

2008 2009

way ahead in  
sustainable  
technology

**COFELY**  
GDF SUEZ

2008 2009

# Profile

Cofely makes technology work for its customers so they can focus fully on realising their own core objectives. We achieve this aim by providing **innovative concepts** and **integrated and sustainable solutions**. We link our efficient and effective applications of technologies to our professional expertise relating to the financial, process and management aspects of the activities we conduct for our customers. This approach applies to the full spectrum of our activities ranging from new construction, maintenance and management to facility management and on- and off-shore constructions and services.



## Mission Statement

To contribute to a better world through sustainable technology.

Cofely has extensive knowledge, experience and passion for technology.

This enables us to deliver sustainable customer solutions in the areas of

Energy Efficiency, Asset Efficiency and Human Comfort. By getting the most out of resources, Cofely ensures comfortable and energy-efficient working and living conditions and optimisation of technical installations and production processes.

# 2008 2009

## GDF SUEZ Energy Services

Cofely is part of GDF SUEZ Energy Services, the European leader in multitechnical services. GDF SUEZ Energy Services offers its customers in industry, services, and infrastructures made-to-measure solutions, whether in the fields of engineering, installations or energy services.

GDF SUEZ Energy Services employs 80,000 people and achieved revenues of € 14 billion in 2008.

## GDF SUEZ

GDF SUEZ Energy Services is one of the six branches of the French company GDF SUEZ. With 200,000 employees and revenue of 83.1 billion euros, GDF SUEZ is one of the leading energy providers in the world.

GDF SUEZ's core objective is to transform energy into a source of progress and sustainable development. The related aim is to ensure that energy is made available to all people and utilised more efficiently and with respect for people and the environment.

GDF SUEZ has activities in electricity and natural gas (upstream and downstream) and across the entire energy chain. The company develops activities in the field of energy, energy services and the environment according to a growth model that is based on sustainable development. GDF SUEZ utilises this approach to address sustainable energy needs, combat climate change and optimally utilise the available resources.

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# Key figures<sup>(1)</sup>

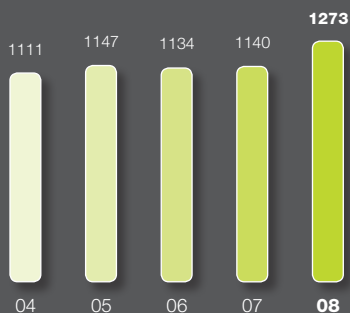
In thousands of euros

	2008		2007		2006		2005		2004		
<b>Income statement (in thousands of euros)</b>											
		<b>In % of revenue</b>									
Revenue	1,273,119		1,140,462		1,134,059		1,147,333		1,110,968		
Operating result <sup>(1)</sup>	41,600	3.3%	26,007	2.3%	16,710	1.5%	-1,628	-0.1%	5,903	0.5%	
Result from ordinary activities <sup>(1)</sup>	42,899	3.4%	28,490	2.5%	17,929	1.6%	-2,954	-0.3%	6,309	0.6%	
Net profit/(loss) <sup>(1)</sup>	29,691	2.3%	20,120	1.8%	18,295	1.6%	-1,703	-0.1%	8,027	0.7%	
<b>Net profit/(loss) as % of shareholders' equity (average)</b>	<b>24.2%</b>		17.5%		17.7%		-1.9%		9.1%		
<b>Balance sheet (in thousands of euros)</b>											
		<b>In % of total assets</b>									
Shareholders' equity	127,425	29.3%	117,734	28.0%	112,614	27.4%	94,319	22.0%	85,815	22.0%	
Total assets	435,121		420,671		410,504		428,472		390,143		
Current assets/current liabilities	1,20		1,27		1,43		1,40		1,29		
Capital employed <sup>(2)</sup>	145,524		142,697		163,817		170,251		149,282		
<b>Net profit/(loss) in % of capital employed</b>	<b>20.4%</b>		14.1%		11.0%		-1.1%		5.1%		
Capital expenditure	32,584		27,156		11,830		6,720		10,319		
Depreciation and amortisation	9,366		8,885		10,631		12,602		13,339		
<b>Employees (in numbers)</b>											
Employees at year-end	7,207		7,309		7,445		8,030		9,156		
Employees, average	7,064		7,365		7,837		8,630		9,495		
<b>Revenue per employee (average in euros)</b>	<b>180,226</b>		154,849		144,706		132,947		117,006		
<b>Net profit/(loss) per employee (average in euros)</b>	<b>4,203</b>		2,860		2,334		-197		845		

<sup>(1)</sup> Excluding exceptional items (2005: restructuring costs, provision for sale of FIB and NMa (Dutch Competition Authority) and 2004: NMa)

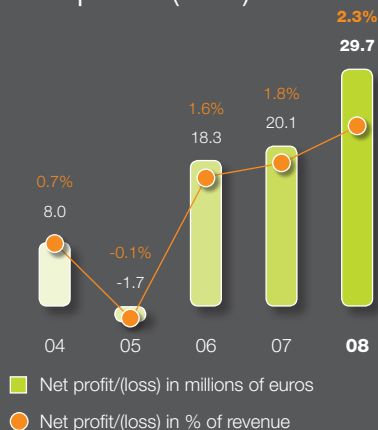
<sup>(2)</sup> Capital employed = non-current assets + working capital + liquid assets

## Revenue



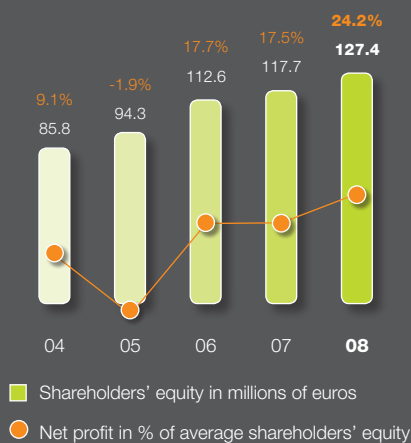
Revenue in millions of euros

## Net profit/(loss)



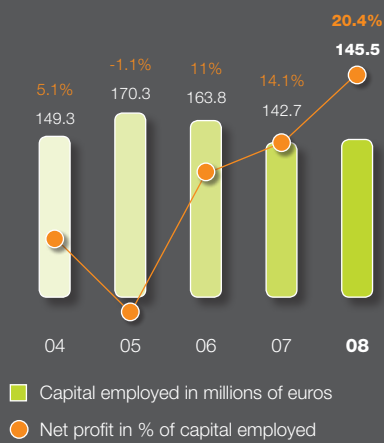
■ Net profit/(loss) in millions of euros  
● Net profit/(loss) in % of revenue

## Return on shareholders' equity



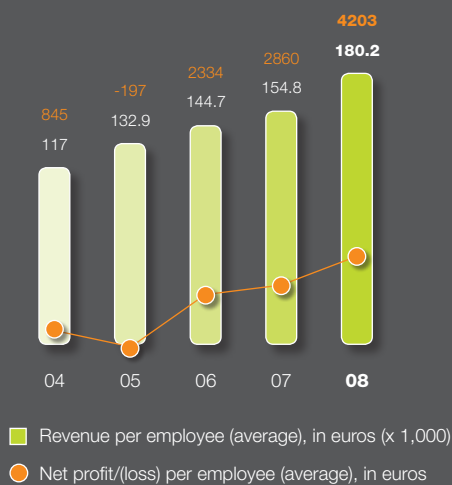
■ Shareholders' equity in millions of euros  
● Net profit in % of average shareholders' equity

## Return on capital employed



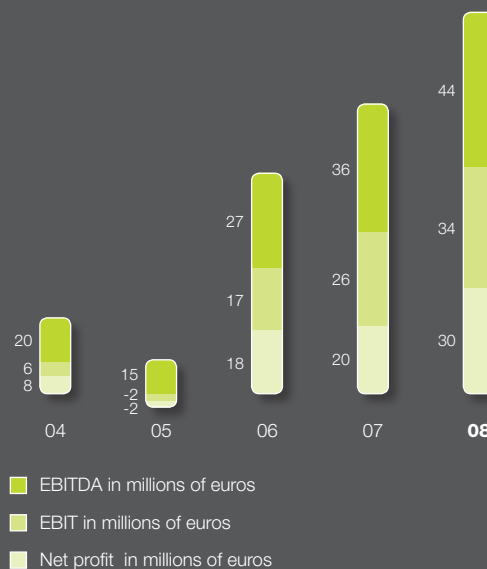
■ Capital employed in millions of euros  
● Net profit in % of capital employed

## Revenue and net profit/(loss) per employee



■ Revenue per employee (average), in euros (x 1,000)  
● Net profit/(loss) per employee (average), in euros

## Operating and net profit/(loss)



■ EBITDA in millions of euros  
■ EBIT in millions of euros  
■ Net profit in millions of euros

Net profit/(loss) excludes extraordinary items in 2001, exceptional items in 2003, profit on sale of participating interests in 2002 and 2004, and restructuring costs in 2005.

## Project

# Life Sciences Centre, Groningen

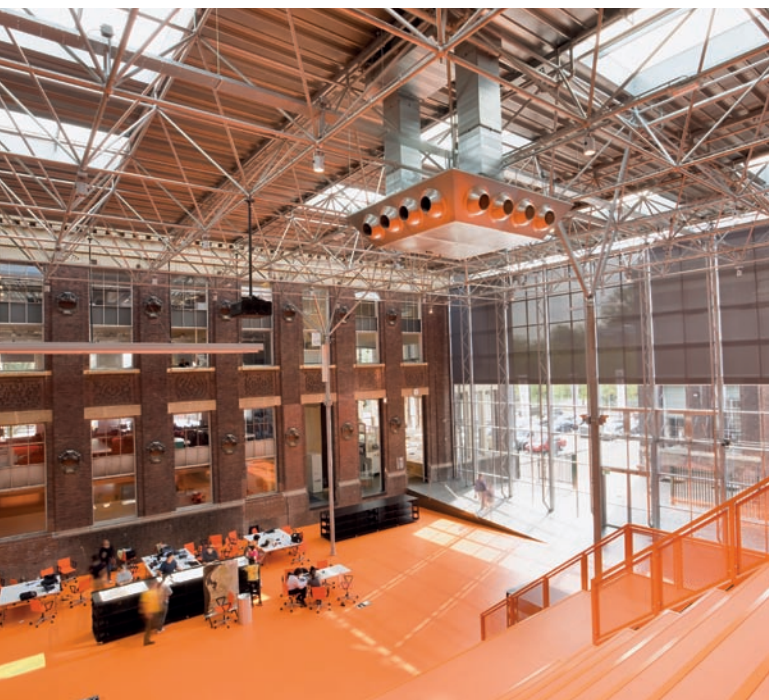
The University of Groningen's new Life Sciences Centre which will accommodate approximately a thousand life sciences students and faculty members is truly exceptional both in terms of its construction and its systems. The building will be 40 percent more energy efficient thanks to the use of smart technologies such as a heat exchanger and concrete core activation.

ABT project manager Maarten Huisman, who is managing this construction project, explains that the university was particularly attracted to this progressive approach. The three-dimensional design means that any engineering problems are discovered and solved at an early stage. A substantial part of the complex system of pipes leading to teaching rooms, offices and laboratories has been integrated into four kilometres of prefab modules. 'It's a real luxury,' says Huisman. 'All we have to do on the building site is connect the modules and install them. It's a military operation. And the overall look is perfectly streamlined and polished. The failure costs are extremely low at less than one percent. Selecting Cofely for this enormous challenge was an excellent decision.'



## Project

# Delft University of Technology



When an entire Faculty of Architecture burns to the ground, you clearly have a formidable problem on your hands. A week after the dramatic catastrophe on 13 May 2008, Delft University of Technology met with Cofely. The university asked Cofely to ensure that the former main building would be ready to accommodate the arrival of 600 new students by 1 September 2008. And to make sure that the remainder of the student body would be able to use the building in November of the same year.

Even though this had to be carried out during the main construction industry holiday, Cofely succeeded in fulfilling the university's request. Air conditioning, central heating and, of course, sprinkler systems were installed throughout the 30,000 square metre building.

Johan Hogervorst, the responsible project manager at Delft University of Technology: 'It is a clear reflection of the advantage of a long-term relationship. Cofely is familiar with the building and keeps all the installation work under one roof. Cofely completely lived up to our expectations. While we do not even want to imagine that this might happen a second time, we would certainly work with Cofely should the need ever arise again.'

# Report from the Board of Management

## Revenue, costs and profit

2008 was a good year for Cofely Nederland NV. The company once again succeeded in fulfilling all the prognoses in the year under review. Revenue generated by the company (which was still called GTI NV during the year under review) increased to 1,273 billion euros. This increase marks a considerable improvement compared to the 1,140 billion euros in revenue that was realised in the preceding year. Operating profit (EBIT) grew at an even stronger pace, surging by 60% in the year under review to nearly 42 million euros compared to 26 million euros in 2007.

The improved results were achieved with fewer employees on staff. This reflects the strategic choice that Cofely made for a flexible organisation several years ago. A flexible shell has consequently now been developed around the organisation that is comprised of alliances, joint ventures and self-employed persons. Peaks in capacity are absorbed by temporary staff and outsourcing work. Insourcing temporary staff and outsourcing work furthermore allows Cofely to address shortages in the labour market.

Operating expenses rose as a result of factors including relatively high inflation and a 6 percent increase in wage costs. Costs linked to implementing a new comprehensive ERP

automation system from SAP also contributed to the increase. The outsourced work item also increased.

The costs of materials furthermore rose from 400 to 466 million euros. This increase was partially organic and partially related to the higher revenue. The increase did, however, remain limited due to the improvements made to the purchasing process thanks to the internal sourcing programme.

Cofely Nederland NV's net profit surged from 20 million euros in 2007 to nearly 30 million euros in the year under review.

Investments rose from 27 million euros in 2007 to more than 32 million euros in 2008. Approximately one third of the total investments relates to the development of the SAP ERP system.

Cofely's revenue was evenly distributed across the four clusters, the market segment and specialised companies and the geographically orientated companies in the clusters North, West and South. They all profited from the growth in 2008.

The focus on project management and risk analysis was sharpened during the year under review. The structural approach to failure costs is beginning to produce results. A tender board was instituted for this purpose that is comprised of a group of experts that assesses the operational, legal and commercial risks for all projects exceeding 2.5 million euros.

# Report from the Board of Management

During the year under review, Cofely sold Leak Repairs Specam, which had its head office in Vlissingen, the Netherlands, to Team Inc. USA. The two companies had already been working together for many years. The sale involved 100 percent of the shares of Leak Repairs Specam and this company's 30 percent stake in Team Inc. Europe. Leak Repairs will have greater opportunities for growth as part of Team Inc. than it did as a specialised company in the field of leak repairs within Cofely. Leak Repairs contributed 13 million euros to revenue and a substantial amount to the profit in 2007.

Cofely Northwest acquired the Mulcon BV and Mulveco BV companies in mid-2008. These acquisitions enabled Cofely Northwest to strengthen its position in the industrial mechanical field. The new companies will contribute 6 million euros to the revenue on an annual basis. Cofely furthermore sold its 50 percent stake in machining company Schaaf- en Boorwerk BV that generated annual revenue totalling 3 million euros.

## Financial position

Cofely's strong financial position once again improved during the year under review. Liquid assets rose from 99 million euros to 115 million euros at the end of 2008, which constitutes a remarkable performance. In contrast to numerous companies that encountered difficulties with refinancing or repayment during this period, Cofely's liquidities increased by 15%. The company can attribute this favourable position to a range of aspects including the stringent policy aimed at gaining better control of the working capital. The company is now benefitting from terms and conditions that enable effective invoicing and collection.

Cofely does not have any bank debts.

In addition, Cofely has remained a solid and reliable company in terms of its balance sheet position. Shareholders' equity rose from 117.7 million euros to 127.4 million euros, representing an 8.2 percent increase in comparison to 2007. Solvency increased by more than 1.7 percentage points to 29.7 percent. It is clear that customers, suppliers and sub-contractors all attach great importance to Cofely's solidity. A healthy financial position and the accompanying certainty have proven to be an even weightier factor in business decisions during periods of tight financial conditions.

## GDF SUEZ

Following two years of preparations, Gaz de France and parent group SUEZ formalised their merger into GDF SUEZ on 5 June 2008. The shareholders approved the merger on 16 July 2008. The new group faces three challenges: meeting energy needs, optimising sources of energy and combating global warming.

While the merger of GDF and SUEZ does not have any direct consequences for Cofely, it does provide clear benefits in relation to economies of scale. The two merger partners' combined financial strength and knowledge mean the new group offers a wealth of opportunities that can be tapped into. The merger has furthermore expanded the international career opportunities.

The options for rebranding the companies that focus on energy services in Europe were investigated during the year under review. As a result of this investigation, the name GTI was changed to Cofely in the Netherlands in 2009. The name Cofely will also be implemented in a number of other European countries.

## Sustainability

Sustainability is a strategic theme for both GDF SUEZ and Cofely. It provides both the parent and the subsidiary with self-evident commercial opportunities founded on their experience and expertise in the field of energy. Cofely itself views sustainability as the binding factor connecting its three Customer Solutions: Asset Efficiency, Energy Efficiency and Human Comfort.

It is also of great ethical importance that the company itself take a responsible approach to the environment, energy and non-renewable resources. Sustainability is not a passing phenomenon. Companies with a long-term vision must focus on sustainability because this is demanded by society and future generations. The sharp rise in the price of energy and other raw materials at the beginning of the year under review clearly indicated increasing scarcity. While the economic downturn that arose in the second half of 2008 tempered these prices somewhat, Cofely is convinced that these lower prices are only temporary. It bases this belief on the fact that raw materials are becoming increasingly scarce and the importance of sustainable and renewable sources of energy is set to increase exponentially in the future.

## Strategy

The Executive Team launched a strategic plan in late 2006 called 'The High Five!'. This plan is not only an international sign of success, it also clearly points to Cofely's targeted sustainable returns of at least 5 percent. The plan encompasses five strategic core themes – two internal themes and three external themes – that Cofely is leveraging to distinguish itself from its competitors.

# Report from the Board of Management

The internal themes are 'Foundation' and 'House in Order'. The 'Foundation' forms the core basis of Cofely. Health, safety and caring for the environment are never open to discussion within the company. Cofely's employees moreover possess the required qualities and technical expertise. Recruiting, retaining and enthusing these employees is vital. A clear focus on the customer constitutes the leading principle for everyone within Cofely.

The theme 'House in Order' centres on improving internal processes. The improvement programmes are:

- Portfolio analysis: This analysis clarifies the source of Cofely's income and the longer-term outlook. This resulted in major strides forward in 2008.
- PROMIP: The Project Management Improvement Plan includes a comprehensive two-year plan of action that will structurally improve the project management for projects. While PROMIP was finalised in 2008, further improving the project management will obviously remain a key focus area.
- ImpAct: This programme forms the link between the improvements made to the processes and the implementation of the ERP system from software supplier SAP. There is extensive cohesion between PROMIP, Sourcing and the service organisation and the various organisational connections within Cofely. The roll-out of SAP is now being actively carried out and is progressing satisfactorily.
- Sourcing: The aim of this theme is to raise purchasing and related logistical processes to a higher level. The streamlining of the operation in 2008 resulted in considerable improvements to the supply of materials and the manageability of the related process.

The external themes are our Customer Solutions. These consist of three sustainable customer solutions: Asset Efficiency, Energy Efficiency and Human Comfort. This ensures customers of a safe, sustainable and comfortable working and living environment at the lowest possible costs and with the most efficient energy consumption possible.

## Outlook

The severe crisis in the financial markets in the course of 2008 also placed the real economy under considerable pressure. The company received reports from various clients and from different relevant markets that pointed to either a stagnation or decline in activities. While this will certainly affect Cofely, the company's flexible organisation provides opportunities to absorb fluctuations in the supply of work.

A relatively long start-up period is a common characteristic of many of the large-scale projects in which Cofely is involved. The effects of a stagnating economy will consequently most likely be felt in 2010 rather than in 2009.

Cofely expects to improve its position in sectors such as infrastructure development (Ministry of Waterways and Public Works), hospitals, industry (even though this sector is itself under considerable pressure), semi-government and government agencies and in the extremely diverse field of energy efficiency.

While it is risky to state a concrete prediction in light of the considerable uncertainties in the Dutch and world economy, Cofely is for the time being assuming that its revenue will be lower in 2009 at 1.2 billion euros. Cofely is convinced that the policy of aiming for more profitable revenue combined with more active selling of Cofely's leading propositions

will enable the company to maintain profit as a percentage of the market at the same level as in 2008. In this sense, 2009 will serve as a litmus test.

Numerous initiatives have been taken in past years with the objective of reducing the company's sensitivity to economic cycles and focusing its strength on selected profitable markets in which Cofely is able to provide distinctive and innovative solutions. Supported by highly qualified employees, robust management and a strong parent company, Cofely is prepared to meet the future with confidence. The previously stated long-term target of profit totalling five percent of the revenue will once again come closer within reach.

## Project

# Schiphol Tunnel, Dutch Ministry of Waterways and Public Works

Companies, such as Cofely, that were involved in the inception of the first Schiphol Tunnel on the A4 motorway in the 1960s appear to have an advantage. The Dutch Ministry of Waterways and Public Works renovated the tunnel in 2008 and Cofely, which is also responsible for conducting all the maintenance work on the tunnel, presented a highly competitive proposal and was awarded the project. In order to fulfil the latest safety requirements, the control and operating system in the tunnel and the service buildings had to be replaced. Improved escape routes, intercom systems, measuring systems and emergency power supply systems also had to be installed. What's more, all these activities had to be carried out on time and within the budget with as little inconvenience for traffic as possible. The lighting system in the tunnel was also addressed as part of the renovation. Cofely came up with ideas for using dynamic lighting to make the transition from driving into and out of the tunnel more comfortable for motorists.

The Dutch Ministry of Waterways and Public Works: 'It is ultra-modern. And even though more expensive as well, we can fully recoup these costs through lower maintenance expenses and energy consumption.' Is the Ministry satisfied? 'More than satisfied. Cofely delivered outstanding work. Modern technology, old-fashioned quality.'



## Project

# Schils, Sittard



In order to maintain a position as market leader in milk substitutes for young animals, your plant also has to be at the top of the class. Cofely installed an advanced operating system, the Cofely MES Toolbox, linked to the SAP ERP system at Schils, a division of the Van Drie Group, located in Sittard, the Netherlands. The new system guarantees total control of the production process and inventories.

Cofely was selected to carry out the project because it is extremely familiar with the company thanks to its role as Schils' main installation company. 'That makes a real difference,' says Roger Pisters, head of production and logistics at Schils. 'But the recommendations we received from other companies that we visited were decisive. They had also all had good experiences with Cofely.' Schils is now reaping the rewards. Pisters: 'You get more out of your plant. We can now produce more tonnes with the same number of employees. And we have much greater insight into the processes and any disruptions. This lowers the costs of our production and enhances the consistency of our product. It marks a huge step forward in asset efficiency.'

# Consolidated balance sheet as at 31 December

In thousands of euros before profit appropriation

	2008	2007
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	30,259	14,849
Property, plant and equipment	47,907	45,738
Financial assets	9,296	8,271
	<b>87,462</b>	68,858
<b>Current assets</b>		
Inventories	4,679	5,165
Receivables for work in progress	-	34,660
Trade and other receivables	228,313	213,093
Cash and cash equivalents	114,667	98,895
	<b>347,659</b>	351,813
	<b>435,121</b>	420,671

In thousands of euros before profit appropriation

	2008	2007
<b>Equity and liabilities</b>		
<b>Group equity</b>		
Shareholders' equity	127,425	117,734
Provisions	17,283	24,963
Non-current liabilities	816	0
Trade and other payables and accruals and deferred income	289,597	277,974
	<b>435,121</b>	<b>420,671</b>

# Consolidated income statement

In thousands of euros

	2008	2007
<b>Net revenue</b>		
Revenue	1,408,889	973,598
Movement in inventories of finished products and work in progress	-135,770	166,864
<b>Total operating income</b>	<b>1,273,119</b>	1,140,462
Installation materials and trade goods	-465,760	-400,078
Costs of subcontracted work and other external costs	-255,013	-233,341
Wages and salaries	-320,417	-300,289
Social security expenses and pension costs	-64,312	-61,408
Depreciation and amortisation	-9,366	-8,885
Other movements in value of intangible fixed assets and property, plant and equipment	-	-957
Profit on sale of assets and participating interests	12,843	6,126
Other operating expenses	-129,494	-115,623
<b>Total operating expenses</b>	<b>-1,231,519</b>	-1,114,455
<b>Operating result</b>	<b>41,600</b>	26,007
Interest income and similar revenue	5,662	4,510
Interest expense and similar cost	-4,363	-2,027
	<b>1,299</b>	2,483
<b>Profit before tax</b>	<b>42,899</b>	28,490
Income tax expense	-9,327	-8,768
Share in profit of participating interests	-3,881	398
<b>Net profit</b>	<b>29,691</b>	20,120

# Consolidated cash flow statement

In thousands of euros

	2008	2007*
Operating result	41,600	26,007
Profit on sale of assets and participating interests	-12,843	-6,126
Depreciation and amortisation	9,366	8,885
Impairment of intangible assets	0	345
Impairment of property, plant and equipment	0	612
Movement in provisions	-7,725	-26,240
Movement in working capital:		
- Movement in inventories	158	-17,106
- Movement in receivables	24,499	1,750
- Movement in Trade and other payables and accruals and deferred income	6,396	31,287
- Interest	1,299	2,483
- Tax paid or received	-9,327	-8,768
<b>Cash flow from operating activities</b>	<b>53,423</b>	<b>13,129</b>
Cash and cash equivalents in participating interests acquired or sold	-55	-
Movement in other financial assets	384	212
Acquisition of intangible assets	-15,608	-6,392
Disposal of intangible assets	351	-
Acquisition of property, plant and equipment	-16,976	-20,764
Disposal of property, plant and equipment	10,109	16,835
Acquisition of participating interests	-6,572	-
Disposal of participating interests	13,796	-127
<b>Cash flow from investing activities</b>	<b>-14,571</b>	<b>-10,236</b>
Issue of loans receivable	-5,476	-3,883
Repayment on loans receivable	2,396	205
Dividends paid	-20,000	-15,000
<b>Cash flow from financing activities</b>	<b>-23,080</b>	<b>-18,678</b>
<b>Net cash flow</b>	<b>15,772</b>	<b>-15,785</b>
Cash and cash equivalents assets/securities at 1 January	98,895	114,680
<b>Cash and cash equivalents assets/securities at 31 December</b>	<b>114,667</b>	<b>98,895</b>

\* Adjusted for comparative purposes

# Statement of comprehensive income

In thousands of euros

	2008	2007
Consolidated net profit after tax attributable to Cofely Nederland NV (formerly: GTI NV)	29,691	20,120
Total of movements directly recognised in shareholders' equity of Cofely Nederland NV (formerly: GTI NV) as part of group equity	-	-
<b>Comprehensive income of Cofely Nederland NV</b>	<b>29,691</b>	<b>20,120</b>

## Project

# Lievensberg Hospital, Bergen op Zoom

Systems are the heart, lungs and veins of every hospital.

The Lievensberg Hospital in Bergen op Zoom, determined that carrying out the maintenance themselves was no longer feasible. 'The technology had become too complex,' says support services manager Rob Moelker. Hospitals are furthermore required to adhere to extremely stringent rules and regulations. After all, people's lives depend on the hospital's systems.

Moelker selected Cofely for both the technical maintenance and the new construction projects such as the installation of an energy-efficient CHP (combined heat and power) system. The decisive factor: 'An extensive and transparent proposal and a high-quality and reliable organisation.' A designated Cofely team is now responsible for maintaining all the electrotechnical and mechanical systems. Cofely monitors its own maintenance budget and provides monthly reports. The Lievensberg Hospital now only has a few technicians on staff in order to provide 'first line care', i.e. urgent smaller repairs. Rob Moelker: 'Structured maintenance is better and we now have considerably fewer malfunctions. Cofely is a partner who understands our specific needs and requirements.'



## Project

# Chemical Plant Expansion



Energy efficiency is critically important for plants in the field of basic chemistry. As part of the expansion of a large chemical plant in the Rotterdam-Rijnmond area, the new distillation column had to run on heat from other factories at the complex. Cofely was entrusted with the task of installing the network of pipes.

The client: 'Cofely has carried out projects for us for many years and is familiar with our plants and our safety regulations.' The installation work was carried out while the existing plants were operating at full capacity. This was absolutely possible, providing that the safety regulations were strictly observed. The new construction of the plant was delivered on schedule and within budget. The client: 'This was not an easy task to say the least, which was reflected in the number of quick visits to the first aid post. The work could, however, fortunately be resumed immediately following all these minor incidents. I am extremely satisfied with the quality of the work.' After the start-up, the plant will use 10 percent less energy per tonne.



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