



## ACTIVITY AND ACCOUNTS

### LETTER OF THE CHAIRMAN AND OF THE CHIEF EXECUTIVE OFFICER

The year 2005 has been marked in Switzerland by an economic relaunch even if it was of limited extent. However this improvement had little influence on the turnover of STUCKY, as our activities are mainly depending on foreign markets, which obey their own rules. It is thus in a rather difficult context that our activities have taken place.

Our efforts were maintained in the acquisition of mandates with high added value allowing our engineers to fully provide their know how. We have to recognize that so-called "emerging" countries already have a substantial technical capacity and that they are looking for professional advice of high value to implement their investment in the field of water, either in the energy or in the supply sector.

On the other hand, other institutional clients wish to have a transfer of technical know how for their own staff, a form of collaboration for which STUCKY has a long and comprehensive experience.

In Algeria the company in charge of managing the state participations, ERGTHY, has invited us, in the framework of a privatisation program set up

by the state president, to take a majority share of 55% in an engineering consulting firm with a staff of 80 called ENHYD. Algeria is among the countries where the rapid growth of the population and of the urban settlements requires large efforts in the improvement of the infrastructure. From now on STUCKY-ENHYD stands out as the new Algerian competence centre in hydraulic engineering with a clear strategy oriented towards sustainable development that can be defined as the process of providing access to water for everybody while preserving the environment for the future generations and contributing to economical and social development on the long term. Our order book in the fields of water storage, water transfer and treatment and of energy, especially of transmission lines, is practically full for Algeria as of the end of 2005. This comforts us in our approach as well as in the overall strategy of our company.

In Iran and Libya our activities supported by local branches have been pursued satisfactorily. They have been marked by the start of the detail design of the Bakhtyari Dam, to become the highest arch dam in the world at over 300 m in height at the crown.

In Switzerland various studies and realizations in the field of flood protection, heightening and rehabilitation of dams, as well as underground structures have been carried out. The reconstruction project for the underground penstock of the Cleuson-Dixence scheme has been pursued in joint venture with partners. The start of the construction works is now scheduled for winter 2006.

The accounts for 2005 close with an operating result of 237'000 CHF, i.e. slightly over budget, but still unsatisfactory in regards to the company's own turnover of 10'096'000 CHF. The internal process started in autumn 2005 intending to reinforce the contractual management should bear results in 2006 and allow to present improved figures.

STUCKY still counts on collaborators of high technical level and especially devoted to their work. They are increasingly involved in an international context that is certainly motivating, from the very nature of the projects, but often difficult regarding the level of the working conditions. They deserve our warmest thanks for their commitment.

The Chairman of the Board of Directors:

Miguel Stucky



The Chief Executive Officer:

Marc Balissat

# TECHNICAL ACTIVITIES

## WATER AND INFRASTRUCTURE



*Drinking water transfer of Taksebt, Algeria*



*Rehabilitation works at the Hauterive HPP, Switzerland*

In Switzerland STUCKY was able to reinforce and diversify its activities in 2005. In the field of dams and hydroelectric schemes our company has been entrusted with the studies and the site supervision for the rehabilitation of the Hauterive Powerhouse and with the detailed inspection of the Lavey Scheme comprising headrace tunnel and powerplant. The heightening project of the dams forming the Grimsel reservoir required the application of specific models of numerical analysis. Design and preliminary works for the reconstruction of the underground penstock of Cleuson-Dixence were carried out together with other specialists and allow to envisage a commissioning of the repaired scheme in the near future.

The studies related to several hydroelectric schemes in Switzerland, such as the second power stage on the Aubonne River, the Au d'Arbignon Scheme or the Pissevache Scheme contributed also to enriching our know-how and allowing for a well-optimised design of the schemes.

Dam annual reporting, assessment and back-analysis tasks entrusted to STUCKY or directly to some of its engineers have been pursued. Several studies have been also carried out to identify inundated areas in case of the rupture of major hydraulic structures.

In the field of flood protection STUCKY has been designated as the leader to prepare the master plan of the third Rhône River course correction. Other mandates concerning hazard maps, protection concepts or projects, are related to rivers of

smaller size (Albeuve, Avançon) but presenting also a significant devastating potential.

In the field of dam engineering the construction works at Deriner (Turkey), Ostour and Karun IV (Iran) sites continued. Other studies and projects have been also initiated in 2005: Tabia Dam (Algeria), Gelevard Dam (Iran) and, last but not least, the very high arch dam of Bakhtyari (Iran).

Specialists of STUCKY have been called in abroad to assess hydroelectric projects, such as Zhongda (China) or Lower Indrawati (Nepal).

Lastly, large water transfers over tens or hundreds of kilometres are necessary for the development of a country like Algeria. STUCKY participates in several of these important projects, such as Taksebt, Akbou-Béjaïa, Mostaganem-Arzew-Oran, Mila-Constantine and In Salah-Tamanrasset.

Infrastructure projects were related essentially to roads in Switzerland, such as the rehabilitation and enlargement of the Saumont Bridge on the A12 highway or the Vuargny Gallery on the Aigle-Le Sépey road. Studies for the CEVA railway link in Geneva were continued and STUCKY participated, as engineer of the group of contractors, to the realisation of the TRIDEL waste transport tunnel in Lausanne. A technical support has also been provided to the Owner of the new Lyon-Turin railway link.

## ENERGY

In the energy sector it was possible for STUCKY to maintain a good level of activity in Switzerland and to pursue its development at international level.

In Switzerland STUCKY has acquired a mandate for the design and the construction supervision of the 220 kV substation of Crans-Céligny for Energie Ouest Suisse. Several important projects were continued or initiated in 2005: the construction of the 220 kV substation at Chamoson, the 65 kV substation at St Triphon and the extension of the 220 kV substation of Romanel. The preliminary studies for the renewal of the substation attached to the Miéville Powerplant (Salanfe SA) were concluded, whereas those for the powerplants of Navizence (Gougria SA) and the Veytaux substation (EOS) are scheduled to start in 2006.

Abroad, it is in Algeria that most mandates requiring our expertise in the design of substations

and transmission lines, as well as in hydromechanics, have started. At the end of the year, a contract has been signed for the design and the realisation of a 400 kV line between Algiers and Oran, over a distance of 320 km. STUCKY is the leader of a group of several Algerian firms involved in the supply of towers and the erection of lines. This ambitious project will constitute an important element of the 400 kV ring on the South side of the Mediterranean Sea.

A second important mandate has been acquired at the end of 2005 concerning the technical assistance for the construction of a VHV line and the construction and extension of five 330/132/33 kV substations in Nigeria for the national electricity company, NPDHC. Other contracts, such as the 66 kV substation in Ohanet for SONATRACH (Algeria), a technical assistance mandate to the Owner in Libya and the construction supervision of the Kounoune Powerplant (Senegal) for IFC, complete the list of on-going projects.

*Chamoson substation, 380 kV SF6 gas insulated switchgear, encapsulated, Switzerland*



*65 kV substation of St Triphon, Switzerland*

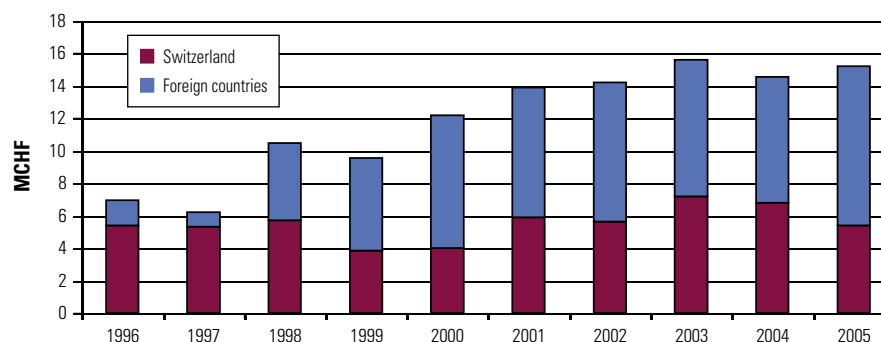
# ANNUAL ACCOUNTS

<b>BALANCE SHEET</b>	<b>2005</b>	<b>2004</b>
	CHF	CHF
CURRENT ASSETS	<b>9'396'277</b>	6'883'498
FIXED ASSETS	<b>802'389</b>	1'040'999
<b>ASSETS</b>	<b>10'198'666</b>	7'924'497
FOREIGN FUNDS	<b>5'873'322</b>	4'756'817
SHAREHOLDER'S EQUITY	<b>4'325'345</b>	3'167'680
<b>LIABILITIES</b>	<b>10'198'666</b>	7'924'497

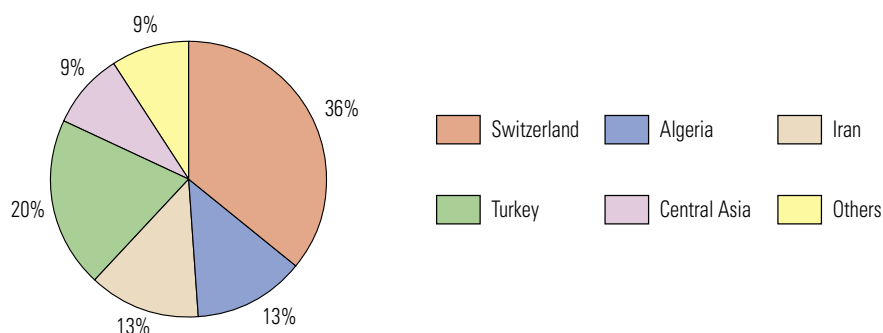
<b>INCOME STATEMENT</b>	<b>2005</b>	<b>2004</b>
	CHF	CHF
Net turnover	<b>15'196'495</b>	14'580'498
- Direct costs	<b>(5'101'051)</b>	(4'469'340)
<b>OPERATING COSTS</b>	<b>10'095'445</b>	10'111'158
Staff	<b>(7'960'672)</b>	(7'827'523)
Operating expenses	<b>(717'541)</b>	(934'388)
General costs	<b>(1'036'335)</b>	(1'102'853)
<b>OPERATING COSTS</b>	<b>(9'714'548)</b>	(9'864'764)
<b>GROSS OPERATING RESULTS</b>	<b>380'897</b>	246'394
Depreciations	<b>(143'920)</b>	(126'524)
<b>OPERATING RESULTS</b>	<b>236'977</b>	119'870

## STATISTICS

### TURNOVER EVOLUTION



### TURNOVER DISTRIBUTION



# OUTLOOK FOR 2006



*Cleuson-Dixence Scheme, rehabilitation of the underground penstock, Switzerland*



*220 kV substation of Crans-Céligny, Switzerland*



*Deriner Arch Dam, first concrete lifts, Turkey*

2006 starts with an almost full order book for the next twelve months, a pleasant but rather unusual situation for STUCKY. Furthermore the newest mandates have been acquired under favourable financial conditions and we can reasonably assume that they will lead to a significantly better operating result than in 2005. This positive situation will oblige us to reinforce our technical teams to satisfy the client expectancies in terms of deadlines and quality of services.

STUCKY will play an important card in 2006 on the large VHV transmission line project between El Affroun and Hassi Ameur (Algeria) where it is not only responsible for the design but also for the coordination of the construction carried out by several Algerian companies. This type of contract is entirely new for Algeria and is the proof of the trust placed by an institutional owner in the technical know how and the management capacity of STUCKY.

In Algeria also STUCKY, together with other consultants, will pursue the detail design studies and prepare the tender documents for an important water transfer project linking a deep aquifer to the city of Tamanrasset over a distance of more than 700 km. STUCKY tries with its partners to implement optimised and well established technical solutions, based on economy of costs and functional feasibility of the system.

In Switzerland the hydroelectric projects will focus on the rehabilitation studies for a large arch dam in Valais as well as on the repair works of the underground penstock of the Cleuson-Dixence Scheme for which STUCKY provide services within a group of international consultants. Other hydroelectric schemes, most of them already old, are equipped with outside steel penstocks that present damages caused by movements of their foundations. In this special field, that calls for multidisciplinary expertise, STUCKY has all

analytical tools and the required know how to rehabilitate the defective sections.

It is namely with this experience that STUCKY has started preliminary operation in the South American market with a high head potential as well as a state legislation in favour of private investments in the energy sector. Several projects of small and medium size have been identified and shall be developed jointly with a local engineering firm.

In 2006, STUCKY will commemorate its 80 years of activity in high level technological fields that have been developed and maintained over the years with the constant aim of contributing to sustainable development, in spite of strong competition in Switzerland as well as at international level.



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