

COTECNA
ANNUAL ACTIVITY REPORT

09

COTECNA

COMPANY PROFILE

The Cotecna group of companies delivers innovative, efficient and reliable services in the fields of government inspection, scanning, risk management, certification and verification. Its work helps facilitate international trade and ensure the safe, rapid and cost-effective transfer of goods between countries.

Cotecna Inspection SA is the worldwide leader in government inspection contracts. Founded over 35 years ago in Switzerland, Cotecna was first established to meet the demand for professional inspection services in the Middle East. Subsequent contracts in other regions, and an expansion of the range of services offered, saw Cotecna grow to take its current position as market leader. Today, Cotecna Inspection SA holds contracts with 14 national governments.

Cotecna Trade Services SA conducts verification and certification activities across a range of sectors, delivering leading-edge solutions for importers and exporters worldwide. Areas of particular expertise include: agricultural products, metals and minerals, chemical and petroleum products, marine surveys, industrial equipment surveys, vehicle inspections and consumer goods.

The ability of the Cotecna companies to meet client needs worldwide is based on a global network of subsidiaries and offices. The Group has a combined global workforce of over 4 000 employees and agents and more than 100 offices in 60 countries. Accredited laboratories and testing facilities ensure the delivery of high-quality, verifiable results. A holding company, Cotecna SA, oversees the Group's operations. Cotecna's annual revenue in 2009 was CHF 256 million.

Cotecna's strength lies in its ability to recognize client needs and deliver customized, state-of-the-art solutions. It invests substantial funds in research and development and focuses on establishing long-term relationships with clients, partners and suppliers. Cotecna's work benefits everyone: by facilitating trade it helps to secure government revenue, reduce fraud, protect the health and safety of consumers, ensure the fair pricing of goods and strengthen the confidence between trading counterparts.

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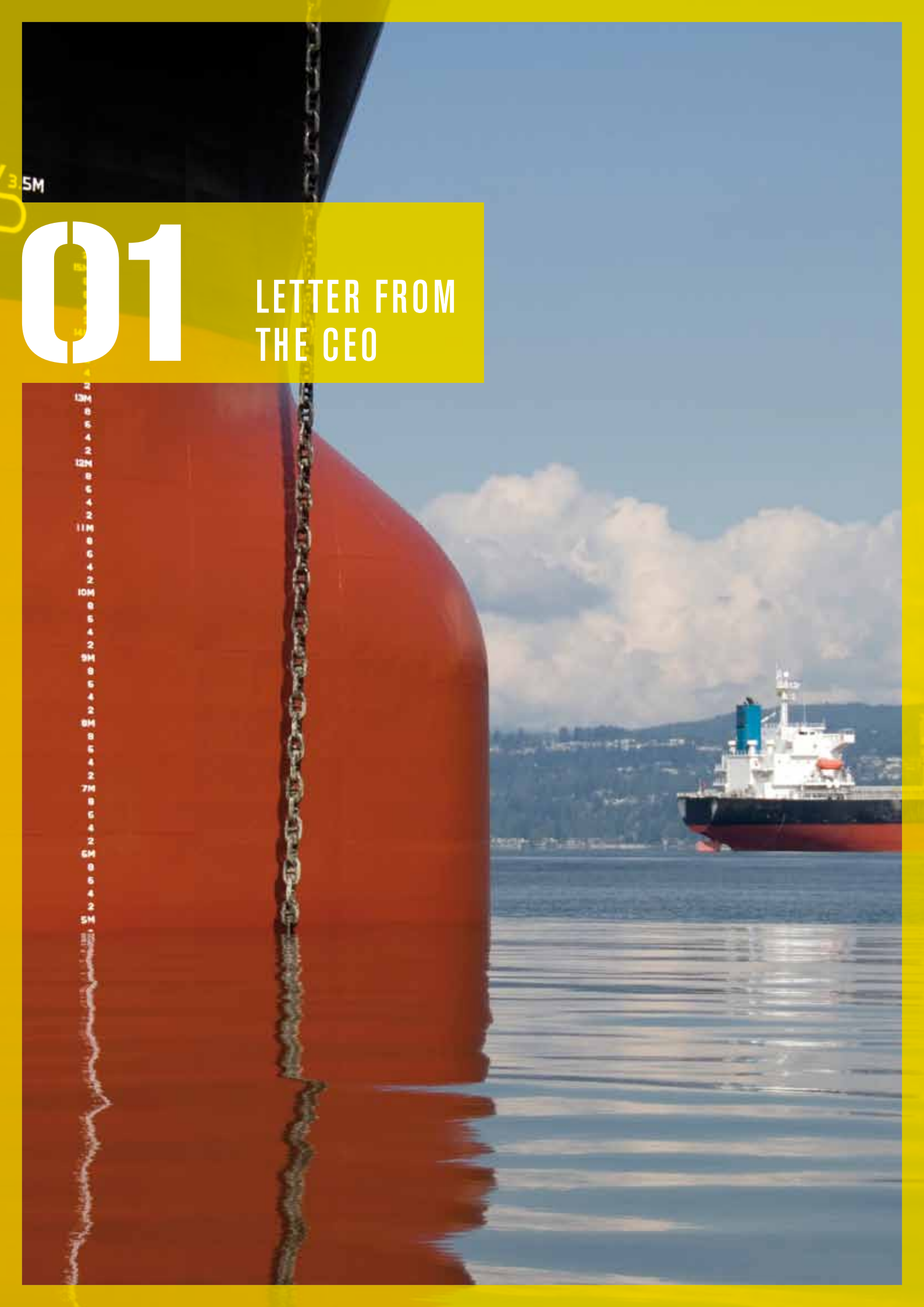
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LETTER FROM THE CEO

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ROBERT MASSEY

*Chief Executive Officer, Cotecna Inspection SA
Chief Executive Officer, Cotecna Trade Services SA*



2009 WAS A YEAR OF CHANGE FOR COTECNA

IMPORTANT CHANGES TO OUR INTERNAL STRUCTURE WERE CONCEIVED AND EXECUTED, PLACING US IN AN IDEAL SITUATION TO MOVE FORWARD IN THE COMING YEARS. THROUGHOUT THIS PERIOD, HOWEVER, WE CONTINUED TO DELIVER CONSISTENT AND HIGH-QUALITY SERVICES TO OUR EXISTING CLIENTS, AND EXPAND OUR BUSINESS INTO NEW AREAS.

THIS REPORT PRESENTS THE MAIN ACHIEVEMENTS OF 2009

It also outlines our new corporate structure, the reasoning behind it, and the opportunities it presents for growing our business in the future.

Cotecna remains a strong, financially solid company. At a time when so many financial and economic challenges have erupted, the choice of Cotecna's board and management to fund its enterprise through equity, not debt, has proved to be a wise and prudent approach. Annual turnover for 2009 was CHF 256 million, a small decrease on 2008 results, due mainly to the impact of the global financial crisis on the volume of international exports and imports and the drop in the value of the US dollar.

By the end of 2009, Cotecna was already benefitting from the changes that had resulted in the establishment of two separate entities: Cotecna Inspection SA and Cotecna Trade Services SA.

Cotecna Inspection SA continues to service the needs of our many established clients, mainly governments and institutions in countries throughout Africa, the Americas, the Middle East and Asia. Our focus is set on establishing long-term partnerships, delivering services that are tailored to the needs of our clients, and ensuring a handover of know-how and expertise. As a leading industry player with over 35 years of experience in the inspection of goods arriving in countries, we can claim many "firsts": the first company to propose Destination Inspection programmes that speed up the clearance process, the first

THE CHOICE OF COTECNA'S BOARD AND MANAGEMENT TO FUND ITS ENTERPRISE THROUGH EQUITY, NOT DEBT, HAS PROVED TO BE A WISE AND PRUDENT APPROACH.

The changes that Cotecna made in 2009 were not a reaction to the financial crisis. They grew out of a proactive decision, on the part of Cotecna's leadership, to look for improvements and modifications that would prepare our business to expand and better service our clients' needs. While taking into account the external situation, and basing our decisions on a sound and thorough analysis of current trends and future scenarios, the changes were of our own timing, and driven by our judgment of what will be best for Cotecna in the mid to long-term.

A team of Cotecna senior management was assembled to undertake this crucial strategic analysis – known throughout the company as the Pyramid Project – and the Boston Consulting Group was commissioned to advise and guide the process. You can read more about the project in the next section of this report.

to introduce the use of scanners in these programmes as we did in Ghana in 2000, and, in 2009, the first company to install 9MeV dual vision fixed scanners at Apapa and Tincan ports in Nigeria.

Cotecna Trade Services SA is committed to developing and marketing services for commercial clients. Our strength lies in commodities and consumer goods inspection, testing and certification. Currently, we have a significant presence in the Americas, Europe, the Middle East and Asia. Our main areas of focus in commodities are the agricultural sector, as well as the mining and metals industries where we are developing rapidly. Our services to the consumer goods supply chain are also fast-growing and mostly catered to the trade flows from Asia to the rest of the world.

COTECNA IS WELL PLACED TO MEET THE FUTURE NEEDS OF ITS CLIENTS, AND TO DEVELOP ITS OWN SKILLS AND EXPERTISE IN A RANGE OF AREAS.

None of these successes would have been possible without the dedication and expertise of the Cotecna team. We are a service delivery company, not merely a supplier of scanners and other equipment. As such, our capacity to deliver the results that our clients demand depends wholly on the quality of our people. Happily, I can state with confidence that we have the right people for the job. We recruit excellent staff, often nationals of the many countries where we have offices, and we devote considerable resources to their training and development.

CERTAIN TERMS AND VALUES GUIDE OUR WORK AT COTECNA

Proximity

We aim to work closely with our clients, to provide the services they need, where they need them. Our close understanding of our clients, their goals and their modes of operation, have allowed us to develop individual solutions specifically tailored to their needs.

Innovation

Our track record is strong, including, for example, our pioneering of the use of high-energy cargo scanning for Destination Inspection. In 2010, I anticipate the launch of new goods and services which we will be able to offer to commercial and institutional clients, both existing partners and new clients.

Efficiency

The timely and accurate valuation of goods and processing of documents is at the heart of what we do. Where technological solutions can improve efficiency, we develop and deploy them. A good example of this is our new E-dox® system for the electronic transfer of bankable documents. Cotecna is one of only a couple of companies internationally able to offer this service. Where technology is not the answer, we look to our staff and processes, seeking solutions and fine-tuning systems to maximize the value that we can add.

Cotecna is moving to a new stage of growth and maturity. We are well placed to meet the future needs of our clients, and to develop our own skills and expertise in a range of areas. As the international community emerges from an unprecedented period of hardship and insecurity, Cotecna, too, is anticipating a period of growth and increased revenue.



02

BUSINESS STRATEGY

A RENEWED STRATEGY FOR THE DECADE AHEAD

2009 MARKED COTECNA'S 35TH YEAR OF OPERATION. ESTABLISHED IN 1974 BY ELIE GEORGES MASSEY, COTECNA HAS BUILT UP A REPUTATION FOR EXCELLENCE AND SERVICE DELIVERY IN HIGHLY SPECIALIZED AREAS. OUR COMMITMENT TO EFFICIENCY, RELIABILITY AND INNOVATION HAS MADE US A MAJOR PLAYER IN A NUMBER OF SECTORS, AND THE MARKET LEADER IN INSPECTION SERVICES FOR INSTITUTIONAL CLIENTS.

As is normal in the life of any successful company, Cotecna has grown and evolved. Starting first as a family business, developed to meet the needs of government inspection agencies in the Middle East, we have expanded to offer these same services in other countries. Through a process of constant innovation, we have expanded our offering to include Pre-shipment Inspection and Destination Inspection, where we introduced the use of scanning technologies, and risk management solutions.

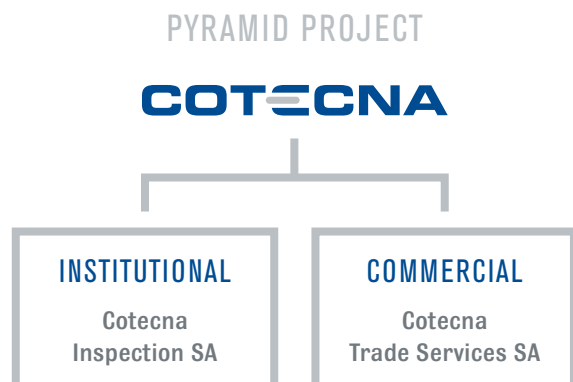
We have more recently broadened our offer, and our client base, to include private companies – suppliers and producers in a range of industries, particularly commodities and consumer goods – for whom we provide specialized inspection, testing and trade finance-related services.

To date, all of this growth has been organic. Each new business opportunity was closely scrutinized and costed, and decisions were always made on the basis of a thoughtful and extensive analysis. The same good business sense, understanding of the markets and prudent financial approach that underpinned the success of our ventures in the early years ensured the sustainability of subsequent initiatives.

Nonetheless, in 2009, it was recognized that the time was right to undertake a more substantial re-examination of the business as a whole and, in particular, the extent to which the current structure could be modified to maximize the company's ability to grow and take advantage of new business opportunities in the future.

With this in mind, at the initiative of Robert Massey, CEO, the Pyramid Project was established. Robert Massey invited the Boston Consulting Group to work with Cotecna management and staff and support them in this process.

The outcome of the project was to develop two separate activities under the overall structure of the holding company, Cotecna SA: Cotecna Inspection SA and Cotecna Trade Services SA, concentrating respectively on institutional business and commercial activities. We are confident that this is the ideal structure for us in the coming years, and that it will yield optimal results for our clients, our partners, our financial supporters and the companies themselves.





FRAGILE

7.8 KGS

9.15 KGS

03

**INSTITUTIONAL
SERVICES**



FRAGILE

OVERVIEW AND KEY ACHIEVEMENTS FOR 2009

OUR WORK WITH INSTITUTIONAL CLIENTS

Cotecna has a long history of working with institutional clients, mainly governments.

Our services help facilitate international trade, yielding benefits for governments, consumers, importers and exporters:

- Through the provision of computerized, high-tech solutions, we speed up trade: avoiding congestion in ports and at border crossings, and saving costs
- Efficient Customs controls can secure revenue for countries – by reducing opportunities for fraud, fiscal evasion and price discrimination. Both overpricing and under-invoicing can be detected – and stopped
- Risk management services help in determining the appropriate level of intervention of each trade transaction, based on the type of goods to be inspected, and lead to enhanced security – because time and energy is focussed on those goods that represent the greatest risk and the detection of dangerous, banned or restricted goods
- Consumers' health and safety is protected – thanks to conformity checks that ensure that goods meet agreed standards
- Producers of goods for export and local importers can be assured that comparisons between products are fair – because objective criteria are applied to their assessment and certification

Through tailored combinations of a range of services, Cotecna ensures that each institutional client receives the solutions that suit them best.

Our services include:

- Destination Inspection (DI)
- Pre-shipment Inspection (PSI)
- Risk management
- Scanner services
- Valuation & classification
- Transit monitoring
- Verification of Conformity (VoC)
- Supply chain security solutions

Each of these services are described in further detail on page 29 of this report, and on our website: www.cotecna.com.

WHY COTECNA?

Quite simply, we are one of the world's leading trade inspection, trade security and conformity assessment companies. Over the past 35 years we have worked with a total of 35 national governments, and currently hold major contracts in 14 countries throughout Africa, Asia, the Americas and the Middle East.

OVERVIEW AND KEY ACHIEVEMENTS FOR 2009

COTECNA ORGANIZES THE MANAGEMENT OF ITS INSTITUTIONAL CONTRACTS ACCORDING TO REGIONAL GROUPINGS. WE HAVE PARTICULAR EXPERTISE, AND A LARGE NUMBER OF GOVERNMENT CONTRACTS, IN AFRICA.

AFRICA

NIGERIA

Scope of services

Since 2006, Cotecna has offered its Destination Inspection programme, involving scanners, risk management and valuation services. Cotecna's overall investment in Nigeria has been over US\$ 100 million to date and has included the building, installation and operation of two fixed scanner facilities, the deployment of seven mobile container scanners at various ports and two airport pallet scanners. The company has also undertaken capacity building and training for around 530 Nigerian Customs officers and an additional 500 officers jointly with other scanning service providers. Over 400 other stakeholders have also benefited from this support.

2009 Highlights

July 2009, in recognition of the role played by Cotecna Destination Inspection Limited (CDIL) in trade facilitation, the Manufacturers Association of Nigeria invited the company to participate in its Annual General Meeting. The event was attended by senior Government officials and captains of industries and CDIL was commended for its work.

In September 2009, CDIL was honoured by the Maritime Reporters' Association of Nigeria (MARAN) with the industry's "Foremost Service Provider" award.

Cotecna is constructing two fixed scanners at Apapa and Tincan ports. These dual vision 9MeV scanners are the most powerful that exist in an import inspection programme and are scheduled to become operational in early 2010.

In October 2009, CDIL expressed its commitment to partner with the Council for the Regulation of Freight Forwarding in Nigeria (CRFFN), with the aim of supporting its efforts to strengthen the country's port reforms.

Cotecna has a substantial and long-standing presence in Nigeria, so it considers it important to play an active and positive role in the community. Read more about these activities, including the refurbishment of the King's College library, in the Corporate Responsibility section of this report.



CDIL receives MARAN award

GHANA

Scope of services

Cotecna has conducted Destination Inspection with scanners, risk management and valuation services to facilitate legitimate trade in Tema & Takoradi Ports since 2000. Gateway Services Ltd (GSL), Cotecna's Ghanaian subsidiary, carries out import verification by conducting price analysis and ensuring proper classification of tariff codes of importations coming into the country.

2009 Highlights

In May 2009, GSL commissioned a new office complex at the Port of Tema. The facility now houses officials of Customs, Ghana Ports and Harbours Authority (GPHA) and GSL staff, and is located at the site of the fixed X-ray scanner.

2009 Highlights

Certification of civil engineering and construction companies: the contract signed in November 2008 with the Ministry of Public Works of the Republic of Angola for the "certification of civil engineering and construction companies" kicked off on January 1, 2009.

The scope of services involves: 1) creating a database of the civil engineering and construction companies contracted by the government, and 2) the certification of civil engineering and construction companies, without which they are not eligible to respond to government tenders for the construction of public works.

Cotecna's Pre-shipment Inspection licence was renewed for 2010.

TISCAN INTRODUCED FULLY ELECTRONIC INTERACTIONS WITH IMPORTERS AND CLEARING AGENTS USING A HIGHLY SECURED LOGIN SYSTEM.

ANGOLA

Scope of services

Cotecna has been active in Angola since 2001. Since October 2006, it has conducted Pre-shipment Inspection out of offices in Luanda and the provinces of Cabinda, Lobito and St Clara.

Cotecna opened an Issuing Unit in Porto, Portugal in view of the high volume of exports leaving Portugal for Angola.

Cotecna also has a stand-alone Computerized Risk Management System contract with the Angolan authorities. This system uses econometrical modelling to identify criteria to assess the level of risk of the trade transactions.

TANZANIA

Scope of services

Since January 1, 2004, Cotecna and Tiscan, Cotecna's subsidiary in Tanzania, have worked with the Government of the United Republic of Tanzania on a modernization initiative geared at developing and implementing a Destination Inspection scheme employing a combination of risk management, scanning services and pre-arrival processing of import declarations.

2009 Highlights

In May 2009, Tiscan introduced fully-electronic interactions with importers and clearing agents. This allows clients to monitor all steps in the clearing process

through email and internet using a highly secured login system. Hard copy documents, including final Cotecna assessment reports, are no longer required. This avoids the need for importers and clearing agents to physically visit Tiscan premises. This major modernization step has been officially approved by Tanzanian Customs and represents a significant achievement in favour of facilitating trade.

In Tanzania, Cotecna's corporate responsibility activities have included a substantial contribution to the refurbishment of a mammography clinic and, for the 3rd year running, the donation of school supplies and uniforms to orphans. These are reported in further detail in the Corporate Responsibility section of this report.

BURKINA FASO

Scope of services

Since 2004, Cotecna's operations in Burkina Faso have comprised Pre-shipment Inspection and Destination Inspection programmes.

2009 Highlights

Both contracts have been renewed and since October 2009 all Cotecna data is directly connected electronically to the Customs data. This makes it obligatory for all declarations to receive the Cotecna certificate before the Burkinabé Customs authorize importation.

Cotecna won an international tender for the partial privatisation (51%) of the technical control of vehicles (Centre de Contrôle des Véhicules Automobiles – CCVA).

As a well-established company in Burkina Faso, Cotecna continuously involves itself in the local community. Read more about events and donations in the Corporate Responsibility section of this report.



New generation 6 MeV relocatable gantry scanner, Lomé, Togo

SENEGAL

Scope of services

Cotecna has provided Pre-shipment Inspection services since 2001. In 2003, the scope was extended to include Destination Inspections, mobile scanners and a Computerized Risk Management System (CMRS®). In 2007, Cotecna won a tender to provide additional scanners and e-tracking services (GPS Tracking for trucks and containers).

2009 Highlights

Construction of three relocatable scanner sites was completed at the port of Dakar. Tracking units were deployed between Dakar and four border posts, and the corresponding operations started in December 2009.

TOGO

Scope of services

Cotecna has been managing a Pre-shipment Inspection Program in Togo since 1994, constantly adapting it to promote the modernization efforts of the Togolese Customs. The scope of services include valuation and classification of goods to assess the dutiable values, the implementation of a risk management system for Customs, and mobile X-ray scanner services.

2009 Highlights

In March 2009, Cotecna's contract with the Togolese government was extended to 31 December 2015.

The inauguration of a new generation 6 MeV relocatable gantry scanner in the port of Lomé took place in November 2009. This scanner, which was installed and is managed by Cotecna, responds to inspection security demands and is able to detect radioactive materials and discriminate between organic and inorganic material.

COTECNA INAUGURATED A NEW GENERATION 6 MeV RELOCATABLE GANTRY SCANNER IN THE PORT OF LOMÉ IN NOVEMBER 2009.

REPUBLIC OF CONGO

Scope of services

Cotecna has had a presence in the country since 2006, after winning an international tender for a Pre-shipment Inspection (PSI) contract.

2009 Highlights

In June 2009, Cotecna signed an addendum for a four-year extension to the initial PSI that includes a risk management program and the maintenance and operation of a mobile container scanner at the Port of Pointe Noire. The contract also includes a VSAT for satellite transmission of data, voice and video signals and valuation and classification of imported goods. The mobile scanner will begin operations in the first quarter of 2010.

MIDDLE EAST

YEMEN

Scope of services

In 2006 Cotecna was appointed by the republic of Yemen to advise on the installation and operation of eight mobile scanners. In addition to this, Cotecna began to provide image analysis training in 2007.

2009 Highlights

In 2009, Cotecna started a two-year, renewable Verification of Conformity Programme contract, signed with the Yemen Standardization, Metrology and Quality Control Organization (YSMO).

Cotecna covers the following product categories:

- Food – all types including commodities, beverages and processed food; except prohibited goods
- Steel bars for concrete reinforcement
- Timber for construction

In the countries of origin, Cotecna conducts inspections, sampling and laboratory testing of goods before shipment to Yemen and issues Certificates of Conformity mandatory for import into Yemen.

Cotecna also provides technical assistance, marketing and capacity building services to the YSMO.

CENTRAL AMERICA

GUATEMALA AND HONDURAS

Scope of service

Customs Port Security training.

2009 Highlights

Between February and May 2009, the Cotecna Supply Chain Security team conducted Customs port security training and advanced simulated crisis management exercises in support of an Organization of American States (OAS) capacity building effort in five major ports in Honduras and Guatemala.

The training took place at Roatan, Puerto Castilla and Puerto Cortes in Honduras and at Puerto Santo Tomas de Castilla and Puerto Quetzal in Guatemala. The operational focus of these ports varied significantly from cruise ship operations to container and bulk cargo handling. The Customs training was supplemented with an advanced simulated crisis management exercise for port community stakeholders at the Honduran ports of Roatan and Puerto Cortes, and at the Guatemalan port of Santo Tomas de Castilla in Guatemala.

EUROPE

Scope of services

In March, 2009, Cotecna became a partner in the CREATIF project.

The objective of this 30-month project is to set up a network of testing facilities for security-related products and services across the EU. The project brings together testing laboratories, technology users and decision makers.

Workshops organized between the various stakeholders cover themes such as certification and testing of CBRNE (Chemical, Biological, Radiological, Nuclear and Explosive) detection equipment. Existing testing protocols and relevant standards will be examined to propose harmonization throughout the EU.

2009 Highlights

Cotecna leads the "Operational Testing and Human Factors" work package that includes the development of situational scenarios and performance metrics. Cotecna is also responsible for the "Future Aspects of Testing" work package which includes the development of a business model and roadmap for future development of the CREATIF network.

It is intended that the CREATIF network will continue to function as a testing and certification network in the EU after the completion of the project.



ARMENIA

Scope of services

In the context of the US Government's Export Control and Related Border Security Assistance (EXBS) programme, Cotecna was awarded a mandate to provide X-ray scanner image analysis training for Armenian Customs officers.

2009 Highlights

The training sessions took place in October 2009 at two border posts, namely Meghri which borders Iran and Bagratshen which borders Georgia. The objective of the training was to help the Customs officers identify illicit trafficking and contraband and prevent illegal shipments of dangerous items and controlled technologies. The series of courses were modelled to meet the security requirements of the Armenian government in providing enhanced security screening. Hands-on training included non-intrusive examination of the content of containerized cargo imported into Armenia, safety and scanning procedures, image familiarization, identification of certain objects, and image manipulation.

Each image analyst had to properly identify and examine the container contents on computer monitors and compare the image with the declarations. 100% proficiency had to be achieved to obtain certification. Courses included classroom presentations and practical field exercises on an X-ray cargo scanner.



X-ray cargo scanner image

COTECNA BECAME A PARTNER IN THE CREATIF PROJECT TO SET UP A EUROPEAN NETWORK OF SECURITY TECHNOLOGY TEST CENTRES.



04

COMMERCIAL
SERVICES

OVERVIEW AND KEY ACHIEVEMENTS FOR 2009

OUR COMMERCIAL SERVICES

Cotecna inspects, tests and certifies goods at every stage of the value chain, and does so globally.

We have particular expertise in the fields of:

- Agriculture
- Metals and minerals
- Chemical and petroleum products
- Marine surveys
- Industrial equipment
- Vehicles
- Consumer goods

Just as our services address all points in the value chain, the benefits are also widespread. They can contribute to the well-being of individuals and businesses in a range of ways, for example:

- Fewer damaged or defective goods mean that customers are happy and the reputations of importers and producers are protected
- Governments can rest assured that the health and safety of their citizens are protected when goods meet agreed standards

- Inspection of industrial equipment contributes to safer working environments for employees
- Financial institutions and investors can rest assured that their interests are protected

Cotecna's longstanding expertise in commercial services, and detailed knowledge of the industries in which we specialize, have allowed us to go beyond merely delivering standard solutions. By listening to feedback from our clients, and working with them to define their needs and wishes, we have been able to develop and bring to market innovative services that save time and money, at greater convenience to all parties involved.

More details of the services we offer can be found in Part 6 of this report.

OVERVIEW AND KEY ACHIEVEMENTS FOR 2009

INNOVATION

LAUNCH OF E-DOX® – TAKING DOCUMENT TRANSFER TO A NEW LEVEL OF SPEED AND SAFETY

Cotecna has launched a new system – E-Dox® – whereby documents are issued and exchanged electronically, in full compliance with eUCP600 requirements. Paper certificates used to be sent by special couriers; a method that was slow and expensive, with a risk that documents might be lost. Now, E-Dox® provides an alternative that is fast and secure, and is supplied to clients at no cost.

Key features of the system:

- Signatures are added electronically
- Based on the most advanced encryption technology available
- Fully compliant with eUCP600
- Processing and exchange of certificates is simple
- Documents can be verified online – from anywhere, at anytime

Cotecna is one of only a couple of companies worldwide able to offer such a service.

Cotecna moved quickly to deliver this solution to clients, launching the programme in August 2009, only weeks after the United Nations' official endorsement of the latest version of Uniformed Customs and Practice for Documentary Credits (UCP600).

CONSUMER GOODS INSPECTION ON-LINE SERVICES

Cotecna Commercial Division launched a business-to-business website providing online quality inspections and audits to address the concerns of buyers purchasing Consumer Goods in Asia, particularly China, Thailand, Vietnam, India, Bangladesh and Pakistan.

It is a smart and a cost-effective way for buyers to make sure that the actual condition of the goods matches their expectations and standards. The buyer simply registers on the site and submits a request for inspection. An inspection takes on average from one to two days, during which the buyer can follow the progress of the inspection request online via the site. The objective of this site is to target a new category of online clients in order to expand Cotecna's Commercial business globally.



Cotecna laboratory, San Lorenzo, Argentina

LABORATORIES

Cotecna's inspection and certification services rely on efficient, reliable laboratory facilities.

Having our own laboratories, or using independent, accredited laboratories with whom we maintain privileged working relations, allows Cotecna to deliver a complete range of services:

- Provision of independent reports on the composition of goods
- Validation of samples to a range of national standards or international norms
- Testing of foodstuffs to check for illegal or undesirable additives
- Physical and chemical analysis

Cotecna has an ongoing programme, and makes substantial investments, to ensure that the laboratories it uses meet agreed standards, eg: GAFTA and FOSFA for agricultural products. As a result, we have a network of certified laboratories in America, Africa, Europe and Asia.

ARGENTINA : ISO 17025

In December 2008, Cotecna Argentina was granted ISO 17025 accreditation for its laboratory in San Lorenzo, Province of Santa Fe, by the Argentine Accreditation Organism. The ISO/IEC Standard 17025 certifies laboratories for their competence to carry out tests and/or calibrations, including sampling.



Cotecna inspects and tests grains, pulses, rice, etc.

It covers testing and calibration performed using standard methods, non-standard methods, and laboratory-developed methods. Cotecna's San Lorenzo laboratory is also recognized by SENASA (Government Agriculture Secretary) and it is a member of GAFTA and FOSFA. Cotecna Inspección Argentina's principal testing is on feeding stuffs, oilseeds, and cereal.

THAILAND : GAFTA

Cotecna Thailand, already on the GAFTA Register of Approved Analysts for grain tests, obtained an accreditation for feeding stuffs analysis.

Laboratories that analyze and provide certificates on the quality of grain, animal feeding stuffs, pulses and rice pursuant to trade performed under GAFTA's contract terms must be approved to be listed on the GAFTA Analysts Register. Once approved, analysis laboratories continue to demonstrate their ability on a continuing basis by undergoing two ring tests a year.

COTECNA HAS ITS OWN ACCREDITED COMMODITY TESTING LABORATORIES IN THE USA, BRAZIL, ARGENTINA, URUGUAY, RUSSIA, UKRAINE, EGYPT, THAILAND AND INDIA. NEW FACILITIES ARE BEING SET UP IN THE GRAINS, MINERALS AND CONSUMER GOODS SECTORS IN CENTRAL AND EAST ASIA.

OVERVIEW AND KEY ACHIEVEMENTS FOR 2009

THE AMERICAS

COLOMBIA

In October 2009, Cotecna Certificadora Services Ltda, Cotecna's Colombian subsidiary, became the first company to be accredited by ONAC as a Certification body for Food Security (ISO 22000) and Information Security Management Systems (ISO 27000). Cotecna received the ISO 17021 accreditation from the National Organisation of Accreditation of Colombia (ONAC).

This ISO 17021 accreditation enables Cotecna to certify the following management systems:

- Systems of Management of Security of Information (ISO 27001:2005)
- Systems of Management of Food Safety (ISO 22000:2005)
- Systems of Management of Security and Occupational Health (OHSAS 18001)

ONAC also re-confirmed Cotecna's accreditations for the ISO procedure 9001:2008 and NTCGP 1000:2004, the Quality and Systems Management systems for the public administration sector.

NTCGP 1000 is the Colombian Standard for Public Quality Management System, based on ISO 9001.

In October 2009, Cotecna Colombia signed an agreement with the Tourism Alliance Consortium of Colombia to certify the competence of 50 tourist guides in the cities of Bogotá, Cartagena and Santa Marta. The process, developed by Cotecna, is based on the guidance rules issued by the Sector Unit for Standardization for the Subsector of the Tourist Guides – USNGT. Cotecna reviews the documentation for each of the guides as well as evaluating them in the field as they carry out their work in the various museums, historical and tourist sites of the cities.

Also in October, Cotecna certified the “Contraloria of Cundinamarca”, an independent organization that specializes in the surveillance and investigation of public resource management in state entities.

BRAZIL

In 2009, the CESB (Brazil Soybean Strategic Committee), a non profit organization that focuses on strategies for the national soybean culture, launched a challenge called ‘Desafio Nacional de Máxima Produtividade’ (national challenge for maximum productivity). Its objectives are to increase soybean productivity and promote the latest production technologies throughout the country.

The Brazilian soybean farmers had until mid-December 2009 to register and participate in the challenge. The project consists of defining a specific area of a maximum 10 hectares and planting any variety of soybean using any approved treatment considered necessary. At the harvest period, usually March and April, the farmers will report their estimated productivity back to the CESB.

Cotecna Brazil has been contracted to audit all yields of more than 5 400 kgs per hectare. Audits will include the harvests and check that participants have thoroughly respected the rules.

AFRICA

ALGERIA

In early 2009, the Bank of Algeria advised Algerian importers that all imported goods must undergo Pre-shipment Inspection in their country of origin by 3rd party surveyors. The inspection results are to be reported in a certificate of conformity (Quality Control Certificate), which is required for both Customs clearance and negotiation of the shipping documents. Such certificates became compulsory as of March 15, 2009. Cotecna provides Quality Control Certificates for any company wishing to export to Algeria. This enables these exporters to meet Algeria's standards and document requirements in a timely and efficient manner.

MIDDLE EAST

DUBAI

In May 2009, Cotecna Inspection Dubai, UAE, was accredited as a Type A (independent) inspection body under ISO/IEC 17020 by the Emirates National Accreditation System (ENAS), part of the Emirates Authority for Standardisation and Metrology (ESMA).

ISO/IEC 17020 provides general criteria for the operation of various types of bodies performing inspections, and requires a high level of professionalism using qualified personnel and well managed procedures. It generates a technically-specific quality assurance of reliability, consistency, accuracy, efficiency and most of all, is good value for our clients. The criteria cover areas such as technical skills and qualifications of staff, inspection methods and procedures, as well as the management of facilities, equipment, samples, reports and subcontractors.

ASIA

KOREA

On December 15, 2009, Cotecna Inspection Korea Inc received its accreditation by the Ministry of Land, Transport and Maritime Affairs (MLTM) and the Korean Tally Survey Association (KTSA) to carry out surveys and inspections at all Korean ports.

The approval was granted following the successful completion of qualification examinations by Cotecna inspectors and office staff.

PHILIPPINES

On November 16, 2009, Cotecna received accreditation from the Committee for Accreditation of Cargo Surveying Companies (CACSC), as a bulk and break-bulk surveyor for cargo entering the Philippines. Cotecna was the first company to have complied with the requirements set by the Philippine government under their Administrative Order (AO) 243-A stating that, effective January 4, 2010, all bulk and break-bulk cargo entering the country must be inspected by accredited surveying companies at their port of origin.

INDONESIA

In late 2009, Indonesia's KSO SCISI officially appointed Cotecna to carry out the inspection of non hazardous and non toxic waste shipments sent to Indonesia for recycling. KSO Sucofindo-Surveyor Indonesia (KSO SCISI) was appointed by the Directorate General of International Trade of the Ministry of Trade of The Republic of Indonesia to manage the verification of the country's main imports.



05

**CORPORATE
SOCIAL
RESPONSIBILITY**

CORPORATE SOCIAL RESPONSIBILITY

ONE OF COTECNA'S KEY VALUES IS PROXIMITY

We aim to be close to our Customers and their business needs, so that we can offer them the best service possible. In the same way, we seek to be involved in the local communities wherever we are active. We do this because we care, and because it makes good business sense: the communities are also the homes for our employees, and the place where our Customers do business. The children of our staff and business partners go to school in the local communities, and, because one of Cotecna's strengths is our policy of employing local talent

wherever possible, our future employees are educated at the universities and technical colleges. Cotecna has a clear and thoughtful Corporate Responsibility strategy and we have chosen to focus on three areas of greatest humanitarian need: education, health and clean water supply. To avoid any misunderstanding, we also make a clear distinction between charitable contributions and sponsorships, which can be business-related and part of our marketing strategy.

BURKINA FASO

A FOCUS ON YOUTH AND SUPPORT FOR THOSE IN GREATEST NEED

May 2009

Cotecna presented a range of sports equipment to the children of Napamboumbou primary school in Burkina Faso's Ziniaré district. The handover took place at a lively ceremony attended by the inspector responsible for basic education in the district, village councillors, the school's director and the president of the parents' association.

Many of Cotecna's employees attended the ceremony and cheered on the children to show their support and encouragement.

This latest contribution is part of a longstanding commitment to the school. In 2007, Cotecna financed the building of the school. It now has six fully-equipped classrooms, accommodation for the teachers, and the infrastructure needed to ensure the health and safety of staff and students, such as a canteen, sanitary facilities and a well to ensure the availability of clean water. Cotecna's involvement is in direct support of Burkina Faso's national educational objective of increasing the number of children who attend school.

August 2009

In the same spirit of supporting local initiatives, Cotecna sponsored a tree-planting ceremony organized by the Ministry of Youth and Employment to celebrate International Youth Day. The event took place in Bissiga, near Ouagadougou, and was attended by around 5 000 enthusiastic young people who planted 15 000 trees over approximately 17 hectares. Their efforts on the day were a tangible example of the chosen theme: "Emphasizing the contribution of youth to sustainable development is to ensure our future".

September 2009

Burkina Faso suffered torrential rain and extensive flooding, resulting in loss of life and in the destruction of homes and public buildings. Cotecna's employees in the country responded immediately and spontaneously, collecting funds to buy five tons of rice. The company supported their efforts, making a donation to the government. It was estimated that around 30 tons of rice per day were needed to feed those who had been injured or displaced, and the Burkina Faso government praised Cotecna for leading the way among corporate donors.

TANZANIA

IMPROVING WOMEN'S HEALTH AND GIVING CHILDREN THE CHANCE TO GO TO SCHOOL

In Tanzania, local staff from Cotecna's subsidiary, TISCAN, recognized that they could make an important contribution to the health of the local community. They chose to refurbish the mammography clinic at the Amana Hospital and took care of ensuring compliance with the stringent radiation safety standards for X-rays set by the Tanzania Atomic Energy Commission. The mammography equipment was donated by the Medical Women Association of Tanzania (MEWATA) and TISCAN financed the renovation of the treatment clinic and the construction of an area where patients can sit comfortably in the shade while they wait for their appointment. The importance of this contribution to the community was underlined by the fact that the opening ceremony was attended by Professor David Mwakiyusa, Minister for Health and Social Welfare in Tanzania.

For the third year in a row, Tiscan staff also donated school supplies such as uniforms, bags, textbooks and exercise books to orphans from Makangarawe and Chang'ombe in Dar es Salaam. These children, aged between 3 and 16 years old, are raised by custodians – mostly grandmothers – who have very limited financial resources. They are not allowed to attend school unless they wear a uniform and buy their own books, so the Tiscan staff's support is essential to help them realize their full potential. Tiscan also provided supplies such as rice, beans, oil, sugar, soap and mosquito nets to those who care for the children. Tiscan staff worked with the Tanzania Women and Children Welfare Centre (TWCWC) to identify those families most in need of their help.



NIGERIA

PROMOTING ACADEMIC EXCELLENCE BY IMPROVING LIBRARY FACILITIES

In Nigeria, Cotecna committed 43 000 US dollars (N6.5 million) to support the education of students of King's College, Victoria Island, one of the oldest schools in Lagos with over 1 200 students.

The project was conceived as a way to help students reach their full potential by providing senior students with a quiet and comfortable environment that would be conducive for learning. The project included the supply of six split air-conditioners, burglar protection for windows and AC compressors, a desktop computer, a laser jet printer, ceramic floor tiling and furniture. The library block was repainted and close to 400 books on a range of subjects were purchased.

The commissioning of the library was held on November 5 and was attended by Alh Halad Keana, representative of the Minister of Finance, Mr. J. B. Ladan, Principal of King's College, senior management, students and old boys of the college, parents of the students, and Cotecna group and national management.



King's College Library, Lagos, Nigeria

Tayo Rabi, Managing Director, Cotecna Nigeria said; "As Cotecna continues to pursue its business obligations and operational goals, we also recognise the importance of investing meaningfully in the community where we operate. Today's world is taking a paradigm shift and moving swiftly towards a knowledge economy; the future lies in how well a nation equips its future champions".

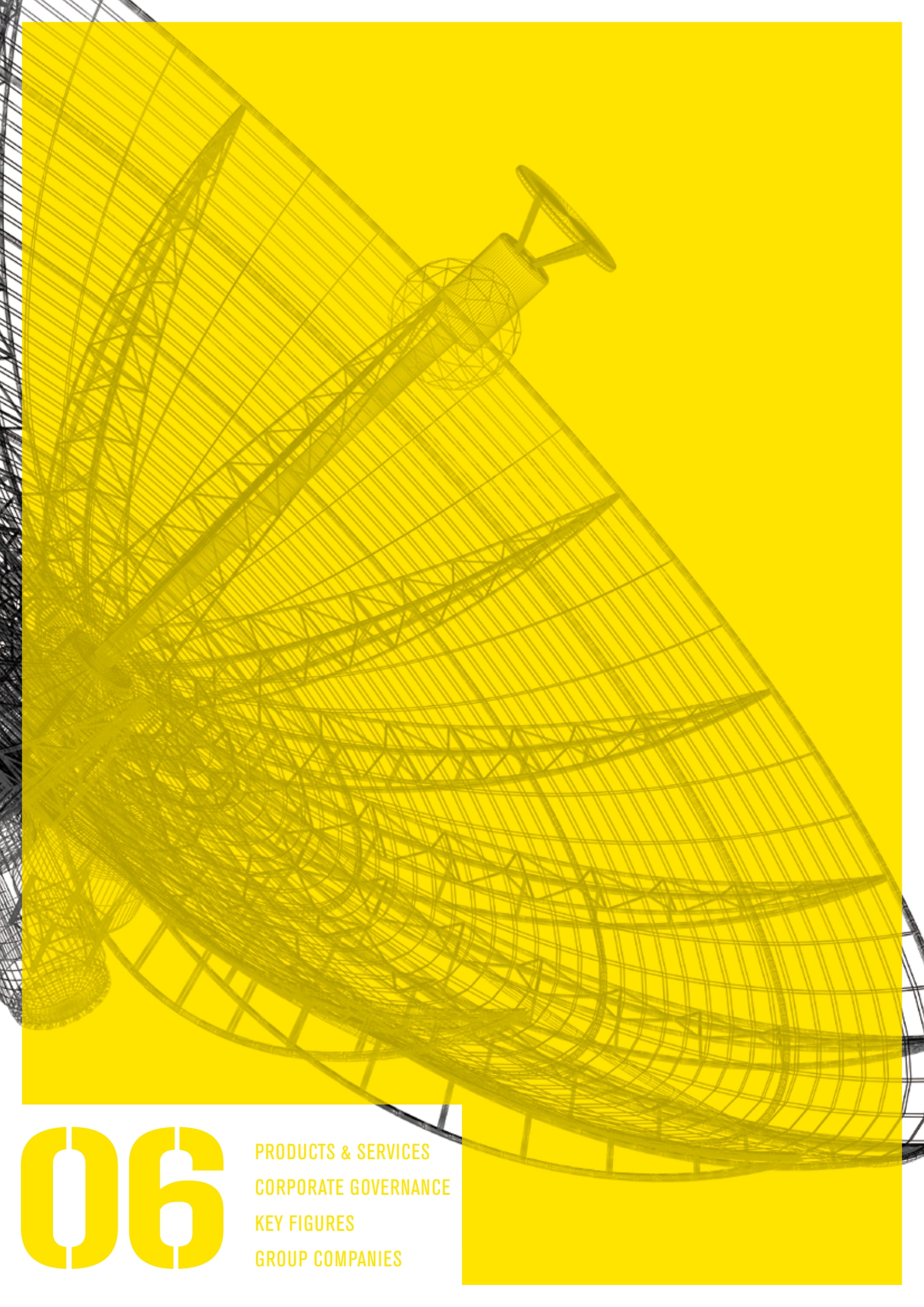
COTECNA'S CORPORATE SOCIAL RESPONSIBILITY STRATEGY FOCUSES ON AREAS OF GREATEST HUMANITARIAN NEED: EDUCATION, HEALTH AND WATER.

CONGO

In Congo, the focus of Cotecna's corporate responsibility was on education. The company works in partnership with the Fondation Congo Assistance (FCA), a Congolese non-government organisation that was created in 1984 to promote activities in the areas of health, development, education and professional training. The majority of its actions help young children, women and elderly people.

In association with FCA, Cotecna Congo donated 400 tables and benches for the pupils of the High School of the Revolution and the School of July 31st in Talangai.

For Christmas 2009, Cotecna donated a further 500 school kits, including pens, books and school bags to FCA, which in turn distributed them to the children who needed them most. The ceremony at which these kits were donated was attended by the President of the Foundation, First Lady Madame Antoinette Sassou Nguesso.



06

PRODUCTS & SERVICES
CORPORATE GOVERNANCE
KEY FIGURES
GROUP COMPANIES

PRODUCTS AND SERVICES

INSTITUTIONAL SERVICES

CUSTOMS

DESTINATION INSPECTION (DI)

What we do

- Provide document review, classification, valuation and physical inspection when required, in the country of origin and/or in the country of destination
- Integrate sophisticated technologies such as the Computerized Risk Management System (CRMS®) and Non Intrusive Inspection services using scanner imaging, in the country of destination

DI services are based on the declaration of goods and commercial documents. In addition, Cotecna offers training, capacity building and technology transfer.

The benefits

- Trade facilitation – by combining risk management with technological tools that contribute to reducing the time required for imported goods to clear Customs
- Compliance with the World Customs Organization's SAFE Framework of Standards
- The protection of Government revenues – by focusing on high risk transactions and thus reducing opportunities for fraud, fiscal evasion and price discrimination
- Security enhancement at airports, seaports and borders – by reducing human intervention and the influence of arbitrary decisions on the Customs clearance process

Why Cotecna?

Cotecna pioneered Destination Inspection and private scanning operations in 1999, and is now the recognized world leader in these fields.

PRE-SHIPMENT INSPECTION (PSI)

What we do

Before shipment, goods are physically inspected to determine:

- Quality and quantity of goods
- Accurate classification of tariff codes
- Accurate valuation of goods for payable duties and taxes

Cotecna also controls the transaction documents and provides added-value reporting to the Customs.

The benefits

- Protection of Government revenues – through the assessment of imports by experienced staff from our worldwide network. This, in turn, prevents unjustified transfers of foreign exchange to other countries, and the collection, by Customs, of duties and taxes that are too low
- Trade facilitation – by speeding up the clearance process for importers, and respecting business ethics and compliance
- Increased security – by ensuring that commercial operations comply with government laws and regulations

Why Cotecna?

Cotecna has been offering Pre-shipment Inspection (PSI) services to countries in five continents since 1984 and is the leader in Government inspection contracts today.

CUSTOMS TRAINING

What we do

Cotecna helps build capacity in the countries where it operates by supplying training to Customs officers and other staff in a range of inspection, verification and risk management functions.

The benefits

- National governments can increase their own ability to implement Customs services and reduce dependency on external suppliers by training their own staff
- Ongoing training keeps standards high and maximizes the benefits gained from new technologies such as scanners and computerized systems

Why Cotecna?

As a leader in the field, Cotecna is ideally placed to pass on expert, state-of-the-art knowledge and skills. Continual updating and innovation of Cotecna's own services mean that it is constantly offering training to its own staff, and often to clients and their representatives through the same high-quality programmes.

Services include: feasibility studies, procurement assistance, scanner implementation, scanner operation and maintenance, training, capacity building, know-how transfer and audits.

The benefits

- Avoids the unpacking and repacking of goods
- Inspection is completed quickly – leading to faster clearance
- Reduced congestion at ports
- Enhanced Customs revenue
- Optimises the use of scanners for high risk shipments

Why Cotecna?

Cotecna was the first private company to own and invest in high-energy cargo scanning technology for Destination Inspection and has the most experience worldwide in this domain. As a privately-owned company, we create tailor-made solutions and can offer either Private-Public Partnerships (PPP) or technical assistance and consultancy services.

TECHNOLOGY

SCANNER SERVICES

What we do

Non-intrusive inspection scanning technology, using scanners and X-ray technology, makes it possible to verify the contents of containers without the need for physical inspection.

Cotecna provides clients with either:

- BOT – build, operate, transfer contracts; or
- Expert advice and assistance to evaluate and choose the best solution for their needs

TRANSIT MONITORING SYSTEM

What we do

Vehicles carrying goods under special Customs regimes are monitored remotely. GPS devices are attached to vehicles and transmit data about position, speed and direction of movement. Cotecna's system detects and provides alerts about unpredicted events.

IT / SOFTWARE

COMPUTERIZED RISK MANAGEMENT SYSTEM (CRMS®)

What we do

Cotecna's CRMS® is internationally recognised as an innovative solution that applies random, selective and econometric criteria in a systematic way to analyze trade transactions. It recommends the appropriate level of Customs intervention, taking into consideration the risk of fraud and the availability of human and physical resources.

The benefits

- Reduces and targets the need for physical inspections
- Facilitates trade by reducing costs and port congestion, and speeds up import processing
- Protects revenue through focused intervention
- Security is enhanced by directing attention to high-risk imports

Why Cotecna?

Cotecna's own CRMS® system is a perfect complement to other Cotecna services, such as Pre-shipment Inspection, Destination Inspection and scanning activities. CRMS® offers revenue authorities a powerful tool for optimizing their activities.

VALUATION (VALUEQUEST®)

What we do

ValueQuest® is a comprehensive, modular and customizable software solution to verify the accuracy of the declared value of goods. It is specially designed for, and with, Customs authorities to support the implementation of the WTO Agreement on Customs Valuation.

The benefits

- Allows national authorities to closely control transit operations
- Facilitates the transit of goods within countries and across borders
- Helps fight fraud by indicating whether goods have been stolen or dumped on a national market without Customs being paid
- Provides Customs with evidence in cases of investigation or dispute

Why Cotecna?

Cotecna's system is based on state-of-the-art telecommunications, GPS and graphical capabilities.

SECURITY

SUPPLY CHAIN SECURITY AND SUPPLY CHAIN CONSULTING

What we do

Cotecna offers a range of supply chain security and supply chain consulting services to governments, international institutions and the private sector. Specific deliverables include impact and assessment studies, cost/benefit analysis, development of reference materials, and supply chain security pilot projects and programmes.

The benefits

Proven trade facilitation and trade risk management expertise to deliver added-value consulting and training services.

Why Cotecna?

Cotecna's experience in supply chain security comes from the wide range of inspection, risk assessment, trade monitoring, control activities, and deep technology expertise, from many countries around the world.

The benefits

- Increased revenues with accurate valuation of goods
- Higher-quality valuation leading to faster valuation decisions and better risk assessment
- Trade facilitation
- Capacity building and technical assistance for Customs

Why Cotecna?

As part of its well-known Destination Inspection activities, Cotecna has developed unique expertise in the valuation and classification of goods. Customs can benefit from this expertise through the ValueQuest® system.

PRODUCT SAFETY

VERIFICATION OF CONFORMITY (VOC)

What we do

Verification of Conformity involves checking goods before they are shipped, in order to ensure that they meet required quality and safety standards. To achieve this, Cotecna performs a combination of physical inspection, collection of samples for laboratory testing, and documentary checks. If conformity is confirmed, Cotecna issues a Certificate of Conformity recognised in the destination country.

The benefits

- Protection of consumers – through assurance that products meet agreed standards for health and safety
- Detection of fraudulent, counterfeit or substandard goods
- Faster Customs clearance – for goods that have been certified
- Easier comparison between local and imported goods, thanks to the application of objective criteria
- A transparent process for issuing Certificates of Conformity, known to the trade community
- Access to Cotecna's own laboratories

Why Cotecna?

Building on its leading position in Pre-shipment Inspection and risk management, Cotecna has extended its expertise into products conformity, standards, testing, auditing and conformity assessments.

COMMERCIAL SERVICES

Cotecna has over 35 years of global experience in inspection, testing and certification. Our mission is to provide specialized international inspection, testing and trade finance-related services offering innovative, tailor-made solutions for the commodities and consumer goods sectors.

AGRICULTURAL INSPECTION

Cotecna has a worldwide network of specialists and laboratories and helps shippers, traders, end-users and government bodies assess the quality, quantity and integrity of their products. We offer our services to all agricultural market segments: from grains, pulses, oilseeds and feedstuffs to liquid cargoes, sugar, fibers, fruit, coffee, fertilizers and more.

METALS & MINERALS INSPECTION

On-the-spot independent inspection services for ferrous and non ferrous metals, coals, ores and other minerals, concentrates, scrap metal, etc., can help safeguard our clients' interests.

MARINE SURVEYS

Inspection services of vessels and containers that include the condition of holds and tanks, validity of certificates, and supervision during loading and discharge can be performed in conjunction with cargo inspections.

INDUSTRIAL EQUIPMENT INSPECTION

We ensure that products or installations supplied to our clients meet all applicable requirements. It is our goal to help verify the integrity and efficiency of equipment, to ensure a safe working environment for employees and to minimize the negative environmental impact of industrial activities.

CHEMICAL & PETROLEUM PRODUCTS INSPECTION

In an industry where losses and lack of quality can have a heavy financial impact, our network of experienced inspectors are on the ground, wherever and whenever cargoes are being loaded or discharged, to sample and test, to measure bulk cargoes and to inspect products, bunkers and tanks.

TEXTILE AND CONSUMER PRODUCTS

Offering a complete range of services including product inspection, process assessment and technical assistance, Cotecna's network of experts ensures that the product conforms to clients' specifications and is safe for use.

VEHICLE INSPECTION

Cotecna has over 13 years of know-how in the field of certification of conformity of second-hand imported vehicles against national standards.

LABORATORIES

Cotecna has a global network of laboratories certified to international and national standards that offer services for products ranging from grains, feeding stuffs and vegetable oils and fats to consumer goods such as toys.

We also provide quality certificates on the basis of results by independent and accredited laboratories (e.g.: GAFTA and FOSFA for agricultural products).

E-DOX®

Cotecna has developed E-dox®, a state-of-the-art solution to issue e-documents that are fully compliant with eUCP600 requirements. The E-dox® solution enables the transmission of e-certificates by email instead of paper certificates and significantly speeds up and secures the process of transmitting such documents. More detailed information can be found in previous pages of this report.

TRADE FINANCE SERVICES

Cotecna's mission in the field of trade finance services is to assist borrowers and lenders in setting up cost-effective, yet solid and Basel II-compliant financing structures. Services consist of: monitoring physical collateral security at any stage of financed transactions, local custody and handling of titles or other documentation related to the goods, and other tailor-made interventions.

FULL OUTTURN GUARANTEE

In conjunction with top-rated underwriters, Cotecna can provide clients with a guarantee against the possible shortage of goods which may occur between their loading at origin and their unloading at destination resulting in compensation for the client in the event of a shortage.

CORPORATE GOVERNANCE

GROUP STRUCTURE



From left to right: Georges Massey, Thierry de Loriol, Robert Massey, Elie Georges Massey, Philippe Massey, Dan Kerpelman, Claude Béglé

COTECNA SA

Cotecna SA is the Group's Swiss, non-listed holding company. The Group's main operating companies are Cotecna Inspection SA and Cotecna Trade Services SA and their subsidiary companies.

Capital

Cotecna SA has a share capital of CHF 2 000 000 divided into 4 000 bearer shares of CHF 500 each.

Shareholders

All the company's shares are held by members of the Massey family.

Remuneration

The remuneration of members of the Board is determined by the Annual General Meeting of shareholders.

Company Financial Accounts

Consolidated Cotecna SA accounts are prepared each year in accordance with International Financial Reporting Standards (IFRS). The annual budget and three-year plan are the outcome of an in-depth review process, and monthly performance reviews are undertaken by the management.

Auditors

Cotecna SA's auditors are KPMG.

Board of Directors

Cotecna SA's Board is chaired by Elie Georges Massey, founder of the private, family-owned company.

Elie Georges Massey

Chairman

Robert Massey

Director

Philippe Massey

Director

Georges Massey

Director

Claude Béglé

Non-executive Director

Dan Kerpelman

Non-executive Director

Thierry de Loriol

Non-executive Director

The members of the Board are nominated by the Annual General Meeting for a term of office of one year.

The role of the Board of Cotecna SA is to ensure the protection and development of the Cotecna SA portfolio of investments, principally Cotecna Inspection SA and Cotecna Trade Services SA and their respective subsidiary companies.

COTECNA INSPECTION SA

Cotecna Inspection SA is the main operating subsidiary whose activities are principally institutional. Corporate Services are also placed under Cotecna Inspection SA.

Board of Directors

Cotecna Inspection SA's Board is chaired by Elie Georges Massey.

Elie Georges Massey

Chairman

Robert Massey

Director and Chief Executive Officer

Philippe Massey

Executive Director

Claude Béglé

Non-executive Director

Dan Kerpelman

Non-executive Director

Thierry de Loriol

Non-executive Director

The Cotecna Inspection SA Board focuses primarily on the strategic management of the company's business activities.

The members of the Board are nominated by the Annual General Meeting for a term of office of one year.

Chief Executive Officer

The Board of Directors delegates the operational management of Cotecna Inspection SA to Robert Massey, who has been Chief Executive Officer since January 1993.

Cotecna Inspection's ISO 9001:2008 Quality Management System defines the Company's operating framework.

Remuneration

The remuneration of members of the Board is determined by the Annual General Meeting of Shareholders.

Committees

The Compliance Committee was established in 2004 and comprises a non-executive Chairmanship held by one of the non-executive Board members, the Company Compliance Officer and the Chief Executive Officer, as well as management representatives from the operational, legal, and human resources departments.

The Compliance Committee conducts periodic reviews of Cotecna's Business Ethics & Compliance Programme throughout the Group and provides policy guidance to the Board on compliance-related matters. As part of its remit, the Compliance Committee also reviews the appointment of business partners and key suppliers. Regular reports on the activities of the Compliance Committee, which met seven times in 2009, are submitted to the Board of Directors.

Although there are currently no other committees, the Board may establish other committees on an ad hoc basis for specific tasks, if and when it determines them to be necessary.

Internal Control

The Board of Directors is responsible for the internal controls throughout the Group. These internal controls are designed to give reasonable assurance regarding the efficiency and effectiveness of operations, the maintenance of proper accounting records, the reliability of financial information and compliance with applicable laws, regulations and internal procedures.

The Board's internal controls include a documented organizational structure, defined authority limits for management, and the regular review of financial and operational information.

A dedicated Internal Audit function, reporting to the Board, conducts periodic audits throughout the Group. The Head of Internal Audit reports key audit findings to the Board and detailed audit findings to the CEO and senior, regional and country management.

COTECNA TRADE SERVICES SA

Cotecna Trade Services SA is the principal subsidiary of Cotecna SA that focuses on Commercial activities.

Board of Directors

Elie Georges Massey
Chairman

Robert Massey
Director and Chief Executive Officer

Philippe Massey
Executive Director

The Board of Directors nominates Robert Massey as Chief Executive Officer of Cotecna Trade Services SA. Robert Massey has delegated the operational management to Matthieu Delorme, Chief Operating Officer since June 1, 2009.

Cotecna Trade Services' ISO 9001:2008 Quality Management System defines the Company's operating framework.

CORPORATE MANAGEMENT

COTECNA INSPECTION SA

Executive Committee

Robert Massey
Chief Executive Officer

Serge Depallens
Chief Financial Officer
Executive Vice President - Operations & Corporate Services

Christophe Renard
Executive Vice President - Development & Marketing

Didier Reymond
Executive Vice President - Sales

Tyrone Taylor
Executive Vice President - Contract Management

Corporate Services

Christian Arroyo
Senior Vice President - CITT (Information Technology & Telecommunications)

Antoine Chavan
Senior Vice President - Legal Department

Serge Depallens
Chief Financial Officer - Finance & Administration

Pierre-Olivier Pellegrin
Senior Vice President - Security & Inspection Technology

Haja Rajaonarivo
Senior Vice President - Human Resources

Group Services

Alison Bourgeois
Vice President - Corporate Communications

Adrian Walker
Group Compliance Officer - Compliance & Internal Audit

COTECNA TRADE SERVICES SA

Executive Committee

Robert Massey

Chief Executive Officer

Matthieu Delorme

Chief Operating Officer - Commercial Services

Serge Depallens

Chief Financial Officer

Executive Vice President - Operations & Corporate Services

Emmanuel Bonnet

Executive Vice President - Americas

Philippe Gonnet

Executive Vice President - Asia

BUSINESS ETHICS AND COMPLIANCE

Cotecna is committed to delivering professional excellence. As a company, we believe that our contractual and business obligations can only be fulfilled through uncompromising dedication to our clients' requirements and by adopting the highest professional and ethical standards in all we do; this constitutes our business promise.

For this reason, Cotecna has implemented a Business Ethics & Compliance programme throughout its network of offices. At the heart of the programme is the Business Ethics & Compliance Code. The Code's principles and rules apply to all Group activities, and include standards for technical and professional conduct in the following areas:

- Integrity
- Conflicts of interest
- Confidentiality
- Prevention of bribery
- Ethical marketing and fair competition

Most importantly, we place business ethics and compliance above all commercial considerations. To ensure the effectiveness of the implementation of our code, we subject our Business Ethics & Compliance programme to an annual independent assessment conducted by the company's external auditors.

The complete Cotecna Business Ethics & Compliance code can be viewed on our website www.cotecna.com.

QUALITY MANAGEMENT SYSTEMS (QMS)

The Cotecna Quality Management Systems (QMS) and Group certification scheme began with the ISO 9001:2000 certification of the Geneva head office in 2002. Since then, all significant offices within the Group have been certified, most recently to the updated ISO 9001:2008 standard, which was introduced in 2008.

Audits performed in 2009

The following offices were successfully audited and joined the Group certification scheme for the first time in 2009:

- Lomé (Togo)
- Ouagadougou (Burkina Faso)
- Porto (Portugal)
- Houston (USA)

During 2009, the following Cotecna offices were successfully re-audited:

- Moscow (Russian Federation)
- Rostov (Russian Federation)
- Novorossiysk (Russian Federation)
- Odessa (Ukraine)

Surveillance audits were also carried out at the following offices:

- Rouen (France)
- Shanghai (China)
- Geneva – the head office was successfully re-audited in June for the eighth consecutive year

Our ISO 9001:2008 Group certificate was again renewed in June 2009 and covers over 35 offices.

ISO 9001 QMS audits also included within their scope the IFIA (International Federation of Inspection Agencies) Code of Practice.

ISO 9001 and GAFTA

As part of the ISO 9001:2008 certification programme in 2009, seven Commercial business units were successfully audited against the GAFTA Code of Practice for Supervision, Sampling and Weighting (GAFTA N° 123 & 124). A further three offices are to be subjected to this certification in 2010.

The capacity of the Quality Management team to support the certification of Cotecna's offices was reinforced throughout 2009 in a number of ways. A number of Regional Quality Managers were appointed, with the purpose of providing important local resources to assist in the implementation and monitoring of continuous improvement in a number of the Group's largest business units. During the year, a number of Quality Managers and Quality Representatives successfully completed the IRCA Lead Auditor Course. Further, the internal systems for the exchange of knowledge and information between the Group's Quality Managers and staff worldwide were enhanced.

Looking ahead

In 2010, the Geneva head office will be re-audited against the ISO 9001:2008 standard, and other offices in Africa, Asia and the Americas are being prepared for inclusion in the Group certification scheme.

HUMAN RESOURCES

Cotecna Inspection SA and Cotecna Trade Services SA are in the business of creating innovative, reliable and efficient solutions for our clients, and delivering them with speed and accuracy. It is simply not possible to fulfill these tasks without having the right people.

2009 was a year marked by an extensive review of our business structures, in the form of the Pyramid Project. Once we had clearly articulated our strategic mission and our niche in the business market, a logical next step was to identify which skills and expertise were needed to fulfill that mission. A thorough review of organizational structure, positions and terms of reference was undertaken. Then, our challenge was to review the profiles of our existing staff and determine how they could best be deployed and managed to meet the needs of our companies and clients in the future.

Advantages of the revamped employment structure include:

- Greater clarity of objectives and empowerment of managers
- Business units and lines of reporting that are aligned with our corporate objectives
- Optimal use of our global network
- A change of mindset – with an increasingly entrepreneurial approach

Alongside these changes, the HR headquarters team has been restructured to offer each new division a dedicated HR Business Partner to service their needs.

One of the features of Cotecna's global workforce is the extent to which we draw on the strengths of the countries we do business in – employing local staff wherever possible for positions at all levels, including top management. Where expatriate leadership is considered necessary, managers are often drawn from neighbouring countries, for example within Africa, in order to reinforce our value of “proximity” – being close to our customers not just physically, but in our cultural understanding and knowledge of their markets.

Another important feature of Cotecna's offer to clients is that we don't supply a “one-size-fits-all” solution. Rather, we work with each client to tailor a combination of services that suit their exact needs, objectives and cultural sensitivity. Accordingly, we don't just approach universities or other training institutions to find individuals with a ready set of skills. Instead, we invest considerable time and effort into training staff in the Cotecna way of doing business and the particular mix of skills and expertise needed to deliver the services we offer.

Proprietary programmes and methods are used to train staff in the Cotecna way of operating and bring them up to speed in the correct use of our equipment and systems. A good example of this is our “Finance for non-financial managers” course, offered to Cotecna staff from various countries, who do not necessarily have a finance function, but who need to understand financial issues in order to do their jobs.

Further, we have introduced a management training course to develop leaders for the Cotecna businesses of tomorrow. As of March 2010, graduates with bachelor's or master's degrees in economics, international studies, business studies and logistics are being recruited and given the opportunity to understand and master the various aspects of our offer to clients. On completing their training, they will be offered contracts to become staff members of Cotecna and contribute to the further growth of the company.

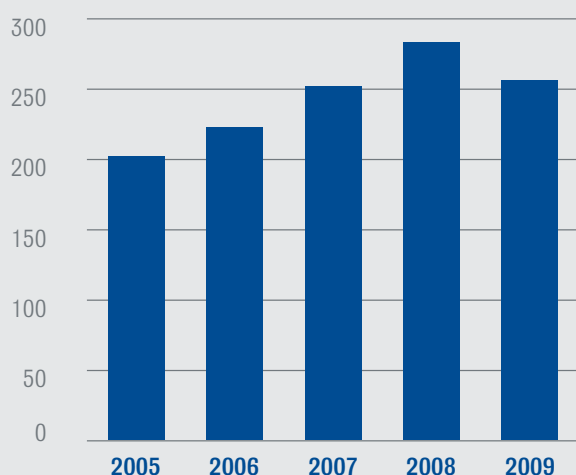
As Cotecna's businesses expand into new areas, and we look for further opportunities to offer future and existing clients the services they need, so, too, will our human resources approach seek to foster openness and innovation. Recruitment will go hand-in-hand with our business development, whilst holding onto the elements of a “family business” that have made Cotecna a successful enterprise during its first 35 years.

KEY FIGURES

ANNUAL REVENUE

In CHF million

2005	202
2006	223
2007	252
2008	283
2009	256



Cotecna SA's revenue in 2009 was CHF 256 million, a decrease of around 9% on 2008, mainly due to the effects of the global financial crisis. Further, around 3% of this decline is due to the variation in the value of the US dollar, the currency in which around 80% of Cotecna SA's business is conducted. In this respect, the difference of around 6% can be considered to be within a normal margin year on year. Despite the difficult environment in 2009, Cotecna's net result shows an increase on 2008.

The accounting records and financial statements of all entities of the Cotecna group are audited by KPMG. The consolidated financial statements and the cash flow report for the year ending 31 December 2009 were drawn up in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

GLOBAL PRESENCE

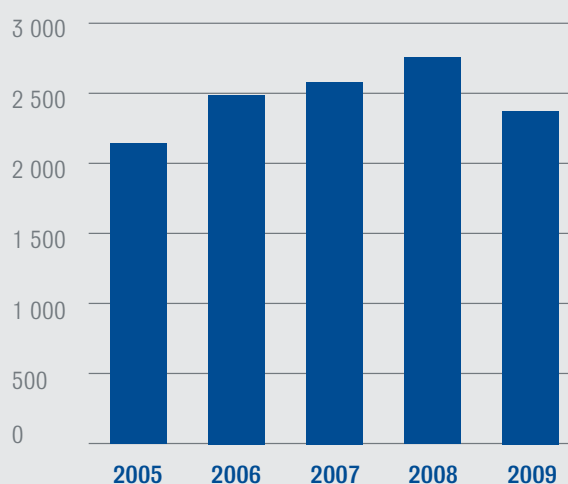
COTECNA STAFF

Cotecna has a strong worldwide network of close to 100 offices and a dedicated workforce of over 4 000 employees and agents. In the Group's Geneva headquarters, 16 nationalities are represented among the 132 employees.







The slight decrease in the total number of full-time staff is mainly due to a reclassification of inspectors and a restructuring of our operations in Ecuador and other South American offices. Staff numbers remained stable in Africa and were slightly on the increase in Asia.

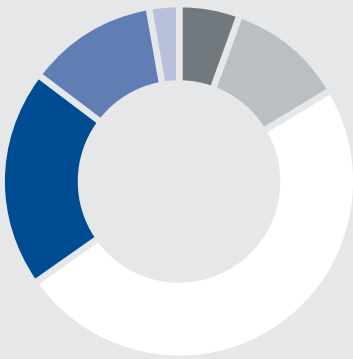
Full-time staff as at 31 December

2005	2 142
2006	2 486
2007	2 578
2008	2 754
2009	2 371



Full-time staff by geographical region

	Geneva HQ	132
	Europe	261
	Africa	1 156
	Americas	476
	Asia	281
	Middle East	65
	Total	2 371



COTECNA AGENTS

Cotecna has a vast network of almost 1 500 experienced agents and representatives throughout the world, often in countries where there is no Cotecna subsidiary or joint venture. Such agents and representatives operate in accordance with methodologies, techniques and procedures (including quality audits) clearly defined and continuously monitored by Cotecna.

GROUP COMPANIES 31.12.2009

COTECNA SA, SWITZERLAND

Cotecna Serviços Angola Limitada
 Cotecna Benelux BV, Rotterdam
 Cotecna Inspection (Comoros) SURL
 Gateway Services Ltd (GSL), Ghana
 Cotecna Inspection Ltd, Jersey
 Cotecna Destination Inspection Ltd (CDIL), Nigeria

Cotecna Inspection de Mexico SA de CV
 Cotecna Inspection Nigeria Ltd (CINL)
 Coins Portugal Unipessoal, LDA
 Cotecna Inspection (Vostok) Ltd, Russia
 Cotecna Inspection Senegal Sarl
 Cotecna International Trade Consulting (Shanghai) Ltd

COTECNA TRADE SERVICES SA, SWITZERLAND

Cotecna Trade Support JSC, Egypt

Tiscan Ltd, Tanzania
 Cotecna Ukraine Ltd
 Cotecna Quality Resources Inc. (CQR), Miami Lakes (USA)

Cotecna Quality Resources Inc., Quito, Ecuador

Cotecna Inc., Washington
 Cotecna Inspection CA, Venezuela

COTECNA INSPECTION SA, SWITZERLAND

Cotecna Inspección Argentina SA	Cotecna Inspeccção & Gestão De Guiné Bissau, Sarl	Cotecna Inspección SL, Spain
Cotecna Inspection (Bangladesh) Ltd	Cotecna Guinée Equatoriale Sarl	Cotecna (Tanzania) Ltd (CTL)
Cotecna Inspection Bangladesh Ltd	Cotecna Inspection Hong Kong Ltd	Cotecna Togo Sarl
Cotecna Benin Sarl	Cotecna Inspection India Private Ltd, Mumbai	Kotecna Gozetim AS, Turkey
Cotecna Inspección Bolivia SA	Cotecna Quality SRL, Milano (Italy)	Cotecna Inspection (Thailand) Co, Ltd
Cotecna Serviços Ltda, Brazil	Cotecna Inspection Japan Limited	Cotecna Uganda Ltd (Cotugal)
Cotecna Burkina Sarl, Burkina Faso	Cotecna Inspection East Africa Ltd (CIEAL), Kenya	Cotecna Inspection Ltd, United Kingdom
Burkina Control Sarl, Burkina Faso	Cotecna Mali Sarl	Cotecna International Ltd, UK
Cotecna Canada Inc.	Cotecna Maroc SNC	Cotecna Laboratories, UK
Sino-Swiss Inspection Co., Ltd	Cotecna Services De Mexico SA de CV	Cotecna Inspection Inc., Miami (Incorporated in Louisiana, USA)
Cotecna Inspection Chile SA	Cotecna reconocimientos SA de CV	Cotecna Inspección Uruguay SA
Cotecna Côte d'Ivoire Sarl	Cotecna Del Peru S.A.	Cotecna de Venezuela, CA
Cotecna Certificadora Services Ltda, Colombia	Cotecna Inspection Philippines Inc.	Cotecna Vietnam Co., Ltd
Cotecna Inspection Congo Sarl	Cotecna Singapore PTE, Ltd	Cotena Inspection Zambia Limited
Cotecna Del Ecuador SA	Cotecna Inspection South Africa Ltd	Cotecna Inspection de Guatemala
Cotecna Inspection Egypt SAE	Cotecna Inspection Korea Inc., South Korea	Cotecna Inspection Tashkent LLC
Cotecna Inspection France Sarl		
Cotecna Inspection GmbH, Düsseldorf (Germany)		

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Cotecna Corporate Communications

April 2010 – communication@cotecna.ch

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Oliver O'Hanlon (pages 5, 34)
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VISION MISSION PHILOSOPHY

OUR VISION

To be the best worldwide provider of Trade Facilitation and Trade Security Services.

OUR MISSION

To provide innovative solutions and tailor-made services that improve and secure the trade environment and deliver added value for our customers.

OUR PHILOSOPHY

We believe that only through professional excellence and uncompromising dedication to our clients' requirements can we truly fulfill our vision and mission. Cotecna's philosophy places professional ethics above commercial consideration. In order to put this into practice, Cotecna observes the following conventions:

We are politically neutral, and financially and commercially independent.

We offer a prompt and personalised service that is self-financing, in terms of the effectiveness of the Inspection Service to the client, while sharing the 'know-how' to our clients' benefit.

We provide reliable and professional services by complying with internationally credible standards such as our ISO 9001 multi-site management system certification, our ISO/IEC 17020 inspections management system, our ISO/IEC 17021 certifications management system, and our ISO/IEC 17025 laboratories management system.

We are fully dedicated to the internationally accepted inspection code of practice and the WTO Agreement on Pre-shipment Inspection, which is scrupulously observed by our professional staff.

We implement a strict Business Ethics & Compliance Code throughout our organisation.

For further information on our services and our list of offices,
please visit our website.

WWW.COTECNA.COM