

BUILDING BETTER LIVES



SNC • LAVALIN

PRESIDENT'S MESSAGE



Since becoming President and CEO of SNC-Lavalin in October 2012, I have continued to be impressed by the growth potential of this company, the resilience and commitment of its people and the broad spectrum of its capabilities.

At the most fundamental level, I believe that SNC-Lavalin possesses a powerful capacity to positively contribute to the world, a capacity that has now been actively exercised for more than 100 years. Through our diverse expertise and expansive global network, we play an essential role in closing the gap between resource capacity and resource needs worldwide—whether the need is for food, materials, energy, water or crucial infrastructure. Beyond that, we help ensure that these essential projects are carried out with the utmost respect for the local environment and the people who depend on it.

There is no question that 2012 was a highly exceptional year of challenges for this great company. The reputational issues and disappointing financial results we faced led us to some very deep soul searching as an organization, but the benefits we bring to stakeholders around the world have in no way diminished. In 2012, we continued to demonstrate our great value as an agent of positive transformation. Whether it is a sustainable water use project in Mali, a gas-flaring reduction project in Russia, or a cutting-edge light rapid transit system in the heart of one of Canada's largest cities, our projects and the services we provide have the power to change the lives of our stakeholders for the better. It is not every company that can legitimately make that claim.

For that reason, we have chosen "Building Better Lives" as the theme of our 2012 summary report. As you will see in these pages, this was a year in which we once again worked on many mandates that do just that, and often more. These are the projects that energize our close to 34,000 people, and they are the projects that will be in increasing demand as the world seeks to overcome today's, as well as tomorrow's, challenges. And, of course, we are committed to delivering these projects with the utmost in quality, safety and integrity.

FINANCIAL HIGHLIGHTS

2012 proved to be a challenging and unusual year for SNC-Lavalin on several fronts, including financial performance. Our overall net income for the year fell to \$309 million, down from \$378 million in 2011. There were several reasons for this. We had significant expenses related to our ethics investigations and other associated costs. We also saw lower contributions from the Power and Infrastructure & Environment segments, as well as a loss in the Hydrocarbons & Chemicals segment. This lower performance in certain sectors was related mostly to a pair of challenging projects, and we are strengthening our focus on project execution and risk management to ensure these issues are properly managed going forward.

On a more positive note, our revenues for the year increased by 12% to a historic high of \$8.1 billion, and our backlog remained strong at \$10.1 billion. These figures reflect the fundamental soundness of our business model, and our ability to continue to win and carry out key projects in all our major sectors of activity.

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FOR MORE THAN 100 YEARS.

OUR EXPERTISE IS NEEDED

This year was notable for the many landmark projects that we were awarded. These contracts demonstrate that clients, both old and new, continue to have great confidence in us. The interest that we see in our expertise also indicates that we are well positioned to seize future opportunities in rapidly growing markets.

We saw record demand for our resource development and extraction capability worldwide in 2012. With most easily accessible energy reserves and mining commodities now in development, we are helping our clients safely and efficiently exploit new reserves in increasingly challenging locations. We are also applying our expertise to ensure these projects are carried out with the utmost respect for the principles of sustainable development.

We had multiple landmark wins in the infrastructure sector this year, where urbanization, aging road and rail networks and population growth will only continue to drive demand. We have completed several important mass transit and highway projects in the last decade, and we look forward to continuing to help cities enhance the standard of living for their populations with the new projects we were awarded in 2012. Meanwhile, our mandates in the health care sector, which include outstanding

hospital projects, are reshaping medical systems around the world to make them both more efficient and more compassionate. There will be no shortage of projects in this sector as the global population continues to age, and we are ready and motivated to help meet this challenge.

Power is another sector where we were highly active in 2012. Population growth, rising living standards in emerging economies, increased global business activity, and the need to replace much of the world's installed base, will continue to drive the need for new power capacity. Our extensive expertise in large-scale hydropower, nuclear, thermal and transmission & distribution projects is complemented by our ability to bring the greenest possible solutions to the table.

STRATEGIC POSITIONING

In 2012, we began to develop a long-term strategic plan. The plan, which we will continue to elaborate in 2013, will allow SNC-Lavalin to become a truly world-class and global organization.

We are putting new focus on strengthening our position in certain key sectors, as well as in areas where our capability is already world class, including oil & gas, mining, power, water and environment, and infrastructure. We have already taken an important step toward better integrating our resources business units with the appointment of Neil Bruce as President, Resources, Environment and Water. Neil, formerly COO of a major competitor, will lead our Mining & Metallurgy and Hydrocarbons & Chemicals business units with the goal of better capturing synergies between them, especially on the project delivery side. We also believe that there is a significant environmental opportunity in these market areas, so we have integrated our growing Environment division into this new group as well.

We will combine this integration initiative with a more coordinated, cross-company approach to pursuing geographical opportunities. To that end, we launched a globalization pilot project toward the end of the year, with Christian Jacqui becoming the Executive Vice-President for

SNC-Lavalin Global Operations. He will work on improving how we share resources, promoting greater interaction between our business units, and developing more coordinated approaches to client management and business development in our offices worldwide.

As we enhance existing synergies across business units and geographies, we will be focusing on project delivery and making better company-wide use of our systems and processes, which are recognized as being among the most advanced and best designed in the industry. One example is our proprietary project management system, PM+, which provides a significant strategic advantage when bidding for and carrying out medium- and large-scale projects.

We will continue to actively demonstrate our commitment to maintaining ethical standards of business conduct and world-class safety performance. Given the events of the past year, it is clear to all that there is never room for compromise on such important subjects, even when it means hard decisions have to be made. I am pleased to say that we have made significant progress on the remedial measures the Company set out to implement early in 2012. We have rigorous procedures in place, including a Code of Ethics and Business Conduct that every employee is obliged to sign and follow. We have also created a third-party ethics hotline and made it widely available on our intranet and external website. We have reinforced our policy for agents and created additional checks and balances within our already solid procedures. We will continue to take all appropriate measures to reinforce and strengthen internal controls and processes when needed. This is part of my personal pledge to our shareholders, clients and employees: to be world-class in matters of good governance and ethics.

ACKNOWLEDGEMENTS

I would like to close by thanking our exceptional clients who believe, rightly, in our ability to deliver excellent value to them and their stakeholders. Thanks as well to our patient investors who recognize the great worth of SNC-Lavalin, and have continued to stand by us during a challenging year. And, of course, I would like to recognize and thank our many talented people around the world for their hard work and enthusiasm, especially in the face of the most trying circumstances a company can face. It is what they have achieved with their talent and dedication that first attracted me to this great Company, and it is their efforts that allow us to continue to provide our clients with the absolute best in engineering and construction services.

Robert G. Card

President and Chief Executive Officer

MEMBERS OF THE OFFICE OF THE PRESIDENT

THE OFFICE OF THE PRESIDENT IS SNC-LAVALIN'S SENIOR DECISION-MAKING MANAGEMENT GROUP COMPOSED OF THE PRESIDENT & CEO AND THE COMPANY'S TOP EXECUTIVES.



SCOTT THON
Acting Executive
Vice-President
Power

MICHAEL NOVAK
Executive
Vice-President
Global Government,
Aboriginal and
Economic Affairs

DARLEEN CARON
Executive
Vice-President
Global Human
Resources

CHARLES CHEBL
Executive
Vice-President
Infrastructure
& Construction

JEAN BEAUDOIN
Executive
Vice-President
Integrated Management
Systems

GILLES LARAMÉE
Executive
Vice-President
Infrastructure
Concessions and
Investments
Chief Financial Officer

DALE CLARKE
Executive
Vice-President
Mining & Metallurgy



RÉJEAN GOULET
Executive
Vice-President and
General Counsel

NEIL BRUCE
President
Resources, Environment
and Water

ROBERT G. CARD
President and
Chief Executive Officer

CHRISTIAN JACQUI
Executive
Vice-President
Global Operations

JIM BURKE
Executive
Vice-President
Airports, Mass Transit,
Railways, Ports
& Marine

CHARLIE RATE
Executive
Vice-President
Operations
& Maintenance

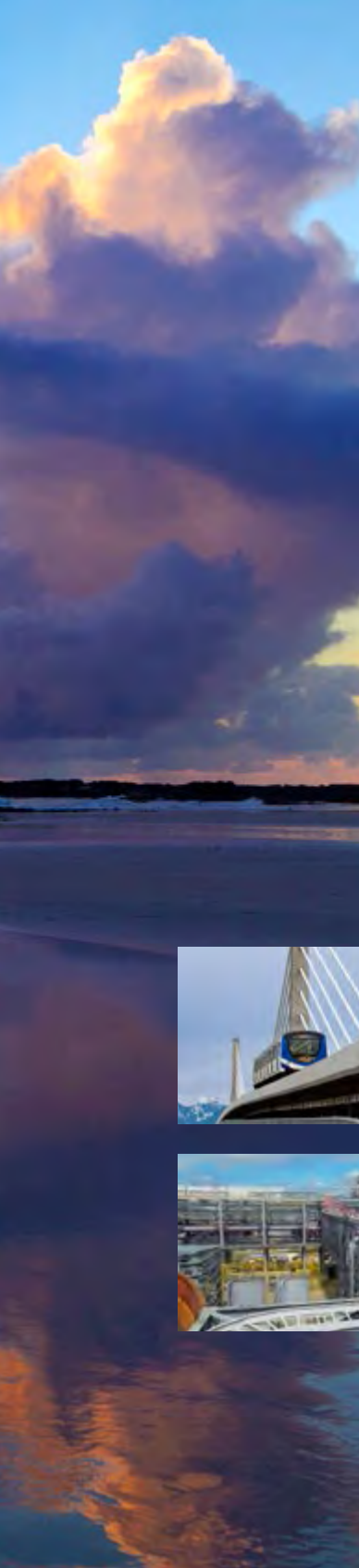
RIC SORBO
Acting Executive
Vice-President
Hydrocarbons
& Chemicals

OUR EXPERTISE



Source: doellphoto.com

SINCE 1911, WE HAVE CONTINUALLY EXPANDED OUR EXPERTISE TO MEET THE CHALLENGES OF NEW AND EVOLVING SECTORS. TODAY, THE ABILITY TO DELIVER CUTTING-EDGE SOLUTIONS FOR EVOLVING MARKET REALITIES HAS MADE US ONE OF THE WORLD'S MOST MULTIDISCIPLINARY ENGINEERING AND CONSTRUCTION FIRMS. MORE IMPORTANTLY, IT HAS GIVEN US A KEY ROLE IN ENHANCING THE QUALITY OF LIFE FOR AN ARRAY OF STAKEHOLDERS.



MINING AND METALLURGY

We provide project management, process and detailed engineering, procurement, construction, construction management and ongoing sustaining capital services for all mineral and metal recovery projects to our global and regional clients. Our services include mine infrastructure development, mineral processing, smelting, refining, mine closure and reclamation, and mine and tailings management. We also have specialized expertise in customized operator training simulation software and equipment.

HYDROCARBONS AND CHEMICALS

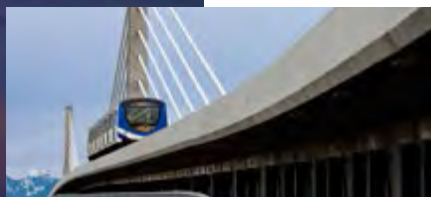
In this sector, we offer concept studies, design basis memoranda, FEED, FEED validation, detailed engineering and procurement, construction, commissioning and ongoing sustaining capital and operating services in the areas of bitumen production; heavy oil production; onshore/offshore oil and gas; upgrading and refining; petrochemicals, specialty chemicals and biofuels; gas processing; LNG plants and re-gasification terminals; coal gasification; carbon capture, transportation and storage; and pipelines, terminals and pump stations.

INFRASTRUCTURE

We design and build various types of infrastructure for the public and private sectors, including airports; urban transit systems; railways; roads and bridges; water and waste water treatment/distribution facilities; seaports; marine and ferry terminals; flood control systems; buildings; and health care, educational and recreational facilities.

INFRASTRUCTURE CONCESSION INVESTMENTS

We invest in ICIs in various industry sectors and assume full or partial ownership of infrastructure that we often also design, build,



operate and maintain. We also have the breadth of expertise to arrange short-term or long-term financing, participate in the economic aspects of feasibility studies, negotiate legal agreements, prepare financial models, perform due diligence and manage ICIs.

POWER

Our areas of activity in this sector include hydro, thermal and nuclear power generation, energy from waste, green energy solutions, and transmission and distribution projects. We offer end-to-end project services, including FEED for project feasibility, detailed design, construction, commissioning and operation of power facilities. We also have unique expertise in the application of information technologies, in telecommunications and in network design.

ENVIRONMENT

Our expertise includes site assessment and remediation; environmental risk management; water resources management; participatory resettlement planning and implementation; geoenvironmental services; agriculture and rural development; waste management; air quality, noise and vibration characterization and management; GHG characterization and climate change impact assessments; planning, permitting and approvals; LRDI™; impact assessments, mitigation and community engagement; GIS; and assessment and management of biodiversity and ecosystem services.

OPERATIONS AND MAINTENANCE

We provide operations, maintenance and logistics solutions for buildings, power plants, water supply and treatment systems, desalination plants, postal services, broadcasting facilities, telecommunications infrastructure, highways, bridges, light rail transit systems, airports, ships, and oil and gas facilities, as well as camps for construction operations and the military.

OTHER INDUSTRIES

Pharmaceuticals and biotechnology

We provide full-service solutions for the pharmaceutical, biotechnology and life sciences sectors, including engineering, construction, automation, commissioning and validation. We also have international expertise in biotechnology and pharmaceutical process engineering and regulatory compliance.

Agrifood

We provide solutions covering the full life cycle, from food processing, packaging and handling, to distribution and storage, for companies of all sizes in their domestic and international markets. We have expertise in designing and building agrifood facilities, in quality systems, compliance, plant modifications and retrofits and automation.

Industrial

Our areas of activity include glass, lubricants, sugar, cement, automobile and aircraft assembly, cosmetics, filling and packaging lines, sulphuric and phosphoric acid, fertilizers, green chemistry and other manufacturing and production plants. Our expertise covers process development and design, instrumentation and automation, e-learning and simulation, construction, project management, plant commissioning and start-up, and the full range of technical and advisory services.



OUR SCOPE



In these pages, some photos or images may not illustrate the projects themselves.

AT ANY GIVEN TIME, SNC-LAVALIN IS CARRYING OUT MORE THAN 10,000 PROJECTS IN OVER 100 COUNTRIES THROUGH A GLOBAL NETWORK OF OVER 40 PERMANENT OFFICES. THE ABILITY TO COMBINE INFORMED LOCAL EXECUTION STRATEGIES WITH WORLD-CLASS EXPERTISE ALLOWS US TO MOBILIZE TEAMS OF EXPERTS FOR PROJECTS OF ANY SIZE AND COMPLEXITY, ANYWHERE IN THE WORLD.



Statoil's Mariner development
NORTH SEA



Pfizer Animal Health pilot facility
BELGIUM



Kharyaga gas-flaring reduction project
RUSSIA

EUROPE



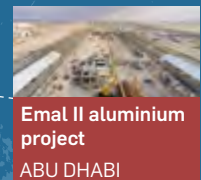
Cernavoda nuclear power plant
ROMANIA



Rhourde Nouss natural gas complex
ALGERIA



Saudi Aramco GES+ contract
SAUDI ARABIA



Emal II aluminium project
ABU DHABI

MIDDLE EAST AND AFRICA

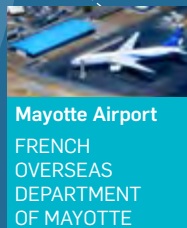


Alatona irrigation project
MALI

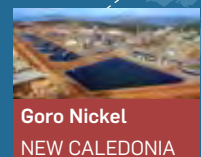
ASIA PACIFIC



Grande Côte mineral sands project
SENEGAL



Mayotte Airport
FRENCH OVERSEAS DEPARTMENT OF MAYOTTE



Goro Nickel
NEW CALEDONIA

MINING & METALLURGY

THE POTASH PROJECTS WE ARE WORKING ON WILL SUPPORT THE GLOBAL FERTILIZER MARKET, HELPING TO MEET THE WORLDWIDE NEED FOR INCREASED AGRICULTURAL PRODUCTION.



We have worked on many of the largest and most complex projects ever undertaken in the mining & metallurgy sector. We deliver a complete range of services, from conceptual studies to full project implementation, including start-up assistance and operational training for any mining project, regardless of size, location or complexity.



1. EMAL II aluminium smelter project

Industrial projects are engines of economic prosperity, but they must be carried out sustainably for their benefits to materialize for all stakeholders. An example of a responsible approach is the **EMAL II aluminium smelter project**¹ in Abu Dhabi, for which we are providing complete EPCM services. Like EMAL I, the first phase of the project which we recently completed, EMAL II will benefit the local economy by increasing the production of a valuable export commodity, and providing employment opportunities for UAE Nationals. Both projects are also examples of how to build large-scale industrial operations in sensitive ecosystems: they employ highly innovative approaches to protect local flora and fauna and minimize the impact of construction on nearby communities.

We are also proud that so many of our projects contribute to meeting the global need for essential resources. Through our work with **BHP Billiton**² and **Agrium**³ in Canada, we are helping to build or expand world-class potash projects. By significantly boosting the world production of this resource, a key ingredient in fertilizers, these projects will contribute to meeting the need for increased agricultural production as the global population continues to rise.

The retrofitting of aging facilities with new sustainable technology was another important part of our activities in 2012. We are **eliminating much of the SO₂ from the flue gas of a nickel smelter**⁴ for Vale in northern Ontario, which will have a positive impact on air quality in the region. In Quebec, we worked with Rio Tinto Alcan to **implement its new AP60 smelting technology**⁵ at its Saguenay smelter. Energy-efficient and cost-effective, AP60 technology provides a 40% higher output than AP36 cell technology.

OUR CHILEAN OFFICE WON AN AWARD IN 2012 FROM THE COUNTRY'S NATIONAL DEPARTMENT OF GEOLOGY AND MINING FOR ITS EXCELLENT HEALTH & SAFETY RECORD.

OUR TAILINGS DISPOSAL SYSTEM AT THE CERRO NEGRO NORTE IRON ORE PROJECT IN CHILE WILL RECOVER

95%
OF THE WATER USED



2. Jansen potash project



3. VAULT potash project

Source: BHP Billiton

POTASH

We are wrapping up our detailed engineering mandate for the first phase of Vale's Potasio Rio Colorado potash project in Argentina. Our scope includes the process plant, piping for solution mining extraction and main site infrastructure.

IRON ORE

Our project team is integrating eight separate technology packages for SNIM's Guelb II iron ore project in the Mauritanian desert. Guelb II will employ a novel magnetic separation process to overcome the limited access to water at the site.

Six existing production lines were successfully upgraded by replacing old mining spirals at ArcelorMittal's Mont-Wright iron ore plant in northern Quebec without interrupting operations. We are now completing the addition of a seventh line with a capacity of 8 million tpy.

We are providing engineering services for Vale's implementation of the S11D project in northern Brazil, the biggest project in the iron ore industry.

Our involvement in Vale's Apolo iron ore facility in southeastern Brazil dates from the earliest stages of the project. We are now providing detailed engineering for a greenfield beneficiation plant.

Compañía Minera del Pacífico awarded us an EPC contract for a thickened mine tailings disposal system at its Cerro Negro Norte iron ore project in Chile. Our in-house process will allow the tailings to be stored safely and make it possible to recover about 95% of the water—a scarce resource in the region.

GOLD

Our EPCM contract for Goldcorp's Éléonore gold project in northeastern Quebec includes the mineral process plant, supporting infrastructure, tailings management facilities and a permanent camp.

COPPER

Following the successful completion of the Jabal Sayid copper project in Saudi Arabia, Bariq Mining awarded us an EPCM contract to manage the project's compliance requirements outlined in High Commission for Industrial Security (HCIS) Directives. These requirements, which relate to security and fire protection, will allow the project to meet the Kingdom's rigorous safety and security standards.

Glencore's Katanga copper mine in the DRC, for which we are providing engineering and procurement services, includes one of the largest solvent extraction plants in the world.

Our longstanding client, Codelco Chile, awarded us an EPCM contract to repower Line "A" of the secondary and tertiary crushing plant at its Chuquicamata mine in Chile. The work will enhance the efficiency of the 60-year-old plant's feeders, conveyors, classifiers and crushing units, and allow it to process up to 104,000 tonnes of ore throughput per day.



4. Vale Clean AER Project



5. Rio Tinto Alcan AP60 project



6. El Halassa phosphate project

NICKEL

Our Sustainable Mine Development team was awarded a multi-year contract for project management support, planning, estimation and cost control services by Xstrata Nickel for its Raglan operations in northern Quebec.

Vale awarded us the FEL 2 feasibility study for an additional autoclave and associated infrastructure at its nickel refinery complex in Goro, New Caledonia. This award follows our FEL 1 study for the same autoclave, and an earlier EPCM mandate for Phase 2 of the project.

PHOSPHATE

Our work on the OCP Group's **El Halassa**[®] and Mea & Daoui phosphate projects in Morocco will double the country's phosphate production capacity and allow the commodity to be piped to port facilities for fertilizer production and/or export, providing a significant boost to the local economy.

DIAMONDS

In 2012, we updated a feasibility study and provided associated engineering and management services for Stornoway Diamond's Renard project. Renard will be Quebec's first diamond mine and will provide significant training, employment and business opportunities for local communities.

COAL

We are undertaking an EPCM expansion from 32 Mtpa to 40 Mtpa of the Cerrejón coal mine facilities in northern Colombia. The project, which includes upgrades to the mine's coal chain and rail and the port's coal handling facilities, is being executed without disrupting current operations.

MINERAL SANDS

Our EPCM mandate for Grande Côte Operations at its mineral sands project in Senegal continued on track. The largest mineral sands project currently underway in the world, it will employ magnetic, electrostatic and gravity processes to separate valuable minerals.

FERRO ALLOYS

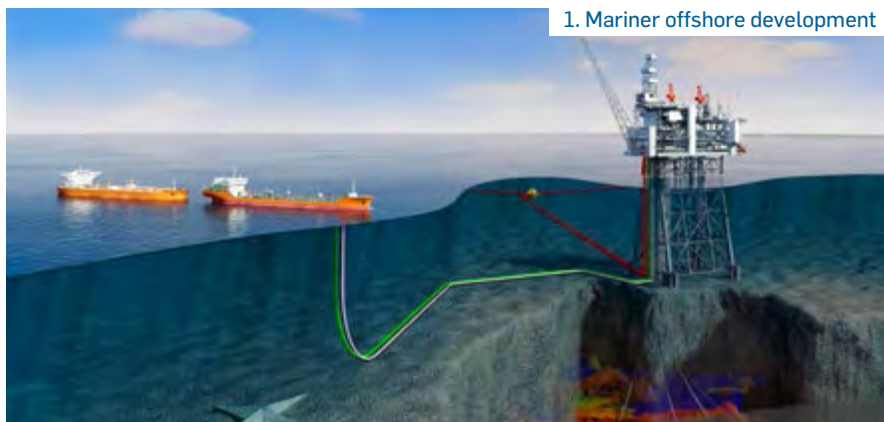
ETI Elektrometallurji awarded us an EPC lump sum contract for its low-carbon ferrochrome expansion project in Turkey. SNC-Lavalin was involved in refurbishing an existing AC furnace and supplying a new DC furnace to increase plant productivity.

HYDROCARBONS & CHEMICALS

WE ARE HELPING LEADING OIL SANDS PRODUCERS IN ALBERTA MEET ENVIRONMENTAL REGULATORY REQUIREMENTS BY DEVELOPING HIGH-TECH SOLUTIONS FOR TAILINGS MANAGEMENT.



We have a hard-earned reputation for completing projects safely, on time and on budget, and often in the most challenging conditions. We work to provide our clients with integrated, cost-effective and sustainable solutions that cover the full project life cycle, including engineering, construction and maintenance.



1. Mariner offshore development

At the heart of the oil and gas industry is a drive to extract energy to meet escalating global demand. With most easily accessible sources now tapped, we are helping our clients safely and efficiently exploit new reserves in increasingly challenging locations.

In the North Sea, the 20,000-tonne jackets we are designing for [Statoil's Mariner¹](#) and Bressay developments will support facilities that will process some of the heaviest oil ever extracted from beneath that water body. In the remote Algerian desert, we have begun commissioning activities on our EPC mandate for Sonatrach's Rhourde Nouss natural gas complex. Once in operation, the facilities will process more than 3.5 billion m³ of natural gas per year.

While locating new sources of energy is a priority, maintaining aging facilities is equally crucial. We continue to provide sustaining capital services at ExxonMobil's Baytown petroleum and petrochemical complex in Texas and Imperial Oil's Sarnia refinery in Ontario. These partnerships have continued uninterrupted for many years, and so has our excellent health & safety performance. We have now completed over 8.7 million person-hours without an LTI at the two facilities combined.

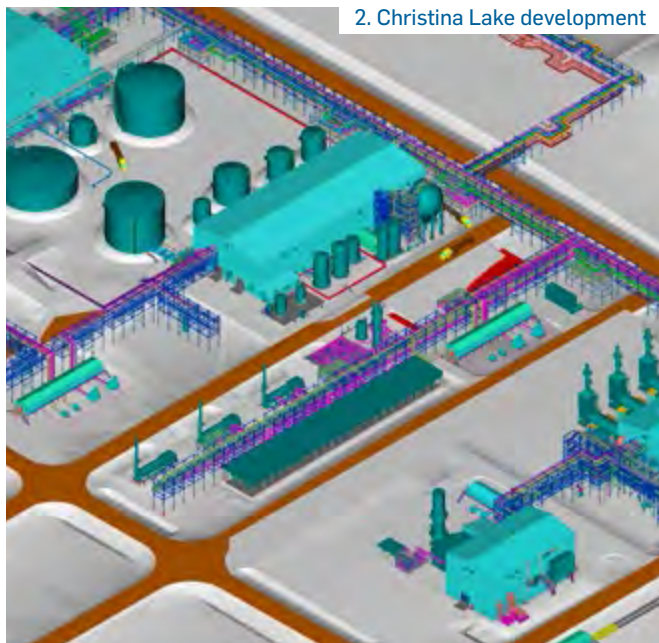
We are also helping clients around the world develop their oil and gas reserves in a more sustainable way. Our engineering and procurement work on CNRL Horizon's tailings transfer system in Alberta will improve water recovery at the project, while accelerating the reclamation of tailings ponds. Meanwhile, our mandate at Total's Kharyaga oil field in Western Siberia will significantly reduce flaring, which releases greenhouse gases and pollutants into the ecosystem.

WE ATTAINED AN INDUSTRY-LEADING TRIF RATE FOR OUR HYDROCARBONS & CHEMICALS OPERATIONS WORLDWIDE IN 2012.

AT EXXONMOBIL'S BAYTOWN COMPLEX IN TEXAS AND IMPERIAL OIL'S SARNIA REFINERY IN ONTARIO, WE HAVE COMPLETED

8.7 million

PERSON-HOURS WITHOUT AN LTI



2. Christina Lake development



3. Shell Albion Sands sustaining capital project



4. MacKay River Commercial Project

OIL SANDS

Our work on Phase 3 of MEG Energy's [Christina Lake development](#)² in northern Alberta will enhance design and procurement efficiencies throughout the next stages of the project.

Our [sustaining capital work](#)³ continued for Shell Albion Sands at its Jackpine and Muskeg River mine sites near Fort McMurray in northern Alberta.

We are providing [engineering and procurement services](#)⁴ for the first phase of Dover Operating Corporation's MacKay River Commercial Project northwest of Fort McMurray. The project will produce 150,000 bpd of bitumen through in-situ SAGD technology.

OFFSHORE OIL & GAS

We successfully completed our detailed engineering mandate for two jackets at Nexen Petroleum's Golden Eagle development in the North Sea.

Following a successful weight audit of four jacket designs for the Cygnus field development in the southern sector of the North Sea, Burntisland Fabrications awarded us the detailed design of the jackets.

The jacket we designed for Statoil's Valemon oil field in the North Sea was successfully installed. A number of significant challenges were surmounted by the project team, including overcoming a tight schedule, maintaining the jacket weight within the crane vessel's maximum lift capacity and optimizing the pile design.

HEAVY & CONVENTIONAL OIL PRODUCTION

Our heavy oil expertise is enhancing PDVSA's operations in Venezuela's Faja Orinoco Oil Belt. Our scope includes integrated conceptual design and FEED services for four production, treatment, storage and transport facilities.

Work continues for Meta Petroleum Corp. in Colombia, where we are providing complete design services to enhance the production facilities and water injection pads in the Quifa, Sabanero and Rubiales heavy oil fields.

In Saudi Arabia, our newly acquired and jointly owned engineering consultancy company, SNC-Lavalin Fayez Engineering, was awarded engineering mandates for pipelines, SCADA systems, and onshore and offshore facilities as part of a five-year GES+ contract with Saudi Aramco.

A five-year GES contract we were awarded by Khafji Joint Operations will see us provide front-end studies, engineering, procurement and construction management services for hydrocarbon and industrial projects, both onshore and offshore, in the Partitioned Neutral Zone between Saudi Arabia and Kuwait.



5. Gaz Métro pipeline project



6. Canaport LNG gas compressor project

UPGRADING AND REFINING

We completed the second year of a Master Services Agreement with PRSI. Our front-end engineering work on numerous projects for PRSI's Texas refinery helped the facility meet new environmental regulations and safety requirements.

Following the completion of the process design package, we were awarded basic engineering for a new hydrodearomatization unit at Total's High Density Polyethylene Plant in Pasadena, Texas. The project will allow Total to manufacture a new, high-demand product in the US for the first time.

Chevron Phillips awarded us a detailed engineering mandate to expand its facility in Conroe, Texas. The project will help the client's Drilling Specialties division meet the market demand for existing and new drilling compounds.

Our offices in Mumbai and Houston have teamed up to perform an electrical area classification revalidation for several process units at a 30-year-old LyondellBasell refinery in Texas.

Our India office is providing EPCM services for NRL's naphtha splitter unit at its refinery in Assam, and detailed engineering services for all supporting utilities and off-site packages at OPaL's ethylene cracker complex in Dahej.

In Montreal, we completed a detailed engineering, procurement and construction management mandate for a revamp of Suncor's fluid catalytic cracking unit, and undertook various feasibility studies at its refinery.

GAS PROCESSING AND CCS

The engineering and procurement mandates we were awarded for two Williams gas compressor stations in New York and Pennsylvania will help the client expand its compression and pipeline capacity in the northwestern US.

PIPELINES, TERMINALS & FACILITIES

Gaz Métro awarded us the [preliminary engineering of a 450-km gas pipeline](#)⁵ project between the cities of Saguenay and Sept-Îles, Quebec.

In Canada, our five-year relationship with [Canaport LNG](#)⁶ continued with an EPCM contract for two gas compressors at its New Brunswick facility. The project will improve operational flexibility and reduce the amount of gas sent to flare, resulting in a net reduction of emissions.

We wrapped up our engineering and construction management assignment for an underground gas storage facility in Guadalajara, Spain. The project will use a deep fossil aquifer to store the additional gas the country is required to import.

Our Colombian operations continued a technical, administrative and construction supervision mandate with the Sociedad Oleoducto Bicentenario de Colombia. The project will see a 960-km oil pipeline with a capacity of 500,000 bpd built between Casanare and the coastal port of Coveñas.

INFRASTRUCTURE

BY PAIRING OUR EXPERTISE WITH THE INSIGHTS OF DOCTORS, CAREGIVERS AND PATIENTS, WE ARE DELIVERING MORE THAN JUST WORLD-CLASS HOSPITALS: WE ARE CREATING BETTER HEALTH CARE SYSTEMS FOR PATIENTS AND THEIR FAMILIES.



With extensive global experience in the planning, development and operation of infrastructure, we can provide engineering, procurement, construction and construction management services for projects of all sizes.



1. Southeast Stoney Trail

Around the world, population growth and industrial development are straining inadequate and aging infrastructure. We are building the road networks that will support tomorrow's growth, while ensuring the safety of drivers, passengers and pedestrians. As work continued on the [Southeast Stoney Trail](#)¹ in Calgary, one of the largest highway projects in Alberta's history, we were awarded a crucial eastern extension of Highway 407 in Toronto. Built according to the strictest environmental controls, these two projects will add 47 kilometres to Canada's highway system, and provide an enhanced quality of life for many of its residents.

We also worked on several landmark mass transit systems, another solution to today's urban infrastructure dilemma. The [Calgary West LRT extension](#)² reached substantial completion as scheduled, despite numerous challenges. In France, the second line of the Orléans Tramway welcomed its first passengers on schedule, and we advanced to the execution phase on a tramway for the city of Avignon. Fast, safe and environmentally friendly, these projects are helping revitalize cities by creating a platform for sustainable growth.

Our work on several major hospital projects will provide caregivers with world-class environments to treat their patients. We made good headway on Montreal's MUHC, and New Brunswick's [Restigouche Hospital Centre](#)³ for psychiatric care. Our new projects included expansions of the Sainte-Justine University Hospital Centre in Montreal and the Pierre Zabda-Quitman Hospital in Martinique. These four projects will enhance health care systems around the world by creating 350,000 m² of new space for cutting-edge care and research.

TAKEN TOGETHER, OUR ORLÉANS AND AVIGNON TRAMWAY PROJECTS IN FRANCE WILL REDUCE THE NUMBER OF KILOMETRES DRIVEN BY 25 MILLION PER YEAR, EQUIVALENT TO 3,325 TONNES OF CO₂.

OUR SAUDI ARABIAN DISTRICT COOLING PROJECTS WILL PROVIDE
152,000
REFRIGERATION TONNES
OF COOLING CAPACITY



2. Calgary West LRT extension



3. Restigouche Hospital Centre



4. Centre culturel et touristique du vin

Source: X-TU Architects

ROADS

We were awarded a contract to extend a section of Route 167 toward the Otish Mountains in northern Quebec. The 250-km road will contribute to the economic development of the region by supporting new mining projects.

BUILDINGS

Construction began on a new Amphitheatre in Quebec City, where we are leading the architecture and engineering teams and supplying construction supervision services.

We won an [engineering mandate for the Centre culturel et touristique du vin](#)⁴ in Bordeaux, France. The building includes a stunning glass façade and a 37-metre panoramic lookout.

In Courbevoie, France, we were awarded a contract to engineer parts of the Tour Alto, a 38-floor office tower being designed to meet the highest environmental standards.

Our joint venture won a contract to provide design and construction services for the ADM facilities at a Canadian Forces Base in Halifax, Nova Scotia. The facility, designed to LEED Silver standards, will cover nearly 20,000 m² over 12 floors.

BRIDGES

Our work on the [Princess Margaret Bridge](#)⁵ rehabilitation project in New Brunswick included the replacement of all concrete deck slabs, the refurbishment and strengthening of the steel superstructure and repair of all piers and abutments. The bridge was reopened to traffic in November 2011, with remaining work performed throughout 2012.

WATER

The Central District Cooling Company awarded us a contract to [supply a district cooling system](#)⁶ in the Kingdom of Saudi Arabia for the Jabal Omar Development in Mecca. Together, the three district cooling projects we are currently working on in the Kingdom will provide 152,000 refrigeration tonnes of energy-efficient cooling capacity.

URBAN TRANSIT

We were awarded landmark LRT systems contracts in Greater Vancouver and Ottawa. When completed, the public transit networks in two of Canada's largest cities will have been expanded by 23.5 km.

The Société de transport de Montréal awarded us a six-year contract to renovate Montreal subway stations, auxiliary structures and tunnels.

Construction is progressing well on the Edmonton North LRT project, a major extension that is expected to add 13,200 new weekday passengers to the existing LRT network.

Our recent acquisition, Interfleet, is managing the procurement of rail vehicles for the Denver FasTracks public transportation expansion in the US. Interfleet is also lending its know-how to PRASA for a national project that will reinvigorate South Africa's rail network.



5. Princess Margaret Bridge rehabilitation



6. Jabal Omar Development district cooling project



7. Mayotte Airport

RAILWAYS

We were awarded an EPCM contract by ArcelorMittal to increase the capacity of an existing railway line between Mont-Wright and Port-Cartier, Quebec.

The Saudi Railway Company awarded us an engineering mandate for railway infrastructure at three petroleum facilities in Jubail Industrial City.

The Puy-de-Dôme cog railway in France, for which we provided engineering and construction services, was put into operation. It is the first cog railway to be built in France in nearly a century.

PORTS AND MARINE

We designed, built and tested a physical scale model of a new coal port for Carbones del Cerrejón in Colombia. The simulation allowed us to reduce the capital cost of the project, while ensuring it would withstand hurricane-force waves.

We are working with our Mining & Metallurgy business unit on several port projects, including an export potash terminal at the Port of Vancouver, Washington, for BHP Billiton, and a major upgrade of an existing port facility in Sierra Leone for African Mining.

Empresa Portuaria San Antonio awarded us a feasibility study for the Great Scale Port in Chile. The project will make San Antonio one of the largest and most efficient container ports in Latin America.

GEOTECHNICAL SERVICES

In Montreal, we are providing geotechnical and materials engineering services for a new extension of Highway 35, and quality control services for all materials used on the Decarie Interchange reconstruction. We also helped the Montreal Port Authority overcome environmental and geotechnical limitations by greatly reducing the depth of the foundations for the pavement and railways at its new port facilities.

AIRPORTS

An innovative "hot in-place recycled" approach allowed us to reduce costs on a major runway overlay project at Kelowna Airport in BC. We are now managing a terminal expansion for the airport.

Our mandate at the Vancouver International Airport in BC was expanded to include project management and design oversight for a new international security screening point.

We began work on the engineering phase of our runway and terminal expansion at Suncor's airport in Fort McMurray, Alberta. Suncor operates the third largest airline in Canada.

We completed an aircraft refuelling station at Grande Case's airport in the French section of the island of Saint Martin, part of a larger terminal and runway expansion project we were awarded last year.

At [Mayotte Airport](#)⁷ located on a French island in the Indian Ocean, we are building a terminal and upgrading airport infrastructure to increase the facility's ability to accommodate new air traffic.

INFRASTRUCTURE CONCESSION INVESTMENTS

THROUGH OUR LONGSTANDING INVOLVEMENT WITH HIGHWAY 407 IN TORONTO, INCLUDING THE NEWLY AWARDED EASTERN EXTENSION OF THE ROAD, WE ARE HELPING ENHANCE CANADA'S LARGEST CITY BY EASING TRAFFIC CONGESTION AND PROMOTING NEW ECONOMIC DEVELOPMENT.



1. Highway 407 East Extension project

We have the ability to deliver all phases of an infrastructure investment project, from development and financing, to design, construction and operation. This integrated expertise ensures that projects are completed on time and on budget and deliver benefits to all stakeholders.

We finance, design, build and operate mass transit systems that are shaping the future of urban travel, while enhancing quality of life for millions. We have a 33.3% interest in the Canada Line in BC, the first rapid transit system in the country to link the downtown core of a major city with an international airport. We have now been awarded the landmark Ottawa LRT project. Known as the Confederation Line, the 12.5-km system will bring Canada's capital together by providing faster and more efficient transportation to, from and across the city.

Through our involvement in highway infrastructure investments, we are playing a leading role in easing traffic congestion and promoting the efficient movement of goods and people. In Toronto, we have a 50% interest in a [new extension project for Highway 407](#)¹. Consisting of a four- to six-lane freeway and 32 km of new construction, the project is the largest highway concession currently underway in Canada. In India, construction advanced on the 188-km Rayalseema Expressway, our first highway concession in the country. The project will augment an essential two-lane stretch of highway to four lanes, decreasing travel times and providing safer transportation for millions of commuters.

Our projects in Canada's health care sector will help enhance patient care and optimize the life-time costs of hospitals. In New Brunswick, we have a 100% interest in the [Restigouche Hospital Centre](#)² for psychiatric care, the first health care PPP in the province's history. Restigouche will have 140 beds and serve as the forensic psychiatry facility for all of New Brunswick. Meanwhile, through our 60% interest in the MUHC in Montreal, we are playing a leading role in the development of a hospital complex that will become a Canadian hub for academic medicine.

Our power assets deliver value and essential energy to homes and businesses that depend on it. We own [AltaLink](#)³ in Alberta, which maintains and operates some 12,000 km of transmission lines and 280 substations across the province.

THE CANADA LINE RAPID TRANSIT SYSTEM IN BC CONTINUES TO EXCEED EXPECTATIONS, WITH OVERWHELMINGLY FAVOURABLE RATINGS FOR PUNCTUALITY AND RELIABILITY SINCE IT WAS LAUNCHED IN 2009.



2. Restigouche Hospital Centre

THE FOUKA SEAWATER
DESALINATION PLANT IN
ALGERIA GUARANTEES
A WATER SUPPLY TO
130,000
ALGERIANS



3. AltaLink



4. Southeast Stoney Trail

CULTURAL BUILDINGS AND AIRPORTS

We hold a 15.5% interest in Malta International Airport p.l.c., which owns and manages the facility under a 65-year concession agreement. The airport welcomed 3.65 million passengers in 2012, an increase of 4.1% over the previous year.

We have a 15-year concession contract for Mayotte Airport, the only airport on the French island of Mayotte in the Indian Ocean. We are currently completing several enhancements to its facilities, including a new terminal building. We have a 100% interest in Mayotte Airport.

We have a 100% stake in Groupe immobilier Ovation, which oversaw the creation of the *Maison Symphonique* acoustic concert hall in downtown Montreal, and will manage the facility for the next 26 years through SNC-Lavalin O&M. The 2,100-seat concert hall is the first PPP project in Quebec's cultural sphere, and a broadly recognized success in the field of concert hall design.

ROADS, BRIDGES & MASS TRANSIT SYSTEMS

We have a 50% interest in [Southeast Stoney Trail](#)⁴, a crucial component of Calgary's Ring Road that is expected to significantly reduce inner-city traffic. When the project is completed in 2013, we will operate and maintain the four- to six-lane highway for 30 years.

We acquired a 10% ownership interest in PRIL, a joint venture road holding entity with partners Ashok Piramal Group and the IDFC. Our stake in PRIL gives us an indirect participation in three toll highways in India, and allows us to develop, own, construct and operate new highway PPP projects procured by the National Highway Authority of India.

We have a 100% interest in the Okanagan Lake Concession, which operates and maintains the William R. Bennett Bridge under a 30-year concession agreement. The five-lane structure has relieved congestion along Highway 97, ensuring the safe, efficient movement of people and goods through a busy corridor.

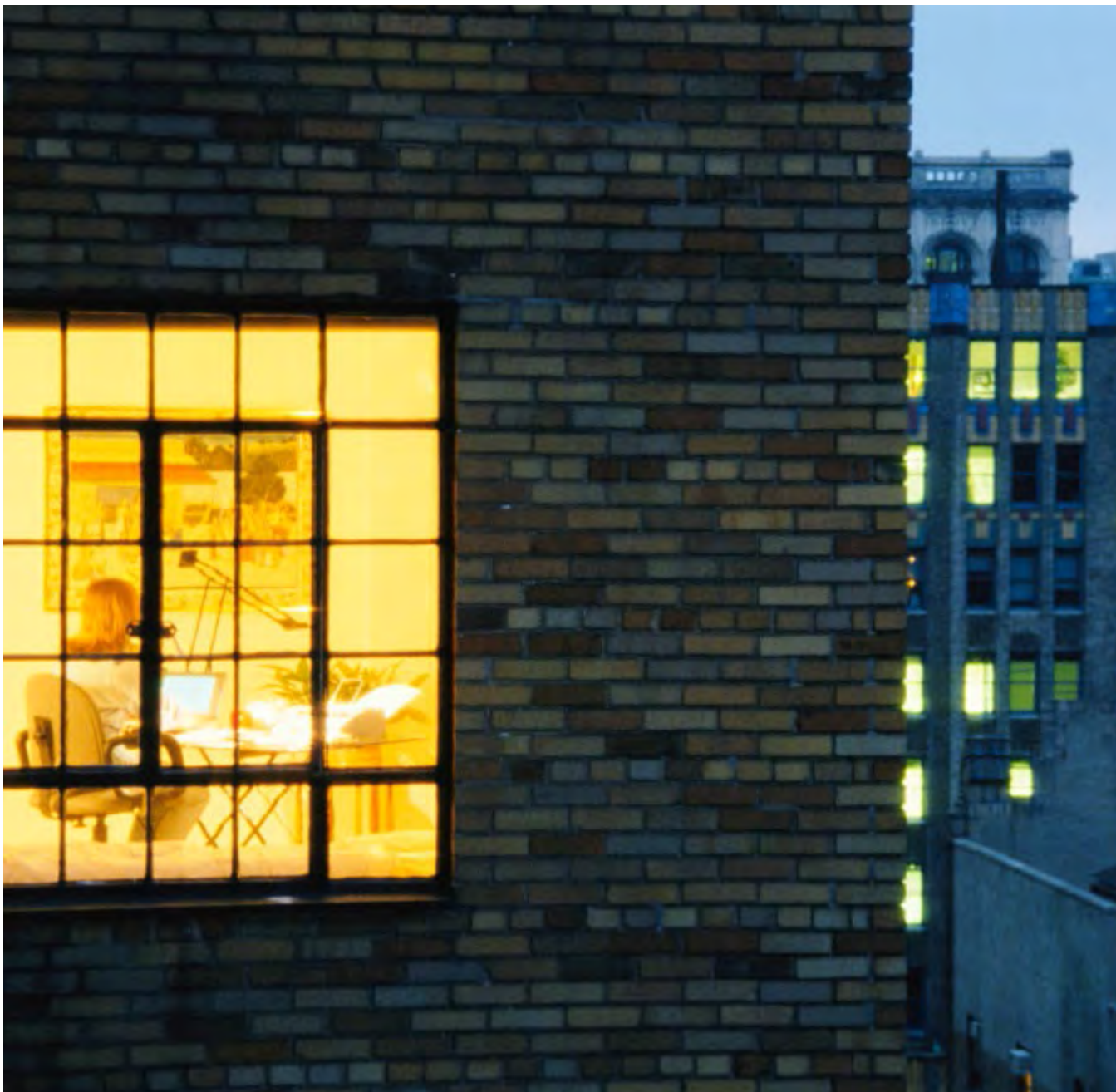
POWER & WATER

We have a 25.5% indirect equity interest in Myah Tipaza, which owns the 120,000-m³/day Fouka seawater desalination plant in Algeria, operated by a 50/50 joint venture of SNC-Lavalin and Acciona Agua. The project guarantees a water supply to 130,000 people of the Wilaya of Tipaza, and feeds a reservoir partially serving 500,000 people along the Algiers West coast from Zéralda to Ain Benian.

In New York, we have stakes in the Astoria thermal power stations. The two plants provide affordable and reliable power to the city, and have improved air quality by displacing production from older and less efficient plants.

POWER

WE HELP TURN THE GENERATORS THAT DRIVE INDUSTRY, BUT OUR PROJECTS ARE ALSO ABOUT BRINGING A RELIABLE SUPPLY OF ELECTRICITY TO FAMILIES, DAY OR NIGHT.



Our Power group has over 100 years of experience in more than 100 countries. Our projects represent an installed capacity of more than 350,000 megawatts, 110,000 kilometres of transmission and distribution lines, and 1,600 substations around the world.



1. Waneta Expansion Project

Source: doellphoto.com

As the demand for new power generation grows, so does the need to bring genuinely sustainable solutions to the sector. This year, we were active on a wide range of power projects that raise the bar for green energy.

In the hydropower sector, we have attained excellent environmental and health & safety performance throughout our EPC mandate for the **Waneta Expansion Project**¹ in BC. Green by design, Waneta will use existing infrastructure to eliminate the need for a new dam. In Bhutan, the environmentally friendly, run-of-river hydropower facility we are completing will encourage regional trade in clean energy.

We worked on thermal plants for the Newark Energy Center in New Jersey and **Chugach Electric Association**² in Alaska, which are some of the most sustainable of their kind. The facilities will use combined cycle turbines that are as much as 20% more efficient than conventional plants, and incorporate sophisticated emissions control technology. These projects are also bringing thousands of construction jobs to regions of the US that need them.

We are further enhancing the sustainability and safety of nuclear projects around the world. Our Nuclear division signed a contract to **install additional safety systems**³ at the Cernavoda CANDU 6 nuclear power plant in Romania. The project will ensure the facility meets new international safety standards in the wake of events in Fukushima, Japan.

The demand for new power is accompanied by a need to reinforce and build transmission and distribution networks. In Alberta, our longstanding relationship with private utility AltaLink continued with a five-year contract to deliver **EPC work for transmission and distribution projects**⁴. We were also awarded a five-year engineering services agreement by BC Hydro to help the utility refurbish existing transmission lines and build new capacity. These agreements will allow both provinces meet their economic and social development objectives with maximum efficiency.

THE SHIPSHAW OPTIMIZATION PROJECT IN QUEBEC, COMPLETED THIS YEAR BY OUR HYDRO DIVISION, RECEIVED THE PRESTIGIOUS RIO TINTO CHIEF EXECUTIVE SAFETY AWARD.

IN SASKATCHEWAN, WE ARE REDUCING CO₂ EMISSIONS OF THE BOUNDARY DAM COAL-FIRED POWER PLANT'S THIRD UNIT BY **90%**

3. Cernavoda nuclear power plant



2. Southcentral thermal power project



4. AltaLink



THERMAL

We are completing a pair of 250-MW power plants in Karbala and Hilla, Iraq, alongside our local partners. The plants, designed with the flexibility to operate on three different kinds of fuel, are part of a larger power grid reconstruction program in the country.

Construction continues on Fenix Power's **520-MW combined cycle natural gas-fired power plant**⁵ near Chilca, Peru. The facility will provide 18% of the country's power, and includes a seawater intake structure that will send 2,000 m³ of potable water to a local municipality each day.

As Palm Concepcion Power's owner's engineer for two 135-MW coal-fired power plants in the Philippines, we are ensuring that health & safety and environmental standards are adhered to throughout the project.

SUSTAINABLE ENERGY

We reached the mid-point on our EPC contract for Contact Energy's Te Mihi geothermal power plant project in New Zealand. A sustainable project in every sense, it will incorporate water use efficiencies to protect a local river.

In Saskatchewan, our construction work continued on the largest commercial-scale post-combustion CCS project in the world. When completed in 2013, the Boundary Dam CCS demonstration project will reduce CO₂ emissions of the coal-fired plant's third unit by 90%, and entirely eliminate its emissions of SO₂. Our team has also maintained excellent health & safety performance throughout the mandate, with 765,368 person-hours worked without an LTI at the end of 2012.

NUCLEAR

Our work on the definition phase of the Darlington Nuclear Generating Station 4-unit retube and feeder replacement project for Ontario Power Generation continued. Our delivery team will use large, specialized remote-controlled tooling systems to minimize the exposure of workers to radiation. In Argentina, our wholly-owned subsidiary, Candu Energy, is supporting state utility NA-SA on the life extension of its Embalse CANDU 6 nuclear generating station. The project aims to extend the plant's operating lifespan for another 30 years.

Our excellent relationship with Bruce Power in Ontario continued with a Bruce Reactor Inspection and Maintenance Services contract. As part of a multi-company initiative, Candu Energy conducted detailed engineering and design for tooling that will allow for the quick location and repair of any future fuel channel leaks at the Bruce units.

5. Fenix thermal power project



6. Muskrat Falls hydro power project



Candu Energy continues groundbreaking work in advanced nuclear fuels with China National Nuclear Corporation. This joint effort is expected to result in the conceptual design of a new Advanced Fuel CANDU Reactor that runs on recycled uranium and thorium fuel. Candu Energy is also supporting the UK Nuclear Decommissioning Authority in the development of alternative full life cycle approaches for managing the country's civilian fissile material stocks.

HYDRO

Our contract for **Phase 1 of the Lower Churchill Project[®]** in Newfoundland and Labrador is progressing well. Our mandate includes EPCM services for a hydro power plant at Muskrat Falls and a 1,100-km high voltage DC power line, the first of its kind in the province.

The engineering work is being finalized for a new 270-MW hydropower station at Smoky Falls in Northern Ontario. We designed the project to account for challenging geotechnical conditions, and used state-of-the-art 3D technology to optimize our plans.

In Malaysia, we are providing detailed design and construction supervision services for TNB's Hulu Terengganu 265-MW hydroelectric facility. The project is part of an ongoing effort by our client to meet increasing electricity demand, while improving power system security and reducing carbon emissions.

TRANSMISSION & DISTRIBUTION

AltaLink awarded us a five-year Relationship Agreement to deliver a number of EPC projects. The largest is the 500-kV DC Western Alberta Transmission Line, which will run 350 kilometres from Genesee to Langdon, and nearly double the private utility's rate base.

We are providing a range of services to reinforce the power grid infrastructure across upstate New York and the New England region. Our mandate includes a mix of program management and engineering services for substations and transmission lines.

ENVIRONMENT

THE SUSTAINABLE IRRIGATION TRAINING WE PROVIDE AROUND THE WORLD HELPS FARMERS GROW CROPS IN CHALLENGING AGRICULTURAL ENVIRONMENTS.



We marked 40 years of providing environmental services worldwide. We have specialized expertise in the power, infrastructure, hydrocarbons and chemicals, mining, industrial, rural development and climate change sectors.

As the challenges posed by climate change continue to increase, so do the services we offer to help limit and adapt to its impacts. We are developing climatic models and vulnerability assessments to reduce the effects of extreme weather on the world's most vulnerable populations. We are now also one of only a few North American companies to offer GHG verification services, a crucial step toward reducing the impact of industry on the planet.

Our Water & Rural Development team continued to work with governments and their populations to enhance the standard of living around the world. We are helping Afghanistan create a better future for its people through an extensive Water Resources Development Investment Program. In Mali, we were proud to play a key role on the [Alatona irrigation project](#)¹, which promotes farmer-driven agricultural development to spur economic growth and reduce poverty. These and other projects are allowing us to inspire new hope in countries where opportunities are sometimes few.

We are identifying and removing sources of contamination that pose risks to the environment and those who depend on it. On Canada's East coast, we have extracted and safely stored over 300,000 litres of leached hydrocarbons at the [5 Wing Goose Bay](#)² military base in Newfoundland and Labrador. On the West coast, we carried out groundbreaking studies to identify sources of pollution at harbours throughout BC. Our work will allow Fisheries & Oceans Canada to preserve an important natural resource for future generations.

WE EXTRACTED
300,000 litres
OF LEACHED HYDROCARBONS FROM
THE 5 WING GOOSE BAY MILITARY BASE
IN NEWFOUNDLAND AND LABRADOR

WE ARE COLLECTING AND QUANTIFYING DATA FROM OVER 100 YEARS OF INDUSTRIAL ACTIVITY TO PROVIDE A ROADMAP FOR FUTURE REMEDIATION MEASURES AT THE STEVESTON SMALL CRAFT HARBOUR IN BC.



2. 5 Wing Goose Bay remediation



3. Husky Energy leak detection

AIR QUALITY, CLIMATE CHANGE AND ACOUSTICS

Best practices were implemented during the demolition of an 80-year-old flash furnace known to contain asbestos, part of our environmental management contract for the Vale Clean Atmospheric Emissions Reduction project in Sudbury, Ontario.

We are working with Rio Tinto Alcan to reduce atmospheric emissions at one of its aluminum smelters in Quebec. We identified the cause and are now providing engineering services to limit the emissions.

SITE ASSESSMENT & REMEDIATION

We signed a memorandum of understanding with Seven Generations Environmental Services, a company wholly owned by the Stó:lō Nation of BC. Through this relationship, we intend to jointly provide environmental monitoring and site remediation services for a variety of potential projects throughout the Lower Mainland.

Close communication and proactive management earned us two awards from our client Shell Canada this year. We are one of three consultants providing Shell with ongoing environmental services for its Canadian operations.

WATER & RURAL DEVELOPMENT

An important sustainable water harvesting project in Ethiopia won us a Certificate of Merit. When the project wrapped up this year, close to 22,000 farmers had been trained in sustainable water harvesting, irrigation and watershed management.

For the Afghanistan Ministry of Energy and Water, we ranked 120 potential hydro dam sites and classified, studied and provided preliminary designs for 40 selected dams. The projects will provide the Afghan population with a better and more stable power supply.

RISK ASSESSMENT & MANAGEMENT

We are leading a [leak detection and repair program](#)³ for Husky Energy at six of its refineries and upgraders in Canada. We identified 50,000 risk points, and then used digital photography and high-tech monitoring equipment to effectively track and reduce emissions of volatile organic compounds.

IMPACT ASSESSMENTS & COMMUNITY ENGAGEMENT

We launched a proprietary and specialized tool for real-time monitoring of environmental incidents. The system allows clients to select which modules they want to employ based on specific needs and site specifications.

In the Republic of Guinea, we completed a social and environmental baseline study and impact assessment for Vale's Simandou project. Our work involved socio-economic surveys of 69 surrounding villages and hamlets to limit the project's impact on their way of life.

The Mining Readiness Plan we are developing for Thunder Bay, Ontario, will allow the city to benefit from mining opportunities, while ensuring responsible land use and the buy-in of local First Nations.

OPERATIONS & MAINTENANCE

WE OPERATE AND MAINTAIN MASS TRANSIT SYSTEMS THAT ARE SHAPING THE CITIES
OF TOMORROW AND ENHANCING QUALITY OF LIFE FOR MILLIONS.



Source: © 2012 South Coast British Columbia Transportation Authority doing business as TransLink. All rights reserved.

We are one of Canada's leading O&M providers, with a portfolio that includes public and private real estate and infrastructure assets, remote camps and naval vessels in North America, the Middle East, Africa and South America.



1. Hadjret en Nouss thermal power plant

In 2012, we were proud to continue to operate and maintain facilities that support communities with essential services. We achieved good availability ratings for our operations and maintenance of the Skikda and [Hadjret en Nouss¹](#) combined cycle power plants in Algeria, which together produce 20% of the country's energy. We also won our first US contract from the San Diego County Water Authority for the 40-MW Lake Hodges pump station. The facility is one of several in California that prevents blackouts by helping the state meet peak power demand. In Brazil, over 400 of our employees are involved in the [operation and maintenance of facilities at Eletronuclear's 1,900-MW Angra plant²](#), the country's sole nuclear power station.

We had mandates for facilities this year that will create tangible benefits for future generations. In Saudi Arabia, we were awarded the [operation and maintenance of the King Abdullah Petroleum Studies and Research Center³](#), which will focus on forward-thinking research in the fields of energy, economics, policy, technology and the environment. We also won stand-alone project management mandates from the Halifax Regional School Board to enhance two of its schools with new gymnasiums, a cafeteria, classrooms and a skilled trade area.

Our Defence & Logistics team continued to support Canada's DND around the world. Our in-service support contract for the minor warships and auxiliary vessels that guard the country's shores was expanded to 48 ships. We also launched a new aviation service with the creation of [SNC-Lavalin Air Logistics⁴](#). Our first mission saw us move 170 tonnes of military equipment and supplies between DND's European Logistics hub in Germany and its base in Afghanistan over a three-day period.

OUR O&M ACTIVITIES IN BRAZIL HAVE NOW EXPANDED TO INCLUDE 18 PROJECTS ACROSS A VARIETY OF INDUSTRIAL SECTORS.

THE SKIKDA AND HADJRET EN NOUSS COMBINED CYCLE POWER PLANTS IN ALGERIA PRODUCE
20%
OF THE COUNTRY'S ENERGY

2. Angra nuclear power plant



3. King Abdullah Petroleum Studies and Research Center



4. SNC-Lavalin Air Logistics



INDUSTRIAL

In Algeria, we continued to operate and maintain the Taksebt potable water plant and completed the first year of an operations and maintenance contract for Fouka, a reverse osmosis desalination plant that we will maintain until 2036. The two facilities contribute to providing a safe and reliable supply of water to over 4.5 million Algerians.

We completed critical assignments as part of ongoing inspection and integrity management contracts with major offshore oil and gas producers. We performed pressure equipment and structural integrity inspections of Husky Energy's Searose FPSO unit while drydocked off Ireland, and of ExxonMobil's [Hibernia Platform](#)[®] off the coast of Newfoundland and Labrador in Canada. Our work on these facilities was performed safely, without incident and on schedule.

Petrobras awarded us 10 new contracts for onshore and offshore facilities in Brazil, including a two-year contract to operate and maintain the power distribution systems at its Carmópolis oil facilities in the country's Sergipe-Alagoas Basin, one of its largest onshore fields. Meanwhile, we continue to provide corrective, preventive and predictive maintenance at the oil and gas producer's facilities in the states of Rio Grande do Norte, Sergipe, Bahia, Espírito Santo, Rio de Janeiro and Rio Grande do Sul.

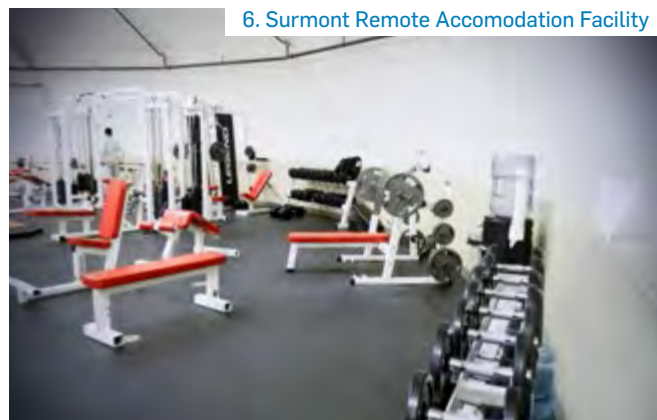
We are providing electrical maintenance and overhauls at Fafen's large-scale facility at the Camacari Petrochemical Complex in Brazil. The scope of work for the nitrogen fertilizer producer includes corrective, preventive and predictive maintenance.

DEFENCE & LOGISTICS

We completed the [construction of the Surmont 2,800-person camp](#)[®] for ConocoPhillips near Fort McMurray, Alberta, and will now operate and maintain it for three years. Designed to attract highly qualified workers for a nearby oil project, the camp features individual rooms with private bathrooms, and extensive recreational facilities.



5. Hibernia platform inspection



6. Surmont Remote Accommodation Facility



7. Baltic Partnership Bank

INTEGRATED REAL ESTATE SOLUTIONS

A new client awarded us and our joint venture partners a contract to provide administrative support and operate and maintain **54 of its business properties in the Baltic States**⁷, our first such mandate in the region.

We won a 27-year contract with the French city of Nogent-sur-Seine to operate and maintain the new Camille Claudel Museum, the first PPP for such a facility in the country. Labelled a "Musée de France," it is expected to give a significant boost to tourism in the city.

Kimberly-Clark awarded us a five-year contract to operate and maintain all non-industrial facilities at its 139,000-m² paper manufacturing plant in Ontario.

Imperial Oil appointed us facility manager for its sites in Western Canada, including a large refinery and their head office in downtown Calgary. We expect to assume the facility management of additional office and refinery sites over the next 24 months, for a total of 251,000 m².

TRANSPORTATION

We completed our third year of operations and maintenance for Vancouver's Canada Line. Since the system went into service ahead of schedule in 2009, it has made over 700,000 trips, carried more than 137 million passengers and regularly achieved reliability ratings exceeding 99%.

By coordinating closely with the design and construction teams, we are working to optimize our 30-year operations and maintenance mandate for the Southeast Stoney Trail highway extension in Calgary.

We were awarded a contract to operate and maintain 32 km of road and 13 interchanges as part of our new 30-year contract for the eastern extension of Toronto's Highway 407.

AIRPORTS

The number of airports we manage across France and its overseas territories grew to 16 with the addition of facilities in Le Havre-Octeville, Angoulême-Cognac, Nîmes, Reims, Troyes and Annecy. These contracts allow us to be a true partner of the French government and local authorities, working side-by-side toward the economic development of its regions.

OTHER INDUSTRIES

AGRIFOOD

FROM THE FACTORY TO THE DINNER TABLE, OUR AGRIFOOD PROJECTS HELP ENSURE AN AMPLE AND SAFE SUPPLY OF ESSENTIAL FOODS AROUND THE WORLD.



We help make our clients' agrifood investments successful for all their stakeholders by integrating elements such as food security, respect for the environment, quality working conditions, personal and property safety, investment and operating cost optimization and upgradeability.



Evian bottling plant

Our new contract with MSX will allow Saudi Arabia to import more wheat, one of the most important staple grains in the Kingdom. We are designing two 60,000-tonne storage silos, a dockside unloading unit with a capacity of 1,000 tph, and systems to handle, convey, clean and weigh the grain.

In France, we led a **two-phase expansion of Evian's plant** in Amphion-les-Bains. We oversaw the creation of the client's new International Water Expertise Building, including offices, a laboratory and a state-of-the-art R&D centre. Our work increased production at the plant by 1 million litres per day, and made it the most advanced facility of its kind.

Our mandate for Lejay-Lagoute's new plant in France will allow the renowned liqueur maker to increase its production for high-potential international markets. We provided preliminary engineering and process optimization services for a new 6,100-m² production unit, and then oversaw the transfer of an existing operation to this new location.

In Quebec, we successfully completed the fast-track expansion of a Yoplait yogurt plant. The construction phase, which expanded the facility by 2,400 m², took place in a record-breaking six months. The rapid completion allowed the client to boost production and consolidate its market share in a highly competitive sector.

WE EXPANDED
YOPLAIT'S PLANT BY
2,400 m²
IN A RECORD-BREAKING
6 months

PROJECTS LIKE THE ONE WE ARE CARRYING OUT FOR MSX IN SAUDI ARABIA WILL HELP THE KINGDOM CONSERVE ITS LIMITED WATER RESOURCES BY ALLOWING IT TO IMPORT AND STORE MORE GRAIN.

INDUSTRIAL

OUR RTB BOR PROJECT IN SERBIA WILL INCREASE PRODUCTION AT THE COPPER COMPLEX BY 225%, WHILE SIGNIFICANTLY IMPROVING AIR QUALITY IN THE REGION.



RTB Bor retrofit project

We have full-service capabilities in the manufacturing, industrial, chemical, bio-chemical, fertilizer and sulphuric/phosphoric acid sectors. Our additional specialized expertise encompasses instrumentation and automation, material handling, machinery design, and filling and packaging lines.

WE REACHED OVER 1.5 MILLION PERSON-HOURS WITHOUT A LOST TIME INCIDENT ON THE JIFCO ACID PLANT COMPLEX IN JORDAN.

Our work continued on our monumental **retrofit project for RTB Bor** in Serbia. We are outfitting the aging copper smelter with a state-of-the-art flash furnace, new hoods and evaporative cooling chambers. The enhancements will capture 98% of the SO₂ the plant currently emits, with considerable benefits for the local environment and population.

We worked on several projects that will increase the supply of sulphuric acid worldwide, a key ingredient in the production of phosphoric acid and an essential compound for industrial processes. In Jordan, our EPCM mandate continued for JIFCO's double absorption sulphur-burning acid plant, one of the largest of its kind ever designed. We are also completing an engineering and procurement assignment for Minera y Metalúrgica del Boleo's Mexican sulphuric acid plant, which features an advanced heat recovery system. Meanwhile, our engineering and procurement assignment for Cameco's new sulphuric acid plant wrapped up with the facility successfully passing its performance test. The project is expected to significantly enhance uranium production at the client's Saskatchewan mine.

Our European team continued their EPCM mandate for Ajinomoto Eurolysine's French plant. The project will increase the facility's production of lysine, an indispensable amino acid that supports the growth of livestock. In South Africa, the 400,000-Mtpy calcium ammonium nitrate fertilizer plant the team designed and built for Sasol Nitro was successfully commissioned. The technology used yields a high-quality product and enhances the energy efficiency of operations. Our European group is also at work on an engineering and procurement mandate for a phosphoric acid plant at Vinachem's di-ammonium phosphate production facility in Vietnam.

12
MAJOR SULPHURIC ACID
PROJECTS COMPLETED IN THE
LAST DECADE: APPROXIMATELY
8 Mtpy

PHARMACEUTICALS & BIOTECHNOLOGY

WE ARE CURRENTLY WORKING ON SEVERAL PROJECTS IN THE UNITED STATES THAT WILL PRODUCE ESSENTIAL VACCINES TO FIGHT MALARIA AND PNEUMOCOCCAL DISEASE IN CHILDREN WORLDWIDE.



We deliver complete process engineering, automation, commissioning, validation and construction management services to pharmaceutical, biotechnology and medical clients all over the world. Our flexibility allows us to help international clients meet compliance challenges, both locally and globally.



Therapure retrofit project

We continued to support clients in the development and manufacturing of cutting-edge biologics throughout the world. We provided EPCMV services for an extension of Pfizer Animal Health's pilot facility in Belgium. The project included a bio-fermentation room where vaccines are produced in a controlled environment for emerging diseases using new disposable technology. We also completed the expansion of Crucell's South Korean plant, which manufactures a pentavalent vaccine. Our mandate included engineering and construction supervision services for a Uniject Fill & Finish facility, and the design of highly specialized equipment.

Other projects we worked on will support the treatment of rare diseases. We are presently helping a major US biotechnology company expand its capacity to manufacture therapeutic biologics. The enlarged plant we are designing for them will produce plasma fractionation products for the treatment of bone disease and conditions such as anemia and hepatomegaly. In Ontario, our **fast-track retrofit mandate for an existing facility for Therapure** will also allow that plant to manufacture plasma fractionation products for the treatment of blood disorders.

We are helping pharmaceutical and biotechnology clients meet key strategic objectives. We oversaw the transfer of an oral solid dosage production facility from Famar's site in Orléans, France, to another location 10 km away. The project, which involved converting a warehouse into a manufacturing facility, will allow the client to increase production throughput and flexibility, while minimizing the impact on its existing sites. In Algeria, we are designing a 7,000-m² multiform pharmaceutical plant for Laboratoires Salem that includes a hormonal and sterile product production unit. Our work there will increase the availability of highly potent drug products in the country, while making the local pharmaceutical market more self-sufficient.

WE TRANSFERRED AN ORAL SOLID DOSAGE PRODUCTION FACILITY FROM FAMAR'S SITE IN ORLÉANS, FRANCE, TO ANOTHER LOCATION

10 km away

THE COMBINED LABORATORY AND PILOT PRODUCTION CAPABILITY AT PFIZER ANIMAL HEALTH'S FACILITY IN BELGIUM ALLOWS FOR A PROMPT RESPONSE TO NEW EMERGING ILLNESSES.

OUR CORE VALUES



WE CARE
NOUS VEILLONS

THE BASIC PRINCIPLES OF SUSTAINABILITY HAVE INFORMED OUR BUSINESS PRACTICES SINCE OUR FOUNDING MORE THAN 100 YEARS AGO.

AT SNC-LAVALIN, WE SEE BEYOND THE PROJECTS WE WORK ON. WE KNOW THE ECONOMIC, ENVIRONMENTAL, SOCIAL, SAFETY AND CIVIC CHALLENGES OUR CLIENTS AND THEIR STAKEHOLDERS ARE FACING, AND WE ALIGN OUR GLOBAL CAPABILITIES AROUND THESE UNIQUE NEEDS.

This commitment is backed by company-wide health, safety, compliance and environment guidelines and our involvement, at both the corporate and local levels, in grassroots social action. We are dedicated to client satisfaction and to continuously improving our operations across all our sectors of activity. The quality of our work is another major factor in our success, and our divisions are generally ISO-certified.



WE CARE about the **health and safety** of our employees, of those who work under our care, and of the people our projects serve.

WE CARE about our **employees**, their personal growth, career development and general well-being.

WE CARE about the **communities** where we live and work and their sustainable development, and we commit to fulfilling our responsibilities as a global citizen.

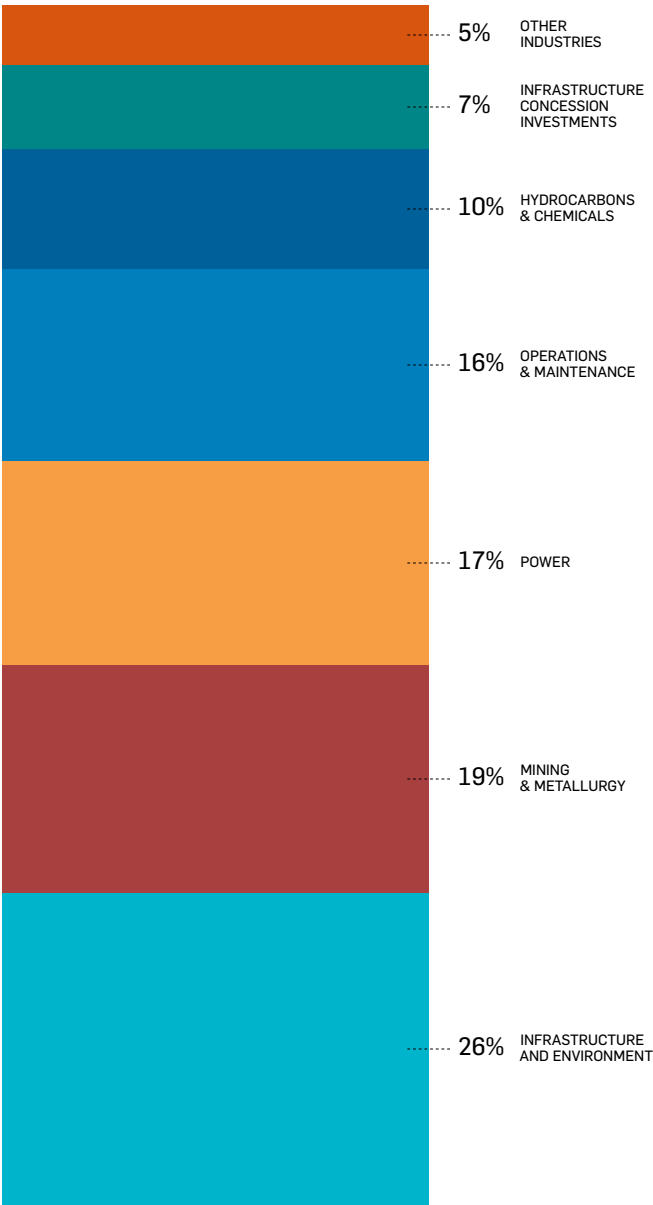
WE CARE about the **environment**, and about conducting our business in an environmentally responsible manner.

WE CARE about the **quality** of our work.

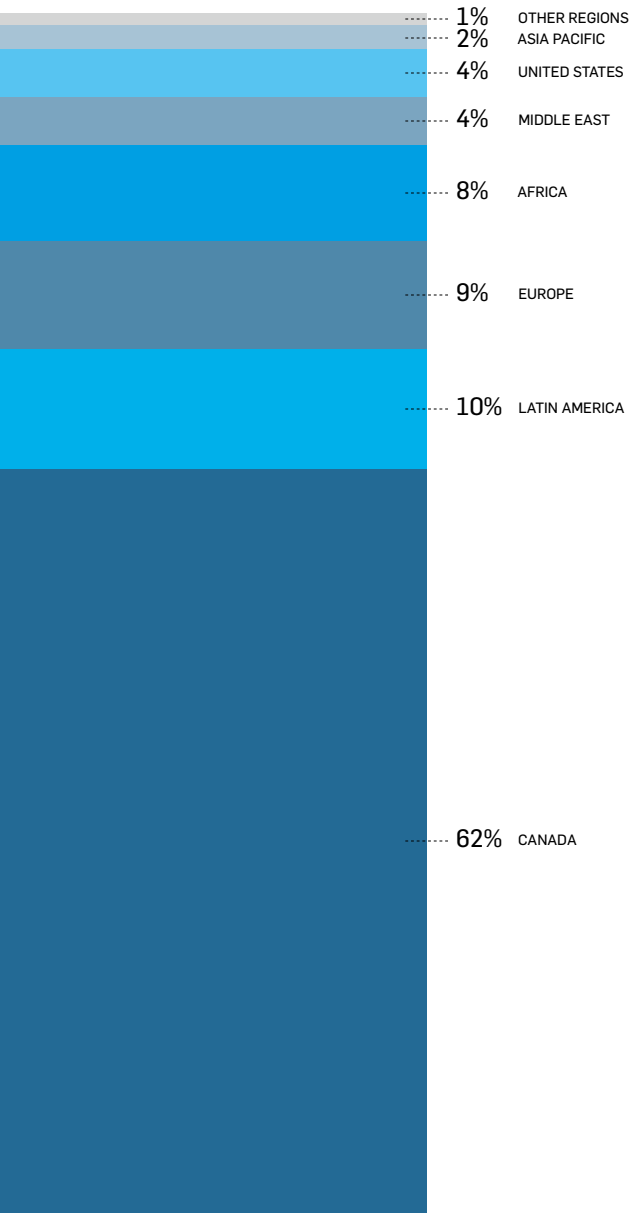
WE CARE about being world-class in matters of **governance and ethics** for our shareholders, clients and employees.

FINANCIAL HIGHLIGHTS

2012 REVENUES
By industry segment



By geographic area

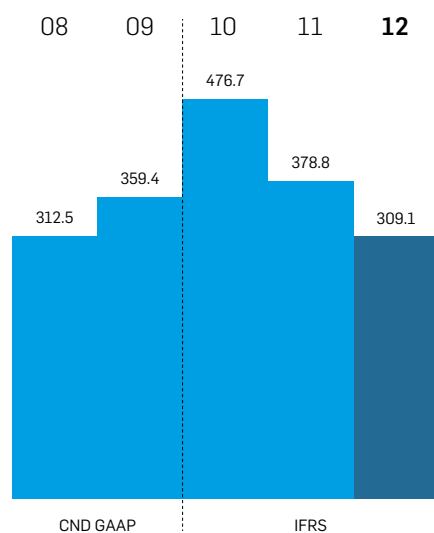


34,000
EMPLOYEES

ONGOING PROJECTS
IN MORE THAN
100 COUNTRIES

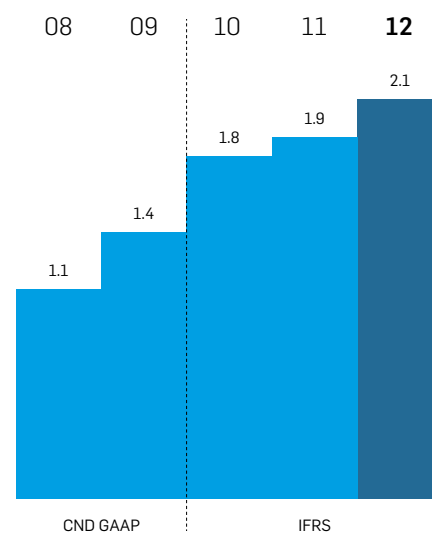
OVER
\$8 BILLION
OF REVENUES

NET INCOME (in millions CA\$)



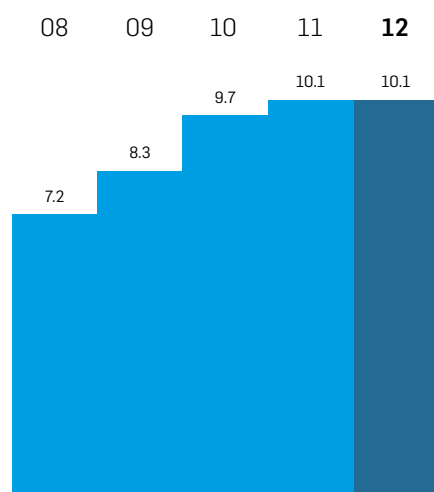
\$309
MILLION
NET INCOME
IN 2012

EQUITY ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS (in billions CA\$)



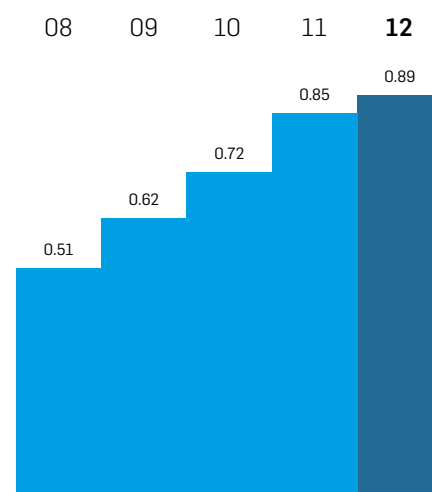
\$2.1
BILLION
IN EQUITY AT
DECEMBER 31,
2012

BACKLOG (in billions CA\$)



\$10
BILLION
BACKLOG AT
DECEMBER 31,
2012

DIVIDENDS (in CA\$)



15%
5-YEAR
DIVIDEND CAGR⁽¹⁾

(1) Compound annual growth rate

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

SNC-Lavalin Group Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(IN THOUSANDS OF CAS)	DECEMBER 31 2012	DECEMBER 31 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,174,900	\$ 1,231,049
Restricted cash	32,815	39,354
Trade receivables	1,175,152	1,155,544
Contracts in progress	764,563	557,220
Other current financial assets	428,820	396,552
Other current assets	217,819	166,563
Total current assets	3,794,069	3,546,282
Property and equipment:		
From ICI	3,469,990	2,637,735
From other activities	193,097	159,883
ICI accounted for by the equity method	373,445	350,246
ICI accounted for by the cost method	338,963	293,241
Goodwill	635,775	639,471
Deferred income tax asset	177,581	161,364
Non-current portion of receivables under service concession arrangements	258,924	239,113
Non-current financial assets	120,212	173,145
Other non-current assets	248,864	153,521
Total assets	\$ 9,610,920	\$ 8,354,001
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	\$ 1,649,776	\$ 1,520,395
Downpayments on contracts	346,780	316,714
Deferred revenues	972,820	907,118
Other current financial liabilities	302,309	291,031
Other current liabilities	158,689	151,689
Advance under contract financing arrangement	43,273	–
Short-term debt and current portion of long-term debt:		
Non-recourse from ICI	484,575	327,381
Total current liabilities	3,958,222	3,514,328
Long-term debt:		
Recourse	348,545	348,369
Non-recourse from ICI	2,000,696	1,561,377
Other non-current financial liabilities	85,619	130,744
Provisions	323,391	224,834
Other non-current liabilities	593,429	486,217
Deferred income tax liability	222,582	201,416
Total liabilities	7,532,484	6,467,285
Equity		
Share capital	463,740	455,682
Retained earnings	1,714,379	1,543,199
Other components of equity	(102,686)	(115,813)
Equity attributable to SNC-Lavalin shareholders	2,075,433	1,883,068
Non-controlling interests	3,003	3,648
Total equity	2,078,436	1,886,716
Total liabilities and equity	\$ 9,610,920	\$ 8,354,001

Approved, on behalf of the Board of Directors, by:

ROBERT G. CARD
DIRECTOR

IAN A. BOURNE
DIRECTOR

SNC-Lavalin Group Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CASH, EXCEPT NUMBER OF COMMON SHARES)	2012						
	EQUITY ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS					NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL		RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY	TOTAL		
	COMMON SHARES (IN THOUSANDS)	AMOUNT					
Balance at beginning of year	151,034	\$ 455,682	\$ 1,543,199	\$ (115,813)	\$ 1,883,068	\$ 3,648	\$ 1,886,716
Net income	–	–	309,115	–	309,115	415	309,530
Other comprehensive income (loss)	–	–	(9,321)	13,127	3,806	–	3,806
Total comprehensive income	–	–	299,794	13,127	312,921	415	313,336
Dividends declared	–	–	(132,925)	–	(132,925)	–	(132,925)
Dividends declared by subsidiaries to non-controlling interests	–	–	–	–	–	(648)	(648)
Stock option compensation	–	–	12,313	–	12,313	–	12,313
Shares issued under stock option plans	210	8,597	(1,667)	–	6,930	–	6,930
Shares redeemed and cancelled	(175)	(539)	(6,335)	–	(6,874)	–	(6,874)
Disposal of a subsidiary	–	–	–	–	–	(412)	(412)
Balance at end of year	151,069	\$ 463,740	\$ 1,714,379	\$ (102,686)	\$ 2,075,433	\$ 3,003	\$ 2,078,436

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CASH, EXCEPT NUMBER OF COMMON SHARES)	2011						
	EQUITY ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS					NON- CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL		RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY	TOTAL		
	COMMON SHARES (IN THOUSANDS)	AMOUNT					
Balance at beginning of year	151,034	\$ 424,935	\$ 1,459,323	\$ (67,480)	\$ 1,816,778	\$ 102,654	\$ 1,919,432
Net income	–	–	378,800	–	378,800	8,542	387,342
Other comprehensive income (loss)	–	–	(11,747)	(45,565)	(57,312)	702	(56,610)
Total comprehensive income	–	–	367,053	(45,565)	321,488	9,244	330,732
Dividends declared	–	–	(126,750)	–	(126,750)	–	(126,750)
Dividends declared by subsidiaries to non-controlling interests	–	–	–	–	–	(827)	(827)
Stock option compensation	–	–	15,411	–	15,411	–	15,411
Shares issued under stock option plans	820	33,219	(6,283)	–	26,936	–	26,936
Shares redeemed and cancelled	(820)	(2,472)	(41,799)	–	(44,271)	–	(44,271)
Acquisition of non-controlling interests of AltaLink	–	–	(124,353)	(2,768)	(127,121)	(110,813)	(237,934)
Acquisition of other non-controlling interests	–	–	597	–	597	(1,226)	(629)
Capital contributions by non-controlling interests	–	–	–	–	–	4,616	4,616
Balance at end of year	151,034	\$ 455,682	\$ 1,543,199	\$ (115,813)	\$ 1,883,068	\$ 3,648	\$ 1,886,716

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

SNC-Lavalin Group Inc.

CONSOLIDATED INCOME STATEMENTS

YEAR ENDED DECEMBER 31

(IN THOUSANDS OF C\$)

EXCEPT EARNINGS PER SHARE AND NUMBER OF SHARES

	2012	2011
Revenues by activity:		
Services	\$ 3,174,934	\$ 2,437,778
Packages	3,020,400	2,871,530
O&M	1,330,501	1,399,197
ICI accounted for by the full consolidation or cost methods	450,672	398,539
ICI accounted for by the equity method	114,453	102,827
	8,090,960	7,209,871
Direct costs of activities	6,735,975	5,957,735
Gross margin	1,354,985	1,252,136
Selling, general and administrative expenses	851,217	654,691
Net financial expenses	126,162	115,211
Income before income tax expense	377,606	482,234
Income tax expense, net	68,076	94,892
Net income	\$ 309,530	\$ 387,342
Net income attributable to:		
SNC-Lavalin shareholders	\$ 309,115	\$ 378,800
Non-controlling interests	415	8,542
Net income	\$ 309,530	\$ 387,342
Earnings per share (in \$)		
Basic	\$ 2.05	\$ 2.51
Diluted	\$ 2.04	\$ 2.49
Weighted average number of outstanding shares (in thousands)		
Basic	151,058	150,897
Diluted	151,304	151,940

SNC-Lavalin Group Inc.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31
(IN THOUSANDS OF C\$)

	2012		
	ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income	\$ 309,115	\$ 415	\$ 309,530
Other comprehensive income (loss):			
Exchange differences on translating foreign operations	(14,947)	–	(14,947)
Available-for-sale financial assets	1,194	–	1,194
Cash flow hedges	32,257	–	32,257
Defined benefit pension plans and other post-employment benefits	(12,298)	–	(12,298)
Share of other comprehensive income of investments accounted for by the equity method	3,803	–	3,803
Income tax expense relating to components of other comprehensive income (loss)	(6,203)	–	(6,203)
Total other comprehensive income	3,806	–	3,806
Total comprehensive income	\$ 312,921	\$ 415	\$ 313,336

YEAR ENDED DECEMBER 31
(IN THOUSANDS OF C\$)

	2011		
	ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income	\$ 378,800	\$ 8,542	\$ 387,342
Other comprehensive income (loss):			
Exchange differences on translating foreign operations	(11,951)	39	(11,912)
Available-for-sale financial assets	212	–	212
Cash flow hedges	(11,859)	663	(11,196)
Defined benefit pension plans and other post-employment benefits	(16,033)	–	(16,033)
Share of other comprehensive loss of investments accounted for by the equity method	(42,863)	–	(42,863)
Income tax benefit relating to components of other comprehensive income (loss)	25,182	–	25,182
Total other comprehensive income (loss)	(57,312)	702	(56,610)
Total comprehensive income	\$ 321,488	\$ 9,244	\$ 330,732

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

SNC-Lavalin Group Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CA\$)	2012	2011
Operating activities		
Net income	\$ 309,530	\$ 387,342
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation of property and equipment and amortization of other non-current assets:		
From ICI	99,205	93,099
From other activities	61,571	45,378
Income tax expense recognized in net income	68,076	94,892
Income taxes paid	(19,134)	(14,145)
Net financial expenses recognized in net income	126,162	115,211
Interest paid:		
From ICI	(112,090)	(91,072)
From other activities	(22,484)	(21,507)
Expense recognized in respect of stock options	12,313	15,411
Expense recognized in respect of cash-settled share-based payment arrangements	10,022	8,938
Income from ICI accounted for by the equity method	(114,453)	(102,827)
Dividends and distributions received from ICI accounted for by the equity method	112,427	89,372
Other	68,368	(42,178)
	599,513	577,914
Net change in non-cash working capital items	(95,207)	341,755
Net cash generated from operating activities	504,306	919,669
Investing activities		
Acquisition of property and equipment:		
From ICI	(849,205)	(545,781)
From other activities	(96,166)	(67,224)
Payments for ICI	(64,055)	(101,138)
Recovery from ICI	–	16,055
Acquisition of businesses	(17,825)	(140,399)
Payments for interests in a jointly controlled entity	(40,255)	–
Increase in receivables under service concession arrangements	(28,344)	(83,735)
Recovery of receivables under service concession arrangements	22,719	68,255
Other	10,183	(9,670)
Net cash used for investing activities	(1,062,948)	(863,637)
Financing activities		
Repayment of non-recourse debt from ICI	(203,612)	(7,683)
Acquisition of a subsidiary's debenture related to the AltaLink transaction	–	(50,000)
Increase in non-recourse debt from ICI	802,907	374,792
Advance under contract financing arrangements	43,273	–
Proceeds from exercise of stock options	6,930	26,936
Redemption of shares	(6,874)	(44,271)
Dividends paid to SNC-Lavalin shareholders	(132,925)	(126,750)
Acquisition of non-controlling interests of AltaLink ⁽¹⁾	–	(228,816)
Other	(4,597)	(976)
Net cash generated from (used for) financing activities	505,102	(56,768)
Decrease from exchange differences on translating cash and cash equivalents	(2,609)	(3,300)
Net decrease in cash and cash equivalents	(56,149)	(4,036)
Cash and cash equivalents at beginning of year	1,231,049	1,235,085
Cash and cash equivalents at end of year	\$ 1,174,900	\$ 1,231,049

(1) The acquisition of non-controlling interests of AltaLink is classified as cash flows used for **financing activities** in accordance with IFRS as there is specific applicable guidance when acquiring non-controlling interests and, as such, is not part of **investing activities**.

FORWARD-LOOKING STATEMENTS

Statements made in this Summary Report that describe the Company's or management's budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "estimates", "expects", "goal", "intends", "may", "plans", "projects", "should", "will", or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. All such forward-looking statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this Summary Report are based on a number of assumptions believed by the Company to be reasonable on March 8, 2013. The assumptions are set out throughout the Company's 2012 Management's Discussion and Analysis (particularly in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How We Analyze and Report Our Results" in the Company's 2012 Management's Discussion and Analysis). If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (a) the outcome of pending and future claims and litigation could have a material adverse impact on the Company's business, financial condition and results of operation; (b) the Company is subject to ongoing investigations which could adversely affect its business, results of operations or reputation and which could subject it to sanctions, fines or monetary penalties, some of which may be significant; (c) further regulatory developments could have a significant adverse impact on the Company's results, and employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm the Company's reputation, reduce its revenues and profits, and subject the Company to criminal and civil enforcement actions; (d) a negative impact on the Company's public image could influence its ability to obtain future projects; (e) fixed-price contracts or the Company's failure to meet contractual schedule or performance requirements may increase the volatility and unpredictability of its revenue and profitability; (f) the Company's revenue and profitability are largely dependent on the awarding of new contracts, which it does not directly control, and the uncertainty of contract award timing could have an adverse effect on the Company's ability to match its workforce size with its contract needs; (g) the Company's backlog is subject to unexpected adjustments and cancellations, including under "termination for convenience" provisions, and does not represent a guarantee of the Company's future revenues or profitability; (h) SNC-Lavalin is a provider of services to government agencies and is exposed to risks associated with government contracting; (i) the Company's international operations are exposed to various risks and uncertainties, including unfavourable political environments,

weak foreign economies and the exposure to foreign currency risk; (j) there are risks associated with the Company's ownership interests in ICI that could adversely affect it; (k) the Company is dependent on third parties to complete many of its contracts; (l) the Company's use of joint ventures and partnerships exposes it to risks and uncertainties, many of which are outside of the Company's control; (m) the competitive nature of the markets in which the Company does business could adversely affect it; (n) the Company's project execution activities may result in professional liability or liability for faulty services; (o) the Company could be subject to monetary damages and penalties in connection with professional and engineering reports and opinions that it provides; (p) the Company may not have in place sufficient insurance coverage to satisfy its needs; (q) the Company's employees work on projects that are inherently dangerous and a failure to maintain a safe work site could result in significant losses and/or an inability to obtain future projects; (r) the Company's failure to attract and retain qualified personnel could have an adverse effect on it; (s) work stoppages, union negotiations and other labour matters could adversely affect the Company; (t) the Company relies on information systems and data in its operations; failure in the availability or security of the Company's information systems or in data security could adversely affect its business and results of operations; (u) any acquisition or other investment may present risks or uncertainties; (v) a deterioration or weakening of the Company's financial position, including its net cash position, would have a material adverse effect on its business and results of operations; (w) the Company may have significant working capital requirements, which if unfunded could negatively impact its business, financial condition and cash flows; (x) an inability of SNC-Lavalin's clients to fulfill their obligations on a timely basis could adversely affect the Company; (y) the Company may be required to impair certain of its goodwill, and it may also be required to write down or write off the value of certain of its assets and investments, either of which could have a material adverse impact on the Company's results of operations and financial condition; (z) global economic conditions could affect the Company's client base, partners, subcontractors and suppliers and could materially affect its backlog, revenues, profits and ability to secure and maintain financing; (aa) fluctuations in commodity prices may affect clients' investment decisions and therefore subject the Company to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards, and may affect the costs of the Company's projects; (bb) inherent limitations to the Company's control framework could result in a material misstatement of financial information, and; (cc) environmental laws and regulations expose the Company to certain risks, could increase costs and liabilities and impact demand for the Company's services. The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that would cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results", and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" of the Company's 2012 Management's Discussion and Analysis filed with the securities regulatory authorities in Canada, available on SEDAR at: www.sedar.com.

The forward-looking statements in this Summary Report reflect the Company's expectations as at March 8, 2013, when the Company's Board of Directors approved the 2012 Management's Discussion and Analysis, and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation.

TEN-YEAR STATISTICAL SUMMARY

YEAR ENDED DECEMBER 31 (IN MILLIONS CA\$, UNLESS OTHERWISE INDICATED)	IFRS			CANADIAN GAAP						
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues by activity										
Services	3,175.0	2,437.8	2,053.8	2,221.4	2,305.4	1,726.1	1,180.2	958.5	923.6	888.8
Packages	3,020.4	2,871.5	2,137.4	2,202.2	3,229.5	3,635.7	2,835.9	1,704.1	1,502.7	1,463.7
Operations and Maintenance	1,330.5	1,399.2	1,330.4	1,297.9	1,225.0	1,058.4	920.9	695.9	646.1	569.7
Infrastructure Concession Investments (ICI)	565.1	501.4	472.3	380.2	347.0	309.4	212.2	88.7	85.0	76.1
	8,091.0	7,209.9	5,993.9	6,101.7	7,106.9	6,729.6	5,149.2	3,447.2	3,157.4	2,998.3
Gross margin	1,355.0	1,252.1	1,301.0	1,151.1	1,012.9	565.3	536.8	457.1	446.3	433.6
Selling, general and administrative expenses	851.2	654.7	581.7	545.6	515.2	392.8	285.2	257.0	254.8	270.3
Net financial expenses										
From ICI	112.5	99.7	85.1	112.2	108.2	104.6	74.3	47.6	52.9	44.7
From other activities	13.7	15.5	26.0	16.0	(13.7)	(32.1)	(21.0)	(3.5)	5.2	4.6
Income before income tax expense	377.6	482.2	608.2	477.3	403.2	100.0	198.3	156.0	133.4	114.0
Income tax expense	68.1	94.9	120.8	108.2	85.1	23.5	55.0	50.6	46.1	43.2
Non-controlling interests	—	—	—	9.7	5.6	9.2	7.3	2.2	—	—
Net income from continuing operations	309.5	387.3	487.4	359.4	312.5	67.3	136.0	103.2	87.3	70.8
Net income from discontinued operations	—	—	—	—	—	84.1	21.8	24.3	15.7	15.7
Net income	309.5	387.3	487.4	359.4	312.5	151.4	157.8	127.5	103.0	86.5
Net income attributable to										
SNC-Lavalin Shareholders	309.1	378.8	476.7	359.4	312.5	151.4	157.8	127.5	103.0	86.5
Non-controlling interests	0.4	8.5	10.7	—	—	—	—	—	—	—
Net income	309.5	387.3	487.4	359.4	312.5	151.4	157.8	127.5	103.0	86.5
Return on average shareholders' equity ⁽¹⁾	14.8%	19.3%	28.4%	27.3%	29.1%	16.4%	19.0%	17.0%	15.1%	13.8%
Acquisition of property and equipment										
From ICI	849.2	545.8	402.0	274.1	193.5	308.6	182.5	22.3	9.1	75.0
From other activities	96.2	67.2	46.0	32.4	46.3	41.2	37.7	25.5	19.6	14.8
	945.4	613.0	448.0	306.5	239.8	349.8	220.2	47.8	28.7	89.8
Depreciation of property and equipment and amortization of other non-current assets										
From ICI	99.2	93.1	86.9	86.6	88.1	76.9	52.4	13.7	13.5	11.0
From other activities	61.6	45.4	39.6	43.5	41.9	35.2	28.2	24.6	31.4	32.6
	160.8	138.5	126.5	130.1	130.0	112.1	80.6	38.3	44.9	43.6
EBITDA ⁽²⁾										
From ICI	387.1	344.1	330.6	252.9	238.8	214.5	146.4	65.5	62.8	49.9
From other activities	277.4	391.8	515.2	482.7	388.9	70.1	185.8	172.9	173.6	157.0
	664.5	735.9	845.8	735.6	627.7	284.6	332.2	238.4	236.4	206.9

(1) Excluding other components of equity.

(2) EBITDA, a non-IFRS financial measure, is defined as net income before net financial expenses, income tax expense, depreciation of property and equipment and amortization of other non-current assets. Under Canadian GAAP, net income was adjusted to add back non-controlling interests.

Note: The figures for 2009 and prior periods have been prepared in accordance with Canadian GAAP, and have not been restated as they relate to periods prior to the Date of Transition to International Financial Reporting Standards ("IFRS"). The net income for periods prior to the Date of Transition does not include non-controlling interests, as they were presented outside shareholders' equity under Canadian GAAP.

YEAR ENDED DECEMBER 31 (IN MILLIONS CAS, UNLESS OTHERWISE INDICATED)	IFRS			CANADIAN GAAP						
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Supplementary Information										
Net income (loss) attributable to SNC-Lavalin shareholders from ICI										
From Highway 407	100.6	77.2	50.3	9.8	20.0	10.1	8.1	(4.7)	(14.5)	(12.7)
From other ICI	56.3	54.0	84.6	27.1	17.2	13.2	6.8	6.1	7.2	4.1
Net income attributable to SNC-Lavalin shareholders excluding ICI	152.2	247.6	341.8	322.5	275.3	128.1	142.9	126.1	110.3	95.1
Net income attributable to SNC-Lavalin shareholders	309.1	378.8	476.7	359.4	312.5	151.4	157.8	127.5	103.0	86.5
Earnings per share (\$)										
Basic	2.05	2.51	3.16	2.38	2.07	1.00	1.05	0.84	0.68	0.57
Diluted	2.04	2.49	3.13	2.36	2.05	0.99	1.03	0.83	0.67	0.56
Weighted average number of outstanding shares (in thousands)										
Basic	151,058	150,897	151,020	151,042	150,925	151,172	151,034	151,499	151,816	151,130
Diluted	151,304	151,940	152,277	151,992	152,265	152,697	152,685	153,143	153,449	153,639
Annual dividends declared per share (\$)	0.89	0.85	0.72	0.62	0.51	0.39	0.30	0.23	0.18	0.14

AT DECEMBER 31 (IN MILLIONS CAS, UNLESS OTHERWISE INDICATED)	IFRS			CANADIAN GAAP						
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Number of employees	33,909	28,100	23,923	21,948	21,260	18,691	13,297	11,187	9,545	9,047
Revenue backlog by activity										
Services	2,151.3	2,226.1	1,410.7	1,464.9	1,545.3	1,556.5	819.8	604.2	564.9	567.7
Packages	5,747.7	5,482.8	5,572.4	4,197.5	3,508.0	4,457.0	6,082.6	4,308.1	2,483.2	1,749.5
Operations and Maintenance	2,234.4	2,379.1	2,732.8	2,596.1	2,196.2	2,513.9	1,570.2	2,112.4	2,213.5	764.3
	10,133.4	10,088.0	9,715.9	8,258.5	7,249.5	8,527.4	8,472.6	7,024.7	5,261.6	3,081.5
Cash and cash equivalents	1,174.9	1,231.0	1,235.1	1,218.2	988.2	1,088.6	1,106.3	1,153.5	676.3	471.9
Working capital	(164.1)	32.0	679.9	544.1	276.4	270.2	300.3	411.4	334.8	395.6
Property and equipment										
From ICI	3,470.0	2,637.7	2,072.8	2,217.0	1,750.7	1,640.7	1,439.3	452.5	450.8	456.8
From other activities	193.1	159.9	115.2	114.0	123.4	112.0	94.3	81.0	77.4	87.0
	3,663.1	2,797.6	2,188.0	2,331.0	1,874.1	1,752.7	1,533.6	533.5	528.2	543.8
Recourse long-term debt	348.5	348.4	348.2	452.9	104.7	104.6	104.5	104.4	104.3	104.2
Non-recourse long-term debt										
From ICI	2,000.7	1,561.4	1,529.0	2,005.5	2,003.3	1,971.0	1,650.5	785.9	728.5	673.1
From other activities	—	—	—	—	—	—	26.2	28.2	30.5	32.1
	2,000.7	1,561.4	1,529.0	2,005.5	2,003.3	1,971.0	1,676.7	814.1	759.0	705.2
Equity attributable to SNC-Lavalin shareholders	2,075.4	1,883.1	1,816.8	1,434.7	1,089.2	922.4	901.9	786.2	716.7	658.3
Book value per share (\$)	13.74	12.47	12.03	9.50	7.21	6.11	5.97	5.20	4.73	4.33
Number of outstanding common shares (in thousands)	151,069	151,034	151,034	151,033	151,033	151,038	151,032	151,282	151,525	152,005
Closing market price per share (\$)	40.32	51.08	59.77	53.99	39.69	48.14	31.47	25.43	19.33	17.00
Market capitalization	6,091.1	7,714.8	9,027.3	8,154.3	5,994.5	7,271.0	4,753.0	3,847.6	2,929.5	2,584.1

INFORMATION FOR SHAREHOLDERS

COMMON SHARE INFORMATION

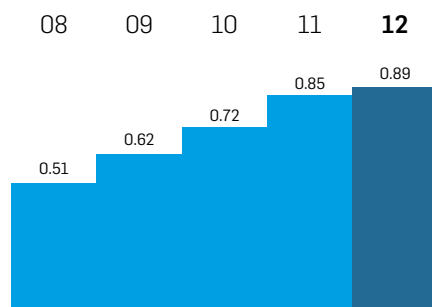
Listed: Toronto Stock Exchange
 Symbol: SNC
 Shares outstanding: 151.1 million (December 31, 2012)
 Market capitalization: \$6,091 million (December 31, 2012)

TRADING ACTIVITY AND MARKET CAPITALIZATION

	Volume (M)	High (\$)	Low (\$)	Close (\$)	Market Capitalization at Dec. 31 (M\$)
2012	222.7	55.95	34.36	40.32	6,091
2011	122.8	63.23	38.51	51.08	7,715
2010	98.7	60.00	41.59	59.77	9,027
2009	103.6	54.00	26.35	53.99	8,154
2008	147.3	61.95	26.00	39.69	5,995

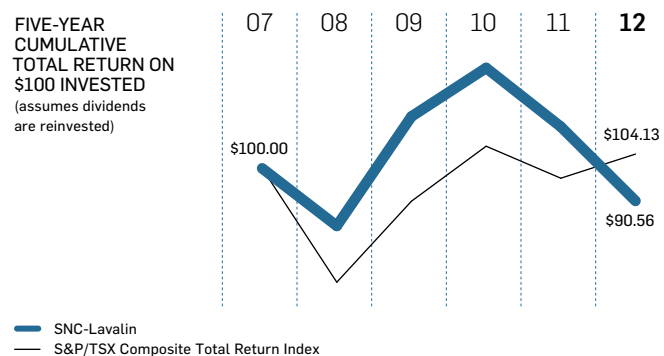
DIVIDENDS

**DIVIDENDS DECLARED
FOR THE LAST
FIVE YEARS**
 (in Canadian \$)



PERFORMANCE GRAPH

The following performance graph illustrates the five-year cumulative total return assuming \$100 was invested on December 31, 2007 in common shares of SNC-Lavalin and in the S&P/TSX Composite Total Return Index.



DEBT INSTRUMENT

\$350 million principal amount of debentures, 6.19%, due July 2019

CREDIT RATINGS

Rating Agency	Rating and Outlook
Standard & Poor's Ratings Services	BBB+ / negative
DBRS	BBB (high) / stable

ANNUAL MEETING

The Annual Shareholders' Meeting will be held at 11:00 a.m. Eastern Daylight Time on Thursday, May 2, 2013, at the Palais des congrès, 1001 Place Jean-Paul-Riopelle, Montreal, Quebec.

KEY DATES FOR 2013

	Earnings Announcement	Dividend Record	Dividend Payment
Q1	May 2	May 16	May 30
Q2	August 2	August 16	August 30
Q3	November 1	November 15	November 29

Note: Dividends are subject to approval by the Board of Directors.
 These dates may change without prior notice.

REGISTRAR AND TRANSFER AGENT

If you would like to modify your address, eliminate multiple mailings, transfer SNC-Lavalin shares, or for other information on your shareholder account such as dividends and registration, please contact:

Computershare Investor Services Inc.
 100 University Ave., 9th Floor, North Tower, Toronto ON, M5J 2Y1
 Telephone: 1-800-564-6253
 Web: www.investorcentre.com

INDEPENDENT AUDITOR

Deloitte LLP
 Montreal QC

INVESTOR RELATIONS

Denis Jasmin, Vice-President, Investor Relations
denis.jasmin@snclavalin.com
 514-393-1000

CORPORATE GOVERNANCE

Our website provides information on our corporate governance practices, including our code of ethics and business conduct, and the mandates for the Board of Directors and the Board Committees, as well as various position descriptions.

CODE OF ETHICS AND BUSINESS CONDUCT

Our Code of Ethics and Business Conduct seeks to promote integrity and transparency in the conduct of our business and in our relations with our colleagues, directors, shareholders and business partners, including customers, associates and suppliers. To learn more, go to www.snclavalin.com and click on the Follow Us link.

PROXY CIRCULAR

The proxy circular contains information about our directors, board committee reports and further details of our corporate governance practices. This document is available online at www.snclavalin.com.

HAVE YOUR SAY

If you would like to ask a question at our annual meeting of shareholders, you can submit it in person. You can also send your question in by writing to the Vice-President and Corporate Secretary at:

Vice-President and Corporate Secretary
455 René-Lévesque Blvd. West, Montreal QC, H2Z 1Z3, Canada

HEAD OFFICE

SNC-Lavalin Group Inc.
455 René-Lévesque Blvd West, Montreal QC, H2Z 1Z3, Canada

WWW.SNCLAVALIN.COM

We invite you to visit our website at www.snclavalin.com to learn more about SNC-Lavalin, our governance practices, our continuous disclosure materials and to obtain electronic copies of this and other reports.

ADDITIONAL COPIES

To order additional copies of this report, or to order the 2012 Financial Report in English or French, please visit the Investors section at www.snclavalin.com.

EXEMPLAIRES EN FRANÇAIS

Pour télécharger la version française de ce rapport ou en demander un exemplaire, veuillez consulter la section Investisseurs au www.snclavalin.com.

GLOSSARY

AC alternating current • **ADM** accomodation, dining and messing • **BC** British Columbia • **bpd** barrels per day • **CCS** carbon capture and sequestration • **CNRL** Canadian Natural Resources Limited • **CO₂** carbon dioxide • **DC** direct current • **DND** Department of National Defence • **DRC** Democratic Republic of the Congo • **EPC** engineering, procurement and construction • **EPCM** engineering, procurement and construction management • **EPCMV** engineering, procurement, construction management and validation • **FEED** front-end engineering design • **FEL 1** front-end loading (stage 1) • **FEL 2** front-end loading (stage 2) • **FPSO** floating production, storage and offloading • **GES** general engineering services • **GHG** greenhouse gas • **ICI** infrastructure concession investments • **IDFC** Infrastructure Development Finance Company • **IFC** International Finance Corporation • **kV** kilovolt • **LEED** Leadership in Energy and Environmental Design • **JIFCO** Jordan India Fertilizer Company • **LNG** liquified natural gas • **LRDI** Local Resource Development Initiative • **LRT** light rapid transit • **LTI** lost time incident • **MSX** Al Muhaidib Six Construct Company • **Mtpy** million tonnes per year • **MUHC** McGill University Health Centre (Glen site) • **MW** megawatts • **NA-SA** Nucleoeléctrica Argentina S.A. • **NRL** Numaligarh Refinery Limited • **O&M** operations and maintenance • **OPaL** ONGC Petro additions Ltd. • **PDVSA** Petróleos de Venezuela, S.A. • **PPP** public-private partnership • **PRASA** Passenger Rail Agency of South Africa • **PRIL** Piramal Roads Infra Private Limited • **PRSI** Pasadena Refining Systems Inc. • **R&D** research and development • **SAGD** steam-assisted gravity drainage • **SCADA** supervisory control and data acquisition • **SNIM** Société Nationale Industrielle et Minière • **SO₂** sulphur dioxide • **TNB** Tenaga Nasional Berhad • **tph** tonnes per hour • **tpy** tonnes per year • **TRIF** total recordable incident frequency

**52**

Trees saved

**0.7 t**Reduction in solid waste
(1/10 of a dump truck)**91.3 m³**Recuperated waste water
(about 1/25 of an Olympic
swimming pool)**6.8 kg**Reduction of suspended
particles in water
(or the equivalent of waste
water from 1 household
for about 1 month)**2.0 t CO₂**Reduction in atmospheric emissions
(or the emissions of 1 car
for about 5 months)**6,741 kWh**Net energy saved
(or the energy used to light and
heat 1 house for about 3 months)

Environmental gain estimates were made using
the Environmental Paper Network Paper Calculator.
www.papercalculator.org

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ABOUT THE PRODUCTION OF OUR SUMMARY REPORT

SNC-Lavalin recognizes the importance of contributing to the protection of our environment by using paper that comes from well-managed forests or other controlled sources, certified in accordance with the international standards of the Forest Stewardship Council.

This summary report is printed on paper certified by Environmental Choice (EcoLogo) with 100% post-consumption recycled fibres, de-inked without chlorine and made using biogas energy.

Using recycled paper for our summary report rather than virgin fibre paper helps protect the environment in a number of ways.

THANK YOU

Our sincere thanks to all our employees who agreed to appear in this summary report.

BUILDING BETTER LIVES

We invite you to visit our website at www.snclavalin.com for a list of our offices and to learn more about SNC-Lavalin. In addition to this summary report, SNC-Lavalin has produced a separate 2012 financial report, as well as a sustainability report that will be available in the summer of 2013. All documents will be available on our website or can be ordered through the Company.

**SNC • LAVALIN**

HEAD OFFICE

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