

osmos

NEWS

Editorial



OSMOS, the 2004 Winner for Customer Value Enhancement



Mr. B. Hodac and Mr. K. Srinivasan, President of Frost & Sullivan

For industrial companies the Frost & Sullivan trophy carries the same prestige as an «Oscar» for film makers.

At an official gala attended by 2,000 guests, the OSMOS Group was delighted to receive the 2004 Customer Value Enhancement Award in the Test & Measurement industry.

In its eulogy the jury praised OSMOS for its unrivaled structural monitoring concept: a high-performance and user-friendly monitoring solution available at affordable prices to customers.

We are proud to share this award with all our affiliates and their customers who, through their confidence in OSMOS, are helping to establish a quality standard.

Bernard Hodac,
Chairman and CEO of the OSMOS Group

And the winner is... OSMOS!



Why has this award been given to the OSMOS Group? The Frost & Sullivan Jury gives **7** reasons!

OSMOS aims at bridging the gap in the Structural Health Monitoring industry, SHM. When the company entered the SHM market, monitoring was involved only during two stages of the life cycle of a given structure - its inception and periods of crisis occurring due to wear out. In between, there was no monitoring and effective preventive maintenance. Calculations with regard to load and lifetime were based purely on speculation.

1 Reality, Not speculation

OSMOS brought in reality to this entire process by ushering the genesis of SHM.

By being integrated to the structure on a permanent basis, customers' knowledge about the structure is greatly enhanced and enables them to take any corrective action on time before a crisis occurs.

Furthermore, this knowledge is incremental and ultimately contributes to the structure's ability to provide high performance and remain reliable.



Frost & Sullivan

Founded in 1961, Frost & Sullivan is recognized as a global leader in growth consulting.

Frost & Sullivan Awards are presented to companies that demonstrate excellence in their industry, commending the diligence, commitment, and innovative business strategies required to advance in the global marketplace. Frost & Sullivan rigorously analyzes specific criteria to determine award recipients in a vast variety of market industries and landscapes.

2 Affordable Price

Due to its renting business model, the OSMOS system is available at an affordable price for customers. In some cases, the price of a solution that would be equivalent to that of OSMOS can be **five times the OSMOS price per year**.

Furthermore, OSMOS has centralized the process of purchase planning & management from non-OSMOS suppliers for its affiliates. The purchasing group consolidates the needs of all partners biannually and makes the indent for purchase of all instrument and component requirements.

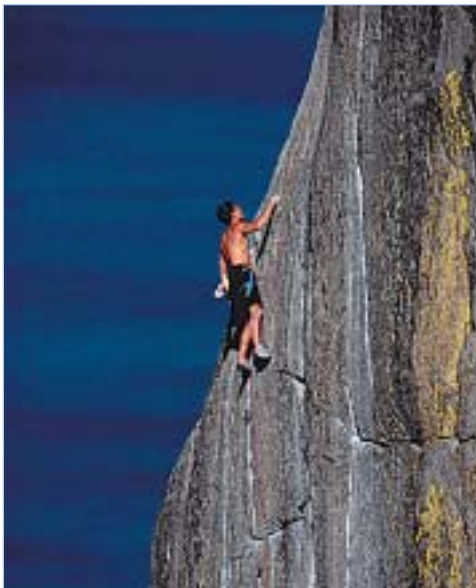


This consolidated purchasing process helps OSMOS to obtain competitive prices from its suppliers and this price advantage can be passed on to its partners and final customers.

Still in the objective of keeping prices low, OSMOS has developed its platform on Linux **to avoid software rights at the maximum**. Moreover, the Internet-based format enables OSMOS to keep the solution at an affordable price point.

The company's fiber optic sensors also offer a long measuring range that enables end-users **to monitor large structures with a relatively small number of sensors**.

3 High Performance



OSMOS has developed robust sensors and data acquisition systems. This robustness can be illustrated by the ten-year anniversary of the OSMOS system installed on the Eiffel Tower in Paris, France that the company celebrated recently. This is a commendable performance as other continued monitoring solutions available in the market place have had a maximum lifetime of two and a half years. **OSMOS provides solution for at least 20 years**. In the future, as the durability of its system is demonstrated over time, the company will be in a position to offer an even greater warranty on its sensors/system.

The system and its technology are based on a term of reference that has resulted from years of research.



Another key competitive advantage of the OSMOS system is its ability to measure **statically and dynamically**.

This is made possible by the fiber optic technology used in the system. It has no response time, which translates into immense value to end-users.

The OSMOS system is based on a technology that enables it to be integrated on a permanent basis on or into the structures themselves. As a result, it can register all structural changes over long periods of time.



4 Universal...

... & Internet-based



About two years ago, OSMOS introduced the OSMOS monitoring platform. This platform accepts inputs from all existing commercial sensors including fire detection sensors, smoke sensors, humidity sensors, inclination sensors, vibration sensors and more.

This is the only platform that is entirely compatible with all sensors commercially available and that can enable users to work on their structure directly under Windows Explorer®. This ability is key in terms of **user-friendliness and convenience** for the end-users, which in turn, is critical to their monitoring their structure systematically.

The OSMOS monitoring platform has subsequently widened the company's customer base to industrial markets. Hence, OSMOS achieved unprecedented revenues in 2003. As OSMOS develops its business model in this market and benchmarks the successful implementation of its system on industrial structure - such as Philips' plant in France - it is expected that the company will grow substantially in the monitoring industry.



A potential third market for OSMOS would be the environment. With its business model, the company is expected to tackle these markets successfully and grow significantly in the future.

5 Renting, Not Selling



The fiber optic SHM market is a recent technological advancement and requires large investments on the part of manufacturers toward research and development of products and applications. These large investments directly drive the price of the products upward. In addition, there are not many previous installations that can serve as a benchmark for new customers to lead them to invest in this high-end technology.

All these factors act as deterrents for the fiber optic SHM market.

The OSMOS group offers a unique product/solution delivery mechanism for users that overcomes the price challenge of this industry.

Customers can benefit from the technical advantage of using fiber optic technology for SHM and the unique strategy of OSMOS enables them to **get it at a price point comparable to other methods available in the market place.**

This aspect is critical in this industry since the price factor is the major restraint to customer adoption of the technology.

Customers are immensely benefited and get great value from **just regular maintenance expenditures.**

This business model also enables the company and its affiliates to offer greater customer support than vendors of SHM products.

Such support is critical in a high-end market place such as the SHM industry.



6 Client Interview Reports

OSMOS' business model is the result of the company's clear focus on customer needs. The company has also developed a system called the Client Interview Report to better understand their needs and interact proactively with a potential client. This internal system is broadly divided into two categories of questions to understand the client requirements and objectives vis-à-vis a SHM solution - **risk prevention and analysis and solutions engineering.**

OSMOS has used this system internally since 1995 and has perfected the use of the Client Interview Report system effectively today. This helps the company understand the nature of the requirements and the motivation and objectives of the clients with

regard to the installation of a SHM solution on their structures.

Today, this process has led to the establishment of a **data bank that helps OSMOS serve its customer better.**

This data bank is likely to automatically grow over time. OSMOS will eventually be able to classify the data by parameters such as structure types, which, in the long run, will build the case for fiber optic monitoring and command new regulations.

Moreover, a regular review of these reports performed globally helps OSMOS lead its development process according to changing application requirements and deliver new products/solutions. A major driver for OSMOS to move toward automatic monitoring has been based on the feedback received as per the regular use of the Client Interview Report process.



7 Fostering Customer Partnerships



The synergies of OSMOS and its partners increase the value of the OSMOS' proposition to the clients.

The OSMOS business model of renting out its products helps to foster partnerships with customers. Since OSMOS is in charge of the monitoring of the structures, it deposes its own personnel to monitor the structures. This helps OSMOS in the sharing of information and expertise gained over the years with its clients.

OSMOS' licensed partners strive to maintain a long-term relationship with their clients. The contract-based relationships help affiliates to build customer loyalty. This long-term relationship established with the clients

not only translates into long-term revenues for OSMOS' partners, but means **long-term value for the customer.**

Apart from its affiliates, OSMOS has also formed relationships to further enhance its value proposition to its clients. A good illustration of this is its strategic partnership with COPRA, a French company focused on process optimization and modelization for industrial and civil engineering applications. COPRA developed, for example, a mathematical model from the information provided by the OSMOS system to improve the process used in plants.

What customers think...



«The OSMOS system installed on the huge «Tonnerre de Zeus» wooden roller-coaster enables us to verify the normal behavior of this complex structure and to

optimize our maintenance routines.»

Alain Trouvé,

Technical Manager, Parc Asterix theme park



«The monitoring system developed by OSMOS indicates the stresses imposed on structures - whether they display damaged or not - and enables timely intervention.

We have had the occasion to test the extreme efficiency of this system both in terms of risk prevention (comprehensive building site policies) and claims assessment.»

Michel Dubernard,

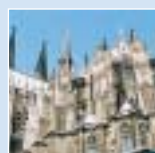
Company of Certified Insurance Experts



«The advantage of the OSMOS system is its continuous monitoring of the structure. Rapid changes highlight the effects of operational cycles, while slower deformations reflect longer-term remanent evolutions. The system simplifies data interpretation and makes a positive safety contribution by providing decision-making information for major civil engineering works with a view to effective preventive maintenance.»

Jean-Louis Amiard,

EDF Grand'Maison hydro power plant



«OSMOS has developed a practically invisible system that runs along sensitive zones - foundations, arches, domes, naves, columns, pediments, towers, spires - and provides immediate data on deformations regardless of their origin (landslip, subsidence, compression, alignment, displacement), even before any damage appears. Installed on an edifice, the OSMOS system is a power sensor, a veritable analysis tool of both technical and economic value for protection of our architectural heritage.»

René Dinkel,

French Heritage Encyclopedia



«After noticing movements affecting its church tower, the town of La Souterraine asked OSMOS in January 2002 to set up a permanent remote monitoring system. On 14th May 2003 the system reported severe movements whose possible consequences included collapse of the edifice. The OSMOS installation avoided a possible catastrophe. The tower has now been consolidated and further restoration work is planned for 2005/2006.»

Yves Furet,

Mayor of La Souterraine



«At the end of the 1990s, we had the occasion to perform exploratory tests on an OSMOS system installed on a Navy testing and experimentation facility.

Our tests and measurements revealed the value of the optical extensometer concept for measuring fluctuating stresses caused by swell. Among its many advantages this technique enables monitoring in a severe electromagnetic environment.»

Bernard Auroire,

*Ministry of Defence
Naval Systems Technical Center*



«Serious undermining had been detected downstream of an abutment of the church bridge, presenting a potential danger for the public. Throughout of the 3 years of renovation work, OSMOS provided totally effective permanent monitoring of the building using specific equipment including two optical extensometers and one inclinometer. This installation guaranteed early warning of possible movements of the abutment, to allow preventive measures if necessary.»

Robert Bertolini,

Haute-Savoie Departmental Council

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In the next OSMOS NEWS: special report on bridges

+++New contracts +++New contracts +++New contracts +++



• New York State Capitol Building
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> Urbitran



• Rotterdam dry-dock
(Netherlands)
> Stamotec



• Aarburg Tunnel
(Switzerland)
> Andreas Steiger & Partner AG



• Municipal gymnasium
(Trappes-France)
> COPRA



• Bremerhaven swing bridge
(Germany)
> TÜV



• Yokohama Terminal Bridge
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> JGC



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