



fives

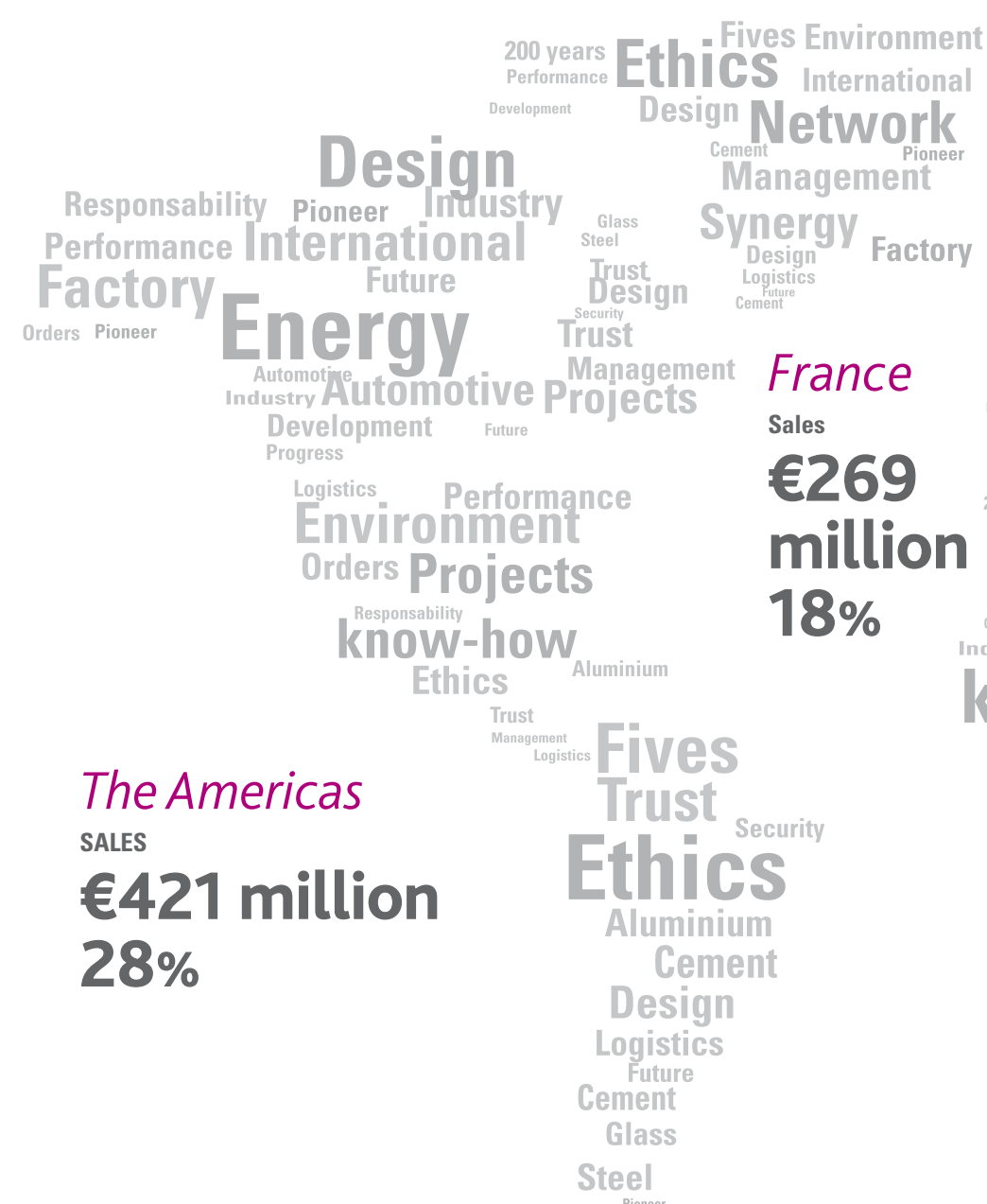


2012 ANNUAL AND CSR REPORT

Designing today the plants of the future

OUR VISION

Only innovative solutions will allow future industrial growth that is both sustainable and profitable. Since its inception, the Fives' teams have been able to provide new industrial solutions with a pioneering approach to address these challenges.



A NETWORK OF MORE THAN 80 AFFILIATES AND REPRESENTATIVE OFFICES IN NEARLY 30 COUNTRIES

€1,324 million

of order intake of which close to 50% is in emerging countries

€245 million

of shareholders' equity

€1,508 million

of sales

FIVES IN 2012

€266 million

of closing net cash position

1,200

More than people recruited in 2012

6,521

*employees**

*consolidation scope at Dec. 31, 2012

Europe (excluding France)

SALES

€176 million

11%



Africa and the Middle East

SALES

€268 million

18%

Asia and Oceania

SALES

€374 million

25%

As an industrial engineering group, Fives designs and supplies process equipment, production lines and turnkey plants for the world's largest industrial groups in the aluminium, steel, glass, automotive & logistics, cement, energy and sugar sectors.

Located in nearly thirty countries and with more than 6,500 employees across six continents, the Group is known for its technological expertise and competence in executing large-scale international projects.

The Group's know-how and solid field experience allow it to manage projects as a whole while respecting deadlines and fulfilling performance commitments. The effectiveness of its R&D programs enables Fives to design forward-thinking industrial solutions that anticipate client needs in terms of profitability, safety and compliance with environmental standards.

This strategy is also supported by a human resources policy putting people first, which promotes initiative-taking, technical excellence and team spirit.

MARKETS

METAL / ALUMINIUM / Fives Solios

STEEL / Fives Bronx, Fives Celes, Fives DMS, Fives Industries, Fives Stein

GLASS / Fives Stein

CEMENT / Fives FCB, Fives Pillard

AUTOMOTIVE, AEROSPACE AND OTHER INDUSTRIES / Fives Cinetic

LOGISTICS / Fives Cinetic

ENERGY / Fives Cail, Fives Cryogenie, Fives Nordon, Fives North American, Fives Pillard

TABLE OF CONTENTS

Message from the Chairman 4

6 THE ESSENCE OF FIVES

Events 8

Highlights 10

Summary of financial information 12

Corporate governance bodies 14

18 DESIGNING TODAY THE PLANTS OF THE FUTURE

Industrial expertise and international structure 20

Technologies & Eco-design 22

24 AT THE HEART OF FIVES

Ethics 25

Corporate social responsibility 26

Health, Safety, Environment 27

Human resources 28

32 MARKETS

Aluminium 34

Steel 35

Glass 36

Cement 37

Automotive, Aerospace and other industries..... 38

Logistics 39

Energy 40

42 BENCHMARKS

Financial and non-financial indicators 43

2012, AN HISTORIC YEAR

2012 was marked by the celebration of our bicentennial. Created from the 19th century merger between the two century-old businesses of Cail and Fives-Lille, and the subsequent acquisition of several more companies, each with a long history, Fives has always adapted successfully to the technological and organizational fluctuations that have characterized the industrial revolutions of recent centuries. Since the first steam locomotives in the 19th century through the prestigious structures such as the Alexandre III Bridge, the Gare d'Orsay train station, the elevators of the Eiffel Tower and the Tancarville Bridge, Fives has evolved to become a leading international reference in industrial engineering. Today, the Group is, among others, present in the automotive industry (in Europe, in Brazil, China, the USA and Russia), in steel (in China, India and Russia), in aluminium (in Canada, the Middle East and Russia), in glass (in Brazil and Turkey), in cement (in North Africa, Brazil, Mexico, the Middle East and Southeast Asia), in logistics (in Europe, North America and Japan), and lastly in energy on every continent of the world. Throughout its history, the epic story of the Fives group is united with the major events in the world for industrial and economic development.

The history of Fives is also about 200 years of personal journeys. But no history of Fives could be complete without mentioning the men and women who built this inspiring company. In the souls of the engineers is an open-minded view of world and its diversity, having an entrepreneurial spirit that composes the body, with an ethical work sense for a job well done and team spirit, these men and women are the most important assets of our Group. Thanks to them and the individual entrepreneurs of a remarkable fate, like Jean-François Cail, Fives has innovated successfully throughout its history and put in place the resources needed to become a world leading group of companies, without compromising the flexibility of a small business on a personal level.

2012 also brought with it a change in the Group's shareholding structure, with the arrival of AXA Private Equity as the Fives' principal, but minority, shareholder. This new capital structure will allow us to continue extracting the maximum benefit from our multi-sector and multi-technical expertise by building on our innovative talents, by harnessing the dynamic growth of the world's most high-potential markets, and by accelerating our external growth strategy.

With turnover breaking through the symbolic €1.5 billion barrier for the first time in its history (19% increase compared to 2011) and EBITDA, which also exceeded €100 million for the first time (€115 million reflecting a 16% increase compared to 2011), a strong balance sheet and record cash flow of €266 million at the end of 2012, Fives proudly celebrated its 200 years of history. With presence today in more than 30 countries through more than 80 Group companies, Fives sells its products in more than 100 countries, employs 6,500 people worldwide, holds a portfolio of 1,500 active patents, and continues its tradition to put its energy and focus on the ideas of designing the industrial plants of the future.

Celebrating our 200th anniversary is also about looking to our future. 2013 will be another year of strong growth for our Group, driven by a full and profitable order backlog of more than €1.3 billion at the end of 2012. That trend is certain to continue in 2013 as a result of strong markets full of promise for the future. This growth will also be fueled by the planned acquisition of MAG Americas, the world's leading player in large-scale machine tools and composite processing. In 2012, MAG Americas reported sales of nearly \$400 million. Expected to be complete by mid-year of 2013, this acquisition reflects the continued international development of Fives in innovative technologies for high added-value industries. It also strengthens the Group's presence in the United States, where it benefits from the country's dynamic economy and industrial base, as well as establishing Fives as a world leader in the machine tools market.

The year 2013 will also see our Group accelerate the process of profound transformation undertaken in recent years. The strength of the Fives growth model comes primarily from the accountability of responsibility by everyone in the business and its ability to network its skills and energy... in short, from its decentralized organizational structure that leaves room for every individual to express his or her own entrepreneurial talents. Nevertheless, this consciously adopted organizational model is no obstacle to the implementation and exploitation of technical, commercial or financial synergies between Group entities, all of which generate additional value. Another source of strength behind this model is the ambition that drives us and the resources we put in place to ensure that we are the best-possible partner for our customers and all our stakeholders, because

we are focused on ensuring the success of the projects we share.

The recently introduced process of simplifying our brand architecture should allow us to reconcile our decentralized organizational structure with the need for global efficiency. It also provides us with the opportunity to implement a Group-wide corporate plan designed to strengthen the identity and values of Fives. This project will be delivered through four key initiatives sharing the same goals:

- improving our level of professional excellence in a more open and diversified world where projects are becoming increasingly and inexorably broader and more complex;
- continuing to develop the personal wealth of the Group through recruitment, training, the promotion of gender equality and diversity, and the ability to offer varied, international careers;
- encouraging creativity at every level of the business;
- making our customers true partners in ways that will allow us to be even more proactive and to anticipate their expectations even more accurately.

Despite the existing challenges of the economic environment, 2013 will therefore be another year of ambition, growth and performance.

**"2013 WILL BE A YEAR OF AMBITION,
GROWTH AND PERFORMANCE."**

Frédéric Sanchez, Chairman of the Executive Board



THE ESSENCE OF FIVES

EVENTS | HIGHLIGHTS | SUMMARY OF FINANCIAL INFORMATION | CORPORATE GOVERNANCE BODIES

FIVES DEMONSTRATES THE STRENGTH OF
ITS GROWTH MODEL AND THE RELEVANCE
OF ITS STRATEGIC POSITIONING



**2012, AN EVENTFUL YEAR FOR FIVES,
WHICH CELEBRATED ITS BICENTENNIAL
WITH ITS EMPLOYEES, CUSTOMERS, SUPPLIERS
AND OTHER STAKEHOLDERS WORLDWIDE**

In 2012, the Group introduced a reflection think tank of the issues surrounding the industrial world of tomorrow, creating the Fives Observatory for plants of the future. This project combines both the general public and individuals with diverse expertise from academics to industrialists, architects and representatives from the non-profit sector. In launching the debate on this topical issue, Fives affirmed its status as an economic player in the core of industrial issues and listening to its stakeholders as to better innovate and respond to the expectations of its customers. In the framework of the Observatory, a series of three powerful events have been deployed throughout the year. These events include a survey conducted by the Ifop institute for the French vision and plants, a series of interviews with experts and the organization of a citizens' conference, all which can be found on the dedicated website at www.plantsofthefuture.com.

The collage features various scenes from Fives' bicentennial celebrations. It includes portraits of key figures, a large-scale event with a '200 years of industrial progress' backdrop, an awards ceremony from 2011, attendees using virtual reality technology, a ceremonial cake-cutting, and glimpses into industrial heritage through architecture and historical machinery.

BICENTENNIAL CELEBRATIONS

200 years of industrial progress around the world

In 2012, Fives celebrated its 200 years of industrial progress with events in the USA, Russia, Turkey, France and China. These soirées gave Fives senior management and sales teams the opportunity to celebrate with their key customers and partners, creating a perfect opportunity for them to discover or rediscover the Group. All were attended by large numbers of guests who were clearly impressed by the history and vision of the Group presented to them; both the Fives of yesterday and its contribution to a series of industrial revolutions, and the industrial engineering Group of today, and the contribution it makes to so many industries worldwide.

The first Fives Innovation Award ceremony was held as part of the Fives 200th Anniversary celebration in Paris on November 7, 2012. Introduced to stimulate creativity throughout the Group, the contest attracted 106 contestants from 15 Group companies. From amongst the 137 ideas submitted, the judges panel unanimously congratulated all the innovations entered for their exceptional quality, ultimately awarding the Fives Innovation Award to Alain Genuad (Deputy Director of Steel Sales at Fives Stein) for an upgrade to the Wet Flash Cooling® proprietary technology used in steel production. This internal contest, which will now be rolled out progressively to all Group companies, is clearly fertile ground in which innovation and creative ideas will flourish.

In 2012, Fives celebrated its 200 years of industrial progress with events in the USA, Russia, Turkey, France and China. These soirees gave Fives senior management and sales teams the opportunity to celebrate with their key customers and partners, creating a perfect opportunity for them to discover or rediscover the Group. All were attended by large numbers of guests who were clearly impressed by the history and vision of the Group presented to them; both the Fives of yesterday and its contribution to a series of industrial revolutions, and the industrial engineering Group of today, and the contribution it makes to so many industries worldwide.

These 200 years of industrial progress and personal journeys were also shared with all Group employees, and will continue to be celebrated until the summer of 2013. In France, Japan, India, the USA, the UK... and every other Group operating country, the Chairman of Fives or one of its other Executive Board Members has met face-to-face with employees to share with them the history, values and ambition of the Group at events that blend the spirit of Fives with the distinctive character of each location. These events have also provided a perfect opportunity to celebrate the commitment and involvement of all the people without whom Fives would not have been able to celebrate its bicentennial!

HIGHLIGHTS

ACQUISITIONS

January Acquisition of CBL Combustion Systems Pvt. Ltd. (now Fives Combustion Systems Pvt. Ltd.), an Indian company employing a workforce of 100 and specializing in combustion equipment for the energy and minerals industries. This acquisition strengthens the position of Fives in the cement and energy sectors of the fast-growing Indian market by establishing a local operational base. / **March** Formation of Solios Chemical, following the acquisition of the Organic Chemistry and Distillation (Proabd®) activities of Litwin, based in Mulhouse (France). / **July** Acquisition of the Technip France Cement Division business portfolio, which completes the offer of Fives FCB in Services. / **November** Acquisition of Keods, a French consulting company specializing in flat carbon steel for the automotive industry.

THE AMERICAS

Brazil

May

The Cimar company, a joint venture between Queiroz Galvão and Cornelio Brennand, placed an order with Fives FCB for process equipment to be installed in a new cement grinding center in São Luis. The order includes a 3,400 kW ball mill, a latest-generation TSV™ 3200 HF dynamic separator and a 2,000 m² Sonair process filter.

Canada

March

As part of the conversion project of electrolysis pots at the Kitimat plant in British Columbia, Rio Tinto Alcan renews its confidence in Fives Solios and places an order for the supply of preassembled modules of a green anode plant with a capacity of 42 tons per hour and three holding furnaces for a new foundry.

United States

June

Fedex Ground awarded Fives Cinetic a contract to provide an integrated sorting system for its Windsor (Connecticut) center, covering the installation of six shoe sorters and a double LPS singulator with a capacity of 15,000 items per hour.

In that same month, Fives Cinetic received an order from General Motors for two assembly lines to be installed in its Toledo, Ohio (USA) and Silao (Mexico) plants. The new lines will produce key components for use in 8-speed transmissions for rear-wheel drive vehicles.

July

In iron ore pelletization, July saw Fives North American secure an order from Essar Minnesota to supply combustion equipment for hardening furnaces with extremely low NOx emission characteristics to reduce emissions by more than 95% compared with existing technologies.

Mexico

July

Fives Cryogenie received an order from a joint venture company led by Technip and Braskem to supply cold boxes for a 1.05 million ton per year ethylene project. This project is the largest private investment in Mexico by a Brazilian company.

AFRICA AND THE MIDDLE EAST

Africa

June

Fives Pillard was contracted in June by Indian cement manufacturer Wacem to supply two 50 MW hot gas generators for a new raw mix grinding plant in Togo. Wacem then renewed its confidence in Fives by placing a similar order in October for its Ghana plant, followed by another in December for the Novaflam® technology to be installed in its new Ethiopian production lines.

United Arab Emirates

February

Fives Solios signed a turnkey contract with Emal (Emirates Aluminium manufacturer) for the supply and installation of five melting and holding furnaces as part of the project to expand its Abu Dhabi plant.

ASIA AND OCEANIA

China

January

Chinese steel producer TCSS (Tiancheng Stainless Steel Products), an affiliate of the Sichuan Jinguang Group, placed an order with Fives DMS for the supply of two ZR22-54 rolling mills for its new stainless steel cold rolling plant.

February

General Motors Shanghai awarded Fives Cinetic the contract to supply four LT2e machines to grind the journal faces, crankpins and main bearings of 3- and 4-cylinder crankshafts.

March

Fives DMS signed two contracts with STSS (Shanxi Taigang Stainless Steel), a subsidiary of the group Tisco (Taiyuan Iron and Steel), Group company STSS (Shanxi Taigang Stainless Steel) for the supply of combined stainless steel rolling and pickling/annealing lines. The order brings the total number of new installations and upgrades to 20 (10 lines and 10 rolling mills) sold since 1996 to the TISCO group, which is the world's largest producer of stainless steel.

May

Fives Cryogenie signed a contract with Air Liquide China to supply heat exchangers for three major air separation projects on its Hangzhou site, representing a total brazed volume of 640 m³.

July

VAMA (Valin ArcelorMittal Automotive) - the ArcelorMittal/Valin joint venture - awarded Fives Stein an order for two vertical furnaces, one for an automotive galvanizing line, and the other for a combined continuous annealing line whose great flexibility in finished product fabrication enables alternating production of annealed steel sheets and coated steel sheets.

Korea

August

Korean Express awarded Fives Cinetic a contract to automate its main terminal in Gunpo, close to Seoul in Korea. This system includes both design and supply of a complete automated sorting system for parcels and documents based on the SBIR SD-2D and SBIR SD-D-W cross-belt sorter proprietary technologies.

India

March

Fives Cryogenie commenced work on two cold box orders (one for an ethylene production unit and the other for a gas treatment unit) for GAIL (Gas Authority of India). This is the first major cryogenics contract won by the Group in India.

Japan

March

To automate its terminal in Tokyo, Sagawa Express renews its trust in Fives Cinetic awarding a contract to include four sorters with steel belt technology and with a capacity of sorting 30,000 items per hour.

EUROPE

Germany

April

As part of a national program to upgrade and automate its facilities, Germany's largest logistics operator contracted Fives Cinetic to work on its pilot project.

France

February

Fives Cinetic was awarded a contract by Caterpillar to supply a wheeled excavator assembly line.

July

Fives Cail received an order from Lesaffre Frères for the supply of equipment to increase the capacity of its Nangis sugar production plant: the order covers centrifugals, a falling film evaporator with a surface area of 4,500 sqm, and a multi-tube dryer with a capacity of 55 tons per hour.

Hungary

March

Audi placed an order with Fives Cinetic for a special model of the Landis LT1 camshaft grinder, including two headstocks and an internal loader thus offering greater productivity than the competitor technology.

Russia

September

Fives Bronx received an order for finishing equipment to equip three complete steel tube production lines for the new Gazpromtrubinvest plant. This contract, which includes the supply of two straighteners, two hydro testing machines, leak testing equipment and two finishing machines, represents the first major contract for Fives in the Russian seamless tubes market.

October
Ecovadis assessment

Fives ranked in the top 10% of the 6,000 suppliers assessed by the agency in 2012

Evaluated by Ecovadis, an expert in Corporate Social Responsibility (CSR), Fives was rated 6 out of 10, against an average of 4.2 given to all companies rated by Ecovadis. Fives is thus considered as a company who is "committed" in terms of social responsibility and ranks in the top 10% of the 6,000 suppliers rated by the agency. This assessment is based on four areas (environment, social, business ethics and suppliers), and strengthens the efforts of social responsibility undertaken by Fives since 2008.



Supply of the assembly line and the filling equipment of the new production line of PSA Peugeot Citroën in Kaluga, Russia.

HUMAN RESOURCES

FIVES HAS GIVEN ALL GROUP EMPLOYEES THE CHANCE TO EXPRESS THEIR VIEWS FREELY AND ANONYMOUSLY IN AN INTERNAL SATISFACTION SURVEY

The survey is an effective way of measuring employee satisfaction and its trend over time, and uses operational indicators to identify priority areas for improvement and support the preparation of action plans.

See page 29 for more information

72% of employees responded!

From left to right, highlighting the French students: Florence Cotin from GDF SUEZ, Armelle Carminati from ACCENTURE, and Estelle Fontenay from FIVES.

November
The Sébastienne Guyot Bursary Scholarship award

The École Centrale Paris partnership

As part of its partnership with the École Centrale Paris, Fives has given its commitment to support a student through the award of the Sébastienne Guyot Scholarship. The principle behind the award is to leave students free to focus on their studies as a result of the sponsoring company meeting some of the costs involved in their three-year course. The award underlines the commitment of Fives to extending the diversity of its recruitment in this talent pool of excellence.

Commissioning of the world's fastest rolling mill, 1,200 meters per minute, for Tisco in China.

2012, RECORD SALES

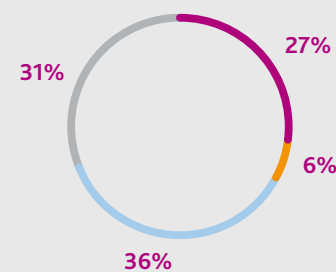
IN 2012, THE EBITDA BROKE THROUGH
THE €15 MILLION BARRIER TO END
THE YEAR MORE THAN 16%
ABOVE THE 2011 LEVEL



BREAKDOWN OF ORDER INTAKE
BY END MARKET
AND GEOGRAPHICAL AREA

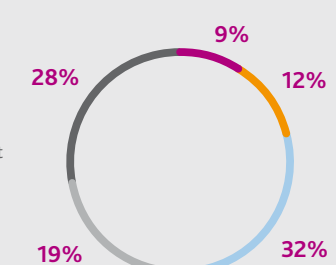
2012 Figures

Automotive/logistics
Metal
Energy
Cement

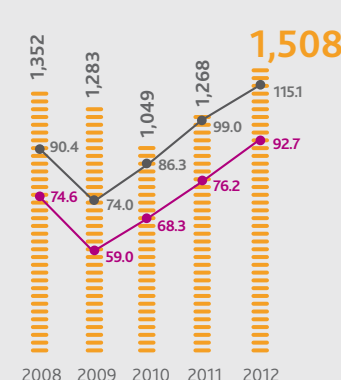


2012 Figures

The Americas
Africa and the Middle East
Asia and Oceania
France
Europe (excl. France)



SALES,
EBIT AND EBITDA

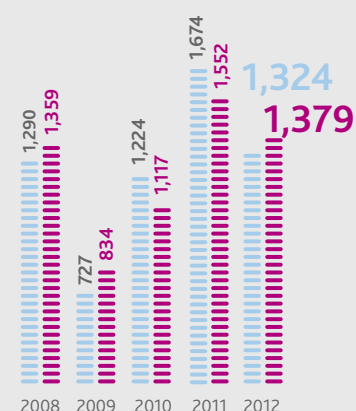


€ millions

Sales
EBIT*
EBITDA*

*2008: french GAAP / 2009-2011: IFRS

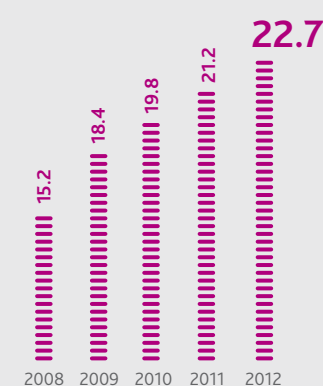
ORDER INTAKE
AND CLOSING ORDER BOOK



€ millions

Order intake
Closing order book

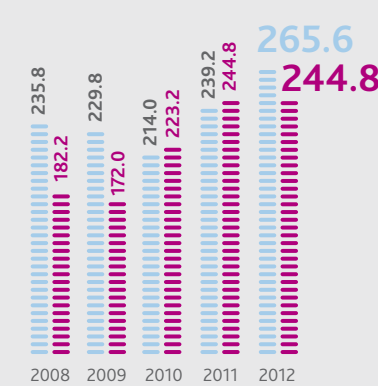
RESEARCH & DEVELOPMENT



€ millions

R&D budget

CLOSING NET CASH POSITION AND
SHAREHOLDERS' EQUITY



€ millions

Closing net cash position
Shareholders' equity

The long-term issues over access to funding and the economic slowdown seen in emerging countries have imposed significant downward pressure on global industrial investment. Despite an unprofitable and uncertain economic and trading environment, the Group order intake remained favorable, although it appeared down compared to 2011 (€1,324 million in 2012 compared to €1,674 million in 2011), held up well. Furthermore, this performance ranked higher than those achieved between 2008 and 2010.

During this period, small and medium-sized order intake rose to a new record level, driven by the buoyant energy sector (combustion and cryogenics) on the one hand, and a continuation, in 2012, of the positive trend seen in the automotive industry during 2011 on the other, especially in the American and Chinese markets. A series of major contracts negotiated at the end of 2011 also came into force in 2012, mainly in the steel industry, in China; in the aluminium industry in Canada and the Middle East and in the logistics sector in Europe, the USA and Japan.

Additionally, the 2012 financial year was marked by a strong increase in sales, which ended the year at €1,508 million, setting a new Group record. This figure reflects the marked recovery seen in order intake during 2011, which ended with an all-time high order backlog of €1,552 million, as well as the sustained level of small and medium-sized orders (for isolated equipment, spare parts and technical support services), which continued to grow in the first half of 2012. This high level of activity is reflected in the Group's results, where EBITDA broke through the €115 million barrier to end the year more than 16% above the 2011 level.

The Group ended the year with a robust order backlog of €1,379 million, which provides strong forward visibility of activity levels for 2013.

Lucile Ribot, member of the Executive Board, Group Chief Financial Officer

€1,508 million of sales

€1,324 million of order intake of
which close to 50% is in emerging countries

€245 million of
shareholders' equity

GROWTH AND ORGANIZATIONAL STRUCTURE

To meet the challenges resulting from the strong organic and external growth recorded by the Group in recent years, Fives has changed its organization and governance in two main areas. First, by strengthening its management structures; both at the intermediate management level within its group companies and by strengthening the operational relay at the Board level. Second, by establishing Country Departments that will be supported by local offices, beginning first in North America and China. These departments will improve the consistent management of cross-regional issues.

The Supervisory Board

The Supervisory Board exercises permanent control over the management of the company by the Executive Board. It meets to consider the quarterly report to be submitted by the Executive Board, and inspects and verifies the documents associated with the corporate and consolidated financial statements of the Group. On December 31, 2012, the 4 Supervisory Board members are: Dominique Gaillard (Chairman), Lise Fauconnier (Vice-Chairman), Alexandra Goltsova and Laurent Roquette. Jacques Lefèvre is the Honorary Chairman.

The Executive Board

Fives is headed by an Executive Board overseen by the Supervisory Board; the number of Executive Board members is established by the Supervisory Board, which has set a minimum of two members and a maximum of five. The Executive Board currently has four members and is responsible for the management of the company. It has the most extensive powers to act on behalf of Fives under all circumstances, limited only by the company purpose and powers expressly vested by the Supervisory Board and shareholder meetings. Every member of the Executive Board also have personal responsibility for supervising one or more of the Group's Operational Divisions and one or several functional Fives departments.

The Executive Committee

To support it in its decision-making, the Executive Board has introduced an Executive Committee whose members include the Group's key operational and functional managers. As the body responsible for consultation, recommendation and implementation, the Executive Committee meets to consider issues submitted to it, and to support the Executive Board in reaching those decisions that fall within its scope of competence. It also examines the proposals for improvement put forward by the Steering and Coordination committees. Its tasks include coordinating and monitoring the implementation of Group policies.

Alain Cordonnier
Head of the Cement Division

Daniel Brunelli-Brondex
Head of the Aluminium Division

Benoît Caratgé
Head of the Steel/Glass Division

Jean-Marie Caroff
Head of the International Development Department

Michel Dancette
Head of the Innovation
and Corporate Social Responsibility Departments

Sylvain Dulude
Head of the North American Region

Jean-Paul Sauteraud
Head of the Group Legal Department

Paule Viallon
Head of the Group Human Resources Department

Michelle XY Shan
Head of the Chinese Region

Denis Hugelmann
Head of the Automotive Division

Jean-Camille Uring
member of the Executive Board

Martin Duverne, member of the Executive Board

Lucile Ribot, member of the Executive Board
Group Chief Financial Officer

Frédéric Sanchez
Chairman of the Executive Board

The Head of Country

He acts simultaneously as a leader, coordinator and representative for Group initiatives at the national level. He also manages Fives' relationships with local stakeholders, and coordinates the relationship between these stakeholders and national Group companies.

STEERING AND COORDINATION

The Fives governance has adapted to the growth of the Group without compromising its essential structure of individual entities on a personal level that promotes team responsibility and motivation. Operating as think tanks, consultative bodies and management information channels, a series of cross-functional committees support the work of the Executive Committee and its contribution to Executive Board decision-making.

"THIS COMMITTEE GIVES US THE OPPORTUNITY TO MEET REGULARLY, DISCUSS GROUP PROJECTS AND WORK TOGETHER ON HOW WE WILL DEPLOY THOSE PROJECTS IN CHINA."

Shang Blao, CEO of Fives Stein Shanghai



The Steering Committee

The Executive Board is forming a series of regional Steering Committees whose prime purpose is to act as a creative melting pot for the Group.

In each major region, their membership includes Group company CEOs and functional departmental heads from within headquarter and/or the region concerned. They promote regional cross-disciplinarity and ensure that the Group's management bodies are fully in touch with operational needs. Introduced in 2012 in France, North America and China, similar committees will be formed at a future date in other countries.

"THE STEERING COMMITTEE OF FRANCE HAS PRESENTED US WITH THE ANALYSIS AND RECOMMENDATIONS WE NEEDED TO MAKE THE PROMPT DECISIONS REQUIRED TO SUPPORT AND ACCELERATE A GROWTH STRATEGY FOR SERVICES THAT WILL DRIVE FIVES FORWARD FURTHER AND FASTER."

Frédéric Sanchez, Chairman of the Executive Board



"THIS COMMITTEE ALLOWS US TO PROGRESS TOGETHER ON ISSUES OF SHARED INTEREST SO THAT WE CAN MORE EFFECTIVELY PRESENT JOINT PROPOSALS TO THE EXECUTIVE COMMITTEE."

Ron McCullough, CEO of Fives North American



"THE DISCUSSIONS WE HAVE HAD WITHIN THE FRANCE COMMITTEE THIS YEAR HAVE BEEN PARTICULARLY THOUGHT-PROVOKING. OUR GOAL WAS TO CONVERGE ON THOSE GROUP-LEVEL SOLUTIONS THAT WOULD BE THE MOST USEFUL AND SUITABLE FOR ALL GROUP COMPANIES."

Frédéric Thrum, CEO of Fives Cail

The Coordination Committee

The Executive Board is forming the Coordination Committee with the intention of boosting cross-functional interaction. This new body is being formed specifically to:

- provide overall development support and assistance to Group companies,
- act as a channel for informal communication,
- ensure consistency between the policies and the recommended measures.



"WE USE THESE COMMITTEE MEETINGS TO DISCUSS OUR INDIVIDUAL CHALLENGES AND PRIORITIES. WE ALSO USE THEM TO CHECK THAT WE ARE WORKING WITH OUR GROUP COMPANIES IN A CONSISTENT WAY. THESE COMMITTEE MEETINGS ALSO ENCOURAGE THE INTRODUCTION OF SHARED APPROACHES TO COMMON ISSUES."

Eric Bessière, Group Purchasing Director

"THE GROUP IS GROWING, AND THE GOVERNING BODY IS SUPPORTING THAT GROWTH BY GIVING US THE ASSURANCE THAT INFORMATION IS PROPERLY EXCHANGED AND SHARED, AND THAT THE VARIOUS DEPARTMENTS COORDINATE IN A COHERENT WAY."

Lucile Ribot, member of the Executive Board



"THE COORDINATION COMMITTEE GIVES US A CHANCE TO PROGRESS TOGETHER MORE EFFECTIVELY AND EFFICIENTLY. IT ALSO ENCOURAGES US TO FORMALIZE A NUMBER OF WORKING PROCESSES THAT HAVE BECOME NECESSARY AS A RESULT OF THE GROUP'S GROWTH."

Céline Morcrette, Group Communications Director

DESIGNING TODAY THE PLANTS OF THE FUTURE

INDUSTRIAL EXPERTISE AND INTERNATIONAL STRUCTURE | TECHNOLOGIES & ECO-DESIGN

PIONEERING AND DEVELOPING
MARKET-LEADING PROPRIETARY
TECHNOLOGIES TO STAY AHEAD
OF THE CURVE



AGILITY, DURABILITY AND PRAGMATISM

Globally recognized for its technological expertise, Fives undertakes and delivers equipment and solutions for major industrial projects worldwide. This combination of expertise and experience in industrial operations ensures that lead times and performance are exceeded by the Group. The Group's international structure gives it the flexibility and responsiveness essential for effectively adapting to the specifications of each project.

Global presence

With 80 locations in nearly 30 countries, Fives covers the world. The commercial teams of its affiliates are complemented by a network of representative offices in Asia, Russia, Brazil, Mexico, Turkey, and the Middle East. This network brings Fives closer to its customers and gives the Group the ability to draw on the experience of all its companies in any region of the world.

A culture of major projects

Throughout its history, Fives has provided its support to leading industrial companies worldwide. The Group's secular experience has grown and developed in industrial sectors such as aluminium, steel, glass, cement, energy, as well as the automotive and logistics industries. These industries are located where capital expenditure is high and projects have long lifecycles. It is a tradition that has established Fives as a unique partner in mastering industrial engineering and management of major projects.

Expertise of key equipment

Its in-depth knowledge of production processes enables Fives to develop key equipment with high added-value on a wide range of innovative technologies. It provides installations with a very high level of service capability in terms of productivity, reliability, longevity, energy and environmental performances.

Expertise in manufacturing

The Group made the choice long ago to maintain control of the production and assembly of key elements of the supply chain and to outsource the remaining elements of manufacturing.

The organization of Fives reflects this decision, as the Group relies on its global network of highly skilled machine shops and assembly plants whose expertise and experience guarantee the product quality. For many years, the Group has extended this network to the European-American industrial platforms that have also been adopted in China and India, allowing it to address local and export markets. Furthermore, supervision and engineering local to its subcontractors is also key.

Network of trusted partners

The Fives group has reconciled the diversity of countries and industries with its commitment to building ongoing relationships with its suppliers and has established a panel of strategic suppliers by utilizing the purchasing experience of all its Group companies. This approach has two objectives: the first is to control project-related purchasing risks without compromising financial performance; the second is to develop purchasing synergies between Group companies.

Synergies in expertise

Its international, multi-sector expertise gives Fives an enviable panoramic overview of industry around the world. Fives shares this with its customers as part of a continual process designed to identify new solutions that combine technology with safety and profitability. For the same reasons, Fives can very easily bring a broad range of skills to any given project by extracting the same culture of innovation and pragmatism.

Close relationships

In addition to the close physical presence Fives has to its customers in their own countries, the organizational structure is one of short management reporting lines and hands-on philosophy. This result guarantees that every customer will have easy access to points of contact with high levels of responsibility; people who are fully informed of projects in progress and are personally involved in their delivery.

30
industrial sites

of which **14** locations in France,
2 locations in Italy,
2 locations in the United Kingdom,
1 location in Switzerland,
8 locations in the USA,
2 locations in China
and **1** location in India.

REPRESENTATIVE OFFICES, AN ANCHOR IN THE LOCAL INDUSTRY

As the Group secures regional bases, the Fives representative offices are the physical fulfillment of its commitment to operate as closely as possible to its customers around the world. Each Fives representative office is a crucial bridgehead for gaining a clearer understanding of local conditions and carrying out the groundwork vital for project success. Fives has knowledge of the local industries, experience in the local markets, relationships with official bodies, regulatory monitoring and local commercial presence...

Representative offices are located in: Brazil, China, Japan, Mexico, Russia, Thailand, Turkey and the Middle East, which was opened at the beginning of 2012.

PROPRIETARY EQUIPMENT

A PIONEER IN ADVANCED TECHNOLOGIES



Michel Dancette, Head of Group Innovation & CSR, shares his vision of the major priorities for Fives in developing advanced technologies.

Fives built its growth on the design of technologies that respond to the needs of its customers and markets. The position of the Group is, and always has been, one of developing equipment and proprietary solutions that consider the evolution of technologies.

With developments such as the Horomill® cement mill, high-precision grinding machines, Flash Cooling® technologies and very low NOx combustion systems, Fives has been a pioneer in launching innovative equipment in a number of markets it serves. Its technological expertise in furnaces and burners, process engineering, heavy mechanical engineering and machine tools, special machines and robotized systems is central to the success of the Fives group. This technical expertise of its equipment provides its customers with long-term solutions built around flexible technologies with a path forward above the initial performance.

Offering the most effective solutions

Fives North American Combustion has designed a combustion technology that reduces nitrogen oxide emissions by more than 95% compared with traditional technologies. In response to an approach by the Essar Group about its plans to locate a new

iron ore pelletization plant in Minnesota, USA, Fives North American Combustion developed a 10-megawatt prototype demonstrator at its Cleveland site to create this ultra-effective technology.

Supporting customer innovation

Driven by the pressure of meeting environmental standards and the increased expectations for finished products, the industrial performance goals of the Group's customers have evolved significantly over the recent years. Given the important role played by its equipment in the production processes of its customers, Fives is responding to these challenges through active research to develop breakthrough technologies. As a pioneering company throughout its history, Fives has set itself the goal of supporting the innovation of its customers.

DIGITAL-BASED INNOVATION

The latest information and communication technologies bring with them a major opportunity to boost facility performance. Fives considers the digital component as an integral and essential contributor to the design of its equipment, production lines and complete plants in the same manner as mechanical, thermal, electrical, hydraulic and pneumatic technical parameters.

Fives designs automated control systems that optimize the processes involved in commissioning, controlling, measuring and ensuring the safety of every production phase involving the use of its equipment and process lines. Its ultimate goal is to provide customers with 'turnkey processes' that allow them to fine-tune their operational performance, achieve greater solution flexibility, and facilitate equipment use and maintenance by operators. In many cases, these automated systems also provide an effective response to customers' social and environmental challenges by adopting better design alternatives in terms of ergonomics, reduced equipment size, emissions and plant safety. This approach puts people back at the heart of the plant, but within a safer environment.

Regardless of the technology or end-user market concerned, digital-based innovation provides the opportunity to offer previously 'unimaginable' solutions. The Group has been able to demonstrate its innovative abilities through the development of Digit@l Furnace AT Control Systems designed to optimize the performance of reheating furnace burners for OMK in Russia, and the Firing System used in the anode baking furnaces of the Qatalum aluminum smelting plant in Qatar.

The importance of the Fives Smart Digital Plant also extends beyond the solutions supplied to customers. It also includes all the services now available remotely thanks to installation of the data sensors that enable automated control.

Fives designs applications that use these data to give its customers the ability to control their production processes more accurately and more effectively.

What tools support Group innovation and technical developments?

It's vital for Fives to promote creativity and encourage the emergence of key ideas as a result of our ambitious innovation policy. For many years now, we have run a Group-wide innovation contest to encourage our people, regardless of whether they work in R&D or not, to come forward with ideas for improvements or radical breakthroughs. The most promising of these ideas are selected and investigated by our R&D teams, and may lead to remarkable - sometimes patented - innovations, as was the case with Wet Flash Cooling® technology for the steelmaking market. It's something that sets us apart from others, but it also protects our expertise, because intellectual property is crucially important to Fives. Brainstorming sessions in our Group companies, contests and interaction between R&D teams are also important tools for stimulating innovation. The Fives group also conducts early-stage research programs in collaboration with independent research laboratories and universities. Since last year, programs focusing on cross-sector technologies, like energy storage, have been conducted directly at the Group Innovation Department level to gain the maximum benefit from synergies between all the skills available within the affiliates of Fives.

What would you say are the major trends of Fives in terms of innovation?

The Group keeps its core goals for the development of new solutions and product improvements: satisfying customers, anticipating technological evolutions and monitoring the market so that we can respond effectively to its expectations. However, Fives has focused particularly on two key programs in recent years. The first of these emerged from long-term consideration and assessment of the digital innovation driven by the development of new information and communication technologies: we call this the digitally intelligent factory or Smart Digital Plant. This means taking a new approach to plant operation based on software and automated systems that offer undeniable added value to customers, at the same time as meeting the social and environmental responsibilities of Fives. The second major program relates to the environmental performance of our products, and can be seen primarily in the Fives Engineered Sustainability® eco-design initiative.

ENVIRONMENTAL PERFORMANCE

MOVING TOWARDS AN ECO-EFFICIENT INDUSTRY

Committed to offering its customers the best available technologies in terms of energy efficiency and environmental performance, Fives has developed an eco-design program, known as Engineered Sustainability®. This program also corresponds to one of the most important priorities of the Group Corporate Social Responsibility policy.

Identifying the most efficient technologies

Recognized since its inception for its ability to maintain technological leadership, today, Fives commits to strive for excellence and achieve continuous improvement of its technologies in terms of their environmental performance by implementing the Engineered Sustainability® eco-design program in all its Group companies. This program sets out a structured and meticulous methodology for evaluating the environmental impacts of the product throughout its lifecycle. The result is the ability to identify and select those improvement opportunities that will optimize the technical, financial and environmental performance of its equipment most effectively. By involving risk analysis, it also evaluates whether equipment requires adjustments or modifications to improve operator safety. Engineered Sustainability® involves Fives' affiliates in a demanding eco-design process designed for long-term implementation and application.

By introducing this eco-design program, Fives expects not only to anticipate regulatory constraints, but above all to offer its customers solutions that respond effectively to their own environmental footprint reduction targets. The Engineered Sustainability® label will enable customers to identify eco-designed equipment that combines industrial performance with environmental performance.

The Engineered Sustainability® program includes the introduction of training initiatives for its own employees, and also for end users in order to maximize the operational performance of the equipment supplied.

CHAMBER WASHER CentriSpray

33% in energy savings: pump is stopped when machine is not washing

Minimal energy consumption when machine is starved for parts

32% less energy for fluid heating

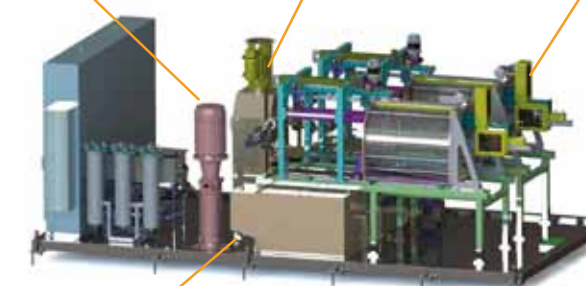
Exhaust volume is reduced by 65% energy, heat, water, tempered plant air

Air drying volume reduced 84% exhaust

Servo controlled - more effective cleaning & drying with increased precision

Noise level is guaranteed to be below 77 dB

Easy & safe maintenance



Applications emerging in all markets

Seven Group companies joined the Engineered Sustainability® program during 2012, and the first equipment to complete the eco-design process was awarded the Engineered Sustainability® brand in July: the CentriSpray washer designed for the automotive market by Fives Cinetic (Cinetic Automation Corp.). Seven projects are now at the design stage, with the majority focusing on the development of equipment for the steel, aluminium, automotive, combustion and energy (sugar refining) markets.

"FIVES HAS ENGAGED IN A SERIES OF IMPROVEMENT PROGRAMS FOR KEY EQUIPMENT SERVING TARGET MARKETS SUCH AS STEEL AND ALUMINIUM, BOTH OF WHICH ARE PARTICULARLY SENSITIVE TO THE CHALLENGES OF SUSTAINABLE DEVELOPMENT. THESE PROGRAMS ARE ESTIMATED TO BE COMPLETED IN 2013. STEEL PRODUCERS FACE STRICT REGULATIONS IN TERMS OF NOx EMISSIONS, AS WELL AS HIGH ENERGY AND WATER SUPPLY COSTS, WHILE ALUMINIUM MANUFACTURERS ARE NOW LOOKING FOR NEW SOURCES OF ENERGY SAVINGS."

Pauline Plisson, Group Engineered Sustainability® Program Manager

SUGAR
Cane shredding



ALUMINIUM
Treatment of pollution emissions and anode formation



STEEL
Reheating furnace and rolling mill



7 Fives technologies were the focus of the eco-design program in 2012

COMBUSTION
Forge furnace



AUTOMOTIVE
Engine component washer and dryer

"THE ENGINEERED SUSTAINABILITY® LABEL BRINGS GREATER CLARITY TO THE WAY WE COMMUNICATE THE BENEFITS OF OUR MACHINERY. IT'S CHANGING THE PERCEPTION OF OUR NORTH AMERICAN CUSTOMERS, WHO SEE OUR PRODUCTS AND COMPANY AS BEING VERY FOCUSED ON ENVIRONMENTAL PERFORMANCE. THAT SETS US CLEARLY APART FROM OUR COMPETITORS."

Dave Stockaert, Cinetic Automation Corp. Product Manager

AT THE HEART OF FIVES

ETHICS | CORPORATE SOCIAL RESPONSIBILITY | HEALTH, SAFETY, ENVIRONMENT | HUMAN RESOURCES

A RESPONSIBLE GROUP WHOSE GROWTH IS SUPPORTED BY LONG-TERM INITIATIVES AND POLICIES

ETHICS

ETHICS: IN THE DNA OF THE GROUP

"Working fairly and responsibly is the only way to stay ahead in the long term." These words of Frédéric Sanchez reflect the strong conviction of Fives to make business ethics a fundamental element of the Group. Every year, Fives strengthens the current policies and values for all its employees.

Awareness, information, leadership...

To ensure that the same rules of business ethics are shared by all its companies and all its employees, Fives has been operating a wide-ranging policy of corruption prevention, as well as providing information about the fight against corruption and ethical market behavior. This information is delivered verbally through awareness meetings, which have been led by head office over several years to establish and expand dialog with local managers, more formally through the Code of Conduct issued to every Group employee and via the Directives and Guidelines Manual. This final document is provided to all Group company managers, who are required to implement its contents and adapt them to their own internal processes and systems. It also sets out all the management rules applied by the Group: ethical rules, purchasing procedures, relationships with suppliers and subcontractors, agent management, and so on. In terms of preventive measures, the Group also supports its affiliates in implementing risk analysis procedures and the development of associated risk prevention plans. Every employee also has a duty to alert the Group management team of any infringement in complete confidentiality.

Making ethics a subject for shared discussion and consideration

In 2013, the Group's management will establish a plan of action to promote dialogue and exchange, beyond the rules underlying the subject of ethics. A biannual program has been defined to include prolonged grassroots actions and decentralize leadership continuously at the Group company level. To achieve this, the Group will appoint and train 15 ambassadors in 2013 to provide coverage of all Fives operating locations around the world. These ambassadors will contribute to preparing a toolbox containing a large number of case histories to illustrate the reality of ethical issues and make them more practically relevant.

A Code of Conduct available in **13** languages

and distributed to **96%** of the Group employees

"WE INTRODUCE THE CODE OF CONDUCT AT EVERY RECRUITMENT INTERVIEW AND ENSURE THAT ALL NEW EMPLOYEES SIGN IT WHEN THEY JOIN US. APPLICANTS REALLY APPRECIATE THE FACT THAT WE ARE CONCERNED ABOUT THESE ISSUES IN JUST THE SAME WAY AS WE ARE ABOUT HEALTH, SAFETY AND THE ENVIRONMENT. I THINK THAT SOMETIMES IT CAN REALLY MAKE THE DIFFERENCE! ALTHOUGH OUR EMPLOYEES READ AND UNDERSTAND ENGLISH, THEY ALSO APPRECIATE THE FACT THAT THE CODE IS AVAILABLE IN THEIR OWN LANGUAGE. THEY CAN FIND AND RE-READ THIS CODE ON THE GROUP INTRANET AT ANY TIME."

Elaine Wang, Head of Human Resources, China

"OUR CUSTOMERS' REQUIREMENTS ARE REFLECTED IN OUR OWN CODE."

Jean-Camille Uring, member of the Executive Board

FIVES, A RESPONSIBLE GROUP

Through its activities and its role as a leading international industrial player Fives must be a responsible group that insists on meeting demanding standards in the way it operates, in its relationships with stakeholders and in its environmental, economic and social governance. The initiatives implemented under the Fives Corporate Social Responsibility policy focus on four strong commitments.

- Target to secure ISO 14001 certification for all industrial sites within 3 years.
- Incorporation of Safety target achievement in the variable portion of CEO compensation.
- Publication of the first Group Activity and Corporate Social Responsibility report.

2012

- Fives joins the UN Global Compact.
- Introduction of individual CSR action plans for Group companies.

2011

- Definition of the Group CSR policy and CSR Directive.
- Updating the Code of Conduct, translation into 13 languages and distribution to all employees.

2010

- Creation of a Group HSE** coordination structure.
- Phase 1 of the Sustainable Development awareness program for Group companies.
- First CSR report launched at Group level.

2009

- Creation of the Corporate Social Responsibility Department.

2008

- HR policy incorporating greater gender equality.
- Sales representation rules directive.
- The environment becomes the key focus for Group innovation strategy.

2005

- First Group Business Ethics Charter.

2001

**HSE: Health, Safety, Environment

Minimizing the environmental footprint of the Group and its customers

Fives has deployed two programs in response to this commitment. The first program is known as Engineered Sustainability®, and focuses on eco-design and machine safety. As a designer of key process equipment for industrial customers - most of which impose a significant environmental impact - Fives has introduced this program as part of its aim to lead by example in terms of the energy efficiency and environmental aspects of its equipment.

The second program addresses the Group's own environmental management aimed at improving coordination issues with the objective to achieve ISO 14001 certification for all Group industrial sites by the end of 2014. Although the core business of Fives is concentrated on designing equipment and supervising its construction and installation, a third of all Group locations are industrial sites carrying out both assembly and production. The Group supports its sites in implementing their own environmental management systems.

Promoting fair behavior in our markets and behaving as a responsible partner

To ensure that the same rules of business ethics are shared by all its companies and all its people, Fives has built a corruption prevention policy around the provisions of its Code of Conduct. This policy will be further strengthened from 2013 onwards following the introduction of a network of ambassadors, as well as training programs for all Group managers.

Providing a safe and motivating working environment

Health and safety is one of the pillars of the Fives CSR policy. The Group's ambitions in this area have developed over time, and the associated resources and procedures have been continually reinforced since 2009. From 2013 onwards, the program will focus on direct management involvement in the Group's own workshops, on customer project sites and amongst all Fives employees.

The human resources policy is also designed to respond to many of the Group's social responsibility goals. The programs and resources implemented for skills and career management, compliance with international employee welfare protection standards and diversity in the workplace are led and coordinated by the Fives human resources teams. This policy, which contributes to dialogue, team diversity and personal development, enables the Group to capitalize on its people, at the same time as securing their loyalty to the company.

Integrating social responsibility at every level of Group governance

Adapting the corporate social responsibility ambitions of the Group at every organizational level of the Fives group has been an objective ever since the CSR program was first launched. Since 2011, working meetings are held in all Group companies at the management level to identify priority challenges, monitor progress towards achieving those challenges and supervise the associated CSR action plan. This "CSR Coaching" program enables the specific features of each organizational structure and market to be integrated into the Group-wide policy.

* Cf. Global Compact general summary table, page 46

A CSR POLICY INTEGRATED INTO GROUP GOVERNANCE

Ever since its creation, the Group Corporate Social Responsibility Department has reported directly to the Chairman of the Executive Board. The Department is headed by a member of the Group Executive Committee. The members of the Group Executive Board meet quarterly to validate program content, take decisions on which projects to implement, and monitor the progress of initiatives already in place.

The Executive Committee is consulted on a case-by-case basis, provides input for annual action programs and monitors their progress. Group company initiatives are coordinated and assessed at the operational, sectoral and regional management levels.

FIVES APPROACHES A NEW PHASE

The health and safety of its people is an ongoing priority for Fives. In 2009, the Group introduced a health and safety coordination structure with its main mission to develop a Group safety culture. A similar initiative was introduced in 2012 to reduce its environmental footprint.

A proactive approach to safety

The first three years of coordinated health and safety initiatives have added a new level of professionalism to the safety commitments of the Group, significantly raising accident prevention levels and reducing the number of lost-time accidents. This Group-wide coordination structure is constructed from four fundamental building blocks. The first relates to the benchmark standard implemented: a health and safety directive that provides an essential guide to practices and organizational structures. The second is the introduction of cross-referenced internal audits, which have contributed to improving practices by enabling more advanced companies to identify the areas in which they could improve, and the least advanced companies to pinpoint priority action areas. At the same time, the introduction of a network of Health, Safety and Environmental Coordinators covering all affiliates led at the Group-level has encouraged and accelerated the sharing of feedback and good practices. The network of HSE Coordinators has been expanded and consolidated over the last three years in every Group operating region, and in all types of business activity (project sites and workshops). In 2012, safety target achievement has also been reflected in the portion of variable compensation received by Group company CEOs.

the accident frequency in half within three years, and tightening safety management for temporary staff and Group subcontractors in response to the two deeply regrettable fatal accidents that occurred with one of its subcontractors in Saudi Arabia during the year.

Environmental impact: initiatives at multiple levels

The environmental footprint imposed by Fives itself remains relatively small compared with the industrial installations supplied to its customers. Nevertheless, the Group has launched a coordinated improvement initiative to address this issue by consistently leading by example in the environmental aspects of our equipment, and through a commitment to involve all Fives employees via a Group-wide program.

The program launched by Fives in 2012 is structured around three priorities:

- mapping environmental impacts and risks on Fives sites
- requiring ISO 14001 certification for all Group industrial sites by the end of 2014
- conducting diagnostic analyses and/or environmental audits of Group companies

67% of Group companies audited since 2010

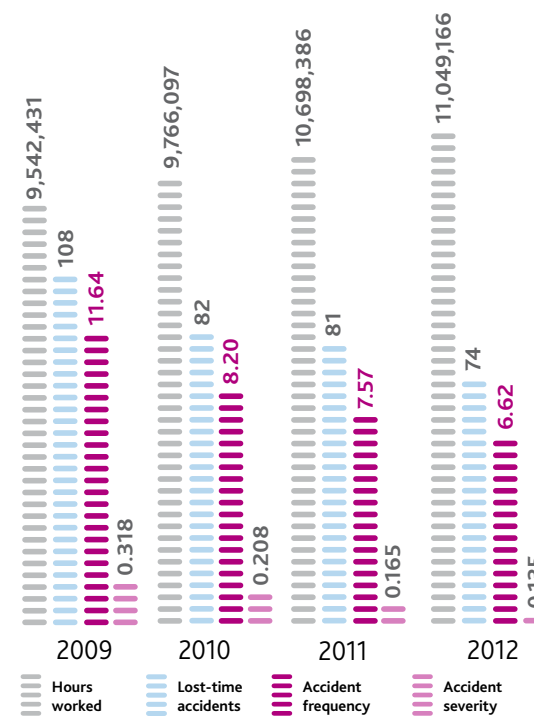
47 Group HSE representatives

61 Group health and safety audits conducted since 2009

30 industrial sites

76% of Group companies have drafted and distributed a health and safety policy

18 sites are MASE and OHSAS 18001 certificated



However, the encouraging results obtained generally across the Group during this period remain inconsistent at the individual company level. To ensure that safety becomes an integral part of the performance delivered by the Group and all its companies, Fives will commit itself in 2013 to a new and more demanding 3-year cycle involving all managers. This plan targets to divide



FIVES NORDON ACHIEVES A SIGNIFICANT IMPROVEMENT IN WORKSHOP AND PROJECT SITE SAFETY

When compared with 2011, the company's safety performance improved in 2012 with a lower frequency of lost-time accidents and lower accident severity (respectively falling from 15.24 to 4.52 and 0.322 to 0.061)*.

Benoit Vivien, QHSE director of the company explains this improvement:

"At Fives Nordon, we have a health and safety action plan that involves everyone in the business, from worker to senior management. Managers have annual targets on this subject. Awareness on HSE is also supported by regular communications through internal letters, posters, events, etc. But although HSE measures have been stepped up, the improvement in our results has also been achieved thanks to our introduction of new improvement initiatives in response to feedback and significant events occurring during the year. Our view of HSE is a very operational and pragmatic one. Our safety policy and organizational structure are consolidated year-on-year, essentially as a result of continuous improvement in risk prevention."

*Fives Nordon employees only (excluding subcontractors and temporary employees)



"THE APPROACH ADOPTED BY THE FIVES GROUP WAS VERY CONSTRUCTIVE FOR US. THE DIRECTIVES AND RECOMMENDATIONS, REGULAR INSPECTIONS BY THE GROUP SAFETY COORDINATOR AND THE SUPPORT PROVIDED BY THE FIVES PILLAR QUALITY AND HSE MANAGER IN FRANCE HAVE ALL HELPED US TO UNDERSTAND THE STANDARDS APPLIED BY AN INTERNATIONAL GROUP LIKE FIVES, AND TO DO SO VERY QUICKLY. WE ARE ABSOLUTELY GRATIFIED THAT WORKSHOP PERSONNEL HAVE SHOWN THEMSELVES TO BE PARTICULARLY COMMITTED TO MEETING THE NEW HEALTH, SAFETY AND ENVIRONMENTAL TARGETS: WHAT WE'VE SEEN HAS BEEN REALLY EFFECTIVE TEAMWORK."

Sanjeev Kumar Roy, Quality, Health and Safety Coordinator at Fives Combustion System Pvt. Ltd.
Fives Combustion System Pvt. Ltd. joined the Group at the start of 2012

HUMAN RESOURCES

A THREE DIMENSIONAL HR POLICY

Employees are at the heart of Fives' strategy and social responsibility challenges. As part of providing everyone with a challenging and motivating working environment, the Human Resources Department has implemented a policy built on dialogue, skills development and respect for diversity within the company.

Dialogue

When it comes to human resources, dialogue is the absolute key to a long-term professional working relationship. It gives everyone involved the opportunity to discuss issues formally and check that expectations and goals are clearly identified and shared. As the founding principle that underpins the Group human resources policy, dialogue is encouraged in every circumstance. This process of dialogue begins as soon as new employees join the company as part of the introduction process that provides every new recruit with a fast-track understanding of the company, its organizational structure and operating methods through face-to-face meetings with various contacts. It continues with the 'starter' meeting that assesses the integration period held between six and eighteen months of employment. Dialogue then continues throughout the working relationship using other resources that address career development more specifically. With full involvement from employee representative organizations, this process reflects an open social relationship and trust between the employer and employee, and is designed to maintain a positive and constructive atmosphere that has led to the signature of many Group agreements in recent years.

Development

To encourage and support individual career development, the Group Human Resources Department has put in place a series of resources that allow management teams to create employment terms and conditions to achieve the goals of the Group, and offer everyone the career development opportunities needed

to express their fullest potential and talent for the benefit of the company. The annual appraisal, career management committee, CEDRE and the fast-track Career Booster initiatives all allow employees to discuss their careers directly with their managers or the Group Human Resources Department. They are supported by in-service training and personal development opportunities, as well as skills-focused training programs adapted to the personal development stage of each individual. In a business where individual expertise is a determining factor in performance, Fives has made human resources management one of its leading priorities.

Diversity

Operating in a wide-range of geographical locations and countries around the world, Fives naturally gives way to diversity. In a Group where most employees are men, the first and most important priority is to introduce more women into all teams. Other priorities include gender equality, multiculturalism, fair treatment and equal opportunity. In 2012, the Group completed an internal awareness campaign addressing the workplace integration of disabled people, and in 2013 will conduct an appraisal of all the resulting initiatives. The Group signed two agreements in France, the first on the prevention of discrimination and equal treatment, and the second relating to employment of persons over the age of 55. The agreements reflect the commitment of Fives to combat every form of discrimination. This commitment is supported by training programs addressing the issues surrounding discrimination prevention and diversity promotion for management teams, supervisory staff and employee representatives.

6,521 employees
from **49** different nationalities

16% of employees are women

32% of them are Engineers and/or Managers

1,262
people were recruited
worldwide in 2012

69% of Group employees
receive a regular appraisal interview

The number of
Career Booster
meetings rose by **58%**
between 2011 and 2012

69% of employees attended
at least one training course in 2012

EMPLOYEE SATISFACTION

In September 2012, Fives conducted an internal opinion survey amongst all its employees, giving them the opportunity to express their vision of their company and the Group. Not only was this an effective way of measuring employee satisfaction and its trend over time, but also identifying areas for improvement as the basis for preparing action plans.

This was the second survey conducted in France after the first in 2007, but the survey in 2012 gave all Fives employees worldwide the opportunity to express how satisfied they are in terms of their working environment motivation, commitment to the company, organization or management for the first time.

Designed as a questionnaire (44 questions), the survey gave every Group employee the chance to express their views freely and anonymously on: working conditions, daily working life and the company, which covered internal organization, interdepartmental collaboration and commitment to the company and Group.

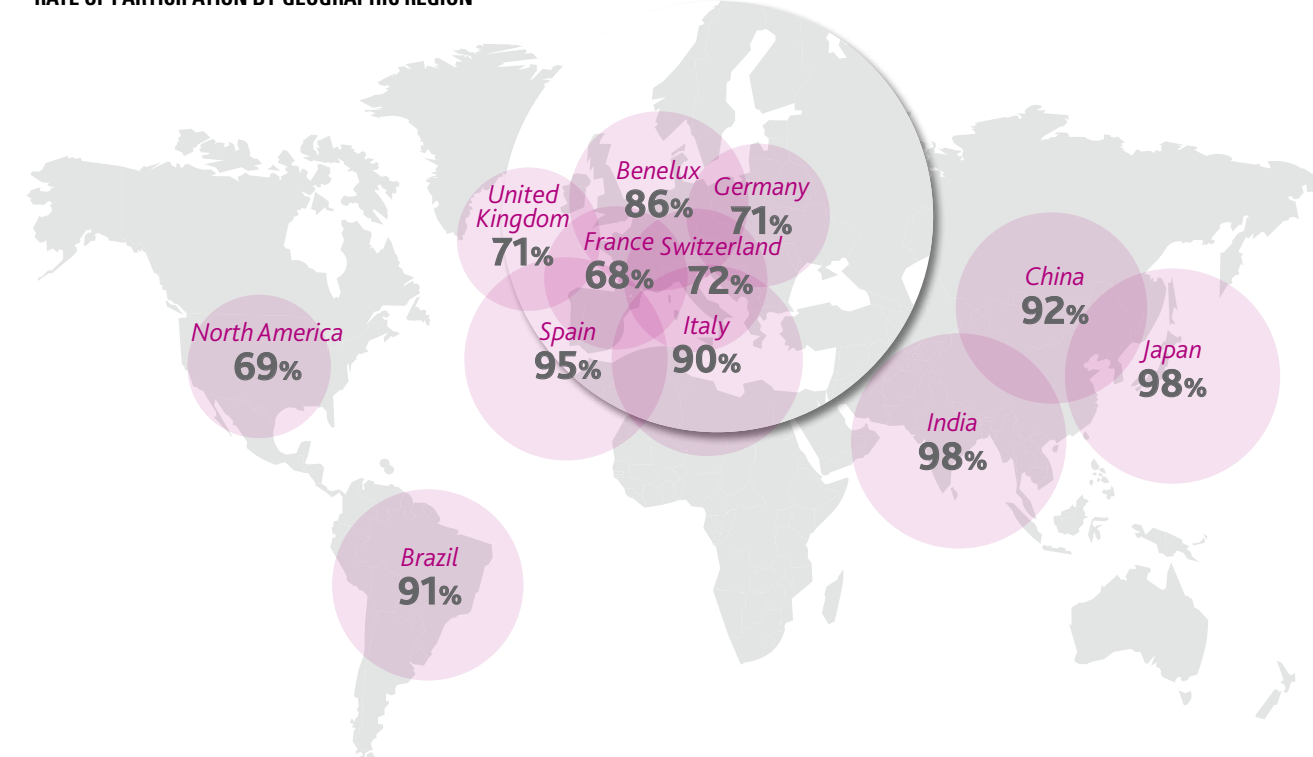
Questions on length-of-service levels, age, professional grading, management responsibility, the company and the country also added greater detail to the results. At 72%, the high level of survey participation provided a reliable and detailed set of indicators. The SECAFI group provided an analysis of the survey results for France, and Inergie was used for the Group analysis, this provided a relevant and objective overview of the opinions in each entity, including a comparison by country and business sector. This analysis also reveals a high level of overall satisfaction amongst employees, including a strong commitment to their company and Fives group: 85% of respondents expressed a strong commitment to their company, 76% are satisfied or very satisfied with working in their company and 72% would recommend it to a friend. The level of recognition given to relationships in the workplace was quite exceptional, with 94% of employees saying that they were satisfied or very satisfied with the working relationship they have with colleagues. Furthermore,

82% are satisfied or very satisfied with diversity and interest at their work.

In overall terms, the areas identified for improvement by the survey focus on improving the way in which departments interact and formalizing personal goals and expectations (only 66% of employees said that they had a clear understanding of these issues). Work will also be done with all managers to improve the level of attention to feedback from employees... only 60% were satisfied or very satisfied that their managers took serious notice of what they had to say. From 2013 onwards, action plans will be prepared in conjunction with individual company management teams, human resources departments and employee representatives to improve company operation and organization in targeted areas identified in the survey results. These responses must be tailored to the social and organizational specifications of each Fives company. In many cases, working groups with employee members will be formed to develop and propose operational measures.

These favorable survey results confirm that Fives has made the right choices in identifying its priorities: creating a shared management culture that respects local cultures and uses an identical set of managerial tools, and building high-quality relationships with our employees by encouraging and supporting their individual career development and addressing their personal aspirations.

RATE OF PARTICIPATION BY GEOGRAPHIC REGION



“

The high level of participation in this survey reflects the high level of interest shown by Fives employees in this first international Group-wide opinion survey. The survey results reveal some significant, but not surprising, inconsistencies. They reflect the history of each company, factors imposed by the wider economic climate, but also the cultural diversity that exists within the Group as a result of its international dimension. People's relationship with the company and with work varies from continent to continent, but this cultural diversity is by no means a problem. Although levels of satisfaction may differ, the outcome is a shared one in which the expectations and directions of progress are similar. These points of convergence form the cornerstones of a Group culture. They will enable us to work together on those areas where we need to do more work, at the same time as reminding us to capitalize on our strengths.

As a result of the answers received, we now have the concrete paths we need to take to progress in particular areas. With further analysis of the responses, shared trends and nuances company by company will allow us to develop individual action plans for each company; action plans in which it will be important to involve every staff member. It is now more important than ever that the interests of the company converge with those of its teams.

Paule Viallon, Head of Human Resources

”

WHY DID THEY CHOOSE FIVES?

Some have joined Fives recently; others have already built long careers with the Group. Just like their 6,000+ colleagues, these employees contribute every day to the business development of the Group. Why did they choose Fives? Why are they still here? Focus on their motivations...

"FIVES IS AN EXTREMELY ATTRACTIVE GROUP, BECAUSE IT PROMOTES AND ENCOURAGES INTERNAL MOBILITY LOCALLY AND INTERNATIONALLY. THE DIVERSITY OF ITS PRODUCTS AND CUSTOMERS MAKES IT A VERY STABLE GROUP WITH THE ABILITY TO ABSORB THE CYCLICAL PEAKS AND TROUGHS OF THE MARKETS IT SERVES. THAT'S A GREAT STRENGTH."

*Baida Davish, Head of Purchasing at Cinetic Automation (USA)
Joined the Group in 2011*



"AFTER 31 YEARS OF EXPERIENCE IN ELECTRICAL ENGINEERING AND CONTROL SYSTEMS WITH DIFFERENT COMPANIES, THE OPPORTUNITY PRESENTED TO ME BY THE GROUP'S LOCAL TEAM IN INDIA MADE ME WANT TO BE PART OF THE BUSINESS. BY JOINING FIVES, I'VE BEEN ABLE TO PUT MY SKILLS TO WORK FOR A LEADER IN TECHNOLOGY, AND SHARE MY EXPERIENCE WITH YOUNG ENGINEERS WHO WILL UNDOUBTEDLY MANAGE AND LEAD THE GROUP IN THE FUTURE."

*Utpal Samaddar, Head of the Electrical & Automation Department of
Fives Stein India Projects Pvt. Ltd. (India)
With Fives since 2011*



"IT REALLY DOESN'T FEEL AS IF I'VE BEEN WITH THE GROUP FOR 18 YEARS, BECAUSE I'VE NEVER BEEN BORED! THE TASKS ARE EXTREMELY VARIED AND IN ALL OF MY PROJECTS, I'VE BEEN ABLE TO MAKE A MAJOR CONTRIBUTION, FROM THEIR EMERGENCE RIGHT THROUGH TO THE INDUSTRIAL APPLICATION. FIVES HAS GIVEN ME THE OPPORTUNITY TO BUILD A MOTIVATING AND INTERNATIONAL CAREER. THANKS TO THE TRUST OF MY MANAGERS, I'VE BEEN ABLE TO PROGRESS MY CAREER WITHIN THE GROUP AND MAKE MY CONTRIBUTION TO BUILDING IT."

*Agnieszka Borysowicz, Deputy CEO of Fives Engineering (Shanghai) Co. Ltd. (China)
With Fives since 1995*



"WHEN I LEFT SCHOOL, I COULDN'T MAKE UP MY MIND ABOUT WHAT KIND OF CAREER I WANTED TO AIM FOR. THE CROSS-DISCIPLINARY ETHOS OF THE GROUP AND ITS TECHNICAL AND INDUSTRIAL SKILLS ARE WHAT ATTRACTED ME. I ALSO CHOSE FIVES BECAUSE IT'S A COMPANY ON A PERSONAL LEVEL IN WHICH EVERYONE CAN HAVE REAL AND MEANINGFUL RESPONSIBILITY. NO ONE IS EVER ANONYMOUS HERE. TODAY, I'M STILL DELIGHTED BY MY CHOICE, BECAUSE I LEARN SOMETHING NEW EVERY DAY ACROSS A HUGE DIVERSITY OF SUBJECTS."

*Aurélie Gonzalez, Group Environmental Innovation Engineer (France)
With Fives for less than one year*



"EVER SINCE 1979 WHEN I FIRST ARRIVED AT FIVES, RIGHT UP UNTIL TODAY, EVERY TASK IS A REAL CHALLENGE. I'VE BEEN ASSIGNED TO WORK IN ONE OF OUR INDIAN COMPANIES FOR THE LAST FOUR YEARS, WHERE MY ROLE IS TO CONSOLIDATE GROUP WORKING METHODS BY ADAPTING THEM TO LOCAL CONDITIONS SO THAT THE ENTITY CAN BECOME SELF-SUFFICIENT AND REMAIN COMPETITIVE. AS IN CHINA AND EUROPE, THE GROUP HAS SUCCEEDED IN INDIA BY COMBINING ITS SHARED MANAGEMENT STRATEGY WITH ITS RESPECT FOR LOCAL VALUES WHICH ARE HUMILITY, CONFIDENCE AND DEDICATION."

*José Foggia, Technical Director of Fives Stein India Projects Pvt. Ltd. (India)
With Fives since 1979*



"FIVES IS AN ATTRACTIVE GROUP WITH STRONG GROWTH POTENTIAL, BUT IT'S ALSO A GROUP THAT CARES ABOUT THE WELLBEING OF ITS PEOPLE AND RESPECTS THEIR DIFFERENCES. FIVES HAS GIVEN ME THE OPPORTUNITY TO WORK ON A MULTITUDE OF DIFFERENT PROJECTS WITH ONE COMMON THREAD RUNNING THROUGH ALL OF THEM: DELIVERING THE BEST RESPONSE TO OUR CUSTOMERS AND OFFERING THEM INCREASINGLY EFFECTIVE SERVICES."

*Pablo Arribalzaga, CEO of Fives North American Europe (Spain)
With Fives since 1991*



"I WAS FIRST ATTRACTED TO FIVES BECAUSE OF ITS AMBITION, RATHER THAN WHAT IT WAS AT THE TIME. SINCE I'VE BEEN WORKING HERE, I'VE DISCOVERED A RESPONSIBLE, OPEN AND ACCESSIBLE GROUP WITH STRONG PERSONAL, MORAL AND ENVIRONMENTAL VALUES; A GROUP THAT I'M PROUD TO BELONG TO. OVER THE LAST TWO CENTURIES, THE MEN AND WOMEN OF FIVES HAVE ACHIEVED MANY GREAT THINGS. AT MY OWN MODEST LEVEL, I'M ABLE TO WORK AUTONOMOUSLY BECAUSE I'M TRUSTED BY MY MANAGERS, AND I'M PROUD TO BE ONE OF THOSE WHO CONTINUE TO BEAR THE TORCH BY WORKING ON THE PROJECTS OF TODAY AND TOMORROW."

*Yohann Vaur, Head of Aircraft Industry Sales at Fives Cinetic (France)
Joined the Group in February 2012*



MARKETS

ALUMINIUM | STEEL | GLASS | CEMENT | AUTOMOTIVE, AEROSPACE AND OTHER INDUSTRIES | LOGISTICS | ENERGY

PERFORMANCE-FOCUSED
TECHNOLOGIES AND EXPERTISE



MARKETS

ALUMINIUM



FIVES OFFER

Raw materials

Coal tar distillation.
Static crystallization in molten media.
Liquid pitch marine terminal.

Carbon

Green anode plants, fume treatment centers, firing equipment
and process control systems for anode baking furnaces
and carbon butts recycling units.

Electrolysis

Gas treatment centers and bath processing units.

Cathouse

Holding and melting furnaces, heat treatment furnaces,
and casthouse water cooling systems.



Ma'aden Alcoa Aluminium is continuing to develop its production unit equipped with Fives Solios technologies

In 2010 and 2011, Ma'aden, a joint venture between the state-owned Saudi Arabian Mining Co. and Alcoa, awarded Fives Solios a series of major contracts. Fives Solios will supply two anode production workshops, each with a capacity of 40 tons, a liquid pitch terminal, four gas treatment centers, a bath processing unit and fifteen foundry melting and holding furnaces. In 2012, Fives Solios also provided this customer with support for the commissioning of its anode production workshop. The first of four gas treatment centers - involving the start-up of the first electrolysis pots - was brought into operation successfully, enabling Ma'aden Aluminium to begin mainstream metal production within the deadlines set. Fives Solios was also granted acceptance of the first three billet casting holding furnaces at the same site. During 2013, the Group will also supply Samsung Engineering with two furnaces for its new 380,000 tons per year rolling mill. Supplied to a site that will eventually become the world's largest integrated complex, these industrial successes consolidate the excellent position of Fives Solios in the three key sectors of the primary aluminium industry: carbon, electrolysis and foundry.

Rio Tinto Alcan reaffirms its confidence in the Group

In 2012, Rio Tinto Alcan granted on-time acceptance of the pot gas treatment center for its Jonquière pilot production unit in Quebec: the first plant in the world to be equipped with 600 kA electrolysis pots. This center also uses Ozeos filters developed by Fives Solios, which deliver a significant reduction in the plant's environmental footprint. Aluminium production should commence in the first half of 2013.

Also during the year, Rio Tinto Alcan contracted the Group to supply three holding furnaces for the foundry at its Kitimat plant in Canada, as well as a complete hot line for the 42 tons per hour anode production workshop delivered in the form of preassembled modules.

Fives Solios continues to open up the North American market

In 2012, the graphite electrode manufacturer Showa Denko Carbon awarded Fives Solios a contract to supply a turnkey pitch fume capture system for the new paste unit at its Charlotte plant in South Carolina, USA.

"IN MARCH 2012, FIVES ACQUIRED A NEW COMPANY SPECIALIZING IN CARBON PRODUCT CHEMICAL ENGINEERING. THIS NEW COMPANY - NOW KNOWN AS SOLIOS CHEMICAL - WHICH MARKETS THE PROABD® PROCESS ORIGINALLY DEVELOPED FOR COALTAR DISTILLATION AND BY-PRODUCT RECOVERY COMPLEMENTS OUR DIVISION AND DIVERSIFIES ITS MARKET OUTLETS."

Daniel Brunelli-Brondex, Head of the Aluminium Division

11,000,000
hours worked without
a lost-time accident at the
Ma'aden Alcoa Aluminium
construction site*

*Data March 2013

STEEL



In the steel sector, the market slowdown that began in 2011 continued into 2012 when it spread as far as the world's leading steel producing country, China, where almost all previously announced projects have been suspended. Despite this unfavorable market environment, the Group was able to secure three major orders for carbon steel and stainless steel production lines. Fives was also awarded a major contract in the Russian seamless tubes market.

FIVES OFFER

• Stainless steel

- Digit@l Furnace® AT, reheating furnaces
- Reversible cold rolling mills
- Skin-Pass rolling mills
- Annealing and pickling lines (hot and cold)
- Bright annealing lines
- I-BAL (bright annealing line with EcoTransFlux® inductive heating and Flash Cooling®)

• Silicon steel

- Digit@l Furnace® AT, reheating furnaces
- Reversible cold rolling mills
- Annealing and pickling lines
- Decarburizing and coating lines
- Annealing and coating lines

• Carbon steel

- Digit@l Furnace® AT, reheating furnaces (long and flat products)
- Tunnel furnaces and heat treatment furnaces
- Welded tube lines
- Continuous annealing lines (carbon sheet and tin-plate)
- Continuous galvanizing lines (horizontal and vertical)
- Organic coating lines (convection and induction)
- Combined and compact lines

• Steel and non-ferrous metals

- Finishing equipment and mechanical processing for bars, tubes and pipes

KEY REFERENCES

MA'ADEN ALCOA ALUMINIUM (Saydi Arabia) 2010-2013:

supply of 2 green anode plants, each with a capacity of 40 tons, a liquid pitch terminal, 4 potline gas treatment centers, 15 melting and holding furnaces, 1 bath processing unit and 2 static side-well furnaces for a 380,000 tpy rolling mill recycling unit.

EMAL (U.A.E.) 2012: supply and turnkey installation of 5 melting and holding furnaces.

RIO TINTO ALUMINIUM (Canada) 2012-2013: supply of an electrolysis pot gas treatment center fitted with latest-generation Ozeos filters for the Jonquière plant in Quebec, as well as 3 holding furnaces and the hot line for the 42 tph anode plant at Kitimat in British Columbia.

QATALUM (Qatar) 2007-2010: turnkey supply of a green anode plant, 4 pot gas treatment centers, a fume treatment center for the anode baking furnaces, the holding and melting furnaces for the casthouse with a water cooling system, the firing equipment and process control system for the anode baking furnaces and the liquid pitch marine terminal.

SOHAR ALUMINIUM (Sultanate of Oman) 2006-2008: turnkey supply of a green anode plant, 2 potline gas treatment centers, the fume treatment center for the anode baking furnace, holding and melting furnaces for the casthouse with a water cooling system and a liquid pitch marine terminal.

HINDALCO MAHAN ET ADITYA (India) 2009-2010: supply of 2 complete anode plants, followed by an order for furnace heating and control systems.

RUSAL (Russia) 2011: supply of 2 gas treatment centers for the Taishet and Boguchany plants.

BAOSTEEL (China) 2012: supply of 2 gas treatment centers for the Taishet and Boguchany plants.

SHOWA DENKO CARBON (USA) and SGL (France) 2012: supply of a turnkey pitch fume capture system.

Fives: setting the benchmark in the high value-added steel production market

In the industry of carbon steel, stainless steel or silicon steel, the producers all choose Fives' technologies for their ability to produce high value-added steel. In the carbon steel market, Vama, the joint venture between ArcelorMittal and Valin, awarded Fives Stein a contract during 2012 to design and manufacture two vertical annealing furnaces for its new production lines. The first is dedicated to the production of premium galvanized steel for the automotive market. The second will be equipped with a combined continuous annealing line whose flexibility will alternately produce annealed steel sheets and aluminium-based coated steel sheets. This particular type of steel will supply the fast-growing automotive market for steel with very high elastic limits, and will be the first time that this grade has been produced in China by this customer. In grain-oriented silicon steel production, the Group commissioned two production lines for Baosteel in China during the year; both ahead of schedule. These new projects confirm Fives' status as the preferred supplier of China's leading steel maker.

Cold rolling: Fives DMS technologies set the benchmark

In 2012, Fives DMS confirmed its ability to be at the forefront of technology with the successful commissioning of the world's fastest cold rolling mill for TISCO in China (1,200 meters per minute, compared with 1,000 meters per minute for the most efficient technologies previously available). Also during the year, Fives DMS signed two contracts with STSS (Shanxi Taigang Stainless Steel), an affiliate of TISCO, for the supply of combined stainless steel rolling and pickling/annealing lines. Each line incorporates a sequence of five rolling mills capable of reducing the thickness of incoming product by up to 70%, as well as a continuous cold annealing process line. The order brings the total the number of new installations and upgrades sold since 1996 to the

TISCO Group to 20 (10 lines and 10 rolling mills), which is the world's largest producer of stainless steel.

Finishing equipment: Fives Bronx continues its global expansion

In the seamless tubes market for end-user customers in the gas, oil and energy transmission industries, the Group delivered many service calls to maintain its installed base of equipment worldwide. Fives Bronx also received a major order from a division of the Russian gas producer Gazprom to supply finishing equipment for its new tubes production line.

"KEODS, A METALLURGICAL CONSULTANT COMPANY, WHICH JOINED THE GROUP IN 2012. THE STEELMAKING PROCESS EXPERTISE CONTRIBUTED BY ITS TEAMS ALLOWS FIVES TO STRENGTHEN ITS RANGE OF SERVICES, WITH PARTICULAR EMPHASIS ON TREATMENT LINES (GALVANIZING AND ANNEALING LINES) FOR PRODUCTS SERVING THE AUTOMOTIVE MARKET."

Benoit Caratgé, Head of the Steel Division

KEY REFERENCES

BAOSTEEL (China) 2004-2012: supply of 3 galvanizing lines for automotive, 2 tinplate high-speed annealing lines (800 m/min), 4 vertical furnaces for continuous annealing and galvanizing (automotive) lines for carbon steel, and 2 horizontal furnaces for silicon steel and one rolling mill for stainless steel.

TISCO (China) 1997-2012: supply of the world's largest stainless steel annealing and pickling line with a capacity of 1,150,000 tpy, the largest stainless strip bright annealing line (150,000 tpy), and numerous ZR type rolling mills, including the fastest in the world (1,200 m/min).

POSCO (Korea) 2007-2011: supply of a rapid wet Flash Cooling® system, 2 vertical furnaces for galvanizing (automotive) lines equipped with the Flash Cooling® technology, one slab reheating furnace and 4 rolling mills for the ZPSS and QPSS sites in China.

ANSHAN IRON & STEEL (China) 2010: supply of 2 ZR type rolling mills for silicon steel.

SHOUGANG JINGTANG (China) 2008-2010: supply of 4 vertical furnaces for galvanizing and continuous annealing lines, including one continuous annealing with a capacity of 1,100,000 tpy, equipped with Flash Cooling®.

THYSSENKRUPP (USA) 2007-2012: supply of 3 rolling mills and one Skin-Pass for its new Alabama plant.

ALLEGHENY LUDLUM CORP. (USA), ARCELORMITTAL CST (Brazil), CELSA (Spain), ÇOLAKOĞLU (Turkey), SEVERSTAL (Russia), SISCO (China), USIMINAS (Brazil), WELSPUN AND JINDAL STEEL & POWER LTD., STEEL AUTHORITY OF INDIA LIMITED SAIL (India) 2007-2013: supply of Digit@l Furnace®, selected for their heating quality and their unmatched energy and environmental performance.

BOOMERANG TUBE (USA) 2011: supply of a ERW pipe mill.

SHAOGUAN (China) 2011: supply of 2 roll bar straighteners.

TMK 2001 (Russia and USA) 2011: supply of 2 pipe straighteners and 7 inch hydrotester.

HYUNDAI STEEL (Korea) 2011: supply of a high speed round bar straightener.

MARKETS

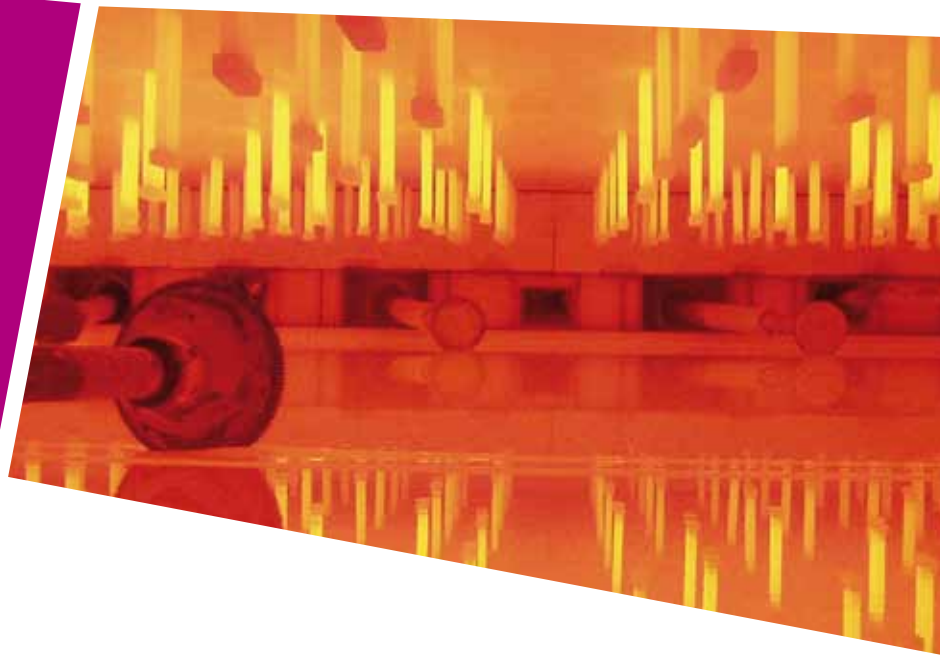
GLASS



FIVES OFFER

Thermal equipment and production lines for:

- **flat glass** (melting furnaces, tin baths, annealing lehrs and air pollution control systems);
- **hollow glass** (melting furnaces, conditioning equipment and ancillary equipment);
- **special glasses** (melting furnaces, conditioning equipment and ancillary equipment).



Fives Stein wins industry acclaim for its ultra-thin glass technologies

In 2012, Fives Stein designed, supplied and commissioned an electric furnace and distribution system for the high value-added production line operated by its Chinese customer CDGM Glass at its Chengdu plant. This installation is dedicated to the production of ultra-thin glass for touchscreen applications. The Group's range of electric melting furnaces for glassmaking and its ability to develop special equipment at the cutting edge of technology (including bath equipment and annealing lehr control systems) position Fives Stein as a pioneer in this fast-growing, high-technology market.

Float glass: Fives Stein offers a melting furnace with 10 -15% lower energy consumption

Given the fact that the cost of energy accounts for 40% of the total cost involved in flat glass production, Fives Stein has focused its research and development efforts on reducing energy consumption at the source by perfecting its new patented Low Energy Melter® float glass furnace technology. The L.E.M® allows customers to achieve an energy savings of 10-15% compared with current market standards by influencing all three stages in the glass melting process. Most importantly, it avoids losses through the furnace walls, increases the heat exchange effect in regenerator chambers and controls the recirculation of glass as a result of innovative developments in furnace design and geometry. This technology has been adopted by CBVP, which will become the first glass manufacturer to benefit from L.E.M.® on its float glass production line in Brazil at the end of 2013.

Hollow glass and packaging glass: an international reputation

From the USA to Europe, the Middle East and Asia, Fives Stein has been applauded by its long-term customers in the special glass and packaging glass sector. As part of the construction of its new special sodium silicate-based glass fiber production unit in Latvia, Valmieras Stikla Skiedra specified the melt and packaging technologies developed by the Group, placing an order for an electric furnace and two production lines.

"THROUGH THE RESEARCH AND DEVELOPMENT EFFORTS PURSUED BY FIVES STEIN IN RECENT YEARS, THE GROUP NOW HAS THE CAPABILITY TO SERVE THE MARKET GROWTH FOR THE PRODUCTION OF ULTRA-THIN GLASS USED IN TOUCHSCREEN APPLICATIONS. THE RANGE OFFERED BY FIVES STEIN COVERS ALL THE HOT END EQUIPMENT REQUIRED FOR THIS HIGH-TECHNOLOGY MARKET."

Thierry Valot, Head of the Glass Division, Fives Stein

KEY REFERENCES

CBVP - GROUPE CORNELIO BRENNAND (Brazil) 2011-2012: design and manufacture of an 800 tpd float glass production unit.

OBEIKAN GLASS CO. (Saudi Arabia) 2008-2011: design and supply of a complete* float glass production line of 800 tpd.

OKAN CAM (Turkey) 2008-2010: design and manufacture of a batch processing plant and float glass production line.

GUARDIAN ROSTOV (Russia) 2011-2012: supply of a 900 tpd annealing lehr.

LG CHEM (Korea) 2011: supply of 20 pairs of top rolls for the first float glass plant dedicated to ultra-thin glass production.

AVIC (HAINAN) SPECIAL GLASS MATERIALS CO. (China) 2011-2012: supply of a complete tin bath for the new 600 tpd float glass production line.

SANGALLI VETROITALIA (Italy) 2010-2011: design and supply of a complete tin bath with a capacity of 650 tpd.

TG ANHUI (China) 2012: design and supply of a Low-E lehrs of 1,200 t/d.

GUARDIAN INDUSTRIES (Saudi Arabia) 2012: reconstruction of a coloration feeder at the Al-Jubail plant.

SISECAM (Bulgaria) 2012: supply of a working end and 8 feeders.

BA VIDRO (Poland and Spain) 2012: supply of 2 projects for the construction of a working end and 4 feeders.

VALMIERAS STIKLA SKIEDRA (Lithuania) 2010-2012: supply of a new production unit for special sodium silicate-based glass fiber, including an electric furnace and 2 production lines.

CDGM GLASS (China) 2010-2012: supply of electric furnace and distribution system for the Chengdu plant.

* i.e melting furnace, tin bath, lehr and air pollution control

CEMENT

After a slight recovery in 2010, the market for new cement production capacity (outside China) fell for the second consecutive year, making 2012 the lowest-performing year since 2009. Leading international customers continued to defer all decisions, whilst local cement manufacturers often struggled to secure funding. In this context, the Group remained focused on supplying equipment and associated services to the world's most dynamic regions and those areas where its presence has traditionally been strong, with particular emphasis on Latin America, Sub-Saharan Africa and the Middle East.



FIVES OFFER

- Complete turnkey cement plants.
- Grinding plants and process equipment for the cement industry and mineral grinding (kilns, ball mills, Horomill®, Rhodax®, Zero-NOx precalciner, TSV™ classifiers, etc.).
- Clean combustion engineering and systems for rotary kilns for calcinations and drying (Novaflam®, Rotaflam®, etc.).
- Dust collection equipment for kilns, coolers and grinders.

The Group continues to expand in Brazil

In 2012, the company Cimarr, a joint venture between Queiroz Galvão and Cornelio Brennand, placed an order with Fives FCB for process equipment to be installed in a new cement grinding center in São Luis in the state of Maranhão. The order includes a 3,400 kW ball mill, the latest-generation TSV™ 3200 HF dynamic separator and a 2,000 m² Sonair process filter. Following the contract signed with Holcim in 2011 to supply a new 4,500 ton per day production line for its Barroso cement plant in the state of Minas Gerais, this order confirms the ability of Fives to respond effectively to demand from the fast-growing Brazilian cement market.

Fives Pillard technologies recognized by producers around the world

In 2012, the excellent technology designed by Fives Pillard enabled the Group to win a record number of contracts for nozzle projects. Fives Pillard has confirmed its position as an industry leader with more than 100 Novaflam® burners sold to equip new lines or replace existing less efficient equipment. More specifically, Holcim chose Fives for the majority of its projects, placing orders for 21 Novaflam® burners during the year.

Combustion: the Group continues its growth in India

At the start of the year, the Group strengthened its position in the fast-growing Indian cement market by finalizing its acquisition of CBL, now renamed Fives Combustion Systems Pvt. Ltd. This Indian company specializes in the design and supply of combustion equipment, the majority of which is used in the minerals sector (cement) and energy industry such as the supply of burners for industrial boilers and conventional power generating plants. With its head office in Mumbai, Fives Combustion Systems Pvt. Ltd. employs around 100 people, and also operates a production and assembly plant in Vadodara in the state of Gujarat. This acquisition allows Fives to accelerate its penetration of the Indian combustion market, at the same time as gaining a new manufacturing unit.

"IN 2012, FIVES FCB ACQUIRED A KEY BUSINESS PORTFOLIO, THE CEMENT DIVISION OF THE TECHNIP FRANCE GROUP, AND SIGNED A LICENSING AGREEMENT WITH THE AUSTRALIAN COMPANY FCT-ATECH TO MANUFACTURE AND MARKET THE COSMA™ SYSTEM THAT PROVIDES REAL-TIME ANALYSIS OF CEMENT AND CLINKER MINERAL PHASES TO IMPROVE THE PERFORMANCE OF CEMENT PLANT BAKING AND GRINDING UNITS. THESE NEW ADVANCES STRENGTHEN OUR POSITION, ESPECIALLY IN THE SERVICES MARKET."

Alain Cordonnier, Head of the Cement Division

KEY REFERENCES

HOLCIM (Brazil) 2011-2012, HOLCIM APASCO (Mexico) 2007-2012 and HOLCIM (Costa Rica) 2002-2004: supply of production lines of 4,500 tpd (clinker), of 3,500 tpd and 3,000 tpd.

QATAR NATIONAL CEMENT COMPANY (Qatar) 1995-2010: turnkey supply of Umm Bab 2 (2,000 tpd), 3(4,000 tpd) and 4 (5,000 tpd) production lines.

CIMARR (Brazil) 2012: supply of a cement grinding center, including a 3,400 kW ball mill, the latest-generation TSV™ 3200 HF dynamic separator and a 2,000 m² Sonair process filter.

IMSAT CEPROCIM ENGINEERING, GROUPE SNEF (Moldavia) 2012: installation of a TSV™ 3000 HF separator at the Lafarge Group Rezina cement plant as part of a project to convert a grinding plant to a closed-circuit operation.

HOLCIM (worldwide) 2012: supply of 21 Novaflam® burners to equip new lines or replace existing less efficient equipment.

GROUPE WACEM (Ethiopia, Ghana and Togo) 2012: supply of Novaflam® burners and 2 new-design pulverized coal-fueled 50 MW hot gas generators for a new raw mix grinding plant.

LAFARGE (Tanzania and Uganda) 2012: supply of a solid biomass-fueled Novaflam® burner and hot gas generator.

SIAM CITY CEMENT (Thailand) 2012: supply of Novaflam® burners®.

TOKUYAMA (Japan) 2012: supply of a Novaflam® unit; the only burner ordered internationally for use with a 7,000 tpd line powered by alternative fuels.

MARKETS

AUTOMOTIVE, AEROSPACE

and other industries



FIVES OFFER

- Equipment and automated systems with high production rates for:
 - Machining
 - Foundry
 - Automation
 - Assembly
 - Integration of industrial processes
- System maintenance

After a record year in 2011, the automotive market remained strong in 2012. In the machining systems segment, the Group benefited from capacity projects in China generated by both national and international makers, and the wave of engine and powertrain replacement programs in the United States. Automation and assembly programs initiated by American and European makers in the BRIC countries - Brazil, Russia, India and China - were confirmed during the year. Lastly, order intake from the aerospace sector surged at the end of the year.

Fives Cinetic maintains its longstanding partnerships with leading automakers

PSA Peugeot Citroën, Renault, General Motors and Chrysler... all these leading manufacturers accepted or commissioned equipment or production lines designed by Fives Cinetic in 2012. From Morocco to the USA along with Russia and China, the satisfaction delivered by the company's teams and the effectiveness of its solutions enabled the Group to win new contracts. PSA Peugeot Citroën ordered a complete suspension swivel assembly line for its Mulhouse plant, whilst Renault contracted Fives Cinetic to supply equipment for four its production lines: 2 for Tanger in Morocco, Curitiba in Brazil, Douai in France and Revoz in Slovenia. In the USA, Chrysler Fiat turned to Fives Cinetic as part of its project to expand capacity and upgrade its Dundee plant, which has been earmarked to produce four new types of improved energy-efficient engines. As a result, the Group has been contracted to design and supply Landis grinders and convert an engine assembly line (equipment design, manufacture and installation) to include gantry cranes and elevators, CentriSpray washers and DyAG diagnostic systems.

Equipment developed by the Group continues to be the preferred option for manufacturers worldwide

In terms of machining technology, the Group won the majority of the year's major capital investment contracts, most of which are based in emerging countries. In China, the Group won a large number of orders for Landis orbital grinders, connecting rod grinders and Giustina bearing grinders for leading manufacturers such as Volkswagen, General Motors, Ford and Honda. General Motors Shanghai awarded Fives Cinetic the contract to supply four LT2e machines to grind the faces, crankpins and journals of 3- and 4-cylinder engine crankshafts. In filling and sealing systems, the Rapidcharge® and Decker range of equipment designed by Fives Cinetic was once again the preferred choice of Asian, Brazilian and European manufacturers during the year. Other highlights included the award to the Group of Honda's only major investment in Japan during 2012, and a multi-site contract for Nissan expansion projects in Brazil, Mexico, Indonesia and Thailand.

In aerospace, Fives Cinetic is responding to demand from a fast-growing market

In 2012, Fives Cinetic continued to grow its sales in the aerospace sector, in both the aerostructure and aircraft engine segments. The MGP and DHP machines developed by the Group for profile machining and sheet metal trimming attracted the interest of French and American aircraft manufacturers for their remarkable productivity and flexibility.

Aerospace

FIGÉAC AÉRO (France) 2012: design and supply of 4 MCP 150 profile milling centers.

Construction plant

CATERPILLAR (France) 2011-2013: supply of a painting line incorporating a CFCFriction friction conveyor and a wheeled excavator assembly line.

KEY REFERENCES

Automotive

CHRYSLER FIAT (USA) 2011-2012: assembly and machining lines for the new range of Tigershark engines (Dundee plant). 9 assembly and testing lines for key components used in the 8-speed ZF transmissions fitted to rear-wheel drive vehicles.

GENERAL MOTORS (USA and Mexico) 2012: 2 assembly lines for key components used in 8-speed transmissions for rear-wheel drive vehicles.

GENERAL MOTORS SHANGHAI (China) 2012: supply of 4 LT2e machines to grind the faces, crankpins and journals of 3- and 4-cylinder engine crankshafts.

FAW 1ST ENGINE PLANT (China) 2011-2012: 9 LT2 orbital grinders for use in truck engine crankshaft production.

VOLKSWAGEN CHINA (China) 2012: supply of a special LT1 camshaft grinder.

AUDI (Hungary) 2012: supply of a special model of the Landis LT1 camshaft grinder to include two component carriers and an integrated internal gantry crane.

RENAULT (Morocco) 2010-2012: design, supply and commissioning of all the handling systems for the panel and final assembly shops involved in Phase I of the company's Tanger Méditerranée plant project, all the handling equipment required for the metalworking and assembly shops covered by Phase II of the project, and the supply of fluid filling and testing equipment.

PSA PEUGEOT CITROËN (Russia) 2011-2012: design and supply of the assembly line and fluid filling equipment for the Kaluga plant.

LOGISTICS

In logistics, the market remains promising, driven by strong growth in the volume of goods transported. More specifically, express courier companies have continued the process of automating their sorting centers with ambitious programs launched in Japan, Europe and North America. In this market context, Fives continued throughout 2012 to be the preferred choice of leading international players wishing to benefit from its expertise and technologies.



FIVES OFFER

- Design and installation of **tailor-made logistics solutions** (high-speed handling and automated sorting systems) supported by related after-sales service.
- **Computerized order preparation and production line conveyor solutions.**
- **Systems maintenance.**

Postal service operators awarded their major development programs to Fives

The development of the parcel market, which is gradually replacing traditional courier services, is encouraging more postal service operators to invest in suitable technologies. In recent years, many national operators have engaged in large-scale programs. This is certainly the case in Western Europe (Germany and Sweden) and North America (Canada), where the emphasis is on modernizing existing facilities, and in emerging countries (mainly those of Eastern Europe) for network expansion projects. Fives Cinetic has succeeded in establishing itself as a contributor to these programs, and in 2012 was awarded a contract to design two new sorting systems for the Swedish Post Office (Sweden Post) centers in Hallsberg and Roserberg. The SBIR SD-2D cross-belt technology developed by the Group will enable these centers to sort up to 12,000 items per hour. A major logistics operator in Germany has also adopted the SBIR MD-W technology developed by Fives Cinetic for inclusion in its pilot system. This achievement will serve as a key reference for the modernization and automation of the customer network, which has set a target of boosting the capacity of its parcel sorting centers to 40,000 items per hour. It also provides the Group with excellent visibility in the market and the opportunity to establish itself as a long-term partner of this customer.

"WE ARE CONSTANTLY SEEKING TO ADAPT OUR RANGES OF PRODUCTS AND SERVICES TO THE DEVELOPMENTS IN OUR MARKETS. AT THE BEGINNING OF 2013, FIVES CINETIC LAUNCHED CIT'E-DRIVE, A TECHNOLOGY DESIGNED TO AUTOMATE 'DRIVE' ORDER PREPARATION AND ENABLE OUR CUSTOMERS TO BOOST THE SPEED AND PROFITABILITY OF THEIR FACILITIES, AT THE SAME TIME AS IMPROVING WORKING CONDITIONS FOR THEIR EMPLOYEES."

Philippe Verne, CEO of Cinetic Transistique

Express courier companies continue to automate their sorting centers

Driven primarily by e-commerce and residential deliveries, strong volume growth of transported goods has enabled Japanese, European and North American courier companies to continue the process of automating their sorting centers. The commitment of market players to reinforce their domestic networks has generated new opportunities for small-scale projects, both with major international companies and with smaller national players in Turkey. This trend enabled the Group to secure a major order from Fedex Ground in the USA for an automated sorting system with the capacity to sort 15,000 items per hour. This new commercial success raises the profile of Fives in the freight transportation segment. Meanwhile, in Asia, and more specifically in Japan and Korea, where the market is particularly strong as a result of the aging and density of the population, large logistics companies, already customers of the Group, continued to invest substantially in sorting centers.

Service: the Group continues to expand its maintenance business based on performance guarantee contracts

In 2012, Fives Cinetic continued to expand its maintenance business based on performance guarantee contracts with Safran and SNCF in France. Satisfied with the level of service provided by Group teams at its Saint-Pierre des Corps, Limoges, Périgueux and Saintes locations, SNCF (the French national rail services operator) extended its Facilities and Equipment maintenance contract to include the Technical Centers in Bordeaux and Tergnier.

KEY REFERENCES

SWEDEN POST (Sweden) 2011-2014: 12,000 items per hour automated sorting system for 3 postal sorting centers, including the SBIR SD-2D, ACCORD singulators and multifunctional bulk feeding chutes.

CANADA POST CORPORATION (Canada) 2010-2013: high-speed automated sorting systems for the sorting centers in Winnipeg, Toronto, Vancouver and Calgary.

MNG KARGO (Turkey) 2011: automation of 7 sorting centers for one of Asia's leading courier companies.

SAGAWA (Japan) 2012: 4 multilevel automated sorting systems with a total capacity of 30,000 pph.

FUKUYAMA TRANSPORTING/FUJISAWA (Japan) 2011: automated sorting system incorporating 2 SBIR MD sorters interconnected at two different levels.

YAMATO TRANSPORT (Japan) 2010: one high-speed automated sorting system installed in the Kanagawa center (6,000 items per hour), and another in the Wakayama center (10,000 items per hour).

CHRONOPOST (France) 2012-2013: SBIR MD-W automated sorting system with a capacity of 9,000 pph.

SCACHAP (France) 2012: high-speed sorting of dry food goods for 37 E. Leclerc supermarkets. The order preparation solution includes 6 ergonomic workstations, a belt conveyor system, an automated reading and weighing system, and a SBIR SD-W cross-belt sorter.

SEINO (Japan): automated sorting system with a capacity of 6,500 pph using Steel Belt Sorters for 10 sites since 2000.

ENERGY



In the energy sector, powerful market drivers include the growing needs of emerging countries and the higher standard demands of the industry in terms of energy efficiency and environmental performance. As a result, Fives was awarded a record number of projects in 2012. The Group benefited from the strong recovery in capital investment seen in the cryogenic equipment segment (especially in the Chinese air separation market), a favorable commercial environment in industrial combustion systems, particularly in the United States, and additional work imposed by nuclear safety authorities on new construction projects underway in France. Despite the slowdown in major markets for sugar refinery equipment and bioenergy that was seen in Brazil and India, Fives nevertheless managed to maintain its orders in the most active regions, especially in South America, Africa, Asia and France.



Cryogenics, technology and expertise acclaimed by all industry sectors

In the air separation and industrial gas production sector, Fives received a number of major orders during the year from leading international industrial corporations, as well as domestic customers. These orders included the Fives Cryogenie contract with Air Liquide China to supply exchangers for three major air separation projects on its Hangzhou site, representing a total brazing volume of 640 m³. This order allows the Group to benefit directly from the growing demand for oxygen and H₂/CO units in this country. This Air Liquide order comes after a series of major projects awarded to Fives by the same customer in recent years, reinforces the strong market position of Fives Cryogenie, and demonstrates its ability to supply exchangers for large-scale air separation units. Meanwhile, the growth in global demand for natural gas encouraged the launch of numerous hydrocarbon processing projects, for which Fives was awarded

contracts worldwide, from Europe and the USA to India, South America and the Middle East. The Group has also seen practical evidence of the first significant investments in liquefied natural gas (LNG) and shale gas processes.

Nuclear: sustained activity in 2012

Despite the deferment to 2013 of certain modernization projects for the French nuclear power plants, Fives Nordon completed a number of sustainable maintenance and downtime operations during 2012. The Group also continued to work on the central equipment room (CER) and auxiliary piping at the Flamanville nuclear power site in France.



FIVES OFFER

- Industrial equipment primarily used in energy production :
 - Engineering, supply, manufacturing and assembly of high pressure piping (new construction or refurbishing)
 - Brazed aluminium: plate-fin heat exchangers (for air separation units, ethylene production or liquidified natural gas)
 - Cryogenic pumps
- Combustion systems designed for electric and thermal energy production and for industrial processes.
- Equipment and complete plants primarily used in sugar and bioethanol production.



Combustion: technologies with high energy performance

The tightening of energy and environmental regulations in a number of countries continues to capitalize, attracting industrial manufacturers to the combustion technologies offered by Fives, which differ from competitor offerings in their ability to achieve the emissions limits set without the need for additional external solutions, while maintaining the thermal performance of production facilities. Most importantly, these technologies reduce installation costs and operational energy consumption. In this sector, the combustion solutions and burners developed by Fives Pillard are widely recognized as the "Best Available Technologies".

In the same way, the success of the breakthrough technology developed by Fives North American in iron ore pelletization since global marketing of the process began in 2012, has won the Group many orders in North America, Brazil and India.

Fives Cail: premium technologies for the sugar refining and bioenergy markets

In 2012, many industrial capital investment projects have materialized, not only in the cane sugar producing countries in South America and Africa, but also beet sugar producers in Europe, and France in particular. Through the energy efficiency delivered by equipment such as its ZUKA® batch centrifuge, falling film evaporators and continuous vacuum pans, Fives Cail is able to respond to the diverse demands of its customers worldwide. Meanwhile, a series of new refinery projects have been launched, particularly in Asia. Against this background, Fives Cail designed and supplied 20 centrifuges for refineries operated by PT Adikaria Geminlang and PT Medan Sugar Industry in Indonesia.

"OUR TECHNOLOGY OF GRC LONOXFLAM G2 LOW NOx BURNERS ALLOWS OUR CUSTOMERS TO REDUCE BY MORE THAN HALF THE EMISSIONS OF NOx OF THEIR INSTALLATIONS. ON THE THREE BOILERS THAT WE HAVE RETOOLED THIS YEAR FOR CRYSTAL UNION IN FRANCE, THE NOx EMISSIONS WERE MEASURED 100MG/NM3 (3%O2 DRY) FOR INITIAL VALUES WHICH EXCEEDED 225."

Luigi Russo, CEO of Fives Pillard

KEY REFERENCES

EPR FLAMANVILLE 3 (France) ALSTOM 2007-2013: prefabrication and erection of steam and feedwater piping in the turbine hall and **AREVA NP 2008-2013:** design, prefabrication and erection of secondary and NSSS auxiliary piping systems.

KPM (Indonesia) 2012-2013: prefabrication and supply of 290 pipe bends, 1 qualification bend and 36 test bends for TOTAL INDONESIA.

TECHNIP/BRASKEM (Mexico) 2012: design of cold boxes for ethylene production (1.05 million tpy).

AIR LIQUIDE (China) 2012: supply of exchangers for 3 major gas separation projects at Hangzhou.

GAS AUTHORITY OF INDIA (India) 2012: supply of 2 cold boxes; one for an ethylene production unit, and the other for a gas treatment unit.

AIR PRODUCTS (Malaysia) 2012: exchangers for cold boxes to be supplied to Petronas, the world's leading FLNG operator.

CRYOGENMASH (Russia) 2012: supply of exchangers for air separation units.

AIR LIQUIDE, HANGYANG, SAS, POSCO, YINGDE & HANGYANG (China) 2012: supply of a large number of cryogenic pumps.

ESSAR (USA) 2011-2012: design and supply of a combustion system for the Essar iron ore pelletization plant in Minnesota.

VALE S/A (Brazil) 2009-2012: design and supply of 46 special self-inspiring high efficiency gas burners and their associated systems.

ALSTOM POWER BOILER (Estonia) 2012: supply of all burners (total power of nearly 200 MW) for the circulating fluidized bed boiler of a new power generating plant.

COFELY (France) 2012: supply of 2 GRC LONOXFLAM® G2 low-NOx boiler burners and the CO₂ saver system.

CRISTAL UNION (France) 2012: supply of 9 GRC LONOXFLAM® G2 low-NOx gas burners for 3 boilers.

SRD (Dunkerque, France) 2012: commissioning of 4 KFT burners for an existing 63 tph boiler.

RHUMS ST MAURICE (French Guiana) 2012: supply of sugar cane grinding equipment.

CMI ENERGY SERVICES (Belgium) 2012: commissioning of a latest-generation GRC LONOXFLAM® V2 fuel.

THAI OIL (Thailand) 2012: conversion of 4 out of 5 boilers to low-NOx.

LESSAFRE FRÈRES (Nangis, France) 2012: supply of 4 ZUKA® 1750 high-efficiency centrifuges, a falling film evaporator with a surface area of 4,500 m², and a multi-tube dryer with a capacity of 55 tph.

SIPH (Ivory Coast) 2012: installation of new D412 discontinuous centrifuges, FC1300 continuous centrifuges and an online shredder.

SOMDIAA (Cameroon) 2012: supply of a rapid decanter and centrifuges as part of plant capacity upgrades.

PT ADIKARIAN GEMILANG, PT MEDAN SUGAR INDUSTRY (Asia) 2012-2013: supply of 20 centrifuges.



BENCHMARKS

FINANCIAL AND NON-FINANCIAL INDICATORS

INDICATORS

FINANCIAL AND NON-FINANCIAL INDICATORS

1. Financial indicators

ORDER INTAKE
BY END MARKET

(€Million)	2010	2011	2012
Automotive/Logistics	399.1	607.2	479.8
Metals (aluminium & steel)	468.8	550.7	404.8
Energy	286.4	272.7	355.2
Cement	69.7	243.7	84.0
Total	1,224.0	1,674.3	1,323.8

SALES
BY END MARKET

(€Million)	2010	2011	2012
Automotive/Logistics	274.4	391.3	541.1
Metals (aluminium & steel)	365.3	474.9	527.3
Energy	284.5	290,2	317.3
Cement	125.1	111.9	122.2
Total	1,049.3	1,268.3	1,507.9

ORDER BOOK
BY END MARKET

(€Million)	12.31.10	12.31.11	12.31.12
Automotive/Logistics	240.8	476.1	406.1
Metals (aluminium & steel)	571.6	656.5	555.7
Energy	234.8	217.4	249.9
Cement	69.4	201.8	167.2
Total	1,116.6	1,551.8	1,378.9

BY GEOGRAPHICAL AREA

(€Million)	2010	2011	2012
The Americas	232.7	546.8	367.0
The Middle East & Africa	243.3	350.2	114.9
Asia & Oceania	392.4	338.9	422.6
France	234.8	241.2	256.3
Europe (excluding France)	120.8	197.2	163.0
Total	1,224.0	1,674.3	1,323.8
Contribution from mature economies	49%	44%	50%
Contribution from emerging countries	51%	56%	50%

BY GEOGRAPHICAL AREA

(€Million)	2010	2011	2012
The Americas	218.8	295.4	421.3
The Middle East & Africa	193.2	246.3	268.2
Asia & Oceania	306.3	331.8	373.4
France	205.4	223.3	268.9
Europe (excluding France)	125.6	171.5	176.1
Total	1,049.3	1,268.3	1,507.9
Contribution from mature economies	46%	50%	46%
Contribution from emerging countries	54%	50%	54%

BY GEOGRAPHICAL AREA

(€Million)	12.31.10	12.31.11	12.31.12
The Americas	186.4	448.7	392.2
The Middle East & Africa	236.4	350.4	195.3
Asia & Oceania	402.7	417.6	478.7
France	169.5	187.5	174.5
Europe (excluding France)	121.6	147.6	138.2
Total	1,116.6	1,551.8	1,378.9
Contribution from mature economies	39%	37%	33%
Contribution from emerging countries	61%	63%	67%

SUMMARY OF CONSOLIDATED FIGURES

(€Million)	2010	2011	2012
Sales	1,049.3	1,268.3	1,507.9
Gross Margin	242.5	280.3	324.2
EBITDA	86.3	99.0	115.1
EBITA	71.7	83.5	97.3
Current operating profit (EBIT)	68.3	76.2	92.7
Operating profit	63.7	75.0	92.4
Net financial result	4.1	(0.6)	(4.1)
Profit before tax	67.8	74.4	88.2
Net profit of consolidated companies	43.0	41.0	52.3
Net profit (Group Share)	42.5	40.4	50.8
Shareholders' equity attributable to owners of the Group	223.2	244.8	244.8
Cash and cash equivalents at December 31	214.0	239.2	265.6

Sales

In 2012, sales totaled €1,508 million, a new record high for the Group, and a €240 million (19%) improvement on the 2011 figure. This increase includes a consolidation scope effect of €12 million and a positive foreign exchange rate effect of €47 million. At like-for-like consolidation scope and foreign exchange rates, sales were therefore up by €181 million (14%).

The majority of this increase is attributable to the higher level of opening order backlog (up 39%), as well as to the good level of small and medium-sized order intake seen in the first half of the year, with some of these orders delivered during the financial year.

EBITDA

EBITDA refers to Earnings Before Interest, Taxes, Depreciation and Amortization of property, plant and equipment and intangible assets. Group EBITDA for 2012 totaled €115.1 million, reflecting a €16.1 million (16%) increase over the figure for 2011. This increase includes a positive foreign exchange rate effect of €5.3 million. The consolidation scope effect was not significant.

At like-for-like consolidation scope and foreign exchange rates, EBITDA was up by 12%, remaining virtually unchanged as a proportion of sales at 7.7%, compared with 7.8% in 2011.

Net financial result

The Group's net cash position at December 31, 2012 was €266 million; a level €27 million higher than that at December 31, 2011 (€239 million). The €115 million in EBITDA has funded the payment of corporate income tax (€36 million), net capital expenditure (€26 million) and dividend payments (€41 million). In addition, €15 million in short-term liquidity recognized under financial assets in 2011 has been restated as cash and cash equivalent following the disposal of these investments at their maturity in 2012.

Net profit

The total income tax expense (current and deferred) for the financial year was €35.9 million, and therefore €2.5 million higher than the figure for 2011 (€33.4 million). This figure includes €33.4 million of current tax due (of which €13.3 million relates to those companies within the French tax relief group, with the remaining €20.1 million attributable to those French and international companies not included in that group), plus a deferred tax charge of €0.4 million.

Net profit of consolidated companies was therefore €52.3 million. This figure was €11.3 million higher than that for 2011 (€41.0 million), with the increase in EBITDA (+€16.1 million) being partly offset by lower financial income and a higher income tax expense.



BENCHMARKS

2. Non-Financial indicators

The Group's non-financial indicators were strengthened during 2012, with the introduction of an additional report covering innovation. This report takes data previously monitored in other ways and collects information useful for innovation management from the Group companies. Quarterly reporting of accident statistics was also introduced during the year. For the majority of non-financial data, 2012 marked the fourth year of Group-level reporting, with a significant improvement in both data quality and the way in which Group companies are structured to provide relevant feedback in a quantitative form.

2.1. Social indicators

	2010	2011	2012	The Americas	France	Europe (excl. France)	Asia and Africa
Employees	5,639	6,108	6,521	1,142	3,636	995	748
Men	84%	84%	84%	87%	84%	85%	77%
Women	16%	16%	16%	13%	16%	15%	23%
Percentage of engineers among women	28%	30%	32%	13%	44%	11%	22%
Number of nationalities	45	46	49				
Employees by category							
Engineers and managers	38%	38%	39%	32%	43%	27%	43%
Technicians, designers and supervisors	26%	25%	24%	15%	26%	26%	22%
Staff	14%	14%	14%	17%	10%	21%	17%
Operators	22%	23%	24%	36%	21%	26%	18%
Employees by age range							
Less than 20	0%	1%	1%	0%	0%	3%	0%
From 20 to 29	15%	15%	16%	12%	16%	11%	27%
From 30 to 39	23%	23%	24%	13%	26%	17%	35%
From 40 to 49	27%	26%	26%	23%	26%	27%	25%
From 50 to 59	29%	28%	28%	37%	27%	36%	9%
60 and more	6%	6%	6%	15%	4%	7%	3%

Employees by length of service							
Less than 5	35%	40%	41%	39%	38%	36%	66%
From 6 to 10	19%	18%	20%	14%	23%	16%	17%
From 11 to 15	11%	10%	9%	8%	10%	11%	4%
From 16 to 20	8%	7%	7%	7%	7%	10%	7%
From 21 to 25	8%	8%	7%	8%	7%	10%	2%
From 26 to 30	6%	4%	4%	5%	4%	8%	2%
From 31 to 35	7%	6%	5%	9%	5%	4%	1%
From 36 to 40	4%	4%	5%	7%	5%	4%	1%
41 and more	2%	2%	1%	2%	1%	1%	0%

Employees by region	2010	2011	2012
The Americas	17%	17%	18%
France	59%	58%	56%
Europe (excluding France)	15%	15%	15%
Asia and Africa	9%	10%	11%

Skills and mobility management			
Proportion of French affiliates with an implemented GPEC* policy	80%		84%
% of French employees for which the "GPEC*" policy has been deployed	75%		93%
% of employees reviewed by the "CEDRE" career management committee	40%	35%	52%
% of employees receiving regular appraisal interview	63%	59%	69%
% change in employee numbers compared to the previous year	2%	8%	7%
Number of employees recruited	843	1,231	1,262
Number of people having attended 'career booster' interviews	88	84	133
% of employees having attended at least one training course	59%	60%	69%

The total number of Group employees had risen to more than 6,500 by the end of 2012, as a result of organic and external growth. The sustained pace of recruitment seen in 2011 continued during the year, with more than 1,200 new hires joining the Group. Additionally, five new companies also joined the consolidated Group.

As a result, all regions saw an increase in employee numbers. In terms of proportion, this increase was greater in China, especially in the automotive, logistics and cement divisions.

As part of supporting recruitment and orientation over recent years, the Group Human Resources Department has expanded its range of training opportunities, and 69% of Group employees attended at least one training course in 2012. General deployment of career management processes continued during the year, and more than half of all employees attended a "CEDRE" career management committee review.

In terms of diversity, the proportion of female employees within the Group remained consistent with previous years at 16% of the total workforce. However, the proportion of female engineers and managers continues to increase, reaching 32% in 2012 across the Group, and 44% in France.

2.2. Innovation indicators

	2010	2011	2012
R&D expenditure in millions of euros	19.8	21.2	22.7
Breakdown of R&D expenditure			
Costs of patents and trademarks	9%	7%	6%
Standard design and formalization of Know-how	14%	15%	14%
Continuous improvement of products and processes	39%	41%	41%
Development of new products and processes	27%	29%	32%
Research and radical innovation activities	11%	8%	8%
Patents and trade names			
Number of patents and trademarks	1,476	1,599	1,447
Number of patent families in force	336	347	371
Number of first patents registered	34	21	18
Of which percentage of patents relating to energy and environmental performance	53%	57%	44%
Number of patents relating to equipment energy and environmental performance	18	12	8
Number of 'product' trade names registered	86	97	93
The eco-design program			
Number of products carrying the Engineered Sustainability® mark	ND	ND	1
Number of products currently being analyzed	ND	ND	7
Number of affiliates with at least one product currently being analyzed	ND	ND	7
Percentage of eligible affiliates participating in the program	ND	ND	21%
Number of people trained in eco-design	ND	ND	47
Fives Innovation Awards			
Number of affiliates taking part in the Group Innovation Award contest launched in 2011	ND	15	26
Percentage of Group employees invited to compete for the Innovation Award	ND	19%	40%
Number of ideas submitted for innovation contest	ND	ND	252
Number of research and test centers			
Number of research centers	16	16	17
France: 11, The Americas: 3, Europe (excluding France): 2, Asia: 1			

The Group commitment to R&D continued to grow during 2012, with related expenditures rising by 7% to nearly €23 million. The year saw a significant increase in expenditure on new product and process development, where the major focus is on developing ideas submitted for the innovation contest.

The Fives portfolio of patented innovations grew by 7% between 2011 and 2012, further strengthening the technological position of the Group. At the same time, more selective parameters have been applied to choosing patents maintaining only the most relevant, while optimizing the cost/efficiency ratio applied to the portfolio, which reduced the total number of patents below 1,450. The same requirement for greater efficiency also applies to the management of product brand portfolios, with the arrival of three new brands registered in 2012, and the decision not to renew those that had become obsolete. A major differentiating axis of Fives is the energy and environmental performance of its machine and equipment, the Engineered Sustainability® eco-design program was a key accelerator in 2012. The year marked the completion of the program structure, granted the first Engineered Sustainability® product mark, seven additional products at the analysis stage and adoption of the program by a quarter of all Group companies involved in product development. These actions are expected to boost the number of patents filed for innovations that impact equipment energy and environmental performance, which was limited to eight in 2012. As part of this commitment, 47 employees from the R&D teams, design offices and sales teams received training in eco-design principles during the year.

Following the success of the first edition of the Fives Innovation Contest, which culminated in the award ceremony held to coincide with the Group Bicentennial event, interest in this initiative from Group companies was confirmed with a growth in participation. Designed to encourage the emergence of new ideas, this contest generated more than 250 innovation proposals during the 2012 financial year, some of which show considerable promise.

The inclusion of Solios Chemical in 2012 enhances the scope of Fives' test facilities available to the Group through the acquisition of an additional research center offering new skills in hydrocarbon chemistry. The company is located in Mulhouse in eastern France.

Introduction to site-specific data and ethics/health safety/environment statistics

The Health, Safety and Environment report covers 99% of Group employees, and includes all sites employing more than 10 people in the middle of 2012, as well as all industrial sites.

2.3. CSR cross-sectional indicators

	2010	2011	2012	France	The Americas	Europe (excl. France)	Asia and Africa
Number of affiliates included in the scope of the CSR policy	44	50	51	19	8	14	10
Total number of sites	69	75	79	38	11	15	15
Industrial sites	22	29*	30	14	8	5	3
Offices	21	23	27	11	3	5	8
Combined sites and regional facilities	26	23*	22	13	0	5	4
Number of affiliates already embarked on a CSR action plan	1	6	25	11	6	2	6
Percentage of employees accounted for by these Group companies	2%	25%	56%	40%	8%	2%	6%
Number of sites with ISO 9001 certification	47	48	51	29	6	11	5
Number of sites engaged in ISO 9001 certification	1	2	2	0	0	0	2
Number of FTE(1) Health, Safety and Environment staff in the Group	ND	46.6	50.5	32.8	4.7	7.9	5.1

(1) FTE: Full-Time Equivalent

* 2011 data restated in accordance with the new rules governing the definition of industrial sites.

In 2012, the scope of the CSR reporting changed following the acquisition of an Indian company - Fives Combustion System Pvt. Ltd. - at the beginning of the year, and as a result of two companies reaching the threshold for participation in the Group CSR reporting structure. Two companies were excluded from the scope of the CSR policy during the year. In addition, the rules defining industrial sites were also refined during the year to more accurately reflect the operational reality of Group companies. As a result, six locations previously classified as mixed sites or regional facilities were reclassified as industrial sites.

The deployment of the CSR support program (CSR coaching) for Group companies accelerated in 2012, with 25 Group companies submitting CSR action plans. Program launch meetings were held in France, the USA, China and the UK. Safety and environment resources also continued to be developed during the year, not only for Group companies operating on customer sites, but also those with industrial sites.

2.4. Business ethics indicators

	2010	2011	2012
Number of languages into which the Group Code of Conduct has been translated	2	12	13
% of companies in which the Code of Conduct has been distributed	75%	90%	94%
% of employees accounted for by these companies	77%	93%	96%

The year 2012 was more preparation than business ethic actions. Training initiatives built around the Code of Conduct will be launched in 2013. However, the method of distribution for the code has been improved, especially amongst recently acquired companies.

2.5. Health & Safety indicators

	2010	2011	2012
Number of industrial sites	22	29*	30
Number of sites with safety certification	13**	16**	18
Number of sites engaged in safety certification	6	3	9
Percentage of industrial sites with safety certification	0%	17%*	17%
% of affiliates having written and distributed a Health & Safety Policy	ND	72%	76%
Number of FTE(1) Health & Safety staff in the Group	ND	ND	35.2
Employee accident frequency (Number of lost-time accidents (≥1 day) x 1,000,000 / Number of hours worked)	8.61	7.57	6.62
Employee accident severity (Number of lost-time accidents (≥1 day) x 1,000 / Number of hours worked)	0.208	0.165	0.135
Employee + temporary staff accident frequency	ND	ND	7.47
% of lost-time accidents occurring on customer/subcontractor sites	ND	ND	20%
% of lost-time accidents occurring in workshops	ND	ND	62%
% of lost-time accidents occurring in offices	ND	ND	7%
% of lost-time accidents occurring on business trips	ND	ND	11%
Number of Group HSE representatives	40	45	47
Number of Group HSE auditors	8	10	11
Number of Group HSE audits conducted	15	17	25
% of companies audited (cumulative)	29%	49%	67%

* 2011 data restated in accordance with the new rules governing the definition of industrial sites.

** 2010 and 2011 data corrected (to address issues identified in 2012).

The Group accident frequency rate improved significantly to 6.62, largely as a result of the excellent performance of the energy division, especially in two companies: Fives Nordon and Fives Cryo (Suzhou) Co. Ltd. However, this improvement at the Group level masks the weaknesses identified in the safety management of organizations. The program for 2013 focuses specifically on improving the safety culture throughout the Group, with a particular emphasis on the commitment and leadership of safety management personnel. The momentum continues for Health & Safety certification and particularly OHSAS 18001 compliance. One new company gained certification in 2012 (one of the new sites integrated into the scope during the year was already certified), and an additional nine sites are in the process of certification. An interpretation error resulted in the number of sites with safety certification being overstated by three in previous years (as a result of compliance with a national standard which does not, upon closer inspection, lead to certification).

2012 was the first year in which accident statistics were tracked for temporary staff. Temporary staff members are employed in France, the USA and the United Kingdom, although one French site alone accounts for nearly 30% of all hours worked by temporary staff within the Group. In 2012, temporary staff were involved in 15 lost-time accidents (all in France), which had the effect of increasing the combined Group accident frequency rate for employees and temporary staff to 7.47. The Group network of HSE representatives and auditors continues to grow with the creation of new posts in Group companies, especially in China and India.

2.6. Environmental indicators

	2010	2011	2012	France	The Americas	Europe (excl. France)	Asia and Africa
Industrial sites	22	29*	30	14	8	5	3
Number of sites with ISO 14001 certification	14	15	18	8	5	3	2
Number of sites engaged in ISO 14001 certification	5	4	14	5	3	2	4
Percentage of industrial sites certified	41%	41%*	47%	43%	63%	60%	0%
Percentage of sites that have written and distributed an Environment policy	ND	48%	59%	68%	55%	53%	47%
Number of FTE Environment staff in the Group	ND	13.7	15.3	8.3	2.1	3.4	1.6
Electricity consumption in GWh	40.5**	44.6**	48.6	23.6	13.0	6.9	5.1
Natural gas and heating oil consumption in GWh	64.7**	60.2**	57.2	26.3	23.7	6.4	0.8
Total energy consumption in GWh	105.1**	104.7**	105.9	49.9	36.7	13.3	5.9
Electricity consumption in €000	3,347**	3,820	4,430	2,043	982	848	557
Natural gas and heating oil consumption in €000	2,139**	1,954**	2,141	1,366	409	312	55
Total energy consumption in €000	5,487**	5,774	6,571	3,409	1,391	1,159	612
Water consumption (industrial sites) in m³	ND	96,477*	87,644				
Water consumption (industrial sites) in €000	ND	160*	175				

* 2011 data restated in accordance with the new rules governing the definition of industrial sites.

** 2010 and 2011 data corrected (to address issues identified in 2012).

The Group sent out a strong signal at the beginning of 2012, with the announcement of a target for all industrial sites to achieve ISO 14001 certification by the end of 2014. Two major industrial sites in the USA received certification during 2012, and 14 other sites launched the certification process.

The Group's overall energy consumption is marked by the continued rise in its electricity consumption over the last three years, in terms both of absolute value and footprint ratio: this overall increase in the intensity of electricity usage is directly related to the very strong increase in business activity seen on the Group's major industrial sites over this same three-year period.

The trend in consumption of energy from fossil fuels is partly driven by the climate, and the other, by business activity in Group companies. The reduction in test activity linked to the development cycles of a major energy division Group company in the USA (which accounts for a quarter of Group consumption), combined with the mild winter in the USA, contributed to an overall reduction in gas consumption across the Group.

Water consumption remains impacted by leaks and the ability of Group companies to detect and repair them quickly: the reduction in 2012 was achieved by dealing with a major leak in one of the Group's workshops. With the exception of this specific case, the general trend is upwards. The prices charged for water have also increased across the board in all regions, including China, although the cost of water here remains around 10 times cheaper than elsewhere.

BENCHMARKS

Progress in deployment of the Group corporate social responsibility program

A global overview was conducted at end of 2012 to measure the overall progress made towards the key challenges identified when the program was developed in 2008.

The following have been added to the initial list of actions compiled in 2008:

- a key objective relating to our customers: on the one hand, supporting customers with their individual corporate social responsibility policies as part of helping them to achieve their own goals, and on the other hand, introducing an initiative to promote social responsibility targeting customers that are less engaged,
- an objective relating to our own environmental footprint, supported by the launch of a continuous improvement program in 2012.

The following table details the overall progress made by the global corporate social responsibility program of the Group and how that progress relates to the commitment made by Fives to respect and promote the 10 principles of the UN Global Compact. All 10 principles have been incorporated in fully into the Group corporate social responsibility policy and several programs contribute directly to Fives' progress towards full compliance with the commitments set out in the Global Compact.

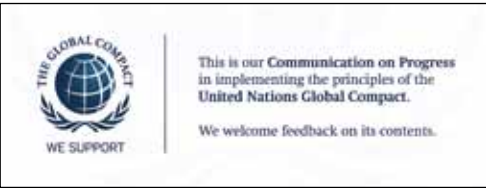
Their correlation with the 10 principles of the UN Global Compact is indicated by 'GC1' (Global Compact 1) for the program that corresponds to Principle 1 of the Global Compact, and so on, as detailed below:

Human rights
GC 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
GC 2. ensure that they are not complicit in human rights abuses.

Labor
GC 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
GC 4. the elimination of all forms of forced and compulsory labor;
GC 5. the effective abolition of child labor; and
GC 6. the elimination of discrimination in respect of employment and occupation.

Environment
GC 7. Businesses should support a precautionary approach to environmental challenges;
GC 8. undertake initiatives to promote greater environmental responsibility; and
GC 9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption
GC 10. Businesses should work against corruption in all its forms, including extortion and bribery.



Commitment	Program	PROGRAM PROGRESS LEVEL						
		Initial level of maturity in 2008	Knowledge of Group practices	Definition of Group goals	Deployment and implementation	Results monitoring	Level of incorporation into the governance of the Group and its affiliates	Level of maturity at end 2012
TO MINIMIZE the environmental footprint of Fives and its customers	Eco-design & machine safety GC 8 GC 9		Monitoring of Group company annual R&D programs since 2005.	The prime goal of the Group innovation strategy since 2005.	Systematic introduction of this initiative under the Engineered Sustainability® environmental program introduced in 2011, and deployed since the start of 2012.	Quarterly reporting of R&D budgets since 2006, and reporting of programs and practices since 2012.	Incorporated into the biannual R&D program supervisory meetings on a affiliate-by-affiliate basis.	
	Environmental management GC 7 GC 8		Waste and hazardous product management included systematically in all HSE audits conducted by the Group since 2009.	Announcement at the start of 2012 of the ISO 14001 target for all industrial sites by the end of 2014.	Launch of the support program for Group companies on environmental management.	Annual reporting of environmental issues since 2010.	Incorporated into annual CSR progress reviews with Heads of Division.	
TO PROMOTE honest, fair behavior in our markets and to behave as a responsible partner	Business ethics and corruption prevention GC 10		Review of the practices of the main companies conducted in 2009.	Code of Conduct since 2001. Group Directives since 2005.	The updated Code of Conduct has been distributed internally to all employees since the end of 2010. Training program now in preparation.	Reporting of Code of Conduct distribution to employees.	Incorporated into the annual report of CEOs on the Directives and Guidelines Manual.	
	Sustainable Partnerships / Incorporation of social and environmental criteria into purchasing practices GC 1 – GC 2 – GC 3 – GC 4 – GC 5		Partial vision via Group Purchasing Steering Committees	2013 goal to introduce a proactive approach with clear goals.	Tool box made available at the end of 2010 (Group general conditions of purchase, standard questionnaire, etc.).	Level one reporting on responsible purchasing practices since 2010.	Incorporated into the annual report of CEOs on the Directives and Guidelines Manual.	
	Sustainable Partnerships / Promotion of social responsibility to our customers		Partial vision via sales representative surveys and working meetings.	2013 goal to introduce appropriate communication tools and resources at Group level, and begin deployment in selected affiliates.	January 2013 launch			
TO PROVIDE a safe and motivating working environment	Health & Safety management		Regular internal auditing of Group company practices since 2009.	Group Directives formalized at the end of 2010.	First cycle of implementation 2009-2012. Second cycle launched at the end of 2012 focused on involving every level of management.	Annual reporting since 2009. Quarterly reporting since 2012.	Precise annual targets set for CEOs, with target achievement levels reflected in compensation packages.	
	Diversity GC 6		Group report on gender equality and age structure. Specific diagnostic analysis of disability in 2011.	Diversity Directive introduced in 2005: Group agreement signed in 2007 for France. Group Directive on discrimination prevention training at the end of 2010.	Discrimination prevention training sessions conducted in France since 2009. Disability awareness initiatives in 2011 and 2012.	Annual monitoring of the agreement on diversity within France. Incorporated into Group HR reporting.	Incorporated into the annual report of CEOs on the Directives and Guidelines Manual.	
	Compliance with international employee welfare protection standards		Survey of current practices in target countries conducted in 2009.	Goal set by the Group HRD in 2009. Directive on a possible framework for welfare benefits.	Regional harmonization of welfare schemes (effective in France and the EU, and now in progress in China). Launch of the process to introduce an international benchmarking system.	Survey of annual compensation, including welfare benefits.	Incorporated into the annual report of CEOs on the Directives and Guidelines Manual.	
	Skills and career management / Identification and management of high-potential employees (CEDRE)		Group HR involvement in all Group company "CEDRE" career development committee meetings.	Group agreement signed at the end of 2005 for France. Group Directives at the end of 2007.	Deployment of the "CEDRE" scheme.	Incorporated into Group HR reporting.	Group company management committee involvement in all career development committee meetings.	
	Skills and career management / Skills and employability development (GPEC)		Group HR involvement in Group company GPEC schemes.	Group GPEC agreement signed at the end of 2008 for France. Group Directive at the end of 2010.	Deployment of the scheme in France.	Annual assessment of the scheme deployment status.	Incorporated into the annual report by CEOs.	
TO INTEGRATE social responsibility at every level of Fives governance	Directives and Guidelines Manuals		Feedback on usage of the previous Directives Manual gathered in 2009. Department-by-department audits and monitoring of directive application.	The Directives Manual must be distributed to, and used by, all Group entities.	The Directives and Guidelines Manual was first distributed in 2005, and updated in 2007 and at the end of 2010.	Annual report by CEOs on implementation of Group Directives.	The Directives and Guidelines Manual is approved by the Board of Directors (or equivalent governance body) of all Group companies.	
	Incorporation of CSR into the organizational structures of Group companies		Review of Group company CSR challenges and maturity levels in 2009.	Decision in 2011 to deploy a support program for all affiliates designed to help them build their own CSR action plans.	Program launched mid-2011. An average of 15 meetings held every year.	Progress points developed and agreed with CEOs.	Priority action topics incorporated into affiliate progress plans and monitored by Heads of Division.	
Topic not identified. Emergent. In construction. Defined, with deployment in progress. Fully and satisfactorily deployed.								



