



Annual Report

ACTIVITY AND ACCOUNTS

Year

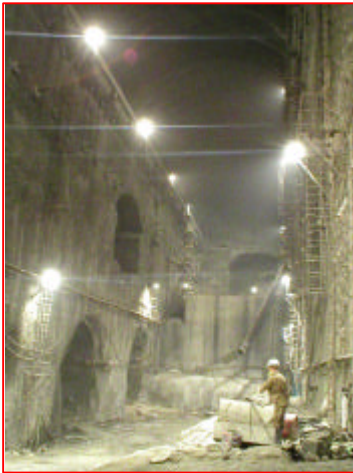
2002

PREAMBLE

Bouzina Dam Site - Algeria



Deriner Power Plant - Turkey



Chamoson Substation - Switzerland



The year 2002 began much better than 2001. The first signs of economic recovery appeared and anyone could expect the economic growth to start again. But, due to the Iraqi problem, the risks of war and the "financial affairs" of several leading companies, all occidental economies went through a major crisis that played a great part in the slowing down of a possible recovery.

In spite of such a world uncertainty, in 2002 and for five years running, STUCKY Consulting Engineers Ltd has increased its turnover by 2,4% on last year to reach CHF 14'216'163.--.The company managed to adapt to this insecure international situation from which its turnover mainly depends (60% abroad and 40% in Switzerland).

In the fields of water and hydroelectric energy, there are huge needs, more particularly in countries such as Iran, Turkey, Syria, Algeria, North Korea and Libya where STUCKY has already many activities. Most of these countries wish to develop. Therefore, they need and require a high-tech experience and technology. To that end and in order to strengthen its position on several targeted markets, STUCKY has developed branches in Tehran and Tripoli. The company also works regularly in partnership and joint-venture with local companies.

The international market has changed and now, our clients require more global services from design to operation, including development, project management, financing, construction and maintenance. These skills include construction engineering together with operation support ones. That is why, in order to offer its clients the appropriate "designer - operator" combination, STUCKY has decided on an extension of its services and an increase of its special collaboration with EOS and its partners.

STUCKY's first priority remains its clients' satisfaction and long-term loyalty. To that end, the company does not only rely on its long experience and its multidisciplinary know-how but it keeps introducing innovations and adapting to evolution of needs. Within the sustainable development policy, STUCKY always offers the best high-tech staff available and makes the quality of its services a permanent objective.

TECHNICAL ACTIVITIES

Activities in Switzerland were strengthened and more diversified, mainly for the refurbishment of hydroelectric schemes. In the field of dams, STUCKY continued to carry out the studies for the Toules arch dam renovation, near the Grand-St-Bernard, as well as all dam checkis, retroanalysis and periodic assessments that the company is in charge of. As time progresses, the analysis tools that were developed to measure and check the dam behaviour become more and more efficient.

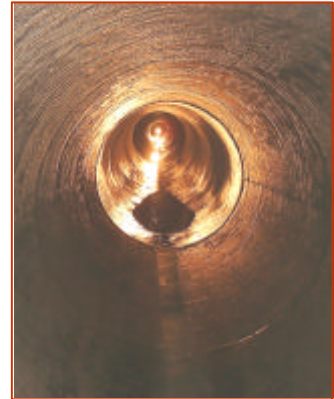
Refurbishment works or penstock replacements were carried out in collaboration with STUCKY's partner EOS. New hydraulic schemes are under studies such as the one of the Louve in Lausanne.

Whereas studies and constructions of protection works against floods are carried out in Switzerland and France, STUCKY was selected to export its know-how in this field in the city of Syrta, in Libya. Therefore, all the analysis tools and methods will be used in quite a different and interesting context.

Abroad, in the field of dams, Deriner (Turkey) and Ostour (Iran) scheme constructions are in progress. Other projects have started in Iran, such as Karun IV and Pa Alam dams as well as in Lebanon and Algeria.

Finally, it is important to mention that STUCKY is deeply involved in a long study mission on the potential of rural energy in North Korea.

Water



Reconstruction of penstocks

Energy



Kaboul Towers - Afghanistan

In agreement with the strategy of the company, the Energy department has strengthened its position in Switzerland and increased its development abroad. In 2002, the following projects were carried out or ended:

- In hydromechanics, STUCKY was in charge of the supervision of the rehabilitation of Baku (Azerbaijan) pumping stations for the distribution of drinking water, the rehabilitation of turbines of Song Loulou 8 x 20 MW hydroelectric power plant (Cameroon), plan and drawing checking, testing for the Afouer turbinning-pumping station (Morocco) and the commissioning of Tannuwald plant in Valais (Switzerland).
- In power transmission, the studies for the development of the 380 kV network in the French-speaking part of Switzerland (Romanel-Chippis and Chippis-Mörrel sections) as well as the construction of several antennas for the mobile phone network.
- In electric substations, the construction of 220 kV Serra station (Valais), the operation control of Watt substation (Renens town) and the assessment and supervision of eight 330 kV substations in Nigeria.

Various important projects have started in the field of substations and transmission line studies and constructions such as the refurbishment of 220 kV Chamoson substation, the extension of 65 kV St-Triphon substation in the French-speaking part of Switzerland and the reconstruction of a 16 kV line in Kaboul, Afghanistan, for the IRCC.

As for the safety of power facilities, a high-tech team specialized in the checking of hydraulic loadings and metallurgical strength of penstock was set up. These staff members use a new calculation software designed for the numerical modelling of hydraulic schemes. Thanks to this software, the first contracts that were achieved were for the Veytaux and Salanfe-Miéville schemes, in the cantons of Vaud and Valais. It was possible to check efficiently the high level of safety required for these works.

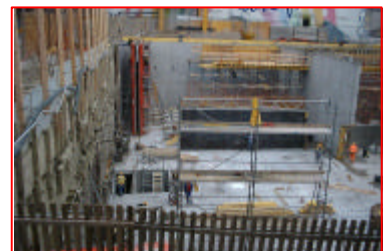
In Switzerland and abroad, STUCKY had many activities in the fields of underground works and industrial structures. All 3D complex numerical modelling studies were carried out in collaboration with our partner ComSA.

STUCKY kept working hard on its leading project Deriner hydroelectric scheme (Turkey). The excavation works of the cavern of the underground power plant continued. The machine room and the gate chamber are fully excavated. It only remains four shafts to build on a total length of 310 m. The concreting works of the underground complex will start in 2003.

In Switzerland, works are progressing as foreseen for the Lötschberg tunnel construction, which is carried out in consortium. The connection between the Ferden section and the South door was achieved at the end of 2002.

In the field of structures, the most important projects were the Chamoson substation and the water intake of the Deriner hydroelectric scheme. Within more classical structures, the construction of the Flon Cinema Multiplex, in Lausanne is under progress and major works should be completed by the end of Spring 2003.

Underground Works and Structures



Cinema Multiplex , Lausanne Switzerland

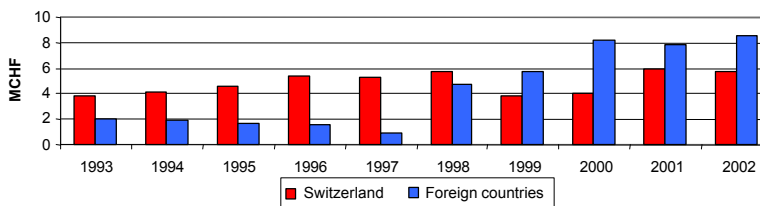
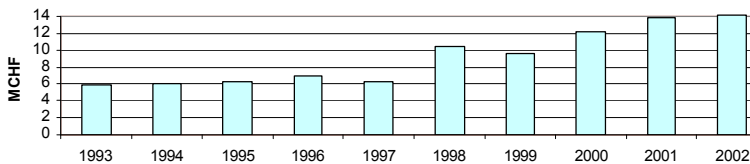


ACCOUNTS 2002

BALANCE SHEET		2002	Previous Exercise
		CHF	CHF
CURRENT ASSETS		5'652'734	6'584'939
FIXED ASSETS		1'797'597	2'753'714
ASSETS		7'450'331	9'338'653
FOREIGN FUNDS		4'819'796	6'306'452
ESTIMATED LIABILITIES FOR RISKS AND COSTS		174'175	522'525
SHAREHOLDER'S EQUITY		2'456'360	2'509'676
LIABILITIES		7'450'331	9'338'653

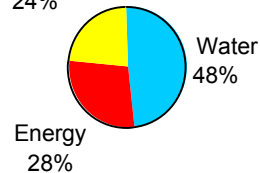
INCOME STATEMENT		2002	Previous Exercise
		CHF	CHF
Net turnover		14'216'163	13'888'661
Direct costs		(3'758'073)	(3'405'307)
OPERATING COSTS		10'458'090	10'483'354
Staff		(8'269'464)	(8'259'569)
Operating expenses		(509'184)	(601'239)
General costs		(1'076'176)	(1'117'734)
OPERATING COSTS		(9'854'824)	(9'978'542)
GROSS OPERATING RESULT		603'266	504'812
Depreciations		(146'900)	(160'700)
OPERATING RESULT		456'366	344'112

STATISTICS

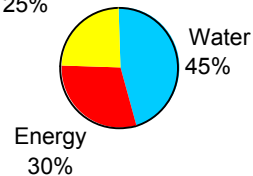


Turnover Evolution

Underground Works and Structures
24%



Underground Works and Structures
25%



PARTNERSHIPS



42% Within its main activities in the field of hydraulic schemes (65% of its turnover) and in spite of the working time reduction to 35 hours, STUCKY-France has increased its turnover by 5% on last year to reach 1,15 M€! Though 90% of its projects are carried out in France and in the French overseas departments and territories, the company has developed its markets in Libya and Venezuela in close collaboration with STUCKY-Switzerland. Considering the number of contracts awarded, the order book will offer work for three years, which has implied a substantial staff increase.



33% Thanks to the development of a special software called Dunamic to replace the "Wolf package", the year 2002 was remarkable. The company also worked in close collaboration with STUCKY and the hydraulic construction laboratory of the EPFL (Swiss Federal Institute of Technology, Lausanne). Taking into account the quite full order book, a new engineer has been hired. The year 2003 looks promising.



23% Founded on September 1st 2002 in partnership with De Cerenville Geotechnics Ltd and STUCKY, ComSA becomes a leading company in the field of numerical modelling. Within only four months, the number of contracts awarded was expanding in a very successful way. During the year 2003, the company will carry out its development in Switzerland as well as abroad and is confident in its future.

STUCKY has created with its three partners a very special relation that allows the company to expand and extend its high-tech activities in the fields of water and numerical modelling whereas offering them the support of an international well-known and experienced company.

OUTLOOK 2003

In 2002, while STUCKY consolidated its position on the world market, mainly in Europe, the Middle East and in Africa, the company defined and set up a new policy for foreign prospection, according to three major orientations:

- focusing on targeted countries by increasing activities and strengthening local contacts
- offering more high-tech and value-added products, such as company consulting, risk analysis or hydroelectric scheme rehabilitation
- suggesting more global services, including financing programs, project management and all institutional matters in relation with water needs

In 2003, STUCKY has also scheduled to increase its activities in Libya by developing a branch in Tripoli, in Algeria within a rapprochement with Bonnard & Gardel Ltd and, in Iran by extending its branch in Tehran.

In Switzerland, STUCKY will continue its successful technical collaboration with EOS and its partners. The company will also participate in new projects in the fields of water, environment and underground works always within the respect of the sustainable development policy. Finally, STUCKY will maintain its position of specialist in numerical modelling and continue to develop high-tech computer software in collaboration with its partners HydroCosmos and ComSA.

Thanks to its multidisciplinary and targeted services including new products, STUCKY is confident in the year 2003. Consulting engineering has expanded to a more global concept that integrates all clients' expectations. Nevertheless, STUCKY remains a service company, which benefits from a large experience and know-how in the fields of water, energy, underground works and structures. It has also succeeded in developing in order to be on the same wavelength as the market needs.

Therefore, the year 2003 is set up under the keynote of innovation (research of actions), outstanding results and partnership agreements in order to increase the value of the Swiss know-how and promote foreign country's local work resources through the transfer of technology.



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