



IMAGINATION  
IN ENERGY



20  
13

ANNUAL  
REPORT



# ALTAWEST

Altawest is an industrial Group, acting as a technology developer, an OEM and service provider for the environment and energy markets.

Altawest relies on the professionalism and dedication of its 1,300 employees worldwide to secure long-term growth.

Our focus is the energy efficiency and operational performance of our customers' activities: power generation, combined heat and power and industrial processes.



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# ALTAWEST GROUP

## OUR VISION

Access to a cost-efficient, clean and safe energy is one of the main issues of the 21st century. To reach this goal, our global sales approach and our local industrial sites guarantee that our offer is the most tailored and competitive.

## OUR AMBITION

Our turnover has been multiplied by ten in eight years. Our growth strategy translates into enhanced R&D investments and geographical diversification: Altawest branded facilities, technologies and services shall always mean quality and performance on each territory we serve.

## OUR BUSINESS SEGMENTS

 Electrical equipments manufacturing	 Combustion technologies manufacturing
 Design and construction of power and combined heat and power (CHP) plants	 Services, maintenance and upgrade of all equipments or facilities within our sphere of competence

## OUR MARKETS

 Power generation (nuclear, conventional, renewable)	 CHP and environment industries	 Process industries (oil & gas, pulp & paper, food industry...)	 Naval industry
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## OUR BRANDS



Engineering and electrical equipments manufacturing  
Electric drives, generators



Manufacturing, equipments, retrofit, services for energy generation, industry, naval construction  
Boiler islands, equipments for the oil & gas industry



Engineering (EPC), Plant operation, Project development, Air Pollution Control technologies  
Waste-to-Energy plants, Biomass plants



“ In 2013, the Altawest Group consolidated its activities: we achieved a high level of order intake and streamlined the organisation of our most recently incorporated subsidiaries, in order to improve our profitability and assure sustained long-term growth. ”

Philippe Garelli.



# MESSAGE FROM THE CHAIRMAN

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## Revenue down, strong order intake

Even in a context of weak or negative growth in many countries, a company must expand into new markets and renew its products and services offer. For Altawest, this means extending its business abroad, remaining focused on technology differentiation and R&D, as well as creating new market opportunities.

Our turnover contracted to 213 million euros in 2013, as a consequence of a low order intake in 2012, leading to a clear drop in the operating profitability. Despite this, the international share of our revenue rose in both absolute and percentage terms.

Moreover, our order intake amounted for 340 million euros, providing good earnings visibility for most of the Group's subsidiaries. The main levers for this were:

- Brisk international sales at Jeumont Electric and Leroux & Lotz (Middle-East, Germany, Italy, Russia);
- Several orders related to new products and technologies development (combustion systems, flue gas treatment, automation);
- Our "project developer" scheme, in which we initiate our own projects upstream from EPC and operation activities (implementation of the Brignoles project, where we act as both developer and investor).

## Consolidation and preparation of the future

Our most recent subsidiaries (Inova, Leroux & Lotz Maintys, Timolor) have been provided with a new management team and partly restructured. Redundancies had a significant impact on our operating costs in 2013 and the results of this will be felt in 2014.

Several other significant events took place in 2013:

- The new Jeumont Electric plant in India started up and its production reaches the expected high quality standards;
- Leroux & Lotz continues its ramp-up in Poland;
- Majority stake acquisition in Techninov, our business partner in power electronics.

## Control and foster our growth in 2014 and beyond

Further development of our international business means both increasing our market share in regions in which we operate and extending our sales network. Particular focus will be placed on several markets in 2014: India, Middle-East, Central Europe, United-Kingdom, Brazil.

As far as technologies are concerned, several initiatives launched in previous years should come to fruition. The mains highlights are:

- a breakthrough technology especially suitable to wind turbine power generation,
- technologies for complex fuels energy recovery, including gasification,
- a new product range in power electronics for variable speed applications.

Also worth mentioning, we will continue to act as a project developer, backed by our financial engineering capacities.

We build our future on strengthened foundations, through the expertise of our teams, our technologies and the quality of our global manufacturing resources. We are proud to participate into the success of our customers. We thank them for their trust and fidelity, as well as our partners and employees for their unwavering support.

# OUR WORLDWIDE PRESENCE



  
**27%**  
Office staff,  
Technicians,  
Supervisors

  
**42%**  
Workers

  
**31%**  
Managers  
and Engineers

  
**87%**  
Men

  
**13%**  
Women

## 24 BUSINESS AND INDUSTRIAL PREMISES



### ENGINEERING CENTRES

Bourg-la-Reine | Jeumont | Rueil-Malmaison | Nantes | Grenoble | Étupes



### INDUSTRIAL FACILITIES

Jeumont | Champagne-sur-Seine | Carquefou | Vadodara - India | Nantes | Elbląg - Poland



### WORKSHOPS

Nantes | Étoile-sur-Rhône | Rouen | Lorient | Saint-Nazaire | Cherbourg



### WASTE-TO-ENERGY PLANTS

Pithiviers | Noyelles-sous-Lens | Thonon-les-Bains | Chinon



### SALES OFFICES

Abu Dhabi - United Arab Emirates | Rio de Janeiro - Brazil | Mumbai - India | Erkrath - Germany | Nyköping - Sweden

# MAIN FINANCIAL HIGHLIGHTS 2013

## Annual results

Order intake in 2013 for the Altawest Group reached 340 million euros, a historically high level. This good performance is, in part, related to the positive development of order intake on large size projects.

An unfavourable economic environment and difficulties in project funding led to a relatively low level of order intake in 2012 and the first quarter of 2013. The Group turnover totalled 213 million euros in 2013, a 20% drop from 2012.

As of December 31st, 2013, EBITDA amounted to 6.2 million euros and operating income stood at 2.5 million euros. Its decrease is due to limited cost absorption, especially on the first semester.

The international share of our revenue rose to 90 million euros (+7% increase) and showed an even stronger increase in percentage terms, from 32% in 2012 to 42% in 2013.

### A sound balance sheet structure with a positive net cash position

The Group's balance sheet is solid. The cash situation from 2012 improved, reaching 5 million euros. This places the Group in a negative net debt situation and showcases the optimization of the management on working capital.

The Group's equity amounts to 29.3 million euros, +1% from 2012. The total consolidated balance sheet amounts to 227 million euros by the end of 2013, against 219 million euros by the end of 2012.

### Outlook 2014

Building on the early 2014 level of order intake, Altawest expects a strong rise in revenue in 2014, coupled with an increased profitability.

Improvement in order intake remains a priority, especially outside France.

**+7%** **TURNOVER ON EXPORT MARKETS**  
(IN 2013)

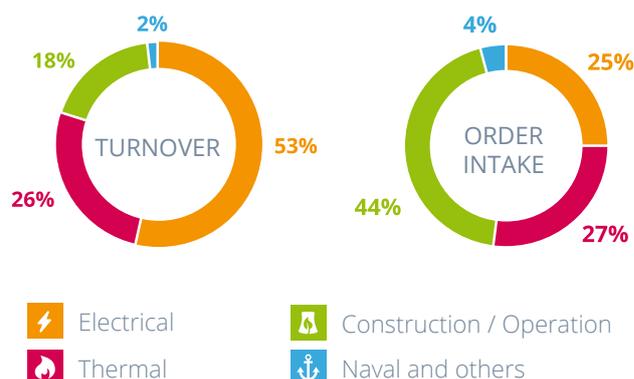
**EUR 340 MILLION / + 50%**  
**ORDER INTAKE**  
(IN 2013)

**EUR 6.2 MILLION / 3%**  
**EBITDA**  
(IN 2013)

### REVENUE BREAKDOWN BY GEOGRAPHIC SEGMENT



### BREAKDOWN BY BUSINESS SEGMENT 2013





# JEUMONT ELECTRIC

## HIGHLIGHTS

In 2013, Jeumont Electric set several business development milestones. Production start-up in the facility in Vadodara allowed construction, delivery and acceptance of the first JE India machines.

The substantive work done by Jeumont Electric in the Middle-East continues to take shape, through an important synchronous motors order intake at ZADCO for the Emirates Oil & Gas market.

Jeumont Electric kept its emphasis on R&D, to which it allocated more than 3% of its turnover.

In 2013, the first new generation 2-pole generators underwent successful testing, as well as the first drive generator for wind turbines (Jeolis project).



*Technology for power and innovation*

Jeumont Electric is a major OEM and service provider to the power conversion and generation market. Jeumont Electric has successfully built on its century-long know-how, expertise and spirit of innovation to remain a reference on its market, both in the fields of manufacturing and services. Jeumont Electric designs and manufactures electric motors and generators:

- Induction and synchronous motors up to 100 MVA
- Synchronous motors for hydroelectric power plants up to 150 MVA

- Excitation & control systems
- Full electrical propulsion systems for both military and commercial marine vessels
- Variable speed drive systems along with its subsidiary, JDS.

Jeumont Electric has three production facilities in Jeumont and Champagne-sur-Seine, France, and in Vadodara (Gujarat), India.

## MARKETS

### Power generation

OEM, steam or gas turbine manufacturers, water turbines, thermal engines

### Power Conversion

Oil & Gas, pumping, air compression, ventilation, cement, nuclear plant auxiliaries, electric ship propulsion

## MAIN ORDERS AND ACHIEVEMENTS

- DCNS: Order confirmation for the generator-rectifier equipments of the 3rd Barracuda class sub-surface nuclear submarine
- CNR (Electrabel Suez): Order for a generator for the Pouzin (FR) hydroelectric power station
- EDF: Replacement of the stators on the generators of the Manosque and Randens (FR) hydroelectric power stations
- EDF: Confirmation of 900 MW rotor rewinding as part of the generator framework contract for CP0-CP1 nuclear units
- HYDRO Exploitation: Order for 2 new generators for the Les Farettes (CH) site
- ZADCO: Turnkey order for 5 synchronous machines for the Zirku Island (UAE) site
- Chevron Oil: Order for 4 asynchronous machines for the Tengiz (KZ) oil field



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## *JEUMONT ELECTRIC MAINTENANCE (JEM)*

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As a Jeumont Electric branch, JEM services all brands and types of electrical rotating machines as well as the engineering design and revamping of hydrogenerators up to 120 MW.

### **A** HIGHLIGHTS

In 2013 JEM underpinned its organisation and responsiveness: it proposes to its clients improved and shortened expertise-repair cycles. Programmes implemented upgraded project management throughout the company, while encouraging skill improvement for teams:

- Closer cooperation between JE and JEM technical and production teams;
- Creation of a services agency on the JE site of Champagne-sur-Seine to strengthen JEM's deployability;
- Creation of a specialised construction site team with asbestos certification.

### **A** MAIN ORDERS AND ACHIEVEMENTS

- Supply of a 1,200 A rectifier for the Cadarache (FR) CEA nuclear power scientific facility
- CNR (Electrabel Suez): Site maintenance of the G6 vertical generator (asbestos works under special certification) on the Beauchastel (FR) hydroelectric power station
- EDF-CIT: 2013-2017 framework contract for maintenance of HV motors on thermal power plants
- EDF: G1 generator reconstruction for the Peyrat-le-Château (FR) underground hydroelectric power station
- EDF Nucléaire-UTO: Stator maintenance and rewinding for 19 motors (intermediate reactor cooling) of the safety system
- Curative maintenance of 40 TGV rotors for the Hellemmes (FR) site

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## *JEUMONT DRIVES SYSTEMS (JDS)*

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JDS is a Jeumont Electric branch set up in 2010. It markets a range of medium voltage frequency converters using a system approach that combine electrical motors and converters.

### **A** HIGHLIGHTS

In 2013, Jeumont Drives Systems installed and commissioned its first retrofitted high voltage drive for Princess Cruises of Carnival Group.



# INOVA

## AV HIGHLIGHTS

In 2013, Inova illustrated its expertise through the award of a large part of the new capacities at stake on the French Waste-to-Energy market, with two major contracts for the upgrading and reconstruction of WtE plants in Annecy and Bénése-Maremne. The signature of the funding, construction and operation contracts of the Brignoles biomass plant, developed and designed by Inova and Altawest, took place on December 3rd: it consolidates the company's business outlook.

Inova also bolstered its flue gas treatment offer: two contracts have been signed, in relation with the compliance campaign following the European directive 2010/75/EU on industrial emissions.



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*One-stop partner for turnkey solutions*

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Inova is a French leading player in **turnkey design, construction and operation of highly efficient Waste-to-Energy (WtE) plants**. Renowned EPC contractor, Inova proposes its customers with integrated solutions built around cutting-edge technologies.

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*INOVA SAS*

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Benefitting from 50 years of continuous industrial tradition, Inova SAS is specialised in Waste-to-Energy, refuse-derived fuels (RDF) or biomass plants engineering and construction. Inova SAS also offers a complete range of stand-alone flue gas treatment units.

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*INOVA Operations*

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Since 1970, Inova Operations has been operating and maintaining power generation plants, in compliance with applicable regulations. Through its know-how and skills transfer ability, Inova Operations also provides its clients with consulting, operation assistance and supervision services.

*Inova SAS and Inova Operations' activities are united within the Groupe Inova holding*

**A<sup>W</sup> MAIN ORDERS AND ACHIEVEMENTS**



**WASTE-TO-ENERGY**

- Chavanod (FR): Upgrading and construction contract for the Annecy plant (2 lines of 7.25 t/h, 14.8 MWth each, STG 9.5 MWe)
- Bénése-Maremne (FR): Replacement plant construction contract (1 line of 11.2 t/h and 20 MWth, STG 8.4 MWe)



**BIOMASS**

- Metz (FR): Inauguration of the 50 MWth biomass CHP plant, designed and built by Inova for UEM
- Brignoles (FR): Funding, construction, operation contracts signature and opening of the construction site of the 21.5 MWe biomass plant



**AIR POLLUTION CONTROL SYSTEMS**

- Péage-de-Roussillon (FR): Order for the first « Rainbow » bag filter, fully designed and built by Inova for the TERIS biomass heating plant (47,000 Nm<sup>3</sup>/h)
- Bassens (FR): Order (dry treatment and dedusting) for a coal-fuelled Michelin facility (80,000 Nm<sup>3</sup>/h)



**OPERATION**

- Chinon (FR): OHSAS 18001: 2007 certification



# LEROUX & LOTZ Technologies

## AL HIGHLIGHTS

The year 2013 brought a record order intake for all business segments :

- Biomass boiler islands in France and abroad
- Waste-to-Energy (WtE) boilers
- Special equipment for marine renewable energy
- Lubricant and grease modular plants abroad

To widen its competences spectrum, LLT focused on strengthening its electricity, instrumentation and control competences. An increased R&D effort enables LLT to strengthen its offer:

- Project launch of a 1 MW pilot-facility for combustion system testing
- Start up of operations of 2 demonstrators (CO<sub>2</sub> capture in fumes and hydrothermal oxidations of liquid organic waste)

LLT also finalised a partnership agreement with Tunisian company Sotulub, to offer used oils regeneration plants with unit capacities of 8,000 to 10,000 t/year.

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*Creating energy solutions for the future*

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Leroux & Lotz Technologies (LLT) specializes in boiler islands and special industrial equipments. It is organised around two business units:

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*LLT HEAT & POWER*

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LLT HEAT & POWER designs, builds and commissions boiler islands ranging from 1 to 150 MWth. Suited for biomass fuels, waste and Refuse Derived Fuels (RDF), these boilers are used in industrial applications, Combined Heat & Power (CHP) and heating plants.

 MAIN ORDERS AND ACHIEVEMENTS

*LLT HEAT & POWER :*

- Tours (FR) : Biomass boiler island commissioning for Dalkia
- Villejust (FR): Commissioning of the upgraded WtE plant
- France: Work phases for 3 WtE boiler projects (Rochefort: 27 MW; Annecy: 14.8 MW; Toulon: 2x24 MW).
- Brignoles (FR): Order for a boiler island for the IVB project
- Foggia (IT): Order for a 43 MW boiler island (olive pomace)

*LLT INDUSTRY :*

- Republic of South-Africa: Lubricant modular unit
- Russia: Grease modular unit
- Brazil: 2 special spiralling equipments for the Oil & Gas market
- Construction of a test bed for offshore wind turbines

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*LLT INDUSTRY*

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LLT INDUSTRY develops modular-design units for lubricant, grease, slop distillation and sludge treatment markets. LLT also designs special equipments for offshore Oil & Gas markets (hose pipe manufacturing and pipe-layer machines). LLT is active in testing solutions for the nuclear market.

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*EUROBIOMASS POLSKA*

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Eurobiomass Polska – an LLT subsidiary since 2010 - is located in Elbląg, Poland. Operating in Central and Eastern Europe, Germany and France, Eurobiomass designs and builds biomass boilers from 1 to 8 MW for compact and automated, robust and reliable facilities.

 MAIN ORDERS AND ACHIEVEMENTS

- Bondy (FR): Manufacturing of 2 wood boilers (1 MW and 4 MW) for Société thermique de Bondy (Coriance)
- Michałowice (PL): Manufacturing of 1 biomass boiler (16 t/h steam generation) for Agmabud Sp. z o.o.
- Leinefelde (DE): Order and manufacturing of 3 biomass boilers (4 MW) for ELW Energieversorgung Leinefelde-Worbis GmbH (Danpower Gruppe)
- Bouguenais (FR): Order for 1 biomass boiler (5 MW) for IDEX Énergies



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## LEROUX & LOTZ MAINTYS

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Leroux & Lotz Maintys is specialized in **maintenance, repair and revamping work on industrial sites**. From its three offices (Rhône-Alpes, Normandy, Atlantic), Leroux & Lotz Maintys operates on Waste-to-Energy plants, Biomass plants and heating networks. Its activities are backed by acknowledged expertise in pressure parts and industrial maintenance work.

### **A<sup>w</sup>** MAIN ORDERS AND ACHIEVEMENTS

- Toulon (FR): Revamping contract for 3 WtE boilers for Vinci Environnement (in consortium with LLT)
- Cap des Biches (SEN): Retrofitted boiler commissioning for Senelec (in consortium with LLTM)

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## LEROUX & LOTZ TURBOMACHINES

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### *Services, expertises and performance*

Leroux & Lotz Turbomachines (LLTM) **supplies a full set of proven expert services designed for high power pumps, compressors, steam turbines and monitoring control systems**. LLTM services range from operating diagnoses to reengineering of subunits. LLTM expertise covers repairs on incidents, maintenance contracts, including provision of spare parts.

### **A<sup>w</sup>** MAIN ORDERS AND ACHIEVEMENTS

- Cap des Biches (SEN): Start-up of the refurbishing contract of the STG groups.
- United-Kingdom: Several contracts on installed turbogenerators

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## LEROUX & LOTZ TIMOLOR

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### *Marine & Industry*

Leroux & Lotz Timolor **applies its skills in boiler work, pipe work, welding, naval structure and mechanics from its three industrial workshops** in Lorient, Saint-Nazaire and Cherbourg, to serve key accounts like STX or DCNS, as well as regional industrial firms, or naval and merchant marine providers.

### **A<sup>w</sup>** MAIN ORDERS AND ACHIEVEMENTS

#### **Key account shipyards**

- Lorient: Award of the construction works of the forward part of the hull for the FREMM 5 frigate (DCNS)
- Saint-Nazaire: Signature of a major order for door kitting on "Oasis" 3 cruise liner (STX)

#### **Industrial services**

- EDF hydro: signature of several contracts for the Rance, Rophemel and Saint-Philbert-sur-Orne (FR) dams.



Altawest  
11, rue de Fontenay  
F-92340 Bourg-la-Reine  
Tel. +33 (0)1 40 84 88 34

[www.altawest.net](http://www.altawest.net)

