to take on projects of monumental scale.

Team spirit, however, must be complemented by our individual responsibility. This sense of balance is maintained by consistently seeking to make progress, and by looking back on past actions to ensure that we inspire

confidence, learn from mistakes, and cultivate expertise -all in a safe environment.

### SAFETY: THE "ZERO ACCIDENT" CULTURE

Safety is an absolute priority for the Group, and in 2007 Cegelec again demonstrated its high ambitions with regards to employee safety and promoting a quality work environment. The Group's constant presence on a large number of worksites, often in extremely demanding industries, means that "zero accident culture" always remains a top priority. This is particularly true in the oil industry, where Cegelec Oil & Gas reduced both the number of occupational accidents requiring injury leave and work





### IN THE SPOTLIGHT

Recognition for the Group's demanding safety requirements, particularly in the oil sector.

days lost, with a rate of almost zero at the end of December. One example among many is Girassol, a pioneer in deep water extraction in Angola, where the Group has not had a lost-time accident in over 5 years - more than 850,000 working hours. Or take the example of Petrobras, the largest industrial company in Brazil, which rewarded Cegelec for providing 767,000 hours of services without a lost-time accident.

### RECRUITING TALENT

Although labour markets in the majority of countries where the Group operates are experiencing a tense period, Cegelec continues to attract talent. In 2007, the company hired 2300 people in all: 700 at the managerial level and 1600 other employees, respective increases of 15 to 20% compared with 2006.

This progress is the result of programmes in various domains. Relationships with universities, secondary schools, and the world of education in general were strengthened. Cooptation was encouraged, particularly in France where employee involvement enabled the hiring of 120 new associates in 2007. The Group has also become more attentive to the role that Management plays in the recruiting process, setting up a training session specifically designed for managers to help them to better navigate the key phases of a job interview.

### EXPANDED TRAINING

A vehicle for our corporate culture and skill sharing, Cegelec University provided 35,000 hours of training and developed new modules.



Custom programmes were also set up in several other units. Cegelec Oil & Gas, for example, developed a management planning process for careers and employment to map skills and define career paths and associated training courses. Making career paths visible is indeed a powerful tool for attracting potential employees.

### DEVELOPING SKILLS

The objective of Cegelec University is three-fold: to increase employee skill level, exchange best practices, and promote corporate culture. As the nexus of Group training activities, in 2007 the University provided 35,000 hours of training to over 1,500 employees, an increase of almost 15% compared to the previous year.

New training modules were also added to the course catalogue in 2007. The University developed a "major project" seminar for veteran project managers to share experience. It also offered new strategic tools to improve corporate efficiency, including a significant programme for training site managers. A seminar for design office managers is also under development.

The University has trained employees in purchasing (multicultural leadership, negotiation etc.) and set up of new training courses in maintenance. It has also expanded its geographic coverage, particularly in Spain, Guyana and Morocco, by relying on local organisers who speak the local language when necessary.

### REWARDING AND PROTECTING EMPLOYEES

Building on the success of its 2006 campaign, Cegelec launched the ESOS'07 employee stock ownership plan. Some 4,400 employees put money in company mutual funds (FCPE) for an overall investment in the company of almost 30% more than in 2006. In all, over 8,200 employees have become Cegelec shareholders since the programme was set up, and those who were a part of the first employee shareholder campaign in 2001 now hold three and a half times what they originally invested.

In France, in 2008 Cegelec will unveil an Employee Savings Plan (PEE) for all staff and a Retirement Savings Plan (PERE) for managers who are more directly impacted by reductions in the compulsory plan. Similar programmes are also being evaluated in the other countries where the Group operates, adapted to national legislation.



# 02

CEGELEC /  
2007  
GROUP ACTIVITY  
REPORT

## sustainable development

A major priority

Sustainable development, with its environmental, societal and economic issues, is increasingly becoming a major concern for companies and their customers. The ongoing improvements to services and technical solutions, as well as the innovations designed and implemented by Cegelec, all reflect this new paradigm.

Like the most service companies, Cegelec does not leave a very deep environmental footprint. But as a designer and installer for its clients in industry, public authorities, and service sector, the Group has an important role to play in sustainable development.

Cegelec utilises its wide-ranging areas of technical knowledge to act as a driving force for improving the performance of installations, equipment and infrastructures while concurrently reducing their environmental impact.

### GREEN ENERGY PRODUCTION

The design and construction of electric power plants and energy generating facilities in general are among Cegelec's core activities.

Since then, renewable energies have developed such as wind power, geothermy, biomass and hydroelectric energy, a field in which Cegelec has a great deal of experience. The Group closely follows the growth of these technologies and invests in them when an opportunity presents itself.

Cegelec has produced wind power installations in several countries, in particular the Netherlands, Germany, Morocco and Great Britain. In 2007, the Group signed a significant contract to construct a 35-turbine wind park alongside Mitsubishi in Bulgaria.

It is in France, however, that the company developed significant expertise in the turnkey delivery of wind farms. In addition of its technical expertise, Cegelec also de-



## TURNING WASTE INTO ENERGY

Cegelec took part in constructing the largest European facility for the methanisation of domestic waste, located in Lille.



© Max Lerouge/LMCU



votes major efforts at the early stage of a project informing administrations and local authorities. This meticulous work, conducted by a dedicated team of about thirty people, has placed Cegelec at the forefront of the French wind power industry, with a market share of approximately 20%.

In Germany, the Group was the year's top supplier of technical equipment for waste-to-energy plants, signing 4 major contracts in Emlichheim, Cologne, Grossräschen and Heringen.

Cegelec expertise in "greening" was also demonstrated in its cogeneration projects. In Malmö, Sweden, the Group was recently entrusted with supplying electrical engineering equipment for one of the most modern gas/steam cogeneration plants in the world (440 MW of electric current and 250 MW of heat), for the EON Sverige account. In 2007 the Group also took part, in partnership with Siemens Power Generation, in building the very first combined-cycle power plant (gas/steam) in northern France.

Lastly, the historical presence of the Group as a partner of the sugar industry was a factor in its move towards

biofuels a few years ago. Cegelec mobilised its electro-technical, mechanical, piping, automation, and assembly expertise to manufacture biofuel units in several European countries, in particular Germany, Slovakia and France. The installation of solar panels and the use of photovoltaics also represent promising development prospects for 2008.

## STREET LIGHTING AND TRANSPORT, KEY ELEMENTS OF CITY MANAGEMENT

One aspect of Cegelec maintenance contracts this past year was the installation of advanced systems that greatly reduce public energy bills. One example among others: the town of Bessancourt in the Oise valley (France), where the modernisation of 900 street lights reduced the electricity consumption of urban lighting by 50%. Elsewhere in the country, a contract was signed for a public-private partnership with the municipality of Castelnau-le-Lez for the complete management of its street lighting (3500 lights) over the next 15 years.

The signing, at the end of 2007, of contracts with the German towns of Heidelberg and Freiburg put Cegelec past the mark of 1,000 trams refurbished. Modernising the traction equipment lengthens the lifespan of a tram about fifteen years, and is a solution which does not require any maintenance and reduces energy consumption between 30 and 40% on average. 1.2 kWh per kilometre are saved, and since the average tram travels a distance of about 50,000 km a year, the total reduction in energy is about 60,000 kWh per tram annually – the equivalent of a 20 tonne reduction in CO<sub>2</sub>, or 40 tonnes of coal.

## ENERGY EFFICIENCY, A PRIORITY FOR BUILDINGS

Solutions to the environmental and energy issues that the world currently faces must combine the development of green energies with technologies that reduce greenhouse gas emissions and improve energy efficiency.

Approximately a quarter of Cegelec sales turnover is in the service sector (except maintenance), the sector with the greatest potential for reducing CO<sub>2</sub> emissions in industrialised countries, far ahead of industry.

## 1,000 TRAMS REFURBISHED

Thanks to the traction solution devised by Cegelec teams, trams and trolleys in about fifty European cities have reduced their energy consumption.





© Interbuild

### THE "TOUR DES FINANCES" IS NOW A HQE BUILDING

At the 36-storey Tour des Finances in Brussels, Cegelec implemented a high-quality plan which both respects the environment and guarantees optimal safety.



An estimated 30 to 40% of greenhouse gas production originates from buildings, both directly and indirectly. Cegelec plays a significant role in this field by offering technical solutions that help optimise building power consumption, for new buildings as well as for renovated or maintained ones.

One example among others is the modernisation of the Tour des Finances, a 36-storey tower with an area of 190,000 sq. m. located in central Brussels, on which the Group will complete work in the first half of 2008. Teams of Cegelec environmental engineers proposed a number of installations to their customer, in particular a solution that retains energy found in ambient air in order to reduce the amount of thermal energy needed to heat or cool new outside air. Thanks to this system, energy needs for "heat/cold production" are appreciably reduced, so that a boiler of half the original size is sufficient.

### LAYING THE GROUNDWORK

The study phase of our work for customers provides a perfect example of the Group project management philosophy. Our groundwork is based upon a sustainable development approach situated on the crossroads of economic and ecological concerns. In 2007, Cegelec created a Technology Division at the Group level in order to better incorporate its considerable existing expertise into company activities, and encourage the exchange of best practices as well as technological innovation.

Concretely, during the design and installation phase, the Group takes particular care when formulating the dimensions of its installations in order to decrease the power output of equipment to be installed.

In the operating and maintenance phase, the Group plays a role in energy management in order to improve the quality of services provided to end-users, while at the same time enabling them to save energy and, subsequently, money.

In addition, Cegelec serves as an intermediary between suppliers and customers. Through this role, it is able to promote sustainable development policy at all levels in the process, which as a result provides additional savings and stabilises business relationships.

### SOCIAL RESPONSIBILITY: SAFETY ABOVE ALL

For companies, the social dimension of sustainable development is first and foremost the responsibility to guarantee employee safety and a healthy work environment. This is an absolute priority for Cegelec, whose employees are present at a large number of construction sites, sometimes in very demanding sectors such as Oil and Gas or Nuclear. The "Zero accident" culture is a primary concern for all of our managers.

Sustainable development also means developing skill and talent within the company, particularly through Cegelec University. In this way, the Group seeks to fulfil its dual objectives of guaranteeing the highest level of professionalism in its work, and acting as a corporate citizen by providing ongoing opportunities for professional development.

Cegelec remains committed to the role that it plays in encouraging collective action, but also to developing solutions that fit the needs of customers that are similarly concerned about this issue.

Rising to the challenges of sustainable development is also a means of acquiring a competitive advantage which will only become more crucial in the years to come: the economic side to sustainable development.





# 03

CEGELEC /  
2007  
GROUP ACTIVITY  
REPORT

## infrastructures

Rising needs

The infrastructures sector, a growing market for Cegelec, recorded an increase in sales of almost 12%. Whether in mature markets or developing countries, the sector is buoyed by rising energy and transportation system needs, the desire to make existing installations safer, and sustainable development concerns.

### ENERGY INFRASTRUCTURES

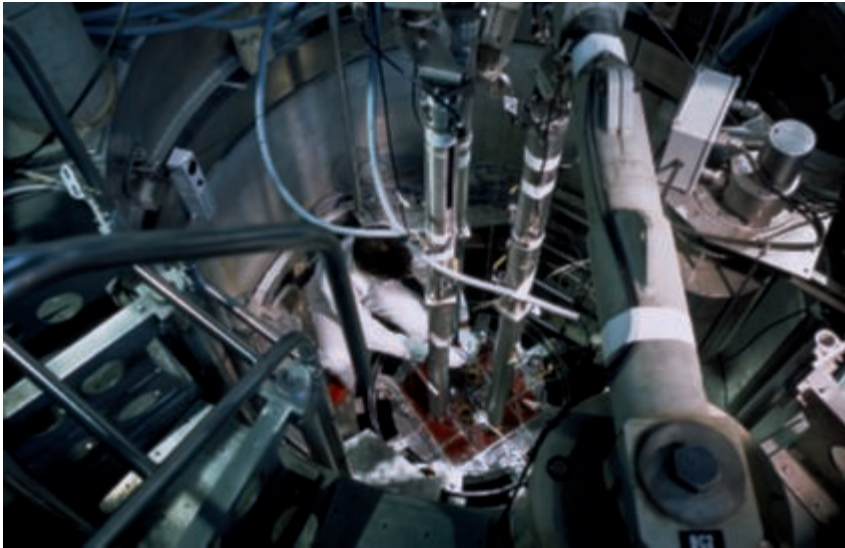
Cegelec is involved in all energy industries, which means that the Group is well placed to benefit from predicted growth in a sector which has been invigorated by the return to conventional in Germany, the closure of old power stations in Eastern Europe, the switch to nuclear power, particularly in the United Kingdom, Algeria, Morocco and Libya, and by the implementation of the Kyoto agreements, renewed in Bali in 2007.

### RENEWABLE ENERGIES

The market for wind power, in which Cegelec enjoyed sustained activity in 2007, is undergoing major changes because of the interest it is receiving from large electricity producers and traditional builders. Ce-

gelec has been able to develop the partnerships necessary to adapt to this new situation. The Group is in charge of the electrical infrastructure of a 35-turbine farm in Bulgaria led by Mitsubishi. In France, Cegelec was entrusted with the turnkey delivery of two wind farms in the Vendée region. In 2007, the company also offered its services to develop wind power plants, but also photovoltaic units generating several MW, a sector with strong growth potential in France, particularly in the country's overseas territories. A half dozen projects are currently under development in each of these fields.

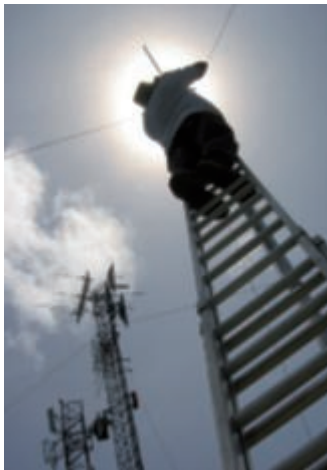
In hydroelectricity, Cegelec signed several contracts, among them for the renovation of a Cameroonian



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## INTO THE REACTOR CORE

Cegelec, authorised to perform work on reactor cores, was entrusted by EDF with the command-control systems of 34 units in 9 of its power plants.



power plant in partnership with Vatech, an Austrian turbine manufacturer, the Ampel Gading 2x5 MW hydroelectric plant for the Indonesian electricity group PLN and, in Mexico, the 5 MW Santa Gertrudis power plant for Proenemex, a project finalised after completion of the hydroelectric mini-power plant in Botello, delivered this year to CFE.

## CONVENTIONAL AND NUCLEAR ENERGIES

Cegelec responded to calls for tenders for turnkey construction of open-cycle power plants in Ivory Coast and Algeria. Many other projects are under consideration, particularly in Eastern Europe — Poland, Slovakia, Czech Republic, Bulgaria — for two and three 25 MW turbine plants. In France, Cegelec received its first order from Siemens: lighting and communication systems infrastructures for the first combined-cycle plant in northern France, being constructed by Poweo. In Germany, RWE commissioned Cegelec to modernise the traction systems, automated systems and electricity of an excavator at their open-pit mine in Inden.

The year also saw the first business wins in dismantling and waste management, two segments that are set to boom in the next few years. The contracts were awarded by the ICEDA interim storage facility for activated waste and by France's National Radioactive Waste Management Agency ANDRA. Cegelec also won a contract to install electrical systems and equipment for Eurodif's first ultracentrifuge enrichment facility, Georges Besse 2, at Pierrelatte.

## STREET LIGHTING, ELECTRICAL GRIDS AND TELECOM

Although the rural electrification project in Morocco is coming to a close, Cegelec provided electricity to rural areas at a rate of four villages per day throughout 2007. Cegelec also built a very high voltage (225 kV) line between Argana and Glalcha and will continue to develop grids for Morocco Connect/Wana and Méditecom.

In Algeria, Sonelgaz placed an order for a very high voltage line. In the Democratic Republic of Congo, Cegelec took part in the renovation and construction of high-tension lines, which were financed by the World Bank.

In public lighting, Cegelec's French teams maintained, operated, and constructed a combined total of over 600,000 lights. The new street lighting in Castelnaule-Lez, near Montpellier, the result of a public-private partnership, demonstrates the Group's ability to make market inroads in this area of operations.

## TRANSPORT: TUNNELS, ROADS AND AIRPORTS

Tunnels are an important activity sector for Cegelec, thanks to high demand for our expertise in the renovation of safety facilities. In Benelux, an order was taken for the technical installations of Vliettunnel, a tram tunnel near The Hague. In Austria, Cegelec was responsible for the electrical installations and safety equipment of the urban tunnel in Bregenz and, in Germany, of Tegel tunnel in Berlin. In France, the Group was commissioned to perform work on the Turbie-Coupière tunnel which for the Escota account. On the island of Réunion, Cegelec installed traffic control equipment for the road to Tamarins.

In the airport infrastructures sector, Cegelec was awarded a contract for work on the Airport in Algiers. Cegelec Germany won a contract for booking counter and baggage handling automation at the Frankfurt airport. In France, the new Baggage Sorting System East (TBE – tri à bagages Est) at Charles-de-Gaulle airport in Paris was completed; Cegelec also carries out the maintenance of this system. The Group will concentrate its marketing efforts in the Middle East and the Maghreb, regions with strong infrastructure development needs.

## TRANSPORT: METRO, TRAM AND RAIL

The Cegelec methodology with regards to conducting studies and work on lines in operation, its working knowledge of the inherent restrictions of this sector, and its experience with the conversion of traction energy systems have enabled the Group to develop close relationships with local authorities, for both the expansion and renovation of their metro and tram infrastructures.

Marseilles and Toulouse are the latest two French cities (out of 17 total) to have chosen Cegelec for their tram infrastructures: in Marseilles, for the equipment necessary to energise traction systems and for four new stations on line 1 of the metro system, and in Toulouse for the overhead contact system and station lighting of





### ON A ROLL IN MARSEILLES!

Marseilles is the 17th French city to entrust Cegelec with the construction and modernisation of its tram and metro infrastructures.

its second tram line. In Lyon, Cegelec is a member of the Rhone Express consortium, chosen to construct and operate the Leslys express tram linking the Part-Dieu train station to Lyon Saint-Exupéry airport. Traction equipment modernisation operations have been growing steadily - at the end of 2007 the Group's Czech subsidiary had equipped more than 1,000 vehicles in 17 countries and 50 European cities, with major market breakthroughs in Western Europe, particularly in Germany, France, The Netherlands and Sweden.

In the rail sector, Cegelec consolidated its position in Morocco as the leader for new overhead line and substation contracts in the Msaada area of the Gharb region, which stretches to the new port of Tangiers. A contract for the engineering and supply of catenaries was signed for the expansion of a high-speed line in South Korea. In France, the contract for the electrification of the Bourg-Bellegarde line was signed in December. The list of completed projects includes the section of the Eastern High Speed Line entrusted to Cegelec.

### WATER AND WASTE INCINERATION

At the core of sustainable development policies designed by local authorities and industrialists alike, water and sanitation infrastructures require competences which are central to Cegelec operations. It is for this reason that a large Paris region water utility (Syndicat des Eaux d'Île-de-France) entrusted the Group with the renovation of the central unit of its Choisy-le-Roi plant, which includes changing four pump assemblies without disturbing plant operations. Winning this contract opens up Cegelec to new prospects in the field of water treatment. Work began on other recently awarded contracts in Morocco, at sewage pumping stations in Errahma and Ain Diab for Lydec, and in Algeria, with an order for electrical work and automation at pumping and treatment stations of the Algiers public water utility (Société des Eaux et d'Assainissement d'Alger). In the sanitation sector, Cegelec Netherlands signed an agree-

ment with AVR for the third line of a large domestic waste incineration complex. In all, the subsidiary will have handled the complete renovation of three incineration lines, a process which includes engineering, disassembling, electricity installation and commissioning, instrumentation and automation, carried out in consortium with a mechanical engineering partner. In Lille (France), Cegelec took part in the construction of the largest European facility for the methanisation of domestic waste, with an annual output of more than 100,000 tonnes, which will fuel about a hundred regional buses. In Germany, all Cegelec business units played a role in securing a contract for the Heringen incineration plant.

### DEFENCE INFRASTRUCTURES

Cegelec signed with the Air Force for the fourth and last conditional phase of a contract for modular shelters (AMPC – abris modulaires postes de commandement), for the supply in total of 700 deployable command shelters. The Group is also taking part in the production of CLA 2000 telecommunication shelters, working together with Communications & Systèmes and also on Ramsès and C3M shelters with Thalès. In all of these projects, Cegelec is responsible for integrating various equipment and constructing Faraday shields.

At the Cherbourg shipyards, Cegelec continued work on the electrical installations of the Terrible, the fourth new-generation sub-surface ballistic missile submarine (SNLE NG) in the French fleet. This agreement, signed with DCNS, involves Cegelec's traditional skills in wiring, access control, task scheduling and materials specific to submarines.

At the European Space Centre in Kourou, Cegelec has been taken on to install fluid and fire suppression systems in its fluids plant rooms for the entire Soyuz rocket launch complex, currently under construction. Present on the Kourou site for nearly 40 years, Cegelec can rely upon solid experience gained from similar ground infrastructure projects carried out during construction of the ARIANE and Vegapour launch pads.



### WATER AND WASTE INCINERATION

Cegelec is present in a wide variety of environmental projects: renovation of the central unit of a Paris region water treatment plant, complete restoration of incineration lines at the Rijnmond complex in the Netherlands...



# 04

CEGELEC /  
2007  
GROUP ACTIVITY  
REPORT

## industry

Overall a growth market

In 2007, the industrial market showed overall growth, stabilising in areas where it had been receding for several years, despite the significant reduction in activity of the Western European automotive industry.

### OIL & GAS

In a market driven by high barrel prices, Cegelec equipped itself with the means to control costs. The Group strategy is to choose projects wisely, by selecting those which require our core competences, in countries where the Group is already established. Operations are divided into three groups: Services, Major Projects (EPC) and Products.

In Services, Cegelec greatly expanded the training centre which it created with Chevron in Ogere, Nigeria. An initial training course was completed in 2007, with 95 graduates and 120 technicians finishing the programme. A second one-year course started in April of the same year.

Several maintenance contracts were renewed: a three-year contract with Bapco in Bahrain and a four-year one with BP on its West Java platforms in Indonesia. Commissioning operations continued around the world, particularly on the Dahlia and Akpo FPSO vessels as well as on the Sissi Nubi and Tunu X platforms in Indonesia.

With regards to EPC projects, in 2007 the Group finished work on the control system and instrumentation project at the LNG treatment plant in Abu Dhabi. Signed in April 2005, this long and complex project, worth more than 50 million euros, was completed on time and without technical problems or accidents.

The success of this Abics contract testifies to the expertise in major projects that Cegelec will implement in Algeria as part of the contract for revam-





## LIGHTING AND ANALYSERS

After producing all of the lighting at the Castellon power plant (Spain), Cegelec installed a series of analysers.



ping and extension of the electrical supply network at the Arzew refinery, signed at the end of December with Naftec, a subsidiary of Sonatrach. It is the third major contract that Cegelec has won in Algeria. The project involves low and medium voltage distribution system as well as the electrical supply network digital command-control system. Three new substations will be built and seven others renovated. All include air-conditioning, pressurisation and fire-detection systems.

The Group also established itself as a key player in major oil and gas projects. In Qatar, Cegelec is in charge of electrical, instrumentation and telecommunications work for the Pearl Shell GTL C3 project, as well as for the Qatofin project for Qapco as a subcontractor of Snam Progetti. The Group is also responsible for the engineering and installation of fifteen condensate tanks and two LPG larger tanks in Asia. In Indonesia, Total awarded Cegelec with a contract for the electricity and instrumentation installations of its North and South Tunu XI platforms. Cegelec has considerably expanded its customer base in Indonesia, signing with Petrochina, First Oil and Santos, which join traditional major customers of the subsidiary such as Total, BP, Exxon, Conoco Philips and Nisconi. In Bahrain, Bapco commissioned the Group to produce the low- and high-voltage electrical currents for its new desulphurisation units. In Brazil, the Group installed two substations (69 Kv GIS and Cafor) for the Repar de Petrobras refinery, while in France, it is leading a project for Esso Refining in Le Havre.

Lastly, Cegelec won several orders for analysers, notably with Technip in Qatar (for the Ras Laffan site), the Société Ivoirienne de Raffinage in Ivory Coast, and Dupont in Asturias.



## SANOVI AVENTIS SITES

Cegelec performed multiple services at the various Sanofi-Aventis sites in France.

## CHEMISTRY AND PHARMACY

GlaxoSmithKline (GSK) Biologicals became a major customer of the Group, placing a number of orders for office and clean production room air-conditioning systems, electrical installations and clean piping, particularly in Belgium. In France, several agreements were signed for work at Sanofi Aventis sites and in Germany, the OMV Company entrusted the Group with an instrumentation contract for its Burghausen site. In synergy with Cegelec Spain, which handled the installations, Cegelec Netherlands was responsible for engineering, supervision, electricity commissioning, and instrumentation for the new Dow plant in Tarragone.

## METALLURGY

A large-scale contract was won in Qatar, with the Qatalum Green Anode aluminium refinery, as a subcontractor of the French group Solios. At the CSA steelworks site in Brazil, where Cegelec carries out orders for Thyssen, the Group was hired by other stakeholders to produce a substation for Air Liquide and electricity and instrumentation for Outotec.



# 05

CEGELEC /  
2007  
GROUP ACTIVITY  
REPORT

## service sector

Increased flexibility

The service sector is highly technical and calls for multidisciplinary skills, a strong selling point for Cegelec which the Group continually strives to improve, particularly through its external growth policy.

### DEVELOPING A MULTI-PRONGED APPROACH

After ABB Systems Building in 2003, in 2007 Cegelec Belgium acquired Flexelec, a service sector electrical installation company which is particularly active in providing services to hospitals. The acquisition enables the Group to strengthen its potential for making integrated offers in HVAC and electricity. This multi-pronged approach separates Cegelec from the competition, putting the Group in a position to be involved in major projects from the ground up. In addition, Cegelec strengthened its competences in HVAC in the Bordeaux area with the acquisition of the Tauzin company.

Lastly, in October 2007 Cegelec yielded its shareholding in Faceo, a 50/50 - owned subsidiary with Thalès.

By relinquishing its shares and the company and making other key acquisitions, Cegelec gave itself increased flexibility.

### COMMERCIAL BUILDINGS

Work on several large buildings was completed over the year in Belgium, including Ellipse Tower in Brussels and the South Brussels airport in Charleroi, while a major project, the Tour des Finances, (also in Brussels) will be completed in 2008. In France, after 5,000 Cegelec working hours, the technical facilities for two buildings in the new Euralille district were completed. In the Netherlands, the 19 storey World Trade Centre in Rotterdam entrusted Cegelec with the renovation of its air conditioning system. Yet another major





## HVAC AT ALL LATITUDES

From the Eclipse building in Brussels to the luxurious Mamounia hotel in Morocco, Cegelec takes full advantage of its multidisciplinary competences.

construction project was completed in Marseilles: electrical, access control and fire-detection installations for the CMA-CGM tower, the future site for the world's third largest transporter of sea containers.

This 34-storey glass tower reaches 147 meters into the sky and has a total area of 40,000 m<sup>2</sup>.

In Bahrain, Cegelec won the electrical distribution lot of the Bahrain City Centre, and in Morocco that of the Casa Shore real estate development. Hotel contracts have multiplied in the Maghreb, where Cegelec has established itself as a major player in air-conditioning with the support of the Cegelec Paris air-conditioning department. It signed, among others, contracts for work at prestigious hotels such as Mamounia, Al Morabbah Hotel (Lucien Barrière Group), Suite Hotel (Accor Group), the Medina Club in Marrakech, the Novotel and Ibis hotels in the Casablanca city centre, as well as the Sofitel in Agadir.

## INDUSTRIAL AND PUBLIC BUILDINGS

In the industrial buildings sector, Cegelec was awarded the contract for low- and high- current electrical work at the French national lottery (Française des Jeux) computer centre in the Var region, and at the Société Générale computer centre in Tigery, near Paris.

Cegelec is also present in the public buildings sector. The Warsaw police force in Poland entrusted the Group to carry out the electricity installations at its headquarters. In France, in addition to renovation contracts for public secondary schools and for the construction of a school in Guyana, Collège de Remire, Cegelec took on the task of modernising several public hospitals as part of the new Hôpital 2012 pro-

gramme, which included expansion of the Grenoble South Hospital, low currents at the new D'Estaing Hospital in Clermont-Ferrand, air-conditioning at the Psychiatry and Cancerology centres of the southern hospital complex in La Réunion and more. At the main public hospital in Nantes, Cegelec renovated the fire protection system, a project with a number of operational and regulatory constraints that demonstrated Cegelec's level of expertise in this sector.



## IMPROVED FIRE DETECTION

At the main Nantes hospital, Cegelec demonstrated its ability to renovate fire protection systems within the tight constraints of this kind of environment.



# 06

CEGELEC /  
2007  
GROUP ACTIVITY  
REPORT

## maintenance

A strategic activity set to grow

Maintenance is a strategic activity for Cegelec. Whether industrial, multidisciplinary in the service sector, naval or space, maintenance represents nearly 30% of the total Group sales turnover. This figure is set to grow in coming years, thanks to a competitive acquisitions strategy which was illustrated in 2007 through the purchase of Ortec Meca Marine and Elmo in France.

### PLANT MAINTENANCE

In plant maintenance, Cegelec traditionally has had a strong level of activity in the Belgian petrochemistry sector. In 2007, the Group enjoyed a 25% increase in workflow in electricity and instrumentation, a reaction to the increased productivity of its customers. One major success story for the Group's Belgian subsidiary was the signing of the first-ever multidisciplinary maintenance contract ever awarded by Caterpillar. The contract is for preventative maintenance of positioning systems for processing parts during manufacturing at its Gosselies factory, and involves skills in mechanics, hydraulics, electricity and instrumentation.

In Spain, the launch of a technical maintenance contract for installations at the Navantia shipyard, signed the previous year, was one of the year's most important events. This maintenance sector is a growth driver for the subsidiary, which is very prominent in petrochemistry and nuclear thermal power plants. It was the same in Poland, where multi-annual technical maintenance contracts were awarded to the Group in the automotive equipment supply sector: Faurecia in Grojec, and Delphi in the Gliwice and region and in Katowice.

In Brazil, Cegelec continues to manage more than 70 multidisciplinary long-term maintenance contracts in all industrial sectors. In 2007, it won several significant



contracts with mining companies at sites in Carajas and Vitoria for Vale, as well as in Vazante, Paracatu and Juiz de Fora for Votorantim Metais.

In France, the year will be remembered for the signing of an industrial maintenance contract with the SKF factory in Avallon, where large ball bearings are manufactured, mainly used in windmills, and of a three-year multidisciplinary maintenance contract (fluids and electricity) at the French Atomic Energy Commission (*Commissariat à l'énergie atomique*) in Grenoble. In addition, Cegelec won a non-destructive testing contract with EDF for the RIS RIB (Security injection nozzle – Boron tank injection nozzle) repair of its nuclear plant tanks. It should also be noted that the successful integration of the French Solystic maintenance team, which began in 2006, has strengthened the Group's competences in the transit sector, enabling it to win new maintenance contracts at the sorting facilities of the French postal service.

### MULTIDISCIPLINARY SERVICE SECTOR MAINTENANCE

The development of service sector maintenance operations within the Group resulted in the acquisition of Elmo, an electrical installation company established in Paris area, which specialises in multidisciplinary maintenance and, in Spain, with the placement of a request for authorisation to reply to calls for tender for maintenance of public buildings in Madrid.

Among the successes of 2007, it is important not to forget La Villette tower, a soaring building in Paris with a total area of 42,000 m<sup>2</sup>. YXIME, the building owner, entrusted Cegelec with the maintenance of all the technical installations: environmental engineering, plumbing, fire protection, low and high tension elec-

### RECORD SPEED

Two and a half months were all that were required for Cegelec to put the *Vendémiaire* frigate back into operational condition at the port of Singapore.



### SMOOTH TRANSIT AT THE POST OFFICE

Following the successful integration of Solystic, new maintenance contracts at the sorting facilities of the French postal service are filling the order books.

trical currents, generator sets, automation, etc. Cegelec is committed to being on-call 24 hours a day 365 days a year. Another success was the multidisciplinary maintenance of the 15,000 m<sup>2</sup> Eurocontrol site in Brétigny-sur-Orge, near Paris, which included automatic elevators and doors, fire protection, inverters, generator sets, iced water and heating production, a purification station, a sanitation network and pumping stations etc.

In the Euro-Mediterranean basin, Cegelec is becoming an industry leader for maintenance through its work on the Europrogramme building and offices at the docks, as well as the maintenance of all buildings of the PACA Regional Council, 45,000 m<sup>2</sup> of offices.

### NAVAL, CIVIL AND MILITARY MAINTENANCE

Cegelec is already a major player in the field of maintaining naval vessels in operational condition. As a partner with the French Fleet Support Divisions (DSSF – *Direction des Services de soutien de la flotte*), in 2007 Cegelec carried out three major MOC operations: the scheduled servicing of the *Railleuse*, a 400-tonne patrol craft, signed as a subcontractor of DCNS; the scheduled servicing of the surveillance frigate *Vendémiaire*, maintained in a record time of two and a half months in a foreign port (Singapore), and finally the scheduled servicing of the patrol craft *L'Audacieuse*, signed directly with DSSF, which will begin in December in Fort-de-France.



## DAY AND NIGHT MAINTENANCE

Votorantim Metais is one of dozens of major Brazilian companies that trust Cegelec with their maintaining needs.



Cegelec intends to consolidate its position as a major player in MOC by participating in CAP 2008, a listing of outsourced French Navy support services that can be consulted by the private sector.

To gain an even firmer foothold in this sector, Cegelec acquired Ortec Meca Marine during the summer of 2007, and consequently became a leader for naval repair in the Toulon basin in southern France. This acquisition enables Cegelec to offer total services to the naval sector in the fields of mechanics, sheet metal works, boilermaking and piping for surface ships and submarines, and brings the Group new areas of expertise, in particular thermal engine maintenance, handling and hoisting. This asset also opens up the possibility of breaking into the high-end luxury market — yachts 40 metres or longer — which is consistently growing.

## SPACE MAINTENANCE

With nearly 150 people present at the Kourou space centre, in French Guyana, Cegelec operates and maintains the fluid and mechanical systems of the entire Ariane 5 launch pad for the Arianespace account. Cegelec has also been commissioned by Arianespace and the CNES (*Centre National d'Etudes spatiales* – French national space agency), to operate and maintain its payload preparation complex (satellite), and maintain individual protection equipment at the Guyana Space Centre R&D department. 2007 was a good year for European space operations, with six successful launches at Ariane 5. This high level of activity was a born for Cegelec.

## A WINNING TRIO: MAINTENANCE, LARGE-SCALE PROJECTS AND FLOW BUSINESS

Multi-year maintenance contracts ensure that Cegelec maintains a consistent level of sales. But this is also true for the very many small, recurring contracts (flow business), which often consist of one-off assignments that only take a few hours or days, and for which the average amount billed in France, for example, is 3,900 euros. Flow business represents 40% of Group revenue.

Cegelec has the major advantage of not only possessing the organisation and competences needed to tackle large-scale projects, but also having teams on the ground who are able to identify and understand the customer needs as they arise and react responsively in a competitive manner.

The growth potential of flow business activity should not be underestimated – it is at almost 10% annually in several Group business units – which justifies setting up a very flexible organization and ensuring that those in management possess a high level of technical versatility. Software tools for managing technician mobility for the fulfilment of these small contracts were developed and tested by Cegelec in Belgium in 2007.

The fact that our offer is three-fold – projects, flow business and maintenance – is one of the Group's strengths. For a number of Cegelec customers, such as those in the oil sector, possessing specialised units in the same company, which are dedicated but maintain open lines of communication between them, is clearly a competitive advantage.

