

**FINANCIAL DATA  
RELATIVE TO THE  
CENTRE FOR SHARED SERVICES**



1 In accordance with the D-2003-93 decision of the Régie and at the request of the  
2 Distributor, the Center of Shared Services submits the following information:

- 3
- 4 • The list of the products and services offered by the Centre for Shared  
5 Services to all of its customers (see Appendix 1);
  - 6 • The catalogue of the products and services of the Centre for Shared  
7 Services (CSP) which provides a detailed description on each one of the  
8 products and the level of services offered to all of its customers. It is  
9 important to specify that the Centre for Shared Services offers its products  
10 and services at uniform and identical tariffs to all of its customers (see  
11 Appendix 2);
  - 12 • An analysis of the evolution of the invoicing of the products and services  
13 of the Center of Shared Services from 2001 to 2004 takes into account the  
14 organizational changes to facilitate the comparison as well as an analysis  
15 of the cost components of the CSP;
  - 16 • Average labour force and wages by category for the CSP.
- 17

#### **1. ORGANIZATIONAL AND HISTORICAL CONTEXT FOR THE CENTRE FOR SHARED SERVICES**

18 It is important to specify that the Centre for Shared Services was set up in the fall  
19 2002 and that it resulted from the merger of the activities from the old  
20 Provisioning and Services (DPAS) and Information Technologies (DPTI) units.  
21 During 2003, the centre of competences was put in place with regards to  
22 management software packages and accounting transaction services, a situation  
23 that results from the transfers of activities previously performed under another  
24 organizational structure. The transfer of telecommunication services from

1 TransÉnergie to the Centre for Shared Services as of January 1<sup>st</sup> 2004 also  
2 constitutes a significant change in the activities performed by the supplier.

3

4 Consequently, the historical data of 2001 and 2002 as well as those of the base  
5 year 2003 presented in the body of this testimony, were changed to make them  
6 comparable with the current projected year 2004. Although these organizational  
7 changes did not have any negative impact on the quality and the cost of the total  
8 services rendered to the Distributor, they did have a significant effect on the  
9 nature and the behavior of the costs by activity. The revised data collectively are  
10 thus representative, but they lend themselves poorly to detailed analysis since  
11 they do not reflect the organizational reality in which these activities were carried  
12 out. These organizational changes were announced in phase 1 and since then,  
13 no other changes or transfers were agreed upon or have been considered.

14

## **2. CURRENT RULES CONCERNING INTERNAL INVOICING**

15 It is appropriate to recall briefly the current rules concerning Hydro-Quebec's  
16 internal invoicing:

- 17 • The tariffs for the products and services are established on the basis of  
18 total costs. Moreover, the current tariffs are uniform and identical for all  
19 customers;
- 20 • The customer-supplier agreements are established annually and are  
21 subject to negotiation on the required level of service, quantities, delays  
22 and the methods of invoicing;

- 1 • The invoicing is established on the basis of the service consumption  
 2 specific to the customer.

3

**3. EVOLUTION OF THE SERVICES INVOICED TO THE DISTRIBUTOR**

4 Tables 1 and 2 present the costs invoiced to the Distributor for the products and  
 5 services listed and which are starting in 2004, offered by the Centre for Shared  
 6 Services. The data presented indicate the Distributor's share of the invoice in the  
 7 sales turnover of the CSP in 2004. The 2001 to 2003 data were corrected to  
 8 render a situation comparable to the situation that will prevail in 2004.

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**Table 1**

10

**2001-2002 Share of Revenues Originating From the Distributor**

| Domains                                     | Internal invoicing of the CSP (in M\$)   |              |                                |  |              |                                |
|---|--|--------------|--------------------------------|--|--------------|--------------------------------|
|   | Financial Period Ending December 31 2001 |              |                                | Financial Period Ending December 31 2002 |              |                                |
|   | Distributor                              | Hydro-Québec | Ratio Distributor/Hydro-Québec | Distributor                              | Hydro-Québec | Ratio Distributor/Hydro-Québec |
| <b>Provisioning and Services</b>            |  |              |                                |  |              |                                |
| Building services                           | 59.8                                     | 158.0        | 37.8%                          | 65.8                                     | 169.1        | 38.9%                          |
| Air and Transportation                      | 38.4                                     | 86.0         | 44.7%                          | 42.3                                     | 95.5         | 44.3%                          |
| Material Management                         | 35.6                                     | 75.2         | 47.3%                          | 36.2                                     | 71.6         | 50.6%                          |
| Documents Management                        | 8.5                                      | 19.0         | 44.7%                          | 8.4                                      | 19.5         | 43.1%                          |
| Acquisition                                 | 5.1                                      | 24.1         | 21.2%                          | 5.3                                      | 22.6         | 23.5%                          |
| Technical Expertise and Training            | 1.2                                      | 2.6          | 46.2%                          | 1.4                                      | 3.2          | 43.8%                          |
| <b>Total</b>                                | <b>148.6</b>                             | <b>364.9</b> | <b>40.7%</b>                   | <b>159.4</b>                             | <b>381.5</b> | <b>41.8%</b>                   |
| <b>Information Technologies</b>             |  |              |                                |  |              |                                |
| Data Processing Solutions                   | 35.0                                     | 85.6         | 40.9%                          | 41.7                                     | 92.9         | 44.9%                          |
| Technology Operations                       | 32.7                                     | 66.4         | 49.2%                          | 31.5                                     | 66.7         | 47.2%                          |
| Office Automation                           | 24.2                                     | 53.6         | 45.1%                          | 18.0                                     | 43.6         | 41.3%                          |
| <b>Total</b>                                | <b>91.9</b>                              | <b>205.6</b> | <b>44.7%</b>                   | <b>91.2</b>                              | <b>203.2</b> | <b>44.9%</b>                   |
| <b>Telecommunication Services</b>           |  |              |                                |  |              |                                |
| Telephony                                   | 24.1                                     | 104.6        | 23.0%                          | 20.0                                     | 92.0         | 21.7%                          |
| Corporate services (80%)                    | 9.4                                      | 23.9         | 39.3%                          | 8.4                                      | 22.6         | 37.2%                          |
| <b>Total</b>                                | <b>33.5</b>                              | <b>128.5</b> | <b>26.1%</b>                   | <b>28.4</b>                              | <b>114.6</b> | <b>24.8%</b>                   |
| <b>Others</b>                               |  |              |                                |  |              |                                |
| Accounting Transaction Services             | 5.9                                      | 17.6         | 33.5%                          | 6.0                                      | 17.6         | 34.1%                          |
| Centre of competences – Management software | 0.2                                      | 25.6         | 0.8%                           | 0.2                                      | 25.6         | 0.8%                           |
| <b>Total</b>                                | <b>6.1</b>                               | <b>43.2</b>  | <b>14.1%</b>                   | <b>6.2</b>                               | <b>43.2</b>  | <b>14.4%</b>                   |
| <b>Total – Before return</b>                | <b>280.1</b>                             | <b>742.2</b> | <b>37.7%</b>                   | <b>285.2</b>                             | <b>742.5</b> | <b>38.4%</b>                   |

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**Table 2**

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**2003-2004 Share of Revenues Originating From the Distributor**

| Domains                                     | Internal invoicing of the CSP (in M\$)   |              |                                |  |              |                                |
|---|--|--------------|--------------------------------|--|--------------|--------------------------------|
|   | Financial Period Ending December 31 2003 |              |                                | Financial Period Ending December 31 2004 |              |                                |
|   | Distributor                              | Hydro-Québec | Ratio Distributor/Hydro-Québec | Distributor                              | Hydro-Québec | Ratio Distributor/Hydro-Québec |
| <b>Provisioning and Services</b>            |  |              |                                |  |              |                                |
| Building services                           | 69.5                                     | 164.5        | 42.2%                          | 58.7                                     | 155.0        | 37.9%                          |
| Air and Transportation                      | 43.7                                     | 105.8        | 41.3%                          | 42.3                                     | 100.4        | 42.1%                          |
| Material Management                         | 33.1                                     | 70.5         | 47.0%                          | 35.1                                     | 73.5         | 47.8%                          |
| Documents Management                        | 8.5                                      | 18.4         | 46.2%                          | 6.7                                      | 16.2         | 41.4%                          |
| Acquisition                                 | 6.2                                      | 24.2         | 25.6%                          | 6.0                                      | 24.9         | 24.1%                          |
| Technical Expertise and Training            | 1.1                                      | 2.2          | 50.0%                          | 1.2                                      | 2.8          | 42.9%                          |
| <b>Total</b>                                | <b>162.1</b>                             | <b>385.6</b> | <b>42.0%</b>                   | <b>150.0</b>                             | <b>372.8</b> | <b>40.2%</b>                   |
| <b>Information Technologies</b>             |  |              |                                |  |              |                                |
| Data Processing Solutions                   | 52.7                                     | 90.0         | 58.6%                          | 45.1                                     | 69.6         | 64.8%                          |
| Technology Operations                       | 35.2                                     | 53.2         | 66.2%                          | 27.8                                     | 44.1         | 63.0%                          |
| Office Automation                           | 22.7                                     | 50.1         | 45.3%                          | 27.0                                     | 56.6         | 47.7%                          |
| <b>Total</b>                                | <b>110.6</b>                             | <b>193.3</b> | <b>57.2%</b>                   | <b>99.9</b>                              | <b>170.3</b> | <b>58.7%</b>                   |
| <b>Telecommunication Services</b>           |  |              |                                |  |              |                                |
| Telephony                                   | 21.3                                     | 94.6         | 22.5%                          | 22.8                                     | 89.5         | 25.5%                          |
| Corporate services (80%)                    | 8.4                                      | 22.6         | 37.2%                          | 9.8                                      | 22.8         | 43.0%                          |
| <b>Total</b>                                | <b>29.7</b>                              | <b>117.2</b> | <b>25.3%</b>                   | <b>32.6</b>                              | <b>112.3</b> | <b>29.0%</b>                   |
| <b>Others</b>                               |  |              |                                |  |              |                                |
| Accounting Transaction Services             | 6.1                                      | 17.0         | 35.9%                          | 7.2                                      | 17.7         | 40.7%                          |
| Centre of Competences – Management software | 1.4                                      | 25.6         | 5.5%                           | 13.2                                     | 33.8         | 39.1%                          |
| <b>Total</b>                                | <b>7.5</b>                               | <b>42.6</b>  | <b>17.6%</b>                   | <b>20.4</b>                              | <b>51.5</b>  | <b>39.6%</b>                   |
| <b>Total – Before returns</b>               | <b>309.9</b>                             | <b>738.7</b> | <b>42.0%</b>                   | <b>302.9</b>                             | <b>706.9</b> | <b>42.8%</b>                   |

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4 The main basis for invoicing and the volumes related to these products and  
5 services are presented in the following tables 3 to 6:

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**Table 3**

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**Principal Volumes Invoiced in 2001**

| Domains                           | Financial Period Ending December 31 2001 |                  |              |                                |
|-----------------------------------|--|------------------|--------------|--------------------------------|
|                                   | Invoicing Base                           | Invoiced Volumes |              | Ratio Distributor/Hydro-Québec |
|                                   |  | Distributor      | Hydro-Québec |                                |
| <b>Provisioning and Services</b>  |  |                  |              |                                |
| Building services                 | Square meters                            | 515 216          | 1 043 091    | 49,4%                          |
| Air and Transportation            | Vehicles                                 | 3 342            | 7 774        | 43,0%                          |
| Material Management               | Value of transactions-shops (\$)         | 227 074 000      | 304 877 575  | 74,5%                          |
| Documents Management              | Administrative effectives                | 5 599            | 12 206       | 45,9%                          |
| Acquisition                       | Years/People                             | 34               | 157          | 21,7%                          |
| <b>IT</b>                         |  |                  |              |                                |
| Data-processing solutions         | Cumulated costs by system (\$)           | 35 000 000       | 85 600 000   | 40,9%                          |
| Technology Operations             | Cumulated costs by system (\$)           | 32 700 000       | 66 400 000   | 49,2%                          |
| Office Automation                 | Computers and printers                   | 7 946            | 15 458       | 51,4%                          |
| <b>Telecommunication Services</b> |  |                  |              |                                |
| Telephony                         | Phone lines                              | 12 607           | 36 149       | 34,9%                          |
| Corporate services (80%)          | Total labour                             | 7 748            | 20 986       | 36,9%                          |
| <b>Others</b>                     |  |                  |              |                                |
| Accounting Transaction Services   | Volume of transactions                   | 415 959          | n.d.         | n.d.                           |

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**Table 4**

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**Principal Volumes Invoiced in 2002**

| Domains                           | <i>Financial Period Ending December 31 2002</i> |                  |              |                                    |
|-----------------------------------|---|------------------|--------------|------------------------------------|
|                                   | Invoicing Base                                  | Invoiced volumes |              | Ratio Distributor/<br>Hydro-Québec |
|                                   |   | Distributor      | Hydro-Québec |                                    |
| <b>Provisioning and Services</b>  |   |                  |              |                                    |
| Building services                 | Square meters                                   | 513 838          | 883 863      | 58.1%                              |
| Air and Transportation            | Vehicles  | 3 184            | 7 316        | 43.5%                              |
| Material Management               | Value of transactions-shops (\$)                | 252 572 700      | 384 209 775  | 65.7%                              |
| Documents Management              | Administrative effectives                       | 5 239            | 12 145       | 43.1%                              |
| Acquisition                       | Years/People                                    | 34               | 150          | 22.7%                              |
| <b>IT</b>                         |   |                  |              |                                    |
| Data-processing solutions         | Cumulated costs by system (\$)                  | 41 700 000       | 92 900 000   | 44.9%                              |
| Technology Operations             | Cumulated costs by system (\$)                  | 31 500 000       | 66 700 000   | 47.2%                              |
| Office Automation                 | Computers and printers                          | 8 486            | 17 802       | 47.7%                              |
| <b>Telecommunication Services</b> |   |                  |              |                                    |
| Telephony                         | Phone lines                                     | 10 928           | 28 601       | 38.2%                              |
| Corporate services (80%)          | Total labour                                    | 7 760            | 21 144       | 36.7%                              |
| <b>Others</b>                     |   |                  |              |                                    |
| Accounting Transaction Services   | Volume of transactions                          | 415 959          | n.d.         | n.d.                               |

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**Table 5**

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**Principal Volumes Invoiced in 2003**

| Domains                           | <i>Financial Period Ending December 31 2003</i> |                  |              |                                    |
|-----------------------------------|---|------------------|--------------|------------------------------------|
|                                   | Invoicing Base                                  | Invoiced volumes |              | Ratio Distributor/<br>Hydro-Québec |
|                                   |   | Distributor      | Hydro-Québec |                                    |
| <b>Provisioning and Services</b>  |   |                  |              |                                    |
| Building services                 | Square meters                                   | 504 707          | 846 310      | 59.6%                              |
| Air and Transportation            | Vehicles  | 3 267            | 7 562        | 43.2%                              |
| Material Management               | Value of transactions-shops (\$)                | 226 385 500      | 354 018 045  | 63.9%                              |
| Documents Management              | Administrative effectives                       | 5 189            | 13 241       | 39.2%                              |
| Acquisition                       | Years/People                                    | 48 393           | 187 190      | 25.9%                              |
| <b>IT</b>                         |   |                  |              |                                    |
| Data-processing solutions         | Cumulated costs by system (\$)                  | 52 700 000       | 90 000 000   | 58.6%                              |
| Technology Operations             | Cumulated costs by system (\$)                  | 35 200 000       | 53 200 000   | 66.2%                              |
| Office Automation                 | Computers and printers                          | 8 884            | 16 682       | 53.3%                              |
| <b>Telecommunication Services</b> |   |                  |              |                                    |
| Telephony                         | Phone lines                                     | 10 884           | 34 175       | 31.8%                              |
| Corporate services (80%)          | Total labour                                    | 7 760            | 21 144       | 36.7%                              |
| <b>Others</b>                     |   |                  |              |                                    |
| Accounting Transaction Services   | Volume of transactions                          | 432 793          | 2 428 124    | 17.8%                              |

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**Table 6**  
**Principal Volumes Invoiced in 2004**

| Domains                                | Financial Period Ending December 31 2003 |                  |              |                                    |
|--|--|------------------|--------------|------------------------------------|
|  | Invoicing Base                           | Invoiced volumes |              | Ratio Distributor/<br>Hydro-Québec |
|  |  | Distributor      | Hydro-Québec |                                    |
| <b>Provisioning and Services</b>       |  |                  |              |                                    |
| Building services                      | Square meters                            | 510 349          | 864 216      | 59.1%                              |
| Air and Transportation                 | Vehicles                                 | 3 241            | 7 489        | 43.3%                              |
| Material Management                    | Value of transactions-shops (\$)         | 220 409 000      | 322 823 550  | 68.3%                              |
| Documents Management                   | Administrative effectives                | 5 262            | 12 215       | 43.1%                              |
| Acquisition                            | Years/People                             | 38 732           | 158 836      | 24.4%                              |
| <b>IT</b>                              |  |                  |              |                                    |
| Data-processing solutions              | Cumulated costs by system (\$)           | 45 100 000       | 69 600 000   | 64.8%                              |
| Technology Operations                  | Cumulated costs by system (\$)           | 27 800 000       | 44 100 000   | 63.0%                              |
| Office Automation                      | Computers and printers                   | 9 261            | 19 711       | 47.0%                              |
| <b>Telecommunication Services</b>      |  |                  |              |                                    |
| Telephony                              | Phone lines                              | 12 582           | 37 851       | 33.2%                              |
| Corporate services (80%)               | Total labour                             | 7 760            | 21 144       | 36.7%                              |
| <b>Others</b>                          |  |                  |              |                                    |
| Accounting Transaction Services        | Volume of transactions                   | 454 349          | 2 484 478    | 18.3%                              |
| Centre of Competencies – Mgmt Software | Users by software package                | 5 265            | 9 426        | 55.9%                              |

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4 As one can note in Tables 1 and 2, the sales turnover for the Centre of Shared  
5 Services planned for 2004 amounts to \$707 M, posting an average annual  
6 growth of 0.6% over the period 2001-2004, but also a decrease of \$31.8 M or  
7 4.3% compared to 2003. This is a good indication of the significant efforts carried  
8 out by the Centre for Shared Services to reduce its costs to the benefit of its  
9 customers.

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11 In addition, the examination of Tables 3 to 6 shows a relatively stable  
12 consumption of these products and services by the Distributor, except for an  
13 increase in its 2003 demand for *Data Processing Solutions*, growth associated to  
14 the undertaking significant development projects such as the customer  
15 information system (CIS) and DCartes.

16

17 This increase in demand for services by the Distributor is reflected completely in  
18 the increase in its share of the sales turnover of the Centre for Shared Services.  
19 Thus, it is a matter of a variation in volume and not an increase in the costs of the  
20 supplier.

#### **4. COMPONENTS OF THE TOTAL COST OF THE SERVICES FOR THE CENTRE FOR SHARED SERVICES**

1 The components of the total cost of the products and services of the CSP are  
2 presented in Table 7 hereafter. The data preceding 2004 are corrected to take  
3 into account the organizational changes and to make them comparable with  
4 2004.

5  
6 The detailed allocations of the components of the operating costs are a function  
7 of the existing links and exchanges between the organizational structures  
8 prevailing during the base year. Thus, as an example, in 2001, when  
9 Provisioning and Services required the services of Information Technologies or  
10 Telecommunications, they were rendered by the direction of the Provisioning and  
11 Services Group, these costs were presented as shared services charges  
12 (internal Suppliers) whereas in 2004, the services being directly realized by the  
13 CSP, these costs are mostly composed of salaries, external and professional  
14 services, purchases, internal suppliers and others.

15  
16 This makes it a difficult exercise to compare cost components. However, taken  
17 as a whole, the operational charges, depreciation, taxes and revised financial  
18 expenses are comparable. This data demonstrates the efforts undertaken by the  
19 supplying units in order to contain an increase in charges while providing the  
20 products and services in conformity with the level of quality required by the  
21 Distributor.

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**Table 7**  
**Total Corrected Costs for the CSP**

| Costs components                                 | Costs (in M\$)                      |              |              |                 |
|--|-------------------------------------|--------------|--------------|-----------------|
|  | Financial Period Ending December 31 |              |              |                 |
|  | Historical Years                    |              | Base year    | Forecasted Year |
|  | 2001                                | 2002         | 2003         | 2004            |
| Operational charges                              | 663.6                               | 653.1        | 657.1        | 611.0           |
| Amortization                                     | 73.2                                | 67.7         | 63.1         | 67.2            |
| Taxes  | 8.5                                 | 5.0          | 9.2          | 7.5             |
| Revised Financial Expenses                       | 21.4                                | 20.3         | 19.8         | 21.3            |
| <b>Total Charges – Centre of Shared Services</b> | <b>766.7</b>                        | <b>746.1</b> | <b>749.2</b> | <b>707.0</b>    |

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4 Because of a concern for transparency, Tables 8 to 11 appearing in the following  
5 pages present more detailed information for the years 2001 to 2004. This data is  
6 in conformity with that of the original units before their transfer to the Centre for  
7 Shared Services.

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**Table 8**

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**Total Costs of the CSP Before Transfers**

| Costs components                                 | Costs (in M\$)                      |               |               |                 |
|--|-------------------------------------|---------------|---------------|-----------------|
|  | Financial Period Ending December 31 |               |               |                 |
|  | Historical Years                    |               | Base year     | Forecasted Year |
|  | 2001                                | 2002          | 2003          | 2004            |
| <b>Operational charges</b>                       | <b>507.5</b>                        | <b>502.9</b>  | <b>529.5</b>  | <b>611.0</b>    |
| Salaries Expenses                                | 170.1                               | 174.7         | 211.1         | 246.4           |
| <i>Salary base</i>                               | 138.4                               | 142.2         | 171.8         | 200.5           |
| <i>Overtime</i>                                  | 4.4                                 | 4.5           | 5.4           | 6.3             |
| <i>Profit sharing and miscellaneous revenues</i> | 7.6                                 | 7.8           | 9.5           | 11.1            |
| <i>Social benefits</i>                           | 19.7                                | 20.2          | 24.4          | 28.5            |
| External and professional services               | 227.3                               | 223.8         | 253.7         | 270.4           |
| Internal suppliers, others                       | 110.1                               | 104.4         | 64.7          | 94.2            |
| <b>Amortization</b>                              | <b>59.6</b>                         | <b>53.1</b>   | <b>51.0</b>   | <b>67.2</b>     |
| <b>Taxes</b>                                     | <b>8.2</b>                          | <b>4.6</b>    | <b>9.1</b>    | <b>7.5</b>      |
| <b>Revised financial expenses</b>                | <b>17.0</b>                         | <b>16.7</b>   | <b>17.0</b>   | <b>21.3</b>     |
| <b>Total charges – Centre of Shared Services</b> | <b>592.3</b>                        | <b>577.3</b>  | <b>606.6</b>  | <b>707.0</b>    |
|  | <b>Note A</b>                       | <b>Note A</b> | <b>Note B</b> | <b>Note C</b>   |

**Note A:** Activities of the DPAS and DPTI

**Note B:** Activities of the CSP with 8 domains

**Note C:** Activities of the CSP with 11 domains

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**Table 9**

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**Costs Related to the Telecommunications Transferred in 2004**

| Costs components                                 | Costs (in M\$)                      |              |              |                 |
|--|-------------------------------------|--------------|--------------|-----------------|
|  | Financial Period Ending December 31 |              |              |                 |
|  | Historical Years                    |              | Base year    | Forecasted Year |
|  | 2001                                | 2002         | 2003         | 2004            |
| <b>Operational charges</b>                       | <b>117.3</b>                        | <b>110.9</b> | <b>110.9</b> | <b>Note 1</b>   |
| <b>Amortization</b>                              | <b>10.5</b>                         | <b>12.1</b>  | <b>12.1</b>  |                 |
| <b>Taxes</b>                                     |                                     | <b>0.1</b>   | <b>0.1</b>   |                 |
| <b>Revised financial expenses</b>                | <b>3.4</b>                          | <b>2.5</b>   | <b>2.5</b>   |                 |
| <b>Total charges – Centre of Shared Services</b> | <b>131.2</b>                        | <b>125.6</b> | <b>125.6</b> |                 |

**Note 1** The data of Table 8 include the costs related to these activities

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**Table 10**  
**Costs Related to the Accounting Services Transferred in 2003**

| Costs components                          | Costs (in M\$)                      |      |           |                 |
|---|-------------------------------------|------|-----------|-----------------|
|   | Financial Period Ending December 31 |      |           |                 |
|   | Historical Years                    |      | Base year | Forecasted Year |
|   | 2001                                | 2002 | 2003      | 2004            |
| Operational charges                       | 16.7                                | 17.2 | 16.7      | Note 1          |
| Amortization                              | 0.7                                 | 0.1  |           |                 |
| Taxes                                     |                                     |      |           |                 |
| Revised financial expenses                | 0.2                                 | 0.3  | 0.3       |                 |
| Total charges – Centre of Shared Services | 17.6                                | 17.6 | 17.0      |                 |

Note 1 The data in Table 8 include the costs related to these activities

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**Table 11**  
**Costs Related to the Activities of the Centre of Competence Transferred in 2003**

| Costs components                          | Costs (in M\$)                      |      |           |                 |
|---|-------------------------------------|------|-----------|-----------------|
|   | Financial Period Ending December 31 |      |           |                 |
|   | Historical Years                    |      | Base year | Forecasted Year |
|   | 2001                                | 2002 | 2003      | 2004            |
| Operational charges                       | 22.1                                | 22.1 |           | Note 1          |
| Amortization                              | 2.4                                 | 2.4  |           |                 |
| Taxes                                     | 0.3                                 | 0.3  |           |                 |
| Revised financial expenses                | 0.8                                 | 0.8  |           |                 |
| Total charges – Centre of Shared Services | 25.6                                | 25.6 |           |                 |

Note 1 The data in Table 8 include the costs related to these activities

6

**5. PRINCIPAL BASIS FOR INVOICING AND VOLUMES INVOICED BY THE CENTER OF SHARED SERVICES**

1 The following table groups the basis for invoicing and the volumes associated  
 2 with the principal products or services rendered by the Centre for Shared  
 3 Services as presented in the preceding sections. This information is generic and  
 4 reflects the essence of the basis for invoicing and other technical parameters  
 5 related with a product or specific service appearing in the customer-supplier  
 6 agreements submitted in HQD-5, Document 5.5.

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**Table 12**  
**Principal Basis for Invoicing and Volumes**

| Domain                                 | Invoicing Base            | Invoiced volumes                           |             |             |                 |
|--|---------------------------|--|-------------|-------------|-----------------|
|  |                           | <i>Financial Period Ending December 31</i> |             |             |                 |
|  |                           | Historical Years                           |             | Base year   | Forecasted Year |
|  |                           | 2001                                       | 2002        | 2003        | 2004            |
| <b>Provisioning and Services</b>       |                           |  |             |             |                 |
| Building services                      | Square meters             | 1 043 091                                  | 883 863     | 846 310     | 864 216         |
| Air and Transportation                 | Vehicles                  | 7 774                                      | 7 316       | 7 562       | 7 489           |
| Material Management                    | Shop Taxes values (\$)    | 304 877 575                                | 384 209 775 | 354 018 045 | 322 823 550     |
| Documents Management                   | Administrative effectives | 12 206                                     | 12 145      | 13 241      | 12 215          |
| Acquisition                            | Hours                     | n.d.                                       | n.d.        | 187 190     | 158 836         |
| <b>IT</b>                              |                           |  |             |             |                 |
| Data-processing solutions              | Cumulated costs (\$)      | 85 600 000                                 | 92 900 000  | 90 000 000  | 69 600 000      |
| Technology Operations                  | Cumulated costs (\$)      | 66 400 000                                 | 66 700 000  | 53 200 000  | 44 100 000      |
| Office Automation                      | Computers and printers    | 15 458                                     | 17 802      | 16 682      | 19 711          |
| <b>Telecommunication Services</b>      |                           |  |             |             |                 |
| Telephony                              | Phone lines               | 36 149                                     | 28 601      | 34 175      | 37 851          |
| Corporate services (80%)               | Effectives                | 20 986                                     | 21 144      | 21 144      | 21 144          |
| <b>Others</b>                          |                           |  |             |             |                 |
| Accounting Transaction Services        | Volume of transactions    | n.d.                                       | n.d.        | 2 428 124   | 2 484 478       |
| Centre of Competencies – Mgmt Software | Users by software package | n.d.                                       | n.d.        | n.d.        | 9 426           |

10

**1 6. LABOR FORCE OF THE CSP AND AVERAGE SALARIES**

|                                  | <i>Financial Period Ending December 31</i> |              |              |                 |
|----------------------------------|--|--------------|--------------|-----------------|
|                                  | Historical years                           |              | Base year    | Forecasted year |
|                                  | 2001                                       | 2002         | 2003         | 2004            |
| <b>Average annual effectives</b> | <b>2 940</b>                               | <b>2 840</b> | <b>3 037</b> | <b>3 037</b>    |
| <b>Office</b>                    | <b>778</b>                                 | <b>730</b>   | <b>818</b>   | <b>818</b>      |
| Permanent                        | 570  | 538          | 610          | 610             |
| Temporary                        | 208  | 192          | 208          | 208             |
| <b>Trades</b>                    | <b>556</b>                                 | <b>547</b>   | <b>553</b>   | <b>553</b>      |
| Permanent                        | 431  | 410          | 409          | 409             |
| Temporary                        | 125  | 137          | 144          | 144             |
| <b>Technicians</b>               | <b>122</b>                                 | <b>89</b>    | <b>80</b>    | <b>80</b>       |
| Permanent                        | 106  | 73           | 70           | 70              |
| Temporary                        | 16   | 16           | 10           | 10              |
| <b>Engineers</b>                 | <b>87</b>                                  | <b>55</b>    | <b>53</b>    | <b>53</b>       |
| Permanent                        | 85   | 53           | 51           | 51              |
| Temporary                        | 2  | 2            | 2            | 2               |
| <b>Specialists</b>               | <b>1 117</b>                               | <b>1 145</b> | <b>1 233</b> | <b>1 233</b>    |
| Permanent                        | 1 038                                      | 1 057        | 1 166        | 1 166           |
| Temporary                        | 79   | 88           | 67           | 67              |
| <b>Professionals</b>             | <b>77</b>                                  | <b>79</b>    | <b>77</b>    | <b>77</b>       |
| Permanent                        | 64   | 61           | 63           | 63              |
| Temporary                        | 13   | 18           | 14           | 14              |
| <b>Executives/Management</b>     | <b>203</b>                                 | <b>195</b>   | <b>223</b>   | <b>223</b>      |
| Permanent                        | 203  | 195          | 223          | 223             |
| <b>Average wage (in \$)</b>      |  |              |              |                 |
| <b>Office</b>                    |  |              |              |                 |
| Permanent                        | 47 164.4                                   | 48 863.9     | 50 987.0     | 52 462.0        |
| Temporary                        | 41 866.3                                   | 43 634.8     | 45 888.0     | 47 571.0        |
| <b>Trades</b>                    |  |              |              |                 |
| Permanent                        | 57 771.0                                   | 62 161.0     | 64 880.0     | 66 785.0        |
| Temporary                        | 48 602.0                                   | 50 270.0     | 52 524.0     | 54 114.0        |
| <b>Technicians</b>               |  |              |              |                 |
| Permanent                        | 64 362.0                                   | 66 848.0     | 69 837.0     | 71 975.0        |
| Temporary                        | 49 150.0                                   | 51 035.0     | 53 418.0     | 55 132.0        |
| <b>Engineers</b>                 |  |              |              |                 |
| Permanent                        | 79 593.0                                   | 82 979.0     | 87 780.0     | 90 857.0        |
| Temporary                        | 68 477.0                                   | 71 475.0     | 75 172.0     | 77 349.0        |
| <b>Specialists</b>               |  |              |              |                 |
| Permanent                        | 73 059.0                                   | 75 425.0     | 79 281.0     | 82 234.0        |
| Temporary                        | 59 568.0                                   | 58 891.0     | 61 299.0     | 62 954.0        |
| <b>Professionals</b>             |  |              |              |                 |
| Permanent                        | 76 467.0                                   | 80 041.0     | 84 067.0     | 87 133.0        |
| Temporary                        | 60 486.0                                   | 60 569.0     | 63 091.0     | 64 823.0        |
| <b>Executives/Management</b>     |  |              |              |                 |
| Permanent                        | 89 318.3                                   | 92 574.2     | 96 737.0     | 101 260.0       |

The 2004 revenue does not take into account a transfer of 283 effectives related to the activities of service Telecommunication

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3 The average salaries consist of base salary and social benefits.