



Fru-Con

January 2011

News

Focus on Leadership

Celebration Welcomes Klaus Raps; Recognizes Distinguished Stewardship

The Fru-Con team marked two important leadership milestones at a special gathering on December 8, 2010, at the historic Morrison House in Old Town Alexandria, Virginia: the retirement of Fru-Con Holding Chairman **Professor Hans Helmut Schetter** and the welcoming of his successor, **Klaus Raps**.

Through the end of 2010, Professor Schetter was the Bilfinger Berger SE Executive Board member in charge of human resources, technology, and parts of both the German and international construction businesses.

"It has been my privilege to work for Professor Schetter since 2006," Fru-Con President & CEO **Clem Mitchell** told the firm's leadership team. "I respect his integrity, style of leadership, and encouragement of the entrepreneurship that has fueled our growth and profitability."

Mitchell said the partnership between Fru-Con and Bilfinger Berger SE has grown stronger in recent years under the leadership of Professor Schetter. Upon reach-



Newly appointed Fru-Con Holding Chairman Klaus Raps (right) visits with Fru-Con President and CEO Clem Mitchell at the December 8 gathering.



Enjoying a moment together are (from left) Fru-Con Vice President Mike Fischer, incoming Fru-Con Holding Chairman Klaus Raps, retiring Fru-Con Holding Chairman Professor Hans Helmut Schetter, Fru-Con President & CEO Clem Mitchell and Fru-Con and Centennial CFO Ralf Fuchs.

ing the age limit for Executive Board members, Professor Schetter concluded 16 years of service with the company at the end of 2010.

Citing the wisdom of his advice and counsel, Mitchell added, "Professor Schetter has been a valuable business partner." He presented a bronze sculpture of the American Eagle, noting, "As you have taken us under your wing, sir, we hope our gift will always remind you that your legacy will live on as we continue our flight while following your high standards. We will always be grateful for your stewardship."

The Fru-Con team warmly welcomed **Klaus Raps** as the incoming chairman of the Fru-Con Holding board. Mr. Raps joined Professor Schetter on the Bilfinger Berger Executive Board in 2007 after 21 years experience with the firm. Mr. Raps is both a civil and industrial

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Innovation in Every Sphere of Influence

By Michael R. Fischer, Fru-Con Vice President

Adversity can be a powerful motivator. Think of the accomplishments of Christopher Reeve, who played “Superman.” After his paralysis, he dedicated his life to curing spinal cord injuries and improving the quality of life for people living with paralysis. Or consider Candace Lightner, who channeled the grief of losing her 13-year-old daughter to a drunk driver in 1980 into forming Mothers Against Drunk Driving (MADD), the grassroots group that has reshaped perceptions of drunk driving.

Similarly, the adversity of current market conditions creates challenges that can be discouraging. Mounting debt and shrinking municipal and state revenues curtail the volume of work available. At the same time, we face new competitors desperate to seek any work they can to retain valued staff and stay in business at any price, creating a short-term competitive disadvantage for us.

Despite these pressures, 2010 has been a successful year for us. We secured a backlog exceeding \$220 million and met our profit goals. We resisted the temptation to take work at any cost and met our historical benchmarks, winning 21 percent by volume of the work we bid.

Even so, our financial performance is never guaranteed. Severe market pressures affect pricing and risk levels among vendors, subcontractors and suppliers.

How do we keep our attention sharp, manage pricing volatility and compete in unstable markets? Much of our answer is found in **our ability to innovate**, driven in large measure by the collective will of our team. Innovation is rooted in a deep desire to understand the intent of the engineer-of-record and the owner we serve.

As a team heavily focused on design, bid, build (DBB) or the hard bid method of delivery, innovation requires high initiative and the willingness to work at communicating more effective ways to perform than originally planned. It requires preparation, respect and tact to convince engineers there may be a better way to build than what they’ve thoughtfully designed. But when our efforts are successful, labor efficiencies, material and equipment savings, and overall project quality can be improved.

Is it a surprise that innovation can be applied in every role? I’d like to recognize just a few of the many examples of innovation by Fru-Con team members leading to



Michael R. Fischer

savings, better quality and/or reduced risk:

Tony Sklanka, senior mechanical estimator, proposed a substitute cathodic protection method for 5,000 lineal feet of buried ductile iron pipe at our Winters Branch project. The original specification called for a thermite welding process that requires adding a welded plate to each joint end. That step slows production since exact field measurements are required to add the plate. It also requires the extra step of repairing the pipe’s inner protective lining at each joint.

The engineer agreed to our proposed use of a pin brazing method. This saves time since it is field-applied and does not damage the pipe’s interior lining. The innovation was resolved as a no cost change by Tony and Project Director **Osama Madkour**. It promises better quality, savings during installation and possibly a credit from the pipe supplier.

Brad Smith, project director at Patapsco 852R, proposed overtime payment by the city of Baltimore to account for critical path delays caused by differing site conditions revolving around utilities relocation. With the assistance of FTI, our CPM consultant, Fru-Con documented compensable time in the form of a Time Impact Analysis (TIA).

At the time, the project was less than 20 percent complete, so the client did not want to settle on the compensable component, thinking there could be ways down the road to make up the lost time. With our rights reserved, Brad convinced the client to pay overtime on the affected follow-on items. What could have led to a dispute is now measured and managed through CPM updates. The agreement provides that any time gains in the critical path due to acceleration efforts will be subtracted from our compensable amount.

Dale Louk, superintendent at Flat Branch and Winters Branch, proposed a permanent bypass scheme at Winters Branch. The plan will reduce the necessity of paying for temporary pumps, fuel and maintenance while we build the new pump station.

These are just a few of the many examples of innovation developed by our team, each contributing to our success and to serving our clients exceptionally well. Our individual and team curiosity, initiative, tenacity, willingness to effectively communicate ideas and accountability to bring concepts to fruition are all keys to making purposeful innovation a reality.

What are you doing on your project, in your sphere of influence, to bring ideas, methods and changes to the forefront that benefit our clients, projects and the Fru-Con team in these competitive and risky times?

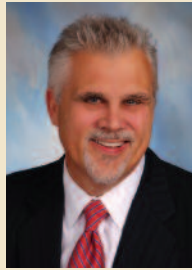
Let me know!

What are you doing in your sphere of influence to bring ideas, methods and changes to the forefront that benefit our clients, projects and the Fru-Con team?

Critical Focus on the Basics Makes 2010 a Winner

By Clem Mitchell, President & CEO

I extend my deepest appreciation to every member of our team for making 2010 our third year in a row of record performance! I also want to express our collective gratitude to our clients for entrusting their important and challenging projects to us. We intend to continue dedicating ourselves to fulfilling our clients' goals and earning client confidence in the coming year and beyond.



Clem Mitchell

It is a special privilege to lead an exceptional team with such a strong will to succeed with **INTEGRITY** and total dedication to **SERVICE** and **QUALITY**. In what was arguably the most daunting year yet of the new century, our team met every **PERFORMANCE** goal with vigilance, passion and pride. These are our hallmarks and the touchstones that keep us strong.

We all know how hard it is for sports teams to repeat their success as champions. The same is true of business teams. We are defying the odds, thanks to you. It's important to recognize the reasons for our continued success just as it's important to adapt constantly to meet new opportunities and to address the many forces at work in the marketplace.

Many of you know how much I admire great coaches, ranging from those of my youth to some of the past and present greats: UCLA's legendary basketball coach John Wooten, Boston Celtics legend Red Auerbach, the L.A. Lakers' Phil Jackson, the Green Bay Packers' Vince Lombardi, the Washington Redskins' Joe Gibbs and the New England Patriots' Bill Belichick. Each one demonstrated the great power of consistent dedication to the fundamentals of their sport, to being their best and to winning more than their competitors.

For each, vision and strategy was and is crucial. But time and again, winning has come from doing the basics

exceptionally well, over and over again. Egotistical superstars and wild schemes don't win in our field any more than they do in the Super Bowl. But our disciplined planning and scheduling, our dedication to innovation, our uncompromising attitude toward safety, our exceptional partnerships with our clients — all of these are the basics that continue to make winners of the Fru-Con team.

Vince Lombardi explained what it takes to be number one: "Winning is not a sometime thing. It is an all the time thing. You don't do things right once in a while. You do them right all the time." Every day choices shape our collective character on each project and as a total company. Our pursuit of excellence must be a daily constant, an effort to which we give our "everything." Much like the "Celtic Pride" that Red Auerbach instilled in his teams, we must instill our hallmarks of success in everything we do.

While we are grounded in these elements as constants, we also continue to excel as a team at adapting to change. Our ability to change distinguishes us from others because we are quick on our feet, adjusting our attention to match opportunities and client needs. Welcoming change that reflects adaptation to evolving client needs and market opportunities acknowledges the growth of one another and confirms our individual and collective talent to be our best, no matter what.

As we look ahead to 2011 and the continuing economic challenges, I hope you will think about how you can continue your valuable contributions on both fronts: a daily focus on the critical basics that make us great and adaptability to the changes needed to take advantage of market opportunities as they unfold in the year ahead. On both fronts, I am counting on you to continue to give your personal best to the team and create another winning year for Fru-Con and our clients. Thank you for daily affirming my belief in you and in our team.

Celebration — from page 1

engineer, and has an MBA. He has had board level responsibility for Bilfinger Berger Australia and Bilfinger Berger Power Services.

"We welcome Klaus Raps to our team, and look forward to continued success, open communication, entrepreneurship and cooperation with Mr. Raps," Mitchell said.

Professor Hans Helmut Schetter expresses his gratitude to the Fru-Con team for contributing to the firm's success. He accepted the gift of a bronze sculpture of the American Eagle crafted by Baltimore artist Richard Rist from the original late 1800s sculpture by Jules Moigniez.



Fru-Con Ahead of Schedule, Under Budget & Working Safely at \$41 Million Flat Branch Pump Station Project

Just as “neither snow, nor rain, nor heat, nor gloom of night” can stop U.S. Postal workers from completing their rounds, Virginia’s coldest winter of the decade didn’t deter Fru-Con from progressing with building shell construction at its \$41 million **Flat Branch Pump Station & Force Main Improvement** project in Manassas, Virginia. Flat Branch is being built for the **Upper Occoquan Service Authority (UOSA)**, based in Centreville, Virginia.

Fru-Con foiled Old Man Winter by putting the building under wraps — literally. “We built an 80-foot-high by 100-foot-long by 40-foot-wide tent and encased the footprint of the electrical generator building so that our masons could continue to work,” described Project Director **Osama Madkour**. “We used a combination of propane and electric heaters to keep the temperature inside the tent sufficiently above freezing around the clock so the mortar could cure properly. It was management-intensive, but enabled us to keep working when other contractors were shut down.”

Combined with opportunistic concurrent work scheduling, the tent stratagem enabled Fru-Con to get significantly ahead of schedule at Flat Branch, an advantage Madkour does not plan to lose. “Originally, we were scheduled for completion in the first quarter of 2012. Now, we are on track for completion in late 2011,” he said.

Roughly 85 percent of Fru-Con’s contract involves enlarging the daily capacity of the Flat Branch Pump Station by 60 percent from 75 million gallons per day (MGD) to 120 MGD. The remaining 15 percent of the contract applies to upgrades at the UOSA water reclamation plant in Centreville that receives effluent from Flat Branch. All told, Flat Branch serves roughly 1.3 million people living in Manassas, Manassas Park and western Prince William County.

In addition to the new electrical structure, Fru-Con has built a new 40-foot-deep pump station equipped with four 10,700-gallon-per-minute (GPM) and three 6,000-GPM Flygt Wet Pit Pumps, two 10,000-gallon



Fru-Con Project Director Osama Madkour (foreground) confers with Fru-Con Mechanical Superintendent Ron Jenkins about upcoming work for the electrical building and pump station at the Flat Branch Pump Station & Force Main Improvement project in Manassas, Virginia.

Project of Excellence

fuel tanks, a meter vault, a diversion vault, an equipment building and an odor control facility.

When the new facility is commissioned, Fru-Con will turn its attention to the existing pump station. After demolishing the current infrastructure, Fru-Con will install new pump, piping, valve, instrumentation, HVAC (heating, ventilation and air conditioning) and electrical systems. Fru-Con also will make structural modifications and give the building a new roof.

"At this juncture, we are over the main hurdles. The big push now is to get the electrical system installed with all wires terminated and control panels readied for loop testing and as a prelude to the startup of instrumentation equipment," said Madkour. "We also have crews spraying more than 50,000 square feet of wet well and manhole perimeter with raven coating, a slick, sky blue sewage-resistant epoxy liner."

If commissioning goes well, Madkour hopes to turn over the new pump station to UOSA operators no later than March 2011. "That will free us to begin demolition at the old pump station. The timing couldn't be better since it is all interior work. That means adverse winter weather won't affect our crews. We should be able to progress according to schedule."

At construction peak in summer 2010, more than 70 craft workers collaborated on the Flat Branch site. The late autumn hard hat count totaled about 40, a number

that will remain stable as 2011 unfolds. To date, craft workers have posted roughly 100,000 hours with no recordable injuries or lost-time accidents.

Madkour credits the exemplary performance of the project team to creativity and a focus on the basics. "We have applied some creative ideas that have put us in a good position schedule-wise. Our craft workers have done a great job of applying the training we provided. They have been working efficiently and safely, which, to date, has also helped us exceed budget expectations. Our full-time safety staff keeps everyone safety-conscious."

Fru-Con's performance is earning client satisfaction. "We have a very steady relationship with the folks at UOSA," Madkour concluded. "Our client was pleased with the extra effort we made to keep the project moving forward despite the severe weather last winter and has been very satisfied with the quality of our work."

In addition to Madkour, key Fru-Con project team members include Safety Manager **Jeff Edwards**, Project Commercial Manager **Laxman Mahar**, Senior Project Engineer **Steve Kobusch**, Project Engineer **Ben Johns**, Project Electrical/Instrumentation Engineer **Khalil Elshazly**, Site Superintendent **Dale Louk**, Mechanical Superintendent **Ron Jenkins**, Concrete Superintendent **Bill White**, Cost Engineer **Dhaval Guhya** and Administrative Assistant **Gale Jeffrey**.

Employee Spotlight

New Employee and Promotion Highlights

Fru-Con is pleased to welcome new staff members to our team and to announce several new assignments and promotions. Collegial congratulations on your professional achievements, contributions and growth.

NEW ASSIGNMENTS

Patapsco

Mike Donnini, cost engineer
Richard White, general superintendent

Flat Branch

Khalil Elshazly, project engineer
Ben Johns, project engineer

Winters Branch

Dale Louk, superintendent
William White, superintendent

PROMOTIONS

Flat Branch

Osama Madkour, project director

Patapsco

Ed Evans, site superintendent
Nathan Evers, field engineer manager
Pranav Patel, project engineer

NEW TEAM MEMBERS

Flat Branch
Jeff Edwards, safety manager
Dhaval Guhya, cost engineer

Patapsco

William Cook, Jr., operator
Angela Lane, payroll/accounts payable administrator

Raymond McDilda, laborer

Brian Orban, pipefitter
Brian Smith, project manager

Woodbridge

Tina Michael, human resources/payroll administrator
Charles Moses, Jr., procurement manager

RETURNING STAFF

Flat Branch

Peggy Ejegwa, commercial manager
Michael Louk, laborer

Patapsco

Antonio Andrade, laborer

Brian Bodle, field engineer

Bobby Herndon, operator

Enrique Camacho Ramirez, laborer

Juan Castillo Retana, carpenter

Service Anniversaries

Congratulations to the following team members as they reach key milestones in service to Fru-Con and to clients.

20+ YEARS

Gregory Frick
Osama Madkour
William White

10 YEARS

Corey Benner
Ellen Cizek
Benjamin Johns
Steven Kilmer
Denise Lucas
Clem Mitchell

Thuc Nguyen

5 YEARS

Steven Daniels
Michael Donnini
Edward Evans
Camacho Hernandez
Moises Ramirez
Fausto Rivas
Jeffrey Tedder
Wilmer Herrera Vallegos

Fru-Con & Centennial Teams Keep Safety First

The safety performance of Fru-Con employees continues to rank among the safest construction contractors. Employees of Fru-Con have not had a Lost-Time Injury for more than two years. (See Chart 1.) A Lost-Time Injury is defined by OSHA as one in which the employee loses time from work beyond the day of the injury.

In 2010, Fru-Con had one recordable injury, which translates to a Recordable Injury Rate (RIR) of 0.5. The national average for the construction industry is 4.7. (See Chart 2.) A Recordable Injury is one in which the employee is either treated for an injury, such as receiving stitches or prescription medication, or restricted from performing his or her normal duties.

The most important safety statistic is the Total Incident

Rate (Chart 3). This includes all injuries for which an employee sees a physician. The Total Incident Rate for all Fru-Con employees is 1.1, a remarkable achievement, considering the potential injury exposure and the high percentage of work we self-perform.

The credit for these safety achievements and low injury rates goes to all Fru-Con employees. By carefully guarding against hazards and watching out for fellow teammates, Fru-Con is able to decrease the number of injuries and safeguard all employees.

The following graphs show the safety performance by Fru-Con Holding, including Fru-Con Construction and Centennial Contractors Enterprises, for the past seven years, capturing every employee's remarkable efforts.

Safety Visitor

Fru-Con Holding was pleased to welcome the newly appointed Bilfinger Berger SE Head of Safety **Hans-Peter Reiss** for a visit and in-depth safety review in October 2010. He explored the safety practices and records for both Fru-Con Construction and Centennial Contractors Enterprises, and was pleased with both safety programs and performance.

Chart 1. Fru-Con Holding Corporation Lost-Time Incident Rate

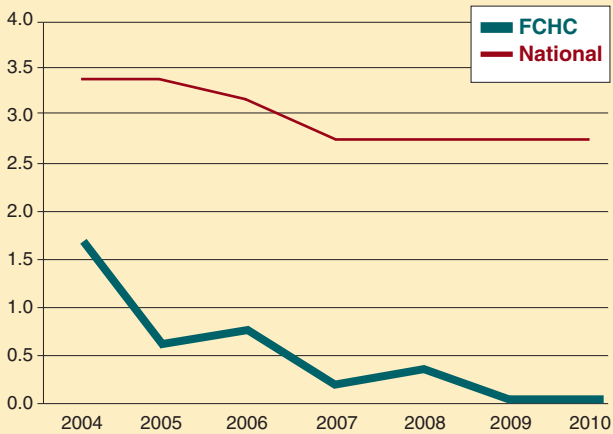


Chart 2. Fru-Con Holding Corporation Recordable Injury Rate

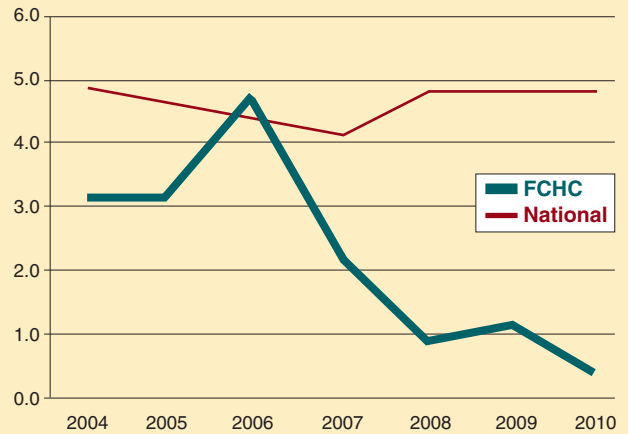
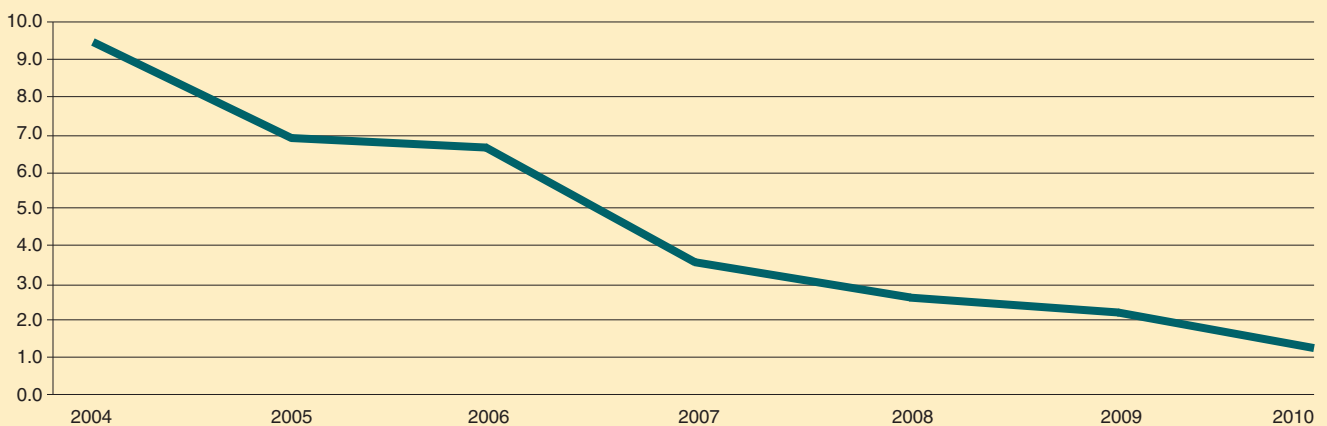


Chart 3. Fru-Con Holding Corporation Total Incident Rate



Fru-Con Team Celebrates the Holidays

Fru-Con team members and their families gathered December 11 for a Las Vegas-style holiday gathering. A few photos capture the festive spirit of the evening.



Above: Ellen Cizek (left) and her daughter, recent Princeton graduate Emily Cizek. Right: Catriona Lynch (right) and Thuc Nguyen's daughter, Ngoc-Anh.



Dag Dejene (left) and Clem Mitchell at Fru-Con's holiday gathering, held at the Dulles Hyatt Hotel.



Kelly and Mike Fischer.



(From left) Laura and Corey Benner with Chuck Phillipp and his friend, Allison Wallace.



Having fun at the "casino" are Dave Geesaman (second from left) and friend, Rita Daywalt (seated, far left), Brad Smith and Hugo Castillo (far right), friend of Catriona Lynch.

Fru-Con Adds Finishing Touches to \$75 Million Expansion of New Design Water Treatment Plant

As Fru-Con Construction manages the final stages of completion and start-up at the **New Design Road Water Treatment Plant** in northwest Maryland, Project Start-Up Manager **Mike Smith** is ready for a few overnights.

"We keep a cot here and have been staying overnight a couple times each week to train facility operators on the new personal computer-based control system that runs the plant," explained Smith, who joined the New Design project team in Tuscarora, Maryland, in February 2010.

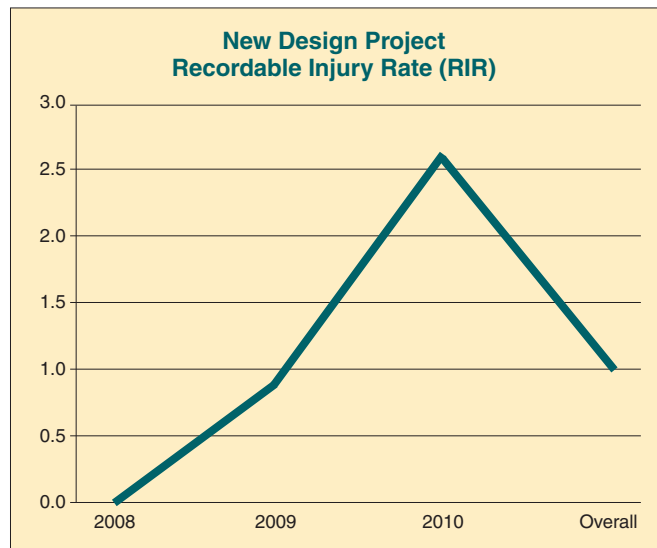
"The operators have grown more at ease as they become more knowledgeable of the system," Smith added. "Right now, they are still a little wide-eyed about using the new technology due to natural fears of the unknown. My message to them has been, 'Don't be intimidated.' When they push button X on the computer screen, it produces the exact same result they used to get by walking down the stairs and manually opening the valve button X activates."

The expanded plant's results have been excellent at New Design, which is producing an abundance of high-quality water for the **Frederick County (Maryland) Division of Utilities and Solid Waste Management**. "It has been very satisfying to see the new facility deliver water to the system that meets all environmental requirements for turbidity and chlorine and fluoride residuals," Smith added. "The new plant is operating as designed and the operators are adapting quickly to the new technology."

With the new plant operational, the original plant is shut down for upgrades that will be completed in late January 2011. Fru-Con is on track to exit New Design



This caustic storage and metering system at New Design Plant Two is one of 10 chemical storage and metering systems found at the new chemical residuals facility.



exactly three years after it began work on a \$75 million contract to more than triple plant capacity from eight million gallons per day (MGD) to 24.2 MGD. During its tour of duty in the rolling farmlands of rural Maryland, Fru-Con produced or installed a new pre-sedimentation basin system, rapid mixers, three flocculation basins, three new sedimentation basins, six filters, four filter effluent pumps, a UV disinfection system, a new chemical feed system and residuals building, a 1.3-million-gallon storage water tank and a new pumping facility. Fru-Con also upgraded the existing plant and built a new backup power generation system.

Fru-Con crews have worked a total of 406,243 effort hours through 2010 and self-performed 77 percent of the total project scope. Crew members experienced two OSHA Recordable Injuries and zero Lost-Time Injuries. The current safety record, a Recordable Injury Rate (RIR) of 0.99, compares with an RIR nationally in the Construction Industry of 4.7. During the entire three-year period of this project, Fru-Con's RIR averaged 1.7, nearly three times better than the national RIR average.

Fru-Con has been pleased to work with engineers **Rummel, Klepper, and Kahn, LLP**, of Baltimore, Maryland, in association with the Baltimore office of **Hazen and Sawyer, Environmental Engineers and Scientists**.

In addition to **Mike Smith**, key Fru-Con project team members have included Project Managers **Brad Smith** and **Brian Smith**, Project Superintendent **David Geesaman**, General Foreman-Yard Piping **Ed Evans**, Assistant Superintendent **Nelson Romero**, Engineering Manager **Mike Donnini**, Commercial Manager **Elizabeth Thomas**, Process Engineer **Sian Campbell**, Mechanical/Instrumentation & Control Engineer **Khalil Elshazly**, Mechanical Superintendent **Steve Kilmer**, Field Surveyor **David Reid** and Safety Manager **Jeff Edwards**.



Fru-Con workers prepare to place the concrete apron at the entrance to the Winters Branch Pump Station off Godwin Drive in Manassas, Virginia.

Fru-Con Advancing \$10.2 Million Expansion Of Winters Branch Pump Station for Upper Occoquan Service Authority

If Mother Nature cooperates, **Fru-Con Construction** will begin heavy construction this month of the **Winters Branch Pump Station** in Manassas, Virginia.

“We are hoping to get some concrete in the ground in January, which we will be able to accomplish if the weather is moderate,” said Fru-Con Project Director **Osama Madkour**. “At present, our focus is on administrative efforts — developing a baseline construction schedule and working through a lot of buy-out so our materials are here when we need them.”

Fru-Con is tasked with more than doubling the effective daily capacity of Winters Branch — a facility originally commissioned in the mid-1970s — from 7.2 million gallons per day (MGD) to 17.5 MGD on behalf of the **Upper Occoquan Service Authority (UOSA)**. UOSA oversees the 11-billion-gallon **Occoquan Reservoir** watershed in northern Virginia, a region that an increasing number of families and businesses now call home.

Given that the Winters Branch site was bisected by a popular jogging trail and shares a border with a residential community, Madkour also has been busy with community outreach. “Our meetings with neighbors proved most beneficial. Originally, the plan was to reroute the jogging trail through a wooded area, which would have forced us to fell a large number of trees,” he related. “We proposed an alternative to the neighbors which put the trail closer to their homes but saved the trees. The benefit was mutual in that the trees will buffer the neighborhood from our jobsite while saving the environment. With full neighborhood support, the City of Manassas approved our plan.”

Another immediate action item is to begin tunneling and running 10,000 feet of new 24-inch ductile force main. “The site is tight and the staging area for pipe is extremely limited, so the big challenge is going to be efficient scheduling to minimize double handling of material,” Madkour said.

Then Fru-Con will begin construction of the supplemental pump station, an emergency generator and surge tank building, a retaining wall, a 1,000-gallon fuel tank, junction boxes, meter vault and odor control facility. It will also install electrical switchgear, instrumentation and controls, and make various improvements to the site.

As the new facility takes shape, Fru-Con will be busy installing a new bypass pumping system around the existing station to tie incoming sewer lines to new junction boxes and manholes. According to Madkour, modifications to the bypass pumping operation and sequence recently identified by Fru-Con will greatly expedite the project. “It is the equivalent of value engineering and a solution welcomed by UOSA,” he said.

At project peak, Madkour estimates that 30 Fru-Con workers will be engaged at Winters Branch, an assignment scheduled for completion in early 2012.

In addition to Madkour, Fru-Con team members at Winters Branch include Senior Project Engineer **Steve Kobusch**, Project Engineer **Ben Johns**, Project Electrical/Instrumentation Engineer **Khalil Elshazly**, Project Commercial Manager **Laxman Mahar**, Safety Manager **Jeff Edwards**, Concrete Superintendent **William White**, Site Superintendent **Dale Louk**, Cost Engineer **Dhaval Guhya** and Administrative Assistant **Gale Jeffrey**.

Bilfinger Berger Executive Board Elects New Chairman

Roland Koch has been elected by the Bilfinger Berger RSE Supervisory Board to succeed **Herbert Bodner** as chairman of the company's Executive Board. Mr. Bodner will retire after 14 years on the Executive Board, including 12 years as chairman. Mr. Koch, who served as governor of the state of Hessen in Germany until August 2010, will join the board on March 1, 2011 and take over as chairman on July 1, 2011.

"The leadership skills demonstrated time and again by Mr. Koch make him the ideal candidate to continue the very successful development of Bilfinger Berger and to lead the company into a strong future," said Supervisory Board Chairman **Dr. Bernhard Walter**.

"We are most grateful for the strong leadership of Chairman Bodner over the past 12 years," noted Fru-Con President & CEO **Clem Mitchell**. "He provided visionary leadership, transforming Bilfinger Berger into a multi services group spanning Industrial Services, Power Services, Building and Facility Services, Construction and Concessions. It has been a joy to work for someone as creative and effective as Mr. Bodner."

Other highlights of the company's progress include:

- Bilfinger Berger has agreed to sell its subsidiary, **Valemus Australia**, to Lend Lease, an Australian construction and real estate group. The selling price equals AUD 1.06 billion. The transaction must be approved by the Australian anti-trust authorities. Completion is expected in the first quarter of 2011. Net proceeds from the sale will total about AUD 970 million, or €700 million. An inter-company loan of about €125 million must be repaid to Valemus Australia upon completion of the transaction. The remaining net cash inflow will be invested in the further expansion of Bilfinger Berger's services business. Valemus Australia generated an output volume of over €3 billion in 2010.
- In October 2010, Bilfinger Berger sold **equity interests in four of its 29 privately-financed concession projects**, including two in Canada, one in England and another in Scotland. The selling price of €72 million exceeded the value of the four projects as reported by Bilfinger Berger. The sale demonstrates the intrinsic value of Bilfinger Berger's concessions portfolio and provides the flexibility to make new investments.
- The city of Malmö, Sweden, celebrated the **Malmö City Tunnel** opening by King Carl Gustav XVI of Sweden on December 4, 2010. As leader of an international consortium, Bilfinger Berger was responsible for the key section of the rail project, a nearly six-kilometer long dual-tube tunnel. Bilfinger Berger accounted for half of the total €350 million project. This completes the final section of the direct link between Denmark and Sweden over the Oresund Bridge, connecting the main train station in Malmö

with the Danish capital of Copenhagen. Bilfinger Berger also is building a section of the City Line in Stockholm, Sweden, and recently celebrated the breakthrough at the Gotthard Base Tunnel, the longest rail tunnel in the world. Also under way: the Weinberg Tunnel in Zürich and the Silberberg, Brandkopf and Lohmeberg chain of tunnels in the Thuringian Forest.

- Bilfinger Berger is helping to renew European power plants and reduce environmental pollution with an order exceeding €460 million for modernizing the largest lignite-fired power plant in Europe. Bilfinger Berger Power Services will replace the lignite-fired steam generators for six power plant blocks in **Belchatow, Poland**, to bring the plant into compliance with the European Union's environmental standards at the 4,400 MW power plant. Bilfinger Berger will design, manufacture and assemble the modernized firing, pressure parts and associated systems such as the grinding plant, boilers, ventilation and dust ducts. The project will take 70 months.
- Also in Poland, Bilfinger Berger will expand a 23-kilometer section of **National Road 8** near Rawa Mazowiecka from two to four lanes, an order valued at €90 million due for completion in mid-2012. The road will receive a technically demanding concrete carriageway with a complex high-grip surface. The project also includes four junctions and 19 bridge structures. The company also is building a 13-kilometer section of a new motorway ring around Warsaw, Poland, awarded in July 2010.
- As part of a consortium (Areva, ECA-CNAI and Bilfinger Berger), Bilfinger Berger will help build **assembly lines** for the structural and technical assembly of the **Airbus A 350 XWB aircraft** for the EADS Group, the sixth consecutive order of its kind received by the company. The lines are being installed at locations in Hamburg, Nordenham and Saint-Nazaire. Extreme precision is required in the construction and manufacturing, as well as in the joining of the up to 18-meter long components. Work must be coordinated in a number of different countries and the assembly lines must be carefully synchronized at the three Airbus locations.



Fru-Con Foundation Awards \$23,000 in Grants

Ten community organizations recently received grants of \$2,000 to \$2,500 each from Fru-Con Foundation.

The foundation dates to 1948, when six leaders of the company (then named Fruin-Colnon Construction and based in St. Louis, Missouri) began an endowment by pooling \$4,200 to help religious, charitable, scientific, veteran rehabilitation, literacy, child cruelty prevention or educational service groups with their endeavors. Today, Fru-Con carries on this 62-year tradition by using earnings on the foundation principal to provide support to community groups. More than \$400,000 has been awarded in the last 10 years alone.

Donations totaling \$23,000 were made in late 2010 to:

- **Salvation Army**, Woodbridge, Virginia
- **National Multiple Sclerosis Society**
- **American Red Cross**
- **Army Emergency Relief**, Virginia
- **Tutwiler Clinic**, Mississippi
- **Action in Community Through Service (ACTS)**, Woodbridge, Virginia
- **St. John Catholic Church**, McLean, Virginia
- **Homes for our Troops**, Taunton, Massachusetts
- **Scholarship America**, Minneapolis, Minnesota
- **Alzheimer's Association**

Fru-Con Employee Mentors Baltimore Youth

2010 was a busy year for **Brian Bodle**, one of Fru-Con's newest field engineers. He graduated from the University of Cincinnati with a civil engineering degree in June and joined the Fru-Con team in July, moving to Baltimore to start work on the Patapsco Wastewater Treatment Plant project. By August, Bodle was approved to be a mentor for **Big Brothers Big Sisters of Central Maryland**.

As a mentor, Bodle spends time with a 10-year-old boy from Baltimore's urban core about three times each month. They attend local sporting events, visit museums, play basketball, go out to eat and play video games together.

Mentoring has always been important to Bodle. As a college student, he was involved in several on-campus organizations that mentored underclassmen. Bodle wanted to continue his community involvement in Balti-

more and found that Big Brothers Big Sisters had a good reputation and positive impact on children's lives. Bodle brings his years of experience as an older brother to his interactions with his 'little' at Big Brothers Big Sisters.

"I've been very fortunate to have a supportive family who has helped me get where I am today," he said. "I feel like being a 'big' is my way of giving back and offering support to someone else."

Bodle's involvement with Big Brothers Big Sisters has been very positive. His dedication to mentoring has helped him bring a very open perspective to his work at Fru-Con. "Fru-Con promotes a very team-oriented atmosphere," Bodle said. "I have gained a stronger understanding of how to work best with people of different personalities and backgrounds through my involvement at Big Brothers Big Sisters."

Fru-Con Launches Health & Wellness Initiative

Beginning November 1, 2010, Fru-Con employees had an opportunity to participate in a new **Health and Wellness** initiative offered by **Aetna Health Insurance**, Fru-Con's new insurance provider. The initiative demonstrates Fru-Con's commitment to helping employees achieve healthier lifestyles by making them aware of key health readings.

Aetna offered an easy three-step program to help program participants identify unhealthy habits and begin making positive health decisions.

1. **Free testing.** Employees received complimentary tests to establish baseline numbers for Body Mass Index (BMI), weight, blood pressure and cholesterol.
2. **Health Risk Assessment.** Aetna used these scores to create an individualized Health Risk Assessment (HRA). The HRA provides an instant snapshot of current health status and raises awareness of how

current choices affect future health.

3. **Online programs.** Aetna provided a customized list of online programs for emerging health issues raised by each HRA. Topics ranged from 30-minute walking routines to healthy meal ideas.

Aetna sent a \$50 gift card to all completing the three-step Health and Wellness initiative. Fru-Con also held drawings to celebrate employees' completion of the free health risk assessment. Prizes included two \$100 gift cards, a Bluetooth headset and Fru-Con gear.

"More than 20 percent of our employees completed the program and another six family members as well," said **Denise Lucas**, Fru-Con human resources and payroll manager. "We are very encouraged by those taking the first step toward improving their health profile and hope others will join them soon."

Centennial Boosts Water & Energy Efficiency in Baltimore

The Housing Authority of Baltimore City is investing \$5.2 million in federal stimulus funds to enhance energy savings at several projects in Baltimore.

At **Primrose Place** in Baltimore, Centennial Contractors Enterprises is waterproofing and tuck-pointing the entire 12-story façade to keep water from entering the brick wall cavities and undermining the structure. A major facet of construction is a complete replacement of all exterior windows with double-hung, energy-efficient windows that greatly reduce energy loss and water infiltration.

Centennial also is saving water and energy on a grand scale by installing 1,700 high-efficiency toilets, aerators and showerheads at three Housing Authority sites scattered around Baltimore: **Gilmor Homes**, **Latrobe Homes** and **Brooklyn Homes**.

On an even larger scale at Gilmor Homes, Centennial is removing and replacing 2,800 inefficient radiators with energy-efficient space heating terminal units featuring thermostatic control valves to provide greater comfort and more effective heat distribution. Centennial is completing the work in 34 separate three-story brick buildings.

The Gilmor Homes project also entails replacing burners on three existing central steam boilers as part of a complete boiler retrofit. The new burners will be dual-fuel and feature new controls to reduce emissions. Centennial is working to minimize disruption for residents. All work must be accomplished while buildings are occupied. The upgrades and replacements will produce significant energy savings and generate steam heat more efficiently for each resident. The projects are currently ongoing and will be completed in phases during 2011 to minimize tenant disruption.



Centennial is waterproofing and tuck-pointing the 12-story façade of Baltimore's Primrose Place. All exterior windows are being replaced with energy-efficient alternatives.



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