



SGS PLANT AND TERMINAL OPERATIONS

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WHEN YOU NEED TO BE SURE



- 1982: B.A.—University of Texas at Austin
- 1985: J.D.—Louisiana State University School of Law
- 1985 -1991—Engaged in private law practice in Louisiana and California
- 1991: Joined Petroleum Service Corporation (PSC)
- 2000: Named Executive VP and COO of PSC
- 2004: PSC acquired by SGS North America, Inc.
- 2007: Named Senior Vice President and Business Leader, North America Plant and Terminal Operations

WHAT IS PLANT AND TERMINAL OPERATIONS?

- “PTO” is the SGS term for various product handling services at oil refineries, chemical plants, and terminals.
- PTO is part of the SGS Oil, Gas, and Chemicals division
- The majority of PTO operations are in the U.S. and Canada.
 - Smaller PTO groups are located in the UK, Netherlands, France, Italy, New Zealand, Spain, Argentina, Chile, and Austria.
- 2010 Global PTO revenue: USD \$160 MM
- 2010 PTO North American Revenue: \$117 MM.

- Barge Loading and Unloading (Tankerman Services)
- Rail and truck loading and unloading
- Rail switching operations
- Marine dock operations
- Warehouse operations
- Tank Farm, Pipeline, and Underground Storage operations
- PTO operations handle approximately 75% liquids; 20% solids; and 5% liquefied gases



- PSC is the oldest and largest barge tankerman service in the United States
- 36,000 barges loaded and unloaded annually
- Customers are primarily tank barge companies
- Mostly liquid cargoes including all types of refined products and chemicals
- Employees are assigned to geographic “pools” and work on-call. Jobs are assigned via centralized dispatch in Baton Rouge
- PSC Tankerman Career Academy trains and certifies employees under U.S. Coast Guard regulations

RAIL AND TRUCK LOADING AND UNLOADING



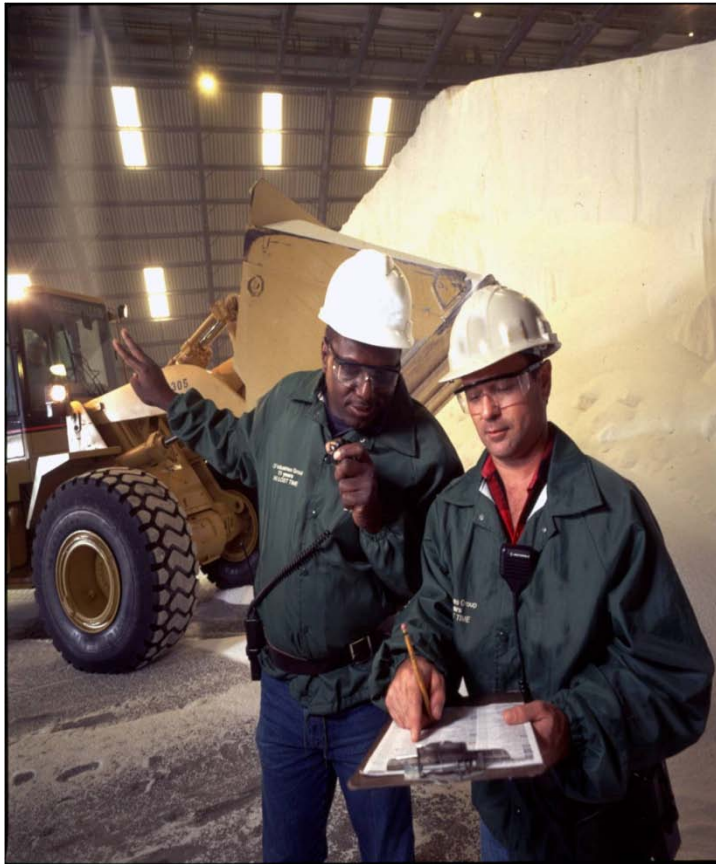
- PTO loads and unloads 300,000 railcars and trucks annually at more than 50 plant sites
- Work includes:
 - Placement (spotting) of the car or truck at the loading station
 - Pre-transfer inspection
 - Preparing shipping documents
 - Hooking up hoses or arms
 - Loading or offloading the product
 - Post-transfer inspection
 - Securing the vessel for shipment



- PTO operates about 75 major marine facilities in North America
- Dock operators represent the facility in a transfer to or from a ship or barge
- Responsibilities include:
 - Vessel mooring and securement
 - Pre-transfer conference with vessel personnel
 - Complete documentation per regulatory and facility requirements
 - Control product flow over the dock during transfer
 - Communication liaison between vessel and tank farm personnel
- PTO dock operators may be assigned exclusively to a single facility, or cover multiple facilities



- Over 300,000 railcars switched and shipped annually
- 2 or 3-person crews operate locomotives or trackmobiles to move cars around
- Cars are received from the main line railroad at the plant's storage yard, visually inspected, then moved to various loading stations
- After loading or unloading, cars are picked up, taken to the yard, and made into trains for main line railroad pickup
- Cars are typically moved 5-7 times from receipt to final shipment

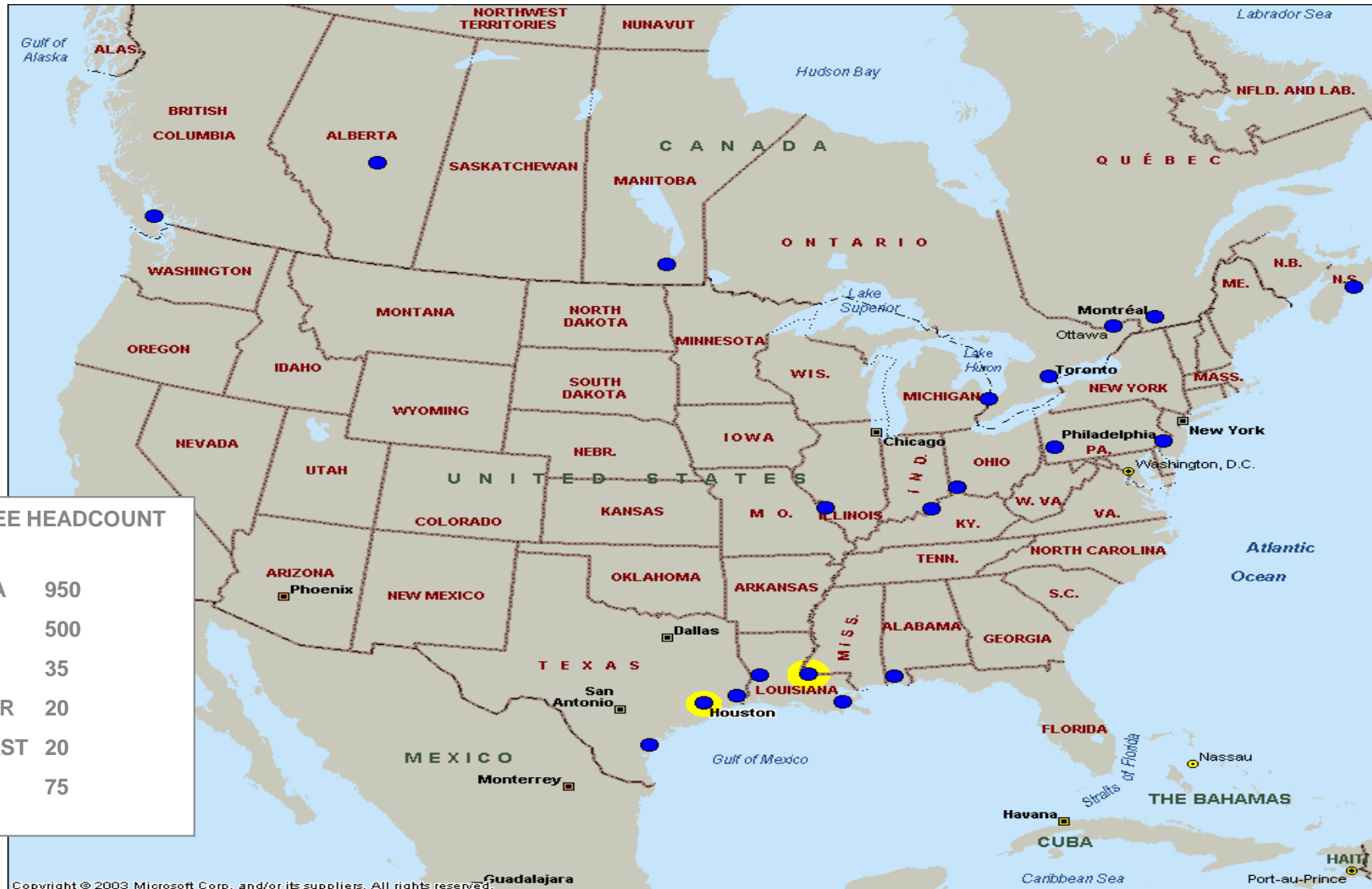


- Work consists of various product handling functions including:
 - Drumming, bagging, packaging
 - Front-end loader operations
 - Conveyor operations
- Mostly plastics, fertilizers, and rubber products

TANK FARM, PIPELINE, AND UNDERGROUND STORAGE OPERATIONS



- PTO employees control levels of raw materials and finished products in the facility's tank farm, and pump them throughout the facility
- Finished products are pumped from facility tanks into nationwide pipeline networks.
- PTO operates underground storage caverns for Liquefied Gases. These facilities hold "light ends" for refinery fuels blending, and provide petrochemical plants with raw materials for manufacturing.



EMPLOYEE HEADCOUNT

LOUISIANA	950
TEXAS	500
MS/AL	35
OHIO RIVER	20
NORTH EAST	20
CANADA	75

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“To perform the work as well or better than our customer can using its own employees, and at a lower cost.”

WHY CUSTOMERS CHOOSE PTO SERVICES



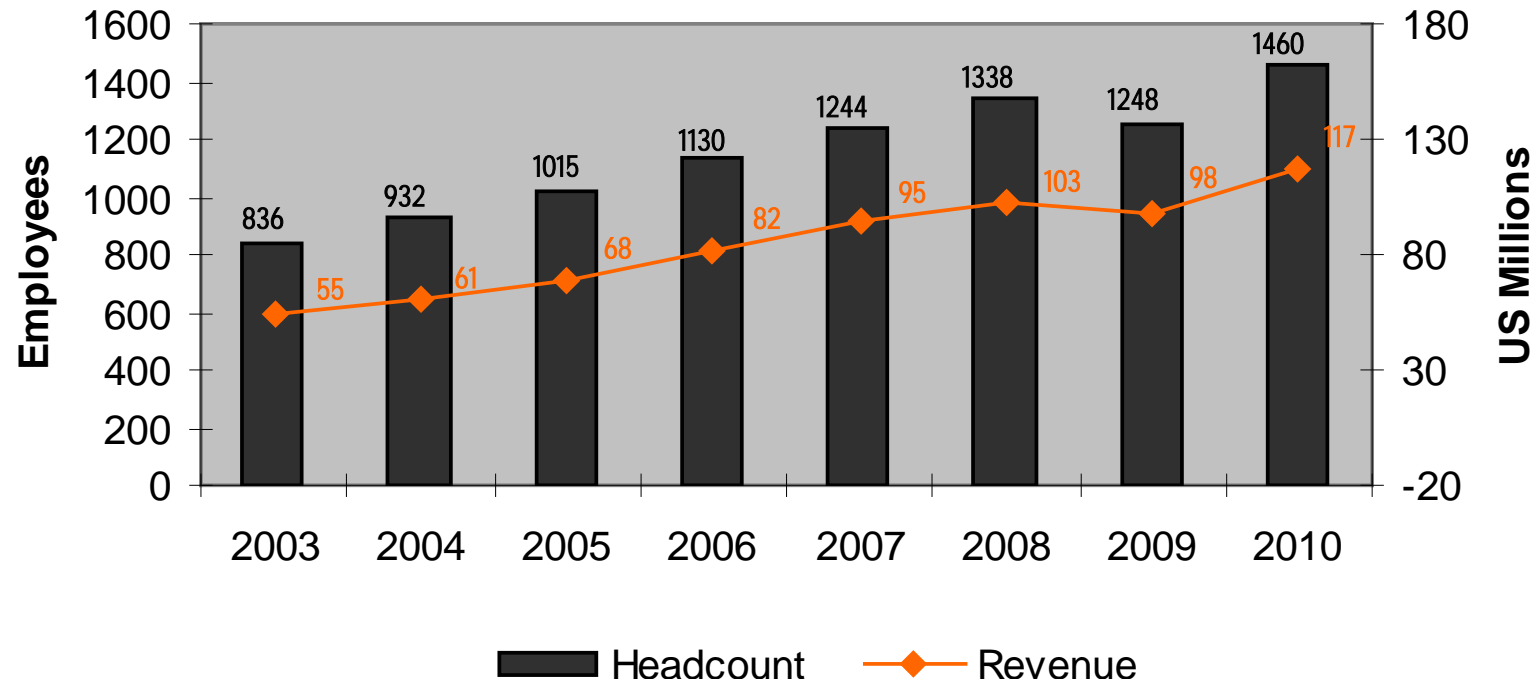
- Outsourcing allows companies to focus on their core competencies
- Reduced cost
- Strong safety and environmental track record gives customers confidence
- PTO brings industry-wide experience and best practices
- Comprehensive training and regulatory compliance
- Reputation for well managed operations and long-term customer relationships

ESTIMATED PTO MARKET SHARE IN NAM

- Gulf Coast:
 - 50% Facility Employees
 - 20% SGS
 - 20% General Mechanical Contractors
 - 10% Other

- Non-Gulf Coast
 - 85% Facility Employees
 - 15% Others

PTO GROWTH: 2003 – 2010 (\$USD)



PTO NAM REVENUE GOAL: \$170 MILLION BY 2014

- Strategy—continue on our present path of steady, sustained growth
- Major plan components
 - Deliver best-in-class safety and operating performance
 - Sustain robust business development activities
 - Continue to develop internal leaders and hire from the outside as needed
 - Maintain and enhance customer relationships at all levels

This strategy has driven a >100% revenue and LC growth in the 7 years since SGS acquired PSC.

- There are significant growth opportunities for our current service model
 - We expect outsourcing of non-core functions to remain an attractive option for companies wishing to create efficiencies and be more competitive
 - U.S. chemical industry, after years of decline, has recently announced several major expansion projects as new technologies unlock vast natural gas resources in NAM
- Gulf Coast remains best outsourcing region
 - Other regions (U.S. Midwest, East and West Coast, Canada) are evolving toward outsourcing.
 - Unions remain a major barrier in some areas
 - Strategy is to establish one successful operation in a new area, then grow in that region through referrals (e.g., Canada, New Jersey)
- The decision to outsource continues to be a protracted and complex process

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TORONTO



2014
FOR THE
COMPLETE PICTURE

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