



fives ultimate machines
ultimate factory

2013 Annual and CSR Report

PROFILE

As an industrial engineering Group, Fives designs and supplies machines, process equipment and production lines for the world's largest industrials in the aerospace, aluminium, automotive and manufacturing industries, cement, energy, glass, logistics and steel sectors.

Located in about 30 countries and with nearly 8,000 employees, Fives is known for its technological expertise and competence in executing international projects.

Fives' multi-sector expertise gives it a global vision of the industry which provides a continuous source of innovation. The effectiveness of its R&D programs enables Fives to design forward-thinking industrial solutions that anticipate clients' needs in terms of profitability, performance, safety and compliance with environmental standards.

This strategy is backed by a human resources policy that is focused on the individual, encourages initiative-taking and technical excellence.



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IN SHORT

THE CAPACITY TO TRULY UNDERSTAND ITS CUSTOMERS, ITS EVER-PIONEERING SPIRIT AND ITS COMMITMENT TO DELIVER EFFICIENT, RELEVANT, STATE-OF-THE ART EQUIPMENT ABLE TO FORESEE ITS CUSTOMERS' NEEDS - ARE WHAT MAKE FIVES A FIRST CHOICE ENTERPRISING PARTNER ON THE MARKET TODAY.

BUSINESS SECTORS

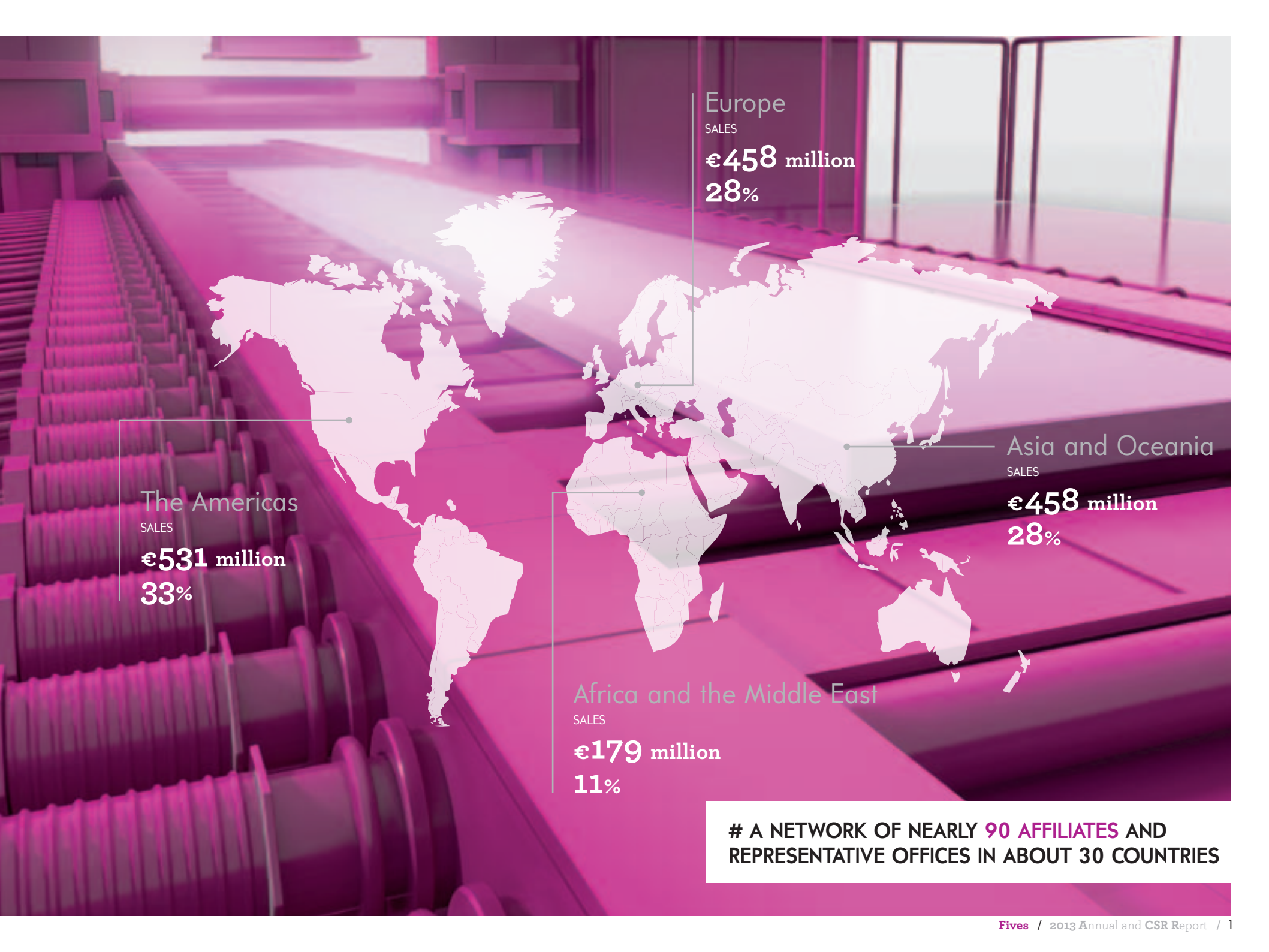
AEROSPACE and special machining
ALUMINIUM
AUTOMOTIVE and manufacturing industries
CEMENT & MINERALS
ENERGY
GLASS
LOGISTICS
STEEL

€1,626 million
of sales

€242 million
of closing net cash position

€133 million
of EBITDA

Close to 8,000
employees in about 30 countries



The Americas

SALES

€531 million

33%

Europe

SALES

€458 million

28%

Asia and Oceania

SALES

€458 million

28%

Africa and the Middle East

SALES

€179 million

11%

A NETWORK OF NEARLY 90 AFFILIATES AND REPRESENTATIVE OFFICES IN ABOUT 30 COUNTRIES

WORDS FROM THE CHAIRMAN OF THE EXECUTIVE BOARD

THANKS TO ITS STRONG OFFER,
A LARGE DIVERSITY OF MARKETS
SERVED AND TALENTED TEAMS,
FIVES SHOULD CONTINUE DOWN
ITS PATH OF PROFITABLE GROWTH IN
2014, AND BEYOND.

This year, once again, Fives' turnover (€1,626 million) and gross operating income (€133 million) recorded a sharp increase compared to the previous financial year (by around 8% and 16%, respectively). With a strong balance sheet and a cash flow of €242 million (close to its record levels), 2013 however, ended on a mixed note:

- the year was excellent from an earnings perspective: the gross operating income progressed by nearly 7%, on a constant scope and exchange rate basis, despite the strong appreciation of the euro against the dollar, the British pound and the yen, recorded in 2013.
- it was disappointing in terms of orders: a little over €1.2 billion (only equivalent to €1.1 billion within constant scope and change rates), a steep drop from €1.3 billion in 2012 and an even bigger contrast compared to 2011 (€1.6 billion).

The global economic climate remained a problem throughout the year and was even worse in the second half of the year in some emerging countries which, along with the United States, have been a key driver of the Group's growth over the past few years. The biggest highlights of 2013 remain the acquisition of MAG Americas (renamed Fives Machining Systems) – one of the world leaders in high-precision machine-tools for machining for complex and large parts as well as composite material processing equipment – and the acquisition of OTO Mills (became Fives OTO), the world's top producer of welded steel tube production lines.

These external growth campaigns should dramatically change the shape of our Group and its future.

2013 was also marked by the Group's continued efforts in the field of Research and Development. Once more, Fives made a sharp increase in its R&D expenses compared to the previous year (€28.1 million against €22.7 million in 2012), and reached a record number of new patented inventions (61 against 18 in 2012) - bringing the total of patent families to more than 500, among nearly 1,800 active patents worldwide.

On a sales perspective, this past year also translated into significant successes: in the steel industry in China (especially with Baosteel), on the automotive market (with Chrysler in the United States and Jaguar-Land Rover in the United Kingdom), in the cement industry (with Lafarge in the Philippines), in energy on a worldwide scale, in logistics in Korea and Japan, and in the glass industry, with the order of a second float line for Düzce Cam in Turkey.

2013 also witnessed many remarkable achievements in terms of successful commissioning of equipment by Fives, including: Ma'aden's primary aluminum plant and workshops, furnaces and rolling lines for the Chinese steel industry, the giant Yamato logistics terminal in Tokyo and the very first new generation machines for composite processing for Boeing in the United States.

In 2013, Fives also continued to develop its Observatory for the plants of the future, launched in 2012 alongside other initiatives linked to the Group's bicentenary celebration. A wide-ranging group of experts contribute to this genuine idea factory, whose mission is to bring a fresh community-minded perspective to the public arena to generate and spread a unique way of thinking about the industry and the plants of the future. Thereby demonstrating its dedication to this subject in France, Fives earned the distinction of being chosen by the French Ministry of Finance last September to lead the "Usine du futur" plan (factory of the future), one of the government's 34 industrial revitalization plans.

The main focus in 2014 will be to boost Fives' image by upgrading its brand architecture to make it more visible, more accessible and more powerful – and by creating a single brand: Fives. This change will happen as a company-wide project is launched: FivesWAY. A joint endeavor shared by all the Group's subsidiaries, FivesWAY will set our strategic priorities of operational excellence, talent management, innovation and stronger customer relations, for the years to come.

With these initiatives and the sharp upturn of order intakes during 2014's first trimester (€640 million), but also thanks to a strong offer, a great diversity of markets served and the talent of its teams, Fives should continue down its path of profitable growth in 2014, and beyond.

Frédéric Sanchez, Chairman of the Executive Board



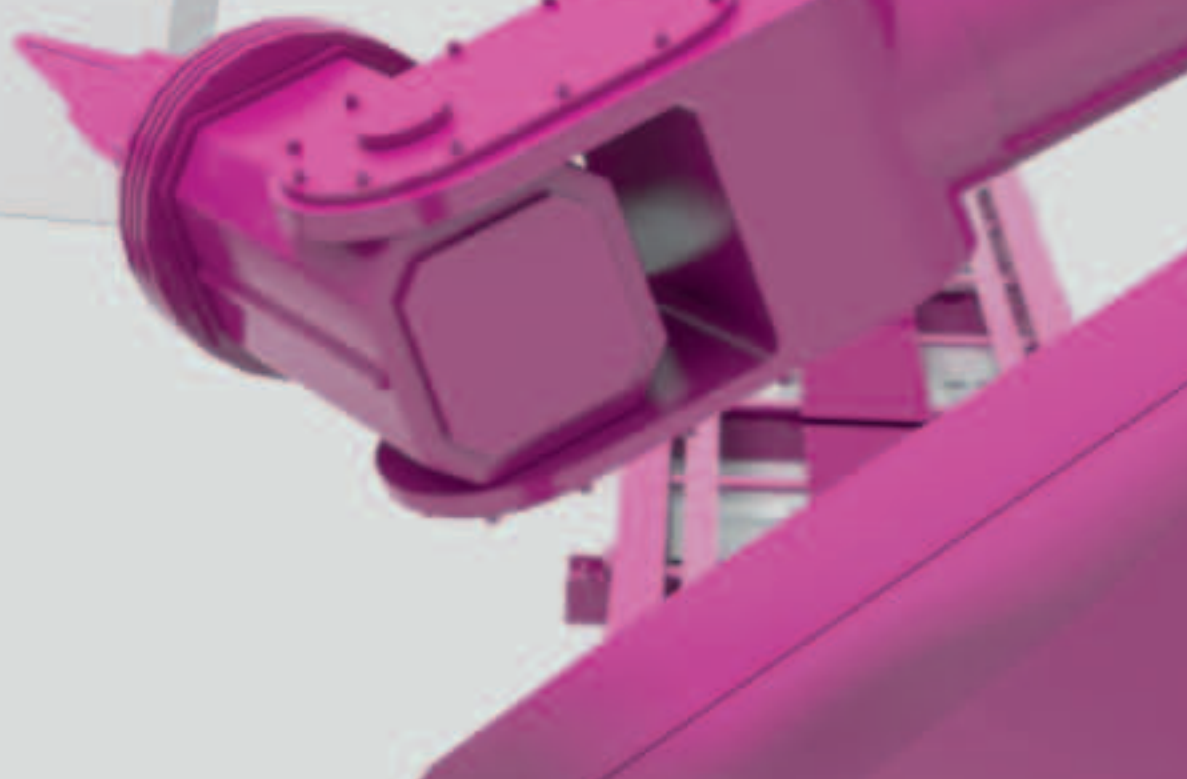
A NEW BRAND TAGLINE

Our ambitious signature
– synonymous for high
performance - reflects our dual
ability to supply key process
machines and equipment
and to integrate solutions
in order to provide complete
production units.





fives ultimate machines
ultimate factory



THE ESSENCE OF FIVES

HIGHLIGHTS
SUMMARY OF FINANCIAL INFORMATION
CORPORATE GOVERNANCE BODIES

FIVES COMBINES ORGANIC AND EXTERNAL
GROWTH - FOR A STRONG AND BALANCED
GROWTH MODEL.





**Ultimate
Performance**



Most valuable



**Enterprising
Partner**

FIVES CONTINUES ITS EXTERNAL GROWTH POLICY IN ORDER TO MEET SEVERAL STRATEGIC GOALS: BROADEN ITS TECHNOLOGICAL OFFER AND APPLICATION PORTFOLIO, REACH FOR NEW CLIENTS AND / OR ENFORCE ITS PRESENCE ON MAJOR EXPANDING MARKETS.

EXTERNAL GROWTH

July / On July 29, 2013, Fives acquired MAG Americas (now Fives Machining Systems) - the world leader in high-performance machining solutions for large complex parts and composite processing. The company serves two main markets: civil and military aerospace and industrial capital goods for the energy sector (hydrocarbons) and the mining industry.

Fives' Machining Systems subgroup companies are Cincinnati, Giddings & Lewis, Forest-Liné and an after-sales services unit with a large installed machine base. These companies present a collective portfolio of some 100 patents and employ over 1,000 people, primarily at facilities in the United States as well as Canada, France, China and South Korea.

September / On September 30, 2013, the Group completed the acquisition of OTO Mills (now Fives OTO), an Italian group specialized in the design and manufacturing of welded tube equipment (ERW). The world leader in this business, Fives OTO employs about 250 people and has a very wide range of equipment for the production of tubes with small diameters (under 8 inches) to very wide diameters (24 inches). This capacity enables Fives OTO to address a large variety of industrial applications and end market segments (construction, automotive, hydrocarbons, pharmacy, etc.).

January 2014 / On January 2014, Fives finalized the acquisition of ITAS, an Italian company specialized in combustion systems mainly designed for the hydrocarbon sector and for environmental applications. This acquisition rounds out the Group's offer in this industry. This company employs 60 people and will be consolidated during 2014.

IN EUROPE

Germany

In **tubular steel**, Vallourec placed an order with Fives for a complex hydrotester that will be used to test special corrosion-resistant alloys at pressures above conventional industrial standards.

France

In **industrial piping**, Fives signed a large-scale nuclear maintenance contract with Comex Nucléaire (ONET SA Group) for the twenty 1,300 MW sections of the French nuclear power base. The order concerns eight EDF power plants (Paluel, Saint Alban, Flamanville, Cattenom, Belleville, Nogent, Golfech and Penly) and implies long-term piping work (up until 2023).

In the **sugar** industry, Tereos contracted with Fives to supply a falling film evaporator body with a surface area of 4,500 m² for its Chevières plant. The equipment is supplied as part of an ambitious project to reduce the plant's general energy consumption.

On the **logistics** market, Schneider Electric placed an order with Fives to fully automate its logistics facility in Evreux. The installation will be operated with WCS Trace® and is designed for a stream of 1,600 packages per hour. All of the receiving and shipping zones at the site will be automated.

IN THE MIDDLE-EAST, TURKEY AND AFRICA

Bahrain

In the **aluminium** sector, Alba placed several turnkey orders with Fives that include an HTM boiler and several vibrocompactors - answering the need to increase the amperage on its current production lines and to improve the speed of its gas treatment units.

Qatar

On the **cryogenics** market, Air Liquide's subsidiary Gasal partnered with Qatar Petroleum to jointly invest in the Ras Laffan site. Further to this agreement, Air Liquide contracted with Fives to supply all the main exchangers at this new oxygen and nitrogen production plant which primarily supplies the GTL (gas to liquid) unit, which converts natural gas to liquid fuel.

Turkey

On the **glass** market, Okan's subsidiary Düzce Cam signed an agreement with Fives for the design and supply of a second float glass line with a capacity of 800 tons per day. This project was launched two years after the Group successfully built and commissioned the first line. The equipment will include the latest L.E.M.® glass melting technology and will provide a next-generation low-consumption furnace.

United Kingdom

Jaguar Land Rover

In the automated production systems sector, Jaguar Land Rover placed a first order with Fives to design and install conveying systems for the body assembly workshop and a sequencer between the body and paint workshops of its Solihull plant, with a with a total capacity of 1,000 body in white vehicles.

In the scope of this plant extension, Jaguar Land Rover called on Fives once again for contracts to design and build its new final assembly shop. This workshop, operating at a rate of 50 vehicles per hour, was created to produce the current L494 model (Range Rover Sport) and other new models, including an upcoming SUV. The frame and body for these vehicles will be entirely made of aluminium. Fives will supply all the conveyors for this workshop, including the decking station and all fluid filling systems.



IN THE AMERICAS

United States

Concerning **automated production systems**, Chrysler selected Fives to provide two assembly lines for 9-speed automatic transmissions at its new plant in Tipton, Indiana. The model was developed by Chrysler in partnership with ZF to equip Jeep Cherokees and was designed to optimize fuel consumption and reduce emissions of CO₂.

On the **aerospace** market, Fives received several orders from a major global aircraft manufacturer for 5-arm vertical milling machines to machine large complex parts, for use at three of its production sites.

In **combustion**, Metso Minerals Industries chose Fives to supply an ultra low-NO_x LE combustion system for its new Magnatation LLC greenfield pellet plant in Indiana. **Developed by the Group, this technology reduces emissions by over 95% compared to other existing technologies.**

Mexico

For the launch of Ecotec - General Motors' latest generation of small gas engines to be produced in five of its plants around the world - GM placed an order with Fives for three Landis LT2e machines to grind 3- and 4-cylinder crankshafts at its Toluca site.

Guatemala

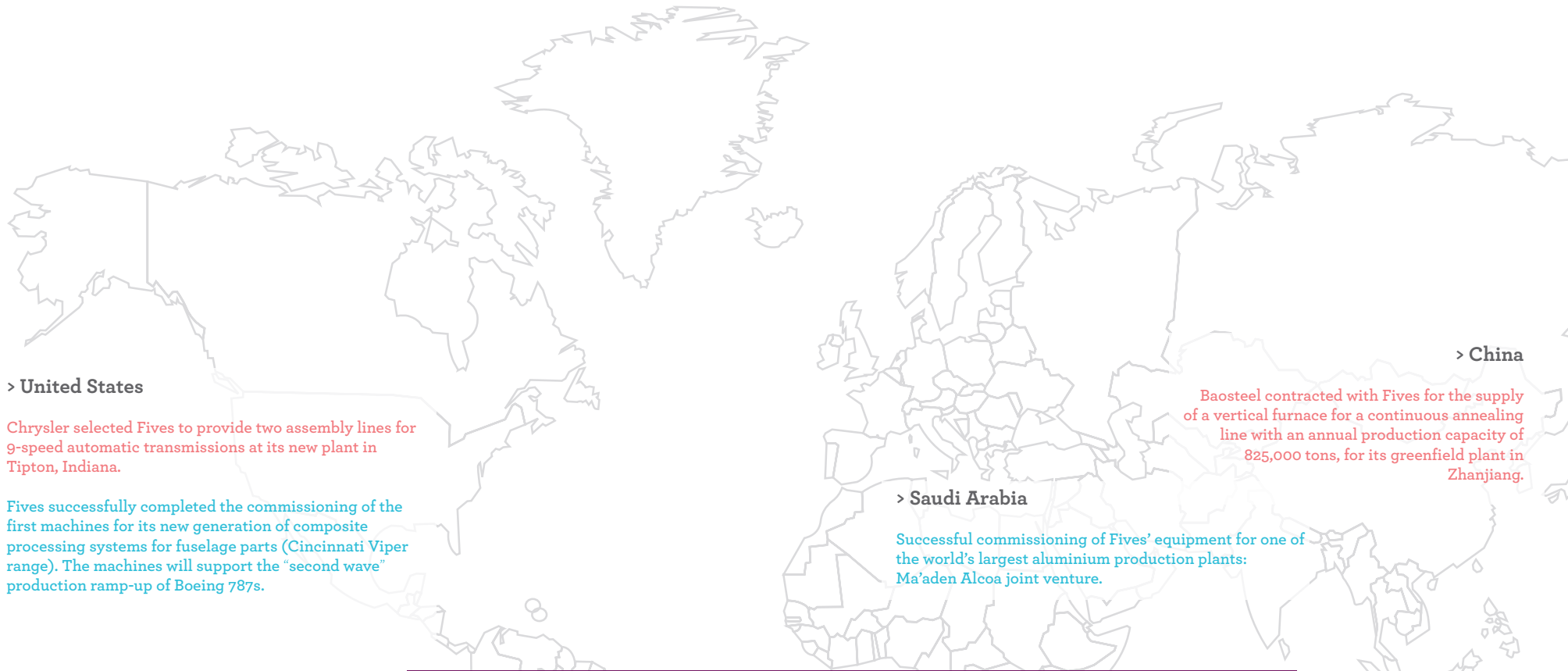
In the **cement** and **minerals** sector, Solway Group member CGN chose Fives to supply a combustion system for the second ferronickel production line in El Estor, Guatemala. The order includes burners and liquid and pulverized fuel feeding systems.

1,150

recruitments in 2013,
including 750 permanent contracts.

1,784 patents in force
within 504 family patents in force

61 new patents in 2013



> United States

Chrysler selected Fives to provide two assembly lines for 9-speed automatic transmissions at its new plant in Tipton, Indiana.

Fives successfully completed the commissioning of the first machines for its new generation of composite processing systems for fuselage parts (Cincinnati Viper range). The machines will support the "second wave" production ramp-up of Boeing 787s.

> Saudi Arabia

Successful commissioning of Fives' equipment for one of the world's largest aluminium production plants: Ma'aden Alcoa joint venture.

> China

Baosteel contracted with Fives for the supply of a vertical furnace for a continuous annealing line with an annual production capacity of 825,000 tons, for its greenfield plant in Zhanjiang.

Fives contributes to the French government's initiative on the "Usine du futur" (factory of the future)

In 2013, Fives' initiative to open a dialogue on tomorrow's industry through its Observatory for the plants of the future was used as part of a major French governmental project called "La Nouvelle France Industrielle" (The New Industrial France). This plan is designed to build a new competitive French industrial offer - a motor for economical growth and employment.

In this perspective, Fives was chosen by the government to co-drive (alongside Dassault Systèmes), the "Usine du futur" plan (factory of the future). After six months of reviewing the concerns and conditions for improving France's industrial competitiveness, Fives, at the request of the government, will continue its involvement in the rollout of the plan's roadmap. On the ground, the Group is already involved in major industrial pilot projects created for this plan, especially in the automotive industry (with the use of composite materials), but also in aerospace, shipbuilding, liquid gas, and energy efficiency.

MORE INFORMATION ON

Fives' Observatory for the plants of the future
www.usinesdufutur.com

IN ASIA AND OCEANIA

China

On the **flat steel** market, Fives signed a contract with the Beihai Chengde Stainless Steel Group to fully supply three 20-foot rolling mills. Fives also won two additional contracts for the provision of furnaces. The first order came from Baosteel to supply its greenfield plant in Zhanjiang with a vertical furnace for a continuous annealing line with an annual production capacity of 825,000 tons. The second contract came from the Baotou Iron & Steel Group to build two vertical continuous annealing furnaces.

In the **machining systems** sector, Fives signed a contract for 13 crankshaft grinding machines with Fuda, a power train parts manufacturer. Each machine is specially designed for the end-client's particular model, for example Cummins, MAN, Yuchai, Yangma, Volvo and GZ Automotive. Fives also signed a contract with Volkswagen to supply crankshaft grinders for the EA211 engine production line (its newest generation of 1.0-1.6 L compact engines) at its Chengdu site.

In the **cryogenics** sector, Fives signed a contract with Hangyang to provide 53 pumps to build six gas-air separation units for the Shenhua Group, China's leading coal liquefaction company.

South Korea

In **logistics**, CJ Korea Express selected Fives to supply three SBIR cross belt sorters at its sites in Daejeon, Gwanak and Sangnok. The sorters have a total capacity of 81,000 pieces per hour and will be processing shipments to 975 destinations.

India

In **flat steel**, Jindal Steel & Power Ltd (JSPL) chose Fives to design and supply a walking beam furnace for its site in Raigarh. It will be a gas-only blast furnace that uses regenerative burners and includes a fuel oil-powered backup system.

Japan

In the **logistics** sector, after placing an order with Fives to automate its terminals in Yokohama and Tokyo in 2011 and 2012, Sagawa Express once again turned to the Group to work on its Wangan Center sorting facility in Osaka. Fives will supply two steel belt sorters with a total capacity of 17,000 packages per hour.

The Philippines

In the **cement** business, Fives received an order to commission a turnkey cement grinding shop for Lafarge Republic Inc. at its Teresa site in the province of Rizal. This workshop will produce 850,000 tons of cement per year and will receive several proprietary process equipment developed by the Group.

DEVELOPMENT

In 2013, on the **machining systems** market, Fives delivers its first optical part grinding machine to the Instrument Research and Development Establishment (IRDE) based in Dehradun, India. IRDE is part of an Indian Defense Research and Development Organization (DRDO). Its mission is to design and manufacture night vision and thermal imaging optical systems, with applications that range from portable devices to satellites. The first of three devices was presented at a major international conference (ICOL 2014, International Conference on Optics and Opto electronics), opening new opportunities in optical grinding for the Group.



> Japan

Successful commissioning of the new fully automated sorting center, part of Yamato's giant Transport logistics terminal, Chronogate, near the Haneda International Airport in Tokyo. This center is able to sort 480,000 packages per day.

> Philippines

Fives received an order to commission a turnkey cement grinding workshop for Lafarge Republic Inc. at its Teresa site in the province of Rizal. Beginning 2014, Lafarge Republic Inc. ordered a new workshop.



**# IN 2013, GROWTH IN EBITDA
WENT HAND IN HAND WITH GREATER
PROFITABILITY AT GROUP LEVEL,
REFLECTING OUR HIGH QUALITY
OF CONTRACT PERFORMANCE.**

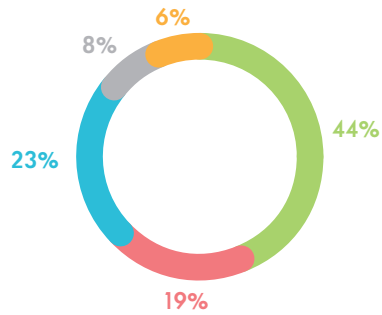
Lucile Ribot, Member of the Executive Board, Group Chief Financial Officer

In 2013, Group EBITDA rose for the fifth year running, with €133 million. This increase (+16% compared with 2012) includes contributions from companies acquired during the year (Fives Machining Systems and Fives OTO), but also reflects continued growth in its historical scope, despite a highly unfavourable foreign exchange effect. This growth came alongside an improvement in Group profitability (8.2% EBITDA margin in 2013, up 0.6 on 2012), which reflects the high quality of performance of its contracts.

Orders, on the other hand, were in decline, due to the downturn in industrial investments in the United States and China (the Group's two main markets), and more generally in the emerging countries, with many industrial groups who decided to postpone their investment programs due to an unfavorable global economic environment. The Group made up lost ground in Q1 2014, with new orders amounting to €600 million and an order book total of €1.4 billion at the end of March 2014, providing considerable visibility for 2014 and 2015.

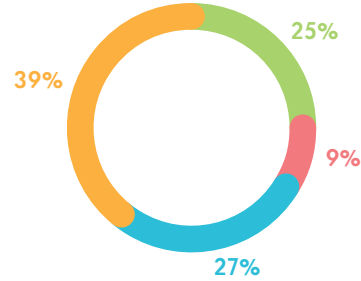


BREAKDOWN OF ORDER INTAKE
BY END MARKET AND GEOGRAPHICAL AREA



2013 Figures

- Automotive/logistics
- Metals
- Energy
- Cement
- Aerospace and special machining



2013 Figures

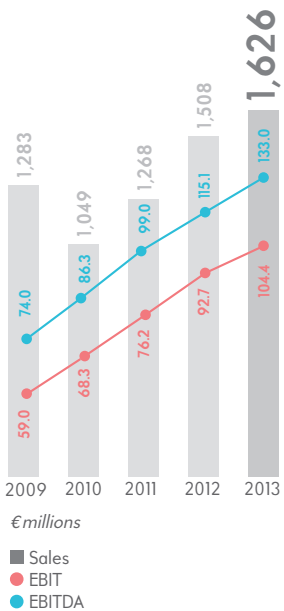
- The Americas
- Africa and the Middle East
- Asia and Oceania
- Europe

€1,626 million
of sales

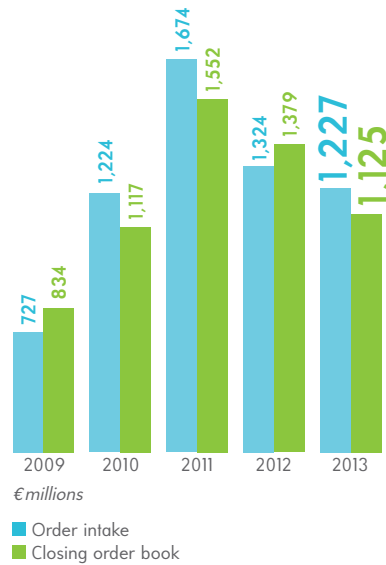
€1,227 million
of order intake

€292 million
of shareholders' equity

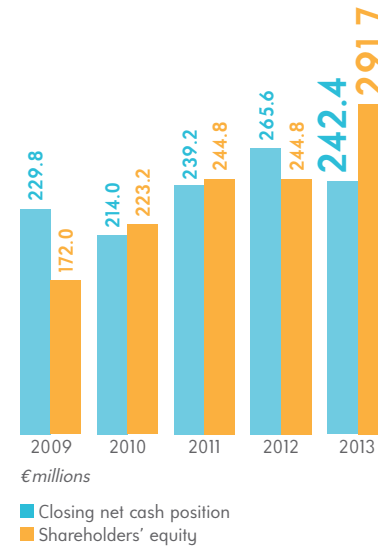
SALES, EBIT AND EBITDA



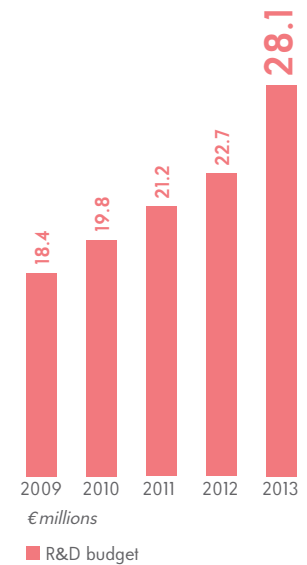
ORDER INTAKE
AND CLOSING ORDER BOOK




CLOSING NET CASH POSITION
AND SHAREHOLDERS' EQUITY



RESEARCH & DEVELOPMENT



GROWTH AND ORGANIZATIONAL STRUCTURE



TO MEET THE CHALLENGES RESULTING FROM THE STRONG ORGANIC AND EXTERNAL GROWTH RECORDED BY THE GROUP IN RECENT YEARS, FIVES HAS CHANGED ITS ORGANIZATION AND GOVERNANCE IN TWO MAIN AREAS. FIRST, BY STRENGTHENING ITS MANAGEMENT STRUCTURES; BOTH AT THE INTERMEDIATE MANAGEMENT LEVEL WITHIN ITS GROUP COMPANIES AND BY STRENGTHENING THE OPERATIONAL RELAY AT THE BOARD LEVEL. SECOND, BY ESTABLISHING COUNTRY DEPARTMENTS THAT WILL BE SUPPORTED BY LOCAL OFFICES, BEGINNING FIRST IN NORTH AMERICA, CHINA, INDIA AND ITALY. THESE DEPARTMENTS WILL IMPROVE THE CONSISTENT MANAGEMENT OF CROSS-REGIONAL ISSUES.

Fives is headed by an Executive Board overseen by the Supervisory Board:

The Executive Board

The Executive Board currently has four members and is responsible for the management of the Group. It has the most extensive powers to act on behalf of Fives under all circumstances, limited only by the company purpose and powers expressly vested by the Supervisory Board and shareholder meetings.

Every member of the Executive Board also have personal responsibility for supervising one or more of the Group's operational divisions and one or several functional Fives departments.

The Supervisory Board

The Supervisory Board exercises permanent control over the management of the company by the Executive Board. It meets to consider the quarterly report to be submitted by the Executive Board, and inspects and verifies the documents associated with the corporate and consolidated financial statements of the Group.

On December 31, 2013, the 6 Supervisory Board members are: Philippe Reichstul (Chairman), Lise Fauconnier (Vice-Chairman), Jacques Lefèvre (Honorary Chairman), Dominique Gaillard, Jean-Georges Malcor and Laurence Parisot.

The Executive Board



FIVES' GOVERNANCE HAS ADJUSTED IN RESPONSE TO ITS STRONG GROWTH, BUT REMAINS CLOSE TO ITS INITIAL STRUCTURE BASED ON HUMAN-SCALED ENTITIES - FOSTERING TEAM SPIRIT AND SELF-EMPOWERMENT. SEVERAL CROSS-FUNCTIONAL COMMITTEES AND CONSULTATIVE BODIES ACT AS "IDEA AND SUGGESTION LABS" OFFERING A RELAY FOR MANAGERIAL INFORMATION AND A KEY CONTRIBUTION TO THE WORK OF THE EXECUTIVE COMMITTEE WHO, IN TURN, SUPPORTS THE BOARD IN ITS DECISION-MAKING.

The Executive Committee

To support it in its decision-making, the Executive Board has introduced an Executive Committee whose members include the Group's key operational and functional managers.

As the body responsible for consultation, recommendation and implementation, the Executive Committee meets to consider issues submitted to it, and to support the Executive Board in reaching those decisions that fall within its scope of competence.

It also examines the proposals for improvement put forward by the Steering and Coordination committees. Its tasks include coordinating and monitoring the implementation of Group policies.

The Heads of Country

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

The Steering Committees

The Executive Board is forming a series of regional Steering Committees whose prime purpose is to act as a creative melting pot for the Group. In each major region, their membership includes Group company CEOs and functional departmental heads from within headquarter and/or the region concerned. They promote regional cross-disciplinarity and ensure that the Group's management bodies are fully in touch with operational needs. Introduced in 2012 in France, North America and China, similar committees will be formed at a future date in other countries.

The Coordination Committee

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

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

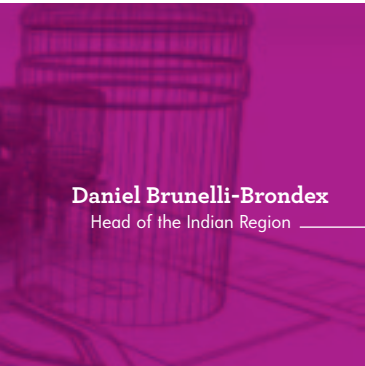


Paule Viallon

Head of the Human Resources
Department



The Executive Committee



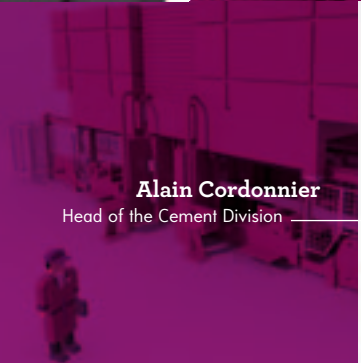
Daniel Brunelli-Brondex
Head of the Indian Region



Benoît Caratgé
Head of the Steel/Glass Division



Jean-Marie Caroff
Head of the International
Development Department



Alain Cordonnier
Head of the Cement Division



Michel Dancette
Head of Innovation and
Corporate Foresight



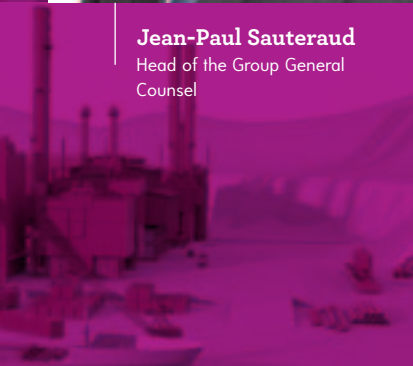
Sylvain Dulude
North American Country Director



Hugues Vincent
Head of the Aluminium Division



Michelle XY Shan
Chinese Country Director



Jean-Paul Sauteraud
Head of the Group General
Counsel

AT THE HEART OF FIVES

ETHICS
CORPORATE SOCIAL RESPONSIBILITY
HEALTH, SAFETY, ENVIRONMENT
HUMAN RESOURCES

A RESPONSIBLE GROUP WHOSE GROWTH
IS UNDERPINNED BY SUSTAINABLE ACTIONS
AND POLICIES.



THE FOUNDING VALUES OF FIVES' CULTURE

One of the drivers behind Fives' growth and resilience is its culture of transparency, accountability and respect. The Group is currently focused on setting this identity in motion as it experiences strong growth in an ever-changing environment.

84 operational units
in nearly 30 countries

66% staff in Europe
24% in North, Central
and South America

10% in Asia, Africa
and the Middle East

7,825 employees

Fives' Ethics policy translates into two major tools: the Code of conduct, which has been in place for almost 15 years, and the Directives and Guidelines Manual, in place since 10 years.

Fives' Code of conduct:

common values, dos and don'ts

Fives' Code of conduct sets the principles and rules that govern the behavior of each Group employee. Each employee has received a copy of this Code in his/her native language, with 13 different language versions available in the Group.

**The Fives Directives and Guidelines Manual:
Fives' backbone for doing business**

This document sets the standards to which Fives' employees conduct their activities, and also to which the Group holds its clients, suppliers and sub-contractors as well as agents, consultants, distributors, and other third parties who represent the Group and its subsidiaries or its products worldwide.

This comprehensive document gives a clear framework for Fives' management teams - whatever their country of operation, their activity or affiliated historical background.



FOCUS

Fives' public commitments and recognition

In 2000, the United Nations introduced its Global Compact as a strategic policy initiative for businesses based on the promotion and implementation of 10 universal principles. These 10 principles provide a framework for compliance with Human Rights, labor standards, environmental and corruption prevention measures. The Fives group officially joined the UN Global Compact on April 14, 2011. Each year, the overall progress made by the Global Corporate Social Responsibility program of the Group and how that progress relates to the commitment made by Fives to respect and promote the 10 principles of the UN Global Compact is disclosed in the Annual and CSR report.

These 10 principles of the UN Global Compact are

Human rights

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

Labor

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

Environment

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

Anti-corruption

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

WE ARE CONVINCED THAT OUR FOUNDING VALUES ARE KEY TO THE SUCCESS AND LONGEVITY OF FIVES. WE BELIEVE IN MAKING LONG-TERM COMMITMENTS TO OUR STAKEHOLDERS, BASED ON CLOSE AND TRUSTWORTHY RELATIONSHIPS. BY WINNING CONTRACTS ON THE BASIS OF OUR EQUIPMENT'S PERFORMANCE, OUR TEAMS' TALENTS AND OUR EXPERTISE IN PROJECT MANAGEMENT - AND BY REFUSING UNSUSTAINABLE TERMS - FIVES REMAINS AT THE FOREFRONT OF OPERATIONAL AND INNOVATION EXCELLENCE.

Frédéric Sanchez, Chairman of the Executive Board

MORE DETAILS ON MILESTONES *section page 56*

FIVES, A RESPONSIBLE GROUP

In 2008, Fives chose to start its own social responsibility program for all of its subsidiaries, carefully tailoring it to each business and region's operational needs.

To be Responsible – a shared value

Fives has served a variety of global markets for over 200 years and has thrived by providing its customers with high-value products and services.

The Group now has the means to influence the scope of the plants of the future. As a designer of machines, process equipment and production lines for the largest industrial groups in the world, Fives is committed to meet the needs of its customers by offering reliable and innovative products. The Group also creates added value for its customers through a comprehensive approach to operating costs, the integration of energy efficiency and process performance, the minimization of emissions and machine safety. In this context, the Group's culture is based on the relationship of trust with its employees and each and everyone's motivation to maximize his/her potential. Fives encourages each employee to act honestly and responsibly. All of our teams share a constant concern for the long term and seeks to make decisions that respect this principle.



FOCUS

Fives assessed by EcoVadis, a rating agency specialized in CSR

Fives has been assessed as a whole in November 2013 on the solidity of its CSR program. The Group has achieved the "gold" level and stands in the top 10% of the 10,000 companies assessed worldwide by EcoVadis.

EcoVadis is a rating agency specialized in Corporate Social Responsibility (CSR). A team of international Sustainable Development experts analyzes and crosschecks suppliers' data (supporting documents, information watch, etc.) in order to create reliable ratings encompassing the market, geographical location and size of each company.

Fives deliberately requested to be reassessed in November 2013, after its first rating in October 2012. As of today, the 10,000 companies assessed by EcoVadis stand for 150 business fields and cover 95 countries.

Methodology: the EcoVadis methodology is based on international Sustainable Development standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000), and supervised by a scientific committee of CSR and Supply Chain experts, to ensure reliable third-party CSR assessment.

In terms of Corporate Social Responsibility, Fives has developed a comprehensive program within the Group to address these challenges. It is structured by 4 key concerns:

ENVIRONMENT

Minimize Fives' environmental footprint and that of its clients

- Eco-design & machine safety
- Environmental management

ECONOMICS

Promote fair practices on the marketplace

- Ethical conduct & prevention of corruption
- Sustainable partnerships

SOCIAL

Provide a safe and motivating workplace

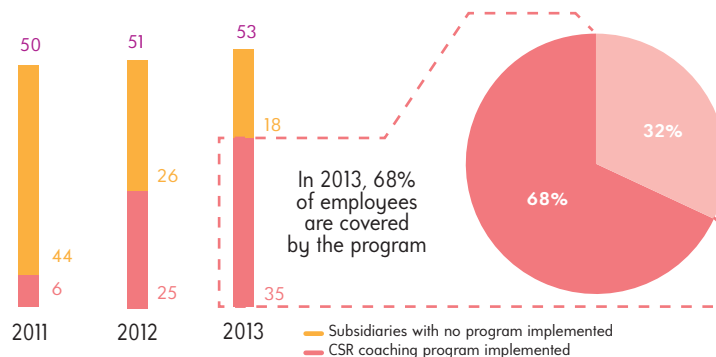
- Health & Safety management
- Diversity and social benefits
- Skills & career management
- Monitoring employees' satisfaction

GOVERNANCE

Embed the CSR priorities into the organization of each Fives Entity

- CSR coaching program

CSR COACHING PROGRAM IMPLEMENTATION (2013)



WE FOCUS ON MAKING THIS PROGRAM "GO LIVE". WHICH IS WHY WE DEVELOPED "CSR COACHING": TO ENGAGE ALL GROUP MANAGEMENT COMMITTEES AND IDENTIFY THE CSR PRIORITIES FOR EACH OF THE GROUP COMPANY'S CONTINUOUS IMPROVEMENT PLANS.

Estelle Fontenay, CSR Director

MORE DETAILS ON MILESTONES section page 56

4 commitments
9 transversal programs



SAFETY, A KEY LEVER FOR OPERATIONAL EXCELLENCE

Safety is at the heart of Fives' corporate responsibility. It is also a key lever for the Group's operational excellence, projects, industrial sites and any of its activities.

30 industrial sites

(before integration of the Group's 2013 acquisitions)

48 Health, Environment and Safety coordinators

75% of our subsidiaries have been audited since 2009

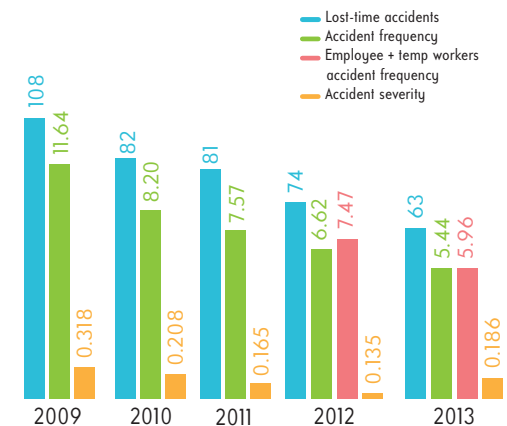
A frequency rate divided by 2 in 4 years

A Safety Policy in full progress

In order to meet the needs of all the situations on the ground - nearly 13 million hours worked by Fives employees in 2013, in its locations and for all its projects worldwide - the Group, since 2009, has decided to put the following organization into place:

- Each entity (plant, site, subsidiary...) is responsible for the safety of the people under its supervision ;
- One Safety coordinator is identified for each business;
- A team of internal Group auditors, composed of Fives safety coordinators, is involved in cross-audits between companies;
- A Group team is in charge of setting the common rules, sharing experiences, helping each company in the implementation of its safety management system, and monitoring the accident rates.

After several years of development of tools and consolidation of safety practices, Fives has entered a new phase to give a real boost to the Group's safety culture.





FOCUS

Strengthening the Group Safety Culture by involving its leaders

In 2013 a new safety program was launched, focused on safety leadership and safety culture. Each Managing Director of the Group as well as Fives' Executive Committee participated in a day-long working session on safety.

(On this photo: Fives Management teams in China)

Environmental Footprint: actions on site

Committed to delivering energy-efficient products and technologies with a low-environmental impact to its customers, Fives is equally committed to controlling and reducing its environmental impact when managing its own operations.

Even if Fives' industrial sites are mostly assembly sites which have a limited impact on the environment, specific programs which focus on energy consumption, waste, transport and water consumption have been developed.

One of the Group's major targets is to obtain the ISO 14001 certification for all of its industrial sites by the end of 2014.

MORE DETAILS ON MILESTONES section page 56

18 sites certified
to OHSAS and MASE standards

End 2013, 59% of the industrial sites
with an ISO 14001 objective by end 2014 were certified

FIVES' AMBITION IS TO SCALE UP
TOWARDS A SAFETY CULTURE THAT IS
SHARED BY ALL WITHIN THE GROUP AND
TO PURSUE THE PROGRESS
MADE IN THE LAST FIVE YEARS.

Pascal Mercier, Health and Safety Coordinator



WOMEN AND MEN ARE WHAT MAKE THE GROUP SUCCESSFUL

Fives employees are the most important component of its strategy and the key to its success. In an effort to provide a challenging and motivating work environment for all its employees, the human resources department has implemented a policy based on dialogue, skill development and respect for diversity.

7,825 employees with
46 different nationalities

16% of Group
employees are women

30% of them are
engineers or managers

Dialogue, key to employee relationship management

Dialogue is one of the founding principles that underpins Fives' Human Resources policy. In order to properly support our employees, we must understand their expectations and this is only possible through dialogue and active listening. At Fives, we make sure that there are plenty of opportunities for employees to exchange and discuss their careers.

Diversity, at the heart of Fives' success

With 46 different nationalities, Fives actively promotes pluralism and diversity: whether in the candidates profiles, experiences or skills. This policy of diversity is key to creating added value for Fives and acquiring a wider understanding of its customers' environments and issues.

Assisting employees in developing their skills

At Fives, skills and know-how within all teams are a key factor in guaranteeing performance. Ensuring the development and employability of each of its employees is a priority. The Group uses specific Human Resources tools to evaluate its employees and offer them a career path where they will best be able to develop their potential and talent within the company.

70%
of total staff

have had an annual
assessment interview
have received training
during the year



FOCUS

They chose Fives...

“What appealed to me was the unique structure of the Fives Group. It’s actually a large group made up of several SMEs. This means I get the best of both worlds: all the advantages of working in a large group and a small company at the same time! On a day-to-day basis, I get to work in a human-scale company with all the flexibility and responsiveness that goes with that but without being restricted to a specific role. My work is extremely varied (scientific research, project management, on-site equipment set up, etc.). The Group’s structure allows me to work on large-scale industrial projects and easily change roles and companies while maintaining the same framework. It’s extremely motivating to be able to work on concrete projects on which you actually have an impact.”

Pierre-Louis, Ingénieur Procédé (France), Joined Fives in 2012

“In 2004, I decided to join one of Fives’ subsidiaries, as an Apprentice Accountant, because the company seemed very dynamic and the Group environment really interesting. Working at Fives is motivating: there’s always a challenge and each day is different! Ten years later, my career has quite evolved: after passing my exams, I quickly went from Apprentice Accountant to Company Accountant, with the guidance of the former Financial Manager. And today, I am the company’s Financial Manager!”

Suki, Financial Manager (United Kingdom) / Joined the Group in 2004

MORE DETAILS ON MILESTONES section page 56

1,150 recruitments
in 2013
throughout the world

OUR PRESENCE ON ALL FIVE CONTINENTS AND OUR INCREASING EXPORT SALES ENABLE US TO OFFER INTERNATIONAL CAREERS TO OUR EMPLOYEES. WHETHER SALES REPRESENTATIVES, COMMISSIONING ENGINEERS, PROJECT OR SITE MANAGERS, SUPPORT FUNCTIONS OR VOLUNTEERS FOR MOBILITY, EVERYONE AT FIVES CAN SHAPE HIS/HER CAREERS INTO A MULTICULTURAL EXPERIENCE.

Paule Viallon, Head of Human Resources Department



MORE ON

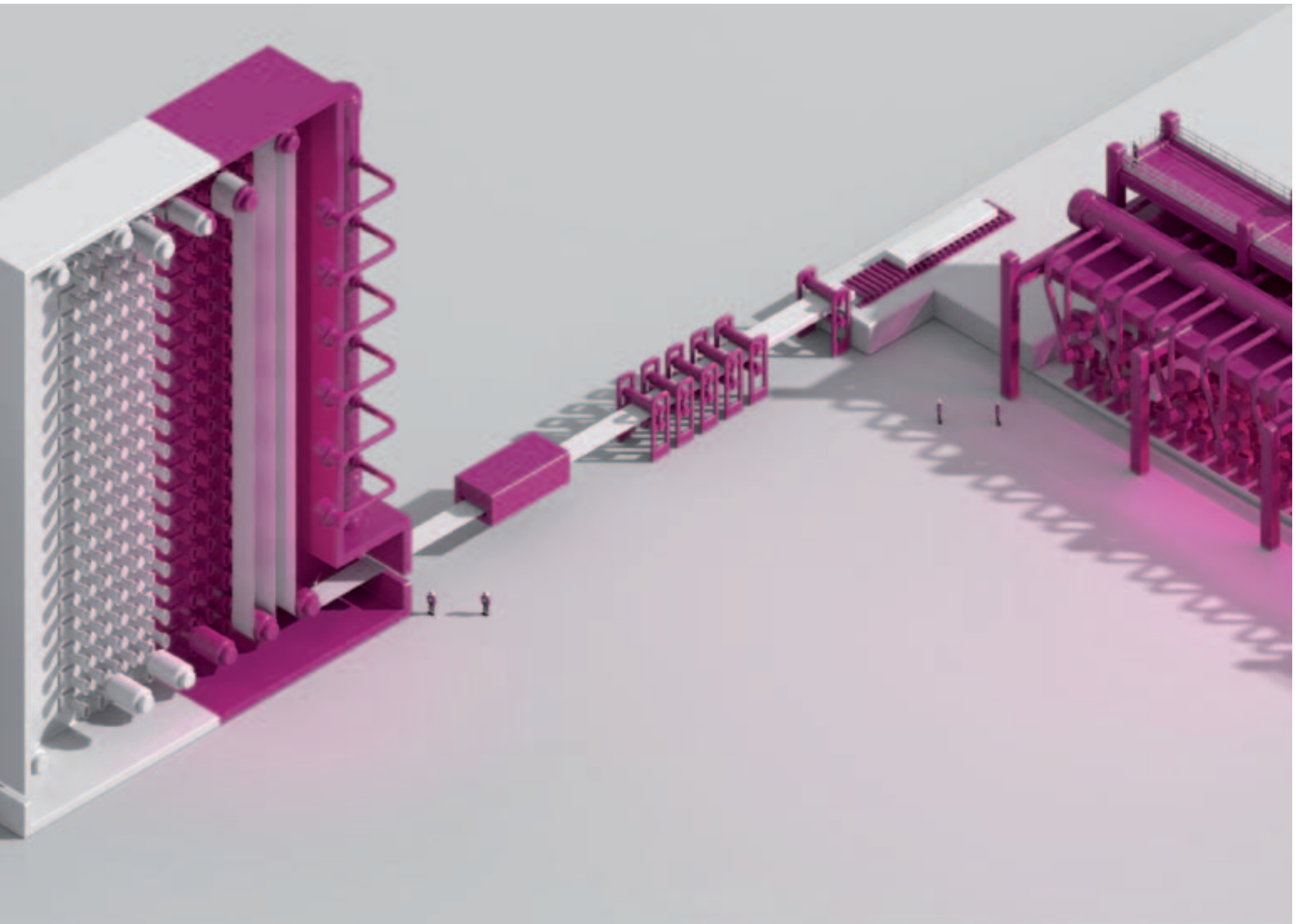
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TECHNOLOGIES AND KNOW-HOW TO SHAPE THE FUTURE

AN INDUSTRIAL EXPERTISE AND AN INTERNATIONAL STRUCTURE
TECHNOLOGIES & ECO-DESIGN
A SERVICE OFFERING

OUR CONSTANT AMBITION:
TO BE A PIONEER AND TO DEVELOP
THE BEST POSSIBLE TECHNOLOGIES
AND SERVICES ON THE MARKET.



AGILITY, PRAGMATISM AND PARTNERSHIPS

Fives designs and supplies machines, process equipment and production lines, throughout the world. The Group is recognized for its technological expertise and know-how in project management. Its international organization also provides flexibility and responsiveness which are essential in order to meet each customer's needs.

Global presence

With about 90 locations in nearly 30 countries, Fives covers the world. The commercial teams of its subsidiaries are complemented by a network of representative offices in Asia, Brazil, India, Indonesia, Mexico, the Middle East, Russia and Turkey. This network brings Fives closer to its customers and gives the Group the ability to draw on the experience of all its companies in any region of the world.

Synergies in expertise

Its international, multi-sector expertise gives Fives an enviable panoramic overview of the industrial world on a global scale. Fives continuously shares this scope of knowledge with its customers in order to design new solutions that combine technology with performance, safety and profitability.

Fives can pool competencies from different Group entities on a single project in order to benefit from the diversity of its employee profiles.

Proprietary technologies and a culture of large-scale projects

Fives specializes in the design and supply of equipment, systems and services to be integrated into the operator's production lines – implying a full mastery and ownership of these technologies.

With a tradition of large-scale projects based on proprietary equipment, Fives is also an expert in this field. In this case, the challenge lies not only in the ability to design and deliver high-performance equipment, but also to integrate them into a complete line or a complete factory, as an integrator and project manager. This is typical practice in markets like cement, aluminium, steel and glass as well as logistics and in some specific businesses of the automotive industry.

Expertise in manufacturing

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

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



FOCUS

Representative offices, an anchor in the local industry

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

Representative offices are located in: Brazil, China, India, Indonesia, Japan, Mexico, the Middle East, Russia, Thailand and Turkey.

Network of trusted partners

The Fives group has reconciled the diversity of countries and industries with its commitment to building ongoing relationships with its suppliers and has established a panel of benchmark suppliers by utilizing the purchasing experience of all its Group companies. The objective of this approach is to control project-related purchasing risks while maintaining their economic performance.

Close relationships

Fives' organization is structured around its physical proximity to its customers, in their own countries, and short management reporting lines with a hands-on philosophy. This result guarantees that every customer and every project will have easy access to contacts with high levels of responsibility; people who are fully informed of ongoing projects and are personally involved in their delivery.

How do you manage the production of your equipment?

RATHER THAN BUILDING OUR OWN INTERNAL MANUFACTURING FACILITIES IN THE MANY REGIONS OF THE WORLD WHERE WE CONDUCT BUSINESS, OUR STRATEGY HAS BEEN TO DEVELOP PARTNERSHIPS WITH COMPANIES AROUND THE GLOBE TO DEVELOP OUR MANUFACTURING BASE. WE TAKE A VERY DELIBERATE, METHODICAL APPROACH IN QUALIFYING A MANUFACTURING VENDOR. AS THEY DEVELOP YEAR AFTER YEAR, WE ASSESS THEIR OVERALL CAPABILITY AND WHETHER ADDITIONAL BUSINESS CAN BE CONDUCTED. SOME OF THEM BECOME TRUE BUSINESS PARTNERS ON THE LONG RUN. THE SECRET BEHIND THE SUCCESS OF SUCH AN ORGANIZATION LIES IN THE WAY WE DESIGN OUR EQUIPMENT. THANKS TO THE VERY HIGH STANDARDS THAT WE PLACE ON OUR DESIGN, WE ARE ABLE TO MANUFACTURE THE PRODUCT WORLDWIDE, WITH SUBSTANTIAL FLEXIBILITY.

Is it possible to really secure your Intellectual Property with such an organization?

WE USE A VERY SPECIFIC STRATEGY FOR THE CONTROL OF INTELLECTUAL PROPERTY. IT STARTS WITH THE UNDERSTANDING OF THE VALUE OF EACH KEY PART OF OUR PRODUCT IN ORDER TO DETERMINE OUR CHOICE OF SOURCING. ONLY CERTAIN VENDORS ARE QUALIFIED TO PERFORM CERTAIN SECTIONS OF THE PRODUCT MEANING THAT NO ONE OUTSIDE THE COMPANY HAS THE COMPLETE SET OF INFORMATION REQUIRED TO DUPLICATE OUR TECHNOLOGY.

2 QUESTIONS FOR...

Brian Lombardi

CEO of Fives Bronx – United States



PIONEERING AND HIGH PERFORMANCE TECHNOLOGIES THAT SUPPORT CUSTOMER INNOVATIONS

Today's developments will undeniably shape the plants of the future. Tomorrow's plants will have to be more respectful of the environment, smarter, more flexible and more integrated. To anticipate the challenges that its customers have to face today (and will continue to face), Fives has built its reputation on the development of often unrivalled proprietary, pioneering, high performance and sustainable technologies.

It is important to ensure that the optimal environmental performance is achieved during operation. Above and beyond equipment design, Fives' Engineered Sustainability® brand translates our commitment to do our utmost (in automation, training etc.) to help our customers obtain the best possible results. It's a win-win partnership.

Tom Robertson, Manager, Market and Technology Development - Combustion

Innovation for more eco-friendly plants

The optimization of industrial processes plays a leading role in the struggle against climate change and environment protection. Fives has placed environmental performance as a top priority in terms of technological innovation, by developing key initiatives such as:

- **the eco-design** of its processes and equipment, in order to create equipment and plants that reconcile industrial and environmental performance,
- **the energy recovery**, to minimize and/or recycle the losses of energy inherent in the production process,
- **the energy storage**, to create more flexible plants, capable of dealing with variable workloads and able to adapt to fluctuating energy supplies.

Innovation for smarter plants

Fives designs control and diagnostics systems based on new information and communication technologies. The Group's priorities in terms of smart technologies aim at:

- **improving the quality of the finished product** by designing equipment that includes optimal control systems to maintain high performance levels and diagnostic tools to identify problems – while also:
- **reducing the environmental impact** by decreasing energy consumption (by using alternative or recyclable energy sources) and minimizing pollutant emissions and waste,
- **ensuring the sustainability of facilities** by developing preventive work and early diagnostics to help plan ahead for maintenance.

FOCUS

Smart control and diagnostics systems developed by Fives



— The Digit@l Furnace AdvanTek®, a furnace for semi-finished steel products, is equipped with an innovative control system that controls the lighting of all its burners (approx. one hundred), for a smart sequencing and optimized heating system - while also ensuring a stable operation and a 10% reduction of NOx emissions.

— In the field of sugar and bio-energy, Fives has developed Cameio, a software program to assist plant managers in their operations and settings. Cameio has led to the development by Fives of a unique range of new diagnosis and operation optimization services for sugar refineries.

MORE ON

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This new smart equipment also helps to improve the operators' working conditions: with improved control and / or assistance during an assignment, the operators can, in most cases, focus on higher added-value and less laborious tasks.

Innovation to help customers produce differently

Driven by its ever pioneering spirit, part of Fives' innovation energy is invested in the development of breakthrough technologies such as the FCB Horomill® (a cement bed grinder) or Stein Flash Cooling® (a metal band cooler used in the iron and steel industry) - both of which have become benchmark technologies in their field and have enabled our customers to substantially improve their production processes in terms of efficiency and quality. While helping its customers to produce differently, Fives also leverages this cross-market experience, by offering it to a wide range of new end markets. This year, for instance, Fives - already a leading supplier of composite tape laying machines used in the aeronautics industry - was also chosen by the automobile industry to supply demonstration machines.

MORE DETAILS ON MILESTONES section page 56

€28,1 million
spent in R&D
in 2013

FOR FIVES, INNOVATION IS A PERMANENT DRIVER FOR GROWTH. INCLUDING CONSTANT OR GROUND-BREAKING IMPROVEMENTS, OUR TECHNOLOGY AND SOLUTIONS ALWAYS MEET THE FOLLOWING KEY CRITERIA: QUALITY, SAFETY, ENVIRONMENTAL PERFORMANCE, AUTOMATION AND PROCESS INTELLIGENCE.

Jean-Camille Uring, Member of the Executive Board



IMPROVING CUSTOMER PERFORMANCE: A KEY PART OF FIVES' SERVICE OFFERING

In 2013, Fives continued to develop its service offer. The Group also accelerated synergies between its companies and gave its customers a clearer vision of its offer.



Fives customers worldwide are facing an increasing number of requirements on reliability, technical performance and cost optimization. Fives has made a commitment to guide its customers every step of the way as they operate their equipment using an innovative high value-added service offer.

At Fives, service is synonymous with expertise, planning and performance. The Group's knowledge and management of its customers' processes are a plus that enables the Group to offer the most adapted and relevant solutions, with return on investment.

Whether Fives' customers need help to operate, optimize or upgrade their production unit, the Group has developed a wide range of services that meet its clients' unique requirements:

Availability with an "Operation" offer

- Start-up
- Operations support
- Spare parts
- Maintenance
- Repair

Efficiency with an "Optimization" offer

- Studies and consulting
- Software optimization systems
- Performance contracts
- Training

Sustainability with an "Evolution" offer

- Adaptation, refurbishment, modernization
- "Life cycle" complete solutions
- Management of the obsolescence

Fives aims to increase of its Service turnover
by more than **20%** in 2014



Fives' machine base counts
hundreds of thousands
of installed machines with a total value exceeding
€15 billion

FOCUS

A multifaceted service offer

Whether it is working on a machine-tool or fine-tuning a production line's performance, the Group has developed an array of service offers tailored to the needs of its end-clients.

In the welding segment, for example, with its expertise in high-tech flat steel production (particularly for the automotive industry) and its extensive knowledge of metal properties, Fives is at its customer's side from start to finish in the steel coil production process. Based on this unique positioning, Fives is able to help its customers improve and manage quality, via a highly operational approach, and allow them to compete on the demanding steel and automotive markets.

Backed by a worldwide network, Fives offers its services to the aerospace sector by placing its technical teams close to the industrial sites of its customers. The company's services also feature a centralized logistics platform with an optimized supply of spare parts and fast delivery times. The combination of both these organizations provides Fives' customers with the most efficient solutions in the shortest and guaranteed lead times.

FIVES BOASTS
CONSIDERABLE SERVICE
KNOW-HOW DUE TO
THE NATURE AND DIVERSITY
OF ITS BUSINESSES.
OUR AMBITION IS TO MAKE
THIS KNOW-HOW CLEARER
TO OUR CUSTOMERS.
ONE OF OUR PRIORITIES
IS TO STRENGTHEN
OUR PROXIMITY TO OUR
CUSTOMERS' OPERATIONS
IN ORDER TO INCREASINGLY
SUPPORT THEM
IN IMPROVING
THEIR EFFICIENCY.

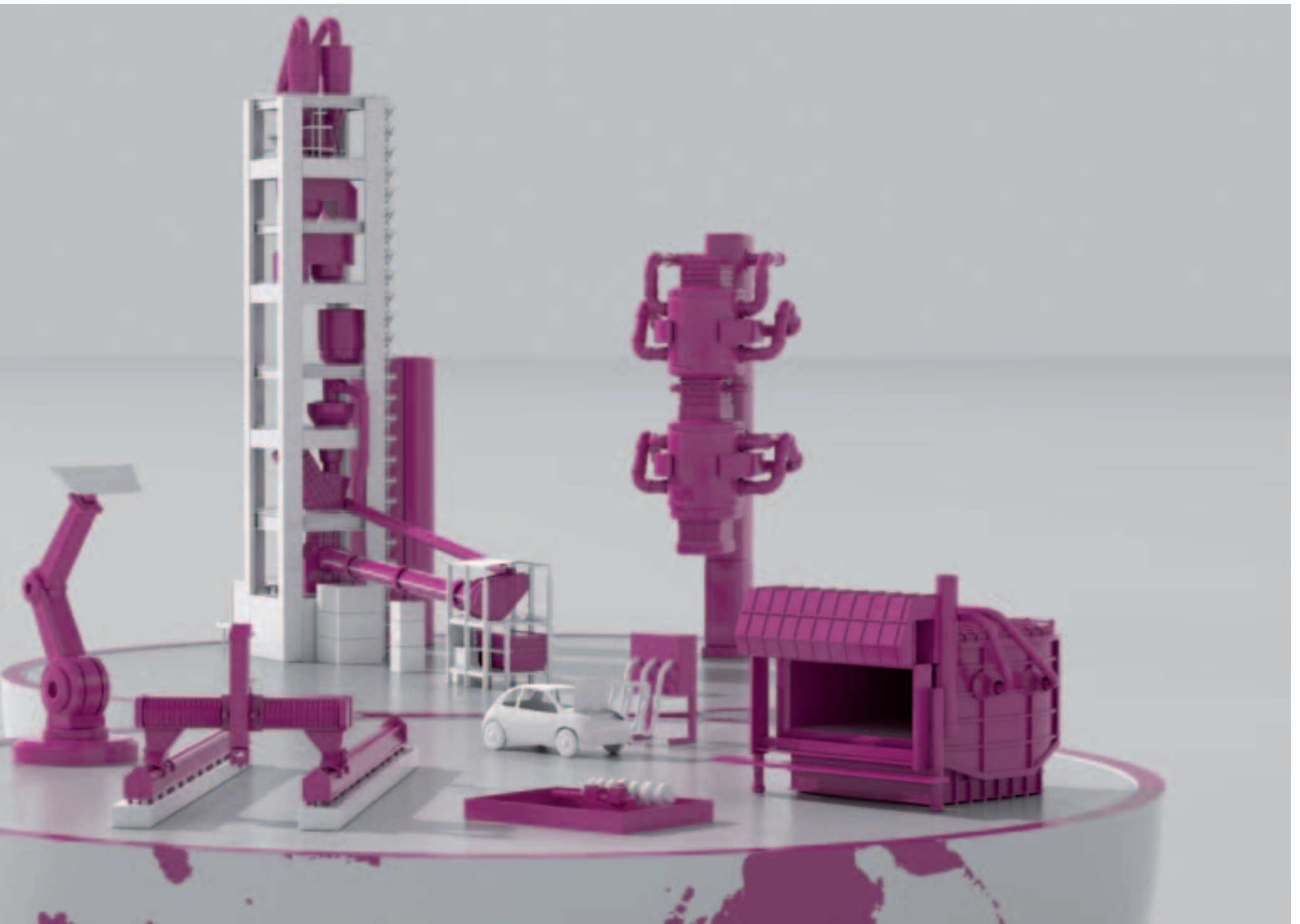
Denis Bouteille, Service Director



BUSINESS SECTORS

AEROSPACE AND SPECIAL MACHINING
ALUMINIUM
AUTOMOTIVE AND MANUFACTURING INDUSTRIES
CEMENT & MINERALS
ENERGY
GLASS
LOGISTICS
STEEL

TECHNOLOGIES, KNOW-HOW
AND SERVICE - TAILORED TO
THE CUSTOMER'S UTMOST NEEDS.



In the aerospace sector, the major civil aircraft manufacturers (Boeing and Airbus) have each launched expansion programs for their single-aisle aircraft. Nonetheless, 2013 was marked by reports of numerous investments linked to the “second wave” of their new long-haul aircraft, for which the production ramp-up was faster than expected. Finally, investments remained limited in China, Russia and Brazil due to an economic climate which was less favorable than in previous years.

In the aerospace market, a market in which the Group is known as a leader, both in the machining equipment sector and in the composite sector, Fives secured a number of orders including one from Boeing to equip of its plants in Auburn, Salt-Lake City and Tuckwilla, with highly specialized “Giddings & Lewis 5-Axis gantry mills”. Fives also delivered numerous machines all over the world, among them three profile machining centers (MGP 150) to Figeac Aéro and a sheet metal routing machine (DHP) to Mecahers in Tunisia. Regarding composites, Fives successfully completed the commissioning of the first models of its new generation of composite placement systems (“Cincinnati Viper” range) for fuselage sections. These machines will be part of the ramp-up of the second wave of Boeing 787 aircraft production. The new version of the “Cincinnati Viper 6000”, capable of producing between 30-300% more than its predecessor, also placed the Group in an excellent position with respect to Airbus and its A350 production plans for 2014.

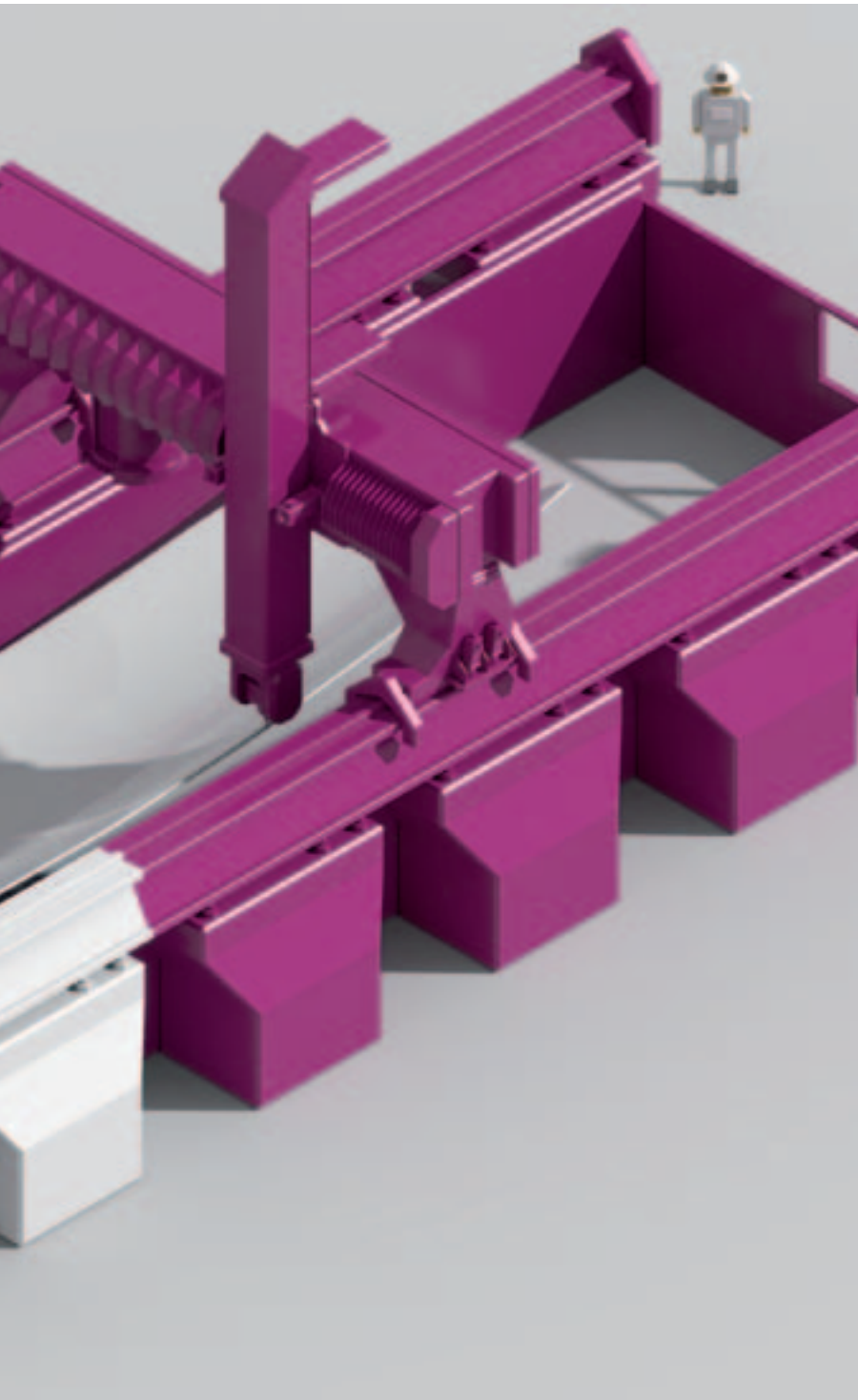
In terms of development, Fives also designed a portable, self-contained drilling unit - smaller, lighter and more energy-efficient than its predecessors - with a very ergonomic design which adds considerable comfort for the operator.

In the industrial equipment sector - where the Group’s precision machining range is very much in demand - the fall in metal prices, combined with escalating costs and missed deadlines on ongoing projects had a negative impact on the return on investments which were expected by the key customers of the mining sector, who consequently put all significant investment decisions on hold. In this context, Fives still continued to do business with its large historical customers such as Caterpillar, John Deere and Lufkin for the supply of horizontal boring mills, including a new facing head machine.

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AIRBUS GROUP - ALENIA
AERMACCHI - ASCO -
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BACO - BAESYSTEMS - BELL
HELICOPTER - BOEING -
BOMBARDIER AEROSPACE -
BREK MANUFACTURING -
CESSNA - COMAC -
DASSAULT AVIATION -
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AERO - FUJI HEAVY
INDUSTRIES - GENERAL
DYNAMICS - GENERAL
ELECTRIC - GKN AEROSPACE-
GOODRICH - HAL - HAWKER
BEECHCRAFT - HÉROUX
DEVTEK - HITCO CARBON
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HORSBURGH & SCOTT - IAI -
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(IAE) - IPT - KAMAN
AEROSPACE - KAWASAKI -
KIA - KAZAZ - KONGSBERG -
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DOWTY - MITSUBISHI HEAVY
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ENGINES - NASA -
NORTHROP GRUMMAN -
NRC-CNRC - PREMIUM
AEROTEC - RAYTHEON -
ROLLS ROYCE - SAAB -
SABCA - SAFRAN - SAMSUNG
TECHWIN - TAI -
TECHNOCAMPUS EMC -
TRIUMPH AEROSTRUCTURES -
UAC - VOLVO AERO -
VOUGHT AIRCRAFT
INDUSTRIES - XIAN
AIRCRAFT - ZODIAC
AEROSPACE...





FIVES OFFER

High-precision machines and high-performance composite processing systems: large vertical gantry mills, high-speed machining centers, profilers, stack routing machines, fiber placement and tape layer systems, boring mills and vertical turning lathes, grinders, extrusion machining cells, broaching machines, automated drilling units and portable milling machines.

Services

Production reapplication of machining lines, refurbishment of machine-tools and services: upgrading, repair, industrial transfer, production support, after-sales, technical assistance and customer support.

Corrective, preventive and enhanced **maintenance** with contracts with performance objectives and maintenance engineering support services.

On the hydrocarbons market, the drop in gas prices and the volatility of oil prices led the major stakeholders to adopt a “wait and see” approach, despite the very positive prospects for the medium term. Thanks to the excellent reputation of its machining technologies, Fives secured numerous orders for horizontal boring mills (“Giddings & Lewis HBMs”) and vertical machining centers (“Giddings & Lewis VTCs”) from customers such as Cameron.

THE ACQUISITION OF MAG AMERICAS AND ITS SUBSIDIARIES (FOREST-LINÉ IN FRANCE AND LINÉ MACHINES IN CANADA), CONFIRMS FIVES’ STRATEGY OF GROWING IN SECTORS WITH STRINGENT REQUIREMENTS IN TERMS OF PERFORMANCE LEVELS AND INNOVATION CAPACITY: AERONAUTICS, RENEWABLE ENERGY, MINING AND SPECIAL VEHICLES.

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Investments have stopped in the field of primary aluminium. Despite the steady growth in consumption, the market is affected by excessive production due to global over capacity produced in China, even though the major worldwide producers have shut down some of their facilities. This imbalance between supply and demand has resulted in the fact that major industrials not only postponed their capacity expansion programs, but also their modernization projects for which the return on investment seems too distant.

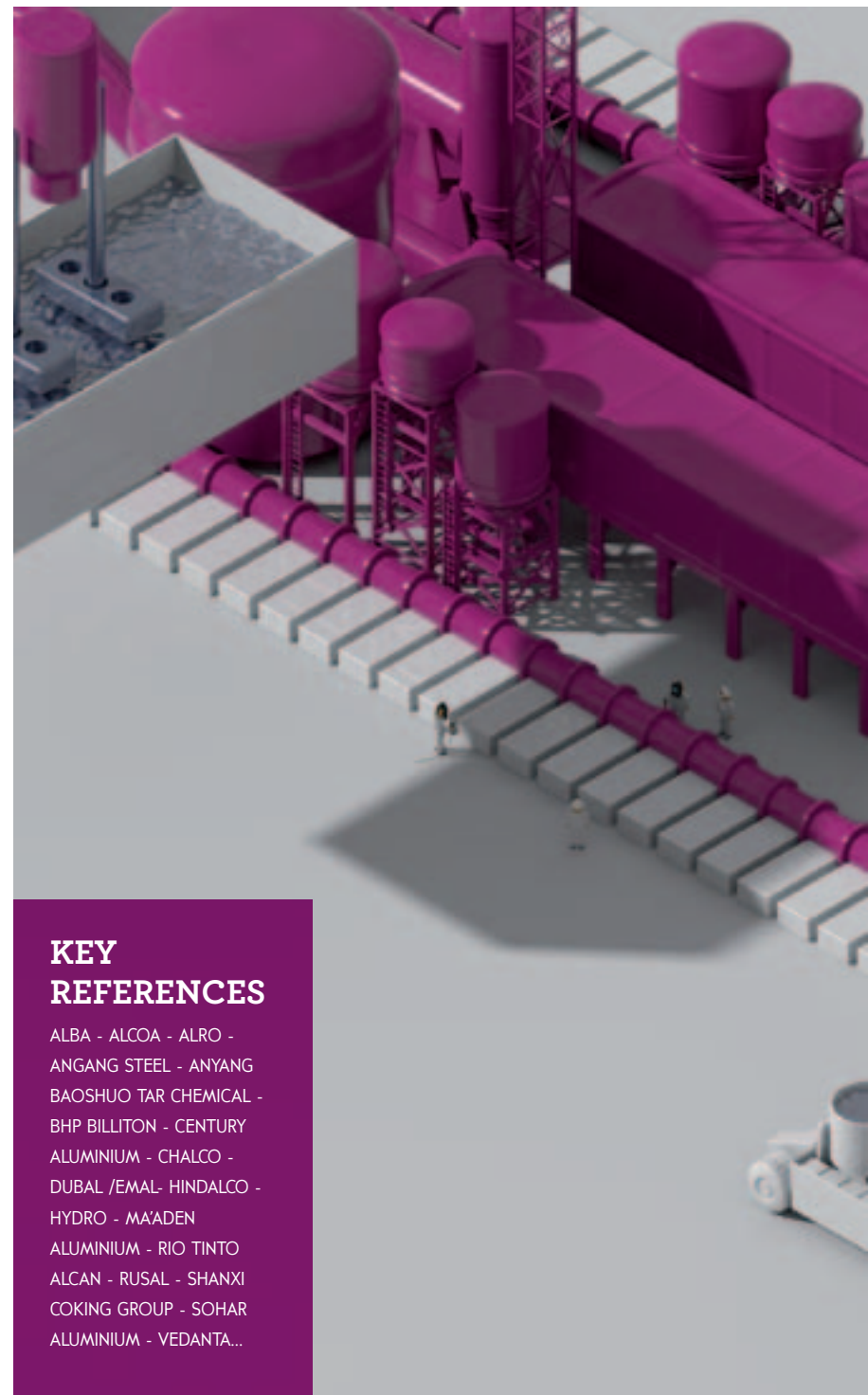
The technologies developed by Fives that are benefiting from true recognition in the marketplace have enabled the Group to win some individual orders for equipment and service contracts awarded by clients such as Alba, Bahrain. In the context of increased amperage on its existing production lines, Alba awarded several contracts to Fives. The Group will replace the HTM boiler and modify the vibrocompactor in the Green Anode Plant No.2 and, using its local service platform, will carry out work to increase the flow of two Gas Treatment Centers line 5. In Europe, Century has selected the Group for its new real-time firing and control system Helios^{RT}, for anode baking in their Vlissingen plant in the Netherlands.

In 2013, the Group's teams also finalized the start up of the last batch of equipment provided for Ma'aden Aluminium in Saudi Arabia, as part of the launch of production at one of the largest

aluminium smelters in the world. This last batch includes the Green Anode Plant, the liquid pitch terminal, Gas Treatment Centers and aluminium holding and melting furnaces.

Indian producer Hindalco has successfully launched its new Mahan plant and is making progress in the construction of the Aditya facility, with Green Anode Plants and Firing and Control Systems on anode baking furnaces supplied by the Group.

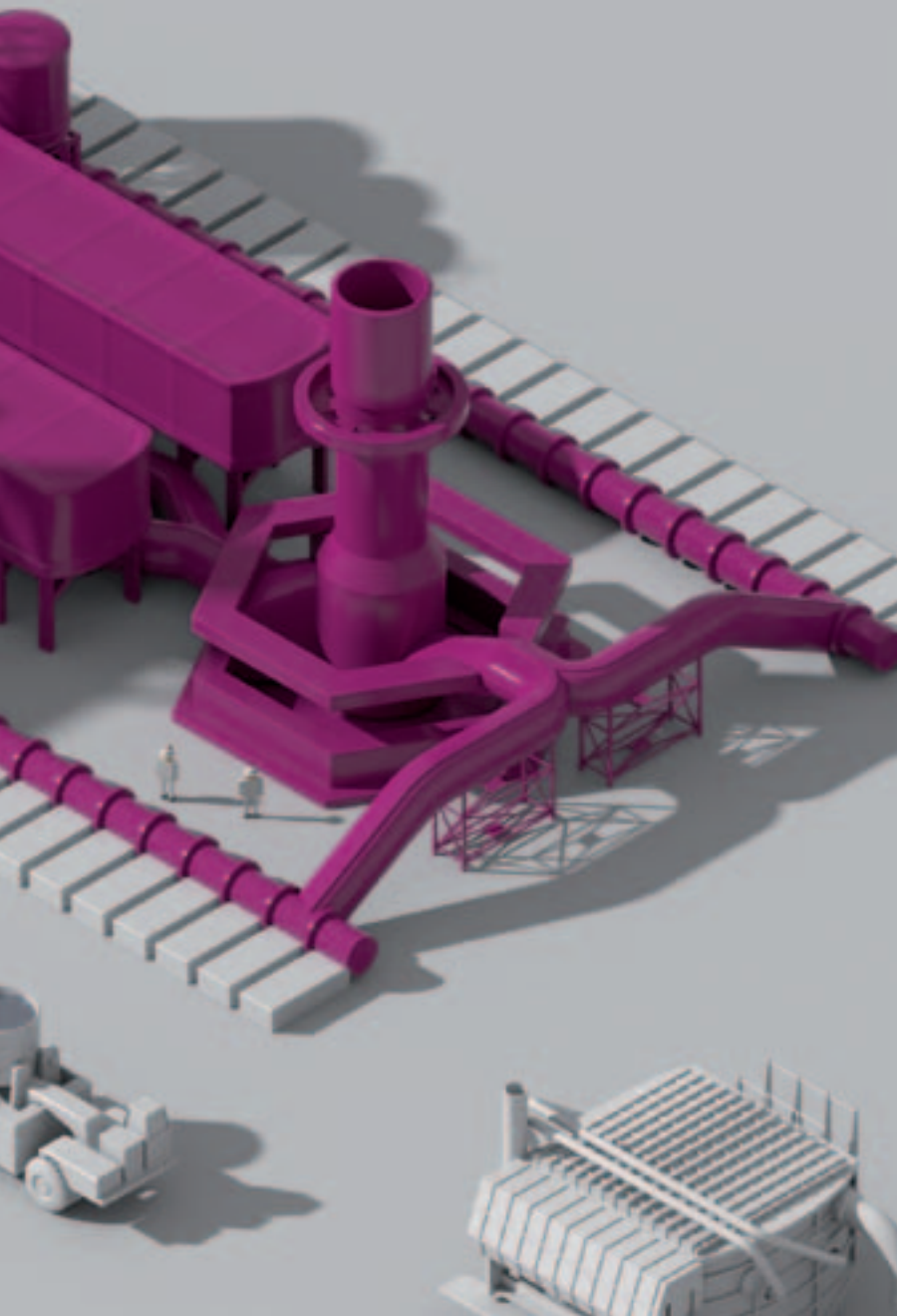
Finally, the Chinese steelmaker Angang Steel has started up and finished technical acceptance of a complete new 200,000 tons per year distillation unit and reforming pitch supplied by Fives.



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HYDRO - MA'ADEN
ALUMINIUM - RIO TINTO
ALCAN - RUSAL - SHANXI
COKING GROUP - SOHAR
ALUMINIUM - VEDANTA...

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FIVES OFFER

Raw materials

Coal tar distillation.
Liquid pitch marine terminal.

Carbon

Green anode plants, fume treatment centers, Firing and Control Systems (FCS) for anode baking furnaces and carbon butts recycling units.

Electrolysis

Gas treatment centers and bath processing units.

Casthouse

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

FOCUS

Development...

In addition, the Group has inaugurated a new laboratory for testing chemical and carbon products. This functional laboratory is fully compliant with standards applicable to health and safety and environmental emissions. It provides an optimal environment for performing studies into chemical crystallization and purification, distillation and reforming and characterization of pitch and anode paste.

THANKS TO OUR SERVICE PLATFORM BASED IN THE MIDDLE EAST, STAFFED BY ALUMINIUM PROCESS EXPERTS, WE HAVE BEEN ABLE TO MEET NUMEROUS REQUESTS FOR TECHNICAL OR MAINTENANCE SUPPORT, MADE BY OUR MAJOR CUSTOMERS IN THE REGION.

Hugues Vincent, Director of the Aluminium Division

New vehicle sales increased all around the world (except in Europe), encouraging financially healthy manufacturers to continue investing in new capacity in emerging countries and upgrading their industrial facilities in developed countries. Many engine (and transmission) project lines have been confirmed due to the need to reduce greenhouse gas emissions, including in Europe.

In the machining systems sector, the market has remained promising, particularly in China where investments have increased to compensate for the lack of upstream capacity affecting local production which has equipped significant downstream assembly plants in recent years. In this context, Fives won a contract from Fuda, a second-tier Chinese supplier to the automotive industry, for 13 crankshaft grinding machines. The design of each equipment is adapted to specific end customer models including Cummins, Yuchai MAN, Yangma, Volvo and GZ Automotive. Fives also received a significant order from Volkswagen for crankshaft grinding machines for the new generation EA 211 engine production line in Chengdu.

In addition, as part of the launch of its new generation of small gas engines, dubbed "Écotec", to be produced in five of its factories around the

world, General Motors has placed an order with Fives for three Landis LT2e machines which will be used to rectify 3 and 4 cylinder crankshafts on the Toluca site.

In the automated production system segment, the Group confirmed its favorable position in assembling mechanical parts for programs in North America and has been selected by Chrysler to supply two assembly lines for 9-speed automatic boxes for its new plant in Tipton, Indiana. Developed by Chrysler in partnership with ZF, this model, which will equip the Jeep Cherokee in particular, was designed to optimize fuel consumption and reduce CO₂ emissions.

The year was also marked by the acquisition of new customers in Russia and Northern Europe, as well as significant orders for final vehicle assembly, especially in the United Kingdom. Jaguar Land Rover

KEY REFERENCES

ALFING KESSLER - ALSTOM - ATLANTIC - AUDI - BAJAJ MOTORS - BAOSTEEL - BMW - BOSCH - BOMBARDIER - CATERPILLAR - CHANG'AN - CHRYSLER - CLAAS - COPELAND - COSKUNOZ - CUMMINS - DAIMLER - DALIAN DIESEL - DELPHI - EADS - EMERSON - FIAT POWERTRAIN - FAW - FORD - FUDA - GENERAL MOTORS - GOODRICH - HONDA - INGERSOLL RAND - JAGUAR LAND ROVER - JOHN DEERE - LEXMARK - MAHLE - MERCEDEX-BENZ - MERCEDES-BENZ TECHNOLOGY - MITSUBISHI - OPEL - PACCAR - POLYNORM - PSA PEUGEOT CITROËN - RENAULT-NISSAN - RKS - ROLLVIS - SAAB - SALM - SANDEN - SATEBA - SAULNIER DUVAL - SCANIA - SEAT - SGM - SIEBENWURST - SKODA - SVW - TATA - THALES - THYSENKRUPP - TOYOTA - VALLOUREC - VOLKSWAGEN - VOLVO - WHB - ZENHDER...

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FIVES OFFER

Equipment and automated systems with high production rates for machining, foundry, automation, assembly, integration of industrial processes and production of composite panels and components.

Corrective, preventive and enhanced maintenance with contracts with performance objectives and maintenance engineering support services.

FIVES PURSUED THE DEVELOPMENT OF ITS BENCHMARK TECHNOLOGIES INCLUDING, IN PARTICULAR, A NEW VERSION OF ITS GIUSTINA VERTICAL GRINDER AND A NEW ELECTRIC MONORAIL CONVEYOR WITH INDUCTIVE POWER TRANSFER.

in particular awarded Fives two orders during the year, one to design and install a new workshop for storing bodies in white (BIW) and another to design and build its new final assembly shop and provide all fluid filling equipment.

Finally, in **sealing and filling fluids**, again, Fives won new customers throughout the world, including Renault-Nissan, Daimler-Benz and SGM Norsom.

The first workshop, with a capacity of 500,000 units, located on the former paint shop site in Solihull and producing Range Rover, Range Rover Sport, Discovery, Defender and derivative models, includes conveyor systems and sequencing between the bodyshop and the painting shop. The second one, producing 50 vehicles per hour, was created to produce the current L494 (Range Rover Sport) and new SUV models including the CX17. The car frame and the vehicle body will be made entirely of aluminium. The Group will provide all conveyors to equip the main line, including the vehicle sequencing system between painting and assembly.

Despite steady growth in global consumption, only 75% of the existing cement production capacity is currently used, excluding China. Though a number of bids were issued in the most promising regions (Southeast Asia, Africa, Middle East, South America), both by major international cement manufacturers and by domestic producers, only a few contracts were awarded during the year. With an additional 40 million tons, the cement production capacity in 2013 (excluding China) it is still barely greater than in 2012. For the second year running, it failed to increase in comparison to the 2009 levels - the lowest in ten years - still reflecting the sluggish market trend.

In this unfavorable market environment, Fives still signed several contracts, confirming the producers' preference for its pioneering, high value-added technologies. This was the case with Lafarge Republic Inc., in the Philippines, who awarded the Group the design and turnkey delivery of a cement grinding plant for its site in Teresa, in Rizal province. Ultimately, this plant will produce 850,000 tons of cement per year and will house several proprietary units, such as the FCB Horomill® grinder which will reduce electricity consumption in the cement works, the 3rd generation FCB TSV™ separator, a TGT™ filter and a hot gas generator using Pillard technology. In early 2014, Lafarge

Republic once again placed its trust in Fives, with a second order for the same type of workshop. In 2013, the Group also finished the modernization work on the white cement line at Saudi White Cement Co. in Saudi Arabia, which included an increase in capacity which is now at 1,000 tons per day. Fives teams also commissioned a number of proprietary units in China, Russia, Moldova and the United States, including several FCB Horomill® grinders for clients such as Buzzi- Unicem and Jianhuan Technology & Trade Co.

Combustion technologies developed by the Group have proven very successful worldwide, especially

KEY REFERENCES

ARGOS - BUZZI-UNICEM -
CEMENTIR - CEMENTOS
MOCTEZUMA - CEMEX -
CIMPOR - CONCH -
DANGOTE - HEIDELBERG-
HOLCIM- ITALCEMENTI -
LAFARGE - NGHE AN
CEMENT CO - QATAR
NATIONAL CEMENT
COMPANY - SACCI - TITAN -
VICAT - VINACONEX -
VINAINCON - VOTORANTIM...

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FIVES OFFER

Complete turnkey cement plants.

Process equipment for the cement industry and mineral grinding (FCB Kiln, FCB Zero-NOx Preca, FCB Preheater, FCB By-pass system, FCB Horomill®, FCB B-mill, FCB Rhodax®, FCB TSV™ Classifier, FCB Flash dryer, FCB Aerodecantor).

Engineering and Clean combustion systems for rotary kilns, calcination and drying processes (Pillard NovaFlam®, Pillard RotaFlam®, etc.).

Gas treatment equipment (TGT®, Sonair™ filters and EAD™ dry-scrubbers) for kilns, coolers and mills.

Associated services.

with CGN, a Solway group company, in Guatemala. Fives will supply a Pillard technology combustion system, including burners and liquid and pulverized fuel supply systems, for the client's second ferronickel production line in El Estor. For its factory in Kavardi, in the Republic of Macedonia, FENI contracted with Fives to supply burners for the furnaces, hot gas generators and grills, and pulverized fuel storage and dosing systems for its two ferronickel production lines (2,250 tons per day), as part of their changeover to petcoke. Once again, Chinese engineering firms SiNOMA and CNBM chose the Group for the supply of complete combustion lines (burners, sectioning fuel preparation gantries).

In response to changing environmental standards, numerous US cement manufacturers - Graymont, Armstrong Cement, GCC etc. - have chosen curing kiln smoke filtering systems patented by the Group.

THE GROUP CONTINUED TO DEVELOP ITS SERVICE OFFER BY LOCATING ITS TEAMS AS CLOSE AS POSSIBLE TO ITS CUSTOMERS. IN PANAMA AND COSTA RICA, FIVES WON TECHNICAL SUPPORT CONTRACTS FOR HOLCIM AND CEMEX FCB HOROMILL® MILLS. IN BRAZIL, THE GROUP SIGNED A FIRST MAINTENANCE CONTRACT WITH VOTORANTIM FOR A KILN.

In the field of air separation applications, the market remains promising for the medium-term. The Group nonetheless had to contend with a slow Chinese economy, a falling Yen and a weak Dollar, all of which benefitted the Japanese and US competition while forcing prices down, along with a sharper competition from Chinese suppliers.

The technologies and know-how of the Group to design exchangers enable it to meet the needs of its key international customers, including Air Liquide in Qatar, China, France and Japan. In Qatar, after its subsidiary Gasal partnered with Qatar Petroleum at the Ras Laffan site, Air Liquide contracted Fives to supply all of the main exchangers for the new oxygen and nitrogen production unit that primarily supplies the GTL (gas to liquid) unit, which converts natural gas to liquid fuel. Fives will supply several exchangers in China, some of which will be installed at the large H₂/CO unit for end-client Shenhua. Fives was selected to supply the refrigeration and helium liquefaction units for international fusion energy production research programs: in Japan for the JT60 Project and in France for the ITER* project.

In the hydrocarbons sector, business is still booming especially in Southeast Asia, North America and the Middle East. More specifically, customers like Yeosu (LG), Samsung and GS in Korea and Shell in Singapore have chosen Fives for its high-quality exchangers and cold boxes. In the United States, Enterprise selected Fives to install exchangers at the largest propylene production unit in Texas. Concerning cryogenic pumps, business was also steady in all markets. Hangyang placed an order with Fives to supply 53 pumps for six new air separation units for China's leading coal liquefaction company, Shenhua Group. Fives is also developing new high-temperature and/or high-pressure plate and wave exchangers in steel.

*ITER: International Thermonuclear Experimental Reactor

KEY REFERENCES

ADNOC - AIR LIQUIDE -
AIR PRODUCTS - ARAMCO -
CB&I LUMMUS -
CRYOGENMASH - DAELIM -
DOW CHEMICAL -
ENTERPRISE - EXXONMOBIL -
GAIL - GS E&C - HANGYANG -
HYUNDAI - INEOS - JGC -
KAIFENG - KBR - LG -
PETROCHINA - POSCO -
PRAXAIR - QATARGAS - S&B -
SABIC - SAIPEM - SAMSUNG -
SASOL - SHELL - SIAD M.I. -
TECHNIP - TOTAL - TOYO E.C. -
WARTSILA...



FIVES OFFER

Industrial equipment primarily used in energy production:

- brazed aluminium: plate-fin heat exchangers (for air separation units, ethylene production or liquidified natural gas);
- cryogenic piston and centrifugal pumps (for air separation units, hydrocarbon production and distribution of any liquified gas);
- engineering, supply, manufacturing and assembly of highly technical piping (new construction or refurbishing).

Combustion systems designed for electric and thermal energy production and for industrial processes.

Equipment and complete plants primarily used in sugar and bioethanol production.



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KEY REFERENCES

ALSTOM POWER - AREVA - ARKEMA - CNPEC - DRT -
 EDF - GRT GAZ - MICHELIN - STX - TEMBEC - TIGF -
 TOTAL - WESTINGHOUSE...

In the field of high-performance industrial piping, the initial maintenance orders expected from the “grand carénage” (major refit) and “post-Fukushima” programs still had a limited impact in 2013. Nonetheless, Fives continued to develop business in recurrent maintenance contracts with French nuclear plants.

Comex Nucléaire (ONET SA Group) awarded the Group a large-scale nuclear maintenance contract for the 20 1300 MW sections of the French nuclear power base. The order is for eight EDF power plants in Paluel, Saint Alban, Flamanville, Cattenom, Belleville, Nogent, Golfech and Penly. The piping system construction project will last until 2023. EDF also signed a contract with Fives to maintain the superheater dryers at the Fessenheim plant and two welding contracts for the Caux-Manche plate and the Blayais facility. Areva also contacted with Fives to replace the steam generator at the same Blayais site. TIGF has asked the Group to provide its expertise to modernize its gas network in the southwest of France.

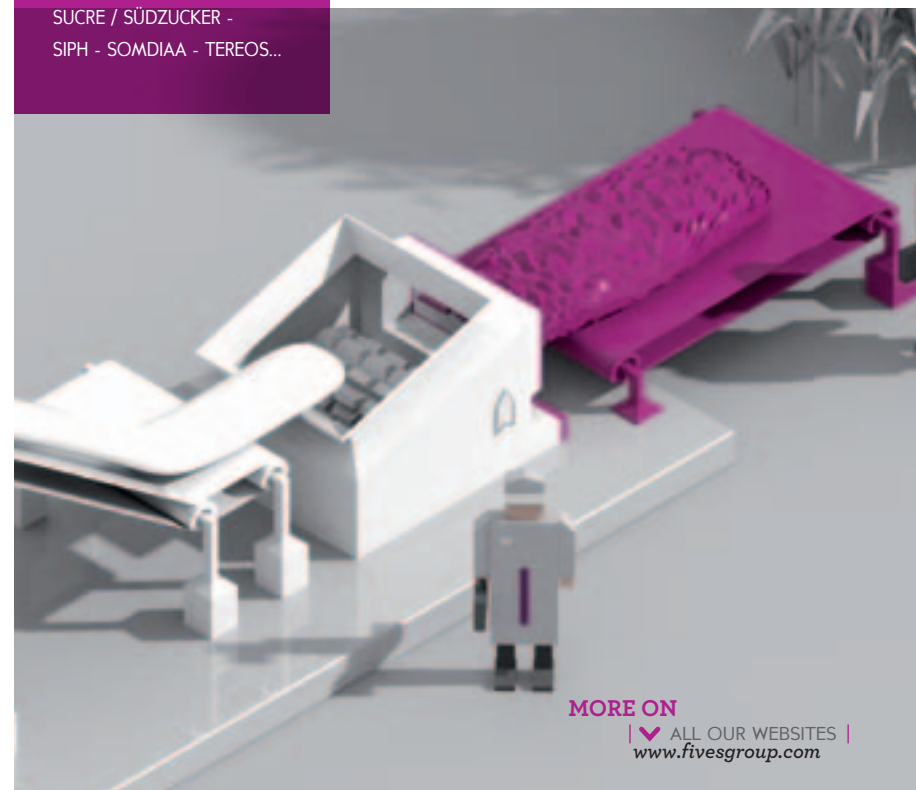
In the field of sugar manufacturing equipment and bio-energy, 2012 was a record year for Brazil, the world's leading sugar producer, creating a supply substantially greater than demand. As a result, sugar prices fell by 40% over a two-year period, greatly restricting capacity development projects. At the same time, steady market prices in 2011 and 2012 led many manufacturers to anticipate a number of upgrading investments, including refinery projects in Asia and in the European beet sugar sector.

In a slow-moving market, the Group has been able to win a significant number of contracts by relying on its reputation for high-performance technologies. Téréos signed a contract with Fives in France to supply a falling film evaporator body with a surface area of 4,500 m² for its Chevières plant. The equipment is being supplied as part of an ambitious project to reduce the plant's energy consumption. The German group Saint-Louis Sucre/Südzucker also chose this equipment for its 6,700 m² treatment facility because of its durability and easy installation. With 65 bodies installed in the last decade, Fives is unquestionably the world leader in falling film evaporation.

In Turkey, Kayseri Seker Fabrikasi continues its long-standing relationship with the Group, which in 2005 had supplied a full production line for a multitube dryer with a capacity of 80 tons per hour. In Côte d'Ivoire, after supplying a first shredder (pre-grinding equipment for sugarcane) in 2012, Fives received an order from Société Industrielle de Plantations d'Hévéas for a second shredder at its Zuenoula facility. The company returned to Fives because it was pleased with the shredder's superior energy efficiency and the resulting gain of 1.5 kW/hr per ton of cane prepared at that facility, which processes about 6,000 tons per day.

KEY REFERENCES

BELIZE SUGAR - EID PARRY -
ERAWAN - GUARANI -
INCAUCA - KAYSERI SEKER
FABRIKASI - LEDESMA -
MITR PHOL - PRODIMEX -
RAIZEN - SAINT-LOUIS
SUCRE / SÜDZUCKER -
SIPH - SOMDIAA - TEREOS...



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KEY REFERENCES

ADGAS - ADM - AIR LIQUIDE - AK STEEL - ALERIS -
 ALSTOM - ALUMINUM - ALSTOM POWER - AREVA -
 ARKEMA - ARCELORMITTAL - BAOSTEEL -
 BREMBANA - CERREY - CHEVRON TEXACO - COFELY -
 CMI - CNIM - DALKIA - ELECTRICITE DE FRANCE -
 ELWOOD TEXAS FORGE - ENFAB - ERAMET - ESSAR -
 ESYS - GDF/SUEZ - HYUNDAI HEAVY INDUSTRIES -
 JACOBS ENGINEERING - KOBESTEEL - KWB - MANPNA
 GROUP - MICHELIN - NATIONAL GYPSUM - NEMAK
 ALUMINIUM - NEREFCO - NOVELIS - OUTOTEC -
 OWENS CORNING - SAMARCO - SAMSUNG - SNECMA
 MOTORS - SOLVAY - RENAULT - TATA - TECHNIP -
 TESORO - TOTAL - VALE - US STEEL...

In industrial combustion systems, despite a growing concern for energy performance and environmental efficiency in developed countries (tightening of regulations, cost optimization), a downturn in industrial investment hit the United States and Europe, particularly in hydrocarbons and thermal electricity production installations.

Recognized in the market as a technological leader that develops high-performance energy and environmental solutions, Fives still managed to bring in some attractive orders.

In France, combustion systems developed by the Group were selected for numerous projects to reduce NOx emissions at sugar plants, refineries and urban heating companies by utilities like the CPCU, which provides heat for the city of Paris. Fives was selected by CPCU to replace the boiler burners at its sites in Evry, Grenelle and Vaugirard as part of converting its heating units over to gas power. The order was for a total of 62 low-NOx burners. In northern France, Fives teams worked for the Dunkerque refining company Colas Group to put in service a series of 12.5 MW low-NOx burners (four per boiler) with the capacity to burn blast furnace gas and natural gas. They have lived up to their performance and reliability, producing a reading of under 90 mg of NOx per Nm³ at 3% O₂ of gas.

In combustion solutions to treat iron ore, in the United States Metso Minerals Industries chose Fives to supply an ultra low-NOx LE combustion unit for its new Magnetation LLC pellet plant in Indiana, the first time in 40 years that this type of plant has been built in the country. Developed by the Group, the technology reduces emissions by over 95% compared to other current technologies. The Group also continued to develop its product range for oil fields. Burners were designed to meet custom specifications for installations in Canada, California, the Middle East and China. The Group will be consolidating its market position through the acquisition of ITAS (now Fives ITAS) in early 2014. The company specializes in combustion equipment for the hydrocarbon industry.



While the glass market is still affected by significant overcapacity in China and Europe - where the construction sector remains slow - the market was more dynamic in other regions of the world such as Turkey, Brazil, Eastern Europe and the Middle-East. In these countries and regions, independent manufacturers continued to invest in their domestic markets by opting for high-value-added technologies.

In the float glass sector, the technologies developed by the Group (production lines or isolated equipment) were much in demand from the markets' key players. Düzce Cam, a subsidiary of Turque Okan, commissioned Fives to design and supply a second float glass line of 800 tons a day, two years after the successful completion of the first line designed by the Group. This equipment will include the latest L.E.M.® glass fusing technology through the supply of a state-of-the-art low energy consumption glass kiln. In China, the Group enjoyed considerable commercial success in the annealing lehr market open to Western suppliers. Fives won over 15 orders thanks to its matrix control and water cooling technologies. Some of this equipment makes it possible to manufacture extra-thin glass. In this market, Fives is favorably positioned thanks to its in-house software and positive references such as CDGM Glass in

China. This client, who started trading successfully in 2012 and manufactures ultra-thin glass for touchscreens, has once again commissioned the Group to rebuild its primary production line.

In the specialized glass sector, Fives obtained its first reference with its client Mafic for the production of a unit to reduce the energy consumption of ovens during basalt fiber production. This unit includes an innovative heat recovery system, which can reduce gas consumption by 10 to 15%. This pilot project could potentially expand on a larger scale in 2015.



KEY REFERENCES

ASAHI GLASS COMPANY -
CHINA SOUTHERN GLASS -
CHINA YAOHUA GLASS
GROUP - COMPANHIA
BRASILEIRA DE VIDROS
PLANOS (CBVP) - DÜZCE
CAM - EUROGLAS -
JIANGMEN FARUN GLASS -
FUYAO GROUP - GUARDIAN
INDUSTRIES - NIPPON SHEET
GLASS - OBĚKAN GLASS
CO. -
PITTSBURGH CORNING
EUROPE - SALAVATSTEKLO -
SAINT-GOBAIN -
SWAROVSKI - VIVIX...

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FIVES OFFER

Thermal equipment and production lines for:

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

IN 2013, FIVES' TEAMS IMPLEMENTED THEIR NEW GLASS CONDITIONING TECHNOLOGY DESIGNED FOR THE PRODUCTION OF INSULATING GLASS IN CHINA. THIS TECHNOLOGY FEATURES A KILN POWER CONTROL SYSTEM ALLOWING CONSIDERABLE ENERGY SAVINGS THAT WERE PREVIOUSLY IMPOSSIBLE.

Once again this year, the logistics market appears favorable, supported by the strong growth volumes in transported goods which is correlated to the development of e-commerce. The market is particularly attractive in Asia (China, Japan and South Korea) where large courier companies - Fives' traditional clients - have continued to invest heavily in their sorting centers, especially in the vicinity of airports and railway stations. In Europe, the United States and Australia, postal operators and express couriers have pursued their strategy of focusing on technologies that are better suited to parcel sorting. Finally, France has seen further development in distribution activities.

In the postal and express delivery sector, Fives has completed several noteworthy projects while continuing to secure orders from clients who look for more advanced technologies, expertise and experience. Fives has also set up an entirely automated sorting center in the new massive logistics terminal at Yamato Transport, called "Chronogate", which is located in the vicinity of the International Haneda Airport in Tokyo. In Europe, the biggest German logistics operator opened its sorting center, designed by Fives, in partnership with Siemens. In South Korea, CJ Korean Express has renewed its trust in Fives with the construction of three sorting centers equipped with SBIR cross belt sorting systems for its terminals in Daejeon, Gwanak and Sangnok. With a total capacity of 81,000 items per hour, these sorting machines can process shipments to 975 destinations.

In China, Fives signed a contract with the operator Logistique CPST to supply an automated parcel sorting system to the Chinese Post Office in Shanghai. In Australia, Fives signed a contract with the courier firm Toll-IPEC for an automated sorting system to be installed in Sydney. This new sorting center will be the biggest in the southern hemisphere with a capacity to process over 32,000 packages per hour. In Serbia, the national postal service has commissioned the Group to build a parcel and object sorting unit in its new center in Belgrade.

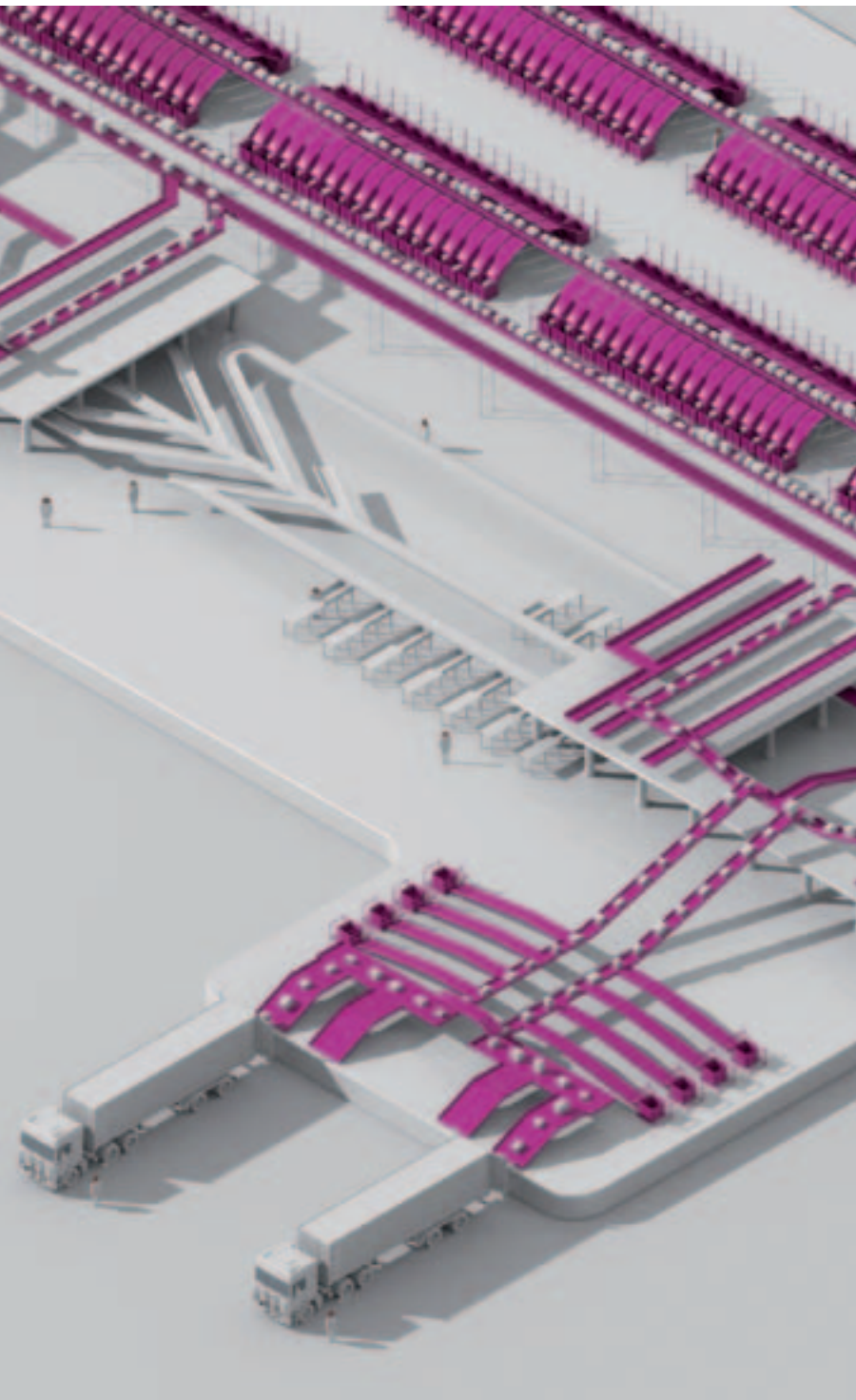
In France, following a successful collaboration on the Corbas site, Chronopost chose Fives once again, to automate two additional sites: Chilly-Mazarin and Hénin-Beaumont. Finally, Sodexi and Exapaq commissioned Fives to design their logistics centers for the processing of packages at the CDG Airport in Paris and the Tours Airport.

KEY REFERENCES

AEROPORTS DE PARIS -
 ARATA - BENETTON -
 CANADA POST
 CORPORATION - CANPAR -
 CHRONOPOST - C-LOG
 - CORREOS - COLIPOSTE -
 DEUTSCHE POST DHL -
 DISPEO (3 SUISSES
 INTERNATIONAL) - ELTA
 HELLENIC POST -
 EURODEP - FEDEX - FEDEX
 GROUND - FUKUYAMA -
 GEODIS - JP SERVICE -
 KOREAN EXPRESS - LA
 POSTE - LDLC - LECLERC -
 MANGO - MICHELIN - MNG
 KARGO - NIPPON EXPRESS -
 OCP - PIXMANIA - POCZTA
 POLSKA - POSTEN
 MEDDELANDE - PSA
 PEUGEOT CITROËN -
 PUROLATOR - SAGAWA -
 SAMMY - SCACHAP - SEA
 MALPENSA AIRPORT -
 SEINO - SNATT LOGISTICA -
 SNECMA - SOMFY - SNCF -
 SYSTEM LOGISTICS - TNT
 EXPRESS - UNITED
 AIRLINES - UPS - USPS -
 YAMATO...

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FIVES OFFER

Design and installation of tailor-made logistics solutions (**high-speed handling and automated sorting systems**) and customer service.

Computerized order fulfilment and robotics solutions.

WCS Trace® software.

Systems **maintenance.**

In the distribution sector, major commercial successes were achieved in France, opening up new prospects for the development of Group technologies. Schneider Electric commissioned Fives to completely automate its new logistics site in Évreux. Steered by a warehouse ordering system (WCS Trace®) the installation will be designed to handle a flow of 1,600 packages per hour. The food distribution group, Intermarché, chose Fives' SBIR cross belt technology to equip one of its fresh produce order processing centers.

FIVES HAS CONTINUOUSLY DEVELOPED SOLUTIONS TO MEET ITS CUSTOMERS' PERFORMANCE NEEDS, BOTH IN THE FIELD OF AUTOMATION - BY ADDING FUNCTIONALITIES TO ITS WCS TRACE® WAREHOUSE ORDERING SYSTEM - AND IN THE SORTING SYSTEM FOR BULKY ITEMS, WITH A NEW VERSION OF ITS SINGULATOR TECHNOLOGY UNDER DEVELOPMENT.

In the steel sector, the market is still affected by structural overcapacities. Although Chinese producers have continued to issue a number of request for bids, very few projects have been fully completed over the past two years. The recovery in investment observed at the end of 2013 was accompanied by strong pressure to lower the prices – a phenomenon emphasized by the fall in the value of the Yen against the Euro, which made Japanese bids particularly competitive. In the tube sector, with hydrocarbons as its main market, the year was marked by a net decrease in investments: the stability of global demand for crude oil led industrial businesses to delay the launch of new capacity projects, whereas the drop in gas prices in the United States prolongs the timeline for return on investment.

In the flat steel market, despite this challenging environment, Fives won several significant orders, including two contracts for pickling lines. The first was signed with Baosteel as part of its greenfield plant project in Zhanjiang, China. Fives was selected to design and supply a vertical furnace for a continuous annealing process line with an annual production capacity of 825,000 tons. This furnace, the ninth of its kind ordered from the Group by Baosteel since 2005, will be composed of 10 different cooling and heating sections, equipped with our patented FlashCooling® rapid cooling technology. It will be used to process steel, following thermal cycles on more than 95 vertical passes, with a total interior belt length of 2.5 km inside the furnace. The second was signed with the Baotou Iron & Steel Group for the supply of two vertical annealing furnaces, with commissioning scheduled for mid-2016.

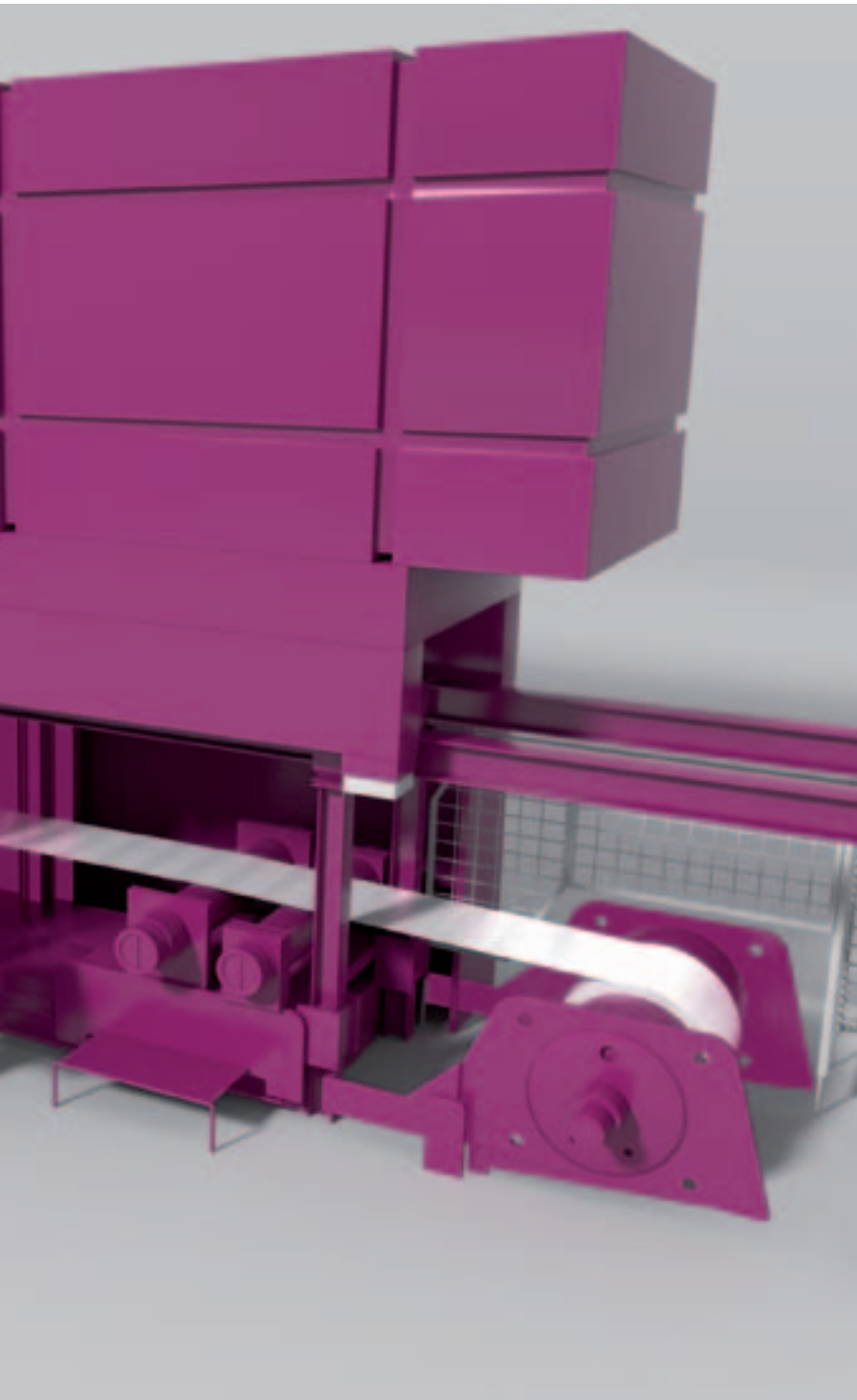
In China once again, Fives has signed a contract with the Beihai Chengde Stainless Steel Group for the global supply of three 20 HI rolling mills. These will be installed in a plant located in the south of China with an expected production capacity of between 2.5 and 3 million tons per year.

In India, Jindal Steel & Power Ltd. (JSPL) chose the Group on the basis of its walking beam furnace technology for its Raigarh site. This furnace will operate on 100 % blast furnace gas using regenerative burners and will be equipped with a fuel backup system. This order follows three other contracts concluded by the Group with the customer in recent years.

2013 was also marked by the commissioning of a large number of lines and pieces of equipment by premium customers, mainly in the processing

KEY REFERENCES

ACERINOX GROUP - ALCOA - ARCELORMITTAL - ASCOMETAL - ATI ALLEGHENY - BAOJI PETROLEUM STEEL PIPE CO. - BAOSTEEL - BAOTOU IRON & STEEL - BENXI IRON & STEEL - BLUESCOPE STEEL - BOKARO STEEL PLANT - CELSA GROUP - CNOOC - CNPC - ÇOLAKOĞLU - CORUS - ERDEMIR - ESSAR STEEL - EVRAZ - FUNDIA - GERDAU - GRUPO CONDESA - GURPPO ARVEDI - HANDAN IRON & STEEL - HYUNDAI HEAVY INDUSTRIES - ISDEMIR - JINDAL STEEL - JMC STEEL GROUP - KINGLAND - MACSTEEL - MAGNITOGORSK IRON & STEEL - MARCEGAGLIA GROUP - MARUICHI STEEL TUBE - NANJING IRON & STEEL - NORTHWEST PIPE COMPANY - NOVAMERICAN STEEL INC. - NOVOLIPETSK STEEL - OMK - PADANA TUBI - PANZHUIHUA IRON & STEEL - PEASA - POSCO - PROLAMSA - PYTCO - RIVA GROUP - RUUKKI - SEVERSTAL - SHOUGANG JINGTANG - SICHUAN SOUTHWEST STAINLESS STEEL - SISECAM AS - STEEL DYNAMICS - SUMITOMO - TATA STEEL - TENARIS - THYSSENKRUPP STAHL - TMK - TRIDENT STEEL - USIMINAS - US STEEL - USS - VALLOUREC - VIZAG STEEL - VOESTALPINE STAHL - WELSPUN - WUHAN IRON & STEEL - XINYU STEEL...



FIVES OFFER

Thermal equipment

Reheating furnaces - Processing line furnaces - Heat treatment furnaces - High flux induction heating - AdvanTek® combustion systems - Cooling solutions - Virtuo™ level 2 optimization systems.

Mechanical equipment for flat products

Cold rolling: Reducing rolling mills and Skin-pass rolling mills - Strip processing - Shearing - Strip & tool handling equipment - Strip transport.

Tube, pipe & long products solutions

ERW mills & related equipment - Finishing equipment - Long product straightening.

Surface treatment

Pickling - Degreasing.

Integration of sections and complete processing lines

Coke oven by-product recovery

Coal tar distillation.

Services

Operator assistance systems
Metallurgical assistance - Automation systems - Support & expertise - Maintenance - Spare parts.

line sector. South West Stainless Steel (SWSS), a subsidiary of the Sichuan Jinguang Group, also commissioned a stainless steel annealing and hot pickling line with a production capacity of 700,000 tons per year. This is the first line that Fives has carried out in its entirety (with the exception of the electrical part), designing and supplying all of the mechanical equipment as well as the annealing furnace including the pickling and belt guiding system. In addition, the Group has also obtained approval for the fifth vertical annealing furnace in Shougang, dedicated to the production of premium quality steel for the food packaging industry, as well as an annealing line supplied by Baoxin. Finally, in the rolling sector, Fives also obtained the green light for five rolling mills, three of them in China (one for Jisco, two for Wisco) and two in Turkey (for Posco Assan).

In the tubular steel sector, Fives expanded its product range, supported by its Bronx and Abbey brands, by acquiring OTO Mills (now Fives OTO) which specializes in the design of production equipment for welded tubes (ERW). Despite the rather subdued market in this sector, the Group won several service contracts for isolated equipment, mainly in the United States, but also in Europe. Vallourec chose the company to supply a complex hydrostatic tester, which will be used to test special corrosion-resistant alloys using pressures that exceed the conventional industry standards.

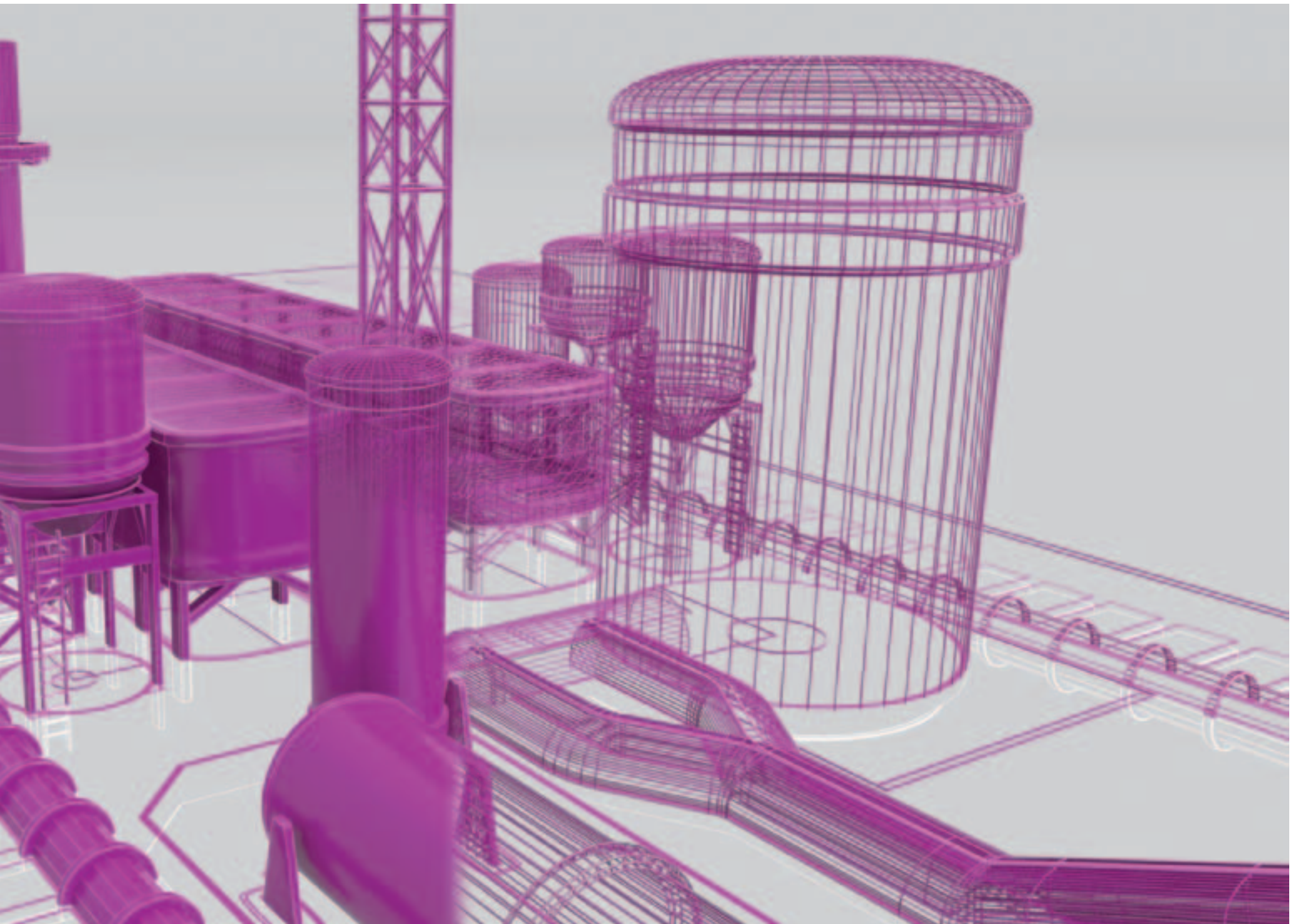
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MILESTONES

FINANCIAL AND NON-FINANCIAL
INDICATORS
GLOBAL COMPACT





FINANCIAL AND NON-FINANCIAL INDICATORS

1. FINANCIAL INDICATORS

ORDER INTAKE BY END MARKET

€ Million	2011	2012	2013
Automotive/Logistics	607.2	479.8	542.9
Metals (aluminum & steel)	550.7	404.8	227.8
Energy	272.7	355.2	276.3
Cement	243.7	84.0	102.3
Aerospace and special machining			78.0
Total	1,674.3	1,323.8	1,227.3

BY GEOGRAPHICAL AREA

€ Million	2011	2012	2013
The Americas	546.8	367.0	305.2
Asia & Oceania	338.9	422.6	330.2
Europe	438.4	419.3	486.1
The Middle East & Africa	350.2	114.9	105.8
Total	1,674.3	1,323.8	1,227.3
Contribution from mature economies	44%	50%	64%
Contribution from emerging countries	56%	50%	36%

SALES BY END MARKET

€ Million	2011	2012	2013
Automotive/Logistics	391.3	541.1	564.3
Metals (aluminum & steel)	474.9	527.3	461.5
Energy	290.2	317.3	326.2
Cement	111.9	122.2	170.0
Aerospace and special machining			104.2
Total	1,268.3	1,507.9	1,626.2

BY GEOGRAPHICAL AREA

€ Million	2011	2012	2013
The Americas	295.4	421.3	531.2
Asia & Oceania	331.8	373.4	457.9
Europe	394.8	445.0	458.3
The Middle East & Africa	246.3	268.2	178.8
Total	1,268.3	1,507.9	1,626.2
Contribution from mature economies	50%	46%	53%
Contribution from emerging countries	50%	54%	47%

ORDER BOOK BY END MARKET

€ Million	31.12.11	31.12.12	31.12.13
Automotive/Logistics	476.1	406.1	365.6
Metals (aluminum & steel)	656.5	555.7	353.6
Energy	217.4	249.9	199.1
Cement	201.8	167.2	98.9
Aerospace and special machining			108.0
Total	1,551.8	1,378.9	1,125.2

BY GEOGRAPHICAL AREA

€ Million	31.12.11	31.12.12	31.12.13
The Americas	448.7	392.2	269.3
Asia & Oceania	417.6	478.7	368.4
Europe	335.1	312.7	364.8
The Middle East & Africa	350.4	195.3	122.7
Total	1,551.8	1,378.9	1,125.2
Contribution from mature economies	37%	33%	48%
Contribution from emerging countries	63%	67%	52%

SUMMARY OF CONSOLIDATED FIGURES

€ Million	2011	2012	2013	2013 historic scope	2013 constant scope and exchange rate
Sales	1,268.3	1,507.9	1,626.2	1,495.4	1,540.7
Gross Margin	280.3	324.2	360.2	330.9	339.5
EBITDA (*)	99.0 7.8%	115.1 7.6%	133.0 8.2%	118.4 7.9%	122.3 7.9%
EBITA (*)	83.5	97.3	113.3	100.3	104.0
Current operating profit (EBIT)	76.2	92.7	104.4	95.8	99.4
Operating profit	75.0	92.4	98.0	n.a.	n.a.
Net financial result	(0.6)	(4.1)	(17.3)	n.a.	n.a.
Profit before tax	74.4	88.2	80.7	n.a.	n.a.
Net profit of consolidated companies	41.0	52.3	44.6	n.a.	n.a.
Net profit (Group Share)	40.4	50.8	43.4	n.a.	n.a.
Shareholders' equity attributable to owners of the Group	244.8	244.8	291.7	n.a.	n.a.
Cash and cash equivalents at December 31	239.2	265.6	242.4	n.a.	n.a.

(*) The Group defines EBITDA and EBITA as follows:

- EBITDA is current operating profit before amortization and depreciation of tangible and intangible assets, restated for any effects on the gross margin of purchase price allocation accounting entries.
- EBITA is current operating profit before amortization of intangible assets related to acquisitions, restated for any effects on the gross margin of purchase price allocation accounting entries.

Sales

Sales were recorded at €1.626 billion in 2013, an all-time record for the Group, up €118 million (8%) over 2012. This difference includes a scope effect of €131 million and an adverse foreign exchange effect of €45 million. At constant scope and exchange rate, sales were subsequently up slightly by €32 million, or 2%. In terms of sectors, weaker activity in metals was offset by growth in cement and automotive/logistics (the division most impacted by foreign exchange effects) while energy remained stable compared to 2012.

EBITDA

The Group's EBITDA was at €133.0 million, which is an increase of €17.9 million (16%) over 2012. This difference includes a scope effect of €14.6 million and an adverse foreign exchange effect of €4.0 million. At constant scope and exchange rate, EBITDA was subsequently up by €7.3 million, or 6%.

The EBITDA margin was 8.2%. It was 7.9% in the historic scope, or 0.3 points higher than 2012 (7.6%). This increase is due to a higher gross margin (22.1% versus 21.5%), a general sign that contracts were well executed. Overhead costs were controlled and remained steady at 15% of turnover.

2. NON-FINANCIAL INDICATORS

For the fifth consecutive year, all of the Group's subsidiaries were asked to submit a report on Human Resources and Corporate Social Responsibility data. This is the second year that the supplemental report on innovation at the subsidiaries level has been consolidated.

The consolidated scope for HR and innovation data is the same as the consolidated financial scope, but due to eligibility criteria implemented for this type of report (one full year in the Group), CSR reporting does not include the acquisitions completed in 2013 (Mag Americas and OTO Mills).

SOCIAL INDICATORS

	2011	2012	2013	The Americas	France	Europe excl. France	Asia & Africa
Employees	6,108	6,521	7,825	1,865	3,902	1,242	816
Men	84%	84%	84%	87%	84%	86%	76%
Women	16%	16%	16%	13%	16%	14%	24%
Percentage of engineers among women	30%	32%	30%	14%	44%	9%	23%
Number of nationalities	46	49	46				
Employees by category							
Engineers and managers	38%	39%	36%	28%	42%	23%	46%
Technicians, designers and supervisors	25%	24%	25%	21%	27%	26%	19%
Staff	14%	14%	15%	18%	10%	23%	18%
Operators	23%	24%	24%	33%	21%	28%	17%
Employees by age range							
Less than 20	1%	1%	1%	0%	0%	2%	0%
From 20 to 29	15%	16%	14%	10%	15%	13%	23%
From 30 to 39	23%	24%	23%	12%	27%	19%	39%
From 40 to 49	26%	26%	25%	21%	27%	27%	24%
From 50 to 59	28%	28%	29%	39%	27%	32%	11%
60 and more	6%	6%	8%	18%	4%	7%	3%
Employees by length of service							
Less than 5	40%	41%	36%	32%	36%	30%	56%
From 5 to 10	18%	20%	23%	15%	26%	22%	23%
From 11 to 15	10%	9%	9%	6%	10%	12%	7%
From 16 to 20	7%	7%	8%	8%	7%	11%	7%
From 21 to 25	8%	7%	8%	8%	7%	10%	3%
From 26 to 30	4%	4%	5%	8%	3%	6%	2%
From 31 to 35	6%	5%	5%	8%	5%	3%	1%
From 36 to 40	4%	5%	6%	10%	5%	3%	1%
41 and more	2%	1%	2%	5%	1%	1%	0%
Acquisitions							
Workforce at the end of the year from acquisitions completed in the year			1,304	756	237	262	49

	2011	2012	2013
Employees by region			
The Americas	17%	18%	24%
France	58%	56%	50%
Europe (excl. France)	15%	15%	16%
Asia & Africa	10%	11%	10%
Employees by business sector			
Aluminium	6%	6%	4%
Steel/Glass	18%	16%	16%
Cement	8%	9%	7%
Energy	34%	32%	28%
Logistics	9%	9%	8%
Automotive, Aerospace and other industries	23%	24%	33%
Others	2%	3%	3%
Skills and mobility management			
Proportion of French affiliates with an implemented GPEC* policy	80%	84%	94%
% of French employees for which the GPEC* policy has been deployed	75%	93%	99%
% of employees reviewed by the CEDRE career management committee	35%	52%	47%
% of employees receiving regular appraisal interview	59%	69%	70%
Number of employees recruited	1,231	1,262	1,150
Number of people having attended 'career booster' interviews	84	133	90
% of employees having attended at least one training course	60%	69%	70%

*GPEC: jobs and skills forecast management

In response to external growth operations carried out in 2013, the Group's workforce increased significantly to 7,825 employees at the end of December, representing 1,304 additional employees this past year. The acquisitions of Mag Americas, Forest-Liné and OTO Mills brought nine new entities into the Group's consolidated scope. These inclusions affect the distribution and organization of the Group's staff numbers.

Consequently, the Group is expanding its presence overseas with a larger workforce in Italy (268 more employees and a 3%-6% rise in the Group's total staff) and in North America where the Group's headcount was up 6 points in 2013 to 24%.

The French share of the workforce decreased to 50%, but the number of employees in France accounts to 266 additional employees, due to Fives Nordon (which now exceeds 1,000 employees) and to the acquisition of Forest-Liné.

Overall workforce increases mainly occurred in the Steel/Glass and Automotive/Aerospace divisions. One-third of the Group's employees currently work in the division of the Automotive, Aerospace and other industries. Growth at Fives Nordon and Fives Cryo Suzhou is also increasing staff numbers in the Energy division.

The share of female staff members remained at 16% of the total workforce, despite headcount variations. The percentage of engineers and managers in the total female population reduced to the level of 2011, ie 30% (32% in 2012). However, this proportion remained stable at 44% in France.

Technicians and managers were very well represented in the Group, making up 60% of the workforce. Workers accounted for close to 25% of the staff members.

Recruitment numbers were high in 2013, with over 750 new permanent full-time hires. While 36% of the Group's current workforce joined the Group less than five years ago, the number of employees with 5-10 years of seniority is on the rise, a sign of our successful induction policies and ability to retain talent. Once again this year, almost half of our employees were assessed during CEDRE career review meetings. In an effort to meet the demands of its businesses, every year Fives ensures that young graduates and experienced personnel alike join the Group. This variety in hiring is keeping the age pyramid balanced.

In order to support the Group's growth by developing its employee skills, the human resources department continues with its training initiatives, which benefited 70% of the Group's total staff in 2013.

INNOVATION INDICATORS

	2011	2012	2013
R&D expenditure in millions of euros	21.2	22.7	28.1
Breakdown of R&D expenditure			
Costs of patents and trademarks	7%	6%	7%
Standard design and formalization of Know-how	15%	14%	8%
Continuous improvement of products and processes	41%	41%	32%
Development of new products and processes	29%	32%	42%
Research and radical innovation activities	8%	8%	11%
Patents and trademarks			
Number of patents and patent applications in force	1,599	1,447	1,784
Number of patent families in force	347	371	504
Number of first patent applications (new patented inventions)	21	18	61
Number of first patent applications relating to energy and environmental performance	12	8	16
Percentage of patents relating to energy and environmental performance	57%	44%	26%
Number of 'product' trademarks registered	97	93	98
The eco-design program			
Number of products carrying the Engineered Sustainability® mark		1	2
Number of products currently being analyzed		7	12
Number of subsidiaries participating in the program		7	12
Percentage of eligible subsidiaries participating in the program		21%	29%
Number of new people trained in eco-design		47	48
Fives Innovation Awards			
Number of subsidiaries taking part in the Group Innovation Award contest launched in 2011	15	26	44
Percentage of Group employees invited to compete for the Group Innovation Award	19%	40%	62%
Number of ideas submitted for the Group Innovation Award		252	443
Number of research and test centers			
Number of research and test centers (*)	19	20	27
France: 16, The Americas: 6, Europe (excl. France): 4, Asia: 1			

(*) All of the subsidiaries conducting their own R&D product testing in designated locations are now being counted. The number of sites in the former count was 17 in 2012 and 16 in 2011.

R&D spending increased sharply in 2013 (up 24% in one year) and its share compared to new product and process development (42% in 2013 *versus* 32% in 2012) reflects the Group's desire to distinguish itself from its competitors with innovative and high-performance technical solutions.

In 2013, these R&D efforts resulted in several inventions and patent applications were filed for 61 of them, which is a new record for the Group. This was partly to compensate for a less active 2012 (18 filings) and partly due to initiatives at all levels to encourage patent filings. This outcome was undoubtedly influenced by the talks on intellectual property held in November 2012 at the annual General Managers seminar attended by the Director of INPI (French patent office) as well as awareness training on intellectual property given at many of the Group's subsidiaries. With eight new patented inventions in 2013, the latest entities to join the Group in 2013 contributed to this result. They also helped enhance the Group's patent portfolio (36% more patent families), bringing 76 families and 161 patents.

Deployment of the Group Innovation Award contest has gained momentum with 41 participating subsidiaries representing more than 60% of the Group's workforce. In 2013, 443 innovation proposals were received, representing a 75% increase.

Innovation in equipment energy and environmental performance continued to grow in 2013: there were 16 new patent applications in this area and a second Fives product obtained the internal Engineered Sustainability® brand upon completing an eco-design process. Engineered Sustainability® is an innovation program to optimize the energy performance and environmental impacts of Fives' products, which experienced its strongest growth in 2013. Fives had asked Ernst & Young to conduct an independent verification of the program and it issued a certificate of insurance to the Fives Group in October 2013. More resources were allocated for eco-design and lifecycle analysis and 48 additional people were trained in eco-design principles in 2013. Twelve eco-design projects were in progress at the end of 2013 involving about one-third of the Group's subsidiaries where the program is applicable.

All of the subsidiaries conducting their own R&D product testing in designated locations are now being counted in the number of research and testing centers. This indicator is further proof of the Group's resources for testing and developing its innovations. Along with resources from the new entities that joined in 2013, the Group now has 27 research and testing centers.

INTRO FOR THE DATA BY SITE AND THE STATISTICS ON ENVIRONMENT/HEALTH/SAFETY/ETHICS AND GOVERNANCE

At the end of 2013, Corporate Social Responsibility (CSR) reporting covered 81% of the Group's workforce and included all sites with 10 or more employees as of mid-2013 as well as all sites with an industrial activity. Companies that did not have an activity in the Fives Group for the full year 2013 were not included in this reporting period. The companies acquired in 2013 (Mag Americas and Oto Mills) alone account for 17% of the Group's workforce and so were not included in the CSR reporting scope. As a reminder, these companies were included in financial, HR and innovation reporting.

CSR CROSS-SECTIONAL INDICATORS

	2011	2012	2013	The Americas	France	Europe excl. France	Asia & Africa
Number of affiliates included in the scope of the CSR policy	50	51	53	9	20	14	10
Total number of sites	75	79	79	13	37	15	14
Industrial sites	29	30	30	8	14	5	3
Offices	23	27	26	4	10	5	7
Combined sites, test centers and regional facilities	23	22	23	1	13	5	4
Number of affiliates already embarked on a CSR action plan	6	25	35	8	18	3	6
Percentage of employees accounted for by these Group companies (total and by region)	25%	56%	68%	47%	97%	23%	54%
Number of sites with ISO 9001 certification	48	51	49	5	27	11	6
Number of sites engaged in ISO 9001 certification	2	2	3	2	0	0	1
Number of FTE ⁽¹⁾ Health, Safety and Environment staff in the Group	46.6	50.5	65.5	8.8	42.4	9.4	4.8

(1) FTE: Full-Time Equivalent

Two new companies were included in 2013: Solios Chemical (joined the Group in the first quarter of 2012) and Fives Brazil (whose staff increase made it eligible for reporting). On the other hand, the site count does not reflect these additions because three subsidiary sites in France and India that were already in the scope closed down in 2013.

CSR coaching remains a fundamental tenet of the Group's social responsibility program. The program enables each Management committee to address their own challenges individually based on their business, marketplace and country and to make them part of a continuous improvement plan.

In 2013, the program was mainly deployed in France where it involved almost all of the subsidiaries.

Work hours allocated to health/safety/environment continues to increase significantly with the 30% increase in full-time equivalent hours. This rise is partly due to the environmental effort as part of the Group's ISO 14001 certification program and partly because of a larger safety coordinator network.

BUSINESS ETHICS INDICATORS

	2011	2012	2013
Number of languages into which the Group Code of conduct has been translated	12	13	13
% of companies in which the Code of conduct has been distributed	90%**	94%**	98%
% of employees accounted for by these companies	89%**	91%**	94%
% of subsidiaries that hold an annual presentation of the Code of conduct involving at least 25% of the workforce	ND	ND	13%

** 2011 and 2012 corrected data (errors detected in 2013)

Fives' Code of conduct is continuously improved, in order to provide the Group's new recruits with its values and guidelines but also to keep all of its employees regularly up to date with any changes. Fives is currently developing a specific training program on its Code of conduct, to further develop and improve the internal dialog on the Group's common values and "dos and don'ts".

Training initiatives on the Code of conduct that were expected to be launched in 2013 had to be postponed. However, in 2013 there were many actions to formalize and clarify the Group's expectations at the corporate level. Development of case studies and of a reading guide for the Code of conduct will encourage more discussion on these values. The Code of conduct will also be supplemented by a new Group Directive.

HEALTH & SAFETY INDICATORS

	2011	2012	2013
Number of industrial sites	29	30	30
Number of sites with safety certification	16	18	18
Number of sites engaged in safety certification	3	9	6
Percentage of industrial sites with safety certification	17%	17%	23%
% of affiliates having written and distributed a Health & Safety Policy	72%	76%	77%
Number of FTE(l) Health & Safety staff in the Group	ND	35,2	46,0
Employee accident frequency (Number of lost-time accidents (≥1 day) x 1,000,000 / Number of hours worked)	7.57	6.62	5.44
Employee accident severity (Number of lost-time accidents (≥1 day) x 1.000 / Number of hours worked)	0.165	0.135	0.186
Employee + temp workers accident frequency	ND	7.47	5.96
% of lost-time accidents occurring on customer/subcontractor sites*	ND	20%	34%
% of lost-time accidents occurring in workshops*	ND	62%	53%
% of lost-time accidents occurring in offices*	ND	7%	5%
% of lost-time accidents occurring on business trips*	ND	11%	7%
Number of Group HSE representatives	45	47	48
Number of Group HSE auditors	10	11	15
Number of Group HSE audits conducted	17	25	22
% of companies audited (cumulative)	49%	67%	75%

* Employee figures in 2012/Employee and temp worker figures in 2013

The Group's safety performance continued to improve in 2013 with a frequency rate for employees of 5.44 (versus 6.62 in 2012). Nevertheless, this improvement varied greatly by quarter: the first two showed very positive numbers whereas performance in the last two quarters was as low as the worst quarters of 2012.

This had been predicted at the end of 2012, so a voluntary action plan on safety was launched at the beginning of 2013. The action plan primarily involved:

- Determining the level of ambition of Fives group in Safety,
- Developing safety leadership and commitment among all managers,
- Improving the analysis, communication and operational experience feedback on accidents and incidents at every company and within the Group.

Fives would like to advance the Group toward involving everyone in a strong safety culture and achieve a frequency rate of 4 for employees and temp workers in 2016. The actions launched in 2013 involved the Executive Committee of Fives and all of the Group's General managers at five day-long safety seminars. These seminars resulted in commitments taken by all of the Group's top managers in 2014 that will be monitored by the Group CSR department.

Consequently, starting in 2013 our monitoring scope will systematically include employees and temp workers. As for the locations of accidents, the 2012 statistics only include employees. However, the trend is not affected by adding temp workers and is increasing in terms of accidents that occur at customer sites.

Alongside this and for the first time since 2009, the Group severity rate is up significantly due to a handful of serious accidents involving Fives employees. It is imperative to preempt this trend in 2014 because it is often a sign that the frequency rate will rise again.

The safety certification process continued in 2013 (MASE for Fives Nordon in Nancy and OHSAS 18001 for Cinetic Giustina in Italy). The same number of industrial sites as in 2012 were certified because two sites certified in 2013 were not included in the reporting (a site at Cinetec Service and one at Fives Nordon were dropped from the scope). That said, safety certification is not a Group program and is still a voluntary effort by Fives subsidiaries.

The HSE coordinator network continued to expand with new positions and skills development as did the Group auditor panel, which increased in size in 2013.

ENVIRONMENTAL INDICATORS

	2011	2012	2013	The Americas	France	Europe excl. France	Asia & Africa
Number of sites with ISO 14001 certification	15	18	21	5	8	3	5
Industrial sites	29	30	30	8	14	5	3
Scope of the ISO 14001 certification objectives for the end of 2014 (in number of industrial sites)	/	27	27	8	12	5	2
Number of industrial sites with ISO 14001 certification	12	14	16	5	7	3	1
% of progress toward the 2014 ISO 14001 certification objectives, total and by region	/	52%	59%	63%	58%	60%	50%
Percentage of sites that have written and distributed an Environment policy	48%	59%	62%	54%	65%	60%	64%
Number of FTE ⁽¹⁾ Environment staff in the Group	ND	15.3	19.5	2.7	10.77	4.2	1.8
Electricity consumption in GWh	44.6	48.6	48.7	13.3	23.3	6.9	5.2
Natural gas and heating oil consumption in GWh	60.2	57.2	56.8	21.9	26.8	7.6	0.5
Total energy consumption in GWh	104.7	105.9	105.5	35.1	50.1	14.5	5.8
Electricity consumption in €000	3,820	4,430	4,604	997	2,144	840	622
Natural gas and heating oil consumption in €000	1,954	2,141	2,018	363	1,255	361	39
Total energy consumption in €000	5,774	6,571	6,622	1,361	3,399	1,201	661
Water consumption (industrial sites) in m³	96,477	87,644	84,739	23,421	33,344	7,477	20,497
Water consumption (industrial sites) in €000	160	175	190	73	90	19	8

With the momentum behind the ISO 14001 certification objectives set for industrial sites, the number of certified sites in the Group continues to grow with three new industrial sites ISO 14001 certified in 2013. In addition, one site suspended its certification to set up an integrated quality and environment system and is expected to be certified again sometime in 2014. At the end of 2013, the ISO 14001 certification project had achieved nearly 60% progress. In the same vein, the number of full-time equivalents working on the environment increased significantly (27% over 2012) as did the number of sites that had documented and distributed an environmental policy.

The Group's energy consumption remains stable compared to 2012 with electricity consumption up slightly, but this was offset by a virtually equivalent drop in fossil fuel consumption. This trend was carried by the 10 largest sites in the Group that account for nearly 75% of the Group's energy consumption.

Natural gas remains the Group's primary source of energy and makes up 52% of the Group's consumption. Half of the Group heated facilities use natural gas for heat and almost half of the industrial sites use natural gas for the production process or to conduct tests.

The cost differential continues to widen between electricity and gas due to the effect of large regional differences in energy prices.

As in 2012, water consumption was mainly affected by repairing old leaks or the appearance of new ones. Water consumption was down in 2013 because leaks were controlled at two of the Group's shops in France and China. However, it should be noted that this decrease could have been more significant had there not been a water leak at a third site in France in 2013. The price of water went up overall compared to last year, but the rate increase was not as high as in 2012.

Lastly, it is important to note that while half of the industrial sites use water in their processes, this water is mostly used for relatively low-consumption activities like cooling, hydraulic testing, part washing, etc.

PROGRESS IN DEPLOYMENT OF THE GROUP CORPORATE SOCIAL RESPONSIBILITY PROGRAM

A yearly assessment of the progress done by the Group in the field of Corporate Social Responsibility is being carried out since 2012.

This year's progress includes key indicators showing changes between 2012 and 2013.

Two new programs are presented in the table. They were already launched in the past years without being highlighted as CSR contribution:

- Initiatives to maintain the Group's expertise, as part of the global objective of managing skills and careers;
- Regular employee satisfaction surveys.

The following table details the overall progress made by the global corporate social responsibility program of the Group and how that progress relates to the commitment made by Fives to respect and promote the 10 principles of the UN Global Compact.

All 10 principles have been incorporated in fully into the Group corporate social responsibility policy and several programs contribute directly to Fives' progress towards full compliance with the commitments set out in the Global Compact.

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

Human rights

GC 1. Businesses should support and respect the protection of internationally proclaimed human rights; and

GC 2. ensure that they are not complicit in human rights abuses.

Labor

GC 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

GC 4. the elimination of all forms of forced and compulsory labor;

GC 5. the effective abolition of child labor; and

GC 6. the elimination of discrimination in respect of employment and occupation.

Environment

GC 7. Businesses should support a precautionary approach to environmental challenges;

GC 8. undertake initiatives to promote greater environmental responsibility; and

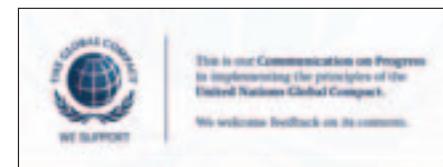
GC 9. encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

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





I AM CONVINCED THAT WORKING TOGETHER WITH INTERNATIONAL PLAYERS IS THE ONLY WAY TO PROMOTE FAIR AND RESPONSIBLE BUSINESS PRACTICES THROUGHOUT THE WORLD. THE UNITED NATIONS GLOBAL COMPACT IS A PRAGMATIC APPROACH TO PROGRESS COLLECTIVELY IN THIS DIRECTION. I FULLY SUPPORT THIS INITIATIVE THAT PROVIDES LOCALLY AND INTERNATIONALLY TOOLS AND BEST PRACTICES SHARING.

Frédéric Sanchez, Chairman of the Executive Board








Commitment	Domain	Program	Description of the program	Achievements at end-2012	Achievements at end-2013	Level of maturity at end 2013
To minimize the environmental footprint of Fives and its customers	Eco-design & machine safety GC 8 GC 9	Engineered Sustainability®	Internal eco-design program which meets (and exceeds) the requirements of the ISO 14062 standard. It's an innovation process that can lead to the award of a brand identifying best-in-class products in terms of environmental performance.	<ul style="list-style-type: none"> - One branded product: "Centrispray chamber washer" by Fives Cinetic. - 7 products being analyzed. - 21% of the eligible subsidiaries involved in this program. 	<ul style="list-style-type: none"> - One other branded product: "Stein Digit@l Furnace® AT 2.0" by Fives Stein, so a total of two branded products. - 12 products being analyzed. - 29% of the eligible subsidiaries involved in this program. - Certificate of insurance issued by Ernst & Young. 	
	Environmental management GC 7 GC 8	ISO 14001 environmental certification program	Mandatory environmental certification program for all Group industrial sites by the end of 2014 (for sites that were part of the Group at the end of 2011).	<ul style="list-style-type: none"> - 14 industrial sites certified as meeting ISO 14001. - 52% of sites concerned by the 2014 goal are certified. 	<ul style="list-style-type: none"> - 16 industrial sites certified as meeting ISO 14001. - 59% of sites concerned by the 2014 goal are certified. 	
To promote honest, fair behavior in our markets	Business ethics and corruption prevention GC 10	Training in the Code of conduct	Production of a reader's guide to the Code of conduct and practical examples to train all Group managers, to feed into an annual discussion of the code in each team.	Distribution of the Code of conduct to 91% of employees.	Distribution of the Code of conduct to 94% of employees. 13% of subsidiaries organize an annual presentation of the Code attended by at least 25% of staff.	
	Sustainable Partnerships / Incorporation of social and environmental criteria into purchasing practices GC 1 - GC 2 - GC 3 GC 4 - GC 5	Responsible purchasing	Incorporate our social responsibility goals into our relations with subcontractors and suppliers.	<ul style="list-style-type: none"> - Generic safety and environment clause inserted into the Group's general conditions of Purchase and into the tools provided to subsidiaries (qualification questionnaire, audit checklist). - Monitoring of how these topics are addressed per main purchasing family. 	In addition to the initiatives already in place: <ul style="list-style-type: none"> - Drafting of a full CSR clause (including human rights and corruption prevention) for the United States. 	
	Sustainable Partnerships / promotion of social responsibility to our customers GC 9	Transforming environmental benefits and social performance in value for the customer	Be able to integrate Fives' and each subsidiary's CSR performances into the sales approach.	<ul style="list-style-type: none"> - Distribution of the 2011 results of the Group's CSR approach to the sales community - Development of the Engineered Sustainability® brand - Two meetings with customers' CSR management teams (aluminum and logistics sector) - Ecovadis rating: committed level (Silver), 57/100 	<ul style="list-style-type: none"> - Distribution of the 2012 results of the Group's CSR approach to the sales community. - Development of the Engineered Sustainability® brand. - A meeting with a customer's CSR management team (industry sector). - Ecovadis rating: Confirmed (Gold), 63/100. 	

Topic not identified
 Emergent
 In construction
 Defined, with deployment in progress
 Fully and satisfactorily deployed

Commitment	Domain	Program	Description of the program	Achievements at end-2012	Achievements at end-2013	Level of maturity at end 2013
To provide a safe and motivating working environment	Health & Safety management	Safety roadmap for 2016	Move the Group towards a safety culture shared by all. In three years, halve the frequency rate for employees and temporary staff, with the ultimate goal remaining zero serious accidents. Our aim is to reach a maximum frequency rate of 4 in 2016 for employees and temporary staff.	<ul style="list-style-type: none"> - Frequency rate for employees and temporary staff = 7.47 - 2 deaths among our subcontractors. - 65% of companies have achieved their safety goal. 	<ul style="list-style-type: none"> - Frequency rate for employees and temporary staff = 5.96 - 63% of companies have achieved their safety goal. - 92% of Group top managers (Members of the Fives Board of Directors, Executive Committee, Managing Directors and Site Managers) have taken part in one day-long safety leadership awareness session. 	
	Diversity GC 6	Promoting diversity and raising awareness of non-discrimination	<p>Gender equality: tracking of the % of women hired, access to training and promotion; awareness raised of discriminatory practices.</p> <p>Employment of older people: tracking of the agreement on older people signed in France. However, the over-50s employment rate is high, and the challenge for Fives in many of its subsidiaries is to transfer know-how.</p> <p>Employment of disabled people: awareness-raising campaign since 2012 and sharing of best practices.</p>	<p>Gender equality: 16% of employees are women 32% of women are engineers or managers.</p> <p>Older people: 34% of employees are 50 or over. Nearly 40% of employees have been with the Group for over 10 years (15% for over 25 years).</p> <p>Disability awareness campaign: 3 deliveries in each Group company, worldwide, in six languages (English, French, Chinese, Spanish, Italian and Japanese).</p>	<p>Gender equality: 16% of employees are women 30% of women are engineers or managers.</p> <p>Older people: 37% of employees are 50 or over. 43% of employees have been with the Group for over 10 years (18% for over 25 years).</p> <p>Disability awareness campaign: the communication tools are still in place in the subsidiaries. Numerous initiatives were put in place locally in 2013, and will be compiled in a brochure in 2014..</p>	
	Compliance with international employee welfare protection standards	Harmonization of the employee welfare protection regime	Harmonize and challenge the employee welfare protection regime in the main domains where the Group has a presence.	Harmonized in France.	Harmonized in China. Project launched in the United States.	
	Skills and career management / Identification and management of high-potential employees (CEDRE)	CEDRE career management process	Annual career management meeting in each subsidiary, attended by the management team and a Human Resources representative, to: <ul style="list-style-type: none"> - Determine which measures need to be taken to improve employee performance. - Approve personal career plans. 	52% of employees are assessed in a CEDRE career management committee meeting.	47% of employees are assessed in a CEDRE career management committee meeting.	

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Commitment	Domain	Program	Description of the program	Achievements at end-2012	Achievements at end-2013	Level of maturity at end 2013
To provide a safe and motivating working environment	Skills and career management / Skills and employability development (GPEC)	Skills and employability development (GPEC)	Develop workforce planning with a 5-step program: - Define the company strategy. - Determine the business goals and the operational goals. - Identify the skills required to achieve these goals. - Qualify the existing positions in the company and the associated required skills. - Analyse the shortfall and build action plans.	84% of French subsidiaries have launched a GPEC program. It covers 93% of French employees.	94% of French subsidiaries have launched a GPEC program. It covers 99% of French employees.	
	Skills and career management	Maintenance of know-how within the Group	Process existing in France since 2009 Sharing meetings held two or three times a year, to review the workloads/under-loads and make staff allocation decisions, ranging from several weeks to several months.	Over fifty sharing initiatives have happened in France.	84 sharing initiatives in France. Initiatives are proliferating in the Group, depending on the workloads/under-loads for the cycles in the different markets where the Group has a presence.	
	Measurement of employee satisfaction	World employee satisfaction survey	A satisfaction survey conducted among all Group employees every three years, designed to measure satisfaction levels and any organizational malfunctions, and which gives rises to the implementation of action plans proposed by employee bodies.	100% of subsidiaries contributed to the survey in September 2012. 72% response rate. 76% of respondents are happy or very happy to work for their company. 72% would recommend it to a friend.	90% of French subsidiaries have finalized the action plan resulting from the satisfaction survey, and are implementing it.	
Incorporate CSR priorities into the organization of all Fives entities	Distribute best practices and Group directives GCI to GC10	Directives and Recommendations Manual	Compilation of Directives and Recommendations covering all Group jobs, linked to internal control rules.	Distribution to all Management committees. Every year, the managing directors produce a report on the incorporation of the Directives Manual into their organization. 100% of subsidiaries have produced this report.	Distribution to all Management committees of companies acquired by 2012. Distribution in progress to companies acquired in 2013. 100% of subsidiaries, except those acquired in 2013, have produced the Managing Director's report on the Directives Manual.	
	Incorporation of CSR into the organizational structures of Group companies GCI to GC10	CSR coaching	One-day working meeting with each subsidiary's Management committee, to identify the key CSR challenges and priority improvement areas. Annual tracking of the action plan.	25 companies are involved in this program, accounting for 56% of staff.	35 companies are involved in this program, accounting for 68% of staff.	

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