1) Introduction to Grupo Navec
Introduction to Grupo Navec

Grupo Navec is a successful build-up process in the assembly and industrial maintenance industry in the Iberian Peninsula

Grupo Navec’s Main Historical Milestones

Creation of the companies Tradehi, Cotinsa, Comomín, Europea and EMICAT and Gematec.

2005
Creation of Grupo Navec with the acquisition of the companies Cotinsa and Gematec and the support of funds advised by Baring Private Equity.

2006
Creation of Cotinavec in Sines (Portugal), Acquisition of Europea, EMICAT and Tradehi.

2008
Acquisition of Comomín.

2009 - 2010
Accentuation of the internationalization process.

2010
Merger of acquired companies.
Introduction to Grupo Navec
Grupo Navec is a leading provider in the Iberian Peninsula of engineering and equipment manufacturing, industrial assembly and maintenance services, primarily serving the petrochemical, chemical, food and cement industries, among others, with presence in Mexico, Colombia and Brazil.
Introduction to Grupo Navec
Grupo Navec’s Management Team

BOARD OF DIRECTORS

CHAIRMAN
Eduardo Sánchez

EXECUTIVE VICE-PRESIDENT
Francisco Centeno

GENERAL MANAGER
Manuel López

QUALITY
Arancha Fernandez

SAFETY & ENVIRONM.
Ignasi Robert

IT MANAGER
Bernardo Pérez

OPERATIONS MANAGER
Jaime Ulloa

TECHNICAL DIRECTOR
Joan Blasco

FINANCIAL DIRECTOR
Santiago Aldecoa

HR MANAGER
Marian Vilajoana

PURCHASING MANAGER
Íñigo Montemayor

ENG. & MANUFACTURING
Gervasio Fernández

ASSEMBLY
Santiago Rodríguez

MAINTENANCE
Javier Almáñoz

APPLIED ENG.
Saturnino Ojeda

Project Execution
Introduction to Grupo Navec
Excellent geographic coverage that allows an agile, quick and efficient access to the clients sites in order to solve their requests and problems

Total Coverage of the Iberian Peninsula

**OVIEDO**
- Offices: 600m²
- Workshop: 18.000m²
- Compound: 10.000m²

**ALGECIRAS**
- Offices: 100m²
- Workshop: 300m²

**SINES**
- Offices: 60m²
- Warehouse: 100m²
- Concession: 1.500m²

**TARRAGONA**
- Offices: 850m²
- Workshop: 3.700m²
- Compound: 7.500m²

**HUELVA**
- Offices: 50m²
- Workshop: 250m²

**CARTAGENA**
- Offices: 700m²
- Workshop: 2.500m²
- Compound: 20.000m²
2) Overview of Grupo Navec’s Business
Overview of Grupo Navec’s Business
The result of the build-up process carried out turned into a unique Group with 4 divisions that covers the entire value chain of its clients.

Main Divisions of Grupo Navec

**Engineering and Manufacturing**
- Capital goods
- Boilermaking
- Tanks
- Modular Piping Systems, skids
- Structures
- Transport systems and storage of solids
- Analyzers
- Mortar plants

**Assembly**
- Integrated management of projects of mechanical installation
- Assembly and installation of mechanical piping systems
- Piping in lines, pipelines
- Technical office specialized in management and control processes of industrial projects
- Management of specialized subcontractors (construction work, painting, etc.)
- Installation and repair of fire protection systems
- Civil industrial work

**Maintenance**
- Industrial maintenance
- Large maintenance shutdowns
- Balancing and mechanizing
- Special services
- Thermal treatments
- Water-jet cutting
- Industrial cleaning
- Extraction and automated cleaning of heat exchangers
- Maintenance audits
- Plans for preventive maintenance
- Advanced programs of predictive maintenance

**Applied Engineering**
- Coating with polymers and composites
- Control of fugitive emissions (VOCs)
- Repair and stamping of security valves
- Inserts for lines in operation HOT - TAP
- Sealing of leaks in the lines and facilities in operation
- Energy-saving programs
- Recovery of equipment via biodegradation
Overview of Grupo Navec’s Business

The division of Engineering and Manufacturing complements the rest of the services of Grupo Navec, allowing it to reach new clients, access new industries and the ability to participate in large projects.

Engineering and Manufacturing

- **Sales of ~€21.8M in 2010e (16.1% of the total sales of Grupo Navec).**
- Technical center located in Oviedo.
- Team composed of more than 40 technicians, including engineers, project managers, operators and draftsmen.
- Providing services and products to sectors such as **Heavy Boilermakers**, **Energy and Infrastructures**, **Public Sector**, etc.
- Allowing the Group to **diversify sectorally** given that they are the sectors with the least demand of services in assembly and industrial maintenance.
- Allowing the Group to **take part in large-scale projects, collaborating with construction and engineering companies** that subcontract a part of the services of their projects to Grupo Navec.

Highlighted Projects from the Applied Engineering Division

- **Capital Goods** (manufacturer of pressure equipment, heat exchangers, distillation towers, etc.)
- **Heavy Boilermakers** (construction of metallic structures, bridges, walkways, etc.)
- **Tanks** (storage tanks, cryogenic tanks, etc.)
- **Modular Piping Systems, skids** (Modular units from the workshop, transportable and exportable)
- **Structures** (design and calculation, supplying and manufacturing, protection systems: painting, galvanizing, etc.)
- **Transport and Storage Systems** (turnkey projects, crusher plants, conveyor belts, etc.)
- **Analyzers** (turnkey projects, “in cabinet” complete systems manufacturing, etc.)
- **Mortar plants** (turnkey projects)
- **Safety barriers for roads and motorways**
- **Alternative fuel assessment**
Overview of Grupo Navec’s Business

Services of industrial mechanical installation, applying its abilities to integrated project management, piping system construction, metallic structures, modular manufacturing, etc.

Assembly

Highlights

- Sales of ~€72,7M in 2010e (53,7% of the total sales of Grupo Navec).
- The most important services in the division are projects that are worth more than €10 M (~€54,5M in 2010e) and that demonstrate the capacity of Grupo Navec to provide its clients with first-rate service in the implementation of major projects throughout the Iberian Peninsula.
- Specialized in providing services mainly to companies in the chemical and petrochemical sectors.
- Allowing the Group to become a trusted provider in many other industries, including energy, cement, construction, etc. as well as providing services to engineering companies to aid them in completing the projects they are carrying out.

Complete List of Services

- Assembly and installation of mechanical piping systems (activities: i) prefabricating, assembling and testing pipes, ii) manufacturing and assembling structures and supports, iii) assembling equipment, iv) complementary activities: painting, insulation, E&I, etc.; integrated management systems; contract types: PU, PA, LLM; etc.)
- Pipelines (overhead pipe racks; oil and gas distribution pipelines; complementary activities: i) construction work, ii) coating, iii) telecommunications, etc.)
- Integrated management of mechanical assembly projects
- Technical office specialized in the management and control processes required for industrial projects
- Management of subcontractors from various fields (construction, painting, etc.)
- Installation and repair of fire protection systems
- Industrial construction

Highlighted Projects from the Assembly Division
Overview of Grupo Navec’s Business

Recurring services focus on correcting, preventing and predicting possible problems, guaranteeing availability, reliability and the efficiency of the facilities while minimizing the cost.

- **Sales of ~€37.1M in 2010e (27.4% of the total sales of Grupo Navec).**
- Developing its maintenance services with the objective of **correcting, preventing and predicting possible problems**, guaranteeing the availability, reliability and efficiency of the facilities while **minimizing the cost**.
- **Modifications and improvements to the facilities are just as important as the recurring continuous and shutdown maintenance services.**
- Providing services to several different sectors.
- Grupo Navec has reached a level of excellence that allow the Group to become the benchmark company for companies such as Repsol, Dow Chemical or BASF.

Highlighted Projects from the Maintenance Division

Complete List of Services

- **Industrial Maintenance**, for any type of equipment (static and dynamic), any method (predictive, preventive and corrective) and any type of contract (fixed sum, with bonuses and penalties, by administration, etc.)
- **Long maintenance shutdowns** (major repairs and modifications, equipment cleaning, etc.)
- **Balancing and mechanisms**
- **Special services** (dynamic balancing, etc.)
- **Thermal treatments**
- **Water-jet cutting**
- **Industrial cleaning**
- **Extraction and automated cleaning of exchangers**
- **Maintenance auditing**
- **Plans for preventive maintenance**
- **Advanced programs of predictive maintenance**
Overview of Grupo Navec’s Business
Specific solutions of industrial maintenance, using new technology, researching and innovating in order to maintain its clients’ equipment and facilities in optimal conditions

Applied Engineering

Highlights

- Sales of ~€3,8M in 2010e (2,8% of the total sales of Grupo Navec).
- Main Services:
  - Composites: practical applications with composites that allow for the improvement of energy and economic efficiency as well as the durability of the technical systems.
  - Fugitive emissions: identification and control in the clients’ facilities of based on the environmentally-related legal requirements.
  - Leaks: repair of the facilities in case of emergency with the possibility of continuing plant production without interruption.
  - Safety valves: installation, repair and regulation of the safety valves in its clients’ plants.
  - Grupo Navec has a strategic collaborative agreement with Henkel for the research and development of new products which are then adapted to the technical requirements of the applications designed by the Group.

Completed List of Services

- Coating with polymers and composites (option of machining once applied, exceptional resistance to erosion and corrosion, etc.)
- Controlling of fugitive emissions (VOCs), according to the IPPC Directive (technical support, database design, etc.)
- Repair and stamping of safety valves (checking trip systems, repairing internal elements, etc.)
- Inserts for lines in operation (hot-tap: pneumatic machine up to 14” and 340 bars, freezing: sealing off the line by freezing the fluid, etc.)
- Sealing leaks in lines and facilities in operation (designing and manufacturing tools, brackets and containers complying with the ASME VIII division I code, certified and officially approved seals, etc.)
- Energy saving programs (nano ceramic coatings, etc.)
- Recovery of equipment via biodegradation

Highlighted Projects from the Applied Engineering Division
Overview of Grupo Navec’s Business

Grupo Navec has historical experience carrying out international projects but with a strategy of not setting up own subsidiaries abroad.

Selection of International Projects Completed by Grupo Navec

- **Germany**: Equipment for Dormagen
- **Romania**: Construction of a gas furnace
- **Belgium**: Construction of 2 reactors
- **France**: Conveyor belts
- **Morocco**: Equipment for a thermo-solar plant
- **Algeria**: Equipment for a thermo-solar plant
- **Qatar**: Construction of 3 degassers and 2 separator units
- **China**: Equipment for SPC Ethylene
- **India**: Construction of molecular seal, ground flare and flare stack
- **Panama**: Turnkey mortar production plant
- **Brazil**: Thermal power station: assembly and equipment
- **Colombia**: Gas furnace
- **Mexico**: Gas furnace
- **Spain**: Gas furnace
- **Portugal**: Gas furnace
- **France**: Equipment for a thermosolar plant

Companies of Grupo Navec

International project experience
Overview of Grupo Navec’s Business

Young staff
Committed to the long-term vision of the project
~12% of the staff are senior or technical engineers
~47% of the staff are skilled workers

<table>
<thead>
<tr>
<th>Staff Composition of the Group</th>
<th>Engineering &amp; Manufacturing</th>
<th>Assembly</th>
<th>Maintenance</th>
<th>Applied Engineering</th>
<th>Structure</th>
<th>Grupo Navec</th>
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<tbody>
<tr>
<td>Graduated Employees</td>
<td>26</td>
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<td>54</td>
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<td>10</td>
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<td>1</td>
<td>1</td>
<td>1</td>
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<td>Engineers and Graduates</td>
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<td>Risk Prevention Specialist</td>
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<tr>
<td>Quality Technician</td>
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<td>12</td>
<td>5</td>
<td>1</td>
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<td>Skilled Worker 1st</td>
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<td>0</td>
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<tr>
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<td>19</td>
<td>6</td>
<td>0</td>
<td>0</td>
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<td>Others</td>
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<td>29</td>
<td>21</td>
<td>3</td>
<td>0</td>
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<td>Total</td>
<td>152</td>
<td>604</td>
<td>506</td>
<td>64</td>
<td>10</td>
<td>1,336</td>
</tr>
</tbody>
</table>

- The Group manages:
  - more than 2,5 million in-company labor hours
  - around 500,000 labor hours in auxiliary subcontractors

Evolution of the Staff (2008-2010e)
Overview of Grupo Navec’s Business
Grupo Navec has its own technical equipment in order to provide optimal service to its clients

Own Technical Equipment of Grupo Navec

- Some of the technical equipment held by the Group are:
  
  - 500 welding units
  - 50 power generators
  - 70 industrial vehicles
  - 4 hydraulic cranes
  - 6 trucks with 10tn jib
  - 8 elevation platforms until 12m.
  - Other special machinery (termal treatment machinery, water-jet cutting machine, etc.)

![Bending roller until 65mm](image1)
![Mechanized center for the prefabrication of piping](image2)
![Tubular beam extraction equipment](image3)
![Water-jet cutting machine until 150 mm in steel](image4)
![HOT-TAP Machine until 14» and 320 bar](image5)
Overview of Grupo Navec’s Business

Grupo Navec has advanced information systems in line with main market trends in terms of managing complex projects and personnel management.

Selection of Screen Images

- The ERP allows the work to be monitored in detail
- Economic control of the budgets
- Information about safety control in the Group
- Thorough information about the Group’s employees
- Online access to personnel page with access to the applications
- Home page with corporate information
- Information on the projects’ progress
- Information on the projects’ progress
Overview of Grupo Navec’s Business

Grupo Navec’s managing of Quality, Safety and Environmental Policy is critical for its clients and provides a solid barrier to entry. The Group has all the required sector accreditations, both generic ones and those of its main clients.

Main Certificates and Accreditations of Grupo Navec

<table>
<thead>
<tr>
<th>Quality</th>
<th>Safety</th>
<th>Environmental Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Go above and beyond the client's expectations</td>
<td>• Safety agreements between the workers and the contractors</td>
<td>• Pollution prevention and residue management</td>
</tr>
<tr>
<td>• Continual process of revision and correction during the execution of the projects</td>
<td>• Labor Safety Plan which sharply reduced the number of accidents</td>
<td>• Promotion of the rational use of natural resources</td>
</tr>
<tr>
<td></td>
<td>• Minimal labor accidents</td>
<td>• Pledge to recycle and reuse residues</td>
</tr>
</tbody>
</table>

Other Accreditations

- **State Contractor**: Approved by the state for the carrying out of construction
- **References**: Forms part of a list of providers trusted by their important clients
- **Short-list Provider**: Recognition by the market for an impeccable track record of projects
3) Development of Grupo Navec

Project Install
Management Presentation
Development of Grupo Navec

Grupo Navec is the ideal platform for a growth-based project. The growth of Grupo Navec is based on 4 pillars:

1. **Maintaining Leadership in the Iberian Peninsula**
   - Continuing providing high value-added services to existing clients of the Group.
   - The petrochemical industry is expected to invest over €8,000M in the Iberian Peninsula in the short to medium term in new investments, the maintenance of existing investments, and the implementation of those recently made.
   - Adding complementary services.

2. **Internationalization**
   - International expansion through:
     1. strategic alliances with local partners that enable quick and effective access to key clients in each identified country and
     2. to support existing clients with their international projects.
   - Partnership contracts have been already signed with companies in Mexico, Colombia and Brazil, aiming to develop projects together and allowing Grupo Navec to establish itself within the target countries.

3. **Development of the Applied Engineering Division**
   - The Group has developed, proved and is currently implementing innovative and unique solutions aimed at improving client efficiency in many industrial sectors.
   - Group Navec has a strategic partnership agreement with Henkel to research and develop new products that can adapt to the technical requirements of the applications designed by the Group.

4. **Entry into New Industries and Segments**
   - Entry already initiated in other industries and segments which have the need for assembly, maintenance or applied engineering services, such as energy, water, gas, food, pharmaceuticals, etc.
Grupo Navec has already signed agreements with companies in Mexico, Colombia and Brazil to develop joint projects.

**Historical Experience in International Projects**

- Experience carrying out projects in countries such as Chile, Panama, Germany, Belgium, France, Morocco, Algeria, China, India, Libya and Qatar.
- The Group has historically accompanied their clients in international projects. However, these projects have always been done with the idea of finishing the project and coming back, without setting up bases in the countries of major activity.

**Internationalization Strategy**

- Group management is carrying out an internationalization strategy based on:
  1. Monitoring of clients outside of the Iberian Peninsula.
  2. Entry into sizeable and growing markets, looking for stable positions in each.

**Target Countries for the Internationalization Strategy**

- Main criteria to define target countries at an international level:
  1. Accompanying existing clients (Mexico, Brazil, Panama, Colombia, Peru and Chile)
  2. Geographic proximity (Maghreb)
  3. Cultural Affinity / Language (Latin America)
  4. Countries with underdeveloped services
- The Group has already targeted collaboration agreements with local groups in Mexico, Colombia and Brazil in order to have joint contracts which permit the Group to enter into said markets.
Development of Grupo Navec - International

The petrochemical companies which are leaders in their respective countries foresee a greater development of the international markets with investment levels foreseen at $360.000 million over the coming years.

Main Expected Projects in the next years:

- **Mexico**
  - Expected Investment: $55.575M
  - PEMEX: $54.942M
  - ABENER: $633M

- **Bolivia**
  - Expected Investment: $463M
  - Repsol: $437.5M
  - Técnicas Reunidas: $1.177M

- **Venezuela**
  - Expected Investment: $2.750M
  - Repsol: $750M
  - Iberdrola: $2.000M

- **Trinidad and Tobago**
  - Expected Investment: $600M
  - BP: $600M

- **Peru**
  - Expected Investment: $1.614.5M
  - Repsol: $437.5M
  - Técnicas Reunidas: $1.177M

- **Colombia**
  - Expected Investment: $62.037M
  - Ecopetrol: $60.000M
  - Endesa: $837M
  - Pacific Rb: $200M
  - Cepsa: $1.000M

- **Brazil**
  - Expected Investment: $225.225M
  - Repsol: $625M
  - Petrobras: $224.000M
  - South Atlantic Refining Co: $600M

- **Abu Dhabi**
  - Expected Investment: €463M
  - Tec. Reunidas: €463M

- **Libya**
  - Expected Investment: $956M
  - Repsol: $125M
  - BP: $831M

- **Algeria**
  - Expected Investment: $563M
  - Repsol: $563M
  - Cepsa: $1.000M

- **Angola**
  - Expected Investment: $10.000M
  - BP: $10.000M

- **Trinidad and Tobago**
  - Expected Investment: $600M
  - BP: $600M

- **Colombia**
  - Expected Investment: $62.037M
  - Ecopetrol: $60.000M
  - Endesa: $837M
  - Pacific Rb: $200M
  - Cepsa: $1.000M
Overview of Grupo Navec’s Business
Grupo Navec has extensive experience with the development of engineering and manufacturing projects from leading companies in their respective industries

*Engineering and Manufacturing*

**Highlighted Projects from the Engineering and Manufacturing Division**

- **Coal-fired power station, limestone handling system**
  - **Location:** Mejillones (Chile)
  - **Client:** Cobra, industrial plants

- **Oviedo Conference Center**
  - **Location:** Oviedo (Asturias)
  - **Client:** Fiaga
  - **Architect:** S. Calatrava

- **Exterior conveyor belts for the Pajares tunnels (AVE)**
  - **Location:** Telledo (Asturias)
  - **Client:** UTE Pajares III (Ferrovial, Sacyr)

- **El Alto mortar plant**
  - **Location:** Morata de Tajuña (Madrid)
  - **Client:** Cementos Portland Valderivas
Overview of Grupo Navec’s Business

Grupo Navec is highly experienced in the development of assembly projects for companies that are leaders in their industries.

Highlighted Projects from the Assembly Division

- **Biodiesel Plant of 100,000 T/year**
  - **Location:** Altorricón (Huesca)
  - **Client:** Bioarag
  - **End Client:** Bioarag
  - **Duration:** 13 months
  - **Cost:** €11M
  - **Labor hours:** 120,000

- **Mechanical assembly of hydrodesulphurization units for refinery extension**
  - **Location:** Cartagena
  - **Client:** Técnicas Reunidas
  - **End Client:** Repsol
  - **Duration:** 16 months
  - **Cost:** €25M
  - **Labor hours:** 400,000

- **Off-site mechanical assembly of hydrocracker and deisobutanization unit**
  - **Location:** Sines (Portugal)
  - **Client:** Técnicas Reunidas
  - **End Client:** Galp
  - **Duration:** 15 months
  - **Cost:** €60M
  - **Labor hours:** 1,000,000

- **Mechanical assembly of 150,000m³ LNG tank**
  - **Location:** Huelva (Huelva)
  - **Client:** Acciona-Entrepose
  - **End Client:** Enagas
  - **Duration:** 18 months
  - **Cost:** €8.5M
  - **Labor hours:** 200,000
Overview of Grupo Navec’s Business

Recently, Grupo Navec was awarded the largest contract for Industrial Maintenance in the petrochemical industry in the Iberian Peninsula, with an annual volume of more than 250,000 labor hours for the next 5 years.

Highlighted Projects from the Maintenance Division

**Repsol Química Maintenance Contract**
- **Location:** San Roque (Cádiz)
- **Client:** Cepsa
- **Duration:** 1 month
- **Workers:** 312
- **Labor hours:** 47,621
- **Hours employed in training:** 4,400

**Cepsa – Petresa shutdown**
- **Location:** San Roque (Cádiz)
- **Client:** Port Aventura
- **Average number of workers/month:** 80
- **Annual volume:** 100,000 labor hours

**Port Aventura Maintenance Contract**
- **Location:** Salou (Tarragona)
- **Client:** Port Aventura
- **Average number of workers/month:** 80
- **Annual volume:** 100,000 labor hours

**Coal stock yard maintenance and operation contract**
- **Location:** Tarragona
- **Client:** Tarragona Port Services
- **Workers:** 15
- **Total labor hours/year:** 40,000
Overview of Grupo Navec’s Business
This experimental process with already existing clients allows Grupo Navec, once a solution has been developed, to apply these same services to a multitude of additional clients in the same sectors.

Highlighted Projects from the Applied Engineering Division

- **Sea Jetty**
  - **Client:** Dynasol
  - **Duration:** 24 months
  - **Volume:** 30,000 labor hours
  - **First application of this type world-wide**

- **Nano ceramic coating on centrifugal pumps**
  - **Client:** Enagás
  - **Duration:** 10 months
  - **Volume:** 4,000 labor hours

- **Fugitive Emissions Control**
  - **Client:** Dow Chemical
  - **Duration:** 24 months of implementation
  - **Volume:** 6,800 labor hours

- **Dilar Hydroelectric Power Station**
  - **Client:** Endesa
  - **Duration:** 200 labor hours