

## BUOYANT GROWTH IN 2010 ANNUAL RESULTS

**REVENUE: +34.5% to €824.3 million**

**OPERATING MARGIN FROM ORDINARY ACTIVITIES: 8.4%**

- Strong growth in revenue and profitability
- A very active year in terms of projects and acquisitions
- First successes in natural renewable energies

**Colombes, 25<sup>th</sup> January 2011:** ENTREPOSE Contracting (ISIN FR0010204321), a contractor specialised in the design and construction of complex projects in the oil and gas sectors in particular, and the energy and environmental sectors in general, today announces its audited consolidated annual results for the financial year to 31<sup>st</sup> December 2010, approved at the Board meeting of 25<sup>th</sup> January 2011.

- **CONSOLIDATED ANNUAL AND QUARTERLY REVENUE**

### Annual revenue comparison

<i>In millions of euros</i>	<b>2010</b>	<b>2009</b>	<b>Δ%</b>
PROJECTS	<b>209.5</b>	225.1	-6.9%
PIPELINES	<b>389.6</b>	263.8	+47.7%
SHALLOW WATER OPERATIONS	<b>164.2</b>	99.8	+64.5%
SERVICES	<b>59.1</b>	24.0	+146.2%
DRILLING*	<b>2.0</b>	n/a	n/a
<b>TOTAL REVENUE</b>	<b>824.3</b>	<b>612.7</b>	<b>+34.5%</b>

\*The newly-created DRILLING business line reflects the acquisition of COFOR, whose business has been consolidated since 1<sup>st</sup> October 2010.

ENTREPOSE Contracting's consolidated annual revenue to 31<sup>st</sup> December 2010 came to €824.3 million, versus €612.7 million for financial year 2009, i.e. an increase of +34.5% and +21.2% on a constant currency and like-for-like basis. With the exception of the PROJECTS segment, which recorded a slight decrease of -6.9% on the previous year, all business lines contributed to the growth in the Group's activity. Furthermore, activity grew for each quarter.

Revenue by quarter

	2010				2009			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>In millions of euros</i>								
PROJECTS	<b>53.0</b>	59.3	46.1	51.1	57.5	62.0	55.8	49.8
PIPELINES	<b>93.8</b>	98.7	101.4	95.8	81.5	58.9	62.4	61.0
SHALLOW WATER OPERATIONS	<b>30.2</b>	55.8	40.5	37.6	27.7	6.9	44.8	20.4
SERVICES	<b>19.7</b>	14.1	13.7	11.6	15.7	7.7	0.6	n/a
DRILLING	<b>2.0</b>	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>TOTAL REVENUE</b>	<b>198.6</b>	<b>227.8</b>	<b>201.8</b>	<b>196.1</b>	<b>182.4</b>	<b>135.5</b>	<b>163.6</b>	<b>131.2</b>

2010 annual revenue for the PROJECTS segment totalled €209.5 million, thus accounting for 25.4% of total Group revenue. Most of the PROJECTS segment's activity was associated with progress in the construction of a sewage pumping station in Doha, Qatar, alongside VINCI CONSTRUCTION Grands Projets, the construction of cryogenic tanks in Algeria, the Netherlands and Spain and work relating to the Trois-Fontaines underground storage site in France.

Increasing by +47.7%, 2010 revenue for the PIPELINES segment came to €389.6 million, or 47.3% of total Group revenue. As well as the progress of major contracts in South Africa and Angola, the growth of PIPELINES activity was associated with the upramping of the major Papua-New-Guinea (PNG) contract signed with the EXXONMOBIL group.

2010 annual revenue for SHALLOW WATER OPERATIONS came to €164.2 million, up +64.5% on the year, thus accounting for 19.9% of total Group revenue. Activity essentially concerned work carried out in Libya, as well as projects in Cameroon and New Caledonia.

The upramping of SERVICES activity continued, with this segment accounting for 7.2% of the Group's total activity. Revenue totalled €59.1 million for the twelve months to 31<sup>st</sup> December 2010.


Following the COFOR acquisition in early October, the new DRILLING business line has been consolidated since 1<sup>st</sup> October 2010. Consolidated revenue for this activity came to €2.0 million over the fourth quarter of 2010.

The geographical split of activity was as follows: Africa 71.1%, Europe 15.9%, Asia 6.1%, Oceania 5.7% and the Americas 1.2%.

#### • CONSOLIDATED ANNUAL RESULTS

<i>In millions of euros</i>	<b>2010</b>	<b>2009</b>	<b>Δ%</b>
REVENUE	<b>824.3</b>	612.7	<b>+34.5%</b>
OPERATING PROFIT FROM ORDINARY ACTIVITIES* % OF REVENUE	<b>69.1</b> <b>8.4%</b>	41.3 6.7%	<b>+67.3%</b>
ATTRIBUTABLE NET PROFIT % OF REVENUE	<b>54.9</b> <b>6.7%</b>	31.9 5.2%	<b>+72.1%</b>
CASH POSITION	<b>232.8</b>	189.2	<b>+23.0%</b>
SHAREHOLDERS' EQUITY	<b>156.1</b>	107.0	<b>+45.9%</b>

\* Operating profit from ordinary activities in 2009 has been adjusted by a positive amount of €4.8 million (tax withheld on the Angola LNG contract) now qualified as a tax charge. Previously reported 2009 operating profit from ordinary activities was €36.5 million.



Operating profit from ordinary activities came to €69.1 million in 2010, an increase of +67.3% on 2009, giving an operating margin from ordinary activities of 8.4% compared to 6.7% for financial year 2009. This very significant improvement in operating profitability was due to:

- activity marked by a number of projects close to completion, particularly on the PROJECTS and PIPELINES segments;
- a fixed-cost structure under control although activity is growing significantly.

Attributable net profit came to €54.9 million, a jump of +72.1%, giving a net margin of 6.7% compared to 5.2% at end-December 2009.

The Group's cash position at 31<sup>st</sup> December 2010 benefitted notably from the start of the Papua New Guinea contract. It thus totalled €232.8 million at yearend compared to €189.2 million at 31<sup>st</sup> December 2009. The Group has thus reaffirmed the substantial solidity of its balance sheet structure.

The Group's order book stood at €873 million at 1<sup>st</sup> January 2011, up +20% compared to the order book at 1<sup>st</sup> January 2010, which stood at €728 million. It thus represents close to 14 months of activity based on the last 12 months revenue (excluding SERVICES and DRILLING).

- **KEY 2010 EVENTS**

#### A year of numerous achievements

2010 saw a number of major projects close to completion: pipeline projects in Angola and South Africa, cryogenic tank in Spain, work on an underground storage site in France, and GEOCEAN projects in Cameroon and New Caledonia.

At the same time, the projects in the Netherlands, Algeria, Libya, Qatar and Papua-New-Guinea are all continuing on schedule.

#### Intense activity in terms of acquisitions

##### **ACQUISITION OF HDI (HORIZONTAL DRILLING INTERNATIONAL) AND THE REMAINING 30% STAKE IN CAPTRADE**

Becoming part of the Group in January 2010, HDI specialises in horizontal directional drilling, very specific expertise, in particular in the laying of pipelines in sensitive areas where environmental issues are essential. The acquisition of the remaining 30% stake in CAPTRADE illustrates the Group's intention to further strengthen its presence on the **SERVICES** segment, an activity that is complementary with the Group's other activities and that enables ENTREPOSE Contracting to extend its presence amongst its clients.

Simultaneously to this acquisition, the Group also created the ENTREPOSE Services subsidiary, which incorporates the Group's SERVICES activities (CAPTRADE, CHALLENGER, MCO SERVICES).

#### **ACQUISITION AND INTEGRATION OF COFOR – 2 NEW CONTRACTS OVER THE 4<sup>TH</sup> QUARTER**

Announced on 3<sup>rd</sup> August 2010, the acquisition of 70% of COFOR was finalised in early October 2010, and consolidated within the Group's accounts from 1<sup>st</sup> October 2010. Present in sounding and coring, COFOR is the French leader in deep onshore drilling (oil, gas, geothermal energy). COFOR recorded revenue of €18 million in 2010 (€2 million of them consolidated within the Group's accounts).

COFOR announced that it had won two new contracts in the fourth quarter of 2010, in the geothermal and oil domains. These two contracts reflect the extent of COFOR's expertise and the development potential of its activity.

#### **Organisation of Services**

As announced following the 1<sup>st</sup> half of 2010, the integration of Services, a newly-created segment following the successive acquisitions of CHALLENGER SPECIAL OIL SERVICES and CAPTRADE, required additional investments and the redeployment of teams to new countries, notably in the Middle East and Latin America. The improvement recorded by this activity over the 2<sup>nd</sup> half of 2010 illustrates the pertinence of the implemented strategy.

#### **New contracts and sales activity**

On top of new drilling contracts, ENTREPOSE Contracting has been awarded a new €83 million contract in Tunisia (construction of an LPG storage centre) by *Société Nationale de Distribution des Pétroles* (SNDP). 2010 also enabled the Group to establish its presence in natural renewable energies through the signing of two contracts in this domain, one in geothermal energy with COFOR and the other in SWAC (Sea Water Air Conditioning) with GEOCEAN.

#### **2011 prospects**

The Group is in an active phase of responding to calls for tenders within a context marked both by the continual increase in energy demand, which presupposes the launching of numerous new projects, and by the lengthening of the decision cycle for the implementation of these projects, which should lead to a stability of activity in 2011 compared to 2010.

The diversity and extent of ENTREPOSE Contracting's expertise and offer are a major asset for the Group, as they allow it to be present at the various stages of development of its clients' projects, whilst its status as a specialised entrepreneur and VINCI's backing enable it to execute every size of project.

## Dividend

Given the performances recorded in 2010, the Group's prospects – positioned on durably high-potential markets – and ENTREPOSE Contracting's cash position at 31<sup>st</sup> December 2010, the Board will ask the AGM to approve the payment of a dividend of 3.10 euros a share vs. 1.80 euro a share for the 2009 results, i.e an increase of 72.2%. The AGM in charge of approving ENTREPOSE Contracting's 2010 annual accounts will meet on 8<sup>th</sup> April 2011.

Dominique Bouvier, ENTREPOSE Contracting's Chairman and CEO, comments: *"2010 has ended with excellent performances in terms of both revenue and profitability. These performances are the consequence of the strategy gradually implemented within the Group since its creation, both through its traditional presence in sensitive areas with substantial development, and through its positioning on high value-added niche activities. We are continuing to see a lengthening of the decision process vis-à-vis the implementation of new projects, and simultaneously, we remain very active to respond to calls for tenders in all of our sectors of activity."*

**About ENTREPOSE Contracting** ([www.entrepose.fr](http://www.entrepose.fr)): ENTREPOSE Contracting is a group specialised in the design and construction of complex projects in the oil and gas sectors in particular, and the energy and environmental sectors in general. From creating transport and storage solutions to delivering turnkey projects, the Group is constantly developing its expertise in conceptual engineering, process design and contracting in sensitive environments. ENTREPOSE Contracting places particular emphasis on standards compliance in terms of Quality, Health & Safety and Environmental Management (QHSE accreditations), and possesses unique know-how enabling it to meet the most stringent requirements in terms of the highest performance levels

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**Revenue for the first quarter of 2011 will be published on:  
27<sup>th</sup> April 2011 (after market)**