



Success on all fronts

Cockerill Maintenance & Ingénierie

Activity report 2015





LONDON

SYDNEY



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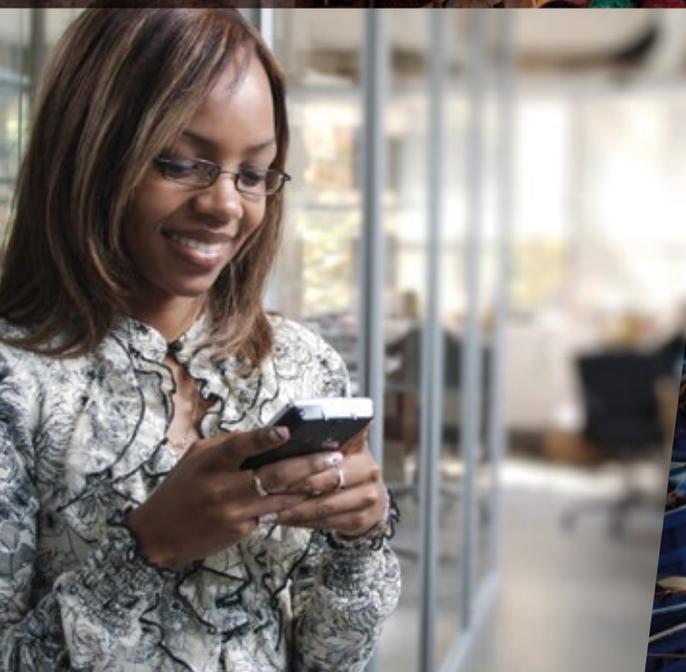
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Durban

ENCOURAGING

4:05 PM (25°C)

Running to stay in shape, for pleasure, for a good cause or to beat records, Zuna congratulates her colleagues at the finish of a marathon in which they surpassed themselves.





1



Success on all fronts

Message from the Chairman

The Group made progress on every front in 2015. Operationally, the CMI teams were mobilized round the clock, year round somewhere in the world. They sought without respite to explore new horizons, while the Group's governance bodies endeavored to stay on course.



Success on all fronts

After a year of intense commitment in 2014, 2015 dawned as a new year of challenges for the Group. Whether technological or commercial, linked to geopolitical risks or the Group's rapid growth, these challenges once again required the teams to do their utmost in order to achieve new triumphs.

Judge for yourselves!



Operationally

On the operational front, the Group's turnover surpassed the billion euros mark for the first time, to reach €1.317 billion. This 47% increase is a logical consequence of the high growth in orders booked in 2014 and 2015. Another historical record, the Group's operating profit climbed to €113 million, i.e. up 115%. These results enable the Group to gather resources to fuel its ambitions.

Technologically

The major technological advancement is undoubtedly the confirmation of our technological know-how in solar boilers, with the commissioning of the Khi Solar One plant in South Africa. This first installation is in the process of attaining its projected performance, thereby demonstrating the overall feasibility of the technological revolution that CMI Energy is preparing with its partners.

Geographically

On the geographic front, the advancements of CMI Services on the African continent are particularly worthy of mention. Our commercial network henceforth covers 24 countries there, with major projects under discussion. The establishment of a CMI Energy workshop in Mexico to support its projects in that part of the world should also be noted.

Commercially

In commercial terms, we can only emphasize the selection of CMI Defence by the American army for the development of a new generation of turrets – yet another recognition of the reputation that CMI has acquired in the highly-specialized field of land defense systems.

Strategically

On the strategic front, it is worth underlining the breakthrough of CMI industry in aeronautics, with the acquisition of Sleti, a French company specializing in surface treatment facilities. In the environment sector, where CMI has been active for a number of years, the turnover reached the €100 million mark in 2015. Today, it constitutes a fully-structured entity capable of exporting.

These triumphs on all fronts must not, however, give the impression that things are easy and that success is guaranteed. The dynamism of the BRICs has slowed down substantially and we can no longer count on these emerging economies to sustain growth. In Belgium, faced with successive closures of steel plants, CMI Services finalized, in 2015, an industrial plan to give its local activities a future. Remaining with services, the consolidated structure registered its first year of profitable growth after several years of diversification and extension of its geographical coverage. It is now the turn of CMI Metals, given the recession of the steel equipment market, to reinvent its commercial organization, optimize its execution platform and boost its innovative strength. This metamorphosis will certainly be continued beyond 2016. The records achieved in 2015 required the commitment of one and all. The teams did their utmost to rethink the lines of business, organization and practices. Against

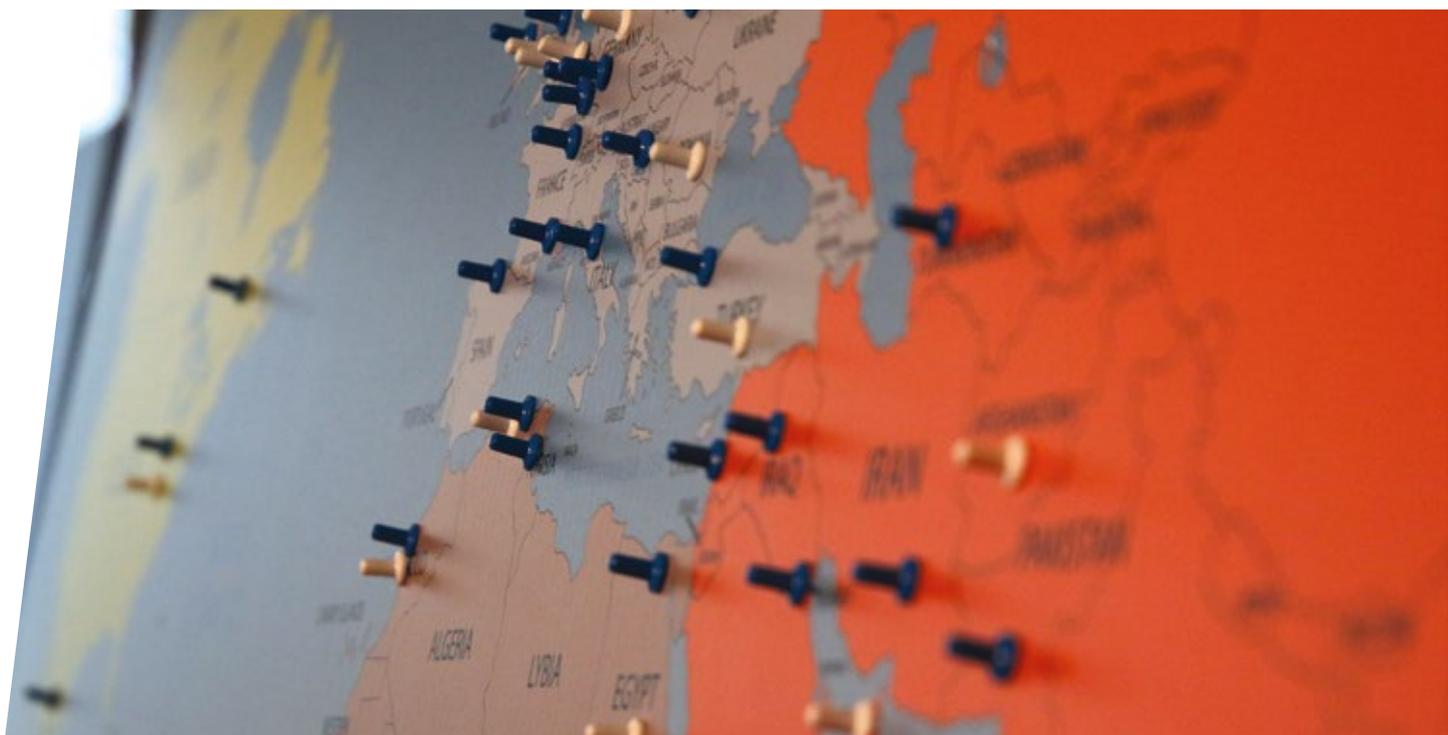
a background of diversity in lines of business, languages, cultures and resources, CMI strengthened its overall governance to intensify synergies. The means and resources generated made it also possible to create infrastructures for the future such as the international training center currently under construction in Meuse (France) and the Welding Expertise Center which serves the entire Group from Liège (Belgium).

In a complex and turbulent environment, CMI is demonstrably adapting by relying on its responsiveness and diversity, as the company has done for nearly 200 years. Nothing is ever taken for granted. The Group's primary strength undoubtedly comes from the clear and homogeneous nature of the CMI roadmap 2017-2022. This business plan, which drives the Group's 4 700 employees, was launched at the end of 2012. It conveys the values that we hold dear, and it is propelling the Group to the third century of its existence. Beyond temporal, spatial

and technological boundaries, thanks to the commitment of its teams, CMI plans to celebrate in the proper manner, its status of a bicentennial company, one that has emerged as a world group full of promise for the future. I invite you to celebrate with us, in 2017, this historical milestone.



Bernard Serin
Chairman
Managing Director



Belo Horizonte

CELEBRATING

5:37 PM (28°C)

A concert and fireworks display to celebrate a national day, a good year or a victory. Islair, on holiday with his family, shares some happy times with his friends.





2



Everywhere, all the time

2015 in brief

Turnover amounted to 1 317 million euros in 2015, with an operating profit of 113 million euros. These figures represent increases of 47% and 115% respectively, over the previous year. Turnover has substantially exceeded the one billion euros mark and the territories in which the Group operates have taken on a global perspective.

We take a look at 2015 – a year of records – through the key figures and by looking in all directions at the Group's landmark projects, and at its consolidated financial situation.



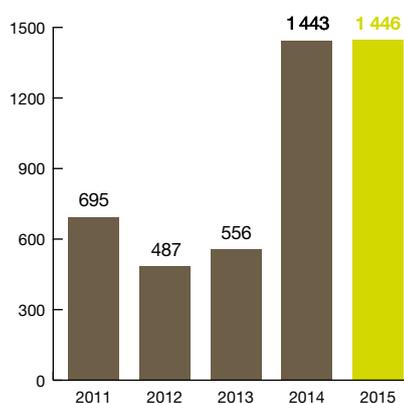
Key figures

The figures below are published according to the International Financial Reporting Standards (IFRS). The application of these standards guarantees homogenous consolidation of the Group's accounts across the whole of its sphere of activities. It also enables the performance to be read and understood at an international level. All of the financial data is available in the CMI Financial Report.

In thousands of euros	2011	2012	2013	2014	2015
Shareholders' equity	72 075	88 586	88 108	132 320	179 640
Cash-flow	52 462	39 108	32 770	306 029	267 828
Order entries	694 635	487 010	555 873	1 443 426	1 446 225
Turnover	710 666	792 789	646 836	896 059	1 317 439
Operating result	20 108	32 126	11 586	52 582	113 019

Order entries

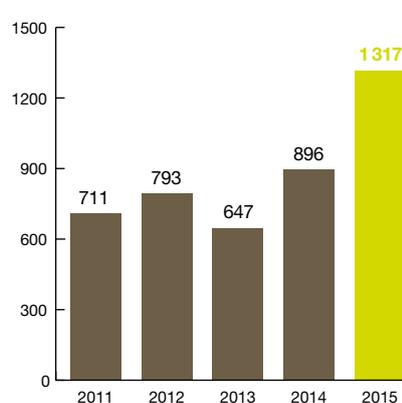
(EUR Mios)



In 2015, CMI repeated the record level of order intake seen in 2014, with 1.446 billion euros. In the light of this commercial success, however, the Group has shown itself to be vigilant. For it is a fact, that certain orders present technical challenges and others are located in unstable geopolitical contexts.

Turnover

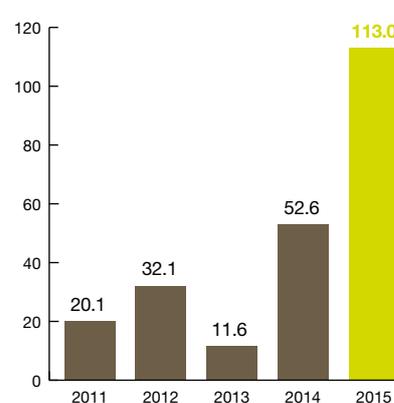
(EUR Mios)



As a logical consequence of the strong order intake of 2014, turnover in 2015 exceeded the one billion euros mark for the first time, with a new record set at 1.317 billion euros. This represents an increase of 47% compared to 2014. All sectors made progress, even if the increase is particularly noticeable in the activities of CMI Defence and CMI Energy.

Operating result

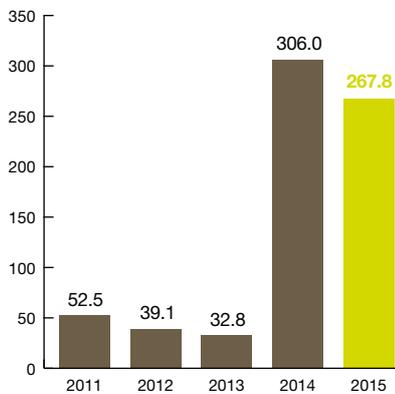
(EUR Mios)



The operating result of the Group amounted to 113 million euros, which is more than double that of 2014. Quite logically, CMI thus arrived at the highest level of profitability in its history, at 8.58% of turnover, a performance in line with the CMI 2017-2022 objective.

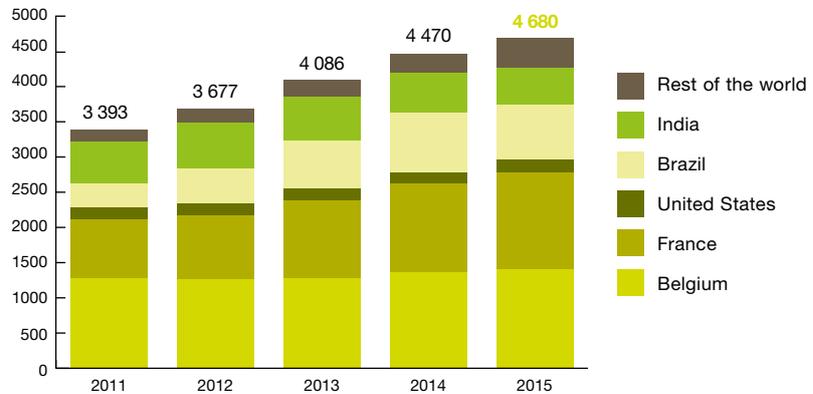


Cash-flow (EUR Mios)



Cash-flow amounted to 267.8 million euros at December 31st 2015. The variance with 2014 is directly linked to the financing curve of many projects.

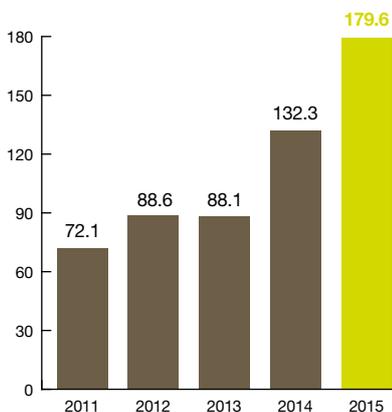
Workforce (at December 31st 2015)



To achieve its strategy and register success, a motivated workforce is crucial. At December 31st 2015, the CMI workforce numbered 4 680 across the world. The growth in 2015 is principally due to the acquisition of the Sleti company (France), to the development of defense activities in Belgium and France and to diversification into new territories.

Shareholders' equity

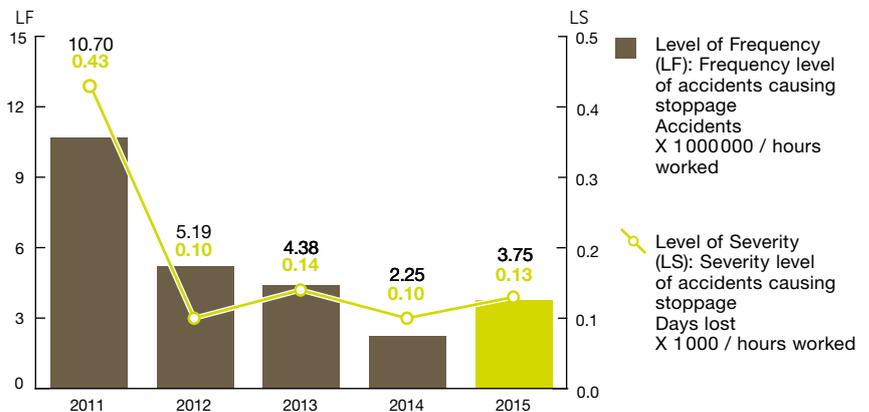
(EUR Mios)



Group equity amounted to 179.6 million euros at December 31st 2015. This increase of 35.7% arises essentially from the results achieved into 2015 adjusted by the dividend declared on results at the end of 2014.

Safety performance

(at December 31st 2015)

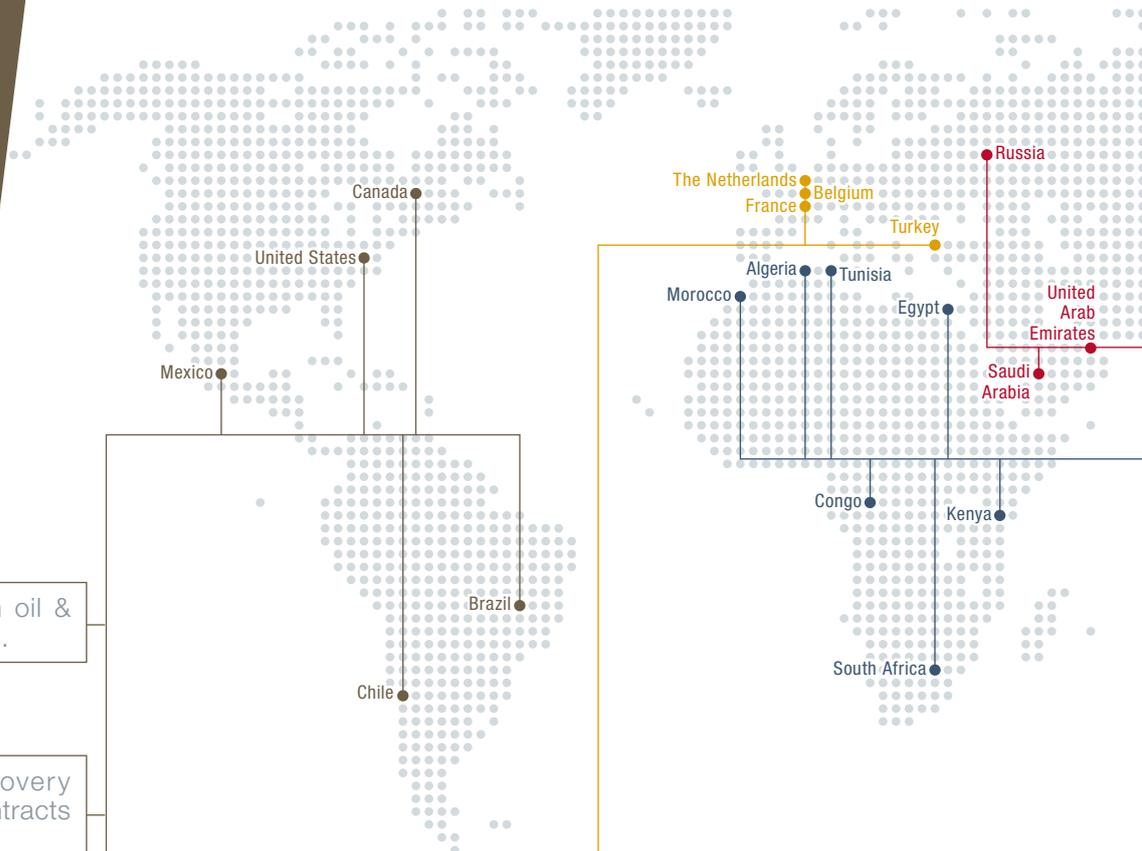


Ensuring the safety of its men and women is the number one priority of CMI Group. Having constantly and regularly reduced, since 2002, the frequency level of accidents causing stoppage, safety results have slightly fallen back in 2015. Even though the level achieved is worthy of the best companies in the industry, awareness-raising campaigns are organized to remind people that where safety is concerned, nothing is ever guaranteed, that constant vigilance is required, and that there is only one possible path: that of progress.

Right across the world

Africa, America, Asia, Europe, Oceania: in 2015, CMI Group recorded one technological or commercial success after the other, in all parts of the world.

Let's have a look in every direction at a year of worldwide growth, totally in line with the CMI 2017-2022 roadmap.



BRAZIL

New service contracts in oil & gas on offshore platforms.

CANADA

CMI sells two heat recovery boilers and wins two contracts for odor treatment units.

CHILE

Construction of a first molten salts boiler for a thermo-solar power plant and an order from Abeinsa for three further receivers for new power plants in the country.

MEXICO

CMI sets up in Mexico and opens a new manufacturing and maintenance workshop. This is immediately beneficial to CMI, which wins a first contract for four heat recovery boilers in the country.

UNITED STATES

CMI concludes a collaboration agreement with the American Administration to develop the turret of the future (CRADA), sells eight new heat recovery steam generators and opens an office in South Carolina. The Group signs an order for a thermal treatment furnace in aeronautics.

BELGIUM

Creation of a Welding Expertise Center and gaining a stake in JD'C Innovation, a specialist in composite materials. In the water domain, CMI wins a five-year contract for the maintenance of treatment stations of the Société Wallonne des Eaux (Walloon Water Company). It supplies the hydroelectric equipment for the pumping station of the Lanaye lock. It carries out a total revamping operation on a boiler on the site of Total Olefins (Antwerp – Belgium). The revamping of an aluminium rolling mill is also carried out at Aleris Duffel.

FRANCE

CMI completes its offering in the aeronautical domain and acquires Sleti, a specialist in surface treatment. With Silkan, CMI sets up the joint company Agueris, specializing in digital simulation. CMI speeds up its development in services for the plastics industry, in public contracts and in the railway domain. It also renovates the Fontinettes lock.

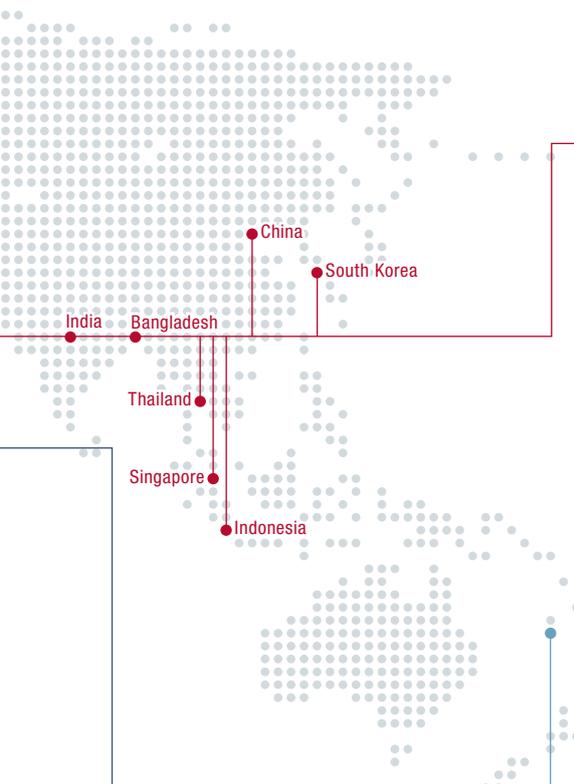
The construction of the Group's international training center, Campus Cockerill, begins in the Meuse department. CMI obtains a first reference in sugar refining, while in aeronautics, Snecma, a subsidiary of the Safran Group, orders three thermal treatment furnaces from CMI.

THE NETHERLANDS

E.ON orders the largest Denapak industrial boiler ever designed by CMI.

TURKEY

Sale of two stainless steel heat recovery boilers. They are the most powerful boilers ever developed by CMI.



BANGLADESH

Sale of two heat recovery boilers.

CHINA

CMI sells four heat recovery boilers in the province of Jiangsu and a chemical post-treatment system on one of the two CMI lines commissioned by steelmaker VAMA in October. CMI starts up a new rubber mixing line for Michelin, and modernizes an odor treatment installation at a purification station in Macao.

INDIA

CMI signs an agreement to supply a continuous tin plate annealing line and wins a contract from Tata Steel for a Tension Leveler.

INDONESIA

CMI extends its collaboration agreements with its Indonesian partners (PT Pindad and PT Lundin) in the defense market.

RUSSIA

CMI sells two high-performance steel treatment lines to Severstal, featuring the whole range of CMI technologies. A partnership agreement between CMI and BEM Energomash is concluded, in the domain of heat recovery boilers.

SAUDI ARABIA

CMI finalizes a contract for the delivery of eight furnaces for the treatment of sludge from the Jazan petrochemical site.

SINGAPORE

CMI opens an office in Singapore.

SOUTH KOREA

Opening of a liaison office and signing of a partnership agreement with the vehicle manufacturer Doosan.

THAILAND

CMI reaps the fruits of its commercial strategy in the market of small recovery boilers with four new boilers for steam cogeneration.

UNITED ARAB EMIRATES

Opening of a liaison office.

NEW CALEDONIA

Maintenance successes on nickel mining sites.

ALGERIA

CMI renovates a sintering line at the Annaba steelmaking complex.

KENYA

CMI wins a contract to install 50 drinking water wells.

TUNISIA

A first order for a locomotive with Diesel-electric transmission for a chemicals company, and sale of seven locomotives in the mining sector.

CONGO

CMI strengthens its presence in the railway market.

MOROCCO

CMI signs a maintenance contract for the country's largest electric power plant.

EGYPT

CMI manufactures two boilers for Al Nouran in the sugar industry.

SOUTH AFRICA

CMI's first thermo-solar receiver successfully operates at Upington.

The 2015 route in pictures



Consolidated financial statements

Assets

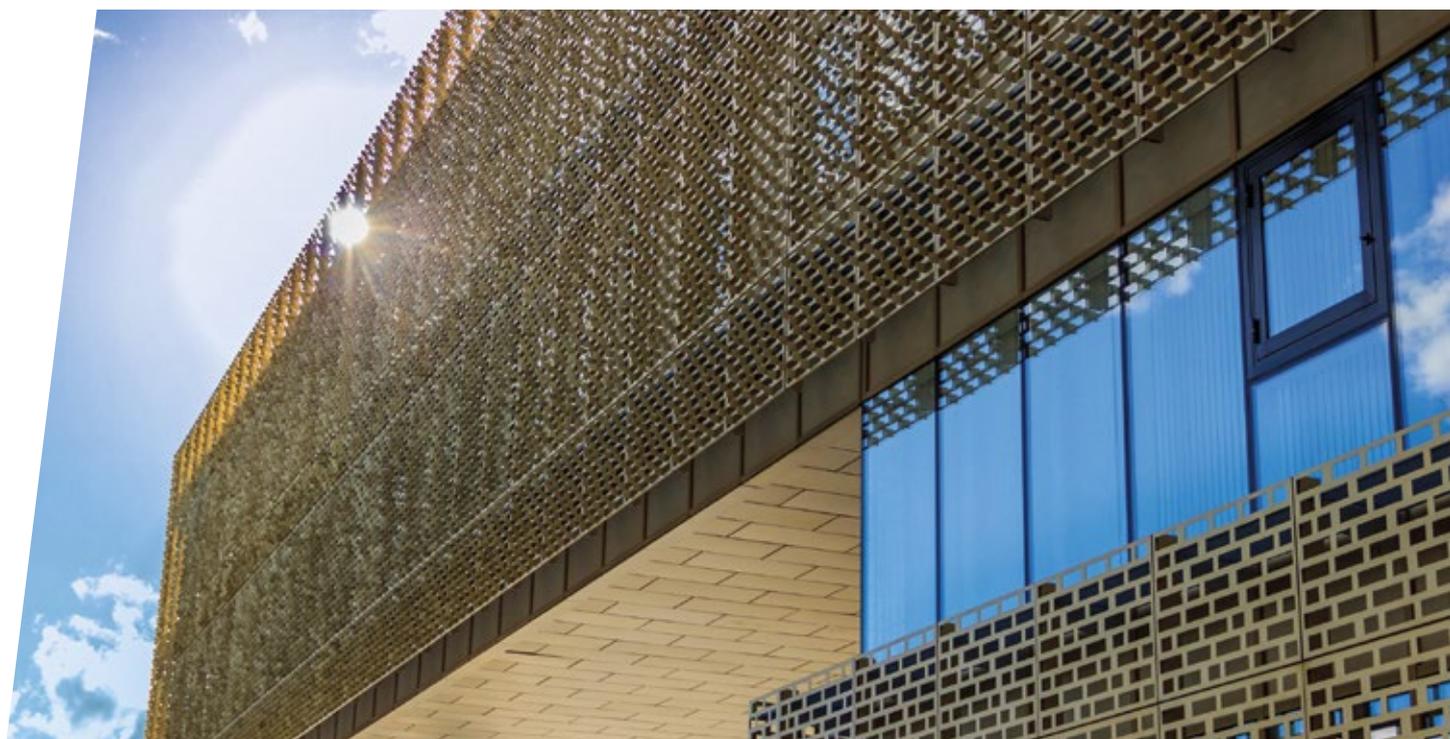
In thousands of Euros	31/12/2015	31/12/2014	31/12/2013
NON-CURRENT ASSETS	291 842	263 272	172 426
Goodwill	64 547	65 616	55 579
Intangible assets	43 567	33 454	11 655
Tangible assets	81 250	65 716	64 332
Investments in associates	10 821	10 035	8 572
Other financial assets	62 963	53 283	4 352
Other non-current assets	2 089	12 211	2 400
Deferred tax assets	26 605	22 957	25 536
CURRENT ASSETS	942 995	731 897	338 568
Inventories	91 917	102 731	52 896
Trade and other receivables	528 455	276 702	245 185
Income tax receivable	8 697	13 523	1 153
Other financial assets	23 350	5 711	2 277
Cash and cash equivalents	268 635	306 231	35 120
Other current assets	19 451	24 745	1 937
Assets held for sale	2 490	2 254	0
TOTAL ASSETS	1 234 837	995 169	510 994

Liabilities and shareholders equity

In thousands of Euros	31/12/2015	31/12/2014	31/12/2013
EQUITY	170 862	116 697	75 098
Capital	42 038	42 038	42 038
Other reserves	642	-1 707	-4 398
Retained earnings	128 182	76 366	37 458
NON-CONTROLLING INTERESTS	8 778	15 623	13 010
NON-CURRENT LIABILITIES	128 375	117 607	51 040
Employee Benefits	6 927	5 402	4 392
Provisions	11 761	11 428	7 043
Borrowings	41 651	58 540	28 299
Other financial liabilities	7 802	4 887	1 144
Other non-current liabilities	3 377	2 502	3 565
Deferred tax liabilities	56 857	34 848	6 597
CURRENT LIABILITIES	926 822	745 242	371 846
Employee Benefits	16	0	0
Provisions	12 015	3 774	6 626
Borrowings	19 060	38 606	43 811
Other financial liabilities	9 538	10 370	2 216
Trade debts	861 935	682 590	308 976
Income tax payable	15 474	1 065	3 085
Other current liabilities	8 784	8 837	7 132
TOTAL LIABILITIES	1 234 837	995 169	510 994

Consolidated profit and loss account

In thousands of Euros	31/12/2015	31/12/2014	31/12/2013
Revenue	1 317 439	896 059	646 836
Cost of sales	-1 061 026	-714 769	-548 188
GROSS MARGIN	256 413	181 290	98 648
Research and development costs	-10 786	-8 911	-8 041
Sales and marketing costs	-40 408	-35 158	-33 449
General and administrative costs	-88 500	-80 223	-65 570
Other operating income / (expenses)	-3 651	-1 632	19 998
OPERATING PROFIT BEFORE RESTRUCTURING COSTS	113 068	55 366	11 586
Restructuring costs	-49	-2 784	0
OPERATING PROFIT (EBIT)	113 019	52 582	11 586
Interest income	889	760	414
Interest charges	2 401	2 885	2 950
<i>Net finance cost</i>	<i>-1 512</i>	<i>-2 125</i>	<i>-2 536</i>
Other financial income / (expenses)	31 048	2 488	-2 583
Share of the net result of associates	172	127	1 455
RESULT BEFORE TAX	142 727	53 072	7 922
Income taxes	-60 954	-21 337	1 167
RESULT AFTER TAX	81 773	31 735	9 089
Non-controlling interest	-497	1 225	-529
GROUP NET RESULT	82 270	30 510	9 618



Bruxelles

PERSEVERING

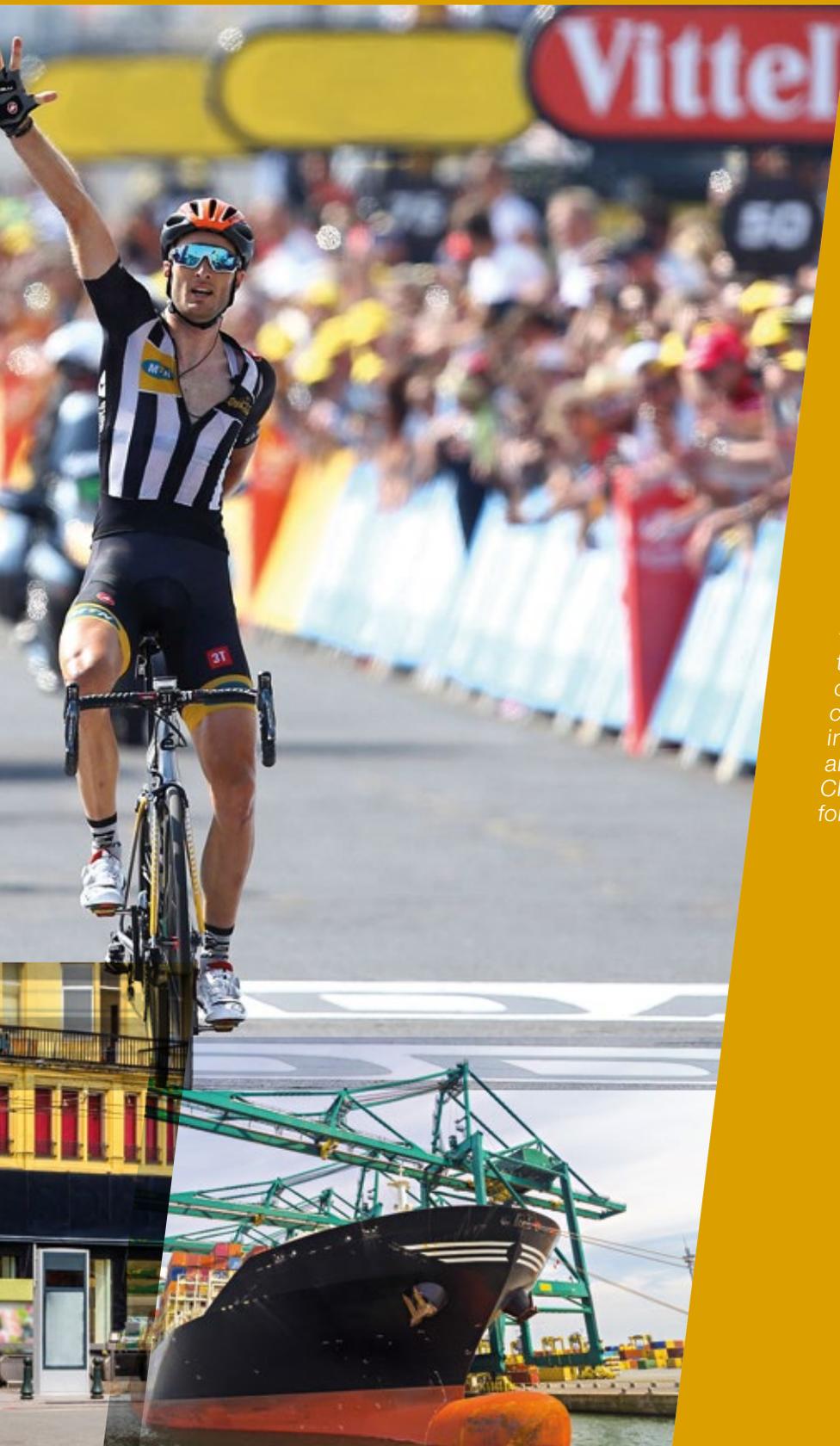
5:32 PM (13°C)

Applauding a well-deserved victory and recognizing the effort exerted. Philippe and a few colleagues congratulate the cycle-racers for their perseverance and their determination.





3



**24 hours a day
7 days a week**

Operational
activities

CMI designs, integrates, upgrades and services equipment for energy, defence, steelmaking, the environment and industry in general. The Group provides advice and guidance to its customers, to improve the economic, technical and environmental performance of their equipment throughout its entire life-cycle. Its engineering activities are organized in three sectors: CMI Energy, CMI Defence and CMI Industry. The Group's fourth sector, CMI Services, brings together services activities for all industries.

CMI Energy

Power, efficiency, flexibility



CMI Energy designs, supplies, installs and upgrades steam generators for combined cycle (gas-steam or integrated solar), thermo-solar, cogeneration or industrial electric power plants. CMI steam generators are a key element of the performance of these electric power plants.

CMI heat recovery steam generators can be installed behind gas turbines of all capacities and makes, and which burn all types of fuel. They are particularly suited to operating in cycles, entailing frequent start-ups and shutdowns of electric power plants, depending on electricity demand.

CMI Energy also designs receivers for solar thermal power plants. Installed on top of a tower at the heart of the plant, these receivers capture the sun's energy and are capable of producing electricity 24 hours a day. This procedure could, in time, represent an economic alternative to the use of fossil fuels for producing electricity.

The CMI Energy offering also includes industrial boilers for sectors such as chemicals, petrochemicals, biomass, etc.

In parallel, CMI Energy provides expertise and technical assistance, revamping and upgrade for all types of boilers. CMI Energy has also created a Welding Expertise Center, providing the latest multi-material welding techniques.

CMI Energy has a Mexican workshop specializing in the manufacture and machining of boiler components, and, in particular, pressure parts.

In all these fields, throughout the world CMI Energy stands apart for its technical know-how and its project management expertise. Its teams are based in Belgium (Liège and Willebroek), in the United States (Erie – Pennsylvania and Charlotte – North Carolina), and in South Korea. Its licensees, Wuxi, S&T, and Larsen & Toubro, respectively cover China, South Korea, and India.

Route 2015

The energy market was characterized by two distinctive features in 2015: the low price of the oil barrel and the continued initiatives towards energy efficiency and renewable energy. The COP21 agreement seals a joint approach to developments at world level, for which CMI has technological solutions to offer.

Investments in combined cycle power plants, which are synonymous with energy efficiency, remained stable in 2015 compared with previous years. The booking of 13 new orders, for a total of 26 boilers, ranks CMI Energy third in the world, with a prime positioning in the United States and a new base of operations in Mexico.

The CMI Energy teams carried out their projects with a very high degree of operational efficiency during the year. CMI confirmed its pioneering role on the market of thermo-solar power stations, with the successful commissioning of Khi Solar One in South Africa. In 2015, CMI Energy pursued three projects concurrently in the industrial boiler market, while a fourth project involved the supply of boilers for the conversion of a ship into a floating natural gas liquefied unit.

The CMI Energy teams are broaching 2016 with a solid order book and challenges on the development front to meet the energy needs

of tomorrow. CMI thermo-solar technology is keeping its promises and the teams are tackling new developments which will without any doubt ultimately constitute an economical alternative to power generation using fossil fuels.



Solar energy: a successful start

The thermo-solar energy technology developed by CMI has many strengths. The commissioning of Khi Solar One (South Africa), first thermo-solar plant of such capacity (50 MW), demonstrated the efficiency of CMI developments and sent a strong signal to all players in this new market. As a specialist in thermo-solar energy, CMI has also designed a molten salt receiver allowing to generate electricity around the clock. This first equipment is being assembled in the Atacama power plant (Chile). CMI Energy goes on developing new products in order to maintain its leading position in this market.



Commissioning of the Khi Solar One thermo-solar plant in Africa showcased the efficiency of CMI technology.



A revolution: generating electricity around the clock

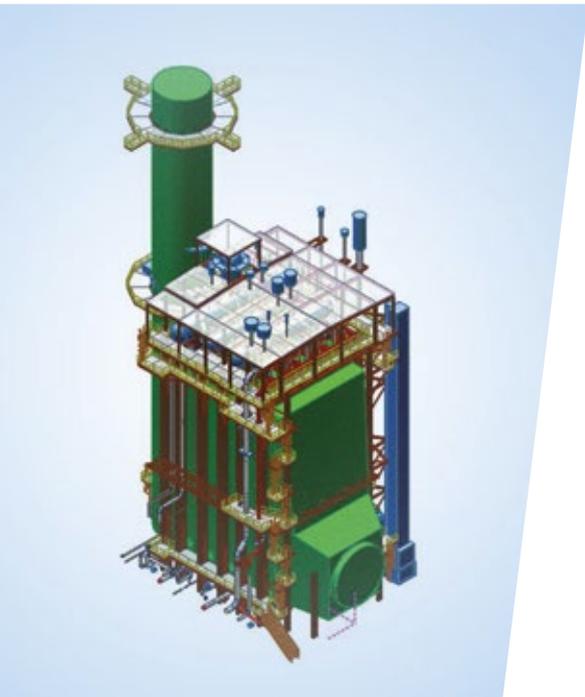
As an expert in thermo-solar energy, CMI Energy launched the development of a molten salt receiver in 2014. Intended for a new design of solar power plants, it uses solar energy to heat molten salts up to 565°C. These salts are then stored. The energy they contain can be used to generate electricity on demand. This is nothing short of a revolution: these power plants can generate energy of solar origin even at night!

CMI booked its first order for a receiver of this type, set to equip the largest solar power plant in South America: Atacama I, in northern Chile. Capable of absorbing 750 Mwht, it will be able to generate electricity around the clock. This contract was followed by other orders for similar power plants at other sites in the region, which is the sunniest in the world. It is a case in point of CMI's strategy to diversify in the field of renewable energies.

Energy efficiency: combined cycles

Combined cycle power plants have become more efficient and more powerful over the years. CMI Energy is successfully taking up the technological challenges of this trend, particularly in terms of temperatures and pressures. The boilers sold by CMI in 2015 are associated with the latest generation of gas turbines. With the development of a 'Once Through' boiler, CMI Energy has already prepared for the future and is ready to tackle the challenges of the next generation.

Thanks to the commercial efforts undertaken for several months in the North American market, CMI Energy has carved out a prominent place for itself with 17 new boilers sold in that region in 2015.



Technological innovation: a driver for progress

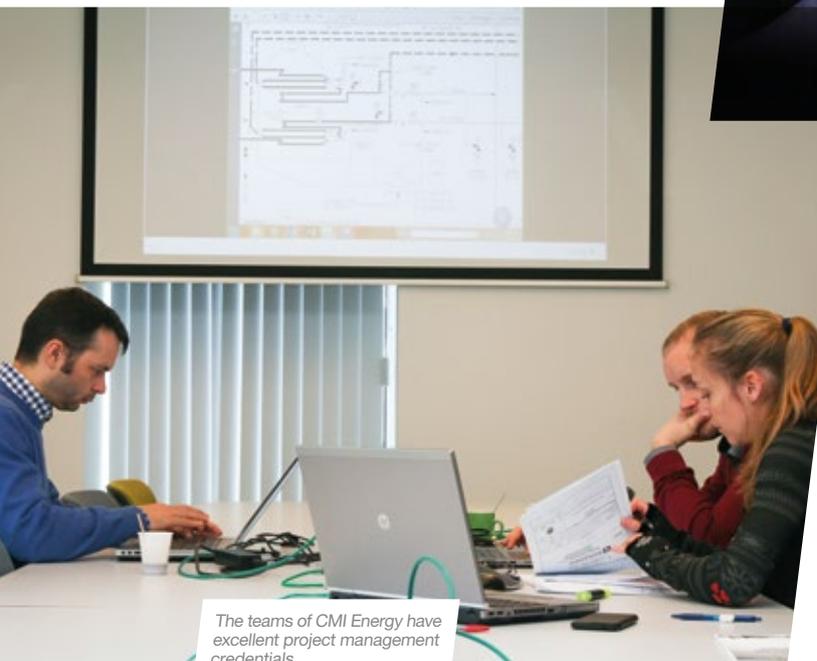
Modern-day gas turbines, which CMI boilers are associated with, are increasingly more powerful, complex and sophisticated. To meet the technical requirements of the latest generations of turbines that deliver higher combustion gas flow rates and temperatures, CMI specialists have, over recent years, designed an optimized recovery boiler. These technological innovations were applied, in particular, in 2015 on two boilers which will equip the Hamitabat power plant (Turkey). They are the most flexible and the most powerful ever designed by CMI.

A new Welding Expertise Center

To build the expertise needed for its vast range of equipment, CMI has created a Welding Expertise Center to provide support to the Group's entities. Its 20 specialists based in Liège (Belgium) cover an entire range of expertise: specifications, standards, choice of techniques, performance of specific tasks and non-destructive testing.



The Welding Expertise Center is active for the entire Group, bringing developments of this key skill to the very heart of the different lines of business.



The teams of CMI Energy have excellent project management credentials.

Operational efficiency in project management

Excellent proficiency in project management methods enables CMI specialists to be efficiently deployed in projects anywhere in the world. The synergies among the teams have made it possible to simultaneously tackle 16 recovery boilers projects and 5 industrial boilers projects, including the management of a project involving innovative boilers destined to equip a gas tanker converted to a natural gas liquefaction unit.

A foothold in Mexico

By acquiring a major stake in a Mexican company specializing in the manufacture of boiler components, CMI made a key business choice. Now considered a local supplier, CMI won a first contract in this promising market. Located near Monterrey, this workshop is ideally positioned to efficiently cover the manufacturing needs for projects on the American continent.

Customized services

In 2015, CMI Energy further developed its service activities by providing technical assistance, inspections, expertise and upgrades for boilers of all makes. The undisputed expertise of its teams has, among other things, resulted in: restoring the original efficiencies of the Liberty boiler in Pakistan, the redesign and repair of a DEWA boiler in Dubai, the renovation of two Alstom boilers in Skikda, Algeria, and the supply of spare parts to a Russian customer's facility.



Investments in combined cycle power stations remained stable in 2015.

Turnover
(EUR Mios) **253**

Order entries
(EUR Mios) **294**

Workforce **381**

Next stages

Building on the commercial and operational successes in thermo-nuclear technology, in combined cycles and industrial boilers, CMI Energy occupies a leading position in the world energy market. The intense activity of its development portfolio provides solutions to tackle the energy transition challenges set out during COP21.

On the thermo-solar front, after having designed molten salt receivers allowing to generate electricity around the clock, CMI is continuing its research and development efforts in new key equipment.

On the gas-steam front, CMI Energy goes on aiming at excellence in the execution of its many contracts, while consolidating its presence in

North America, Mexico, Russia and in the market of boilers for floating liquefied natural gas units.

CMI Energy will also pursue its efforts to provide new, greener energy solutions, while improving existing solutions or seeking alternatives.

CMI Defence

The authority for Cockerill® weapons systems integrated onto highly mobile armored vehicles



CMI Defence is the undisputed technological leader in multifunctional, high-effect weapons systems for light and medium weight armored vehicles. Independent from any and all vehicle manufacturers, CMI Defence:

- designs and integrates gun-turret systems for the entire 20 mm to 120 mm caliber range;
- provides customized technical and tactical assistance as well as innovative solutions relating to these types of weapons systems to improve their use and operational efficiency, such as:
 - simulation systems (embedded and virtual immersive)
 - anti-tank guided missiles (90MP, 105HP and 120)
 - services to optimize the integrated logistics of customers: systems modernization and maintenance, training in their use, on-site and remote assistance, documentation, spare parts, tools...

This entire offering benefits from the cutting edge expertise of the CMI Defence teams in software, ballistic

and mechatronic engineering, and from its very close proximity to clients and users.

The very embodiment of the Cockerill® brand, CMI weapons systems combine highly effective fire power with light weight to guarantee performance, mobility and protection for the crew. The Cockerill® systems are modular and designed so that they can be upgraded to keep pace with the needs of their users, at moderate cost. They are also air-transportable, which enables rapid deployment in theatres of operations.

The innovative strength of CMI Defence anticipates the growing needs for versatility on the part of highly mobile armies. Its teams are constantly developing new solutions to improve the use of Cockerill® systems throughout their life-cycle.

CMI Defence has installations in Belgium, France, Saudi Arabia, Brazil, Poland and, since 2015, in the United Arab Emirates and Singapore.

Route 2015

In 2015, CMI Defence achieved many operational, commercial, technical and strategic successes, which enabled it to close the year with the best operating result in its history.

The year 2015 was the first full year of implementation of the AB contract. AB is an outsourcing contract won in mid-2014 with a Canadian vehicle manufacturer for several series of weapons systems, simulators, training and support. In 2015, CMI Defence met all the contractual commitments for the financial year. It improved its infrastructure, facilities and organization, making significant investments in human and material resources.

On the innovation front, CMI Defence unveiled its brand new design: 'Cockerill® 3000 series', a unique modular turret platform able to be used with different calibers. Its teams also continued to innovate on several fronts: simulation through the new subsidiary Agueris, composite materials, connectivity with drones and compatibility with a new type of carrier, a catamaran.

The latest successes – strategic in kind – are as follows: CMI Defence was selected by the American army as the sole partner for a development group under a Cooperative Research and Development Agreement (CRADA) for a new medium-caliber weapon

system. CMI Defence also extended its cooperation agreements with its Indonesian (PT Pindad) and Korean (Doosan) partners, enabling it to be active on the promising South-East Asian market.

Proven and enhanced implementation capacity, technical and strategic innovation capability and international recognition, were the keywords for CMI Defence in 2015.



Cockerill® 3000 Series: from technological innovation to commercial success

At the beginning of 2015, CMI Defence unveiled its new 'Cockerill® 3000 Series' weapon system at the IDEX international fair in Abu Dhabi (United Arab Emirates). Based on a modular concept, 'Cockerill® 3000 Series' is a family of turrets designed on a single platform able to accommodate different calibers and corresponding technological modules. Its main advantages are its ability to be reconfigured, its overall cost reduction, and its greater operational flexibility.

This modular platform system was already well-established in the automobile sector. The innovation of CMI Defence consisted in adapting it to the specific features of its turrets – successfully, because this world premier is already in production under the AB contract.



Thanks to their joint platform, these two 30 and 105 mm caliber systems benefit from significant synergies in terms of training and maintenance.

AB: first milestones reached

Come into force in mid-2014, the AB contract provides for the delivery, over seven years, of several series of weapons systems and simulators, the organization of training courses and the supply of support services. The year 2015 was the first full year of implementation of this contract. The outcome of this first financial year is excellent: all the steps that had to be taken within the framework of the contract during this period were executed successfully. Studies and tests were undertaken and prototypes were produced within the time limits and to the required levels of quality, to the great satisfaction of the Canadian partner, GDLS-C, and the end customer.

In parallel, nearly €10 million were invested to equip the three production sites of CMI Defence at Loncin and Aubange (Belgium) and at Distroff (France) with the latest generation of machining equipment. CMI Defence built up its teams, with the arrival of some 80 new recruits. Finally, it acquired a storage facility for the ammunition used during firing trials.

At the end of 2015, CMI Defence was, therefore, equipped to proceed to the next phase under the AB contract, i.e. series production, which will be undertaken over several years. These first rate tools and skills enable the company to position itself for future opportunities as well.

Recognition in the American market

CMI Defence concluded a cooperation agreement with the American administration in 2015. Known by the acronym CRADA (Cooperative Research and Development Agreement), this agreement pertains to the joint development of a new medium-caliber weapon system – the type of product for which CMI already has a technological edge.

This agreement is a key step in the commercial development of CMI Defence in the United States, and constitutes real recognition for the company on the American defense market, in the eyes of the US Army and other major players in the American defense industry.

Creation of Agueris, a subsidiary dedicated to simulation

In 2015, CMI Defence and French company Silkan, a specialist in virtual simulation solutions, strengthened the partnership that they have been developing for several years by creating Agueris, a joint venture they will turn into a recognized player in military ground simulation.

The teams, which had already designed and produced the world's first embedded turret simulator in 2012, continued their development work under the Agueris name. Mobile simulators and embedded simulators thus benefited from significant improvements in design, interfacing and 3D modeling in 2015.



Virtual immersive, mobile, embedded and interconnected, the simulators developed by Agueris provide such a level of realism as to constitute an ideal training tool in preparing armed forces to intervene in operations.



Thanks to the sizeable investments made in 2015, CMI Defence now has the capacity to produce large series of systems under controlled time and quality levels.

Development of world coverage

Bolstered by the positioning conferred upon it under the AB contract, CMI Defence plans to continue its international development by concluding new contracts throughout the world. To that end, it established two footholds in 2015, one in Singapore and the other in the United Arab Emirates, and is considering a site in North America.

These two permanent establishments, combined with the existing sites of CMI Defence in Belgium, France, Brazil, Poland and Saudi Arabia, will enable it to address military programs under preparation throughout the world.

General mobilization

This first year of the AB contract brought its share of challenges for the teams of CMI Defence. Meeting the contractual requirements for 2015 while preparing the infrastructure and facilities and preparing for the challenges of subsequent years, was no small feat.

General mobilization was thus put in motion in 2015 to take up these challenges, and the teams rose to the occasion.



In parallel with its modular systems, CMI Defence continues to develop customized systems to meet the very specific needs of its clients.



Innovation everywhere

CMI Defence is convinced that only innovation will enable it to continue to meet the growing needs of armed forces. Its teams have accordingly continued their development efforts on several fronts, aimed at improving both the performance and the operational and economic efficiency of its systems.

The teams have thus worked extensively on the use of composite materials to reduce the weight of the systems. Another subject honed in 2015: CMI Defence capitalized on the digital nature of its equipment to develop its connectivity with drones. Combined with the exceptional firing angle of Cockerill® guns (41°), this development will lead to excellent performance in terms of shellfire.

In the same year (2015), CMI Defence initiated, with the endorsement of the Indonesian Ministry of Defence, a cooperation agreement with the PT Lundin shipyard for the development of a catamaran equipped with a turret. Putting a turret on a boat is a challenge commensurate with the skills of the CMI Defence engineers and developers.



One of the winning assets of CMI Defence is its ability to develop the capacities of systems already in operation, irrespective of whether they are Cockerill® systems.

Turnover
(EUR Mios) **596**

724 Order entries
(EUR Mios)

Workforce **372**

Next stages

The AB contract guarantees CMI Defence a considerable level of activity for several years to come, positioning it as a major player in the sector and giving rise to interest and ambitions.

The CMI Defence team has given thought to its activity beyond the AB contract in a Target'22 project that encompasses a level of activity at least equal to that currently existing.

To that end, CMI Defence has set a series of strategic priorities, the first of which is innovation. Recent history has shown that it is absolutely necessary to be successful in the long run. Another priority is

commercial development. In this period of heightened international tension, quite a number of countries are preparing investment programs for military equipment. CMI Defence will spare no effort to understand their needs and to propose solutions suitable to the military operations in which armed forces now have to deploy. The maturity of the CMI Defence product range makes it possible to respond rapidly to these needs.

This is how CMI Defence plans to continue its policy of international presence, to be ever-closer to its current and prospective customers.

The third strategic priority for CMI Defence: continue to develop

a global approach in its relations with customers. In addition to weapons systems that fully meet their requirements, CMI Defence will continue to bank, as it has done for some time now, on services and support for its customers. Its training offering in particular, supported by state-of-the-art facilities and cutting-edge simulators, will become one of the mainstays of its value proposition.

Last but far from least, CMI Defence will continue to look after the men and women that make up its teams, for it is convinced that the company's future success depends on their safety, fulfillment and wellbeing at work.

CMI Industry

Engineering for enhanced industrial competitiveness



Interior view of the largest slab reheating furnace in Europe recently supplied by CMI to ArcelorMittal Ghent (Belgium).

As an expert in industrial processes, CMI Industry has made it its mission to improve the overall performance of its customers' facilities. Its offering pertains to:

- equipment and services for the processing of steel and non-ferrous metals: CMI solutions include and make use of tested and innovative processes which enable the reliable and economic production of all steel grades required by the market
- thermal treatment furnaces for the milling, forging and aeronautical industries
- the development and commissioning of installations for the treatment of electrolytic and chemical surfaces
- solutions dedicated to extractive metallurgy
- environmental solutions dedicated to industries and public bodies: the pre-treatment of water, facilities for the treatment of solid, liquid and gaseous waste and energy-efficiency solutions

- assembling services for all industries, assuming full charge of projects for the installation or upgrading of industrial capacities

Whether complete industrial complexes, specific equipment, or technical solutions, CMI Industry offers the overall and made-to-measure management of its clients' needs throughout the whole life-cycle of their equipment: from design to commissioning of facilities, but also their conversion and upgrading. CMI Industry also provides guidance and support for its customers to improve the performance of their facilities through training, expertise services and remote assistance.

CMI Industry is present in North America, China, Europe, India and Russia. It can also call on the worldwide network of the CMI Group.

Route 2015

The metal production market – and more specifically steelmaking – went through a very depressed period in 2015. Largely exceeding demand, production capacities weighed heavily on prices and production volumes throughout the world. China, the world's leading producer, has become largely dependent on exports. Faced with over-supply, industrial producers of metals reviewed their investment projects downward. These different factors took their toll on order bookings and impacted the results of the metals business of CMI Industry.

The situation is very different in the new, recently developed

areas of activities. The companies acquired over the past three years in the environment sector form an increasingly coherent whole, combining their expertise to provide global solutions for water, air and solid waste treatment. Their international development is taking shape.

CMI Industry's offer in the aeronautics market was also bolstered by the acquisition of the French company Sleti, a specialist in the design of surface treatment equipment.

In spite of a modest demand, given the low energy prices, the teams specializing in the search for energy efficiency continue

to conduct audits at industrial customers' premises and to provide auditor training through a partnership with Afnor, a French association specializing in the standardization, certification, and provision of services such as training.



Environment: international dimension

In three years, CMI has arrived at a turnover of 100 million euros in the environment domain, with the development, at an international level, of its offering in water, air and solid waste treatment for public bodies and industrial enterprises, while also improving the energy efficiency of their installations. In 2015 in Kenya, CMI Balteau won a substantial contract for the installation of 50 drinking water wells. In Belgium, it won a five-year contract for the maintenance of water treatment stations for the Société Wallonne des Eaux (Walloon Water Company) and supplied hydroelectric equipment for the pumping station of the Lanaye lock. In France, CMI Proserpol obtained its first reference for water purification in sugar refining, and CMI Aquion continued to develop its local activities in products and maintenance for water treatment and purification installations. In Saudi Arabia, CMI finalized a contract for eight Nesa Solution® furnaces for the treatment of sludge from the Jazan petro-chemical site. CMI Europe Environnement has modernized an odor treatment unit for a purification station in China and has won a contract to supply two new installations of this type in Canada.



A typical batch surface treatment installation provided by Sleti, one of CMI's latest acquisitions to enhance its offering for the aeronautics industry.

Takeoff in aeronautics

CMI Industry has supplemented its surface treatment offering – hitherto based on degreasing and pickling – through the acquisition of Sleti, a company that specializes in the design of surface treatment equipment for parts with very high added value. Its range of expertise makes it possible, in particular, to provide surface treatment equipment for the entire range of aircraft components.

This acquisition completes CMI's current heat treatment offering, confirming its reputation for excellence: on the one hand, with a new order for three heat treatment furnaces for the latest generation of aircraft engines of the French firm Snecma, and on the other with an order for a furnace in the United States at Haynes International, a world leader in the markets of high purity cobalt and nickel products. These are used in the composition of super alloys for applications that require a resistance to corrosion and/or high temperatures, such as the automobile or aeronautics industries.

If we add its range of solutions for liquid and gas effluent treatment, CMI Industry can now offer complete solutions for the aeronautics industry.

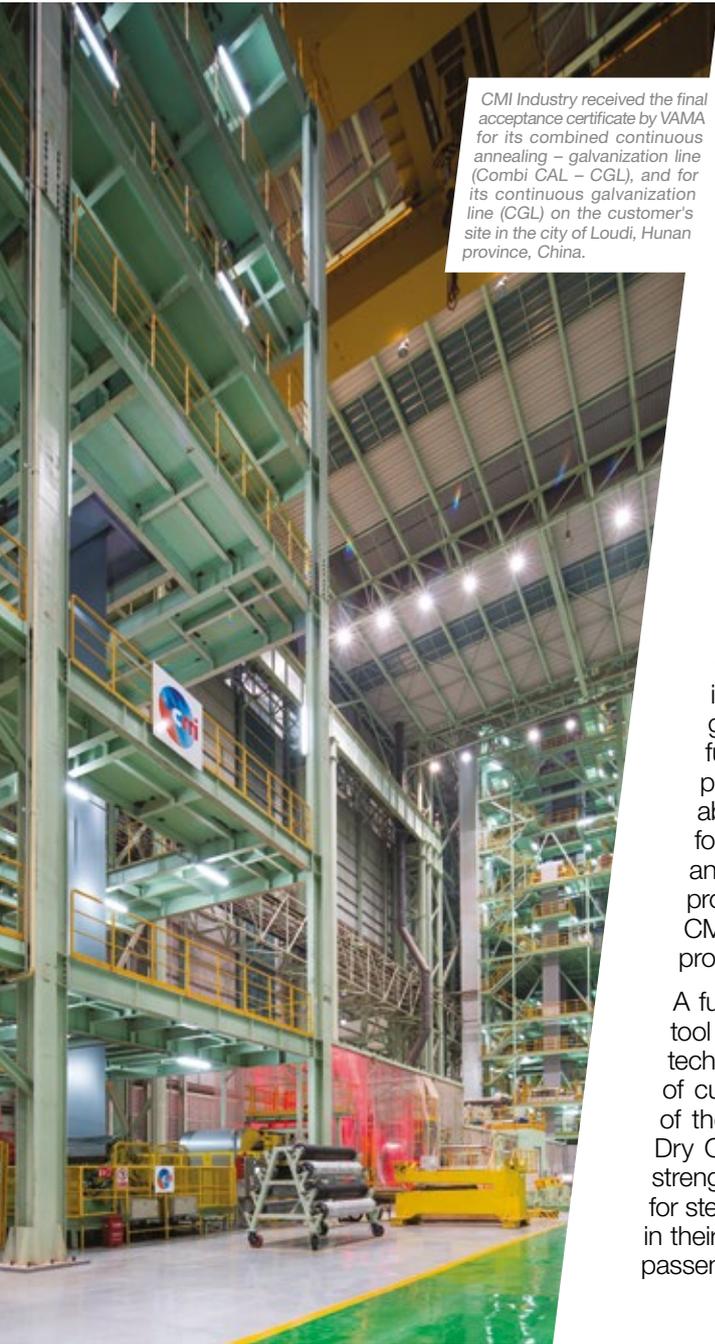


Double reward on the safety front

CMI Industry received two distinctions in 2015 by winning two of the five CMI Awards conferred at the beginning of 2016, and both involving safety.

To eliminate the risk run by the operator when changing the sleeve on a mandrel, CMI Metals found a solution by developing a retractable device that maintains the elastic sleeve in place on the metal mandrel so that it can be removed without the intervention of an operator. ArcelorMittal has already benefited from this innovation on two of its sites: Dofasco in Canada and VAMA (a joint venture between ArcelorMittal and the Chinese steelmaker Valin) in China.

For its part, CMI Environment organized a half-day internal safety fair for two reasons: to show the functionalities of the new tools and equipment, their possibilities and limits, and to reiterate the proper deployment of less-frequently-used equipment. This awareness-raising was very successful and will be repeated every other year.



CMI Industry received the final acceptance certificate by VAMA for its combined continuous annealing – galvanization line (Combi CAL – CGL), and for its continuous galvanization line (CGL) on the customer's site in the city of Loudi, Hunan province, China.

Metals: the answer lies in innovation

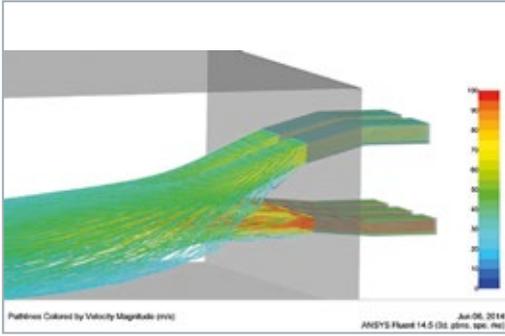
The economic situation of the metals industry has led players in this market to cut down their investments substantially, and this has impacted the orders booked by the Metals division. Positive signs are nonetheless perceptible in the commissioning of projects under way. At VAMA, in China, CMI achieved the projected performances for two processing lines, including an innovative line design that combines continuous annealing and hot-dip galvanizing in a single line. At ArcelorMittal in Ghent, CMI assembled a slab furnace that puts the best technologies to the service of an efficient and economical reheating for advanced steel grades. Remaining in Belgium, CMI Metals distinguished itself with the revamping of a hot rolling mill for aluminum – a first in this demanding market.

In addition to devoting its attention to the quality of its performance when it comes to projects, CMI Industry is banking firmly on innovation. In 2015, the focus was on the development of a new generation of burners (double regenerative burners) for reheating furnaces. This technology makes it possible to replace a significant percentage of natural gas by blast furnace gas that is available in abundance on integrated sites and which is cheaper. Using this gas for reheating needs is far more efficient than conversion into electricity and in addition gives a more favorable CO₂ balance. A new pickling process based on spray modules is another innovative technology of CMI: it drastically increases pickling efficiency, resulting in increased process speed and reduced line length.

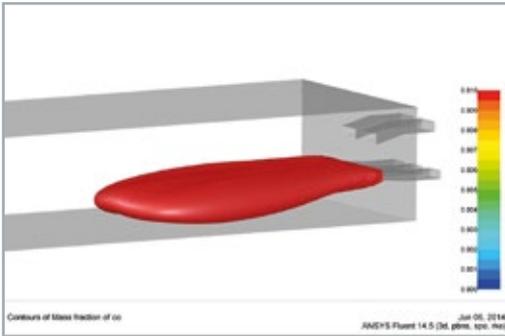
A further new development in the market is OPExS™: an innovative tool developed by CMI for the intelligent management of quality and technical assistance at the heart of the cold-rolling production process of customers in the steel industry. Lastly, mention should be made of the innovative ultra-rapid cooling technologies, IWAC® and Ultra Dry Cooling® (UDC®), as they make it possible to produce ultra-high strength, yet ductile steel grades. These technologies were developed for steelmakers to help them meet the needs of the automotive industry in their search for increasingly light and resistant car bodies, combining passenger safety with reduced energy consumption.

OPExS™ is an innovative tool developed by CMI for smart quality management and technical assistance in the heart of the cold-rolling production process.





Modeling of fluid flows and thermal calculations by numeric simulation are used to study and optimize equipment design and performance.



Energy efficiency: grey matter to reduce the environmental footprint

In 2015, CMI Industry continued to develop specific expertise to improve the energy efficiency of its customers' installations, by combining the know-how of its specialists with modern tools for simulation through mathematical modeling. CMI conducts energy efficiency audits more and more regularly, takes charge of specific expertise requirements, and carries out design modifications that pertain to equipment as well as command and control systems. The dedicated team also organizes training courses related to conducting energy audits.



Turnover
(EUR Mios) **241**

184 Order entries
(EUR Mios)

Workforce **1 368**

Next stages

Drawing on its experience in metal production processes, CMI Industry aims its commercial offering at its latest developments which generate added value for all the stakeholders in the sector, as well as at improving existing installations through revamping.

Aeronautics is henceforth one of CMI's target sectors thanks to the consolidation of its expertise

which covers both heat treatment furnaces and complete surface treatment solutions.

On the environment front, international development remains more than ever before a priority, as does the extension of the product and technology portfolio.



CMI Services

Men and Women, for more efficient equipment

CMI Services provides advice and support to industries and operators of public and private infrastructures for the erection, operational management and modernization of their facilities. It carries out scheduled or unscheduled specialized interventions, and provides local services to improve the technical, economic and environmental performance of their equipment.

CMI Services is able to call upon an interconnected network of intervention units, workshops and specialized or local engineering offices. It has a permanent presence in Africa, Belgium, China, France, New Caledonia, the Czech Republic, Luxembourg and Brazil. It works on an ad hoc basis in the Middle East.

Thanks to a very broad and technological offering, CMI Services caters to a large number of operators in various domains: rail- and waterways, ports, airports, mines and quarries, chemicals, the steel industry, petrochemicals, conventional, renewable and nuclear power generation, and upstream in the oil & gas domain.

CMI Services also has its own engineering departments which design and supply certain types of equipment, new industrial components and subassemblies (shunting locomotives, gears, gearboxes, butterfly valves, containers for nuclear parts...) and spare parts.

Route 2015

CMI Services has diversified remarkably in just a few years, going from providing maintenance to the steel industry, to a multi-sector offering that relies on an expanded geographical presence and on centers for technological excellence.

In 2015, CMI Services expanded its geographic coverage to the Czech Republic, Morocco and Algeria. In Belgium, CMI Services resized its industrial facilities to adapt to the

market and in crisis-stricken Brazil, it geared its activities toward higher value-added markets.

The rail activity was given a fresh boost by the acquisition of diesel-electric transmission technology. The year 2015 also witnessed the development of plastics processing, electricity instrumentation and public contracts. CMI Services confirmed its expertise in nuclear energy, emerging as a recognized service provider.

The organization of CMI, along with the skills of its men and women, form the foundation of its operational efficiency. CMI Services invests heavily in training and collaborative working among entities. And the new generation is not lagging behind, with almost 100 apprenticeship placements in France and Belgium in 2015.



New territories

The commercial network of CMI Services in Africa now covers 24 countries. It relies on a solid base in Morocco with a new maintenance contract for the country's main electric power station and the supply of a first flow of spare parts and technical assistance in the Congo. In spite of a sharp reduction in expenditures for the maintenance of nickel extraction and production facilities, the teams in New Caledonia increased their market share thanks to the technical quality of the offering with new types of operations carried out.



The range of railway products is expanding thanks to our skills in three transmission types.



CMI Services in France: a successful challenge

Since the 2008 crisis, CMI Services has redeployed its activities extensively in France by diversifying its offering beyond steelmaking. The choices made at the time – a voluntary desire to develop expertise and to seek new outlets rather than introduce a restructuring plan – are now bearing fruit. Its now more extensive areas of specialization and the expertise of its teams enable CMI Services to embark on large-scale operations, such as the renovation of the lock at Fontinettes, a gangway at Calais harbor, and the anti-salt dam at the autonomous port of Marseille. This is also the case with the additional and more diversified services offered for the nuclear industry, where CMI has become a fully-fledged partner.

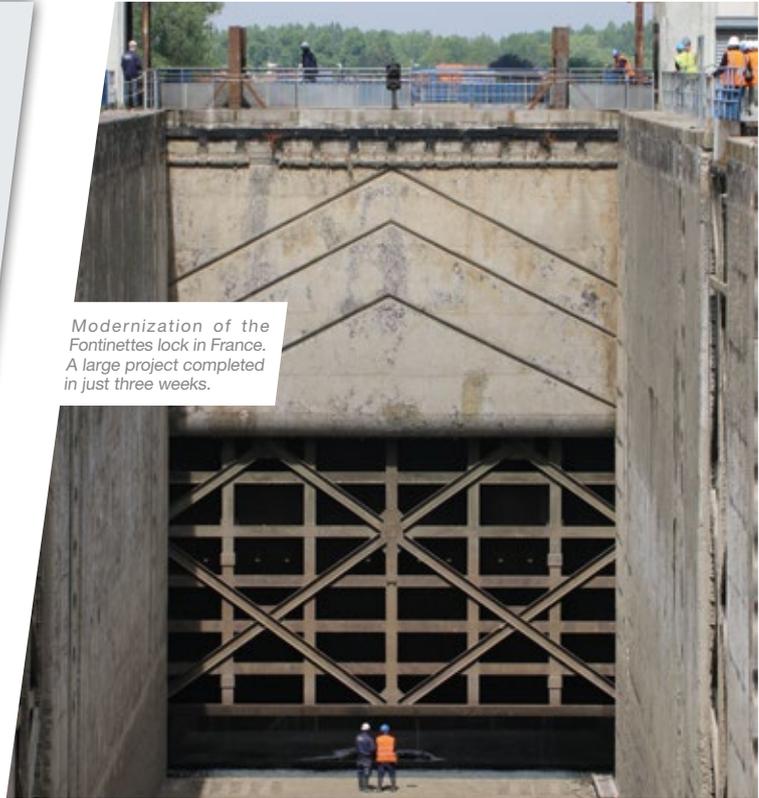
Success on the rail front

Driven by the acquisition of diesel-electric transmission technology, the rail activities of CMI Services are gaining new momentum. The order book has never been fuller, with 21 orders for locomotives, including an important contract to modernize overhead line maintenance equipment in France. These examples prefigure other successes among the many commercial opportunities.

Revamping of the Fontinettes lock

The CMI Awards recognize the best achievements of the year in innovation, environment, and health and safety. The renovation of the lock in Fontinettes, France, received the Environment Award 2015.

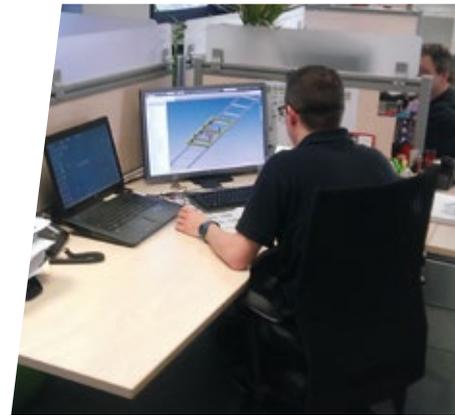
This lock features one of the steepest changes in level in France (more than 13 meters). The improvement to the lift gate, the installation of a new watertight system on the aqueduct valves, and the design and implementation of a new mesh screen have improved reliability while reducing water and energy consumption. CMI saw this project through to completion in just three weeks.



Modernization of the Fontinettes lock in France. A large project completed in just three weeks.

Ever-more-efficient organization of engineering departments

A new organization of the engineering departments is now in place at CMI Services: it is structured around a general engineering department with specialized branches in such fields as automation, electricity, railway and thermal engineering. Initiated to deploy the capacities for studies, transfer skills and to promote synergies among the areas of activities, this new organization is ushering in a marked change in the size and type of contracts entrusted to CMI Services. In addition to overhead lines, leading examples include maintenance equipment in France, the full renovation of a sintering line in Algeria, or the supply of electrolysis rooms entailing proficiency in plastics processing and composite materials.



Services to energy: expanded offering

The successful completion of a project to revamp a boiler and ancillary facilities on a petrochemical site in Antwerp (Belgium) in 2015 showed that CMI Services was able to expand its offering beyond the boiler sector. Other successes on a coal-fired power plant and in urban heating in France are paving the way to more diversified contracts.



Offerings that are adapting to market conditions

In a depressed market in Brazil, CMI Services is gearing its activities to higher added value niches, such as a maintenance contract for turbocompression units on several offshore platforms and the transfer of a silicone production plant from São Paulo to Joinville.

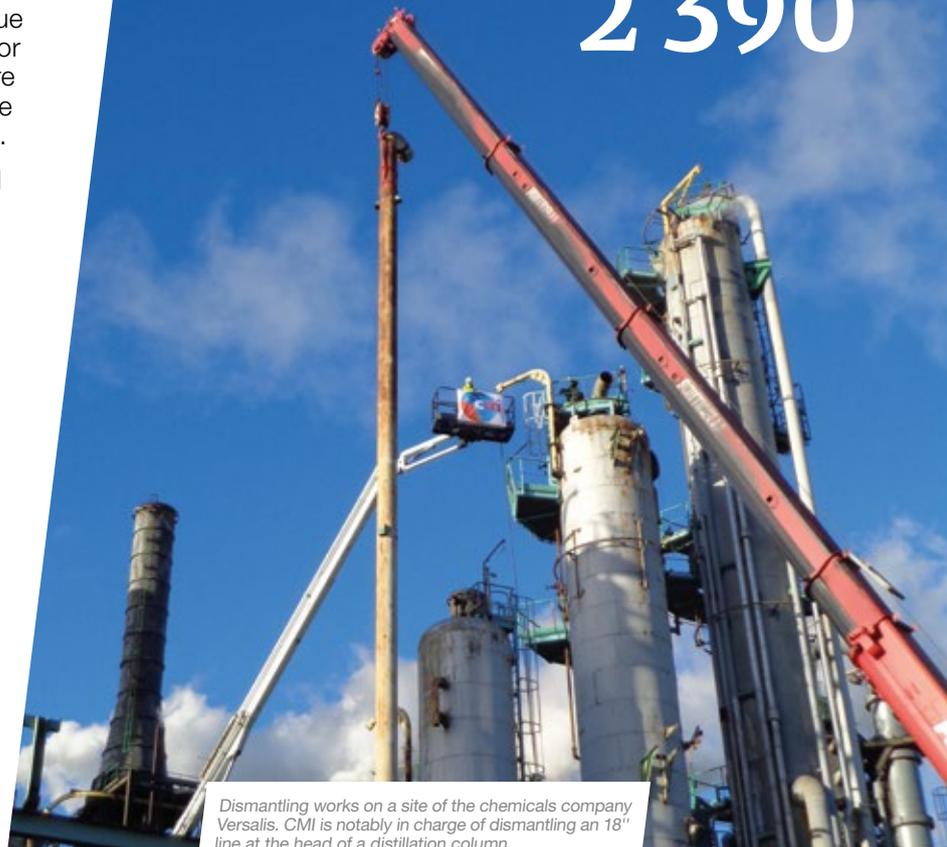
In Belgium, the modification to our industrial organization, in particular in terms of ensuring the long-lasting nature of our welding expertise, has enabled local services and specialized teams to improve their efficiency and to display new commercial dynamism.

Going beyond the maintenance of boilers, services to energy are generating orders in new and expanding fields.

Turnover
(EUR Mios) **227**

Order entries
(EUR Mios) **243**

Workforce **2 390**



Dismantling works on a site of the chemicals company Versalis. CMI is notably in charge of dismantling an 18" line at the head of a distillation column.

Next stages

Based on the acquisition of new skills and their deployment in new territories, the prospects for the development of CMI Services charted several years ago are starting to produce results. During 2016, the Sector will continue down this path. New developments are expected in Africa, thanks to expanded commercial coverage. In Brazil, CMI will continue to adapt to the economic situation by targeting promising markets. In Belgium, the teams will display new commercial dynamism. In

France, the diversification strategy, which has already borne fruit with a notable increase in turnover, has not exhausted all its growth potential yet. Energy services will confirm the development toward electronuclear power, petrochemicals and agribusiness.

CMI Services will also consolidate its expertise in Diesel-electric transmission. This technology will ultimately account for some three quarters of the order book relating to locomotives. It will also develop

promising relations with rail operators in various African countries in order to develop even further on that continent.

Growth in 2016 will rely on market shares in maintenance engineering, global project maintenance, purchasing, and development in spare parts activities.

Nouméa

MANAGING

1:55 PM (31°C)

Organizing to achieve objectives while adhering to timescales, quality and safety requirements. Ayo boards his work machine and briefs his team, charged with a major work-site.





4

Exploring new horizons

Strategic
orientations

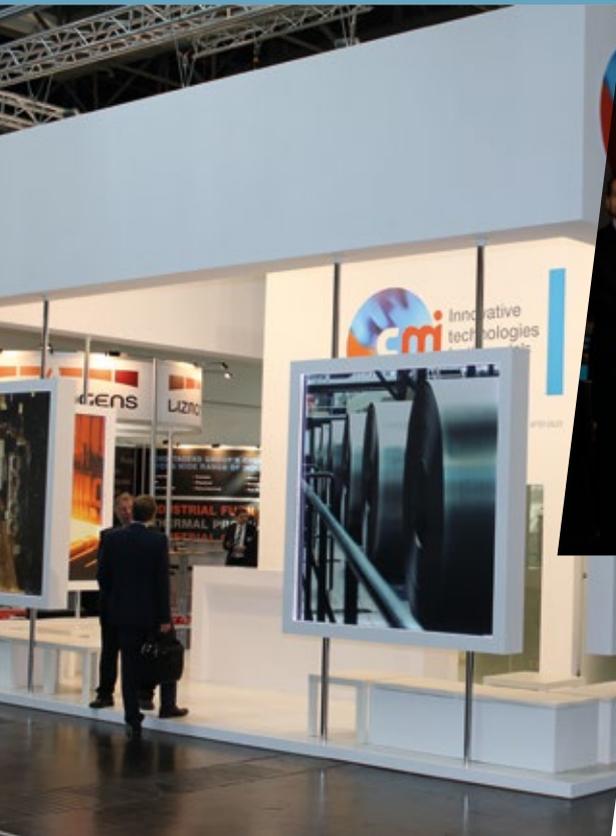
4 680 employees, 43 different nationalities, 6 official languages, 24 countries of operation. The more the Group grows, the more it explores new horizons and the greater the need for a common frame of reference. That is the role of the CMI roadmap 2017-2022. It guides the development of a group that is embarking on the third century of its existence.

Let's focus on the 2015 guidelines through strategic advancements, attention paid to talents, to innovation, and finally, to the determination to perpetuate the industrial tradition of John Cockerill beyond his bicentennial.



CMI 2017-2022: beyond the strategic roadmap

CMI Group turned over a new leaf when it was taken over by independent shareholders in 2002. It has become an international engineering and services group, with a widely diversified technological portfolio. And there is more to come!



Optimized risk management

The Assessment committees have been instructed to detect and limit the risks linked to the commercial engagements undertaken by each of the entities. In light of the development of the Group's business flows, 130 Engagement Committees and 70 project reviews were organized at Corporate level.

CMI's ambitions are outlined in a **strategic roadmap** devised in 2012 and christened CMI 2017-2022: 2017 because that is a key year for the Group: its bicentennial; 2022, because its strategic vision was drawn up over a ten year period. This strategy establishes the contours for growth to reach a turnover of two billion euros and a profitability level of 6 to 8%, with a volume of business activity distributed evenly among its four operational sectors. Whereas the vision may have seemed far off to some in 2012, the fact is that the Group is today on course, thanks to fine advancements made in 2015. Here is an overview.

On the energy front, the launch of an initial reference in **receivers for solar power**

plants is undoubtedly a major milestone for CMI. On the strength of this demonstration of global importance, the CMI experts are focusing on new developments that should make this line an economic alternative to the generation of energy from fossil fuels.

On the defense front, CMI was **chosen by the American Administration** as a partner to develop a new generation turret. This contract constitutes a major recognition for CMI, both with regard to the American army and also with other major players in the defence industry. To support these developments, CMI has invested with Silkan (a French specialist in simulation) in a joint venture specializing in virtual simulation solutions.

With the acquisition of the French firm Sleti, which specializes in **surface treatment** equipment, CMI Industry has widened its



Cockerill Campus, the Group's international training centre, is being established in the Meuse department of France.

offering in the **aeronautics** sector. It can now provide equipment for the treatment of the whole range of aircraft parts and also bottling parts.

Thanks to an investment in a workshop in **Mexico**, CMI now has production and maintenance capacities to meet the needs of both Mexico and the United States. In terms of environmental solutions, the companies acquired these last three years form an increasingly-more-coherent whole. Thanks to the Group's support and to the development of internal synergies, projects abroad are multiplying.

In Belgium, CMI created a **Welding Expertise Center** in charge of imparting its know-how to all the Group's entities for the development of prototypes, delicate designs, the choice and development of welding processes, the monitoring of standards and regulations, and stringent testing. The Group has also drawn close to JD'C Innovation, a specialist in **composite materials**, to support the development of its pipework activities and make the equipment on offer lighter. Finally, CMI has acquired technology in **locomotives with Diesel-electric** transmission and remains attentive to the opportunities represented by **additive manufacturing** (3D printing) in all its activities.

In **Africa**, CMI's commercial network now covers 24 countries and prospects with several **rail operators** are confirmed on the continent. They may lead to a new stature for CMI Services.

These strategic operations go together with **operational growth**. In 2015, the Group surpassed the symbolic one billion euros of turnover mark for the first time in its history. Its overall profitability is just as record-breaking, as the operating result amounts to 8.58% of turnover. Order bookings are following the same trend, but CMI remains vigilant in the face of the technical and geopolitical challenges of certain contracts.

This operational growth is naturally accompanied by **transversal projects** pursued at Corporate level. Five priority themes were shared in the Group in 2015: the acquisition and integration process, global commercial coverage, profitability of the entities, innovation, and talents. In particular, the efforts pertained to the deployment of resources, and processes to better assist in the systematic management

of talents, the globalization of activities, and acquisitions. The IT infrastructure and facilities were also strengthened to promote and secure information interchange inside the Group.

Back to profitability

'Back to profitability' is a specific support program for activities experiencing difficulties. In 2015, this program was deployed to help the entities of CMI Services to give their activities in Liège a future. The organization, skills and infrastructures were resized according to market developments, and commercial dynamism was given a boost. These different measures are expected to spell a return to profitability. CMI Metals is, in turn, concerned by this mechanism in view of the current depressed state of the steel markets.

welcome@cmigroupe.com

The Group's main wealth consists of its talents – the bedrock of the dynamism for innovation and excellence that are indispensable to achieving CMI's strategic objectives.

In 2015, several new measures were taken to enable each employee to work under optimal conditions and to have an opportunity to grow in the Group through quality jobs.



CMI Awards to promote innovation, environment, health and safety

In 2015, CMI put in place an internal challenge to reward the best achievements on the innovation, safety and environment fronts. This first edition attracted 50 projects, thereby highlighting the Group's involvement, synergies and cohesion. Appreciate the project sponsors, and promote vocations were part of the objectives of this initiative. These goals were largely attained with a first award ceremony held in January 2016 in conjunction with the annual management meeting (CMIpolis).

A profession based approach is taking hold throughout the Group

The rapid and international growth of CMI has led to the emergence of a need to structure a common, business line based approach at Group level. The approach chosen leads to the preparation of a 'CMI job catalogue' 2015, which defines all the executive jobs, on the basis of a profession and skills rationale. This tool gives each staff member a better idea of his or her place and prospects in the Group. It endows the company with enhanced agility in global and systematic talent management. This new approach creates a clear and professional cultural basis which guides the management of our men and women throughout their careers at CMI.

The executive pay policy was also reviewed in 2015. It is based on the application of Hay's method and will be implemented as of 2016 for all the Group's European and American executives, before it is gradually generalized for the entire Group.



Sharing information and fostering cohesion

Strengthening the feeling of belonging starts by sharing information, success, difficulties, and best practices. CMI accordingly implemented a new internal communication policy in 2015, based on a quarterly cycle. Each member of the staff, irrespective of the country in which he or she is working and the language he or she speaks, is now invited four times a year to attend an information session on the progress in his or her entity, sector, and the Group. These meetings are organized by the managers who have multimedia facilities at their disposal. These supports are updated in accordance with the progress of the Group.



A new evaluation platform comes into being

CMI is attentive to providing feedback regularly for each employee on performance and contributions to the Group's projects. In 2015, CMI invested in a new platform, called 'SPOT' which stands for 'Single Point of Talents', to support the annual performance evaluation process. This tool has already been used in support of the performance evaluation of more than 1 800 people in the Group in 2015. This global and unique platform will ultimately support other human resources management processes: recruitment, skills management, succession plan, internal mobility and even career management.



Reception and training intensifying

To facilitate the integration of newcomers and their understanding of the challenges faced by the Group, sessions christened 'Induction day' have been organized. Complementary to reception sessions organized locally, they provide a general description of the Group, its aspirations and values. They include an awareness-raising module in ethical practices, a presentation of the strategy, a tour of the facilities, and a friendly meal to establish ties. In 2015, more than 150 newcomers from Belgian and French entities took part in this module which will be gradually extended to other countries where the Group is present.

The Group's panoply is expanding on the training front. The catalogue of on-site training programs has been supplemented by formulas of mentoring in the field, and by virtual modules. At the end of 2015, more than 1 800 people were invited to a 'webinar' on the performance evaluation processes and tools. By way of collateral advantage, these people familiarized themselves with the remote meeting techniques and engaged in virtual encounters with new colleagues.

This investment in training will be even more tangible when the Group's international training center opens. Currently under construction in Meuse (France), Campus Cockerill will play host to the Group's seminars and training courses as of September 2016.



On the safety front: remain vigilant!

The frequency level of accidents causing stoppage in 2015 was 3.75. Even if this result is considered an excellent level, it nonetheless marks a slight deterioration from the previous year. The Group's Environment, Health & Safety (EHS) Division has, therefore, stepped up its efforts to help each entity (particularly recently integrated companies) to increase its vigilance and to take the only route possible: that of progress. Awareness-raising campaigns have been organized, a 'behaviour' project has been launched, and a 'safety day' was held throughout the Group, accompanied by a wave of audits and improvements. This deployment was, particularly, followed at CMI Defence where production is assuming an increasingly significant dimension.

Wellbeing and motivation: two lines of sustainable commitment by CMI employees

Keen to foster the cohesion and commitment of their staff, the Group's entities frequently organize events that give employees an opportunity to get to know each other better, relax, share knowledge, or appreciate recognition. In Belgium, for instance, CMI headquarters opened a new catering facility in 2015. The annual athletic day organized for all the Group's entities in Liège was a resounding success once again. CMI Defence opened its doors to the families of employees, with a campaign entitled 'My job is a cracker'. At CMI Industry Americas, a baseball game was organized to celebrate a decade in the CMI Group.



Energy and environmental challenges

CMI is active in developing environmental solutions, in particular in order to generate green energy and reduce the environmental footprint of companies and communities. In that capacity, CMI paid great attention to the COP21 talks in Paris. Shared by the 'majors' (China, USA and Russia), the agreement that ensued is based on the reduction of CO₂ emissions and funding aid to countries in the south, leaving plenty of room for all technological developments to achieve these goals. Here are some of CMI's responses to this social issue.

Energy optimization

CMI has specialized teams for the energy optimization of processes. The audits and assessments they carry out make it possible to define priority actions for improving the processes of all types of installations. They have developed calculation models and practical tools, compliant with standards and regulations, making it possible to achieve concrete results that can easily be used by its customers. CMI was chosen as a partner of reference for conducting energy audit by Afnor, a well known group for the deployment of solutions based on standards – sources of trust and progress. In 2015, four CMI specialists were ranked among the top five trainers of Afnor.

Thermo-solar energy: a credible alternative to fossil fuels?

With an initial success in solar energy generation in South Africa, CMI has joined the ranks of pioneers in this new process. A second, life-size project is under way in Chile, which, by ensuring generation around the clock and year round, does away with one of the major inconveniences of green energy once and for all. CMI is currently concentrating its efforts on optimizing the efficiency of these types of power stations. Its goal is to make them as competitive as the fossil fuel based electricity generation sector.



Biomass and biomethanization

Other developments for generating energy are in progress. CMI is developing a solution for producing clean gas from biomass and waste. Together with the Alternative Energies and Atomic Energy Commission, it is studying innovative solutions to replace coal with torrefied wood for the generation of electricity. CMI remains active in biomethanization, a domain in which it has numerous references in the industrial sector. Other types of projects are under study such as hydropower and geothermal energy.

Innovation culture

Innovation has a place of choice in CMI's DNA. To promote it, the Group brings together its technologists every year, development committee meetings are regularly held in each sector, and since 2015, the CMI Awards encourage all employees to hone their innovation capacities. Energy generation aside, artificial intelligence, plastics, modelling, composite materials and additive manufacturing are worth mentioning among the subjects that attracted the attention of the Group's network of technologists in 2015.



In John Cockerill's footsteps

In 2017, CMI Group will celebrate its bicentennial. For it was in 1817 that John Cockerill moved to Seraing (Belgium), by the Meuse, in the manor that bears his name, where he embarked on manufacturing steam engines, canons and the first steam locomotives on the European continent. Under the impetus of this visionary businessman, the industrial revolution spread far and wide throughout Western Europe and beyond... Always in contact with connections abroad and driven by diversified centers of interest, John Cockerill was a great industrial explorer.

CMI is today perpetuating the industrial tradition initiated by John Cockerill: his evocation inspires the Group's teams with an entrepreneurial spirit and whets their appetite to carry innovation beyond borders. To underscore the pride of his bicentennial, and as the latest company to bear the name of its founder, CMI has taken steps to consolidate the Group's historical heritage. In particular, it is finalizing the restoration of Cockerill Chateau, its headquarter, and has launched a national and international appeal to retrace John Cockerill's steps for the past 200 years. The year 2017 will undoubtedly be an exceptional year for the Group.



An increasingly-more-sustainable Group

Proud of its past, CMI is resolutely geared to the future. It wants to generate sustainable industrial progress that benefits its customers, employees, shareholders, the communities in which it operates, and the planet. To that end, it is concentrating its efforts on several major principles:

- provide quality jobs
- reinforce good governance and promote responsible behavior
- encourage the development of green technologies
- reduce its own environmental footprint and that of its client industries
- support local development in the communities in which cmi is established
- guarantee the development and viability of the group over the long term



CMI is committed... Some examples from among the new activities supported in 2015

Members of the CMI personnel committed themselves for a good cause during the 'Mud Day' at Amnéville in France. Others ran for 'Mudderella' in Pennsylvania in the United States. In India, CMI supports an orphanage and aids 25 young girls (up to age 18) by providing education in English, a place for them to live, medical facilities and entertainment in a family environment. The Group has also opted to support the United Nations Children's Fund by using one of Unicef's cards for end of year good wishes.

Mumbai

SELECTING

6:19 PM (22°C)

Whether for a cricket match or at the market, selecting the right materials is a priority for Vijay in order to keep moving in the right direction.





5



Staying on course

Governance

CMI is managed by a stable Board of Directors, committed to the industrial project of the Group over the long term. It has all the necessary governance structures around it, for the healthy management of the company at Group level, in terms of strategy, operational activities and support functions. These coordination bodies, with clearly-defined responsibilities, ensure that the Group is tightly woven, and that there is cohesion among those actions carried out transversally.





From left to right: Paul Thonon, Jean-Pol Poncelet, Albert Henon, Nicolas Serin, Bernard Serin, Gérard Longuet, Maurice Semer, Louis Smal and Libert Froidmont.

Evolutions in 2015

Following 14 fruitful years to which he contributed with his financial and industrial expertise, Pierre Meyers has decided to leave the shareholding of the Group for personal reasons. As a result, he resigned his mandates on December 31st 2015. This resulted in several adjustments within the Group's governance bodies.

Nicolas Serin now takes on the role of Vice-Chairman of the Board, and joins the Audit Committee and the Nomination and Remuneration Committee for managers. Libert Froidmont takes over as President of the Audit Committee, of which he was already a member. In another move, Paul Thonon, who has retired from his operational activities at the head of CMI Defence, has joined the Board.

At the operational level, Jean-Luc Maurange has taken over as Executive President of CMI Defence, following Paul Thonon. He hands responsibility for leading CMI Energy over to Jean-Marie Hansoul, who joins the Group Executive Committee.

All of these evolutions contribute to ensuring continuity and stability within Group governance.

Board of Directors

Bernard Serin

Chairman
Managing Director (Executive)

Auris Finance SA

Represented by Pierre Meyers
Vice-Chairman (Resigned on December 31st 2015)

Nicolas Serin

Director, Vice-Chairman

Libert Froidmont

Independent Director

Albert Henon

Independent Director

G rard Longuet

Independent Director

Poncelet MC2

Represented by Jean-Pol Poncelet
Independent Director

S2M Productions SPRL

Represented by Maurice Semer
Independent Director

Louis Smal Consulting SPRL

Represented by Louis Smal
Independent Director

Path Consulting

Represented by Paul Thonon
Independent Director (Since April 2016)

The CMI Group shareholders

At 31 December 2015	Percentage	Number of shares
Ebenis SA	80.65%	659 479
Dodeca SA	19.35%	158 270

Through a process of rationalization of the various companies involved in the shareholding of the Group, Bernard Serin and his family now hold 80.65% of Group shares. The remaining 19.35% are still in the hands of Group directors, through the Dodeca S.A. company.

Certified Public Accountant

DELOITTE Reviseurs d'Entreprises SC s.f.d. SCRL
Represented by Laurent Weerts
Rue Alfred Deponthi re, 46
BE - 4431 Li ge (Loncin) Belgium
End of appointment term: April 2016



Executive Committee

Bernard Serin

Chairman and Managing Director

Brigitte Coppens

Chief HR and
Communication Officer

Jean-Marie Hansoul

Executive President of CMI Energy

Yves Honhon

Chief Financial and Administrative Officer

Jean Jouet

Executive President of CMI Industry and
Chief Development Officer

Jean-Marc Kohlgruber

Chief Strategic Planning Officer

Jean-Luc Maurange

Executive President of CMI Defence

Pierre Melin

Advisor to the Chairman

Patrick Paramore

Chief Sales and Legal Officer

Franck Pasqualini

Executive President of CMI Services

Board of Directors

(7 meetings in 2015)

Audit Committee

(5 meetings in 2015)

Risk Management Committee

(7 meetings in 2015)

Ethics Committee

(10 meetings in 2015)

Appointment and Remuneration Committee

(1 meeting in 2015)

Development Committee

(8 meetings in 2015)

Executive Committee

(monthly)

Extended Executive Committee

(quarterly)

Sector Committees

(monthly)

Operational Entity Committees

(monthly at least)



From left to right and from top to bottom: Yves Honhon, Pierre Melin, Jean-Marc Kohlgruber, Franck Pasqualini, Jean Jouet, Bernard Serin, Jean-Luc Maurange, Jean-Marie Hansoul, Brigitte Coppens and Patrick Paramore.

Consolidated companies at 31 December 2015

Company	Country	Consolidation Method	% ownership	Energy	Defence	Industry	Services	Corporate
CMI SA	Belgium	G	100.00%	●	●	●	●	●
CMI America Inc	United States	G	100.00%					●
CMI Automation Pvt Ltd	India	G	100.00%			●		
CMI Beugin SASU	France	G	100.00%			●		
CMI Brazil Ltda	Brazil	G	99.99%			●		
CMI Brazil Participacoes Ltda	Brazil	G	99.99%					●
CMI Brazil Serviços de Manut. Equip. Indust. Ltda	Brazil	G	99.99%				●	
CMI Congo Sarl	Republic of Congo	G	100.00%				●	
CMI de Mexico SA de CV	Mexico	G	99.80%	●				
CMI Defence LLC	Saudi Arabia	G	100.00%		●			
CMI Defence SA	Belgium	G	100.00%		●			
CMI Defence SAS	France	G	100.00%		●			
CMI Energy France SAS	France	G	100.00%				●	
CMI Energy Services BV	Netherlands	G	100.00%				●	
CMI Engineering (Beijing) Co Ltd	China	G	60.00%			●		
CMI Energy LLC	United States	G	100.00%	●				
CMI Est SCI	France	G	100.00%				●	
CMI Europe Environnement SA	France	G	99.96%			●		
CMI FPE Ltd	India	G	75.00%			●		
CMI France SAS	France	G	100.00%					●
CMI Greenline Europe SAS	France	G	100.00%			●		
CMI Industry Americas Inc	United States	G	100.00%			●		
CMI Industry O.O.O	Russia	G	100.00%			●		
CMI International Ltd	Great Britain	G	100.00%					●
CMI Klein Sarl	New Caledonia	G	100.00%				●	
CMI Luxembourg Holding Sarl	Luxembourg	G	100.00%					●
CMI Luxembourg Services SA	Luxembourg	G	100.00%					●
CMI Maintenance Est SAS	France	G	100.00%				●	
CMI Maintenance Hainaut SA	Belgium	G	100.00%				●	
CMI Maintenance Nord SAS	France	G	100.00%				●	
CMI Maroc SARLAU	Morocco	G	100.00%				●	
CMI MCF SAS	France	G	100.00%				●	
CMI Muon SAS	France	G	100.00%				●	
CMI M&W Engineering GmbH	Germany	G	100.00%			●		
CMI Proserpol SAS	France	G	100.00%			●		
CMI Sud SCI	France	G	100.00%				●	
CMI Tech 3i SAS	France	G	100.00%				●	
CMI Tech 5i Luxembourg Sarl	Luxembourg	G	100.00%				●	
CMI Tech 5i Pastor SAS	France	G	100.00%				●	
CMI Traction SA	Belgium	G	100.00%				●	
CMI UVK GmbH	Germany	G	100.00%			●		
Agueris SAS	France	G	60.00%		●			
Alpha Industries SAS	France	G	51.00%			●		
Amcec Inc	United States	G	99.96%			●		
Amplast Corp	United States	G	99.96%			●		
Aquaged Nord Sarl	France	G	100.00%			●		
Aquion SAS	France	G	100.00%			●		
Balteau SA	Belgium	G	100.00%			●		
Biopolym Agro et Hydrotechniques Sarl	France	G	100.00%			●		
Campus Cockerill SAS	France	G	100.00%					●
CERI Phoenix Industrial Furnace Co Ltd	China	E	20.00%			●		
CERI Yangzhou Metallurgical Science and Technology Industry Ltd	China	E	20.00%			●		
Dupuy SASU	France	G	100.00%			●		
EMS SA	Belgium	G	69.50%				●	
EPPI Sarl	France	G	100.00%				●	
JV Corbelin SCI	France	G	100.00%			●		
Mitry Moryce SCI	France	G	100.00%			●		
MR11000 SAS	France	G	100.00%			●		
Neyrtec Enviro Inc	Canada	G	100.00%			●		
Nicou Environnement SA	France	G	100.00%			●		
Praytech Maroc Sarl	Morocco	E	50.00%				●	
Sleti SAS	France	G	96.15%			●		
Solustep SAS	France	E	50.00%			●		
Ventacid Hongrie Kft	Hungary	G	99.96%			●		
Wuhan Cockerill Engineering and Technology Co Ltd	China	E	49.00%			●		

G=Globale E=Equivalence

Non-consolidated companies at 31 December 2015

Company	Country	% ownership	Energy	Defence	Industry	Services	Corporate
CMI Chile Ltd	Chile	95.00%	●				
CMI Cockerill Argentina SA	Argentina	95.00%	●				
CMI Defence Polska SPZOO	Poland	100.00%		●			
CMI Defesa Participações SA	Brazil	100.00%		●			
CMI Iberica SL	Spain	100.00%			●		
CMI India Engineering Pvt Ltd	India	99.99%			●		
CMI Powerindo SE	Indonesia	45.00%					
CMI Services	France	100.00%				●	
Base de Baronville	Belgium	46.00%		●			
JD'C Innovation SAFS	Belgium	24.85%		●			
RHE America LLC	United States	50.00%			●		

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The Communication Department thanks all those who contributed, to a greater or lesser degree, to the making of this activity report.

Ce rapport d'activités est également disponible en français sur demande à communication@cmigroupe.com

CMI also publishes a financial report containing all the financial data in IFRS format. This financial report is available in French and English on request at group.finance@cmigroupe.com

Information on the CMI Group is available in other languages at www.cmigroupe.com

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CMI Solutions for every market

CMI designs, installs, upgrades and services equipment for energy, defense, steel-making, the environment and other industry in general. CMI assists clients throughout the whole of the life-cycle of their equipment in order to improve the economic, technical and environmental performance of this equipment.

When technology inspires people

The benefits of CMI are numerous: a unique combination of expertise in engineering, maintenance and the management of international technical projects, a vast geographic and technological scope, and an ability to innovate in accordance with the concrete needs of its customers.

CMI numbers 4 700 experienced employees in Africa, Brazil, China, Europe, India, New Caledonia, Mexico, Russia and the United States.

Designing the equipment of the future

Proud of its past and aware of its own capacities to invent the processes of the future, CMI intends to contribute to meeting the challenges of today's society and to generate sustainable industrial progress for the benefit of its customers, employees, the communities in which it is established, and the planet.

*CMI, ever more reliable,
efficient equipment,
and more respectful
of the environment.*



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