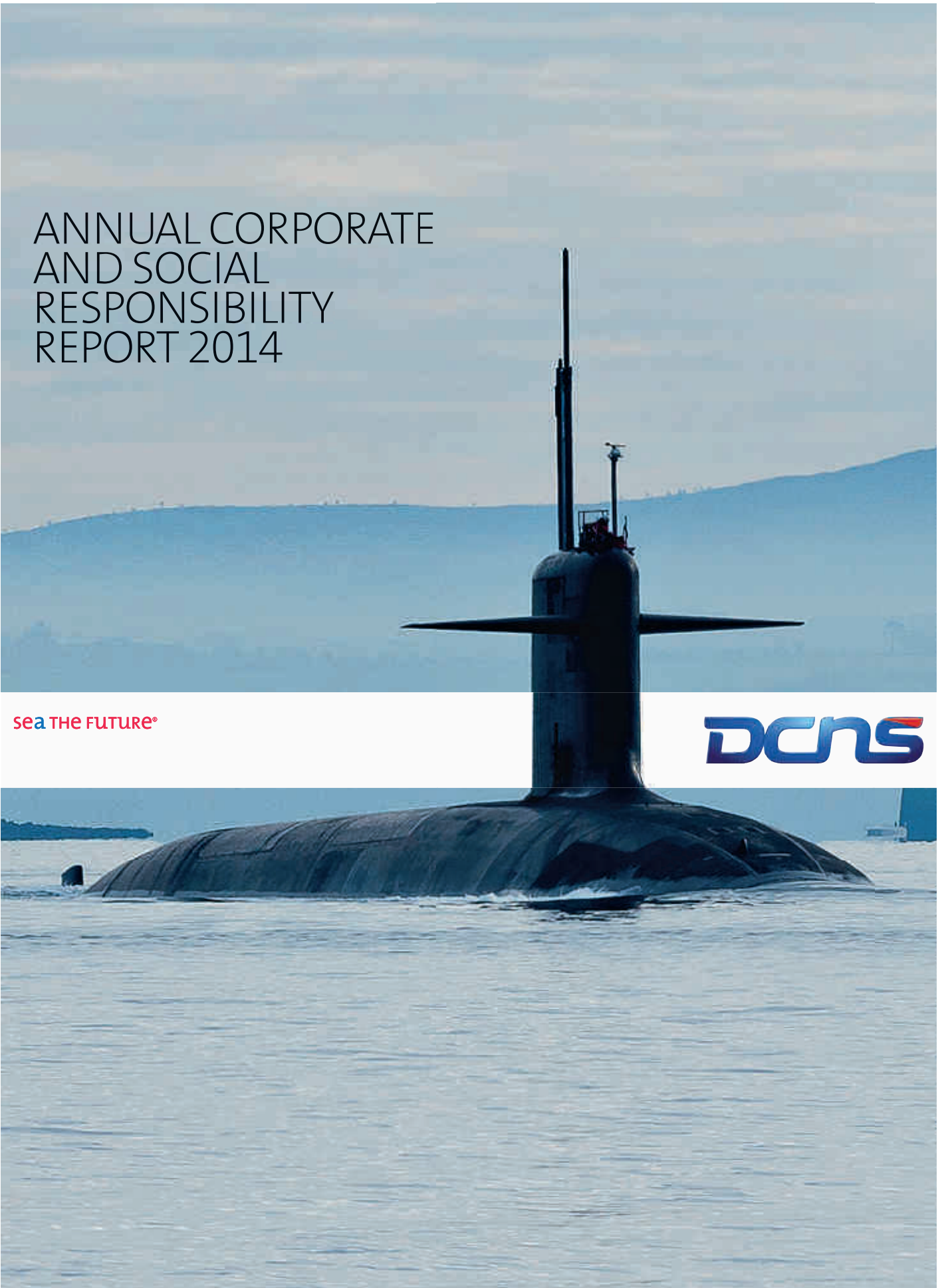


ANNUAL CORPORATE AND SOCIAL RESPONSIBILITY REPORT 2014

sea THE FUTURE®

DCNS



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DCNS, a world leader in naval defence and an innovator in renewable marine energy, develops competitive products and services in a swiftly changing economic and geopolitical context. The Group, which generates 67% of its income in France and 33% on international markets, works with clients in the Middle East, Africa, Asia, America and Europe. It offers them an extensive portfolio of products, creating added value and technology in their respective countries. Pursuing the course of its history, **DCNS has just defined a new roadmap,** designed to give it full command of profitable and lasting growth. The Group is aiming to grow its industrial activities on international markets, significantly improve its operational performance, become a leader in renewable marine energies and meet clients' needs to protect their sovereignty. These are all challenges that DCNS, a high-tech company, is capable of meeting with world beating skills **thanks to its workforce, partners and suppliers. With the outstandingly broad scope of its engineers', technicians' and craftsmen's expertise, together with its unique industrial resources,** the Group designs, builds and provides through-life support for submarines and warships. It also delivers services for shipyards and naval bases as well as offering an extensive choice of renewable marine energy solutions.

INTELLIGENCE

Navies are responsible for securing the oceans, guaranteeing the free circulation of goods carried by sea and the defence of national interests. To successfully accomplish their missions, they must be able to count upon the durability of their resources. DCNS is one of the only manufacturers in the world offering solutions providing them with the ability to successfully control aeronaval operations. This is achieved by designing, building, modernising and providing through-life support for all their ships, as well as training their crews, designing and operating their naval infrastructures.



Multimission FREMM frigates

Warships (anti-submarine, anti-surface vessel, anti-aircraft and land attack operations) enabling navies to use the same ship for carrying out or commanding preventive, protective and projection operations whatever the threat and whatever its origin.



Information control and superiority

The system systems solutions offered by DCNS meet the needs of navies taking part in coalition military operations. These solutions are based on the networking of means, resources, tools and decision-making aids engaged in an operation.



SUBTICS®

The DCNS "combat system" submarine product covers a conventional submarine's operational needs in every type of mission. It can also be configured to equip missile launching nuclear submarines (SSBNs) and attack submarines (SSNs).



Aircraft carrier

The ultimate ship for deploying a powerful projection operation, providing air support which is crucial for the success of all types of naval or land operations.

TECHNOLOGY TRANSFER
POWER PROJECTION
ANTICIPATION-ANALYSIS

PARTNERSHIPS

INFORMATION GATHERING-IDENTIFICATION

NICE

THEATRE
OF OPERATIONS

WARSHIPS

INTERNATIONAL
SUBSIDIARIES

DISSUASION

THROUGH-LIFE SUPPORT

SYSTEM SYSTEMS



Scorpene® 2000

A conventional "oceangoing" submarine for asserting naval superiority, information gathering and combat missions with equal efficiency on the high seas and in coastal waters.

INTEROPE

In a complex and constantly changing geostrategic context, where maritime threats are growing and the number of inter-Allied naval operations are increasing, international force coordination is a key factor in peacekeeping. To meet this major challenge for naval defence, DCNS makes the interoperability of its products and systems the focus of its concern and development so as to provide client navies with ever-increasing efficiency and flexibility.



OPV 90

An offshore patrol vessel. Easy to operate and maintain, based on civil standards and with a mission system adapted to clients' needs, this ship is ideal for all maritime security missions.



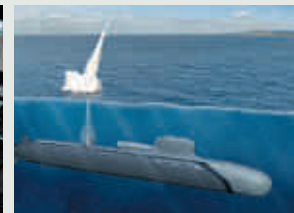
POLARIS®

An on-board system currently in service on the OPV 90 *L'Adroit*, it enables surveillance and protection missions such as anti-piracy, surveillance and protection of exclusive economic zones (EEZ), various types of anti-smuggling and convoy protection to be carried out. The most advanced version of this system can also manage anti-ship operations.



Innovative Operations Centre

DCNS offers solutions incorporating the human element in the decision-making chain in order to fully deploy the operational capacities of the systems being controlled. An integrator of complex systems, DCNS simplifies their use while at the same time optimising their performance.



SMX®-Ocean

A new submarine concept which transposes the design of a nuclear attack submarine to a diesel submarine. This involves the incorporation of new features enabling performance to outstrip that of a regular diesel submarine.

ANTI-PIRACY

CRISIS MANAGEMENT

SECURITY

TARGETED OPERATIONS

MARITIME SURVEILLANCE

RABILITY

MARITIME SECURITY

CYBERDEFENCE

SYSTEM INTERCONNECTION

SOVEREIGNTY



VIPERE®

One of the DCNS innovations on display during the Euronaval trade show in October 2014. This multifunction buoy enables submarines to gather information about the situation above the surface discreetly while remaining submerged.

DURABILI

In the context of a fast changing naval defence market, both well established and emerging governments' needs all focus on the same objective: to have a naval force with long-term availability and operational excellence that will enable them to carry out their missions while at the same time controlling costs. To satisfy all these needs while meeting its contractual and economic commitments, DCNS offers its naval clients intelligent, high-technology solutions that are also long-lasting and consistent throughout their ships' operational life cycles.



Naval infrastructure

In line with a constant concern to support its clients, DCNS offers them the benefit of its expertise in naval infrastructure: from project design through to completion, but also from modernisation to maintenance and management of industrial installations and port equipment.



Through-life support

DCNS offers through-life support solutions for equipment, ships and fleets. Thanks to its command of naval technologies, DCNS guarantees the highest rate of operational availability at the lowest cost.



The combat bridge of the future

DCNS stands out for its offering of an innovative solution involving improved ship management information processing which is applied to both operations centre and the bridge. This is a multifunction bridge which can be reconfigured according to the ship's operational situation (protection/defence, transit, etc.).



Logistic support

DCNS provides its clients with logistic support enabling cost of ownership and ship availability to be optimised.

AVAILABILITY
 OPENNESS
 VERSATILITY
 SUPPORT
 DIVERSIFICATION
TY INTEGRATION
 QUALITY
 INFRASTRUCTURES
 MODERNISATION
 COMMITMENT
 PRIME CONTRACTING PERFORMANCE
 INNOVATION
 GROWTH



Training

DCNS Universeaty®, the Group's university, offers personalised training in all DCNS Group activities, offering its clients the possibility of complementing the training by consultancy services.

— INTERVIEW WITH HERVÉ GUILLOU



Hervé GUILLOU /
Chairman and Chief Executive Officer

What is your view of the naval defence market in France and internationally?

→ In Europe, we are facing an economic and financial crisis which has repercussions on the Union's countries' tightly restricted defence budgets. The French Military Programming Law (MPL), passed in 2013, has maintained the schedule of the FREMM and Barracuda programmes. In the next few months and years, we will be ensuring that the MPL's undertakings to preserve jobs and manufacturing in the strategic defence sector are being complied with. However, our vision of the market extends beyond France. In addition to our traditional competitors,

mainly European, there are now a number of highly competitive new contenders from emerging countries. In a multipolar world, a manufacturer like DCNS must fight on several fronts, have a global presence, assess its strengths and make the most of the necessary alliances.

The naval defence market has been undergoing extensive changes during the last decade. Its centre of gravity has shifted to Asia, the Near and Middle East and also to South America. More than ever, world trade depends on sea transport with shipping lanes passing through straits and areas threatened by powerful geopolitical tensions. Navies now require multimission ships to defend their territories while at the same time protecting strategic routes and preserving their ocean resources. Bearing this in mind, from now on our product portfolio will include more modular ships that can be specifically adapted to meet operational needs. Many of our clients also call for their naval shipbuilding to be carried out locally, combining this with technology and expertise transfer to give them full control of their sovereignty. In the light of these far-reaching changes in our markets, DCNS must develop its industrial presence outside Europe.

How do you see the renewable marine energy market evolving?

→ The renewable marine energy (RME) market is rapidly growing, but this expansion varies according to various governments' maturity with regard to this field. The International Energy Agency forecasts a 30% increase in demand by 2030. In the light of this, I am convinced that marine energies will contribute to solving some of the energy problems the world is now facing. This is why, in 2008, DCNS entered a new area of innovation and development. Although the marine turbine market is extremely dynamic, particularly in North America, we should not

forget that of ocean thermal energy in the South East Asian and Caribbean seas. The RME market covers the whole globe.

How do you assess the 2014 fiscal year?

→ As far as naval defence is concerned, we delivered the FREMM *Mohammed-VI* to the Royal Moroccan Navy, we were chosen by Egypt to supply four GOWIND® corvettes and, last February, a multimission FREMM frigate. We also reached major industrial milestones in the French Navy Barracuda, Indian P75 and Brazilian PROSUB programmes. We are on schedule with the M51 missile ballistic nuclear submarine (SSBN) adaptation programme, which represents the seagoing arm of France's dissuasive forces. These major successes demonstrate our Group's ability to offer solutions adapted to navies' needs worldwide.

As far as RME is concerned, we have been chosen by the French Government to develop a pilot marine turbine farm in the Raz Blanchard and Europe has shown its confidence in us by choosing our ocean thermal energy generating project off Martinique. These projects will be international firsts.

“

In addition to our traditional competitors, mainly European, there are now a number of highly competitive new contenders from emerging countries. In a multipolar world, a manufacturer like DCNS must fight on several fronts, have a global presence, assess its strengths and make the most of the necessary alliances.

”

Finally, our fourth strategic track involves ensuring that DCNS can sustainably provide and develop the resources needed to preserve France's sovereignty.

DCNS has been developing its activities in renewable marine energies over the last five years. What are the Group's ambitions in this field today?

→ DCNS has the means of becoming one of the world leaders in certain renewable marine energy segments. The Group has a solid foundation of activities and competencies in its naval defence core activity which opens up genuine opportunities for growth on these new markets. We will be drawing up a first assessment to identify the sectors which have reasonable chances of being competitive within five to ten years so that we can emerge from the restrictions of the subsidised market. Renewable marine energies will then be able to lead to profitable growth, which will ultimately create new jobs in the regions concerned.

What is your short-term roadmap?

→ With the new managerial team at my side, we have launched an offensive strategy designed to make us competitive again and grow. A plan to make immediate savings of €100 million involving the entire Group has been introduced. These cutbacks should stimulate our economic performance from 2015, without affecting our competences. An improvement plan was launched during the first half of 2015 with the aim of enhancing efficiency. It will enable the Group to become more competitive and cost efficient, thereby generating the resources that are essential for financing our growth.

→ This being said, DCNS' economic performance is no longer meeting shareholders' expectations. The trend in financial results calls for a major change of direction to strengthen our performance, bringing us back to more profitable and sustainable development. We must get off to a new start, boost our competitiveness and once again keep pace with international growth.

To meet these challenges, we can count on our differentiating assets in our core business, which hinge both on our presence and our competences associated with ships' entire life cycles and our command of large-scale systems. Our capacity as a combat systems' developer and integrator sets us apart from our competitors' positions as more conventional shipbuilders (the design and construction of self-propelled hulls and warships).

What are your strategic priorities for the next few years?

→ Our priorities are organised around four strongly interdependent strategic tracks. The first of these is to pursue our profitable growth internationally with a clearly defined ambition: to have sustainable industrial sites and partnerships that go beyond the conventional concept of merely exporting warships. The second track aims at reinforcing the Group's operational performance by respecting our commitments in terms of leadtimes, cost and quality serving clients, both in France and on international markets. The third track concerns the renewable marine energy market, on which we must continue growing after an initial assessment of the investments made until now.

What can leverage faster development for DCNS internationally?

→ First of all, DCNS can count on the major international programmes underway in Brazil, Egypt, India and Malaysia. Apart from this long-term industrial presence which must be speeded up, we must work on our product range, making it bigger and more modular. Greater emphasis should also be placed on our service offering and infrastructure services in discussions with clients who appreciate this kind of commitment in the field. Finally, our international growth will continue thanks to a tightly-knit team in France, built on the strong strategic relationships we have with our main French partners, particularly Thales and MBDA, but also the other partners in the naval sector.

You are working with a new team. Does this mark a turning point for DCNS?

→ The new management team and organisation, in place since January 2015, will enable the Group to be set on an active footing and give our four strategic tracks a dynamic launch.

With this rejuvenated team, combining experienced managers and new arrivals, I am confident that the Group has all the resources it needs to take up the challenges of operational excellence, competitiveness and growth we have to face.

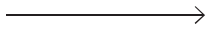
“

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”



— GOVERNANCE



From left to right:

02_ Marie-Pierre de Bailliencourt
Executive Vice President, Development.

Hervé Guillou
Chairman and Chief Executive Officer of the DCNS Group.

Frank Le Rebeller
Executive Vice President, Finance & Legal.



3_ Alain Guillou
Senior Vice President, Human Resources & Operations.

Andreas Loewenstein
Senior Vice President, Strategy, Partnerships & Innovation.



4_ Pierre Legros
Senior Vice President, Programmes.

Thierry Kalanquin
Senior Vice President, Energies & Marine Infrastructures.

01_ Olivier de la Bourdonnaye
Senior Vice President, Industry.



From left to right:
5_ Jean-Yves Battesti
General Secretary.
Philippe Sauvageot
Senior Vice President, International Trade.

6_ Nathalie Smirnov
Senior Vice President, Services.

The Board of Directors

THE BOARD OF DIRECTORS

Chaired by the Chairman and Chief Executive Officer, the Board of Directors is responsible for examining company-wide issues having a major impact on how the Group functions. A body for reflection, discussion, consultation and steering, it is made up of the Executive Vice President, Finance & Legal, the Executive Vice President, Development, the General Secretary, the Senior Vice President, Strategy, Partnerships & Innovation, the Senior Vice President, International Trade, the Senior Vice President, Programmes, the Senior Vice President, Industry, the Senior Vice President, Human Resources & Operations, the Senior Vice President, Services and the Senior Vice President, Marine Energies & Infrastructure.

THE GENERAL MANAGEMENT COMMITTEE

The General Management Committee considers all the major strategic, economic, financial or technological policies relating to the company's activity. It underwrites the company's social interests and that of its main stakeholders: shareholders, staff members and clients. It is made up of eighteen members. An administrator is appointed by decree as a representative of the Government. Eleven administrators are appointed by the Shareholders' General Meeting, of which five are designated by the Government. Six administrators are elected to represent the workforce. Since 19 December 2014, the DCNS General Management Committee is made up of:

– Chairman: Mr Hervé Guillou.

– Administrator appointed by decree as a representative of the Government: Mrs Astrid Milsan.

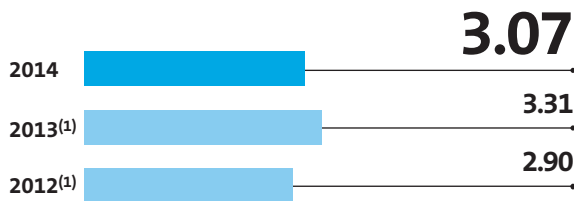
– Administrators appointed by the Shareholders' General Meeting: Mr Pascal Bouchiat, Mr Patrice Caine, Mrs Gabrielle Gauthey, Mr Jacques Hardelay, Mrs Sandra Lagumina, Mr Bertrand Le Meur, Mrs Sophie Mantel, Mrs Nathalie Ravilly, Mr Luc Rémont and Mr Bernard Rétat.

– Administrators elected as representatives of the workforce: Mr Jacques André, Mr Thierry Barbarin, Mr Laurent Chagnas, Mr Gilles Rapale, Mr Joël Ricaud and Mrs Isabelle Roué.

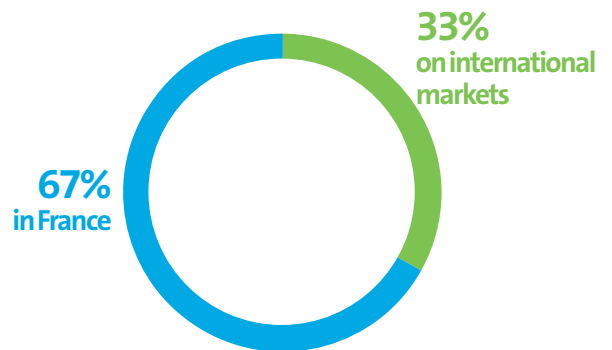
– Censor: Mrs Sandrine Gaudin.

— FINANCIAL RESULTS

REVENUES (in billions of euros)



REVENUE BREAKDOWN (in percentage)



PROPORTION OF REVENUE GENERATED BY SERVICES

1/3

of the income accounted for by the good performance of service activities.

GROUP STAFF (including subsidiaries)

13,130

full-time equivalent (FTE) at the end of 2014.

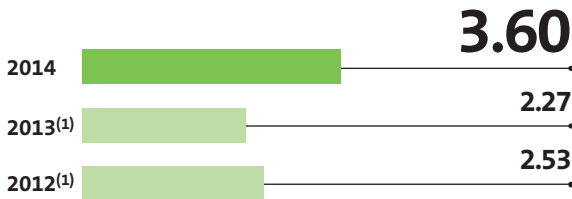
(1) IFRS 10, 11 and 12 consolidation rules withdrawn (minor impact).



As far as naval defence is concerned, we delivered the FREMM *Mohammed-VI* to the Royal Moroccan Navy, we were chosen by Egypt to supply four GOWIND® corvettes and, last February, a multimission FREMM frigate. We also reached major industrial milestones in the French Navy Barracuda, Indian P75 and Brazilian PROSUB programmes. We are on schedule with the M51 missile SSBN adaptation programme, which represents the seagoing arm of France's dissuasive forces. These major successes demonstrate our Group's ability to offer solutions adapted to navies' needs worldwide.

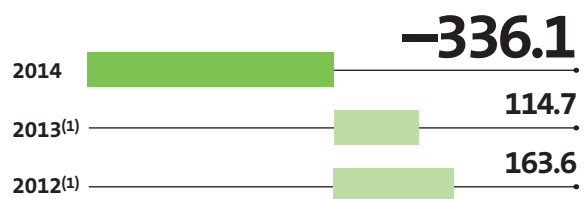


ORDER INTAKE
(in billions of euros)



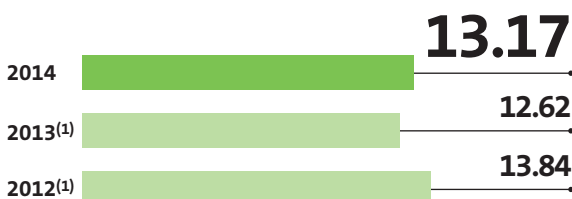
59% is the percentage of increase in order intake compared with 2013. This is despite constantly keener competition from Europe and Asia.

NET LOSS
(in millions of euros)



This drop can be explained by the difficulties encountered in energy development, largely in the civil nuclear sector, as well as in some major naval defence programmes, particularly the Barracuda nuclear attack submarine programme.

ORDER BOOK
(in billions of euros)



NAVAL SECTOR JOBS IN FRANCE
(source: GICAN)

40,000



The new management team and organisation, in place since January 2015, will enable the Group to be set on an active footing and give our four strategic tracks a dynamic launch. With this rejuvenated team, combining experienced managers and new arrivals, I am confident that the Group has all the resources it needs to take up the challenges of operational excellence, competitiveness and growth we have to face.



INVESTMENT IN RESEARCH AND DEVELOPMENT

(in millions of euros)

€94 million
or 3%
of the revenue.

This figure reaches 9% if we take into account R&D financed as part of development contracts. This is a fundamental component of DCNS' activity, enabling ongoing technological progress for all the Group's products and services for export.

2014 WILL REMAIN A FISCAL YEAR OF TRANSITION

The audits carried out in 2014 on the main programmes show we have a powerful technical command of our core naval defence activity. But they have also highlighted the need to improve our cost control and lead times, which therefore affect our financial results upon conclusion. A variety of measures are now being taken to improve DCNS' results. A short-term cost saving plan of

€100 million, having no impact on jobs, was implemented at the end of 2014. At the same time, within the framework of the new organisation, the new DCNS management team has launched a strategic plan and an improvement plan, designed to enhance the Group's performance. As a result of all these measures, DCNS is now set to become profitable again from 2015.

CHALLENGE 1

DEVELOPING INTERNATIONALLY

Warship prime contractor and integrator, DCNS is able to meet demands from navies all over the world thanks to a comprehensive range of products, expertise and services. The Group's internationalisation, which is its strategic priority and principal means of leveraging growth, started becoming a reality in 2014 with the delivery of the FREMM *Mohammed-VI* to the Royal Moroccan Navy. It continued with the implementation of major contracts in Malaysia involving the six GOWIND® corvettes and the ongoing maintenance of the two Scorpene® submarines. Then, in Saudi Arabia, came the contract to renovate the four Al Medinah frigates and the two Boraida class petrol tanker-supply ships.



Brazil

DCNS and ICN, a joint company set up by DCNS and Odebrecht, continue with the PROSUB submarine building programme for the Brazilian Navy.



Egypt

DCNS signs a contract for the supply of a FREMM multimission frigate with the Egyptian Arab Republic's Defence Minister.



Australia

In November 2014, DCNS becomes established in Canberra and inaugurates the new DCNS Australia subsidiary at a ceremony attended by David Johnson, the Australian Defence Minister.

“

DCNS carried out a global rethink of its product portfolio so as to offer clients and prospects increasingly efficient practical solutions and the full benefits of our experience in defence. This will greatly enhance the perception of our skills as systems and equipment integrators.

”

Marie-Pierre de Bailliencourt /
Executive Vice President, Development

Andreas Loewenstein /
Senior Vice President, Strategy,
Partnerships & Innovation

Philippe Sauvageot /
Senior Vice President, International Trade

DCNS is developing and becoming established internationally to be even closer to its clients.

What challenges and international development targets has DCNS set itself?

→ **A. Loewenstein:** With markets in France stagnating, DCNS must speed up its growth internationally, for it is here that the outlook for naval defence markets is more dynamic, while those for renewable marine energies are rapidly emerging. Our Group is currently at a crossroads: our model for accessing international markets can no longer be based purely on exportation but on becoming sustainably established close to the client. This proximity will thereby enable DCNS to build a viable economic fabric to encourage value creation for the Group and local markets. The industrial activity thus generated will contribute to

the cross-fertilisation of our activities in France and those abroad.

→ **P. Sauvageot:** This strategy also reflects a shift in our international clients' expectations. Most countries are seeking autonomy, first of all to provide their own through-life support and often to carry out modernisation operations. Some countries even aim to ultimately become completely independent so that they can design and build their own ships in the future.

What is the current status of the naval defence market?

→ **A. Loewenstein:** The naval defence market is one of the few defence markets to be expanding internationally. The increasing



From left to right: **Philippe Sauvageot**, Senior Vice President, International Trade. **Andreas Loewenstein**, Senior Vice President, Strategy, Partnerships & Innovation. **Marie-Pierre de Bailliencourt**, Executive Vice President, Development.

number of threats and risks in the world as well as territorial issues are now impacting maritime traffic and commerce. This is generating a growing demand for appropriate naval hardware and systems. To meet these needs, DCNS supplies surface ships, submarines and services, as well as high-tech modular systems and equipment.

→ **P. Sauvageot:** It is interesting to note that the navies' growth invariably goes hand-in-hand with countries' economic and political growth. Navies which began by buying patrol boats continue by buying corvettes, frigates and even submarines. We have to think ahead, make suggestions and not overlook markets which are still at an embryonic stage.

What advantages does DCNS now have which can help it grow internationally?

→ **P. Sauvageot:** The extent of the DCNS range, its ability to supply comprehensive solutions including training, maintenance and infrastructure, together with systems as sophisticated as armaments and submarine countermeasures, all make us stand out. Being virtually the only supplier for the French Navy, a front-ranking navy engaged in combat and active on seas all around the world, is also a powerful argument. Finally, the successes we have had with a number of leading foreign navies, the fact that we have become established in several countries and our partnerships all create a solid foundation for us to build upon.

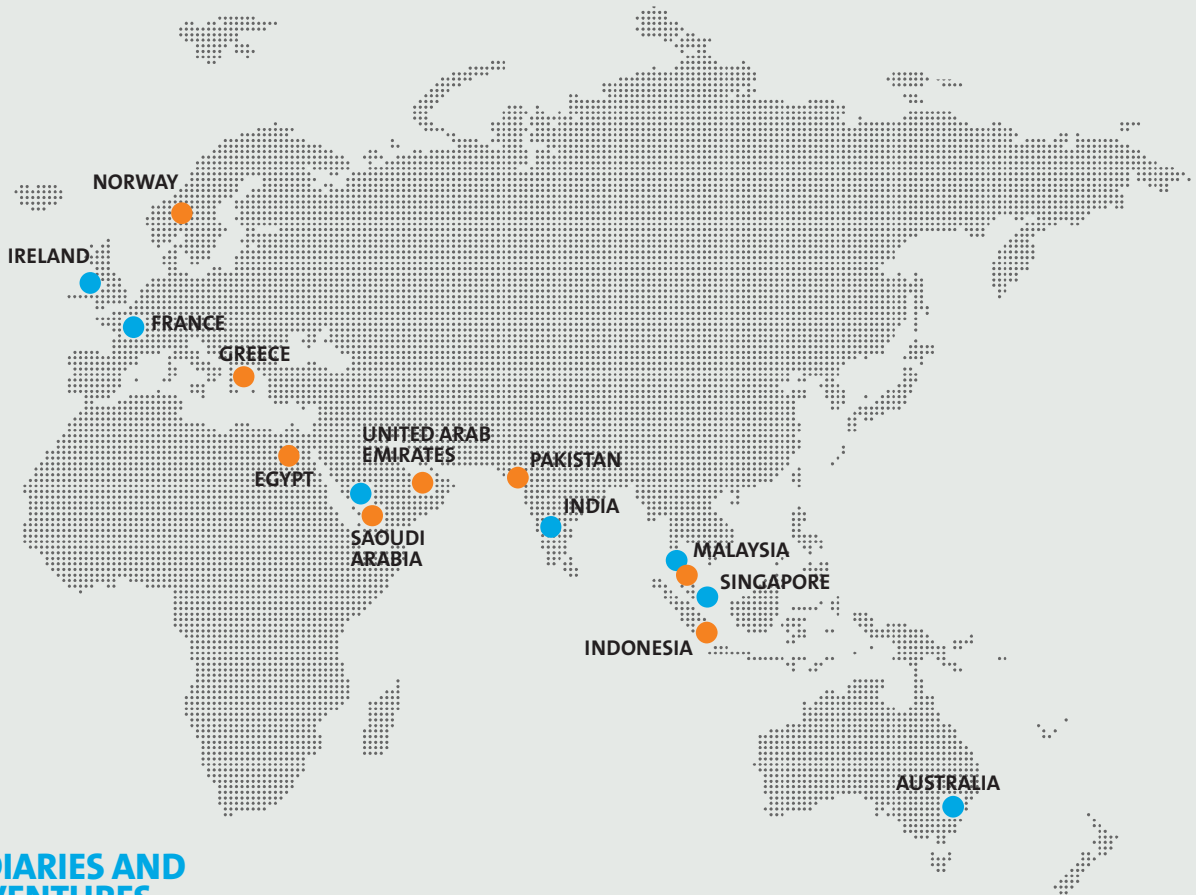
→ **A. Loewenstein:** We are also able to provide technology transfers. The Scorpene® P75 in India and PROSUB in Brazil programmes, currently underway, contribute to our long-term presence in our partner countries.

Marie-Pierre de Bailliencourt, Executive Vice President, Development

“DCNS carried out a global rethink of its product portfolio so as to offer clients and prospects increasingly efficient practical solutions and the full benefits of our experience in defence. This will greatly enhance the perception of our skills as systems and equipment integrators. The priority in developing our submarine offering will be given to the propulsion and armaments systems. As far as surface ships are concerned, entry-level warships and intermediate size frigates will be the focus of our marketing efforts. Our strength lies in our ability to deploy a range of increasingly modular solutions together with a guaranteed level of quality and operational intelligence for our clients' missions, resources and ambitions. This allows our positioning to shift from being just a supplier of products (even if they are the most sophisticated) to becoming a genuine partner in defence and economic development based on innovation and the protection of territorial waters.”

DCNS worldwide

DCNS is a world-class company. Its activity on international markets accounts for almost 32.7% of DCNS' income. With its workforce of 13,130, the Group is active in some 16 countries via joint ventures, subsidiaries or representative offices, implementing a policy of responsible and sustainable international growth. The Group works on a long-term basis with its local industrial partners on all its programmes and assists clients with their technological development.



SUBSIDIARIES AND JOINT VENTURES

FRANCE

SIREHNA FRANCE (100%)

Dynamic ship positioning solution development as well as stabilisation and deck landing systems for marine, aerial and terrestrial vehicles and UAVs. Technological research and development in naval hydrodynamics.

DÉFENSE ENVIRONNEMENT SERVICES (49%)

Multiservice and multitechnical infrastructure management (in partnership with Veolia Environnement).

KERSHIP (45%)

Design and construction of medium-tonnage ships for maritime security missions (in partnership with PIRIOU).

PRINCIPIA SAS (33.3%)

An engineering and expert assessment company in the naval and nuclear fields.

INTERNATIONAL

AUSTRALIA DCNS AUSTRALIA (100%)

Supports the DCNS Group for its activities in Australia.

SAUDI ARABIA DCNS SUPPORT (100%)

Supports the DCNS Group for its through-life support activities in Saudi Arabia.

BRAZIL DCNS DO BRAZIL (100%)

Supports the DCNS Group for its activities in Brazil.

PROSIN (100% SUBSIDIARY OF DCNS DO BRAZIL)

Naval systems engineering for Brazil.

ITAGUAÍ CONSTRUÇÕES NAVAIS (41%)

Submarine construction. The shipyard produces the Scorpene® submarines included in the contract signed by DCNS with the Brazilian Navy (in partnership with the Brazilian company Odebrecht).

CANADA DCNS TECHNOLOGIES CANADA, INC. (100%)

Supports the DCNS Group for its activities in Canada.

DCNS sites in France⁽¹⁾



CHILE ENERGIA MARINA SPA (100% SUBSIDIARY OF DCNS ÉNERGIES)

Supports the DCNS Group for its renewable marine energy and offshore oil/gas activities in Chile and South America.

INDIA DCNS INDIA (100%)

Technical support missions for local shipyards and naval industries, plus the development of services using Indian competences and sourcing for both national and international needs.

IRELAND OPENHYDRO GROUP LTD (59.7%)

Design and construction of marine turbines. OpenHydro is the techno-

logical and commercial leader on the marine turbine energy market.

MALAYSIA DCNS MALAYSIA (100%)

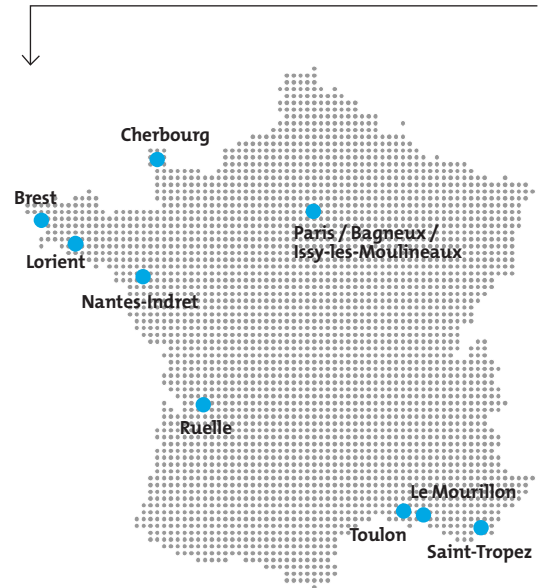
Supports the DCNS Group for its activities in Malaysia.

BOUSTEAD DCNS NAVAL CORPORATION (40%)

Through-life support for submarines (in partnership with the Malaysian company Boustead).

SINGAPORE DCNS FAR EAST (100%)

Naval and aeronaval system logistics and maintenance.



BREST
2,620 staff members
Services and renewable marine energies

CHERBOURG
2,110 staff members
Submarines

LE MOURILLON
920 staff members
Information and surveillance systems

LORIENT
1,960 staff members
Naval surface systems

NANTES-INDRET
1,080 staff members
Submarines and R&D

**PARIS – BAGNEUX –
ISSY-LES-MOULINEAUX**
950 staff members
Registered offices / Information and surveillance systems / Renewable marine and civil nuclear energies

RUELLE
840 staff members
Submarines, simulators and training

SAINT-TROPEZ
270 staff members
Underwater weapons

TOULON
2,060 staff members
Services

(1) Figures rounded up to the 10 above.



BRAZIL

The programme ramps up

→ 2014 was marked by a number of notable successes within the context of the technology transfer contract between DCNS and its Brazilian partner Odebrecht. This covers the design and production of four conventional Scorpene® 2000 class submarines and assis-

tance with the design of the non-nuclear part of the first nuclear powered Brazilian submarine. In January, the Group inaugurated a combat systems integration platform at Saint-Mandrier-sur-Mer. This enables DCNS and Brazilian Navy teams to carry out test phases and training in the information processing systems. The assembly of the central suspended cradle for the first conventional submarine was completed in October at Cherbourg. Also at Cherbourg, DCNS inaugurated a logistics platform designed to take delivery of and dispatch equipment for the Brazilian submarines. At Itaguaí, in Brazil, ICN, the joint company set up by DCNS and Odebrecht, continued to build the hulls of the first two submarines. Also under the terms of this large-

scale contract, DCNS is providing assistance with the prime contractorship for building the shipyard and the future naval base. On 12 December 2014, Dilma Rousseff, President of the Brazilian Republic, officially inaugurated the submarine building shipyard's main hall. Completion of this new building is an important milestone in the programme and illustrates the scope of this major partnership with Brazil.

DCNS IN BRAZIL

- Four conventional submarines built with technology transfer.
- Assistance with building a new naval base and a new shipyard with a first 55,000 square-metre manufacturing site for producing submarine units in Itaguaí.
- Assistance in the design of the non-nuclear parts of the first nuclear attack submarine.
- A subsidiary, Itaguaí Construções Navais (ICN), which is a joint company owned by DCNS and Odebrecht.

1_ 12 December 2014 – Inauguration of the main hall at the submarine shipyard by Dilma Rousseff, the President of the Brazilian Republic – with an artist's impression of the future Brazilian submarine.

2_ The FREMM multimission frigate *Aquitaine* riding in Halifax Bay (Canada).

3_ Colombian *Almirante Padilla* class frigate, delivered by DCNS and Thales to the Colombian Navy in March 2014.



CANADA

DCNS opens a new subsidiary

→ DCNSTechnologies Canada Inc., DCNS' wholly owned Canadian subsidiary, opened for business in April 2014 in Ottawa. Its creation reflects the Group's desire to extend its international growth.

This new subsidiary, devoted to carrying out engineering studies with the aim of establishing industrial partnerships in Canada, will in particular be steering design of the Canadian version of the FREMM. The multimission frigate designed by the Group is a contender for the CSC (Canadian Surface Combatant) programme. This invitation to tender, issued by the Canadian Navy, is part of a much vaster project since the Canadian government has decided to totally renew its federal fleet over the next thirty years. As part of the strategically sustainable and responsible partnerships DCNS offers all its client navies, the Group aims to provide support for what will be the largest naval defence programme ever implemented in this country.

Over **100**

engineers, technicians and Brazilian workers have already received four years' training in 14 technical fields by DCNS Universeaty®.

COLOMBIA

Modernisation of four frigates

→ The modernisation programme for four Colombian Navy *Almirante Padilla* class frigates, carried out by DCNS and Thales, was successfully concluded in March 2014 with the acceptance sea trials for the fourth ship. The completion of this programme demonstrates that modernising existing platforms is an excellent way of extending ships' active lives and improving their capabilities. It also once again confirms DCNS' capacity to assume the role of prime contractor for complex projects within a stipulated budget and timeframe, to the client's entire satisfaction. In the context of this contract, signed at the beginning of 2009, DCNS was the prime contractor while Thales was responsible for integrating the combat and communication systems, in association with the Colombian naval shipyard Cotecmar. The equipment installed and integrated into the four ships built at the beginning of the 1980s include a SMART-S Mk2 surveillance radar, a STING EO Mk2 electro-optic firing control system, a MIRADOR optronics firing control system, a VIGILE 200S electronic war system (ESM), communications systems and a Terma SKWS decoy launcher. The Altesse information gathering/transmission system (COMINT) on the four frigates was also modernised.



MOROCCO

Delivery of the FREMM *Mohammed-VI*

→ On 30 January 2014, at Brest, DCNS delivered the multimission frigate *Mohammed-VI* to the Royal Moroccan Navy during a ceremony attended by His Royal Highness the Prince Moulay Rachid El Alaoui, brother of His Majesty the King of Morocco, and Jean-Yves Le Drian, French Defence Minister. This ship, which bears the name of the Moroccan king, is the first commercial success for the DCNS FREMM range on the international market. The FREMM multimission frigates are among the most technologically advanced and competitive ships on the market. They can respond to all types of threats, whether they come from the air, sea, submarines or land, meeting the operational needs of many navies thanks to their versatility and manoeuvrability. The FREMM programme covers the construction of 12 ships, 11 of which are for the French Navy and one for the Royal Moroccan Navy. In accordance with the contractual agreement, this ship was built in five years. During the nine months preceding its delivery, a series of sea trials permitted to confirm that the frigate is fully capable of meeting its specified performance. Some of the future Moroccan crew were on board during these trials so that they could become familiar with the ship. Before setting sail, they had followed training on simulators at the Lorient and Le Mourillon sites, a programme which in particular enabled them to become familiar with the ship's piloting systems. The *Mohammed-VI* multimission frigate, which is the largest and most powerful warship in the Royal Moroccan Navy, features the same technological and industrial innovations that are to be found on the 11 other ships for the French Navy.

DCNS IN EGYPT

- A contract for the supply of a FREMM multimission frigate signed on 16 February 2015, with the Defence Minister of the Arab Republic of Egypt.
- One of the FREMM frigates from the series planned for the French Navy loaned to Egypt so that delivery could be made in mid-2015.
- The 2nd international success for the FREMM multimission frigate, a versatile ship capable of responding to all types of aerial threat.
- Egypt to be supplied with four GOWIND® 2500 corvettes.



1_ 30 January 2014

DCNS delivers the *Mohammed-VI* multimission frigate to the Royal Moroccan Navy.

2_ Ongoing modernisation programme

for Royal Saudi Navy warships by DCNS teams.

3_ June 2014

DCNS wins a contract concerning the supply of four GOWIND® corvettes for the Egyptian Navy.



SAUDI ARABIA

A platform devoted to programme management

→ Since the construction of the first F2000 frigate in Lorient, at the beginning of the 1980s, DCNS has built and consolidated a sustainable partnership with Saudi Arabia. After the ERAV programme

concerning the maintenance of three frigates and the AMWAJ programme covering support for the Royal Saudi Navy in terms of supplying spare parts and technical assistance, the Saudi Government further demonstrated its confidence in DCNS. In August 2013, the Group, in association with Thales and MBDA, was chosen by the Royal Saudi Navy to renovate four frigates and two tanker-supply ships. In order to give a more responsive and efficient service to this major client, in 2014, DCNS opened a platform devoted to managing these three programmes at its site in Toulon. This brings together a team of 70 who operate from France to back up the teams from DCNS Support, the Group's subsidiary in Saudi Arabia, which is responsible for carrying out this work.

→

300

DCNS simulators are in service at its sites or installed at its client navies' bases.

EGYPT

Fresh success for the GOWIND® range

→ Following an international invitation to tender in June 2014, the Ministry of Defence for the Arab Republic of Egypt informed DCNS that it had won a contract for the supply of four GOWIND® 2500 corvettes, with an option for two additional units. The first ship is to be designed and built in France, while the three others will be constructed in Alexandria via a technology transfer provided by DCNS, once again proving its willingness to establish responsible partnerships with its international clients. In addition to its industrial sector taking an active part in building these ships, Egypt will also benefit from the acknowledged technical expertise in the field of naval construction which DCNS will be able to contribute. This contract represents a major international success for DCNS, thereby demonstrating the appeal of its GOWIND® range. To take on board its clients' needs, the Group has extended this range, which now covers the 1,000 to 3,500-tonne segment of ships. It consists of the GOWIND® 1000, a fast and particularly well-armed warship, and the GOWIND® 2500, which features advanced combat capabilities when it comes to countering aerial, surface and submarine threats. Finally, on 16 February 2015, DCNS signed a contract with the Ministry of Defence for the Arab Republic of Egypt for the supply of a FREMM multimission frigate. This agreement highlights the strategic relationship of confidence that exists between DCNS and Egypt.



INDIA

DCNS on all fronts

→ 2014 was a year of multiple successes in India, where the Group is highly active via its subsidiary DCNS India and several alliances forged with local actors. In May, DCNS and its Indian partner Walchandnagar Industries Limited, concluded the final chap-

ter of the P28 programme, which began in 2006. The unconditional acceptance of the eighth reducer was indeed the final milestone in the contract to design, produce and integrate reducer cradles for the propulsion of four Indian Navy anti-submarine corvettes. 2014 was also highly eventful for the P75 programme. This concerns the construction of six Scorpene® 2000 submarines with technology transfer by Mazagon Dock Limited. This is a project which is unique in many ways, since it is the first time the first in a series has been produced entirely via technology transfer, and now the sixth and final combat system supplied by DCNS has been accepted and validated. After the last sections of the first submarine in the series – to

be named *INS Kalvari* – had been joined, the integration stages began. At the same time, DCNS launched two training sessions for the future crews: one in India on the piloting systems and the second at DCNS sites (Le Mourillon and Ruelle) on the combat system and torpedo tubes.

DCNS IN SINGAPORE

- DCNS FAR EAST (a wholly-owned subsidiary) was set up in 2005.
- A local presence established for ten years specialised in naval and aeronaval system logistics and maintenance, also involved in the inspection of submarines from the surface using robots.
- A naval and industrial partner which has delivered six frigates to the Singapore Navy, within the context of a technology transfer programme.

1_ DCNS teams and Mazagon Dock Limited Inc. are continuing with the technology transfer construction programme of the six submarines for the Indian Navy. 2014 saw completion of the P28 programme by DCNS teams. P28 concerns the supply and integration of reducer cradles on the four corvettes operated by the Indian Navy.

2_ DCNS and BDNC launch the through-life support contract for the two Scorpene® 2000 submarines operated by the Royal Malaysian Navy, previously constructed by DCNS.

3_ November 2014, inauguration of the new DCNS Australia subsidiary, at a ceremony attended by David Johnson, the Australian Defence Minister.



MALAYSIA

Responsible partnerships

→ Standing at the centre of one of the world's greatest maritime crossroads, Malaysia is a driving force of the emerging South East Asia economies. Twenty years ago, the country began a far-reaching overhaul of its fleet. DCNS, via its subsidiary DCNS Malaysia, works closely with this major partner. The Group, which delivered two Scorpene® 2000 submarines to the Royal Malaysian Navy in 2009 and 2010, was awarded an additional contract in 2011 for the supply of six GOWIND® corvettes. The ships, the first of which is to be delivered in 2017, are now being built in Malaysia with Boustead Naval Shipyard, DCNS' local partner, as the prime contractor. To ensure the flawless success of this project, DCNS has set up an extensive technology transfer programme and, in particular, welcomed some thirty Malaysian engineers to its Lorient site so that they can be trained and involved in the work of designing the ships with contributions from DCNS Universeaty®. With BDNC, its 40%-owned subsidiary in partnership with Boustead, this year the Group launched the through-life support contract for the two Scorpene® 2000 submarines operated by the Royal Malaysian Navy. After having supplied educational and training simulators for the Scorpene® 2000 submarine crews, DCNS continued to support the Royal Malaysian Navy by helping them acquire the necessary competencies this year via major training programmes for the future crews of the GOWIND® corvettes.

AUSTRALIA

DCNS opens in Canberra

→ In November, Hervé Guillou, Chairman and Chief Executive Officer of DCNS, inaugurated the new DCNS Australia subsidiary at a ceremony attended by David Johnson, the Australian Defence Minister. By establishing a long-term presence in Canberra, the

Group is pursuing its international growth in this highly strategic country. For Australia has launched the SEA 1000 programme, which plans to replace some of its Collins class submarines. DCNS hopes to steer future discussions towards this programme by speaking on behalf of the French Government and French industrialists, including Thales Australia. Thanks to its multifaceted expertise in building submarines of all sizes and in combat system integration, the Group can make a significant contribution to this programme. DCNS is planning to present the SMX®-Ocean, a conventionally powered submarine derived from the Barracuda, which will give Australia access to the most advanced French engineering capability and design.

For over
20 years

technology transfer programmes have been implemented for foreign client navies.



Cooperation agreement between DCNS and Airbus Defence & Space to develop integration of the TANAN UAV into warship combat systems.

EUROPE

A year marked by success

→ DCNS is a driving force in the consolidation of the European naval industry. Last September, in Toulon, in front of members of the European Commission, the Group coordinated the presentation of I2C, a four-year programme of studies involving 20 European partners with the aim of developing an intelligent integrated maritime surveillance system. Also at European level, DCNS has been awarded a contract by BAE Systems to carry out studies of shaft line systems. This is for the T26 programme, which concerns the construction of 23 frigates for the Royal Navy. DCNS also signed a cooperation agreement with Airbus Defence & Space, the European leader in its field. This concerns developing the integration of the on-board

helicopter TANAN UAV into warship combat systems.

The Group, which is aiming to position itself as a leader in the integration of complex information systems in a maritime context, delivered the specification documents for the LOTI-NG operational software to Dassault Aviation in 2014. This information processing software controls the implementation of on-board sensors and weapons carried by Atlantique 2 maritime patrol aircrafts.

In France, the FREMM programme, which concerns the construction of 11 multimission frigates for the French Navy, moved ahead in many areas. Several series of sea trials of the FREMM *Normandie*, the second in the series, enabled its combat system performance to be validated. The sea trials for

the FREMM *Provence*, third in the series, began while the FREMM *Languedoc*, fourth in the series, was successfully floated out in July at Lorient. Finally, 2014 also saw the first commercial success for KERSHIP, a joint company set up by DCNS and PIRIOU, which won the B2M contract for supplying and maintaining three multimission OPV ships based overseas.

CHALLENGE 2

REINFORCING OPERATIONAL PERFORMANCE

Controlling lead times, costs and quality are key priorities for DCNS. To meet the needs of clients and markets, the Group is strengthening its ongoing performance improvement dynamics. In 2014, **DCNS reached major industrial milestones on several programmes**, such as, for example, the adaptation of nuclear ballistic missile submarines for the M51 missile, the delivery of the FREMM frigate to Morocco and also the delivery of nuclear critical equipment for EDF and CIDEA for the Bugey nuclear power station.



FREMM

Ongoing programme of FREMM multi-mission frigate series – launching of the frigate *Languedoc* on 12 July 2014.



Charles de Gaulle aircraft carrier

Maintenance layup for the aircraft carrier *Charles de Gaulle*.



Bugey nuclear power station

Study programme for the supply, assembly and commissioning of a ventilation network on behalf of EDF and CIDEA.

— REINFORCING OPERATIONAL PERFORMANCE

“

Respecting commitments, the most important being lead times, costs and quality, are the keywords to remember when it comes to achieving client satisfaction.

”

Frank Le Rebeller /
Executive Vice President, Finance & Legal

Pierre Legros /
Senior Vice President, Programmes

Nathalie Smirnov /
Senior Vice President, Services

Daniel Cauchon /
Delegate Director, Industry

DCNS is committed to pursuing its efforts in the fields of competitiveness, quality and service to its clients.

What assets does DCNS have to improve its operational performance and successfully complete its programmes?

→ **P. Legros:** The acknowledged technical excellence of our teams in a wide range of fields makes us stand out for the design and construction of highly complex ships, both in terms of the platform and their combat system. We are able to cover all the specific fields associated with military ships.

Furthermore, the DCNS integrated model gives our clients the assurance that we will be with them during the ship's entire life cycle, from design until through-life support. This unique model enables us to build on the feedback from operational personnel and offer them ever better performing ships perfectly adapted to their specific needs.

DCNS is currently demonstrating its ability to act as prime contractor for complex major programmes via its production of 11 latest generation FREMM multimission frigates, the first of which went into service in 2012. There is also the implementation of the Barracuda programme, the latest nuclear attack submarine for the French Navy, which features a high degree of complexity and automated functions.

What are the keys to success in this field?

→ **D. Cauchon:** One of them lies in providing assistance at a time of change. The aim is to explain what is at stake to gain support so that the DCNS industrial model can be implemented by members of our workforce on an everyday basis. We must improve the group



From left to right:
Daniel Cauchon, Delegate Director, Industry. **Nathalie Smirnov**, Senior Vice President, Services.
Frank Le Rebeller, Executive Vice President, Finance & Legal. **Pierre Legros**, Senior Vice President, Programmes.

dynamics and, to achieve that, implement more frequent monitoring loops focused on programme milestones. The excellence of DCNS, which has brought it an unchallenged reputation for technical superiority, should also apply with regard to lead times. These should be among the fundamental qualities which must be uncompromisingly adhered to at all times.

→ **N. Smirnov:** As far as providing services to navies are concerned, the main key lies in sharing a common goal with our client, that of fleet readiness. This goal goes hand-in-hand with the capacity of adapting our teams, who are used to working in a constantly evolving climate of ship types and formats, whether they are for the French Navy or foreign navies. As prime contractor, equipped

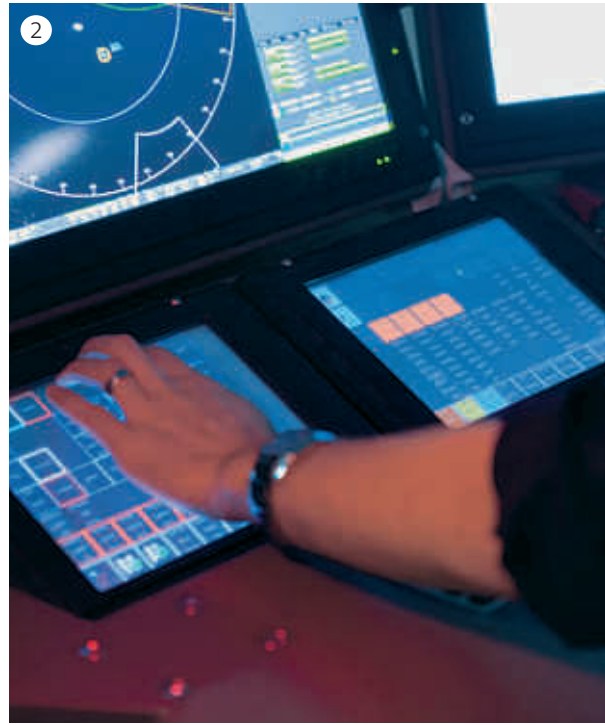
with the full range of competencies needed, we can steer extremely complex projects subject to tight scheduling constraints, so that we can comply with our clients' operational needs. Satisfaction surveys among our clients and crews bear witness to the work carried out by our teams on a daily basis.

What role does the management play in maintaining the Group's operational performance?

→ **N. Smirnov:** As a service provider which constantly has to adapt to its clients' operational constraints, our team leaders and departments must be able to fully assume their day-to-day responsibility for maintaining consistent industrial performance. It is essential to have the right level of independence and delegation defined throughout the organisation, with a strong culture of respect for its commitments. It is this higher level of responsibility everyone has which should enable us to achieve this twin objective, i.e. client satisfaction coupled with improved economic results.

**Frank Le Rebeller,
 Executive Vice President,
 Finance & Legal**

“Respecting commitments, the most important being lead times, costs and quality, are the keywords to remember when it comes to achieving client satisfaction. In an increasingly demanding contractual environment, our programme approach must be global. The operational performance must bring together industry, programme and support functions. Steering such a programme actually means being able to command the chain of development, methods and manufacturing, including the supply chain. It also means being equally stringent in the phases of fulfilling the contract as in the preliminary phase of making offers and negotiations.”



INDUSTRIAL PERFORMANCE

Commanding lead times and costs

In 2014, DCNS was awarded the single **Quality Security Environment (QSE) certificate** by AFNOR for the ISO 9001, ISO 14001 and OHSAS 18001 standards as well as a specific certificate for the AQAP 2110 standard. This certification recognises the efficiency of our current processes and enables us to ultimately improve and consolidate our industrial performance with regard to all of our stakeholders. It commits us to **ongoing responsibility** for correctly applying our QSE management system, to consistently apply it and introduce the necessary corrective measures.

→

83.9%

This is the percentage of “satisfied” clients following a survey concerning all service programmes provided to the French Navy over twelve months in 2014.

FREMM, A PROGRAMMED SERIES OF SHIPS DELIVERED ACCORDING TO A CALENDAR WITH MAINTENANCE IN PARALLEL

→ On 30 January 2014, DCNS delivered the FREMM *Mohammed-VI* to the Royal Moroccan Navy during a ceremony attended by His Royal Highness the Prince Moulay Rachid El Alaoui, brother of His Majesty the King of Morocco, and Jean-Yves Le Drian, French Defence Minister. The delivery of the frigate *Mohammed-VI*, which bears the name of the Moroccan king, is the first commercial success for the DCNS FREMM range on the international market. It fully complied with the expected performance specifications, was delivered on budget and on time.

In 2014, the French programme, which consists of 11 units ordered by the OCCAR on behalf of the DGA (French defence procurement agency) and the French Navy, passed some significant milestones. A third series of trials for the FREMM *Normandie* added up to more than 50 combat system and SETIS® combat management system qualification sequences in the course of the five weeks at sea. The many tests carried out included implementation of electronic warfare and establishing tactical data links.

The FREMM *Provence*, the third in the series, carried out its first sea trials on 1 October, as required by the contractual agreements, the main purpose being to test

KEY FACTS

1_1 OCTOBER 2014

The FREMM *Provence*, the third in the series, carried out its first sea trials, as required by the contractual agreements, the main purpose being to test the propulsion performance and the ship's navigation system.

2_ SETIS® COMBAT SYSTEM

incorporated into the FREMM multimission frigates.

3_6 AUGUST 2014

The aircraft carrier *Charles de Gaulle* left its naval base at Toulon to carry out sea trials and train its crew.



the performance of the propulsion and the ship's navigation system.

Finally, on 12 July in Lorient, DCNS floated out the FREMM *Languedoc*, the fourth in the series. In 2014, at Lorient, DCNS was engaged in the simultaneous construction of five multimission frigates in various stages of completion, the fifth and sixth frigates in the series being in the process of assembly. This excellent progress highlights the fact that the rhythm of this major construction programme for the French Navy is being maintained.

The FREMM programme also includes through-life support for the ships throughout 2012-2018. In consequence, the FREMM *Aquitaine*, first in the series, went into dry dock at Brest on 16 October for its first major maintenance layup. Carrying out the construction of new ships and maintenance operations simultaneously has required the Group to rethink its through-life support processes by optimising its organisation and methods to provide the logistics support for these military ships.

THE CHARLES DE GAULLE AIRCRAFT CARRIER AT THE NAVAL REVIEW ON 15 AUGUST

→ On 6 August, the aircraft carrier *Charles de Gaulle* left the Toulon naval base to carry out

sea trials and crew training. The DCNS teams had successfully carried out maintenance work on the French Navy's flagship which, accompanied by some fifteen other French frontline ships, took part in the historic naval review on 15 August 2014. The commemorations for the 70th anniversary of the Allied troop landings in Provence took place in presence of the President of the French Republic, François Hollande. 1,300 maintenance operations, carried out within three months, had enabled the flagship's propulsion to be verified, together with its equipment and combat system, thereby guaranteeing its military performance. DCNS regularly carries out preventive maintenance on the aircraft carrier's equipment. The Group also anticipates improvements in the combat system and information and communication systems to ensure greater interoperability in NATO operation theatres. This forward planning ensures that the new networks will be installed and commissioned during the *Charles de Gaulle's* next major refit. At this time, DCNS will once again deploy its tried and tested organisational model, involving over a hundred of the Group's specialised skills and competencies.

INDIA: THE FIRST PROGRAMME USING TOTAL CONSTRUCTION TECHNOLOGY TRANSFER

→ The *INS Kalvari*, the first of six Scorpene® submarines ordered by the Indian Navy, is the first submarine to be totally constructed using technology transfer. Its commissioning, scheduled for September 2016, should be the culminating point of a series of sea trials in 2015. To achieve this world first, in 2014, DCNS recorded 21 acceptations of equipment produced or assembled by the Indian client, the MDL naval shipyard. This performance illustrates how this localisation programme in India has developed and the high degree of support provided by DCNS teams and those of its subsidiary DCNS India, as part of the technology transfer operation.

Six months ahead of schedule, on 8 July, DCNS furthermore recorded its sixth and final acceptance of the Scorpene® 2000 combat system. Since the joining of the first submarine in August, the French and Indian teams have completed the final equipment integration and startup of the installations before carrying out dockside tests and finally sea trials.



INDUSTRIAL PERFORMANCE

Guaranteeing operational excellence

On 17 December, DCNS launched a plan to intensify competitiveness between the suppliers on its panel. The aim of this move is to galvanise each one of them so as to increase our joint performance from 2015 and thereby return to sustainable growth, which will be borne out by conquering new markets.

EXTENDING THE LIFE OF FRENCH OCEANGOING DISSUASIVE FORCES

→ At L'Île Longue (Brest), DCNS continued the regular maintenance work on the French Navy's ballistic missile nuclear submarines (SSBNs). At the same time, 2014 was the year for the SSBN *Le Triomphant's* "refit", one of the most important M51 (IA M51) missile adaptations and a genuine challenge to integrate and reintegrate the greater part of the components. This operation called for a workforce of no fewer than 1,100 staff members, who had to disassemble over 30,000 items of equipment. By maintaining its commitments for this operation in terms of timeframe and costs, DCNS demonstrated

its capability to meet the most ambitious technical and industrial challenges.

The programme to reconfigure the fourth-generation *Le Triomphant* class ballistic missile nuclear submarines (SSBNs) and adapt them to carry M51 missiles began in 2010. This programme includes modernisation of *Le Vigilant*, *Le Triomphant* and *Le Téméraire*, bringing them into line with the SSBN *Le Terrible*, delivered to the French Navy on 20 September 2010. The programme consists of installing new sonars, the new SYCOBS combat system, renovating the navigation/operations command centre and, above all, adapting the missile section to accommodate the M51, which is already carried by the fourth new

→
4.5 million

working hours for the regular maintenance layup adapting the SSBN *Le Triomphant* for M51 missiles.



KEY FACTS

1_2014

was the year for “re-assembling” the SSBN *Le Triomphant*, one of the most important phases was the adaptation programme for the M51 missile and a real challenge to integrate and reintegrate the greater part of the components.

2_18 JULY 2014

The order for the fourth in the Barracuda class series, the *De Grasse*

The programme amplifies the series and the manufacturing logic required for it to be a success.

APRIL 2014

DCNS validated the compliancy of machining and adjusting operations

carried out on the breach in the nuclear boiler compartment on the first Barracuda class attack submarine, the *Suffren*.

generation SSBN *Le Terrible*, to replace the M45 missiles carried until now by the first three SSBNs.

DCNS works on large-scale projects at its Brest site, outstanding by the complexity and the expertise they require. Apart from its technical aspects, the programme’s complexity lies in strictly complying with a very tight schedule. The French Navy’s strategic oceangoing force operates four submarines constantly obliged to maintain the ongoing deployment of dissuasion missions a frontline navy must carry out. The time allowed for each ship to be refitted is limited to around thirty months. This major programme for DCNS began with *Le Vigilant*, is currently continuing with *Le Triomphant* and will end with *Le Téméraire* in 2018. To optimise availability, the modernisation is carried out during a regular maintenance and repair layup (IPER) which each SSBN undergoes every seven years. This includes checking all equipment and, in particular, recharging the nuclear core.

BARRACUDA: CONFIGURATION AND CONFORMITY ACHIEVED IN PREPARATION FOR THE TRIAL PHASE UNDER STEAM

→ Building conformity is among the priorities of DCNS’ ongoing improvement drive concerning the construction of six nuclear attack submarines (SNAs) for the French Navy. In April, DCNS validated the compliancy of machining and adjusting operations carried out on the breach in the nuclear boiler compartment on the first Barracuda class attack submarine, the *Suffren*. This stage was essential to achieve the clean conditions allowing the nuclear activity for the boiler compartment to be engaged.

A few months later, another major milestone was reached when trials of the propulsion system were carried out under steam. These revealed the cause of blockages associated with the configuration as well as validating conformity and security compliance. It also enabled the 500-tonne module to be integrated into the hull of the *Suffren*. Before these trials could begin, a significant amount of work checking configuration and conformity was carried out with total synergy between the engineers and the DCNS teams responsible for assembly and quality.

In December, the Group began installing the Syracuse satellite communication aerial, designed and developed by DCNS on the Barracuda combat system integration platform. This stage was required for the qualification of the exterior and interior communications systems.

With the order, placed on 18 July, for the fourth Barracuda class submarine, the *De Grasse*, the series was amplified in scale, as was the manufacturing logic required for it to be a success. This logic aims to encourage pre-equipment as standard, making available manufacturing resources devoted to reducing costs by virtue of repetition, increasing and rationalising the density of procurement operations and optimising stocks. The Barracuda programme is now entering a major phase: completion of the *Suffren*, the first in the series, within the contractual timeframe and the industrialised production of the series.



5,900 MSV

(managerial safety visits)
involving staff members
devoted to health and safety
in the workplace.

INDUSTRIAL PERFORMANCE

Developing best practices

To achieve operational excellence, DCNS implements an ongoing performance improvement strategy by deploying an industrial optimisation process and supporting change so that it can adopt best practices and thereby make client satisfaction the cornerstone of its commitments.

BUGEY NUCLEAR POWER STATION: DCNS TAKES PART IN SECURING THE DISMANTLING OPERATIONS OF THE REACTOR CASING

→ To maintain a high level of quality and security, DCNS has made a commitment to improve its project organisation by establishing check marks within a process that strictly complies with the stringent demands of nuclear procedures. This approach has made it possible to deliver a batch of studies meeting client expectations and to start work on the project on the declared date, a result that the client evaluated positively. Since June 2012, it has carried out a programme involving studies, followed by the supply, assembly and subsequent commissioning of two ventilation networks at the Bugey nuclear power station on behalf of EDF and CIDEN (the organisation responsible for dismantling first generation nuclear power stations). These systems provide ventilation to the reactor casing and the associated buildings while the dismantling phases are underway.

DIPS, A UNIQUE INDUSTRIAL FRAME OF REFERENCE

→ In 2014, DCNS launched the DCNS industrial performance system (DIPS), the Group's only industrial frame of reference which includes unavoidable checks and balances to ensure that commitments concerning the operational command of its programmes are respected. The DIPS clarifies each staff member's role and responsibilities in operational procedures and provides a common set of standards, methods and tools. The Group opens the way towards a harmonisation of these procedures with the aim of establishing a better command of its programmes.

OPTI, A SYSTEM TO HARMONISE PROGRAMMES' INDUSTRIAL METHODS

→ Progressively deployed until the end of 2015 among 2,000 of the Group's staff members, OPTI incorporates the cost management, lead times and resource processes of all DCNS programmes in a single tool. By reinforcing

the way costs, lead times and resources are managed, OPTI makes sure that the Group's commitments are respected, since they are vital for maintaining client satisfaction.

SEARH, A TOOL GEARED TO CHANGES IN NEEDS, RESOURCES AND COMPETENCIES

→ SeaRH is the new global and optimised information system for managing DCNS' human resources, and was deployed in less than one year. More comprehensive, better performing and better adapted to changes in the Group's human resources functions, this tool offers DCNS staff members and managers more efficient standard applications at lower cost for better work time management, training and recruitment. Staff members having direct access to their personal information can update them more easily. Offering efficient procedures, the Group's human resources teams are able to refocus on their expert and advisory roles, taking DCNS into an international dimension via the integration of all its subsidiaries.

CHALLENGE 3

GROWING IN RENEWABLE MARINE ENERGIES

The need for alternative energies is a crucial environmental challenge. DCNS has been developing renewable marine energies (RME) since 2008, investing in the market's key technologies, in particular marine current energy, ocean thermal energy and floating wind turbine energy. **Further successes marked 2014.** This year sees the transition from a research phase to a demonstration and potentially commercial production of RME phase. **The first industrial contracts have been signed** for developing pilot marine turbine farms in France and Canada. Europe has allocated a NER 300 subsidy for the realisation of ocean thermal energy projects, a highly innovative technology.



Marine turbines

December 2014 – A decisive step towards the creation of a French marine turbine industrial sector, backed by approval from the Prime Minister Manuel Valls for DCNS and EDF Énergies Nouvelles.



Floating wind turbines

October 2014 – DCNS and Alstom sign a partnership agreement for offshore floating wind turbines. The aim of this agreement is to develop and then market a semi-submersible integrated floating wind turbine with an output of 6 MW.



Ocean thermal energy

End of December 2014 – Akuo Energy, DCNS and the Entrepouse Group are partners for the development of an ocean thermal energy conversion (OTEC) power station in Martinique.

— GROWING IN RENEWABLE MARINE ENERGIES

“

Renewable marine energies (RME) offer an opportunity for economic development on a global scale.

”

Thierry Kalanquin /
Senior Vice President, Energies & Marine Infrastructures



What is the outlook for the growth of renewable marine energies in France and internationally?

→ **T. Kalanquin:** Renewable marine energies (RME) offer an opportunity for economic development on a global scale. Our aim, based on a strategy of first entrant, is to put forward a differentiating offer to position DCNS as a major player on this highly competitive market. In this way, with our innovative technology, particularly in marine turbines and ocean thermal energy, we are already active in metropolitan France of course, but also in the French overseas territories, in Ireland, Canada, Scotland, the UK, the USA, Chile, etc. And our collaboration with the largest energy distributors and promoters is likely to further intensify in the years to come, making RME from DCNS a genuine path to growth for the Group.

→ **J. Ives:** 2015 is a key year for OpenHydro. We are planning to score a first in the industry by supplying the first two marine turbines connected to national grids. Off the eastern coast of Canada, in the Bay of Fundy, OpenHydro is working with Emera to deploy two 16-meter turbines. We will also be installing two 16-meter turbines off the coast of Brittany at the EDF Paimpol-Bréhat site. With production forecasts of 1 GW, we are also developing our industrial processes to be best placed during the commercial launch of marine turbines in 2017.

“

2015 is a key year for OpenHydro. We are planning to score a first in the industry by supplying the first two marine turbines connected to national grids.

”

What are DCNS' advantages in this field?

→ **T. Kalanquin:** DCNS can draw upon all the Group's competencies, which cover a unique set of expertise for carrying out complex and innovative industrial projects in an environment that is difficult to master: the sea. Our strength consists in offering a series of services covering the entire life cycle of our solutions, from design through to production and of course the development of marine infrastructures and their maintenance. At the same time, the Group knows how to work with the best partners in each field. In marine turbines, we acquired OpenHydro, our subsidiary since 2013, in OTEC we work with Akuo and Entrepose, and in floating wind turbines with Alstom. The combination of the Group's expertise and the know-how of our associates adds up to assets which have already enabled

us to successfully reach a certain number of technical and commercial milestones. These successes, which authorities and clients in France as well as on international markets have found convincing, confirm the viability of our roadmap.

→ **J. Ives:** During the coming year, OpenHydro will be focusing on the development and industrialisation of its technological expertise to make progress in the fields of production and energy costs. Another key field is the development of sites. Last year, we tripled our portfolio of projects and are expecting to pass the 1 GW threshold in 2015, thanks to new international projects.

How does DCNS plan and prepare moving into industrial phases for its various projects?

→ **T. Kalanquin:** DCNS' aim is to set up plants close to energy resources. A number of different stages must be reached before we can attain this large-scale commercial and industrial goal. The technologies are first of all validated by building prototypes. Then, pilot farms and pre-sales, connecting the machines between each other and then feeding them into the grid. This will demonstrate the techno-economic feasibility of the technologies that have been developed. This is what we will do this year for example, with the pilot marine turbine farms which will be set up in France and Canada. These are essential stages to go through before arriving at an industrial and commercially competitive deployment of RME.

→ **J. Ives:** In 2014, OpenHydro set up a new division focused on the industrialisation of our procedures. From a company developing technologies, OpenHydro is now moving towards becoming a global industrial group offering a range of commercial products.



James Ives /
Managing Director of OpenHydro



TIDAL ENERGY

Tidal current energy enjoys major successes

DCNS AND MARINE TURBINES

- In 2014, DCNS and OpenHydro validated a new design for tidal turbines.
- At Paimpol-Bréhat, the first submerged 16-meter diameter prototype was brought to the surface in April after four months of tests under actual operating conditions.
- The DCNS and OpenHydro teams, which have analysed all the data collected and inspected all of the tidal turbine's components, approved the design of this preproduction model with a power of 2 MW.
- The very first improved version of this marine turbine, which will be used in the pilot farms that the Group will be deploying from 2015 in France and Canada, features a latest generation rotor designed to optimise the machine's hydrodynamics.

→ Thanks to its Irish subsidiary OpenHydro, DCNS is aiming to become the European leader of the tidal turbine sector: one which is currently undergoing large-scale growth.

Tidal turbines, which are underwater turbines, convert the energy of marine currents into electricity. These currents, associated with tide movement, can be forecast and are particularly powerful at certain sites. DCNS, which wants to become a major world player in tidal energy, acquired control of the Irish company OpenHydro, the technological and commercial leader of the sector, in 2013. To obtain a competitive price for electricity, OpenHydro had developed an innovative tidal turbine technology, totally submerged and designed to be positioned on the seabed. In 2014, the Group scored a number of major successes in France and internationally. In March, DCNS won the invitation to tender issued by the Nova Scotia Ministry of Energy to set up a pilot tidal turbine farm with a power of 4 MW in the Bay of Fundy in Canada. To make this project a reality, OpenHydro and its Canadian partner Emera Inc. set up a joint company. This farm, which will be deployed in 2015, will be one of the first multimewatt tidal turbine farms interconnected to the world. It will be able to supply electricity to more than 1,000 inhabitants of Nova Scotia. In April 2014, OpenHydro signed an agreement with Alderney Renewable Energy (ARE) to set up a joint venture. The two companies

2



1_ Marine current energy technology.

Tidal turbines are underwater turbines. The DCNS offering is presented by its industrial partner OpenHydro.

2_ April 2014 – OpenHydro (Thierry Kalanquin) and Alderney Renewable Energy (Nick Horner)

set up a joint venture for the development of a tidal turbine farm with a capacity of 300 MW close to the Channel Island of Alderney.

3_ December 2014 – A decisive step towards the setting up of a French tidal turbine industrial sector, backed by the approval of Prime Minister Manuel Valls for DCNS and EDF Energies Nouvelles.

4_ March 2014 – OpenHydro and its Canadian partner Emera Inc. set up a joint venture to install a pilot tidal turbine farm in the Bay of Fundy in Canada, after having won an invitation to tender issued by the Nova Scotia Ministry of Energy.



3

will combine their skills to build a tidal turbine farm with a capacity of 300 MW close to the Channel Island of Alderney. This will bring the capacity in the OpenHydro development portfolio to 920 MW. In France, after

the successful trials carried out on the DCNS prototype *L'Arcoquest*, which demonstrated the tidal turbine's performance under actual operating conditions, the Group was chosen in June by EDF to equip its pilot farm at Paimpol-Bréhat. This was a decisive stage in the creation of a French tidal turbine industrial sector. A stage which received additional support at the end of December when the Prime Minister Manuel Valls gave his approval for DCNS and EDF Energies Nouvelles to set up a precommercial farm consisting of seven tidal turbines in the Raz Blanchard. This followed a call for expressions of interest by the French Agency for the Environment and Energy Management (ADEME). The turbines, which will each have the power of 2 MW, should be fully connected to the national grid in 2018.



4

920 MW

OpenHydro's development portfolio.

1_ Hybrid ocean thermal energy conversion (OTEC) technology on land
In December 2014, sponsored by the Prime Minister Manuel Valls, DCNS, Akuo Energy and Entrepose announced the signature of a partnership agreement for a land-based OTEC power station in Martinique.



OCEAN THERMAL ENERGY CONVERSION (OTEC) AND OFFSHORE FLOATING WIND TURBINES

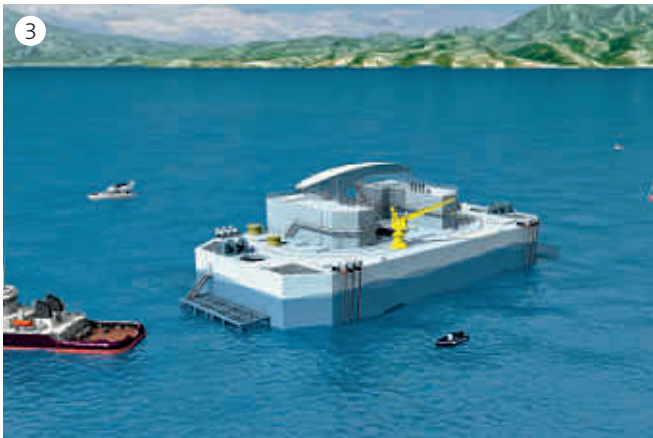
Cutting-edge technologies

Benefiting from its expertise in marine environments, which are key to developing these technologies, DCNS will be playing a major role in the floating wind turbine and ocean thermal energy market.

→ The principle of ocean thermal energy conversion (OTEC) consists of exploiting temperature differences in tropical seas between the warm water on the surface and the cold water in the depths to produce a constant flow of electrical current. Ultimately, OTEC will contribute to the energy independence needs of tropical marine regions not connected to continental grids. This market, which concerns around a hundred countries, could potentially be worth €35 billion. DCNS is currently able to offer two complementary OTEC turnkey solutions. One is a hybrid land-based solution with a capacity of around 9 MW and a floating solution at sea, capable of producing 16 MW. Via the land-based OTEC prototype located on Reunion Island, DCNS is testing and qualifying the electricity generating station which will be applicable for both land and sea-based systems. In July 2014, the project for a floating OTEC station in Martinique, developed by DCNS and Akuo Energy, was designated by the European Commission as winner of the NER 300 programme. This supports projects demonstrating innovative and commercially viable projects in renewable marine energies. In December, sponsored by French Prime Minister Manuel Valls, DCNS, Akuo Energy and Entrepose (VINCI Construction) announced the signature of a partnership agreement for a proposed ocean thermal energy conversion (OTEC) power station on land in Martinique. The first deliveries of these two OTEC solutions are scheduled for 2018-2019.

OCEAN THERMAL ENERGY CONVERSION AND OFFSHORE FLOATING WIND TURBINES

- Akuo Energy and DCNS are the designated winners in July of the European NER 300 fund by the European Commission for their OTEC power station in Martinique with the power of 16 MW which will supply 35,000 households from 2018.
- Via a partnership signed in October between DCNS and Alstom, the two companies are to develop and market an integrated semi-submersible floating wind turbine system with the power of 6 MW, combining their respective expertise as naval architects and turbine builders.



2_ Offshore floating wind turbine technology, to capture energy from ocean winds.

3_ Offshore OTEC, ocean thermal energy conversion technology. In July 2014, the European Commission designated DCNS and Akvo Energy winners of the NER 300 programme, the aim being to develop an offshore floating OTEC generating station in Martinique.

4_ October 2014, DCNS and Alstom signed a partnership agreement for floating wind turbines. The aim of this agreement is to develop, and then market an integrated semi-submersible floating wind turbine system with an output of 6 MW.



→ Offshore floating wind turbine technology, which captures energy produced by ocean winds, offers an innovative alternative exploiting the energy potential to be found in maritime regions located offshore where depths would prevent building fixed foundations.

France has the second largest potential in Europe to exploit this resource with possible deployment on its Atlantic and Mediterranean coastlines. Ultimately, world production of electricity from offshore wind turbines could be enough to equal the production of 40 nuclear reactors.

In June 2015, the French Government is due to launch an invitation to express interest for pilot offshore floating wind turbine farms. This announcement will consolidate the Group's development strategy in this field. In 2014, the Brittany region and DCNS signed an agreement for developing a pilot floating wind turbine site off Groix Island.

Moreover, DCNS signed an industrial partnership agreement with Alstom to set up an offshore floating wind turbine. With this "made in France" prototype, planned for 2017, the project, entitled "SEA REED", received financial support from the ADEME and will be designed from the outset to be developed on an industrial scale.

→

€72 million
of European subsidies are being allocated to launch the first floating OTEC generating station in Martinique.



An artist's impression of a DCNS International excellence centre.

CHILE

An international excellence centre for renewable marine energies is established

→ DCNS and its partner Enel Green Power were elected in 2014 by the Chilean government's economic development body to set up an international excellence centre for renewable marine energies in the country. This centre, known as "MERIC" (Marine Energy Research and Innovation Centre), will be an innovative hub for marine energies in Chile and across the world. DCNS, in addition to its technical expertise in renewable marine energy systems, will contribute its solid experience in managing industrial naval products. Enel Green Power, which is one of the world leaders in the RME sector, will provide its perspective as an end user. The project has support from several quarters including major Chilean University research institutions. MERIC will bring together researchers to back its work on assessing marine resources, site characteris-

tics, bio-fouling, bio-corrosion, environmental and social aspects as well as adapting technologies to extreme ocean conditions. These experts will also make their contribution to developing tools for testing and adapting our RME technologies to the country's specific natural characteristics. These include seismic activity and the rugged coastline as well as the diversity of its marine flora and fauna. This excellence centre will also implement and integrate an innovative approach to research and development in the marine energy sector, particularly with the installation of an experimental wave energy converter which will serve as a validating test bench to compare theoretical results and actual collected data. Ultimately, MERIC will have a consolidated infrastructure at its disposal, together with a body of experience enabling it to offer services to

local and international industrialists wishing to test our RME technologies in the Chilean maritime environment. With MERIC, DCNS will therefore have a strategic bridgehead in a country which combines an extremely high potential with a powerful ambition to exploit renewable marine energies.

CHALLENGE 4

UPHOLDING THE PILLAR OF SOVEREIGNTY

The need for alternative energies is a crucial environmental challenge. DCNS has been developing renewable marine energies. **A major industrial actor in naval defence,** DCNS operates in a sector with a strategic dimension. As a result, its responsibility is to sustainably support France and its partner countries in preserving their sovereignty – in political, economic and industrial towns. This is why **the Group deploys its activities responsibly,** aiming for sustainable growth backed by a **social policy founded on developing skills** and paying constant attention to the environment.



Economical

January 2014: foundation stone laying ceremony of the Ocean Technocampus in the region of Nantes. From 2015, DCNS will be bringing together its technological research activities at this site.



Environmental

Renewal of the DCNS Group's ISO 14001 certification, translating its management system's ongoing improvement strategy into the field of the environment.



Social

Since 2012, DCNS has been engaged in promoting gender equality in the workplace.

“

DCNS aims to develop and maintain its staff members' skills, control the forward planning of its resource management policies and the modernity of its industrial infrastructure and means.

”

Jean-Yves Battesti /
General Secretary

Alain Guillou /
Senior Vice President, Human Resources
& Operations

Didier Baichère /
Vice President, Human Resources

DCNS enhances its staff members' competences to extend their performance over time.

How is sovereignty a guarantee of DCNS operational excellence?

→ **J.-Y. Battesti:** Via its activities of design, construction and through-life support of French Navy frontline ships (aircraft carriers, nuclear attack submarines, etc.), DCNS is among the benchmark industrial cornerstones of France's sovereignty. In the current budgetary climate, it must ensure the durability of its human resources and the industrial infrastructure essential for this role. As a result, the Group must increase the dialogue with its main client, the French Navy. At the same time, it should work in tandem with naval sector stakeholders in France and, ultimately, Europe.

→ **A. Guillou:** To increase its competitiveness and guarantee its clients enduring technical

and technological superiority, DCNS aims to develop and maintain its staff members' skills, control the forward planning of its resource management policies and the modernity of its industrial infrastructure and means. It is by leveraging all of these and making the most of our collective intelligence that the Group's performance will be able to ensure its long-term future.

What are your priorities towards the Group's stakeholders?

→ **J.-Y. Battesti:** Giving undertakings of confidence to all our stakeholders is one of DCNS' priorities. We have to show them our capacity to implement our strategic plan and our improvement plan in order to return to growth, which will ultimately affect all our



From left to right: Alain Guillou, Senior Vice President, Human Resources & Operations. Jean-Yves Battesti, General Secretary. Didier Baichère, Vice-President, Human Resources.

stakeholders in a positive way. DCNS knows that if it is to return to growth, it can count on an extensive network of partners who have significantly contributed to the value of its ships. Strategic partners or innovative SMEs, they have helped create the conditions enabling its past, present and future successes to become reality. Together, we form one single company devoted to extending internationally.

What strengths does DCNS have to update its competences and attract talent?

→ **A. Guillou:** In parallel with ambitious forward planning of jobs and skills, DCNS has adopted attractive policies for identifying, selecting and nurturing talent. This is demon-

strated every year by our training scheme which takes on over 600 work/study students. Furthermore, for the last three years, we have been running a Young Talent programme offering development opportunities devoted to future managers. In addition, to further staff members' development prospects, some fifty reclassification openings have been defined in three possible career paths, that of expertise, programmes and management.

→ **D. Baichère:** At DCNS, we are working on complex systems in the very high technology environment of naval defence. DCNS also offers opportunities to join a pioneering Group which explores new growth sectors in renewable marine energies, which makes us stand out from a great many other industrial companies.

What kind of talents need to be recruited in the future and in which fields?

→ **D. Baichère:** DCNS is enhancing its competences in systems architecture and naval construction, as well as all aspects of engineering from design to construction and programme management by ensuring that engineers make up half of its recruitment intake. In 2015, among others, we will see

recruitment of engineers in these sectors as well as opportunities for workers and technicians in a number of specialised areas, particularly electricity, robotics, machining and ship frameworks. Whatever your speciality may be, passion and pride in our products will foster the excellence of DCNS technology.

Jobs at DCNS in 2014



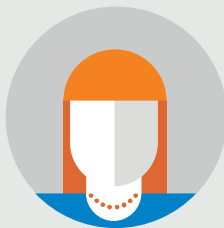
40%

young graduates



7%

aged over 50



25%

women

230

different
engineering
specialisations



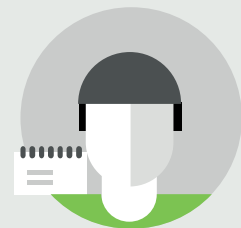
50

reclassification openings



550

unlimited-term contracts



600

apprenticeship contracts



4.5%

of the payroll
devoted to training



300

work experience contracts



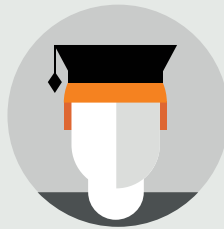
400,000

hours of professional training,
predominantly for staff members,
work/study students and service
providers

Developing the future's key competences, today

In a high-tech company like DCNS, competences, experiences and expertise acquired by staff members constitute key assets with which to meet the challenges of maintaining sovereignty for France and the Group's partner countries. DCNS therefore implements an HR policy totally focused on developing its human resources via recruitment, training, careers and working conditions. This approach anticipates the rapid development expected in technology markets so as to ensure we always have the best competencies available, generation after generation.

Recruitment in 2015



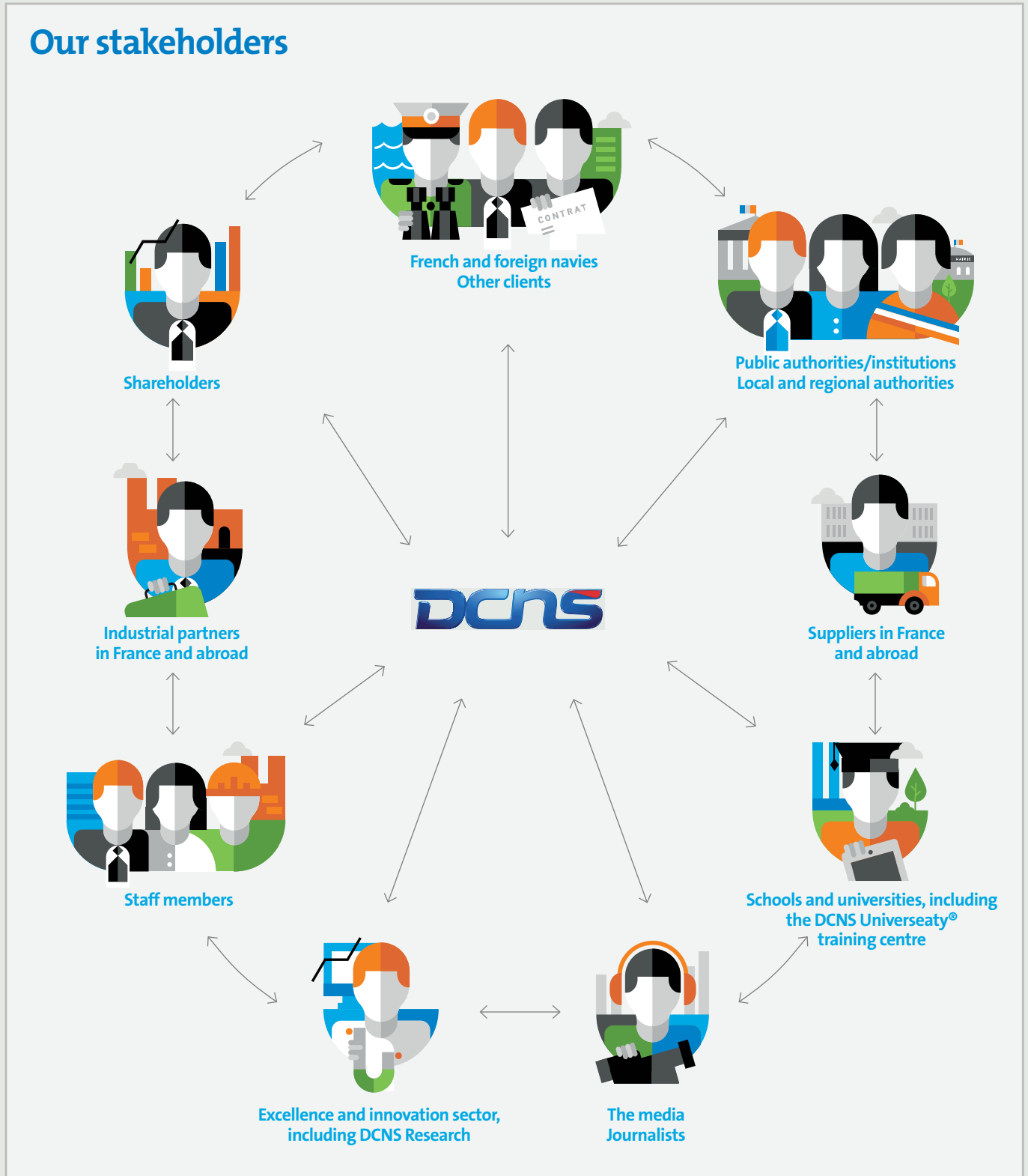
12%

at least of young graduates,
with an objective of 600 apprentices
maintained

KEY FACTS IN 2014

- ▶ Around 60 initiatives to build awareness of the DCNS Group and its appeal were carried out among schools and universities
- ▶ Signature of the second agreement on gender equality in the workplace for 2015-2018
- ▶ Signature of the second four-year agreement encouraging integration of disabled persons into the workplace, targeting a rate of 6%
- ▶ Deployment of a new global HR information management system, SeaRH

Our stakeholders



Contributing to economic and social development

A country's ability to maintain its sovereignty depends on its economic vitality.

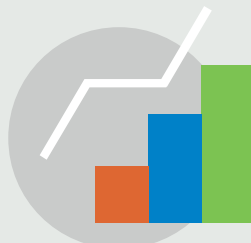
Being at once an employer, purchaser, investor and partner, the Group actively contributes to local development and the international consolidation of its job, added value and innovations creating subsidiaries.

Impact of the naval sector



40,000⁽¹⁾

direct and indirect jobs
in the naval sector in France



90%⁽¹⁾

of DCNS' added value
contributes to industrial excellence
and highly qualified jobs
in France

KEY FACTS IN 2014

▶ January / Foundation stone laying ceremony for the first Ocean Technocampus in Nantes. This is where DCNS will be centralising its technological DCNS Research activities

▶ June / The DCNS Group joins the United Nations Global Compact. This brings DCNS into a worldwide community of companies devoted to jointly respecting human rights, working conditions, environmental protection and anticorruption principles

▶ October / DCNS obtains the single AFNOR Quality Safety Environment (QSE) certificate for the ISO 9001, ISO 14001 and OHSAS 18001 standards, and a specific certificate for the AQAP 2110 standard

▶ December / The DCNS Group obtains the "Responsible supplier relations" label for three years

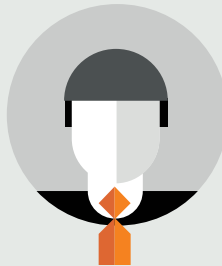
(1) Source GICAN.

A respectful and involved “environmental” policy



15

environmental agents per site
and operational entity
within DCNS



26 MSEVS⁽¹⁾

carried out in 2014
across all sites



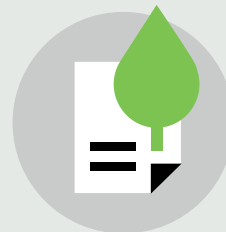
80%

of NHW⁽²⁾ recycled
at 5 Group sites



100%

of sites with ISO 14001 certification
renewed based on a QSE⁽³⁾
integrated management system



-54%

This is the drop in greenhouse
gas emissions over
four years⁽⁴⁾

(1) Managerial Safety and Environmental Visits.
(2) Non-hazardous waste.
(3) Quality, Safety, Environment.
(4) Results of the latest carbon footprint assessment.

Controlling our impact on all product and activity life cycles

The geopolitical consequences of climate change, competition for resources, increases in raw material prices, their growing scarcity and keener societal demands all combine to make the environment a sovereignty issue worldwide. In this area, the environment management system deployed by DCNS is geared to take control of all impacts associated with its activity. By means of its research and naval eco-design achievements, the Group also aims to help its clients and stakeholders take control of their own impact footprints.

... starting with ship design

The FREMM example

Water treated and recycled

Improved treatment of hydrocarbonated waters by microfiltration. Possibility of extended storage for 45 days to avoid any damage to fragile environments.

20% less fuel consumed

Healthier living conditions

PVC free cables and paint containing no tin.

Improved hydrodynamic performance

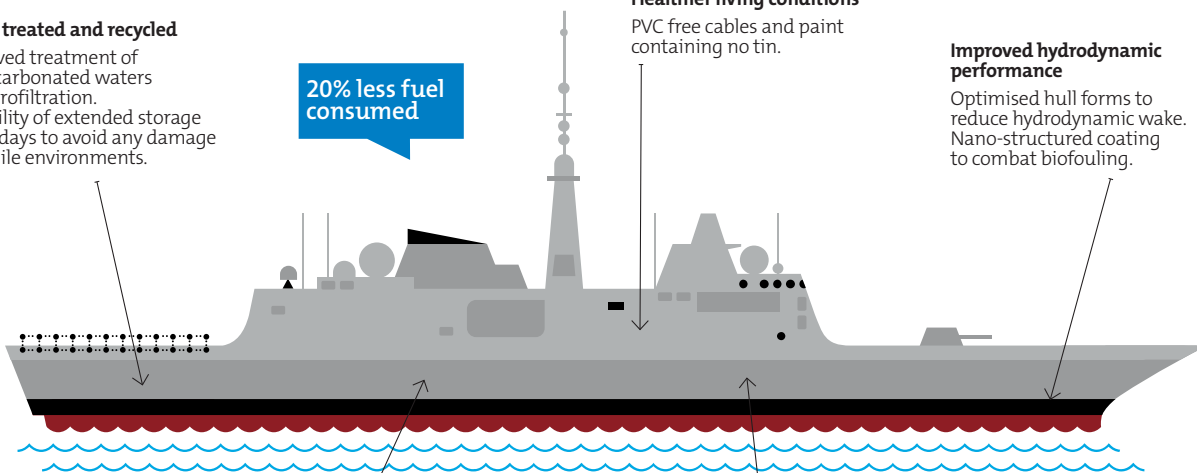
Optimised hull forms to reduce hydrodynamic wake. Nano-structured coating to combat biofouling.

Regulated use of energy

Hybrid propulsion (electrical and gas turbine).

Optimised space

Recyclable waste compacted and ground.



TO LEARN MORE

www.dcnsgroup.com

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F-75732 PARIS CEDEX 15

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