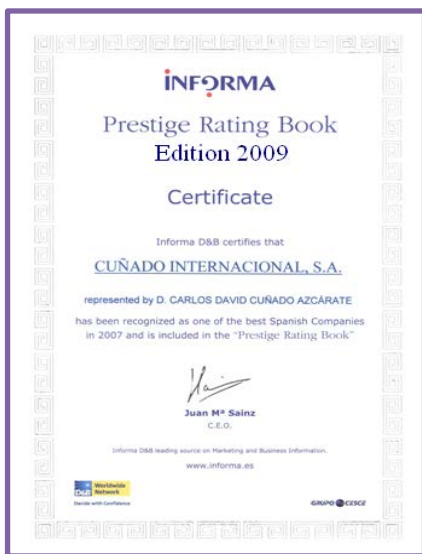






- 14 companies located globally.
- Founded 1963
- *Manufacturing, supplying and providing value add services for the piping market*
- 480 Employees
- 43 Offices and 28 Warehouses
- More than 500 suppliers
- *Proprietary Integral Supply Service software®*
- Annual Sales: \$710 million (500 million €)
- Purchase capacity: \$640 Million (450 million €)
- Annual Purchases: 300,000 Tons

OUR MAIN COMPANIES INTERNATIONAL BUSINESS





Manufacturing



Specialty
Valves



Specialty Filters



Commodity
Valves



Stud bolts and
Fasteners

Distribution



Valves and
Filters



Stainless,
Duplex, Nickel



Carbon, Chrome
Moly, Low Temp



Plastic



OUR MAIN COMPANIES ADDED VALUE SERVICES

INTERNAL SERVICES

PROCUREMENT, QUALITY & FINANCIAL SERVICES



- **Procurement and Supplier Qualification** : 3 Procurement Centers

SPAIN – HOUSTON – SHANGAI

Each center has its own technical experts to test, qualify, inspect and control all our suppliers in order to give our customers **the best quality with no claims.**

- **Quality Department:** more than 20 people ensure our internal quality process, including warehouse procedures, inspection and documentation.
- **Related services:** CEMIDE holds and manages our value added service companies:



INTEGRAL SUPPLY SERVICES

SLC manages the warehouse, HR, logistics and every detail of our ISS and also develops new applications for our ISS for internal and external control.



WAREHOUSE CONSULTING

Consultancy, design and construction services for warehouses.



001



ISO 9001 Certified

- Certified in 1993: Lloyds Register
- First Spanish company to get certification
- Work only with ISO9001 certified manufacturers
- Incoming inventory spot checked for MTR and order compliance

ISO 14001 Certified:

- Certified in 2008
- Committed to environmental protection



Health and Safety: OHSAS 18001:2007

- Occupational Health and Safety Advisory Services
- Intended to protect personnel
- In compliance with OHSAS 18001
- Certification is eminent

Nuclear Power Plants:

- Approved supplier by the Spanish Association of Nuclear Power Plants
- Authorized to classify and upgrade nuclear class materials.
- Approved by Westinghouse and GE for Nuclear Power Plants.








CUSTOMER	PROJECT	AMOUNT	COUNTRY	ENGINEERING
CONOCO PHILLIPS	Bohai Bay Project	\$ 70,000,000	China	FLUOR DANIEL
ARAMCO & TOTAL	Jubail Refinery	\$ 63,900,000	SA	TEC. REUNIDAS
REPSOL	C10 Ref. Revamp	\$ 61,912,000	Spain	VARIOUS COMPANIES
INTERQUISA/CEPSA	Petrochemical Plant	\$ 58,220,000	Canada	SNC LAVALIN
PEMEX	Lazaro Cardenas Ref.	\$ 51,546,000	Mexico	TEC. REUNIDAS
SONATRACH	Gas Plant & PipeLine	\$ 45,000,000	Algeria	SNC LAVALIN
HELLENIC PETROLEUM	Elefsina Refinery	\$ 36,920,000	Greece	HELLENIC PETROL.
ADCO	Pipe Line	\$ 28,400,000	UAE	INITEC
BP OIL	Castellon Refinery	\$ 25,702,000	Spain	FOSTER WHEELER
PERU LNG	LNG Plant	\$ 25,560,000	Peru	CB&I
SAUDI ARAMCO	Rabigh Petrochemical	\$ 22,720,000	SA	TEC. REUNIDAS
SONATRACH	Skikda LNG Plant	\$ 17,345,300	Algeria	KBR
ETECO	Potable Water	\$ 14,200,000	Ecuador	TECHINT
AMOC	Mineral Oil	\$ 12,780,000	Egypt	TEC. REUNIDAS
INST. COSTARICENSES	Geotermica	\$ 8,150,800	Costa Rica	ICE/ANSALDO
COLLAHUASI	Minery	\$ 3,834,000	Chile	BECHTEL
LINDE	Acrylic Acid	\$ 2,840,000	KAS	LINDE
TECHNIP	Olefin	\$ 2,605,700	Iran	TECHNIP
STATOIL	Offshore Gas	\$ 1,420,000	Norway	LINDE
PETROPERU	Talara Refinery	\$ 1,136,000	Peru	PETROPERU


REFERENCES PIPELINE PROJECTS


CUSTOMER	COUNTRY	DESCRIPTION	METERS	TON.	TOTAL AMOUNT	MANUFACTURER
TGP Gas Perú	Perú	24" DSAW API5L X70, PSL2	48,900	8,995	\$25,000,000	Ilva, Italy
Sonelgaz	Algeria	16" SSAW, API5L X52, PSL2, 3PE	5,6000	6,000	\$8,500,000	Lioayang Large Scale, China,
Suncor - Sideco	Canada	8" 12" y 16" SSAW API 5L X56, (SP Length 8M)	171,000	13,950	\$13,200,000	Lioayang Large Scale, China
Collahuasi	Chile	10" ERW, API5L X65, PSL2	85,000	4,000	\$4,050,000	Tipo, Kingland
Minera Pacífico	Chile	8" ERW, API5L X65, PSL2	124,000	6,000	\$6,900,000	Tipo, China
Minera Centenario	Chile	10" ERW, API5L X65, PSL2, 3LPE	62,000	2,890	\$3,150,000	Lioayang Large Scale, China
Sinovensa	Venezuela	20" - 24" ERW, API 5L X65 12" SMLS			\$14,080,000	Corinth Pope, Huta Batory, Polond)
ConocoPhillips	China	4" - 6", SMLS, API 5L X65, PSL2, (SUBSEA PIPE)	20,500	900	\$1,750,000	VM, France
Sinovensa	Venezuela	20" - 24" ERW, API 5L X65 12" SMLS	30,000	7,680	\$14,200,000	Corinth Pope, Huta Batory, Polond)
Groupment Berkine	Algeria	2", SMLS, API 5L X60, PSL2, 3L POLYPROP	102,000	1,300	\$4,140,000	Tubos Reunidos, Spain
Repsol Explorac.	Algeria	4" SMLS, API5L X52 PSL2	58,000	1,000	\$1,642,200	Tubos Reunidos, Spain
NORTH OIL CO.	Iraq	24" EFW, API5L X60 PSL2	80,000	17,000	\$19,182,000	Corinth Pipe Greece
Orifuels Sinoven	Venezuela	20" - 24" ERW, API 5L			\$8,140,016	Corinth Pipe Greece



*“In today’s market, the construction of new capital facilities, fast track schedules added with the enormous pressure from end users and management to improve on the budgeted numbers; the process of designing, delivery and erecting (DDE) of piping tends to fall, more often than not, in the **project’s critical path.**”*


“Squarely positioned in the center of the DDE are the sub-process necessary to complete the fabrication of erectable section of piping, or pipe spools”





“Piping budgets in a major project (process) tend to fall between 5%-15% of the overall budget...BUT, the importance (weight given) on the piping, for the completion of the project, tends to be between 50% - 75%.”

*The Cuñado Group has close to 50 years of experience in supplying piping for major projects and we understand the challenges placed on piping supply. Our Integral Supply System was developed to assist in the “sub-process”, and our Goal is to ensure that the piping, and the pipe spooling, stays off the **Projects Critical Path altogether.***





- First project in 1972
- Shortages and late deliveries wrecked budget
- Integral Supply System idea was conceived
- Work with customer to ensure material arrives based on actual manufacturing schedule
- Place material near where it is needed
- Track and trace material delivery and receipts



INTEGRAL SUPPLY SOFTWARE WEB APPLICATION

Gestión de Activación || Transacciones || Información de Activación || Pedido de venta

1 - 20 / 56

Referencia

Pedido de venta

Información de Activación

Pedido de compra | Albarán de entrada (por línea de PV) | Albarán de salida

Entidad	Organización	Tercero	Acti	L	Nº pedido	Fecha de ped	Posi	Códi	Descripción	Ref. cliente	Ref. auxiliar	Código ingeniería	Descripción ingeniería	Diám
1	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000000001	05-02-2008	10	733	5/8X31/2" ESPARRAGO C/2T A-193 B-7 A-194 GR	15415/01-001		STURBA00----- .625x3.5	STUD BOLTS ASTM A193 GR B7 W/2 HEX NUTS A .625X	
2	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000000001	05-02-2008	20	1078	1" XS CL.300 BRIDA SW FORJ RF A-105	15415/01-002		FS3RF101080RF 1x0	L-375 SW FLANGE ASTM A105 1/16" RF ASME B1 1X0	
3	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000000001	05-02-2008	30	9897	2" STD CODO 90° L.R. SIN SOLD. BW A-234 WPB	15415/01-003	AUX-71628	90ERW101040BE 2x0	L-7961 90 ELBOW LR ASTM A234 WPB ASME B16. 2X0	
4	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000000002	05-02-2008	10	733	5/8X31/2" ESPARRAGO C/2T A-193 B-7 A-194 GR	15415/01-001		STURBA00----- .625x3.5	STUD BOLTS ASTM A193 GR B7 W/2 HEX NUTS A .625X	
5	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000000002	05-02-2008	20	1078	1" XS CL.300 BRIDA SW FORJ RF A-105	15415/01-002		FS3RF101080RF 1x0	L-375 SW FLANGE ASTM A105 1/16" RF ASME B1 1X0	
6	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000000002	05-02-2008	30	9897	2" STD CODO 90° L.R. SIN SOLD. BW A-234 WPB	15415/01-003		90ERW101040BE 2x0	L-7961 90 ELBOW LR ASTM A234 WPB ASME B16. 2X0	
7	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000829728	05-02-2008	10	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/01-001				
8	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000829728	05-02-2008	20	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/01-002				
9	Grupo Cuiñado	Cartagena - Ingeniería A	Repsol	Y	01 0000829728	05-02-2008	30	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/01-003				
10							40	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/01-004				
11							50	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/01-005				
12							60	39	10" STD CODO 90° L.R. SIN SOLD. BW A-234 WPI	15415/01-006				
13							70	42	16" STD CODO 90° L.R. SIN SOLD. BW A-234 WPI	15415/01-007				
14							80	46	11/2X11/4" XS RED. CONC. SIN SOLD. BW A-234	15415/01-008				
15							90	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/01-009				
16							100	46	11/2X11/4" XS RED. CONC. SIN SOLD. BW A-234	15415/01-010				
17							110	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/02-001				
18							120	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/02-002				
19							130	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/02-003				
20							140	1	21/2" STD CODO 90° S.R. SIN SOLD. BW A-234 W	15415/02-004				

Project Reports:

- Quality Cert Query
- Material and Test Certificates
- Expediting Sheet Report
- Sub-Orders Data
- Warehouse Entry/ Dispatch Data
- Isometrics selection/calculation
- Isometrics vs Purchase Order

Documents included:

- Production Plans
- Quality Plans
- M.T.R. or
- Certificate of Compliance
- Drawings
- Milestones
- Invoices
- Packing list
- Certificate of origin

Once orders have been completed, Cuiñado Group will compile a Dossier for each order with all technical documents, as requested by project.


Traditional System



Integral Supply



The INTEGRAL SUPPLY SYSTEM can provide appx. 10% - 20% of direct savings (on average), ...+ indirect savings



“Piping budgets in a major project (process) tend to fall between 5%-15% of the overall budget...BUT, the importance (weight given) on the piping, for the completion of the project, tends to be between 50% - 75%.”

Every Project Budgets for CONTINGENCIES, and issues with Piping Bulks have tendency of taking the Project into using contingencies.

Following is a Sample of a Process Plant Budget:





MAIN COMPONENTS		T	IS
PRINCIPAL EQUIPMENTS		30%	30%
SPARE PARTS		2%	2%
PIPING		6%	6%
INSTRUMENTATION & CONTROL		5%	5%
ELECTRICAL		4%	4%
PREFABRICATION & CONSTRUCTION	EQUIPMENT	4%	20%
	PIPING	11%	
	INSTRUMENTATION	3%	
	ELECTRICAL	2%	
ISOLATION / PAINTING		2%	2%
CIVIL WORKS / ESTRUCTURES		9%	9%
PRE-COMMISSIONING		2%	2%
VENDORS ASSISTANCE		1%	1%
TECHNICAL SUPERVISION		5%	5%
ENGINEERING		10%	10%
CONTINGENGIES		4%	0%
TOTAL		100%	96%

INTEGRAL SUPPLY SERVICE ADVANTAGES

- * Complete internal HR structure to manage each project
- * Cunado staff resident at client offices
- * Complete control and care of all the materials: all material is kept in proper condition
- * Contractor claims almost zero
- * Emergency avoidance
- * No contingencies
- * Cuñado will keep a “security stock” for standard materials
- * Zero surplus. (buy-back clauses agreed, in order to have no surplus at the end of the project).
- * Important financial savings (costs match with the use of the material)
- * Estimated savings 12% minimum

**At the end, the *correct* purchase
does *not* mean to buy the *cheapest material*
but to find the lowest total cost in the project.**

EXAMPLE OF EXCELLENCE CONOCO PHILLIPS / BOHAI BAY

TOTAL AMOUNT

\$70 MILLION

SUPPLY

Over 230 separate MTO
Over 12,000 line Items
Over 1,000,000 units
Over 110 manufacturers

SCOPE

Duplex - 6MO - SS - LT - CS
250 Risers and Subsea Flanges
All bulk items
All additional material

**6 PRODUCTION PLATFORMS
1 MOORING TOWER AND
THE LARGEST FPSO**

**3 + 2 + 2 YEARS
FRAME AGREEMENT
FOR INTEGRAL SUPPLY**

Web reporting, expediting,
warehousing, logistics, all
documentation, deviations,
emergency stocks, buy back

FINANCIAL SUPPORT

We created a company in Hong Kong to invoice ConocoPhillips and pay manufacturers in local currency to avoid taxes.

TECHNICAL SUPPORT

We gave a technical complex solution to subsea flanges and risers.

TRAINING COURSE

We gave a training subsea course to the installation team



Conoco Phillips and Fluor Engineering team members of Bohai Project communicated that the Cunado Group gave an “Excellent Performance” and was considered a Top Supplier for this Project.

