



ACTIVITY AND ACCOUNTS

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S LETTER

The fields of activity of the STUCKY Group were only slightly affected by the economic recession in 2008. With more than 80 specialists at head office and 200 staff members in 6 overseas branches, the Group managed to strengthen its activities in Switzerland, to gain new market share abroad, to assure its profitability and its earning power.

The workload at the end of 2008 amounts to over CHF 50 million, with excellent perspectives on several ongoing proposals, which will enable the Group to assure this positive development in future.

The setting up of two new branches in Georgia and Tajikistan will allow the Group to be involved in several energy projects benefiting from international financing, in these countries with a high underdeveloped hydroelectric potential.

Thanks to its activity abroad, STUCKY not only promotes the quality and the skills development of its engineers in designing new structures and supervising their construction, but also provides support to local engineering by knowledge transfer and specialised training. These services are particularly appreciated by our clients.

The oil barrel price that went through the roof before returning to a more modest level affects positively investment decisions in favour of renewable energy sources. Among those, hydraulic power remains interesting because of its overall positive ecological balance and its flexible nature. This favourable context enabled investors and owners to benefit from STUCKY's competence in this field, where we offered targeted services from small schemes (mini-hydro) to large-scale hydroelectric projects.

The year 2008 results in a non-consolidated turnover amounting to CHF 23.2 million (+7 %) and an operating result of CHF 2.36 million (+292 %). This strong increase is related to the partial carrying over of the results of an important 2007 project to the year 2008. In the framework of consolidated accounts, overseas branch results would contribute an additional amount of CHF 4.2 million to the turnover and of CHF 0.87 million to the operating result.

The excellent results of the previous year are the product of a team formed by all staff members. Their activities often imply sacrifices at personal level, related to frequent travel abroad or a heavy workload.

We are not only grateful to our clients, but to everyone who supported unconditionally STUCKY. They deserve our warmest thanks for their commitment.

The Chairman of the Board of Directors

Miguel Stucky

The Chief Executive Officer

Marc Balissat



Rehabilitation and heightening of Cambambe Arch Dam, Angola

In 2008, public authorities realized the necessity of relaunching investment in hydropower production and energy transmission projects. This awareness was caused by:

- The steady growth of electricity consumption in Europe.
- New private investors on the liberalized energy market, looking for sites to be developed.
- Licenses reaching their term, as well as new or extended licences.
- The evolution of the legal framework and environmental constraints that oblige the owners to rehabilitate and develop their schemes.
- The uncertainty of the legal framework on the property of energy transmission lines in Switzerland, which has been leading for years to investment delays in this field.



Strengthening works of Les Toules Dam, Switzerland

Several studies continued or started in 2008 in STUCKY's traditional fields of activity: Ilisu Dam and HEPP in Turkey, new Khudoni Dam and 700 MW HEPP in Georgia, rehabilitation of three small HEPP, part of the 5 MW Hydro force project in DR Congo, power increase of the Linth-Limmern Scheme with a new dam at Muttssee, rehabilitation of the Hongrin-Léman Pumped-Storage Scheme, heightening of Kummenbord Dam and Lignon Combined Cycle Cogeneration Plant in Geneva.

STUCKY has acquired several projects related to the electrical network of Western Switzerland: implementation of frequency relays and energy counters, study and rehabilitation of Lavey Substation busbars for the city of Lausanne utilities, appraisal of the 65 kV underground transmission line (Canton of Valais), development of an electrical modular substation for the 65 kV network of the city of Lausanne utilities and refurbishment of the alarm system for the St-Triphon 220/125 kV Substation.



Karun IV Arch Dam, Iran

STUCKY's engineers are active on several schemes and dams sites:

- The strengthening of Les Toules Arch Dam, in Switzerland, which started in 2008 and will continue until Spring 2011.
- The construction of the Karun IV Dam in Iran, which started in 2006, and shall be completed in 2010.
- Finally, the construction of the Deriner Dam & HEPP in Turkey.

River hazard maps represent for the local authorities an essential element of the regional planning. These maps often lead to strengthening or adjustment measures. Among the studies carried out, the following can be mentioned: Basse Areuse (Canton of Neuchâtel), Baye de Clarens (Montreux) and Grand Canal (Chablais), which contributed to define the characteristics of a major structure of the new Transchablaisienne road.

The 2D hydraulic modeling of the break of the Nam Theun 2 Dam in Laos enabled to evaluate the residual risk and to define the area to be protected downstream of the scheme. In Western Algeria, an important study of flood protection for the Haute Mekkeria is ongoing, with detailed improvement measures.



Block ramp on the Flumy River, Switzerland

To respect the profitability of the Clients' investments, STUCKY gives deadlines an utmost importance in its management system. The following projects were completed successfully in 2008: the 400 kV and 320 km long VHV transmission line between Hassi Ameur and El Affroun

in Algeria, as well as the rehabilitation works of the Enguri Scheme in Georgia. STUCKY assists contractors in keeping deadlines for the Deriner Arch Dam in Turkey and for the rehabilitation of the Cleuson-Dixence Pressure Shaft in Switzerland.

Algeria is still an important market for STUCKY considering the excellent relationships it has established there and the projects it is working on alone or in association with its branch STUCKY-ENHYD Spa. The most significant projects include the Kef Eddir Dam in the wilaya of Tipaza, the 750 km long water transfers of Tamanrasset, which include five pumping stations for a total head of 1000 m, and of Koudiat Acerdoune, where STUCKY assists the owner on Phase 1 and the contractor on Phase 3.



Commissioning of the 3 x 5 MW Sahaniivotry Power Plant, Madagascar

STUCKY initiated the development of new markets in Portugal with the Alvito Pumped-Storage Powerplant for EDP (Eleticidade do Portugal) and in Madagascar.

In Angola, STUCKY is in charge of the complete studies for the heightening of the Cambambe Arch Dam from 60 to 80 m. The hydraulic structures have to be rehabilitated consequently. The installed capacity will increase from 180 to 260 MW.

The studies for the Ibn Hammad Dam in Jordan also began in 2008, as well as those for the Kébir Gafsa Dam in Tunisia.

At last, it is worth mentioning that STUCKY's experts, in the framework of annual and 5-year assessments, assume the follow-up of several Swiss dams to guarantee their safety and that their operation is in conformity with the Federal rules. Additionally and according to the recommendations of the Swiss Federal Office for Energy, the analysis of the seismic behaviour of several dams has been carried out.

ANNUAL ACCOUNTS

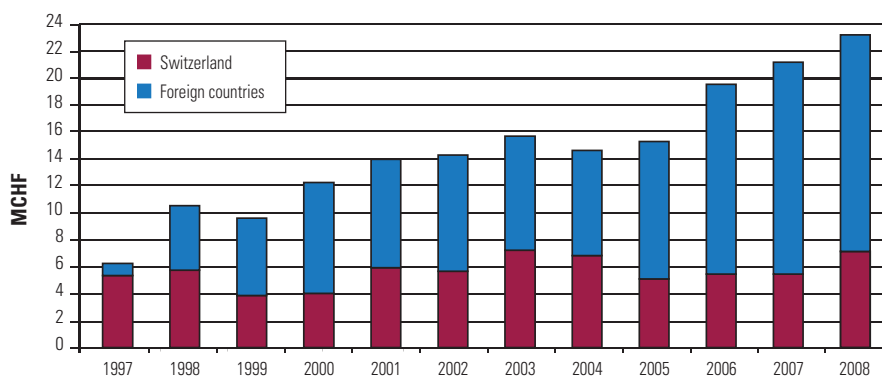
BALANCE SHEET	2008	2007
	CHF	CHF
CURRENT ASSETS	14'339'349	15'402'612
FIXED ASSETS	1'425'774	1'476'658
ASSETS	15'765'123	16'879'270
FOREIGN FUNDS	10'202'491	12'559'676
SHAREHOLDER'S EQUITY	5'562'632	4'319'594
LIABILITIES	15'765'123	16'879'270

INCOME STATEMENT	2008	2007
	CHF	CHF
Net turnover	23'239'655	21'706'839
Direct costs	(8'560'256)	(9'120'319)
OPERATING INCOME	14'679'399	12'586'520
Staff	(10'024'694)	(9'336'348)
Operating expenses	(530'974)	(868'227)
General costs	(1'613'350)	(1'453'471)
OPERATING COSTS	(12'169'018)	(11'658'046)
GROSS OPERATING RESULTS	2'510'381	928'474
Depreciations	(149'337)	(120'848)
OPERATING RESULTS	2'361'044	807'626

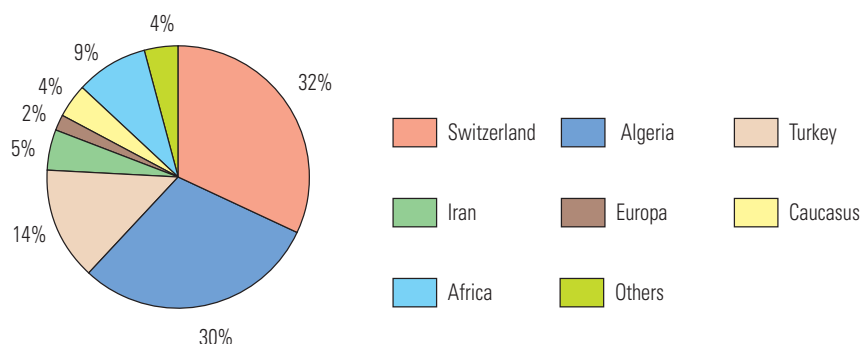
Accounts audited by Ernst & Young on May 19th 2009

STATISTICS

TURNOVER EVOLUTION



TURNOVER DISTRIBUTION



OUTLOOK FOR 2009



Shahryar (ex Ostour) Arch Dam, Iran



Volta-Joule and Volta-Ampere transmission line
Connection of 65 kV cables' terminations,
Switzerland



Kef Eddir Dam, Algeria

2009 starts with a full workload and attractive perspectives despite the dismal climate and the ongoing economic recession.

In this context, which leads to the postponement of numerous projects, private and public investors carry on the development of environmentally friendly energy projects. Thus, the development of renewable energy and equipment rehabilitation is a priority.

The opening of a new branch in Turkey is foreseen in 2009. STUCKY is engaged since several years in this country and managed to establish a networking, particularly with private industrial groups involved in market opening of hydroelectric licences. Our activity in this country develops, despite the delay incurred by the Ilisu project in order to allow the authorities to fulfill their commitments in the environmental and social fields.

The rehabilitation works of Cleuson-Dixence Pressure Shaft will end in 2009. The recommissioning of this scheme of national importance will mark the energy landscape of the French-speaking part of Switzerland. Construction on several dam projects will continue in 2009: Deriner in Turkey, Karun IV and Shahryar in Iran and Kef Eddir in Algeria, as well as the rehabilitation

of Les Toules Dam in Switzerland. These important projects enable engineers to gain first-hand experience. Studies continue for large projects in Switzerland, as well as in Iran, Turkey, Georgia, Algeria, Portugal, Tunisia, Nigeria and Angola. Two large water transfer projects will also start in 2009 in Algeria.

The recent commissioning of the VHV overhead transmission line between El Affroun and Hassi Ameur in Algeria represents an essential reference for STUCKY, which will allow to dynamize its activities in this field.

In Switzerland and neighbouring countries, several projects aiming at using hydroelectric potential more efficiently are in the pipeline. STUCKY intends to play a major role in the identification, the analysis and the development of these projects.

The preparatory work undertaken by STUCKY the last two years will be rewarded by the construction of several mini-hydro projects in Switzerland, as from this year on. The development of these schemes is strongly supported by public authorities.

The year 2009 will also be marked by the market opening of hydroelectric licences in various countries: in Portugal, where studies are already entrusted to STUCKY, but also in France, Italy and in the Balkans, where various energy projects and in particular hydroelectric projects are to be developed.

In 2009, the setting up of a branch company in Tajikistan should enable STUCKY to benefit from a solid logistic base for its activities in this area with an outstanding development potential.

Thanks to the commitment of its highly qualified staff, STUCKY will be able to take up future challenges. One of the important objectives for the year 2009 will be improving integration and collaboration with our subsidiary companies, while forming international project teams able to meet clients requirements.

STUCKY is proud to count on the trust of its numerous clients, both in Switzerland and abroad, whose support allowed to constitute a solid basis for developing the company and offering a wide range of services, according to their needs.



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