


COTECNA 2008 ANNUAL ACTIVITY REPORT

The background of the page is a photograph of a green metal structure, likely a container or a large scale. On the left side, there is a vertical silver metal pole. The green surface has white text printed on it, which is partially obscured by a blue text box. The text includes weight measurements in kilograms and pounds, and volume measurements in cubic meters and cubic feet.

Cotecna is the worldwide leader in government inspection contracts and the pioneer and recognized expert in providing risk management programmes associated with scanner services.

Founded in Switzerland in 1974, Cotecna was first established to meet the demand for professional inspection services in the Middle East. Its entrepreneurial spirit and sense of innovation, combined with an excellent understanding of emerging economies, have enabled Cotecna to become a leading supplier of trade security and facilitation services.

The Group offers a wide range of Customs support services, combining state-of-the-art technology and knowledge transfer with innovative, tailor-made solutions to improve and secure trade environments around the world. In addition to risk management, destination inspection and scanner integration projects, Cotecna also offers Customs modernization and valuation assistance, verification of conformity and commercial inspections.

With 2008 sales of CHF 283 million, an increase of 12.5% over 2007, the Cotecna group has a combined workforce of about 4000 employees and agents in close to 100 offices. Cotecna holds 15 government inspection contracts.



TABLE OF CONTENTS

02	Company Profile
04	Letter from the CEO
06	Products & Services
07	Institutional Services
10	Commercial Services
12	Supply Chain Security Services
13	Key Events
18	Corporate Social Responsibility
19	Business Ethics & Compliance
20	Human Resources
21	Donations & Contributions
23	Corporate Governance
24	Group Structure
27	Corporate Management
28	Vision Mission Values
29	Quality Management Systems
30	Key figures
31	Annual Revenue
32	Global Presence
33	Group Companies

LETTER FROM THE CEO



Robert Massey, Chief Executive Officer

I am pleased to say that 2008 saw yet another year of record growth for Cotecna, with annual turnover reaching CHF 283 million, an increase of over 12.5% on 2007. The number of employees is also up more than 12%, and I expect that we will exceed 3 000 fulltime employees during 2009.

Strong revenue from our government contracts in Nigeria, Tanzania, Ghana and Angola compensated for the negative impact on 2008 revenue due to the premature termination of our Pre-Shipment Inspection contracts in Ecuador and Bangladesh in the first quarter.

Looking back briefly at 2008, the key contracts and agreements signed of particular significance for Cotecna's development include:

- a partnership with a company in Uzbekistan in the inspection market which opens the door to Eastern Europe,
- an exclusive scanner services consultancy contract with the government of Montenegro,
- an exclusive new inspection contract in Senegal to provide Pre-Shipment Inspection and Destination Inspection, including Scanners, Risk Management and Transit Monitoring services,
- a Verification of Conformity contract with the Republic of Yemen to certify the compliance of goods with international and local standards, represents an important breakthrough in a relatively new service for Cotecna,
- a contract with the World Bank to produce a Global Supply Chain Security Guide, in recognition of our expertise in this area.

Cotecna maintained its leadership in the domain of government inspection contracts, holding a total of 15 contracts at the end of 2008. These contracts include 22 installed and functioning scanners, representing an investment of over USD 100 million.

Another important event in 2008 was the Board of Directors' decision to mandate a thorough market analysis and a detailed study of Cotecna's organization, activities and products to identify the most appropriate strategy for Cotecna to undertake in order to ensure a viable and profitable future for the Group.

Based on the findings of this mission, we have identified markets in the commercial sector in which we firmly believe we can gain market share. This will undoubtedly involve acquisitions, and I am confident that we will succeed in gaining substantial contracts in the commercial area of business during 2009. Our main focus in the institutional area, in which we must continue to renew contracts, is to identify the appropriate organization and job profiles for the key functions of the new organization.

Cotecna celebrates its 35th anniversary in 2009. At our creation, in the 1970s, our initial commercial focus was the inspection of internationally traded goods on behalf of private companies and national governments. In the 1980s, Cotecna moved into providing a broader range of government mandated services, including Pre-Shipment Inspection and Destination Inspection, which has made a major contribution in helping to curb foreign exchange control evasion, while increasing nation states' Customs revenue. Over the last six years, the Cotecna group has grown at a tremendous rate. We believe this reflects our professionalism, our commitment to achieving the most cost-effective results for our clients, and our readiness to support modernization efforts in the Customs arena.

I would like to thank our employees worldwide for their commitment over these years and especially for helping to make 2008 such a successful year.

We have all been witness to the international financial and economic crisis that threw the world into turmoil towards the end of 2008 and continues into 2009. I remain confident that Cotecna will continue its strong growth over the coming years, though it is possible that some of our operations may suffer somewhat from this negative environment. We will communicate our position on this matter at the beginning of the second half of 2009.

Our development in 2009 and beyond will entail organizational changes to better support our future operations and to bring new business. Despite the present environment, I am confident that 2009 will be yet another profitable year.

Robert Massey
Chief Executive Officer



PRODUCTS & SERVICES

Institutional Services

Inspection of goods at destination (DI) and prior to shipment (PSI)

Cotecna provides solutions and services that assist Customs authorities with the inspection of goods upon arrival in the country or before export. Our services contribute to Customs modernization and improve Customs revenue collection.

Destination Inspection (DI) is a service whereby goods are inspected upon arrival in the importing country without the need for inspection prior to shipment. Modern scanner and risk management technology make DI an effective tool for governments, Customs authorities and traders to facilitate trade while at the same time enforce compliance with import rules.

Cotecna has been offering Pre-Shipment Inspection (PSI) services, a physical inspection of goods prior to shipment, in five continents since 1984. Overall, PSI helps to detect over-invoicing to prevent unjustified transfer of foreign exchange abroad, determine the classification and valuation of goods, and ensure the correct collection of import duties and taxes by Customs authorities. In addition to combating capital flight and collecting extra fiscal income, governments aim to improve Customs procedures and facilitate trade.

Scanner services

Cotecna uses scanner imaging technology to conduct non-intrusive inspections of containers or vehicles upon import. This is an effective method of increasing security and combating fraud and smuggling. The technology also facilitates trade for both importers and exporters in port areas by reducing the number of physical inspections, and thereby helps to reduce congestion in the ports.

Cotecna offers BOT (Build Operate Transfer) services that include feasibility studies, site surveys and needs assessments as well as advice on the system design, implementation and operation of scanners. Other services comprise management of the contract, verification of conformity, the technical analysis and selection of appropriate hardware, project management including maintenance, training and capacity building and the relevant IT systems to facilitate the use of the scanner technology.

Computerized Risk Management System - CRMS®

This powerful IT Customs application collects and analyses trade transactions to assign the appropriate level of intervention based on the potential risk. The system supports Customs agents in deciding on the most appropriate type of inspection, making optimum use of the available resources such as staff, laboratories, scanners and post-entry audits. Cotecna's CRMS® is designed to help its clients cope more effectively with managing and facilitating ever-increasing volumes of imports.

Customs valuation support - ValueQuest®

ValueQuest® is a database system designed by Cotecna to enable governments and Customs authorities to verify the accuracy of the declared value of goods. It is designed to support implementation of the WTO Agreement on Customs Valuation (ACV). It seeks to protect state revenues and to promote trade facilitation through the systematic application of a transparent, customized and impartial process for the valuation of goods. The benefits of Cotecna's ValueQuest® include price testing using Cotecna's extensive database that provides details on the Harmonized System (HS) Code, origin, dates, commercial terms and quality indicators. ValueQuest® also provides value opinions and advice that is especially useful in the assessment of bonds and guarantees for conditional release of goods. ValueQuest® incorporates a number of security features including a strict and secure login policy and tracking for each query in the system.

Verification of Conformity

Cotecna's Verification of Conformity (VoC) services are carried out per shipment and include physical inspection, collection of samples for laboratory testing and verification of the product's compliance against import standards. Cotecna delivers VoC services and Certificates of Conformity (CoC) in a growing number of countries. Cotecna's product certification services verify the capability of the manufacturer to produce products in compliance with an import standard.

Bonded warehouse management

As an independent facilitator, Cotecna acts both as a partner to the Customs authorities, by ensuring that the storage and management of consignments is reliable, effective and sound, and as a service provider to users, with the help of an integrated, flexible and reliable system for managing bonded goods.

Cotecna's solution not only provides a real-time snapshot of inventory levels, but also ensures that continuous Customs controls and security measures are applied along the bonded logistics chain. Cotecna uses a transport, logistics and warehouse management system, a powerful solution combining warehouse and logistics on a single IT platform to optimize the co-existence of space management, reporting and Customs control functions. Inventory reports on stock levels can be produced at any time. Cotecna's solution also incorporates duty and tax assessment and payment for Customs.

Transit monitoring & cargo tracking - Cotrack®

Cotecna has developed an innovative electronic solution to remotely monitor the movements of vehicles transporting goods in transit. This powerful and flexible solution, known as Cotrack®, was developed to reinforce the capacity of Customs to better control international and in-land transit and fight efficiently against fraud while facilitating trade. It uses state-of-the-art GPS technology, wireless telecommunications and geographical information and can be tailored to a client's specific needs. Cotrack® can also be applied to domains other than Customs regulatory compliance.

Cotecna government contracts at end-2008:

Angola: Pre-Shipment Inspection. Risk Management. Certification of Public Works companies

Burkina Faso: Pre-Shipment Inspection

Comoros: Pre-Shipment Inspection

Congo-Brazzaville: Pre-Shipment Inspection

Ecuador: Destination Inspection (2nd Inspection)

Equatorial Guinea: Pre-Shipment Inspection and Scanners

Ghana: Destination Inspection with Scanners, Risk Management and Valuation services

Mexico: Customs Inspection

Niger: Pre-Shipment Inspection

Nigeria: Destination Inspection with Scanners. Risk Management and Valuation services

Peru: Scanner Consultancy services. Second hand vehicle inspection

Senegal: GPS Tracking for trucks and containers. Destination Inspection with Scanners. Risk Management and Valuation services.

Selective Pre-Shipment Inspection

Tanzania: Destination Inspection with Scanners. Risk Management and Valuation services

Togo: Destination Inspection with Scanners. Risk Management and Valuation services

Yemen: Scanner Consultancy services. Verification of Conformity

Montenegro: Scanner Consultancy services

Commercial Services

Cotecna has 35 years experience in commercial inspection. The company's commercial network now covers all major countries in the Americas, Western and Eastern Europe, the Middle East and Mediterranean Basin, as well as South and East Asia.

Commodities

Cotecna's network of inspection specialists and laboratories in key locations around the globe provide services to exporters, importers, banks and insurance companies in all market segments. Agricultural sector inspections cover grains, pulses, oilseeds and feedstuffs as well as liquid cargoes, sugar, fibres, fruit and other fresh produce, fertilizers, frozen goods and more. Services in this area include supervision of loading & discharge, weighing, sampling & sealing, draught surveys, tank gauging and hold inspections. Cotecna also offers services in pest control, fumigation and grain dyeing supervision as well as storage management and stock control.

Mineral product inspections cover products such as coal, ferrous and non-ferrous ores, concentrates and metals, steel products and scrap metal. Cotecna's services include quality and quantity certification, volumetric surveys, testing and analysis.

Full Outturn Guarantee

Using its skills in supervising the operations of weight determination processes at loading and unloading and in partnership with insurers of high repute, Cotecna provides its clients with a guarantee against possible weight shortages.

Consumer Goods

Cotecna also offers a complete range of services for consumer products. The principal domains include softlines (textile, garments, shoes, etc.) and hardlines (houseware, furniture, decoration, toys, sundries, hardware, etc.). Services include vendor assessment, process assessment, ethical audits, testing,

and inspection of products at various stages of production (INIPRO, DUPRO, Final Random Inspection, Loading Supervision).

Audit services for supplier qualification

These services involve assessing the supplier management system in terms of quality of the resources used in production and logistics. Audits can also be extended to verify compliance with regulations. It sets out to ensure that suppliers comply with the buyer's supply chain management strategies.

Laboratory testing services

Cotecna has a network of laboratories and specialists certified to national or international standards such as FOSFA and GAFTA for agricultural products. Quality certificates can also be issued on the basis of results provided by independent and accredited laboratories.

Trade Finance services

Our mission is to assist both borrowers and lenders in setting up cost-effective, yet solid, financing structures. We achieve this by providing lenders with tools to verify that their loan application conforms to the purpose of the credit and enhance their control over the transaction. This results in more favourable loan classifications, hence in easier and/or cheaper financing.

Our services consist in the monitoring of physical collateral security, at any stage of the transaction (production, storage, processing, transit, etc.), local custody and handling of title or other documentation related to the goods, and other tailor-made interventions.

Miscellaneous

Other commercial services include marine and container surveys, as well as inspections of industrial equipment such as machinery, pressure vessels and electrical equipment.



Supply Chain Security Services: COSEC

COSEC

COSEC is the Cotecna division responsible for the development, sales and implementation of supply chain security solutions. COSEC has extensive hands-on experience in trade security and visibility services of containers in transit, from the point of origin and at the different nodes of the supply chain. The team has experience and expertise in the following areas: supply chain, transportation and inter-modal cargo security, air cargo security, port and maritime security, freight rail security, container security, explosive and radiation detection, and supply chain security compliance programmes.

Consulting and Advisory services

Cotecna offers a wide range of supply chain security-related consulting services including studies, vulnerability assessments, risk analysis, training, exercise development, pilot and demonstration test concept development. Cosec also proposes a range of independent third-party compliance or pre-application assessments in support of current supply chain security compliance, crisis recovery and training programmes in the context of standards such as C-TPAT, European Authorized Economic Operator (AEO), and ISO 28000.

Integrated Container Screening and Management Solutions

Tracers® is a Cotecna solution designed to track and report vehicle and cargo movement through the screening of containers as they move through different nodes of the supply

chain. It is aimed at securing a port area, its exports and transit goods movements. The objective is to detect abnormal behaviour and combat fraud and terrorism while, at the same time, facilitating the circulation of goods and border crossings. Tracers® enables a pre-loading security control to be carried out on containers intended for export from a specific port. Tracers® uses technologies such as non-intrusive inspection equipment, radiation (gamma and neutron) and explosive detectors, electronic smart seals, and RFID (Radio Frequency Identification) / barcode reading with portable data terminals.

Cargo Screening and Detection Services

Cotecna uses a variety of detection and imaging technology to conduct non-intrusive inspections of containers, air cargo or vehicles in all transportation venues including infrastructure protection applications. These services are used to support the requirements of both public and private-sector supply chain and transportation stakeholders to manage the integrity of their business and to detect or deter criminal activity.

Security technologies

Cotecna carries out feasibility studies, site surveys and needs assessments and can advise on the system design, implementation and operation of multiple non-intrusive technologies including X-ray, explosive, radiation and chemical agent detection systems.



KEY EVENTS

February

Cotecna signed an exclusive new inspection contract with the government of Senegal to provide Pre-Shipment Inspection and Destination Inspection including scanners, risk management and transit monitoring services.

January

Cotecna, Inc. USA signed a service agreement with FedEx Trade Networks Transport and Brokerage, Inc. of Memphis, Tennessee to perform business partner assessments in Asia.

Cotecna participated in the annual International Supply Chain Security Management Conference (SCSM2008) in Interlaken, Switzerland on the European Union Authorized Economic Operator (EU AEO) that came into force on 1 January.

Cotecna signed an exclusive agreement to carry out inspections on behalf of the state-owned company, Uzbekexpertisa, to comply with Uzbekistan's Pre-Shipment Inspection scheme.

February

Cotecna Niger donated sports equipment to the Niger Customs Sports Club, a football team in the country's 1st Division.

Cotecna employees in Niger set an example by donating blood to the local Tchémaya NGO.

Cotecna Destination Inspection Lagos (CDIL), Nigeria, co-sponsored and participated in the Maritime Stakeholders Forum on Port Reforms organized by the Nigerian Federal Ministry of Transportation.

March

Cotecna France opened a new regional office in La Rochelle dedicated to sales services, principally in the grain and fertilizer trades.

April

Cotecna opened an office in Porto, Portugal for PSI services, price analysis and the drafting of all of Angola's Portuguese files.

Cotecna opened a new office in the Jebel Ali Free Zone Area in Dubai, UAE, one of the busiest free zone areas in the Middle East.

Cotecna participated in the annual WCO IT in Seoul, South Korea and presented its IT solutions developed specifically for Customs and the trade market, such as CRMS[®] and ValueQuest[®].

Experts from the Cotecna office in Washington DC and country teams from Colombia and Ecuador gave supply chain security seminars in Bogota, Quito and Guayaquil, attended by over 300 participants in manufacturing, logistics and transportation.

For the second consecutive year, TISCAN, Cotecna's subsidiary in Tanzania, donated uniforms, school bags, books and copybooks to orphans in Dar es Salaam and food items and basic home supplies to their guardians.

CDIL teamed up with Nigeria Economic Summit Group to organize a seminar on Customs and port reforms: "Creating an enabling environment for trade and investment in Nigeria". Cotecna also made a presentation on "48-Hour clearance target for imports: Challenges and the way forward".

The Cotecna Training Academy in London held its first financial training course for financial staff from all European offices.

June

Cotecna became an accredited loadport/disport surveyor for the Philippines National Food Authority (NFA). This primarily involves the inspection of rice imports from Thailand and Vietnam.

May

Cotecna and Astrata group signed a contract to provide transit monitoring & traceability services for the government of Senegal. They will provide Remotely Deployed Units (RDUs), fixed tracking units and associated software as part of Cotecna's overall solution.

Cotecna USA transferred its head office to Houston, Texas, to better serve the East Coast, Gulf Coast and West Coast cities and ports of the USA. Branch offices are in Memphis, Miami, and Vancouver in Canada.

Cotecna opened two new laboratories in Houston and in Memphis for testing vegetable oils, fats, tallow, cereal and grain.

Cotecna Egypt was accredited by GASC (General Authority for Supply Commodities) to carry out inspections for grains and edible oils.

SinoSwiss Inspection (SSIC), Cotecna's JV in China, signed a contract with BMW China to carry out coaching and training on process quality and performance for all retailers and dealerships in China.

Cotecna, founder and member of the Board of EOS (European Organisation for Security), headed the EOS supply chain security work group at its official launch in Brussels. EOS' main objective is to promote a more coherent European Union security market.

Cotecna participated in the Grain Stock Market in Sète, France, one of the most important annual grain conferences in the Mediterranean region.

Cotecna gave a conference on financial tools at SAP's international meet in Berlin on how today's open technologies and business networks can help businesses. Over 10 000 people attended the event.

CDIL participated in a seminar organized by Standard Chartered Bank, Nigeria, aimed at informing the bank's clients on developments in international trade and local trade regulations.

June

Tiscan launched additional web-based services to further facilitate the processing of Customs documents. Clearing and forwarding agents can now complete the entire pre-arrival declaration process online without visiting Tiscan premises.

Cotecna spoke at the WCO 100% scanning conference in Brussels, looking at the implications of US legislation that requires 100% scanning in foreign ports of maritime cargo containers bound for the United States by July 2012.

Cotecna's International Training Centre in the UK hosted a 5-day Training and Capacity Building course (Phase 1) for Ghanaian Customs officials. The course included tariff classification, general interpretative rules and defining transaction value (international vs. local).

August

Cotecna Inc. USA was granted a SAFETY Act designation for explosive detection services, giving the company limited liability and protection. Cotecna thus became one of the few service providers with this designation.

July

During a workshop on dwell time reduction, organized by TPA (Tanzania Ports Authority) and TICTS (Tanzania International Container Terminal Services), the private container terminal operator Tiscan was recognized for the quality and speed of its services.

A mobile scanner for the PSI contract with the government of the Republic of Congo arrived at Pointe Noire.

Cotecna signed an exclusive scanner services consultancy contract with the government of Montenegro. Cotecna will advise on the procurement and implementation of a mobile scanner including reviewing specifications, a site survey, site layout recommendations and on-site test specifications, as well as full integration of scanner operations into Customs' proceedings.

Cotecna launched Microsoft Live Meeting 2007, a group-wide video conferencing system, to help staff around the world communicate more efficiently with each other using audio and video.

The Parliamentary Select Committee on Trade, Industry and Tourism of Ghana visited Gateway Services Limited (GSL) in Accra, Ghana for a presentation of GSL to gain a better insight into GSL's responsibilities and processes.

A specific blocking system was put in place in the Congo as part of the Pre-Shipment Inspection programme to make it mandatory for all importers to register files with Cotecna.

Cotecna spoke at the "National consultation on bulk and break bulk cargo clearance" conference in Manila, Philippines on surveying practices, sampling techniques and reporting issues.

August

Tiscan launched self-service touch-screen "Info Kiosks" in its reception area to allow customers to freely consult the status of their importation files.

Cotecna Inc. and HART Security Maritime Services Ltd teamed up to provide port security assessment and training services in ports in Honduras and Guatemala under a US contract awarded by the Organization of American States (OAS).

Cotecna Inc. carried out C-TPAT compliance assessment of "Flores de los Andes", a Colombian flower supplier to the Miami, Florida-based company "USA Bouquet", including external assessments and a C-TPAT training course.

September

Dubai Cotecna staff donated blood at the Al Wasl Hospital, where the Dubai Thalassemia Centre treats children who have this hereditary blood disorder and require regular blood transfusions.

Cotecna Philippines was nominated by the San Miguel Corporation (food, beverage and packaging company in the Philippines and Southeast Asia) to supervise the loading and discharge of soy bean meal imported from Argentina to the Philippines.

November

Cotecna signed a VoC contract with the Yemen Standardization, Metrology and Quality Control Organization as part of the International Conformity Certification Program, which aims to provide consumers with health and safety protection.

October

Gateway Services Limited (GSL), Cotecna's subsidiary in Ghana, had a booth at the GEREU (German European Union) 2008 Business Fair in Accra to present their DI and scanning services.

Cotecna participated in the World Rice Conference held in Chiang Mai, Thailand, as an official sponsor with a booth.

After signing a contract in August with Northrop Grumman and the US Department of Defense (DoD), Cotecna sent a team of Customs experts to Afghanistan on a fact-finding mission as part of a study of all Afghan border, Customs, and inspection programmes that have impacted, or could potentially impact, Customs' effectiveness in Afghanistan.

Cotecna, Inc. conducted Immigration and Customs security training in Nassau, Bahamas under contract to the Organization of American States (OAS) as part of the Caribbean Affairs Inter-American Committee Against Terrorism (CICTE) programme.

November

Cotecna Spain was commissioned by SUCOMEX to inspect European shipments of medical equipment destined for the Ministry of Health and Population of Egypt.

COSEC, the Supply Chain Security Division of Cotecna, signed a contract with the World Bank to produce the World Bank Global Supply Chain Security (SCS) Guide. Cotecna is an approved World Bank Vendor.

Cotecna officially handed over a solar-powered water borehole in Tsanyawa in northern Nigeria. Cotecna had commissioned a geophysical survey and conducted a feasibility study before drilling down 60 metres, building a water tank and installing solar panels.

Gateways Services Limited (GSL), Accra, Ghana, commissioned and installed three bus shelters as part of their Corporate Social Responsibility programme to help the local communities.

Cotecna signed a contract for the "certification of civil engineering and construction companies" with the Ministry of Public Works of the Republic of Angola, which includes certifying civil engineering and construction companies.

December

Cotecna Argentina gave training sessions to producers on the traceability of food products for export and the Argentine market. The focus was on horticulture, fruits, regional sweets and honey.

CDIL participated as a facilitator at a trade forum organized by Nigeria's Bank PHB. A presentation was delivered on import documentation requirements and the reasons for rejection of documents in processing risk assessment reports.

The Angolan government renewed Cotecna's annual Pre-Shipment Inspection licence until end-2009. Cotecna was originally awarded the licensing agreement in October 2006.

Cotecna Inspección Argentina was granted ISO 17025 accreditation for their San Lorenzo laboratory. Cotecna Argentina's principal items of testing are feedstuffs, oilseeds and cereals.



CORPORATE SOCIAL RESPONSIBILITY

Business Ethics & 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 our 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.

Human Resources

Following 2006 and 2007, in which the Human Resources division launched a number of new projects and set up a transparent structure relating to procedures, 2008 was, as expected, a year of consolidation. Indeed, it was not only important to check how these new procedures functioned throughout the Group, but also necessary to improve the performance appraisal system and the calculation of bonuses.

2008 was also a year in which training programmes were intensified. "Finance for Non-Financial Managers" was launched with the objective of strongly improving managers' financial competences. During 2008, a total of 35 managers benefited from this three-day training course that had been custom-designed for Cotecna. This was met with much success and will continue during 2009 throughout the Group.

At our Geneva headquarters, 44 training topics were addressed, representing approximately 320 days of training and involving 83 employees. This has enabled us to significantly increase the level of competency necessary to help us achieve company objectives. In 2009, the focus will be on a stronger involvement of managers in the fixing and the evaluation of training objectives as well as their implementation. A training guide, complete with the appropriate tools, will be made available in 2009.

Concerning TOP 100, a database identifying the critical and strategic positions within Cotecna, a major step will be taken during 2009 with the migration of the database to the Group's Allegro software. This will make the data accessible to all managers throughout the Group and not only in Geneva.

2008 also saw many other important projects for the development of our company. The Human Resources division participated in an exercise concerning price analysis and in the development of the team responsible for expanding institutional business.

2009 will bring new challenges in Human Resources, especially in view of the restructuring of the company's organization.

Donations & Contributions

While the company continues to pursue its financial and operational goals, we also recognize the importance of playing an active and committed role in the communities in which we operate.

Cotecna has operations throughout the world, including many developing countries, where one of our business objectives is to assist governments to increase their revenues by helping combat fraud and corruption. It is specifically in these countries that we must understand the impact or influence that our activities have on surrounding communities. We therefore recognize our responsibility for social, community and environmental support and are involved with local communities to identify how we can best help the underprivileged.

We believe that our role in social responsibility should have an impact on staff motivation and consumer satisfaction. Our corporate contributions and sponsorships reflect our business orientations as much as possible, and at least 80% of all charitable contributions and sponsorships are made in the areas of greatest humanitarian need: water, health and education. At the same time, all contributions strictly adhere to the Compliance Manual rules, where a clear distinction is made between a charitable contribution and a business-related sponsorship.

Some examples of Cotecna programmes in 2008:

Nigeria

Construction of a solar-powered water borehole

As part of its policy of corporate social responsibility, Cotecna Destination Inspection Limited (CDIL) Lagos built a solar-powered borehole to improve water supply to the village of Tsanyawa, about 150 km west of the town of Kano in northern Nigeria.

Recognizing the dire need for a supply of fresh water for villages in the region of Tsanyawa, CDIL commissioned a geo-physical survey and conducted a feasibility study of the area to identify a viable drilling point before drilling down 60 metres and building a water tank and installing the solar panels.

This was carried out in collaboration with the Tsanyawa Local Government council officials and community leaders of the town.

The overhead tank holds 13 000 gallons of water, and inhabitants from the surrounding villages can draw water from taps at dispensing points at the foot of the structure.

The ceremony to officially commission and hand over the water borehole was held in November 2008. Present at the ceremony, which was organized and coordinated by CDIL, was the Chairman of the Local Government who pledged to ensure that the borehole is correctly maintained.

Also present was the District Head of Tsanyawa representing chiefs of the surrounding villages. Cotecna was represented by local and corporate managers as well as members of staff from our Kano and Jibiya operations.

Ghana

Construction of bus shelters

In 2008, Gateways Services Limited (GSL), Cotecna's operation in Ghana, commissioned and installed three bus shelters as part of their Corporate Social Responsibility programme, through which they aim to participate in community actions in the vicinity of their office and port operations.

The bus shelters provide protection from the sun and the rain, but also improve visibility of the bus stop itself. At the same time, they dynamically promote the company.

The three bus shelters are strategically located on both sides of the extremely busy Accra road, which is the main highway running from Togo through Ghana to Cote d'Ivoire. Known as the Tema Tetteh Quarshie Motorway Extension, this road serves as the principal link-up road to Tema, Ghana's busiest and biggest port, where GSL operates a fixed scanner as part of its Destination Inspection contract.

The high visibility and functional aspect of GSL's bus shelters has prompted members of the public to commend GSL for the initiative.

CORPORATE GOVERNANCE





Board of Directors (from left to right)
Philippe Massey, Elie-Georges Massey, Robert Massey, Thierry de Loriol

Corporate Governance

Group Structure

Cotecna SA, is the Group's Swiss, non-listed holding company. The Group's main operating company is Cotecna Inspection SA. The Cotecna group is active throughout the world with a network of affiliated companies.

Capital

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

Shareholders

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

Board of Directors

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

The Board focuses primarily on the company's corporate strategy and objectives. The Board monitors and reviews the company's financial results and operations and reviews strategic investment opportunities.

Elie-Georges Massey - Chairman

Robert Massey - Member of the Board and Chief Executive Officer, Cotecna

Philippe Massey - Member of the Board and Executive Director, Cotecna

Thierry de Loriol - Member of the Board

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 the Group to Robert Massey, who has been CEO since January 1993.

Cotecna's ISO 9001:2000 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 Chairman, 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 nine times in 2008, 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.

Company Financial Accounts

Consolidated Group 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

The Group's auditors are KPMG.



Corporate Management effective 31 December 2008

Executive Committee

Robert Massey
Chief Executive Officer

Serge Depallens
Chief Financial Officer

Philippe Gonnet
Executive Vice-President Asia

Didier Reymond
Executive Vice-President
Africa I & Middle East
and Institutional Business

Tyrone Taylor
Executive Vice-President
Africa II

Eran Banon
Vice-President Eurasia

Emmanuel Bonnet
Vice-President Americas

Matthieu Delorme
Vice-President Commercial

Marco Franchi
Vice-President
Key Account Management
Africa I & Middle East

Group Management

Philippe Massey
Executive Legal Director

Antoine Chavan
Senior Vice-President
Legal Department

Philip Henebry
Senior Vice-President
Corporate Development

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

Alison Bourgeois
Vice-President
Corporate Communications

Adrian Walker
Group Compliance Officer
Compliance & Internal Audit

Vision Mission Values

Our Vision

To become the world's best provider of trade security facilitation services.

Our Mission

To provide innovative solutions and tailor-made services to improve and secure the trading environment, while delivering added value to our customers.
To make global trade flow smoother and safer.

Our Values

Excellence

We strive to be the best and ensure quality through uncompromising skill and professionalism.

Innovation

We see new ideas and advanced technology as a way to create a competitive advantage.

Commitment

We deliver what we promise.

Partnership

We work with our clients to form long-term relationships.

Integrity

Without it, trade can neither be smooth nor safe. "Upon the conduct of each depends the fate of all".

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. Following the certification of many other offices over the years, the head office of Cotecna's activities in Ghana, Gateway Services Limited in Accra and the scanner activities at the port of Tema were successfully audited in November, 2008.

During 2008 the following Cotecna offices were successfully re-audited:

- Düsseldorf, Germany
- Durban, South Africa
- Hounslow, the UK
- Shanghai, China
- Barcelona, Spain
- Dar es Salaam, Tanzania
- Paris and Rouen, France

ISO 9001 audits also include auditing the IFIA (International Federation of Inspection Agencies) Code of Practice.

The Geneva head office was successfully re-audited for the seventh year in June and our ISO 9001:2000 certificate was again renewed. The certification now includes Cotecna supply chain security processes.

The QMS intranet site has evolved to offer a platform for sharing information and knowledge among the Group's Quality Managers and staff worldwide.

The QMS department was reinforced in 2008 with the arrival of the Cotecna Group Operational Support Manager and additional Quality Managers successfully completed training in the IRCA Lead Auditor Course.

The Cotecna Group QMS & Certification Vice-President renewed her credentials as IRCA-registered auditor. She also qualified as a tutor for the IRCA Lead Auditor Course and gave two such courses in Paris and Rome.

In 2009, Geneva head office will be audited on the new 2008 version of the ISO 9001 standard. More offices in Africa and America will join the certification scheme, as will our new Porto office in Portugal.



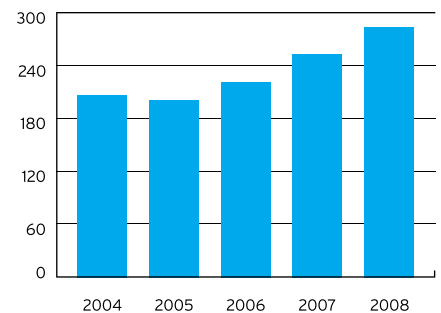
KEY FIGURES

Key Figures

Following figures in CHF million

Annual Revenue

2004	208
2005	202
2006	223
2007	252
2008	283



Cotecna saw another year of solid performance with 2008 revenues reaching CHF 283 million, a 12.5% improvement over 2007 and a continuation of the upward trend of recent years. The increase of revenue is largely due to an increase in business in government inspection contracts such as Nigeria, Angola, Ghana and Tanzania. Profit was positively affected by a tighter control on operating costs and restructuring in the commercial activities, leading to better profitability.

The company maintains its objective to reach annual revenue of over CHF 300 million by 2010, with a stronger focus on profitability. Our aim is to maintain or exceed net profit of 10% of revenues.

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 2008 were drawn up in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Global Presence

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, 18 nationalities are represented among the 117 employees (including part-time).

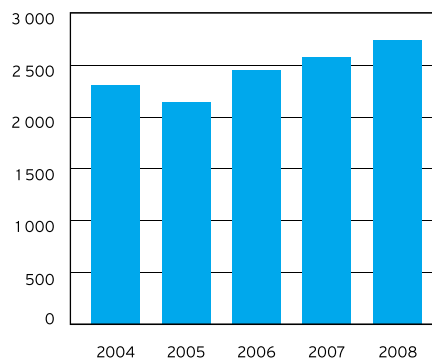
Cotecna agents

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.

Cotecna Staff

Full-time staff at 31 December

2004	2 309
2005	2 142
2006	2 486
2007	2 578
2008	2 754



Full-time staff by geographical region

Geneva HQ	117
Europe	275
Africa	1 212
Americas	822
Asia	265
Middle East	63



Cotecna SA, Geneva (ultimate parent company)

	%
Gateway Services Ltd, Ghana	100
Cotecna Inspection Nigeria Ltd, Nigeria	99,99
Cotecna Quality Resources Incorporated, USA	100
Cotecna Inspection (Vostok) Ltd, Russia	100
Cotecna Inspection (Comoros) Sarl, Comoros	99
Cotecna Servicos (Angola) Ltda, Angola	99
Cotecna Benelux B.V., Netherlands	99
Cotecna Inspection Ltd, Guernsey	99,8
Cotecna Destination Inspection Ltd (CDIL), Nigeria	99
Cotecna de Mexico SA de CV, Mexico	99
COINS Portugal Unipessoal, Lta	100
Cotecna Inspection Senegal Surl, Senegal	100
Tiscan Ltd, Tanzania	69
Cotecna Ukraine Ltd, Ukraine	100
Cotecna Inc (Delaware), USA	100
Cotecna Inspection CA, Venezuela	90
Cotecna Inspection Services SA, Geneva, Switzerland	100
Cotecna Trade Support JSC, Egypt	60
Cotecna International Trade Consulting (Shanghai) Ltd, China	100

Cotecna Inspection SA, Geneva

Cotecna Inspección Argentina, Argentina	99
Cotecna Inspection Bangladesh Ltd, Bangladesh	99
Cotecna Benin Sarl, Benin	95
Cotecna Inspection Bolivia SA, Bolivia	99,85
Cotecna Servicos Ltda, Brazil	99,99
Intercargo. Vistorias, Consultorias E Serviços Navais LTDA-ME, Brazil	
Cotecna Burkina Sarl, Burkina Faso	100
Cotecna Canada Inc, Canada	100
Sino-Swiss Inspection Co., Ltd, China	49
Cotecna Inspection Chile SA	99
Cotecna Certificadora Ltd, Colombia	98
Cotecna Inspection Congo Sarl, DR Congo	100
Cotecna Inspection East Africa Ltd (CIEAL), Kenya	99,5
Cotecna Del Ecuador SA, Ecuador	99
Cotecna Inspection Egypt SAE, Egypt	96
Cotecna Inspection France Sarl, France	100
Cotecna Inspection GmbH, Germany	100
Cotecna Guinee Equatoriale SARL	100
Cotecna Inspection Hong Kong, China	99,9
Cotecna Inspection India Pvt Ltd, India	99,9
Cotecna Quality SRL, Italy	100
Cotecna Côte d'Ivoire Sarl, Côte d'Ivoire	95
Cotecna Mali Sarl, Mali	80
Cotecna Inspection Japan, Ltd, Japan	100
Cotecna Reconocimientos SA de Cv, Mexico	99,99
Cotecna Services De Mexico, Mexico	99
Cotecna Inspection Philippines Inc, Philippines	99,99
Cotecna Inspection (Peru) SA, Peru	98
Cotecna del Peru SA, Peru	99,99
Cotecna Singapore Pte Ltd, Singapore	100
Cotecna Inspection South Africa Ltd, South Africa	100
Cotecna Inspection Korea Inc, South Korea	100
Cotecna Inspección SL, Spain	96
Cotecna Tanzania Ltd, Tanzania	99,5
Cotecna Inspection (Thailand) Co Ltd, Thailand	49
Cotecna Togo Sarl, Togo	95
Kotecna Gozetim AS, Turkey	80
Cotecna Uganda Ltd (COTUGAL), Uganda	99
Cotecna Inspection Ltd, UK	100
Cotecna International Ltd, UK	100
Cotecna Inspección Uruguay SA, Uruguay	100
Cotecna Inspection, Inc. (Miami Lakes), USA	100
Cotecna De Venezuela CA, Venezuela	99
Cotecna Vietnam Co., Ltd	100
Cotecna Inspection Zambia Ltd, Zambia	99



www.cotecna.com

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

Cotecna Inspection SA
58, rue de la Terrassière, P.O.Box 6155
1211 Geneva 6, Switzerland
Tel. +41 22 849 69 00, Fax +41 22 849 69 89
cotecna.geneva@cotecna.ch

Cotecna Corporate Communications
April 2009 - communication@cotecna.ch