



CATERING INTERNATIONAL & SERVICES

## 2009 ANNUAL REPORT



# Caterer of the extreme

CATERING SERVICES - HOTEL FACILITIES - BASE CAMP MANAGEMENT



# Chairman's statement



Year 2009 was marked by a global financial crisis of unprecedented proportions. In this extremely challenging environment, CIS achieved overall growth in revenue while maintaining good margins and a solid financial structure by reinforcing its cash position and equity.

These successes were driven by organic growth of certain subsidiaries including notably those in Algeria, Brazil and New Caledonia combined with the expansion of our activities in three new countries: Eritrea, Guinea Conakry and the Central African Republic. Other successes included our selection as a service provider by prestigious new customers such as the French groups Areva and Vinci and the US group, Bechtel. Finally, some major contracts were renewed in the period.

Despite persistent continuing regarding the outcome of this global crisis, the outlook for CIS in fiscal 2010 appears promising. Having achieved the status of a recognized worldwide provider of catering solutions and with growing demand, particularly in the mining and petroleum sectors, the Group intends to advance to a new level by maintaining its focus on its core values, its business model and in consequence also its financial independence.

Our strategy is concentrated on several key priorities:

- Extending our range of services for facilities management, engineering and supply of "turnkey" base camps;
- Strengthening positions in countries where we are already established;
- Expanding into new strategic countries.



To achieve these goals we will be proactive in our approaches to headquarters of worldwide groups, multiply partnerships with international players to develop synergies, pursue external growth opportunities and finally, develop local equity partnerships for selected subsidiaries both for the purpose of complying with specific national requirements but also to promote our development in these countries.

In light of these objectives, we anticipate growth in 2010 and maintain the target for revenue of €200 million by 2011. In this way we foresee ambitious expansion in the medium and long-term accompanied by further improvements management procedures to increase the Group's operating margins.

The worldwide outlook in the sectors of energy, commodities and support services for armed forces remains promising. We will also pursue efforts to improve performances in the quality of our services, notably in the areas of QHSE and sustainable development.

The quality of the work and motivation of our teams throughout the world is decisive to achieving such performances and growth targets. I accordingly take this opportunity to once again acknowledge and thank them for their contribution. CIS is above all the product of the work of men and women motivated by a common passion for our business that demands at the same time entrepreneurship, a spirit of conquest, a taste for adventure and challenge, professionalism, courage and tenacity.

CIS Group's 8,000 employees representing 42 different nationalities form a solid and united team, motivated and working together on a day-to-day basis towards common goals under the direction of the headquarters in France.

I would also like to thank our customers, partners and shareholders for their confidence and loyalty that allows us to look to the future with optimism, enthusiasm and determination.

Régis ARNOUX

**Chairman and Chief Executive Officer**



# Sustainable Development



The sustainable development applied at CIS is based on the following observation: every project has both positive and negative impacts on its immediate environment; however, potential negative impacts can be offset by concrete actions taken in conjunction with projects destined to increase the benefits to the local population.

The CIS Group has consistently sought to pursue sustainable development in a manner that benefits local populations and economies. Through its position as a worldwide leader in base camp management specialized in providing remote hotel and catering services, CIS has an increasing responsibility to customers, consumers, staff and suppliers.

With our business having undergone major changes in recent years, CIS has decided to regularly introduce practices that are increasingly responsible, forward-looking and proactive. CIS has developed a global approach built around the three pillars of sustainable development:

- **Economic responsibility**
- **Environmental responsibility**
- **Corporate and social responsibility**

## Guaranteeing job safety for all our staff: Our priority

In recent years job safety for staff has become an increasingly important priority for CIS. With this objective, CIS has developed a unique core of expertise in ensuring healthy work environments capable of meeting the highest requirements of leading worldwide groups.

In 2010, in **CHAD**, in addition to the renewal of the contract with EXXON MOBIL, for 7 years, CIS was rewarded for its actions in the area of job safety. CIS was awarded a certificate recognizing its perfect record of no occupational accidents involving work stoppages over 4 consecutive years.

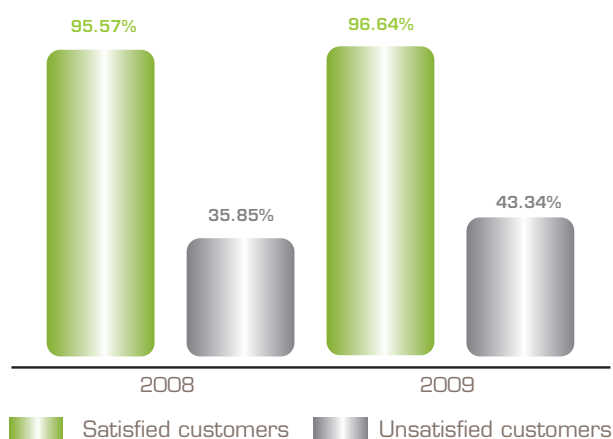
In 2009, in **GUINEA CONAKRY**, CIS actively contributed to achieving a record of 5 million working hours with no occupational accidents and was recognized for its commitment to job safety.

In 2010, **CIS MADAGASCAR** passed the milestone of 3 million accident-free working hours for a major construction project (that was itself marked by the occurrence of several serious accidents).

More than 55,000 maintenance interventions in 2009. Primarily in **MADAGASCAR, BRAZIL, YEMEN and MONGOLIA.**



## Customer and consumer satisfaction: An ongoing focus



Despite an increasingly diversified service offering, the satisfaction of our customers and consumers has remained at the center of our priorities. To guarantee the highest level of satisfaction, we have implemented concrete, rapid and lasting measures in servicing our customers. Customer satisfaction constitutes one of the many performance benchmarks used for managing the CIS Group. In 2009, CIS Group achieved an extremely high customer satisfaction rate of nearly 97% including 42% of customers highly satisfied in our services. Certain of our operations in **AZERBAIJAN, MONGOLIA, BOLIVIA, IRAN and GUINEA** even registered a 100% satisfaction rating over a full year.

## Guaranteeing food safety: A day-to-day commitment



We guarantee a healthy offering complying with the highest food safety standards. We have built systems of traceability for our food delivery processes taking into account the most rigorous international standards. We apply the **HACCP** food safety management system, while introducing improvements every year that take into account the latest regulations.

In 2009 and 2010, we reinforced our collaboration with local health authorities in the countries where we operate to guarantee improved performances in respect to our work with their services. Frequent inspections have been implemented both by us and our customers to verify compliance with our working practices.

In 2009, more than 24 million meals were served in remote locations!

In 2009, more than 12,000 on-site health inspections were conducted!

## Promoting local economic development in the countries where we operate without contributing to inflation:

### Our methods



For a number of years, we have implemented measures to develop local resources. Using our own specific methods, this approach seeks first to evaluate our needs and the production capacities of the countries where we operate. This approach that is specific for each operation enables us to adopt a policy of sustainable development adapted to the local environment. If resources are not available in the country in question, we seek to procure supplies locally while at the same time monitoring the inflationary impact by constantly considering the effects on local costs for households. When resources are not available locally, we then evaluate the interest of these resources from a long-term perspective. And when there exists a potential for long-term development, we implement different measures to assist them respond to our needs (coops, introduction of new species, slaughterhouses, agricultural enterprises, etc.).

## Employee training: Our experience



Drawing on its 18 years of extensive experience, the CIS Group is able to develop training programs in different areas and languages, enabling it in turn to rapidly adapt to local needs and conditions. In 2009, we provided more than 50,000 training sessions, primarily through our expatriate management staff based on the documents and methodologies specific to CIS. More than 10,000 HSE training hours have also been provided to staff. In 2010, awareness-raising programs were carried out focusing on **ISO 9001, 14001, 22000 and OHSAS 18001** standards in all countries where we operate.

## Promoting recruitment and advancement in countries where we operate: Our know-how



The CIS Group organizes professional development and career advancement opportunities for local and expatriate staff within the Company by developing **career management plans adapted to the Company's needs**. The goal of the methods we have adopted is to launch our operations with highly qualified expatriate supervisory staff. Each expatriate employee must immediately train his or her own replacement so that in the medium term the position can be taken over through internal promotion by a local employee. To date, for all countries where we operate more than 97% of our staff consists of local employees.

In **ALGERIA** and **BRAZIL**, reflecting our long-standing presence in these countries, this figure has reached 99.5%.

## Quality, Health, Safety and the Environment: Our management



The management methods of the CIS Group are in line with international standards **ISO 9001 (quality), ISO 14001 (environment), ISO 22000 (food safety) and OHSAS 18001 (occupational health and safety)**. The Group's QHSE policy is to continue to pursue certification in most of its subsidiaries.

Accordingly, in 2009, the CIS subsidiary in **NEW CALEDONIA** received two ISO certifications (9001 and 22000). This approach represents a significant success for CIS whose procedures have once again been recognized by independent international certification agencies. Our management method makes it possible to rapidly deploy our QHSE procedures that are adapted to our customers and specific local conditions to provide quality services in the most distant and isolated locations.

Also in 2009 in **CHAD**, CIS was the first company to receive OHSAS 18001 certification.

In addition, in 2009 all certifications that were reaching their expiration date were successfully renewed, a further illustration of the strength of the Group's continuous improvement processes.

Selected examples of certifications obtained by CIS: **Headquarters (ISO 9001), ALGERIA (ISO 9001), BRAZIL (ISO 9001 AND 22000), BOLIVIA (ISO 9001, 14001, OHSAS 18001), CHAD (OHSAS 18001), NEW CALEDONIA (ISO 9001 and 22000)...**

**Waste management:**  
**Concrete measures**



We have implemented a policy for minimizing waste. This represents an important issue for CIS as a means to promote environmental awareness among consumers. Waste sorting procedures are carried out at each of our operating procedures.

Cooking oils are systematically separated and recycled locally.

**YEMEN:** CIS is responsible the entire waste management process for the whole site.

**Headquarters:** Since 2009, a videoconferencing room has made it possible to reduce the amount of travel required for certain CIS staff, in this way contributing to reduced greenhouse gas emissions caused by air travel. In 2010 a contract was signed with a company specialized in the elimination and recycling of paper.

**Fondation d'entreprise CIS:**  
**Our commitments**



While CIS has an international focus the Group also actively contributes to certain categories of disadvantaged youth in the Marseille region and the neighboring areas. Since its creation 2008, the Fondation d'Entreprise CIS provides assistance to young adults from disadvantaged backgrounds in developing their academic or professional project.

The foundation's core mission is to undertake concrete actions in favor of youth on a day-to-day basis.

**Diversity: Our values**



Because of the international nature of its activities, CIS Group is fully aware of the benefits and contributions of cultural diversity. CIS employees adhere to the Group's **business ethics charter** that seeks to promote equal opportunity and human rights in the same way as all other corporate values.

CIS has a workforce of more than **8,000 employees**.

**42 nationalities** contribute to the increasing professionalization of our teams.



# Business ethics charter




The “Business Ethics Charter” of CIS Group is based on the company's corporate values as well as the 10 principles of the UN **Global Compact**. These values are shared by all Group staff, implemented by local management at the site of CIS operations throughout the world in favor of CIS customers and more generally all stakeholders.



**CIS Group's key values:**

- Respect of human rights
- Respect of compliance with laws
- Promoting equal opportunities
- Respect of the environment
- Responsible conduct of the Company and its employees
- Guaranteeing a clean and safe work environment
- Fighting corruption

